### VAJIRAM & RAVI I 1. <u>SOCIAL ISSUES</u>

### 1.1. Cabinet Approves The Protection Of Human Rights (Amendments) Bill, 2018

The Union Cabinet has given its approval to the Protection of Human Rights (Amendments) Bill, 2018 for better protection and promotion of human rights in the country.

#### Purpose of Amendment

- The primary objective of the proposed amendments is to make NHRC and SHRCs more compliant with the Paris Principles.
- Adopted in 1993 by the United Nations General Assembly, the Paris Principles require Human rights institutions of various countries to meet certain minimum criteria to protect and promote human rights.
- In February 2018, the Global Alliance of National Human Rights Institutions (GANHRI) had accorded 'A' status to NHRC indicating its compliance with Paris Principles.
- NHRC has been accredited with 'A' status by GANHRI earlier in 1999, 2006 and 2011.
- However in late January 2017, GANHRI had deferred the re-accreditation of the National Human Rights Commission (NHRC) citing few concerns in the composition and functioning of NHRC.
- The concerns cited were lack of pluralism in its composition, opacity of the selection criteria of its members, political appointments and its backlog of cases.

### Features of Protection of Human Rights (Amendments) Bill 2018

- It proposes to include "National Commission for Protection of Child Rights" as deemed Member of the Commission;
- It proposes to add a woman Member in the composition of the Commission;
- It proposes to enlarge the scope of eligibility and scope of selection of Chairperson, National Human Rights Commission as well as the State Human Rights Commission; and
- It proposes to incorporate a mechanism to look after the cases of human rights violation in the Union Territories.
- It proposes to amend the term of office of Chairperson and Members of National Human Rights Commission and State Human Rights Commission to make it in consonance with the terms of Chairperson and Members of other Commissions.

#### Issues Cited by GANHRI

GANHRI in its report released in January 2017 reveals the following issues with NHRC.

- Lack of Pluralism: The majority of members in NHRC being from senior judiciary severely restrict the representation of various sections of the society. Further not enough has been done to ensure "pluralism" in the Commission's members. This means that more representation from minority communities and from women is needed.
- Political appointments
  - The chairperson and other members of the NHRCI are appointed by the president based on the recommendation of a committee consisting of the Prime Minister, the speaker of Lok Sabha, Minister of the Home Affairs, the leader of the opposition in Lok Sabha, the leader of the opposition in Rajya Sabha, and the deputy chairperson of Rajya Sabha.
  - According to the report the process of selection of the Chairperson and Members comes across as mere political appointments.
- **Issue with deemed members:** While the Chairpersons of the National Commission for Minorities, the National Commission for the Scheduled Castes and Scheduled Tribes and the National

Commission for Women are deemed Members of the Commission, they rarely attends full statutory commission meetings where decisions on the focus, priorities and core business of the NHRCI's non-judicial functions are made.

- Lack of independence: The fundamental requirement of the Paris Principles is that NHRC should be able to operate independent of government interference. However the appointment of staff members at the highest level of NHRC secretariat from the civil service cadre brings into question its capacity to function independently.
- Conflict of interest: The practice of having police officers and former police officers (Director General Investigation) involved in the investigation of human rights violations, where the maximum cases of human rights violations are against police authorities shows a clear conflict of interest. For instance, data from NHRC for 2015-16 show that 30,549 registered on Human Rights Violations were police related and 2544 were jail related human rights cases.

#### GANHRI (Global Alliance of National Human Rights Institutions)

- The GANHRI is an international association affiliated to the United Nations comprises of national humans rights institutions (NHRIs) from all parts of the globe.
- It is responsible for ensuring that the composition an functioning of NHRIs across the world are in conformity with the Paris Principles.
- As per the GANHRI Statute, only NHRIs that have been accredited by the GANHRI are permitted to represent their respective countries before the UN Human Rights Commission.

#### **Paris Principles**

- Adopted in 1993 by the United Nations General Assembly, the Paris Principles set out the minimum international standards for NHRIs.
- The six main criteria that NHRIs require to meet are:
  - Mandate and competence: a broad mandate, based on universal human rights norms and standards;
  - Autonomy from Government;
  - Independence guaranteed by statute or Constitution;
  - Pluralism;
  - Adequate resources; and
  - Adequate powers of investigation.

#### Way Forward

- Ensure independence
  - In order to ensure independence from government interference the Secretary General be recruited through an open, merit-based selection process.
  - In addition to having former police officers investigate complaints, NHRC should ensure civilian oversight of these activities.
- **Participation of deemed members:** In order to ensure pluralism not just in letter but in spirit, the attendance of the deemed members should be made compulsory.
- **Representation to civil society**: The rationale for having such a body is to advocate and speak out against Government excesses, neglect or violations. The concept of human rights itself, is seen with respect to State authorities. This necessitates representation to expert members of the civil society, NGOs and other sections of the society.

#### Conclusion

Therefore, the amendment to the Protection of Human Rights Act, 1993 is a step in right direction to ensure compliance of human rights institutions with the Paris Principle concerning their autonomy, independence, pluralism to effectively protect and promote human rights.

### 1.2. <u>'Right To Convert Religion' Is A Fundamental Right Under 'Right To Choose'</u>

In a landmark judgment, the Supreme Court held that a person's right to practice and choose a religion as well as marry is an essential part of one's significant existence.

### Background

- The judgment was pronounced in the backdrop of Hadiya case.
- Earlier the apex court had set aside a Kerala High Court order annulling Ms. Hadiya's marriage to Shafin Jahan. In May 2017 the Kerala High Court had called the marriage a "shame" and referred to it as "love jihad".
- Hadiya, a 26-year-old Homeopathy student, had converted to Islam and got married to a Muslim man.

### Highlights of The Judgment

### Against The Independence Of Women:

- The High Court Bench had made an observation that "a girl aged 24 years is weak and vulnerable.., and "an important decision like marriage can only be with the active involvement of her parents"
- The apex court has held that the impugned order is an insult to the independence of women of India as it completely takes away their right to think for themselves and make decisions for themselves and is against their Constitutional guarantee of freedom under Article 19.

### Overreach On Social Radicalization:

• Further the Apex Court observed that the High Court had erred by reflecting upon social radicalization which was unnecessary. If there was any criminality in any sphere it was for law enforcement agency to do the needful.

### Freedom Of Choice:

- The Court further stated that Freedom of choice is a constitutional as well as a human right.
- The social values and morals have their space but they are not above the constitutionally guaranteed freedom.
- Society should have no role to play in determining our choice of partners and the right to marry a person of one's own choice is integral to Article 21 of the Constitution of India. Courts as upholders of constitutional freedoms must safeguard these freedoms.

#### Right to Freedom of Religion:

- Article 25- 28 provides for the right to freedom of religion. Further Article 25(1) states that Subject to public order, morality and health and to the other provisions of this part, all persons are equally entitled to freedom of conscience and the right freely to profess, practice and propagate religion.
- According to the Supreme Court, faith of a person is intrinsic to his/her meaningful existence. To have the freedom of faith is essential to his/her autonomy.
- Therefore Voluntary Conversions i.e. conversions by free choice or because of change of beliefs is essentially a part of right to freedom of religion guaranteed under Article 25.

### 1.3. First Wellness Centre Under Ayushman Bharat Scheme Inaugurated

Prime Minister Narendra Modi inaugurated the first Health and Wellness Centre in Bijapur, Chhattisgarh to mark the launch of Ayushman Bharat Yojana- National Health Protection Mission (AB-NHPM).

### About Ayushman Bharat Yojana- National Health Protection Mission (AB-NHPM)

- Under the Ayushman Bharat Scheme, the government aims to open 1.5 lakh health and wellness centre by 2022, which would be equipped to treat host of diseases, including blood pressure, diabetes, cancer and old-age illness.
- Also under the scheme, the government has prepared the broad contour of the National Health Protection Scheme (NHPS). It aims to target over 10 crore families belonging to poor and vulnerable population based on Socio Economic and Caste Census 2011 (SECC) database. It will cover of Rs. 5 lakh per family per year, taking care of almost all secondary care and tertiary care procedures. There will be no cap on family size and age in the scheme.
- AB-NHPM will subsume the on-going centrally sponsored schemes -RashtriyaSwasthyaBimaYojana (RSBY) and the Senior Citizen Health Insurance Scheme (SCHIS).

#### Salient Features

- AB-NHPM will have a defined benefit cover of Rs. 5 lakh per family per year. The benefit cover will also include pre and post-hospitalisation expenses. All pre-existing conditions will be covered from day one of the policy. A defined transport allowance per hospitalization will also be paid to the beneficiary.
- Benefits of the scheme are portable across the country and a beneficiary covered under the scheme will be allowed to take cashless benefits from any public/private empanelled hospitals across the country.
- AB-NHPM will be an entitlement based scheme with entitlement decided on the basis of deprivation criteria in the SECC database.
- To control costs, the payments for treatment will be done on package rate (to be defined by the Government in advance basis).
- One of the core principles of AB-NHPM is to co-operative federalism and flexibility to states.
- For giving policy directions and fostering coordination between Centre and States, it is proposed to set up Ayushman Bharat National Health Protection Mission Council (AB-NHPMC) at apex level Chaired by Union Health and Family Welfare Minister.
- States would need to have State Health Agency (SHA) to implement the scheme

#### Impact

- In-patient hospitalization expenditure in India has increased nearly 300% during last ten years. (NSSO 2015).
- More than 80% of the expenditure is met by out of pocket (OOP).
- Rural households primarily depended on their 'household income / savings' (68%) and on 'borrowings' (25%), the urban households relied much more on their 'income / saving' (75%) and on '(18%) borrowings, for financing expenditure on hospitalizations. (NSSO 2015).
- Out of pocket (OOP) expenditure in India is over 60% which leads to nearly 6 million families getting into poverty due to catastrophic health expenditures.
- AB-NHPM will have major impact on reduction of Out Of Pocket (OOP) expenditure on ground of:
- ✓ Increased benefit cover to nearly 40% of the population (the poorest&the vulnerable).
- ✓ Covering almost all secondary and many tertiary hospitalizations. (except a negative list)

- ✓ Coverage of 5 lakh for each family, (no restriction of family size)
- AB-NHPM will lead to increased access to quality health and medication.
- Access to financial resources due to health protection component will result in timely treatments thereby improved health outcomes.

### 1.4. Van Dhan Scheme Launched To Help Increase Tribal Income Through Value Addition

First model Van Dhan Vikas Kendra was launched under the Van Dhan Scheme of Ministry of Tribal Affairs and TRIFED at Bijapur, Chattisgarh.

#### Highlights

- The Van Dhan scheme aims at economic development of tribals involved in collection of Minor Food Produces (MFPs) by helping them in optimum utilization of natural resources and provide them sustainable livelihood.
- Under it, 10 Self Help Groups (SHGs) of 30 Tribal gatherers will be constituted.
- Further Van Dhan Vikas Kendra will be established under scheme will provide **skill upgradation** and capacity building training and **setting up of primary processing and value addition facility.**

### About TRIFED

- The Tribal Cooperative Marketing Development Federation of India (TRIFED) came into existence in 1987.
- It is a national-level apex organization functioning under the administrative control of Ministry of Tribal Affairs, Govt. of India.
- The core objective was institutionalizing the trade of Minor Forest Produce (MFP) and Surplus Agriculture Produce (SAP) collected/cultivated by tribals as tribals are heavily dependent on these natural products for their livelihood.
- TRIFED also works as an agency to the FCI for procurement of Wheat and Rice.

## 1.5. 1st National Council Meeting Under POSHAN Abhiyaan Held In New Delhi

#### Highlights

- POSHAN Abhiyaan (National Nutrition Mission) is a flagship programme of the Ministry of Women and Child Development (MWCD), Government of India, which ensures convergence with various programmes i.e., Anganwadi Services, Pradhan Mantri Matru Vandana Yojana (PMMVY), Scheme for Adolescent Girls (SAG) of MWCD Janani Suraksha Yojana (JSY), National Health Mission (NHM), Swachh-Bharat Mission, Public Distribution System (PDS), Department Food & Public Distribution, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and Ministry of Drinking Water & Sanitation.
- The Abhiyaan targets to reduce stunting, under-nutrition, anemia (among young children, women and adolescent girls) and reduce low birth weight by 2%, 2%, 3% and 2% per annum respectively.
- The target of the mission is to bring down stunting among children in the age group 0-6 years from 38.4% to 25% by 2022.
- More than 10 crore people will be benefitted by this programme.
- All the States and districts will be covered in a phased manner

#### Need for POSHAN Abhiyaan

- Though National Family Health Survey-4 shows a drop in underweight and stunted children under five years of age compared to the previous survey, but the absolute numbers are still high..An estimated 35.7% children are underweight and 38.4% are stunted in that age group. The body mass index of 22.9% women aged 15-49 indicates chronic energy deficiency.
- In a recent report, Nourishing India, the NITI Aayog refers to acute malnutrition levels of about 25% in some States.

### Mandate of the National Council on India's Nutritional Challenges

- Provide policy directions to address India's nutritional challenges through coordinated inter-sectoral action.
- Coordinate and review convergence between Ministries.
- Review programmes for nutrition on a quarterly basis.
- The Council will submit its report to the Prime Minister every 6 months

### For further details on National Nutrition Mission refer to March 2018 issue of current affairs.

### 1.6. Rashtriya Gram Swaraj Abhiyan Launched

Prime Minister launched the Rashtriya Gram Swaraj Abhiyan that seeks to make rural local bodies selfsustainable, financially stable and more efficient.

#### Background

Earlier in the Budget speech of 2016-17 the government had announced the launch of new restructured scheme of Rashtriya Gram Swaraj Abhiyan (RGSA), for developing governance capabilities of Panchayati Raj Institutions (PRIs) to deliver on the Sustainable Development Goals (SDGs).

#### About The Scheme

 The RGSA will strengthen the PRI across the country and address critical gaps that constrain its success.

RGSA seeks to:

- Enhance capacities and effectiveness of Panchayats and the Gram Sabhas;
- Enable democratic decision-making and accountability in Panchayats and promote people's participation;
- Strengthen the institutional structure for knowledge creation and capacity building of Panchayats;
- Promote devolution of powers and responsibilities to Panchayats according to the spirit of the Constitution and PESA Act;
- Strengthen Gram Sabhas to function effectively as the basic forum of peoples participation, transparency and accountability within the Panchayat system;
- Create and strengthen democratic local self-government in areas where Panchayats do not exist;
- Strengthen the constitutionally mandated framework on which Panchayats are founded.
- RGSA scheme is sponsored by both central government as well as the state government.
- The scheme is supervised by Ministry of Panchayati Raj.
- RGSA scheme is entirely a demand driven project to be implemented in the rural gram panchayats as well as municipalities also.

#### Impact

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- Under this scheme, the members of panchayat will be provided skills on decision making, expenditure management, information systems, delivery of services to the people, interacting with common people, etc.
- Special training for the new entrants of the panchayat, women and members of SC / ST category will be held before they take office. This will help PRI to learn knowhow of governing and planning process at panchayat level.
- Around 285000 Gram Panchayats will be directly benefitted throughout the nation.

### 1.7. <u>Setting Up Of 'Inter Country Parental Child Removal Disputes Resolution Authority'</u> <u>Recommended</u>

In a bid to resolve disputes arising out of inter-parental custody battles, a multi-member committee headed by Justice Rajesh Bindal has recommended the setting up of Inter Country Parental Child Removal Disputes Resolution Authority.

### Highlights

- The Committee has recommended the setting up of an 'Inter Country Parental Child Removal Disputes Resolution Authority' as a one stop solution in cases of inter country removal and retention of Children.
- The Authority may be chaired by a retired High Court Judge, with Members from Legal and Social sector background along with representatives from key Ministries.

#### Problem

- Owing to International mobility, opening up of borders, cross border migration the institution of family has undergone substantial changes. Consequently inter-cultural and cross border marriages are on the rise.
- Referred to as limping marriages or holiday marriages, they are fraught with challenges of custody of children in case of a marital discord.
- Such marital discords are followed by instinctive reaction of a parent heading back to his/ her countries of origin, taking the child with him/ her without the other parent's consent. This constitutes child removal or international child abduction.
- Under the Hague convention, the removal of a child is wrongful if one of the parents violates the law guaranteeing rights of custody in the country where the child habitually resides.
- India is not a signatory to the Hague Convention of 1980 on the Civil Aspects of International Child Abduction.
- As a result there is no law dealing with child removal in India. The judiciary has taken on the burden and has been deciding matters on a case to case basis.
- Often constitutional remedy of the writ of Habeas Corpus under Article 226 as well as Article 32 is often used by the parents against the spouse allegedly abducting the child to India in cases of International Inter-parental Child Abduction. This has resulted in delay in settling of the disputes and consequently affecting the welfare of the child.
- The Law Commission of India in 2009 had submitted a report recommending the government to ratify the Hague Convention.
- Accordingly, the issue was examined in the Ministry, and a draft bill (The International Child Removal and Retention Bill, 2016) was prepared.

• Further in 2016 the High Court of Punjab and Haryana in Seema Kapoor & Anr. Vs. Deepak Kapoor & Ors referred the matter to Law Commission of India seeking a revision of the bill considering multiple issues involved in inter-country, inter-parental child removal amongst families.

#### Hague Convention On International Child Abduction

- It is an international treaty to ensure the prompt return of a child who has been "abducted" from the country of their "habitual residence". 97 countries are party to the Convention.
- Under the Convention, contracting countries must establish a central authority to trace unlawfully removed children and secure their return to the country of habitual residence, irrespective of country's own laws on the issue.
- The Convention applies to children under age 16.

#### Need For India To Accede To Hague Convention

- In the absence of a law, the Indian Courts determine the Child's best interest whereby any child removal is dealt with like any custody dispute. In this process, the litigation is a fight of superior rights of parties (parents) and the real issue of the welfare of the child becomes subservient and subordinate.
- The advantage of Hague Convention is that it quickly restores the position to what it was before the wrongful removal or retention took place and supports the proper role played by the Court in the country of the child's habitual residence.
- The fact that India is not a party to the Hague Convention may have a negative influence on a foreign judge who is deciding whether a child living with his / her parent in a foreign country should be permitted to spend time in India to enjoy contact with his / her Indian parent and extended family. In effect the child will be swiftly returned to the country of origin, the foreign Judge may be reluctant to give permission for the child to travel to India.
- The Convention provides a structure for the resolution of issues of custody and contact which may arise when parents are separated and living in different countries.

#### Protection of Children (Inter-Country Removal and Retention) Bill, 2016

The Protection of Children (Inter-Country Removal and Retention) Bill, 2016 seeks to address the issue seeking to protect the child from the harmful effect of wrongful removal and secure prompt return and reintegration of the child in an environment of his/her `habitual residence'.

#### Why India Has Not Joined The Hague Convention

- It is opined that the legislation would affect the interests of Indian mothers fleeing from abusive or difficult marriages. It would compel these women to return to the foreign country where the child was born, to fight for custody in possibly unfavourable conditions.
- This could lead to Indian women being wrongly charged or prosecuted in foreign countries.
- The foremost legal question is which court will have jurisdiction to decide custody one in the country of habitual residence, or one where the child has been removed which, in most cases, is India.

#### Conclusion

Stressing upon the need for mediation as the first step, **Inter Country Parental Child Removal Disputes Resolution Authority** would examine the inter country cases of removal and retention of children vis-avis the cultural context, merit of the case, and the best interest of the child.

#### 1.8. WHO And UNICEF Issue 10 Step Guidelines To Promote Breastfeeding

The World Health Organisation (WHO) and the United Nations Children's Fund (UNICEF) issued a new 10-step guidance to increase support for breastfeeding in health facilities.

### WHO's 10-step Guidelines

- Comply fully with the International Code of Marketing of Breast-milk Substitutes and relevant World Health Assembly resolutions and establish ongoing monitoring and data-management.
- Ensure that staffs have sufficient knowledge, competence and skills to support breastfeeding.
- Discuss the importance and management of breastfeeding with pregnant women and their families.
- Facilitate immediate and uninterrupted skin-to-skin contact and support mothers to initiate breastfeeding as soon as possible after birth.
- Support mothers to initiate and maintain breastfeeding and manage common difficulties.
- Do not provide breastfed newborns any food or fluids other than breast milk, unless medically indicated.
- Enable mothers with infants to remain together and to practice rooming-in 24 hours a day.
- Support mothers to recognize and respond to their infants' cues for feeding.
- Counsel mothers on the use and risks of feeding bottles, teats and pacifiers.
- Coordinate discharge so that parents and their infants have timely access to support and care.

#### Importance of Breast feeding

- Breastfeeding within the first hour of birth protects newborn babies from infections.
- Infants are at greater risk of death due to diarrhoea and other infections in the absence of breastfeeding.
- Breastfeeding also improves IQ, school readiness and attendance, and is associated with higher income in adult life.
- It also reduces the risk of breast cancer in the mother.
- According to Lancet report, a non-breastfed child is 14 times more likely to die in the first six months than an exclusively breastfed child.
- According to WHO Breastfeeding for the first 2 years would save the lives of more than 820 000 children under age 5 annually.
- Therefore WHO recommends exclusive breastfeeding for the first six months of an infant's life. Local, nutritious foods should be introduced, while breastfeeding continues for up to two years or beyond.

#### Breastfeeding Statistics in India

- Only 78.7% deliveries take place in hospitals
- 44.6% of the newborns receive breastfeeding within one hour of birth
- 64.9% of the newborns are exclusively breastfed for the first six months
- Only 50.5% children between 6-8 months are given complementary foods

In this backdrop India launched MAA (mothers' absolute affection), a National Breastfeeding Promotion Programme to ensure adequate awareness is generated among masses, especially mothers, on the benefits of breastfeeding.

### 1.9. <u>Committee To Examine System Of Conducting CBSE Examination To Prevent Leakages</u>

The Ministry of Human Resource Development has constituted a 7-member High Powered Committee under former higher education secretary *Vinay Sheel Oberoi* to examine the system of conducting Class X and Class XII examination conducted by the CBSE with a view to prevent leakages.

### Background

- The high-powered committee has been set up in the backdrop of a major crisis recently with reports • of question paper leaks.
- Earlier the CBSE had announced cancellation of the Class 10 mathematics examination as the leaked ٠ paper was doing the rounds.
- Also there were reports of the Class 12 economics paper also being leaked. .
- Consequently the CBSE had cancelled both the papers, admitting the leak.

#### **The Distribution System**

The CBSE question papers are prepared and distributed through an elaborate system involving

- Setting of question papers by experts,
- Moderation to calibrate difficulty syllabus levels and ensure compliance.
- Translation in Hindi, •
- Printing by confidential printers,
- Storage in bank vaults and, •
- Finally, distribution to • exam centres.

This system is fraught with loopholes at various stages as it leaves scope for tampering of question papers due to human intervention at multiple stages.

#### **Terms Of Reference Of The Committee**

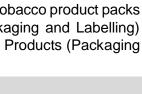
Keeping in mind the scope for tampering of question papers at multiple stages the Ministry of HRD has constituted the committee with following terms of reference:

- To revisit all aspects related to the security checks built into the system for ensuring that the Question • papers reach the examinees without tampering.
- To examine and assess all areas of potential weakness in the present system of transporting question papers from the printing presses to the examinees.
- To suggest ways in which the system can be made more secure with the use of technology and • minimization of human intervention.

#### New Specified Warnings On Tobacco Product Packs 1.10.

The Union Health Ministry has notified new sets of specified health warnings for all tobacco product packs by making an amendment in the Cigarettes and Other Tobacco Products (Packaging and Labelling) Rules, 2008, vide GSR 331(E) dated April 3, 2018, Cigarettes and Other Tobacco Products (Packaging and Labelling) Second Amendment Rules, 2018.

#### Background



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MHRD constitutes a panel to probe the process by which CBSE

- The amendment comes in the backdrop of recent report named GATS-2 (Global Adult Tobacco Survey).
- According to GATS-2 2016-17, there is evidence that warning on tobacco packs are effective.

### Highlights

- The warnings on the tobacco packages would be now available in all regional languages in increase the reach of the warnings.
- The most important feature of the warnings is the inclusion of the Quitline telephone number "Quit Today Call 1800-11-2356".
- The toll-free Tobacco Quitline Services
   provides counselling and strategies for quitting tobacco use.
- The new set of specified health warnings come into force from September.

### GATS Data on Tobacco Use in India

- According to the report there is a reduction in overall prevalence of tobacco use in India from 2010 to 2016 by 6 percentage points.The number of tobacco users have been reduced by about 81 lakh.
- About 28.6 % adults above the age of 15 use tobacco in any form.
- While every 5<sup>th</sup> adult uses smokeless tobacco, every 10<sup>th</sup> adult smokes tobacco.
- The prevalence of tobacco use among young population between 15-24 has reduced by 33% between 2010 to 2016.
- As a result of health warning on the packages, there in increase in awareness of ill-effects of tobacco use.
- Further 61.9% of current cigarette smokers, 53.8% of current bidi smokers and 46.2% of current smokeless tobacco users thought about quitting because of warning labels on packets of cigarette, bidi and smokeless tobacco products.

#### About GATS

The Global Adult Tobacco Survey India (GATS India) is the global standard for systematically monitoring adult tobacco use (smoking and smokeless) and tracking key tobacco control indicators. GATS is a household survey of persons aged 15 and above to track prevalence of tobacco use.

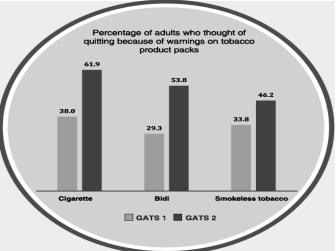
GATS is a part of Tobacco free initiative of WHO. GATS-2 2016-17 was conducted by TISS (Tata Institute of Social Sciences), Mumbai.

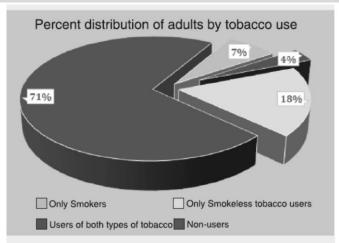
# 2. POLITY AND GOVERNANCE

### 2.1. Congress, Six Other Parties Move To Impeach CJI Dipak Misra

Current Affairs For 2017-18- Part 12 (April 2018)







#### In News

- A group of seven Opposition parties has submitted a notice for an impeachment motion against Chief Justice of India Dipak Misra citing five reasons. This is the first such move against the top judge of the apex court in the country.
- The motion has been moved for impeachment against on five grounds of misbehavior. The Congress, CPI, CPI (M), NCP, SP, BSP and the IUML are the parties that have agreed to the motion.
- According to the Constitution a minimum of 50 members are required to agree to the motion.



#### The Reason Cited For Impeachment

- **Bribery scandal:** The first charge relates to an alleged bribery scandal involving Lucknow based Prasad Education Trust, which ran a medical college. It was an act of misbehavior on part of the CJI to deny permission to prosecute Allahabad HC judge who was alleged to have been bribed to deliver a favorable judgment to PET, which the union government had barred from admitting students.
- **Conflict of interest:** The second charge is that the CJI dealt administratively and judicially with a writ petition in which he too was likely to fall within the scope of investigation. This was a petition related to the CBI investigation into PET.
- **False affidavit in relation to land:** The third charge is that the Chief Justice acquired land when he was an advocate by giving a false affidavit. The Chief Justice surrendered the land only in 2012 after he was elevated to the Supreme Court despite the allotment being cancelled years earlier.
- Abuse of power over case allocation: The fourth charge relates to the abuse of exercise of power by the Chief Justice in choosing to send sensitive matters to particular benches by misusing his authority as Master of the Roster with the likely intent to influence the outcome.
- **Concern of the four senior most judges:** The Chief Justice has not addressed the concerns that drove his four senior most brother judges to make a public complaint about the conduct of the court.

#### **Opposition To The Impeachment Motion**

- No impeachment for differences in views: An impeachment motion must involve clear incapacity or proven misconduct. It cannot be the instrument by which mere suspicions about a judge's conduct are sought to be expressed or confirmed. It cannot be propelled by a difference of views in court.
- Impeachment should be a measure of last resort: The impeachment is the extreme step to punish an errant judge but is not merited in the case cited by the opposition parties.
- **Destabilizing effect:** India's Constitution prescribes a layered and cumbersome process involving several stages for impeachment. The bar is set deliberately high on the admissibility of such a move because the consequences for the system can be destabilizing and debilitating.
- Allegation can't be proved: The fifth ground alleges that CJI has allocated cases to fellow judges with some dastardly purpose in mind abusing his master of the roster position. But CJI decisions on case allocation can never be grounds for impeachment merely because some people or even some judges disagree with his calls.

#### No judge has been impeached in Indian history but a few have had a brush with impeachment motion or petition: **SK Gangele** CV Nagarjuna Reddy In 2016, then V-P Hamid Ansari Two attempts were made to push formed a 3-member panel after an Impeachment motion against the Impeachment petition was signed ludge of AP and Telangana HC. folby 58 RS members. The committee lowing allegations including interlooked into allegations of sexual fering in the judicial process, caste harassment by an additional disslurs and death threats against trict and sessions judge in Gwallor Dallt Junior civil Judge Sanku Ram In Aug 2014. The Judge quit her Krishna. Both attempts falled lob. The committee, however, as some RS members who had absolved the judge of misconduct. signed the motion withdrew Soumitra Sen PD Dinakaran In 2011, Justice Soumitra Sen Chief Justice of Sikkim HC PD resigned as the RS was set to Dinakaran resigned in July 2011 before Impeachment proceedings complete Impeachment proceedings In the House. He was found guilty of could be initiated against him. misappropriating ₹33.23 lakh under 16 charges of corruption were his custody as a court-appointed framed against him, Ralva Sabha

Six Previous Instances

#### receiver in the capacity as a lawyer, chairman Hamid Ansari had adand misrepresenting facts before a mitted the motion and formed a Kolkata court in a 1983 case. panel to investigate the charges. **JB** Pardiwala V Ramaswami In 2015, a group of 58 RS MPs Justice V Ramaswami was the first moved an Impeachment notice Judge against whom Impeachment against Gujarat HC Judge JB proceedings were initiated, in Pardiwala for "objectionable 1993 He was accused of spending remarks on reservations". Hours extravagantly on renovating his official home during his tenure after the notice was sent to Ansari, the justice removed the as Chief Justice of Puniab and Harvana in 1990. The motion was objectionable words from his Judgment defeated in the Lok Sabha 18

- No sufficient ground available: The five reasons cited by the Congress-led Opposition group that has moved to impeach the CJI do not add up to sufficient ground for impeachment.
- **Political attack:** No impeachment motion has succeeded in the history of India's Parliament and the present government has the numbers to defeat the motion. So the purpose of the motion can hardly be to remove the Chief Justice rather it must be seen as a political attack on the government alleging attempt to influence the judiciary.
- *Impeachment can't precede investigation:* Two cited grounds for impeachment relate to Prasad Educational Trust case about which a CBI inquiry is still on although a bench chosen by the Supreme Court quashed a petition to order a special inquiry. Thus in no way impeachment can precede investigation.

#### **Consequence Of Introduction Of Motion Of Impeachment**

- **Provisions are silent on role of CJI during impeachment motion:** Both the Constitution and the Judges (Inquiry) Act of 1968 are silent on whether a judge facing impeachment motion should recuse from judicial and administrative work till he is cleared of the charges against him.
- *Maintaining status quo:* Until the Rajya Sabha Chairman makes up his mind to admit the motion and refer it to an Inquiry Committee under the 1968 Act things will be as usual for the CJI.
- **Decision of parliament open to Judicial scrutiny:** The impeachment was a legislative process where a decision thereon is amenable to judicial scrutiny thus the Chairman's decision is not protected by parliamentary privilege.

#### **Way Forward**

Current Affairs For 2017-18- Part 12 (April 2018)

- The solution must be found through an institutional audit and by putting in place a proper alternative through correcting the system that is not by unsettling it.
- The impeachment as a process to remove judges required a re-look. For 60 years it has not worked wherever it was needed. It requires serious deliberation on what alternative measures can be employed to bring an end to such matters.
- The Opposition should work with the government to create a mechanism for judicial accountability, improving on the Judges Inquiry (Amendment) Bill 2008 that helps remove the tilt in the balance of power in favour of the judiciary effected by the court appropriating the right to appoint judges via the Second Judges Case and sees impeachment as a terminal measure of last resort.

### 2.2. Make BCCI A Public Body: Law Panel

#### In News

- The Law Commission of India recommended to the government that the 90 year old Board of Control for Cricket in India (BCCI) should be declared a public body. The board and all its member cricket associations should be brought under the Right to Information law regime.
- The commission recommended that the Ministry website should explicitly mention BCCI in the list of National Sports Federation (NSFs). This would automatically bring it within the purview of the RTI Act.
- Much of the rationale given by the highest law advisory body in India reflects what the Justice RM Lodha committee had said in its report.

#### Justification Given By Law Commission Of India

- **Board's monopoly affect fundamental** *rights:* The board's monopolistic activities directly and indirectly affect the fundamental rights of citizens, players, and other functionaries. Therefore private citizen should be able to move the highest court against the BCCI for any violation of his fundamental rights.
- Non-accountability of BCCI: The commission said the board has been flying under the radar of public scrutiny and encouraged an environment of opacity and non-accountability.
- **Corruption concerns:** BCCI has created an impression in the minds of the general public that corruption and other forms of malpractices

# Private club or public authority?

Given its financial status and commercial success, the BCCI has been the envy of the national bodies of other sports. But it is also losing its private character over the years

 Registration Act, it was a charitable organisation under Section 12A of the Income Tax Act. This status was withdrawn In December 2009, with effect from June 2006

 Draft 'National Sports Development Bill, 2013' favoured all national sports federations being treated as 'public authorities' under the Right to Information Act



 The then Sports Minister informed Lok Sabha that govt, treats BCCI as a national sports federation as it approves its events

 After the IPL spot fixing controversy, the Supreme Court appointed Lodha Committee to suggest reforms in the BCCI

 The Committee mooted sweeping reforms in board's structure, functioning

 While ruling in 2016 that the BCCI was not 'State' under Article 12, the SC said it was amenable to writ jurksdiction as it performed 'public functions'

 In Jan. 2017, the SC appointed a four-member committee to run the BCCI

• In June 2017, the CIC favoured bringing

the BCCI under the RTI Act

are adversely affecting one of the most popular sports played in India.

- **Comes with in the purview of the definition of state:** The commission also concluded that the BCCI exercises state-like powers in the regulation of cricket and thus comes under the definition of state.
- **BCCI permitted to represent India at international stages:** The commission pointed out the cricket board as an entity is permitted de facto by the state to represent the country at the international stage.
- **ICC recognize BCCI as official body:** The ICC recognizes BCCI as the 'official' body representing India and neither the government nor BCCI have ever challenged, discussed or changed the status.

