



CURRENT AFFAIRS

JULY 2021

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1. Plea Challenging Sedition Law:

- Recently, a petition was filed in the Supreme Court (SC) that seeks a relook into the Sedition Law.
- Sedition laws were enacted in 17th century **England** when lawmakers believed that only good opinions of the government should survive, as bad opinions were detrimental to the government and monarchy.
- The law was originally drafted in **1837** by **Thomas Macaulay**, the British historian-politician, but was inexplicably omitted when the Indian Penal Code (IPC) was enacted in 1860.
- Section 124A was inserted in 1870 by an amendment introduced by Sir James Stephen when it felt the need for a specific section to deal with the offence.
- It was one of the many draconian laws enacted to stifle any voices of dissent at that time. It was used by the British to silence Mahatma Gandhi and Bal Gangadhar Tilak.

As per the petitioner:

- The nearly-60-year old judgment helped sedition to survive in Indian Penal Code.
- The 1962 judgment in the KedarNath case, which upheld Section 124A (sedition), a relic of the colonial legacy, was given at a time when doctrines such as 'chilling effect' (Deterring effect resulting from restrictive law) on free speech were unheard of. It was delivered at a time when scope and inter-relationship of fundamental rights were rather restrictive.
- In the Kedar Nath judgment, the court had reasoned that without Section 124A, the State would be in jeopardy if the government was subverted. It, however, said that Section 124A would apply only to expressions that either intended to or had the tendency to cause violence were punishable as 'sedition'.

Court's Ruling:

- It sends a strong message to the government that sedition is being misused by the authorities to trample upon citizens' fundamental rights of free speech and liberty.
- SC made it clear that the court is sensitive to the public demand to judicially review the manner in which law enforcement authorities are using the sedition law to control free speech and send journalists, activists and dissenters to jail, and keep them there.
- Section 124A of the Indian Penal Code may have passed its time.
- The Court said "a statute criminalising expression based on unconstitutionally vague definitions of 'disaffection towards Government' etc. is an unreasonable restriction on the fundamental right to free expression guaranteed under Article 19 (1)(a) and causes constitutionally impermissible 'Chilling Effect' on speech".
- Sedition Law Today: Sedition is a crime under Section 124A of the Indian Penal Code (IPC).

Section 124A IPC:

- It defines sedition as an offence committed when "any person by words, either spoken or written, or by signs, or by visible representation, or otherwise, brings or attempts to bring into hatred or contempt, or excites or attempts to excite disaffection towards the government established by law in India".

- Disaffection includes disloyalty and all feelings of enmity. However, comments without exciting or attempting to excite hatred, contempt or disaffection, will not constitute an offence under this section.

Punishment for the Offence of Sedition:

- Sedition is a non-bailable offence. Punishment under the Section 124A ranges from imprisonment up to three years to a life term, to which fine may be added.
- A person charged under this law is barred from a government job.
- They have to live without their passport and must produce themselves in the court at all times as and when required.

Arguments in Favour of Section 124A:

- Has its utility in combating anti-national, secessionist and terrorist elements.
- It protects the elected government from attempts to overthrow the government with violence and illegal means.
- If contempt of court invites penal action, contempt of government should also attract punishment.
- Many districts in different states face a Maoist insurgency and rebel groups, they openly advocate the overthrow of the state government by revolution.
- Against this backdrop, the abolition of Section 124A would be ill-advised merely because it has been wrongly invoked in some highly publicized cases.

Arguments against Section 124A:

- It is a constraint on the legitimate exercise of constitutionally guaranteed freedom of speech and expression.
- Dissent and criticism of the government are essential ingredients of robust public debate in a vibrant democracy. They should not be constructed as sedition.
- The British, who introduced sedition to oppress Indians, have themselves abolished the law in their country. There is no reason why India should not abolish this section.
- The terms used under Section 124A like 'disaffection' are vague and subject to different interpretations to the whims and fancies of the investigating officers.
- IPC and Unlawful Activities Prevention Act 2019 have provisions that penalize "disrupting the public order" or "overthrowing the government with violence and illegal means". These are sufficient for protecting national integrity.
- The sedition law is being misused as a tool to persecute political dissent.
- In 1979, India ratified the International Covenant on Civil and Political Rights (ICCPR), which sets forth internationally recognized standards for the protection of freedom of expression. However, misuse of sedition and arbitrary slapping of charges are inconsistent with India's international commitments.

Conclusion:

- India is the largest democracy of the world and the right to free speech and expression is an essential ingredient of democracy. The expression or thought that is not in consonance with the policy of the government of the day should not be considered as sedition.
- Section 124A should not be misused as a tool to curb free speech. The SC caveat, given in the Kedar Nath case, on prosecution under the law can check its misuse. It needs to be examined under the changed facts and circumstances and also on the anvil of ever-evolving tests of necessity, proportionality and arbitrariness.

