



**CENTRE FOR AMBITION**  
(An Institute for Civil Services)

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### Open to framing law on euthanasia, says Centre

The centre recently said that it is ready to frame a **statutory law on passive euthanasia**. However, it said its “**hands are stayed**” because of a **pending litigation in the Supreme Court on mercy killing**. This was stated in the recently filed affidavit by the Ministry of Health and Family Welfare in the Supreme Court.

### What is Passive Euthanasia?

It is the act of **withdrawing medical treatment with deliberate intention** of causing the death of a terminally-ill patient.

Significance of this affidavit:

This provides the first clear insight into whether the Government considers euthanasia as manslaughter or an act of mercy.

### Details:

- The Ministry of Health and Family Welfare is considering changes based on the recommendations made by an expert panel. The expert panel constituted for this purpose has made changes and cleared the formulation of legislation on passive euthanasia after extensive debates, from July 2014 to June 2015.
- The committee has however refused on legalising ‘active euthanasia’ – an intentional act of putting to death a terminally-ill patient – on the grounds that this would lead to potential misuse and is practised in “very few countries worldwide”.
- It should be noted here that this issue is under the consideration of a Constitution Bench of the Supreme Court since February 2014. Hence, the centre has said that its hands are tied.

### Background:

- The debate over this topic is 14 years old. Several draft Bills have been formulated in the last 14 years. The debate on legalising and regulating euthanasia began with a Lok Sabha private member’s Bill – The **Euthanasia (Regulation) Bill, 2002** – which was examined by the Health Ministry.
- The debate kick-started again four years later, following the 196<sup>th</sup> **Law Commission Report on euthanasia and**

**the drafting of the Medical Treatment of Terminally Ill Patients (Protection of Patients and Medical Practitioners) Bill, 2006.**

- But the Ministry’s experts under the Director General Health Services took a stand against euthanasia for reasons that it amounted to “**intentional killing**” and against the Hippocratic oath.
- The Government even viewed euthanasia as an **act against progressive medical science’s objective to rehabilitate and treat patients**. It observed that death may be a fleeting desire arising out of transient depression and doctors should not fall for the patient’s wish to escape suffering by embracing death.
- However, the Government’s perceptions about euthanasia changed in 2011 when the Supreme Court issued comprehensive guidelines allowing passive euthanasia in the tragic case of the bed-ridden former Mumbai nurse Aruna Shanbaug. In her case the staff of KEM Hospital took care of her till her natural death last year.
- The apex court’s guidelines, accepted by the Government, led to the Law Commission’s **241<sup>st</sup> Report recommending a re-look at passive euthanasia in 2012.**
- The Law Commission subsequently took full two years to draft a new law on the subject – The Medical Treatment of Terminally Ill Patients (Protection of Patients and Medical Practitioners) Bill. The Ministry had received the draft Bill in April 2014 and begun its task to fine-tune the law.

### Marshall Islands sue Britain, India and Pakistan over nuclear weapons

The Marshall Islands have sued India, Pakistan and Britain, and have sought to persuade the UN’s highest court to take up a lawsuit, accusing the countries of failing to halt the nuclear arms race.

- In this regard, the International Court of Justice s hannonced dates for separate hearings for the three cases between March 7 and March 16.

### Details:

- In the cases brought against India and Pakistan, the court will examine whether the tribunal based in The Hague is competent to hear the lawsuits.

- The hearing involving Britain will be devoted to 'preliminary objections' raised by London. A decision will be made at a later date as to whether the cases can proceed.

#### Background:

- In 2014, the Marshall Islands – a Pacific Ocean territory with 55,000 people – accused nine countries of “not fulfilling their obligations with respect to the cessation of the nuclear arms race at an early date and to nuclear disarmament”. They included China, Britain, France, India, Israel, North Korea, Pakistan, Russia and the United States.
- Eight of the nine countries originally targeted in the lawsuits have officially admitted to possessing a nuclear weapon. Israel has never acknowledged having one, though observers believe it is the sole nuclear-armed nation in the Middle East.
- The government, based in the Marshall Islands capital of Majuro, said by not stopping the nuclear arms race, the countries continued to breach their obligations under the Nuclear Non-Proliferation Treaty (NPT) – even if the treaty has not been signed by countries such as India and Pakistan.
- The Marshall Islands government says it had decided to sue the world's nuclear heavyweights as it has a particular awareness of the dire consequences of nuclear weapons. Between 1946 and 1958 the United States conducted repeated nuclear tests in the Marshall Islands.
- But the court has only admitted three cases brought against Britain, India and Pakistan because they already recognised the ICJ's authority.

In March 2014 the Marshall Islands marked 60 years since the devastating hydrogen bomb test at Bikini Atoll that laid waste on the island and exposed thousands in the surrounding area to radioactive fallout. The 15-megatonne test on 1 March, 1954 was part of the intense cold war nuclear arms race and 1,000 times more powerful than the atomic bomb dropped on Hiroshima.

#### 'Not paying bribes in India is a competitive disadvantage'

A survey of 141 Swedish companies based in India has revealed that country's investment climate has worsened compared with last year and corruption is one of the main deterrents for doing business.

#### What else the survey notes?

- One out of three companies surveyed state that 'not paying bribes' is a **competitive disadvantage**.

- A slow roll out of reforms including the Goods and Services Tax, import restrictions, high customs duties and red-tape at the lower levels of bureaucracy and restrictive labour laws, are the other main hurdles.

- 52% of the companies surveyed consider the current business climate to be 'very favourable' (lower than the last year's 60%), while 76% view it as 'favourable' (lower than 80% last year).

- Eight out of 10 companies, the same as last year, are looking to increase their investments in the coming three years.

- High inflation, increased labour costs, delay in receiving payments, and long and complex sales processes are among the main factors impacting cost-advantage negatively.

- Swedish companies are also looking forward for an early conclusion of the India-European Union free trade agreement (FTA) negotiations, saying the pact was crucial for boosting Swedish investments to India.

The survey also notes that despite a dampening of the sentiment, companies will continue to invest.

#### 'Visa on arrival' to attract Japan, Korea investors

The government has decided to give “**visa on arrival**” to the **business community of Japan and South Korea** as of now. It should be noted here that Prime Minister Narendra Modi in December 2015 had announced that all Japanese citizens would get “visas on arrival”.

- This is being done keeping in mind the “Make in India” policy of the government and to make India an attractive destination for investors from the two countries.

#### Details:

The government has clarified that the facility will be available at designated airports from March 1 and not all categories of visa would be included in the scheme immediately. It has decided to make the country investor-friendly and hence first extend the facility to business and conference visa seekers. Other categories like research and medical are not being included as of now.

#### What is “Visa on Arrival”?

A visa on arrival facility means that an applicant would not have to wait for days to travel to India. It will cut red tape and an applicant would be informed within three days through e-mail whether he or she can travel to a destination in India.

### **Government may ask central bank to consider roads as a priority sector**

The Road Transport and Highways Ministry has decided to approach the Reserve Bank of India (RBI) Governor Raghuram Rajan with a proposal to include road projects under the priority sector list for lending purposes.

- The road sector is important in supporting the economic growth and nation building and hence the ministry has decided to take this route.

### **What is 'Priority Sector'?**

The banks provide a certain portion of 'priority sector' lending in the form of small value loans to farmers for agriculture, micro and small enterprises, poor people for housing, students for education and low income groups and weaker sections.

- At present, 40% of loans given by banks should go to priority sectors defined by the RBI. Out of this, 18% should go toward agriculture lending.

### **Review NPA:**

The Union government has also decided to ask the RBI to ease non-performing asset norms for bank loans to revive projects.

- It may ask the RBI to not classify bank loans as NPAs if the project has failed to take off beyond two years from its original date of commencement.
- This move is necessary to revive Rs. 40,000-crore worth of highway projects that have not taken off due to bureaucratic delays and cost overruns.

### **NPAs:**

- At present, bank loans, extended for infrastructure projects, become NPAs if the project has been delayed for two years from its original schedule even for reasons beyond the control of promoters such as land acquisition approvals.

### **Additional funding:**

The government may also ask the RBI to allow banks to infuse more funds into projects facing cost overruns due to delays. At present, the RBI guidelines allow banks to fund additional interest during construction of projects and other cost overruns up to 10% of the original project cost.

### **Amendment to Juvenile Justice law challenged**

A petition has been filed in the Supreme Court challenging the constitutional validity of the new law passed by

Parliament allowing suspects aged 16 years of age and above to be tried as adults if they commit heinous offences such as rape and murder.

- The petition has also sought the court to judicially review Section 15 of the 2015 Act which provides an option for a juvenile offender aged above 16 to be tried as an adult if the Juvenile Justice Board gives its consent on a preliminary inquiry.

### **Why?**

- The petition contends that the Juvenile Justice (Care and Protection of Children) Act, 2015 is arbitrary and in violation of the fundamental right of right to equality enshrined in Article 14 of the Constitution.
- The petition argues that the Act focuses on punishment of juveniles rather than the stated constitutional objective of all juvenile laws, which is care and protection. The statute further violates the letter and spirit of the U.N. Convention on the Rights of the Child.

### **Background:**

The Juvenile Justice (Care and Protection of Children) Act, 2015 came into force on 15th January, 2016. The new Act repealed the Juvenile Justice (Care and Protection of Children) Act, 2000.

- The Juvenile Justice (Care and Protection of Children) Bill, 2015 was passed by Lok Sabha in May, 2015 and by Rajya Sabha in December, 2015 and received Presidential assent on 31st December, 2015.

### **Some of the key provisions include:**

- The Act clearly defines and classifies offences as petty, serious and heinous, and defines differentiated processes for each category. Keeping in view the increasing number of serious offences being committed by persons in the age group of 16-18 years and recognizing the rights of the victims as being equally important as the rights of juveniles, special provisions are incorporated in the Act to tackle heinous offences committed by individuals in this age group.
- It establishes a statutory status for the Child Adoption Resources Authority (CARA).
- It also proposes several rehabilitation and social integration measures for institutional and non-institutional children. It provides for sponsorship and foster care as completely new measures.
- Mandatory registration of all institutions engaged in providing child care is required according to the Act.

- New offences including illegal adoption, corporal punishment in child care institutions, the use of children by militant groups, and offences against disabled children are also incorporated in the legislation.
- The new law gives the Juvenile Justice Board the power to assess whether the perpetrator of a heinous crime aged between 16 and 18, had acted as a 'child' or as an 'adult.' The board will be assisted in this process by psychologists and social experts.
- It strikes a fine balance between the demands of the stakeholders asking for continued protection of rights of juveniles and the popular demand of citizens in the light of increasing incidence of heinous crimes by young boys.

### U.S. considers re-merger of India, Pakistan desks

Seven years after the State Department was restructured to 'de-hyphenate' U.S. relations with India and with Pakistan, it is considering a reversal of the move.

#### De-hyphenating:

De-hyphenating refers to a policy started by the U.S. government under President Bush, but sealed by the Obama administration, of dealing with India and Pakistan in different silos, without referring to their bilateral relations.

- The de-hyphenation policy of the U.S. was crystallised when the SRAP was set up in 2009 soon after President Barack Obama had taken over, with the appointment of Richard Holbrooke.

#### How it helped the US?

It enabled the U.S. to build closer military and strategic ties with India without factoring in the reaction from Pakistan, and to continue its own strategy in Afghanistan with the help of the Pakistan military without referring back to India.

#### Latest developments:

The US is now considering a proposal to re-merge the office of the Special Representative for Afghanistan and Pakistan (SRAP) back with the Bureau of South and Central Asia (SCA) that handles India, the rest of the subcontinent and Central Asian republics.

#### Why India opposed being included in SRAP?

- Inclusion of India in SRAP would make the US third party in India-Pak disputes.
- It would also make India indirectly support US policy on Afghanistan.

It should however be noted here that this move is an internal matter of the U.S. government and India has no say in this.

#### Is it good for India?

- Some experts argue that such merger would bring the US on board as the third party in India-Pakistan talks, which would undermine the authority of India.
- However, few people argue that such merger would be good for both the countries as it would introduce a balance between the two.

#### Let's register sex of foetus, says Maneka

Union minister Maneka Gandhi recently said that sex determination test should be made compulsory to track women pregnant with a girl child as a measure to check female foeticide. With this she has kicked up a controversy.

- It is a well-known fact that prenatal sex determination has often resulted in female foeticide.

#### But, why she said so?

Since it is really not feasible to go around trying to catch every ultrasound technician for revealing the foetal gender to parents in violation of the PCPNDT Act, she said, reversing this strategy could help prevent female foeticide.

- According to this strategy, the moment a woman gets pregnant, the gender of the child should be found out and the mother should be informed about it. And immediately this should be registered in public records and then the government can track which pregnancies are carried to full term.
- Further, since the gender is already known, and given the law, families would be compelled to go through with the pregnancy especially when the foetus is female.

#### Problem with the current strategy:

Currently India's strategy to combat declining sex ratios hinges on the PCPNDT Act (the Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994), which prohibits ultrasonography for the purpose of determining the sex of the foetus.

#### Supreme Court recalls notice to Arunachal Pradesh Governor

The Supreme Court has recalled its order (requiring Arunachal Pradesh Governor J.P. Rajkhowa to respond why he recommended President's rule in the sensitive border State), saying it made a "mistake" by not realising that Governors

have “**complete immunity**” and are **not answerable to courts for acts done in their official capacity**.

### Background:

Recently, the court issued notice on a petition by Rajesh Tacho, chief whip of the Congress Legislature Party, contending that the Governor and the Centre played a fraud on the Constitution and President’s rule should be quashed.

### What the constitution says?

- **Article 361 (1)** of the Constitution gives the President and the Governor **protection from legal action**.
- Under the Article, both the President and the Governor of a State “**shall not be answerable to any court**” for acts **done in performance of their powers and duties**.

It should be noted here that this immunity has been upheld the constitution bench of the supreme court in 2006 in the Bihar Assembly dissolution case concerning Governor Buta Singh.

### Way ahead:

However, such immunity to the governor does **not take away the power of the supreme court to examine the validity of his action on the ground of mala fide**. Hence, the court will go ahead and validate the governor’s recommendations and their relevance to the imposition of President’s rule.

### Do you want to break away from the Union, court asks Gujarat

The Supreme Court recently reproached some states, including Gujarat, for laxity in implementing the National Food Security Act, and questioned their adherence to the federal scheme. This was based on a PIL which sought implementation of the National Food Security Act.

- Nine states and two Union territories have so far not implemented this legislation, but Gujarat earned the apex court’s wrath as its name topped the list of the defaulting states.
- It’s more than two years since the Parliament passed the National Food Security Act (NFSA) which seeks to provide basic food requirements of poor in the country.

### Gujarat’s scenario:

- Despite high economic growth rate, Gujarat ranks poorly in human development index and malnutrition among women and children is substantially high in the state. As

per the government’s own figures, almost 50 % women and 45% children suffer from malnutrition in the state.

However, the Gujarat state government has told that it is at the final stage of implementing the law and that consultation was going on.

About the National Food Security Act, 2013:

Also called as the **Right to Food act**, this act aims to provide subsidized food grains to approximately two thirds of India’s 1.2 billion people. It extends to the **whole of India**.

### Salient features:

- 75% rural and 50% of the urban population are entitled for three years from enactment to five kg food grains per month at 3 Rupees, 2 Rupees, 1 Rupee per kg for rice, wheat and coarse grains (millet), respectively.
- The states are responsible for determining eligibility.
- Pregnant women and lactating mothers are entitled to a nutritious “take home ration” of 600 Calories and a maternity benefit of at least Rs 6,000 for six months.
- Children 6 to 14 years of age are to receive free hot meals or “take home rations”.
- The central government will provide funds to states in case of short supplies of food grains.
- The state government will provide a food security allowance to the beneficiaries in case of non-supply of food grains.
- The eldest woman in the household, 18 years or above, is the head of the household for the issuance of the ration card under this Act.
- There will be state- and district-level redress mechanisms and State Food Commissions will be formed for implementation and monitoring of the provisions of the Act.
- The poorest who are covered under the Antodaya yojana will remain entitled to the 35 kg of grains allotted to them under the mentioned scheme.

### ‘Trans-Pacific pact may impact exports’

Commerce Minister Nirmala Sitharaman has expressed concerns over the mega-regional free trade pact led by the U.S. and including 11 other Asia-Pacific countries, also called as the **Trans-Pacific Partnership (TPP)**.

**Why?**

- The TPP has set very high standards for the international trading regime. And hence, this pact is likely to indirectly impact India's exports in several industrial sectors such as textiles, plastics, leather, clothing, cotton and yarn.
- Besides it is also expected to affect the country's regime on investment, labour standards, intellectual property rights (IPR) and government procurement and State-owned enterprises (SOE).

Challenges posed by the TPP could be similar to those experienced by India post the 1991 economic liberalisation.

**Other concerns:**

- The investor-State dispute settlement mechanism adopted by the TPP was also a concern from India's point of view.
- Some of the TPP standards were higher than that of the WTO norms, including on IPR and possible ever-greening of patents, which could hurt India's pharma sector.
- The operations and the production methods of India's public sector units (or SOEs) could also be constrained due to the TPP
- Several Indian export sectors such as cotton and yarn could be affected as trade may be diverted to the TPP region due to its benefits of low or nil duties.
- And hence this would prompt Indian companies to invest in the TPP-region countries and start producing from there.

**Background:**

The TPP agreement (which India is not a part of) was reached in October last year and the member countries have two years to ratify the pact.

**Way ahead:**

In this regard, the External Affairs Ministry would soon do a study in the context of TPP and inform the government what the priorities should be in terms of policy-making in the next six months. In the meantime, the Indian government will have to consider improving the country's standards in areas such as labour laws by holding stakeholder consultations.

**About the Trans-Pacific Partnership:**

- The Trans-Pacific Partnership is headed by the US and includes Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.
- The agreement covers 40% of the world's economy.

- It would set new terms for trade and business investment among the United States and 11 other Pacific Rim nations.
- It would phase out thousands of import tariffs as well as other barriers to international trade.
- It also would establish uniform rules on corporations' intellectual property, open the Internet even in communist Vietnam and crack down on wildlife trafficking and environmental abuses.

**TRAI for PPP model for Bharat Net Project**

TRAI has recommended PPP model for the roll out of the Bharat Net project that has been marred by delays.

**Why this model?**

TRAI notes that rural broadband provision is prone to market failures as well as government failures (as is evident by the slow implementation of National Optical Fibre Network or NOFN), and hence employing a PPP-based model to expand broadband coverage is the only other viable option.

**TRAI's proposal:**

- A PPP model that aligns private incentives with long-term service delivery in the vein of the Build-Own-Operate/Transfer/Build-Operate-Transfer models of implementation be the preferred means of implementation.
- The concessionaire's should be handed over task of deployment and implementation of the optical fibre cable and other network infrastructure as well as operating the network during the period of contract. Concessionaires shall be entitled to proceeds of revenue from dark fibre and/or bandwidth.
- The regulator has also suggested that contract period should be of 25 years, which can be further extended in block of 10, 20 or 30 years.
- TRAI has also said that the task of rolling out broadband network should be given to a concessionaire selected through reverse bidding. The funding should be done to bridge the loss incurred due to higher operational expenses and lower commercial accruals.

**About Bharat Net Project:**

Bharat Net seeks to connect all of India's households, particularly in rural areas, through broadband by 2017, forming the backbone of the government's ambitious Digital India programme.

- It proposes broadband connectivity to households under village panchayats and even to government institutions at district level.

### U.K. grants 'gene editing' licence

Britain has granted its first licence for the genetic modification of human embryos as part of research into infertility and why miscarriages happen. This move is likely to raise ethical concerns.

- The decision makes **Britain one of the first countries in the world to grant this type of authorisation for experimentation on human embryos**, although similar research has been carried out in China.

#### Details:

- The company which has received licence is planning to modify the embryos using a technique known as CRISPR-Cas90.
- The company plans to find the genes at play in the first few days of fertilization when an embryo develops a coating of cells that later become the placenta.
- According to the company, the embryos to be used in the research are ones that would have been destroyed, donated by couples receiving In-Vitro Fertilisation (IVF) treatment who do not need them. The embryos will not become children as they must be destroyed within 14 days and can only be used for basic research.

**However, critics have warned about the potential of designer babies.**

### 'Woman having child through surrogacy entitled to maternity leave'

Recently, the Bombay High Court ruled that a woman who has attained motherhood through a surrogacy procedure is entitled to six months maternity leave like any other woman. The court ruled that a mother enjoys the same benefits of maternity leave as any other working woman under the Child Adoption Leave and Rules. There is nothing in the rules that disentitles maternity leave to a woman who has attained motherhood through surrogacy procedure.

### Zika (Update)

After the World Health Organization (WHO) designated the Zika virus and its suspected complications in newborns as a public health emergency of international concern, the Union Health Ministry of India has sounded an alert for Zika and appointed the **National Centre for Disease Control (NCDC)** as the **nodal agency** for investigation of any outbreak of the viral infection in India.

### About the National Centre for Disease Control:

- It is an institute under the Indian Directorate **General of Health Services, Ministry of Health and Family Welfare**.
- It was established in July 1963 for research in epidemiology and control of communicable diseases.
- It was previously known as National Institute of Communicable Diseases.

#### Background:

Zika virus disease is an emerging viral disease transmitted through the bite of an infected Aedes mosquito. This is the same mosquito that is known to transmit infections like dengue and chikungunya.

- World Health Organisation has reported 22 countries and territories in Americas from where local transmission of Zika virus has been reported.
- Microcephaly in the newborn and other neurological syndromes (Guillain Barre Syndrome) have been found temporarily associated with Zika virus infection.

### China revamps military command structure

In a major military reform, Chinese President Xi Jinping recently reorganised four army headquarters by replacing them with 15 new agencies under the **Central Military Commission (CMC)** headed by him, tightening his control over the world's largest force.

- The overhaul is aimed at moving away from an army-centric system towards a Western-style joint command in which the army, navy and air force are equally represented.
- This is part of major reforms initiated by Xi to revamp the 2.3 million-strong and the world largest military, the People's Liberation Army (PLA).

#### Details:

- The new structure includes new commissions – discipline inspection, politics and law and science and technology – as well as the general office.
- The reform includes formation of five more divisions, administration, auditing, international cooperation, reform, organisational structure and strategic planning.
- There are six new departments, joint staff, political work, logistical support, equipment development, training, and national defence.

- According to the new changes, the Eastern, Western, Northern, Southern and Central theatre commands will focus on joint combat. The CMC will exercise overall political, supervisory and administrative control over the armed forces.
- The unified joint command system will end the army dominated set up with more role for airforce and navy.

### Govt sets up 2 panels to ensure consistency in tax policies

With a view to bring about consistency in taxation policy, Finance Ministry has set up two committees – one under Finance Minister and other under Revenue Secretary. The two committees would start functioning from April 1, 2016.

#### The two committees are:

1. Tax Policy Council (TPC)
2. Tax Policy Research Unit (TPRU)

#### TPC:

- It will be headed by the Union **Finance Minister** and will take important policy decisions.
- The TPC would have nine members – Minister of State for Finance, NITI Aayog Vice-Chairman, Commerce Minister, Chief Economic Advisor and Finance Secretary. It would also have secretaries from the department of Revenue, DEA, DIPP and Ministry of Commerce.
- The TPC aims to have a consistent and coherent approach to the issue of tax policy and will look at all the research findings coming from TPRU and suggest broad policy measures for taxation.

#### TPRU:

- It will be headed by the Revenue Secretary and will be a multi disciplinary body.
- TPRU will carry out studies on various topics of fiscal and tax policies and assist the TPC in taking appropriate policy decisions.
- TPRU will prepare for every tax proposal an analysis of legislative intent, expected increase/decrease in tax collection and economic impact.
- TPRU will comprise of officers from CBDT, CBEC as well as economists, statisticians, researchers and legal experts.

Taxation proposals of the two boards will be sent to the Finance Minister separately.

#### Background:

- The decision to constitute these committees is based on the recommendation of the Tax Administration Reform Commission (TARC) that have in its First Report, identified handling of tax policy and related legislation as one of the areas in need of structural modifications.
- Right now this is handled in the CBDT and the CBEC. Independently of the two boards, the Tax Research Unit (TRU) and Tax Policy and Legislation (TPL) wings also send proposals to the union Finance Minister.
- To bring consistency, multidisciplinary inputs, and coherence in policy making, the TARC had recommended that a Tax Council supported by a common Tax Policy and Analysis (TPA) unit should be established to cater to needs of both direct and indirect taxes.
- It also had recommended that Comprising tax administrators, economists, and other specialists such as statisticians, tax law experts, operation research specialists and social researchers should be set up for both the boards.

#### RBI relaxes FDI norms to boost start-ups

The Reserve Bank of India (RBI) has relaxed several rules including foreign direct investment norms to boost start-up activity in the country.

#### New norms:

- Now, start-ups are allowed to receive foreign venture capital investment irrespective of the sector in which they operate. Currently only Venture Capital Funds (VCF) and Indian Venture Capital Undertakings (IVCU) are eligible to raise foreign venture capital investments.
- The new norms will enable transfer of shares from foreign venture capital investors to other residents or non-residents.
- The process of dealing with delayed reporting of foreign direct investment (FDI)-related transaction has also been simplified by building a penalty structure into the regulations itself.
- RBI has also tried to address the regulatory difficulties being faced by the promoters of a start-up by proposing to permit receipt of deferred consideration and enabling an escrow/indemnity arrangement. These clauses are generally insisted upon by an investor and the regulatory restrictions (under the current regime) acts as a roadblock for the start-ups.

RBI has also indicated that certain proposals are being considered and consulted with the government. These proposals include, permitting start-up enterprises to access rupee loans under External Commercial Borrowing (ECB) framework with relaxations in respect of eligible lenders, issuance of innovative FDI instruments like convertible notes by start-up enterprises and streamlining of overseas investment operations for start-up enterprises.

### **New U.S. rule a blow to Indian pharma exporters**

The U.S. government has come out with a new set of rules for the pharma sector, under which it is now mandatory for Active Pharmaceutical Ingredients (APIs) to be manufactured locally. At present, nearly 80 per cent of drug raw material requirement is met by India or China.

- This move is expected to further inflate prices of drugs in the United States.

Implications of this decision:

- The decision has already sent Indian pharmaceutical exporters into a tizzy, as it will significantly impact Indian drug exports.
- The new decision will affect the Indian companies which have subsidiaries in the U.S. that procure APIs from their Indian counterparts and make the finished product in the U.S.
- This would also seriously impact availability and prices of medicines in the United States. As of now, nearly 80% of the U.S. requirement for APIs is imported and due to these norms, the U.S. government procurement prices will go up significantly.

### **Practice so far:**

- So far, U.S.-based companies were allowed to procure Active Pharmaceutical Ingredients (APIs) from countries like India and China, make the fixed formulations (final product) in the U.S. and sell the drugs to the U.S. government.
- It is also worth noting that Indian companies are not allowed to quote for government contracts in the U.S. since India is not a signatory to the WTO's government procurement agreement.