- **Tax exemption:** Given the BCCI enjoyed tax exemptions of over Rs 2100 crore between 1997 and 2007 albeit because it was structured as a non-profit body thus significant public money has gone into it.
- **Government funding:** The Commission also said that the government had given BCCI indirect substantial funding via tax exemptions, subsidies and land at paltry lease amounts. Thus it would follow that the body/entity receiving such benefits would be a public authority even though it may be a private, non-statutory or non-government body.

#### Way Forward

- Even though a five judge Bench of the Supreme Court in 2005 held by a 3-2 majority that the BCCI could not be termed an instrumentality of the State under Article 12 of the Constitution subsequent developments have ensured that the public character of its functioning is widely recognized. In recent years especially against the backdrop of the betting scandal that hit the Indian Premier League tournament a few years ago the view that the cricket board is functioning in an opaque manner and not entirely in the game's interest has gained ground.
- Bringing the BCCI under RTI will be the first step towards easing it out of the muck and keeping Indian cricket clean. Moreover bringing BCCI with in the purview of RTI will not affect its autonomy as other national federations are under the RTI and there is no reason to believe it would be any different for the BCCI.
- Given powerful political interests have managed to keep BCCI operations opaque so far the government will be batting on a difficult pitch. But the momentum is for making BCCI transparent and not going forward with the law panel recommendations will be a lost chance.

Drastic dip

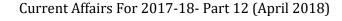
#### 2.3. <u>CVC Witnesses A Dramatic Drop In Complaints</u>

#### In News

- The Central Vigilance Commission (CVC) saw a dramatic drop in the total number of complaints received by it in 2017 keeping in line with the drop in actions by various government departments in cracking down on corruption.
- The 23609 complaints received in 2017 by the CVC was less than half of almost 50000 complaints received in 2016 and the lowest in the previous five years.

### **CVC Report To The Parliament**

- **Number of disposal:** According to the CVC's annual report submitted to Parliament in 2017 the agency tackled a total of 26052 complaints, which included 2443 brought forward from 2016. Of this 22386 complaints were disposed off and 3666 complaints remained pending at the end of 2017.
- **Vague allegations:** Out of them 2391 complaints were anonymous and the report also says that in majority of complaints the allegations were found to be either vague or unverifiable.
- Non-action on the report: In the case of investigations submitted by Chief Vigilance Officers of various government departments, almost half of them were closed without any action. Only 0.63% of those investigations led to criminal proceedings. Thus of the total of 2069 investigation reports





In 2017, the Central Vigilance Commission tackled a total of 23,609

complaints. This was a steep fall (more than half) from the previous year.

examined by CVC in 2017, 45% were closed without any action, while only 3.09% led to criminal proceedings.

- **Drop in the punishment:** A similar drop in the number of punishments given out by the CVC too is visible. The total punishments awarded in 2017 were 2589 against 3296 in the previous year.
- **Deviation from the recommendations:** The CVC's annual report has stated that it has observed that during the year 2017, there were some significant deviations from the Commission's advice by various Ministries. For example- The Ministry of Railways refused to follow its recommendation in six investigations against senior officials.

### Reason Behind Such Trend

- **Delay in submitting report to the CVC by appropriate agency:** The annual report itself highlights one possible reason that why there is a general public disenchantment with anti-corruption mechanisms. For example when CVC receives a complaint it calls for inquiry reports from the appropriate agencies. As per the laid down procedure the inquiry/ investigation reports are required to be sent to the Commission within a period of three months. However it is observed that in a majority of cases there is considerable delay in finalizing and submitting reports to the Commission.
- Weeding out of duplication of complaint: Some of this can be explained by the improved system for weeding out duplication of complaints and a few other streamlining exercises undertaken in recent years.

#### Way Forward

- A deeper study was required to assess if the public was losing its trust in anti-corruption bodies because of their perceived inefficiency, quality of investigations and possible manipulations at various levels.
- There is also a need that government should notify the original Whistle Blowers Protection Act, 2011, appoint a Lokpal and initiate other steps for strengthening anti-corruption mechanisms.

### 2.4. Law Commission & NITI Aayog Favours Simultaneous Elections

#### In News

- A draft white paper released by the Law Commission of India recommends holding of simultaneous elections to the Lok Sabha and the Assemblies possibly in 2019.
- The commission says simultaneous elections were held in the country during the first two decades after Independence up to 1967. The panel also refers to a January 2017 working paper of the NITI Aayog on simultaneous elections.
- Similarly, NITI Aayog suggested legislation to fix the term of the Lok Sabha and state legislative assemblies at five years to avoid mid-term elections. The Aayog has cited an Act framed by the UK to underline its point. The UK enacted the Fixed term Parliaments Act, 2011 mandating completion of a term of Parliament before general elections are held.
- NITI Aayog report says the idea of fixed tenure may not end the possibility of a by-election altogether. To tackle such eventuality, it reiterated to adopt a constructive vote of no confidence along the lines of Germany.
- It recommends that in 2019 the election could be held in phases. In the first phase elections to the legislatures, which are scheduled to go for polls synchronous with Lok Sabha in 2019 could be held together. The rest of the States could go to elections in proximity with the Lok Sabha elections of 2024.

### Law Commission's Suggestion On Simultaneous Election

- **Commission draft working paper:** The Commission's "Draft working paper- Simultaneous Elections: Constitution and Legal Perspectives", which has been sent to the Union Law Ministry states that the simultaneous elections may be restored in the nation by amending the Constitution, the Representation of the People Act 1951 and Rules of Procedure of Lok Sabha and those of the State Legislative Assemblies.
- Adding definition of simultaneous election in RP act: As a possible recommendation has also stated that a definition of simultaneous elections may be added to Section 2 of the 1951 Act.
- Statutory limit for issuance of notification be extended: In its draft report the Commission also recommended that statutory limit of six months for the issuance of notification of general elections be

appropriately extended by the way of amendments to section 14 and 15 of the 1951 Act. This would provide the flexibility required to position states either in one group or the other as a one time measure.

 Amendment to Article 83 and 172: The draft recommends Article 83 and 172 of the Constitution along with sections 14 and 15 of the 1951 Act be appropriately amended to incorporate the provision regarding the remainder of the term i.e. post mid term elections, the new Lok Sabha and/or Assembly so constituted shall be only for the remainder of the term of the previous Lok Sabha or Assembly and not for a fresh term of five years.



• *Election of leader of majority party:* Analogous to the election of Speaker of the House of People by consensus

Leader of the majority party i.e. the prime minister/chief minister may be elected to lead the Lok Sabha/Assembly by full house like electing the speaker of the Lok Sabha. This will potentially provide stability to the government and in turn to the Lok Sabha/Assembly.

- **No confidence motion:** Citing no confidence motion and premature dissolution of House as major roadblocks to simultaneous elections the commission says the parties, which introduce the no confidence motion should simultaneously give a suggestion for an alternative government.
- **Rigour of Anti defection law be removed:** In order to prevent stalemate in the Lok Sabha/Assembly in the case of Hung Parliament/Assembly the rigour of Anti-defection Law laid down under paragraph 2(1) (b) of the Tenth Schedule be removed as an exception, while electing the leader of the house (PM/CM).

#### **Final Analysis**

- In principle simultaneous elections to the Lok Sabha and State Assemblies have the benefits of saving poll expenditure and helping ruling parties focus on governance instead of being constantly in election mode.
- The flip side is that it is nearly impossible to implement, as it would mean arbitrarily curtailing or extending the term of existing legislatures to bring their election dates in line with the due date for the rest of the country. This would be the most difficult change to execute, as such a measure would undermine federalism as well as representative democracy.

## 2.5. BJP Richest National Party With Rs 1034 Crore, Congress Second On List: Report

#### In News

- 7 national parties declared a total income of Rs 1559.17 crore in 2016-17 with BJP having the highest Rs 1034.27 crore which forms 66.34 % of the total income of national parties during 2016-17 says a report launched by Delhi based think tank Association for Democratic Reforms (ADR).
- Indian National Congress (INC) followed with Rs 225.36 crore i.e. 14.45 % of the total income. While CPI has declared the lowest income of Rs 2.08 crore which forms a mere 0.13 per cent.
- In its observation ADR said that four out of seven national parties (BJP, INC, NCP and CPI) have consistently delayed submitting their audit reports for the past five years.
- The data has been compiled from Income Tax returns filed by the parties across the country.

### 2.6. Niti Aayog Plans National Data & Analytics Platform

#### In News

- The government is planning to build an advanced technology platform to host and interpret huge amount of data that will integrate and help better understand of citizen's data, spend patterns of the government, consumption trends and the success of various government policies.
- For this NITI Aayog is working on a plan to develop the **National Data & Analytics Platform** in collaboration with private players. The platform will be the single source of sectoral data for citizens, policymakers and researchers.
- Cost of developing NDAP could between 50 crore to 100 crore and would be funded by the Aayog.



• To begin with data from ministries will be sourced followed by data from state and districts. Both public and private entities would be able to access the data from NDAP.

#### Purpose

- **Informed policy-making:** The technology tool, which will pool data from central ministries and state governments is aimed to aid more informed policy-making and improving quality of service delivery.
- Lack of platform for analysis capability: The ministry of electronics and IT already has the Open Government Data Platform called data.gov.in, which hosts hundreds of data sets but the platform doesn't have any analysis capabilities.
- **Collaborative efforts:** This will propel the use of AI and ML (machine learning) in the government and also then each ministry will not have to do their own investment in building analysis tools. Everyone will not have to make efforts to build the capacity of their own.
- **Safeguarding the privacy:** The platform is expected to meet the international security standards for safeguarding the privacy of individuals and entities.

### 2.7. <u>8. 90% of Budget Session-II Lost To Disruptions</u>

#### In News

- The second leg of the Budget Session is among the worst in terms of productivity in the Parliament's history. The session had 14 scheduled days of sitting but more than 90 per cent of its time was lost due to disruptions in both Houses.
- The disruptions and adjournments were caused by protests over issues like special status to Andhra Pradesh, bank scams, demand for Cauvery water management board, vandalizing of statues, review of the recent Supreme Court order on SC/ST Act and law and order situation in Kasganj in Uttar Pradesh.

### **Consequences Of Disruption**

- **Shift of Parliamentary work:** The disruption leads to shift of the parliamentary work to committees of the parliament, which is outside public scrutiny.
- Loss of people's faith in Parliament: The large disruption also leads to loss of people's faith in the parliament as a institution.
- *Improper Law making:* The regular disruption leads to passing of the bill without discussion thus leads to law making without fruitful discussion.
- **The financial loss:** According to a data collected by Association for Democratic reforms the loss due to disruption amounts to 2.5 Lakh rs per minute.

#### Way forward

- There is a need for creating electoral awareness so as to create moral pressure on parliamentarians.
- There is also a need for giving space to opposition by marking out days when opposition determines topic to be taken up for the debate. This model is also followed by British parliament.
- There is a need for changing the existing rules to effectively deal with disruptions in the Upper House. Unlike the Lok Sabha where rules allow the Speaker to suspend members without seeking prior nod of the House it was not so in the Rajya Sabha.

### 2.8. Supreme Court Stands by its SC/ST Act Judgement

#### In News

- **Introduction:** The Supreme Court reiterated that its March 20 judgment banning immediate arrest of a person accused of insulting or injuring a Scheduled Caste/Scheduled Tribe member is meant to protect innocents from arbitrary arrest and not an affront to Dalit rights.
- **Review petition by government:** The government despite an urgent and open court hearing of its review petition failed to convince the bench after the massive protests across the country that claimed many lives.
- **SC Judgment:** The judgment directs a preliminary enquiry to be conducted on whether a complaint filed by a Scheduled Caste/Scheduled Tribe member is frivolous or not. An FIR would be registered only after the probe officer and Deputy Superintendent of Police authenticates the complaint of casteist slur or crime.

• **All India shutdown:** The Dalit organisation called for the All-India shutdown to protest a Supreme Court ruling that they view as dilution of the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act.

#### Way Forward

- The provisions of the SC/ST Act were drafted keeping in mind the need to protect the weakest sections of society. But rampant misuse defeats that very purpose and reinforces caste prejudices.
- Thus there must be checks and balances to prevent its abuse as well. But at the same time checks and balances cannot be of a kind that renders the law ineffective. Hence proper balance needs to be created between Individual liberty and group interest that have historically faced discrimination.

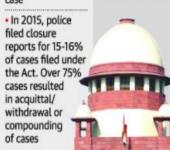
### Two sides

What govt. said, as recorded in the March 20 judgment

 Anticipatory bail can be granted under SC/ST Act if complaint does not disclose prima facie case

# What the Centre said in its review petition

• Ban on anticipatory bail to accused is not violative of Article 21 (fundamental right to personal liberty). Offences under SC/ST Act are heinous crimes. SC/STs protected under Articles 21 and 17 (abolition of untouchability)



 In 2016, of the 47,338 cases registered across the country, only 24.9% ended in conviction and 89.3% were still pending by the end of 2016. Instead of being misused, the Act is weakly implemented

(For details regarding the analysis of judgment of Supreme Court, refer to the Polity and governance section of March 2018 Current affairs Material)

#### 2.9. I&B Ministry Withdraws "Fake News" Directive After PMO Steps In

Information & broadcasting ministry has withdrawn a circular to penalize journalists allegedly involved in generating fake news content after direction from Prime ministers office.

#### Some Of The Proposed Guidelines

- Norm and conduct: While examining the requests seeking accreditation, the regulatory agencies will check whether the Norms of Journalistic Conduct and Code of Ethics and Broadcasting Standards prescribed by the Press Council of India (PCI) and News Broadcasters Association (NBA) respectively are adhered to by journalists.
- **Suspending accreditation:** The government prescribed terms such as suspending the accreditation of a reporter against whom a complaint was registered during the 15 days in which the complaint had to be evaluated.
- **Punitive measure:** The punitive measures included a graded system of derecognizing journalists accredited to the Press Information Bureau or revocation of licence etc.



• **Determinant body:** The determinant body regarding any complaint for fake news would be the PCI for print media and the NBA for the electronic media. And the determination is expected to be completed within 15 days by these agencies.

#### **Problem With The Guidelines**

Affect press freedom: Even though India has a massive fake news problem the I&B ministry's move
was seen as a way of cracking down on press freedom and to blacklist journalists who reported
unfavorably on government dealings.

- **Difficulty in differentiating between fake news and inaccuracy in reporting:** It is difficult to distinguish and differentiate between fake news and inaccuracies in reporting.
- Affect investigative journalism: The rules threatened to cramp legitimate investigative and source based journalism, while doing nothing to affect the great gush of falsehood that comes from propaganda sites and circulates online.
- **Possible misuse for harassment:** There is also a fear that the new rules could be misused to harass honest journalists.
- The fake news not a domain of government: Moreover the fake news was not an issue in the government domain but a subject for the Press Council of India and other self-regulatory bodies to handle.
- **Non-applicability to fake news by non-journalists:** It also did not take into account fake news propagated by non-journalists and perhaps most worryingly by government officials time and again.
- Limited applicability: The guidelines only apply to accredited journalists and only of the print and broadcast media leaving out the many who aren't accredited or who work freelance or are employed by web-based portals (which are not part of the accreditation process.

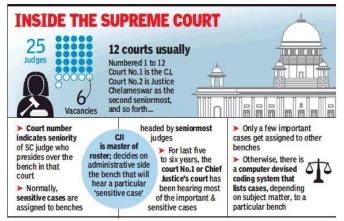
### Way forward

- There is a need to set up a media council that should be given the power to regulate fake news. Moreover this body should be independent, autonomous and self-regulatory and should have funds to monitor quality on channels operating in several languages and across the length and breadth the country.
- Further the structural change should be made in press council i.e. the non-working journalists should also be made members and all decisions should be taken by jurist.

### 2.10. Power To Frame Roster Is Sole Authority Of CJI

#### In News

- Setting the record straight on who is the master of the roster a Bench headed by Chief Justice of India Dipak Misra dismissed a petition challenging the authority of the CJI to allocate matters and constitute Benches. The bench underlined that underlined that the CJI is first among equals with exclusive prerogative to allocate cases and constitute benches and that there cannot be a presumption of mistrust about the discharge of the CJI's constitutional responsibilities. The petition sought to regulate the power of the CJI to allocate cases to specific Benches in order to curb arbitrariness.
- Further a PIL has been filed by senior advocate Shanti bhushan in the Supreme Court for clarification on the administrative authority of the CJI as the master of roster and sought laying down of principles and procedures to be followed in preparing the roster for allocation of cases to benches.
- Moreover in the extraordinary and unprecedented press conference by the four senior-most judges of the Supreme Court criticized CJI Dipak Misra's functioning regarding the allocation of sensitive cases only to certain handpicked benches.



• As per the **Supreme Court's Practice and Procedure and Office Procedure, 2017** the roster of cases is prepared by the Registrar (Judical) of the apex court under the orders of the Chief Justice.

#### Concerns

- Current method of allocation against the principle laid in Second judges case: The Second Judges Case of 1993, which laid the foundations of the collegium system, is also premised on the idea that all power even administrative in such an important court must not rest on the discretion of just one node or the Chief Justice. But this is exactly what has happened with the present mechanism of the roster.
- Lack of transparency in allocation of matter: Justice J Chelameswar said allocation of important and sensitive cases to different benches should be done transparently and not in an arbitrary manner.
- **Subversion of rule of law:** The master of roster cannot be unguided and unbridled discretionary power exercised arbitrarily and any such power or its exercise will result in a subversion of democracy and the Rule of Law as guaranteed under Article 14 of the Constitution.
- **CJI can't exercise superior authority over other judges:** Top four judges of the Supreme Court objected to the manner of framing of roster and allocation of cases by the Chief Justice of India saying this power was meant for efficient functioning of court and not to exercise any superior authority over judges. Thus CJI is just first among equals.

#### Way Forward

- The four senior most judges had suggested the formation of a committee comprising those who would be CJIs in future to suggest an institutional mechanism for marking cases.
- Moreover such authority vested in the CJI must necessarily be exercised by him in consultation with the senior judges of the Supreme Court to ensure transparency and independence of judiciary.

#### 2.11. Government Scraps Ban On Sale Of Cattle For Slaughter

#### In News

- The government has withdrawn a ban on the sale of animals for slaughter in livestock markets across the country in draft rules pertaining to prevention of cruelty to animals.
- The latest notification (Prevention of Cruelty to Animals in Animal Markets Rules, 2018) proposed in supersession of the earlier notification says that there are no restrictions on the sale of cattle for slaughter in animal markets.
- Last year the Centre had banned the sale of cattle for slaughter at animal markets across the country.

#### **New Notification**

- **No ban on slaughter:** Under the new rules cattle including cows can be sold in animal markets even for slaughter wherever it is legal. While the old notification mandated declarations by sellers and buyers that the animals would not be taken for slaughter.
- No suffering and cruelty on animals: These norms mandate that every district to have in place a Prevention of Cruelty to Animals committee that has to ensure that animals in animal markets are not subjected to unnecessary suffering and pain.



- Composition of Prevention of cruelty to animal committee: The committee will comprise of the district magistrate, one representative of state animal welfare board, superintendent of police of the district, one representative of a local non-governmental organization, one member of the society for the prevention of cruelty to animals, district veterinary officer, representatives from zilla parishad and chairman of the municipality.
- **Certain acts prohibited:** Acts such as hot branding or cold branding for identification of animals, shearing of horns, bishoping in horses and ear cutting in buffaloes among other cruel and harmful practices have been prohibited.
- **Animals to be registered:** Moreover it would have to ensure that the sale of animals was properly registered and that these markets had adequate facilities.
- Animal market near International borders: The committee has to ensure that animal markets located near international borders were not used as hubs for cross-border transport unless they complied with a separate set of rules.

#### **Final Analysis**

- Under the earlier rules there was concern that in the name of preventing cruelty to animals and regulating livestock markets the government was surreptitiously throttling the cattle trade.
- There was further concern whether the regulations would adversely impact poor villagers as animal markets are predominantly in the countryside. The rules were also criticized for restricting legitimate animal trade and interfering with dietary habits.
- Thus the new draft makes a welcome departure from the earlier rules seeking to provide great relief to buyers of animals from cumbersome paperwork and procedural requirements.
- Any transformation from a tendency to advance pet causes to an approach based on economic and legal considerations would be a welcome change. Good governance is not only about regulating human and economic activities but also about avoiding perceptions of sectarianism.

### 2.12. PIL Has Become An Industry Of Vested Interests: SC

#### In News

- Introduction: Dismissing pleas seeking a probe into judge BH Loya's death as an attempt to browbeat the judiciary the Supreme Court held that public interest litigation (PIL) that was devised by the apex court in 1984 to give succour to the marginalized and oppressed was now being brazenly misused to seek publicity or to settle business and political rivalry.
- **Essential aspect of PIL:** A Bench led by CJI Dipak Misra said that the essential aspect of a genuine PIL petition was that the person who moves the court has no personal interest in the outcome of the proceedings apart from a general standing as a citizen before the court. The PIL was also envisioned by the Supreme Court's legendary judges as a powerful instrument to preserve the rule of law and to ensure the accountability of and transparency within structures of governance.

#### No merit, says SC

Highlights of the Supreme Court order dismissing petitions for an indepedent probe into the death of judge B.H.Loya · PILs have absolutely no process lies not in the fear of a coercive law of contempt, merit. They are a frontal attack on the independence of the judiciary and to dilute but is based on its moral authority the credibility of judicial institutions Statements of judicial officers who accompanied Judge Loya to the hospital have a ring of truth Arguments of petitioners' lawyers are a vituperative assault on the judiciary Political rivalries should be settled in the great hall of democracy. Rule of law should not be reduced to a charade Arguments made in SC on the PILs amount to criminal contempt, but are not being proceeded with because er in the Loya cas the strength of the judicial

- Reality check: Court further said it is the time for the judiciary to do a reality check on the advent of
  PIL petitions that flooded the courts. The judgment said PIL had now become a façade for people
  hungry for publicity or those who wanted to settle personal, business or political scores. The true face
  of the litigant behind the façade was seldom unravelled.
- **Travesty of justice:** Moreover court held it is a travesty of justice for the resources of the legal system to be consumed by an avalanche of misdirected petitions purportedly filed in the public interest that upon due scrutiny are found to promote a personal, business or political agenda. The PIL had already seriously denuded the efficacy of the judicial system by detracting from the ability of the court to devote its time and resources to cases that legitimately require attention.

### 2.13. <u>MyGov 2.0</u>

#### In News

- Introduction: Government's biggest official digital platform MyGov has recently decided to scale up both the quality and quantity of its audience reach. In this context MyGov has written to ministries seeking data of beneficiaries from flagship schemes to formulate a focused narrative.
- **MyGov 2.0:** Labelled as MyGov 2.0 the project is a refurbished hi-tech attempt to engage with 50 crore Indians after the first phase of reach out to 53 lakh registered users. MyGov 2.0 will also focus on Enhanced Personalised Engagement both Offline and Online and more personal communication framed from behaviour driven personas. Version 2.0 has also newer features such as hash tags; polls, interactive discussion forums and social media account integration.



- **Other features:** MyGov 2.0 has been built on open source technology by the National Informatics Centre and has been an important interface for the government to interact directly with citizens. The portal regularly hosts competitions and discussions on a host of pressing issues in the country in addition to inviting suggestions for its upcoming activities.
- **Purpose:** When the user engages in surveys, contests or provides comments on a topic the portal gathers information from age group to interest areas. This is analyzed to create information appropriate profiles so as to push across match government communication with right target group.

### 2.14. <u>I&B Ministry Forms Committee To Frame Rules To Regulate Online News</u>

#### In News

- *Introduction:* The Information and Broadcasting Ministry has constituted a committee to frame rules to regulate news portals and media websites.
- Composition of committee: The 10-member committee includes secretaries of the ministries of information and broadcasting, electronics and information technology and home. Besides it will also have secretaries of department of legal affairs and department of industrial policy and promotion as it members. The committee will also have representatives of the Press Council of India, News Broadcasters Association and Indian Broadcasters Federation.

- **Current rules:** The order said the content on private television channels are regulated by the Programme and Advertisement Codes, while the Press Council of India (PCI) has its norms to regulate the print media. It said there were no norms or guidelines to regulate the online media websites and news portals.
- **Term of reference:** Therefore a committee was constituted to frame and suggest a regulatory framework for online media/news portals including digital broadcasting and entertainment/infotainment sites and news/media aggregators. Terms of the reference (TOR) or scope of the work include to delineate the sphere of online information



dissemination which needs to be brought under regulation on the lines applicable to print and electronic media.

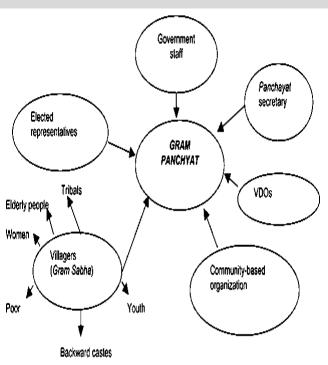
Other term of reference: The committee will also analyse the international scenario on the existing
of regulatory mechanism with a view to incorporate the best practices. The committee will recommend
appropriate policy formulation for online media/ news portal and online content platforms, keeping in
mind various norms including extent of FDI allowed, programmes and advertising code for TV
channels and those of the PCI.

#### 2.15. Panchayati Raj Act Turns 25 Years

On April 24, 1993 India took a decisive step in meeting the objective of empowering grass root politics by conferring the constitutional status on the panchayati raj system.

#### **Progress In Last 25 Years**

- **Institutionalized third tier:** The Panchayati Raj Act institutionalized PRIs as the mandatory third tier of governance.
- **Representation to the women:** It also transformed the dynamics of rural development by giving a say to a large section of the people significantly women in the administration of their localities. Women constitute more than 45 per cent of the nearly three million panchayat and gram sabha representatives in the country. In contrast, women's representation in the current Lok Sabha is barely 11 per cent.
- Women political empowerment: As social scientists have argued the fact that women come forward to contest elections, attend panchayat meetings and sit with men of different castes and age groups is itself a step towards empowerment. PRIs free women from the compulsion of tailoring politics to male-dictated agendas.



#### Lacunas in PRI system

- **No effective devolution of power by states:** Most states have merely completed the formality of devolving powers. They have not followed this up with effective devolution and activity mapping.
- Lack of funds: Ideally the PRIs should be formulating their own plans and executing them. But they remain dependent on Central and state government funds.
- **Conflict with other administrative bodies:** At many places PRIs have become adjuncts to Central and state-level administrative agencies.
- **Culture of Sarpanch-pati:** Most of the elected women in panchayats are seen as the proxies for their male relatives, which has been termed as culture of Sarpanch-pati.
- **No link with politics at higher level:** The PRI Act has largely remained unexpressed in nationallevel politics. There are very few channels that connect the grassroots leader to the politics at higher levels.

### Way Forward

Thus, Despite these challenges the Panchayati Raj Acts have certainly ushered in the ethos of decentralized governance. But at the same time while we push the agenda for cooperative federalism it should not ignore the challenge of routing the funds, function and functionary to the lowest tier.

### 2.16. Union Cabinet Clears Ordinance-Awarding Death Penalty For Child Rape

#### In News

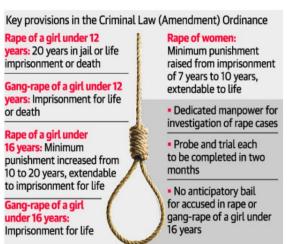
- In the wake of the outrage over the kidnapping, rape and murder of a minor girl in Kathua, the Union Cabinet approved the promulgation of the Criminal Law (Amendment) Ordinance, 2018, which allowed courts to award death penalty to those convicted of raping children below 12 years of age.
- The proposed amendment seeks to amend the Indian Penal Code (IPC), the Evidence Act, the Code of Criminal Procedure (CrPC), and the Protection of Children from Sexual Offences (POCSO) Act to introduce a new provision to sentence convicts of such crimes to death.
- According to data of the National Crime Records Bureau (NCRB) for 2016, incidents of rape of children increased by over 82 per cent compared to 2015.
- The last time the government took the Ordinance route for an amendment of the criminal law was in 2013. Then, soon after the December 2012 gang rape in Delhi, the UPA government had brought in an Ordinance to provide for stringent punishment for sexual offences against women.

For provisions on rape and arguments for and against death penalty in child rape case, please refer Section 1.8 (Death Penalty for Child Rapist) in March CA 2018.

#### Provisions Of The Ordinance

- **Rape of child under 12 year:** The Ordinance provides for stringent punishment for rape of girls under 12 with a minimum of 20 years imprisonment or imprisonment for rest of life and the maximum of death. In case of gang rape of a girl below 12 years, the minimum punishment will be imprisonment for the "rest of life" and the maximum, death sentence.
- **Rape of child between 12 to 16 year:** The proposed Ordinance also extends the maximum punishment for rape of a child between 12 and 16 years from 10 years of rigorous imprisonment in prison to 20 years extendable to imprisonment for rest of life, which shall mean imprisonment till that person's natural life. And the punishment for gang rape of a girl between 12 and 16 years of age will invite punishment of imprisonment for the rest of life of the convict.

- **Rape of child above 16 year:** For the offence of rape of those above 16 minimum punishment has been increased from rigorous imprisonment of 7 years to 10 years extendable to life imprisonment.
- **Time limit for investigation and disposal of case:** The proposed Ordinance sets a time limit of two months for investigation and trial in rape cases to be completed and prescribes a time limit of six months for disposal of appeals in rape cases.
- **Bail provisions:** The proposed Ordinance also makes it difficult for those accused of raping or gang raping a child under 16 to obtain bail by removing the provision for anticipatory bail for such a person. It has also been provided that court has to give a notice of 15 days to the public prosecutor and the representative of the victim before deciding bail applications in case of rape of a girl under 16 years of age.



• **Other provisions:** The Union Cabinet also set a deadline of three months to set up new fast-track courts in consultation with States and UTs and High Courts, create new posts of public prosecutors, ensure special forensic kits for rape cases at all police stations and hospitals, provide manpower for investigation of rape cases and set up special forensic labs in each State/UT exclusively for rape cases.

#### **Proposed Benefit From Amendment**

- **Deterrence effect:** The ordinance will provide effective deterrence against commission of rape and instilling a sense of security among women and especially young girls in the country.
- **Commensurate punishment considering the heinous nature of crime:** If a child below the age of 12 becomes the victim of a traumatic event like rape the offenders must be dealt firmly. Thus raping a child deserves a very harsh sentence and that sentence is death.
- **Remove the case of under reporting of rape cases:** The law will give reassurance that in such cases law will come to the aid of the victim thus the secrecy surrounding this issue will disappear. Once this is established then reporting will increase.

#### **Negative Implication Of The Amendment**

- Not a gender-neutral law: The ordinance approved by the Cabinet amends IPC Section 376 that is
  meant for only female survivors/ victims of rape keeping in mind their specific vulnerabilities and not
  the boy below 12 year of age.
- The ordinance has anchored its enhanced mandatory minimum sentences and death penalty on age, without considering the issues that arise with age determination. Since an ossification test cannot pinpoint an exact age and operates with a margin of plus/minus two years, a majority of judges add two years to the upper age limit to conclude that the victim is not a minor.
- When the punishment for "rape" and "rape and murder" is the same, there is a greater risk of strangerrapes ending in murder - to silence the victim.
- **Problem is of access to justice not sentencing:** As reported by The Indian Express, less than 3% of child rape cases that came up before the courts ended in convictions. The pendency rate at the police investigation stage is 31% and at the trial stage is 89%. This indicates that access to justice and not sentencing in a handful of cases is the problem that needs to be resolved.

- Ordinance fail to consider real problem of Justice delivery system: The new ordinance provides for fast-track courts and a two-month time period each for police investigation and completion of trial of all rape cases. But it is mum on the appointment of more judges to handle the burden or sensitizing the judiciary and the police in dealing with such cases.
- **Ignore reformative aspect of law:** Capital punishment is all about retribution disregards the reformative aspect of the criminal justice system and is said to have little deterrent effect.
- **Drive the accused to kill the victim:** The primary argument against awarding capital punishment for rape has been that it would drive the accused to kill the victim to get rid of evidence.
- **Does not consider underreporting of rape cases:** The new law fails to factor in the fact that a majority of sexual assault cases go unreported due to the child's silence or lack of support from family members.
- Likely suppression of the rape matter: As per National Crime Records Bureau statistics, about 94% of the rapists are known to the victim and almost half the perpetrators include the father, a brother, a grandfather, a close relative and neighbors. Critics therefore feels that the death penalty will put undue pressure on the girl child to suppress the matter or in some cases turn hostile at a later stage of the trial.

#### Way Forward

- Deterrence of the crime and the victim's access to justice require both better implementation of existing laws and systemic changes. Speedy justice and higher conviction rate will act as a prime deterrent in any criminal and civil cases.
- Age-appropriate sex education at all levels.
- Aggressive advertisement campaigns to increase awareness and stimulate conversations about gender bias, everyday sexism, misogyny, stereotypes, consent and equality.
- A social change where deliberate efforts are made towards better and broader understanding of human values.
- Moreover, the focus of the law should also be on victim support and rehabilitation so that victim can be facilitated at every stage from the police station, to hospital and courts.

#### 2.17. Indu Malhotra To Be First Woman Judge In Supreme Court Directly From Bar

- *Introduction:* Senior Advocate Indu Malhotra will be the first woman lawyer to be directly elevated from the Bar to the Supreme Court as a judge.
- Justice KM Joseph: The five-member Collegium comprising Chief Justice Dipak Misra and Justices J Chelameswar, Ranjan Gogoi, Madan B Lokur and Kurian Joseph also recommended elevation of Uttarakhand Chief Justice K M Joseph to the Supreme Court. But the government has returned the recommendation back to the collegium for reconsideration.
- Seventh woman judge of SC: Malhotra will be the seventh woman judge since Independence to make it to the Supreme Court. At present Justice R Banumathi appointed in August 2014 is the lone woman judge in the apex court and will retire in July 2020.
- **Senior advocate:** Her first tryst with fame was in August 2007 when the Supreme Court designated her as Senior Advocate only the second woman to be elevated by the Supreme Court. The first was Leila Seth mother of author Vikram Seth in 1977.

### VAJIRAM & RAVI 3. ECONOMY AND INFRASTRUCTURE

#### 3.1. Insolvency And Bankruptcy Code Set For Major Overhaul

#### In News

- The government will soon seek the law ministry's opinion on amendments to the Insolvency and Bankruptcy Code (IBC) suggested by a high level committee and may move an ordinance to make urgent changes.
- The 14-member insolvency law committee headed by corporate affairs secretary **Injeti Srinivas** suggested various changes in IBC.
- In November 2017 the government issued an ordinance aimed at preventing wilful defaulters from regaining control of companies with banks being forced to swallow loan losses. The bill introduced later in parliament eased some of the norms such as allowing a promoter to submit a resolution plan if dues are cleared before making a bid.
- Subsequent working of the IBC has revealed more shortcomings and the government set up the committee to address them.