2. Provisions of 97th Amendment Struck Down: SC

- Recently, the Supreme Court in a majority verdict quashed Part-IX B of the Constitution on cooperatives inserted by 97th constitutional amendment.

What is the 97th constitutional amendment?

- The 97th Constitutional Amendment Act dealt with issues related to effective management of co-operative societies in the country.
- It was passed by the Parliament in 2011 and had come into effect from 2012.
- The change in the Constitution has amended Article 19(1)(c).
- The Act gave protection to the cooperatives and inserted Article 43 B and Part IX B, relating to them.

What is the recent case?

- Part IXB delineated the jurisdictions of what State legislation on cooperative societies ought to contain.
- This applied to provisions on-
 1. the maximum number of directors in each society
 2. reservation of seats for SCs, or STs, and women
 3. the duration of the terms of elected members, among others
- The question before the Court was whether the 97th Amendment impacted the legislative domain of the State Legislatures.
- If so, then it would require ratification by half of the states' legislatures, in addition to the required two-thirds majority in Parliament.
- The Gujarat High Court had found the amendment invalid for want of such ratification.
- It struck down certain provisions of the amendment.
- It held that the Parliament could not enact laws with regard to cooperative societies as it was a State subject.
- The Centre challenged this 2013 decision of the Gujarat High Court in the Supreme Court.
- It believed that the subject of 'cooperative societies' in the State List was not altered in any way by the 97th Amendment.
- It only outlined the guidelines on any law on cooperatives that the State Assemblies may enact.
- The provision does not denude the States of its power to enact laws with regard to cooperatives.
- So, it felt the ratification by states was not necessary.

What is the SC verdict?

- The Supreme Court, by a 2:1 majority, upheld the Gujarat HC judgment holding the amendment invalid.
- But this is only in relation to cooperatives under the States.
- The elaborate amendment would hold good for multi-State cooperative societies, on which Parliament was competent to enact laws.
- So, the Supreme Court upheld the validity of the 97th constitutional amendment.
- It has however struck down part IX B of the Constitution.

What does this imply?

- Significantly, the 97th Constitutional Amendment infused autonomy, democratic functioning and professional management into the cooperatives.
- But the recent verdict implies that even well-intentioned efforts towards reforms cannot be at the cost of the quasi-federal principles.
- In other words, reforms in cooperative sector should not be at the cost of federal principles.
- The ratification requirement will apply if there is any attempt to constrain the State legislatures in any way.
- In the absence of States' ratification, the amendment that sought to prescribe the outlines of State laws on a State subject becomes invalid.

- The judgment may also mean that the concern expressed, that the formation of a new Ministry of Cooperation would affect federal principles, could be true.
- Having said all these, undeniably, the cooperative movement needs reform and revitalisation, (within constitutional parameters).

3. Challenge to Restitution of Conjugal Rights:

- The Supreme Court (SC) is going to hear a fresh challenge to the provision allowing restitution (recovery) of conjugal rights under Hindu personal laws (Hindu Marriage act 1955).

Conjugal Rights:

- Conjugal rights are rights created by marriage, i.e. right of the husband or the wife to the society of the other spouse.
- The law recognises these rights-both in personal laws dealing with marriage, divorce etc, and in criminal law requiring payment of maintenance and alimony to a spouse.
- Section 9 of the Hindu Marriage Act recognises one aspect of conjugal rights-the right to consortium and protects it by allowing a spouse to move court to enforce the right.
- The concept of restitution of conjugal rights is codified in Hindu personal law now, but has colonial origins.
- Originating from Jewish law, the provision for restitution of conjugal rights reached India and other common law countries through British Rule.
- The British law treated wives as their husband's personal possession hence they were not allowed to leave their husbands.
- Similar provisions exist in Muslim personal law as well as the Divorce Act, 1869, which governs Christian family law.
- Incidentally, in 1970, the U.K repealed the law on restitution of conjugal rights.

Challenged Provision:

- Section 9 of the Hindu Marriage Act, 1955, which deals with restitution of conjugal rights, reads:
- When either the husband or the wife has, without reasonable excuse, withdrawn from the society of the other, the aggrieved party may apply, by petition to the district court.
- For restitution of conjugal rights and the court, on being satisfied of the truth of the statements made in such a petition and that there is no legal ground why the application should not be granted, may decree restitution of conjugal rights accordingly.

