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SEPTEMBER 2020

G.S PAPER II

1. POLITY

1.1 Parliamentary Scrutiny

Why in news?

The three agricultural bills and the three labour Bills were not scrutinised by Select Committees of the Parliament.

Around what does the parliamentary democracy in India revolve?

- The appropriateness of parliamentary democracy for India is based on the grounds of representativeness, responsiveness and accountability.
- There is a running thread across the Constituent Assembly Debates that Parliament and States legislature would be the key institutions around which parliamentary democracy in India would revolve.
- The State legislatures in India have tended to largely imitate Parliament, without evolving an institutional culture of their own.
- So, much rested on Parliament to provide a lead in this regard.

What is the Committee system?

- Over the years, the Indian Parliament has increasingly taken recourse to the committee system (as its counterparts did elsewhere).
- This was not merely meant for housekeeping.
- But to enhance the efficacy of the House to cope with the technical issues confronting it and to feel the public pulse, to guard its turf and keep it abreast to exercise accountability on the government.
- Some committees such as the Estimates Committee and Public Accounts Committee have a commendable record in this regard.
- Besides the **standing committees**, the Houses of Parliament set up, from time to time, **ad hoc committees** to enquire and report on specific subjects.

What is the importance?

- The Committees were guardians of the autonomy of the House.
- The committees of scrutiny and oversight, as the case with other committees of the House, are not divided on party lines.
- They work away from the public glare.
- They remain informal compared to the codes that govern parliamentary proceedings.
- In the discharge of their mandate, they can solicit expert advice and elicit public opinion.

What are some of its fault lines?

- Indian parliamentary committee system has not been creative or imaginative.
- The presiding officers of the Houses have tended to imitate changes and innovations done elsewhere (like Britain).
- The chairman of the Rajya Sabha, being the Vice-President of India, cannot distance himself much from the stance of the Cabinet.
- But when it comes to the Lok Sabha, very few Speakers have taken cudgels with their party leaders to uphold the autonomy of the House.
- In 1993, however, 17 Departmentally-related Standing Committees (DRSCs) of the Parliament were set up.

What are DRSCs?

- DRSCs drew members from both Houses roughly in proportion to the strength of the political parties in the Houses.
- They were envisaged to be the face of Parliament in a set of inter-related departments and ministries.
- They were assigned the task of looking into the demands for grants of the ministries/departments concerned.
- They will examine Bills pertaining to them, consider their annual reports, and look into their long-term plans and report to Parliament.

What did the executives do?

- The executive in independent India was not very disposed to committees of scrutiny and oversight, sometimes on the false plea that they usurped the powers of Parliament.
- The officialdom in India has often attempted to take cover under political masters to avoid the scrutiny of committees.

How are these committees getting marginalised gradually?

- It is important to point out that committees of scrutiny and advice have been confined to the margins or left in the lurch in the last few years.
- While 71% in the 15th Lok Sabha were wetted by the DRSCs concerned, this proportion came down to 27% in the 16th Lok Sabha.
- The government has shown extreme reluctance to refer Bills also to Select Committees of the Houses or Joint Parliamentary Committees.
- The last Bill referred to a Parliamentary Committee was in 2015.

What were the recent examples?

- Some of the recent momentous Acts of Parliament such as the radical overhaul of Article 370 were not processed by any House committee.
- The protested three Bills related to agricultural produce and the three labour Bills that were cases that definitely deserved to be scrutinised by Select Committees of the Houses.
- But the government used its majority in both the Houses of Parliament and steamrolled the Bills.

What is needed?

- The reason why ruling dispensation neglected these Committees is unclear.
- One of the reasons given at this point in time is the novel coronavirus pandemic and the urgent need to enact safety measures.
- The argument of urgency seems false.
- Clearly, this regime is not disposed to a reflection and reconsideration of Bills proposed in the House.
- It should see that the primary role of Parliament is deliberation, discussion and reconsideration, the hallmarks of democratic institutions.

1.2 Language of the Law

What is the issue?

- There is a recent litigation over the language in which the Draft EIA Notification, 2020 was published.
- This has brought much needed attention to the issue of official languages used by the central government in its functioning.

What is the trigger?

- The trigger for this debate has been litigation by the citizens.
- They have protested against the publication of the draft EIA notification in only English and Hindi.

- They said that this policy excludes many Indians who do not speak Hindi or English from participating in the public consultation process.

What did the courts say?

- Two High Courts have asked the government to publish the notification in all 22 languages mentioned in Schedule VIII to the Constitution.
- The central government is pushing back against this order.
- It argues that it is not required by the law to publish these notifications in the 22 languages mentioned in the Constitution.
- It is also resisting the translation into 22 languages saying it may result in the meaning of the words being obfuscated and often even lost.

Is it true that there is no legal requirement?

- The Authoritative Texts (Central Laws) Act, 1973 creates a legal mechanism to recognise authoritative translations of all central laws into 22 languages of the Constitution.
- This law extends to rules and delegated legislation issued under central laws.
- The Legislative Department of the Law Ministry hosts these translations on its website.

So, why did the government make such a claim?

- Separate from the question of accuracy of translations is the larger policy question regarding the languages used by the central government for communicating with the public.
- The Official Languages Act, 1963 requires the publication of the law in only English and Hindi.
- As a result, the central government, de facto, ends up excluding non-English and non-Hindi speaking citizens from the law-making process.

What is the language politics?

- This issue is yet to garner the political attention it deserves despite the fact that since Independence, language has been one of the main marker of political identity in India.
- The reorganisation of Indian States on linguistic lines took place in 1956.
- Ever since, language has played a key role in shaping Indian politics.
- Therefore, language is a powerful marker of political identity in India.

What is needed?

- The key regional political parties should ensure that all 22 languages are used by the central government while communicating with the public.
- At the very least, an inclusive language policy must be integral to the law-making and enforcement process.
- This should include mandatorily publishing all parliamentary debates and associated records, the Gazette of India, all legislation and delegated legislation of the central government in all 22 languages.
- The central government offices dealing with citizens across the country should give citizens the option to engage in a language of their choice.
- So far, only the Unique Identification Authority of India has an inclusive language policy allowing citizens to get identity cards in languages other than English and Hindi.

What did the Supreme Court say?

- The Supreme Court of India (Harla v. State of Rajasthan, 1951) has ruled that citizens are not bound by laws which have not been published and publicised.
- At the least, there must be some special rule or customary channel by which such knowledge can be acquired with the exercise of due and reasonable diligence.
- It does not take much to extend this reasoning to argue that citizens are not bound by central laws unless Parliament makes its laws available in languages understood by all Indians.

What is the case in the European Union?

- In this multi-linguistic jurisdiction, all EU-level official documents are made available in all 24 official languages of member States.
- This is so because the EU has a policy in place to respect the linguistic diversity of its member nations.
- This policy allows all EU nationals to communicate with EU institutions in any of the 24 official languages.
- Also, these institutions are required to respond in the same language.
- The Government of India should also have a similar policy in place.

1.3 Official Secrets Act

Why in news?

The Delhi police have arrested a strategic affairs analyst and two others under the Official Secrets Act (OSA).

What is the story behind?

- The police claimed that the analyst had passed on information such as the deployment of Indian troops on the border to Chinese intelligence.
- The other two have been arrested for allegedly supplying the analyst money routed through hawala channels for conveying information.

What is the Official Secrets Act?

- OSA has its roots in the British colonial era.
- The original version was The Indian Official Secrets Act (Act XIV), 1889.
- This was brought in with the main objective of muzzling the voice of a large number of newspapers that had come up in several languages.
- They were opposing the Raj's policies, building political consciousness and facing police crackdowns and prison terms.
- It was amended and made more stringent in the form of The Indian Official Secrets Act, 1904, during Lord Curzon's tenure.

What are the matters covered?

- The 1923 version of the Indian Official Secrets Act was extended to all matters of secrecy and confidentiality in governance in the country.
- It broadly deals with two aspects,
 1. Spying or espionage, covered under Section 3, and
 2. Disclosure of other secret information of the government, under Section 5.

What is secret information?

- Secret information can be any official code, password, sketch, plan, model, article, note, document, or information.
- Under Section 5, both the person communicating the information and the person receiving the information can be punished.
- For classifying a document, a government Department follows the Manual of Departmental Security Instructions, 1994, not under OSA.
- Also, OSA itself does not say what a "secret" document is.
- It is the government's discretion to decide what falls under the ambit of a "secret" document to be charged under OSA.
- It has often been argued that the law is in direct conflict with the Right to Information (RTI) Act, 2005.

Between the RTI Act and OSA, which has primacy?

- Section 22 of the RTI Act provides for its primacy vis-a-vis provisions of other laws, including OSA.

- So if there is any inconsistency in OSA with regard to furnishing of information, it will be **superseded by the RTI Act**.
- However, under Sections 8 and 9 of the RTI Act, the government can refuse information.
- Loophole - The government can classify a document as “secret” under OSA Clause 6, that document can be kept outside the ambit of the RTI Act, and the government can invoke Sections 8 or 9.

Has there been any effort to change provisions of OSA?

- **Law Commission** - In 1971, it became the first official body to make an observation regarding OSA.
- It observed that merely because a circular is marked secret, it should not attract the OSA’s provisions if the publication is in the public interest and no question of national emergency and interest of the State arises.
- But the Law Commission did not recommend any changes to the Act.
- **ARC** - In 2006, the 2nd Administrative Reforms Commission (ARC) recommended that OSA be repealed.
- It wanted the OSA to be replaced with a chapter in the National Security Act containing provisions relating to official secrets.
- **Government Committee** - In 2015, the government had set up a committee to look into provisions of the OSA in light of the RTI Act.
- It reported to the Cabinet Secretariat in 2017, recommending that OSA be made more transparent and in line with the RTI Act.

What are the major instances when OSA has been invoked?

- One of the oldest and longest criminal trials involving OSA is the 1985 Coomarr Narain spy case.
- The most recent conviction came in 2018, when a Delhi court sentenced former diplomat Madhuri Gupta who served at the Indian High Commission in Islamabad.
- He was sentenced to three years in jail for passing on sensitive information to the ISI.

1.4 Cancelling Question Hour

Why in news?

The Monsoon Session of Parliament, beginning September 14, 2020, would go without “Question Hour”.

What is Question Hour?

- Question Hour is an opportunity for the members to raise questions.
- It is a parliamentary device primarily meant for exercising legislative control over executive actions.
- It is also a device to criticise government policies and programmes.
- It will ventilate public grievances, expose the government’s lapses and extract promises from ministers.
- Thereby, they ensure accountability and transparency in governance.

What is the effectiveness of the Question Hour?

- The annals of history of parliamentary proceedings in India remind us of the scope of Question Hour as armour to raise people’s concerns.
- A classic illustration of this role can be gleaned from this exchange in the Lok Sabha in November 1957.

What was the incident?

- A Congress Member of Parliament asked whether LIC had purchased large blocks of shares from different companies owned by Mundhra.
- The reply was given by the Deputy Minister of Finance.
- Feroze Gandhi of the Congress asked a Supplementary question.
- For this question, the reply of the Union Minister for Finance was dissatisfactory to Feroze Gandhi.
- So, he initiated a half-an-hour discussion on the subject.

- This led to the resignation of the Finance Minister.
- This instance points out the relevance of the half-an-hour discussion and the contributing character of Question Hour in the proceedings.

What is the present government trying to do?

- It is in dire need to avoid these types of situations.
- The time has come to ask about different issues such as its failure in handling the pandemic, the New Education Policy, border tensions, rising unemployment, and so forth.
- The government is bound to respond to these questions in Parliament.
- By doing away with the Question Hour, the government has opted for a face-saving measure.

What is the history?

- The right to question the executive has been exercised by members of the House from the colonial period.
- The first Legislative Council in British India under the Charter Act, 1853, gave members the power to **ask questions** to the executive.
- The Indian Council Act of 1861 allowed members to elicit **information** by means of questions.
- The Indian Council Act, 1892, formulated the **rules** for asking questions including short notice questions.
- The Indian Council Act, 1909, incorporated provisions for asking **supplementary questions** by members.
- The Montague-Chelmsford reforms in 1919 incorporated a rule that the first hour of every meeting was earmarked for questions.
- Parliament has continued this tradition.
- In 1921, the question on which a member desired to have an oral answer was distinguished by him with an asterisk, a star.
- This marked the beginning of **starred questions**.

What is worrisome?

- These are democratic rights the MPs have enjoyed even under the colonial rule.
- But, these rights are being denied to the elected representatives of Independent India, by the present government.
- However, this isn't an isolated action in the midst of the pandemic.

What are the other actions?

- The government passed important bills in the first session of the 17th LS before the formation of department-related standing committees.
- Even the Constitution Amendment Bill on J&K was introduced without circulating copies to the members.
- Several important bills were passed as Finance Bills to avoid scrutiny of the Rajya Sabha.
- Standing committees are an extension of Parliament.
- Any person has the right to present his/her opinion to a Bill during the process of consideration.

What do these government actions mean?

- The government's actions erode the mandate of parliamentary oversight over executive actions envisaged under Article 75 (3) of the Constitution.
- Such actions prevent the MPs from carrying out their constitutional mandate of questioning, debating, and scrutinising government policies and actions.
- These actions are a planned attempt by the government to diminish the role of Parliament and turn itself into an Executive Parliament.

1.5 Censorship Rulings

Why in news?

Different courts gave conflicting rulings involving the broadcast of two shows.

What is the problem?

- The two shows that are in focus are, a program on Sudarshan TV and the Netflix documentary Bad Boy Billionaires.
- In each case, one court restricted the broadcast and another refused to interfere.
- It raises question on the fundamental right to freedom of speech and expression.
- It also raises question of whether these shows can be restrained prior to broadcast or publishing.

What are the cases about?

- **Sudarshan TV case** -The channel's Bindas Bol was scheduled for telecast on August 28, 2020.
- A 49-second trailer posted on Twitter claimed the show would contain an expose on conspiracy to infiltrate Muslims in government service.
- The Supreme Court (SC) refused to stay the broadcast.
- But, the Delhi High Court (HC) granted an interim injunction restraining the telecast.
- Later, the same HC Bench refused to vacate its stay order.
- **Netflix case** - Following a plea, a court in Bihar passed an interim order staying the release of a documentary.
- But, the Delhi HC had refused to grant a stay against the release.

What are the provisions of the Cable TV Network Act?

- The Delhi HC noted that the proposed telecast on Sudarshan TV violated the code prescribed in the Cable TV Network (Regulation) Act, 1995.
- **Section 5** prescribes that no person shall transmit or re-transmit through a cable service any programme unless such programme is in conformity with the prescribed programme code.
- **Section 19** gives the power to prohibit a broadcast in the public interest.
- This can be done if the programme is likely to promote disharmony or feelings of enmity between different religious, racial, linguistic or regional groups or which is likely to disturb the public tranquillity.

Why did the courts decide the same issue differently?

- **Sudarshan TV case** - The Ministry of I&B informed the SC that it had received complaints against the broadcast.
- It had sought the channel's response.
- The SC said that the petition against the channel's show raises issues bearing on the protection of constitutional rights.
- However, it desisted from imposing a prior restraint on publication or the airing of views based on an unverified transcript of a trailer.
- It noted that under statutory provisions, competent authorities are vested with powers to ensure compliance with the law.
- **Netflix case** - The Delhi HC dismissed petition seeking a stay against the release, saying only an individual was personally affected by it.
- It added that the appropriate remedy would be to file a civil suit.

What is prior restraint?

- It is prohibiting the exercise of free speech before it can take place.
- Imposition of pre-censorship or prior restraint on speech is a violation of fundamental right under Article 19(1)(a) of the Constitution.

- [Article 19(1)(a) - Right to freedom of speech and expression.]
- Any restrictions imposed on this right have to be found under Article 19(2) of the Constitution.
- Article 19(2) lists out reasonable restrictions that include interests of the sovereignty and integrity of India, security of the state, public order, and incitement to an offence.
- Any legislation that imposes a prior restraint on speech should show that the reason for such restraint can be found under Article 19(2).
- It is generally allowed only in exceptional circumstances.
- The speech can be restricted only when judged on its actual content.
- The speech cannot be restricted pre-emptively based on perceptions of what it could be.

How did the court test this?

- The court has adopted the **proximity test** to determine if public order would be affected to allow prior restraint.
- Proximity test means that the state is required to demonstrate a proximate link between public order and the speech.

What are the previous SC rulings?

- The 1950 SC rulings held that legislation imposing prior restraint on the press were unconstitutional citing that the restrictions were too broad.
- These rulings led to the First Amendment of the Constitution.
- This amendment tinkered with the scope of restrictions on free speech under Article 19(2), by adding the word “reasonable” before the “restrictions”.

1.6 Sterlite Issue

Why in news?

The Madras High Court has refused to allow the reopening of the Sterlite copper plant at Thoothukudi, Tamil Nadu.

What is the story behind?

- The plant was closed in 2018 after 13 people were killed by the police.
- The police fired on protesters demonstrating outside the factory premises against environmental pollution.
- The merits and demerits of the Sterlite case have been extensively discussed in courts.

What was the company's response to the Madras HC order?

- The company has moved the Supreme Court against the order.
- The issue will be further dissected when the SC takes it up again.
- Ultimately, the apex court will have the final say in the matter.
- The whole discussion, thus far, has been on the alleged environmental impact of the project in and around the region.
- The other key issues have been deliberately avoided.

How did the factory find refuge in Tamil Nadu?

- The project was driven out by Maharashtra and Goa for various reasons.
- Surprisingly, it found refuge in Tamil Nadu.
- The initial culpability should rest with the State government of the day that allowed the project to come into the State in the first instance.
- The State has been under the dispensation of either of the two Dravidian parties, all through the development of the Sterlite plant.
- There were intermittent protests against the project all these years.



- But the project went from strength to strength.
- With close to 4,000 direct and 20,000 indirect jobs, the project helped the region around the port to prosper.
- It also helped India become a copper-exporting nation.

What are the impacts of the closure?

- With the closure of the plant, India has been forced to become a net importer of copper after nearly 18 years.
- The closure resulted in the complete evaporation of livelihoods in the entire region.
- The Covid-19 pandemic has only worsened the misery.

How did the problem assume significance?

- State leaderships of all hues let the project continue all these years, despite the intermittent anti-Sterlite sentiments.
- All of a sudden, the problem assumed a magnified proportion when the company proposed an expansion.
- It took an ugly turn when police fired on protesters.
- In this instance, the government ordered immediate closure of the plant after the police firing outside the plant premises.
- Sterlite has now become a reference point – for all the wrong reasons – for any prospective manufacturers to set up plants in Tamil Nadu.
- Sterlite was the alibi when a rifle project was moved to Amethi by Russia.

What is needed?

- In a socioeconomic context, a trade-off is an inevitable necessity in the debate between development and environment.
- With a population of over 130 crore, the issue of development cannot be wished away.
- This calls for a responsible **political leadership**.
- It also needs **professionalism** from assorted government agencies like the Pollution Control Board.

1.7 Misuse of Security Law

Why in news?

The Allahabad High Court laid bare the malefic manner in which Dr. Kafeel Khan was detained under the National Security Act (NSA), 1980.

What is NSA?

- It is a preventive detention law.
- It empowers the Central and State governments to detain a person for upto 12 months without any charge.

What is the story behind?

- Dr. Kafeel Khan addressed the students of Aligarh Muslim University in December, 2019.
- His speech on the Citizenship (Amendment) Act was deemed inflammatory weeks after he had made it.
- For this speech, he was arrested on January 29, 2020.
- Shortly after he was granted bail in an earlier case, he was detained under the NSA on February 13, 2020.

What was the earlier case?

- In 2017, Dr. Khan, a government doctor, was suspended after a shortage of oxygen cylinders took a deadly toll among children admitted in a Gorakhpur Hospital.
- The circumstances indicated that he took strenuous efforts to ensure continuous oxygen supply.
- However, he was arrested on charges of negligence and corruption.
- He spent months in prison before an inquiry absolved him of the charges of negligence and corruption.



What did the Allahabad High Court rule?

- The court has found that the speech does not disclose any effort to promote hatred or violence; and nowhere does it threaten peace in Aligarh.
- It says that the District Magistrate (DM) of Aligarh used selective reading of some phrases and ignored its true intent while passing the detention order under NSA.
- The grounds for detention provided nothing that indicated any attempt by Dr. Khan to disturb peace and tranquillity between the speech in December 2019 and his detention in February 2020.

What is the inference?

- The inference is that the NSA was invoked only to avoid releasing him following the Chief Judicial Magistrate court's order granting him bail.
- The process to invoke the NSA itself began only after the bail order, the Bench noted.

What is unacceptable?

- The use of stringent national security laws against political dissenters, in the absence of any appeal to violence, should be condemned in all cases.
- However, there is something unacceptable about the resort to preventive detention just to frustrate bail orders.
- The authorities have shown excessive zeal in dealing with Dr. Khan.
- Though the verdict gives him relief, it comes after he spent 7 months in jail. And his case will someday go to trial.

What does this case show?

- The case of Dr. Khan is poor advertisement for India's democratic credentials.
- It brings to light India's propensity to criminalise dissent and single out individuals for persecution.
- It also displays a general disregard for basic rights.

2. GOVERNANCE

2.1 Essential Commodities (Amendment) Bill, 2020

Why in news?

The Essential Commodities (Amendment) Bill, 2020 that seeks to amend the Essential Commodities (EC) Act, 1955, was passed by Rajya Sabha.

What is the EC Act, 1955?

- Section 3(1) of the Act gives the Government the powers to regulate the production, supply and distribution of essential commodities.
- The Centre can notify an item as 'essential' commodity.
- By declaring a commodity as essential, the government can also impose a stock limit.
- The Ministry of Consumer Affairs, Food and Public Distribution implements the Act.

What is the Bill about?

- This Bill seeks to introduce a new Subsection (1A) in Section 3.
- It aims to deregulate commodities such as cereals, pulses, oilseeds, edible oils, onion and potatoes.
- It takes these items out from the purview of Section 3(1).
- The Bill states that such order for regulating stock limit shall not apply to processors and value chain participant of any agricultural produce under a condition.

- Such order shall not apply if the stock limit does not exceed the overall ceiling of installed capacity of processing, or the demand for export.

What will happen after the amendment?

- After the amendment, the supply of certain foodstuffs can be regulated only under extraordinary circumstances.
- These circumstances include an extraordinary price rise, war, famine, and natural calamity of a severe nature.

How is an 'essential commodity' defined?

- There is **no specific definition** of essential commodities in the Essential Commodities Act, 1955.
- **Section 2(A)** states that an "essential commodity" means a commodity specified in the Schedule of the Act.
- As per the Act, the Centre, if it is satisfied, can add or remove an item as 'essential' commodity, in consultation with state governments.
- Currently, there are seven commodities in the Schedule.
- The list of items under the Act includes drugs, fertilisers, pulses and edible oils, and petroleum and petroleum products.

Under what circumstances, stock limits can be imposed?

- The 1955 Act did not provide a clear framework to impose stock limits.
- But, the amended Act provides for a price trigger.
- It says that agricultural foodstuffs can only be regulated under extraordinary circumstances.
- However, any action on imposing stock limits will be based on the price trigger.
- Exemptions from stock limits will be provided to value chain participants of agricultural produce, and orders relating to the Public Distribution System.
- Price triggers will also minimise the earlier uncertainties associated with the imposition of orders under stock limits.

Why was the need for this felt?

- The 1955 Act was legislated when India was facing a scarcity of foodstuffs due to persistent low levels of foodgrains production.
- India was dependent on imports and assistance to feed the population.
- To prevent hoarding and black marketing of foodstuffs, the EC Act was enacted in 1955.
- But now the situation has changed.
- The production of wheat, rice and pulses has increased 10 times, 4 times and 2.5 times respectively between 1955-56 and 2018-19.
- In fact, India has become an exporter of several agricultural products.

What will be the impact of the amendments?

- The key changes seek to free agricultural markets from the limitations imposed by permits and mandis that were designed for an era of scarcity.
- The move is expected to attract private investment in the value chain of commodities removed from the list of essentials.
- The Act has become a hurdle for investment in the agriculture sector in general, and in post-harvesting activities in particular.
- The private sector had so far hesitated about investing in cold chains and storage facilities for perishable items.
- This hesitation is due to the fact that most of these commodities were under the ambit of the EC Act, and could attract sudden stock limits.
- The amendment seeks to address such concerns.

Why is it being opposed?

- This was one of the three ordinances/Bills that have seen protests from farmers in parts of the country.
- The Opposition says the amendment will hurt farmers and consumers, and will only benefit hoarders.
- They say the price triggers envisioned in the Bill are unrealistic — so high that they will hardly ever be invoked.

2.2 Digital Divide

Why in news?

The report of the National Statistics Office's (NSO's) the survey of 'Household Social Consumption on Education in India' for July 2017-June 2018 was released.

What does the report highlight?

- It highlights the poor state of computer and internet access in several States.
- The disparities are glaring among different economic strata as well.
- The digital gap that separates the privileged from the deprived remains unbridged years after the broadband policy of 2004.
- Its effects are painfully evident during the pandemic as students struggle to log on to online classes.
- Some poorly connected States have improved since the survey period.
- But, the gaps are so stark that any development could only be modest.

What are the findings?

- Only Delhi, Himachal Pradesh and Kerala had internet access exceeding 50% for urban and rural households taken together.
- Punjab, Haryana and Uttarakhand exceeded 40%, unimpressive numbers still.
- Large States like Uttar Pradesh, Tamil Nadu, Andhra Pradesh and Karnataka had access below 20%.

What is critical?

- In today's environment, net access is critical.
- Even where mobile phones and laptops are available, they cannot be meaningfully used in the absence of net access.
- If net connectivity is 5% to 10% in rural Odisha, Madhya Pradesh, Telangana, Karnataka and West Bengal, only a slim minority can hope to do any academic work.
- Many remote locations have reliability problems and power deficits, making it a challenge to keep gadgets operational even offline.

What is the target?

- Prime Minister has announced in his Independence Day address that all villages would be connected with optical fibre cable in 1,000 days.
- This enhanced target follows the one set in 2011 to link panchayats through a national optical fibre network.
- - to raise administrative capacities through information infrastructure.
- Evidently, successive governments have dropped the ball.
- States have not shown the alacrity to make a big leap either, and the deficit has now dealt a blow to students.