#### Proposal By The Committee/Proposed Amendments

- Amendment to section 29A: The committee has proposed changes to Section 29A dealing with ineligibility to ensure that only those who contributed to the downfall of the corporate debtor or were unsuitable to run the company because of their antecedents directly or indirectly are disqualified.
- **Housing finance companies:** The committee was in favour of widening the scope of IBC so that entities such as housing finance companies, which are not regulated by the Reserve Bank of India and are declared non-performing assets by another financial sector regulator should also be barred under Section 29A.
- **Definition of connected person:** It said persons who enter into any backdoor arrangement with corporate debtors formally or informally, directly or indirectly should be barred from bidding for an insolvent company by bringing them within the scope of the definition of connected persons.
- **Related party:** A person who is a promoter or a related party in any such company will also be disqualified from bidding for insolvent companies.
- **Status of homebuyers:** The homebuyers will get the status of financial creditors and their representatives will be part of the committee of creditors that approves an insolvency resolution plan failing which a stressed firm goes for liquidation.
- Interim finance: The panel has recommended changes to the insolvency resolution framework to make it flexible for Resolution Professionals to raise interim finance. The norms will help banks, ARCs to extend interim finance to companies undergoing bankruptcy process without the fear of losing out on interest.
- **Trading of shares:** On trading of a company's shares, which has been admitted for the resolution process the IBC panel has said trading should not be suspended as it leads to better price discovery.
- **Power of NCLT:** The panel also said that the NCLT should have the power to direct Insolvency and Bankruptcy Board of India (IBBI) to replace the Resolution Professional.
- Share of votes for resolution plan: The panel also suggested that the share of votes required for approving a resolution plan by the committee of creditors be reduced to 66% against the current 75% to speed up the insolvency resolution process.

• *Withdrawal of resolution proposal:* It suggested that a case admitted for resolution can be withdrawn if 90% of the creditors agree, implying that unsuccessful bidders could get back in the reckoning for an asset with a better deal.

#### Lacunas In The Proposed Amendment

- Reduce competition and lower recoveries: The proposed further restriction on certain persons from submitting resolution plans may reduce competition among applicants seeking to resolve the company and result in lower recoveries for creditors.
- Increased risk perception in real estate sector: Giving the homebuyers the status of financial creditor may prompt other stakeholders in a real estate project such as contractors to also seek a similar status under the IBC. This will raise the risk perceptions of a real estate project and discourage banks to lend to realty companies.
- **Does not address the problem of homebuyers:** Analysts further believes that granting any such status doesn't address the problems of home buyers who will see a substantial erosion of their advances if their stressed realty firm goes for liquidation. Their interest will be best served in keeping the firm afloat through a resolution plan and not pushing for liquidation.

#### 14-member committee has recommended significant changes to IBC RELIEF FOR MSMES AND HOME BUYERS PROMOTERS OF MSMEs who are not wilful defaulters allowed to bid HOME buyers to be treated as creditors SCOPE OF MORATORIUM restricted to the asset of corporate debtor and not guaranto ONLY DEFAULTING guarantors to be barred from resolution process CLARITY ON related party & connected persons to reduce wide 66% Ineligibility to start IBC proceedings for winding up pleas pending with courts EMENT OF SHAREHOLDER Offences related to GST be added to ineligibility conditions **(RUPTCY BOARD CAN** OVIDE FLEXIBILITY FOR A IMS SURMISSION

Code Alert

#### Way Forward

 Tweaks to eligibility and bidding norms under the Insolvency and Bankruptcy Code must be subservient to the core public policy goal of the process i.e. maximizing the value of the resolution asset. This would automatically ensure

achievement of other goals such as minimizing the haircut the banks take, reducing the recapitalization burden on the government and on the taxpayer and redeploying the distressed asset to those best placed to create value from it.

• RBI deputy governor Viral Acharya's suggestion to set up an online trading platform for selling distressed assets to ensure transparency and better price discovery also makes sense.

#### 3.2. <u>China Hits Back At US, Imposes Additional 25% Tariff On American Imports</u> In News

- China has fired its riposte against Washington's decision to impose fresh tariffs on steel and aluminum
  products by levying up to 25 per cent duties mostly on agricultural products sourced from the United
  States.
- China's State Council imposed additional tariffs on 128 items imported from the US including wine, nuts and pork.
- This was followed by US proposing tariffs on more than \$50 billion of Chinese goods including in the aerospace, robotics and communication industries. Beijing responded with a second round of proposed tariffs impacting a similar value of US imports into China. And now US president has asked the US Trade Representative to examine if an additional \$100 billion worth of goods can be taxed.

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### Way Forward

- Whether last week's punitive tariffs threat by the US on Chinese imports will explode in a full blown trade war between the two countries is an open question. The answer may depend in part on the Trump administration's broader aim to counter the 'Made in China 2025' strategy, which aims to transform China's economy from a manufacturing base to a world leader in scientific innovation.
- Since the proposed tariffs have not kicked off there may be room for negotiation. The economic ties between the countries are deep China holds some \$1.2 trillion in U.S. debt and it is in everyone's interest to avoid escalating matters.
- However the larger cause for concern here is that US president continues to undermine the World Trade Organisation and the

continues to undermine the World Trade Organisation and the international world trade order. This large scale protectionism and unilateralism may please US residents in the short run but undermine the existing rules arbitrarily and serves no nation including the US in the long run.

### 3.3. RBI Holds Rates, Brings Cheer with Inflation & Growth Forecast

#### In News

- The Reserve Bank kept interest rates unchanged as widely predicted but surprised the market by lowering inflation expectations bringing them closer in line with those of independent economists after having maintained them consistently higher in the past.
- The repo rate at which RBI lends to banks was kept at 6% with five of the six members of Monetary Policy Committee voting in favour of the status quo besides continuing with the neutral stance.

#### **Other Projections By RBI**



Illustration: ARINDAM

- **Economic growth:** The central bank rolled out an optimistic economic growth forecast for the current year at 7.4%, up from 6.6% in FY18 supporting the theme of a broad revival and an investment pickup amid greater demand for loans.
- **Retail inflation:** RBI said the inflation trajectory in the first half of the current fiscal was expected to be lower than the projection in the February statement given the sharp moderation in food prices in February-March.
- **External risks:** It warned of financial instability stemming from intensification of the ongoing global trade war and the unwinding of the easy monetary policy by developed nations.
- **Use of GDP data:** The other surprise is the decision to jettison Gross Value Added as the main measure of economic output and switch to Gross Domestic Product.
- **Debt market:** The RBI decided to further liberalize trade in interest rate derivatives and as regards who can participate in the market and what instruments are on offer. This is essential for debt market development.

#### IN NATIONAL DUTY

 Trump says move might cause 'a little pain' but US will be better off in the long run

On Wednesday, China unveiled a list of 106 US goods targetted for tariffs

■ US proposed duties on some 1,300 Chinese industrial, technology, transport and medical products

■ Trump administration had earlier called for \$50 billion in extra duties

Washington says Beijing's policies designed to transfer US intellectual property to Chinese companies

- *Financial transaction data must Stay in India:* RBI also said that payments firms such as Visa, MasterCard, Google and WhatsApp will have to quickly set up infrastructure to store payments data in India.
- *Financial Companies given 3 Months to Stop Crypto dealing:* RBI has given three months to banks and financial entities to stop dealing in cryptocurrencies such as Bitcoin.

### **Final Analysis**

The Reserve Bank of India's policymakers have acted predictably in opting to keep interest rates unchanged and in retaining the 'neutral' stance. Now it is the responsibility of the government to act fiscally prudent to keep the inflation under check.

### 3.4. <u>Government Sets Up Think Tank To Help Domestic E-Commerce Thrive</u> In News

- The government has set up think tank to look into ways to encourage home grown ecommerce players and develop a domestic policy to respond to doubts raised by other countries on India's stance on cross-border digital trade.
- The think tank has been set up with the purpose to see what should be done domestically to take advantage of the existing situation in India's ecommerce sector and what can be done in future. Thus the group will predict technologies that are likely to come in future and help the government decide the policy flexibilities needed to be put in place accordingly.



- Till now India has opposed negotiations on ecommerce on two fronts. It is waiting for its food security concerns to get resolved first. Moreover, it is against the rationale for ecommerce as a trade facilitating platform to become the back door for securing market access objectives, especially in the garb of small and medium enterprises.
- Led by commerce and industry minister Suresh Prabhu the think tank includes officials from ministries
  of finance, home affairs, corporate affairs, and electronics and information technology, among others
  besides representatives from telecom, IT and ecommerce firms including Bharti Enterprises, Reliance
  Jio, TCS, Wipro, Ola, Snapdeal, Makemytrip, Urban Clap, Justdial, PepperFry and Practo.

#### **Final Analysis**

- **WTO and E-commerce:** A domestic policy on ecommerce is seen critical as a group of 71 WTO countries almost half the membership and accounting for around 77% of global trade have launched intensive discussion on ecommerce.
- **Negotiation of E-commerce rules at global platform:** Many countries have time and again asked India for its stance on negotiating rules on ecommerce at WTO and the Regional Comprehensive Economic Partnership agreement but India has refused to engage in these talks. Thus this will ensure that India have a policy to back our stance at global platform.
- Development of domestic E-commerce sector: Further the growth of India's e-commerce sector has given the economy a much-needed boost and is expected to cross over \$50 billion in 2018. As new local players continue to enter the market at break neck speed any change in the delicate dynamics causes a fluctuation in the consumer behaviour and consumption pattern. Hence, the think

tank will be looking into ways to encourage the domestic players so that they are able to take on competition from foreign firms.

• **Organized E-Commerce sector:** Thus, this will spells a new dawn for a more organised e-commerce sector in the country.

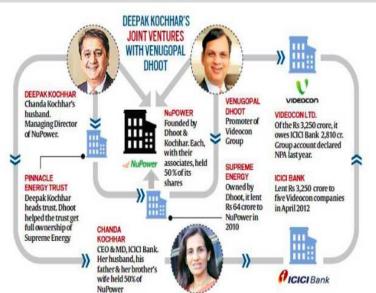
### 3.5. The ICICI Bank And Videocon Investigation: Explained

#### In News

A recent news reports has raised questions over ICICI Bank sanctioning loans worth Rs 3250 crore to the Videocon Group in 2012 allegedly because its chairman Venugopal Dhoot had business dealings with the husband of bank CEO Chanda Kochhar. Thus raise the question of quid pro quo in the dealings.

### **Alleged Misdealing's**

 Energy form NuPower: The CBI has examined loan documents and documentation pertaining to the role that Dhoot played in helping set up energy firm NuPower (run by Chanda Kochhar's husband, Deepak Kochhar).



Singapore angle: CBI's investigation
 has also examined another related strand specifically the role that Rajiv Kochhar, brother-in-law of
 Chanda and his firm Avista Advisory played in restructuring loans given to Videocon by ICICI Bank.
 Singapore based Avista acted as an adviser for several borrowers of ICICI including Videocon,
 especially with regard to foreign currency convertible bonds (FCCBs).

- *Firm Avista benefitted:* The investigative agency is examining whether Avista benefited from Rajiv's relationship with ICICI's CEO and also looking closely at two debt recast deals it carried out for Videocon in 2015 and 2016.
- **Relationship between Videocon and Kochhars:** The relationship between Videocon and the Kochhars goes beyond just NuPower and extends as far back as 2001. Six members of the Kochhar family including Chanda held shares in a small firm called Credential Finance along with the Videocon Group in 2011.

#### Analysis

- **Issue of corporate governance:** The ICICI-Videocon controversy has generated much debate over the state of corporate governance and nepotism in grant of loan by ICICI.
- Conflict of interest: The credit rating analyst (Fitch Ratings) came out and stated that the potential conflict of interest raised questions over the bank's governance and created reputational risks. In specific it has slammed what it calls to ICICI's "reluctance to support an independent probe" into the matter.
- **Reputational risk for the banking sector:** The controversy has created fresh reputational risks for the banking sector, which already is facing questions over rising NPAs, willful default and frauds.

- **Bank's credit rating:** Fitch rates ICICI Bank, India's largest private sector lender by assets at BBB-minus, the lowest investment grade rating and on par with India's sovereign rating. Any downgrade could make fundraising for the bank more expensive and lead to a selloff of in its shares.
- **Other risks:** The investigation could also undermine investor confidence in the bank with



potential implications for funding costs and liquidity in an extreme scenario. Moreover there is a potential risk of financial penalties as well as legal action if the investigation comes up with findings against the bank.

#### Way Forward

While it is worth asking why the CBI and ED waited two years to launch their probes, the most pressing matter at hand is ensuring that a full and fair investigation is finished without delay. Moreover there is a need to improve and effectively implement corporate governance norms in the banking sector.

#### 3.6. <u>After RBI Raises Doubts, Shikha Sharma To Quit Axis Bank In December</u> In News

- Axis Bank Managing Director and CEO Shikha Sharma has decided to cut her fourth term at the helm and is set to step down from her post at the end of the year. The RBI is understood to have raised questions as to why Sharma was being given a fourth term.
- Sharma took charge as the Axis Bank chief in 2009. Her tenure has seen Axis Bank go through a
  period of high growth but recently the lender has come under a cloud over the rising level of its nonperforming assets.

#### Analysis

- RBI's concern about the performance of Axis Bank's managing director and CEO Shikha Sharma is somewhat surprising. While it is true Axis Bank's NPAs shot up after the asset quality review (AQR) so did those of public sector banks (PSBs) many of which are now bankrupt or nearly bankrupt.
- In all these years RBI doesn't seem to have been as concerned about the performance of the CMDs of PSBs, which together account for close to 87% of the total NPAs.
- RBI and the government need to be fair whether they are looking into the performance of a CEO or a fraud or corruption. They must by all means investigate alleged corruption by top management at private sector banks as is being done in the case of ICICI Bank. But the same standards must be applied to the chiefs of PSBs.

#### 3.7. Finance Ministry To Check Readiness Of Lenders To Prevent Fraud

#### In News

- The finance ministry is soon expected to take stock from state run lenders on fraud in cases of bad loans and the measures taken to prevent them.
- A meeting will be convened to check progress of the public sector banks on implementing measures such as setting up of stressed asset verticals and coordination on large value loans. Each bank was to take a detailed proposal to their respective board for approval.
- The gross non-performing assets or bad loans of state-run banks stood at around 7.77 lakh crore at December 2017 compared with 2.67 lakh crore at the end of March 2015. There are 11 banks under the regulator's prompt corrective action (PCA) plan.
- The capital support to PSB is linked to performance and implementation of other measures under the Enhanced Access and Service Excellence (EASE) reform agenda.

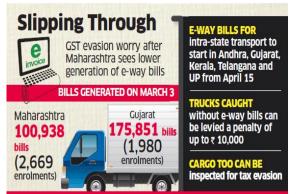
#### **Directives By Government**

- Information to the investigating agencies: The finance ministry in its note on Commitment to Clean and Responsive Banking called on banks to inform the CBI, Enforcement Directorate and Directorate of Revenue Intelligence if any wrongdoing was detected.
- **Examination by PSBs of NPA:** The directives also include that PSBs should examine nonperforming loans of more than 50 crore for any sign of similar wrongdoing.
- **Pre-emptive action plan:** Banks were also given 15 days to prepare a "pre-emptive" action plan to address risks. And they have to place these action plans with timelines for implementation and improvement before the respective boards.
- **Annual EASE index survey:** The government will also set parameters for annual EASE Index survey of Banks and will get an independent agency on board.

#### 3.8. Intrastate E-Way Bill: Phased Roll Out From April 15

#### In News

- After a largely smooth roll out of the interstate electronic way bill (a mechanism to track cargo movement in the GST regime) from April 1 the government said five states would implement the scheme for intrastate transport as well effective April 15.
- These states include Andhra Pradesh, Gujarat, Kerala, Telangana and Uttar Pradesh together they generated the bulk of interstate bills since its roll-out on April 1. In Karnataka, the e-way bill system has been in place since April 1 for both interstate and intrastate transport.



• E-way bills must be carried by transporters for the movement of goods which have a value of Rs 50,000 and above beyond 10 km. The e-way bill is a crucial anti-evasion measure, which is expected to plug revenue leakages of Rs 10000 crore in business-to-consumer transactions.

#### Benefits Of The Said Move

Current Affairs For 2017-18- Part 12 (April 2018)



- **Check tax evasion:** It has been touted as an anti-evasion measure and would help boost tax collections by clamping down on trade that currently happens on cash basis.
- **Preparation for the next phase:** Experts said that bringing in states that generated the bulk of eway bills upfront will allow the system to gauge the load on the system and prepare for the next phase.
- **Facilitate trade and industry:** With the roll-out of e-way bill system in these states, it is expected that trade and industry will be further facilitated insofar as the transport of goods is concerned thereby eventually paving the way for a nation-wide single e-way bill system.

#### Way Forward

- Businesses need to ensure that they don't slip up on e-way bill generation through error or ignorance of the law.
- Moreover given that India's transport sector is still largely unorganised and many vehicle drivers are not fully conversant with the technical nuances, it is important that anti-evasion squads deployed to check e-way bills operate with a light touch to start with and limit the frequency of inspections for goods moving across States. Else, the system could end up creating a bottleneck for transporting goods in a country where goods movement already takes inordinately long due to infrastructure deficiencies.

### 3.9. India To Soon Have Its First Gas Trading Exchange

### In News

- India plans to set up a natural gas trading exchange as early as October 2018 to prepare for a surge in supply from India's east coast and a slew of liquefied natural gas (LNG) terminals.
- The first gas trading exchange will work on the lines of existing online platforms that trade in power.
- India currently produces close to 90 million standard cubic meters per day (mscmd) of gas and imports another 70 mscmd as LNG according to government figures for 2016-17.
- India has laid out a plan to increase the share of gas in India's energy mix to 15 percent by 2030 from below 6.5 percent now.

### Purpose Of Setting Up Of Gas Exchange

- *Market mechanism for price determination:* The setting up a gas exchange platform is driven by the idea that the pricing in the sector should eventually be fully governed by the market mechanism.
- **Standardization of prices:** The exchange is aimed at standardizing natural gas prices so that domestic prices are not set at such a discount to international market rates.
- **Reduce risk relating to price differences:** The exchange will also help to reduce the risks associated with the pricing differences. As India currently imports LNG at global rates LNG-AS of around \$7.50 per mmBtu, while the government sets domestic gas prices at \$3.06 per mmBtu.
- **Development of gas sector:** If India have proper pricing and market access then it is easier for the gas sector to develop.
- **Transparency:** The creation of gas trading exchange into this will also help in creating a transparent bidding mechanism.

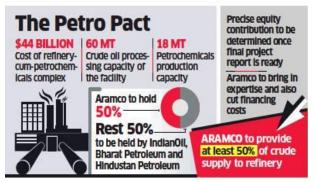
### 3.10. Saudi Aramco Picks Up 50% Stake In Maharashtra Refinery

#### In News

- Saudi Aramco the world's largest oil producer signed an agreement to pick up 50 per cent stake in a planned USD 44-billion refinery-cum-petrochemical project in Ratnagiri (Maharashtra), a move that will give it an assured customer for additional 30 million tonnes of its crude oil.
- State-owned refiners Indian Oil Corp (IOC), Hindustan Petroleum Corp Ltd (HPCL) and Bharat Petroleum Corp Ltd (BPCL) will own the remaining 50 per cent stake.
- The Saudi national oil company will supply half of the crude oil required for processing at the refinery. Saudi Aramco is investing in projects around the world to tie in customers for oil and integrate its petrochemicals business in major markets. It has signed such deals with French companies and US essentially in the petrochemicals sector and refinery projects in Indonesia and Malaysia last year.
- Saudi Arabia, known as the swing maker in OPEC- the grouping of oil exporting countries accounting for roughly 40% of global supplies till some time back but is today jostling for market share with US shale industry and non-OPEC players such as Russia as well as fellow OPEC members Iran and Iraq. Saudi Arabia was the biggest oil supplier to India till 2016-17 but slipped behind Iraq last fiscal.

#### Purpose Of The Said Project

- **Assured customer:** Like other major producers Aramco is looking to lock in customers in the world's third-largest oil consumer through the investment. UAE and Kuwait too are looking at investing in projects in return for getting an assured off take of their crude oil.
- India a growing market: India's expanding economy and a burgeoning middle class driving automobile sales makes it an attractive market for oil producers. In 2016, the country beat Japan as the



world's third-largest oil consumer after the US and China. Both International Energy Agency and OPEC have projected India to be the main driver of incremental global oil demand over the next decade or more.

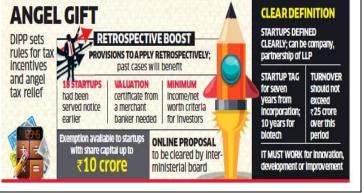
- **Entry into India's oil retail sector:** The investment in the refinery will also give Armco a foray into the country's petrochemical and retail sectors. Thus the project would elevate the Armco role from being a crude oil supplier to being a fully integrated player. This clearly reinforces the India growth story and the positive impact of the government's oil sector reforms on global investors.
- **Bring down the cost of financing of the project:** The entry of Saudi Aramco would bring down the cost of financing because of the company's high credit ratings.
- **Bring in expertise and latest technology:** The Aramco's participation in the refinery project will also bring in expertise and latest technologies to the project.

#### **Final Analysis**

This will be one of the biggest foreign investments in the country's hydrocarbon sector and bring in the world's biggest oil producer right into the center of the world's third-largest oil consumer of the world.

# 3.11. <u>Startups Get Limited Relief From Angel Tax</u>

- Introduction: The government has refined the definition of startup and put in place a mechanism for such companies to secure exemption from the so called 'angel tax' with retrospective effect and avail tax incentives under its startup policy thus seeking to address a major concern of budding entrepreneurs.
- **Background:** As many as 18 startups have received notices for the angel tax under Section 56(2)(viib) of the Income Tax Act, 1961. This section seeks to tax any capital raised by a closely held company, which is above its fair market value as income from other sources.
- Inter ministerial board: The start-ups can apply to an eight-member interministerial board (IMB) for tax relief if the



aggregate amount of paid-up share capital and share premium of the start-up after the proposed issue of shares does not exceed Rs 10 crore.

- **Qualification for investors:** The investor who proposes to subscribe to shares issued by a start-up must have an average returned income of Rs 25 lakh or more for the preceding three financial years or the net worth of Rs 2 crore and above as on the last date of the preceding fiscal. Also the start-up has to obtain a report from a merchant banker specifying the fair market value of shares in accordance with relevant income tax rules.
- Composition of IMB: The IMB to be headed by an additional secretary at the DIPP will have members from the ministries of finance, corporate affairs, science and technology, electronics and IT, bio-technology, the RBI and SEBI.
- **Definition of start-up:** The latest notification says any entity that focuses on innovation among others will remain a start-up for seven years from the date of incorporation unless its annual turnover breaches Rs 25 crore.
- **Purpose:** The idea behind this relief for start-ups is that an investor who is already investing in a risky venture shouldn't be taxed. This tax was introduced in 2012 to check conversion of black money into white through high premiums on shares.
- **Benefits of proposed change:** The startups are likely to have easy access to funding, which in turn will ensure ease in starting of new businesses, promote startup eco-system and encourage entrepreneurship, leading to more job creation and economic growth.

## 3.12. <u>The 15th Finance Commission May Split Open Demographic Fault Lines Between South</u> <u>And North India</u>

#### In News

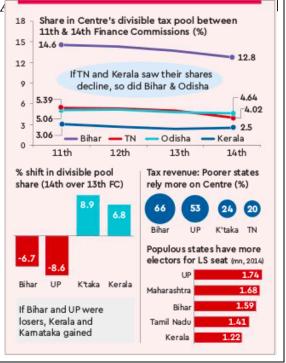
- The Southern states have both criticized the use of the 2011 population census by the 15th Finance Commission as a basis for the devolution of taxes from the Central government to the States. They have concern that this move would result in lower resource allocation to the southern States. While the other believe that the 1971 population figure does not reflect the current status of the states position.
- The constitution of each Finance Commission is announced by a gazette notification. The notification comprises terms that list out the Commission's work and considerations called the Terms of Reference.

# VAJIRAM & R

• In the notification issued on November 2017 the ToR recommended that the Commission shall use the population data of 2011 while making its recommendations.

#### Concern Over Use Of 2011 Census

- State who worked on population control to lose out: The usage of the 2011 Census is being opposed, as the States that have worked on population control do not lose out on benefits.
- **Disincentives good work:** This means States that have done relatively better to control population growth could see their allocations as a fraction of the total resources reduced.
- Benefit northern states at the cost of southern states: While States like Uttar Pradesh, Maharashtra and Bihar have more than doubled their numbers in the intervening years southern states like Tamil Nadu, Karnataka and Kerala have relatively slower growths.



• Use of 2011 also affect economically less prosperous states: Between 1971 and 2011 population share has declined in 10 states other than the four southern states. These are Assam, Goa, Himachal Pradesh, Odisha, Punjab and West Bengal. Thus, use of 2011 population would also affect economically less prosperous states like Assam, Odisha and West Bengal.

#### **Other Concerns Of The Southern States**

- Lose out due to focus on central flagship scheme: The southern states also believe that the thrust being given to the implementation of the central flagship schemes could also affect them negatively given that the southern states have their own welfare schemes and have not perhaps focused on so much on the central schemes.
- **The question of delimitation:** The southern states also believe that it will portend a bigger impasse come 2026 on the question of extending the use of 1971 Census for delimitation.
- No representation to the states: There have also been concerns raised about the composition of the Finance Commission itself that will decide on the vertical devolution between center and the states where states finding no representation in the commission.

#### Way Forward

- States should wait till October 2019 when the Finance Commission's final recommendations come in to assess the actual impact on State's cash flows but framing the issue as a southern v/s northern States debate is not constructive.
- The concerns expressed by the States have to be addressed to the satisfaction of all stakeholders. Addressing the disquiet over the Finance Commission's terms of reference will require sober negotiation involving all parties.

# 3.13. Government Names Bhanu Pratap Sharma As New Banks Board Bureau Chairman

- **Chairman:** The government Thursday appointed Bhanu Pratap Sharma, former secretary of the Department of Personnel and Training (DoPT) as the new chairman of the Banks Board Bureau (BBB) along with three other members.
- **Reconstitution:** The Board, earlier chaired by former Comptroller and Auditor General Vinod Rai has been reconstituted after its original two-year term expired last month. In the past, the government has at times overlooked the suggestions of the Bureau in key appointments and there was speculation recently that the government may scrap the BBB.
- **Other members:** Vedika Bhandarkar, a former head of investment banking at Credit Suisse India operations, P Pradeep Kumar, a former managing director at State Bank of India, and Pradip P Shah, founder managing director at ratings agency CRISIL were appointed as the new members.
- **Ex officio member of BBB:** Department of Financial Services Secretary, Deputy Governor of the Reserve Bank of India and Secretary, Department of Public Enterprises are ex-officio members of the BBB.
- **Purpose of BBB:** The Bureau has been set up by the government to improve governance at the banks and assist the government in selecting top managerial talent in the PSBs. The Banks Board Bureau set up for a period of two years started functioning in April 2016. In November 2016 the government had expanded the BBB's role to include helping banks in terms of developing business strategies and capital raising plan and leadership succession plan for critical positions among others.

## 3.14. States To Compete On New Logistics Index

#### In News

- The government is working on creating a logistics index that would score States on their performance in the sector.
- With the sector composed of multiple components like railways, ports, airports and roads a division was created in the Commerce Ministry last year and mandated to develop an action plan for the integrated development of the sector.
- The division is also setting up an IT backbone and develop an information portal which will be also an online marketplace for bringing together the various stakeholders, including state government agencies.
- It is the first time that logistics as a subject is being dealt with at the level of the Government of India.

#### Purpose of New Logistic index

- **Competitive federalism:** A logistics index is being developed for every State so that they can compete in this area thus it is a move towards competitive federalism.
- **Coordination between different arms:** With many ministries dealing with logistics the need was also felt for a nodal, coordinating agency for synergy among its various segments.
- **Promote entrepreneurship:** The logistics industry would serve as a key element that would allow entrepreneurship to blossom further in the country.
- **Other benefits:** Logistics is a also key thrust area for the government to work in through which society will benefit, businesses will develop, international trade will rise and new investments will flow into the country.

#### Way Forward

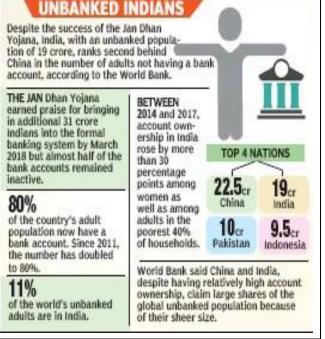
The key target areas should be to digitize entire processes in logistics and utilize existing infrastructure to bring out the best efficiency.

# 3.15. <u>With 19 Crore People Without Accounts, India World's Second Largest Unbanked</u> <u>Population: World Bank</u>

• **Unbanked population:** At least 19 crore Indian adults do not have bank accounts making the country the second largest in terms of unbanked population according to a report by World Bank (WB) report

titled Global Findex Database. Thus at least 11 per cent of the world's unbanked population resides in India.

- Jan dhan Yojana: This despite the government's successful PM Jan Dhan Yojana, which is a national mission to ensure financial access in an affordable manner for the poorer sections of the society.
- **Inactive account:** The report goes on to highlight that almost half of the country's bank accounts have seized to remain active for the past year despite the government's claims that an additional 30-plus crore Indians were added to the formal banking system by March 2018.
- Adult population with bank account doubled: The country's adult population with bank accounts increased more than two-fold to 80 per cent since 2011.



- Global scenario: The World Bank report also says that at least 69 per cent of adults or 3.8 billion people have bank account access up from 62 per cent in 2014 and just mere 51 per cent in 2011.
- **Global ranking:** China has an unbanked population of 225 million adults followed by India, which is just 35 million short with 190 million. Next on the list in Pakistan with an unbanked population of 100 million and the fourth spot was occupied by Indonesia with 95 million.
- **Global gender gap:** The report also notes the reduced gender gap in ownership by 6 per cent compared to 2014, with 83 per cent men and 77 per cent women now having an account.
- **Suggestion:** Another factor the government should focus on is educating people in rural pockets about the importance of financial services.

# 3.16. Petrol Price Rise: India Raises Asia Premium Issue With OPEC

#### In News

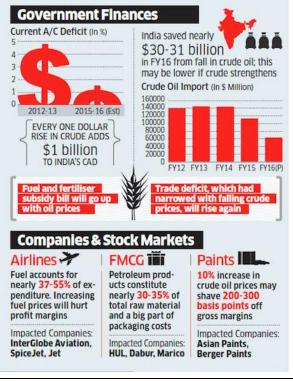
• After a sharp fall at the beginning of the year oil prices have risen dramatically in recent weeks. The price of Brent crude has touched \$70 billion hitting its highest mark since late 2014. Tensions in West Asia after U.S. President Donald Trump's decision to strike Syria helped push up prices.

• OPEC has cut down its production by around 201000 barrels a day in March compared to February.

Yet, total world oil supply actually rose by 180000 barrels a day in March, as output from non-OPEC countries, including the US has been increasing in response to higher oil prices.

#### Issues Over High Oil Prices

- **The instability in west Asia:** The US involvement in the Syria war has also lead to the rising oil prices due to the growing instability in oil producing nations.
- Production limitation: The oil economies such as Saudi, Iran have agreed to reduce their production so to overcome the situation of glut in the oil market. The same has also contributed to the rising oil prices.
- **Oil premium:** There is also the issue of oil cartel Organization of the Petroleum Exporting Countries (OPEC) charging the premium from their Asian buyers like India.
- Excise duty charges: A cut in excise duty on fuel prices is unlikely due to sluggish revenue collections on the back of a botched rollout of the Goods and Services Tax (GST).



#### Way Forward

- There is a need for responsible oil prices and need to factor in the interests of both consumer and producer. Moreover India should ally with China and other Asian countries to buy oil from OPEC members at lower prices.
- Moreover how the Centre responds to rising international crude oil prices is going to be the litmus test of its commitment to fuel price deregulation.

#### 3.17. Cash Is Still King: On ATMs Running Dry

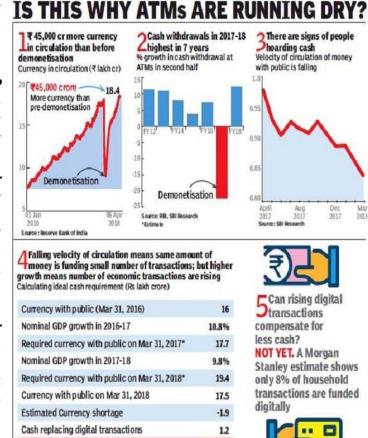
#### In News

- Nearly 18 months after the government's decision to scrap currency notes of 500 and 1000, which accounted for over 86% of the currency in circulation at the time large parts of India are in the throes of a severe cash crunch again.
- The government started acting belatedly in response to reports of cash shortages from States including Telangana, Andhra Pradesh, Karnataka and Madhya Pradesh over a fortnight. Terming the shortage a manifestation of an 'unusual spurt in currency demand' over three months, the Finance Ministry has emphasized that the first 13 days of April recorded an increase in currency supply of 45000 crore.
- Yet thousands of ATM are either not functioning or not dispensing adequate cash as banks are reluctant to divert cash to them at the cost of customers visiting branches for withdrawals.
- The Ministry has asserted that over ₹1.75 lakh crore of cash lies in reserves, which may now be deployed to meet the demand. On its part the Reserve Bank of India has claimed there is enough cash in its vaults but it has ramped up the printing of all notes. At the same time it blamed the

shortages on logistical issues of replenishing ATMs and said it is moving more cash to regions that witnessed high cash withdrawals.

#### The Possible Reason For Cash Shortage

- Lower currency in circulation: Currency in circulation has grown slower in the past 2 years than GDP growth and the digitization has not helped cut the demand.
- Government aim to keep low tax-GDP ratio: These are also related to the government's desire to keep the cash-GDP ratio low that was one of the justifications for demonetisation.
- Large denomination currency used for hoarding capital: The government may have chosen to go for 2000 notes postdemonetisation to remonetize the economy faster but with lower denomination notes taking longer to flow freely circulation wasn't efficient and the big note has become a preferred mode for hoarding capital.
- Lower penetration of lower denomination currency: The perpetuating dependency on the 2000 note ignores an age-old heuristic for currency management that every denomination should be 2 to 2.5 times its preceding denomination.
- **Upcoming elections:** Theories are that upcoming elections starting with Karnataka



70,000

and possibly ending with the Lok Sabha polls in 2019 have prompted a large-scale cash management exercise among political parties.