Reason for Challenging the Law:

Violation of Rights:

- The law is being challenged now on the main grounds that it violates the fundamental right to privacy.
- In 2019, a nine-judge Bench of the SC recognised the right to privacy as a fundamental right.
- The right to privacy is protected as an intrinsic part of the right to life and personal liberty under Article 21 and as a part of the freedoms guaranteed by Part III of the Constitution.
- The 2019 judgement has set the stage for potential challenges to several laws such as criminalisation of homosexuality, marital rape, restitution of conjugal rights, the two-finger test in rape investigations.
- The plea argues that a court-mandated restitution of conjugal rights amounted to a “coercive act” on the part of the state, which violates one’s sexual and decisional autonomy, and right to privacy and dignity.

Biased Against Women:

- Although the law is gender-neutral since it allows both wife and husband to seek restitution of conjugal rights, the provision disproportionately affects women.

- Women are often called back to marital homes under the provision, and given that marital rape is not a crime, leaves them susceptible to such coerced cohabitation.
- It is also argued whether the state can have such a compelling interest in protecting the institution of marriage that it allows a legislation to enforce cohabitation of spouses.

Not in Consonance with SC Judgements:

- In the recent judgement of Joseph Shine v Union of India 2019, the SC has put great emphasis on the right to privacy and bodily autonomy of married women, stating that marriage does not take away their sexual freedom nor choice.
- If everybody is entitled to their bodily autonomy, choice, and right to privacy, how can a court mandate two adults to cohabit if one of them does not wish to do so.
- How can courts preach autonomy of the body and then turn around and decree otherwise.

Misuse of the Provision:

- Another pertinent matter to take into consideration is the misuse of this provision as a shield against divorce proceedings and alimony payments.
- Often an aggrieved spouse files for divorce from their place of residence and their spouse retaliates by filing for a decree of restitution in their place of residence.

4. No Parliamentary Immunity for Vandalism: SC:

- Recently, the Supreme Court has rejected Kerala government's plea to withdraw criminal cases against its MLAs who were charged in the assembly.
- The ruling Kerala government had appealed, to the Supreme Court, to withdraw a criminal case against their leaders who destroyed public property and disrupted a Budget speech on the State Assembly floor in 2015.

Arguments of the Petitioner:

- The Kerala Government had claimed parliamentary privilege, arguing that the incident occurred inside the Assembly hall.
- They had claimed immunity from criminal prosecution.
- They had argued that the prior sanction of the Speaker was necessary before the registration of an FIR by the police.

Highlights of the Judgement:

- Parliamentary Privileges are Not Gateways of Immunity: The legislators who indulge in vandalism and general mayhem cannot claim parliamentary privilege and immunity from criminal prosecution.
- Vandalism is Not Essential Legislative Action: Lawmakers possess privileges that are essential for exercising public functions.
- Vandalism and destruction inside the House are not essential for exercising legislative function.

Vandalism and Right to Protest:

- Vandalism on the Assembly floor could not be equated with the right to protest by Opposition legislators.
- No member of an elected legislature can claim either a privilege or immunity to stand above the sanctions of the criminal law (Prevention of Damage to Public Property Act, 1984), which applies equally to all citizens.
- Destruction of public property could not be equated with the exercise of freedom of speech.

Maintaining Public Trust:

- Legislators should act within the parameters of the public trust imposed on them to do their duty.
- They had taken office swearing true allegiance to the Constitution.

- They had to uphold the sovereignty and integrity of India and had to perform the duty imposed on them by the people who elected them.

5. Right to be Forgotten:

- Recently, the Delhi high court has granted relief to a petitioner seeking to exercise 'right to be forgotten (RTBF). The petitioner, who was earlier acquitted in a narcotics case, had come before the high court praying for the removal of the judgment of his acquittal from online platforms.
- The court's order assumes significance by removing it from online platforms to protect an individual's right to privacy and the need to balance it with the right to information of the public and maintenance of transparency in judicial records.
- The 'right to be forgotten' is the right to have publicly available personal information removed from the internet, search, databases, websites or any other public platforms, once the personal information in question is no longer necessary, or relevant.
- RTBF gained currency after the 2014 decision of the Court of Justice of the European Union ("CJEU") in the Google Spain case.
- RTBF has been recognised as a statutory right in the European Union under the General Data Protection Regulation (GDPR), and has been upheld by a number of courts in the United Kingdom, and in Europe.
- In India, there is no law that specifically provides for the right to be forgotten. However, the Personal Data Protection Bill 2019 recognised this right.

Google Spain Case:

- In this case, the CJEU ruled in favour of a Spanish national who had requested Google to remove two links to newspaper articles about him.
- It held that personal information found to be inadequate, irrelevant, or excessive in relation to the purposes of the processing should be erased, even if it was published lawfully.