### **Way ahead:**

- The issue also comes at a time when Indian API exports have been slowing down. Hence, Pharmexcil — India's pharmaceutical Export Promotion Council — has approached the Commerce Ministry, requesting authorities to intervene and resolve the issue.

- The commerce ministry has assured that it will take up this issue with the U.S. shortly. It said the government would first try to resolve this issue bilaterally, failing which it would consider approaching the World Trade Organisation's dispute settlement panel.

### **Companies Law Committee submits report to Government**

The Companies Law Committee — constituted in June 2015 to make recommendations on the issues related to implementation of the Companies Act, 2013 — has submitted its report to the Government.

- After extensive consultations with stakeholders and exhaustive deliberations, the Committee has proposed changes in 78 sections of the Companies Act, 2013 which, along with consequential changes, would result in about 100 amendments to the Act.

- The recommendations cover significant areas of the Act, including definitions, raising of capital, accounts and audit, corporate governance, managerial remuneration, companies incorporated outside India and offences/penalties.

### **Key recommendations:**

- The overall managerial remuneration payable by a public company should not exceed 11% of the net profits of that company except with the approval of the shareholders and the Central Government. Similar approvals are required for companies having inadequate or no profits.
- The report recommends simpler regulatory regime by proposing removal of government approval for managerial remuneration with few additional disclosures. This would be in sync with international practices and reduce procedural delays.
- The report recommends removal of restrictions on layering of subsidiaries since it was likely to have a substantial bearing on the functioning, structuring and the ability of companies to raise funds. Effectively, companies will be permitted to make investment through more than two layers of investment companies as per the report.
- The Act specifies that an independent director must not have or had any pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year. Even minor pecuniary relationships were covered due to this provision even though such transactions may not impact independence of directors. The report proposes to introduce a threshold for pecuniary relationships in

relation to qualification for an independent director. This would further ease the implementation of provision for appointment of independent director by companies.

- Threshold has been proposed for punishment for fraud to avoid misuse of provision; frauds involving amounts below specified limits which do not involve public interest to be given differential treatment and compoundable. Penalty/fine proposed to be reduced in case of non-compliance with various sections of the Act.
- The Committee also recommended certain changes specifically for encouraging start-ups which include reducing compliance burden on account of private placement procedure, permitting start-ups to raise deposits for its initial five years without any upper limits, to issue ESOPs to promoters working as employees etc.

The definitions of various terms are proposed to be amended / clarified:

A **subsidiary company** is defined as a company in which holding company controls the composition of the board of directors or exercise or controls more than one-half of the total share capital.

Similarly the term **associate company** would be defined to clarify that it covers company in which other company has a significant influence i.e. control of at least twenty percent of the total voting power or control of or participation in taking business decisions under an agreement.

**Joint venture** would be construed in the same manner as under Indian Accounting Standard 28 and would facilitate convergence.

#### IS threat: Maharashtra rolls out deradicalisation plan

To face the challenges posed by various home-grown extremists and the global Islamic State (IS) terrorists, Maharashtra state government has rolled out a **deradicalisation programme** for the minority community.

- The plan, brought out by the State Home Department, is a 50-point **socio-economic strategy** with the aim of 'bringing youth of the minority community into the mainstream' and making coordinated efforts and policies in 13 sectors, including education, sports, urban planning, law and order, skill development, women and child, social justice, and health.

#### Details of the plan:

- The proposed responses drawn up against the threat of **home-grown extremism include**: plans to teach religious texts from all sects in minority schools and teaching merits of democratic States and demerits of

dictatorships as a separate chapter in the Urdu textbooks.

- The plan aims to create an environment of solidarity and trust among the minority, and envisages different departments undertaking various schemes to reach out to the minority, implement a scheme a year, while setting aside 15% of their funds for the same.
- The State police has been directed to deal with religious extremism in the strictest possible manner. Individuals and organisations disturbing communal harmony, spreading propaganda on social websites and services, will also be dealt with strongly.
- The cops have been told to identify and reduce any feeling of communalism within the force and reach out to the minority community and win their hearts at all costs.
- As per this plan, the State Education Department will launch a mid-day meal scheme in Urdu schools, provide textbooks at subsidised rates, and teach Urdu as optional subject in 300 Marathi shalas (schools).

#### Way ahead:

- The state government has approved the proposal and passed a government resolution on it.

However, Muslim scholars have criticised the efforts to label the community as radicalised.

#### Indian firm develops Zika vaccine candidates

Vaccines manufacturer Bharat Biotech has announced a breakthrough in developing the world's first Zika vaccine.

- The company has already filed for global patent of two vaccine candidates – a **recombinant vaccine** and **inactivated vaccine** – for Zika virus.

#### Details:

- An **inactivated vaccine** consists of the disease-causing microbe killed with chemicals, heat or radiation.
- A **recombinant vaccine** is produced through the recombinant DNA technology. This involves inserting the DNA encoding an antigen that stimulates an immune response.
- While the recombinant vaccine might take time, the pre-clinical testing of the inactivated vaccine in animals would be completed in five months.

Work on Zika vaccine project was actually started in 2014 and the patent was filed in July 2015.

**Way ahead:**

The normal process for a vaccine to get commercialised would take seven years, including the clinical trials. But, the company has announced that it could make available the inactivated vaccine in two years if the Indian Government fast-tracked the regulatory approvals once the pre-clinical trials proved to be successful.

The World Health Organisation has declared Zika and its suspected link to birth defects a global health emergency. More than 20 countries in Latin America have reported an outbreak and a rare case of the Zika virus being transmitted through sex has been reported in Texas, USA.

**Instructions on OROP implementation issued**

The government has released detailed instructions and tables on the implementation of One Rank One Pension (OROP) scheme.

- This is a follow-up to the notification on OROP issued in November 2015.

**Financial implications:**

- According to the notification, the annual recurring cost of the scheme would be Rs.7,500 crore, pushing the total Defence budget for pensions from Rs.54,000 crore to around Rs.65,000 crore. And the arrears for 18 months from July 2014 to December 2015 would be Rs.10,900 crore.
- According to the government, 86% of the total expenditure on account of OROP would benefit jawans and Junior Commissioned Officers.

The government in its order has said that the payment of arrears and revision of pension under OROP will be made by the Pension Disbursing Authorities in four instalments, except for family pensioners and pensioners in receipt of gallantry awards who will be paid arrears in one instalment.

**Way ahead:**

- It should however be noted here that the OROP notification has already been rejected by ex-servicemen who say it is in violation of the accepted definition.
- In December, the government appointed a one-man judicial commission headed by Justice L.Narasimha Reddy, former Chief Justice of Patna High Court, to look into the issues arising out of the implementation and the report to be submitted in six months.

**One-rank one-pension scheme:**

This is a scheme which will ensure that soldiers of the same rank and the same length of service receive the same pension, irrespective of their retirement date. In simple words, it demands equal pensions for those who have retired in one particular year, as those who retire in another year at the same position, and for the same duration of services rendered. The difference in the pension of present and past pensioners in the same rank occurs on account of the number of increments earned by the defence personnel in that rank.

**Coal linkages to steel, aluminium, cement sectors only via auction**

The Cabinet Committee on Economic Affairs (CCEA) recently decided to provide Coal linkages to non-regulated sectors such as steel/sponge iron, cement and aluminium **only through auctions**.

- The government has indicated that the auction of coal linkages will be transparent and creates a level-playing field, Coal and Power.

**Benefits:**

- The auction ensures all market participants have a fair chance to secure the coal linkage, irrespective of their size.
- It also attempts to ensure an optimal allocation of coal across user industries and geographies.

**Cabinet approves formation of Joint Venture Companies with State Governments**

The Union Cabinet has given its approval for allowing the Ministry of Railways to form **Joint Venture Companies** with the State Governments to mobilize resources for undertaking various rail infrastructure projects in States.

**Details:**

- The Joint Venture Companies would be formed with equity participation of Ministry of Railways and concerned State Governments.
- Each Joint Venture (JV) would have an initial paid up capital of Rs. 100 crores based on the quantum of projects to be undertaken.
- The Ministry of Railways' initial paid-up capital will be limited to Rs. 50 crore for each State.
- Further infusion of fund/equity for the purpose of the projects shall be done after approval of the project and its funding at the level of appropriate competent authority.

- The JV can form project-specific SPVs with equity holding by other shareholders like Banks, ports, public sector undertakings, mining companies etc.

### Why JV?

- Joint Venture exercise would ensure greater participation of State Governments in implementation of Railway Projects both in terms of financial participation as well as decision making process.
- This will also facilitate in faster statutory approvals and land acquisition.
- With this, various cement, steel, power plants etc. would also get the necessary rail link for transportation of their raw material and finished products.

### New Chief Justice of Gujarat High Court

Shri Justice **Ramayyagari Subhash Reddy**, Judge of the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh has been appointed Chief Justice of the Gujarat High Court.

- He has become the first judge to be elevated as Chief Justice of a High Court since April 13, 2015 when the government had brought into force the National Judicial Appointments Commission Act, which had overturned the collegium system of appointing judges.

### Pandian appointed AIIB Vice-President

Former chief secretary of Gujarat **D J Pandian** has been appointed vice-president and chief investment officer of the newly-created Asian Infrastructure Investment Bank (AIIB).

#### AIIB:

- The China-led AIIB was formally set up in Beijing on December 25, 2015.
- AIIB was set up to boost lending for infrastructure projects.
- With authorised capital of USD 100 billion and subscribed capital of USD 50 billion, AIIB will invest in sectors such as energy, transportation, urban construction and logistics as well as education and healthcare.
- China, India and Russia are the three largest shareholders, taking 30.34 per cent, 8.52 per cent, 6.66 per cent stake, respectively, in the newly-formed bank.
- Their voting shares are calculated at 26.06 per cent, 7.5 per cent and 5.92 per cent, respectively

### Appellate Board order

The Intellectual Property Appellate Board (IPAB) has ordered issue of the '**Geographical Indication**' tag for basmati rice grown in the Indo-Gangetic Plains on the foothills of the Himalayas.

- This means north Indian Basmati rice-producing states like Punjab, Haryana, Himachal Pradesh and Uttarakhand and parts of Uttar Pradesh and Jammu & Kashmir will get the GI tag.
- The board observed, "Basmati rice has been one of the fastest growing export items from India in recent years and in view of the paramount national interest, it is imperative to protect Basmati rice as a geographical indication."
- The order comes seven years after APEDA initiated steps to protect and get GI recognition for Basmati cultivated in the IGP. This will preserve the unique identity of the aromatic rice in the international markets.

#### Background:

Originally, the Agricultural and Processed Food Products Export Development Authority (APEDA), the **statutory authority functioning under the Union Ministry of Commerce and Industry**, had applied for registration of GI basmati rice in its favour in May 2010. But various other organisations and associations in several States, including Madhya Pradesh, opposed it, seeking to be granted the GI tag for the produce from their area.

- And in December 2013, the GI Registry had asked APEDA to include all areas where basmati is cultivated and submit an amended application including Madhya Pradesh, Rajasthan and Bihar. APEDA appealed against that order as diluting the GI application will be against the interest of Basmati growers in traditional areas.
- A host of rice exporters, NGOs and growers associations from Madhya Pradesh who opposed APEDA's stand appealed to IPAB.
- Even a Basmati Growers Association from Pakistan opposed addition of new areas such as Madhya Pradesh.
- However, the IPAB has upheld APEDA's appeal and ordered the GI Registry to give GI recognition within four weeks based on the application filed by APEDA.
- IPAB has also said that the claim of Basmati farmers and exporters for including Madhya Pradesh can be considered afresh by the GI Registry and a decision be taken within six months.

- But, it dismissed the Pakistan Basmati Growers Association's objections to including Madhya Pradesh.

**Basmati:**

- Basmati is special long grain aromatic rice grown in a particular geographical region of the Indian sub-continent. Historically, Basmati was a product of undivided India with a recorded history of over 200 years.
- In 2014-15, India exported 37 lakh MT of Basmati Rice to the world worth Rs. 27,597.87 crore and is the world's leading exporter of the rice, according to APEDA.
- India exports a major quantity of basmati rice to Saudi Arabia, Iran, United Arab Emirates, Iraq and Kuwait.

**GI tag:**

**What is it?**

**GI status is an indication that identifies goods as produced from a particular area, which has special quality or reputation attributable to its geographical origin.**

**GI registration confers:**

- Legal protection to the products.
- Prevents unauthorised use of a GI by others.
- Helps consumers get quality products of desired traits.
- Promotes economic prosperity of producers of goods by enhancing demand in national and international markets.

**GI registration is essential to get protection in other countries.**

**Examples:**

Nearly 200 unique goods have been registered as GIs in India. Some of the examples of GI are Mysore Silk, Mysore Agarbathi, Kancheepuram Silk, Orissa Ikat, Channapatna Toys & Dolls, and Coimbatore Wet Grinder. Products sold with the GI tag get premium pricing also.

**SC revisits anti-defection law**

The Supreme Court has started hearing arguments on the **anti-defection law**, which disqualifies MPs for crossing the floor.

**Background:**

- The issue cropped up after Amar Singh and Jaya Prada, who were members of the Rajya Sabha and the Lok Sabha, respectively, moved the court on their expulsion from the Samajwadi Party on February 2, 2010, anticipating ouster from Parliament.
- As per the interpretation of the anti-defection law by the Supreme Court in 1996 in Vishwanathan case, a member elected, or nominated, by a political party continues to be under its control even after expulsion.
- However, the expelled members felt that this impinged upon their fundamental rights, including their rights to equality.
- They had contended that they have landed in a piquant situation as expelled members and apprehended disqualification under the anti-defection law if they chose to defy party's whip on any issue in Parliament.
- The two leaders had then sought interim stay on any possible action against them in case they decided to vote in favour of Women's Reservation Bill to which the SP was fiercely opposed to. And the apex court in November 2010, had directed that no action shall be taken against Amar Singh and Jaya Prada under anti-defection law in the event of their defying a party whip.
- Now, the apex court has felt that the judgement in the Vishwanathan case was not clear on certain aspects of the anti-defection law and hence, it has decided to have a fresh look.
- The expelled members consider that the apex court's interpretation of the Tenth Schedule of the Constitution impinged upon fundamental rights of the expelled members, including their rights to equality, free speech and expression and life under articles 14, 19 and 21 respectively.

**Way ahead:**

The apex court has heard preliminary arguments and has posted the case for February 12.

The anti-defection law:

The **10th Schedule to the Constitution**, popularly referred to as the '**Anti-Defection Law**,' was inserted by the **52nd Amendment in 1985**.

- The grounds for disqualification are mentioned under **Articles 102 (2) and 191 (2)**.

### A Member of Parliament or state legislature is deemed to have defected:

- When the elected member voluntarily gives up his membership of a political party.
- If he votes or abstains from voting in such House contrary to any direction issued by his political party or anyone authorised to do so, without obtaining prior permission.
- Independent members would be disqualified if they joined a political party.
- Nominated members who were not members of a party could choose to join a party within six months; after that period, they were treated as a party member or independent member.

### Exceptions under the Law:

- Any person elected as speaker or chairman could resign from his party, and rejoin the party if he demitted that post.
- A party could be merged into another if at least two-thirds of its party legislators voted for the merger.

The law initially permitted splitting of parties, but that has now been outlawed.

### No nod for GM mustard now

The government has assured that the commercial release of the genetically modified mustard will not be approved without due process. In this regard, the **Genetic Engineering Appraisal Committee (GEAC)** has put on hold any decision on it for now.

- The government has also promised the agitating activists that before taking any decision they will be consulted.
- The GEAC, the **apex body to accord approval for large-scale use and commercial release of genetically modified organisms in India**, discussed safety issues of GM mustard's application, but refrained from taking a final decision.
- However, the government has said that it could not stop research as it might have long-term implications on food security issues.

### Background:

- The GM variant, called DMH11 (Dhara Mustard Hybrid 11), is said to deliver 25-30% higher mustard-seed yields compared to the best "check" varieties currently being grown in the country.

- The hybrid went through Biosafety Research Level-1 (BRL-1) tests in 2011-12 and 2012-13, in Rajasthan, under the coordination of the National Research Centre for Rapeseed-Mustard at Bharatpur, and BRL-2 tests at the Indian Agriculture Research Institute in Delhi and the Punjab Agricultural University in the 2014-15 season.

- The institute sought a final approval from the GEAC in December for "environmental release" of the crop. But even before the application process was initiated, anti-GM NGOs and activists cutting across ideological lines began protests, in a recreation of the agitation against Bt brinjal, also a GM crop, in 2010.

- In 2010, Bt brinjal had got the final approval from the GEAC but the then Environment Minister Jairam Ramesh put an indefinite moratorium on that decision which still holds. In the case of Mustard DMH11, the GEAC put off its decision by at least a few months.

### Way ahead:

- The government has now indicated that the introduction of GM crops would happen only if other avenues of increasing production were not available.
- The GEAC has prepared a time-bound "roadmap" for taking a final decision on DMH11 mustard that involves holding public consultations as well. If the roadmap is followed, the hybrid would be back to the GEAC for approval by the end of May.

However, the activists are of the opinion that in a state where mustard consumption is high, the use of the hybrid crop can give rise to quality issues and have adverse health effects.

### What is a GM crop?

A GM or transgenic crop is a plant that has a novel combination of genetic material obtained through the use of **modern biotechnology**.

- For example, a GM crop can contain a gene(s) that has been artificially inserted instead of the plant acquiring it through pollination.
- The resulting plant is said to be "genetically modified" although in reality all crops have been "genetically modified" from their original wild state by domestication, selection, and controlled breeding over long periods of time.

### Potential benefits of GM plants:

- Higher crop yields.      ▪ Reduced farm costs.
- Increased farm profit.

- Improvement in health and the environment.

#### Potential risks:

- The danger of unintentionally introducing allergens and other antinutrition factors in foods.
- The likelihood of transgenes escaping from cultivated crops into wild relatives.
- The potential for pests to evolve resistance to the toxins produced by GM crops.
- The risk of these toxins affecting nontarget organisms.

#### Heritage development projects for Andhra Pradesh, Telangana approved

Ministry of Urban Development has approved projects worth over Rs.12 cr for improving tourist infrastructure in heritage places of Amaravati in Andhra Pradesh and Warangal in Telangana.

- The approval in this regard was given by an inter-Ministerial HRIDAY National Empowered Committee.
- Funds sanctioned will be used for developmental works at 1000 Pillar Temple and Kazipet Durgah and rejuvenation of pond at Padmakshi Temple in Warangal city and other monuments in Amaravati.

Amaravati and Warangal are among the 12 cities included in the Heritage Development and Augmentation Yojana (HRIDAY) for improving the social, cultural and economic ecosystems by augmenting necessary infrastructure with the objective of conserving the rich cultural heritage and enabling better facilities for tourists and pilgrims.

#### About HRIDAY:

The National Heritage Development and Augmentation Yojana (HRIDAY) aims to preserve and rejuvenate the rich cultural heritage of the country.

#### Details:

- It is a Rs. 500-crore project for reviving the heritage of 12 cities including Varanasi, Mathura, Gaya, Dwarka and Puri.
- It seeks to promote an integrated, inclusive and sustainable development of heritage sites, focusing not just on maintenance of monuments but on advancement of the entire ecosystem including its citizens, tourists and local businesses.
- With 32 UNESCO recognized natural and cultural heritage sites, ranking second in Asia and fifth in the world, the

tourism potential of the country is still to be fully harnessed and this scheme will help in this regard.

- Central government will meet the entire expenditure under the scheme. But, the states and local urban bodies are requested to supplement their resources for rapid development of heritage cities.
- The project will work through a partnership of Government, Academic Institutions and local community combining affordable technologies.
- The 12 cities selected for the scheme are Ajmer, Amritsar, Amravati, Badami, Dwarka, Gaya, Warangal, Puri, Kanchipuram, Mathura, Varanasi and Velankanni.

#### PMKVY completes 10 lakh enrolments under Skill India, 70% have completed their skill trainings since its launch

Pradhan Mantri Kaushal Vikas Yojana (PMKVY), the flagship of **Ministry of Skill Development and Entrepreneurship** has completed 10 lakh enrolments under the scheme.

#### Key facts:

- The scheme has been implemented by **National Skill Development Corporation (NSDC)** through a network of 1012 training partners affiliated to the scheme.
- Till today, the scheme has seen 10,28,671 enrolments under 382 active job roles out of which 70% have already completed their trainings.
- The scheme has been implemented across all 29 states and 6 union territories of the country, and covered 596 districts and 531 constituencies.
- The states which reflect maximum enrolments under PMKVY are Uttar Pradesh, Tamil Nadu, Madhya Pradesh, West Bengal and Andhra Pradesh while the sectors which saw maximum enrolments are Logistics (135615), Agriculture (90489), Electronics (82903), Beauty and Wellness (72316), Retail (65901) and Automotive (61846).

#### Pradhan Mantri Kaushal Vikas Yojana (PMKVY):

This is the flagship scheme for skill training of youth to be implemented by the Ministry of Skill Development and Entrepreneurship through the National Skill Development Corporation (NSDC). The scheme will cover 24 lakh persons.

- Skill training would be done based on the National Skill Qualification Framework (NSQF) and industry led standards.

- Under the scheme, a monetary reward is given to trainees on assessment and certification by third party assessment bodies. The average monetary reward would be around Rs.8000 per trainee.
  - The scheme would be implemented through NSDC training partners. Currently NSDC has 187 training partners that have over 2300 centres. In addition, Central / State Government affiliated training providers would also be used for training under the scheme.
  - Focus under the PMKVY would be on improved curricula, better pedagogy and better trained instructors. Training would include soft skills, personal grooming, behavioral change for cleanliness, good work ethics. Sector Skill Councils and the State Governments would closely monitor skill training that will happen under PMKVY.
  - Skill Development Management System (SDMS) would be put in place to verify and record details of all training centres a certain quality of training locations and courses.
  - Biometric system and video recording of the training process would be put in place where feasible.
  - A robust grievance redressal system would be put in place to address grievances relating to implementation of the scheme. An online citizen portal would be put in place to disseminate information about the scheme.
- recommendations and enhanced allocations to public investment to keep the economy on a growth path.
- The Budget does have the benefit of large savings on fuel subsidy due to lower oil prices. But, this alone is not sufficient. Hence, to fill the gap, the government might have to raise additional taxes or resort to borrowings.
  - But, the path of raising taxes or borrowing to fund increased expenses will adversely impact debt, currency and equity market. Instead smartly monetising assets from land, natural resources and spectrum to investment in Specified Undertaking of UTI's (SUUTI's) will positively impact markets.
- In this regard, few experts have put forth the following proposals to raise resources to accelerate economic recovery and reassure investors on fiscal stability.
- **Rationalise inverted duty structure** wherever it exists by taxing finished goods at higher duty than raw materials.
  - The Government collects lots of data on many transactions such as buying of automobiles. Empower a private company to analyse that data and other publicly available information like social media to assist tax regulators to **improve tax compliance**.
  - **Improve asset utilisation** over asset hoarding. **Incentivise faster conversion from land to affordable houses** by taxing vacant land and unoccupied premises. Use that tax proceeds to give special incentive for buying of affordable houses so that multiplier effect of higher demand benefits sectors such as cement, housing finance company and construction workers.
  - **Launch a fast track settlement mechanism for disputed taxes** to increase revenue collections. Excess manpower can be deployed from fighting time consuming litigations to widening of tax base and improved compliance. Fear of law through better monitoring can improve India's Tax to GDP ratio from African nations to Southeast Asian nation levels.
  - **Introduce super rich tax including wealth tax and succession tax** to mobilise revenue and narrow social divide. Globally estate tax is levied on common citizens. Let the rich share tax burden like the salaried class.
  - **Levy two per cent wealth tax on gold holding above a minimum level including on that held by temples.** Give exemption for investment in Gold Monetisation Scheme so that domestic gold gets recycled. We must reduce our annual net gold imports of \$22 billion. Let domestic saving support our investment and job creation.

### Chettinad cotton saree wins Indian Handloom tag

The **Chettinad cotton saree** has won the 'India Handloom' tag for its unique designs and identity.

- In this regard, the Textiles Committee, Union Ministry of Handlooms and Textiles, Mumbai, has registered the Chettinad cotton saree under the India Handloom Brand Scheme after checking various quality parameters stipulated by the Standard Operating Procedure (SOP) and offered a logo.

The Chettinad saree inherits the intricacies of now out-of-vogue and over a century-old 'Kandangi' pure silk sarees. The sarees are already popular in few North Indian states in the country and are also popular in other countries such as Malaysia and Singapore.

### Raise resources through monetisation rather than taxes or borrowing

This year, India will have to face many challenges in sticking to the fiscal consolidation roadmap as the expected revenues may not be fully realised and subsidy cuts may be delayed. And the government is also finding it difficult to manage the conflict of financing additional expenses of Rs.1 lakh crore for implementation of Seventh Pay Commission

- **Curb the menace of black money in real estate and gold through improved governance.** Appoint an appropriately empowered private company to buy real estate including land at declared value on behalf of government and monetise it. They should be incentivised with a large profit share. The entire flow of black money in real estate will come to a serious halt with swift execution of such measure. Track video recording of buyers making cash payment at jewellers to curb black money role in gold.
- **Tax super rich farmers on agriculture income and cap their fertilizer subsidy like LPG subsidy for rich people.** A start can be made by voluntary giving up of subsidy like LPG subsidy.
- **Encourage creative destruction by providing incentives to scrap old automobiles above certain age.** Government's spend on such old vehicles will be far lower than taxes on replacement demand. The economy will benefit by way of lower pollution, better fuel efficiency and more jobs in auto sector.
- **Reduce the dependence on foreign savings by encouraging Indian savings to move from gold to bank deposits and mutual fund units.** Introduce "Jan Nivesh" Yojana on the lines of the immensely successful Jan Dhan Yojana. It should encourage ease of doing investment by single KYC, simple documentation and appropriate distributor incentives.
- **Encourage retail investors to participate in PSU divestment through exclusive tax incentive.** Incentives given will be far lower than divestment proceeds and will help in spreading equity cult among retail investors.

#### Plan to scrap income tax gets high-level hearing

A Pune-based tax research outfit, Arthakranti, has come out with a proposal to revamp the taxation system in India. The outfit, in its proposal, seeks to **abolish income tax and over 30 local, State and Central taxes.**

- In this regard, the outfit recently gave a presentation before a sub-group of Secretaries set up by Prime Minister Narendra Modi.

#### Details of the proposal:

- It advocates **replacing the present tax system with a single 2% levy per receipt in bank accounts** and recommends that just import duties be retained from the present system.

- The proposal envisages a system that does not tax consumption or income, as is the case now, but the **"velocity of money"**.
- The proposal is aimed at reducing corruption and eliminating the cost of compliance for taxpayers.
- The outfit has estimated that the levy it is proposing can be collected through the banking channel rather than the tax collection authorities.