Estimated cash shortfall (Rs cr)

 Fear of FRDI bill: Part of the retail love for cash is also being attributed to depositor fears about the impending Financial Resolution and Deposit Insurance Bill that makes it possible to deploy investor savings to bail out stressed banks and financial institutions.

#### **Final Analysis**

- Nudging people to move to the digital form of transactions or putting restrictions on the use of cash
  for investments like real estate may well be a desirable public policy goal but that is different from
  making adequate cash available to the public, which is the primary job of any central bank or monetary
  authority. All the more reason to have ensured enough stock of currency especially at the peak of the
  harvest season.
- The genesis of the current cash crisis is firmly rooted in the lack of system wide thinking that went into the Centre's big-bang note ban gambit.
- This also shows that the current cash crunch shows how the consequences of the overnight demonetisation of November 8-9, 2016 continue to haunt us.

# 3.18. Pressure On RBI To Ease NPA Norms

#### In News

- The finance ministry is in discussion with the Reserve Bank of India (RBI) for relaxation of norms regarding stressed asset resolution that was announced in February 2018.
- While the RBI has supported the new framework for resolution of distressed borrowers to make sure that the excesses observed during the last credit cycle are not repeated and don't end up in a similar situation few years down the line.

#### **RBI NPA Norms**

- New Framework: The new Resolution of Stressed Assets-Revised Framework called on lenders to identify assets immediately on default beginning with loans on which any amount was due from one to 30 days.
- **Special mention account:** If the principal or interest is overdue for one day to 30 days the account is identified as Special Mention Account 0 (SMA-0) category. If it is overdue for 30 to 60 days it comes under the SMA-1 category and if it is overdue for more than 60 days till 90 days it falls under SMA-2 category. If a loan is not repaid for more than 90 days, it is classified as NPA.
- Withdrawal of the existing schemes: The RBI withdrew all existing stressed asset schemes such as corporate debt restructuring, flexible restructuring of existing loans for long-term project loans, strategic debt restructuring (SDR), change of control outside of SDRs and Scheme for Sustainable Structuring of Stressed Assets (S4A) and the joint lenders forum (JLF) mechanism and banks were

told that they must start working on a resolution plan even if an account is overdue by a day.

- Information to CRILC: The new rules also require banks to inform the Central Repository of Information on Large Credits (CRILC) on a weekly basis of defaults by all borrowers in excess of 5 crore.
- Time limit of 180 days: The RBI has also stressed that if the resolution plan is not implemented within 180 days insolvency process should be initiated within 15 days from the completion of the six month period.



Illustration: ARINDAM

- **50% provisioning norm:** Banks have to make 50% provision for accounts that are referred to the NCLT for insolvency proceedings i.e. banks have to set aside more capital.
- **Rule for upgradation:** Another mandate that the borrower has to bring in 20% of the due before the account is upgraded.

#### **Issues Arising Out Of The Current Norm For NPA**

- **Put pressure on Banks profitability:** Banks have a worry about pressure on profitability due to the revised guidelines. As the conditions of the resolution plan as laid down by RBI are so stringent that it will increase provisioning requirement.
- **One day overdue:** It is quiet possible that customers are facing some cash flow issues and it is a genuine problem. So the directive to start resolution in one day is a bit stringent one.
- **Problem for borrowers:** The payments delayed for even a few days could spiral into a bigger problem for borrowers if the default status became public.

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- **Pile up of cases at NCLT:** The requirement to refer stressed accounts for insolvency after 180 days would lead to a pile up of cases at the National Company Law Tribunals thus will cripple the economy.
- **Difficulty in sourcing funds:** The bankers also argue that the even on a default of one day if the company is declared defaulting company then it will find difficult to access funds from other lenders.
- Lower the chance of revival of stressed assets: The government and bankers are of the view that the new norms would lower the chances of reviving stressed assets even further.
- **Concerns of the power sector:** Apart from banks power producers have asked the RBI for special relaxation in guidelines on when insolvency proceedings would be triggered saying the stress in the power sector is largely due to irregularity in payment from discoms, regulatory delays, and coal supply constraints, which are beyond the control of power companies.
- Concerns of MSME sector: There is also a case for providing some relief especially for small and medium enterprises given that the tighter rules could force defaulters into rapid bankruptcy which could dent jobs generation.

#### **Final Analysis**

- While the new rules may seem harsh especially since the guidelines have been so lenient all these years it is better lenders are disciplined and this will also prevent practice of evergreening of defaulting loan accounts.
- Borrowers too should realise they must meet payment obligations as per the contract and it is no longer enough to pay up only by 60 or 90 days past the due date.
- The final guidelines should be prepared by RBI in consultation with the other experts by considering the effect of them on different sector of the economy.

# 3.19. Petroleum, Finance Ministers Can Award Hydrocarbon Blocks

#### In News

- The Union Cabinet has given its approval for delegating the powers to Minister of Petroleum and Natural Gas and Finance Minister to award the blocks/contract areas to successful bidders under Hydrocarbon Exploration and Licensing Policy (HELP) after International Competitive Bidding (ICB) based on the recommendations of Empowered Committee of Secretaries (ECS). The government has last year introduced HELP replacing new exploration and licensing policy (NELP).
- The move may reduce the time taken to complete the process of awarding a block or area for exploration and production of oil and gas to companies since thus far only the Cabinet headed by Prime Minister had powers to approve it.

Parameter	HELP	NELP
Fiscal Model	Revenue sharing	Profit sharing
Cost recovery	Not applicable	Yes
Cost efficiency	Encouraged	Neutral
Royalty	Low rates for offshore	Standard rates
Exploration Period	Onland and Shallow Water- 8 years Deepwater & Ultra- deepwater - 10 years	Water- 7 years
Management Committee	More focus on reservoir monitoring; no micro-management	Technical & financials examination
Revenue to Government	On production	After cost recovery i.e. from profit petroleum
Exploration in ML areas	Allowed	Not allowed
E&P activity for all hvdrocarbons	Allowed	Not allowed

 In a separate decision the Cabinet Committee also approved the issuance of a notification that would allow Coal India Limited (CIL) and its subsidiaries to extract coal bed methane (CBM) in their coal bearing areas without applying for a licence or lease under the Petroleum & Natural Gas Rules, 1959.

#### Purpose

- **Expedite decision-making:** Under HELP blocks are to be awarded twice in a year. Delegating powers would expedite the decision making process in awarding the blocks.
- **Promote ease of doing business:** The decision is also in line with the government initiative of ease of doing business.
- **Expedite exploration and exploitation:** The decision will expedite the exploration and exploitation of CBM, enhance the availability of natural gas and reduce the gap in demand and supply of natural gas.
- **Increase domestic production:** India is the third largest importer of oil in the world and aims to reduce import dependency in oil and gas by 10% by 2022. Oil exploration and production in the country has been slow as new awards take time. Simplifying the process may reduce the time taken in decision-making and help the country step up its domestic production.
- Generation of economic activity and creation of employment: The increased development activities for exploration and exploitation of CBM gas reserves in and around the block will generate economic activities, which in turn has potential to create employment opportunities in CBM operations and in the industries.

# 3.20. India May Move WTO If US Denies Preferential Treatment To Exports

## In News

- India could approach the dispute settlement body of the World Trade Organization (WTO) if the US denies it preferential benefits in retaliation for the barriers Washington claims its exports faces in India.
- The US wants to review India's eligibility based on petitions filed by its dairy industry and medical devices industry given Indian trade barriers affecting US exports in those sectors.
- In 2002, India had challenged the European Union's GSP regime for seriously drug-affected countries arguing that it discriminated among developing countries. The WTO Appellate Body later found that the EU's GSP drug regime then was not based on objective and transparent criteria for the selection of the beneficiary countries.

# **US Generalized System of Preferences:**

- *Introduction:* The US GSP is a trade programme instituted on January 1, 1976 to promote economic growth in the developing world by allowing duty-free entry to select goods.
  - **Eligibility:** As per US norms a beneficiary country must meet 15 eligibility criteria established by the Congress including combating child labour, respecting internationally recognized worker rights, providing adequate and effective intellectual property protection and providing the US with equitable and reasonable market access in order to qualify for GSP.
- **Total eligible countries:** As of now, nearly 129 countries benefit from this preferential duty arrangement for about 4800 goods.

# India's Stand

- **Benefit cannot be unilaterally terminated:** Generalized System of Preferences (GSP) is a nonreciprocal programme when developed countries grant trade concessions to developing countries they should not expect matching offers in return. Hence, the benefits can't be unilaterally terminated on such basis.
- **GSP is non-reciprocal:** If the US cites so called market access barriers as the ground for denying us GSP benefits, then India can take them to dispute as GSP benefits are supposed to be non-reciprocal.

- **GSP** should be non-discriminatory: GSP has to be non discriminatory and thus US can't put additional conditions on grant of GSP.
- Tool to get market access: The US wants to use GSP as a ploy to get more market access in India.

## 3.21. India Is On US Currency Monitoring List

## In News

In April US Treasury Department delivered to Congress the semi-annual Report on Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States Treasury, which found that six major trading partners warrant placement on the Monitoring List for their currency practices. Five of these countries are China, Germany, Japan, Korea and Switzerland were already on the list India has been added this year.

#### **Basis For India's Categorization In Currency Monitoring List**

- Criteria: The three pre-conditions for being named currency manipulator are- a trade surplus of over \$20 billion with the US; a current account deficit surplus of 3% of the GDP and persistent foreign exchange purchases of 2% plus of the GDP over 12 months. India met two of the three criteria for the first time in this report — having a significant bilateral surplus with the US and having engaged in persistent, one-sided intervention in foreign exchange markets.
- *Frequent intervention in forex market by RBI:* Frequent intervention by the central bank in the foreign exchange market means that India has increased its purchases of foreign exchange over the first three quarters of 2017.

#### India's Justification

- **Rupee is broadly market determined:** The value of the rupee is broadly market determined with intervention used only during episodes of undue volatility. RBI engaged in both purchases and sales of foreign exchange at various points in the midst of volatile global financial markets.
- **Strong foreign inflows:** The pick-up in purchases came amidst relatively strong foreign inflows both of FDI and portfolio investment.
- **Rupee appreciated despite intervention:** Notwithstanding the increase in intervention the rupee appreciated by over 6% against the dollar and by more than 3% on a real effective basis in 2017.
- **Exchange rate not deemed undervalued by IMF:** India had a significant bilateral goods trade surplus with the US totaling \$23 billion in 2017 but the current account is in deficit at 1.5% of the GDP and the exchange rate is not deemed to be undervalued by the IMF.
- India runs a persistent CAD: India is one of the world's few emerging markets that run a persistent current account deficit. It means that India is a net importer from the rest of the world and a useful vent for the rest of the world's surplus savings.

#### Way Forward

- The Reserve Bank of India should not modify its policy of buying dollars to prevent undue appreciation of the rupee and business should ignore India's membership of yet another American watch list.
- Currency purchases are material to trade harm for the US only if these artificially cheapen the rupee to facilitate exports. India's real effective exchange rate has been going up not down. The RBI buys dollars because of excess capital inflows, not an excess of export proceeds.

#### 3.22. Railways For Easier PPP Norms To Revamp 600 Stations

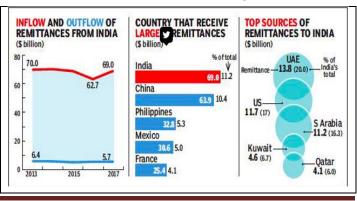
- Introduction: The railways ministry plans to soon seek cabinet clearance to ease norms for private investment in the railway station redevelopment programme.
- **Revamping railway stations:** Out of the 600 stations identified Indian Railways is redeveloping around 100 stations on its own under the engineering, procurement and construction or EPC mode and by involving other public sector units such as the National Building Construction Corporation. The remaining would be redeveloped through PPP.



- **Existing rules:** Under the programme the contractor who wins would be given railway station and adjacent land owned by the railways on a lease of 45 years for development. The contractor would be able to monetize the land through commercial exploitation by building malls, hotels and complexes for instance on the land available. In lieu the contractor would have to modernize the existing station and provide all modern airport-like facilities at platforms and peripheral railway area.
- **Existing PPP norms stringent:** Indian Railways has identified 600 stations for redevelopment and the ministry is of the view that the existing public private participation (PPP) norms for the station redevelopment programme are stringent. The private sector has been wary of potential return on investment in such projects.
- **Railways view:** The national transporter proposes to tell the cabinet that the concession period of 45 years is not lucrative enough to attract private investors. Moreover the one bid scenario is not preferable but not too many investors have been willing to come forward on existing terms. It also plans to allow the concessionaire to sublease land.
- **Implementing agency:** The railways ministry wants that Indian Railways Station Development Corporation (IRSDC) a state-run unit of the railways should be implementing agency for all redevelopment projects and be allowed to raise funds from domestic and international markets whereas the ministry could provide initial funding for kick starting the project.

# 3.23. India Retains Long-Held Position Of Top Remittance Destination Of Migrants

- Introduction: Remittances to India from abroad rose in 2017 after declining for two consecutive years and touched \$69 billion still a little short of the \$70.4 billion reached in 2014. And outflows of remittances from India too continued to rise reaching \$5.7 billion, according to a World Bank report.
- Remittances Inflows: The 9.9% increase in remittance inflows in 2017 was enough to ensure that India comfortably retained its long held position of the largest destination of remittances from international migrants according to the Bank's report titled 'Migration and Remittance Outlook'.
- **Remittances outflow:** Of the \$5.7 billion sent home by foreigners working in India, Bangladesh alone accounted for over \$4 billion or about 71%. Other than



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Bangladesh, Nepal and Sri Lanka received 17.9% and 9.1% respectively of remittances flowing out from India.

- World's largest diaspora population: The data also shows that Indians constitute the world's largest diaspora population, making it the largest source of labour for the world market. In 2017 there were 16.4 million Indians living abroad. Mexico and Russia had 11.9 million and 11 million people respectively working in foreign countries. China has the fourth largest overseas population at slightly over 10 million.
- **UAE the major contributor:** Of the 131 countries from where India received remittances UAE contributed the highest i.e. \$13.8 billion or about 20% of India's total receipts. The West Asian country was followed by the US, Saudi Arabia, Qatar and UK. West Asian the region account for 55.6% of India's total remittance receipts.
- International scenario: China received \$64 billion from its overseas citizens. This was the world's second highest and the two Asian neighbors accounted for more than one-fifth of the global remittances inflows. They were followed by the Philippines, Mexico and France.

# 3.24. TCS Now In \$100 Bn Market Capitalization Club

- *Introduction:* Tata Consultancy Services became only the second Indian company to cross the \$100 billion mark in market capitalization buoyed by a robust outlook for its business and a weakening rupee. The software major, which listed in 2004 follows Reliance Industries Ltd., which touched the milestone in 2007.
- **Other Indian companies:** In contrast, RIL's current market capitalization is about \$89 billion, while TCS's smaller competitor Infosys Ltd. has a market value of \$38.8 billion.
- **Global \$100 Billion club:** Though much larger than TCS, the global \$100 billion club includes Apple Inc., Microsoft Corp., Alphabet Inc., Amazon, Facebook, ExxonMobil, Walmart Inc. and Samsung.

# 4. INTERNATIONAL AFFAIRS

#### 4.1. Malaysia Outlaws Fake News

#### In News

- Malaysia's government pushed a law through its Parliament that makes "fake news" punishable.
- Prime Minister Najib Razak's government secured a simple majority in parliament to pass the Anti-Fake News 2018 bill.

#### Key Highlights

• The law sets out fines of up to 500,000 ringgit (€100,000) and a maximum of six years in jail for spreading the fake news.

- It defines "fake news" as "news, information, data and reports which is or are wholly or partly false and includes features, visuals and audio recordings.
- It covers digital publications and social media and will apply to offenders who maliciously spread "fake news" inside and outside Malaysia, including foreigners, if Malaysia or a Malaysian citizen were affected.

## Analysis

- Malaysia is among the first few countries to introduce a law against it. Malaysia already has an arsenal of laws, including a colonial-era Sedition Act that have been used to clamp down on unfavourable news and social media posts. Nevertheless, the government brought a law to tackle fake news.
- The government claims that this law aims to protect the public from the spread of 'fake news', while allowing freedom of speech as provided for under the constitution. However, critics contend that it is aimed at curbing dissent and free speech ahead of a general election.
- The law targets foreign as well as local media, and is seen in part as an effort to silence criticism of the scandal surrounding sovereign wealth fund 1Malaysia Development Berhad (1MDB) that has rocked the administration of Prime Minister Najib Razak. The election is expected within weeks and Mr. Najib is battling to win a third term in office.
- Many human rights activists fear that laws against it could be used to stifle free speech.
- Other countries in Southeast Asia, including Singapore and the Philippines, are considering how to tackle "fake news". Such step by Malaysia would further encourage them.

#### 4.2. North and South Korean Leaders Hold Historic Summit

#### In News

- The leaders of North and South Korea, Kim Jong-un and Moon Jae-in, met in the demilitarised zone between the two countries on 27<sup>th</sup> April 2018.
- The aim of this summit was to discuss the 'denuclearisation' of the Korean peninsula and the official end to the Korean War (1950-53) which has technically still not concluded.
- The South and North held the '2018 South-North summit' at the South's Peace House in Panmunjom.
- The venue made Mr. Kim the first North Korean leader to set foot in the South since the end of the Korean War and the meeting between Mr. Kim and the South's President Moon Jae-in was only the third of its kind.

#### How Did The Summit Come About

- North Korea had conducted a number of nuclear and ballistic missile tests under Mr. Kim's rule, including in 2017, defying United Nations Security Council Resolutions.
- As a result, tensions ran high between stakeholders in the region as Mr. Kim and U.S. President Donald Trump exchanged threats of war.
- When Mr. Moon took over as President of South Korea, he pushed the agenda of engagement between the Koreas.
- In his 2018 New Year's Day speech, Mr. Kim announced that he would send a North Korean delegation to the Winter Olympics in South Korea in February.
- Since then, there have been several high-level diplomatic meetings leading to setting up of summit.

#### Key Highlights

- Both the leaders signed the **Panmunjom Declaration for Peace, Prosperity and Unification on the Korean Peninsula**. In this declaration, both leaders agreed to work to remove all nuclear weapons from the Korean Peninsula and, within the year, pursue talks with the United States to declare an official end to the Korean War, which ravaged the peninsula from 1950 to 1953.
- The leaders vowed to negotiate a treaty to replace a truce that has kept an uneasy peace on the divided Korean Peninsula for more than six decades. A peace treaty has been one of the incentives North Korea has demanded in return for dismantling its nuclear program.
- Mr. Kim and Mr. Moon also agreed to improve inter-Korean relations by opening a liaison office in the North Korean border town of Kaesong and arranging a reunion later this year of families separated by the war.

## Role of U.S. and China In The Peace Talk

- The U.S. is a major stakeholder in the region and it has over 28,000 troops in South Korea. Hence, the country's involvement in peace talks is to be expected.
- U.S. has been eager to play up its role in achieving a breakthrough with Pyongyang through a "Maximum Pressure Campaign" consisting of tough rhetoric, strengthened global sanctions and diplomatic efforts to further isolate the authoritarian regime.
- As the thaw occurred, Mr. Kim conveyed his willingness to talk with Mr. Trump via the South Koreans. Also, North Koreans have not demanded that U.S. troops withdraw from South Korea as a precondition for denuclearisation but have asked for security and an end to hostility.
- China is the largest trading partner of both North and South Korea. Some 90% of North Korea's trade passes through China.
- As China participated in UN sanctions against North Korea, the relationship between the two countries was further strained.
- However, Mr. Kim made a sudden visit to Beijing in March his first foreign trip as North Korea's leader, and Chinese President Xi Jinping is due to visit Pyongyang later this year.
- His manoeuvres were termed as a clever strategy to engage with all stakeholders, some of whom, like the U.S. and China, have competing interests in the region. Reaching out to China before talks with the U.S. could also provide some backing to North Korea.

#### Analysis

- Many analysts described this summit as a "historic meeting" that can pave the way for the start of a new era. The agreement has created hopes for reconciliation and disarmament.
- Although the leaders have confirmed the common goal of realising, through complete denuclearisation, a nuclear-free Korean Peninsula. But the phrase is a diplomatic euphemism open to interpretation on both sides.
- Both the leaders have also pledged to seek a peace treaty this year to formally declare the Korean War over, 65 years after hostilities ceased with an armistice. However, agreeing a treaty to formally close the conflict will be complicated both Seoul and Pyongyang claim sovereignty over the whole Korean peninsula. Also, China is likely to demand that American troops leave South Korea.
- Skeptics say Mr. Kim is trying to improve ties with South Korea to steer it from the United States and escape sanctions that are increasingly hurting the North's economy.
- Kim is acutely aware of the fate of Libyan dictator Muammar Gaddafi, who gave up his weapons programmes only to have European and US forces bomb the country during an uprising against him.

- Hence, many conservatives in the South fear that the North's goal remains to be accepted as a nuclear power in return for freezing its nuclear and intercontinental ballistic missile programs.
- Experts contend that unless "a firm foundation" for North Korea's verifiable nuclear disarmament were laid out, most of the other commitments in the agreement were merely wishes.
- Analysts have also warned that once negotiations begin with the United States, North Korea could
  push them into a stalemate by trying to drag Washington into nuclear arms reduction talks. This can
  be prevented by persuading North Korea to agree to a specific timeline for complete denuclearization.

#### Historical Background

- North and South Korea have been divided since the end of the Korean War, and except for about a decade ending in 2008, relations between the two have remained frosty.
- There have been occasional outbreaks of violence, most recently in 2010 when 50 people were killed when a South Korean navy corvette was sunk and several islands close to the border were attacked.
- This is also not the first time North Korea has expressed a willingness to abandon its nuclear ambitions. A deal with the US, Japan and South Korea in the 1990s was meant to give the North civilian nuclear power without the ability to build a weapon, but the reactor was never finished.
- North Korea pledged to relinquish its nuclear programme in 2007 in exchange for sanctions relief and fuel, but later pulled out of that agreement and expelled inspectors in 2009.

#### Korean War

- Since the beginning of the 20th century, Korea had been a part of the Japanese empire, and after World War II it fell to the Americans and the Soviets to decide what should be done with their enemy's imperial possessions.
- In August 1945, Korean peninsula was divided in half along the 38th parallel. The Russians occupied the area north of the line and the United States occupied the area to its south.
- In 1950, North Korea invaded South Korea, starting the three-year Korean War.
- American troops had entered the war on South Korea's behalf. As far as American officials were concerned, it was a war against the forces of international communism itself. Finally, in July 1953, the Korean War came to an end by signing of the armistice agreement in 1953. Since the signing of the armistice agreement, North and South Korea have been divided by a 4km wide demilitarised zone stretching 250km.

#### 4.3. Britain's Sugar Tax Comes Into Effect

The "ground-breaking" sugar tax on soft drinks has come into force in the UK. It is being termed as a move that will lead to some higher prices as the country seeks to battle childhood obesity.

#### Key Highlights

- The levy is being applied to manufacturers whether they pass it on to consumers or not is up to them.
- Drinks with more than 8g per 100ml will face a tax rate equivalent to 24p per litre.
- Those containing 5-8g of sugar per 100ml will face a slightly lower rate of tax, of 18p per litre.
- Pure fruit juices will be exempt as they do not carry added sugar, while drinks with a high milk content will also be exempt due to their calcium content.
- Products such as cakes, biscuits and other foods are not covered by the tax, although a separate initiative is encouraging manufacturers to reduce the sugar content of those items voluntarily.

• Money earned from these taxes will be invested in schools sports and breakfast clubs.

### Why Introduce A Sugar Tax

- The UK highest level of obesity in Western Europe, with childhood obesity a particular concern.
- Sugar taxes target soft drinks because a number of drinks contain large amount of sugar. These drinks provide little nutritional value.

#### Analysis

- While many analysts have termed this as a "positive step" in tackling obesity, others are skeptical.
- They contend that the consumers could just end up buying the same amount but paying more as the increase in tax placed on soft drinks will make products more expensive, but it will not actually discourage people from buying them.
- Many consumers have argued that government should not interfere in what they consider to be a personal choice.
- A research has shown that 50% of manufacturers have reduced the sugar content of their drinks after the announcement of the sugar tax.

#### Reality Check: Did The Sugar Tax Work In Mexico?

- Mexico introduced a tax on sugary drinks in 2014, which operates in a similar way to the UK's.
- By the end of its first full year, Mexicans were consuming 12% fewer sugary beverages than in the year leading up to the tax's introduction.
- Researchers also found that there was an increase in sales of drinks that did not come under the tax. This was mainly driven by a rise in popularity of bottled water.
- There is no evidence yet that this has led to a reduction in obesity but it may well still be too soon to tell what the longer-term effects will be on the population's weight.

# 4.4. India To Ally With China On 'Asian Premium'

#### In News

- Central government has announced that India would coordinate with China and other Asian countries to raise voice against the "Asian premium" being charged by the Organisation of the Petroleum Exporting Countries (OPEC).
- Taking the initiative forward, the current Indian Oil Corporation chairman will coordinate with the head of China National Petroleum Corporation (CNPC) to chalk out the strategy that would result in getting better price from OPEC countries.

#### What is Asian Premium

- Asian premium is the effective high price that the countries of the Asian continent pay for the import of crude from OPEC.
- Such a high price for Asia happened because of the marker based price system adopted by Saudi Arabia along with the absence of a strong crude derivative market in Asia. The system penalized Asian countries while subsidizing the rich Western countries the US and European nations.
- For example Suppose production cost in OPEC for one barrel of crude oil is Rs.100 and the country wants to make a profit of Rs. 50. So ideally it should sell for Rs.150 / barrel.

 However, it sells to Asian countries for 170 per barrel but on the other hand it sells to Western countries at Rs.130 per barrel. The discriminatory Asian Premium is mainly used by OPEC countries to subsidised western buyers at cost of Asian buyers.

# History of Asian Premium

- The Asian premium has its root in the establishment of market oriented crude pricing in 1986. Before that, the prices were set by contract between the exporting country and the importing country.
- When the market-oriented price system emerged, OPEC's political power to engage in price setting eroded. At the beginning of the market system in 1986, crude prices crashed.
- Saudi Arabia, to counter the price fall, introduced sale of crude oil on a formula method in early 1987. The idea was to create `markers' for three regions the US, Europe and Asia. Markers are price referrals based on historical and economic contexts of the respective market.
- For Europe and the US, there emerged domestic crude markets and spot prices. These market prices were emerged as markers under the new Saudi Arabia proposed system to price crude export to these countries.
- For the US, the marker was the **West Texas Intermediate (WTI)** and for Europe, it was **Brent**. These two markets reflected the cost of crude produced in the respective geographies.
- But for Asia, there was no such indigenous market/production location for importers except the export-oriented Gulf markets. Hence, the Dubai/Oman market price was taken as the marker. But it has failed to indicate the cost of production.
- In this formula pricing, the US and Europe had an advantage because their markets and prices were based on future trading and reflected every trend in the crude market. On the other hand, since Asia represented by Dubai/Oman do not have any derivative trading, does not have that edge.
- Hence, price charged from Asian countries remained \$1-\$2 higher than that from Europe and the US. This price differential is termed as 'Asian Premium'. It is not de facto charged by Saudi Arabia rather it is prevailing there because of the behavior of the Dubai/Oman market price.

#### India's Concern

- India sources about 86 per cent of crude oil, 75 per cent of natural gas and 95 per cent of LPG from OPEC member nations.
- Being a primary consumer, it is voicing its dissent against this discriminatory practice and has called for replacing Asian Premium with Asian Discount (dividend).
- The removal of such premium will make the crude oil cheaper thereby enabling the government to provide energy to the people who have been deprived of energy so far.

#### About Organization of the Petroleum Exporting Countries (OPEC)

- OPEC is a permanent intergovernmental organization of 14 oil-exporting developing nations that coordinates and unifies the petroleum policies of its Member Countries.
- OPEC's objective is to co-ordinate and unify petroleum policies among Member Countries, in order to secure fair and stable prices for petroleum producers; an efficient, economic and regular supply of petroleum to consuming nations; and a fair return on capital to those investing in the industry.

- It was created at the Baghdad Conference in September 1960, by Iran, Iraq, Kuwait, Saudi Arabia and Venezuela.
- Members are Iran, Iraq, Saudi Arabia (de facto leader of OPEC), Kuwait, Qatar, United Arab Emirates (from Asia and Middle East); Algeria, Angola, Libya, Nigeria, Equatorial Guinea and Gabon (from Africa); Ecuador and Venezuela (from South/Latin America).
- The OPEC Secretariat is the executive organ of the Organization of the Petroleum Exporting Countries (OPEC). Located in Vienna, it also functions as the Headquarters of the Organization, in accordance with the provisions of the OPEC Statute.
- As of 2016, the 14 countries accounted for an estimated 44 percent of global oil production and 73 percent of the world's "proven" oil reserves, giving OPEC a major influence on global oil prices that were previously determined by American-dominated multinational oil companies.
- Two-thirds of OPEC's oil production and reserves are in its six Middle Eastern (west Asian) countries that surround the oil-rich Persian Gulf.

# 4.5. <u>Chemical Watchdog To Meet Over Spy Nerve Agent Claims</u>

#### In News

- The world's chemical watchdog, Organisation for the Prohibition of Chemical Weapons (OPCW), met after a British laboratory said it had not proved that Russia manufactured a deadly nerve agent used to poison a former Russian spy.
- The talks at the OPCW had been requested by Moscow which said it wanted to "address the situation around the allegations in regards to the incident in Salisbury.
- OPCW has backed the UK's findings on the identity of the chemical used to poison.

# Background

- Scientists at Britain's top military laboratory had identified the substance used in the attack against Sergei and Yulia Skripal as a military-grade nerve agent known as **Novichok**, a class of chemical weapons developed by the former Soviet Union and Russia. However, the laboratory failed to determine the place of origin of the nerve agent.
- Sergei Skripal moved to Britain in a spy swap in 2010 and settled in Salisbury. Yulia was visiting from Russia when they were poisoned, probably via contamination from his front door.
- The UK government's position is that it is the Russian state targeted the Skripals with a nerve agent, which military experts at Porton Down identified as Novichok. However, Russia has denied having anything to do with the attack.

# **Organisation For The Prohibition Of Chemical Weapons**

- The Organisation for the Prohibition of Chemical Weapons is the implementing body of the Chemical Weapons Convention (CWC), which entered into force in 1997.
- As of today OPCW has 192 Member States, who are working together to achieve a world free of chemical weapons.
- The OPCW Member States share the collective goal of preventing chemistry from ever again being used for warfare, thereby strengthening international security.
- To this end, the Convention contains four key provisions:
  - o destroying all existing chemical weapons under international verification by the OPCW;

- monitoring chemical industry to prevent new weapons from re-emerging
- o providing assistance and protection to States Parties against chemical threats; an
- fostering international cooperation to strengthen implementation of the Convention and promote the peaceful use of chemistry.
- The organisation was awarded the 2013 Nobel Peace Prize" for its extensive efforts to eliminate chemical weapons".
- The OPCW does not have the power to identify the source of the nerve agent, only to spell out its chemical properties.
- It is standard OPCW procedure not to identify the laboratories involved in testing the samples, but the organisation draws from a multilaterally agreed list of labs.

## 4.6. <u>The H-1B Visa Issue</u>

#### In News

- The H1B visa filing season for the fiscal year 2019 (starting 1 October, 2018) which allows US companies to hire foreign workers will open on 2 April, 2018.
- Applications can be filed no more than six months before the employment start date. Also, applications without a specific start date will be rejected.

#### What Is H1-B Visa

- The H1-B visa is a non-immigrant visa given by the United States to employ skilled workers from other countries for various specialised fields of occupation for a certain period of time.
- Basically, it is an employment-based and non-immigrant visa category for temporary workers.
- The H-1B visa program was launched in 1990, when President George H.W. Bush signed the "Immigration Act of 1990."
- It is intended to help American firms deal with labor shortages in rapidly growing fields that demand specialized skills, such as research, engineering and computer programming.
- Each application or "petition" is submitted by a sponsoring company that foots the bill on behalf of a candidate it seeks to employ.
- The program has an annual cap of 65,000, and an additional 20,000 visas are granted to employees with master's degrees from American universities. If the number of applications exceeds the cap, the government conducts a "lottery" to decide who gets to stay.
- There are provisions in place to make sure employers are paying their workers the prevailing wage and not replacing American workers. However, a giant loophole makes companies paying \$60,000 and above per employee or hiring employees with master's degrees exempt from this rule.
- The caveat is greatly relevant since more than half the approved petitions in 2014 had master's degrees or higher making it perfectly legal for them to be paid less than an American worker they were replacing.

#### What Was H-1B Visa Row All About?

• Ever since Trump assumed office as President, he has been talking about cracking down on the H1B visa programme in order to "protect American jobs".

- The United States Citizenship and Immigration Services (USCIS), a component of the Department of Homeland Security, announced tighter restrictions for third-party consulting firms, which are some of the visa program's biggest users.
- Earlier, President Trump signed an executive order calling for strict enforcement of all laws governing entry into the US for the sake of employment.
- The order also asked the Departments of Labor, Justice, Homeland Security and State to recommend changes to the H-1B temporary worker visa program and protect the interests of American workers by making sure only the highest-paid and most-skilled applicants receive visas.
- In 2017, a Bill backing key changes in the H1-B visa programme that allows skilled workers from other countries to fill jobs in the U.S. has been reintroduced in Congress by two lawmakers.

#### H1-B Visa Programme Bill

- The Bill prohibits companies from hiring H1-B employees if they employ more than 50 people and more than 50 per cent of their employees are H1-B and L-1 visa holders.
- The Bill prohibits companies from hiring H1-B employees if they employ more than 50 people and more than 50 per cent of their employees are H1-B and L-1 visa holders.
- Currently, firms need not go through extensive paperwork if the potential H1-B employee has an equivalent of a Master's degree or higher and he or she is paid at least \$60,000 annually. The Bill aims to do away with the Master's degree exemption (as "they are easily obtained by foreign workers").
- It explicitly prohibits replacement of American workers by H1-B or L-1 visa holders.