Right to be forgotten (RTBF) in India:

- In India, RTBF doesn't have legislative sanction yet. However, in the Puttaswamy judgment, the Supreme Court held that the right to privacy is a fundamental right.
- In the Puttaswamy judgment, the Supreme Court observed that the "right of an individual to exercise control over his personal data and to be able to control his/her own life would also encompass his right to control his existence on the Internet".
- Currently, many High courts have expressly recognised the right to be forgotten in their judgments, taking note of international jurisprudence on this right.
- With deeper integration of technology and the digitisation of data, a simple Google search can yield a plethora of information about an individual, which may hurt a person's reputation & dignity guaranteed under Article 21 of the constitution.
- At a time when the judiciary is entering Phase III of its ambitious eCourts project, rights such as RTBF will have to be coded into any technology solution that is developed for judicial data storage and management.

Challenges Associated With Right to Be Forgotten:

- Legal Challenge: Right to be forgotten may get into conflict with matters involving public records.
- For instance, judgments have always been treated as public records and fall within the definition of a public document according to Section 74 of the Indian Evidence Act, 1872.
- According to a report by Vidhi Centre for Legal Policy, RTBF cannot be extended to official public records, especially judicial records as that would undermine public faith in the judicial system in the long run.

- Information in the Public Domain is Like Toothpaste: Like once toothpaste is out of the tube one can't get it back in and once the information is in the public domain, in the digital era, it will never go away.
- Individual vs Society: Right to be forgotten creates a dilemma between the right to privacy of individuals and the right to information of society and freedom of press.

Surveillance Laws in India and Privacy:

- Recently, a global collaborative investigative effort has revealed that, at least 300 individuals in India, were potentially identified for targeted surveillance using sophisticated spyware called Pegasus. However, the government has claimed that all interception in India takes place lawfully.
- Communication surveillance in India takes place primarily under two laws - the Telegraph Act, 1885 and the Information Technology Act, 2000.
- While the Telegraph Act deals with interception of calls, the IT Act was enacted to deal with surveillance of all electronic communication.

Telegraph Act:

- Under Section 5(2) of this law, the government can intercept calls only in certain situations:
 1. Interests of the sovereignty and integrity of India,
 2. Security of the state,
 3. Friendly relations with foreign states or public order,
 4. Preventing incitement to the commission of an offence.
- These are the same restrictions imposed on free speech under Article 19(2) of the Constitution.
- However, these restrictions can be imposed only when there is a condition precedent – the occurrence of any public emergency, or in the interest of public safety.
- Further, the grounds of selecting a person for surveillance and extent of information gathering has to be recorded in writing.
- This lawful interception cannot take place against journalists.
- Provided that press messages intended to be published in India of correspondents accredited to the Central Government or a State Government, unless their transmission has been prohibited under this subsection.
- **Supreme Court Intervention:** In Public Union for Civil Liberties v Union of India (1996), the SC pointed out lack of procedural safeguards in the provisions of the Telegraph Act and laid down following observations:
 - Tapping is a serious invasion of an individual's privacy.
 - It is no doubt correct that every Government exercises some degree of surveillance operation as a part of its intelligence outfit but at the same time citizen's right to privacy has to be protected.
 - Sanction for Interception: The abovementioned Supreme Court's observations formed the basis of introducing Rule 419A in the Telegraph Rules in 2007 and later in the rules prescribed under the IT Act in 2009.
 - Rule 419A states that a Secretary to the Government of India (not below the rank of a Joint Secretary) in the Ministry of Home Affairs can pass orders of interception in the case of Centre, and similar provisions exist at the state level.

IT Act, 2000:

- Section 69 of the Information Technology Act and the Information Technology (Procedure for Safeguards for Interception, Monitoring and Decryption of Information) Rules, 2009 were enacted to further the legal framework for electronic surveillance.
- However, the scope of Section 69 the IT Act is much broader and vague than the Telegraph Act as the only condition precedent for engaging electronic surveillance is for the "investigation of an offence".

- These provisions are problematic and offer the government total opacity in respect of its interception and monitoring activities.

Associated Issues with the Surveillance:

- **Legal Loopholes:** According to the Centre for Internet & Society, the gaps in laws allow surveillance and affect privacy. For example:
- **Ambiguity on issues like type of interception, granularity of information that can be intercepted and the degree of assistance from service providers helps in bypassing the law and aids surveillance by the state.**
- **Affects Fundamental Rights:** The very existence of a surveillance system impacts the right to privacy (held by the SC in K.S. Puttaswamy v. Union of India case, 2017) and the exercise of freedom of speech and personal liberty under Articles 19 and 21 of the Constitution.
- **Authoritarian Regime:** The surveillance promotes spread of authoritarianism in the government functioning since it allows the executive to exercise a disproportionate amount of power on the citizen and impacts their personal lives.
- **Threat to Freedom of Press:** Current revelations over the use of Pegasus highlights that surveillance was also conducted on many journalists. This affects freedom of press.