What could be done?

- To make up for lost time, connectivity for education must be prioritised.
- Mapping the needs of each district based on the NSO data will help identify areas where children do need equipment and connectivity.
- Such efforts have been launched globally in the wake of COVID-19, some in partnership with the telecom sector to leverage its capacity for surveys and mapping.

- Some companies in India have made the valuable suggestion that their used desktop computers could be refurbished and donated.
- For this, the governments need to open a programme. The government needs to look at all possibilities and go into overdrive to bridge the digital divide.

2.3 New Labour Codes

Why in news?

The government has introduced new versions of labour codes in Lok Sabha.

What are the three labour codes?

- Industrial Relations (IR) Code Bill, 2020 - Proposed to introduce more conditions restricting the workers' rights to strike.
- Code on Social Security Bill, 2020 - Proposed changes for expanding social security and
- Occupational Safety, Health and Working Conditions Code Bill, 2020 – Proposed to include inter-state migrant workers in the definition of workers.

What are the key proposals in IR Code?

- In industrial establishments having 300 or more workers, the IR Code Bill has proposed to,
 - a) Introduce more conditions restricting the workers' rights to strike,
 - b) Increase the threshold relating to layoffs and retrenchment.
- This number is increased from 100 workers or more at present.
- These steps are likely to provide more flexibility to employers for hiring and firing workers without government permission.

What is the proposal regarding strike?

- The IR Code proposes that no employee of a company shall go on strike without a 60-day notice.
- It also proposes that no employee during the pendency of proceedings before a Tribunal or a National Industrial Tribunal and 60 days after the conclusion of such proceedings.

What is the proposal regarding standing order?

- The Standing orders are the rules of conduct for workmen employed in industrial establishments.
- The IR Code has raised the threshold for requirement of a standing order to over 300 workers.
- This implies industrial establishments with up to 300 workers will not be required to furnish a standing order.
- This is a move which experts say would enable companies to introduce arbitrary service conditions for workers.

What did the Standing Committee on Labour suggest?

- The Standing Committee on Labour, in its report submitted in April, had also suggested hiking the threshold to 300 workers.
- According to the Labour Ministry, this will result in an increase in employment and decrease in retrenchment.
- The Committee desires that the threshold be increased accordingly in the Code itself.
- It said that the words "as may be notified by the Appropriate Government" be removed because reform of labour laws through the executive route is undesirable and should be avoided.

What are the concerns raised over the new labour codes?

- The increase in the threshold for standing orders will water down the labour rights for workers in companies having less than 300 workers.
- The IR Code introduces new conditions for carrying out a legal strike.
- Elongating the legally permissible time frame before the workers can go on a legal strike has made a legal strike well-nigh impossible.

- The IR code has expanded to cover all industrial establishments for the required notice period and other conditions for a legal strike.
- The Standing Committee had recommended against the expansion of the required notice period for strike beyond the public utility services like water, electricity, and other essential services.

What are the other proposals?

- The IR Code Bill has also proposed a **worker re-skilling fund**.
- The contributions for the fund are only detailed from the employer of a company along with the contribution from such other sources.
- The employer contribution will amount to 15 days wages last drawn by the worker before the retrenchment.
- The mention of 'other sources' for funding the re-skilling fund is vague.

What does the Social Security Code propose?

- It proposes a **National Social Security Board**.
- This Board shall recommend to the central government for formulating suitable schemes for different sections of unorganised workers, gig workers and platform workers.
- Aggregators employing gig workers will have to contribute 1-2% of their annual turnover for social security.
- The total contribution should not exceed 5% of the amount payable by the aggregator to gig and platform workers.

What do the Occupational Safety, Health and Working Conditions Code propose?

- It has defined **inter-state migrant workers**.
- They are the workers who have come on his own from one state and obtained employment in another state, earning up to Rs 18,000 a month.
- The proposed definition makes a distinction from the present definition of only contractual employment.
- It has proposed a **journey allowance** to be paid by the employer for to and fro journey of the worker to his/her native from the place of his/her employment.
- However, the Code has dropped the earlier provision for temporary accommodation for workers near the worksites.

2.4 Aircraft (Amendment) Bill 2020

Why in news?

Rajya Sabha has passed the Aircraft (Amendment) Bill 2020.

What does the amendment seek to do?

- The bill will amend the **Aircraft Act of 1934**.
- It seeks to provide statutory status to the
 1. Directorate General of Civil Aviation (DGCA),
 2. Bureau of Civil Aviation Security (BCAS), and
 3. Aircraft Accidents Investigation Bureau (AAIB).
- It seeks to expand the role of the two regulators, DGCA and BCAS.

What will change when this Bill becomes law?

- The DGCA will be empowered to impose penalties for certain violations.
- It will increase the maximum penalty limit to Rs 1 crore from the existing Rs 10 lakh.
- It will allow the Ministry of Civil Aviation to review any order passed by the Director General of Civil Aviation and the Director General of Civil Aviation Security.
- The Ministry can direct them to rescind or modify such order.

Why are these amendments being made to the Aircraft Act?

- The Aircraft Act of 1934 was enacted to control the manufacture, possession, use, operation, sale, import and export of aircraft.
- It secures the safety of aircraft operations in India.
- It makes provisions for carrying out civil aviation operations as per standards, procedures and practices laid down by the International Civil Aviation Organisation (ICAO).
- From time to time, the government has made amendments to the Act to meet the evolving global and Indian aviation scenario.
- The various changes that needed to be made necessitated amendments to the Aircraft Act.

What was the trigger for these changes now?

- India, as a signatory, is subjected to **audits** by ICAO and the Federal Aviation Administration (FAA).
- The audits conducted by the ICAO in 2012 and 2015 indicated a need to amend the Aircraft Act,
 1. To give proper recognition to the regulators under the Act,
 2. To enhance the maximum quantum of fines,
 3. To empower the departmental officers to impose financial penalties on individuals or organisations involved in violations of the legal provisions and
 4. To include certain areas of air navigation services for rulemaking purposes under Section 5 of the Act.
- These are the triggers for proposal to amend the Aircraft Act of 1934.

How are the audits conducted?

- **ICAO** - The ICAO regularly conducts safety and security audits of all countries which are signatory to the Chicago Convention.
- These audits are done to ensure these countries are carrying out their safety and security oversight functions.
- These audits are conducted under its Universal Safety Oversight Audit Programme and the Universal Security Audit Programme.
- **FAA** - The FAA of the US also conducts safety audits of countries whose airlines operate to the US.
- These audits are conducted under its International Aviation Safety Assessment Programme.

3. SOCIAL JUSTICE

3.1 Women as PC Officers

What is the issue?

- This year shall be remembered as a landmark in Indian military history.
- Women officers were allowed to serve as permanently commissioned (PC) officers.

What is the story behind?

- The Supreme Court of India has allowed women to serve as PC officers in 10 combat support arms and services of the Indian Army.
- It directed the central Government to rescind the embargo on command appointments for women officers.
- The government issued a formal sanction offering PC to women officers of the Indian Army.
- This is the culmination of a struggle for equal opportunity that began almost 27 years ago.

What does a grant of PC mean?

- A grant of PC will accrue many other employee benefits, as,

1. In service career courses (such as the National Defence College, College of Defence Management, the Army War College, etc),
 2. The Defence Services Staff College,
 3. Options in higher studies (such as a Master of Business Administration or a Master of Technology),
 4. Ex-servicemen status and consequent benefits,
 5. Pension, etc.
- Allowing a motivated set of experienced women officers in permanent cadre would be a small way to mitigate the shortage of officers in the Indian Army.

What is the significance of this judgment?

- The judgment is iconic because it,
 1. Allowed women officers equal opportunities to serve in the Army,
 2. Addressed the issue of regressive mindsets.
- The onus of implementing this change rests with the leadership, but the direction has been shown.

How did the struggle culminate?

- The Indian armed forces began inducting women in the non-medical branches in the year 1992, as Short Service Commission (SSC) officers.
- The scheme initially allowed for a five-year service period, which was revised to 14 years.
- In the armed forces, both men and women opt for the SSC.
- However, upon completion of 14 years of service, male officers could get a permanent commission.
- But, women officers were denied this privilege.
- In a quest for equality, many officers of Indian Army and Indian Air Force (IAF) filed cases in the Delhi High Court seeking to remove discrimination between genders.

How did the Indian Army and the IAF respond?

- In Jasmine Kaur vs. Union of India case (2010), the SC adjudicated in favour of granting PC to women IAF officers.
- The IAF was first among the three services to grant PC to SSC women officers.
- The Indian Army chose to appeal in the Supreme Court, citing reasons of peculiar service conditions and operational requirements.

What was the 2019 notification?

- A notification by the Government of India in 2019, suggested PC to women officers with less than 14 years of service.
- This practically left a sizeable set of senior women officers out of the gambit.
- Now with this SC judgment, army women have finally obtained parity with their male counterparts.
- Approximately 30% of women officers in the Indian Army are deployed in combat zones performing similar duties like other officers.
- The policy issued by the government of India in 2019, was discriminatory to exclude them from command positions.

What are the implications of the judgment?

- With the grant of PC, women officers would serve till the age of retirement.
- They will not be forced to look for alternative careers after 14 years.
- This will place women officers on an equal footing with men for promotions, professional growth, and provide job security.
- Selection for command appointments in the Indian Army eluded women officers earlier.

- Now, women officers can be considered for command roles and many other opportunities to distinguish themselves professionally.

Does the question of gender ability matter?

- The nature of warfare is evolving with the support of technology.
- So, the question of gender ability doesn't matter but performance, opportunity, and a fighting chance matters.
- Countries such as the United Kingdom and the United States have been conservative about women in their respective combat arms.
- But others like the Israeli Defense Forces have integrated women.
- India is on the correct path to further integration in future.

What is the other concern with the existing policy?

- The terms of employment of SSC are subject to change and conversions into PC officers are based on force requirements.
- It is possible that based on cadre forecast, an SSC officer may not ever get a chance of converting to PC if there are no vacancies.
- This policy fairly applies to all SSC officers irrespective of gender.
- However, it must be noted that for women, the SSC is the only inroad into the armed forces (except the Medical Corps).
- There is no provision for women to choose defence as a long-term career right at the outset as a PC officer.

What is next?

- The parity of allowing entry of women as permanent cadre needs to be attained soon.
- Only after attaining this, it would truly be a level-playing field in terms of equal opportunity and career advancement.

3.2 OBC Sub-categorisation

Why in news?

A Commission has been examining the sub-categorisation of Other Backward Classes (OBC) for almost three years.

What is sub-categorisation of OBCs?

- Sub-categorisation of the OBCs means creation of categories within OBCs for reservation.
- OBCs are granted 27% reservation in jobs and education under the central government.
- The Central List of OBCs consists of over 2,600 communities in it.
- The question of sub-categorisation arises out of the perception that only a few affluent communities among the listed ones have secured a major part of 27% reservation.
- The argument for sub-categorisation is that it would ensure equitable distribution of representation among all OBC communities.

Who is examining sub-categorisation?

- The Commission to examine Sub-categorisation of OBCs took charge on October 11, 2017.
- It is headed by retired Delhi High Court Chief Justice G Rohini.
- Initially constituted with tenure of 12 weeks ending January 3, 2018, it was granted an extension recently.
- The current tenure of the Commission ends on January 31, 2021.
- Its budget is being drawn from the National Commission for Backward Classes (NCBC).

What are its terms of references?

- It was originally set up with three terms of reference:



- a) To examine the extent of inequitable distribution of benefits of reservation among the castes or communities included in the OBC category with reference to such classes in the Central List;
 - b) To work out the mechanism, criteria, norms and parameters in a scientific approach for sub-categorisation within such OBCs;
 - c) To identify the castes or communities or sub-castes in the Central OBC List and classify them into respective sub-categories.
- In January 2020, a fourth term of reference was added, when the Cabinet granted it an extension.
 - This term of reference was about studying the various entries in the Central List of OBCs and recommending any correction.
 - It was added following a letter to the government from the Commission.

What progress has it made so far?

- The Commission says that it is ready with the draft report.
- This could have huge political consequences.
- This is likely to face a judicial review.

What did the Commission analyse?

- In 2018, the Commission analysed the data of 1.3 lakh central jobs given under OBC quota over the preceding five years.
- It also analysed the data of OBC admissions to central higher education institutions, including universities, IITs, NITs, IIMs and AIIMS, over the preceding three years.

What have its findings been so far?

- Based on the above analysis, the Commission found the following.
- 97% of all jobs and educational seats have gone to just 25% of all sub-castes classified as OBCs.
- 24.95% of these jobs and seats have gone to just 10 OBC communities.
- 983 OBC communities (37% of the total) have zero representation in jobs and educational institutions.
- 994 OBC sub-castes have a total representation of only 2.68% in recruitment and admissions.

4. INDIA & ITS NEIGHBORHOOD

4.1 Five-Point Consensus

Why in news?

The five-point consensus was reached by the Foreign Ministers of India and China in Moscow, Russia.

What is the consensus?

- In a joint statement, both India and China agreed that the current situation suits neither side.
- They agreed that the troops should quickly disengage, maintain proper distance, and ease tensions.
- Both sides said they would abide by all existing agreements, continue dialogue, and expedite work on finding confidence building measures.
- They agreed to take guidance from previous understandings, including on not allowing differences to become disputes, a formulation of 2017.

Will the consensus work?

- It provides a glimmer of hope of a diplomatic solution, while thousands of troops from both countries remain deployed along the border.
- Each point has been affirmed previously by the two neighbours, both in past boundary agreements and in talks held since June 2020.

- Yet, the LAC remains tense, facing its worst crisis since 1962.

What was unusual?

- The issuing of the joint statement was unusually accompanied by separate press statements.
- **India's statement** - It stressed that peace on the boundary was essential for ties.
- It also said that recent incidents had impacted the broader relationship.
- **China's statement** - It has sought to emphasise the importance of moving the relationship in the right direction.
- It also emphasized on putting the border in a proper context.
- It quoted India's Foreign Minister as saying India believed China's policy toward India had not changed and that it did not consider relations to be dependent on the settlement of the boundary question.

What are the differences?

- While Beijing wants to separate the border conflict from the rest of the relationship, Delhi says the two are inextricably interlinked.
- While India insists that the objective of the exercise is to "restore" the status quo ante, there is no explicit Chinese commitment to that goal.

What is next?

- It is welcome that India and China have found something to agree on.
- The consensus, however, is only the first step of a long road ahead.
- The continuing rounds of talks should be aimed at disengagement.
- It should not be aimed at presenting a veneer of diplomatic engagement even while China strengthens its hold along the LAC.
- India must negotiate with China in good faith, but it cannot again mistake Beijing's diplomatic words for PLA's deeds.

4.2 Indo-China Dispute

What is the issue?

- While Indian Army has gained an advantage by taking the Chushul heights, a diplomatic and military long haul seems likely.
- Until Line of Actual Control (LAC) is delineated, the Chinese can be expected to continue violations of Indian Territory.

How dangerous is the situation?

- Both China and India have deployed over two regular divisions (about 40,000 troops) each along the Eastern Ladakh.
- Along the LAC, the The People's Liberation Army (PLA) has now occupied many areas which were earlier considered 'disputed'.
- There is a lack of trust after the Galwan incident.
- The Kailash Range was occupied by India and shots were fired along the LAC by the PLA.
- The situation on the ground, particularly in the Chushul sector, is very tense and explosive.
- Besides, accusations and counter-accusations flying thick and fast are only adding to the tension.

What does the Chinese domination of Fingers area mean to India?

- On the north bank of Pangong Tso, there are eight major finger-like spurs coming down to the Tso (lake).
- From heights along these spurs, one can observe military activity on the north and south banks of Pangong Tso.

- The Chinese and Indian (perceived) LACs are about 8 kilometres apart (between Finger 4 and Finger 8) in this area.
- In May 2020, the PLA occupied the disputed area on Finger 4.
- It blocked Indian troops, which used to earlier patrol the areas up to Finger 8.

What does India get by occupying the Chushul sector?

- Heights in the Chushul sector enable observation of the adversary's military activities in the visible area.
- It has the ability to bring down accurate direct and indirect fire on the chosen enemy target.

What if the talks don't lead to any disengagement on the ground?

- In the current situation, it will be a long haul on both the diplomatic and military fronts.
- India's forces on the ground have to remain alert to ensure that the PLA does not take any advantage during the lull created by diplomatic talks.

How India deals with the Chinese in certain regions?

- **Demchok** - The PLA has been objecting to India's non-military developmental activities for India's civilian population.
- About 90 km from Demchok, at Chumar, it had made territorial claims and military advances in 2014.
- **Sub Sector North** - There has been an LAC-related dispute here.
- In 2013, the PLA troops set up a temporary camp in our area, but later withdrew.
- They have again occupied some area claimed by India, which resulted in additional deployment of troops by both sides.

What are the reasons for the disputes?

- All these disputes in Eastern Ladakh, and elsewhere, are related to the **LAC** that has **not been delineated** on the maps.
- India has made many efforts, even at the highest level, but the Chinese have steadfastly refused.
- An ambiguous LAC enables the Chinese to maintain a political and military pressure on India.
- In the recent incidents, China has violated all the confidence-building agreements and the perceived alignment of the LAC until now.
- Unless the LAC is delineated on the map, such violations of Indian Territory by the PLA are likely to continue.

What logistics challenges will Indian troops face?

- India has never deployed such large forces like Army, Air Force and paramilitary forces in Ladakh earlier.
- As road access to Ladakh will not be available for six months, the winter stocking requirement for civilians and the military is huge.
- The IAF will remain heavily committed for essential daily maintenance and movement of troops whenever necessary.

What are the chances of the Ladakh situation leading to a conflict?

- Climatically, intense conflict chances remain high until mid-November.
- The winter months will reduce the intensity, but one cannot expect a complete stoppage.
- Aerial and ground surveillance, infantry and artillery deployments will continue.
- Today, one cannot imagine any armed conflict situation without synergy and jointness among armed forces.
- The IAF has a crucial role at the strategic and operational levels.

Would the situation turn into a two-front threat?

- There is a concern of a two-front threat with Pakistan also throwing its weight behind China.
- China and Pakistan are already engaged in a 'collusive threat' (engaged in hidden avowed goals) vis-à-vis India.



- China is unlikely to bank on Pakistani collaboration in any large-scale conflict with India.
- However, in the current scenario, a limited China-Pakistan military collaboration in the Karakoram Pass region cannot be ruled out.
 1. It could activate the diversionary military movements by Pakistan in Siachen and Kargil sectors.
 2. It could intensify proxy war conditions in Jammu & Kashmir.

What could India do?

- National security, particularly armed conflict issues, requires a 'whole of the government' approach.
- Unfortunately, India hasn't come out of the habit of working in ministerial silos and stovepipes.
- This habit in the past have often resulted in military operations not achieving the desired strategic goals.
- Military personnel should be directly involved in defence policy-making.
- They should be involved while negotiating issues with foreign leaders.

4.3 Chushul Sub-sector

Why in news?

Chushul sub-sector has come into focus in the Indo-China standoff following the movement that took place on the night of August 29-30, 2020.

What is the Chushul sub-sector?

- The Chushul sub-sector lies south of Pangong Tso in eastern Ladakh.
- It comprises high, broken mountains and heights besides passes such as Rezang La and Requin La, the Spanggur Gap, and the Chushul valley.
- It is situated at a height of over 13,000 feet close to the LAC.
- The Chushul Valley has a vital airstrip that played an important role even during the 1962 War with China.
- Chushul is one among the five Border Personnel Meeting points between the Indian Army and the People's Liberation Army (PLA) of China.
- The recent brigade-level meetings between the two sides were held here.

What is its strategic importance to India?

- Chushul enjoys tremendous strategic importance because of its location and terrain, which make it a centre for logistics deployment.
- This sector has plains that are a couple of kilometres wide, where mechanised forces can be deployed.
- Its airstrip and connectivity by road to Leh add to its operational advantages.
- Indian troops have now secured the ridgeline in this sub-sector.
- This will allow India to dominate the Chushul bowl on the Indian side, and Moldo sector on the Chinese side.
- They have a clear sight of the almost 2-km-wide Spanggur gap, which the Chinese used in the past to launch attacks on this sector in the 1962 War.
- India's move has neutralised the advantage that China gained when it secured areas between Finger 4 and 8 on the bank of the Pangong Tso.

How is Chushul important to China?

- Simply put, Chushul is the gateway to Leh.
- If China enters Chushul, it can launch its operations for Leh.

Did the Chinese try to capture Chushul in the 1962 War?

- After the initial attacks in October 1962, the PLA troops prepared to attack Chushul airfield and the valley to get direct access to Leh.
- However, just before the attacks were launched, the area was reinforced by the 114 Brigade in November 1962.

- This brigade had under its command two troops of armour and some artillery.
- It's important to note that the heights secured by Indian soldiers on the intervening night of August 29-30 were held by them in 1962 as well.
- These included Lukung, Spanggur Gap, Gurung Hill, Rezang La, Magger Hill and Thatung Heights.



What are the future challenges in this area?

- An immediate challenge is of a **flare-up** as troops of the two countries are deployed within a distance of 1 km of each other at Black Top and Rechin La.
- **Logistics** also pose a major challenge.
- Porters are needed to carry water and food to the top.
- The troops shouldn't do that. If they do, they will lose fighting strength.
- At this point, villagers of Chushul are helping by ferrying water and essential commodities to the Indian troops deployed at Black Top.
- The **harsh winter** that lasts for 8 months of the year poses a challenge.
- It is very difficult to dig in, and make shelters on the ridgeline.
- The mercury plummets to minus 30 degrees Celsius, and there are frequent snowstorms.
- The Pangong Tso also freezes, making movement between its north and south banks possible.

5. INTERNATIONAL ISSUES

5.1 UN Reforms

What is the issue?

- The United Nations commences the 75th session of the UN General Assembly (UNGA).
- Now more than ever, the need for internal reforms to suit the 21st century is high.

What is the demand?

- Volkan Bozkir is the Turkish diplomat who is the incoming President of the UNGA.
- He has voiced concern that the structure of the 15-member UN Security Council (UNSC) ought to be more democratic and representative.

Why is the demand long overdue?

- The action has been long overdue on the demand, especially from the G4 countries, which advocate a permanent seat for all of them.
- [G4 countries - Brazil, Germany, India and Japan]
- Meanwhile, the veto powers that the UNSC's five permanent members enjoy are an anachronism in this age.
- This is wielded as a blunt weapon to shore up their geopolitical interests, regardless of the disastrous cost for the victims of armed conflict.

When did the demand get a momentum?

- The push for reform gathered momentum following the unilateral declaration of war by the US and the UK, against Iraq, in 2003.
- The UNGA's 122nd plenary meeting (2008) decided to facilitate the reform process through the Inter-Governmental Negotiations framework (IGN) on equitable representation as well as expansion of the UNSC.

- The UNGA's adoption of a 2015 resolution to allow the IGN on the basis of a framework document generated some enthusiasm.
- But, it was dampened by the U.S., Russia and China being opposed to serious reform of the Council.
- In early-2020, the G4 bemoaned that the IGN process might have outlived its purpose given the absence of a negotiating document.
- In any case, the exercise has been deferred in view of the pandemic.

Will India be a permanent member soon?

- India's election in June 2020 as a non-permanent member of the UNSC, obtaining 184 votes, was a diplomatic triumph.
- But the reforms to the UN are just a part of a broader vision in the declaration to commemorate the UNGA's 75th anniversary.
- This will make it difficult for India to achieve its ultimate objective to become a permanent member.

What is next?

- The UN remains unreflective of the current trajectory, especially in the strategic and economic arenas.
- The multilateral framework now faces a challenge to fashion a collective response to humanity's biggest problems, which include the pandemic.
- The post-war order faces an existential threat to its stability from the revival of nationalism across the globe.
- All countries must have the voice to influence policy.

5.2 Militarisation of Quad

Why in news?

The Chief of Defence Staff (CDS) General Bipin Rawat made a statement about the Quad.

What is the statement?

- The CDS stated that India believes the Quad would ensure 'Freedom of Navigation Operations' in the Indian Ocean and surrounding oceans.
- This will be seen as a significant shift of the government's posture towards the India-US-Australia-Japan Quadrilateral (Quad).

What are the suggestions?

- His suggestion is that India is prepared to join Quad military patrols.
- This marks a departure from India's earlier reticence and public statements by the leadership.
- The Indian Navy has not taken part in any joint patrols outside the Indian Ocean.
- In terms of the engagement with the Quad, India has not yet announced a decision to include Australia in the annual Malabar exercises.
- [Malabar exercises are held with the U.S. and Japan.]
- However, the move from conducting exercises together to joint operations would take time, something that makes the CDS's assertion significant.

What is the reference made about China?

- The CDS said that the Quad operations are needed to ensure that no other nation singularly tries to dominate the oceans.
- It is easy to surmise that his contention is a veiled reference to China.

What would be the outcome?

- India is convinced that it needs new strategies to deal with Beijing because of,
 1. The Line of Actual Control tensions and clashes,

2. The PLA's refusal to implement border agreements.

- Even now, India is engaged with China diplomatically.
- India's External Affairs Minister and Defence Minister have spoken of the importance of a resolution through talks.
- But, an outcome of the tensions will be a strengthening of India's ties with global powers as well as formations like the Quad.
- An indication of this is the government's plans to host a ministerial-level meeting of the Quad soon.

How did India see the Quad earlier?

- While India considers its options, it is necessary to remember some of the reasons for its reticence in terms of militarising the Quad in any way.
- In 2018, Prime Minister said that India sees the Indo-Pacific as a "geographical concept", not a "strategy or a club of limited members".
- It would be important to know whether that formulation has changed.
- India is the only Quad member not already tied in a treaty alliance with the others.
- External Affairs Minister's statement that India would never be part of any alliance system would run counter to what the CDS suggests.

What is needed?

- India is the only Quad country that shares a land boundary with China.
- It is unclear how the militarisation of the Quad in Indo-Pacific waters would alleviate the territorial threat it faces.
- However, if India's view of its Quad engagement has shifted, clarity and an expansion of Gen. Rawat's statement are essential.