#### Scrapping Of H1-B Visa Programme: Not A Solution

- According to the Bureau of Labor Statistics, employment in the computer and information technology field is projected to grow 12% from 2014 to 2024, faster than the average for all occupations. This growth will be adequately supported by the presence of temporary workers.
- Researchers have found that temporary workers on these visas actually end up creating more jobs for American-born workers.
- It is also worth noting what Indian IT firms operating here bring. Indian tech companies in the U.S. paid \$22 billion in taxes from 2011 to 2015, according to a report by India's software and services trade association Nasscom.
- Indian temporary workers on the H-1B and L1 visas alone contribute \$3 billion in social security funds annually, even though many do not stay long enough to benefit from it.
- Aside from being the only way for firms to attract the best talent in the world, the H-1B visa is also treated as a pathway to citizenship for qualified employees who contribute to the American workforce in a positive way.

## 5.1. President Visit to Equatorial Guinea, Swaziland and Zambia

#### In News

- President Ram Nath Kovind paid a State Visit to Equatorial Guinea, Swaziland and Zambia From 7-12 April 2018. (Please locate these countries on Map)
- This visit was the first ever visit of Head Of the State of India to Equatorial Guinea and Swaziland. The Presidential Visit to Zambia took place after 29 years.

## **Key Highlights**

## A. Equatorial Guinea

- The visit once again underscores the importance that is attached to Africa by Indian government as this was the third tour of the Indian President to the African Continent.
- The visit to Equatorial Guinea was from April 7 to 9. The president of Equatorial Guinea President Obiang Mbasogo had visited India for IAFS -III summit in Delhi in October 2015. Recently in March 2018 he visited Delhi once again for the ISA Summit.
- President Kovind addressed the parliament of the Equatorial Guinea. Equatorial Guinea has joined the United Nations Security Council in January 2018, as a non-permanent member for a 2 year tenure. India reiterated its offer to work together with Equatorial Guinea during its UNSC tenure.
- Equatorial Guinea has extended support to the Indian candidature for the permanent membership of the UNSC.
- India's relationship with the country is characterized with the strong partnership in the Oil and Gas sector. Equatorial Guinea is the fourth largest supplier of natural gas to India and is now keen to diversify its economy beyond oil and gas sector.
- During the visit, Government of India's decision to open a Resident Indian Mission in Malabo was announced.
- India also announced setting up of an Entrepreneurship Development and Vocational Training Centre and an English Language Training Laboratory in Equatorial Guinea.
- Both leaders expressed satisfaction at the intensification of bilateral relations, as agreed upon during the first bilateral Joint Commission Meeting in October 2017 in Delhi. They also reviewed areas of cooperation identified during the Meeting such as Oil and Gas, Mining and Geology, Health, Agriculture and Fisheries, and Capacity Building.
- Agreements signed were:
  - MOU on cooperation in the field of Traditional Systems of Medicine.
  - MOU on cooperation in the field of Medicinal Plants.
  - Action plan on cooperation in Information and Communication Technology (ICT).
- President Obiang conveyed the support of Equatorial Guinea for early adoption of Comprehensive Convention on International Terrorism (CCIT) proposed by India at the United Nations.
- President Obiang welcomed the announcement made by President Kovind of Government of India's decision to open a resident Diplomatic mission in Malabo.
- Indian President was conferred the medal of the Gran Collar de la Independencia, the highest civilian honour of Equatorial Guinea, for his contribution to the cause of development, security and world peace.

# B. Swaziland

- Earlier, the king of Swaziland had visited India for the first time in 2015 for the India Africa Forum Summit III and then in March 2017 as the Chief Guest for CII-Exim Bank Conclave.
- President Kovind and King Mswati III jointly inaugurated the Information Technology Center located in the Royal Science and Technology Park. The center has been set up with the assistance of Indian government. The Centre hosts the National Data Centre of the Kingdom of Swaziland and provides high-quality training and education in Information Technology.
- The other element of the visit included an address by the President at the Swazi Parliament. President became the first Head of State to address Swazi Parliament.
- A Memorandum of Understanding on Cooperation in Health Sector and an Agreement for exemption of visas for holders of diplomatic/service passports were signed during the visit.
- India have assisted Swaziland through two LoC projects an IT center which is part of the Royal Science & Technology Park and another project for improving maize productivity in that country. Both projects have been completed successfully and are deeply appreciated by the Swazi side.
- Some more proposals have been received from the Swazi side requesting fresh assistance which are under examination. The Kingdom has also drafted a law for creating an export oriented Special Economic Zone centered around the Royal Science and Technology Park (already financed by India) and they are keen to make the legal framework attractive to Indian companies.
- The King conferred the highest honour of Swaziland, the Order of the Lion, on President Kovind, in recognition of the fact that he was the first Indian Head of State to visit the Kingdom, and for acknowledging the contributions made by India for advancing Eswatini's (Swaziland's) development agenda.
- India has announced that it would provide Swaziland a new credit-line to help establish a 'Disaster Recovery Site' for the National Data Centre housed within the RSTP.
- President Kovind announced that India would assist the Swazi Ministry of Agriculture in establishing a 'Centre for Agricultural Excellence' to serve as a one-stop-shop for dissemination of agricultural technologies to farmers.
- President Kovind also announced Indian grant assistance of US\$ 400,000 for construction of irrigation infrastructure in Lubuyane in the Hhohho region, which would help assure irrigation for subsistence farmers.
- President Kovind announced that India would double, from this year, the scholarships for Swaziland under the Indian Technical and Economic Cooperation (ITEC) programme.
- President Kovind conveyed the Government of India's decision for setting up 20 solar charging stations in various low electricity access areas of Swaziland. The project would be financed from the Government of India grant-in-aid programs.
- The Indian President also announced a donation of 1 million US dollars for the National Disaster Management Agency, and an additional in-kind donation of 700 tons of rice and 300 tons of beans for the NDMA, to be used as food-aid for the Swazi population affected by drought and other natural disasters.
- Swaziland and India agreed to work closely together in the United Nations and other multilateral fora to address global challenges and to foster international peace and sustainable development. President Kovind thanked The King for supporting India's candidature for a permanent seat in an expanded United Nations Security Council.

## Potential of Swaziland for India

- Swaziland is among the last surviving absolute monarchies in the world and has been ruled by the same family for over 400 years.
- The country has good public infrastructure, good connectivity to important markets like South Africa, Mozambique and Botswana. It enjoys membership of preferential trade groups and programs such as SADC which is Southern Africa Development Community, COMISA which is Common market for Eastern Southern Africa, SACU which is Southern African Customs Union, AGOA which is African growth and opportunity act and the European EPA which is Economic Partnership Agreement.
- Political environment is quite predictable with the King as the sole arbiter of policy and the country is strategically located next to South Africa and has good rail and road connectivity to all the neighboring countries. Even though it is technically land locked it is just 2-3 hrs drive from both Durban and Maputo ports.
- Since it is a member of AGOA and EPA with EU therefore the goods and services produced or processed in Swaziland enjoy duty and quota free access in a potentially massive market. So the country therefore has a tremendous potential to emerge as a safe commercial hub for Indian companies.

## C. Zambia

- President Kovind met with President Lungu and delegations level talks were held with the Zambian side.
- Indian President also met with Dr. Kenneth Kaunda, the first president, who was also awarded the Jawaharlal Nehru award for international understanding in 70s.

#### India – Zambia

- India Zambia relations predate Zambia's independence. India's peaceful and non-violent freedom movement led by Mahatma Gandhi inspired many leaders in Africa including the first President of Zambia Dr. Kenneth Kaunda who also played a lead role in liberation of neighboring countries in 1970s and 1980s.
- India is described by Zambian leaders as all weather and time tested friend. Zambia has consistently extended supported India on issues of interest to us as well as India's candidature at the multilateral forum.
- Bilateral trade between these two countries have grown steadily. In 2016-17 our bilateral trade touched nearly \$1 billion. India primarily imports copper from Zambia. Zambia is the second largest producer of copper in the world and produces nearly 5% of the entire world copper production.
- India is also one of the largest investor in Zambia. It has investments of nearly \$5 billion, mostly in the mining sector.
- Important bilateral investments also include India Zambia Bank which comprises of three public sector banks from India which are Bank of India, Bank of Baroda and Central Bank of India and Government of Zambia.
- In addition Konkola copper mines by Vedanta, Bharti Airtel, which is the largest player in Zambia's telecom sector and Nav Bharat Ventures Ltd. investing heavily in mining as well as thermal power plants. Tatas have invested in the real estate and have five star hotel named Taj Pamodzi.

- India has provided considerable economic assistance to Zambia in the form of grants and credits. Zambia has been provided three lines of credit by India in the recent past for Tezhi Power Project for \$30 million, establishment of health post, nearly 650 out of which 247 have been completed and recently an LoC has been approved for \$40 million for agriculture mechanizations.
- Zambia also avails a large number of our ITEC program and ICCR scholarships.
- As regards defence cooperation, one of our closest linkages with armed forces of African Continent is with Zambia. The linkages date back to the pre-independence period when we sent a battalion of Sikh Regiment in former Northern Rhodesia which was the precursor of Zambia.
- The linkage is strengthened after Zambia attained independence in 1964. There were years when nearly 40% of Zambian armed forces underwent training in various Indian defence institutions including several of Zambia's defence chiefs.
- At one time almost the entire Zambian air force was trained by the Indian air force in every field. India also assisted with the setting up of Zambia Defence Forces Command and Staff College by sending an advisory team.
- Zambia has a large and vibrant Indian community. There are about 25000 persons of Indian origin and majority of them are from Gujarat state. In the past Indians have occupied government positions namely Deepak Patel and Suresh Desai who held cabinet level positions. Indian community is generally very well established and contributing immensely to Zambian economy.

## 5.2. <u>PM's Visit to Sweden</u>

#### In News

- On the invitation of Swedish Prime Minister Stefan Löfven Prime Minister of India undertook his first visit to Sweden on 16 – 17 April 2018.
- This was the first bilateral visit by an Indian premier to the Nordic nation in 30 years.
- He also met the prime ministers of Denmark, Finland, Iceland, Norway and Sweden as part of the first India-Nordic summit. It will be only the second time that all five Nordic countries will have a summit with one country, the only other time was with the United States during Barack Obama's term.

#### Key Highlights

- After reaching Stockholm, the Indian PM held a bilateral summit with his Swedish counterpart Stefan Lofven, following which a number of agreements were signed.
  - Both countries signed an agreement to strengthen defence and security cooperation. It is a
    precondition for Sweden to share sensitive technology with India if, for instance, Swedish company
    Saab is chosen to build fighter jets in India.
  - Both the leaders witnessed signing and exchange of Joint Innovation Partnership and announcement of adoption of the Joint Action Plan. The pact is derived from a broader agreement by India and Sweden in 2016 during the visit of Swedish PM to India — the two sides are hoping to focus on a few areas which will get greater attention.
- Indian leader also met with Carl XVI Gustaf (King of Sweden) in Stockholm and exchanged views on strengthening bilateral cooperation across several sectors.
- During the visit, Swedish PM and Indian Prime Minister co-hosted an India Nordic Summit. The summit was entitled "India-Nordic Summit Shared Values Mutual Prosperity."

Significance of India – Nordic Relationship

- India has substantial economic ties with Nordic countries. Annual India-Nordic trade i.e. with all five Nordic countries, is about \$5.3 billion.
- The cumulative Nordic FDI to India has been \$2.5 billion. The Nordic region represents a prosperous society with high incomes and a strong focus on quality and innovation. They rank high in Human Development Index.
- Three Nordic countries namely Denmark, Sweden and Finland are members of the European Union. The other two Norway and Iceland are members of the four country block, European Free Trade Association known as EFTA.
- For India Nordic countries are potential source for clean technology, environmental solutions, port modernization, cold chain, skill development, innovation etc.
- They could be our ideal partners for many flagship programs. Swedish and Finnish Prime Minister participated in Make in India week in Mumbai in February 2016. Other than that Smart City, Clean Ganga, Swachh Bharat, Skill India are some of the other flagship programs to which Nordic countries can contribute significantly.
- On the other hand India has a large market and a vast pool of talent and skills. India as a potential market for Nordic technologies and a capable supplier of goods and services for Nordic population.
- These complementarities and the unique strength of India and the Nordic countries have attracted entrepreneurs from both sides.
- Given the similarities in characteristics and ease of mobility across Nordic it is also important to look at all Nordic countries as a region andnot separately as five different entities.
- This first ever joint meeting reflects the growing stature of India and comes at an important juncture for the global economy, with the European Union still trying to figure out if it will obtain a permanent exemption from US tariffs on foreign steel and aluminum.

# 5.3. PM's Visit to United Kingdom

#### In News

- Prime Minister of India visited the United Kingdom from 17-20 April for a bilateral visit and Commonwealth Heads of Government Meeting (CHOGM).
- Prime Minister Narendra Modi was the only head of government to be offered bilateral meetings ahead of CHOGM.

# Key Highlights

- The bilateral leg of the UK tour begun with PM Modi's talks with Theresa May during which both leaders discussed a wide range of issues of mutual interest, including separatism, cross-border terrorism, visa and immigration.
- This particular visit was based on two themes. One theme was "**The Living Bridge**" meaning all people from all walks of life in both India and in the UK have contributed to the strengthening of this engagement. Therefore, Prime Minister met scientists, artists, scholars from across all spheres of activity. The second one was based on **Technology Collaboration**.

#### MoUs/Agreements

• India and UK have agreed to an overarching cyber-relationship framework

- On rejuvenation of River Ganga, a MoU has been signed between National Mission for Clean Ganga (NMCG) and Natural Environmental Research Council (NERC), UK.
- The MoU on Skill Development, Vocational education and Training between the two governments
- In the area of regulation of safe nuclear energy use for peaceful purposes, an arrangement has been arrived at between Atomic Energy Regulatory Board of India (AERB) and the Office for Nuclear Regulation of Great Britain (ONR).
- The arrangement among others will facilitate exchange of safety-related information concerning the regulation of siting, construction, commissioning, operation, radioactive waste management, decommissioning of civil nuclear installations, and preparedness and management of nuclear and radiological emergencies.
- A Statement of Intent between NITI Aayog and UK's Department of Business, Energy and Industrial Strategy (BEIS) has been signed which will enable the two sides to explore potential for regular engagement on technology co-operation in areas such as electric vehicles, AI, FinTech, and advanced manufacturing, as well as utilizing AI, big data and analytics capability for evidence based policy making.
- The MoU on cooperation in the field of Animal Husbandry, Dairying and Fisheries Sectors
- The MoU on Exchange of Information for the Purposes of Combating International Criminality and Tackling Serious Organised Crime has been signed. The MoU will allow the two parties to establish a mechanism for the exchange of information, which will include criminal records, immigration records and intelligence.
- An Addendum covering research in humanities and social sciences has been added to the 2004 Newton-Bhabha MoU, which supports research and innovation capacities of both sides for long-term sustainable growth. With this addendum, the collaboration will now also extend to Humanities and Social Sciences.
- The UK has announced setting up a Fast Track Mechanism to identify and resolve specific issues faced by Indian companies.
- The All India Institute of Ayurveda (AIIA), an autonomous organization under the Ministry of Ayush in collaboration with the College of Medicine will set up a Centre of Excellence in Ayurveda and traditional Indian medicine.
- A MoU between the two institutions in this regard has been signed.

#### India-UK Tech Initiatives

- UK India Tech Alliance NASSCOM and tech UK have set up the UK India Tech Alliance, which will facilitate collaboration on building future skills in new technologies by nurturing a solid skills base in the UK and India.
- **Technology Summit II** The UK and India announced the Technology Summit II, which will be held in autumn 2018.
- Al and Digital Healthcare The UK and India announced that as partners in the next generation of healthcare, they will collaborate on digital health pilots in India's Aspirational Health Districts by applying UK evidence-based healthcare AI and technology to strengthen healthcare delivery.

#### UK Tech-Initiatives In India

• **UK-India Tech Hub** - The UK announced the creation of a UK-India Tech Hub. Based in the British High Commission in New Delhi the Tech Hub will include a network of people and programmes designed to facilitate ideas, investment and prosperity for India and the UK.

- **UK-India Tech Cluster Partnerships** The Tech Cluster partnerships will link world-leading centres of excellence; enable shared innovation and technology exchange; create landing pads for Indian companies in the UK and UK companies in India to drive investment and trade and create high value jobs and build UK and Indian productivity.
- Advanced Manufacturing Centre The UK announced the potential establishment of an Advanced Manufacturing Centre. Such a centre would support respective industrial strategies and in turn drive growth and jobs in both countries.
- **FinTech Rocketship Awards** The UK announced the launch of the FinTechRocketship Awards, a unique, first-of-its-kind FinTech mentoring programme, led by India and the UK's top FinTech mentors.

#### Trade, Investment and Finance

- Green Growth Equity Fund (GGEF) The UK and India launched the fund that will leverage City finance to invest in India's growth, announcing Eversource Capital, a joint venture between Lightsource BP and Everstone Group, as the Green Growth Equity Fund Manager. The Fund will invest in renewable energy, clean transportation, water and waste management in India as part of India's flagship National Investment and Infrastructure Fund (NIIF).
- **UK-India Dialogue on Investment**: The UK and India announced a Dialogue on Investment to improve our mutual understanding of priorities and review future opportunities for cooperation
- Sector targeting roadmap: The UK and India have agreed to work together on a sector-based roadmap to address trade barriers in life sciences, food and drink and IT sectors.
- **UK-India multilateral trade dialogue**: The UK and India will take forward a dialogue under the Joint Working Group on Trade, which will support a shared commitment to the global rules-based system and to the WTO's role in underpinning it.
- **Fast Track Mechanism**: The UK and India announced a mechanism to support Indian investments into the UK.
- **Commitment to transition EU-India Third Country Agreements**: The UK and India announced that this commitment will ensure continued application to the UK of EU-India Agreements during the Implementation Period following the UK's departure from the EU, and put in place arrangements to replicate relevant EU-India agreements beyond this period.

#### Global Force for Good

- International Solar Alliance: The UK signed the Framework Agreement of the International Solar Alliance and became the 62nd signatory member country.
- **Research and Development**: The UK and India will continue their world-leading research relationship, generating new knowledge and innovations that feed the world's hungry (high yield crops), protect our environment (clean energy), save lives (advanced healthcare) and drive economic inclusion (digital services).

#### Conclusion

Both the countries are committed to making this a strategic partnership, that spans the globe and the century, seeing our special relationship evolve and improve in the coming years.

## 5.4. <u>PM's Visit to China</u>

## In News

• Prime Minister Narendra Modi paid a two- day state visit to China on April 27-28. PM Modi and Chinese President Xi Jinping held an informal summit in the central Chinese city of Wuhan.

- The basic objective of the informal summit was to have an overall discussion on the overarching issues of bilateral and global importance. It was also intended to elaborate on the respective visions and priorities of both leaders for national development in the context of the current situation.
- This informal summit can be compared with the late PM Rajiv Gandhi's visit to China in 1988 for a landmark meeting with Chinese leader Deng that set the ball rolling for boundary negotiations and peace along the Line of Actual Control.

# Key Highlights

- Both the leaders exchanged views on overarching issues of bilateral and global importance, and to
  elaborate their respective visions and priorities for national development in the context of the current
  and future international situation.
- They also agreed that proper management of the bilateral relationship will be conducive for the development and prosperity of the region, and will create the conditions for the Asian Century.
- To this end, they decided to strengthen Closer Development Partnership in a mutually beneficial and sustainable manner, in pursuit of national modernization and greater prosperity for their people.
- They agreed to significantly enhance efforts to build on the convergences through the established mechanisms in order to create the broadest possible platform for the future relationship.
- The two leaders expressed their support for the work of the Special Representatives on the India China Boundary Question and urged them to intensify their efforts to seek a fair, reasonable and mutually acceptable settlement.
- To this end, they issued strategic guidance to their respective militaries to strengthen communication in order to build trust and mutual understanding and enhance predictability and effectiveness in the management of border affairs.
- The two leaders further directed their militaries to earnestly implement various confidence building measures agreed upon between the two sides, including the principle of mutual and equal security, and strengthen existing institutional arrangements and information sharing mechanisms to prevent incidents in border regions.

# 5.5. <u>State Visit of Prime Minister of Nepal to India</u>

# In News

Prime Minister of Nepal, K.P. Sharma Oli, paid a State Visit to India from April 6-8, 2018. The visit provided an opportunity to the two sides to review wide-ranging cooperative partnership, and to progress it further for the benefit of the two peoples.

# Key Highlights

- The two Prime Ministers comprehensively reviewed the entire spectrum of multifaceted ties between the two countries and they welcomed the growing partnership between the two governments, private sector and at the people's level.
- Both leaders inaugurated the Integrated Check Post at Birgunj in Nepal and witnessed the ground ceremony of Motihari-Amlekhgunj cross-border petroleum products pipeline at Motihari, Bihar.
- Three separate joint statements on the following key areas of mutual interest were issued –
- India-Nepal: New Partnership in Agriculture The Partnership will be anchored by the Ministers for Agriculture of the two countries and will focus on:
- o collaborative projects in agricultural research & development, education, training and scholarships;

- o strengthening of supply and value chain; climate resilience; research in seed technology; soil health;
- strengthening infrastructure of plant protection laboratories; research in indigenous genetic resources; animal husbandry; veterinary research and development facilities; agro forestry; bio pesticides, bio fertilizers;
- cooperative farming, and promoting exchanges between the Indian Council for Agricultural Research (ICAR) and the Nepal Agricultural Research Council (NARC).
- The Indian side announced a pilot project on organic farming and soil health monitoring for implementation in Nepal.
- Expanding Rail Linkages: Connecting Raxaul in India to Kathmandu in Nepal Its aim is to expand connectivity to enhance people-to-people linkages and promote economic growth and development.
- New Connectivity between India and Nepal through Inland Waterways The two Prime Ministers took the landmark decision to develop the inland waterways for the movement of cargo, within the framework of trade and transit arrangements, providing additional access to sea for Nepal. This new initiative would enable cost effective and efficient movement of cargo.

#### 5.6. <u>'Thank You India' Campaign</u>

#### In News

Former Delhi CM Sheila Dixit presided over the opening ceremony of the Cultural Festival of Tibet event. This event was a part of the year-long 'Thank You India' campaign organised by the Central Tibetan Administration (CTA), in New Delhi.

#### About The Campaign

- In January 2018, Tibet launched a year-long 'Thank you India" campaign to mark the 60th year of the arrival of the spiritual leader Dalai Lama to India who first stepped on Indian soil in March 1959.
- President of Central Tibetan Administration Dr Lobsang Sangay highlighted that since March 1959, India has been a second home for Tibetan people, and Indians have provided profound support for the Tibetan struggle for preservation of culture, identity and language.
- Tibetan people across India are observing the year 2018 with a series of Pan-India events to express gratitude to the Government and people of India.

#### 5.7. US Places India Under Watch List To Monitor Its Foreign Exchange Policies

#### In News

- The US Treasury Department has placed India under a watch list that monitors countries' currency practices.
- The report highlighted that New Delhi increased its purchase of foreign exchange over the first three quarters of 2017, which does not appear necessary.
- Countries remain on the list for two report cycles to ensure that if there are any improvements in the performance of the country it should not be due to temporary reasons.

#### Key Highlights

• The department in its report observed that the foreign exchange policies of six countries were needed to be monitored. List of six countries include - China, Germany, Japan, Korea, Switzerland and India.

- The findings and recommendations of the report are intended to combat potentially unfair currency practices, support the growth of free and fair trade, and secure stronger and more balanced global growth.
- The Department's findings are based on the three key criteria:
  - 1. a significant bilateral trade surplus with the United States,
  - 2. a material current account surplus, and
  - 3. engaged in persistent one-sided intervention in the foreign exchange market.
- The report found that no major trading partner of the United States met all three criteria. India met two of the three criteria.
- The report also said that India has a significant bilateral goods trade surplus with the United States, totalling USD 23 billion in 2017 but India's current account is in deficit at 1.5 per cent of the GDP and the exchange rate is not deemed to be undervalued by the IMF.
- According to the report, India increased its purchases of foreign exchange over the first three quarters of 2017. Despite a sharp drop-off in purchases in the fourth quarter, net annual purchases of foreign exchange reached \$56 billion in 2017, equivalent to 2.2 per cent of GDP.
- It further said that Indian foreign exchange reserves are ample by common metrics, and that India
  maintains some controls on both inbound and outbound flows of private capital, further reserve
  accumulation does not appear necessary.
- It mentioned that the pick-up in purchases came amidst relatively strong foreign inflows, both of foreign direct investment and portfolio investment.

## U.S. Trade Representative Again Places India On 'Watch List':

- The Office of the U.S. Trade Representative has once again placed India on 'Priority Watch List' in its annual Special 301 Report on the state of intellectual property protection.
- Special 301 Report identifies US trading partners that do not adequately or effectively protect and enforce IP rights or otherwise deny market access to its innovators and creators that rely on protection of their IP rights.
- In addition to India, other countries on the list are Algeria, Argentina, Canada, Chile, China, Colombia, Indonesia, Kuwait, Russia, Ukraine, and Venezuela.
- China remains on the Priority Watch List for the 14th consecutive year.
- The report called India's implementation of the patent act as restrictive. Among other issues include India's enforcement action and policies that are insufficient to curb the problem, copyright policies that do not properly incentivise the creation and commercialisation of content, and an outdated and insufficient trade secrets legal framework.
- The report has slammed the Indian health ministry for "creating uncertainty in the pharmaceutical market" by demanding that pharmaceutical companies provide details of how they were using the granted patents.
- The report comes at a time when the United States Patent and Trademark Office (USPTO) has demanded the elimination of 'Form 27' a statutory requirement unique to India's patent law that mandates patent holders to declare how a monopoly is being exercised in the country.

#### 5.8. India, Finland Settle Nokia Tax Dispute

#### In News

The dispute between Finnish telecom firm Nokia and the Income Tax Department - one of the biggest involving a multinational company - has finally been settled. India and Finland have reached an accord on the dispute under the Mutual Agreement Procedure (MAP).

#### Background

- In March 2013, the IT Department had issued a tax demand of around Rs 2,500 crore on Nokia India for violating withholding tax norms since 2006 while making royalty payments to its parent company in Finland. The claim related to Nokia's import of software from its head office in Finland.
- Nokia India showed the payments made for the software as 'purchase transactions', not 'royalty payments', and hence said that the payment was made without keeping back any withholding tax but the government begged to differ.
- The India-Finland Double Taxation Avoidance Agreement set a 10 per cent rate for royalties, which was what the Income Tax Department was demanding.
- At Nokia India's request, Finland initiated the MAP process under the DTAA in 2013. The company had also sought to initiate arbitration under the Bilateral Investment Promotion and Protection Agreement in 2014, but did not pursue it after the Indian government gave response through the MAP avenue.
- Under MAP, settling a case with the other government essentially means closing all pending proceedings related to a tax matter.

#### Mutual Agreement Procedure (MAP)

- MAP is a procedure, which allows the Competent Authorities or designated representatives of the Competent Authorities from the governments of the Contracting States/Parties to interact with the intent to resolve international tax disputes.
- MAP is provided for in an Article in a Double Taxation Agreement (DTA) and can involve matters containing juridical double taxation cases, as well as inconsistencies in the interpretation or application of a DTA.
- It basically authorises the Competent Authorities or their designated representatives to communicate with each other directly, including through joint commissions, for the purpose of resolving the matters that might be brought before them.

#### Impact

- With the curtains coming down on the tax dispute, things are also looking up for the shuttered Chennai factory, located in Sriperumbudur.
- Due to tax uncertainties, Nokia eventually suspended all operations from November 1, 2014 and later shifted its production to Vietnam.
- At its peak, the factory was the world's largest mobile phone plant, employing 6,600 people (permanent employees) and producing more than 15 million phones a month.
- Re opening will boost the employment and will help the economy.

# 6. <u>SUMMITS AND ORGANISATION</u>

## 6.1. World Press Freedom Index 2018

#### In News

- The Reporters Without Borders (RSF) has released the World Press Freedom Index 2018. The recent report reflected growing animosity towards journalists. The report is published annually by Reporters Without Borders (Reporters Sans Frontieres) since 2002.
- It measures the level of freedom available to journalists in 180 countries using the following criteria:
- Pluralism
- Media independence
- Media environment and self-censorship
- Legislative environment
- > Transparency
- > Infrastructure
- Abuses

#### **Key Highlights**

- Top 10 Countries: Norway (1st), Sweden (2nd), Netherlands (3rd), Finland (4th), Switzerland (5th), Jamaica (6th), Belgium (7th), New Zealand (8th), Denmark (9th) and Costa Rica (10th).
- North Korea (180) remained the most repressive country followed by Eritrea, Turkmenistan, Syria and then China (176).
- Underlining that China's censorship and surveillance has reached unprecedented levels due to the
  massive use of new technology, the report said foreign reporters are finding it harder to work and
  ordinary citizens can now be jailed just for sharing content on a social network or during a private
  chat on a messaging service.
- Rankings of SAARC Nations Afghanistan (118th), Bhutan (94th), Nepal (106th), Maldives (120th), and Sri Lanka (131st), all performed better than India with Pakistan (139th) and Bangladesh (146th) performing worse.
- The report points out that more and more democratically-elected leaders no longer see media as a part of democracy, but as a rival. For instance, the US Congress narrowed the freedom of press and the freedom of speech last year, which only led to its fall in the index from rank 43 in 2017 to rank 45 this year.
- The index also reflected the growing influence of political heads and rival models. For example, Putin's Russia extended its propaganda network by means of media outlets such as RT and Sputnik and got 148th rank

#### India Specific Observation

- India has been placed at 138<sup>th</sup> rank in the index, two points below the previous year (in 2017, its rank was 136).
- India performed poorly on indicators such as hate speeches, attacks on journalists on social media, trolling them and targeting their reputation.
- The report has mentioned that at least 4 journalists had been killed in 2017 in India. It also mentioned "the newspaper editor Gauri Lankesh, who had been the target of a hate campaign on social networks".

- Describing the state of press freedom in the country, the report stated, "with Hindu nationalists trying to purge all manifestations of "anti-national" thought from the national debate, self-censorship is growing in the mainstream media and journalists are increasingly the targets of online smear campaigns by the most radical nationalists, who vilify them and even threaten physical reprisals."
- It further blames government for using prosecutions to "gag journalists who are overly critical" of it, invoking, among other sections, sedition charges, which are punishable by a life-term in jail. Although no journalist so far has been convicted for sedition but the threat encourages self-censorship.
- The report mentions that the coverage of regions that the authorities regard as sensitive, such as Kashmir, continues to be very difficult.
  - ✓ Detained Egyptian photojournalist Mahmoud Abu Zeid, widely known as Shawkan, will be awarded UNESCO's World Press Freedom Prize.
  - ✓ Shawkan was arrested in August 2013 as he covered deadly clashes in Cairo between security forces and supporters of ousted Islamist president Mohamed Morsi.
  - ✓ Press freedom group Reporters without Borders (RSF) ranks Egypt 161st out of 180 countries on its press freedom index, saying at least 31 journalists are currently detained in the North African country.

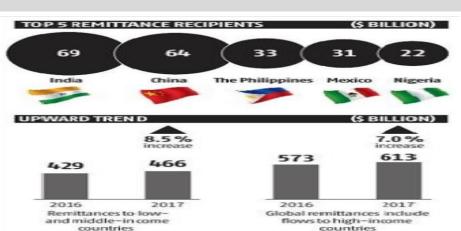
# 6.2. Migration and Development Brief

## In News

- World Bank has released Migration and Development Brief. The Brief reports global trends in
  - Migration and remittance flows,
  - o Developments related to the Global Compact on Migration (GCM),
  - The Sustainable Development Goal (SDG) indicators for volume of remittances as percentage of gross domestic product (GDP),
  - Reducing remittance costs and recruitment costs.
- The latest Brief has a special focus on transit migration.

# Key Highlights

- According to the report, remittances to low- and middle-income countries rebounded to a record level in 2017 after two consecutive years of decline.
- It estimated that officially recorded remittances to low- and middle-income countries reached \$466 billion in 2017, an increase of 8.5 % over \$429 billion in 2016.



 The stronger than expected recovery in remittances is driven by growth in Europe, the Russian Federation, and the United States.

- The rebound in remittances, when valued in U.S. dollars, was helped by higher oil prices and a strengthening of the euro and ruble.
- The report mentioned that longer-term risks to growth of remittances include stricter immigration policies in many remittance-source countries.
- Also, de-risking by banks and increased regulation of money transfer operators, both aimed at reducing financial crime, continue to constrain the growth of formal remittances.
- Remittance inflows improved in all regions and the top remittance recipients were India with \$69 billion, followed by China (\$64 billion), the Philippines (\$33 billion), Mexico (\$31 billion), Nigeria (\$22 billion), and Egypt (\$20 billion).
- The report highlighted that the global average cost of sending \$200 was 7.1 percent in the first quarter of 2018, more than twice as high as the Sustainable Development Goal target of 3 percent.
- Major barriers to reducing remittance costs are de-risking by banks and exclusive partnerships between national post office systems and money transfer operators. These factors constrain the introduction of more efficient technologies—such as internet and smartphone apps and the use of cryptocurrency and blockchain—in remittance services.
- India had in 2015 received remittance of \$68.91 billion, which fell to \$62.74 billion in the following year and has now risen to \$68.96 billion in 2017.
- It suggested that while remittances are growing, countries, institutions, and development agencies must continue to chip away at high costs of remitting so that families receive more of the money.
- In a special feature, the Brief notes that transit migrants—who only stay temporarily in a transit country—are usually not able to send money home.
- Migration may help them escape poverty or persecution, but many also become vulnerable to exploitation by human smugglers during the transit. Host communities in the transit countries may find their own poor population competing with the new-comers for low-skill jobs.

The Global Compact on Migration, prepared under the auspices of the United Nations, sets out objectives for safe, orderly and regular migration. Currently under negotiation for final adoption in December 2018, the global compact proposes three International Migration Review Forums in 2022, 2026 and 2030.

# 6.3. Road Safety Trust Fund Launched by UN

#### In News

- Road traffic deaths and injuries have become a serious and urgent global concern. Around 1.3 million
  drivers, passengers and pedestrians die each year, and up to 50 million are injured on the world's
  roads.
- Hence, United Nations has launched the 'UN Road Safety Trust Fund' to stimulate action that can save lives and prevent injuries and sufferings associated with road accidents.

#### Key Highlights

- The UN Economic Commission for Europe (UNECE), the development arm of the UN in Europe, is designated as the Secretariat for the Trust Fund. The fund will help in achieving desirable progress towards the road safety targets of the Sustainable Development Goals (SDG).
- Dealing specifically with road safety, two Sustainable Development Goals targets (3.6 and 11.2) aim to halve the number of global deaths and injuries from road traffic accidents and to provide access to

safe, affordable, accessible and sustainable transport systems as well as improve road safety for all, respectively.