Conclusion:

- There is a need for reforms in the Indian surveillance regime, which should incorporate ethics of surveillance and considers the moral aspects of how surveillance is employed.
- In this context, there is a need for a holistic debate before the Personal Data Protection (PDP) Bill, 2019 is enacted.
- So that the law can be tested against the cornerstone of fundamental rights and growth of the digital economy and security of the country can be balanced.

6. Creamy Layer: OBC:

- Recently, some MPs have raised the issue of defining Creamy Layer in the ongoing Monsoon Session of Parliament.
- Further, the Justice Rohini committee is considering the sub-categorization of OBC quota and if any particular community or group of communities are benefiting most from the OBC quota and how to iron out anomalies.

Background:

- Based on the recommendation of the Second Backward Classes Commission (Mandal Commission), the government in August, 1990 had notified 27% reservation for Socially and Educationally Backward Classes (SEBCs) in vacancies in civil posts and services that are to be filled on direct recruitment.
- After this was challenged, the Supreme Court in November, 1992 (Indira Sawhney case) upheld 27% reservation for OBCs, subject to exclusion of the creamy layer.

Definition:

- It is a concept that sets a threshold within which OBC reservation benefits are applicable.
- While there is a 27% quota for OBCs in government jobs and higher educational institutions, those falling within the “creamy layer” (various categories based on income and parents’ rank) cannot get the benefits of this quota.
- Other than the income limit, the current definition of the creamy layer remains the same.

Categories defined under Creamy Layer:

Income beyond 8 lakh:

- For those not in government, the current threshold is an income of Rs 8 lakh per year.
- The income threshold is supposed to be raised every three years. It was last revised in 2017 (more than three years now).

- Parents' rank: For children of government employees, the threshold is based on their parents' rank and not income.
- For instance, an individual is considered to fall within the creamy layer if either of his or her parents is in a constitutional post; if either parent has been directly recruited in Group-A; or if both parents are in Group-B services.
- If the parents enter Group-A through promotion before the age of 40, their children will be in the creamy layer.
- Children of a Colonel or higher-ranked officer in the Army, and children of officers of similar ranks in the Navy and Air Force, too, come under the creamy layer. There are other criteria as well.

Government's Proposal:

- A draft Cabinet note has stated that the creamy layer will be determined on all income, including salary calculated for income tax, but not agriculture income.
- The government is considering a consensus on Rs 12 lakh, whereas Parliament Committee has recommended to raise upto 15 lakh per year.
- It also recommended excluding salary and agricultural revenue while calculating the annual income ceiling for the creamy layer category of OBCs

7. SC on Central Information Commission (CIC):

- The Supreme Court has directed the Union of India and all States to file status reports on the latest developments regarding vacancies and pendency in the Central Information Commission (CIC) and State Information Commissions (SICs).

Central Information Commission (CIC):

- **Establishment:** The CIC was established by the Central Government in 2005, under the provisions of the Right to Information Act (2005). It is not a constitutional body.
- **Members:** It consists of a Chief Information Commissioner and not more than ten Information Commissioners.
- **Appointment:** They are appointed by the President on the recommendation of a committee consisting of the Prime Minister as Chairperson, the Leader of Opposition in the Lok Sabha and a Union Cabinet Minister nominated by the Prime Minister.
- **Jurisdiction:** The jurisdiction of the Commission extends over all Central Public Authorities.
- **Tenure:** The Chief Information Commissioner and an Information Commissioner shall hold office for such term as prescribed by the Central Government or until they attain the age of 65 years, whichever is earlier.
- They are not eligible for reappointment.

Power and Functions of CIC:

- To receive and inquire into a complaint from any person regarding information requested under RTI, 2005.
- It can order an inquiry into any matter if there are reasonable grounds (suo-moto power).
- While inquiring, the Commission has the powers of a civil court in respect of summoning, requiring documents etc.

State Information Commission:

- It is constituted by the State Government.
- It has one State Chief Information Commissioner (SCIC) and not more than 10 State Information Commissioners (SIC) to be appointed by the Governor on the recommendation of the Appointments Committee headed by the Chief Minister.

Issues:

Delays and Backlogs:

- On average, the CIC takes 388 days (more than one year) to dispose of an appeal/complaint from the date it was filed before the commission.
- A report released last year has pointed out that more than 2.2 lakh Right to information cases are pending at the Central and State Information Commissions (ICs).

No Penalties:

- The report found that the Government officials hardly face any punishment for violating the law.
- Penalties were imposed in only 2.2% of cases that were disposed of, despite previous analysis showing a rate of about 59% violations which should have triggered the process of penalty imposition
- Vacancy:
- Despite repeated directions from the court, there are still three vacancies in the CIC.

Lack of Transparency:

- The criteria of selection, etc, nothing has been placed on record.