#### Benefits:

- Without leading to a loss of revenue, it will plug tax evasion and avoidance.
- Arthakranti's calculations show that the 2% tax will yield Rs. 40,00,000 crore.

This is not the first time such a proposal has been received by the Centre. Several governments have earlier discussed plans to abolish income tax but rejected them.

#### JP Nadda Launches Project Sunrise in Manipur

Union Minister of Health and Family Welfare Jagat Prakash Nadda recently launched Project Sunrise in Manipur.

#### About Project Sunrise:

Project Sunrise is a **five** year programme aimed at complementing the ongoing **National AIDS Control Programme (NACP)** which is to primarily improve coverage, quality and scale of HIV interventions among People Who Inject Drugs (PWID) in eight North East States.

- Activities of the project are to be implemented through the existing system in close co-ordination with State AIDS Control Societies (SACS) in the North-Eastern states.
- National Human Resource reduction strategy will be a part of the project and will be implemented in five years. Approximate cost of the project is Rs 70 crore.
- In the entire North East States, the project will be implemented in 20 districts. The Central Government is funding the NACO projects and the amount would be transferred directly to the State AIDS Control Society through NACO.
- Project Sunrise will implement more customized flexible approach so as to increase the availability and accessibility to clean needles and syringes through secondary distributors such as Government health care facilities, preferred healthcare providers, non-traditional outlets and peer volunteers.

- The programme also includes lower threshold strategies to improve Opioid Substitution Therapy (OST), coverage and sensitization workshops for law enforcing officials. It also includes HIV intervention in prison settings.
- The programme also aims to strengthen linkage with Ministries and Government Departments, community mobilization, intervention among Female Injecting Drug Users (FIDU), Intervention Among Spouses of PWID, establishment of Real Time Monitoring (RTM) system, Implementation of innovative approaches such as community based HIV-testing, safe disposal of used needles and syringes etc.

### With Zika, Indian firm scales up trials for 'GM mosquitoes'

Gangabishan Bhikulal Investment and Trading Ltd. (GBIT), a sister company of the Maharashtra Hybrid Company (Mahyco), is planning to scale up trials to find out whether genetically engineered mosquitoes can be a useful tool to check the growth of the insect.

- It should be noted here that GBIT was the company that first brought Bt cotton to India.

#### Details:

- Now, GBIT has been breeding male mosquitoes. These mosquitoes contain genes which when passed on to its progeny render them unable to mature unless they have access to **tetracycline**, a **compound that is not naturally available in the environment**.
- **Benefits:** The idea is that once enough of these laboratory-bred mosquitoes mate with the disease-carrying females in an open environment, they would reduce the region's mosquito population.

#### Way ahead:

- The technology is already being tested in Malaysia and Brazil, which has seen the highest number of Zika cases.
- According to GBIT scientists, international evidence so far shows the strain can reduce the number of mosquitoes in a place by 90% in three or six months.

According to the company, such tests would progress quickly as the life span of the *Aedes aegypti* mosquito was 15 days. The company is also expected to ask the take the government's permission to start larger trials later this year.

#### TRAI rules in favour of Net neutrality

TRAI has ruled against **differential pricing for data services in a major support to Net Neutrality**. The TRAI ruling can

be seen as a blow to Facebook's Free Basics, Airtel Zero and other similar data services which offered access to some websites and content for free.

- TRAI has ruled against differential pricing in order to keep the Internet open and non-discriminatory for users.

#### Highlights of the order:

- TRAI has ruled that no service provider shall offer or allow discriminatory pricing for data services based on content.
- It has ruled against any arrangement or agreement between any service provider or any person that adheres to differential pricing for data services.
- TRAI has allowed for special reduction of tariff for accessing or providing emergency services during times of public emergency. The authority has asked for the same to be reported within seven working days.
- The telecom regulator has ruled that if a service provider is found violating the regulation, there will be a penalty of Rs 50,000 for each day of contravention, subject to a maximum of Rs 50 Lakhs.
- TRAI has also exempted intranets or closed communication networks from this regulation, but has added a caveat saying if a closed network is used for the purpose of evading these regulations then the prohibition will definitely apply.
- TRAI has stated that it may review the regulation after two years.

#### Background:

The regulator and Facebook have been at loggerheads over the issue with the authority terming the social networking giant's attempt to lobby for its Free Basics initiative a "crude" attempt at turning the consultation over differential pricing of data services into an "orchestrated opinion poll" on Free Basics. Facebook had partnered with Reliance Communications in India to offer Free Basics service. However, the services were put in abeyance, post a **TRAI order to this effect**.

- Critics had argued that allowing access to a select few apps and web services for free violates the principle of net neutrality – the principle that all websites and data on the Internet should be treated as equal.

#### Significance of this order:

The TRAI notification favoring net-neutrality is in line with what was seen in the US in 2010 when FCC favoured an 'Open

Internet' and then came up with an 'Open Internet order' in early 2015.

- The European Union also ruled in favor of treating all Internet traffic equally. Though some of their amendments allowed for differentiation and have been a subject of intense criticism.

### Way ahead for the government:

Now, it is up to the government to find innovative ways to actually get all citizens access to this Internet as India's ranking in universal broadband access is abysmally poor and the digital divide continues to widen.

Way ahead for the Telecom Service Providers:

Telecom service providers may not be happy with this notification. However, they still have the ability and freedom to create different kind of Internet access packages; as long as content is not a parameter to provide or bar access to anyone.

- Such practices have already started elsewhere with products such as bandwidth on demand, bandwidth calendaring etc. to create premium products. Obviously, it will require changes in network and operations but that's where the telecom roadmap goes.

### Delhi's air not worst in India: CPCB data

CPCB has published **air quality indices (AQI)** for 24 cities across India for the month of January. AQI help in comparing pollution levels at a glance with a colour code and a numerical value.

#### Highlights:

- The reports suggests that in January, while air quality indices in Varanasi, UP and Muzaffarpur, Bihar had 'severe' values of 409, Delhi scored a 'very poor' with 362.
- Faridabad was worse with an AQI values of 399.
- Bengaluru, Haldia and Panchkula are the only three cities out that had moderate air quality during the period.

In India, **AQIs are determined** based on the **concentrations of 7 pollutants**, including PM2.5 (fine, respirable particles), sulphur dioxide (SO<sub>2</sub>), nitrogen dioxide (NO<sub>2</sub>) and carbon monoxide (CO).

### Lack of 'suitable' jobs holding back women employment

A report by the **International Labour Organization** has placed India at 120<sup>th</sup> position among 131 countries on **women labour participation**.

Reasons for low participation:

- The report blames a "**jobs deficit**" for the decline in female labour force participation over the past decade.
- It says a scarcity of "**suitable job opportunities**" outside farming and close to the place of residence are the main reasons why fewer women have joined the workforce.
- A culturally patriarchal society and rising family incomes, which allow more women to stay at home, are also to be blamed.

### What the NSSO data says?

According to National Sample Survey Office (NSSO), employment surveys, women participation rates in India fell sharply after 2004-05. Between 2004-05 and 2010-11, women labour participation in rural areas fell 12-14% points. To a large extent, this was because of a fall in agricultural employment.

- In the preceding five years (1999-00 to 2004-05), women participation had firmed up, increasing by roughly 14.6 million. Economists have argued this increase was in response to rural distress. Agricultural growth during these years had slowed to less than 2% annually, putting pressure on farm incomes. This prompted women's entry into labour force, boosting household incomes.

- The situation reversed after 2004-05. The conventional explanation for reversal rests on the "**income effect**". With rural incomes steadily increasing because of a combination of rising commodity prices and government support, female labour force participation fell sharply.

- According to the WHO, part of the decline could also be because women are staying in educational institutions for a longer period. Other reasons for their low participation include greater involvement in domestic duties and care work, poor skills training, lack of support for women entrepreneurs, occupational segregation and informality of work.

### RBI buys Rs 10,000 crore via OMOs

The Reserve Bank of India (RBI) recently bought Rs 10,000 crore of bonds through its **open market operations (OMOs)**. This is the third OMO purchase this financial year and fourth overall. The OMO was done to ease liquidity in the bond market.

**About OMOs:**

OMOs are the market operations conducted by the Reserve Bank of India by way of sale/ purchase of Government securities to/ from the market with an objective to adjust the rupee liquidity conditions in the market on a durable basis.

- When the RBI feels there is excess liquidity in the market, it resorts to sale of securities thereby sucking out the rupee liquidity.
- Similarly, when the liquidity conditions are tight, the RBI will buy securities from the market, thereby releasing liquidity into the market.

**Shri J P Nadda launches National Deworming initiative**

As part of the **National Deworming initiative** to benefit more than 270 million children, Union Minister for Health and Family Welfare J P Nadda on February 9<sup>th</sup>, 2016 launched the **2nd National Deworming Day** at a function in Telengana.

**Background:**

- The Ministry of Health and Family Welfare had **first launched National Deworming Day (NDD) in 2015** which was implemented in 11 States and Union Territories (UTs) covering all Government and Government-aided schools and Anganwadi centres **targeting children aged 1 to 19 years**.
- Now, the initiative will be extended to cover the whole country.

**Aim of the Initiative:**

It is aimed at protecting more than 24 crore children in the ages of **1-19 years from intestinal worms**.

- Through this initiative, the government aims to create mass awareness about the most effective and low-cost Soil- Transmitted Helminths (STH) treatment—administering **Albendazole tablets**.
- Along with Albendazole administration, behaviour change practices in terms of cleanliness, hygiene, use of toilets, wearing shoes/chappals, washing hands etc. is also important to reduce incidents of re-infection.

**About Intestinal parasitic worms:**

- They are large multicellular organisms, which when mature can generally be seen with the naked eye. They are also known as **Helminths**.
- They are often referred to as intestinal worms even though not all helminths reside in the intestines.

**Why this is a cause for concern:**

- Parasitic worms in children interfere with nutrient uptake, and can contribute to anaemia, malnourishment, and impaired mental and physical development.
- Parasitic worms have also debilitating consequences on the health and education of children, and on their long-term earning potential
- According to the 2012 report 'Children in India', published by the Ministry of Statistics and Programme Implementation, 48% of children under the age of 5 years are stunted and 19.8% are wasted, indicating that half of the country's children are malnourished.

**Significance of this initiative:**

- School-based mass deworming program is safe, cost-effective, and can reach millions of children quickly.
- Deworming has also been shown to reduce absenteeism in schools; improve health, nutritional, and learning outcomes; and increase the likelihood of higher-wage jobs later in life.

It should be noted here that India has the **highest burden of parasitic worms in the world**.

**Petroleum Minister releases Hydrocarbon Vision 2030 for North-East**

The Union Ministry of Petroleum and Natural Gas has released the Hydrocarbon Vision 2030 for north-east India.

- This vision document outlines steps to leverage the hydrocarbon sector for development of the North- East region.
- The Vision Document has been a focused and consultative exercise to develop a common and shared aspiration for benefiting people of the north east region.

The Vision **aims** at doubling Oil & Gas production by 2030, making clean fuels accessible, fast tracking projects, generating employment opportunities and promoting cooperation with neighbouring countries.

**Objectives of the vision document:**

- To leverage the region's hydrocarbon potential, enhance access to clean fuels, improve availability of petroleum products.
- To facilitate economic development and to link common people to the economic activities in this sector.

**Details:**

- The **states covered under this vision** include Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.
- The Vision rests on **five pillars**: People, Policy, Partnership, Projects and Production. For people, it foresees clean fuel access to households alongside fostering skill development and involvement of the local community.
- The policy focus areas include moderation in light of specific terrain and weather conditions of the region coupled with ensuring fund planning for new projects.
- As for partnership, the stress is on greater involvement of state governments in planning and implementation, and on boosting trade with neighbouring nations.
- In projects, the focus is on pipeline connectivity for carrying liquefied petroleum gas, natural gas, and petroleum products, oil and lubricants; building refineries and import links; and development of compressed natural gas highways and city gas distribution network.
- The production side emphases include production enhancement contracts, technology deployment and fast-track clearance, and development of service provider hubs.

**Obama launches cyber-security 'action plan'**

US President Barack Obama recently unveiled a new cyber-security "**national action plan**".

- The president has also called for an overhaul of aging government networks and a high-level commission to boost security awareness.

**Significance of this plan:**

- The announcement responds to an epidemic of data breaches and cyber attacks on both government and private networks in recent years, and passage last year of a cyber-security bill that aims to facilitate better threat sharing.
- The moves also come after disclosures last year that personal data from some 20 million federal employees, contractors and others had been leaked in a massive breach at the Office of Personnel Management.

**Details:**

- Under this plan, Mr. Obama has asked for \$19 billion for cyber-security efforts, a 35% increase from current

levels, with \$3 billion earmarked to help modernise the patchwork of computer systems used in government agencies.

- An executive order for creating a 12-member cyber-security commission to make recommendations to both the public and private sectors has also been issued. The panel is to issue a report to the President by December 1.

**Maharashtra tops Internet readiness index: report**

According to the recently released, '**Index of Internet Readiness of Indian States**', **Maharashtra has emerged as the top ranking state** in terms of the overall Internet readiness index, followed by Karnataka, Gujarat, Telangana and Tamil Nadu, according to a report released.

- The report was published by the Internet and Mobile Association of India (IAMAI) and Indicus Analytics.

**Performance of various states:**

- Among the smaller states, Delhi has emerged as the topmost state, followed by Puducherry and Goa.
- Even among the smaller states, those in northeast India do not figure among the top three. Hence, the report notes, much more needs to be done in the form of investment and infrastructure development in this region.
- Among the Union Territories, Chandigarh is ranked at the top in terms of Internet readiness index.

The report also notes that Internet readiness in this study is not limited to how industry-friendly each state is for investment in IT, but aims to give a more holistic picture of the digital ecosphere that presently exists in the states.

**About the Index:**

- The Internet readiness index is a composite index on components like e-infrastructure index, e-participation index, IT services and e-governance index.
- The purpose of the Internet Readiness report is to help business and governments to leverage the strength, and policy measures can also be taken where improvements are required.
- Given the rapid advancement in e-services and e-commerce, it is essential to understand the strengths and weaknesses of the states.

### **Beti Bachao Beti Padhao Scheme expanded in additional 61 districts**

The Ministry of Women and Child Development has expanded Beti Bachao, Beti Padhao scheme in additional 61 districts, covering 11 states.

- This expansion was recommended by the Standing Finance Committee (SFC) in its recently held meeting, after seeing the overwhelming response by stakeholders in the form of various initiatives and innovations.

#### **About the Scheme:**

- Beti Bachao Beti Padhao (BBBP) Scheme was launched in January, 2015 at Panipat in Haryana.
- The scheme is aimed at promoting gender equality and the significance of educating girls.
- The Scheme is targeted at improving the Child Sex Ratio through multi sectoral interventions including prevention of gender biased sex selection and promoting girls' education and her holistic empowerment.
- It is a tri-ministerial effort of Ministries of Women and Child Development, Health & Family Welfare and Human Resource Development.
- In the first phase, 100 districts with low Child Sex Ratio were selected for the Scheme implementation for creating awareness and advocacy about the issue.
- During the last one year, the BBBP Scheme is being implemented under the overall guidance and supervision of concerned District Magistrate/Deputy Commissioners.

### **India near bottom of intellectual property index**

The U.S. Chamber of Commerce in its **International Intellectual Property Index** has placed India at 37<sup>th</sup> position out of 38 countries.

- This report comes at a time when the government is close to finalising a National Intellectual Property policy to improve the IP regime, increase IP awareness and strengthen enforcement of rules.

#### **Details:**

- The list is topped by the US, which is followed by the UK, Germany, France and Sweden.
- India's peers in the BRICS grouping were all ranked ahead with Russia ranked 20th, China (22nd), South Africa (26th) and Brazil (29th).
- Venezuela occupies the last position in the index.

The report said Brazil, China, India, Indonesia, and Russia introduced or maintained policies that tie market access to sharing of IP and technology. Such forced-localization policies tend to undermine the overall innovation ecosystem and deter investment from foreign IP-intensive entities.

#### **Performance of India:**

- India remains at the bottom of the Index for the fourth year in a row.
- The report notes that India's score would have increased if the government had not suspended implementation of Final Guidelines for Computer Related Inventions (CRI).

#### **The report notes the following reasons for India's low rank:**

- Patent protection in India remains outside of international best practices.
- Indian law does not provide adequate enforcement mechanisms to effectively combat online piracy.
- Among India's key areas of weakness was the use of compulsory licensing (CL) for commercial and non-emergency situations, and the expanded use of CL being considered by the Indian government. CL relates to the government allowing entities to manufacture, use, sell or import a patented invention without the permission of the patent-owner.
- Another area of weakness was poor application and enforcement of civil remedies and criminal penalties.
- The fact that India was not party to major international treaties, like the Trans-Pacific Partnership agreement, was also a consideration.

#### **About the Index:**

The Index — produced by the Chamber's Global Intellectual Property Center (GIPC) — is based on 30 criteria critical to innovation including patent, copyright and trademark protections, enforcement, and engagement in international treaties.

- The 38 economies benchmarked in the 2016 Index accounts for nearly 85% of the global GDP.
- The Index was created so that countries such as India can hear directly from the business community on the IP-related issues important to them when considering investing in new markets.

**NATO, EU sign agreement on cyberdefense cooperation**

NATO and the European Union have signed an agreement to improve cooperation in cyberdefense.

- The technical agreement, in this regard, was signed at NATO recently between the NATO Computer Incident Response Capability (NCIRC) and the Computer Emergency Response Team of the European Union (CERT-EU).

**Details:**

- The agreement establishes a framework for emergency response teams from NATO and the EU to exchange information and share best practices.
- The cooperation will help both organizations better address the challenges of cyber attacks as they face similar challenges in protecting their networks against the growing threat of cyber attacks.

**Trivia:**

In a first of its kind deal, **UAE's national oil company Adnoc has agreed to store crude oil in India's maiden strategic storage and give two-thirds of the oil to it for free.** India is building underground storages in Visakhapatnam and Mangalore and Padur in Karnataka to store about 5.33 million tonnes of crude oil to guard against global price shocks and supply disruptions. Adnoc will use the facility as a warehouse for trading its oil

**National Framework for Elimination of Malaria**

The Union Health Minister recently launched the **National Framework for Malaria Elimination (NFME) 2016-2030**, which outlines India's strategy for elimination of the disease by 2030.

- This framework has been developed with a vision to eliminate malaria from the country and contribute to improved health and quality of life and alleviation of poverty.
- The NFME document is expected to serve as a roadmap for advocating and planning malaria elimination in the country in a phased manner.

**The objectives of the NFME are to:**

- Eliminate malaria from all low (Category 1-Elimination phase) and moderate (Category 2-Pre-elimination phase) endemic states/UTs (26) by 2022.
- Reduce incidence of malaria to less than 1 case per 1000 population in all States/UTs and the districts and malaria elimination in 31 states/UTs by 2024.

- Interrupt indigenous transmission of malaria in all States/UTs (Category 3-Intensified control phase) by 2027.

- Prevent re-establishment of local transmission of malaria in areas where it has been eliminated and to maintain malaria-free status of the country by 2030.

The milestones and targets are set for 2016, 2020, 2022, 2024, 2027 and 2030 by when the entire country has sustained zero indigenous cases and deaths due to malaria for 3 years and initiated the processes for certification of malaria elimination status to the country.

**Why we need to eliminate Malaria?**

- Eliminating Malaria will result in cutting down on expenditure on diseases control programme, and will help in reducing out-of-pocket expenditure too.
- It will also help to build systems to fight other mosquito-borne illnesses also.

**Way ahead:**

- While there are already diagnostic kits and medicines available everywhere, it is time to streamline the delivery mechanism for better outcomes.
- An enabled environment and necessary resources would remain critical to realize the objectives in the pathway to malaria elimination.

**Memorandum of Understanding (MoU) signed between Ministry of Railways and Governments of Telangana**

A Memorandum of Understanding (MoU) has been signed between the Ministry of Railways and State Government of Telangana for "Formation of Joint Venture Companies for Development of Railway Infrastructure in the State of Telangana"

- The MoU was signed in the backdrop of Railway Minister's Budget announcement regarding setting up of Joint Ventures with States for focused project development, resource mobilization, land acquisition, project implementation and monitoring of critical rail projects.
- This MoU is expected to put the execution of railways projects on fast track. So far, the ministry has signed 5 such MoUs with five different states.

**Salient Features of the MoU:**

- The MoU envisages formation of a Joint Venture companies having 51% stakes of the respective State Government and 49% stakes of Ministry of Railways. Thus, the JV companies shall be fully owned by the

Government. The companies will primarily identify projects and possible financing avenues in addition to Govt of India and the State Governments.

- After finances for a project are tied up, project specific SPVs or special purpose vehicles shall be formed. These SPVs can have other stake holders from Industries, Central PSUs, State PSUs etc. However, the JV companies shall be mandatory stake holders with minimum 26% shares in the SPVs.
- The ministry of Railways will sign a concession agreement of 30 years with the project SPV for safe and sound operation, revenue sharing and providing technical & marketing logistics to the SPV. The revenue sharing shall be based on already established formula being used for inter zonal apportionment of revenue.
- The most important aspect of this MoU is that the ownership of the land shall vest with the SPVs which is a departure from previous practice. This will give financial leverage to the company to exploit commercial potential of the land. This is likely to result in making project viable which are otherwise not viable.
- At the end of concession period, the railways will have option to take over the assets at a nominal price. This is largely in line with average codal life of the assets as most of the assets will need large scale replacement after 30 years.

### Physicists Detect Gravitational Waves From Violent Black-Hole Merger

After decades of effort, physicists have finally succeeded in detecting gravitational waves from the violent merging of two black holes in deep space.

- This confirms a key prediction of Albert Einstein's **General Theory of Relativity**.

#### Who detected?

These waves were detected by the scientists working with the gigantic optical instruments in the U.S. called LIGO [Laser Interferometer Gravitational-wave Observatory].

#### How?

Signals of gravitational waves emanated from two merging black holes located 1.3 billion light years away.

#### What does that mean?

That is to say, this cataclysmic event of two black holes merging occurred 1.3 b yrs ago, when multi-cellular organisms were just beginning to form on the Earth, the

gravitational waves from which are being received now on the Earth.

#### Previous evidences:

Indirect evidence for the existence of gravitational waves had been seen from the decaying orbital period of objects called binary pulsars — which Russel Hulse and Joseph Taylor discovered in 1974 and for which they were awarded the Nobel Prize in 1993.

#### About LIGO:

The observatory, described as “the most precise measuring device ever built,” is actually two facilities in Livingston, Louisiana, and Hanford, Washington. They were built and operated with funding from the National Science Foundation, which has spent \$1.1 billion on LIGO over the course of several decades.

- The project is led by scientists from the California Institute of Technology and the Massachusetts Institute of Technology, and is supported by an international consortium of scientists and institutions.

#### Way ahead:

This discovery may inaugurate a new era of astronomy in which gravitational waves are tools for studying the most mysterious and exotic objects in the universe.

#### Implications for India:

The biggest victory for the Indian gravitational wave astronomy community as a result of this discovery has been the in-principle approval from Prime Minister Narendra Modi for setting up of the Indian component of the advanced LIGO, which has been hanging fire for more than three years since the proposal was approved by the National Science Foundation (NSF), U.S.

#### What are Gravitational Waves?

Gravitational waves are the ripples in the pond of spacetime. The gravity of large objects warps space and time, or “spacetime” as physicists call it, the way a bowling ball changes the shape of a trampoline as it rolls around on it. Smaller objects will move differently as a result – like marbles spiraling toward a bowling-ball-sized dent in a trampoline instead of sitting on a flat surface.

#### Why they are useful?

These waves will be particularly useful for studying black holes (the existence of which was first implied by Einstein's theory) and other dark objects, because they'll give scientists

a bright beacon to search for even when objects don't emit actual light.

- With this, mapping the abundance of black holes and frequency of their mergers could get a lot easier.
- Since they pass through matter without interacting with it, gravitational waves would come to Earth carrying undistorted information about their origin.
- They could also improve methods for estimating the distances to other galaxies.

### Why it is difficult to detect these waves?

The reason that gravitational waves have been so difficult to detect is that their effects are tinier than tiny. In fact, the signals they produce are so small that scientists struggle to remove enough background noise to confirm them.

### Einstein's prediction:

Albert Einstein predicted gravitational waves in his general theory of relativity a century ago. Under this theory, space and time are interwoven into something called "spacetime". Einstein predicted that mass warps space-time through its gravitational force.

- When objects with mass accelerate, such as when two black holes spiral towards each other, they send waves along the curved space-time around them at the speed of light, like ripples on a pond.
- **The more massive the object, the larger the wave and the easier for scientists to detect.**
- **Gravitational waves do not interact with matter and travel through the Universe completely unimpeded.**

What are gravitational waves (Simpler explanation)?

Gravitational waves are disturbances in the fabric of spacetime. If you drag your hand through a still pool of water, you'll notice that waves follow in its path, and spread outward through the pool. According to Albert Einstein, the same thing happens when heavy objects move through spacetime.

- But how can space ripple? According to Einstein's general theory of relativity, spacetime isn't a void, but rather a four-dimensional "fabric," which can be pushed or pulled as objects move through it. These distortions are the real cause of gravitational attraction.
- One famous way of visualizing this is to take a taut rubber sheet and place a heavy object on it. That object will cause the sheet to sag around it. If you place a smaller object near the first one, it will fall toward the larger

object. A star exerts a pull on planets and other celestial bodies in the same manner.

- While the rubber sheet analogy is not an exact representation of how spacetime works, it demonstrates that what we think of as a void can be visualized as a dynamic substance. Any accelerating body should create ripples in this substance. But small ripples would fade out relatively quickly. Only incredibly massive objects—such as neutron stars or black holes—will create gravitational waves that continue to spread all the way to Earth.

### Wild pigs declared vermin in Uttarakhand for a year

Paving the way to cull wild pigs creating havoc in Uttarakhand, the Union environment ministry has declared them as "vermin" for a year.

### Why?

The state of Uttarakhand has reported harm to life and property, including large-scale destruction of agriculture, due to overpopulation of wild pig in areas outside forests. Hence, the central government has considered it necessary to balance local population of this species to mitigate the damage to human life, crops and other properties of the state for ensuring conservation of wildlife in forests.

### Implications:

Such a move will allow state authorities to carry out an extermination of wild pigs on a large scale without attracting penal provisions of the Wildlife (Protection) Act, 1972.

### About Wild Pig:

Wild pigs are a protected species under Schedule III of the Wildlife (Protection) Act. But if any wild animal poses a danger to human life or property (including standing crops on any land), or is so disabled or diseased as to be beyond recovery, the law allows for it to be hunted.

### Declaring wild animals vermin:

- Area with clear administrative boundary has to be defined in which notification is applicable.
- Wild animal species to be declared as vermin and reasons thereof have to be mentioned.
- Period for which notification is contemplated is to be stated.
- The basis of recommendation like study, consultation, expert opinion and surveys etc need to be mentioned.