5.3 Abraham Accords

Why in news?

The Abraham Accords was signed by the UAE, Bahrain and Israel, under U.S. President Donald Trump's mediation.

What is the significance of the agreement?

- This accord clearly marks a new beginning in the relations between the Sunni-ruled Gulf kingdoms and the Jewish state.
- It is the first between Israel and Arab countries since the 1994 Jordan-Israel peace treaty.
- Under the agreement, the UAE and Bahrain would normalise ties with Israel.
- This will herald better economic, political and security engagement.

Why did US mediate?

- The accords offer a rare diplomatic win to Mr. Trump, whose other foreign policy bets were either disastrous or stagnant.
- He has called the agreements "the new dawn of a new Middle East".

Who may or may not join?

- More Arab countries are expected to follow suit.
- The agreements have the backing of Saudi Arabia, the most influential Arab power and a close ally of the UAE and Bahrain.
- The ruler of the Kingdom is treading cautiously for now.
- But Riyadh has opened its airspace for commercial flights between the UAE and Israel.

Will the accord impact West Asia's conflicts?

- The Abraham Accords have historical and geopolitical significance.
- But, it is too early to say whether the accords will have any significant impact on West Asia's conflicts.
- Egypt and Jordan have signed peace treaties with Israel in 1979 and 1994, respectively.
- But, the Gulf countries are not frontline states in the Arab-Israeli conflict.
- They had established backroom contacts with Israel years ago; what is happening now is their normalisation.

Was the Palestinian question addressed?

- The agreements leave the Palestinian question largely unaddressed.
- Arab countries are signing diplomatic agreements with Israel bilaterally.
- Due to this, the Arab collective support for the Palestinian movement for nationhood is crumbling.
- But it does not mean that the Palestinian question would fade away.
- The vacuum left by the retreat of the Arab powers from the Israel-Palestine conflict is being filled by the non-Arab Muslim powers.
- These non-Arab Muslim powers include Iran, Turkey and their allies.
- The geopolitical sands may be shifting but the core issue concerning Israel is unresolved.

What is the region's emerging order?

- The UAE-Bahrain agreements are endorsing the region's emerging order.
- With the U.S. in retreat and Turkey and Iran pursuing more aggressive foreign policies, there is a three-way contest taking shape.
- Sunni-ruled Arab kingdoms, all American allies, are realigning their geopolitical interests with Israel.
- The Abraham Accords are likely to sharpen this contest.

What could be done?

- Mr. Trump and the signatories to the accords have claimed that they want to bring peace here.
- If so, they should address the more structural issues, which include the unresolved question of Palestine.

5.4 Intra-Afghan Talks

Why in news?

The Afghan government and the Taliban announced that the "intra-Afghan" talks would begin on September 12 in Doha, Qatar.

What is the story behind?

- This announcement was made after the Afghan government released the last batch of six Taliban prisoners.
- The talks follow the February 29, 2020 US-Taliban agreement on the withdrawal of US troops.
- The Afghan government was excluded from these negotiations.

What happened since the February agreement leading to the talks?

- The talks were to begin on March 10, 2020.
- But, the Afghan government held back on the commitment, made by US Special Representative, to release 5,000 Taliban prisoners.
- It did so as there was no reduction of violence as promised by Taliban.
- But under US pressure, President Ashraf Ghani started freeing prisoners.
- Taliban released 1,000 government-side prisoners including soldiers.
- Over the last few days, a tussle over the release of the last few Taliban prisoners held up the talks by a few more days.



- The withdrawal of US troops has taken place alongside.

What will the discussions be on?

- The US-Taliban agreement said that a permanent and comprehensive ceasefire will be an item on the agenda of the intra-Afghan dialogue.
- The participants will discuss the date and modalities of a ceasefire, including joint implementation mechanisms.
- This will be announced along with the completion and agreement over the future political roadmap of Afghanistan.
- The two main goals are a **power-sharing settlement** between the Afghan polity and the Taliban, and a **ceasefire**.
- The immediate question is which should come first.

What does the Afghan government want?

- The Afghan government has said that it wants a **ceasefire first**.
- It is doubtful the Taliban would agree to a truce first before getting what they want out of a political settlement.
- While in talks with the US, the Taliban continued violent attacks, leveraging these to underline their demands.

What does the Taliban want?

- Taliban's wants out of a political settlement is **unclear**.
- In the past, they have denounced democracy as a western imposition on their vision of Afghanistan.
- They have dropped several hints of a return to the Taliban-run Islamic Emirate of Afghanistan of 1996-2001.
- But they have signalled they may accept some of the democratic gains Afghanistan has made in the last two decades.
- The expectation is that the two sides should agree on an inclusive interim government that will be entrusted with hammering out the way forward.

What is India's stake in all this?

- India has not been involved in the process since it began two years ago.
- But it has backed the Afghan government for an "Afghan led peace process", which has been marginal to even regional discussions.
- **Proxy** - This is due to India's diffidence about engaging in a process in which it sees Pakistan playing to install the Taliban as its proxy in Kabul.
- **China filling the vacuum** - India's other big worry is that the vacuum created by the exit of the US may be filled by China.
- China has also begun building ties with the Taliban.
- **Extending the CPEC** - The other concern is the interest in Pakistan to extend the China Pakistan Economic Corridor to Afghanistan.
- Pakistan's stepped up role in Afghanistan will contribute to China's influence.
- China sees its role in Afghan security as indispensable as it is a neighbouring country with great power that cannot be ignored.
- The possibility of an enhanced Chinese presence in Afghanistan, in combination with Pakistan and the Taliban, is cause of worry for India.

5.5 UK-EU Trade Deal

Why in news?

British Prime Minister Boris Johnson has set October 15 as deadline for reaching a post-Brexit U.K.-EU trade deal.

What is the problem with this move?

- It has raised fears of a no-deal scenario.
- British Prime Minister's threat hangs like the sword of Damocles above the negotiating teams.
- The British government is reportedly planning a piece of legislation that would overwrite parts of the withdrawal agreement.
- [Withdrawal agreement - A divorce deal signed between the United Kingdom (UK) and the European Union (EU) last year.]

What is the Northern Ireland protocol?

- The agreement had sought to avoid a hard border coming up between Northern Ireland (part of the UK) and the Irish Republic (EU member).
- The Northern Ireland protocol was signed alongside the agreement.
- According to this protocol, the region is expected to follow some EU rules in trade with the Irish Republic.
- The hard Brexiteers in Mr. Johnson's Conservative Party were critical of this clause, claiming that it endangers the U.K.'s sovereignty.

What is the UK doing domestically?

- The U.K.'s domestic legislation, Internal Market and Finances Bill, will allow the UK courts to follow new UK laws rather than the divorce agreement.
- Northern Ireland leaders have already called it a "betrayal".
- The real risk of cutting the region off the EU customs code is that physical checks could emerge between the two Irelands.
- This would threaten the Good Friday agreement that brought peace.

What is the challenge?

- Though the U.K. formally exited the EU, it continues to abide by the EU rules during the transition period, which ends in December 2020.
- The challenge is to reach a trade deal, in the absence of which WTO trade rules will kick in, starting January 2021.
- With weeks to go before the deadline, there is still no consensus on issues such as workers' rights, the Irish border, etc.

Why a deal couldn't be arrived so far?

- The EU wants the U.K. to adopt rules that are close to its own to ensure a level playing field in trade.
- But, the British government argues that the whole point of the EU divorce was to break free from common rules.
- Regarding Northern Ireland, the hard Brexiteers are opposed to any special treatment to the region.
- The new legislation suggests that the government is hardening its position on Ireland as well.

What would a no-deal exit mean?

- A no-deal exit will inflict severe economic costs on the British, at a time when the economy is in dire straits due to COVID-19.
- Besides, it risks disrupting peace in the island of Ireland.
- Driven by English nationalist fervour, the British leadership appears to be blind to the economic and political consequences of its hard line.

G.S PAPER III

6. ECONOMY

6.1 Backstop Entity

Why in news?

The Chairman of Securities Exchange Board of India (SEBI) suggested for a backdrop entity.

What are the suggestions?

- Referring to Franklin Templeton freezing investor payouts by shuttering six open-end schemes, the SEBI's Chairman mooted three possible measures to prevent a repeat.
- He suggested a **backstop entity** that would buy out illiquid corporate bonds from debt funds during stress, with support from industry players.
- He proposed an **advisory committee** to come up with mechanisms for stress-testing and swing pricing of debt funds.
- Interim rules** will be framed requiring all debt funds to park a minimum proportion of their assets in liquid instruments.

Is there any pushback?

- All this has attracted pushback from debt fund managers.
- They complain that creating a backstop facility will pose practical difficulties and that holding liquid instruments would dilute returns.
- But such complaints divert focus from the structural anomaly in open-end debt schemes that promise anytime liquidity to their investors, while investing mostly in illiquid corporate bonds.
- This problem is bound to crop up time and again hurting investors, unless SEBI finds lasting fixes to it.

What did AMCs do?

- In recent years, domestic Asset Management Companies (AMCs) have amassed debt assets of ₹ 12.6 lakh crore.
- They have pocketed handsome fees, from selling 'high-yield' funds that dabble in illiquid corporate bonds.

What is the problem?

- The problem of bunched-up redemptions in such funds is of industry's own making as it has actively wooed corporate treasuries and High Net worth Individuals (HNIs) to these funds.
- Now it is only fair that the industry foots the bill to ensure that these funds fulfil their promise of anytime liquidity, instead of knocking at regulators' doors every time there's a crisis.
- The RBI's latest MF liquidity window marks the third occasion on which it has had to bail out the industry after the crises of 2008 and 2013.
- This raises questions of moral hazard.

How should the appropriate size be arrived?

- The appropriate size for a backstop entity can amount to 20% of the ₹ 1.5 lakh crore assets managed by credit risk and corporate bond funds.
- Also, every AMC could contribute in proportion to the assets it manages.

What is next?

- If the industry feels that such a backstop is difficult to fund, it needs to curtail corporate debt funds managed in the open-end format.
- They should move to a more manageable close-end format.
- SEBI can allow debt funds to gate redemptions for limited periods.

- It can apply investor-level caps on fund holdings to prevent bunched-up outflows.
- Many of these issues would sort themselves out once India's corporate bond market attains a reasonable stage of development.
- For this, SEBI needs more active support from the Centre and RBI.

6.2 EoDB Rankings for Indian States

Why in news?

The latest ease of doing business rankings for Indian states was released by the Department for Promotion of Industry and Internal Trade (DPIIT).

What is the objective?

- The objective of DPIIT's reform exercise is to provide a business-friendly environment.
- For this, regulations in a state have to be made simpler.
- Therefore, the DPIIT devised a methodology to rank the states according to the ease of doing business (EoDB) in a state.
- DPIIT provides a set of recommendations to reduce the time and effort spent by businesses on compliance with regulation called the Business Reform Action Plan (BRAP).

What is the BRAP?

- BRAP 2019 is an 80-point list of reforms recommended to simplify, rationalise and digitise the regulatory framework in a state.
- The reforms are grouped into 12 broad areas like land administration, labour regulation, environment regulation, obtaining permits, etc.

How are the rankings arrived at?

- States are required to submit proof of implementing each reform on the DPIIT's EoDB portal and submit a list of users of these reforms.
- A sample of these users is surveyed to determine these reforms' efficacy.
- Each question is assigned a weight.
- The final score is a weighted average of all the responses applicable to a state.

What reforms does DPIIT recommend?

- It recommends all states have a single-window system that provides all information on permits and licences required for starting a business.
- Permissions required from municipal or village government bodies or police for activities like filming movies should be explicitly mentioned.
- DPIIT recommends that the duration of licences be extended or that they be renewed automatically based on self-certification or third-party verification.
- A state is rewarded if a set of regulations (like labour or environment laws) are not applicable to it.

How did the states perform?

- Andhra Pradesh secured the top spot for the third time since the ranking was first released in 2015.
- UP jumped ten spots to number two and Telangana slipped to three.
- Gujarat, which was first in the first-ever edition, was ranked 11 this year.
- Haryana slipped all the way to 17.

Are these scores comparable to those from previous years?

- For the first time, the BRAP rankings relied entirely on the feedback it received from the businesses for whom these reforms were intended.
- Earlier editions computed scores based on the responses of the relevant state government departments.

- The 2017-18 edition used a combination of state government and user feedback to compute the score.
- So, the 2019 rankings are not comparable with those from last year.

Why were these rankings criticised?

- DPIIT'S methodology does not consider the actual number of reforms implemented by the states.
- States like Haryana and Gujarat have implemented all the reforms recommended by the DPIIT, but were ranked low on the EoDB list.
- DPIIT's methodology awards points on a reform to a state only if there was an adequate response from users of that response.
- Ideally, the number of respondents for every state should be decided based on population or number of business clusters to ensure that the sample is representative of the state.
- It is not clear if DPIIT used representative samples.
- Also, business owners' expectations from the governments can differ.

How do these reforms affect investments?

- An analysis shows that the top-ranking states have not necessarily been associated with higher shares of new investments announced during the year.
- Except for Andhra Pradesh, the top-ranking states as per these rankings do not have high shares in the total investment during the year.
- This is because businesses respond to other conditions like the availability of skilled labour, infrastructure, finance, etc.
- In addition, these rankings do not consider the cost of doing business.

6.3 KV Kamath Committee

Why in news?

The KV Kamath committee was set up by the Reserve Bank of India (RBI).

What is the purpose of the committee?

- The committee was set up to look into the **restructuring needs** of large borrowers hit by Covid.
- The panel was set up to deal with accounts where the aggregate exposure of the lending institutions at the time of invocation of the resolution process is ₹ 1,500 crore and above.

What are the findings?

- The committee has identified 26 vulnerable sectors and, the specific financial frailties of each.
- The sectors identified cover much of the manufacturing and infrastructure universe, besides retail outlets, hotels and tourism.

What did the panel say?

- The panel spelt out sector-wise thresholds with respect to EBITDA, debt service coverage, current assets and liabilities, total outside liability vis-a-vis adjusted tangible net worth.
- It has spelt out clear **restructuring guidelines** for banks to ensure that errors with respect to corporate debt restructuring don't recur.
- Restructuring has seen many avatars over the last decade, be it 5/25 (scheme for infrastructure assets) and S4A, which did not succeed.
- The specific crisis arising out of Covid necessitated a response for large players.
- This supplements the earlier efforts to boost the MSME sector as well as units where the aggregate exposure exceeded ₹ 100 crore.

How will these proposals be implemented?

- Banks will present their board-approved **resolution policies** taking into account the RBI final guidelines.

- Broad guidelines will also be put in place for restructuring of retail loans.
- The RBI has allowed banks to recast loans which were classified as standard as on March 1, 2020.
- For implementing resolution plans, signing of inter-creditor agreement (ICA) is mandatory in all cases involving multiple lending institutions.
- The resolution framework will be invoked before December 31, 2020.
- It will be implemented before 180 days from the date of invocation.
- The process has to be approved by lenders with 75% in value and 60% in numbers.
- Lenders signing ICA will have to make a 10% provision and non-signing lenders at 20%.
- Any default by the borrower with any of the lenders that signed an ICA during the monitoring period would trigger a review period of 30 days.
- If the borrower remains in default at the end of the period, all lenders would downgrade the account as a non-performing asset (NPA).

What are the reliefs?

- MSMEs have received liquidity and solvency packages since September 2019.
- The June 2019 RBI circular addresses the 'resolution plan' modalities for units whose aggregate exposure is above ₹ 100 crore.
- Relief to the large units will ensure flow of working capital across the supply chain, spurring industrial recovery.
- A relaxed timetable on loan repayments will aid this process.

Will the loan recast lift the economy?

- The RBI has put into place several guardrails in the form of defined timelines and external vetting.
- But, the success of the plan will largely depend upon a significant revival in the economy.
- The GDP is likely to continue contracting in the ongoing quarter.
- Based on an account level analysis, nearly 53% of this pool is at a high probability of restructuring/slippages.
- The balance 47% is at moderate risk of restructuring, and progress on these accounts will depend on the progress of Covid-19 situation.
- The biggest impact will be that banks will be able to check the rise in NPAs to a great extent.
- However, it's not going to bring down the NPAs from present levels as legacy bad loans of close to Rs 9 lakh crore will remain the same.

How were earlier schemes misused by banks and corporates?

- The RBI discontinued the corporate debt restructuring (CDR) scheme from April 1, 2015.
- For years, promoters of many big corporates were siphoning off bank funds while their units suffered.
- They approached CDR cells of banks to get their loans recast, some of them managing this more than once.
- Some of those who misused CDR are now in the bankruptcy court.
- The RBI later introduced three more loan recast schemes which either remained largely on paper or were abused by borrowers.
- The Insolvency and Bankruptcy Code finally kicked off and the RBI announced a stringent loan resolution process.

6.4 GDP Contraction

Why in news?

The Ministry of Statistics and Programme Implementation (MoSPI) released the data for the first quarter (Q1) of the current financial year.

What does the data reveal?

- Most observers expected that India's GDP contraction would not exceed 20% in the first quarter (April, May, June).
- [GDP - Final value of the goods and services produced within the geographic boundaries of a country during a specified period of time.]
- As it turns out, the GDP contracted by 24% in Q1.
- Almost all the major indicators of growth in the economy - production of cement or consumption of steel - show deep contraction.
- The data quality is sub-optimal because of the widespread lockdowns.
- Most observers expect this number to worsen when it is revised in due course.

What is the biggest implication?

- With GDP contracting by more than what most observers expected, it is now believed that the full-year GDP could also worsen.
- Since economic liberalisation in the early 1990s, Indian economy has clocked an average of 7% GDP growth each year.
- This year, it is likely to turn turtle and **contract by 7%** for the full financial year.
- Data show that barring agriculture, where the gross value added (GVA) grew by 3.4%, all other sectors of the economy saw their incomes fall.
- [GVA - A proxy for production and incomes]
- The worst affected were construction (-50%), trade, hotels and other services (-47%), manufacturing (-39%), and mining (-23%).
- It is important to note that these are the sectors that create the maximum new jobs in the country.
- In a scenario where each of these sectors is contracting so sharply, it would lead to a decline in employment or rise in unemployment.

What causes GDP contraction?

- In any economy, the total demand for goods and services i.e., the GDP is generated from one of the **four engines of growth**.
- The biggest engine is consumption demand from private individuals (C).
- In India, this accounted for 56.4% of all GDP before this quarter.
- The second biggest engine is the demand generated by private sector businesses (I) and this accounted for 32% of all GDP in India.
- The third engine is the demand for goods and services generated by the government (G), and it accounted for 11% of India's GDP.
- The last engine is the net demand on GDP after we subtract imports from India's exports (NX).
- In India's case, it is the smallest engine and, since India typically imports more than it exports, its effect is negative on the GDP.
- So total GDP = C + I + G + NX

How did these engines perform?

- Private consumption has fallen by 27%.
- The demand generated by private sector businesses has fallen even harder - it is half of what it was last year same quarter.
- So the two biggest engines, which accounted for over 88% of Indian total GDP, saw a massive contraction in the Q1.
- The NX has turned positive in this Q1 because India's imports have crashed more than its exports.

- The last engine of growth, government's expenditure went up by 16%
- But this was nowhere near enough to compensate for the loss of demand (power) in other sectors (engines) of the economy.
- The government spending increased meagrely that it could cover just 6% of the total fall in demand being experienced by people and businesses.
- It is the lower level of absolute GDP that is making the government look like a bigger engine of growth than what it is.

What is the way out?

- When incomes fall sharply, private individuals cut back consumption.
- When private consumption falls sharply, businesses stop investing.
- Since both are voluntary decisions, there is no way to force people to spend more and/or coerce businesses to invest more in the current scenario.
- The same logic holds for exports and imports as well.
- Under the circumstances, there is only one engine that can boost GDP and that is the government (G).
- Only when government spend more, can the economy revive in the short to medium term.

What is holding back the government from spending more?

- Even before the Covid crisis, government finances were overextended.
- It was not only borrowing but borrowing more than what it should have.
- As a result, today it doesn't have as much money.
- It will have to think of some innovative solutions to generate resources.

6.5 Halt of 'Doing Business' Report

Why in news?

The World Bank halted its annual 'Doing Business' report, as it detected irregularities of data for a few countries.

Should India bother about it?

- Yes, India has sought to improve its doing business index ranking, as a means to attract investments to achieve the targets set for 'Make in India'.
- This initiative, announced in 2014, aims at:
 1. Raising the manufacturing sector's share in Gross Domestic Product (GDP) from 16-17% to 25% and
 2. Creating 100 million additional jobs in the manufacturing sector by 2022.
- India's success in boosting its ease of doing business ranking from the 142nd rank (2014) to 63rd rank (2019) is spectacular.
- The WB decision to audit the last five years' reports may soon cause discomfort by shining a spotlight on the sharp rise in India's ranking.
- In 2018, a study by the Center for Global Development (CGD) found that the improvement in India's ranking was almost entirely due to methodological changes.

What is the case of Chile?

- Chile's global rank went down sharply, from 34 (in 2014) to 67 (in 2017).
- Chile's former President (2014-18) accused the WB of manipulating the index methodology to show her presidency in poor light.
- The CGD study of March 2018, with a reworking of the ranks with an unchanging methodology showed very little change in Chile's global rank.

How did the WB respond?

- In 2017, World Bank's Chief Economist, Paul M. Romer admitted to the World Bank's mistakes.
- The contrasting experience of Chile and India casts doubts on the country-level data and also the changes in underlying methodologies.
- Therefore, the WB decision to suspend the publication and conduct a systematic review of the reports of the last five years is welcome.

Does the index have predictive power?

- Recent evidence about India is telling.
- While its rank pole vaulted, it has meant nothing on the ground.
- The share of the manufacturing sector has stagnated at 16-17% of GDP, and 3.5 million jobs were lost between 2011-12 and 2017-18.
- Annual GDP growth rate in manufacturing fell from 13.1% in 2015-16 to zero in 2019-20, as per the National Accounts Statistics.
- India's import dependence on China has shot up, compelling India to announce yet another initiative — Atmanirbhar Bharat.

What are the shortcomings of the index?

- There are many shortcomings in the **design and implementation** of the index.
- The Indicators used for the index are **de jure** (as per the statute), not de facto (in reality).
- The data for computing the index are obtained from larger enterprises in two cities, Mumbai and Delhi, not from entrepreneurs.
- These data are obtained by lawyers, accountants and brokers.
- The WB conducts a global enterprise survey collecting information from companies.
- Interestingly, there is **no correlation** between the rankings obtained from ease of doing business and the enterprise surveys.
- The **theoretical underpinning** of the index is suspect.
- There is little in any major strand of economic thought which suggests that minimally regulated markets for labour and capital produce superior outcomes in terms of output and employment.
- Economic history shows rich variations in performance across countries and policy regimes that defies the index's simplistic generalisations.
- But, such simplistic homilies are used under a seemingly scientific garb of the quantitative index to the disadvantage of workers.
- For instance, to meet the ease of doing business targets, safety standards of factories are compromised.

What could be done?

- The WB's decision to halt its annual report on account of data authenticity issues of some countries has implications for India.
- Since 2015, the government has invested political and administrative capital to improve India's global ranking, with impressive success.
- But the enhanced ranking has failed to augment investment and output growth.
- So, it is time the World Bank **rethinks its institutional investment** in producing the 'Doing Business' report.
- India should do some **soul searching** as to why the much trumpeted rise in global ranking has failed miserably on the ground.

6.6 Multi-cap Mutual Funds

Why in news?

The Securities and Exchange Board of India (SEBI) has made a move to change the asset allocation in multi-cap mutual funds.

What is the aim of the move?

- It is aimed at making mutual funds (MFs) 'true to label' and broad-basing trading activity in the market.
- It is also aimed at improving volumes in small-cap stocks.

What is the problem?

- The **implementation** and **timing** leave much to be desired.
- It has been stipulated that the MFs should allocate 75% of the assets in equity of 25% each in large, mid and small-cap stocks as investments.
- Also, it wants the re-allocation to be done within a short timeframe.
- It is unfair to investors who have parked money in these funds based on their current investment strategy.
- Re-allocation of assets based on the new mandate would have resulted in spiking the demand for small-cap stocks, driving up their prices.
- However, the SEBI has assuaged sentiments, by showing willingness to reconsider its decision.

What SEBI could have done?

- If SEBI wanted multi-cap funds to invest according to their label, it should have laid down the sub-limits in 2017 when all other MF schemes were recategorised.
- At that time, SEBI had given ample flexibility to multi-cap schemes by not setting limits for each market cap.
- It stopped with the overall cap of 65% for equity investments.

What was the impact of this flexibility?

- Fund managers had used it to invest a bulk of the assets in large-cap stocks that appeared better placed to deliver sound returns to investors.
- Investors have also parked almost ₹ 1.5 lakh crore in these funds.
- They believed that the fund managers will allocate their money across market capitalisation, depending on the prospects of each segment.

What would the fund managers do now?

- A problem that fund managers will face is that small-cap stocks with good fundamentals and robust trading volume are limited.
- They are unlikely to be able to increase the allocation towards small-cap stocks to 25% of assets, without harming investors' interest.
- Also, the stock market is currently in a vulnerable state with high speculation driving up stock prices.
- This isn't the time to encourage trading activity in smaller stocks.

What did SEBI clarify?

- The SEBI has clarified that fund houses can allow investors to,
 - 1) Switch to other schemes,
 - 2) Merge their multi-cap scheme with their large-cap scheme or
 - 3) Convert their multi-cap scheme to another category.

What could SEBI do?

- The SEBI could introduce another equity fund category, **flexi-cap funds** that operate with the mandate of the present multi-cap funds.
- This would cause the least disruption to investors as it would involve only change in the fund name.

- If the SEBI intends to insist on asset re-allocation,
 - 1) A longer time should be given for re-balancing and
 - 2) The limit of 25% towards small-cap stocks should be lowered.

6.7 Revised Long Format Audit Report

Why in news?

The Reserve Bank of India (RBI) has asked banks to implement the revised Long Format Audit Report (LFAR) from 2020-21.