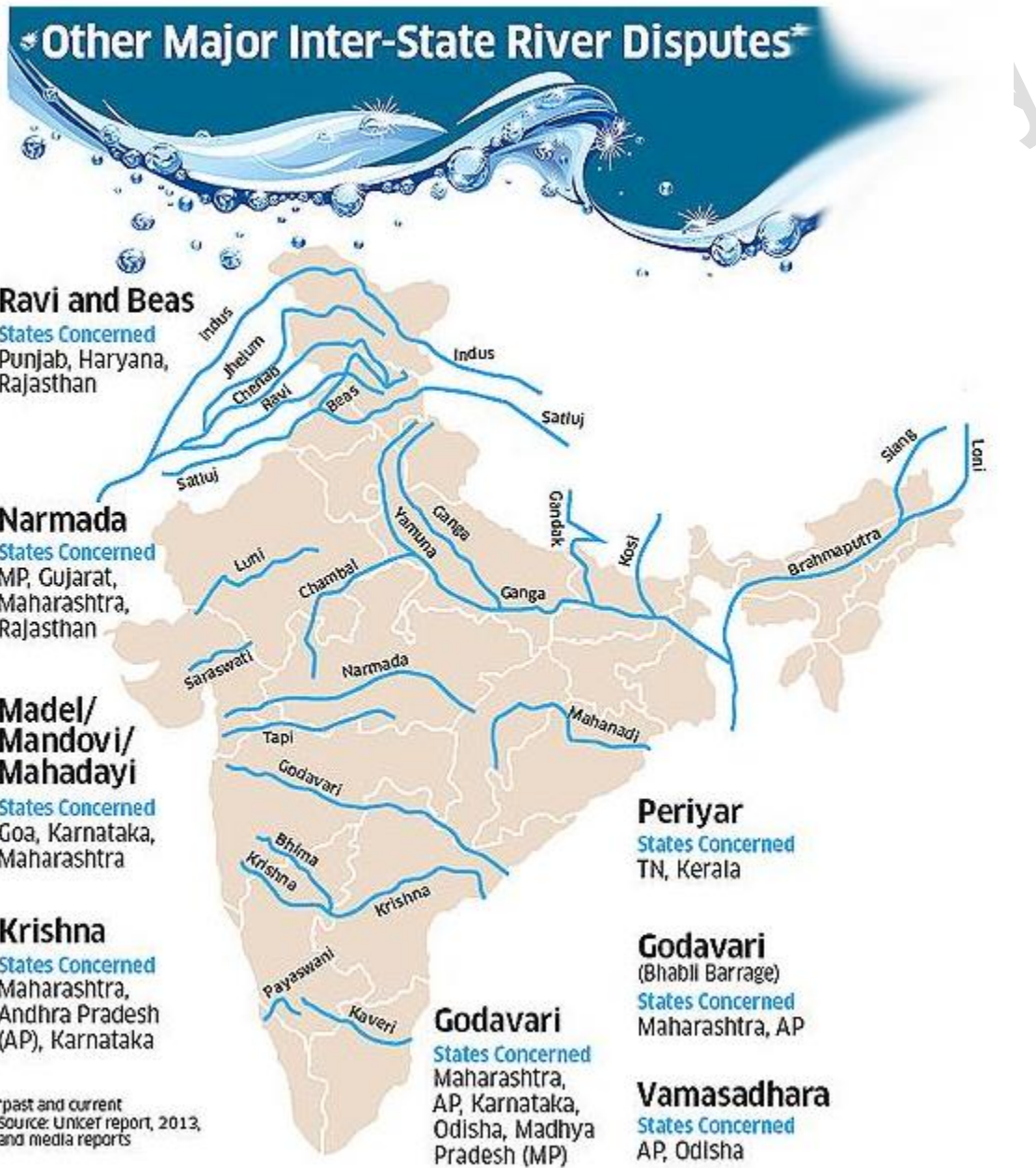
8. Andhra Pradesh-Telangana Water Dispute:

- Recently, Andhra Pradesh has complained to the Krishna River Management Board (KRMB) about the drawing of water from the Srisaillam project by Telangana for power generation.
- The KRMB, in its recent orders, had asked Telangana to stop power generation. The tension has emerged over defiance of orders of the KRMB by Telangana Government.
- Telangana and Andhra Pradesh share stretches of the Krishna and the Godavari and own their tributaries.
- Both states have proposed several new projects without getting clearance from the river boards, the Central Water Commission and the Apex Council, as mandated by the Andhra Pradesh Reorganisation Act, 2014.
- The Andhra Pradesh Reorganisation Act, 2014 mandates for the constitution of an Apex Council by the Central Government for the supervision of the functioning of the Godavari River Management Board and Krishna River Management Board.
- The Apex Council comprises the Union Water Resources Minister and the Chief Ministers of Telangana and Andhra Pradesh.
- The Andhra Pradesh government's proposal to increase the utilisation of the Krishna water from a section of the river above the Srisaillam Reservoir led to the Telangana government filing a complaint against Andhra Pradesh.
- The Srisaillam reservoir is constructed across the Krishna River in Andhra Pradesh. It is located in the Nallamala hills.
- The Andhra Pradesh government retaliated with its own complaints saying that Palamuru-Rangareddy, Dindi Lift Irrigation Schemes on the Krishna river and Kaleshwaram, Tupakulagudem schemes and a few barrages proposed across the Godavari are all new projects.