- The fund will also support the five pillars of the Global Plan for the Decade of Action for Road Safety 2011-2020. These five pillars are:
- Strengthened road safety management capacities
- Improved safety of road infrastructure and broader transport networks
- Enhanced safety of vehicles
- Improved behaviour of road users
- Improved post-crash care

#### Resolution on Road Safety

- A resolution on road safety, sponsored by Russia, has been adopted by UN General Assembly.
- It is aimed at preventing road accidents and minimising the resulting damage.
- One of the measures of the resolution advocates the need of action to implement vehicle safety regulations.
- One of the measures, it urged, the adoption policies and measures to implement vehicle safety regulations to ensure that all new motor vehicles meet applicable minimum regulations for the protection of occupants and other road users, with seat belts, airbags and active safety systems fitted as standard equipment.

## United Nations Economic Commission for Europe

- The United Nations Economic Commission for Europe (UNECE) was established in 1947 to encourage economic cooperation among its member States.
- It is one of five regional commissions under the administrative direction of United Nations headquarters.
- It has 56 member States, and reports to the United Nations Economic and Social Council (ECOSOC). Besides countries in Europe, it also includes Canada, the Central Asian republics, Israel and the United States of America.
- The UNECE secretariat headquarters is in Geneva, Switzerland

# 6.4. Economic Freedom Index 2018

#### In News

- US based Think Tank, The Heritage Foundation has released Index of Economic Freedom.
- India has been ranked at 130th spot in the latest annual Index. In 2017, India with a score of 52.6 points was ranked at 143 among 180 countries, two spots below neighbour Pakistan.

#### About the Index

- The Index of Economic Freedom measures the degree of economic freedom in a country on a scale from 0 to 100.
- The score is based on 12 factors of economic freedom, catogerised into four complex sets of indicators. These indicators are:

- Rule of Law,
- Limited Government,
- Regulatory Efficiency and
- Open Markets.
- Twelve factors for calculating score are: property rights, government integrity, tax burden, judicial effectiveness, government spending, fiscal health, business freedom, monetary freedom, labor freedom, trade freedom, investment freedom and financial freedom.
- Based on the score, countries are grouped in 5 different categories, Free (80–100), Mostly Free (70.0–79.9), Moderately Free (60.0–69.9), Mostly Unfree (50.0–59.9) and Repressed (0–49.9).

#### Key Highlights

- The world economy overall is rated "moderately free." This year marks the sixth year in a row that the world has seen a rise in economic liberty. The world average has now risen three and a half points, from 57.6 to 61.1 since the first edition of the index was released in 1995.
- Top 10 countries are Hong Kong, Singapore, New Zealand, Switzerland, Australia, Ireland, Estonia, U.K, Canada, and UAE.
- Ranking of BRICS nations Brazil (153), Russia (107), India (130), China (111), & South Africa (77).
- Ranking of India's neighbor Bhutan (87), Sri Lanka (111), Bangladesh (128), Pakistan (131) and Nepal (133).

#### India Specific Observation

- In this edition of index, India with score of 54.5 jumped 13 places from 143rd rank in previous year.
- India's overall score has increased by 1.9 points, led by improvements in judicial effectiveness, business freedom, government integrity, and fiscal health.
- India is ranked 30th among 43 countries in the Asia-Pacific region, and its overall score is below the regional and world averages.
- Noting that India is developing into an open-market economy, the Index said traces of its past autocratic policies still remain.
- The report said that corruption, underdeveloped infrastructure, a restrictive and burdensome regulatory environment, and poor financial and budget management continue to undermine overall development.
- Observing that non-tariff barriers significantly impede trade, the report said the government's openness to foreign investment is below average.
- It also mentioned that state-owned institutions are dominated in financial sector, and foreign
  participation is limited. It further highlighted that in public-sector banks, troubled assets account for
  about 10 percent of total assets.

#### 6.5. International Energy Forum Meet

#### In News

- The 16th International Energy Forum (IEF) Ministerial meeting was held in Delhi on April 10 to 12.
- It was hosted by Government of India and co-hosted by the Government of China and South Korea.
- India had last hosted the IEF ministerial conference in 1996.

#### Key Highlights

- The theme of 2018 Meeting was "The Future of Global Energy Security: Transition, Technology, Trade and Investment".
- Providing the opportunity for attendees to discuss relevant issues that currently affect global energy markets, the IEF Ministerial is the largest gathering of energy ministers in the world.
- Meeting on the neutral global platform that the IEF provides to strengthen international cooperation on energy through dialogue, the meeting focused on how global shifts, transition policies and new technologies influence market stability and future investment and trade patterns in the energy sector.
- Meeting at a time of uncertainty, dynamism and change, IEF16 ministers acknowledged that global energy security is taking on new meanings that have just as much to do with adaptability as energy access, affordability, and inclusive and sustainable growth.
- The delegates focused dialogue on the mutual reinforcing role of fossil fuels and clean energy technologies, including renewables calling for reliable, and realistic transformations that all can afford.
- It also focussed on the limited volume of upstream oil and gas sector investments as a consequence
  of the downward price cycle, and the risks and opportunities that new unconventional production
  resilience brings to the stability of oil and gas markets globally.

#### About International Energy Forum

- IEF is an inter-governmental organization, which aims to foster greater mutual understanding and awareness of common energy interests among its members.
- The 72 Member Countries of the Forum are signatories to the IEF Charter, which outlines the framework of the global energy dialogue through this inter-governmental arrangement.
- It was set up in 1991 and has secretariat in Riyadh, Saudi Arabia.
- Covering all six continents and accounting for around 90% of global supply and demand for oil and gas, the IEF is unique in that it comprises not only consuming and producing countries of the IEA and OPEC, but also Transit States and major players outside of their memberships, including Argentina, China, India, Mexico, Russia and South Africa.
- The IEF is the neutral facilitator of informal, open, informed and continuing global energy dialogue. Recognising their interdependence in the field of energy, the member countries of the IEF co-operate under the neutral framework of the Forum to foster greater mutual understanding and awareness of common energy interests in order to ensure global energy security.

#### 6.6. India-Wiesbaden Conference

- The Ministry of External Affairs (MEA) in cooperation with Germany and the United Nations Office for Disarmament Affairs (UNODA) hosted the India-Wiesbaden Conference 2018 in New Delhi.
- Federation of Indian Chambers of Commerce and Industry (FICCI) was the industry partner for the event.
- The theme of the Conference was 'Securing Global Supply Chains through Government-Industry Partnerships towards Effective Implementation of UNSC Resolution 1540'.
- The Conference provided an opportunity to participants to share experiences on their export control systems and to identify legal and technical assistance, action plans and challenges in the national implementation of UNSC 1540.

The UN Security Council Resolution 1540 (2004) establishes legally binding obligations on all States to adopt and enforce appropriate and effective measures to prevent the proliferation to non-State

actors of nuclear, chemical, and biological weapons and their delivery systems. It requires, therefore that States implement appropriate and effective measures to prevent non-state actors such as terrorists, from obtaining access to weapons of mass destruction (WMD).

- The Wiesbaden Process was initiated by the Government of Germany in 2012 to strengthen the implementation of UNSC 1540 through Government-Industry partnerships.
- India, with its long-standing commitment to international non-proliferation, has established a legally backed robust export control system to implement UNSC 1540.

#### 6.7. Commonwealth Heads of Government Meeting

- Commonwealth Heads of Government met in the United Kingdom from 19 to 20 April 2018.
- The aim of the meeting was to discuss how the Commonwealth can contribute to a future which is fairer, more sustainable, more secure and more prosperous.

#### Key Highlights

- Theme of CHOGM 2018 was "Towards a common future". There were many sub-themes such as 'A More Sustainable Future', 'A Fairer Future', 'A More Secure Future' and 'A More Fairer Future'.
- The meeting focused on the need for urgent action to reduce vulnerability and increase resilience, in light of the fact that the impacts of climate change could push an additional 100 million people across the world into poverty by 2030 and because, in the Commonwealth, 39 of its 53 members are small or other vulnerable states.
- The leaders attending the meeting affirmed their unwavering commitment to:
- o Fundamental Political Values reflected in the Commonwealth Charter
- Gender Equality and Inclusion
- Strengthen Democratic Institutions and Promoting Peace
- The leaders recognised that safe, regular, and responsible migration, with full respect for international human rights obligations, can deliver socio-economic benefits and improve the resilience and inclusive growth of member countries and lead to sustainable development.
- Under the theme 'A More Prosperous Future', issues like Strengthening of Multilateral Trading System, Intra-Commonwealth Trade and Investment, Inclusive and Sustainable Economic Growth were discussed.
- Under the theme 'A More Sustainable Future' different issues such as Vulnerability and Climate Change, Natural Disasters, Sustainable Development of Oceans, Sustainable Use of Energy and Natural Resources, Health, Education, Sport and Sustainable Development were deliberated.
- Under the theme "A More Secure Future", issues such as Cyber, Chemical Weapons, Preventing and Countering Violent Extremism (P/CVE), Human Trafficking and Child Exploitation, Serious and Transnational Organised Crime, Urban Crime/Violence and Gun Crime etc. were discussed.

## Commonwealth Innovation Index

- A new Commonwealth Innovation Index has been launched as part of a new Commonwealth Innovation Hub on the sidelines of the Commonwealth Heads of Government Meeting (CHOGM) in London.
- It has been created in partnership with the United Nations World Intellectual Property Organisation (WIPO) and its annual Global Innovation Index (GII).

- It is aimed at providing a tool that allows member states, organisations and citizens to benchmark themselves against 53 countries of the Commonwealth, with the new innovation hub offering a dedicated online space for Commonwealth countries to showcase what they have to offer and share with other members.
- India was ranked 10th on a new Commonwealth Innovation Index, which was topped by the UK, Singapore and Canada.

#### Commonwealth Innovation Fund (CIF)

- This was also launched at the Commonwealth Heads of Government Meeting (CHOGM) in London.
- The aim of CIF is to engage with member-countries to gain financial and other support for the fund and India is expected to be among the key countries to collaborate.
- The CIF will deploy grant, equity and debt investments to support innovators across the Commonwealth to accelerate the development, testing and scaling up of evidence-based and market-tested innovations.
- The Global Innovation Fund (GIF) will work as the delivery partner to host a new Commonwealth Innovation Fund (CIF).
- The GIF will manage the fund and its investments, which will be targeted at innovative projects across Commonwealth countries that "save and improve lives

#### 6.8. Eighth Regional 3R Forum In Asia And The Pacific

#### In News

- 8th Regional 3R Forum in Asia and the Pacific was held in Indore, Madhya Pradesh, from 9-12 April.
- It was co-organized by Ministry of Housing and Affairs, Japan's Environment Ministry, and United Nations Centre for Regional Development (UNCRD).

#### Key Highlights

- Theme "Achieving Clean Water, Clean Land and Clean Air through 3R and Resource Efficiency A 21st Century Vision for Asia-Pacific Communities".
- Mayors from different cities in the country and 40 cities abroad participated in the event which was organised with an objective of integrating the 3Rs in policy, planning and development.
- The members of the 3R forum pledged to adopt the recommendations of 'Indore 3R Declaration on Achieving Clean Water, Clean Land and Clean Air' with the aim to achieve the United Nations 2030 agenda for sustainable development goals and new urban agenda.
- The nine recommendations for 3Rs in Asia and the Pacific includes the recommendation of closing gaps between institutional and investment needs (improved waste management) and opportunities (circular economy, sharing, ICT-use, re-use, product service system, long term goal of declaration and decoupling).
- It also includes stakeholders' engagement and consensus building-based policy and specific challenges faced by small island countries and remote rural areas in the region.

#### The Declaration:

• Accelerate movement of holistic waste management in our cities through prevention, reduction, reuse and recycling of all waste streams (including waste, municipal solid waste, and domestic

waste water) with an objective to achieve clean land, clean water and clean air, including Greenhouse gas.

- Implement local-level actions to make cities clean, safe, smart, resilient, resource efficient, inclusive and sustainable through the effective implementation of 3R policies and promote tenets of circular economy for moving towards a zero waste society.
- Foster sustainable urban development, planning and practices focusing on eco-products, green energy, rainwater harvesting, conservation of water bodies, urban farming with composting, safe disposal of agricultural waste, green city development, green construction materials, etc. for maintaining bio-diversity.
- Inspire citizens to take proactive ownership for managing their own waste, including segregation at source, on-site processing of bio-degradable waste, safe handling of other waste forms and safe disposal by concerned agencies.
- Partner and collaborate with civil society organisations, including integration of informal sector with formal waste management chain in order to provide decentralised approaches to 3R, along with providing sustainable livelihood opportunities, while minimising health and environmental impacts.
- Leverage national and international collaborations to promote (i) 3R as an economic industry, 3Rrelated science, technology and infrastructure, inter-municipal, inter-industry and city to city cooperation, (ii) public-private-partnership for integrated waste management, and expand investment opportunities in the 3R space.
- Strive towards complete ban of illegal disposal of plastics in eco-sensitive or eco-fragile areas, including in tourist areas close to oceans, rivers, lakes, wetlands other water bodies and mountains, to preserve coastal, marine and mountains ecosystems and resources, keeping in mind the widespread plastic littering which affects eco-systems.
- Undertake to work towards sound and sustainable waste water management and treatment and reuse with an objective to achieve water security and water quality for sustaining livelihood, in view of the critical nexus between water quality, water security and effective implementation of 3R policies, programmes and infrastructure development.
- Focus on sound and effective management of new emerging waste streams such as micro plastics, chemicals and hazardous waste, e-waste, medical waste and construction and demolition waste.
- Promote and facilitate the use and development of viable existing and emerging technology, including information and communication technologies to strengthen the waste management value chain.
- Engage in dissemination and acceptance of national and international best practices in 3R among all stakeholders for wide-scale adoption and replication.

#### **3R FORUM : Aims and Objectives**

- The Regional 3R Forum in Asia and the Pacific was launched in 2009 in Tokyo, Japan with the objective of integrating the 3Rs (Reduce, Reuse and Recycle) in policy, planning and development.
- The Forum aims to address how 3R and resource efficiency measures can provide complementary benefits in making cities and countries clean, smart, liveable and resilient.
- The Forum also aims to generate policy-level, institutional level and technological insights towards effective implementation of 3R and resource efficiency to foster circular economic

development, sustainable change in current use of natural resources and ultimately achieve a zero waste society.

• In addition, the Forum seeks to engage the public and private sector to explore various partnership opportunities in areas of 3R and waste management for moving towards a zero waste society.

#### United Nations Centre for Regional Development (UNCRD)

- The United Nations Centre for Regional Development (UNCRD) was founded in 1971 as an instrument to help achieve the strategy for the Second United Nations Development Decade.
- Created by an agreement between the UN and the Government of Japan, its operations are supported by the UN Department of Economic and Social Affairs.
- UNCRD's vision is to achieve sustainable living environment for all. Its mission is to assist developing countries in their efforts to achieve sustainable development.
- UNCRD's interventions in developing countries are clustered under three main thematic interrelated and complementary areas of work (a) Integrated Regional Development Planning;
   (b) Sustainable Urban Management; and (c) Knowledge Management.

#### 6.9. <u>2nd Lead-up Conference to 3rd Annual Meeting of AIIB</u>

#### In News

- A lead-up Conference in order to build-up the momentum for the 3rd Annual Meeting of the Asian Infrastructure Investment Bank (AIIB) was held in in Visakhapatnam, Andhra Pradesh.
- Theme of the conference was "Enhancing Port and Coastal Infrastructure: A Primer on Potential Areas".

#### Key Highlights

- The Regional Conference is being organized by the Ministry of Finance, Government of India in collaboration with AIIB, CII and Research and Infrastructure System (RIS) for Developing Countries.
- The conference threw much light on SAGARMALA project, port & coastal infrastructure and Regulatory issues; Investment in Coastal Areas for Promoting Blue Economy; Developing the Shipping Ecosystem- Ship Repair and Dry Docks; Catalyzing the Modal Shift for Inland Waterways and Coastal Shipping; Strengthening India's Maritime Support Infrastructure-Containerization, Bunkering and Dredging.

#### Asian Infrastructure Investment Bank:

- Asian Infrastructure Investment Bank (AIIB) is a multilateral development bank with a mission to improve social and economic outcomes in Asia and beyond.
- Headquartered in Beijing, it commenced operations in January 2016 and have now grown to 86 approved members from around the world.

# 7. DEFENCE AND SECURITY

#### 7.1. Defence Planning Committee

#### In News

- The union government has decided to create an overarching Defence Planning Committee (DPC) under National Security Advisor Ajit Doval.
- The committee will drive the country's military and security strategy, draft capability development plans, guide and accelerate defence equipment acquisitions.

#### **Key Highlights**

- The aim of this committee is to facilitate "comprehensive" planning for the defence forces besides focusing on military doctrines to deal with emerging security challenges.
- The DPC will be a permanent body chaired by the National Security Advisor and comprise the chairman of the Chiefs of Staff Committee, three service chiefs, the defence, expenditure and foreign secretaries.
- The Chief of Integrated Defence Staff to the Chairman of the Chief of the Staff Committee (CISC) will be the member secretary of the committee.
- The HQ of the Integrated Defence Staff will be the secretariat of the DPC.
- It will prepare draft reports on
  - National security strategy,
  - o International defence engagement strategy,
  - o Roadmap to build a defence manufacturing ecosystem,
  - Strategy to boost defence exports, and
  - Priority capability development plans
- It will submit its reports to defence minister.
- Four sub-committees could be created under the DPC across four broad areas:
  - 1. Policy and strategy
    - A. Assess external security risks, define defence and security priorities
    - B. Formulate and review military and national security strategy
  - 2. Plans and capability development
    - A. Identify how different ministries can come together for national security issues
    - B. Create a capability development plan (CDP) and monitor its timely implementation
    - C. Obtain Cabinet approval and help secure budgetary support
  - 3. Defence diplomacy
    - A. Evaluate foreign policy needs and create a defence engagement strategy
    - B. Identify foreign acquisitions and sales to achieve strategic leverage
  - 4. Defence manufacturing eco-system
    - A. Draft comprehensive policy for research and development
    - B. Draw out road map for indigenization
    - C. Formulate policy, institute structural framework to boost defence exports

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Past Efforts:

- A 'defence planning cell' was created as late as in 1962, in the aftermath of the India-China War, to be replaced by a Committee for Defence Planning, in 1977, under the Cabinet Secretary.
- Inter-Service Defence Planning Staff (DPS) was set up during Rajiv Gandhi era. Headed by a 3star Director-General, the DPS was charged with the preparation of force-level and hardware perspective plans, in consultation with the Service HQ. However, lacking support from the military, as well as MoD, the DPS failed to gain any credibility and was wound up in 2001.
- HQ of the Integrated Defence Staff was established in October 2001 consequent to the decision of the Group of Ministers based on the Kargil Review Committee Report.

## Need For Such Committee

- The formation of the DPC is likely to bridge a key gap in the existing defence planning mechanism, which, for long, was thought would be met through the creation of the post of Chief of Defence Staff (CDS) as the ultimate arbitrator of all requirements of the armed forces including the planning aspects.
- The CDS did not find favour with successive political dispensations, the existing system of HQ IDS (Integrated Defence Staff) -led planning is perceived to have given way to the parochial interests of various stakeholders.
- This created an adverse impact not only on how security threats were perceived by various security organs, but also on how scarce resources are distributed among the services and within the various branches of each service.
- Also, the existing planning process has had very little control on aspects such as true indigenisation and self-reliance in defence procurement matters, which are being vigorously pursued through the 'Make in India' programme.
- Hence the current system of defence planning resulted in:
  - The provision of less than adequate resources to meet numerous security challenges;
  - Chasing goals that were not of immediate priority; duplication and wastage of scarce resources;
  - Giving less than required focus on new technological advancements while pursuing manpower driven military modernisation; and
  - A defence R&D and manufacturing base losing its sight on self-reliance.

#### Analysis

- The DPC is well-structured. The NSA, as the chairperson, brings in the PMO, which in real terms, is the final arbiter in national security matters. It includes the armed forces, which have thus far been sidelined by the ministry of defence bureaucracy. Diplomatic inputs will be provided by the foreign secretary. And, very importantly, the ministry of finance, which controls the purse strings, is co-opted by the presence of the secretary (expenditure).
- The DPC will evaluate and assess 'defence acquisition and infrastructure development plans, including the 15-year Long Term Integrated Perspective Plan, defence technology and the development of the Indian defence industry, and global technological advancement. It will help in improving the performance of our defence production units, and the Defence Research and Development Organisation (DRDO).
- The DPC will prepare military doctrines and, in turn, define Indian military objectives for the future. The doctrines will reflect India's no-first-use nuclear policy as well as take into account the possibility of a two-front war (on the country's western and northern fronts).

- They will justify the Indian Navy's demand of two aircraft carriers and the role of Indian Air Force in the era of long range stand-off weapons and missile theatre defence.
- However, setting up of DPC raises few important questions. These are:
- What would happen to another committee, called the Raksha Mantri Advisory Committee on Ministry of Defence Capital Projects, which was created to review ongoing capital acquisition projects worth more than Rs 5 billion?
- Will the DPC also take into account new areas of strategic vulnerabilities and opportunities such as cyber, electronic and psychological warfare?
- With the NSA now in command, will the proposal for a chief of defence staff, be buried?
- Also, the exclusion of issues like civil-military integration, 'jointness' and, CDS, from the Committee's charter are criticized by many analysts.

#### Conclusion

The DPC is the right step towards devising a national strategic policy, and enhancing defence preparedness, provided it works dynamically, meets frequently, follows a strict timeline, allows members to express their views freely, and – since the NSA can coopt members as required – welcomes academic and thinktank peer review.

#### 7.2. AFSPA Lifted in Meghalaya

#### In News

- The Centre has completely removed the AFSPA from Meghalaya. However, it has been partially revoked in Arunachal Pradesh.
- The decision was taken because of a significant improvement in the security of these states in the past few years.

#### Key Highlights

- The Act has been removed from all areas of Meghalaya from 31 March and partially revoked in Arunachal Pradesh by being reduced from 16 to eight police stations in the state.
- In Meghalaya, the Act was effective in the State in the 20 km area along its border with Assam.
- Earlier, in 2015, the Tripura government decided to lift the controversial law which was in effect for the last 18 years to curb insurgency.

#### About AFSPA

- The Armed Forces (Special Powers) Act was enacted in 1958 to bring under control what the government of India considered 'disturbed' areas.
- States under AFSPA (before April 1, 2018) included: Assam, Nagaland, Manipur (except the Imphal municipal area), Arunachal Pradesh (only the Tirap, Changlang and Longding districts plus a 20-km belt bordering Assam), Meghalaya (confined to a 20-km belt bordering Assam) and J&K.
- Section (3) of the AFSPA Act empowers the governor of the state or Union territory to issue an official notification on The Gazette of India, following which the centre has the authority to send in armed forces for civilian aid. It is still unclear whether the governor has to prompt the centre to send in the army or whether the centre on its own sends in troops.
- The state or central government considers those areas as 'disturbed' "by reason of differences or disputes between members of different religious, racial, language or regional groups or castes or communities."

- Once declared 'disturbed', the region has to maintain status quo for a minimum of three months, according to The Disturbed Areas (Special Courts) Act, 1976.
- The state governments can suggest whether the Act is required to be enforced or not. But under Section (3) of the Act, their opinion can still be overruled by the governor or the centre.
- The AFSPA gives power to the Army and Central forces deployed in "disturbed areas" to kill anyone acting in contravention of law, arrest and search any premises without a warrant.
- Prosecution of the officer on duty needs prior permission of the Central Government.
- The act was applied in Punjab and Chandigarh in 1983 due to secessionist movements and lasted for 14 years until 1997.
- While the Punjab government withdrew its DAA in 2008, it continued in Chandigarh until September 2012 when the Punjab and Haryana high court struck it down.

## Criticism of AFSPA

- Many times, the federal government does not consult the state government before declaring any area as "disturbed area."
- There is also lack of clarity as to what constitutes a "disturbed area" and the rather arbitrary manner in which AFSPA is being imposed in the country.
- Many critics believe that despite the extraordinary powers vested in their hands by AFSPA, the armed forces have not been able to quell India's insurgencies. Hence, the act has failed in achieving its aim which was to restore normalcy in disturbed areas.
- The "sweeping powers" it vests in the hands of the armed forces and especially the protection it gives them from prosecution "encourages soldiers to kill, raid and rape and thereby leads to grave human rights violations.
- The power to shoot to the extent of causing death, and search without warrant are in contravention to the Article 21 of the constitution, the right to life, which forms the foundation of all other fundamental rights.
- The law overrides the CrPC which lays down a proper procedure for police personnel in dealing with law and order problems. Unlike CrPC, there are no adequate safeguards in the implementation of the AFSPA.

## Various Judgements And Committee Reports On AFSPA

- In the Naga People's Movement of Human Rights v. Union of India case, the Supreme Court upheld the constitutionality of the law. However, the judgment made some notable conclusions such as:
  - Although Central Government is empowered to declare an area disturbed on its own, it is desirable that it consults the state before making such declaration
  - The act is not conferring any arbitrary powers to declare an area as a 'disturbed area'
  - The declaration should be for a limited duration and there should be periodic review at 6 months.
  - The officers should use minimal force necessary for effective action.
  - The authorized officer should strictly follow the 'Dos and Don'ts' issued by the army.
- Santosh Hegde Committee The Committee, constituted by SC, reported the use of disproportionate force and intrusion of security forces in areas which are not notified as disturbed

areas. The Commission even went to the extent of saying that AFSPA was an impediment to achieving peace in regions such as Jammu and Kashmir and the northeast.

• **B P Jeevan Reddy Committee** - Justice B P Jeevan Reddy committee was appointed in 2004 to review the provisions of the act in the north eastern states. This committee recommended that the AFSPA should be repealed and its appropriate provisions should be included in the UAPA. Further, the powers of the army / paramilitary officers should be clearly demarcated. Moreover, the committee recommended that grievance cells should be created in each district where such law is in force. The report was endorsed by the 2nd ARC report also.

## 7.3. <u>Tramadol under NDPS Act</u>

[Also refer the topic "Anti-narcotics scheme extended for 3 more years" in Feb 2018 CA magazine]

#### In News

- The government is all set to bring Tramadol, a painkiller, under the ambit of the Narcotics Drugs and Psychotropic Substances (NDPS) Act.
- The move is aimed at checking the abuse of painkiller as NDPS provides for strict imprisonment and fine for offenders.

#### **Key Highlights**

- The Narcotics Control Bureau (NCB) raised concerns about the abuse and trafficking of pharmaceuticals in a recent meeting held at the Central Drugs Standard Control Organization (CDSCO).
- It suggested that the availability of Tramadol be substantially reduced in order to track its movement in the market.
- Suggestions given by NCB include:
- Manufacture Tramadol and codeine-based cough syrups in small batches to enable authorities to track the manufacturer.
- Verify the existence of sale premises before a licence is granted by the states and conduct surprise raids in this regard.
- State licensing authorities should re-consider proposal of reduction in batch size for manufacturing such drugs to control the diversion towards its abuse and misuse
- It also suggested that drug should be under restrictions of production as API (active pharmaceutical ingredient) and controls on import into and export out of India. This will ensure the availability of the drug to the person who needs it for pain management and also restrict its illicit movement.
- Many a times, authorities fail to establish the point of diversion due to bigger lot size and same lot size being distributed to many stockists/distributors in different states.
- The suggestions, when incorporated, will help in finding the point of diversion and thereby would enable the authorities to act accordingly.

## 7.4. <u>Report on Inter-country Removal & Retention of Children</u>

#### In News

 The Committee headed by Justice Rajesh Bindal submitted its report on legal issues related to inter country removal & retention of children, and recommends on addressing the problems of parents and children involved in such issues.

#### • The Ministry of Women and Child Development had appointed the Committee.

#### Key Highlights

- The Committee has recommended that the Government may establish an 'Inter Country Parental Child Removal Disputes Resolution Authority'.
- The authority has been envisaged to provide a one window solution in cases of inter country removal and retention of Children.
- It has recommended that the Authority may be chaired by a retired High Court Judge, with Members from Legal and Social sector background along with representatives from key Ministries.
- The report has stated that the Authority may examine inter country cases of removal and retention of children vis-a-vis the cultural context, merit of the case, and the best interest of the Child.
- Along with its recommendation, the Committee has also submitted a draft legislation to the Government.
- The Committee was also requested to study the draft of the International Child Abduction bill, prepared by the Law Commission.

#### Issue of International Parental Child Abduction

- In recent years, the issue of international parental child abduction has assumed relevance in India, which has fast been emerging as a major hub, not only for emigration out of the country but also for immigration to it.
- A large number of Indians live and work abroad. In addition to this, large numbers of foreign nationals have been arriving to work and live in India, and a number of Indian nationals who had previously settled abroad are also returning to resume their residence in India.
- The problem arises when one spouse decides to return to India with their child without permission of other parent. In such cases, it is seen that the welfare of the child suffers as he is often forcibly uprooted from his habitual residence and made to take up residence in new and often alien country.
- The international community acted to solve such crisis by enacting **The Hague Convention on The Civil Aspects of International Child Abduction**. India is not a signatory to the Hague Convention. A country has to have a domestic law in place before it can become a signatory.
- The Law Commission in its **218th report** recommended that India should frame a domestic law and sign the Hague Convention.
- Verdict of the Supreme Court in **Surya Vadanan v. State of Tamil Nadu (2015)** laid down principles to be followed by courts and tried to evolve a consistent approach in multi-jurisdictional child custody disputes. However, in absence of legal codes no uniform policy has been followed by courts. In such cases ultimate sufferer is the child.

#### Some Facts About Hague Convention

The objects of convention are-

- To secure the prompt return of children wrongfully removed to or retained in any Contracting State; and
- To ensure that rights of custody and of access under the law of one Contracting State are effectively respected in other Contracting State.

Hague convention applies to cases in which -

- The Child must be under 16 years of age;
- The child must have been habitually resident in a convention country immediately before any breach of custody or access rights

#### 7.5. Implications of CAATSA for India's Defence Relations

#### In News

- Different reports have highlighted that India's planned defence procurement from Russia could potentially come under US sanctions under a newly enacted law **Countering America's** Adversaries through Sanctions Act (CAATSA).
- If implemented in its extreme form, the act has the potential to adversely affect India's defence purchases from its traditional partner, Russia, besides putting to test India's growing defence and security relations with the United States.

About CAATSA:

- Enacted on August 2, 2017, it aims to counter the aggression by Iran, Russia and North Korea through punitive measures.
- Some provisions of the Act primarily deals with sanctions on Russian interests such as its oil and gas industry, defence and security sector, and financial institutions, in the backdrop of its military intervention in Ukraine and its alleged meddling in the 2016 US Presidential elections.
- The Act empowers the US President to impose at least five of the 12 listed sanctions on persons engaged in a "significant transaction" with Russian defence and intelligence sectors.
- Two of the most stringent of these sanctions are the export licence restriction by which the US President is authorised to suspend export licences related to munitions, dual-use and nuclear related items; and the ban on American investment in equity/debt of the sanctioned person.
- Some other sanctions include restriction on US Export Import Bank assistance; prohibition on loans from international financial institutions; exclusion from participation in US government procurement; and visa restrictions on corporate officers of the sanctioned entities.

#### Implication on India

- If implemented in its stringent form, it is likely to affect India's arms procurement from Russia in a number of ways.
- First, India's planned procurement from Russia, particularly the S-400 air defence system, Project 1135.6 frigates and Ka226T helicopters, will come under the immediate scanner of US authorities, as they are mandated to deter exports of key Russian defence entities.
- CAATSA is likely to affect all the joint ventures (JVs) existing or planned between Indian and Russian defence companies.
- Some of the existing JVs that may come under the scanner are: Indo Russian Aviation Ltd, Multi-Role Transport Aircraft Ltd and Brahmos Aerospace.
- The Act will also affect India's purchase of spare parts, components, raw materials and other assistance for which Indian entities are dependent on Russia for domestic licence manufacturing and maintenance of existing equipment.
- The act will have possible impact on India-US Defence Cooperation, depending on how lightly or stringently CAATSA provisions are imposed.

- Many officials in US have favoured relief for India citing the "strategic opportunity" that India presents to the US and also the opportunity "to trade in arms with India."
- The sanctions on India or any of its entities and persons will bring bilateral defence cooperation to a halt, as the Indian Ministry of Defence will not be able to engage its US counterpart.
- That, in turn, would force India to reverse its declining arms dependence on Russia, while arresting the upward trend in India-US defence trade.
- More importantly, any US sanctions on India will be counterproductive to America's own strategic interests vis-à-vis China.

#### Conclusion

- While CAATSA is unlikely to be imposed on India anytime soon, it is nonetheless a dampener on an otherwise booming defence relationship between India and the United States. As a sovereign country, India cannot be dictated to go slow or suspend its existing or future defence cooperation with Russia.
- However, India needs to be prepared for any eventual CAATSA-related sanctions, which, though unlikely in the immediate future, may surface in the long run.
- India may safeguard its interests by expanding the scope of its existing guidelines for penalties in business dealings to include a provision for banning defence companies of countries which resort to banning entities of other countries for foreign policy purposes.
- Moreover, India may also like to be cautious while issuing multi-billion dollar arms tenders to countries that are perceived to be unreliable.

#### 7.6. Enhanced Version Of Babur Cruise Missile Launched

#### In News

- Pakistan has conducted a successful test of an enhanced range version of the indigenously developed Babur cruise missile.
- The aim of this launch is to bolster the country's deterrence capabilities.

## Key Highlights

- Babur Weapon System-1 (B) incorporates advanced aerodynamics and avionics that can strike targets both at land and sea with high accuracy, at a range of 700 kilometres.
- The Babur missile was unveiled in 2005 and since then has undergone several upgrades.
- It is a low-flying, terrain-hugging missile, which can hit targets both at land and sea with pinpoint accuracy, even in the absence of GPS navigation. It also has stealth features.
- Equipped with the Terrain Contour Matching (TERCOM) and Digital Scene Matching and Area Corelation (DSMAC) technologies, it can carry both nuclear and conventional warheads.

#### 7.7. Commonwealth Cyber Declaration

#### In News

- The Commonwealth Countries have unanimously adopted the Commonwealth Cyber Declaration. The participating leaders have decided to take action on cybersecurity by 2020.
- The declaration is the world's largest and most geographically diverse inter-governmental commitment on cybersecurity cooperation.

• The declaration was adopted on the last day of the Commonwealth Heads of Government Meeting (CHOGM) in London.