What is the current version?

- The current version of the LFAR was devised way back in 2002.
- It should be submitted by the bank auditors to the bank management and the RBI.
- Those were relatively innocent times, with banking transactions and record keeping done manually to a large extent.
- Risk management was not as big a focus area as it is now.
- But, over the past two decades, banking has undergone a sea-change with digital banking, core banking systems and risk management.

What the revised LFAR has sought to do?

- The revised LFAR has sought to keep up with the times and address the requirements of technology-driven banking systems.
- It has done away with some questions that are no longer relevant.
- The revision also seems to have been accelerated by the seemingly unending crises in the banking system over the past few years.
- The revised LFAR has increased focus on a spectrum of risk management at banks, specific queries on credit assessment, information systems, compliance with regulations, etc.
- It wants the auditors to comment on adverse features considered significant in the top 50 standard large advances and which need the management's attention.
- Queries on capital adequacy, resolution of stressed accounts, initiation of IBC process, KYC, anti-money laundering, countering of financing of terrorism and cyber security are welcome.
- Also, there is more coverage of potential fraud areas.

What is the significance?

- A specific time-window of 60 days to submit the LFAR to the RBI should pave the way for more seriousness about the report.
- There is a focus on red-flagged accounts and early warning signals.
- This, along with other provisions, should translate into robust LFARs by both statutory central auditors and branch auditors.
- It should help identify frauds and NPAs in a timely manner.

What are the problems?

- The revised LFAR could mean longer processes and increased responsibilities for auditors. There could be limitations on conducting 'going concern' assessments, especially in these Covid-troubled times.
- Besides, the ongoing problem of limited time to branch auditors could continue to pose challenges to the effectiveness of the LFAR.

What could be done?

- The questions on areas such as new-age banking security could have been more focussed.
- For the revised LFAR to work, all stakeholders including the RBI's nominees on bank boards must play their part effectively.



6.8 CAG Report

Why in news?

The latest audit of the Union Government's accounts reveals that the Finance Ministry retained over 40% of all cess collections in 2018-19.

How much was retained?

- The Finance Ministry retained the cess collections in the Consolidated Fund of India (CFI).
- As many as 35 different cesses, levies and charges yielded ₹ 2.75-lakh crore in the year.
- But only ₹ 1.64-lakh crore was remitted to the specific reserve funds for which these cesses were levied.

What does this reveal?

- This helped understate India's revenue and fiscal deficit numbers.
- It also helped to understand that the purposes for which Parliament approved such cesses were not met.

Is the urge for a corrective action new?

- The Comptroller and Auditor General (CAG) of India has urged the Finance Ministry to take immediate corrective action.
- This is not the first time.
- Over 10 years, the ₹ 1.25-lakh crore of cess collected on crude oil was transferred to an oil industry development body it was meant to finance.
- Part of the hefty cess collected as additional excise duties on petrol and diesel, ostensibly to finance roads and infrastructure, was retained.

What were the other cesses retained?

- A new 4% Health and Education Cess on income tax was partly deployed towards education, but no fund was created for health.
- Ditto with a Social Welfare surcharge levied on customs.
- None of these lapses can be considered unintentional.

What is the issue with the GST Cess?

- The GST Compensation Cess, over which the Centre and several States have now locked horns, was not spared either.
- Around ₹ 47,272 crore was not remitted to its rightful account over the first two years of GST.
- The compensation cess transfers to States were accounted as Grants-in-aid to States, distorting the Centre-States fiscal math.

What should the Centre do?

- As per the 14th Finance Commission's suggestions, the States' share of the divisible pool of taxes was raised to 42%.
- After this, the Centre's reliance on cesses and surcharges to raise revenue has increased significantly.
- Cess receipts are not part of this 42% pool.
- Though it is arguable whether such levies are in sync with a nation trying to simplify its tax regime, their intended use to fund specific public spending needs serves as an acceptable rationale.
- With a climate of distrust hovering over India's federal polity, it is critical for the Centre to **rebuild bridges**.

What is needed?

- Cesses, starting with the excise duties on petrol and diesel, need to be **rationalised**.
- Absolute **transparency** is needed in the management of cess receipts so that Parliament and the people do not wait for audit findings to learn of this subterfuge.



6.9 ESG Funds

Why in news?

ESG funds are witnessing growing interest in the Indian mutual fund industry.

What is ESG?

- ESG investing is used synonymously with sustainable investing or socially responsible investing.
- They imbibe environment, social responsibility and corporate governance in their investing process.
- While selecting a stock for investment, the ESG fund shortlists companies that score high on environment, social responsibility and corporate governance, and then looks into financial factors.
- So, the schemes focus on companies with environment-friendly practices, ethical business practices and an employee-friendly record.

Why so much focus on ESG now?

- Fund houses say modern investors are re-evaluating traditional approaches, and look at the impact their investment has on the planet.
- As a result of this paradigm change, asset managers have started incorporating ESG factors into investment practices.
- A majority of studies highlights that companies with good ESG scores tick most of the checkboxes for investing.

How big is ESG?

- There are over 3,300 ESG funds globally and the number has tripled over the last decade.
- The value of assets applying ESG to investment decisions is \$40.5 trillion.
- In India, there are three schemes following the ESG investment strategy,
 1. SBI Magnum Equity ESG (Rs 2,772 crore),
 2. Axis ESG (Rs 1,755 crore) and
 3. Quantum India ESG Equity (Rs 18 cr).
- ICICI Prudential's scheme launched its NFO recently and more are expected to follow.

What change can it bring?

- As ESG funds gain momentum in India, companies will be forced to follow better governance, ethical practices, environment-friendly measures and social responsibility.
- Globally there has been a big shift as many funds don't invest in companies that are seen as polluting or don't follow social responsibility.
- In coming years, companies that do not follow sustainable business models will find it tough to raise both equity and debt.

Which sectors or companies will lose out?

- Tobacco companies and companies in the coal business may find it tough to make the cut.
- Companies that generate hazardous waste and do not manage them properly will also suffer.
- Sectors that use a lot of water and do not follow best practices on its reuse will find it tough to get funds parked in them.
- Companies that discharge untreated waste in soil, water or air will also find it tough to get funds.

6.10 SBI's Loan Recast Scheme

Why in news?

Banks led by State Bank of India are offering a moratorium of two years to retail investors.



What are the reliefs?

- The relaxations under the framework, subject to compliance of bank norms, include
 1. Moratorium of up to a maximum of 24 months,
 2. Rescheduling of instalments, and
 3. Extension of tenure by a period equivalent to the moratorium granted subject to a maximum of 2 years.
- During moratorium, borrowers don't have to pay EMIs on the loan.
- Interest will be applied during the moratorium period.
- The moratorium sanctioned under the framework will be in addition to the moratorium granted by the bank earlier.
- If the borrowers have surplus cash during the moratorium, they can pay EMIs during the moratorium.
- This will help in reducing the interest amount.

Will there be any change in EMI after the loan recast?

- The tenure of the loan will be extended by the period of the moratorium i.e 24 months.
- The EMI payable after the moratorium will be recalculated and advised to the customers.

Will there be any change in pricing of the loan?

- Interest will be applied during the two-year period.
- Borrowers should pay additional interest of 0.35% per annum over and above their current pricing for the remaining tenure.
- This is to offset the partial cost of additional provisions required to be made by the bank.

Who is eligible for loan restructuring?

- The main criterion is whether the borrower is impacted by the Covid-19 pandemic.
- A retail borrower will be considered as affected by the Covid-19 pandemic if they fulfil certain conditions laid down by the SBI.
- To be eligible under the recast framework, the following eligibility conditions need to be fulfilled:
 1. The retail loan should be a "standard account" as on the date of application for relief under this framework; and
 2. It should have been "standard" and not in default for more than 30 days as on March 1, 2020.
- The beneficiaries include those who have taken home, education, auto or personal loans under the loan restructuring policy approved by the Reserve Bank of India (RBI).

What is the maximum age up to which the tenure can be extended?

- The SBI says this is product specific.
- In the case of home loan, the tenure of the loan can be extended up to a maximum of 24 months or till the primary borrower attains 77 years of age, whichever is earlier.
- In any case, the tenure can be extended only up to maximum 24 months under this framework for Covid-19 related stress.
- The last date to apply for relief under the framework is December 24, 2020.

Is a borrower eligible for restructuring of multiple loan accounts?

- A person can apply for relief under the framework in more than one account.
- If one of his loan accounts is irregular for more than 30 days as on March 1, 2020, other standard accounts which met the eligibility criteria would be eligible for relief.
- However, the customer's eligibility for a new loan will depend on the prescribed eligibility norms for the respective loan scheme of the bank.

How does retail loan restructuring compare with corporate loan restructuring?

- The retail loan restructuring is on liberal terms when compared to the corporate loan restructuring plan recommended by the Kamath Committee.
- The RBI has broadly accepted the Committee's recommendation to take into account five specific financial ratios.
- It has also accepted the sector-specific thresholds for each ratio in respect of 26 sectors while finalising the resolution plans.
- The process is complicated as signing of Inter-Creditor Agreement (ICA) is a mandatory for all lending institutions in all cases involving multiple lending institutions, where the resolution process is invoked.

6.11 Amendments to FCRA

Why in news?

The Foreign Contribution (Regulation) Amendment Bill, 2020 was passed in the Parliament.

What is the Bill about?

- The Foreign Contribution (Regulation) Amendment Bill, 2020 seeks to amend the Foreign Contribution (Regulation) Act, 2010.
- The Act regulates the **acceptance and utilisation** of foreign contribution by individuals, associations and companies.
- Foreign contribution is the donation or transfer of any currency, security or article (of beyond a specified value) by a foreign source.

What are the provisions of the amendment?

- **Aadhaar for registration:** The Act states that a person may accept foreign contribution (FC) if they have:
 1. A certificate of registration from central government, or
 2. Prior permission from the government to accept FC.
- The Bill adds that person seeking prior permission, registration or renewal must provide the Aadhaar number of all its office bearers, directors or key functionaries, as an identification document.
- In case of a foreigner, they must provide a copy of the passport or the Overseas Citizen of India card for identification.
- **Prohibition to accept foreign contribution:** Under the Act, certain persons are prohibited to accept any foreign contribution.
- These include: election candidates, judges, government servants, members of any legislature, and political parties, among others.
- The Bill adds public servants (as defined under the Indian Penal Code) to this list.
- **Transfer:** The Act states that FC cannot be transferred to any other person unless such person is also registered to accept it.
- They should have obtained prior permission under the Act to obtain FC.
- The Bill amends this to prohibit the transfer of FC to any other person.
- **FCRA account:** The Act states that a person can accept FC only in one branch of a scheduled bank specified by them.
- But, they may open more accounts in other banks for utilising the FC.
- The Bill states that FC must be received only in an account designated by the bank as "FCRA account" in such branch of the SBI, New Delhi, as notified by the central government.
- No funds other than FC should be received or deposited in this account.
- The person may open another FCRA account in any scheduled bank of their choice for utilising the received contribution.



- **Restriction in utilisation:** Under the Act, if a person violates the provisions of the Act, the unutilised or unreceived FC may be utilised or received, only with the prior approval of the central government.
- The Bill adds that the government may restrict usage of unutilised FC for persons who have been granted prior permission to receive such FC.
- **Renewal of license:** Under the Act, every person must renew the certificate of registration within six months of expiration.
- The Bill provides that the government may conduct an inquiry before renewing the certificate of registration.
- **Reduction in use of FC for administrative purposes:** Under the Act, a person who receives FC must use it only for the purpose for which the contribution is received.
- Further, they must not use more than 50% of the contribution for meeting administrative expenses. The Bill reduces this limit to 20%.
- **Surrender of certificate:** The Bill allows the central government to permit a person to surrender their registration certificate.
- The government may do so if, post an inquiry, it is satisfied that such person has not contravened any provisions of the Act.

What is the concern?

- Amendments to the FCRA were drafted without consultation with stakeholders.
- They were passed with limited discussion in Parliament which further clips the wings of India's battered civil society.
- They put heavy conditions on civil society organisations, and educational and research institutions that have partnerships with foreign entities.
- The International Commission of Jurists said that the new law was incompatible with international obligations and India's constitutional provisions on rights.

What was the allegation?

- In Parliament, the ruling party alleged that the foreign money was being used for religious conversions.
- The debate on religious propagation and conversions must be delinked from the question of foreign funding.
- There are adequate laws against conversion by inducement.
- The right or wrong of it cannot be decided against the touchstone of the source of funds, native or foreign.
- Some of the restrictions appear well meaningful, but could impact NGOs besides showing up India to be overregulated.

What is needed?

- It could be true that a portion of such foreign assistance may be reaching the wrong hands.
- But, a presumption of guilt against the NGOs, followed by control, amounts to throwing the baby out with the bathwater.
- Seamless sharing of ideas and resources across national boundaries is essential to the functioning of a global community.
- This should not be discouraged unless there is reason to believe that the funds are being used to aid illegal activities.

6.12 CAG Report on Defence Offsets

Why in news?

The latest CAG report on the implementation of defence offsets has been released.

What does it reveal?

- It has brought into sharp focus the broader subject of developing India's domestic industrial base.
- It also raises concerns of some bureaucratic incapacity.

- This is in contrast with an unambiguous political vision of turning India into a strong and vibrant powerhouse via Atmanirbhar Bharat.

Is the report on defence offsets new?

- The 2020 CAG report on defence offsets is not the first one.
- Previously, an earlier CAG report in 2011 outlined a number of similar problems with defence offset management in India.
- One should compare the two CAG reports, or with reported findings of the latest CBI charge sheets in the Agusta case.
- This comparison is needed to assess the number and range of mistakes made during offset contract management.
- This qualitative deterioration in defence offset guidelines around 2010-11 is probably more a case of bureaucracies changing the rules to hide their own inadequacies during defence offset contract lifecycles.
- The 2011 guidelines are in contrast to the original guidelines that were issued in 2005-06.
- The guidelines of 2005-06 were based on recommendations of Vijay Kelkar committee on defence procurement and manufacturing.

What are Kelkar Committee's recommendations?

- Kelkar Committee recommendations formed the very basis of India's Defence Offset Guidelines.
- Issued almost a decade-and-a-half ago, it contained some core guiding principles that seem to have been diluted in 2011.
- The original offset guidelines of 2005-06 **allowed direct offsets** relating to manufacturing of defence products alone.
- This is a principle that the defence bureaucracy could not stick to very long in the face of well-coordinated push by foreign vendors.
- A second core principle was **grant of offset credit** only for value-addition in India.
- This was neglected for almost a decade in offset management before it was able to make some re-entry into the Ministry of Defence's procedures.
- A third principle was to keep offset contract **duration short** enough so as to be able to see their visible impacts.
- It also insisted on submitting properly crafted offset offers rather than signing of paper promises by foreign vendors.

What does the repetition mean?

- The repetition of the same mistakes as highlighted by the CAG twice is,
 1. Reflective of a general apathy to oversight,
 2. Demonstrates to some extent bureaucrats' inability to grasp core policy principles that stakeholders draw attention to inform proper policymaking in the first place.
- The defence list is actually 24 items, but then 10 of these are rings of slightly different types.
- Such a tiny list makes one wonder if it has been issued only for demonstrating an optical compliance with the DPIIT's mandate.

What is needed?

- A reorientation of bureaucracies' attitudes should be undertaken.
- Bureaucrats should upskill technical policymaking skills, and get out of their comfort levels in remaining conservative and risk-averse.
- Navigating highly dynamic domestic and international developments requires a much more collaborative and strategic approaches, and even much more domain specialisation, than achieved so far.



7. INFRASTRUCTURE

7.1 Green-Blue Policy

Why in news?

The Green-Blue policy is the focus of the Master Plan for Delhi 2041.

What is Master Plan for Delhi 2041?

- The Delhi Development Authority (DDA) is holding public consultations for the preparation of the Master Plan for Delhi 2041.
- It is a vision document for the city's development over the next two decades.
- The existing Master Plan 2021 will be outdated next year.
- The agency wants to notify the new plan by the time that happens.
- The draft policy's focus on water bodies and the land around it, which is referred to as the "Green-Blue policy", would give the city a new shape.

What is Green-Blue infrastructure?

- 'Blue' infrastructure refers to water bodies like rivers, canals, ponds, wetlands, floodplains, and water treatment facilities.
- 'Green' infrastructure stands for trees, lawns, hedgerows, parks, fields, and forests.
- The concept refers to urban planning where water bodies and land are interdependent, and grow with the help of each other.
- They will offer environmental and social benefits.

How does DDA plan to go ahead with it?

- The DDA plans to deal with the multiplicity of agencies, which because of the special nature of the state, has plagued it for several years.
- It wants to map out the issues of jurisdiction, work being done by different agencies on drains, and the areas around them.
- Thereafter, a comprehensive policy will be drawn up, which would then act as the common direction for all agencies.

What is the plan for redevelopment?

- Delhi has around 50 big drains (blue) managed by different agencies.
- Due to their poor condition and encroachment, the land around them (green) has also been affected.
- The DDA, along with other agencies, will integrate them.
- They will remove all sources of pollution by checking the outfall of untreated wastewater as well as removal of existing pollutants.
- A mix of mechanised and natural systems may be adopted.
- Dumping of solid wastes in any of these sites will be strictly prohibited by local bodies, through the imposition of penalties.

What will the areas look like after redevelopment?

- Land around these drains, carrying storm water, will be declared as special buffer projects.
- A network of connected green space would be developed in the form of green mobility circuits of pedestrian and cycling paths.
- There is a plan to develop spaces for yoga, active sports (without formal seating), open air theatres, and other low impact public uses.
- The nature of use, extent of public access, type of vegetation, etc. shall be ascertained on a case-to-case basis through scientific assessments.

- Real estate would be developed along these integrated corridors.

What are the challenges?

- The biggest challenge here is the **multiplicity of agencies**.
- DDA wants to bring together different agencies like Delhi Jal Board, Flood and Irrigation Department, and municipal corporations as stakeholders in the project.
- In a city where even waterlogging turns into a blame game between different agencies, this will be a tough task.
- It will be tough, especially as the DDA has no supervisory power over these bodies.
- **Cleaning of water bodies** and drains has been a challenge for agencies in Delhi for years now.
- An IIT-Delhi report on 20 major sewer drains and 5 sites on the River Yamuna found abundant presence of coliform and other pollutants.
- Only rainwater is supposed to flow in these drains, but the study found sewage waste and even industrial waste in some.
- A similar attempt made by DDA earlier, where a special task force was created to check dumping of waste in Yamuna, has not been successful.

7.2 InvITs of NHAI

Why in news?

Infrastructure Investment Trusts (InvITs) of the National Highways Authority of India (NHAI) has started meeting investor groups.

What is the InvIT issue?

- InvIT is meeting investors as it prepares to come up with its InvIT issue
- The issue will enable NHAI to monetise its completed NHs that have a toll collection track record of at least one year.
- The NHAI reserves the right to levy toll on identified highways.
- It will help the company raise funds for more road development across the country.

What are InvITs?

- In 2019, InvIT was established as a Trust by NHAI under the Indian Trust Act, 1882 and SEBI regulations.
- The Securities and Exchange Board of India (SEBI) notified the SEBI (InvITs) Regulations, 2014 for this purpose.
- The InvIT Trust was formed with the objective of investment primarily in infrastructure projects.
- The InvIT pools investment from various categories of investors.
- They invest them into completed and revenue-generating infrastructure projects, thereby creating returns for the investor.

What is the structure?

- They have a trustee, sponsors, investment manager and project manager.
- **Trustee** - Certified by SEBI, the trustee has the responsibility of inspecting the performance of an InvIT.
- **Sponsors** - They are promoters of the company that set up the InvIT.
- In case of Public-private partnership (PPP) projects, it refers to the infrastructure developer or a special purpose vehicle (SPV) holding the concession.
- **Investment manager** is entrusted with the task of supervising the assets and investments of the InvIT.
- **Project manager** is responsible for the execution of the project.

How does it work?

- The fund will be raised by monetising the completed NHs.
- The project SPV would distribute not less than 90% of net distributable cash flow to the trust in proportion of its holding in each of the SPV.
- Further, not less than 90% of the net distributable cash flow of the trust will get distributed to the unitholders.
- The unitholders will get the distributions at least once every six months.
- The fund can be invested in the project SPVs by way of an issue of debt.
- The trust can utilise it to repay their loans or even for prepayment of certain unsecured loans and advances availed by such project SPVs.

How many InvITs were formed so far?

- The Indian InvIT market is not yet mature.
- It has supported formation of 10 InvITs till date in roads, power transmission, gas transmission and telecom towers sectors.
- Of this, only two InvITs are listed on the stock exchange: IRB InvIT Fund and India Grid Trust.
- The listed are required to maintain a maximum-leverage ratio of 49%
- This can be increased to 70% subject to certain conditions, such as six continuous distributions to unit-holders and AAA-rating.
- With the significant amount of funding required in the infrastructure sector and a gap in availability of long-term funds, this structure helps close that gap by enabling fund raising from capital markets.

Why does NHAI need fund and how will it benefit the economy?

- At a time when private sector investment in the economy has declined, fund-raising by NHAI and spending on infrastructure will,
 1. Crowd-in private sector investment,
 2. Provide a fillip to the economy.
- So NHAI's InvIT offer is a way for the government to tap alternative sources of financing to boost public spending in the infrastructure sector.
- In 2017, the Centre launched its Bharatmala Pariyojana, for development of 24,800 km of roads at a total investment of Rs 5,35,000 crore.
- [Bharatmala Pariyojana - Highway development programme.]
- In order to **complete the projects**, NHAI needs adequate funds.
- One of the options is to monetise the completed NH assets and offer attractive schemes to private players to invest in construction of NHs.

How does it benefit the investor?

- A retail or even a large financial investors may not be typically able to invest in infrastructure projects such as roads, power, energy etc.
- InvITs enable these investors to buy a small portion of the units being sold by the fund depending upon their risk appetite.
- Given that such trusts comprise largely of completed and operational projects with positive cash flow, the risks are somewhat contained.
- The investors can benefit from the cash flow that gets distributed as well as in capital appreciate of the units.
- Unitholders benefit from favourable tax norms, including exemption on dividend income and no capital gains tax if units are held for more than three years.



7.3 Shimla-Mataur Highway

Why in news?

The Shimla-Mataur highway was declared unviable by the central government.

Where is the Shimla-Mataur highway?

- The Shimla-Mataur highway is one of Himachal Pradesh's primary national highways set for four-laning.
- It runs northwest from Shimla for around 223 kilometres.
- It passes through the districts of Solan, Bilaspur and Hamirpur before ending at the Mataur junction in Kangra district.

Why is it important?

- The highway **directly connects** the state capital Shimla to Kangra, the state's most populated district.
- Kangra is home to Himachal's second capital Dharamshala.
- Kangra, Bilaspur and Hamirpur in lower Himachal, primarily connected to Shimla via this highway.
- The highway facilitates **indirect linking** of Shimla with parts of Mandi, Kullu, Una and Chamba districts.
- In effect, it connects Shimla with 9 out of 12 districts in the state.
- It's important for **religious tourism** too, since it provides connectivity to major pilgrimage centres in lower Himachal.

What is the history of the road-widening project?

- In 2016, Union minister for road transport and highways announced that the highway would be four-laned.
- In addition, the NHAI was to build tunnels and bridges along the route and bypass some towns, to reduce the distance and travel-time.
- The road was to be widened in five different 'packages', or sections.
- The NHAI hired M/s Inter Continental Consultants and Technocrats, New Delhi, to prepare detailed project reports (DPRs) for this.
- Delays in the DPR process caused the High Court of Himachal Pradesh to intervene in the matter in 2017.
- In 2019, the HC directed NHAI and other agencies involved to ensure expeditious completion of works.

What is the status of the road-widening project?

- In his 2020 budget speech, Chief Minister Jai Ram Thakur mentioned the highway as a priority project for the state.
- The final DPR is now complete.
- The land acquisition process is underway.
- However, no construction/excavation work has begun yet.

When was it declared unviable?

- In July 2020, the Union ministry of road transport and highways wrote to NHAI regarding the unviability of 2,887 kms of highways in India.
- This included the Shimla-Mataur highway.
- The NHAI asked the ministry to transfer the development, maintenance and repair of the road to the state public works department.
- According to an NHAI official, the projected cost is Rs 10,000 crore.
- Of this, Rs 7,000 crore is the project cost and Rs 3,000 crore the land acquisition cost.
- The financial crisis caused by the Covid pandemic was one of the factors behind the project being declared unviable.



Is the four-laning cancelled?

- The ministry asked the NHAI to continue to repair, develop and maintain the road instead of handing it to the state.
- But, the state is committed towards the four-laning of this highway.
- It is raising this matter with the Centre regularly.

8. SCIENCE & TECHNOLOGY

8.1 Pinaka Missile System

Why in news?

The Ministry of Defence (MoD) signed contracts with three Indian companies for supply of six regiments of the Pinaka Rocket System.

What is the contract?

- The acquisition wing of MoD has signed contracts with,
 - a) Bharat Earth Movers Ltd,
 - b) Tata Power Company Ltd (TPCL) and
 - c) Larsen & Toubro (L&T).
- The six regiments would be added to the Regiment of Artillery of the Indian Army at a cost of Rs 2,580 crore.
- These Regiments will be operationalised along the Northern and Eastern Borders of our country.
- They are long range artillery systems that comprise 114 launchers with,
 - a) 45 Command Posts to be procured from L&T,
 - b) Automated Gun Aiming and Positioning System from TPCL and
 - c) 330 vehicles to be procured from BEMIL.
- The induction is planned to be completed by 2024.

What is the significance of this acquisition?

- India is facing hostilities on both fronts.
- So, the announcement enhancing the long range artillery capabilities can be looked as a strong signal to the adversaries.
- The ministry has called this step a major boost to 'Make in India.'
- This flagship project showcases public private partnership under the aegis of Government of India (DRDO and MoD).
- [DRDO - Defence Research and Development Organisation]

What is the origin of Pinaka rocket system?