Inter-State River Water Disputes:

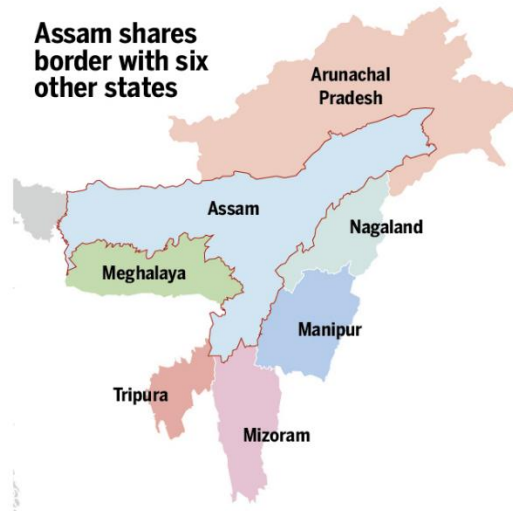
- Article 262 of the Constitution provides for the adjudication of inter-state water disputes.
- Under this, Parliament may by law provide for the adjudication of any dispute or complaint with respect to the use, distribution and control of waters of any inter-state river and river valley.
- Parliament may also provide that neither the Supreme Court nor any other court is to exercise jurisdiction in respect of any such dispute or complaint.
- The Parliament has enacted the two laws, the River Boards Act (1956) and the Inter-State Water Disputes Act (1956).
- The River Boards Act provides for the establishment of river boards by the Central government for the regulation and development of inter-state river and river valleys.
- A River Board is established on the request of state governments concerned to advise them.

- The Inter-State Water Disputes Act empowers the Central government to set up an ad hoc tribunal for the adjudication of a dispute between two or more states in relation to the waters of an inter-state river or river valley.
- The decision of the tribunal is final and binding on the parties to the dispute.
- Neither the Supreme Court nor any other court is to have jurisdiction in respect of any water dispute which may be referred to such a tribunal under this Act.



9. Assam-Mizoram Border Dispute:

- Recently, several IED (Improvised Explosive Device) blasts were carried out inside Cachar district of Assam allegedly by miscreants from Mizoram. These blasts signal the re-emergence of long-unresolved Assam-Mizoram Border Dispute.
- The boundary issue between Assam and Mizoram has existed since the formation of Mizoram — first as a union territory in 1972, and then as a full-fledged state in 1987.
- In India, Inter-state disputes are multifaceted, besides disputes over boundaries, there are disputes over sharing of water (rivers) and migration also impacts the federal polity of India.
- Note
- During colonial times, Mizoram was known as Lushai Hills, a district of Assam.
- Mizoram was granted statehood in 1987 by the State of Mizoram Act, 1986.
- Assam became a constituent state of India in 1950 and lost much of its territory to new states that emerged from within its borders between the early 1960s and the early 1970s.



About the dispute:

- The boundary issue between present-day Assam and Mizoram dates back to the colonial era when inner lines were demarcated according to the administrative needs of British Raj.
- The Assam-Mizoram dispute stems from two notifications passed under British era.
- First, notification of 1875, that differentiated Lushai Hills from the plains of Cachar.
- Second, notification of 1933, that demarcates a boundary between Lushai Hills and Manipur.
- Mizoram believes the boundary should be demarcated on the basis of the 1875 notification, which is derived from the Bengal Eastern Frontier Regulation (BEFR) Act, 1873.
- Mizo leaders are against the demarcation notified in 1933, according to them, the Mizo society was not consulted.
- On the other hand, the Assam government follows the 1933 demarcation.
- As a result both states continue to have a differing perception of the border and that is the point of conflict.
- There is a 164.6-km inter-state border that separates Assam and Mizoram, with the three Assam districts of Cachar, Hailakandi and Karimganj sharing a border with Kolasib, Mamit and Aizawl districts of Mizoram.
- Further, the boundary between Mizoram and Assam follows naturally occurring barriers of hills, valleys, rivers and forests, and both sides have attributed border skirmishes to perceptual differences over an imaginary line.
- In the Northeast's complex boundary equations, clashes between Assam and Mizoram residents are less frequent than they are between other neighbouring states of Assam, like with Nagaland.