## Review of Progress of Dam Rehabilitation and Improvement Project (DRIP)

The centre recently reviewed the progress of Dam Rehabilitation and Improvement Project (DRIP).

- Focusing on the need for continuous improvement in the capacities of implementing agencies (IAs) about 44 trainings have so far been conducted by the government wherein about 1500 officials have been trained.
- With a view of Dam safety institutional strengthening National Dam Safety Conferences have also been conducted with active participation of dam owners and operators, researchers, technology providers etc. from all parts of the country and also from abroad.
- The project has picked up substantial pace after a slow start which was on account of complex preparatory phase of the project.

The centre has noted that Tamil Nadu is holding down the overall DRIP progress, and has asked the implementing agencies (IAs) of Tamil Nadu to improve upon their performance.

### About DRIP:

DRIP is a project involving 9 implementing agencies (IAs) across seven states of India (Kerala, Madhya Pradesh, Orissa, Tamil Nadu, Karnataka, Uttarakhand, and Jharkhand) and targets rehabilitation of about 225 dam projects across the country.

### Madhya Pradesh Gets its First Mega Food Park

In order to give an impetus to the growth of the Food Processing Sector in Madhya Pradesh, the first Mega Food Park in the state promoted by M/s Indus mega Food Part Pvt. Ltd was recently inaugurated by the centre.

- A second Mega Food Park has also been sanctioned by the Ministry for the state, which will be ready in the next 24 to 30 months.

### Details:

- This Food Park has been set up with the project cost of Rs.127.70 crore in an area of 53.78 acres. It will have various facilities including Cold Storage, Dry Warehouse, Instant Quick Freeze, modern Quality Control lab and other processing facilities for fruits and vegetables.
- This Mega Food Park provides a modern infrastructure for arresting post-harvest losses of horticultural and non-horticultural produce and provides impetus to the growth of food processing sector in Madhya Pradesh.

- It will also help in providing better prices to farmers, reduce wastage of perishables, add value to agricultural produce and create huge opportunities for entrepreneurship and employment for the youth of the State.

- The Mega Food Park is expected to provide direct and indirect employment to about 6000 people and benefit about 25,000 to 30,000 farmers in its catchment area.

### Mega Food Parks Scheme:

The Scheme of Mega Food Park aims at providing a mechanism to link agricultural production to the market by bringing together farmers, processors and retailers so as to ensure maximizing value addition, minimizing wastages, increasing farmers' income and creating employment opportunities particularly in rural sector.

**Aim of the Scheme:** The Scheme is aimed at providing modern infrastructure facilities along the value chain from farm gate to the market with strong backward and forward linkages.

### How these parks operate?

- The Scheme has a cluster based approach based on a hub and spokes model. It includes creation of infrastructure for primary processing and storage near the farm in the form of Primary Processing Centres (PPCs) and Collection Centres (CCs) and common facilities and enabling infrastructure at Central Processing Centre (CPC).
- The PPCs are meant for functioning as a link between the producers and processors for supply of raw material to the Central Processing Centres.
- CPC has need based core processing facilities and basic enabling infrastructure to be used by the food processing units setup at the CPC. The minimum area required for a CPC is 50 acres.

The scheme is demand-driven and would facilitate food processing units to meet environmental, safety and social standards.

### Implementation and financial assistance:

- Mega Food Park project is implemented by a Special Purpose Vehicle (SPV) which is a Body Corporate registered under the Companies Act. State Government/ State Government entities/Cooperatives applying for setting up a project under the scheme are not required to form a separate SPV.
- The financial assistance for Mega Food Park is provided in the form of grant-in-aid at 50% of eligible project cost

in general areas and at 75% of eligible project cost in NE Region and difficult areas (Hilly States and ITDP areas) subject to maximum of Rs. 50 crore per project.

#### Benefits:

- Reduce post harvest losses.
- Maintainance of the supply chain in sustainable manner.
- Additional income generation for the farmers.
- Shifting the farmers to more market driven and profitable farming activities.
- It will be a one stop shop where everything will be available at a single location.
- This integrated food park will help reduce supply chain costs.
- It will also reduce wastage across the food value chain in India and improve quality and hygiene to create food products in the country.

#### Electronics Development Fund (EDF)

The government has launched the **Electronics Development Fund (EDF)** in collaboration with Canbank Venture Capital Fund Ltd.

- A formal announcement in this regard was recently made by the Communications and information technology minister Ravi Shankar Prasad by handing over the letter of commitment to the first group of daughter funds.
- With the launch of the fund, the government aims to develop the electronics system design and manufacturing sector to achieve “net zero imports” by 2020.

#### What is it?

- EDF is an initiative of Deity to create a “fund of funds” which will work with venture capitalists (VCs) to create funds, known as “daughter funds”, which in turn will provide risk capital to companies developing new technologies in the area of electronics, nano-electronics and information technology (IT).

#### Funding:

- The idea is that the EDF will put in 20% of the capital in daughter funds and the rest 80% will be invested by VCs. The daughter funds will then invest in companies, primarily start-ups.

#### Who will manage?

- Last September, Deity had appointed Canbank Ventures as the fund manager to house EDF.

#### What it does?

While promoting innovation, research and development, and product development within the country in the specified fields of electronics, nano-electronics and IT, the daughter funds will also support acquisition of foreign companies and technologies for products imported in India in large volume as well as focus on developing domestic design capabilities, thereby creating a resource pool of IP (intellectual property) within the country in the specified fields.

#### Background:

Prime Minister Narendra Modi had launched the EDF policy during the inauguration of Digital India Week on 1 July 2015. However, the idea of creating EDF was first proposed in the Draft National Policy on Electronics 2011.

It should be noted here that the EDF is different from Rs.10,000 crore micro, small and medium enterprises (MSME) fund which was announced in budget 2014 and the recently announced Rs.10,000 crore start-up fund.

#### Himalayan griffon spotted in Goa

Birdwatchers in Goa have reported spotting the rare **Himalayan griffon**, also known as **Himalayan vulture**.

- The Himalayan griffon was previously believed to belong to the upper Himalayas and was presumed to stray till the Gangetic plains at the most. But, in recent years the bird has been spotted even in southern states including Kerala, Karnataka and Andhra Pradesh.

#### Key facts:

- The Himalayan vulture or Himalayan griffon vulture is an Old World vulture in the family Accipitridae.
- It is one of the two largest Old World vultures and true raptors.
- Himalayan griffons do not breed in the first three years, and hence juvenile birds of the species do not remain in breeding grounds to avoid competition.
- The species has been listed as Near Threatened by the IUCN.
- It is also found in Kazakhstan, China, Afghanistan, Bhutan, Thailand, Burma, Singapore and Cambodia.

## Gujarat offers multiple incentives for new IT units

In a bid to promote Information Technology (IT) and IT-enabled services industry, the Gujarat government has announced a new policy that offers multiple incentives to those who set up IT parks and units in the State.

### Details:

- Under the new policy, the State is trying to increase investment in the IT sector by 10 times and scale up its turnover to \$15 billion and create a million jobs in the State.
- Under this policy, the government provides for a capital subsidy of Rs. 25 crore for the IT or ITES [Information Technology Enabled Services] Park, in addition to reimbursement of registration fees and stamp duty charges on land or office transactions, incentives on power tariff as well as reimbursement of electricity duty for the IT/ITeS units.
- To create job opportunities for the youth in Gujarat, those units claiming assistance under the policy will be required to take interns from colleges — at the rate of minimum one intern for every 20 employees — on payment basis.
- The policy also provides for reimbursement of Employees' Provident Fund (EPF) contribution for the new employment created during the policy period.

## Act against Devadasi system, SC tells States

The Supreme Court has directed Karnataka, Maharashtra, Andhra Pradesh and other states and Union Territories (UT) to implement strictly the Centre's advisory to check "undesired and unhealthy" practice of forcing young girls to serve as "Devadasis".

- The court recently took on record the advisory sent by the Home Ministry to all state governments.

### What is Devadasi system?

Devadasi system is a religious practice whereby parents marry a daughter to a deity or a temple. The marriage usually occurs before the girl reaches puberty.

- In recent decades, the practice has been used to push young girls into prostitution.
- While various state governments have enacted laws to stop such practices, the tradition remains entrenched in some parts of the country, especially some southern states.

The practice of Devadasi system in any form is in total contravention of the provisions of Section 370 and 370A as

amended through Criminal Law (Amendment) Act, 2013 as well as Section 372 of Indian Penal Code. It is also against Immoral Traffic (Prevention) Act.

## Antarctica influencing weather in tropics

Scientists at the **Atmospheric Radiation Measurement West Antarctic Radiation Experiment (AWARE) project** are coming to grips with how weather in Antarctica is influencing climate as far away as the tropics. The study examines the physics of the clouds over Antarctica.

- The project gains importance as it studies the skies above Antarctica for answers to questions such as how climate change and associated atmospheric physics are affecting Antarctica and how the ripple effects of these phenomena are being felt thousands of miles away in the mid latitudes and the tropics.
- The project by the United States is located at Mc Murdo station in Antarctica.

### Details of the project:

- The temperature gradient between the equator and the poles essentially drives the atmospheric circulation in the southern hemisphere in the form of three north-south systems: the polar cell, the mid-latitude Ferrel cell and the tropical Hadley cell. These cells are dynamically linked together.
- The project will observe how climate change affects the polar region as it has been determined that when the polar region warms, the location of the boundary between the polar and Ferrel cells will change, along with the strength of circulation in both cells.
- This in turn will influence the strength of tropical circulation on the other side of the Ferrel cell. These linkages between polar regions and mid- and tropical latitudes are known as **teleconnections**.
- During the study, scientists have observed that a change in Antarctic cloud properties that led to a warming of Antarctica weakened the Southern Hemisphere Ferrel cell, and allowed the Hadley Cell on the other side to strengthen, which in turn resulted in more rainfall due to increased latent heat release over Southern Hemisphere tropical regions.
- An expanding Hadley cell is generally expected to result from a globally warming atmosphere, so the Antarctic warming from cloud property change is a positive feedback on a warming climate.

Another important feature being studied is the winds that traverse in the form of storm tracks across Antarctica's

atmosphere and their effect on Antarctica's climate. However, one established trend due to global warming is the slight southward shift of the storms and the intrusion of warm air which led to the breaking away of a large ice-shelf. Also, the frequency of warm and moist air intrusions over West Antarctica generated by storms in the Ross and western Amundsen Seas, is a hypothesis under study by AWARE.

Antarctica acts as a global heat sink. Near the equator the Sun is highest in the sky and insolation (solar radiation reaching the surface) is larger than thermal radiation loss to space. At the South Pole during winter there is no insolation and the Antarctic continent loses energy to space. Energy and warmth transported over the Antarctic continent by global circulation patterns is lost to space by radiative cooling.

### **States want amendments in tenancy laws with prospective effect**

A group of states constituted sometime ago to look for measures to enhance investment in agriculture and reforms in land leasing have recommended that any move to amend tenancy laws should only be with prospective effect to protect the rights of existing tenants.

- This comes at a time when the centre is moving forward to prepare a model land leasing Bill to legalise tenancy.
- Madhya Pradesh, Himachal Pradesh, Gujarat, Delhi, Odisha, Arunachal Pradesh, Karnataka, West Bengal, Manipur, Punjab and Tripura were part of the group.

### **Important recommendations made by the group:**

- The proposed model Land Lease Act should be framed by as early as 2016-end
- The model Act should also entitle and facilitate tenants including sharecroppers with access to bank credit, crop insurance, disaster relief and other public support system.
- Increase the level of refinance for co-operatives from 40% to 60%.
- Issue tax-free bonds such as the National Bank for Agriculture and Rural Development to fund irrigation projects.
- A technical group on crop insurance and credit flow to agriculture suggested that 10 million new farmers be brought under the credit ambit in the next three years so that all farmers get covered.
- Few states have also asked the Centre to launch a Pradhan Mantri Kisan Dhan Yojana to enable farmers to access

the crop loans in the Jan Dhan account based on scale of finance and increase the share of agriculture in the priority sector lending from 18% to 25%.

On organic farming, the group comprising Sikkim, Karnataka, Rajasthan, Uttarakhand, Himachal Pradesh, Nagaland, Goa, Kerala, Andaman & Nicobar, Dadra & Nagar Haveli suggested creation of a National Institute for Research and Centre of Excellence in states and export subsidy for organic products.

### **Background:**

APMC reforms have been stuck for ages for want of states' participation. And hence, now it is clear that states' advice is significant because actual ground work on changing the land leasing Acts will have to be done by the states as land is a state subject. The Centre can at best urge the states to amend their land leasing laws and legalise tenancy, something which it has failed to do with the model Agricultural Produce Market Committee (APMC) Act.

### **Panel suggests more freedom for India Inc**

A panel constituted to suggest amendments in the Companies Act, 2013 has submitted its report to the government.

- The panel was headed by corporate affairs secretary Tapan Ray.

### **Major recommendations:**

- A firm to be called associate company only when the parent firm owns 20 per cent of voting power in it.
- Insider trading and forward dealing provisions to be removed from the Act as Sebi regulations already exist.
- Institute of Chartered Accountants of India's regulatory powers to be taken away; National Financial Reporting Authority would be formed.
- Independent directors should not have any pecuniary relationship – where it is getting material benefits – with the company.
- Small frauds of less than Rs 10 lakh not to be considered under harsh provisions.
- Private placement process to be simplified, doing away with separate offer letter, making valuation details public.
- Incorporation process to be made easier, allowing greater flexibility to companies.
- Self-declarations to replace affidavits from subscribers to memorandum and first directors.

- Managerial remuneration to need only shareholders' approval. No need for government approval.

### Import of duty-free capital goods for power sector banned

To support domestic manufacturing, the government has barred duty-free import of capital goods for power generation and transmission projects under the **Export Promotion Capital Goods Scheme**.

- The EPCG scheme allows zero-duty import of capital goods on the condition that goods produced be exported worth six times of the duty saved under the scheme in six years.

### Implications:

- The impact of this ban is minimal on domestic producers because they do not export much to comply with the obligation under the EPCG scheme.
- Small capital goods producers have hailed the move. This decision will have a positive impact on the indigenous power equipment industry. In the past few years, the domestic power equipment capacity was underutilised as cheap imports flooded the market and orders shrank.
- This order would provide small producers the much-needed level playing field. This would also encourage 'Make in India'.

The EPCG scheme was launched by the government in the early 1990s with an aim to allow exporters to import machinery and equipment at affordable prices to facilitate production of quality products for the export market.

### Swachh Sarvekshan Survey

The results of the **Swachh Sarvekshan Survey** conducted by the **Quality Council of India** were recently announced by the centre.

- The survey was commissioned in 73 cities as part of 'Swachh Bharat Mission'. Of the cities surveyed, 51 cities had population more than 10 lakh.

### Purpose of the survey:

The purpose of the survey is to encourage cities to fix their sanitation and sewerage infrastructure by showing them the performance of the other cities. Competition makes one strive better.

### The survey evaluated six aspects of sanitation and hygiene including:

- Strategies for tackling open defecation and integrated solid waste management.
- Efforts for education and behavioural change.
- Methods for sweeping and door-to-door collection and transportation.
- Processing and disposal of solid waste.
- Provision of public and community toilet seats.
- Construction of household individual toilets.

### Highlights of the survey:

- Karnataka's **Mysore was voted India's cleanest city**. Mysuru has retained this position second time in a row.
- Chandigarh, Tiruchirapalli and the New Delhi Municipal Council were the other three names topping the list.
- Vishakapatnam is placed at the 5<sup>th</sup>
- The two cities of Gujarat got the place in the list. Surat received the 6<sup>th</sup> place while Rajkot 7<sup>th</sup>. The eight position went to Gangtok, the capital of Sikkim.
- Maharashtra's two cities also found place in top 10 cleanest cities of the nation. Pimpri Chindwada received the 9<sup>th</sup>, while Greater Mumbai has been pake on 10 positions.

### About Swachh Bharat Mission:

It was officially launched on 2 October 2014 and is India's biggest ever cleanliness drive. The mission seeks to achieve clean India and aims to provide access to toilets to all households in the country.

### Objectives of the mission:

- Eliminate open defecation.
- Conversion of insanitary toilets to pour flush toilets.
- Eradication of manual scavenging.
- 100% collection and scientific processing/disposal reuse/recycle of Municipal Solid Waste.
- To bring about a behavioral change in people regarding healthy sanitation practices.
- Generate awareness among the citizens about sanitation and its linkages with public health.

- Strengthening of urban local bodies to design, execute and operate systems.
- To create enabling environment for private sector participation in Capital Expenditure and Operation & Maintenance (O&M) costs.
- Some of the key issues addressed include availability of finance, raw material, innovation and technology, productivity, quality and environment-friendly manufacturing practices, promoting exports and creating domestic demand.

**The components of the programme are:**

- Construction of individual sanitary latrines for households below the poverty line with subsidy (80%) where demand exists.
- Conversion of dry latrines into low-cost sanitary latrines.
- Construction of exclusive village sanitary complexes for women providing facilities for hand pumping, bathing, sanitation and washing on a selective basis where there is not adequate land or space within houses and where village panchayats are willing to maintain the facilities.
- Setting up of sanitary marts.
- Total sanitation of villages through the construction of drains, soakage pits, solid and liquid waste disposal.
- Intensive campaign for awareness generation and health education to create a felt need for personal, household and environmental sanitation facilities.
- The key policy recommendations include strengthening the existing scheme of the DHI (Department of Heavy Industry) on enhancement of competitiveness of capital goods sector by increasing budgetary allocation and increasing its scope to further boost global competitiveness in various sub sectors and enhancing export of Indian made capital goods through a 'Heavy Industry Export and Market Development Assistance Scheme (HIEMDA)'.  
It has also made provision for introducing a Technology Development Fund, upgrading existing and setting up a new testing and certification facility, making standards mandatory in order to reduce sub-standard machine imports and at the same time providing opportunity to local manufacturing units by utilising their installed capacity and unveiling scheme for skill development for capital goods sector.

**SEBI chief gets extension**

The government has extended the term of SEBI chairman by 1 year. With this, U.K. Sinha will remain Securities and Exchange Board of India (SEBI) Chairman till March 1, 2017.

**Policy for capital goods introduced**

The government has unveiled a **National Capital Goods Policy** to give an impetus to the capital goods sector and a leg up to the Make in India initiative.

- This is for the first time that a national policy has been framed for the sector.
- This announcement is part of the government's commitment to turn the country into a world class hub for capital goods.

- The extension was approved by the Appointments Committee of the Cabinet headed by the Prime Minister.

**About SEBI:**

The Securities and Exchange Board of India (SEBI) is the regulator for the securities market in India.

- It was established in the year 1988 and given statutory powers on 12 April 1992 through the SEBI Act, 1992.

**Objective of the policy:**

To increase production of capital goods from Rs. 2.30 lakh crore in 2014-15 to Rs. 7.50 lakh crore in 2025 and raise direct and indirect employment from the current 8.4 million to 30 million.

**SEBI is composed of-**

- The chairman who is nominated by Union Government of India.
- Two members, i.e., Officers from Union Finance Ministry.
- One member from the Reserve Bank of India.

**Highlights of the policy:**

- The policy envisages making India a net exporter of capital goods and aims at facilitating improvement in technology across sub-sectors, increasing skill availability, ensuring mandatory standards and promoting growth and capacity building of MSMEs

The remaining five members are nominated by Union Government of India, out of them at least three shall be whole-time members.

**Important functions performed by SEBI:**

- Approve by-laws of stock exchanges.
- Require the stock exchange to amend their by-laws.
- Inspect the books of accounts and call for periodical returns from recognized stock exchanges.
- Inspect the books of accounts of financial intermediaries.
- Compel certain companies to list their shares in one or more stock exchanges.
- Register brokers.

Commodities markets regulator FMC was also recently merged into SEBI.

**Supreme Court refuses to disclose data on pending verdicts**

The Supreme Court recently dismissed a plea to maintain the data on its pending judgments and make the information public under the Right to Information (RTI) Act.

- Fifteen years ago in its verdict, the Supreme Court had observed that the confidence of litigants would be shaken if judgments were kept pending for years.

**Background:**

- The court's refusal to be made accountable under the RTI Act is despite the decision of the Central Information Commission (CIC) to disclose the number of pending or "reserved" judgments.
- The Commission's decision was upheld by a single judge of the Delhi High Court in a case in which the Supreme Court itself was an opposing party.
- However, the single judge's order was set aside by a Division Bench on January 7, 2016 following an appeal by the Registrar representing the Supreme Court.

The CIC's decision was based on the SC's 2001 judgment in Anil Rai vs. State of Bihar. The ruling had also pointed out that "the confidence of the litigants in the results of the litigation is shaken if there is an unreasonable delay in rendering a judgment after reserving the same".

**Supreme Court upholds Army's Command Exit policy**

The Supreme Court has upheld the Indian Army's 2009 "command and exit policy" allowing preferential promotion for officers serving in the command unit.

- While delivering the verdict, the apex court also asked the government to create 141 additional vacancies for promotion of combat unit officers.
- The decision was taken keeping in view that the personnel of combat unit serve for a short span to maintain a young profile of the fighting arms.

**Background:**

The decision comes nearly a year after the Armed Forces Tribunal struck down the policy, calling it 'discriminatory' and violative of Article 14 of the Indian constitution which enforces equality. The policy was first approved by the Defence Ministry in 2009.

- The policy was based on the recommendation of an expert committee set up immediately after the 1999 Kargil War to enhance operational preparedness and achieve combat peaks.

**Supreme Court's observations:**

The court has observed that there is nothing perverse, unreasonable or unfair about the policy that lowers the age of officers serving in Combat Arms and Combat Arms Support by creating additional vacancies to be allotted on Command Exit Model

- It rejected the contentions raised by certain officers that the promotion model denied pro rata distribution of vacancies to the Service stream of the Army and focussed only on Arms and Arms Support.
- The court also observed that the policy intends to render the Indian Army more efficient and better equipped for combat situations.
- The court pointed out that commanding officers in Japan, China and Pakistan armies got their promotions at a younger age compared to the Indian Army.

The SC delivered the verdict on appeals by the Centre challenging the Armed Forces Tribunal's March 2, 2015 order quashing the government's January 20, 2009 policy circular.

**Railways to build 3 projects through build-operate-transfer model**

The Indian Railways has identified the first three projects to be taken up for development through the new build, operate, transfer (BOT) annuity model at an estimated cost of around Rs 2,450 crore.

- The three targeted projects are developing third line between Nagpur and Wardha (both in Maharashtra),

Kazipet (Telangana) and Balharshah (Maharashtra) and Bhadrak and Nergundi (both in Odisha).

#### About BOT model:

- Under the **BOT annuity model** for rail projects, the private developer gets a revenue guarantee of 80 per cent of projected revenue at the time of bidding.
- The developer gets a full right to revenue between 80 and 120 per cent and the Indian Railways do not take any share from it.
- It is only when the actual revenue is above 120 per cent, the additional receipts are shared with the Indian Railways in a staggered manner.

#### Saudi Arabia, Russia, agree to freeze oil output

Saudi Arabia and Russia have agreed to freeze oil output at near-record levels, the first coordinated move by the world's two largest producers to counter a slump that has pummeled economies, markets and companies.

- While the deal is preliminary and doesn't include Iran, it's the first significant cooperation between OPEC and non-OPEC producers in 15 years and Saudi Arabia said it's open to further action.
- The move is designed to stabilise the market following the dramatic price fall since mid-2014.

#### Why such move was necessary?

Presently, oil prices remains about 70% below its 2014 peak. Supply still exceeds demand and record global oil stockpiles continue to swell, potentially pushing prices below \$20 a barrel before the rout is over.

It should however be noted here that the freeze is conditional on other nations agreeing to participate. Saudi Arabia and other OPEC producers had previously refused to reduce output in a bid to drive less-competitive players, in particular U.S. shale oil producers, out of the market.

#### Iran in the Belt and Road loop as first train from China arrives

The first train from China's trading hub of Yiwu recently arrived in Tehran, signalling Iran's firm integration in the Beijing led-Belt and Road connectivity initiative along the New Silk Road.

- The train ferrying 32 containers completed its 14-day journey, covering over 10,399 km, after passing through the arid landscape of Kazakhstan and Turkmenistan in Central Asia.

- China's on-going technical support is likely to further reduce the rail transit time between China and Iran.

#### Significance of this journey:

- The train, covering 700 km a day, has demonstrated that it is possible to substantially slash transit time for goods arriving in Iran from China. Compared to the railway option, cargo ships, setting sail from Shanghai take nearly 45 days to arrive at the Iranian port of Bandar Abbas. The arrival of this train in less than 14 days is unprecedented.
- Analysts point out that by joining China on the railway map, Iran was establishing solid structural linkages with Eurasia along the Silk Road Economic Belt. With this, Iran is expected to become an active participant in the Belt and Road initiative.
- In China, there is anticipation that with the recent lifting of sanctions, Iran's energy infrastructure, including its trans-border pipeline network will grow—a move that is likely to further deepen Tehran's strategic linkages with Eurasia.
- Iran's strategic location, in particular, attracts China. Iran has common borders with 15 nations, and sea channels on its northern and southwestern coasts.

#### OBOR:

One Belt, One Road (OBOR) initiative aims to connect major Eurasian economies through infrastructure, trade and investment.

- The "Belt" is a network of overland road and rail routes, oil and natural gas pipelines, and other infrastructure projects that will stretch from Xi'an in central China through Central Asia and ultimately reach as far as Moscow, Rotterdam, and Venice.
- The "Road" is its maritime equivalent: a network of planned ports and other coastal infrastructure projects that dot the map from South and Southeast Asia to East Africa and the northern Mediterranean Sea.

#### India joins China and Pakistan in multi-lateral exercises

India has been invited to take part in the "Cobra Gold" multilateral exercises being **hosted by Thailand**, along with its counterparts from China and Pakistan.

- India has been invited to the exercises as an "**observer plus**" country. This is in keeping with the recent trend of India's increasing regional interoperability with a series of multi-lateral exercises on land and sea.

- The theme of 35<sup>th</sup> edition of the exercises, involving 35 countries, is **humanitarian assistance and disaster relief**.
- This exercise is considered Asia's largest multinational drill.

### Prithvi-II missile test-fired in Odisha

Prithvi-II missile was recently successfully test-fired in Odisha. The strategic forces command (SFC) of the Army conducted the test as part of a regular training exercise.

#### About the Missile:

- Prithvi-II is indigenously developed and is **nuclear-capable surface-to-surface**
- The missile is capable of carrying warheads weighing 500 kg to 1,000 kg.
- With a strike range of 350 km, Prithvi-II is powered by twin-engines which use **liquid propulsion**.
- It also uses advanced inertial guidance system with manoeuvring trajectory to hit its target.
- Notably, Prithvi is India's **first indigenously-built ballistic missile**. It is one of the five missiles being developed under the country's **Integrated Guided Missile Development Programme**.