- Pinaka attacks the targets prior to the close quarter battles which involve smaller range artillery, armoured elements and the infantry.
- The development of the Pinaka was started by the DRDO in 1980s.
- It was developed as an alternative to the multi-barrel rocket launching systems of Russian make, called like the 'Grad'.
- Pinaka Mark-1 was first used in the battlefield during the Kargil War of 1999, quite successfully.
- Subsequently multiple regiments of the system came up over the 2000s.

What are Pinaka's capabilities?

- Pinaka is primarily a multi-barrel rocket system (MBRL) system.

- It can fire a salvo of 12 rockets over a period of 44 seconds.
- One battery of Pinaka system consists of six launch vehicles.
- This is accompanied by the loader systems, radar and links with network based systems and a command post.
- One battery can neutralise an area one kilometre by one kilometre.
- The launchers have to 'shoot and scoot' to ensure that they themselves do not become the targets, especially due to its back blast.
- Thus the launcher vehicles should have a high degree of maneuverability.

What are its versions?

- **Mark-I version** of Pinaka has a range of around 40 kilometres.
- **Mark-II version** can fire up to 75 kilometres.
- Over late 2010s, multiple successful tests of the Mark-II version have been carried out by the DRDO.
- This version of the rocket has been modified as a guided missile system by integrating it with the navigation, control and guidance system.
- The navigation system of the missile is linked with the Indian Regional Navigation Satellite System (IRNSS).
- In comparison to artillery guns, rockets are less accurate, but with addition of guidance and navigation systems, this aspect is taken care of.
- With its upgrades, the Pinaka Mark-II can be a key element in the "network centric warfare".
- The rocket system can operate various modes.
- They can carry different types of warheads.

9. INTERNAL SECURITY

9.1 IAF's Role in Ladakh

What is the issue?

- With a resolution to the standoff on the LAC still elusive, the Indian Army is preparing for extended deployment of troops.
- The Indian Air Force (IAF) will play a key role in supporting the troops in the tough terrain through the harsh winter months.

Can the IAF support the logistics of such a large force?

- One part of the logistics for the Army requires land transportation, which would have been planned for before winter sets in and the passes close.
- The IAF will be doing **very urgent missions**, for which it is well prepared with a very good transport fleet like C-130 Super Hercules, Chinook heavy-lift helicopters, etc.

What are the challenges of flying into Ladakh's advanced landing grounds (ALGs)?

- The challenge is the **altitude** of the two airfields of Leh and Thoise.
- But since IAF has been flying there for decades, the air crew are well aware of the peculiarities of these fields.
- The **landing grounds** at high altitude have their own challenges.
- It results in reduction of load-bearing capacity of the planes/choppers.
- The air crew have to call upon their skills to navigate the hills and land on the **small helipads**.
- Bad weather that accompanies the western disturbances that strike northern India in the winter months is a challenge.
- It **reduces visibility** and results in a **low cloud base**.



What effect does extreme cold have on weight-carrying aircraft?

- The lower the temperature, the better the payload.
- This is because the higher air density increases the lift-carrying capability of flying machines.
- So the loads that can be carried during winter are higher than during summer. This is a big advantage.
- Helicopters, whose load-carrying ability to extremely high helipads at altitudes of 17,000 to 20,000 feet, increases substantially in winter.
- It reduces drastically in summer.

Do the high altitude and topography pose a challenge?

- The modern navigation equipment available now overcomes most of the challenges.
- But mission accomplishment is not merely flying from place A to B.
- The aircraft has to land to complete a mission. That is where temperature and altitude plus weather become the final arbiters.
- Navigation is not a problem, but **take-offs and landings are tricky**.
- The night flying has its own challenges because of the shadows cast by hills, and the state and position of the moon relative to the hills and the aircraft.
- A moonless night poses its own challenges, and a full moon has its own.
- In the hills, air crew are specially cleared to carry out operations at night.

Do Ladakh airfields restrict operations to only certain aircraft?

- All air fields in the Ladakh area can be used by the transport aircraft, although weather requirements will vary from one aircraft to the other.
- It depends on the navigational aids on board the aircraft, and the competence of the crew.
- That is why air crews are detailed depending on the mission.
- In a long haul, the IAF will have to transport back and forth mechanised weapons etc for repair, maintenance, etc.

What kind of support does the IAF require for such an operation?

- All the air fields have enough stock of fuel, oil, and lubricants (FOL) for which detailed planning are done around the clock.
- There is a well-oiled logistics chain that has been fine-tuned by the IAF in the last six-seven decades of operation.
- The Army Service Corps (ASC) also plays an important part in ground positioning of fuel in forward posts.

What is the threat to aircraft when the ground forces are eye to eye?

- The Leh and Thoise airfields that support fixed wing operations are relatively in the interiors, hence not vulnerable to any ground action.
- They can be attacked by the Air Force and other aerial assets of the foe.
- But there are standard operating protocols (SOPs) in place to deal with such threats.
- However, in ALGs such as Daulat Beg Oldie (DBO), the air crew are well adept at taking tactical action to meet any threat from ground fire or shoulder-fired missiles.
- In this, the aids on board the helicopters also play an important role.

Are there any special challenges for fighter aircraft?

- Fighters flying in those altitudes have special challenges because of their high speeds, reduced air density, the closeness of the hill tops.
- Hitting the targets which are very small comprising bunkers having small number of troops requires special weapons and air crew capability.



- Fortunately, India has experienced this during Kargil.
- So, the lessons would have been passed on to the present band of pilots.
- In the present day, an individual weapon system is only as good as the overall war fighting architecture that the force designs.

PRELIM BITS

10. HISTORY AND ART & CULTURE

Renati Cholas

- The Telugu Cholas of Renadu are also called as Renati Cholas.
- They ruled over Renadu region, the present day Cuddapah district.
- They were originally independent, later forced to the suzerainty of the Eastern Chalukyas.
- They had the unique honour of using the Telugu language in their inscriptions belonging to the 6th and 8th centuries.
- The inscriptions at Gandikota at Jammulamadugu and Proddatur are proof of this fact.
- The earliest of this family was Nandivarman (500 AD) who claimed descent from the family of Karikala and the Kasyapa gotra.
- Recently a rare inscription dating back to the Renati Chola era has been unearthed in a remote village of Kadapa district.
- The inscription has been found engraved on a dolomite slab and shale.
- The inscription was written in archaic Telugu which was readable in 25 lines.
- It was assigned to the 8th Century A.D., when the region was under the rule of Chola Maharaja of Renadu.

Sadikpur Sinauli Archaeological Site

- The 2018 Excavations from Baghpat district in UP, proved evidence of the existence of a warrior class around 2,000 BCE.
- Recently the archaeological site is at Sadikpur Sinauli, Baghpat District have been declared to be of “national importance” by the Archaeological Survey of India.
- The ASI’s notification under provisions of the Ancient Monuments and Archaeological Sites and Remains Act, 1958 brings the 28.67-hectare-site under Central protection.
- The site would now be maintained by the ASI and development works around it would be subject to Central rules.
- The notification comes two years after the ASI unearthed remains of chariots, shields, swords and other items indicating the presence of a warrior class at the site that is 68 km from Delhi.
- ASI termed the site the “largest necropolis of the late Harappan period datable to around early part of second millennium BCE”.

Yanomami Tribe

- Guarani, Kaingang, Pataxó, Hã Hã Hãe, Tupinambá, Yanomami, Tikuna and Akuntsu are popular tribes of the Amazon basin.
- The Yanomami live in the rainforests and mountains of northern Brazil and southern Venezuela.
- They are the largest relatively isolated tribe in South America and live in large, circular houses called yanos or shabonos, some of which can hold up to 400 people.
- The Yanomami consider all people to be equal, and do not have a chief.



- Instead, all decisions are based on consensus after long discussions and debates.
- They are speakers of a Xirianá language.
- A Brazilian indigenous leader Davi Kopenawa who secured the land rights of the Yanomami people was awarded the Right Livelihood Award-2019, also known as Sweden's alternative Nobel Prize.
- Recently Yanomami tribe has launched a global campaign to expel 20,000 gold miners from their land.

Kakatiya Dynasty

- Kakatiyas is an Andhra dynasty that flourished in the 12th century CE.
- The Kakatiya dynasty ruled from Warangal (Telangana) from CE 1083-1323.
- They were known for the construction of a network of tanks for irrigation and drinking water and thereby gave a big boost to the overall development of the region.
- There are hundreds of Hindu temples built under the patronage of Kakatiya kings like Ganapati Deva, Rudrama Devi and Prataparudra of Kakatiya dynasty.
- Following are the famous temples of Kakatiya Dynasty
 1. Thousand Pillar Temple or Rudreshwara Swamy Temple, Telangana.
 2. It is a star-shaped, triple shrine (Trikutalayam) dedicated to Vishnu, Shiva and Surya.
 3. Ramappa Temple, Warangal, Telangana.
 4. Golconda Fort in Hyderabad (Telangana) was also constructed by the Kakatiya rulers.
 5. Later, it became the capital of the Qutb Shahi kings, who ruled from CE 1518-1687.
- Recently a temple constructed by Emperor Ganapati Deva, in Dharanikota (Andhra Pradesh) has been converted into an abode of local goddess Balusulamma (Goddess Durga).

Bharati Script

- Script refers to a set of letters used for writing a particular language. E.g. Devanagari, Roman, etc.
- Bharati is a simple and unified script which can be used to write most major Indian languages.
- It is developed by Srinivasa Chakravathy's team at IIT Madras.
- It is designed using simplest shapes, often borrowing simple characters from various Indian languages/scripts and English.
- Scripts supported are - Hindi/Marathi (Devanagari), Tamil, Telugu, Gujarati, Punjabi (Gurmukhi), Bengali, Oriya, Kannada and Malayalam.
- The significance of the script are as follows
 1. It can help the next generation of Indians to easily read in Indian languages.
 2. It is an ideal script for languages like Konkani or Tulu that don't have their own script.
 3. It can serve as a writing system for the innumerable tribal languages of India, and languages of the Northeast.
 4. It can lead to a new system of Braille (for blind persons) for Indian languages and even a fingerspelling system for the hearing-impaired.
 5. It can shorten the duration of adult literacy programs from 6 months to a few weeks, as the script is easy to learn.

11. GEOGRAPHY

Medicanes

- Medicanes are tropical-like cyclones formed over the Mediterranean Sea.

- With the surrounding dry climate and the relatively shallow waters of the sea, the occurrence of tropical-like cyclones is infrequent.
- They typically form in the fall or winter months and occur once or twice a year.
- On September 2020, a medicane named Lanos made landfall along the coast of Greece and caused heavy rainfall and flooding in Greece and surrounding islands.
- Recently Scientists have warned that ‘Medicanes’ could become more frequent due to human-induced climate change.
- Due to global warming, warmer sea surface temperatures in the Mediterranean can allow the storms to take on more tropical appearances and characteristics, increasing the wind speeds and making the storms more intense and cause heavier rainfall.
- Increase in frequency of medicanes will be a threat for already vulnerable populations living in North Africa, possibly triggering human migration.
- They could also be a menace for European countries like Italy and Greece.

Pripyat River

- Recently World Wide Fund (WWF) for Nature has warned that dredging of Pripyat River could wreak havoc on an estimated 28 million people in Ukraine.
- Pripyat River flows near the site of the infamous nuclear accident at Chernobyl.
- It is Ukraine’s most important river, on which its capital city of Kiev is located.
- The city of Pripyat, with a population of 45,000, was completely evacuated after the Chernobyl disaster and is now a ghost town.



E40 Project

- The E40 project envisions connecting the Black and Baltic Seas for ocean-going ships to ply.
- It seeks to connect the ports of Gdansk in Poland on the Baltic, with that of Kherson in Ukraine on the Black Sea.
- The Pripyat will become a permanent source of radioactive contaminants because annual dredging will be needed to ensure the successful operation of the E40 waterway.
- The E40 waterway will dry up rivers, damage landscapes, negatively impact wildlife and destroy the livelihoods of local people.
- The Pripyat River is being dredged as part of the restoration of a bilateral waterway between Ukraine and Belarus and is being seen as the first step of the much larger E40 project.
- The dredging of Chernobyl exclusion zone on Pripyat River could increase the radiation risk.

Barbados

- Barbados is a former British colony, gained its independence in 1966.
- Although it is an independent state, Queen Elizabeth remains its constitutional head, as did other self-governing Commonwealth nations such as Canada and Australia.
- Queen Elizabeth II, who is the head of state in the UK and 15 other Commonwealth realms, including Canada, Australia and New Zealand, will be dropped as monarch by Barbados next year.
- The Caribbean nation aims to complete the process of becoming a republic before its 55th anniversary of independence from Britain, in November 2021.
- With this, it will become the first country in almost three decades to sever ties with the British royal family and become a republic; Mauritius being the last to do so in 1992.



- Barbados however, expected to remain a member of the Commonwealth of Nations, the 54-nation club of mostly former British colonies which is led by the queen, and includes India.

Shinkun La Tunnel

- National Highways & Infrastructure Development Corporation Ltd (NHIDCL) has made a project report for the world's longest high-altitude Shinkun La Tunnel.
- The tunnel (13.5 Km long) is proposed to be built on the border between Ladakh and Himachal Pradesh.
- Once it is complete, the Manali-Kargil highway will remain open throughout the year.
- The tunnel will provide all-weather road connectivity between Himachal Pradesh and Jammu and Kashmir in Zaskar valley.



Daudkandi - Sonamura Inland Waterways

- Recently trial run on new river route from Daudkandi in Bangladesh to Sonamura in Tripura has been inaugurated.
- The route will connect Tripura with Bangladesh using the inland waterways for the first time.
- Cargo ship MV Premier sailed from Daudkandi, which is scheduled to arrive in Sonamura in Tripura after covering a distance of 93 kilometers through river Gumti.
- The opening of the new route follows the signing of the 2nd addendum to the Protocol for Inland Water Trade & Transit (PIWTT) in May 2020 which opened two new routes.

12. POLITY

J&K Official Languages Bill

- Union Cabinet has approved J&K Official Languages Bill 2020.
- The bill approves Kashmiri, Dogri and Hindi as the official language of Jammu and Kashmir apart from the existing Urdu and English.
- Jammu and Kashmir Official Languages Bill, 2020 will be introduced in Parliament in the upcoming Monsoon Session.
- Article 343** of the Indian constitution stated that the official language of the Union is Hindi in Devanagari script instead of the extant English.
- Later, a constitutional amendment, The Official Languages Act, 1963, allowed for the continuation of English alongside Hindi in the Indian government indefinitely until legislation decides to change it.
- Despite the misconceptions, Hindi is not the national language of India; the Constitution of India does not give any language the status of national language.
- Subject to the provisions of **Articles 346 and 347**, the Legislature of a State may by law adopt any one or more of the languages in use in the State or Hindi as the language or languages to be used for all or any of the official purposes of that State.
- Provided that, until the Legislature of the State otherwise provides by law, the English language shall continue to be used for those official purposes within the State for which it was being used immediately before the commencement of this Constitution.

Assisted Reproductive Technology Regulation (ART) Bill 2020

- ART help couples unable to conceive naturally, with the aid of state-of-the-art technology, to achieve pregnancy.
- ART Bill was passed in Lok Sabha recently.

- It aims to monitor medical procedures used to assist people to achieve pregnancy.
- It is intended to regulate ART clinics and banks, prevention of misuse, safe and ethical practice of ART services.
- The bill can protect the affected women and children from exploitation as India has one of the highest growths in ART centers.
- Key provisions of the bill are as follows
 1. A national Board to lay down a code of conduct to be observed by those operating clinics.
 2. Set the minimum standards of physical infrastructure, laboratory and diagnostic equipment and expert manpower.
 3. A national registry and registration authority to maintain a database to assist the national Board.
 4. States and UTs shall constitute State Boards and State Authorities to follow policies and plans laid by National Board.
 5. To ensure confidentiality of intending couples and protect the rights of the child.

National Commission for Indian System of Medicine Bill

- It seeks to repeal the Indian Medicine Central Council Act, 1970 and set up a National Commission for Indian System of Medicine.
- The Commission will consist of 29 members including Chairperson, President of the Board of Ayurveda and President of the Board of Unani, Siddha, and Sowa-Rigpa, in addition to other members.
- The two bills also propose constitution of Advisory Councils for Homoeopathy as well as for Indian System of Medicine.
- These Councils will be the primary platform through which the states and union territories will put forth their views and concerns before the two Commissions.
- The Advisory Councils will also suggest measures to the Commission to determine and maintain standards of medical education in the country.
- The bills also envisage a National Eligibility-cum-Entrance Test for admission to both undergraduate and Post-Graduate courses of Homoeopathy and for various disciplines of Indian System of Medicine.

Indian Institutes of Information Technology laws Bill

- Rajya Sabha has passed the Indian Institutes of Information Technology Laws (Amendment) Bill, 2020. It has been already passed by Lok Sabha.
- The Bill seeks to declare following five IIITs as institutions of national importance, under the PPP mode in Surat, Bhopal, Bhagalpur, Agartala and Raichur.
- Currently, these institutes are registered as Societies under the Societies Registration Act, 1860 and do not have the power to grant degrees or diplomas.
- On being declared institutions of national importance, the five institutes will be granted the power to grant degrees.
- The Bill seeks amendment to the Indian Institutes of Information Technology Act, 2014 and the Indian Institutes of Information Technology (Public-private Partnership) Act, 2017.
- The central government will contribute fifty percent towards the expenses of institutes functioning under the PPP mode.
- 35 per cent will be borne by the states and fifteen per cent by the industries.
- As a special impetus to north eastern states, central government will bear over 57% of the expenses whereas industries will contribute around seven percent to the Institutes there.

Epidemic Diseases (Amendment) Bill, 2020

- Recently Parliament has passed the Epidemic Diseases (Amendment) Bill, 2020.

- The bill amends the Epidemic Diseases Act, 1897 to include protections for health care service personnel combating epidemic diseases and expands the powers of the Central Government to prevent the spread of such diseases.
- The bill repeals the Epidemic Diseases (Amendment) Ordinance that was promulgated in April this year.
- The legislation makes harm, injury, hurt or danger to the life of health care service personnel as a cognizable and non-bailable offence.
- It has provisions of imprisonment from three months to five years and a fine between 50,000 rupees to 2 lakh rupees.
- Persons convicted of offences under the bill will also be liable to pay compensation to the health care service personnel whom they have hurt.

Bilateral Netting of Qualified Financial Contracts Bill

- Parliament has passed the Bilateral Netting of Qualified Financial Contracts Bill, 2020 with Rajya Sabha approving it.
- The bill provides a legal framework for bilateral netting of qualified financial contracts.
- Netting refers to offsetting of all claims arising from dealings between two parties to determine a net amount payable or receivable from one party to another.
- The bill allows for enforcement of netting for qualified financial contracts.
- The provisions of the bill will apply to Qualified Financial Contracts between two qualified financial market participants where at least one party is an entity regulated by the specified authorities such as
 1. RBI,
 2. SEBI,
 3. IRDAI,
 4. PFRDA or the IFSCA.
- The bill is critical for financial stability in the country and will provide legal basis for bilateral netting between two parties.
- This bill will also ensure liquidity in the market.

Changes to DRSCs

- Raja Sabha Secretariat is considering changing the rules governing the **Departmentally-Related Standing Committees** tenure.
- It aims to make it to two years from the present one year so that the panels have enough time to work on the subjects selected by them.
- The following options are being considered by Raja Sabha Secretariat
 1. To extend the term of the panels for a year.
 2. To form new committees with a fixed tenure of two years.
- This decision comes after the tenure of all the DRSCs of Parliament is ending on 11th September, 2020 and they can't hold deliberations till new panels are formed.
- A significant amount of the tenure of the committees was lost due to the Covid-19 pandemic.
- Many of the panels have not been able to complete reports on the subjects they were working on.

Departmentally-Related Standing Committees

- On the recommendation of the Rules Committee of the Lok Sabha, 17 Departmentally-Related Standing Committees (DRSCs) were set up in the Parliament in 1993.
- In 2004, seven more such committees were set up, thus increasing their number from 17 to 24.
- Out of the 24 standing committees, 8 work under the Rajya Sabha and 16 under the Lok Sabha.
- Each standing committee consists of 31 members (21 from Lok Sabha and 10 from Rajya Sabha).

- The members of the Lok Sabha are nominated by the Speaker, just as the members of the Rajya Sabha are nominated by the Chairman from amongst its members
- A minister is not eligible to be nominated as a member of any of the standing committees.
- In case a member, after his nomination to any of the standing committees, is appointed a minister, he then ceases to be a member of the committee
- The term of office of each standing committee is one year from the date of its constitution.
- They secure more accountability of the Executive (i.e., the Council of Ministers) to the Parliament.

Bills aimed at doubling Farmer Income

- The following bills are recently passed in Lok Sabha.
 - These bills seek to replace the ordinances promulgated in June 2020 under Atmanirbhar Bharat Abhiyaan.
- 1. Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020**
 - It aims to open up agricultural marketing outside APMC market yards for farmers, and also remove barriers to inter-State trade.
 - It proposes an electronic trading in transaction platform.
 - 2. Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, 2020**
 - It aims at facilitating contract farming, where a private buyer contracts to purchase a crop at a certain price at the beginning of a season, transferring the risk of market unpredictability from the farmer to the corporate sponsor.
 - It will empower farmers for engaging with processors, aggregators, wholesalers, large retailers and exporters on a level playing field without any fear of exploitation.
 - It will reduce cost of marketing and improve income of farmers.

Inter-State Migrant Workmen Act

- Inter-State Migrant Workmen (ISMW) Act, 1979 is meant to protect vulnerable workers who leave their own home State for employment.
- It applies to every establishment and contractor who has five or more migrants on their rolls and prohibits their employment without a certificate of registration.
- According to the Act, each registered worker must be issued a pass book with details of employment, wages and benefits.
- Recently the Labour Ministry told the Lok Sabha that it had no data on the migrant workers who lost their jobs or lives during the lockdown.
- However, it claimed that over one crore migrant workers returned to their home States during the lockdown.

13. GOVERNMENT INITIATIVES

Mission Karmayogi

- The Union Cabinet has introduced Mission Karmayogi, plan to train, skill, have 'ideal' civil servants.
- It will be available for civil servants from the rank of assistant section officer to Secretary, across services.
- Mission Karmayogi aims to shift the focus from 'rule-specific' to 'role-specific'.
- It is also known as National Programme for Civil Services Capacity Building (NPCSCB), will be steered by four new bodies.
- The new entities will be
 - a) Prime Minister's Public Human Resources Council,

- b) Capacity Building Commission,
- c) Special Purpose Vehicle (SPV) (that will own and operate the digital assets and technological platform for online training),
- d) Coordination Unit (headed by the Cabinet Secretary).
- **Structure** - The **Prime Minister's Public Human Resources Council** will be headed by the PM, and will have select Union Ministers, Chief Ministers, eminent academics, HR practitioners, global thought leaders, and public service functionaries as members.
- It will be the top body that will provide strategic direction to the task of civil services reform and capacity building, and approve and monitor the capacity building plans.
- An Integrated Government Online Training (iGOT)-Karmayogi platform will be developed for the project.
- The iGOT platform will enable the transition to a role-based HR management & continuous learning.
- A SPV will be set up as a not-for-profit company to own and manage the iGOT-Karmayogi platform.
- It will also own all Intellectual Property Rights on behalf of the Government of India.
- **Funding of the project** - The project, which will cover around 46 lakh central government employees, will be set up at a cost of Rs 510.86 crore over the next five years.
- Initial funding to the tune of \$50 million will come from multilateral agencies including the World Bank and Asian Development Bank.
- Also, all government departments will contribute Rs 431 annually for each civil servant working for them as subscription charge for the SPV.

E-Gopala App

- e-Gopala App, is a comprehensive breed improvement marketplace and information portal for direct use of farmers.
- At present, no digital platform is available in the country for farmers managing livestock including buying and selling of disease-free germplasm in all forms, availability of quality breeding services and guiding farmers for animal nutrition, treatment of animals using appropriate medicine.
- There is no mechanism to send alerts on due date for vaccination, pregnancy diagnosis and calving among other issues and inform farmers about various government schemes and campaigns in the area.
- The e-Gopala app will provide solutions to farmers on all these aspects.
- The app is launched part of PM- Matsya Sampada Yojana (PMMSY).

iRAD

- Ministry of Road Transport & Highways will be implementing 'Integrated Road Accident Database Project (iRAD)' which will be applicable across the country.
- In the first instance, it has been decided to implement the proposal in six States, viz. Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Uttar Pradesh and Tamil Nadu.
- The development and implementation of iRAD has been entrusted to IIT Madras and National Informatics Centre Services Inc.
- iRAD Mobile app will be customized/integrated as per the requirements of concerned States/UTs.
- The App when developed and functional, will enable the stakeholders such as the Police, Transport, Health, etc to use their mobile phones to collect accident data on the spot.

Shikshak Parv

- Under the Shikshak Parv initiative, Ministry of Education is organizing a series of webinars on NEP and its implementation.
- Shikshak Parv is being celebrated from 8th-25th September 2020.
- **NEP** aims to pave the way for transformational reforms in school and higher education systems in the country.

- This policy replaces the 34-year-old National Policy on Education (NPE), 1986.
- NEP 2020 is aligned to the 2030 Agenda for Sustainable Development. It is built on the foundational pillars of Access, Equity, Quality, Affordability and Accountability.
- An autonomous body, the National Educational Technology Forum (NETF), is proposed to provide a platform to facilitate decision making on the induction, deployment, and use of technology, as well as the opportunity to consult and share best practices.

Streets for People Challenge

- The Streets for People Challenge is the response to the need for making the cities more walkable and pedestrian friendly.
- The Challenge builds on the advisory issued by the Ministry for the holistic planning for pedestrian-friendly market spaces, earlier this year.
- The Challenge will support cities across the country to develop a unified vision of streets for people in consultation with stakeholders and citizens.
- Fit India Mission, under Ministry of Youth Affairs and Sports, along with the India program of the Institute for Transport Development and Policy (ITDP) have partnered with the Smart Cities Mission to support the challenge.