## Key Highlights

- In a major announcement at the Commonwealth Heads of Government Meeting, the 53 leaders agreed to work closely together to evaluate and strengthen their cybersecurity frameworks and response mechanisms.
- The Declaration sets out a shared vision of cyberspace in areas such as economic and social development, and online rights.
- The declaration is also an important step for Commonwealth small states, which account for 31 of the Commonwealth's 53 member countries.
- By promoting digital inclusion and a safer cyberspace, it sets out practical steps that will enable them to advance their economic and social development.
- With transnational cybercrime increasingly a challenge for global governments, Commonwealth countries are taking a leading role to combat cybercrime and promote good cybersecurity.
- The declaration includes recognition of the potential for a more active Commonwealth role in international discussions on global stability and cyberspace.
- The declaration marks a continuation of Commonwealth work in this area, including that of the Commonwealth Cybercrime Initiative (CCI), as well as the Commonwealth Telecommunications Organisation (CTO).
- In collaboration with the CTO and the Commonwealth Parliamentary Associations, the Commonwealth Secretariat will provide technical assistance to countries on cybercrime and cybersecurity capacity building. This will help to enhance incident-response capabilities, create effective laws for cyberspace, and strengthen law enforcement responses.

#### About Commonwealth Heads of Government Meeting (CHOGM)

- CHOGM is a biennial summit meeting of the heads of government from all Commonwealth nations. Every two years the meeting is held in a different member state and is chaired by that nation's respective PM or President who becomes the Commonwealth Chair-in-Office until the next meeting.
- The first CHOGM was held in 1971, and there have been 24 held in total: the most recent was held in London, England.

## 7.8. <u>Cybersecurity Tech Accord</u>

#### In News

- 34 global technology and security companies signed a Cybersecurity Tech Accord. It represents a watershed agreement among the largest-ever group of companies agreeing to defend all customers everywhere from malicious attacks by cybercriminal enterprises and nation-states.
- This accord will help companies take a principled path towards more effective steps to work together and defend customers around the world.

## **Key Highlights**

• The 34 companies include ABB, Arm, Cisco, Facebook, HP, HPE, Microsoft, Nokia, Oracle, and Trend Micro, and together represent operators of technologies that power the world's internet communication and information infrastructure.

- Although the list of firms agreeing to the accord is lengthy, several companies have declined to sign on at least for now, including Google, Apple and Amazon.
- The companies made commitments in four areas:
- Stronger defense The companies will mount a stronger defense against cyberattacks. As part of this, recognizing that everyone deserves protection, the companies pledged to protect all customers globally regardless of the motivation for attacks online.
- No offense The companies will not help governments launch cyberattacks against innocent citizens and enterprises, and will protect against tampering or exploitation of their products and services through every stage of technology development, design and distribution.
- Capacity building The companies will do more to empower developers and the people and businesses that use their technology, helping them improve their capacity for protecting themselves. This may include joint work on new security practices and new features the companies can deploy in their individual products and services.
- Collective action The companies will build on existing relationships and together establish new formal and informal partnerships with industry, civil society and security researchers to improve technical collaboration, coordinate vulnerability disclosures, share threats and minimize the potential for malicious code to be introduced into cyberspace.
- The Tech Accord remains open to consideration of new private sector signatories, large or small and regardless of sector, who are trusted, have high cybersecurity standards and will adhere unreservedly to the Accord's principles.
- The principles also commit the companies to come to the aid of any nation on the receiving end of such attacks, whether the motive for the attack is "criminal or geopolitical."

#### **Need For Such Accord**

- Last year different countries witness the **WannaCry attack** that struck the British health care system and companies around the world.
- Hence, many leaders started arguing that the world needs a "digital Geneva Convention" that sets norms of behavior for cyberspace just as the Geneva Conventions set rules for the conduct of war in the physical world.
- Edward J. Snowden, the former N.S.A. contractor who leaked documents about surveillance programs, revealed pictures suggesting that US officials intercepted some hardware that came out of Cisco Systems, a major manufacturer of the routers and switches that make up the spine of the internet, apparently so the equipment directed traffic back to American intelligence agencies.
- There is no evidence that Cisco cooperated, but the publication of the photos led some foreign customers to believe that American equipment had been broadly compromised.

#### 7.9. Task force for Unmanned Aerial Vehicle Tech Road Map

- A 13-member task force headed by the Minister of State for Civil Aviation has been constituted for fast-tracking Unmanned Aerial Vehicle (UAV) technology.
- The task force will develop a roadmap with implementable recommendations for central as well as state governments, industry and research institutions.

#### **Key Highlights**

• The task force will focus on research and development, acquisition and commercialisation, application and adoption in specific sectors, regulatory framework, preference for Make in India.

Current Affairs For 2017-18- Part 12 (April 2018)

- A roadmap with implementable recommendations for the central government, state governments, industry and research institutions including outcomes, timelines, implementation and review mechanism and measurable metrics will be prepared by the task force. The role of the industry will also be clearly delineated.
- The task force may study global practices and interact with relevant stakeholders, as required, for preparation of their report.
- The task force will have necessary consultations and interactions with industry, research institutions and government organisations.

#### Need For Such Step

- Drones have tremendous practical applications and different companies are revolutionising drone applications in diverse areas such as disaster management, precision agriculture, mining, infrastructure projects etc.
- Not only that, the increasing use of drone-enabled solutions by various state departments and ministries such as the railways, surface transport, power, and law enforcement further validates their efficacy.
- The government need clear vision in the form of roadmap to optimize the use of drone while minimizing the threat to internal security.
- Currently, the market for drones is estimated at \$1 trillion. The roadmap will help in indigenous
  production of drone which in turn will stem the drain of foreign exchange. The country will become
  self-reliant and will be able to create high-value jobs.

#### Draft Regulations On Civil Use Of Drones In India

- In November 2017, the Directorate General of Civil Aviation (DGCA) came up with draft regulations on civil use of drones which will also enable commercial use of drones for tasks like photography, doorstep delivery and even passenger transport.
- Under the draft rules, the drones are classified into five categories based on their maximum take-off weight: nano (up to 250 gm), micro (251 gm to two kg), mini (2 kg to 25 kg), small (25 kg to 150 kg) and large (greater than 150 kg).
- Except for nano category and those operated by government security agencies, all other commercial categories of drones will be registered by DGCA which will issue it a Unique Identification Number.
- Mini and above categories will require Unmanned Aircraft Operator Permit while model aircraft up to 2 kg flown below 200 feet inside educational institution premises will not require the permit or identification number.
- The draft rules also imposed some restrictions on use of drones in terms of no-fly zones which include area within 5 km from an airport, within 50 km from international border, beyond 500 metres into the sea along the coastline, within 5 km radius from Vijay Chowk in Delhi and from mobile platform such as a moving vehicle, ship or aircraft.
- They would also not be permitted to fly over densely populated areas without prior approval and over areas affecting public safety or where emergency operations are underway.

#### 7.10. National Register of Citizen Verification of Married Women

[For detailed discussion on NRC, please refer the topic "About NRC (National Register of Citizens) Assam" in Jan 2018 issue of CA Magazine]

#### In News

• A process to verify the citizenship of 29 lakh of Assam's married women, mostly migrant Muslims, has begun.

 The women had submitted residency certificates, issued by gram panchayats, to claim citizenship and were among the 1.39 crore of Assam's 3.29 crore residents left out of the first draft of the updated National Register of Citizens (NRC), which was published on December 31 last year by the state government.

#### Key Highlights

- This section of the population had submitted Panchayat certificates as a proof for their citizenship documentation process which was earlier declared not valid by the Guwahati High Court as the sole proof. However, the Supreme Court had later stated that the gram panchayat certificates could be used to claim their inclusion in the National Register of Citizens.
- The verification process will be carried on the basis of checking the authenticity of the documents along with the evidences of each certificate issued originally.
- During the verification process each of the applications would be scrutinized personally as they need to present themselves in the respective locations close to the gram panchayat and produce the evidence, the gram panchayat secretaries also need to be present for the process.

## 7.11. <u>Weaponisation of Outer Space</u>

#### In News

- At a Conference on Disarmament in Geneva, organized by UN Disarmament Commission (UNDC), India has voiced opposition to the "weaponisation" of outer space.
- It emphasized that outer space should not become an area of conflict while calling for collective efforts to strengthen safety and security of the space-based assets.

#### Key Highlights

- 2018 session of the UN Disarmament Commission was held in New York. This year the deliberation also included prevention of an arms race in outer space in its agenda.
- At the conference, India highlighted that member states be given the incentive to protect their interests by investing in legally-binding multilateral instruments rather than by resorting to national measures or interim partial steps that do not fully address the concerns of all space actors.
- India stressed that at a time of growing mistrust and rising international tensions as well as numerous challenges to both the disarmament agenda and the disarmament machinery, the role of the UNDC as a platform for dialogue and cooperation assumes even greater significance.

#### India's Space Security Policy

- Several recent trends are impacting the security and sustainability of outer space activities. These include: the massive growth in the number and diversity of actors operating in outer space, including governments and the private sector; the proliferation of hazardous space debris; and increasing dependence on outer space in the civilian, government and military sectors.
- Hence, there exists a possibility of intentional tampering with such assets and the associated ground setup, either by state or non-state actors.
- A distinction must be made between "militarisation of space" and the "weaponisation of space". These terms are sometimes used as if they were interchangeable, but they are not. While there are no specifically deployed weapons in space yet, there are satellites that could be manoeuvred to act as weapons to disable or destroy the space assets of others.

- Therefore, when considering questions of space security, it must be recognised that though space has not yet been specifically weaponised, it is already heavily militarized.
- The threat to space assets is directly proportional to degree of nation's dependence on the assets. Higher the dependence the greater will be threat and the vulnerability.
- The rapidly changing global space order makes it important that India formulates an effective policy to secure its interests in space.

#### India's Adherence to Space Norms

- India believes in protecting space sustainability to allow peaceful uses of outer space by all.
- The UN General Assembly (UNGA) had established a Committee on the Peaceful Uses of Outer Space (COPUOS) in 1959, and had proposed five treaties for approval and ratification by the member states.
- India is committed to the observance of the following UN conventions/guidelines that have broader global acceptability: India adheres to the 1967 Outer Space Treaty (OST), 1968 Rescue Agreement, 1972 Liability Convention and 1974 Registration Convention. Also, India is a signatory to the 1979 Moon Agreement.
- India is a member of the Inter-Agency Space Debris Coordination Committee (IADC) and adheres to the Debris Mitigation Guidelines of 2008.
- India actively participates in all discussions at Conference on Disarmament (CD). India was cosponsor of the UNGA resolution 68/29 on Prevention of an Arms Race in Outer Space (PAROS).
- India is prepared (in principle) for deliberations on the revised Treaty on Prevention of the Placement of Weapons in Outer Space and of the Threat or Use of Force Against Outer Space Objects (PPWT) presented by Russia and China, as a contribution to the various proposals for negotiating a legally binding instrument in the CD.

## Way Forward

- Develop an institutional structure to implement space security policy To cater for strategic requirements, a National Authority for Space Security (NASS) needs to be established under the defence ministry to oversee all aspects of space security.
- Establish a Space Command A dedicated Space Command needs to be established for administering various military-related aspects of satellite technology.
- Enhance Space Situational Awareness Capabilities
- Develop Legal Architecture
- Develop Strategic Technologies
- Counter-space Capabilities Adversaries should be aware of India's retaliatory capabilities. For this purpose, India would have to develop effective counter-space capabilities. India needs to undertake a debris-less Anti-satellite Weapons (ASAT) test as a deterrence demonstration.

## About UN Disarmament Commission (UNDC)

- The United Nations Disarmament Commission (UNDC) is a deliberative body and a subsidiary organ of the UN General Assembly.
- It is mandated to consider and make recommendations on various disarmament related issues and to follow up the relevant decisions and recommendations of the special sessions devoted to disarmament held so far.

- In 1952, the General Assembly created the United Nations Disarmament Commission (UNDC) under the Security Council.
- The Disarmament Commission was re-established at the first Special Session of the General Assembly devoted to Disarmament in 1978 to succeed an earlier Disarmament Commission, which ceased to convene after 1965.

## 7.12. Internet Security Threat Report 2017

#### In News

- The latest release of Internet Security Threat Report, by security solutions provider *Symantec*, summarizes the state of cyber threats across the world.
- According to report, India emerged as 3<sup>rd</sup> most vulnerable country in terms of risk of cyber threats, such as malware, spam and ransomware in 2017. India has moved up by one place over previous year.

#### Key Highlights

- The global threat ranking of countries was based on 8 metrics viz. malware, spam, bots, phishing, network attacks, web attacks, ransomware and cryptominers.
- The report stated that from the sudden spread of WannaCry and Petya/NotPetya, to the swift growth in coinminers, 2017 provided another reminder that digital security threats can come from new and unexpected sources.
- The report raises several key incidents and events from 2016 noting the multi-million-dollar bank heists with Bank of Bangladesh, the attacks against the US Presidential Election, and biggest Distributed Denial of Service (DDoS) attacks using a botnet of Internet of Things (IoT).
- It indicates while advanced attacks and zero-day vulnerabilities continue to be a major threat, cyber criminals continue to use spear phishing and common tools to blend in with normal traffic.
- The report mentions the trend in cyber espionage shift being used to cause chaos, disruption, disinformation; and also to influence the outcomes in the election processes, decision making and major government decisions in the future.
- It highlighted that financial theft is getting bigger and bolder.
- The report highlights that many cyber criminals are utilizing the ever-growing use of online tools and services available with hacking as a service, DDoS as a service, and the latest ransomware as a service. This means attackers no longer require any deep technical knowledge to carry out the cyber-crime, they simply need a laptop and an internet connection.
- IoT is discussed as the new frontier to disruption and the report continuously refers to the Mirai botnet that almost brought the internet to its knees.
- The report covered the use of tools like Mimikatz, capable of changing and exploiting privileged credentials. This is a common tool used by cyber criminals as well as other tools like PsExec, Netscan, Samdump, and WCE.
- It recommended that IT professionals must:
- Ensure passwords are strong. Important passwords, such as those with high privileges, should be at least 8-10 characters long (and preferably longer) and include a mixture of letters and numbers.
- Encourage users to avoid reusing the same passwords on multiple websites and sharing passwords with others should be forbidden.
- Delete unused credentials and profiles and limit the number of administrative-level profiles created.

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## India Specific Observation

- India is ranked third among list of countries globally where most of the threats were detected and it is second in terms of targeted attacks. The US led the pack, followed by China at the second spot.
- India was ranked second globally when it comes to spam and phishing (misleading emails, weblink etc). However, complex cyber attacks -- ransomware and network attacks in India increased in terms of global percentage.
- The report said that India is one of victims of targeted attack because a lot of intellectual property rights are generated here and the criminals may intent to steal them.
- India was also ranked second after the US where the highest number of malwares for mobile phones were detected the by company.

#### 7.13. Harimau Shakti 2018

- As part of ongoing Indo-Malaysian defence cooperation, a joint training exercise HARIMAU SHAKTI is being conducted in the dense forests of Sengai Perdik, Hulu Langat, Malaysia.
- The exercise is aimed at bolstering cooperation and coordination between armed forces of both the nations and to share the expertise of both the contingents in conduct of counter insurgency operations in jungle terrain.
- This is the first instance wherein a joint training exercise of this magnitude involving Indian and Malaysian soldiers is being organized on Malaysian soil.

#### 7.14. Gagan Shakti-2018

- The Indian Air Force conducted pan India Exercise Gagan Shakti-2018 from 08 to 22 April, 2018.
- The aim of the exercise was real-time coordination, deployment and employment of air power in a short and intense battle scenario. The focus of the exercise was also to check the viability of our operational plans and learn meaningful lessons.
- The exercise was conducted in two phases so that all Commands get adequate opportunity to test the efficacy of their preparedness. Phase-I of the exercise involved activation of Western, South Western and Southern Air Commands, with affiliated Army and Naval components. Phase-II of the exercise involved activation of Western, Central, Eastern and Southern Air Commands.

#### 7.15. SAHYOG-HYEOBLYEOG 2018

- The Indo-Korean joint anti-piracy exercise 'SAHYOG- HYEOBLYEOG 2018' was conducted in April off the Chennai coast.
- The exercise witnessed varied scenarios such as the hijacking of a merchant vessel and its subsequent rescue, prohibition of a pirate vessel, cross boarding, fire fighting and the search and rescue (SAR) demonstration.
- The joint exercise was aimed at developing working level co-operation and an enhanced inter-operability in the fields of maritime search and rescue.

#### 7.16. Desert Tiger 5

The UAE and Malaysia concluded "Desert Tiger 5" joint military exercise aimed at sharing expertise and enhancing joint military actions. The drill was also aimed at raising the level of performance and combat efficiency and working together based on a strategy to improve the overall ability and combat readiness of the ground forces.

## VAJIRAM & RAVI 8. <u>SCIENCE AND TECHNOLOGY</u>

# 8.1. ISRO Loses Contact With GSAT-6A Satellite

Indian Space Research Organisation (ISRO) has lost contact with GSAT-6A, a satellite launched aiming to provide mobile communication facilities. ISRO lost communication with the satellite after the second orbit-raising manoeuvre. When a satellite is launched, it is not raised in one go, but it is kept closer to earth before it is raised to its final orbit. The satellite is taken to its final orbit one step at a time.

#### GSAT-6A

The Launch of GSLV-F08 carrying GSAT-6A took place from the Second Launch Pad (SLP) in Satish Dhawan Space Centre, Sriharikota. **GSAT-6A**, similar to GSAT-6 is a high power S-band communication satellite configured around I-2K bus. The mission life of spacecraft planned is about 10 years. The satellite will also provide a platform for developing technologies such as demonstration of 6 m S-Band Unfurlable Antenna, handheld ground terminals and network management techniques that could be useful in satellite based mobile communication applications.

#### 8.2. <u>Chinese Space Station Tiangong</u> <u>1 Falls to Earth</u>

# **Going incommunicado**

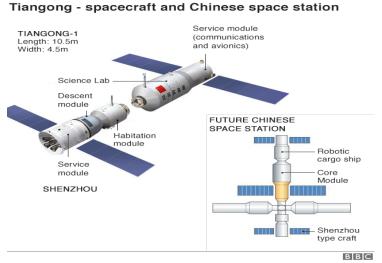
It was designed to boost military communications, but GSAT-6A, launched on March 29, lost contact with ISRO minutes after the second firing of its on-board engine. A look at its planned path



- China's prototype space station, whose name translates as "Heavenly Palace 1," met a fiery end in Earth's atmosphere, breaking apart and burning up in the skies over the southern Pacific Ocean.
- The spacecraft cemetery also known as Point Nemo considered the most remote place on Earth (at about 2400 km from any spot of land). It often used to crash-land defunct satellites. Between 1971 and mid-2016, space agencies all over the world have dumped between 260 and 300 spacecraft into the region.

## **Tiangong-1**

Tiangong-1 (Heavenly Palace or Celestial Palace-1) was China's first prototype space station or space laboratory. It was placed in orbit in September 2011 as part of China's efforts towards building its own space station independent and unconnected to any other international space-active countries. lt weighted around 8,506 kg and was having length 10.4 m and diameter of 3.35 m. It was first operational component of Tiangong program, which aims to place a larger, modular station into orbit by 2023, the time when US-led International Space Station is expected to go out of service. It also tested



docking systems and other technology needed for larger, multi-module space station to go out of service.

#### What Is the International Space Station

The International Space Station is a large spacecraft in orbit around Earth. It serves as a home where crews of astronauts and cosmonauts live. The space station is also a unique science laboratory. Several nations worked together to build and use the space station. The space station is made of parts that were assembled in space by astronauts. It orbits Earth at an average altitude of 220 miles. It travels at 17,500 mph. This means it orbits Earth every 90 minutes.

#### Why Is the Space Station Important

The space station has made it possible for people to have an ongoing presence in space. Human beings have been living in space every day since the first crew arrived. The space station's laboratories allow crew members to do research that could not be done anywhere else. This scientific research benefits people on Earth. Space research is even used in everyday life. The results are products called "spinoffs." Scientists also study what happens to the body when people live in **microgravity** for a long time. NASA and its partners have learned how to keep a spacecraft working well. All of these lessons will be important for future space exploration.

#### 8.3. NASA Completes Test Launch Of Mars Landing Parachute

- NASA has conducted a successful launch of its Advanced Supersonic Inflation Research Experiment (ASPIRE). The launch of ASPIRE is to test supersonic parachute that is in the process to help the space exploration missions to land on Mars.
- It was tested in the sky where the conditions similar to the entrance of the Red Planet were created. It was meant to mimic conditions that spacecraft will experience during Mars entry, descent, and landing (EDL).



• The mission is to evaluate the performance of the ASPIRE payload, which is designed to test parachute systems in a low-density, supersonic environment.

#### 8.4. RH300 Sounding Rocket Launched For Atmospheric Studies

- The RH300 sounding rocket, **developed by Vikram Sarabhai Space Centre (VSSC)** as part of a study to enrich available atmospheric data, would be launched from Thumba Equatorial Rocket Launching Station (TERLS). This will be the 21st launch of RH300 sounding rocket.
- The launch is part of a study undertaken by VSSC under the Sounding Rocket Experiment (SOUREX) programme, which utilizes the RH-300 MKII sounding rocket to study the Equatorial E and lower ionosphere regions of the atmosphere.
- The study will enrich available atmospheric data and refine the models used for tropical weather prediction. The objective of the experiment is to measure neutral wind in the dynamo region (80-120 km) of equatorial ionosphere using the indigenously developed Electron Density and Neutral Wind Probe (ENWi) and perform cross-validation using an independent Tri Methyl Aluminium (TMA) release technique.

## 8.5. Govt. Bans Imports Of Hormone Oxytocin

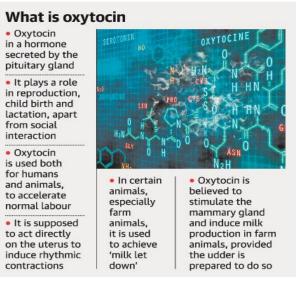
- The Union government banned imports of the hormone oxytocin to stop its misuse in the livestock industry because it causes hormonal imbalances and shortens the lives of milch animals. **Often called the 'love hormone'**, oxytocin is released naturally in human bonding activities such as sex, childbirth and breastfeeding.
- Oxytocin is a controversial hormonal injection that is used widely in the dairy industry, agriculture and horticulture. Authorities are also concerned that the misuse of this growth booster is reported among trafficked children, injected to accelerate puberty among girls.
- The members of Drug Technical Advisory Board (DTAB) agreed to prohibit the import of oxytocin and its formulations for human use as well as animal use under section 10 of the drugs and cosmetics act 1940.
- The members of DTAB deliberated the matter and agreed in principle on the proposal to amend rule 96 of the Drugs and Cosmetics Rules, 1945 to ensure that bar coding system is adopted for manufacture of Oxytocin formulations so as to ensure track and traceability of the product to avoid its misuse.
- The ban restricted Oxytocin bulk drug manufacturers from selling it to only those with licences to make formulations with the drug. Drug makers on the other hand can supply it directly only to

veterinary hospitals. Under Schedule H of the Drugs and Cosmetics Rule, 1954, the drug can be distributed by prescription and only by a registered medical practitioner. Further, to avoid bulk sale, Oxytocin injections are packed in single packs.

 Oxytocin is listed in the National List of Essential Medicines (NLEM) for reproductive health.

#### Oxytocin

Oxytocin is a neurotransmitter and a hormone that is produced in the hypothalamus. From there, it is transported to and secreted by the pituitary gland, at the base of the brain. It plays a role in the female reproductive functions, from sexual activity to childbirth and breast feeding.



## 8.6. <u>A New Class Of Antibiotics To Combat Drug Resistance</u>

- A new class of antibiotics, from an unconventional source which has a distinct way of killing bacteria, has been discovered which may help combat drug-resistant or hard-to-treat bacterial infections.
- The antibiotic called odilorhabdins, or ODLs, are produced by symbiotic bacteria found in soildwelling nematode worms that colonise insects for food. The bacteria help to kill the insect and importantly secrete the antibiotic to keep competing bacteria away.
- The antibiotic kills bacteria by binding to ribosome. This disrupts protein synthesis, and stops the microbial cell from replicating. This is a step forward in the search for new antimicrobials. With this mechanism, when odilorhabdins are introduced to the bacterial cells they impact the reading ability of the ribosome and this causes the ribosome to make mistakes as it creates new proteins.
- The new class of antibiotics, called odilorhabdins, are promising for two reasons. **Firstly**, the compound has a distinct way of killing bacteria. **Secondly**, the source of the compound is unusual.

This strengthens the potential use, should the compound be commercialized, for tackling hard-totreat bacterial infections.

• In the last two decades, the speed at which bacteria are becoming resistant to current antibiotic treatments has significantly increased. This shift is threatening the ability of medical staff to carry out routine operations or organ transplants in the future. The problem has been compounded by microorganisms acquiring resistance to one antimicrobial or another, leading to multi-drug resistant microorganisms (super bugs) and by the misuse of antibiotic by medical staff (improper prescribing) and farmers (in seeking leaner meats). The consequence has led to an imperative to finding new and effective antimicrobials.

## 8.7. NASA's Mission to Touch the Sun Arrives in the Sunshine State

NASA's will launch humanity's first mission Parker Solar Probe (PSP) to the Sun in July 31, 2018. It is undergoing final preparations for its scheduled launch on board of NASA's **Delta IV Heavy launch** vehicle from Kennedy Space Centre in Florida. After its launch, the probe will orbit directly through solar atmosphere the corona.

#### Parker Solar Probe mission

- NASA's Parker Solar Probe mission will revolutionize our understanding of the sun. Parker Solar
  Probe will provide new data on solar activity and make critical contributions to our ability to forecast
  major space-weather events that impact life on Earth.
- In order to unlock the mysteries of the corona, but also to protect a society that is increasingly dependent on technology from the threats of space weather, Parker Solar Probe will be sent to touch the sun.
- The primary science goals for the mission are to trace the flow of energy and understand the heating of the solar corona and to explore what accelerates the solar wind. Parker Solar Probe provides a statistical survey of the outer corona.
- Parker Solar Probe has three detailed science objectives:
  - 1. Trace the flow of energy that heats and accelerates the solar corona and solar wind.
  - 2. Determine the structure and dynamics of the plasma and magnetic fields at the sources of the solar wind.
  - 3. Explore mechanisms that accelerate and transport energetic particles.

## 8.8. <u>IIT-Delhi Installs India's First 5G Lab</u>

- IIT-Delhi (IIT-D) has set up a radio lab with an array of antennas for "standardization, research and manufacturing" of **5G** equipment. It will be the first of its kind 5G lab in the country and has been setup at Bharti School of Telecommunication Technology and Management.
- The lab will serve as 5G base station prototype that will be used to test and verify algorithms and also develop complete 5G base station. It will help in manufacturing of 5G base stations in India with support and collaboration from industry. It will also be instrumental in generating skilled manpower in this technology.

#### 5G Networks

- 5G is short for 'fifth generation mobile networks'. It is the next generation of cellular technology which promises to greatly enhance the speed, coverage and responsiveness of wireless networks.
- It will be 10 to 100 times speedier than typical cellular connection, and even faster than anything one can get with a physical fiber-optic cable going into one's house.

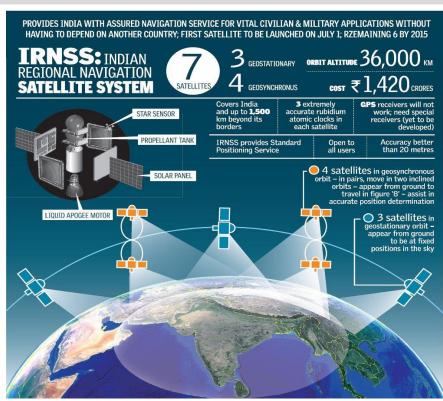
- 5G is seen as the underlying technology allowing self-driving cars to talk to each other or for people to wirelessly stream super high-definition virtual reality content into their headsets.
- A little historical background demonstrates the context of 5G. First-generation networks were introduced back in the 1980s they were analogue and only carried voice. In the '90s, 2G (or second generation) phones launched and they were digital, introducing new features like text messages and picture messages. Then comes 3G (third generation) which started to include video calling and mobile data. Ten years later we saw 4G, and these networks and phones were designed to support mobile internet and higher speeds for activities like video streaming and gaming.

## 8.9. IRNSS-11 Navigation Satellite

- In its forty third flight, ISRO's Polar Satellite Launch Vehicle PSLV-C41 successfully launched the 1425 kg IRNSS-1I Navigation Satellite from Satish Dhawan Space Centre SHAR, Sriharikota.
- IRNSS-11 is expected to replace IRNSS-1A, the first of the seven navigation satellites that was rendered ineffective after its three rubidium atomic clocks failed. The seven satellites are part of the NavIC navigation satellite constellation.
- The launch is ISRO'S second attempt at sending a replacement satellite. The constellation will also
  provide signals in a space covering India and its surroundings, which could be utilised by using
  receivers on ground to determine position and time accurately. The previous mission of a PSLV
  carrying IRNSS-1H in August last year failed after the heat shield covering the satellite failed to
  separate.
- IRNSS-1I also carries two types of payloads for navigation and ranging. The navigation payload, operating in L5-band and S-band, will transmit navigation service signals to the users, while the ranging payload consists of a C-band transponder, which facilitates accurate determination of the range of the satellite. IRNSS-1I also carries Corner Cube Retro Reflectors for laser ranging.

## IRNSS

- The Indian Regional Navigation Satellite System (IRNSS) is an independent satellite based regional system developed indigenously by India on par with US-based GPS, Russia's Glonass and Galileo developed by Europe. was renamed "Navic" It (Navigation with Indian Constellation).
- NAVIC The system is of constellation seven satellites, (namely IRNSS-1I, 1B, 1C, 1D, 1E, 1F and 1G) of which three are geostationary and four are nongeostationary. It provides location tracking within 20 meters of actual positions, especially in 1,500 km area



around the country's borders. The indigenous satellite-based navigation system under one's control and command is considered a deep strategic asset.

#### 8.10. Acuvue Oasys Contact Lens

- The US Food and Drug Administration (FDA) have approved the world's first contact lens that automatically darkens when exposed to bright light. The Acuvue Oasys Contact Lenses with Transitions Light Intelligent Technology are soft contact lenses indicated for daily use to correct the vision of people with non-diseased eyes who are nearsighted (myopic) or farsighted (hyperopic).
- The contact lenses contain a photo chromic additive that adapts the amount of visible light filtered to the eye based on the amount of ultra-violet light to which they are exposed, this result in slightly darkened lenses in bright sunlight that automatically return to a regular tint when exposed to normal or dark lighting conditions.

#### 8.11. Indian Mosquitoes Can Transmit Zika Virus Infection

- A team of scientists has recently discovered that Indian mosquito, when contaminated with the Zika Virus (ZIKV), can transmit the infection to suckling mice. The study was carried out by a team of scientists from Pune's National Institute of Virology (NIV), the National Jalma Institute of leprosy and other Mycobacterial Diseases, and a host of other research institutes.
- The mosquitoes were experimentally infected with Zika virus (African Strain MR-766) through the oral-feeding route, which is the natural mode by which mosquitoes get the virus. Infected mosquitoes were allowed to bite on infant and suckling mice. Sick mice were euthanized, and their organs were collected and subjected to three detection tests real-time RT-PCR, histopathology, and Immunohistochemistry [IHC] to check for the presence of the virus.
- Few days after being bitten by the ZIKV contaminated mosquitoes, infant mice showed symptoms such as trembling, isolated behavior; and signs related to the nervous system and lethargic movements. The mice became stagnant during critical stages of the illness and were put to death. Later, their organs were removed and examined, which confirmed high amount of the African strain of the Zika virus.
- The study also revealed that Indian mosquitoes pick up ZIKV naturally. The scientists believe that the mosquitoes harbor the virus in their salivary glands which makes it easier to transmit.

## 8.12. India's Chandrayaan-2 Launch Postponed

The Indian Space and Research Organization (ISRO) has postponed launch of India's second lunar mission 'Chandrayaan-2' from April 2018 to October-Nov 2018. The launch was postponed for additional tests suggested by national level committee to review Chandrayaan-2.

#### GSLV-F10/Chandrayaan-2 Mission

- Chandrayaan-2, India's second mission to the Moon is a totally indigenous mission comprising of an Orbiter, Lander and Rover. After reaching the 100 km lunar orbit, the Lander housing the Rover will separate from the Orbiter. After a controlled descent, the Lander will soft land on the lunar surface at a specified site and deploy a Rover.
- The mission will carry a six-wheeled Rover which will move around the landing site in semiautonomous mode as decided by the ground commands. The instruments on the rover will observe the lunar surface and send back data, which will be useful for analysis of the lunar soil.

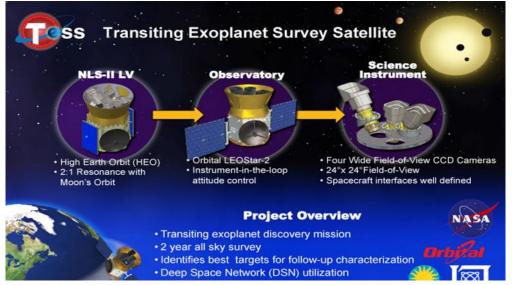
• The Chandrayaan-2 weighing around 3290 kg and would orbit around the moon and perform the objectives of remote sensing the moon. The payloads will collect scientific information on lunar topography, mineralogy, elemental abundance, lunar exosphere and signatures of hydroxyl and water-ice.

## 8.13. NASA Launches Tess

- NASA's next planet-hunter, the Transiting Exoplanet Survey Satellite (Tess) successfully launched on a SpaceX Falcon 9 rocket from Cape Canaveral Air Force Station in Florida.
- Over the course of several weeks, Tess will use six thruster burns to travel in a series of progressively elongated orbits to reach the Moon, which will provide a gravitational assist so that the spacecraft can transfer into its 13.7-day final science orbit around Earth.

#### The Transiting Exoplanet Survey Satellite (TESS)

The Transiting Exoplanet Survey Satellite (TESS) will discover thousands of exoplanets in orbit around the brightest stars in the sky. In a two-year survey of the solar neighborhood, **TESS** will monitor more than 200,000 stars for temporary drops in brightness caused by planetary transits. This first-ever space borne all-sky transit survey



will identify planets ranging from Earth-sized to gas giants, around a wide range of stellar types and orbital distances. No ground-based survey can achieve this feat.