### Isro orbiter to scan India's air for pollutants

The Space Applications Centre (SAC) of Isro and Space Flight Laboratory (SFL) of University of Toronto Institute for Aerospace Studies are collaborating on developing the '**Next Generation Earth Monitoring and Observation and Aerosol Monitoring' (NEMO-AM) satellite**.

- This is among Isro's most important high-performance nano-satellite missions for the country.

#### Details:

- The NEMO mission is designed to cover, each day, up to 50,000 square kilometer area of the country's 32.87 lakh sq km.
- The NEMO-AM satellite with its powerful imaging sensor analyses the sunlight reflected from the earth's surface. This light, which passes through the earth's atmosphere before reaching NEMO will be analyzed by the satellite from different angles to determine the nature of suspended particles and aerosol concentration in the ambient air of India cities.

- The data will be handy for estimating emissions from vehicles, tracking pollutants plumes, and supporting activities to forecast air quality in cities and towns. New policies can be framed around this data.

- NEMO's data can be of great help in decision-making and environmental management activities of both the public and private sectors in a city or town or industrial area.

- The NEMO-AM will be integrated in July-August next year at SAC in the presence of a team from Canada SFL. The satellite will be tested and launched in the subsequent month.

- The nano-satellite will monitor suspended particles and aerosols that have made the air of major Indian cities like Delhi, Ahmedabad, Lucknow, Amritsar and Allahabad among the most polluted in the world.

- SAC is providing the necessary software for instruments that are to be made in Canada. The nano-satellite will be launched 500 km above the earth.

The tiny particles and aerosols in the exhaust of vehicles, emissions from industrial chimneys and even dust particles from construction work fill the air we breathe. These aerosols and particulate matter of size 2.5 micrometers (PM2.5) enter our lungs and restrict the free flow of air.

### New microbes that thrive deep inside Earth discovered

Scientists have discovered a group of microbes that live several kilometres under the surface of the Earth, need no light or oxygen and can only be seen in a microscope.

- The researchers have also found how the microorganisms, named **Hadesarchaea**, first discovered in a South African gold mine at a depth of over three kilometres, are able to make a living in the absence of oxygen and light.

#### Details:

- This new class of microbes are specialised for survival beneath the surface, and hence they are named "**Hadesarchaea**", after the ancient Greek god of the underworld.
- As its name suggests, the Hadesarchaea belong to a relatively unknown group of microorganisms, the **archaea**.
- Like bacteria, archaea are **single-celled and microscopically small**, but they differ more from each other than a human does from a tree.

- Archaea were discovered only some 40 years ago. To date, they remain poorly studied in comparison to bacteria and more complex life forms, such as animals and plants.
- The recent discovery of the Hadesarchaea will help scientists increase their understanding of the biology and lifestyle of archaea that thrive in the deep biosphere.
- Hadesarchaea have the ability to live in areas devoid of oxygen and the scientists suggest that they are able to survive there by using carbon monoxide to gain energy. The chemical pathways the Hadesarchaea cells use to metabolize carbon monoxide are unique to what has been seen before.
- The LIGO-India project will also bring considerable opportunities in cutting-edge technology for the Indian industry which will be engaged in the construction of the eight-km long beam tube at ultra-high vacuum on a levelled terrain.
- With its establishment, India will join the global network of gravitational wave detectors.
- Establishing an observatory in India also assumes importance because the further the distance between the observatories, the greater will be the accuracy in locating gravity waves.

Microorganisms that live below the surface of the Earth remain one of the last great areas of exploration. Organisms that live there have not been grown in the laboratory and therefore their lifestyles are unknown.

#### Govt. clears proposal for gravitational wave detector

In a major boost to Indian science research, the Union cabinet has approved a proposal to establish a state-of-the-art gravitational wave observatory in India in collaboration with the **Laser Interferometer Gravitational-wave Observatory (LIGO)** in the US.

- The “in principle” approval for the LIGO-India project for research on gravitational waves – a discovery that is regarded as the breakthrough of the century – is piloted by the **Department of Atomic Energy and Department of Science and Technology (DST)**.

#### Details:

- Known as the LIGO-India project, it is piloted by Department of Atomic Energy (DAE) and Department of Science and Technology (DST).
- The LIGO-India project will be jointly coordinated and executed by three Indian research institutions: the Inter-University Centre for Astronomy and Astrophysics (IUCAA), Pune and Department of Atomic Energy organisations: Institute for Plasma Research (IPR), Gandhinagar and the Raja Ramanna Centre for Advanced Technology (RRCAT), Indore.

#### Significance of this project:

- The project will bring unprecedented opportunities for scientists and engineers to dig deeper into the realm of gravitational wave and take global leadership in this new astronomical frontier.

Confirming a major prediction of Albert Einstein’s 1915 general theory of relativity, scientists including several of Indian-origin this month observed gravitational waves, or ripples in the fabric of space time, arriving at Earth from a cataclysmic event in the distant universe.

#### Background:

- Prime Minister Narendra Modi had expressed his happiness over the historic detection of gravitational waves and lauded the role of Indian scientists in the project.

- Physicists have concluded that the detected gravitational waves were produced during the final fraction of a second of the merger of two black holes to produce a single, more massive spinning black hole.

- This collision of two black holes had been predicted but never observed.

- The twin LIGO detectors are located in Livingston, Louisiana, and Hanford, Washington. The LIGO observatories are funded by the US National Science Foundation (NSF), and were conceived, built and are operated by Caltech and MIT.

#### Way ahead:

- Dubbed as the breakthrough of the century, the international team of scientists believes that the detection of gravitational waves will open an unprecedented new window to the cosmos.

- Gravitational waves carry information about their dramatic origins and about the nature of gravity that cannot be obtained from elsewhere.

Current estimates suggest the project would cost at least Rs. 1,200 crore and the project is still at least eight years away.

### MP assails order on GI for Basmati rice

Less than a fortnight after the Intellectual Property Appellate Board (IPAB) permitted the Geographical Indications Registry to proceed with the registration of Geographical Indication (GI) tag for Basmati rice produced in seven states, the losing party, Madhya Pradesh has moved the Madras High Court assailing the order.

#### Why?

In its petition, the Additional Director of Agriculture Department of Madhya Pradesh, submitted that if the IPAB's order is given effect, it would cause irreparable harm to the State and its 80,000 farmers who cultivate Basmati rice.

- The state submitted that the IPAB had given its order favouring States such as Punjab, Haryana, Uttarakhand and Himachal Pradesh based on the geographical demarcation conducted by the Agricultural and Processed Food Products Export Development Authority (APEDA).
- Arguing that this exercise per se is unscientific and erroneous, Madhya Pradesh appealed to quash the order and direct the registry to hear the matter anew.
- The petition also contends that the IPAB had included the entire region of certain States as "Basmati growing area", while actually only specified areas of those States where Basmati rice is grown should have been included.
- In its writ petition, the state of Madhya Pradesh has also claimed that 13 out of its 51 districts has been cultivating Basmati rice and is entitled to receive the GI protection. It also claims that the State currently produces around one million tonnes of Basmati rice in a single paddy season and the order of IPAB would result in immediately altering the status quo to the detriment of the State and its 80,000 Basmati farmers and their families.

#### Background:

In February 2016, the Intellectual Property Appellate Board (IPAB) had ordered issue of the 'Geographical Indication' tag for basmati rice grown in the Indo-Gangetic Plains on the foothills of the Himalayas.

- While granting an order favouring the seven States, the IPAB had also directed the registry to examine afresh the case of Madhya Pradesh to include certain areas of the State as "Basmati growing areas" within six months.

#### Basmati:

Basmati is special long grain aromatic rice grown in a particular geographical region of the Indian sub-continent.

Historically, Basmati was a product of undivided India with a recorded history of over 200 years.

- In 2014-15, India exported 37 lakh MT of Basmati Rice to the world worth Rs. 27,597.87 crore and is the world's leading exporter of the rice, according to APEDA.
- India exports a major quantity of basmati rice to Saudi Arabia, Iran, United Arab Emirates, Iraq and Kuwait.

#### GI tag:

##### What is it?

GI status is an indication that identifies goods as produced from a particular area, which has special quality or reputation attributable to its geographical origin.

##### GI registration confers:

- Legal protection to the products.
- Prevents unauthorised use of a GI by others.
- Helps consumers get quality products of desired traits.
- Promotes economic prosperity of producers of goods by enhancing demand in national and international markets.

GI registration is essential to get protection in other countries.

### WHO Issues \$56 Million Plan To Combat Zika Virus

WHO has issued \$56 million plan to combat Zika Virus. It says \$56 million is needed to combat the Zika virus through June, including fast-tracking vaccines and diagnostics.

- The funds, including \$25 million for the WHO itself, would also be used to control the mosquito-borne virus that has now spread to 39 countries and has been linked to birth defects in Brazil, as well as research studies.

Research studies are needed in order to assess:

- Presence of the Zika virus in semen and other body fluids, including pregnancy-related fluids.
- Potential sexual transmission, and mother-to-child transmission.

#### Background:

The WHO declared the Zika outbreak a global public health emergency on Feb 1, noting its association with two neurological disorders, microcephaly in babies and Guillain-Barre syndrome that can cause paralysis.

**Way ahead:**

The WHO expects the funds to come from member states and other donors and said that in the meantime it has tapped a new emergency contingency fund for \$2 million to finance its initial operations.

- There is no treatment, but hopes of developing a vaccine against Zika took a small step forward recently as U.S. biotech firm Inovio Pharmaceuticals Inc said its experimental shot had induced a robust and durable response in mice. An Indian company too has announced a breakthrough in this regard.

**Airlines lobby for 5/20 rule**

The fight between 'old' and 'new' Indian airlines over the 5/20 rule — which requires that an Indian carrier must be five-year old and have 20 planes in its fleet to go overseas — has now reached the Prime Minister's Office (PMO).

- Promoters and top management of Jet Airways, IndiGo, SpiceJet and GoAir recently met minister of state for PMO, Jitendra Singh, and sought a level-playing field with the foreign and new Airlines which had started operations in India.

**What's the issue?**

While, for the already operating domestic airlines, the condition laid down by the Civil Aviation Ministry is to serve for at least five years and own at least 20 aircrafts before applying for rights to fly abroad, the new draft Civil Aviation Policy is said to exempt the new airlines from this obligation which will amount to injustice towards the already operating airlines.

- The 'old' airlines want the 5/20 rule to stay while the two new airlines launched by Tata Group in joint ventures with Singapore Airlines (SIA) and AirAsia want this to be abolished.
- Old airlines argue that exempting the new airlines from 5/20 will "amount to injustice towards the already operating airlines". They said that this was essential to avoid discrimination against them and provide a level-playing field with the foreign and new airlines that have started operations in India.

**What is 5/20 rule?**

According to the '5/20 rule,' all airlines in India need five years of domestic flying experience and at least 20 aircrafts in its fleet in order to fly abroad. The rule has been a subject of heated debate between domestic airline operators. This was proposed in the new draft civil aviation policy.

**'Uncover' Project**

The centre recently launched 'Uncover' project of the Geological Survey of India.

- This state-of-the-art project to be implemented in two selected areas in the country is focused on probing for deep seated/ concealed mineral deposits.
- This programme is also one of the important action points of the draft National Mineral Exploration Policy (NMEP).

**Main components of the project:**

Characterizing India's geological cover, investigating lithospheric architecture, resolving 4D geodynamic and metallogenic evolution, and detecting and characterizing the distal footprints of ore deposits, would be the main components of this initiative.

**Amendment to the Delimitation Act, 2002 and the Representation of the People Act, 1950**

The Union Cabinet has given its approval to amend section 11 of the Delimitation Act, 2002 and section 9 of the Representation of the People Act, 1950.

**Why?**

- It will enable Election Commission to carry out limited delimitation of Assembly and Parliamentary Constituencies in the Cooch Behar District of West Bengal consequent upon the exchange of 51 Bangladeshi enclaves and 111 Indian enclaves respectively between India and Bangladesh in July, 2015.

This is in pursuance of the Constitution (One Hundredth Amendment) Act, 2015 and also allows for introduction of a Bill, namely, the Election Laws (Amendment) Bill, 2016 in Parliament.

**Background:**

In a historic pact between India and Bangladesh, 51 Bangladeshi enclaves (Chhitmahals) in Indian Territory and 111 Indian enclaves in Bangladesh territory were exchanged with effect from 31st July, 2015.

- The move altered the geography and demography of the district of Cooch Behar in West Bengal. With a view to carry out consequential geographic and demographic alterations vis-à-vis the electoral mosaic of the affected areas, the Election Commission requested to amend section 11 of the Delimitation Act, 2002 and section 9 of the Representation of the People Act, 1950 to enable it to carry out limited delimitation of constituencies in the affected areas.

- Since the newly acquired area consequent upon the exchange of territory between India and Bangladesh has become the part of the Indian territory, it is required to make delimitation exercise within the limited constituency area before the ensuing State Assembly elections in West Bengal. Accordingly, the Election Laws (Amendment) Bill, 2016 has been proposed for enactment.

### Environment Minister launches envis portal

The Union Environment minister recently launched the Environment Information System (ENVIS) portal.

#### Details:

- Environmental Information System (ENVIS) Portal runs parallel with the Digital India Objective, which works on improving the digital literacy in the environment sector and deliver services digitally all over the country.
- The digitization of valuable data covering the broad spectrum of subjects on environment will serve as an asset in generating feature rich repository of information.

#### About ENVIS:

Environmental Information System (ENVIS), a Central Sector Scheme of the Environment Ministry has been implemented since 1982.

- The purpose of the scheme is to integrate country-wide efforts in environmental information collection, collation, storage, retrieval and dissemination through ENVIS websites, which are dedicated to different interesting themes.
- The network presently consists of 69 Centres, of which 29 are hosted by the environment/forest department of State governments/UT Administrations and deal with "State of the environment and related issues", while 40 Centres are being hosted by environment-related governmental and non-governmental organisations/institutes of professional excellence and have a thematic mandate.
- Major users of ENVIS include Central and State Governments, institutes and individual scientists, researchers, students and agencies carrying out environmental impact assessment of projects, as well as public.

The challenge before ENVIS is to find out new ways to reach out to people and how to popularise science and sustainable practices.

### Ministry moots National Social Security Authority

The Labour Ministry has mooted the idea of forming a **National Social Security Authority** and a separate **Social Security Department** within the ministry.

#### Why?

- To provide social security to the entire population and prop up the government's pro-worker credentials.

#### Key facts:

Who will be the chairperson of the authority?

The authority will be chaired by Prime Minister Narendra Modi.

Members of the authority:

The authority may have all the ministers and secretaries of all ministries dealing with social security programmes along with state government officials as members.

#### Functions to be performed by the authority:

- Formulate the National Policy on Social Security.
- Co-ordinate the central and state level programmes.
- Ensure that the objectives of the policy are achieved within the time frame prescribed.

#### What will the proposed department do?

The proposed Social Security Department within the Labour Ministry will provide policy inputs and secretarial services to the body.

#### Way ahead:

- The ministry has proposed a four-tier system to cover the entire population of the country, including both formal and informal sector workers, through a common Social Security Code.
- The current social security programmes and schemes will also be strengthened and universalised.
- The social assistance programmes for the first tier shall be based on tax revenue.

Four-tier model:

- The first tier would include the "destitute and people below the poverty line."
- The second tier would have workers in the unorganised sector who may be covered under a subsidised scheme.

3. The third tier would cover workers who can, with the help of employer, can make contribution to the schemes.
4. The fourth tier would include people who “are comparatively affluent and can make their own provisions for meeting contingencies or risks as and when arise.”

### **Maharashtra gets first all-woman panchayat**

**Bubnal** Gram Panchayat in Shirol Taluka in southern Maharashtra has become the first all-woman panchayat in the state. All members of the panchayat are women.

### **Belgium keen to join ‘Clean Ganga’ drive**

Belgium is keen to take part in the “Clean Ganga” campaign and in this regard a Belgian mission with companies specialising in sanitation will shortly meet Indian government officials.

- Belgium has indicated that it has specific solutions which are unique in the world. A Belgian Research Institute, Vito has developed a technology not only to clean sewage water but also to produce out of it, electricity.
- India and Belgium trade is huge. A big part of this is taken up by diamonds. But, Belgium wants to diversify its trade with India from the diamonds business.

### **Namami Gange Programme:**

The Union government approved “Namami Gange” Program in May 2015. It integrates the efforts to **clean and protect** the Ganga river in a comprehensive manner.

### **Focus of the programme:**

Among other things, the programme will focus on pollution abatement interventions namely Interception, diversion & treatment of wastewater flowing through the open drains through bio-remediation / appropriate in-situ treatment / use of innovative technologies.

### **Implementation:**

- The program would be implemented by the National Mission for Clean Ganga (NMCG), and its state counterpart organizations i.e., State Program Management Groups (SPMGs).
- In order to improve implementation, a three-tier mechanism has been proposed for project monitoring comprising of a) High level task force chaired by Cabinet Secretary assisted by NMCG at national level, b) State level committee chaired by Chief Secretary assisted by

SPMG at state level and c) District level committee chaired by the District Magistrate.

- The program emphasizes on improved coordination mechanisms between various Ministries/Agencies of Central and State governments.

### **Other details:**

- The program has a budget outlay of Rs. 20,000 crore for the next 5 years.
- Under this programme, the focus of the Government is to involve people living on the banks of the river to attain sustainable results.
- The programme also focuses on involving the States and grassroots level institutions such as Urban Local Bodies and Panchayati Raj Institutions in implementation.

### **India ‘recognises’ the need for flexibility**

Syed Akbaruddin, the Permanent Representative of India at the U.N, recently presented India’s position on the HIPPO (High Level Independent Panel on Peace Operations) report to the UN.

- Presenting the report, he told the United Nations Special Committee for Peacekeeping Operations that it recognises the need for “flexibility” on international anti-terror operations if they are backed by U.N. authorisation.
- HIPPO report is aimed at countering international terror groups.

### **Details:**

- The HIPPO report has expanded the scope of counter-terror operations beyond the traditional U.N. peacekeeping operations by recommending that “ad hoc coalitions authorised by the U.N. Security Council” can undertake counter-terror operations with the intention of peacekeeping and peace-enforcement.
- The HIPPO report recommendations are expected to be implemented after “cost-benefit analysis” for India.
- India has also highlighted that peacekeeping under the U.N. needs to be strengthened in view of the expanding international networks of terrorism.

This has also opened up possibilities of India’s participation in foreign anti-terror operations to safeguard “Indian interests.”

### Ministers meet to finalise draft civil aviation policy

The Union Home Minister Rajnath Singh recently held a meeting with six of his cabinet colleagues to discuss the final contours of the civil aviation policy.

- The meeting comes in the backdrop of the split in the airline industry over the issue of granting the right to local carriers to fly overseas.

#### Background:

Leading airlines are knocking on the doors of various government offices to raise concerns over a few proposals in the draft civil aviation policy, including the contentious 5/20 rule for flying abroad. Various contentious issues in the draft policy include the 5/20 rule, route dispersal guidelines, alleged effective control of Indian airlines by their foreign partners and the plan to auction bilateral air traffic rights.

#### Highlights of the draft Policy:

- The policy proposes to cap small town route fares at Rs. 2,500 per flying hour per ticket and imposes a 2% cess on all domestic trunk route tickets as well as international tickets.
- The revised policy has floated the concept of Scheduled Commuter Airlines (SCAs), which would have relaxed norms and those entities would not be liable to pay airport charges for operations under the RCS.
- The policy suggests a number of incentives for the Maintenance, Repair and Overhaul (MRO) sector, including service tax waiver, with an aim to develop India as an MRO hub in Asia.
- It has proposed that MRO, ground handling, cargo, and ATF infrastructure located together at an airport will also get infrastructure status with benefits under Section 80-IA of the Income tax Act, among others.
- The draft also proposes open skies policy for countries within 5,000 km with effect from April 1, 2020.

### Cabinet approval for trade facilitation pact ratification

The Cabinet has approved a proposal for ratification of the Trade Facilitation Agreement (TFA) of World Trade Organization (WTO), aimed at easing customs rules for expediting global trade flow of goods.

- To facilitate domestic coordination and implementation of the TFA, the Cabinet has also cleared the proposal to set up a **National Committee on Trade Facilitation (NCTF)** to be jointly chaired by the commerce and revenue secretaries.

- These developments are also in consonance with India's "Ease of Doing Business" initiative.

#### Background:

- The WTO member-countries in November 2014 adopted a "protocol of amendment" to incorporate the TFA on goods in the overall WTO Agreement.
- For the TFA to be operational, two-thirds (or 108) of the 162 WTO members will have to ratify it. However, only 69 countries have ratified it so far.

#### Implications of this move:

- Trade experts have said that ratifying the agreement so early could lead to India losing a bargaining chip to secure its interests. That includes finding a permanent solution to the issue of public stockholding for food security purposes and a mechanism to safeguard poor farmers from sudden import surge of farm products.
- However, dismissing the criticism, the government says the agreement will benefit the country.

#### Trade facilitation:

- The Trade Facilitation Agreement forms part of the Bali Package agreed by members at the Ninth Ministerial Conference in Bali.
- The agreement contains provisions for faster and more efficient customs procedures through effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.
- It also contains provisions for technical assistance and capacity building in this area.
- It is being believed, especially by the proponents of the agreement that deal could add \$1 trillion to global GDP and also can generate 21 million jobs by slashing red tape and streamlining customs.

### NASA finds 'super-Earth' with an atmosphere it can analyse

Astronomers at NASA have announced that they have discovered a "super-Earth" exoplanet with an atmosphere, that, for the first time, they can analyse.

- The planet was discovered by the Hubble telescope.
- This super earth is about 40 light years away.

## What are super-earths?

- Super-earths are simply rocky planets that are bigger than the Earth. They're widely believed to be the most common type of rocky planet in the galaxy.
- The mass of super-earths is higher than Earth's, but substantially below the mass of the Solar System's ice giants Uranus and Neptune, which are 15 and 17 Earth masses respectively.

## Indian-origin engineer's discovery may help speed up gadgets

A team at the University of Utah led by an Indian-origin engineer has discovered a new kind of **2D semi-conducting material for electronics** that opens the door for much speedier computers and smartphones that consume a lot less power.

### Details:

- It is a layer of 2D material only one atom thick, allowing electrical charges to move through it much faster than conventional 3D materials such as silicon.
- The semi-conductor is made of **tin and oxygen or tin monoxide (SnO)**.
- This material could be used in transistors, the lifeblood of all electronic devices such as computer processors and graphics processors in desktop computers and mobile devices.

### Why 2D is better than 3D?

- Transistors and other components used in electronic devices are currently made of 3D materials such as silicon and consist of multiple layers on a glass substrate.
- But the downside to 3D materials is that electrons bounce around inside the layers in all directions. The benefit of 2D materials is that the material is made of one layer the thickness of just one or two atoms. Consequently, the electrons can only move in one layer so it's much faster.

### Benefits:

- Now, the electrons also require much less power to run, a boon for mobile electronics that have to run on battery power.
- This could also be important for medical devices such as electronic implants that will run longer on a single battery charge.
- The newly discovered semi-conducting material could lead to computers and smartphones that are over 100

times faster than regular devices.

## PETA moves HC against Kambala

The High Court of Karnataka has ordered issue of notices to the Union and State governments on a PIL petition, which questioned the conditional permission granted for organising **Kambala**, a traditional slush track buffalo race practised in Dakshina Kannada and Udupi districts.

- The petition was filed by PETA (People for Ethical Treatment of Animals).

### Background:

- The Department of Animal Husbandry in December, 2015, granted permission for Kambala on certain conditions, which were imposed by the High Court in its 2014 interim order.
- The High Court had said that there was no "scientific report to access whether Kambala amounts to cruelty as per the provisions of the Prevention of Cruelty to Animal Act."
- Later, a three-member expert committee gave its view on Kambala and pointed out that basically Kambala does not involve any violence on animals and instances like beating of buffaloes are preventable through proper education and disqualification for such acts.

### Petitioner's arguments:

- The petitioner claims that Kambala is similar to Jalikattu and bullock-cart race, which were banned by the apex court as well as the notification issued by the Centre in July 11, 2011.
- The petitioner also questions the report of the expert committee while contending that the report did not contain scientific assessment of welfare of buffaloes, besides failing to take note of the cruelty inflicted on buffaloes for forcing them to participate in the race.

The petitioner has sought a direction from the court to prohibit Kambala on the lines of Jalikattu.

Kambala:

Kambala is an annual Buffalo Race held traditionally under the auspices of local land lords and households or Patel of village, in coastal Karnataka, India. The Kambala season generally starts in November and lasts until March.

**Salient features:**

- The contest generally takes place between two pairs of buffaloes, each pair raced in wet rice fields, controlled by a whip-lashing farmer.
- The 'track' used for Kambala is a paddy field filled with slush and mud.
- The "Kambala Committee" is formed and it usually arranges Kambala in several categories.
- People place massive bets on the buffaloes to win and one can witness more than 20,000 spectators in a well-organised Kambala, egging on and cheering the buffaloes to complete the race.
- In traditional form of Kambala, racing is non-competitive, and buffalo pairs run one by one in paddy fields.
- A ritualistic approach is also there, as some agriculturists race their buffaloes for thanks giving (to god) for protecting their animals from diseases.
- The buffaloes developed for the race are carefully fed and some owners of the buffaloes have even built separate swimming pool for competing buffaloes.

**GSLV-MkIII on course as cryo engine passes big test**

India's **GSLV-Mark III project** aimed at carrying four-tonne payloads, including future manned missions, has got a boost with Isro's recent successful test-firing. The **indigenous high-thrust cryogenic rocket engine** was tested for more than its full duration.

- ISRO has indicated that the next step would be high-altitude tests by simulating low pressure atmospheric conditions on ground to see how the engine behaves.

**About GSLV Mk III:**

- The GSLV-III or Geosynchronous Satellite Launch Vehicle Mark III, is a launch vehicle developed by the Indian Space Research Organization.
- GSLV Mk III is conceived and designed to make ISRO fully self-reliant in launching heavier communication satellites of INSAT-4 class, which weigh 4500 to 5000 kg.
- It would also enhance the capability of the country to be a competitive player in the multimillion dollar commercial launch market. The vehicle envisages multi-mission launch capability for GTO, LEO, Polar and intermediate circular orbits.
- GSLV-Mk III is designed to be a three stage vehicle, with 42.4 m tall with a lift off weight of 630 tonnes. First stage

comprises two identical S200 Large Solid Booster (LSB) with 200 tonne solid propellant, that are strapped on to the second stage, the L110 re-startable liquid stage. The third stage is the C25 LOX/LH2 cryo stage. The large payload fairing measures 5 m in diameter and can accommodate a payload volume of 100 cu m.

- The GSLV-III features an Indian cryogenic third stage and a higher payload capacity than the current GSLV.

**Why cryogenic engine?**

- A cryogenic engine is more efficient as it provides more thrust for every kilogram of propellant burnt.
- Cryogenic fuels are also very clean as they give out only water while burning.

A cryogenic fuel includes the gases liquefied at a very low temperature.