Institutionalizing Snake Handlers

- Kerala becomes the first to institutionalize snake handling in the country.
- Kerala Forest Department has framed guidelines for rescuing snakes from human dominated places and releasing them in uninhabited areas.
- Highlights of the move are as follows
 1. The guidelines make it mandatory for snake handlers, aged between 21 and 65 years, to seek certification.
 2. The applications will be screened by the Assistant Conservators of Forest (ACF, Social Forestry) to prepare lists of snake handlers in each district.
 3. Those short-listed will be required to undergo a mandatory training on safe and scientific handling of snakes.
 4. While the certification will be valid for five years, the respective ACFs can withdraw or cancel the same if the snake handler is found to be involved in any illegal or unethical practices.
 5. Rescued snakes will also have to be released in the presence of forest officials at the earliest.
 6. If found injured, the snake can be released only after ascertaining its fitness.
 7. Non-native species, however, cannot be released and have to be handed over to the Forest Department.

Pottery Guidelines

- Ministry of Micro Small and Medium Enterprises, MSME, has announced new guidelines to support artisans in Pottery Activity.
- For Pottery Activity Government will provide assistance of pottery wheel, Clay Blunger, Granulator etc.
- It will also provide Wheel Pottery Training for traditional pottery artisans and Press Pottery training for pottery as well as non-pottery artisans in Self- Help Groups.
- There is also provision to provide Jigger-Jolly training programme for pottery as well as non-pottery artisan in Self-Help Groups.

Guidelines to Beekeeping Activity

- Ministry of Micro Small and Medium Enterprises, MSME, has announced new guidelines to support artisans in Beekeeping Activity.
- Government will provide assistance of Bee boxes and Tool kits.



- Under this scheme, Bee boxes, with Bee colonies, will also be distributed to Migrant workers in Prime Minister Gareeb Kalyan Rozgar Abhiyaan districts.
- A five-day beekeeping training will also be provided to the beneficiaries through various Training Centers or State Beekeeping Extension Centers or Master Trainers as per prescribed syllabus.
- This is being done in order to create sustainable employment and to provide supplementary income for the beekeepers or farmers, to create awareness about Honey and other Hive Products etc.
- To begin with, Scheme proposes to cover, during 2020-21, a total of 2,050 Beekeepers, Entrepreneurs, Farmers, Unemployed Youth, Adivasis will get benefitted from these projects or programme.
- Additional amount of 50 crore rupees has also been kept for developing Beekeeping honey clusters under the 'SFURTI' scheme of the Ministry.

KRITAGYA

- Indian Council of Agricultural Research (ICAR) under National Agricultural Higher Education Project (NAHEP) has planned a hackathon named "KRITAGYA".
- NAHEP is a Government of India and World Bank project launched in 2017.
- The Hackathon aims to promote potential technology solutions for enhancing farm mechanization with special emphasis on women friendly equipment.
- Students, faculties and innovators/entrepreneurs from any university / technical institution across the country can apply and participate in the event in the form of a group.
- In one group maximum 4 participants can compete, with not more than one faculty and / or more than one innovator or entrepreneur.
- Participating students can collaborate with local start-ups, students from technology institutes, and can win Rs. 5 lakhs, Rs 3 lakhs and Rs. 1 lakh as first, second and third prize

National Commission for Protection of Child Rights (NCPCR)

- NCPCR was set up in March 2007 under the Commissions for Protection of Child Rights (CPCR) Act, 2005, an Act of Parliament.
- It is a statutory body under the administrative control of the Ministry of Women & Child Development.
- Under the NCPCR the Child is defined as a person in the 0 to 18 years age group.
- The Commission's Mandate is to ensure that all Laws, Policies, Programmes, and Administrative Mechanisms are in consonance with the Child Rights perspective as enshrined in the Constitution of India and also the UN Convention on the Rights of the Child.

14. GOVERNMENT SCHEMES

Five Star villages Scheme

- The Department of Posts under Ministry of Communications has launched a scheme called Five Star Villages.
- It aims to ensure universal coverage of flagship postal schemes in rural areas of the country.
- Three components of the scheme are
 1. Product and Service Availability,
 2. Product and Service Publicity
 3. Product and Service Marketing.
- Under the scheme Branch offices are empowered to function as one-stop shops to cater all post office related needs of the villagers.
- Schemes covered are :
 1. Savings Bank accounts, Recurring Deposit Accounts, NSC/KVP certificates,
 2. Sukanya Samridhi Accounts/ PPF Accounts,



3. Funded Post Office Savings Account linked India Post Payments Bank Accounts,
 4. Postal Life Insurance Policy/Rural Postal Life Insurance Policy and
 5. Pradhan Mantri Suraksha Bima Yojana Account/Pradhan Mantri Jeevan Jyoti Bima Yojana Account.
- Rating System of the scheme - One Scheme is equal to one star of rating.
 - Therefore, if a village attains universal coverage for four schemes from the above list, then that village gets four-star status and so on.
 - The scheme is being launched on pilot basis in Maharashtra; based on the experience here, it will be implemented nation-wide.

National Bamboo Mission

- The restructured NBM was launched in 2018-19 for the holistic development of the complete value chain of the bamboo sector and is being implemented in a hub (industry) and spoke model.
- It aims to connect farmers to markets so as to enable farmer producers to get a ready market for the bamboo grown and to increase the supply of appropriate raw material to the domestic industry.
- The Sector Skill Councils established under the National Skill Development Agency (NSDA) will impart skills and recognition of prior learning to traditional artisans, encouraging the youth to carry forward their family traditions.
- NBM also supports local artisans through locally grown bamboo species, which will actualize the goal of Vocal for Local and help increase the income of farmers, reducing dependency on imports of raw material.
- Recently Union Minister for Agriculture and Farmers' Welfare has virtually inaugurated 22 bamboo clusters.
- The bamboo clusters has been inaugurated in 9 states viz. Gujarat, Madhya Pradesh, Maharashtra, Odisha, Assam, Nagaland, Tripura, Uttarakhand and Karnataka

Indian Forest Act and Bamboo cultivation

- The Indian Forest Act 1927 was amended in 2017 to remove bamboo for the category of trees.
- As a result, anyone can undertake cultivation and business in bamboo and its products without the need of a felling and transit permission.
- Import policy has also been modified to ensure the progress of the bamboo industry in the country

ADIP Scheme

- Assistance to Disabled persons for purchasing/fitting of aids/appliances (ADIP) scheme comes under the Ministry of Social Justice & Empowerment.
- It aims to assist the needy disabled persons in procuring durable and scientifically manufactured appliances.
- ADIP can promote physical, social and psychological rehabilitation of differently abled by reducing the effects of disabilities and enhance their economic potential.
- It is implemented through NGOs, National Institutes under the Ministry of Social Justice & Empowerment and ALIMCO (a PSU that manufactures artificial limbs).
- Eligibility for ADIP scheme are as follows
 - a) Any Indian citizen with 40% disability or more
 - b) Monthly income not more than Rs.20000
 - c) Must not have received assistance during the last 3 years and for children its last 1 year.
- The following agencies would be eligible to implement the Scheme on behalf of Ministry of Social Justice and Empowerment,
 1. Societies, registered under the Societies Registration Act, 1860 and their branches, if any, separately.
 2. Registered charitable trusts
 3. District Rural Development Agencies,
 4. Indian Red Cross Societies



5. Autonomous Bodies headed by District Collector/Chief Executive Officer/District Development Officer of Zilla Parishad.
6. National/Apex Institutes functioning under Ministry of Social Justice and Empowerment/Ministry of Health and Family Welfare.
7. State Handicapped Development Corporations.
8. Local Bodies- Zilla Parishad, Municipalities, District Autonomous Development Councils and Panchayats.
9. Hospitals registered as separate entity, as recommended by state/central government
10. Nehru Yuvak Kendras.

15. NATIONAL ORGANISATIONS

National Academy of RUDSETI (NAR)

- National Academy of RUDSETI (NAR) is a resource organization committed to Entrepreneurship Development through motivation, training and facilitation.
- It is a joint venture promoted by two public sector Banks and an Educational Trust of Sri Kshetra Dharmasthala.
- National Academy of RUDSETI (NAR), an offshoot of RUDSETI movement is spearheading the concept by Training the Trainers/facilitators and mentoring the Rural Self Employment Training Institutes (RSETIs) established across the country.
- National Academy of RUDSETI is a Trust registered under Indian Trusts Act.
- The NAR undertakes monitoring, mentoring and capacity building of the following staffs on behalf of the Ministry of Rural Development
 1. Rural Self Employment Training Institutes staff,
 2. State/UT Rural Livelihood Mission staff
 3. Concerned Bank officials
- RSETIs are unique initiative where State Governments, the Union Govt. and the commercial Banks are working together to address the issue of rural poverty.

Special Frontier Force (SFF)

- The SFF was raised by the Intelligence Bureau in the immediate aftermath of the 1962 China-India war.
- The covert outfit recruited Tibetan exiles, now it has a mixture of Tibetans and Gorkhas.
- It was initially named Establishment 22, subsequently renamed SSF, it now falls under the purview of the Cabinet Secretariat.
- It is commonly believed that the SFF was raised by India in coordination with US intelligence agencies.
- On the ground, it is headed by an Inspector General who is an Army officer of the rank of Major General.
- The units comprising the SFF are known as Vikas battalions.
- SFF units are not part of the Army but function under its operational control.
- SSF units have their own rank structures, of equivalent status with Army ranks.
- However, they are Special Forces personnel highly trained for a variety of tasks.
- The SSF training center is in Chakrata, 100 km from Dehradun.

16. BILATERAL RELATIONS

Japan International Cooperation Agency (JICA)

- JICA is a governmental agency that coordinates Official Development Assistance (ODA) for the government of Japan.
- It is chartered with assisting economic and social growth in developing countries, and the promotion of international cooperation.
- Recently JICA has committed an official Development Assistance loan of 3,500 crore rupees for the COVID-19 Crisis Emergency Response Support to India.
- This programme loan aims to support India's efforts in fighting COVID-19 and to prepare the health system to manage future epidemics.

Protocol for Inland Water Trade & Transit (PIWTT)

- The PIWTT was signed between India and Bangladesh in 1972 to connect the two countries through inland waterways.
- It was last renewed in 2015 for five years with a provision for its automatic renewal for a further period of five years.
- The second addendum includes new Indo Bangladesh Protocol (IBP) routes and declaration of new Ports of Call to facilitate trade between the two countries.
- As per the Protocol on Inland Water Transit and Trade, inland vessels of one country can transit through the specified routes of the other country.
- Under the Protocol, 50:50 cargo sharing by Indian and Bangladeshi vessels is permitted both for transit and inter country trade.
- The number of IBP routes has been increased from 8 to 10.

SCAAP

- ITEC been an important component of India's assistance to African nations.
- To augment ITEC for African nations India has rolled out called the Special Commonwealth Assistance for Africa Programme (SCAAP).
- The ITEC/SCAAP Programme has the following components:
 1. Training (civilian and defence) in India of nominees from ITEC partner countries;
 2. Projects and project related activities such as feasibility studies and consultancy services;
 3. Deputation of Indian experts abroad;
 4. Study Tours;
 5. Gifts/Donations of equipment at the request of ITEC partner countries; and
 6. Aid for Disaster Relief.

17. INTERNATIONAL ORGANISATIONS

UN's guidelines for people with disabilities

- United Nations has released it's first-ever guidelines on access to social justice for people with disabilities to make it easier for them to access justice systems around the world.
- The guidelines outline a set of 10 principles and detail the steps for implementation.
- The 10 principles are:
 1. All persons with disabilities have legal capacity and, therefore, no one shall be denied access to justice on the basis of disability.

2. Facilities and services must be universally accessible to ensure equal access to justice without discrimination of persons with disabilities.
3. Persons with disabilities, including children with disabilities, have the right to appropriate procedural accommodations.
4. Persons with disabilities have the right to access legal notices and information in a timely and accessible manner on an equal basis with others.
5. Persons with disabilities are entitled to all substantive and procedural safeguards recognized in international law on an equal basis with others, and States must provide the necessary accommodations to guarantee due process.
6. Persons with disabilities have the right to free or affordable legal assistance.
7. Persons with disabilities have the right to participate in the administration of justice on an equal basis with others.
8. Persons with disabilities have the rights to report complaints and initiate legal proceedings concerning human rights violations and crimes, have their complaints investigated and be afforded effective remedies.
9. Effective and robust monitoring mechanisms play a critical role in supporting access to justice for persons with disabilities.
10. All those working in the justice system must be provided with awareness-raising and training programmes addressing the rights of persons with disabilities, in particular in the context of access to justice.

Singapore Convention

- United Nations (UN) Convention on International Settlement Agreements Resulting from Mediation, is the first UN treaty to be named after Singapore.
- It applies to international settlement agreements resulting from mediation, concluded by parties to resolve a commercial dispute.
- It will allow businesses to seek enforcement of a mediated settlement agreement across borders by applying directly to courts of countries that have signed and ratified the treaty.
- Currently, Convention has 53 signatories, including India, China, and US.
- Businesses will benefit from mediation as an additional dispute resolution (ADR) option to litigation and arbitration in settling cross-border disputes.

UN's Commission on Status of Women (UNCSW)

- The CSW is the principal global intergovernmental body exclusively dedicated to the promotion of gender equality and the empowerment of women.
- A functional commission of the ECOSOC, it was established by ECOSOC resolution 11(II) of 21 June 1946.
- It promotes women's rights, highlights the reality of women's lives throughout the world and helps in shaping global standards on gender equality and the empowerment of women.
- 45 member states of the United Nations serve as members of the Commission at any one time.
- Recently India has been elected as the member of the Commission on Status of Women (CSW), a body of the Economic and Social Council (ECOSOC).
- India will be a member of the prestigious body for four years from 2021 to 2025.

Djibouti Code of Conduct

- DCOC aims to concern the Repression of Piracy and Armed Robbery against Ships in the Western Indian Ocean and the Gulf of Aden.
- It is also known as Code of Conduct or Jeddah Amendment.
- It was adopted on 29th January 2009.
- It was established under the International Maritime Organization (IMO).

- Under the code, the signatories agreed to co-operate to the fullest possible extent in the repression of piracy and armed robbery against ships.
- It has been signed by 20 countries including Djibouti, Ethiopia, Kenya, Madagascar, Maldives, Seychelles, Somalia, the United Republic of Tanzania, Yemen, Comoros, Egypt, Eritrea, Jordan, Mauritius, Mozambique, Oman, Saudi Arabia, South Africa, Sudan and the United Arab Emirates.
- The member states are located in areas adjoining the Red Sea, Gulf of Aden and the east coast of Africa and include island nations in the Indian Ocean.
- Recently India joined the Djibouti Code of Conduct (DCOC) as an observer.
- Other observer nation includes Japan, Norway, the UK and the USA.

18. INTERNATIONAL ISSUES & EVENTS

Supply Chain Resilience Initiative (SCRI)

- Supply Chain Resilience Initiative (SCRI) is a trilateral approach to trade, mooted by Japan with India and Australia as the key-partners.
- The initiative aims to reduce the dependency on a single nation (at present China).
- SCRI is a direct response to individual companies and economies concerned about Chinese political behavior and the disruption that could lead to the supply chain.
- The initiative, first proposed by Japan with India and Australia as partners, potentially see other Asian and Pacific Rim nations later.
- SCRI aims to attract foreign direct investment to turn the Indo-Pacific into an “economic powerhouse”.

JETRO Plan

- Japan External Trade Organization (JETRO) has recently announced that it would fund 10 Japanese companies.
- JETRO has made India and Bangladesh part of a larger subsidy programme, estimated at \$230 million.
- This plan is unofficially aimed at helping Japanese companies in China to relocate to other countries.
- The package was earlier aimed for relocation of Japanese companies to mostly South-East Asian countries including Vietnam, Thailand and Myanmar, but now India and Bangladesh, too, have been added to the list.
- The recent plan includes Suzuki Motors and Olympus, to get into high-tech projects with Indian companies.
- Approximately \$1 million was set aside for the projects already identified, it would be a part of investments in machinery, factory, etc.

Sri Lanka's 13th Amendment

- The 13th Amendment is an outcome of the Indo-Lanka Accord of July 1987, signed by the then Prime Minister Rajiv Gandhi and President J.R. Jayawardene.
- It was an attempt to resolve Sri Lanka's ethnic conflict that had aggravated into a full-fledged civil war, between the armed forces and the LTTE (which sought a separate state).
- It mandates a measure of power devolution to the provincial councils established to govern the island's nine provinces, including Sinhala majority areas, to self-govern.
- Till date, the 13th Amendment represents the only constitutional provision on the settlement of the long-pending Tamil question.
- Subjects such as education, health, agriculture, housing, land and police are devolved to the provincial administrations.
- But because of restrictions on financial powers and overriding powers given to the President, the provincial administrations have not made much headway.
- In particular, the provisions relating to police and land have never been implemented.



- Recently many social groups have openly called for the abolition of provincial councils after the new government took charge.

19. ECONOMY

Chief Compliance Officer (CCO)

- Reserve Bank of India has issued guidelines for appointment of Chief Compliance Officer (CCO) in banks.
- This aims to ensure uniform approach with regard to compliance and risk management culture across the banking industry.
- The CCO must be appointed for a minimum fixed period of three years.
- The person should be a senior executive of the bank, preferably in the rank of a general manager or an equivalent position or he could also be recruited from outside.
- He must not be a member of any committee which brings his/her role in conflict with responsibility as member of the committee, including any committee dealing with purchases/sanctions
- Few important conditions to CCO are
 1. There shall not be any responsibility which brings elements of conflict of interest, especially the role relating to business.
 2. No vigilance case or adverse observation from the RBI should be pending against the candidate identified for appointment as the CCO.
 3. Selection of the candidate for the post of the CCO should be done on the basis of a well-defined selection process and recommendations made by the senior executive-level selection committee constituted by the board for the purpose.

Land Bank System

- Union Ministry of Commerce and Industry has launched a prototype of the National GIS-enabled Land Bank System.
- The LBS has been launched for six States based on which land can be identified for setting up industries.
- The system has been developed by the Integration of Industrial Information System (IIS) with state GIS (Geographic Information System).
- IIS portal is a GIS-enabled database of industrial clusters/areas across the states.
- On the system, more than 3,300 industrial parks across 31 states/UTs covering about 4,75,000 hectares of land have also been mapped out on the system.
- The information available on the system will include drainage, forest; raw material heat maps (horticulture, agricultural, mineral layers); multilayer of connectivity.
- IIS has adopted a committed approach towards industrial upgrading, resource optimization, and sustainability.
- The initiative has been supported by the National e-Governance Division (NeGD), National Centre of Geo-Informatics (NCoG), Invest India, Bhaskaracharya Institute for Space Applications and Geo-Informatics (BISAG) and Ministry of Electronics and Informational Technology.

Business Reforms Action Plan-2019

- Department for Promotion of Industry and Internal Trade (DPIIT) has developed Business Reforms Action Plan for State Reforms since 2015.
- It has started an ambitious program for reforms in partnership with State Governments to make it easier, simpler and quicker for businesses to operate.
- The Plan is designed keeping in mind 2 factors viz. Measurability and Comparability across States.

- To support this initiative, an online portal (www.eodb.dipp.gov.in) showcasing rankings was developed and launched in April 2016.
- Recently Andhra Pradesh has bagged the first rank among all the states in the country in the state business reforms action plan-2019 (BRAP-2019).
- Andhra Pradesh has achieved 100 percent compliance to the 187 reform action points by DPIIT-World Bank as a part of BRAP 2019.
- The ReSTART package announced by AP government found a special mention in the BRAP 2019.
- While Uttar Pradesh stood in the second position, Telangana bagged the third spot in the overall ranking of the state business process reforms undertaken during 2019.

Retrospective Taxation

- Retrospective Taxation allows a country to pass a rule on taxing certain products, items or services and deals and charge companies from a time behind the date on which the law is passed.
- Countries use this route to correct any anomalies in their taxation policies that have, in the past, allowed companies to take advantage of such loopholes.
- It hurts companies that had knowingly or unknowingly interpreted the tax rules differently.
- Apart from India, many countries including the USA, the UK, the Netherlands, Canada, Belgium, Australia and Italy have retrospectively taxed companies.
- Recently Permanent Court of Arbitration (PCA) ruled that India's retrospective imposition of a tax liability and interest penalties on Vodafone Group as violation of the Bilateral Investment Treaty with Netherlands and the arbitration rules of United Nations Commission on International Trade Law (UNCITRAL).
- In 1995, India and the Netherlands had signed a BIT for promotion and protection of investment by companies of each country in the other's jurisdiction.
- The two countries would ensure that companies present in each other's jurisdictions would at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other.
- The BIT between India and the Netherlands expired on 22nd September, 2016.

ESG Funds

- ESG is a combination of three words i.e. environment, social and governance, it is a kind of mutual fund.
- Its investing is used synonymously with sustainable investing or socially responsible investing.
- ESG fund shortlists companies that score high on environment, social responsibility and corporate governance, and then looks into financial factors.
- ESG fund focuses on companies with environment-friendly practices, ethical business practices and an employee-friendly record.
- The fund is regulated by Securities and Exchange Board of India (SEBI).
- The ESG funds are increasingly becoming popular in the mutual fund industry in India.
- The first ESG mutual fund was launched by the State Bank of India - SBI Magnum Equity ESG Fund.

"ReSTART" Package

- Andhra Pradesh has launched a new programme ReSTART in May 2020, to support the Micro, Small and Medium Enterprise (MSME) sector in the State.
- Under the plan the government will spend ₹ 1,100 crore on revival of the sector which is expected to benefit 98,000 units that provide employment to more than 10 lakh people.
- Other features of the plan includes
- A special fund of ₹ 200 crore to provide input capital loan to the firms at low interest rates.
- The minimum power demand charges of the MSMEs for the months of April, May and June, amounting to ₹ 188 crore to be waived off.



- The government will purchase around 360 products from the MSMEs, and payments towards it would be cleared in 45 days.
- Of the total purchases, almost 25% would be done from the micro and small enterprises, 4% from the SC/ST community enterprises, and 3% from women entrepreneurs.

Revised Priority Sector Lending (PSL) Guidelines

- Recently, the Reserve Bank of India (RBI) released revised Priority Sector Lending (PSL) guidelines.
- It align with emerging national priorities and also bring sharper focus on inclusive development.
- The PSL guidelines were last reviewed for commercial banks in April 2015 and for Urban Co-operative Banks (UCBs) in May 2018.
- Additional Categories covered under to PSL are
 - a) Bank finance to start-ups up to Rs. 50 crore,
 - b) Loans to farmers for installation of solar power plants for solarisation of grid connected agriculture pumps.
 - c) Loans for setting up Compressed BioGas plants.
- Revised Guidelines includes the following
 1. Higher credit limit has been specified for Farmers Producers Organizations (FPOs) undertaking farming with assured marketing of their produce at a predetermined price.
 2. It has defined farmers with land holding of up to one hectare as marginal farmers, and farmers with a landholding of more than one hectare and up to 2 hectares as small farmers.
 3. The credit limits for renewable energy, health infrastructure, including the projects under 'Ayushman Bharat', have been doubled.
 4. Higher weightage has been assigned to priority sector credit in 'identified districts' where priority sector credit flow is comparatively low.

Priority Sector Lending

- The RBI mandates banks to lend a certain portion of their funds to specified sectors, like
 1. Agriculture,
 2. Micro, Small and Medium Enterprises (MSMEs),
 3. Export credit,
 4. Education,
 5. Housing,
 6. Social infrastructure,
 7. Renewable energy.
- All scheduled commercial banks and foreign banks (with a sizable presence in India) are mandated to set aside 40% of their Adjusted Net Bank Credit (ANBC) for lending to these sectors

K-Shaped Recovery

- Economists have found that US is entering into a K shaped economic recovery, which allows workers at the top to prosper while sending working class American into further debt.
- Economists and analysts use letters like "V", "L", and "I" to describe their projections for the length of the recession and potential recovery.
- A "V-shaped" recovery is the most optimistic, as it suggests economic spending and employment will rapidly decline, but quickly pick back up like a "V."
- A "U" shape is similar but suggest the period of unemployment and low economic activity will remain longer than a "V" recovery.
- "L" and "I"-shaped recovery outlooks are much more dire, suggesting the high unemployment and low spending will have other ramifications, like cause debt defaults and overwhelm health systems.
- A "K-shaped" recovery is somewhere between a "V" and "L" — depending on type of employment.
- e.g. In US Industries like technology, retail, and software services have recovered from the industry and begun re-hiring, while the travel, entertainment, hospitality, and food services industries have continued to decline past March levels.

CAROTAR

- The Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (CAROTAR, 2020), will come into force from 21st September 2020.
- It was notified on 21st August 2020.
- The importers and other stakeholders were given a 30-day period to familiarize themselves with new provisions.
- Earlier, merely a country of origin certificate, issued by a notified agency in the country of export was sufficient to avail the benefits of FTAs.
- This was exploited in many cases, i.e. the FTA partner countries have been claiming to have produced the goods in question without having the necessary technological capacity for the required value addition.
- Highlights of the regulation are as follows
 1. Importers will have to ensure that imported goods meet the prescribed 'rules of origin' provisions for availing concessional rate of customs duty under Free Trade Agreements (FTAs).
 2. Importers have to prove that imported products have undergone value addition of at least 35% in the countries of origin.

Suspicious Activity Reports

- SAR is a document filed by banks and financial institutions to report suspicious activity to the USA FinCEN.
- These are meant to red flag, within 30 days of the transaction's occurrence:
 1. Criminal funds or any form of dirty money;
 2. Insider trading,
 3. Potential money laundering,
 4. Terror financing,
 5. Any transaction that raises suspicion.
- These are used to detect crime but cannot be used as direct evidence to prove legal cases.
- There are details of banking transactions that give a clear indication of round-tripping, money laundering or dealings with shell-like entities.
- Recently, over 2100 Suspicious Activity Reports (SARs) were filed by banks with the United States Department of the Treasury's Financial Crimes Enforcement Network (FinCEN).
- The FinCEN files identify at least USD 2 trillion in transactions between 1999 and 2017 flagged as possible evidence of money laundering or other criminal activity by compliance officers of banks and financial institutions.