## Why TESS?

- TESS stars will be 30-100 times brighter than those surveyed by the Kepler satellite thus, TESS planets should be far easier to characterize with follow-up observations. These follow-up observations will provide refined measurements of the planet masses, sizes, densities, and atmospheric properties.
- TESS will provide prime targets for further, more detailed characterization with the James Webb Space Telescope (JWST), as well as other large ground-based and space-based telescopes of the future. TESS's legacy will be a catalog of the nearest and brightest stars hosting transiting exoplanets, which will comprise the most favorable targets for detailed investigations in the coming decades.
- The Kepler project has provided ground-breaking new insights into the population of exoplanets in our galaxies; among the discoveries made using data from Kepler is the fact that the most common members of the exoplanet family are Earths and Super-Earths. However, the majority of exoplanets found by Kepler orbit faraway, faint stars. This combined with the relatively small size of Earths and Super-Earths, means that there is currently a dearth of such planets that can be characterized with follow-up observations.
- Tess will spend about two years surveying 200,000 of the brightest stars near the Sun to search for planets outside our solar system. For this two-year survey mission, scientists divided the sky into 26

sectors. The spacecraft will use four unique wide-field cameras to map 13 sectors encompassing the southern sky during its first year of observations and 13 sectors of the northern sky during the second year, altogether covering 85 per cent of the sky.

• Tess will be watching for phenomena called **transits.** A transit occurs when a planet passes in front of its star from the observer's perspective, causing a periodic and regular dip in the star's brightness.

## 8.14. Initiative For Prevention & Control Of Viral Hepatitis

- The Union Health Ministry has decided to roll out an initiative for prevention and control of viral hepatitis. The initiative will have budgetary support of more than Rs. 517 crore for three years. India is committed to eliminating the viral hepatitis by 2030.
- Under the initiative, the Health Ministry has decided to establish a state coordination unit under the state NHM for efficient rollout of the programme in 26 large and four small states. The Ministry is also planning to set up 50 state laboratories for assisting in diagnosis and training of the district hospitals for screening of hepatitis. It intends to scale up to 100 treatment and 665 testing centers over a period of next three years.
- What is viral hepatitis: It is liver inflammation due to a viral infection. It may present in acute or chronic forms. The most common causes of viral hepatitis are the five unrelated hepatotropic viruses hepatitis A, hepatitis B, hepatitis C, hepatitis D and hepatitis E. Most of the common hepatitis types are preventable and treatable. While Hepatitis A and hepatitis B can be prevented by vaccination, effective treatments are available for hepatitis C.

## 8.15. <u>A Potent Molecule To Treat Chikungunya</u>

- A team of researchers at the Indian Institute of Technology (IIT) Roorkee has achieved a measure of success by finding a small molecule that has good antiviral activity against Chikungunya virus. The antiviral activity was so high that the small molecule was able to achieve almost 99% reduction in the virus when 5micro molar was used.
- The antiviral activity was tested by adding molecules directly into virus culture. Using structure-based studies of Chikungunya virus-specific nsP2 protease, researchers had identified two small molecules Pep-I and Pep-II for their inhibitory activity against vector borne disease.
- Protease inhibitors have already been used successfully against HIV and hepatitis C virus. Pep-I, one of two molecules has superior antiviral activity against Chikungunya virus. It was found to effectively bind to protein of virus (nsP2 protease) and prevent virus from replicating. It is hypothesised That any molecule that inhibits nsP2 protease is having antiviral activity.

Chikungunya is a mosquito-borne virus that causes a disease. It is transmitted by Aedes aegypti and Aedes albopictus mosquitoes. Its symptoms are characterized by abrupt fever and severe joint pain, often in hands and feet, and may include headache, muscle pain, joint swelling or rash. There is no specific antiviral drug treatment for Chikungunya. There is no commercial vaccine to treat Chikungunya. Chikungunya treatment is directed primarily at relieving the symptoms, including the joint pain using anti-pyretic, optimal analgesics and fluids.

## 8.16. Four Bacterial Strains To Remove Sulphur From Fossil Fuels

• Scientists have successfully removed sulfur from fossil fuels such as petroleum and coal. Sulphur is one of the major pollutants emitted during the combustion of fossil fuels.

- Scientists from CSIR-Institute of Minerals and Materials Technology (CSIR-IMMT) in Bhubaneswar used four bacterial strains that use dibenzothiophene (an organic sulphur compound which is a major contaminant of fossil fuel) as an energy source thereby getting rid of the sulphur.
- To find novel bacterial strains that can selectively eliminate this organic sulphur, the researchers searched the microbial type culture collection (MTCC) of CSIR-IMTECH (Institute of Microbial Technology) and selected 10 bacterial strains with dsz gene.
- The dsz genes are central to sustainable bio-desulfurization. The presence of dsz genes and the metabolites which take part in desulfurization were first screened.

## 8.17. MoU For Establishing Nationwide Time Stamping

- National Physical Laboratory (CSIR-NPL) and Department of Telecommunications (DoT) have signed Memorandum of Understanding (MoU) on technical knowledge sharing for establishing nationwide Time Stamping and Time Synchronization network (TSTSN) and traceability of Time signal to UTC NPL Time.
- The nationwide TSTSN consisting of 22 numbers of Time Synchronization Centers (TSC's) will be set up by DoT with technical assistance from CSIR-NPL. This network will provide synchronizing pulse in Indian Standard Time (IST) to all Telecom & Internet Service providers (ISPs) in all 22 LSA (Licensed Service Areas) in the country.
- The primary purpose of synchronizing telecom network with IST time stamp is to enable security agencies to overcome difficulty in analyzing and correlating cyber events in this era of advancement of telecom technology. It will also improve telecom network efficiency by reducing packet loss due to reduced slips in better synchronized digital network.
- The establishment and implementation of pan India TSTSN across Indian Telecom Network will eliminate problem of Time Synchronization among TSP/ISPs. This will lead to better efficiency of Telecom Network and reduce Voice Over Internet Protocol (VOIP) call drop, improve Quality of Service of network, Voice, Video. It will help to curb cybercrimes and also help to identify and correlate various digital financial transactions.

## 8.18. Israeli Derby Air-To-Air BVR Missile

- Light Combat Aircraft (LCA) Tejas, Indian Air Force's indigenous supersonic jet, is well on its way to becoming one of the most potent fighters in the four-plus generation combat aircraft class.
- Tejas had fired the Derby Air-to-Air BVR (Beyond Visual Range) missile for the first time in RADAR guided mode at the Interim Test Range (ITR), Chandipur in Odisha. The missile launch was performed in Lock ON after Launch mode for a BVR target in the look down mode and the target was destroyed.

## All About Derby BVR Missile

**Derby is a short to medium range BVR Air-to-Air missile**. Developed jointly by Israeli armament development agency Rafael and Israel Aircraft Industries MBT has a maximum effective range of about 50 km. **Derby is an active radar air-to-air missile for the fighter aircraft and has the capability to be launched at a target day or night and in all weather** conditions. It has look-down/shoot-down capability, fire and forget mode and an advanced ECCM tailored to the customer's operational requirements. The missile's light weight allows it to be adapted to various modern fighter aircraft. It is a dual-use missile (air-to-air and surface-to-air).

A **beyond-visual-range missile (BVR)** is an air-to-air missile (BVRAAM) that is capable of engaging at ranges of 20 nmi (37 km) or beyond. This range has been achieved using dual pulse rocket motors or booster rocket motor and ramjet sustainer motor.

## 8.19. Bullet Proof Jackets

- Bhabha Atomic Research Center (BARC) has developed bulletproof jackets which have been made from advanced ceramics and advanced nanocomposites and weigh lighter than the bulletproof vests currently used by the Indian Armed Forces.
- The team has used a combination of Boron Carbide, a widely used ceramic in nuclear reactors, and carbon nano tube polymer composite to make the hard armor panel. This combination makes the jacket light weight and effective.
- There exist bulletproof jackets that use ceramic as the guard, the combination of ceramic that blunts the bullet and polymer composite, which absorbs the shock, is addition to the technology. It can take bullets made of hard steel core (such as AK-47 bullets) as well as mild core.

# 9. <u>ECOLOGY AND ENVIRONMENT</u>

#### 9.1. Fimbristylis Agasthyamalaensis

A team of researchers have recently discovered a new plant species named 'Fimbristylis agasthyamalaensis' in Ponmudi hills within the Agasthyamala Biosphere Reserve in the Western Ghats biodiversity hotspot.

#### Key Points

- The Fimbristylis agasthyamalaensis species belongs to the Cyperaceae family.
- In India, the Cyperaceae genus is represented by 122 species, of which 87 are reported from the Western Ghats.
- Many of these Cyperaceae species are either used as medicinal plants or as fodder.
- Fimbristylis agasthyamalaensis is highly prone to wild grazing. It is also subject to anthropogenic pressures as its habitat falls within tourism spot and perimeter of place of worship that could lead to its extinction in absence of scientific conservation. Researchers have recommended preliminary conservation assessment of plant as 'critically endangered,' according to IUCN criteria.

#### Agasthyamala Biosphere Reserve (ABR)

ABR in situated at the southern-most end of the Western Ghats and spread over two southern states Kerala and Tamil Nadu. It was established in 2001. In March 2016, it was included in the World Network of Biosphere Reserves of UNESCO. It covers Peppara and Shendurney wildlife sanctuaries and parts of the Neyyar sanctuary in Kerala and the Kalakad Mundanthurai Tiger Reserve of Tamil Nadu. It is home to rare endemic animals include tiger, Asian Elephant, and Nilgiri Tahr. It is home to Kanikaran tribe, one of the oldest surviving ancient tribes in the world.

#### 9.2. Delhi Becomes First City To Roll-Out Euro VI Fuel

- Delhi became the first city in India to supply ultra-clean Bharat Stage (BS) VI grade fuel (both petrol and diesel) with an aim to combat the rising levels of air pollution in Delhi-NCR region. State-owned oil firms have started supplying the BS-VI fuel (equivalent to fuel meeting Euro VI emission norm) at all their 391 petrol pumps in NCT.
- Cities in the national capital region like Noida, Ghaziabad, Gurugram and Faridabad as well as 13 major cities including Mumbai, Chennai, Bengaluru, Hyderabad and Pune will switch over to cleaner Euro-VI grade fuel from January 1 next year. Rest of the country will follow suit from April 2020.

#### About BS VI Emission Norms

- Introduced in the year 2000, the Bharat norms are emission control standards put in place by the government to keep a check on air pollution. Based on the European regulations (Euro norms), these standards set specifications/limits for the release of air pollutants from equipment using internal combustion engines, including vehicles. Typically, higher the stage, more stringent the norms.
- Implementation of the BS V standard was earlier scheduled for 2019. This has now been skipped.
   BS VI, originally proposed to come in by 2024 has been now advanced to 2020, instead.

#### Why Is It Important

 Upgrading to stricter fuel standards helps tackle air pollution. Global automakers are betting big on India as vehicle penetration is still low here, when compared to developed countries. At the same time, cities such as Delhi are already being listed among those with the poorest air quality in the world. With other developing countries such as China having already upgraded to the equivalent of Euro V emission norms a while ago, India has been lagging behind. While BS IV-compliant fuel

currently in use has **50 parts per million sulphur**, BS VI stipulates a low **10 ppm**. Besides, under BS VI, particulate matter emission for diesel cars and nitrogen oxide levels are expected to be substantially lower than in BS IV.

• The experience of countries such as China and Malaysia (which is currently grappling with haze) shows that poor air quality can be bad for business. Therefore, leapfrogging to BS VI can put India ahead in the race for investments too.

The changes in the automobiles under the wake of BS VI norms will be-

- 1. Vehicles must be fitted with **DPF** (**diesel particulate filter**) for Particulate Matter (PM) reduction. It is a cylindrical object mounted vertically inside the engine compartment.
- 2. BS-VI vehicles also have to be equipped with an SCR (selective catalytic reduction) module to reduce oxides of nitrogen.
- 3. To attain the specified super low emissions, all reactions have to be precise, and controlled by **microprocessors**.
- 4. Manufacturers will also need to make petrol engines more fuel-efficient as CO emission levels will also need to be controlled. This may lead to a shift towards **gasoline direct injection engines.**
- 5. **Engine downsizing** will get big thrust. Smaller engines means lower fuel consumption, especially at lower speeds where most cars spend most of their times.
- 6. **Hybrids** will get more and more popular, as this is a good way to cut down on emissions, maintain performance levels and boost fuel economy.
- 7. Alternate fuels may become more main stream than ever before. By alternate, we're referring to electric cars, CNG, ethanol blends, LPG and petrol-electric and diesel-electric hybrids.

## 9.3. Indian Navy Conducts Chakravat HADR Exercise With Kerala Government

- The city of Kochi hosted a multi-agency rescue exercise 'Chakravat' along with the Indian Navy. It is for the first time that the yearly exercise was conducted in Kochi.
- The multi-agency Humanitarian Assistance and Disaster Relief (HADR) exercise was held keeping in view the response to a probable cyclonic storm in the future near Kochi, hence the name 'Chakravat', meaning 'Cyclone'.
- Chakravat' saw participation of the tri-services, the Coast Guard, State administration, State Disaster Management Authority, National Disaster Response Force, Fisheries Department, Coastal Police, and members of the fishing community.

#### 9.4. Assam's Spring Festival Begins In Manas National Park

- The two-day **Assam Spring Festival** began at the Manas National Park where visitors experienced the state's local food, music, handloom and handicrafts.
- The festival was organized by Indian Weavers' Association and the Swankar Mithinga Onsai Afat, an association of reformed poachers in Manas who are now engaged in wildlife conservation and preservation.

#### Manas National Park

Manas National Park or Manas Wildlife Sanctuary is UNESCO Natural World Heritage site, a Project Tiger reserve, an elephant reserve and a biosphere reserve in Assam, India. The park is known for its rare and endangered endemic wildlife such as the Assam roofed turtle, hispid hare, golden langur and pygmy hog. Manas is famous for its population of the wild water buffalo. It is located in Himalayan foothills and is contiguous with Royal Manas National Park in Bhutan. It covers five districts of Assam- Kokrajhar, Baksa, Chirang, Udalguri and Barpeta. The Manas River, a major tributary of Brahmaputra River passes through heart of national park.

#### 9.5. UP Government Launches Ganga Hariteema Yojana

The state government of Uttar Pradesh has launched Ganga Hariteema Yojana in 27 districts located on the bank of Ganga, **also called Ganga Greenery Scheme.** It will enhance green cover in catchment areas of river Ganga and control land erosion.

#### Highlights Of The Scheme

- Tree plantation will be carried out in 1 Km areas from banks of the river.
- People will also be encouraged for tree plantation on **their private lands under One Person One Tree slogan**.
- Department of Forest will be the nodal agency to implement the scheme.
- High power committee under the chairmanship of Chief Minister will monitor implementation of the scheme.
- The scheme will be carried out by September 16, 2018, which is observed as Ozone Day.
- Seven state government departments have been engaged in the implementation of the scheme.
- A committee has been set up under the Chairmanship of the Chief Secretary to look after the contribution of different departments.

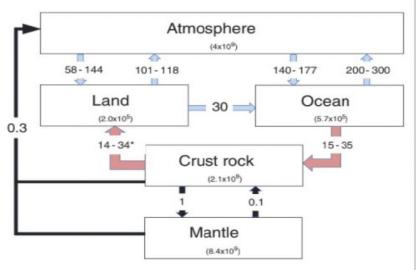
#### 9.6. New Source Of Global Nitrogen Discovered: Earth's Bedrock

- A new study suggests that scientists have discovered where a good percentage of Earth's "missing nitrogen" comes from. This could be important as researchers work on ways to improve climate change projections going forward.
- A team of researchers from the University of California discovered that more than a quarter of the world's nitrogen (up to 26 %) might be hidden in Earth's bedrock, with the remaining three-fourths found in our planet's atmosphere. This counters previous theories that suggested the atmosphere provides all of the nitrogen that allows plant life to grow. This gets released by weathering of rocks either physically through shifts in tectonic plates or through chemical reactions with water.
- The distribution of nitrogen rich bedrock and its weathering varies from one region to another. According to the study, the weathering is low in large regions of Africa, while it is high in the higher latitudes in Europe and North America. It is

also high in the Himalayan and Andes mountain ranges, deserts, and Tundra and grass lands.

#### The Pre-Industrial Planetary Nitrogen Cycle

Nitrogen, with other nutrients . such as phosphorus, is also required to bring down CO2 levels in the atmosphere through natural cycling. This helps maintain the carbon balance in nature. Previous research had temperate shown that in coniferous forests growing on top



of bedrock which was rich in nitrogen carbon absorption doubled. They have also highlighted that the

reason behind the extra ordinary ability of boreal forests to absorb CO2 from the atmosphere is to do with the rich nitrogen in the rocks below them.

• In times to come, this discovery of a new source of nitrogen will help develop better models for the nitrogen cycle on the planet. It will also help us re-analyse our strategies for managing human generated CO2 in the atmosphere and the subsequent climate change being caused by it.

## 9.7. Underwater Melt-Off In The Antarctic

- Hidden underwater melt-off in the Antarctic is doubling every 20 years and could soon overtake Greenland to become the biggest source of sea-level rise, according to the first complete underwater map of the world's largest body of ice.
- Warming waters have caused the base of ice near the ocean floor around the South Pole to shrink by 1,463 square kilometres between 2010 and 2016.
- This suggests climate change is affecting the Antarctic more than previously believed and is likely to prompt global projections of sea level rise to be revised upward.
- Until recently, the Antarctic was seen as relatively stable. Viewed from above, the extent of land and sea ice in the far south has not changed as dramatically as in the far north.

## 9.8. NASA To Study How Tiny Sea Creatures Affect Earth's Climate

- In a first, NASA is conducting a study of the world's largest phytoplankton bloom in the North Atlantic to see how the tiny sea critters influence the climate in every season.
- The North Atlantic Aerosols and Marine Ecosystems Study (NAAMES) mission began its fourth and final deployment, which will study how phytoplanktons give rise to small organic particles that leave the ocean and end up in the atmosphere, ultimately influencing clouds and climate.
- It is the first research mission to conduct an integrated study of all four distinct phases of the world's largest phytoplankton bloom.
- Findings from three deployments has already confirmed a distinct shift in the annual cycle of the phytoplankton bloom and researchers have noted a clear lack of larger-sized plankton during the peak of the bloom.
- The ongoing ship deployment is currently collecting observations of ocean biological composition and stocks, aerosol measurements and optical properties of the North Atlantic study area.
- Satellites such as CALIPSO, a joint NASA and CNES mission, also help to study the ocean and the atmosphere from the depths of the phytoplankton bloom, to the clouds and atmospheric particles in the sky above.

## 9.9. Formulate Policy To Check Marine Debris

- A two-day national conference on marine debris has called for the formulation of a policy by the Centre to combat the menace of growing marine debris in oceans, which has been described as one of the biggest threats to the aquatic ecosystem.
- The conference, which concluded at the Central Marine Fisheries Research Institute (CMFRI), was organized by the Marine Biological Association of India.
- The plenary session of the conference stressed the need for a policy to protect the marine and estuarine ecosystem and fishery resources.
- Researchers had found the presence of micro-plastics in fish, indicating that they had entered the marine food chain.

- Stringent rules and regulations are the need of the hour to control the situation of accumulating plastic debris in the marine ecosystem.
- The meet also recommended that regulatory councils be set up at the Central and State levels to coordinate activities to curb marine and estuarine debris, along with sub-centers at corporation, municipality and panchayat levels.
- Experts who spoke at the plenary session also called for coordinated efforts to strengthen e-waste management initiatives at various levels. A collaborative industry partnership was suggested to increase recovery and recycling of plastics and curb their accumulation in the water ecosystem.

#### Solutions

- A helpline should be established to report 'ghost nets' [abandoned nets].
- There should be concerted efforts to upscale successful models of waste management, plastic recycling, waste processing, and value-addition from waste.
- Considering the quantum of biomedical waste being generated, more biomedical waste treatment plants should be established along with conducting public awareness campaigns.

## **Central Marine Fisheries Research Institute:**

- The Central Marine Fisheries Research Institute was established in 1947 under the Ministry of Agriculture and Farmers Welfare.
- Later it joined the ICAR family in 1967. Over the years, the Institute has emerged as a leading tropical marine fisheries research institute in the world.
- The institute located at Kochi, India.
- The CMFRI has devoted its research attention towards the estimation of marine fisheries landings and effort, taxonomy of marine organisms and the bio-economic characteristics of the exploited stocks of finfish and shellfish.

## Marine Biological Association of India

- The Marine Biological Association of India was established in the year1958 to serve the cause of promotion of research on marine sciences in the Asia-Pacific region.
- Enshrined in the articles of the association is the primary cause to create among its members an active interest in the field of marine biology and allied marine sciences.

## 9.10. Turtle With Punk Hairdo On Endangered Species List

- Boasting a green, punk hairdo and the unusual ability to breathe through its backside, an Australian
- turtle has become famous overnight. Unfortunately, just as many people are discovering the Mary River Turtle's tantalizing traits it has become the latest creature to join the "EDGE of Existence" list of **endangered species** compiled by the Zoological Society of London (ZSL).
- A native of Queensland, Australia, the turtle was one of 100 reptiles added to the catalogue. The inventory has no shortage of weird and wonderful creatures like a limbless lizard, the world's largest sea turtle, a blind snake, and a chameleon named after Tarzan. But the Mary River Turtle might just be the strangest of them all.



• The species is known to scientists as *Elusor macrurus*. It can breathe underwater through specialised glands in the cloaca — orifices through

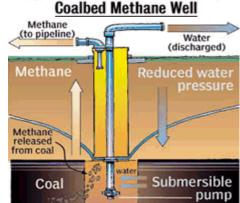
which the turtle excretes urine and waste, and lays eggs. This turtle is able to spend so much time underwater — up to three days — without coming up for air due to its strange ability to breathe through its bum. They have specialised organs in their cloaca which process oxygen from the surrounding water.

#### **Green Mohawk**

- This is not hair, but algae. "The Mary River Turtle spends so much time submerged underwater that some individuals become covered in algae — and can end up with some pretty impressive bright green hairstyles.
- According to Australia's department of the environment, the Mary River Turtle's rapid decline was sparked by its popularity as a house pet in the 1970s and 80s, known then as the "Penny Turtle".
- The creature was only recognized and listed as a distinct species in 1994.
- "The Mary River Turtle takes an exceptionally long time to reach sexual maturity, with individuals not breeding before the age of 25.

## 9.11. Coal Bed Methane

 Coal bed methane (CBM) is simply methane found in coal seams. To extract the gas, after drilling into the seam, it is necessary to pump large amounts of water out of the coal seam to lower the pressure. It is often also necessary to frack the seam to extract the gas. CBM is generated either from a biological process as a result of microbial action or from a thermal process as a result of increasing heat with depth of the coal. Often a coal seam is saturated with water, with methane is held in the coal by water pressure.



• It is called 'sweet gas' because of its lack of hydrogen sulphide. Coal bed methane is distinct from typical sandstone or other conventional gas reservoir, as the

methane is stored within the coal by a process called adsorption. The methane is in a near-liquid state, lining the inside of pores within the coal (called the matrix). The open fractures in the coal (called the cleats) can also contain free gas or can be saturated with water.

• Unlike much natural gas from conventional reservoirs, coal bed methane contains very little heavier hydrocarbons such as propane or butane, and no natural gas condensate. It often contains up to a few percent carbon dioxide.

#### 9.12. Meghalaya Landscapes Management Project

- A loan agreement worth USD 48 million for the "Meghalaya Community Led Landscapes Management Project (MCLLMP)" was signed between India and the World Bank. The objective of the project is to strengthen community-led landscapes management in selected landscapes in Meghalaya.
- The project consists of three components
- A. Strengthening knowledge and capacity for natural resource management
- B. Community-led landscape planning and implementation
- C. Project management and governance

- Restoration of degraded and highly degraded landscapes under the project will increase water for local communities and improve the soil productivity which will in turn increase incomes and reduce poverty.
- Meghalaya's natural resources such as land, water sources, and forests are a source of livelihood for a majority of the population in the State. The project will help manage these depleting resources, by strengthening the communities and traditional institutions.

## 9.13. Details Of National Clean Air Programme Released

- The Ministry of Environment, Forest and Climate Change (MoEF&CC) finally released a concept note on the National Clean Air Programme (NCAP). The concept note acknowledges that while recent policy interventions like notification of sector-specific emission standards, augmentation of air quality monitoring network, banning the burning of biomass and leapfrogging from BSIV to BSVI for vehicles by April 1, 2020 have resulted in marginal improvements in air quality levels, the need for time-bound initiatives at both city and rural level are absolutely essential to combat the problem of air pollution in our country holistically, thus substantiating the need for the NCAP.
- The intended goal of the programme is to meet the "annual average air quality standards at all locations in the country in a stipulated timeframe". In order to achieve this, all the 100 non-attainment cities would have to design city-specific action plans with specific timelines for implementation of listed initiatives.

#### **Objective of NCAP**

- The NCAP aspires to overcome the deficits of the ongoing government initiatives targeted towards air pollution control. It lays down a comprehensive strategy framework for enhanced management of air quality. Augmentation of existing air quality monitoring network by increasing number of existing manual and continuous monitoring stations, introducing rural monitoring stations, identifying alternative technology for real-time monitoring network and augmenting capabilities of existing monitoring stations to measure PM2.5 concentration, are integral components of the strategy framework.
- Devising air quality management plans for 100 non-attainment cities calls for detailed source apportionment (identification of pollution sources) studies for each city. The document stresses the need for taking up these studies in a phased manner.
- In addition to setting up of an Air Information Centre that would analyse and disseminate monitored data, an Air Quality Forecasting system is also being envisioned. In addition to city-specific source apportionment studies, the NCAP lays down the need for a national-level emission inventory. A technology assessment cell for evaluation of new pollution prevention and control technologies has also been proposed.
- The document highlights lack of indigenous studies establishing the correlation between exposure to air pollution and human health. A high-level apex committee and working group has, therefore, been constituted under the Indian Council of Medical Research and the MoEF&CC to overcome this deficit.

#### Conclusion

While the document mentions emission reduction targets, nowhere does it actually quantify these targets. In this context, it will be interesting to observe whether NCAP's well-intended and ambitious initiatives without quantified targets would result in significant impact or not.

#### 9.14. <u>Sunderban Reserve Forest To Get Ramsar Site Status</u>

The Sunderban Reserve Forest is likely to be declared a Ramsar Site soon. The West Bengal government gave its approval to the State Forest Department to apply for recognition under the Ramsar

Convention. Now, State Forest Department through Central Government will apply to Ramsar Convention Secretariat.

#### What is Ramsar convention

- The Convention on Wetlands, called the Ramsar Convention, is an inter-governmental treaty that
  provides the framework for national action and international cooperation for the conservation and
  wise use of wetlands and their resources. Adopted in 1971 in Ramsar, an Iranian city, the Convention
  came into force in 1975. Since then, almost 90% of UN member states have acceded to become
  "Contracting Parties".
- Right now there is only one Ramsar site in West Bengal- East Kolkata Wetlands.
- Sunderban was identified as UNESCO World Heritage Site in 1987 for its exclusive biodiversity.
- Once it is conferred Ramsar site status, Sundarban Reserve Forest will be largest protected wetland in the country.
- There are currently 26 sites in India recognised as Ramsar wetland sites of international importance.
- Sunderban Reserve Forest is spread across 4,260 sq. km. with over 2,000 sq. km. of mangrove forests and creeks making it ideal site of wetland.
- The status wetland of international importance under Ramsar Convention will help in conservation of Sunderban which is facing threat from climate change and rising sea level.

#### **About Sunderban**

- Sundarban is vast contiguous mangrove forest ecosystem in the coastal region of Bay of Bengal spread across India and Bangladesh.
- It covers approximately 10,000 square kilometres of area of which 60% is in Bangladesh and remaining in India.
- It comprises almost 43% of the mangrove cover in the country.
- It is located in delta region of Padma, Meghna and Brahmaputra river basins.
- It is the largest tidal halophytic mangrove forest in the world.
- Apart from being the world's largest tiger habitat, the mangrove forest in the Sunderban is remarkable for the protection it provides to people from

4,260 sq.km. Area of Sunderbans 125 sq.km. Wetland area • Home to about 100 Royal Bengal tigers 26 Ramsar sites in India, including East Kolkata Wetlands

The Sunderbans was made a UNESCO world heritage site in

Largest mangrove forest in the world

1987, and could become a Ramsar site soon

43% Of India's mangrove cover is in the Sunderbans

tidal surge generated by cyclonic depression in the Bay of Bengal.

- About one-third of the total area is used as protected area for the conservation of biological diversity.
- Sundarban forests are known for its self- Royal Bengal Tiger and other numerous species of animals, including Chital Deer, Crocodile and Snakes.
- Threats such as climate change, sea level rise, widespread construction and clearing of mangrove forests for fisheries is posing a danger to the Sunderban. Sunderban is a contiguous ecosystem spread across India and Bangladesh and any adverse move will affect the entire ecosystem.

## 9.15. April 22: Earth Day

Current Affairs For 2017-18- Part 12 (April 2018)

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- Every year World Earth Day is celebrated by the people all over the world on 22 April. The aim of this annual event is to increase the awareness among people about the environment safety as well as to demonstrate the environmental protection measures. First time, the world earth day was celebrated in the year 1970 and then started celebrating annually on global basis by almost 192 countries.
- The theme for 2018 Earth Day is 'End Plastic Pollution'. It is dedicated to providing information and inspiration needed to fundamentally change human.

## 9.16. Malvi's Adder's-Tongue Fern

- Indian researchers have discovered the world's smallest land fern hiding in the Ahwa forests of the Western Ghats in Gujarat's Dang district. The fingernail-sized fern belongs to a group known as the adder's-tongue ferns, named after their resemblance to a snake's tongue. The size of the new Malvi's adder's-tongue fern Ophioglossum malviae just one centimeter is probably the reason why it remained hidden all along.
- It differs from similar ferns not just in size (the most similar adder's-tongue fern is 10 cm tall) but other complex fern features too; the plant's minuscule seeds (called spores) have a unique thick outer layer which similar species lacked.

#### 9.17. <u>New Pollution-Forecast System</u>

- The Ministry of Earth Sciences (MoES) is tying up with US and Finland to develop new pollutionforecast system that will help anticipate particulate matter (PM) levels at least two days in advance and at greater resolution. The new system will jointly develop with expertise from Finnish Meteorological Institute and US National Oceanic and Atmospheric Administration (NOAA).
- Currently, System of Air Quality and Weather Forecasting and Research (SAFAR) serves as apex forecaster of pollution trends in Delhi, Mumbai, Pune and Ahmadabad .It generates likely air quality profile for a day in advance, for these cities. SAFAR monitors pollutants like PM1, PM2.5, PM10, NOx (NO, NO2), CO, Ozone, SO2, BC, Methane (CH4), Non-methane hydrocarbons (NMHC), Benzene, VOC's, Mercury.
- Recently, Union Environment Ministry also had released draft of National Clean Air Programme (NCAP) that aims to improve air quality monitoring in India by increasing number of pollution monitoring stations and, incorporating it into a pollution forecast system.
- The new system will use a different modeling approach as well as computational techniques from that employed in the SAFAR model. SAFAR will continue to be the backbone for pollution forecast but this new system will use different method of analysis for better resolution and more accurate forecasts.

#### 9.18. <u>Restructured National Bamboo Mission</u>

- The Cabinet Committee on Economic Affairs (CCEA) approved the centrally sponsored scheme 'National Bamboo Mission' (NBM) under the National Mission for Sustainable Agriculture (NMSA) for the remaining period of Fourteenth Finance Commission.
- It also approved Empowerment of Executive Committee for formulation of guidelines of the NBM and to make the changes therein, including cost norms for various interventions from time-to-time as per the felt needs and specific recommendations of States, with the approval of Union Minister for Agriculture & Farmers Welfare.

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- The scheme will benefit directly and indirectly the farmers as well as local artisans and associated personnels engaged in bamboo sector including associated industries. Since it is proposed to bring about one lakh ha area under plantation, it is expected that about one lakh farmers would be directly benefitted in terms of plantation.
- The Mission will focus on development of bamboo in limited States where it has social, commercial and economical advantage, particularly in the North Eastern region and States including Madhya Pradesh, Maharashtra, Chhattisgarh, Odisha, Karnataka, Uttarakhand, Bihar, Jharkhand, Andhra Pradesh, Telangana, Gujarat, Tamil Nadu and Kerala.
- The restructured NBM strives to -
  - 1. To increase the area under bamboo plantation in non forest Government and private lands to supplement farm income and contribute towards resilience to climate change.
  - 2. To improve post-harvest management through establishment of innovative primary processing units, treatment and seasoning plants, primary treatment and seasoning plants, preservation technologies and market infrastructure.
  - 3. To promote product development at micro, small and medium levels and feed bigger industry.
  - 4. To rejuvenate the under developed bamboo industry in India.
  - 5. To promotes skill development, capacity building, and awareness generation for development of bamboo sector.

#### 9.19. New Species Of Frog On List Of Goa's Amphibians

- A large-sized mottled brown frog, 'Fejervarya goemchi', measuring 41 to 46mm and known for its long croaking 'trook, trook' call is the newest addition to the 30-odd list of amphibians documented in Goa.
- The 'Fejervarya goemchi' is named after the state's historical name. "This is a much larger frog than the tiny fejerverayan frog 'Fejervarya gomantaki' described in 2015.
- The amphibian genus Fejervarya of the family Dicroglossidae is commonly known as either 'cricket



frogs' or 'fejervaryan frogs'. Though most of these frogs are terrestrial, they need water bodies to continue breeding and survival.

#### 9.20. Asia Pacific Regional Workshop Of UNCCD

- The four-day Asia Pacific Regional Workshop of the United Nations Convention to Combat Desertification (UNCCD), jointly hosted by the Ministry of Environment, Forest and Climate Change (MoEFCC) and UNCCD Secretariat was held in New Delhi.
- The aim of this workshop was to build the capacity of the Asia-Pacific Region to monitor and report on land degradation.

#### **Key Highlights**

• The workshop not only provided a diverse and multi-disciplinary knowledge sharing platform addressing desertification, land degradation and drought (DLDD) issues, but also provided an

opportunity to bring all key stakeholders from Asia to India and discuss key aspects of Reporting, Sustainable Development Goals (SDGs) and Land Degradation Neutrality (LDN).

- The Workshop trained the participants in the use of an innovative land degradation monitoring tool (Trends.Earth) by Conservation International, for the reporting process of UNCCD.
- The United Nations Convention to Combat Desertification (UNCCD) is the only legally binding international agreement on land issues. The Convention promotes good land stewardship. Its 197 Parties aim, through partnerships, to implement the Convention and achieve the Sustainable Development Goals. The end goal is to protect land from over-use and drought, so it can continue to provide food, water and energy. By sustainably managing land and striving to achieve Land Degradation Neutrality, now and in the future, not only will the impact of climate change be reduced, but a conflict over natural resources will be avoided.
- The Ministry of Environment, Forest and Climate Change is the nodal Ministry for this Convention, as well as the other two Rio Conventions United Nations Framework Convention to Combat Climate Change and the Convention on Biological Diversity, having their genesis in the Earth Summit in 1992 in Rio De Janerio, Brazil.