**US imposes new sanctions on North Korea**

The US has imposed new sanctions against North Korea for testing a nuclear device on January 6, 2016 and launching a satellite on February 7, 2016 using ballistic missile technology.

**Intention behind these sanctions:**

- New unilateral sanctions by the U.S. seek to sharpen and expand the scope of existing sanctions against the North.
- The measure is also meant to compel American allies to enact similarly tough restrictions on North Korea to further isolate the country.

**Details:**

- The new sanctions regime will require the President to mandatorily investigate and designate persons and entities for violations. The law will also give more tools to the administration to enforce secondary sanctions — which are restrictions on a third country from doing business with the North.
- The new move also now covers some activity not targeted for sanctions before, such as North Korea's metal and coal exports, and gives the U.S. government greater tools to implement so-called secondary sanctions.
- The new sanctions would also freeze the assets of anyone doing business related to North Korea's nuclear or weapons programs or is involved in human rights abuses in the country.

**China's stand:**

Tough new multilateral sanctions have been held up at the United Nations Security Council over disagreements between China and other nations. China, a longtime sponsor of North Korea, has expressed concerns about measures that it worries could debilitate North Korea's economy.

**Implications:**

Since North Korean entities are often difficult to sanction directly, this could be a more effective way to cut off North Korea's third country support networks, streams of foreign revenue, and supply chains.

**Way ahead:**

With China opposed to it, the efficacy of the move remains ambiguous at best. Despite intense U.S. diplomatic efforts, including a visit by Secretary of State John Kerry to China in the last week of January, there has been no agreement between the two countries on the nature of the measures to be taken against a defiant North. As a result, negotiations at the U.N. for new multilateral sanctions are stuck. China has opposed the unilateral sanctions announced by the U.S.

**Background:**

Previous executive orders, and other pieces of Congressional legislation, covered many of the sanctioned activities contained in the new law. However, sanctions designations were largely discretionary in the hands of the President, State Department, and Treasury Department.

**GST Committee: Amit Mitra named chairman**

West Bengal Finance Minister Amit Mitra has been appointed as the new chairman of the Empowered Committee of State Finance Ministers on Goods and Services Tax (GST).

- He was elected at a recent meeting of state finance ministers that was also attended by Union Finance Minister Arun Jaitley.
- He will succeed Kerala Finance Minister K M Mani who had to resign in November over corruption charges.
- He will be the second chairman of the panel, tasked with framing rules for roll out of the ambitious GST regime, which will subsume all indirect taxes and create one national market, from West Bengal.

The absence of a chairman of the Empowered Committee had derailed its meetings where key issues on the proposed laws and rules were to be discussed.

**GST:**

The goods and services tax (GST) is a comprehensive value-added tax (VAT) on goods and services. It is an indirect tax levy on manufacture, sale and consumption of goods as well as services at a national level.

- GST is essentially a tax on value addition, and there is seamless transfer of input tax credit across the value chain.
- Under GST, the taxation burden will be divided equitably between manufacturing and services, through a lower tax rate by increasing the tax base and minimizing exemptions. Currently, a manufacturer needs to pay tax when a finished product moves out from a factory, and it is again taxed at the retail outlet when sold.

**India and Armenia Sign MoU on Agriculture Cooperation**

India and Armenia recently signed a MoU on agriculture cooperation.

**Details:**

- The MoU envisages various priority sectors such as plant-breeding, including agricultural crop seed-breeding and plant protection; buffalo-breeding and poultry, including pedigree; exchange of experience on agricultural organization in dry lands; milk production and processing; hi-tech horticulture including irrigation and water management technology etc.
- The MoU also provides for establishment of Joint Working Group and preparation of Work Plans.
- The MoU will be valid, initially for a period of five years, and would be extendable beyond five
- The two countries have identified sectors such as cattle identification, cooperatives, agriculture machinery, plant breeding and exchange of agri scientist and students, as the priority areas and resolved to constitute the JWG at the earliest to move the agreement.

**Agreement for Commercialisation of Ayurvedic Formulations**

National Research Development Corporation (NRDC), an Enterprise of the Department of Scientific & Industrial Research, Ministry of Science & Technology and M/s Dabur India Ltd. have entered into License Agreements for commercialization of two Ayurvedic formulations.

1. **Ayush-64**, an ayurvedic formulation for treatment of Malaria. The Ayurvedic Drug Ayush-64 is very effective for the treatment of Malaria which is one of the most prevalent; destructive widely spread disease, well known

to Ayurvedic Physicians as **Visama Jvara** from ancient times. In view of its wide prevalence and drug resistant malarial parasite, a poly-herbal non-toxic drug has been developed by CCRAS after carrying out extensive pharmacological, toxicological and Clinical studies.

2. **Ayush-82**, an ayurvedic Formulation for management of Diabetes. Ayush-82; an anti diabetic drug also developed by CCRAS is a combination of known and tested hypoglycemic drugs.

The use of these two drugs would help millions of people suffering from Malaria and Diabetes. Both these medicines were developed by **Central Council for Research in Ayurvedic Sciences (CCRAS)**, New Delhi, an Autonomous body of the Ministry of AYUSH (Ayurveda, Yoga and naturopathy, Unani, Siddha and Homeopathy).

### Indo-Nepal Battalion level combined Exercise Surya Kiran IX

The Ninth Indo-Nepal Combined Battalion level Military Training Exercise **SURYA KIRAN** is being conducted at Pithoragarh in Uttarkhand under the aegis of Panchshul Brigade of Central Command.

- During the exercise, an Infantry battalion each from Indian Army and the Nepalese Army would be training together and sharing their experiences of Counter Terrorism operations and Jungle Warfare in mountain terrain.

#### Background:

- The Surya Kiran series of exercises is a bi-annual event which is conducted alternatively in Nepal and India.
- The aim of this combined training exercise is to enhance inter-operability between the Indian and the Nepalese Army units in Jungle Warfare and Counter Terrorism operations in mountainous terrain.
- The training will also focus on Humanitarian Aid and Disaster Relief including medical and aviation support. Both the Armies will stand to benefit mutually from shared experiences.
- The combined training, mutual interaction and sharing of experiences between both the countries shall further strengthen the historical military and strategic ties, giving further fillip to the bilateral relations and existing strong bonding between both countries.

### MoU between Prasar Bharati, Digital Television Russia

Public broadcaster Prasar Bharati and top Russian pay-tv programmer Digital Television Russia (DTR) have inked a pact for joint production and exchange of TV programs and related services.

- In this regard, the two partners have signed a Memorandum of Understanding (MoU).

#### Benefits of this MoU:

- This alliance will focus on high-quality production, marketing and distribution of content related to art, culture, trade & science, research and technology among others.
- It will also open up great opportunities in the field of news-exchange and of setting up a joint venture to explore the possibilities of commercial cooperation in area of broadcasting.

#### About Prasar Bharati:

Prasar Bharati is a **statutory autonomous body** established under the Prasar Bharati Act and came into existence on 23.11.1997. It is the Public Service Broadcaster of the country. The objectives of public service broadcasting are achieved in terms of Prasar Bharati Act through All India Radio and Doordarshan, which earlier were working as media units under the Ministry of I&B and since the above said date became constituents of Prasar Bharati.

DTR is Russia's leading programmer in basic and premium subscription television channels.

### Sammakka Saralamma Jatara

Asia's biggest tribal fair, **Sammakka-Saralamma Jatara**, was recently concluded in Telangana.

- Lakhs of devotees bid farewell to the tribal goddesses at Medaram village in Warangal district. About a crore people from various parts of the country attended the fair.

#### Key facts:

- Sammakka Saralamma Jatara or Medaram Jatara is a tribal festival of honouring the goddesses celebrated in the state of Telangana, India.
- It commemorates the fight of a mother and daughter, Sammakka and Saralamma, with the reigning rulers against an unjust law.
- It is believed that after Kumbha Mela, the Medaram jatara attracts the largest number of devotees in the country.

- It is a four-day festival held **once in two years**.
- The festival is celebrated in Medaram during the time the goddesses of the tribals is believed to visit them. Medaram is a remote place in the **Eturnagaram Wildlife Sanctuary**, a part of **Dandakaranya**, the **largest surviving forest belt in the Deccan**.

### UGC tells universities to celebrate Matribhasha Diwas on March 3

UGC has asked universities across India to celebrate “**Matribhasha Diwas**” to promote the use of mother tongue on March 3 this year as **February 21**, the day **declared by UNESCO as Mother languages day**, was a Sunday.

- The commission has also asked universities to hold various activities to celebrate “Matribhasha Diwas”.

### About University Grants Commission (UGC):

- The University Grants Commission (UGC) of India is a **statutory body** set up in 1956, and is charged with coordination, determination and maintenance of standards of higher education.
- It provides recognition to universities in India, and disburses funds to such recognized universities and colleges.
- Previously, UGC was formed in 1946 to oversee the work of the three Central Universities of Aligarh, Banaras and, Delhi. In 1947, the Committee was entrusted with the responsibility of dealing with all the then existing Universities.
- After independence, the University Education Commission was set up in 1948 under the Chairmanship of S. Radhakrishnan and it recommended that the UGC be reconstituted on the general model of the University Grants Commission of the United Kingdom.
- The UGC was however, formally established in November 1956, by an Act of Parliament as a statutory body of the Government of India.

### Mumbai street vendors on taxman radar

In a bid to crack down on **black money** in the **informal sector**, Mumbai’s Income Tax department has decided to screen paanwalas , vadapav walas and juice walas in the city.

- The decision was taken after a recent search in Central Mumbai which revealed huge unaccounted wealth and properties of a popular paanwala .

- Hence, the department has, for **the first time, started screening data of vendors** registered with the Brihanmumbai Municipal Corporation (BMC) and records of small shops available with the Labour Department.

### Experts want body to oversee budget

Members of the 14th Finance Commission have questioned the government’s failure to act on its recommendation to constitute an **Independent Fiscal Council** that objectively evaluates budget announcements and forecasts.

### Why we need Fiscal Council?

- The members of the commission have stressed that such an institution is critical **to improve the government’s credibility on fiscal management**.
- According to them, such a council, in the short and medium term, will help **allay fears of global credit rating agencies about the government’s commitment to fiscal targets**.
- Also, while the union government monitors fiscal targets of states nobody oversees its own fiscal decisions.
- Such an independent council could also weigh in on the debate over the fiscal deficit that the budget should strive for — that is currently being driven by only government officials, myriad commentators and the RBI.
- A Fiscal Council would also be a very important body especially when controversies on issues like fiscal deficit thresholds arise as there is no independent body to suggest a road map.

### Background:

The Commission had mooted an Independent Fiscal Council as an oversight body over the finance ministry.

- The council would report to the Parliament on how realistic government projections are, citing similar independent budget and fiscal management monitoring offices in 35 countries.
- The Council can react after the budget comes out and give a view whether the intended purpose would be met or more funds should be provided, and the deficits are in line with projections.

In the past few years, states have been fiscally prudent but the Union has been skipping its own deficit targets. And hence, an independent Fiscal Council to act as an oversight body on the finance ministry that would report to the Parliament appears necessary.

## Govt. to tap CSCs for rural banking access

The government is looking to leverage its **Common Services Centres (CSCs)** to enable easy access to banking services, particularly in rural areas.

- With the CSCs, the government aims to make one person in every family digitally literate in four years.
- The withdrawal facility has already been introduced at the CSCs whereas opening of accounts is being worked out with the banks and is likely to be rolled-out shortly.
- It should be noted here that, so far, through CSCs the entrepreneurs have earned a total commission of Rs.438 crore till now on e-services such as pan cards.

### What is expected from the CSCs?

- Take the lead role in spreading e-commerce in rural India and in promoting local artisans.

How would government support them?

- The government will provide them with internet access on priority basis.
- To incentivise village level entrepreneurs, three best performing entrepreneurs would be rewarded Rs.2 lakh, Rs 1 lakh and Rs 50,000 each.

### What are CSCs?

Common Services Centers (CSCs) are a strategic cornerstone of the Digital India programme. They are the access points for delivery of various electronic services to villages in India, thereby contributing to a digitally and financially inclusive society.

### CSCs enable the three vision areas of the Digital India programme:

1. Digital infrastructure as a core utility to every citizen.
2. Governance and services on demand.
3. Digital empowerment of citizens.

### Significance of CSCs:

CSCs are more than service delivery points in rural India. They are positioned as change agents, promoting rural entrepreneurship and building rural capacities and livelihoods. They are enablers of community participation and collective action for engendering social change through a bottom-up approach with key focus on the rural citizen.

### Key facts:

- The CSC project, which forms a strategic component of the **National eGovernance Plan** was approved by the Government in May 2006, as part of its commitment in the National Common Minimum Programme to introduce e-governance on a massive scale.
- It is also one of the approved projects under the **Integrated Mission Mode Projects of the National eGovernance Plan**.

### India studying impact of market economy status for China

India's Commerce Ministry is assessing the implications of the likelihood of China being granted "**Market Economy Status**" (MES) from December this year under the World Trade Organisation (WTO) norms.

- Beijing has cited the **2001 agreement on China joining the WTO** to say that WTO-member countries had then decided to deem China as a 'market economy' from December 2016.

### Background:

As per the 2001 agreement (Protocol on the accession of China to the WTO), in calculating the 'normal value' of the exported goods while adjudicating anti-dumping cases, the WTO member nations could for 15 years (that is till December 2016) ignore selling price and production costs in China.

- They could instead calculate the 'dumping margin' on the basis of a comparable export price to an appropriate third country and by 'constructing' the production cost with 'reasonable' additions.
- This permission to compare prices or costs with external benchmarks to calculate the 'normal value' and 'dumping margin' has often led to many countries using the anti-dumping route extensively against China and imposing high anti-dumping duties.
- The 15-year time period was given to China to carry out internal reforms and transition into a 'market economy.'

### What happens if China is granted MES and why India is worried?

The main impact of China being granted MES would be on 'anti-dumping' cases. In the recent past, India has extensively used anti-dumping duty to offset the losses caused to the local manufacturers due to dumping. Of the 535 cases where anti-dumping duties were imposed by India from 1994-2014, a maximum of 134 has been on goods from China.

- Once China is granted MES, it will severely limit India's ability to resort to anti-dumping as the authorities (DGAD) will have to accept the production costs and selling price in China as the benchmark. It will in turn mean lesser chances of anti-dumping duties being imposed or lesser anti-dumping duties even if they are imposed.

#### Opposition:

- To deny China the 'MES', India — and others such as the US and the EU — have been saying that unlike in 'market economies' where prices are mainly determined by market forces (of demand and supply), there is significant government influence in China that in turn causes distortions in international trade.
- These countries have also been citing factors such as huge Chinese government subsidies, 'price fixing', 'absence' of proper business accounting standards, besides lack of transparency in not just loan rates, but also in minimum wages and property rights in China.

#### Way ahead:

The Directorate General of Anti-Dumping and Allied Duties (or DGAD, an autonomous body under the commerce ministry) has begun consultations with stakeholders including international trade experts and lawyers on the issue.

- Like India, the European Union (EU) is also undertaking stakeholder consultations on the ramifications of granting MES to China.

**Dumping** is an unfair trade practice of exporting goods to another country at a price lesser than what is paid in the exporting nation or their normal production cost, thereby distorting international trade and causing injury to the domestic manufacturers of the goods in the importing country.

#### USIBC working hard to protect India's IPR status

US-India Business Council (USIBC) is lobbying hard to prevent the risk of a downgrade in the upcoming Special 301 report that identifies trade barriers to U.S. companies and products due to a foreign government's intellectual property regime.

- USIBC efforts are to ensure that the India retains its current position, i.e on the '**priority watch list**', which has 'countries of major concern' to the U.S. Government. There are two categories worse than this as per the Special 301 ranking and India's faces the risk being downgraded. The lowest category will face U.S sanctions.

#### USIBC is defending India citing the following actions taken by India:

- In the last 12 months there has been substantive improvement in India's IP environment. Series of measures by the Indian in the last few months have strengthened the IP regime in the country.
- The government did not appeal against the Delhi High Court's decisions in MSD (Merck) v. Glenmark and Roche v. Cipla. These decisions reflect the increased capacity and competency of Indian judges to resolve patent infringement cases, assess damages, and order injunctive relief.
- In 2015 Prime Minister Narendra Modi made several public statements "reaffirming his commitment to a strong and robust intellectual property regime."
- The Government of India has also denied several compulsory license applications, providing investor certainty and predictability that their patents will be upheld in India.
- The passage of the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Bill in December 2015 was also listed as proof of the government's commitment to stronger IP regime, as this would help speedy adjudication of IP disputes.
- The government has also started a scheme for facilitating start-ups IP rights.

Hence, USIBC has urged the US authority to not alter India's position in the report until that time.

#### Background:

The U.S Chamber of Commerce International IP Index released recently had India at the lowest but one among 38 countries ranked. Venezuela was the only country below India.

The office of the U.S Trade Representative (USTR) prepares the special 301 report annually and the Government of India does not engage with the process as it considers it an infringement on the country's sovereignty. However, few Indian experts point out that the categorisation in the report is arbitrary and mostly a political decision, in order to reward or punish a target country.

#### Unemployment down in urban centres, but persists in rural areas, says survey

The National Sample Survey Office has released the details of a survey conducted to assess the unemployment rate across the country.

**Highlights of the survey:**

- The unemployment rate in urban areas reduced from 4.5% in 2004-05 to 3.4% in 2011-12. In rural areas, the rate has been stable at around 1.7% during this period.
- The unemployment rate across all the religious groups in rural areas was on the lower side than those in urban areas for both males and females.
- Christians have the highest rate of unemployment in both rural (4.5%) and urban (5.9%) areas in 2011-12.
- Unemployment level in India is highest among those people who are richer and more educated. The reason is that poor people can't afford to stay unemployed, and hence, opt for any kind of work, irrespective of the nature of the job. The better off have the capacity to be unemployed as they look for the right job. Christians are the most educated group, hence unemployment rate is higher among them.
- Among the persons of age 15 and above, the proportion of people who are not literates was the lowest for Christians. Also, the proportion of persons with educational level secondary and above is highest for Christians.
- While the unemployment rate in rural areas has decreased for Sikhs (from 3.5 to 1.3%) — now the lowest across all religious groups — it has slightly increased for Muslims (from 2.3 to 2.6%). At 3.3%, Hindus have the lowest unemployment rate in urban areas.
- Self-employment is the major source of income for almost half the households, across all religious groups, in rural areas, followed by casual labour.
- In urban areas, the proportion of households deriving major income from regular wage or salary earnings is the highest. Half the Muslim households in urban areas have self-employment as major source of income, the highest among all religions, while regular wage or salary earnings was the highest for Christians with 45.8% households.

**What is Unemployment Rate?**

Unemployment rate is defined as the number of persons unemployed as a proportion of the labour force (persons who are either 'working' or 'seeking or available for work'), not the total population.

**Internet by light promises to leave Wi-Fi in the shade**

French start-up **Oledcomm** demonstrated the **Li-Fi technology** at the recently held **Mobile World Congress**, the **world's biggest mobile fair, in Barcelona**.

- Laboratory tests have shown theoretical speeds of over 200 Gbps — fast enough to “download the equivalent of 23 DVDs in one second”.

**What is Li-Fi?**

**Li-Fi, or light fidelity**, invented by German physicist and professor Harald Haas, is a wireless technology that makes **use of visible light** in place of radio waves to transmit data at terabits per second speeds—more than 100 times the speed of Wi-Fi.

**How it works?**

- Li-Fi is a Visible Light Communications (VLC) system. This means that it accommodates a photo-detector to receive light signals and a signal processing element to convert the data into 'stream-able' content. Unlike Wi-Fi, which uses radio waves, Li-Fi runs on visible light.
- Here, data is fed into an LED light bulb (with signal processing technology), it then sends data (embedded in its beam) at rapid speeds to the photo-detector (photodiode).
- The tiny changes in the rapid dimming of LED bulbs is then converted by the 'receiver' into electrical signal.
- The signal is then converted back into a binary data stream that the user would recognise as web, video and audio applications that run on internet enables devices.
- An LED lightbulb is a semi-conductor light source meaning that the constant current of electricity supplied to an LED lightbulb can be dipped and dimmed, up and down at extremely high speeds, without being visible to the human eye.

**Advantages:**

- Li-Fi could make a huge impact on the internet of things too, with data transferred at much higher levels with even more devices able to connect to one another.
- Li-Fi offers great promise to overcome the existing limitations of Wi-Fi by providing for data-heavy communication in short ranges.
- Due to its shorter range, Li-Fi is more secure than Wi-Fi.

- Since it does not pollute, it can be called a green technology for device-to-device communication in the Internet of Things (IoT).
- Li-Fi systems consume less power.

#### Limitations of Li-Fi:

- As visual light can't pass through opaque objects and needs line of sight for communication, its range will remain very restricted to start with. In order to enjoy full connectivity, more capable LED bulbs will need to be placed at various places.
- Li-Fi requires the lightbulb is on at all times to provide connectivity, meaning that the lights will need to be on during the day.
- Li-Fi is likely to face interference from external light sources, such as sunlight and bulbs, and obstructions in the path of transmission, and hence may cause interruptions in communication.
- Also, initially, there will be high installation costs of visual light communication systems as an add-on to lighting systems.

#### Assad regime agrees to Syria peace deal

Syria's regime has agreed to a ceasefire deal announced by the United States and Russia after it was conditionally accepted by the opposition.

- The ceasefire plan was announced by top diplomats in Munich earlier this month, but failed to take hold last week as initially planned.
- As well as reducing violence and expanding humanitarian access, it aims to pave the way for a resumption of peace talks that collapsed earlier this month in Geneva.

#### Details:

- The deal does not apply to jihadists like the Islamic State group and Al-Nusra Front, putting up major hurdles to how it can be implemented on Syria's complex battlefield.
- The deal calls for a "cessation of hostilities" between forces loyal to President Bashar al-Assad and opposition groups that would take effect at midnight Friday Damascus time.

However, analysts say the deal may be simply unworkable, rebels on the ground doubted the regime's goodwill and many civilians expected their hopes to once again be dashed.

#### Background:

- Moscow and Washington have been leading the latest diplomatic push to try to resolve Syria's nearly five-year civil war, a brutal conflict that has left more than 260,000 dead and forced millions from their homes.
- The two countries are on opposing sides of the conflict — with Russia backing Assad and the United States supporting the opposition — but in recent weeks have joined forces to press for the ceasefire.
- Moscow and Washington are both pursuing air wars in Syria. A US-led coalition launched air strikes against ISIS positions in both Syria and Iraq in 2014 while Russia began its own aerial raids in Syria in September.
- Russia says it is targeting "terrorists" in its strikes but has been accused of hitting non-terrorist groups in support of Assad, a longtime ally.
  - Iran has also sent military advisers to Syria and the Tehran-backed Lebanese Shiite movement Hezbollah has deployed at least 6,000 militants to fight alongside Assad's forces.

#### Amnesty international report

An Amnesty International (AI) report has stated that authorities in India have failed to "prevent many incidents of religious violence" and sometimes "contributed to tensions through polarising speeches".

- The report titled "**State of the World's Human Rights Report 2015-16**" said that authorities resorted to repressing civil society organisations opposing official policies through restrictive foreign funding laws, referring to issues faced by Greenpeace India.
- The report notes that laws that did not meet international standards on freedom of expression were also used to persecute human rights defenders and others in the country.
- The report also noted that there at least 3200 prisoners held in various prisons across India without trial under executive order.

#### Students to take digital literacy to the masses

Kerala is preparing to launch the **Statewide Digital Empowerment Campaign**, which seeks to bridge the digital divide and maximise the potential of ICT (Information and Communication Technology) in day-to-day life.

**Details:**

- The initiative is aimed at making them capable of using e-mail, accessing online government services, making online utility payments and bank transfers and doing online shopping.
- The Kerala State IT Mission (KSITM) is the **nodal agency for the project**. It is readying as many as 5600 tablets to be distributed to the cadets.
- Student police cadets from as many as 280 schools in all 14 districts will be enlisted for the campaign, which is expected to help 3 million people in the State.
- Equipped with tablets preloaded with special software, the students will train at least one member in each family in the catchment area of a school extending up to a radius of 3 km.
- The training process will be monitored on real time basis using the software. A programme monitoring unit will also be set up at KSITM. The training will also cover mobile services and information security.
- Under this campaign, more than 10 lakh people will be digitally empowered in the first phase over a period of four months. The second phase will utilise the services of both NSS volunteers and NCC cadets to reach out to more citizens.
- This initiative has been taken up under the Digital India initiative.

**President's address**

President Pranab Mukherjee recently addressed the joint sitting of both Houses of Parliament.

Constitutional provisions:

**Articles 86 and 87** of the Constitution deal with the Address by the President.

1. **Article 86** confers a right on the President to address either House of Parliament or both Houses assembled together, and for that purpose require the attendance of members. However, since the commencement of the Constitution, the President has not so far addressed a House or Houses together under this provision.
2. **Article 87** deals with Special Address by the President and provides that the President shall address both Houses of Parliament assembled together at the commencement of the first session after each general election to the Lok Sabha and at the commencement of the first session of

each year and inform Parliament of the causes of its summons.

Remember, **article 87** makes it clear, the Address is to be to both Houses of Parliament assembled together. In other words, it means that if at the time of commencement of the first session of the year, the Lok Sabha has been dissolved and the Rajya Sabha has to meet, then the Rajya Sabha can have its Session without the President's Address.

**Best city**

AN international survey on quality of life has chosen **Austria's capital Vienna** as the best place to live in the world. Please note that **no Indian city in the top 100**. Among Indian cities, Hyderabad is placed at 139, followed by Pune at 144 and Bangalore at 145.

- The study examined social and economic conditions, health, education, housing and the environment and is being used by big companies to assess where they should locate and how much they should pay staff.

**Falcated Duck sighted in Goa**

The birders of Goa have sighted a new bird **Falcated Duck**, a very rare vagrant species to the south of India, which became the latest addition to the checklist of 'Birds of Goa'.

Significance of this finding:

- The Falcated duck is a regular winter migrant to the northern States of India. They breed in Russia and north China in summers and migrates towards north of India in winter.
- Some individuals though are known to move further south. There are two reports of this species from south of India.
- The first was reported from Tamil Nadu in 2012 while in January 2015 a single individual was reported from Akola in Maharashtra and this sighting by the birding trio is only the third from south India.

**Key facts:**

- **Falcated duck** is classified as **near threatened** in terms of its conservation prioritization by International Union for Conservation of Nature.
- Recent estimates have put the world population of this species to be just about 89,000 individuals. The greatest threat faced by this species globally is the loss of habitat and hunting. Loss of habitat in their winter migratory region is also a cause for concern.

- With this new sighting, the checklist of Birds of Goa stands at 461 species.

### India remains world's largest arms importer, with 14% of total share

The latest data on international arms transfers released by a global think-tank, Stockholm International Peace Research Institute (SIPRI) show that **India continues to remain the world's largest arms importer**, accounting for 14% of the global imports in the 2011-2015 timeframe.