FinCEN

- It was set up in 1990, which serves as the leading global regulator in the battle against money laundering.
- It collects and analyzes information about financial transactions in order to combat domestic and international money laundering, terrorist financing, and other financial crimes.
- The Financial Intelligence Unit-India (FIU-IND) performs the same functions as FinCEN in the USA.
- Under the Finance Ministry, this was set up in 2004 as the nodal agency for receiving, analyzing and disseminating information relating to suspect financial transactions.
- The agency is authorized to obtain Cash transaction reports (CTRs), Suspicious transaction reports (STRs) and Cross border wire transfer reports
- These reports are obtained from private and public sector banks every month.
- This happens under the Prevention of Money Laundering Act, 2002 (PMLA).
- It is mandatory for banks in India to furnish a monthly CTR to the FIU on:
 1. All transactions over Rs. 10 lakh or

2. Its equivalent in foreign currency or
3. A series of integrally connected transactions that add up to more than Rs. 10 lakh or
4. Its equivalent in foreign currency.

Universal Eligibility for World Bank Loan

- The World Bank has announced a loan in May 2020 to prevent, detect and respond to the threat of coronavirus and strengthen national health systems.
- It is pivoted towards migrants, unorganised workers, informal sector, and creating an integration of the existing infrastructure of safety nets like the Public distribution system, Jan Dhan, Aadhar & Mobile (JAM trinity).
- This loan will be funded and operated in two phases:
- First Phase: An immediate allocation of USD 750 million for fiscal year 2020.
- It will be implemented countrywide through the Pradhan Mantri Garib Kalyan Yojana (PMGKY) to benefit vulnerable groups, particularly migrants and informal workers.
- Second phase: A USD 250 million second tranche that will be made available for fiscal year 2021.
- It would deepen the social protection package, whereby additional cash and in-kind benefits based on local needs will be extended through state governments and portable social protection delivery systems.
- Recently, the World Bank has clarified that the USD 1 billion loan that it has provided to India in May 2020.
- According to the World Bank clarification
 1. The World Bank would have the right to review the procurement documents, inspect all accounts, records and other files relating to the project.
 2. Compliance to these conditions has been made mandatory for the funding.

20. ENVIRONMENT

Aarey Forest land

- Maharashtra Chief Minister designated a 600-acre parcel of land in Aarey Milk Colony, the heart of urban Mumbai as a reserved forest.
- The Aarey Milk Colony was established in 1949 as a center for processing and marketing milk for Mumbai and adjoining areas.
- It is spread over 3,162 acres, a part of the sprawling western suburb known as Goregaon.
- The land falls under the eco-sensitive zone of the Sanjay Gandhi National Park.
- Under new announcement only 600 acres will be earmarked as forest out of 1,800-plus acres of open space available.

Indian Forest Act, 1927

- Under Section 4 of The Indian Forest Act, 1927, the state government can “constitute any land a reserved forest” by issuing a notification in the Official Gazette.
- Under the law, the government must also appoint a Forest Settlement Officer (FSO) “to determine the rights alleged to exist in favor of any person in or over any land comprised within such limits or in or over any forest-produce, and to deal with the same”.

Net Present Value (NPV)

- Net Present Value (NPV) is a mandatory one-time payment that a user has to make for diverting forestland for non-forest use, under the Forest (Conservation) Act, 1980.
- It is calculated on the basis of the services and ecological value of the forests.
- It depends on the location and nature of the forest and the type of industrial enterprise that will replace a particular parcel of forest.
- These payments go to the Compensatory Afforestation Fund (CAF) and are used for afforestation and reforestation.



- The CAF is managed by the Compensatory Afforestation Management and Planning Authority (CAMPA).
- The Forest Advisory Committee (statutory body) constituted by the Ministry of Environment, Forest and Climate Change (MoEF&CC) decides on whether forests can be diverted for projects and the NPV to be charged.
- Some projects have been provided exemption from paying NPV like
 - (i) Construction of Schools,
 - (ii) Hospitals,
 - (iii) Village tanks,
 - (iv) Laying down of optical fiber etc.
- Projects like underground mining and wind energy plants have been given a 50% exemption from NPV.
- Recently Ministry of Mines has requested the Forest Advisory Committee to exempt digging exploratory boreholes from Net Present Value (NPV).

Exploratory Boreholes

- An exploratory borehole is drilled for the purpose of identifying the characteristics, location, quantity and quality of a resource (coal, metal or petroleum).
- It is a part of prospecting a site for future use for mining and extraction activities.

World's Largest Solar Tree

- CSIR- Central Mechanical Engineering Research Institute (CMERI) has developed the World's Largest Solar Tree and installed it at Durgapur, West Bengal.
- The installed capacity of the Solar Tree is above 11.5 kWp.
- There are a total of 35 Solar PV Panels in each tree with a capacity of 330 wp each.
- It has the annual capacity to generate 12,000-14,000 units of Clean and Green Power, West Bengal.
- The inclination of the arms holding the Solar PV Panels are flexible and can be adjusted as per requirement, this feature is not available in Roof-Mounted Solar facilities.
- MSMEs who are interested in the solar tree can align their Business Model with PM KUSUM Scheme for farmers, for developing a Renewable Energy based Energy Grid.



IEP's Ecological Threat Register

- The Institute for Economics and Peace (IEP), a think tank has released annual global terrorism and peace indexes.
- According to the IEP's report 1.2 billion people lived in 31 countries that are not sufficiently resilient to withstand ecological threats.
- The world had 60% less fresh water available than it did 50 years ago, while demand for food was predicted to rise by 50% by 2050 and natural disasters were only likely to increase in frequency because of the climate crisis.
- IEP states that 19 countries facing the highest number of threats, including water and food shortages and greater exposure to natural disasters, are also among the world's 40 least peaceful countries.
- Out of 157 countries' assessed, 141 countries faced at least one ecological threat by 2050.
- **Ecological Threat** - Sub-Saharan Africa, South Asia, Middle East and North Africa the regions facing the largest number of ecological threat.
- Some countries, such as India and China, are most threatened by water scarcity.
- Countries such as Pakistan, Iran, Kenya, Mozambique and Madagascar face a combination of threats and a growing incapacity to deal with them.
- **Mass Migration** - It judged Pakistan to be the country with the largest number of people at risk of mass migration, followed by Ethiopia and Iran.
- 16 countries including Sweden, Norway, Ireland, and Iceland, faced no threat.

BEAMS

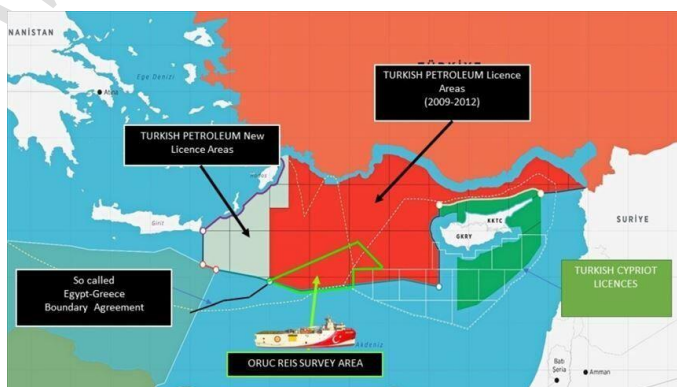
- Union Ministry of Environment, Forest and Climate Change (MoEFCC) launched India's own eco-label BEAMS.
- MoEFCC launched BEAMS" (Beach Environment & Aesthetics Management Services) under its ICZM (Integrated Coastal Zone Management) project.
- The objective of BEAMS program is to abate pollution in coastal waters, promote sustainable development of beach facilities, protect & conserve coastal ecosystems & natural resources etc.
- This program promotes beach recreation in absolute harmony with nature.

Initiatives Launched on G20 EMM

- G20 Environment Ministers Meeting (EMM) was held under the Presidency of the Kingdom of Saudi Arabia recently.
- Following Initiatives has been launched
 1. **Global initiatives to reduce Land Degradation** - It aims to strengthen the implementation of existing frameworks to prevent, halt, and reverse land degradation within G20 member states.
 2. **Coral Reef Programme** - It is an innovative action-oriented initiative aimed at creating a global research and development programme to advance research in all facets of coral reef conservation, restoration and adaptation.
 3. Documents on managing emissions and climate change adaptations.

Oruç Reis Vessel

- Oruç Reis is an energy exploration vessel of turkey.
- The vessel has been deployed in seismic research in the East Mediterranean sea.
- The Turkish vessel is accompanied by two Turkish naval ships, this had created standoff between Greece, Egypt and Turkey in Mediterranean Sea.
- Recently Turkey resumed energy exploration in the region after Greece and Egypt signed a controversial maritime delimitation deal.
- The agreement came only a day after Ankara said it would postpone its oil and gas exploration as a goodwill gesture.
- But, after declaring the Greek-Egyptian deal "null and void," Turkey authorized the Oruç Reis to continue its activities in an area within the country's continental shelf.
- Turkey has consistently opposed Greece's efforts to declare an exclusive economic zone (EEZ) based on small islands near Turkish shores, violating the interests of Turkey, the country with the longest coastline in the Mediterranean.



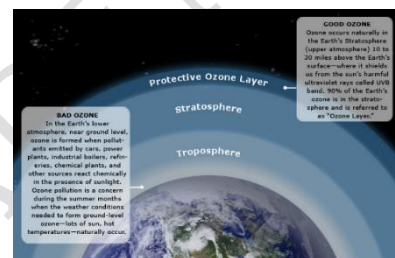
First World Solar Technology Summit

- The first World Solar Technology Summit (WSTS) is being organized by the International Solar Alliance (ISA) on 8th September, 2020.
- The Federation of Indian Chambers of Commerce and Industry (FICCI), as the convener of ISA Global Leadership Task Force on Innovation, is working with ISA in organizing the summit.
- The summit will witness the announcement of agreements between ISA and following institutions
 1. International Institute of Refrigeration,
 2. Global Green Growth Institute
 3. National Thermal Power Corporation.

- A tripartite agreement between India's Ministry of New and Renewable Energy, the World Bank and the International Solar Alliance is also set to be inked.
- ISA's technology journal, Solar Compass 360 will also be launched during the summit.

Variability of Ozone

- Aryabhatta Research Institute of Observational Sciences (ARIES) has evaluated the near surface ozone in the Brahmaputra River Valley (BRV).
- Scientists analyzed the variability of ozone (O₃) and other air pollutants over the BRV region.
- They assessed seasonal characteristics of ozone to identify the emission source of ozone and its precursors, especially methane (CH₄) and non-methane hydrocarbons (NMHCs).
- NMHCs such as ethane, ethene, propane, propene, etc. play an important role in controlling ozone concentrations.
- Scientists have found relatively low concentration of ozone over BRV (Guwahati - Assam) compared to the other urban locations in India.
- The pattern of O₃ concentrations in the BRV indicated that it was strongly influenced by local oxides of nitrogen (NO_x) sources with an adjacent national highway being the likely major source.
- The mean ventilation coefficient was greater than 6000 m²s during the day in the pre-monsoon season indicating pollutant dispersion.
- High O₃ winter concentrations were observed, likely driven by local biomass burning providing reactive volatile organic compounds (VOCs) that contributed to ozone formation.
- In the pre-monsoon season, an impact of solar radiation (SR) on the photochemical formation of O₃ was observed.
- Tropospheric, or ground-level ozone, is created by chemical reactions between NO_x and VOC.



Ventilation Co-efficient

- The ventilation coefficient is the product of mixing depth and the average wind speed.
- It is an atmospheric condition which gives an indication of the air quality and pollution potential i.e. the ability of the atmosphere to dilute and disperse the pollutants over a region.
- The higher the coefficient, the more efficiently the atmosphere is able to dispose of the pollutants and better is the air quality.
- Low ventilation coefficients lead to poor dispersal of pollutants causing stagnation and poor air quality leading to possible pollution related hazards.

Arsenic Poisoning

- Arsenic is naturally present at high levels in the earth crust and groundwater of a number of countries. It is highly toxic in its inorganic form.
- Contaminated water used for drinking, food preparation and irrigation of food crops poses the greatest threat to public health from arsenic.
- Long-term exposure to arsenic from drinking-water and food can cause cancer, skin disease, cardiovascular disease and diabetes.
- In early childhood exposure, it has been linked to negative impacts on cognitive development and increased deaths in young adults.
- According to the WHO's guidelines for drinking water quality (2011), the permissible limit of Arsenic in groundwater is 0.01 mg per liter.
- However, in India the permissible limit in drinking water has recently been revised from 0.05 mg per liter to 0.01 mg per liter.
- The most important action in affected communities is the prevention of further exposure to arsenic by provision of a safe water supply.



- According to data shared in the Parliament, the number of arsenic-affected habitations in India has increased by 145% in the last five years (2015-20).
- Most of the arsenic-affected habitations lie in the Ganga and Brahmaputra alluvial plains. i.e in Assam, Bihar, West Bengal, Punjab, and Uttar Pradesh (UP).
- Assam had the highest share of such habitations (1,853), followed by West Bengal (1,383).

Fluoride Toxicity

- Excessive fluoride intake usually occurs through the consumption of groundwater naturally rich in fluoride, particularly in warm climates where water consumption is greater, or where high-fluoride water is used in food preparation or irrigation of crops.
- Such exposure may lead to dental fluorosis (tooth decay) or crippling skeletal fluorosis, which is associated with bone deformities.
- The number of fluoride affected habitations has significantly come down from 12,727 in 2015 to 5,485 as of September 2020.
- Rajasthan had the highest number of such habitations (2,956), followed by Bihar (861).

Sandalwood Spike Disease

- SSD is caused by phytoplasma, a bacterial parasites of plant tissues which are transmitted by insect vectors.
- SSD has been one of the major causes for the decline in sandalwood production in the country for over a century.
- The disease was first reported in Kodagu in 1899.
- The devastating impact in natural habitats resulted in sandalwood being classified as “vulnerable” by the International Union for Conservation of Nature in 1998.
- Presently, there is no option but to cut down and remove the infected tree to prevent the spread of the disease.
- With between 1 and 5% of sandalwood trees lost every year due to the disease, scientists warn that it could wipe out the entire natural population if measures are not taken to prevent its spread.
- Recently it is reported that Karnataka’s sandalwood trees are facing a serious threat with the return of the destructive Sandalwood Spike Disease (SSD).
- The natural population of sandalwood in Marayoor of Kerala and various reserve forests in Karnataka, including MM Hills, are heavily infected with SSD for which there is no cure as of now.

Leuser Ecosystem

- Leuser Ecosystem is among the most ancient and life-rich ecosystems ever documented by science and is a world-class hotspot of biodiversity and is widely acknowledged to be among the most important areas of intact rainforest left in all of Southeast Asia.
- The ecosystem has been designated a UNESCO World Heritage Site.
- The ecosystem stretches across the province of Aceh and North Sumatra, Indonesia.
- It spans 2.6 million hectares, almost three times the size of Yellowstone National Park, USA.
- Its diverse landscape includes lowland and montane rainforests and over 185,000 hectares of carbon-rich peatlands.
- Montane rainforests, also called cloud forests, are vegetation of tropical mountainous regions in which the rainfall is often heavy and persistent condensation occurs because of cooling of moisture-laden air currents deflected upward by the mountains.
- Recently, an investigation by the global watchdog Rainforest Action Network (RAN) has shown that various food, cosmetics and finance companies have links with companies implicated in the destruction of the Leuser Ecosystem, a forest area on the island of Sumatra, Indonesia.
- 75% of the world’s remaining population of the Sumatran orangutan is found in the ecosystem.



- These ecosystems play an outsized role regulating the global climate by storing massive amounts of carbon in its peatlands and standing forests.
- **Peatlands** are wet, carbon-rich areas that have formed through thousands of years of undecomposed leaf litter and organic material accumulation.
- When these areas are drained and the peat is exposed to air, it begins to oxidize and releases large amounts of carbon dioxide emissions into the atmosphere.

Rainforest Action Network (RAN)

- Rainforest Action Network (RAN) is an environmental organization based in United States.
- Rainforest Action Network preserves forests, protects the climate and upholds human rights by challenging corporate power through frontline partnerships and strategic campaigns.
- RAN works toward a world where the rights and dignity of all communities are respected and where healthy forests, a stable climate and wild biodiversity are protected and celebrated.

Beaching/Stranding Events

- Beaching refers to the phenomenon of dolphins and whales stranding themselves on beaches.
- There are around 2,000 stranding each year worldwide, with most resulting in the death of the animal.
- Whales strand themselves on beaches either singularly or in groups. While individual stranding are mostly attributed to injury or sickness, it is not clear why exactly whales beach themselves in groups.
- Possible Reasons behind Whale Mass Stranding are as follows
 1. Some whales follow schooling fish or other prey into shallow waters, which causes the whales to become disoriented, as a result of which they get stranded.
 2. Another reason could be panic from being trapped by a predator such as killer whales or sharks.
 3. Another possibility is that whales might be drawn to land by prey-rich currents.
 4. Some scientists believe that sonar signals and other man-made loud underwater noises may contribute to beaching events.
 5. Further, the shape of the beach and the coastline could also have a role to play.
- To protect stranding scientists and workers try to drag the whales away from the shore and guide them back into the water.
- Recently over 450 long-finned pilot whales have died in Australia's largest recorded mass-stranding event.

State Disaster Response Fund (SDRF)

- Union government has increased the limit of using the State Disaster Response Fund for COVID specific infrastructure from 35 per cent to 50 per cent.
- The decision will help States have more finances at their disposal to fight the virus.
- Recently, the Ministry of Home Affairs issued an order authorizing the States to use State Disaster Response Funds (SDRF) to provide "for temporary accommodation, food, clothing, medical care, etc." to homeless people, including the stranded migrant laborers.
- The government has decided to treat COVID-19 as a "notified disaster".
- The State Disaster Response Fund (SDRF), constituted under Section 48 (1) (a) of the Disaster Management Act, 2005.
- It is the primary fund available with State Governments for responses to notified disasters.
- The Central Government contributes 75% of SDRF allocation for general category States/UTs and 90% for special category States/UTs (NE States, Sikkim, Uttarakhand, and Himachal Pradesh, Jammu and Kashmir).
- The annual Central contribution is released in two equal installments as per the recommendation of the Finance Commission.
- Disaster (s) covered under SDRF are as follows Cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloudburst, pest attack, frost and cold waves.



- A State Government may use up to 10% of the funds available under the SDRF for providing immediate relief to the victims of natural disasters that they consider to be 'disasters' within the local context in the State and which are not included in the notified list of disasters of the Ministry of Home Affairs.

Climate Smart Cities Assessment Framework (CSCAF) 2.0

- Union Minister for Housing and Urban Affairs has launched the Climate Smart Cities Assessment Framework (CSCAF) 2.0, along with the 'Streets for People Challenge'.
- The objective of CSCAF is to provide a clear roadmap for cities towards combating Climate Change while planning and implementing their actions, including investments.
- CSCAF initiative intends to inculcate a climate-sensitive approach to urban planning and development in India.
- The framework has 28 indicators across five categories namely Energy and Green Buildings, Urban Planning, Green Cover & Biodiversity, Mobility and Air Quality and Water Management and Waste Management.
- The Climate Centre for Cities under National Institute of Urban Affairs (NIUA) is supporting MoHUA in implementation of CSCAF.

PUSA Decomposers

- Recently, the scientists have developed a bio-decomposer technique called 'PUSA Decomposers' for converting crop stubble into compost.
- The decomposers are in the form of capsules made by extracting fungi strains that help the paddy straw to decompose at a much faster rate than usual.
- The fungi helps to produce the essential enzymes for the degradation process.
- It involves making a liquid formulation using decomposer capsules and fermenting it over 8-10 days and then spraying the mixture on fields with crop stubble to ensure speedy bio-decomposition of the stubble.
- The decomposer improves the fertility and productivity of the soil as the stubble works as manure and compost for the crops and lesser fertilizer consumption is required in the future.

Coal Gasification

- Coal gasification is the process of producing syngas from coal and water, air and/or oxygen, a mixture consisting primarily of
 1. Carbon monoxide (CO),
 2. Hydrogen (H₂),
 3. Carbon dioxide (CO₂),
 4. Natural gas (CH₄),
 5. Water vapor (H₂O)
- Historically, coal was gasified to produce coal gas, also known as "town gas".
- Coal gas is combustible and was used for heating and municipal lighting, before the advent of large-scale production of natural gas from oil wells.
- In current practice, large-scale coal gasification installations are primarily for electricity generation, or for production of chemical feedstock.
- The hydrogen obtained from coal gasification can be used for various purposes such as making ammonia, powering a hydrogen economy, or upgrading fossil fuels.
- Natural gas from coal gasification can be cooled until it liquifies for use as a fuel in the transport sector.
- Union Coal Ministry organized a webinar on Coal Gasification and Liquefaction, in which it has announced the plans for 100 million tons (MT) coal gasification by 2030.

Expansion of Kaziranga National Park

- Kaziranga National Park and Tiger Reserve (KNPTR) has an estimated 2,413 rhinos and 121 tigers.



- It is designated as a UNESCO World Heritage Site in 1985.
- Recently Assam government has approved the addition of 30.53 sq km to the 884 sq km Kaziranga National Park.
- The additional areas straddling two districts Nagaon and Sonitpur would make the larger Kaziranga National Park and Tiger Reserve (KNPTR) grow to 1085.53 sq km.

SPECIES IN NEWS

Cyanobacteria

- Cyanobacteria, also called blue-green algae, are microscopic organisms found naturally in soils and all types of water.
- These single-celled organisms (bacteria) live in fresh, brackish (combined salt and freshwater), and marine water.
- These organisms use sunlight to make their own food. In warm, nutrient-rich (high in phosphorus and nitrogen) environments, cyanobacteria can multiply quickly.
- Not all produce toxins but scientists say toxic ones are occurring more frequently as climate change drives up global temperatures.
- Toxic blue-green algae thrive in warm, slow-moving water.
- Warmer water due to climate change might favor harmful algae. Warmer temperatures prevent water from mixing, allowing algae to grow thicker and faster.
- Algae need carbon dioxide to survive, higher levels of carbon dioxide in the air and water can lead to rapid growth of algae, especially toxic blue-green algae that can float to the surface of the water.
- Neuro-toxins are substances that damage, destroy, or impair the functioning of neural tissue.
- Recently neuro-toxins in water produced by cyanobacteria killed more than 300 African elephants in the Okavango delta region, Botswana (country in Southern Africa).

African Elephant

- It is the largest animal walking the Earth, their herds wander through 37 countries in Africa.
- They are vulnerable as per the International Union for Conservation of Nature (IUCN) Red List.
- African elephants in Botswana, Namibia, South Africa and Zimbabwe are included in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) Appendix II.
- Appendix II includes species not necessarily threatened with extinction, but in which trade must be controlled in order to avoid utilization incompatible with their survival.
- The two subspecies of African Elephants are
 1. **The Savanna (or bush) elephant** – they larger than forest elephants, and their tusks curve outwards.
 2. **The Forest elephant** - It is a distinct subspecies of African elephants, are uniquely adapted to the forest habitat of the Congo Basin, but are in sharp decline due to poaching for the international ivory trade.

Komodo Dragon

- Komodo dragons are the largest and heaviest lizards on Earth.
- Komodo dragons can eat almost anything, including invertebrates, birds, and mammals like deer, pigs, and even large water buffalo.
- They have venom glands loaded with toxins which have been shown to secrete anticoagulants.
- An anticoagulant is a compound which prevents the victim's blood from clotting, causing it to bleed to death.
- Komodo dragons have thrived in the harsh climate of Indonesia's Lesser Sunda Islands for millions of years.
- Komodo National Park, a UNESCO World Heritage site, is situated in the Island of Komodo (eastern Indonesia) and is the only habitat for this lizard species.

- A recent study conducted by Australian universities has found out that the Komodo dragon could become extinct in the next few decades due to climate change.
- Climate change is likely to cause a sharp decline in the availability of habitat, reducing their populations even further.
- IUCN Status of the animal is Vulnerable, and CITES status is Appendix I.
- The commercial trading of live specimens or any parts, dead or alive of Komodo is prohibited.

Lantana

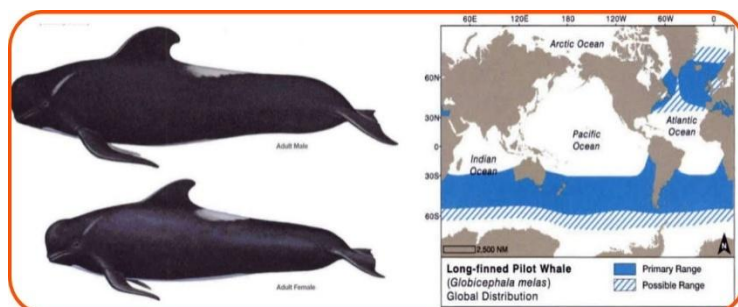
- Lantana camara is a small perennial shrub, which forms extensive, dense and impenetrable thickets.
- It is native to Central and South America.
- It is an invasive species which was introduced in tropical regions as an ornamental plant (introduced in India in 1807).
- It is generally deleterious to biodiversity and is an agricultural weed.
- The thickets covered vast tracts of land, stopping the natural light and nutrition for other flora and fauna.
- The toxic substance in its foliage and ripe berries affected the animals.
- In some regions, the plant has invaded pastures and shrunk the cattle grazing areas, affecting the livelihood of villagers.
- Recently a special drive to uproot the invasive Lantana bushes in the Sajjangarh Wildlife Sanctuary has been carried out.

Red Sandalwood

- Red sanders (*Pterocarpus santalinus*) is endemic to South India.
- They are found in the Tropical Dry Deciduous forest of the Palakonda and Seshachalam hill ranges of Andhra Pradesh and also found in Kerala, Tamil Nadu and Karnataka.
- Red Sanders usually grow in the rocky, degraded and fallow lands with Red Soil and hot and dry climate.
- The International Union for Conservation of Nature (IUCN) has put it under the category of near threatened from earlier endangered species in the Red List.
- It is listed in Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Appendix II – Species which are not necessarily threatened with extinction, but in which trade must be controlled to avoid utilization incompatible with their survival.
- It is known for its rich hue and therapeutic properties, is high in demand across Asia, particularly in China and Japan, for cosmetics and medicinal products, wood-works and musical instruments.
- Its popularity can be gauged from the fact that a ton of red sanders costs anything between Rs. 50 lakh to Rs. 1 crore in the international market.