#### Keys facts:

- India's arms imports remain three times greater than those of its rivals China and Pakistan. Its biggest suppliers are Russia, the US, Israel and France.
- After India, China ranks second in the global arms import list with 4.7%, followed by Australia (3.6%), Pakistan (3.3%), Vietnam (2.9%) and South Korea (2.6%).
- Incidentally, Pakistan is the main recipient of Chinese arms exports, notching up 35% of the total, followed by Bangladesh (20%) and Myanmar (16%).
- Russia, in turn, is China's largest arms supplier with 59%, followed by France (15%) and Ukraine (14%).

However, India's position is another indicator of the country's enduring failure to build a strong domestic defence-industrial base (DIB).

### Cabinet nod to incentivise cashless transactions

The Union Cabinet has approved several steps to promote **cashless transactions in the country**.

#### Approved steps include:

- Mandatory card-based or electronic payments beyond a prescribed threshold.
- The withdrawal of any additional charge currently imposed on card or digital payments by various government entities.
- The introduction of the required infrastructure for digital payments in all government offices.
- Rationalisation of the merchant discount rate (MDR) on card transactions and telecom service charges for digital financial transactions to promote mobile banking.

#### Significance of this move:

- With this decision, the government has completed its promise for such measures made in the previous Budget.
- Besides, promotion of payments through cards and digital means will be instrumental in reducing tax avoidance, migration of Government payments and collections to cashless mode, discourage transactions in cash by providing access to financial payment services to the citizens to conduct transactions through card/ digital means and shifting payment ecosystem from cash dominated to non-cash/less cash payments.

Previously, the government had also proposed to levy a nominal cash handling charge on cash transactions above a specified level.

#### Pilferage remains a problem for LPG subsidy scheme

According to a recent study, while the direct benefit transfer scheme (DBT) for LPG subsidy has resulted in considerable savings for the government, pilferage still remains a problem.

#### What's the issue?

Despite being a well-designed system accruing big savings for the government, the study discovered that cylinders continue to be diverted to the commercial market. It was found that families, irrespective of income levels and family size consume 9.5-10.5 cylinders per year leaving 2-3 unutilised, subsidised cylinders per household. Experts call this as the '**March problem**'.

The survey covered over 100 LPG distributors and 6,000 consumers in Uttarakhand, Bihar and Uttar Pradesh. It found that customers in these states said that they were approached by distributors to book the unused cylinders at the end of the financial year, in March. Once these extra cylinders are booked, the report found, the distributor sells them at market rates while the families receive the subsidy amount in their accounts in the following month.

#### Financial implications:

The study shows that around Rs.1,800 crore-Rs.3,000 crore (based on a usage of 9.5-10.5 cylinders) out of the total amount transferred under PAHAL (as the LPG subsidy scheme is called) is being pilfered, assuming that only half the eligible population across all states indulged in such activities.

- That works out to 6-10.5% of the total LPG subsidy payments through this scheme. The actual figure could be more.

- Government data shows that it has given out Rs.28,713 crore under the PAHAL scheme against a budgeted amount of Rs.21,140 crore.

### How can we tackle this problem?

- A per-cylinder approach to the subsidy payments could remove the incidence of pilferage.
- At the moment, the government gives a standard subsidy amount regardless of whether it is for the first cylinder consumed or the twelfth. The report recommends a graded approach where the first few cylinders used receive a high subsidy amount while the 10, 11 and 12 cylinders receive no subsidy at all. Using this method, the overall

#### **Make public names of wilful defaulters: panel**

The Standing Committee on Finance has recommended that state-owned banks make public the names of their respective top 30 stressed accounts involving wilful defaulters.

### Why?

According to the committee, this will act as a deterrent and enable banks to withstand pressure and interference from various quarters in dealing with the promoters for recoveries or sanctioning further loans.

### Important recommendations made by the committee:

- The committee has asked the government to amend the RBI Act and other laws and guidelines to pave the way for PSUs to make the names of wilful defaulters public.
- The committee also recommended that specially-tasked committees be mandated to continually monitor the status of large loan portfolios and submit periodical reports to government and Parliament on the findings.
- Since diversion of funds by promoters to unrelated businesses and poor pre-sanction due-diligence have been cited as key reasons for bank loans turning toxic, the committee said it was of the view that forensic audits should be made mandatory for specific class of borrowers.

### How bad is the situation?

- Total credit off-take of public sector banks as on December 2014 stood at Rs. 60,60,699 crore and as on September 2015, the net NPAs were Rs. 2,05,024 crore, according to the report.
- Wilful defaulters owe PSU banks a total of Rs.64,335 crore or 21% of total non-performing assets, (NPA).
- The gross NPAs were Rs. 3,69,990 crore. Certain estimates indicate that the gross NPAs could reach Rs. 4 lakh crore by the end of this fiscal year.

- The sharpest increase in NPAs in the banking industry was observed in mid size corporates (Rs.25 crore—Rs.100 crore exposure to commercial entities) as they rose to 9.7% in September 2015 from 6.4% in March 2014.

- Retail loans also saw an industry-wide reduction to 4.7% from 8.8%.

- Taking the gross NPAs and the restructured advances together, the stress on public sector banks is 13.03% to total advances as on December 2014 and 8.71% as on September 2015.

- Also alarming is stressed category. As on September 2015, nearly Rs. 6.8 lakh crore worth of bank loans were in the 'stressed category' as against Rs.5.91 lakh crore in the previous year.

### Ex-CJI Justice Dattu to head NHRC

The government has selected former Chief Justice of India H L Dattu as the next chairperson of the National Human Rights Commission (NHRC).

- The post of NHRC chairperson had been lying vacant since May 2015 after Justice K G Balakrishnan completed his nearly five-year-long tenure.

- On appointment, Justice Dattu will have a tenure of five years at the post.

### Selection committee:

Under the Protection of Human Rights Act, 1993, the President appoints the chairperson and members of the NHRC on the recommendation of a committee comprising the Prime Minister, Lok Sabha Speaker, Union Home Minister, leaders of Opposition in Lok Sabha and Rajya Sabha, and Deputy Chairman of Rajya Sabha.

### About NHRC:

- It is a **statutory body** established in 1993.
- It consists of a Chairman and 4 members. Chairman should be a retired Chief Justice of India. Members should be either sitting or retired judges of the Supreme Court or a serving or retired Chief Justice of a High Court and 2 persons having practical knowledge in this field.
- Ex officio members are the chairmen of National Commission for Scheduled Caste, National Commission for Scheduled Tribes, National Commission for Minorities and National Commission for Women.

- Term of the chairman and members is 5 years or 70 years whichever is earlier.
- After retirement they are not eligible for further reappointment.
- Removal: President has to refer the matter to Supreme Court and if after enquiry Supreme Court holds it right then they can be removed by the President.
- The commission is not empowered to enquire into matters which were committed one year before.
- Its recommendations are just advisory and not binding in nature.
- It submits Annual report to the Central government and to the concerned state governments.
- It is being implemented in 500 locations with a population of one lakh and above.
- It would cover some cities situated on stems of main rivers; a few state capitals and important cities located in hilly areas, islands and tourist areas.
- Under this mission, states get the flexibility of designing schemes based on the needs of identified cities and in their execution and monitoring.
- States will only submit state annual action Plans to the centre for broad concurrence based on which funds will be released.
- Under the mission, states will transfer funds to urban local bodies within 7 days of transfer by central government and no diversion of funds to be made failing which penal interest would be charged besides taking other adverse action by the centre.

### Atal Mission plans

Ministry of Urban Development has approved an investment of Rs.495.11 cr in water supply, sewerage networks and septage management, storm water drains, urban transport and provision of green spaces in 13 cities in 6 states under **Atal Mission for Rejuvenation & Urban Transformation (AMRUT) Action Plans for 2015-16**.

- Six states are- Assam, Jammu & Kashmir, Goa, Tripura, Meghalaya and Puducherry.
- Out of the total project cost of Rs.495.11 cr, Central Government will provide an assistance of Rs.425 cr.
- Central Government will bear 90% of the project costs in respect of North-Eastern States and J&K, 100% for Puducherry and 50% of the cost in case of Goa.
- With these approvals, the Ministry of Urban Development has so far approved Atal Mission Action Plans for 2015-16 for 483 mission cities in 26 states and Union Territories with a total investment of Rs.20,491 cr.

### Atal Mission for Rejuvenation and Urban Transformation (AMRUT):

- AMRUT is the new avatar of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM).
- It adopts a project approach to ensure basic infrastructure services relating to water supply, sewerage, storm-water drains, transportation and development of green spaces and parks with special provision for meeting the needs of children.
- Under this mission, 10% of the budget allocation will be given to states and union territories as incentive based on the achievement of reforms during the previous year.

### Credit for Chabahar Port Development

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its approval to the proposal of the Ministry of Shipping for provision and operationalization of credit of 150 million USD from EXIM Bank for development of Chabahar Port in Iran.

#### Background:

An MoU was signed between India and Iran in May 2015. As per the MoU, India is to equip and operate two berths in Chabahar Port Phase-I with capital investment of USD 85.21 million and annual revenue expenditure of USD 22.95 million on a ten year lease.

- Ownership of equipment will be transferred to Iranian side on completion of 10 year period or for an extended period, based on mutual agreement.
- The Iranian side had requested for provision of a credit of USD 150 million in accordance with the MoU.
- As per the MoU, operation of two berths will commence within a period of maximum 18 months after the signing of the Contract.
- The two berths will be operated by the India Ports Global Private Limited, a Company promoted by the Jawaharlal Nehru Port Trust and Kandla Port Trust – two major ports working under the Ministry of Shipping.

**Way ahead:**

The Union Cabinet has now authorized the Ministers of Finance, External Affairs and Shipping to approve the final contract with Iran and for resolution of any issue arising in implementation of the project.

- The Union Cabinet has also authorized the Ministry of Shipping to form a Company in Iran for implementing the Chabahar Port Development Project and related activities.

**Significance of Chabahar port:**

Chabahar Port lies outside the Persian Gulf in Iran and will help in expanding maritime commerce in the region. India is negotiating this project to facilitate the growing trade and investment with Iran and other countries in the region, notably Afghanistan and also to provide opportunities to Indian companies to penetrate and enhance their footprint in the region.

**India And UK Institutions Sign Agreements for Collaboration in Crop Sciences**

Department of Biotechnology, Ministry of Science and Technology and a consortium of top UK research institutions recently signed Memorandum of Understanding for establishment of a joint India-UK collaboration programme in crop science.

- The **aim of the agreement** is to enhance collaborative research, promote knowledge exchange, and support capacity building to develop resilience in food security.
- This collaboration will create opportunities for leading experts in the UK and India to come together to tackle global challenges in the areas of food security, crop science and biotechnology.
- The agreement foresees joint projects focusing on the fundamental science underpinning yield enhancement, disease resistance and drought resistance; research into crop re-breeding; and the translation of fundamental research into sustainable agriculture practice.
- It also contemplates the establishment of a joint Indo-UK Plant Science Centre in India.

**Agreement between India and Maldives for avoidance of double taxation of income from International air transport**

The Union Cabinet has given its approval for signing of an Agreement between India and Maldives for the avoidance of double taxation of income from international air transport.

- The Agreement provides for relief from double taxation for airline enterprises of India and Maldives by way of exemption of income derived by the enterprise of India from the operation of aircraft in international traffic, from Maldivian tax and vice-versa.
- Under the agreement, profits from the operation of aircraft in international traffic will be taxed in one country alone.
- Accordingly the taxing right is conferred upon the country to which the enterprise belongs. The Agreement will provide tax certainty for airline enterprises of India and Maldives.
- The Agreement further provides for Mutual Agreement Procedure for resolving any difficulties or doubts arising as to the interpretation or application of the Agreement.

**Prelims Related Facts:**

1. According to Hurun (**Hurun Report**) Global Rich List 2016, India is home to 111 billionaires and most of them are from Mumbai. India has added 27 new billionaires to the list in last one year.
2. The fifth **edition of IBSAMR (India-Brazil-South Africa Maritime) 2016 trilateral naval exercise between Brazil, India and South Africa** has begun in Goa. It is for the first time this naval exercise is being held in India.
3. India's first **indigenously built nuclear armed submarine INS Arihant** has successfully passed deep sea tests.

**Bhopal Gas tragedy**

Survivors of Bhopal Gas disaster have launched a postcard campaign seeking an urgent Supreme Court hearing in the case demanding additional compensation.

**Background:**

- About five years ago the government filed the curative petition in the Supreme Court on the issue and yet there has been no hearing. Besides, the government has not moved a single petition for urgent hearing on additional compensation.
- Meanwhile, victims of the disaster continue to die battling economic hardship caused due to exposure related ill health and paltry compensation.
- Activists and survivors are not happy over government's apathy. The government's neglect towards the legal rights of the Bhopal victims to adequate compensation is also evident in its carelessness regarding figures of injury and

death. Despite the central minister's promise made over a year ago, the figures of injury and death in the curative petition remain downplayed to a fraction of the actual damage.

More than 3,500 people were killed instantly when poisonous gas leaked from the Union Carbide pesticide plant in Bhopal on the night of December 2-3, 1984. Thousands more have died over the years. Many more thousands have been maimed or suffer from serious health issues due to their exposure to the gas.

### How did it happen?

There was a leakage in the water pipe and as result water entered into methyl iso cyanide(MIC) tank. Also refrigeration system was not working to cool MIC and prevent chemical reaction. Due to this, exothermic reaction took place releasing large amount of heat and the volume of gas increased and a cloud of gases phosgene, carbon monoxide and MIC started coming out. As it was very spontaneous and rapidly it spread and soon a very dense cloud was formed over the city of Bhopal exposing half a million people.

### E-tourist visa extended to 37 more nations

The Union home ministry has decided to extend e-tourist visa scheme to 37 more nations, taking the number of beneficiary countries to 150.

The **countries added** in the latest round include Albania, Austria, Bosnia & Herzegovina, Botswana, Brunei, Bulgaria, Cape Verde, Comoros, Cote D'Ivoire, Croatia, Czech Republic, Denmark, Eritrea, Gabon, Gambia, Ghana, Greece, Guinea, Iceland, Lesotho, Liberia, Madagascar, Malawi, Moldova, Namibia, Romania, San Marino, Senegal, Serbia, Slovakia, South Africa, Swaziland, Switzerland, Tajikistan, Trinidad & Tobago, Zambia and Zimbabwe.

### Key facts:

- Until the latest addition, the scheme covered 113 countries with nine airports designated for providing e-tourist visa service.
- Over 7.5 lakh visas have been issued since the e-tourist visa scheme was launched. This translates to an average of 3,500 e-tourist visas on a daily basis to foreign nationals.

### About the scheme:

TVoA (tourist visa on arrival), enabled by Electronic Travel Authorisation (ETA), popularly known as e-Tourist Visa scheme, was launched on November 27, 2014.

- Under the e-Tourist Visa scheme, an applicant receives an email authorising him or her to travel to India after it is approved and he or she can travel with a print-out of this authorisation.
- On arrival, the visitor has to present the authorization to the immigration authorities who would then stamp the entry into the country.
- The visas would have a validity of 30 days from the date of arrival. Biometric details of the applicant will be mandatorily captured on arrival in India. The facility can be availed for a maximum of two visits to the country in a calendar year.

### Who is not eligible?

1. Not available to Diplomatic/Official Passport Holders.
2. Not available to individuals endorsed on Parent's/Spouse's Passport i.e. each individual should have a separate passport.
3. Not available to International Travel Document Holders.

### India dispatches relief material to cyclone hit Fiji

India has dispatched relief material to cyclone hit Fiji as part of its Humanitarian Assistance and Disaster Relief efforts in the neighbourhood. Dispatched relief material to the island nation includes food, medicines and tents.

### Background:

- Fiji was hit by a massive cyclone '**Winston**' last week. The island nation had also requested foreign aid.
- India has already announced aid in the aftermath of the disaster. It extended USD one million in immediate assistance to Fiji after devastating Cyclone Winston hits.

**Cyclone Winston** was the most powerful tempest recorded in the southern hemisphere and hit Fiji at speeds of 200 miles per hour, causing extensive flooding and rendering thousands homeless.

### US wins WTO dispute against India's solar power rules

The United States has won a ruling against India at the World Trade Organization after challenging the rules on the origin of solar cells and solar modules used in India's national solar power programme.

**Background:**

- The United States complained to the WTO in 2013 about the Indian solar programme, which sought to ease chronic energy shortages in Asia's third-largest economy without creating pollution.
- But a requirement that certain cells and modules be made in India fell afoul of WTO rules on discriminating against imports.
- The United States said its solar exports to India had fallen by 90% from 2011, when India imposed the rules.

The WTO ruling, which can be appealed within 60 days, was repeatedly delayed as the two sides tried to negotiate a settlement.

**National Solar Mission**, launched in 2010, aims to establish India as a global leader in solar energy by creating the policy conditions for its diffusion across the country as quickly as possible. The Mission has set the ambitious target of deploying 20,000 MW of grid connected solar power by 2022 and aims at reducing the cost of solar power generation in the country. The **US primarily exports thin film technology for the solar panel.**

**Railway Budget special:****Theme of the Budget**

- Overcoming challenges – Reorganize, Restructure Rejuvenate Indian Railways: 'Chalo, Milkar Kuch Naya Karen'
- Three pillars of the strategy i.e. Nav Arjan – New revenues, Nav Manak – New norms, Nav Sanrachna – New Structures.

**Four new categories of trains announced**

Four new categories of trains have been announced in the budget— one for unreserved passengers and three for reserved passengers.

The four new categories of trains are- Humsafar, Tejas, Antyodaya Express and Uday.

1. Humsafar would be fully air-conditioned third AC service with an optional service for meals.
2. Tejas on the other hand will showcase the future of train travel in India. Operating at speeds of 130 kmph or more, it will have on-board services such as entertainment, local cuisine, Wi-Fi etc.
3. Utkrisht Double-Decker Air-conditioned Yatri (UDAY) Express will be introduced on the busiest routes, which

has the potential to increase carrying capacity by almost 40%.

4. Antyodaya Express is a long-distance, fully unreserved, super-fast train service, for the common man to be operated on dense routes.

The railway minister has also announced that two to four Deen Dayalu coaches would be added in some long distance trains for unreserved travel. These coaches will also have facility for potable drinking water and a higher number of mobile charging points.

**Seven missions to improve functioning**

To make the functioning of railways more efficient, Railway Minister Suresh Prabhu has announced seven missions, including activities to increase the average speed of superfast mail trains by 25 kilometres per hour in the next five years.

The seven missions are '25 Tonne', 'Zero Accident', PACE (Procurement and Consumption Efficiency), 'Raftaar', 'Hundred', 'beyond book-keeping' and 'capacity utilisation'.

- Under Mission Raftaar, the railways would target doubling average speeds of freight trains and increasing the average speed of superfast mail/express trains by 25 kmph in the next 5 years.
- On Mission 25 Tonne, railways will augment the carrying capacity to realise the goal of revenue enhancement. A critical step in that direction is making our infrastructure suitable to carry 25-tonne axle load. It is proposed to introduce 10-20% freight loading through 25-tonne axle-load wagons in 2016-17 and target movement of 70% of freight traffic on high axle load wagons by FY 19-20.
- Among others, Mission Hundred would focus on sidings and freight terminals.
- Under 'Beyond Book-keeping', Indian Railways will establish an accounting system where the outcomes can be tracked to inputs.

Each of the missions would be headed by a director reporting directly to the Railway Board Chairman.

**Three freight corridors to be built on priority**

The country will get three new dedicated freight corridors, according to the Railway Budget 2016, in addition to the Delhi-Mumbai and Delhi-Kolkata freight corridors that are due to be commissioned in 2019.

- The new projects are a North-South corridor, from Delhi to Chennai, an East-West corridor from Karaghpur to

Mumbai and an East Coast corridor, from Karaghpur to Vijayawada.

- These projects will be financed through a PPP (public private partnership) mechanism and rolled out on a high priority basis

#### Facts for Prelims:

- NASA astronaut Captain **Sunita** Williams is in India on a three-day visit. She holds the record for the **highest number of space walks by a woman** astronaut at 7 and has received many awards including **Padma Bhushan**.
- With 8066 cases registered, **Uttar Pradesh** is at the forefront in the number of cases of offences of **atrocities against members of SCs** registered under Prevention of Atrocities (PoA) Act in conjunction with the IPC, during 2014. UP is closely followed by Bihar and Rajasthan with 7874 and 6734 cases registered respectively.

#### Economic Survey Highlights

Invest in welfare, undertake reforms, says Economic Survey

Economic survey projects real GDP growth for the current financial year and 2016-17 to be in the range of 7-7.75%.

- According to CSO, growth this year will be 7.6%, lower than 8.1-8.5% growth projected in the last survey.

#### Important recommendations made by the survey in this regard:

- Improved investments in health and education, where India fares the worst, and adequate attention to agriculture could help India achieve higher growth rates. Four seasons of weak rainfall have demanded immediate attention from policy makers.
- The survey has advised the government to take up the unfinished agenda including the Goods and Services Tax, strategic disinvestment, de-stressing of the balance sheet of both banks and private companies, and the rationalisation of subsidies. Stretched corporate and bank balance sheets are affecting prospects for reviving private investments, and so the underlying stressed assets must be sold or rehabilitated, the survey noted.
- It also recommends restricting the cooking gas subsidy to 10 cylinders from 12 at present, raising the levels of property tax and desisting from raising the income tax threshold.
- It also recommends raising resources for recapitalising public sector banks by carefully leveraging the assets of

the Reserve Bank of India and other regulatory institutions.

The survey makes a case for unpopular reforms, such as bringing agricultural incomes in the tax net, rationalisation of fertiliser subsidies estimated at Rs. 75,000 crore (excluding arrears) and the withdrawal of tax benefits which, benefit mainly the rich.

The survey has also indicated that the government would keep the fiscal deficit within the target of 3.9% of GDP in the current year.

#### Highest FDI

According to the survey, Delhi is the largest recipient of FDI in the country. It is closely followed by Maharashtra and Karnataka.

#### Rich feed off subsidies worth over Rs. 1 lakh crore: Economic Survey

The survey notes that India's rich feed off subsidies worth over Rs. 1 lakh crore a year that are meant for the poor. While noting this, the survey has considered subsidies only on six commodities including Railways, electricity and PPF.

- It also says that various government interventions in the country have been helping the relatively better-off in society, which in turn is taking the form of explicit subsidization, and is substantial in magnitude.

Implications of such policies: Any tax incentives that are given, for example, for savings, benefit not the middle class, not the upper middle class but the super-rich who represent the top 1-2%.

#### Where we are losing?

- Most commodities primarily consumed by the rich have a very low tax rate, in effect subsidising them at the cost of the poor. For example, the rich consume 98% of the gold in the country, and yet gold is taxed at only 1-1.6% (the Centre and the States combined).
- The rich avail of an 88% subsidy on kerosene, amounting to Rs. 5,501 crore and 86% subsidy on LPG, amounting to Rs. 40,151 crore.
- Some commodities are subsidised more for the poor than the rich, such as railway tickets (since there are different categories of tickets), but even here, the rich avail of a subsidy of 34%.
- Similarly, the tax structure has resulted in aviation fuel being cheaper per litre than petrol and diesel. Aviation fuel is taxed at about 20% (average of tax rates for all

states), while diesel and petrol are taxed at about 55% and 61%. The real consumers of ATF are those who travel by air, who essentially are the well-off.

### How this was calculated?

To arrive at the quantum of subsidies availed of by the rich, the Economic Survey assumed the average tax on normal commodities at 19%, the Revenue Neutral Rate for the GST as recommended by the Subramanian panel, and a 50% tax on energy-related commodities that serves as an “appropriate carbon tax.”

- The effective subsidy availed by the rich, as calculated by the Survey, is the difference between this tax rate (19% or 30%) and the actual subsidy, measured as a negative number, or the (positive) tax rate on that commodity or service.

### Private finance vital for India to reach climate goals: Survey

The Economic Survey finds that India will find it hard to meet its variety of obligations to tackle climate change without substantial help from the private sector.

Successful implementation of the Paris Agreement, the Sustainable Development Goals (SDGs) and the ambitious targets set out in the Intended Nationally Determined Contributions (INDCs) will require huge financial resources which cannot be met through budgetary sources alone. Hence, according to the survey, leveraging private finance along with public finance, both international and national, will be critical.

- The **SDGs** set by the United Nations last September lay the onus on countries to make significant progress on a wide range of goals including ending poverty and hunger and combating climate change.
- The **INDCs** are plans by governments communicated to the United Nations climate change council regarding the steps they will take to address climate change domestically.

### Only 5.5% who earn are tax payers: Economic Survey

According to the survey, only about 5.5% of the people who earn pay tax in India and only 15.5% of the net national income is reported to the tax authorities.

- The tax to GDP ratio at 16.6%, as a result, is well below that of the emerging market economies of 21% and OECD average of 34%.
- On the expenditure side, India’s spending on human capital, education and health, to the GDP ratio is the lowest among BRICS and lower than the OECD and emerging market

economies averages. They are in fact, lower than those of comparable per-capita GDP economies such as Vietnam, Bolivia and Uzbekistan.

### What needs to be done?

- To widen the tax net and raise revenue for spending on India’s human capital development, the survey called for bringing rich farmers into the tax net, raising property tax rates and phasing out tax exemptions.
- Besides, there should be reasonable taxation of the better-off, regardless of the source of their incomes, whether it is from industry, services, real estate, or agriculture.

### Inequality in India

The survey also seeks to analyse the levels of inequality in India.

- According to the survey fast growing years in the 2000s were in fact associated with rising inequality at the very top end of the Indian income distribution.
- As in many countries, there has been a growing concentration of income at the top: in 2013-14.
- The top 1%, 0.5% and 0.1% of people in the overall income distribution (the three highest income groups) accounted for 12.4%, 9.4% and 5% of the entire income of the Indian economy.
- At these levels, inequality in India is comparable to that in the U.K. and lesser than in the United States.

### RBI must redeploy its capital in state-owned banks

The survey has asked the Reserve Bank of India (RBI) to deploy some of its capital in the public sector banks (PSBs).

- The survey highlighted the ratio of shareholder equity to assets (total equity as a percentage of balance sheet) for RBI is very high among various central banks, at 32%, only after Norway and well above that of the U.S. Federal Reserve and the Bank of England whose ratios are less than 2%.
- Stress, which is emanating from both banks and corporate sector, is a major impediment to private investment and a full-fledged economic recovery.
- The survey notes that if the RBI were to move even to the median of the sample (16%), this would free up a substantial amount of capital to be deployed for recapitalizing the PSBs.

However, any such move would need to be initiated jointly and cooperatively between the government and the RBI. And it will also be critical to ensure that any redeployment of capital would preserve the RBI's independence, integrity and financial soundness.

On the other hand, banking industry experts said the idea may not go well with the RBI which insists that its regulation is ownership neutral.

#### State of PSBs:

Public sector banks are in need of capital as bad loans have surged in the last few years and also to meet Basel-III norms. The finance ministry estimates public sector banks will need Rs.1.8 lakh crore capital infusion for four years ending March 2018-19 while the government plans to infuse only Rs.70,000 crore during the period.

#### Gas prices must be linked to market

Market-determined pricing for gas in India is the best policy going forward in order to ensure greater investment, competitiveness and transparency in the sector, according to the Economic Survey.

- The survey also recommends capping the LPG subsidy to 10 cylinders per household per year from the current 12.
- Market-determined arm's length pricing for domestic gas, with an effective regulator, to provide adequate incentive for investment and also ensure competitiveness and transparency remains the first-best solution that merits consideration. It would reflect the appropriate gas price in relation to alternative fuels.

The current gas pricing formula, in place since October 2014, mandates that the price of natural gas be revised every six months on the basis of a weighted average of rates in gas-surplus economies such as the US, Mexico, Canada, and Russia.

#### India has 3rd largest base of start-up firms

Within a year, the number of technology start ups in the country has grown by 40 per cent to over 4,200, making India the third largest base of technology start-ups in the world, according to the Economic Survey 2015-16.

- This has further helped create about 80,000-85,000 jobs during 2015.
- Also, Indian start-ups raised USD 3.5 billion in funding in the first half of 2015, and the number of active investors in India increased from 220 in 2014 to 490 in 2015.

- As of December 2015, eight Indian start-ups belonged to the 'Unicorn' club i.e had valuations greater than USD one billion.

#### Slow labour reforms hurt 'good' jobs

The economic survey has criticised the slow pace of reforms in labour laws, arguing that firms negotiate regulatory hurdles imposed to protect employees who get poor quality jobs as a consequence and suggested easier retrenchment norms and lower statutory deductions from salaries to create 'good' jobs.

- India's most pressing labour market challenge going forward will be to generate a large number of good jobs. These jobs tend to be formal sector jobs.
- Two obstacles to formal sector job creation are regulation-induced taxes on formal workers and spatial mismatch between workers and jobs.

However, the slow pace of labour reform has encouraged firms to resort to other strategies to negotiate regulatory cholesterol. One popular strategy is to hire contract workers," the survey said highlighting how "managing" inspectors to the contract labour firm has become a normal exercise for factories.

#### Role of Industrial Disputes Act

Medium-sized formal sector manufacturing firms have reported labour regulations as a significant barrier to growth, specifically the dismissal norms under the Industrial Disputes Act.

- The Industrial Disputes Act 1947 requires firms with more than 100 workers to seek government's approval before retrenching workers. The law has encouraged factories to employ contract workers to stay out of the rule books even though entrepreneurs feel 'contract labour is not the ideal solution' for them.

Only 35% of the 10.5 million new manufacturing jobs created between 1989 and 2010 were in the formal sector. Though the informal sector kept unemployment levels low, these jobs were much worse than the formal sector ones.

#### DBT "jammed" by last-mile challenge

According to the survey, the government's big push for scaling up Direct Benefit Transfer subsidies using the JAM trinity (Jan Dhan Yojana, Aadhaar and Mobile number) is unlikely to work in rural India in the short to medium-term.

- It notes that the JAM agenda is currently jammed by the last-mile challenge of getting money from banks into beneficiaries' hands, especially in rural India.

- The survey adds there is still some way to go before bank-beneficiary linkages are strong enough to pursue Direct Benefit Transfer (DBT) without committing exclusion errors despite the huge improvements seen in financial inclusion due to Jan Dhan Yojna.

#### What needs to be done?

- The government must invest in last-mile financial inclusion by further improving banking correspondent (BCs) networks and promoting the spread of mobile money.
- Regulations governing the remuneration of BCs may need to be reviewed to ensure that commission rates are sufficient to encourage BCs to remain active.
- The Survey also suggests incentivising states by sharing fiscal saving from DBT to help fully implement JAM.

#### Survey outlines steps to boost Make in India

The survey has proposed a slew of steps, such as eliminating exemptions on countervailing duties on imports, monetisation of land owned by public sector companies and allowing industries to buy electricity directly from the markets to enable Make in India Initiative a success.

#### Challenges:

- The duty exemptions are favouring foreign producers over domestically made goods thus defeating the initiative.
- The efficiency of electrical energy usage has fallen with an increase in power generation capacity not being able to be capitalised by distribution companies due their financial inability to purchase electricity.
- On the issue of countervailing duty exemptions, the Economic Survey last year had also pointed out that the duties were not imposed on several items of imports. The survey had said the effective rate of excise on domestically-produced non-oil goods was about 9%. Though the effective collection rate of CVDs should theoretically be the same, in real terms it was only around 6%. This difference represents the fiscal cost to the government to the tune of around Rs.40,000 crore.
- Another factor that could have an adverse effect on the Make in India Initiative will be India's decision to join the US-led mega regional free trade pact called the Trans-Pacific Partnership (TPP) at a future date.

#### Other proposed measures:

- Parts of land belonging to the state-owned companies can be converted into land banks and used to promote Smart City initiatives. If the land is in dense urban areas, it could be used to develop eco-systems to nurture start-ups, and if located in smaller towns and cities, it could be used to develop sites for industrial clusters.
- Industries with a high demand for power should be allowed to absorb the excess generation capacity through open access (OA). Consumers with electricity load above one MW are permitted by the OA policy (under the Electricity Act 2003) to procure power directly from electricity markets.
- Eliminating policies — currently providing negative protection for Indian manufacturing and favouring foreign manufacturing — could be achieved by quickly implementing the Goods and Services Tax (GST). However, if delays are envisaged in rolling out the GST, a similar result could be achieved by eliminating the duty exemptions.
- Membership of the TPP would prevent the Indian government from using state-owned enterprises and government procurement as vehicles for achieving social and economic objectives, including employment generation, thereby have to compromise on the Make in India Initiative policy.

The Make in India Initiative aims to transform India into a global manufacturing hub and increase the share of manufacturing in India's GDP from a stagnant 15-16 per cent since 1980 to 25 per cent by 2022 and create an additional 100 million jobs.

#### SC does U-turn, admits plea for Court of Appeal

The Supreme Court has admitted a Chennai lawyer's petition for setting up a **National Court of Appeal** with regional benches to act as **the final courts of justice in criminal and civil cases**.

- With this, the court has questioned the past views of its own Chief Justices of India about bifurcation of judicial powers and a government order in 2014 that such a court of appeal is constitutionally impermissible.

#### Details:

The proposed court is meant to act as final arbiter of appeals against decisions of the High Courts and tribunals in civil, criminal, labour and revenue cases.

**Background:**

This plea was previously rejected by the centre. The lawyer had approached the Union Ministry for Law and Justice with his proposal after the Supreme Court asked the government to hear him out through a judicial order on October 10, 2014.

In its order, the Ministry cited three grounds for rejecting the idea —

1. The Supreme Court always sits in Delhi as per the Constitution.
2. The Chief Justices of India in the past have consistently opposed the idea of a National Court of Appeal or regional Benches to the Supreme Court.
3. A National Court of Appeal would require an amendment in Article 130 of the Constitution of India which is impermissible as this would change the Constitution of the Supreme Court completely.

**What the petitioner says?**

The petitioner submits that establishment of a ‘National Court of Appeal’ as suggested in the case of Bihar Legal Support Society would rectify the inequality in the state of affairs in as much as the said National Court of Appeal would have benches in all possible regions of the country.

- This would also considerably reduce the cost of litigation and would enable the litigants to have the services of the lawyer who appeared for them before the High Court.
- The petitioner also argues that the Supreme Court was never intended to be a regular court of appeal against orders made by the high court or the sessions court or the magistrates. It was created as an apex court for the purpose of laying down the law for the entire country.

However, legal experts feel that setting up of regional benches will dilute the constitutional superiority of the Supreme Court.

**Fund crunch hits Indian drug trial**

A recent study has revealed that lack of funds has hit the Council of Scientific and Industrial Research (CSIR) and has prevented it from conducting a drug trial to test a novel drug-regimen for tuberculosis (TB).

**Background:**

- In January 2014, the Drug Controller General of India approved a phase 2b trial (a limited test of a prospective drug in humans to prove its potency) to test a combination of three TB drugs to treat multi-drug-resistant tuberculosis (MDR-TB).

- The promise of this combination — called PaMZ (PA-824 + moxifloxacin + pyrazinamide) — is to cut treatment time by at least a third. Moreover, it was purportedly effective even when tested on HIV patients.
- The drug, developed in collaboration with the international Global Alliance on Tuberculosis, was to enter phase 3, or large-scale trials last year in South Africa.

**Significance of these trials:**

- According to the World Health Organisation, TB kills an estimated 1.5 million people annually, and is one of the world’s deadliest diseases.
- There were also approximately 190,000 deaths from MDR-TB in 2014 and more than half of these patients were in India, China and the Russian Federation.
- Currently, people with MDR-TB require 18 to 24 months of treatment, with several pills and daily injections for at least six months.
- Apart from the health benefits, the drug trial would have been the first such attempt by the CSIR-led Open Source Drug Development (OSDD) consortium — an initiative to discover and test new drugs for infectious diseases that are widespread in poor countries by using expertise outside the confines of traditional pharmaceutical companies — to test a new drug in India.

Most drugs that are available in India are reverse-engineered versions of drugs developed in Europe or the United States. Since 2015, however, the OSDD has been shut down as a CSIR project. Hence, it is uncertain whether funds would be available next year.

**About CSIR:**

Council of Scientific and Industrial Research (CSIR), established in 1942, is an autonomous body and the largest research and development (R&D) organisation in India.

- Although it is mainly funded by the Ministry of Science and Technology, it operates as an autonomous body registered under the Registration of Societies Act of 1860.
- The research and development activities of CSIR includes aerospace engineering, Structural engineering, ocean sciences, Life sciences, metallurgy, chemicals, mining, food, petroleum, leather, and environment.

### U.S. test-fires ICBMs to show rivals its power

The U.S. military recently test-fired its second intercontinental ballistic missile in a week, seeking to demonstrate its nuclear arms capacity at a time of rising strategic tensions with Russia and North Korea.

- The unarmed Minuteman III missile was test-fired at Vandenberg Air Force Base in California.
- The missile raced across the sky at speeds of up to 15,000 mph (24,000 kph) and landed a half hour later in a target area 6,500 km away near Kwajalein Atoll in the Marshall Islands of the South Pacific.

With this, the US has sent a message to strategic rivals like Russia, China and North Korea that Washington has an effective nuclear arsenal.

### New BRICS bank set to fund green energy projects

The New Development Bank (NDB) — a multilateral lender with a focus on the Global South of the of the Brazil-Russia-India-China-South Africa (BRICS) grouping — is all set to fund more than a dozen projects this year, which will focus on renewable energy.

- The initial focus of the bank would on green energy projects.

#### The New Development Bank:

It is a multilateral development bank operated by the BRICS states (Brazil, Russia, India, China and South Africa). It is seen as an alternative to the existing US-dominated World Bank and International Monetary Fund.

- The New Development Bank was agreed to by BRICS leaders at the 5th BRICS summit held in Durban, South Africa in 2013.
- The bank is set up to foster greater financial and development cooperation among the five emerging markets.
- The bank will be headquartered in Shanghai, China.
- Unlike the World Bank, which assigns votes based on capital share, in the New Development Bank each participant country will be assigned one vote, and none of the countries will have veto power.

#### What it does?

The New Development Bank will mobilise resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, to

supplement existing efforts of multilateral and regional financial institutions for global growth and development.

#### Benefits:

- The establishment of the Bank will help India and other signatory countries to raise and avail resources for their infrastructure and sustainable development projects.
- It would also reflect the close relations among BRICS countries, while providing a powerful instrument for increasing their economic cooperation.
- It is expected to allow India to raise and obtain more resources for the much needed infrastructure development, the lack of which is coming in the way of inclusiveness and growth as of now.
- It will make available additional resources thereby recycling the savings accumulated in emerging countries which are presently being locked up in Treasury bonds having much lower returns.

### Muziris project offers the best of heritage tourism: President

The first phase of the **Muziris Heritage Project** was recently inaugurated by the President in Kerala.

#### Key facts:

#### What is it?

Started six years ago by the Kerala government, the project aims to highlight the historical and cultural significance of Muziris — which dates from at least 1st century BC — with a view to boost tourism. This is the **largest conservation project in India and first green project of Kerala.**

#### What is Muziris:

- It is a **seaport** which is mentioned in the 1st century travelogues, ancient Sangam texts and Roman naturalist Pliny the Elder's encyclopaedic work, Natural History.
- Muziris was the doorway for cultures, religions and races into India. It was frequented by large ships of ocean traders from across the world, including Arabs, Egyptians, Greeks, Romans and Chinese.

#### What does this project offer?

- The project aims to offer the best of heritage tourism to global travellers. Under the project, the state government will be developing a number of Islands which were created as a result of spice trade and ancient ports in the state. It

showcases the history and culture of an ancient seaport and urban centre on the Malabar coast.

- The Muziris project would open up to Indian and foreign tourists a new destination, bringing economic benefits to the people of the region as well as knowledge and enjoyment for the visitors.
- The project includes development works of Chennamangalam palaces, Cheraman Parambu, Synagogue and waterfront at North Paravur. It also envisages conservation of archaeological monuments within 125 sq km spread across Thrissur and Ernakulam districts.

### ED begins probe into finances of 'Freedom 251'

Enforcement Directorate has started a probe into the finances of Ringing Bells, makers of the world's cheapest smartphone Freedom 251, as questions continue to be raised on the feasibility of offering a handset at Rs 251.

- ED is looking into financial details and bank accounts of the company and its promoters.
- The Noida-based phone-makers have also come under the scanner of the IT Department which is looking into its financial structure and has obtained documents, including those from the Registrar of Companies (RoC), in this regard.
- Industry members have also complained against the company to the Telecom Ministry to dig deeper into the issue.
- The Ministry has sought a clarification from Ringing Bells for marketing its 'Freedom 251' mobile phone without a BIS (Bureau of Indian Standards) certification and also asked Uttar Pradesh government to check the firm's credentials.

The company said it has received around 6 crore registrations for the phone.

### Enforcement Directorate:

Enforcement Directorate, established in the year 1956, is a law enforcement agency and economic intelligence agency responsible for enforcing economic laws and fighting economic crime in India.

- It functions under the overall aegis of the Department of Revenue, Ministry of Finance, Government of India.

It enforces the following laws: –

1. Foreign Exchange Management Act, 1999 (FEMA) – A civil law having quasi judicial powers, for investigating suspected contraventions of the Exchange Control laws and regulations with powers to impose penalties on those adjudged guilty.
2. Prevention of Money Laundering Act, 2002 (PMLA) – A Criminal Law, with the officers empowered to conduct investigations to trace assets derived out of the proceeds of crime, and to provisionally attach/ confiscate the same, to arrest and prosecute the offenders found to be involved in Money Laundering.

### Other important functions include:

- To collect, develop and disseminate intelligence relating to violations of FEMA, 1999, the intelligence inputs are received from various sources such as Central and State Intelligence agencies, complaints etc.
- To investigate suspected violations of the provisions of the FEMA, 1999 relating to activities such as "hawala" foreign exchange racketeering, non-realization of export proceeds, non-repatriation of foreign exchange and other forms of violations under FEMA, 1999.
- To adjudicate cases of violations of the erstwhile FERA, 1973 and FEMA, 1999.
- To realize penalties imposed on conclusion of adjudication proceedings.
- To process and recommend cases for preventive detention under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act (COFEPOSA).

### Look beyond ultra-easy policy for growth: G20

A recently released communique from the Group of 20 (G20) finance ministers and central bankers flagged a series of risks to world growth, including volatile capital flows, a sharp fall in commodity prices and the potential shock of a British exit from the EU.

- This was released during the recently concluded two-day conference in Shanghai.
- G20 countries have also declared that they need to look beyond ultra-low interest rates and printing money to shake the global economy out of its torpor, while renewing their focus on structural reform to spark activity.
- G20 has also asked its members to refrain from targeting exchange rates for competitive purposes, including through devaluations.

**Present state of the global economy:**

- The global recovery continues, but it remains uneven and falls short of G20's ambition for strong, sustainable and balanced growth.
- Faltering growth and market turbulence have exacerbated policy frictions between major economies in recent months.
- Concerns have also been expressed over escalating geopolitical tensions and Europe's refugee crisis.

Hence, the G20 ministers have agreed to use all policy tools – monetary, fiscal and structural – individually and collectively to reach the group's economic goals.

**G20:**

The Group of Twenty is an international forum for the governments and central bank governors from 20 major economies. The members include 19 individual countries and the European Union (EU).

- The G20 started in 1999 as a meeting of Finance Ministers and Central Bank Governors in the aftermath of the Asian financial crisis.
- Collectively, the G-20 economies account for around 85% of the gross world product (GWP), 80% of world trade, and two-thirds of the world population.
- The G20 is supported by international organisations, including the Financial Stability Board, the International Labour Organisation, the International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations, the World Bank and the World Trade Organization.

**Notable points:**

- The G20 operates as a forum and not as an organisation. Therefore, it does not have any permanent secretariat or management and administrative structure.
- One of the G20 countries is selected to hold the Chair in rotation, also known as 'G20 presidency'. The presidency establishes a temporary secretariat for the duration it holds the Chair. The secretariat coordinates all work and organises G20 meetings.
- The immediate past, present and next Chair constitute a 'troika' and ensure continuity in the G20 work. In the current year (2015), the presidency is held by Turkey. The Chair was handed over to it by Australia. Turkey will hand over the Chair for the next year (2016) to China. After China, Germany will hold it in 2017.

- For selecting presidency, a system has been in place since 2010, when South Korea held the Chair. Under it, 19 countries have been categorised into five regional groupings of a maximum of four nations each.

**Centre drafts Bill to decriminalise beggary**

The government has drafted a Bill that seeks to **decriminalise beggary and offer a life of dignity to the beggars, homeless and others who live in poverty or abandonment.**

**Key facts:**

- The Bill is titled '**The persons in destitution (protection, care and rehabilitation) Bill 2015**'.
- It offers a life of dignity to the beggars, homeless and others who live in poverty or abandonment.
- In the Bill, '**destitution**' refers to a state of poverty or abandonment, arising from economic or social deprivation and '**persons in destitution**' include the homeless, beggars, people with physical and mental disabilities, the old and infirm.
- The draft looks at the issue as a social menace.

**Key provisions in the Bill:**

- The Bill calls for State governments to constitute Outreach and Mobilisation Units in districts and conduct surveys for the purpose of mapping areas and identifying persons in destitution, create awareness among them about the Act and provide them assistance in procuring documents required to avail the benefits of any such scheme or legislation.
- There is also provision to establish rehabilitation centres for the care, protection and vocational or skill development training for such people and these centre will be adequately staffed and supported by qualified persons such as doctors, social workers, counselors and vocational training instructors.
- The Bill also focuses on establishing separate rehabilitation centres for women and differently-abled destitute and suggests that the existing shelters running for the destitute and homeless to be upgraded in such a manner that it provides comprehensive services for their rehabilitation.
- Persons in destitution, apart from training, medical support and shelter also require emotional and psychological support for which the state government will constitute counselling units attached to each rehabilitation centre which will counsel them and assist

them in opting for vocational training and engage in sustainable activities as a measure of rehabilitation and their reintegration with the mainstream society.

- The state government will constitute a Monitoring and Advisory Board to monitor and coordinate implementation of the schemes and advise the government on matters related to care, protection, welfare and rehabilitation of destitutes.
- The draft bill states that the District Welfare Officer, Department of Social Welfare or the concerned Department handling the issues of destitutes and beggary in the states shall be responsible for the supervision, monitoring and coordination of the implementation of this Act in the districts and Director, Social Welfare, shall be responsible for that at the state level.

Official figures show that there are 4,13,670 beggars —2.2 lakh males and 1.91 lakh females.

### What the present law says?

Begging is currently a crime under the Bombay Prevention of Begging Act, 1959. Under the Act, a person found begging can be sent to a shelter home or even jail without trial.

### Ensure minimum standards of relief to disaster victims

The National Disaster Management Authority, in its recent letter to the Chief Secretaries of all States, has called for immediate action to frame a road map to provide 'Minimum Standards of Relief' mandated under Section 12 of the NDMA in disaster-hit areas.

- It is eleven years after the National Disaster Management Act (NDMA) became law in 2005, havoc and humanitarian crisis caused by natural disasters like the recent Chennai floods have opened the eyes of the Centre.
- Yet, much is to be done in States across the country to ensure that disaster victims access even minimum standards of relief.

### Background:

- NDMA has found that there has been a lack of concerted effort by the States to comply with Section 12 to provide essential services such as shelter, food, drinking water, medical cover and sanitation at relief camps for disaster victims.

### SC's observations:

The Supreme Court of India too, in this regard, has ordered the Chief Secretaries to complete the framing of guidelines while remarking that providing minimum standards of relief under the NDMA is a fundamental duty of the State.

### About NDMA:

National Disaster Management Authority (NDMA) is an agency of the Ministry of Home Affairs whose primary purpose is to coordinate response to natural or man-made disasters and for capacity-building in disaster resiliency and crisis response.

- NDMA was established through the Disaster Management Act enacted by the Government of India in December 2005.
- The Prime Minister is the ex-officio chairperson of NDMA.
- The agency is responsible for framing policies, laying down guidelines and best-practices and coordinating with the State Disaster Management Authorities (SDMAs) to ensure a holistic and distributed approach to disaster management.

### Scrutinise FDI from Singapore, Mauritius

A report, which was tabled in the parliament recently, has asked for a close scrutiny of foreign direct investments from Singapore and Mauritius as both the nations accounted for about 60% of the \$30 billion worth of FDI in India during the first three quarters of the current fiscal year.

### How much do they constitute?

According to government data, of the \$29.5 billion FDI into India during April-December 2015 in 2015-16, around \$11 billion was from Singapore, while \$6.1 billion was from Mauritius. Also, of the \$278 billion worth FDI India received during April 2000-December 2015, a whopping \$93.6 billion (or 34% of the total) was from Mauritius, while \$43.2 billion (16% of the total) was from Singapore. These two countries together accounted for half of the total FDI inflows into India during the 15-year period.

### Main concerns?

Some reports in the recent past have indicated that funds from these countries are diversions from other sources to avail tax benefits under the Double Taxation Avoidance Agreement (DTAA) that India has with these two countries.

- It is believed that most of the FDI coming into India through Mauritius, Singapore and Cyprus are actually from the U.S. or from India-related investors.
- The Mauritius route is used for availing tax benefits and for ensuring anonymity. FDI from Mauritius is however sector-agnostic unlike FDI from countries like Japan, Germany and France, which are mostly in manufacturing-related sectors.
- The Singapore route is used mostly by Indian entities with a regional office there.
- They will also constantly engage with the Board of Directors of all the public sector banks to formulate appropriate strategies for their growth and development.
- The bureau will search and select heads of public sector banks and help them develop differentiated strategies of capital raising plans to innovative financial methods and instruments.
- It would also be responsible for selection of non-executive chairman and non-official directors on the boards.
- Besides, the body will also steer strategy discussion on consolidation based on the requirement.

#### Things to be considered:

- A recent note on FDI prepared by the Institute for Studies in Industrial Development (ISID) said though successive governments have put FDI at the centre-stage of India's development priorities for over two decades, detailed and systematic analysis of the nature of FDI inflows and its likely implications, including the differing developmental impacts, have not been made so far.
- Analysis of critical operational aspects of FDI companies is often based on small sets of easily available companies ignoring the fact that a majority of FDI companies are unlisted and are registered as private limited companies, according to the institute.

The bureau has been set up at a time when public sector banks are grappling with a huge problem of bad loans with their collective gross NPAs (Non Performing Assets) approaching Rs. 4 lakh crore level. There are 22 state-owned banks in India including SBI, IDBI Bank and Bhartiya Mahila Bank.

#### Kerala launches India's first Gender Equality convergence Centre

The Government of Kerala has launched **India's first Gender Equality convergence center** at Kozhikode.

#### Key facts:

#### Vinod Rai appointed Chairman of Banks Board Bureau

Former CAG Vinod Rai has been appointed as the first Chairman of the Banks Board Bureau.

#### About the Bureau:

The centre had recently given its approval to setup the **Bank Board Bureau**.

- The bureau was announced last August as part of the seven-point **Indradhanush** plan to revamp these banks.
- It is an **autonomous body**.
- The bureau will have three ex-officio members and three expert members, in addition to the Chairman.

#### What it does?

- The Bureau is mandated to play a critical role in reforming the troubled public sector banks by recommending appointments to leadership positions and boards in those banks and advise them on ways to raise funds and how to go ahead with mergers and acquisitions.
- It will constantly engage with the boards of all 22 public sector banks to formulate appropriate strategies for their growth and development.

- The center, also called as '**Gender Park**', is India's first gender equality convergence center.
- The park is an initiative of the Social Justice Department of the Kerala government to bring together the state, academia and civil society on a common platform to address the gender issues.
- The Centre will create an environment to share global knowledge and experiences in reducing gender inequalities.
- A dedicated Gender Institute at the park would focus on learning research and capacity development as part of supporting efforts of the central and state governments in ensuring an inclusive society.
- It would cover issues pertaining to all three genders in accordance with the 2015 gender and transgender policies of the state government.
- It also aims at defining critical issues, generating and garnering knowledge for developing data necessary for responsive policies that are personalized to specific socio-economic context of the Sub continent and other developing nations.

One of the first initiatives launched by the Gender Park was the 'She Taxi', aimed at solely empowering Women of the society. Another initiative, 'G-Taxi' programme aims to ensure non-discriminatory treatment in society to the transgender community. With its success, Gender taxi will be launched this year with the aim of providing better means of livelihood and security.

### **Facts for Prelims:**

#### **Congress to move privilege motion against Smriti Irani**

Why? The privilege motion is being moved against the minister over her remarks in Parliament on the suicide of Dalit scholar Rohith Vemula in Hyderabad Central University.

What is Privilege Motion?

A motion moved by a member if he feels that a Minister has committed a breach of privilege of the House or of any one or more of its members by withholding the facts of a case or by giving a distorted version of facts etc.

#### **National Science Day 2016**

National Science Day was celebrated on **February 28<sup>th</sup>, 2016**.

**This year's theme:** "Scientific Issues for Development of the Nation".

About National Science Day:

National Science Day (NSD) is celebrated every year on 28th February to mark the discovery of the 'Raman Effect', for which a **Nobel Prize** winning research paper submitted by Sir **C.V. Raman** was accepted on that day.

#### **What is Raman Effect?**

Raman Effect is a phenomenon in spectroscopy discovered by the eminent physicist C.V. Raman. Raman Effect, change in the wavelength of light that occurs when a light beam is deflected by molecules. When a beam of light traverses a dust-free, transparent sample of a chemical compound, a small fraction of the light emerges in directions other than that of the incident (incoming) beam. Most of this scattered light is of unchanged wavelength. A small part, however, has wavelengths different from that of the incident light; its presence is a result of the Raman Effect.