Long-finned pilot whales

- *Globicephala melas* are one of two species of pilot whale, along with short-finned pilot whales.
- These prefer deep temperate to subpolar oceanic waters, but they have been known to occur in coastal waters in some areas.
- They have been documented near the Antarctic sea ice and associated with the colder Benguela and Humboldt Currents, which may extend their normal range.
- It is protected under CITES: Appendix II and listed Least Concern under IUCN.



21. SCIENCE & TECHNOLOGY

SPACE

Project NETRA

- Project NETRA - Network for space object Tracking and Analysis is an early warning system of ISRO, launched in 2019.
- It aims for early warning in space to detect debris and other hazards to Indian satellites.
- Under the project, the ISRO plans to put up many observational facilities such as
 1. Connected radars,
 2. Telescopes,
 3. Data processing units
 4. Control center.
- The project will give India its own capability in Space Situational Awareness (SSA) like the other space powers which is used to 'predict' threats from debris to Indian satellites.
- NETRA's eventual goal is to capture the GEO, or geostationary orbit, scene at 36,000 km where communication satellites operate.
- The effort would make India a part of international efforts towards tracking, warning about and mitigating space debris.

Data Sonification

- The National Aeronautics and Space Administration's (NASA) Chandra X-Ray Center (CXC) has unveiled a new 'sonification' project that transforms data from astronomical images into audio.
- It refers to the use of sound values to represent real data.
- It is the auditory version of data visualisation.
- In NASA's Chandra (sonification) project, for instance, data is represented using a number of musical notes.
- The birth of a star, a cloud of dust or even a black hole can be 'heard' as a high- or low-pitched sound.
- The Chandra project has created a celestial concert by translating the same data into sound.
- The data has been collected by NASA's Chandra X-Ray Observatory, Hubble Space Telescope and Spitzer Space Telescope.

Chandra X-ray Project

- The Chandra X-ray Observatory was launched by Space Shuttle Columbia in 1999.
- The Chandra X-ray Observatory is part of NASA's fleet of "Great Observatories" along with the Hubble Space Telescope, the Spitzer Space Telescope.
- The "X-ray universe" refers to the universe as observed with telescopes designed to detect X-rays. X-rays are produced in the cosmos when matter is heated to millions of degrees. Such temperatures occur where high magnetic fields, or extreme gravity, or explosive forces exist in space.
- The telescope is named after the Nobel Prize-winning Indian astrophysicist Subrahmanyan Chandrasekhar.
- Subrahmanyan Chandrasekhar's work implied that stars more massive than the so-called Chandrasekhar limit would eventually collapse to become objects so dense that not even light could escape it.
- Chandrasekhar limit is the theoretical maximum mass a white dwarf star can have and still remain a white dwarf.
- Although this finding was received with some skepticism at the time, it went on to form the foundation of the theory of black holes, eventually earning him a Nobel Prize in physics for 1983.



Solar Cycle 25

- Sun's surface is a very active space, electrically charged gases on its surface generate areas of powerful magnetic forces, which are called magnetic fields.
- Gases on the Sun's surface are constantly moving, these magnetic fields can get stretched, twisted and tangled creating motion on the surface, which is referred to as solar activity.
- Solar activity varied with the stages of the solar cycle, which lasts on average for a period of 11 years.
- Solar cycles have implications for life and technology on Earth as well as astronauts in space.
- Recently Scientists from NASA and the National Oceanic and Atmospheric Administration (NOAA) announced their predictions about the new solar cycle.
- It is named as Solar Cycle 25, which has begun already.

IN-SPACE

- Recently, the Government of India has created the Indian National Space Promotion and Authorization Center (IN-SPACe), an independent nodal agency under the Department of Space.
- This move is a part of the reforms announced under the economic stimulus packages.
- IN-SPACe is to be established as a single-window nodal agency, with its own cadre, which will permit and oversee the activities of private companies.
- This is part of reforms aimed at giving a boost to the private sector participating in space-related activities or using India's space resources.
- Currently, there are more than 500 private companies which partner with the Indian Space Research Organization (ISRO) in carrying out various space activities.
- They provide materials used in manufacturing, mechanical fabrication, electronic fabrication, system development, integration, etc.
- Under the new system
 1. The government will allow utilizing those infrastructures of ISRO which are otherwise not available elsewhere in India.
 2. Permit establishment of facilities, within ISRO premises, based on safety norms and feasibility assessment.
 3. The decision of IN-SPACe shall be final and binding on all stakeholders including ISRO and private players will not be required to seek separate permission from ISRO.

DEFENCE

Hypersonic Technology Demonstrator Vehicle

- Recently, DRDO successfully flight tested the Hypersonic Technology Demonstrator Vehicle (HSTDV).
- HSTDV is an unmanned scramjet demonstration aircraft that can travel at hypersonic speed.
- It uses hypersonic air-breathing scramjet technology.
- The vehicle travelled its desired flight path at a velocity of six times the speed of sound i.e. Mach 6.
- It describes an aircraft's speed compared with the speed of sound in air, with Mach 1 equating to the speed of sound i.e. 343 meter per second.
- The test was conducted from Dr APJ Abdul Kalam Launch Complex at APJ Abdul Kalam Island off the coast of Odisha.
- India became the fourth country to have demonstrated this technology after the USA, Russia and China.
- The successful demonstration is certainly a significant milestone towards Atmanirbhar Bharat.

Acquisition and Cross-Servicing Agreement (ACSA)



- Recently, India and Japan signed Acquisition and Cross-Servicing Agreement (ACSA) agreement.
- It is a logistics agreement that will allow armed forces of both sides to coordinate closely in services and supplies.
- India has similar agreements with the USA, Australia, France, Oman and Singapore.
- It is aimed at greater maritime cooperation and can upgrade India-Japan naval exercises as both countries are expected to share maritime facilities for mutual benefit.
- It establishes the enabling framework for closer cooperation between the armed forces of both countries in reciprocal provision of supplies and services while engaged in the following such as
 1. Bilateral training activities,
 2. United Nations Peacekeeping Operations,
 3. Humanitarian International Relief and other mutually agreed activities.
- The supplies and services include food, water, transportation, airlift, petroleum, clothing, communications and medical services etc.
- It will remain in force for 10 years and will be automatically extended for periods of 10 years unless one of the parties decides to end it.

List of India-Japan Defence Exercises

- JIMEX - Naval Exercise
- SHINYUU Maitri - Air Force Exercise,
- Dharma Guardian - Military Exercise,
- Malabar Exercise – USA + Japan + India Trilateral exercise.

Project 17A

- Recently Indian Navy had laid the keel of the third ship (Yard- 12653) of the prestigious P17A class stealth frigates.
- The P17A class frigates are being built using indigenously developed steel and fitted with weapons and sensors along with Integrated Platform Management System.
- These ships are having stealth features.
- Construction of P17A ships differ in the very concept of warship building by way of adoption of the modern technology 'Integrated Construction (IC)' where the blocks are pre-outfitted before joining to reduce the build period of warships.
- When commissioned the platforms will enhance the combat capability of the Indian Naval fleet.

PASSEX

- Indian and the Australian navies are undertaking Passage Exercise or PASSEX exercises in the Indian Ocean.
- From the Indian side, Indian Naval Ships Sahyadri and Karmuk will be present and Australia will be represented by HMAS Hobart.
- Recently, Indian Naval ships conducted a Passage Exercise (PASSEX) with the U.S. Navy's USS Nimitz carrier strike group near the Andaman and Nicobar islands.
- Australia is the third country, since June, with which India will conduct the exercises.
- The first was with US Navy's USS Nimitz and the second was the Russian Navy.
- It aims to improve the cooperation between the U.S. and Indian maritime forces and to maximize training and interoperability, which also include air defence.
- It will enhance both sides' ability to counter threats at sea, from piracy to violent extremism.

Laser Guided ATGM

- Laser guided ATGMs lock and track the targets with the help of laser designation to ensure precision hit accuracy.
- The missile employs a tandem HEAT warhead to defeat Explosive Reactive Armour (ERA) protected armored vehicles.



- It has been developed with multiple-platform launch capability and is currently undergoing technical evaluation trials from gun of MBT Arjun.
- Recently Laser Guided Anti Tank Guided Missile (ATGM) was successfully test fired from MBT Arjun Tank.
- The following agencies collaborated to develop the missile
 1. Armament Research & Development Establishment (ARDE) Pune
 2. High Energy Materials Research Laboratory (HEMRL) Pune,
 3. Instruments Research & Development Establishment (IRDE) Dehradun

JIMEX

- JIMEX series of exercises commenced in January 2012 with special focus on maritime security cooperation.
- It is conducted biennially between the Indian Navy and Japanese Maritime Self-Defense Force (JMSDF).
- The last edition of JIMEX was conducted in October 2018 off Visakhapatnam, India.
- The 4th edition of India - Japan Maritime bilateral exercise JIMEX will be held in the North Arabian Sea from 26th - 28th September 2020.
- Following fleets will participate in the exercise representing the Indian Navy.
 1. Indigenously built stealth destroyer Chennai,
 2. Teg Class stealth frigate Tarkash
 3. Fleet Tanker Deepak P8I Long Range Maritime Patrol Aircraft will also participate in the exercise.
- It will be the first military exercise after the two countries signed a landmark agreement (Acquisition and Cross-Servicing Agreement - ACSA), that will allow their militaries to access each other's bases for logistics support.

HEALTH

Mass Spectrometry Covid-19 Test

- Mass spectrometry (MS) is an analytical technique that measures the mass-to-charge ratio of ions.
- Researchers from the New Delhi-based Institute of Genomics and Integrative Biology (IGIB) have developed a new method of coronavirus disease (Covid-19), that uses mass spectrometry.
- Mass spectrometry can detect the presence and quantity of various organic and inorganic compounds by detecting the ions released by them.
- The technique uses mass spectrometry to detect two peptides (building blocks of the viral protein).
- This is the only method that directly observes the RNA as compared to RT-PCR where the proteins have to bind with a primer before we can detect it.
- This eliminates the possibility of a false negative if the quality of the RNA collected is not good and it does not bind or there is lysis (detergent) that prevents the RNA from binding.
- This testing is faster, cheaper, and almost as accurate as the Reverse Transcription-Polymerase Chain Reaction (RT-PCR) test.
- The method eliminates the need for a biosafety lab, which makes it possible for it to be used at airports and railway stations to test passengers before they board a plane or a train.

CoViDx One

- 'CoViDx One', is a RT-PCR test kit, developed by Pune-based GenePath Diagnostics.
- It has received approval for manufacture and sale in India from the Central Drugs Standard Control Organization (CDSCO).
- The CDSCO has given approval to the Bengaluru-based Achira Labs to manufacture the kits.

- This makes Gene Path the first company in India to run a National Accreditation Board for Testing and Calibration Laboratories (NABL)-ICMR approved COVID-19 testing lab as well as to have received approval to manufacture its own RT-PCR test kit.

Indian Brain Templates (IBT)

- National Institute of Mental Health and Neuro Sciences (NIMHANS) has developed Indian Brain Templates (IBT) and a brain atlas.
- Brain Template is a gross representation from various brain images to understand brain functionality in diseased conditions.
- India currently uses Montreal Neurological Index (MNI) template, it is based on Caucasian brains, which are different from Asian brains.
- Over 500 brain scans of Indian patients were studied to develop five sets of Indian Brain Templates (IBT) and a brain atlas.
- IBT provides a scale that will measure an Indian brain.
- When most brain scans are taken, they need to be compared to a standard brain template, a model or standard for making comparisons from a group of individual brain scans.
- Brain Atlas has been developed for five age groups covering late childhood to late adulthood (six to 60 years).
- These new population and age-specific Indian brain templates will allow more reliable tracking of brain development and ageing.
- The templates and atlas will provide more precise reference maps for areas of interest in individual patients with neurological disorders like strokes, brain tumours, and dementia.
- These will also help pool information more usefully in group studies of the human brain and psychological functions, aiding in understanding of psychiatric illnesses.

Bradykinin Storm

- A recent analysis of samples of patients with the Covid-19 infection has shown a phenomenon called a 'bradykinin storm'.
- SARS-CoV-2 uses a human enzyme called ACE2 to enter into the cells of its host.
- ACE2 lowers blood pressure in the human body and works against another enzyme known as ACE (which has the opposite effect).
- The virus causes the levels of ACE to fall in the lungs, and consequently pushes up the levels of ACE2.
- This happens as a chain reaction and increases the levels of the molecule bradykinin in the cells, causing a bradykinin storm.
- Bradykinin is a compound that is related to pain sensation and lowering blood pressure in the human body.
- Bradykinin storm causes the blood vessels to expand and become leaky, leading to swelling of the surrounding tissue.
- The levels of a substance called hyaluronic acid also increases.
- The bradykinin storm-induced leakage of fluid into the lungs combined with the excess hyaluronic acid would likely result in a Jello-like substance that prevents oxygen uptake and carbon dioxide in the lungs of severely affected Covid-19 patients.
- This rapid accumulation of fluid in the lungs of patients sometimes makes even the most sophisticated intensive care, including ventilators, futile.
- Knowing the mechanism, doctors can target the bradykinin pathway to evolve more therapeutic interventions to offset the severe effects of Covid-19.

Scrub Typhus

- It is a bacterial disease caused by Orientia tsutsugamushi through bites of Larval Mites of family trombiculid, also called Chiggers.



- The symptoms of the disease includes fever, headache, body aches, and sometimes rash.
- There is no vaccine available for the disease.
- The occurrence the disease is found rural areas of Southeast Asia, Indonesia, China, Japan, India, and northern Australia.
- Recently an outbreak of Scrub Typhus has caused 5 deaths and 600 infections in Nagaland's Noklak district bordering Myanmar.

Typhus

- Typhus is a group of bacterial infectious diseases that include epidemic typhus, scrub typhus, and murine typhus.
 1. Epidemic typhus is due to Rickettsia prowazekii spread by body lice.
 2. Scrub typhus is due to Orientia tsutsugamushi spread by chiggers.
 3. Murine typhus is due to Rickettsia typhi spread by fleas.
- Napoleon's army was infected with Epidemic Typhus during his invasion of Russia in 1812 causing it to retreat.

Hyaluronic acid

- Hyaluronic acid is a sugar molecule that occurs naturally in the skin, and it helps to bind water to collagen (a protein).
- It can absorb more than 1,000 times its own weight in water to form a hydrogel.

OTHERS

Quantum State Interferography

- Scientists from Raman Research Institute (RRI), have found a new way of inferring the state of a system (both two-dimensional qubits as well as higher-dimensional "qubits") from an interference pattern, which they term 'Quantum State Interferography'.
- A qubit is a 2-dimensional quantum system and requires usually 2 complex numbers to be determined towards state estimation
- Scientists are experimenting with new ways to manipulate quantum states so that they can be harnessed for computing, communication, and metrology.
- Quantum State Interferography, can help make such manipulations simpler so that several crucial operations in quantum technologies become less cumbersome.
- The setup requires only two interferometers from which many interferograms can be obtained to reconstruct the state.

Real Mango

- Real Mango software is an illegal software developed for booking Tatkal tickets.
- Real mango software bypasses captcha used while booking tickets.
- It synchronizes bank OTP with help of a mobile app and feeds it to the requisite form automatically.
- The software auto-fills the passenger details and payment details in the forms. It logs in to the IRCTC website through multiple IRCTC Ids.
- Following these steps multiple tickets can be booked.
- And it leads to swift online tickets booking by agents whereas common people may not get the tickets booked on their own.
- Recently Railway Protection Force (RPF) has disrupted the operation of illegal software called "Real Mango" - used for cornering confirmed Railway reservation.
- The information supplied by RPF will help the Centre for Railway Information Systems (CRIS) to strengthen security features in the Passenger Reservation System (PRS).

Phosphine Gas

- International team of astronomers has discovered phosphine gas in the atmosphere of Venus.



- According to findings Venus has traces of phosphine in a concentration of approximately 20 parts per billion, thousands to millions of times more than what could otherwise be expected.
- Apart from being produced in industrial processes, phosphine, a colorless but smelly gas, is known to be made only by some species of bacteria that survive in the absence of oxygen.
- This discovery has triggered global excitement about the possibility of the presence of lifeforms on the neighboring planet.
- Indian Space Research Organization (ISRO) is also planning a mission to Venus, tentatively called Shukrayaan, in the near future.

22. INDEX & REPORT

Living Planet Report 2020

- WWF's has released the Living Planet Report 2020.
- The report has found that there has been a reduction of 68 % in the global wildlife population between 1970 and 2016.
- 75 % of the Earth's ice-free land surface has already been significantly altered, most of the oceans are polluted, and more than 85% of the area of wetlands has been lost during this period.
- The highlights of the report are as follows
 1. The most important direct driver of biodiversity loss in the last several decades has been land-use change, primarily the conversion of pristine habitats into agricultural systems, while much of the oceans have been overfished.
 2. The highest biodiversity loss due to land use change globally has been found in Europe and Central Asia at 57.9 %, then in North America at 52.5 %, Latin America and Caribbean at 51.2 %, Africa at 45.9 % and then Asia at 43 %.
 3. The largest wildlife population loss, according to the Living Planet Index, has been in Latin America at an alarming 94 %
 4. One of the most threatened biodiversity globally has been freshwater biodiversity, which has been declining faster than that in oceans or forests.
 5. Almost 90 % of global wetlands have been lost since 1700 and global mapping has recently revealed the extent to which humans have altered millions of kilometers of rivers.
 6. India, a "megadiverse country" with over 45,000 species of plants in only 2.4 % of the world's land area, has already lost six plant species to extinction, according to the IUCN Red List.

Young Child Outcomes Index (YCOI)

- YCOI is a part of the "State of the Young Child in India" report, brought out by a civil society organization Mobile Creches.
- The report is supported by Bernard Van Leer Foundation.
- The report has also released Young Child Environment Index (YCEI) for 2015-16.
- **YCOI** - It takes following indicators into account
 1. Health,
 2. Nutrition
 3. Cognitive growth
 4. Infant mortality rate,
 5. Stunting,
 6. Net attendance at the primary school level.



- **YCEI** – It is based on indices using data related to various indicators on gender, poverty, health, safe water supply and education.
- This Index make clear that states with better circumstances tend to have better young child outcomes.
- It uses five policy enablers that influence child well-being outcomes, including poverty alleviation, strengthening primary healthcare, improving education levels, safe water supply and promotion of gender equity.
- Highlights of the report are as follows
 1. Kerala, Goa, Tripura, Tamil Nadu and Mizoram are among the top five States for well-being of children.
 2. Eight States that have scores below the country's average: they are Assam, Meghalaya, Rajasthan, Chhattisgarh, Madhya Pradesh, Jharkhand, Uttar Pradesh and Bihar.
 3. The index has been constructed for two time periods (2005–2006 and 2015–2016) to enable inter-State comparisons as well as provide an idea of change over time.
 4. According to the environment index, Kerala, Goa, Sikkim, Punjab and Himachal Pradesh secured the top five positions.
 5. The environment index was constructed for 2015–2016 only due to limitations of data availability.
 6. The eight States that have a below average score on the outcomes index also fared poorly on this one.
 7. India spent ₹ 1,723 per child in 2018–2019, an amount that is insufficient and fails to reach the entire eligible population.
 8. While the population of children under six years of age is 158.8 million, the Integrated Child Development Scheme (ICDS) covers only 71.9 million children as calculated from the total number of beneficiaries across States.

Global Innovation Index (GII)

- World Intellectual Property Organization (WIPO) has released GII 2020.
- GII ranks global economies according to their innovation capabilities, including roughly 80 indicators, grouped into innovation inputs and outputs.
- Switzerland is the world's most-innovative economy followed by Sweden, the United States of America (U.S.), the United Kingdom (U.K.) and the Netherlands.
- India has been ranked 48th on the Global Innovation Index (GII) 2020 among 131 economies, breaking into the top 50 countries for the first time.
- According to recent reports India has made the most significant progress in the GII together with three other economies China, Vietnam and Philippines.
- In India three 'clusters' Bengaluru, Delhi and Mumbai feature in the top 100 science & technology hotspots, further endorsing India's presence in the global innovation economy.
- The WIPO had also accepted India as one of the leading innovation achievers of 2019 in the central and southern Asian region, as it has shown a consistent improvement in its innovation ranking for the last 5 years.

Household Social Consumption Report

- Recently, the report on 'Household Social Consumption: Education in India has been released.
- It is a part of 75th round of National Sample Survey, which includes data from July 2017 to June 2018'.
- It is based on the National Statistical Office (NSO) survey and provides for state-wise detail of literacy rate among the persons aged seven years and above.
- The report coincides with the International Literacy Day which is celebrated on 8th September every year.
- The report provides for state-wise detail of literacy rate among the persons aged seven years and above.
- Highlights of the report are as follows
 1. India's Overall Literacy Rate stands at 77.7% in which literacy rate at Urban Areas stood at 87.7% and rural areas at 73.5%.



2. With 96.2 % literacy, Kerala has once again emerged as the most literate state in the country followed by Delhi, Uttarakhand and Himachal Pradesh.
3. While Andhra Pradesh featured at the bottom with a rate of 66.4 %.
4. The male literacy rate (84.7%) is higher than the female literacy rate (70.3%) among all states with a considerable gap in the worst-performing states.
5. Nearly 4 % of rural households and 23 % of urban household possessed computers.
6. Among persons of age 15-29 years, nearly 56% in urban areas and 24% in rural areas were able to operate a computer.
7. In the same age group, nearly 25% in rural areas and 58% in urban areas reported the use of the internet

EASE Banking Reforms Index

- Union Minister of Finance inaugurated Doorstep Banking Services by Public Sector Banks (PSBs) and felicitated best performing banks on EASE Banking Reforms Index.
- Enhanced Access and Service Excellence (EASE) Agenda is aimed at institutionalizing clean and smart banking for PSBs launched in 2018.
- The index is prepared by the Indian Banking Association (IBA) and Boston Consulting Group.
- It is commissioned by the Finance Ministry.
- It is a framework that was adopted last year to strengthen public sector banks and rank them on metrics such as
 1. Responsible banking,
 2. Financial inclusion,
 3. Credit offtake
 4. Digitization.
- PSBs have shown a healthy trajectory in their performance over four quarters since the launch of EASE 2.0 Reforms Agenda.
- Bank of Baroda, State Bank of India, and erstwhile Oriental Bank of Commerce were felicitated for being the top three in the 'Top Performing Banks' category according to the EASE 2.0 Index Results.
- Bank of Maharashtra, Central Bank of India and erstwhile Corporation Bank were awarded in the 'Top Improvers' category basis EASE 2.0 Index.
- As part of the EASE Reforms, Doorstep Banking Services is envisaged to provide convenience of banking services to the customers at their doorstep through the Universal touch points of Call Centre, Web Portal or Mobile App.
- The services shall be rendered by the Doorstep Banking Agents deployed by the selected Service Providers at 100 centers across the country.
- The services can be availed by customers of Public Sector Banks at nominal charges.

Human Capital Index (HCI)

- Recently, the World Bank released the Human Capital Index (HCI) report for 2020.
- The index benchmarks key components of human capital across countries.
- It consists of the knowledge, skills, and health that people accumulate over their lives, enabling them to realize their potential as productive members of society.
- The HCI 2020 includes health and education data of children for 174 countries up to March 2020.
- The HCI 2020 shows that pre-pandemic, most countries had made steady progress in building human capital of children, with the biggest strides made in low-income countries.
- India has been ranked at the 116th position in the HCI 2020.

Special Report on Sustainable Recovery

- Recently International Energy Agency (IEA), in collaboration with NITI Aayog, presented a 'Special Report on Sustainable Recovery'
- It is a part of IEA's flagship World Energy Outlook series.
- The report proposes a number of actions that could be taken over the next three years to revitalize economies and boost employment while making energy systems cleaner and more resilient.
- According to report, Post the 2008–09 financial crisis, green measures accounted for around 16% of the total stimulus measures.
- The report mentions key sectors for creating jobs: electricity, transportation, buildings, industry and sustainable biofuels and innovations.

World Risk Index

- World Risk Index (WRI) is part of the World Risk Report 2020 released by the United Nations University Institute for Environment and Human Security (UNU-EHS), Bundnis Entwicklung Hilft and the University of Stuttgart in Germany.
- It is calculated on a country-by-country basis, through the multiplication of exposure and vulnerability and describes the disaster risk for various countries and regions.
- Released annually since 2011, it indicates which countries are in the greatest need to strengthen measures for coping with and adapting to extreme natural events.
- Highlights of the report are as follows
 1. A comparison with the WRI 2019, shows that all south Asian countries have slipped on their ability to adapt to the reality of climate emergency.
 2. Countries with a score above 52.73, are 'very poor' in their adaptive capacities for extreme natural disasters.
 3. Among continents, Oceania is at the highest risk, followed by Africa and the Americas.
 4. According to the World Risk Index (WRI) 2020, India is 'poorly prepared' to deal with 'climate reality', due to which it is vulnerable to extreme natural disasters.
 5. It becomes more important given that India's first ever comprehensive climate change assessment report highlighted the impacts of the climate crisis.

Health in India Report

- Union Ministry of Statistics and Programme Implementation has released the report of a survey titled 'Health in India'.
- The objective of the report is to gather basic quantitative information on India's health sector.
- The survey defines ailment as any deviation from a person's state of physical and mental well-being.
- The 'Proportion of Persons who Responded as Ailing', or PPRA, in a 15-day period when they were approached by the surveyors, were registered as those suffering from ailments.
- Findings of the report are as follows
 1. Around 7.5 % of Indians reported that they were suffering from ailments.
 2. While in rural India only 6.8 % said that they were suffering from an ailment, this number in urban India was 9.1 %
 3. The Zoroastrian community remains the most susceptible to ailments (31.1 % of them were suffering from an ailment)
 4. The survey shows that women remain more susceptible to suffering from ailments than men.
 5. In rural India 6.1 % of males said that they were suffering from ailments, while 7.6 % of rural women said the same.
 6. While 8.2 % of urban males said that they were sick, 10 % urban females said the same.