10. NIPUN Bharat Mission:

- The Ministry of Education has launched NIPUN (National Initiative for Proficiency in Reading with Understanding and Numeracy) Bharat Scheme.
- It aims to cover the learning needs of children in the age group of 3 to 9 years.

- NIPUN Bharat Mission is being launched as a part of NEP (National Education Policy) 2020.
- This policy aims to pave the way for transformational reforms in school and higher education systems in the country. This policy replaced the 34 year old National Policy on Education (NPE), 1986.

Objective:

- To create an enabling environment to ensure universal acquisition of foundational literacy and numeracy, so that every child achieves the desired learning competencies in reading, writing and numeracy by the end of Grade 3, by 2026-27.

Focus Areas:

- It will focus on providing access and retaining children in foundational years of schooling; teacher capacity building; development of high quality and diversified Student and Teacher Resources/Learning Materials; and tracking the progress of each child in achieving learning outcomes.

Implementation:

- NIPUN Bharat will be implemented by the Department of School Education and Literacy.
- A five-tier implementation mechanism will be set up at the National- State- District- Block- School level in all States and UTs, under the aegis of the centrally sponsored scheme of Samagra Shiksha.
- 'Samagra Shiksha' programme was launched subsuming three existing schemes: Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Teacher Education (TE).
- The aim of the scheme is to treat school education holistically, from pre-school to Class XII.
- A special package for foundational literacy and Numeracy (FLN) under NISHTHA (National Initiative for School Heads and Teachers Holistic Advancement) is being developed by NCERT.
- Around 25 lakh teachers teaching at pre-primary to primary grade will be trained this year on FLN.
- NISHTHA is a capacity building programme for "Improving Quality of School Education through Integrated Teacher Training".
- Stage-wise targets are being set in a continuum from the pre-primary or balvatika classes.

Expected Outcomes:

- Foundational skills enable to keep children in class thereby reducing the dropouts and improve transition rate from primary to upper primary and secondary stages.
- Activity based learning and a conducive learning environment will improve the quality of education.
- Innovative pedagogies such as toy-based and experiential learning will be used in classroom transactions thereby making learning a joyful and engaging activity.
- Intensive capacity building of teachers will make them empowered and provide greater autonomy for choosing the pedagogy.
- Holistic development of the child by focusing on different domains of development like physical and motor development, socio-emotional development, literacy and numeracy development, cognitive development, life skills etc. which are interrelated and interdependent, which will be reflected in a Holistic Progress Card.
- Children to achieve a steeper learning trajectory which may have positive impacts on later life outcomes and employment.
- Since almost every child attends early grades, therefore, focus at that stage will also benefit the socio-economic disadvantaged group thus ensuring access to equitable and inclusive quality education.

11. Global Cybersecurity Index:

- Recently, India has ranked tenth (10th) in Global Cybersecurity Index (GCI) 2020 by ITU (International Telecommunication Union) by moving up 37 places.
- Top Ranking:
- The US topped (1st), followed by the UK (United Kingdom) and Saudi Arabia tied on the second position together.
- Estonia was ranked third (3rd) in the index.
- India scored a total of 97.5 points from a possible maximum of 100 points, to make it to the tenth position worldwide in the GCI 2020.
- India secured the fourth position in the Asia Pacific region.
- India is emerging as a global IT superpower, asserting its digital sovereignty with firm measures to safeguard data privacy and online rights of citizens.
- The result shows substantial overall improvement and strengthening under all parameters of the cybersecurity domain.

Basis of Assessment:

- On the basis of performance on five parameters of cybersecurity, which are,
- Legal measures, technical measures, organisational measures, capacity development, and cooperation.
- The performance is then aggregated into an overall score.

International Telecommunication Union:

- It is the United Nations specialized agency for information and communication technologies – ICTs.
- Founded in 1865 to facilitate international connectivity in communications networks. It is Headquartered in Geneva, Switzerland.
- It allocates global radio spectrum and satellite orbits, develops the technical standards that ensure networks and technologies seamlessly interconnect, and strives to improve access to ICTs to underserved communities worldwide.
- Recently, India got elected as a member of ITU Council for another 4-year term - from 2019 to 2022. India has remained a regular member since 1952.

Efforts to Improve Cyber Security in India:

- National Cyber Security Strategy 2020: It is being formulated to improve cyber awareness and cybersecurity through more stringent audits.
- Draft Personal Data Protection Bill, 2018 (based on the recommendation of Justice BN Srikrishna Committee) to secure citizens' data.
- The scheme to set up I4C (Indian Cyber Crime Coordination Centre) was approved in October 2018, to deal with all types of cybercrimes in a comprehensive and coordinated manner.
- National Computer Emergency Response Team (CERT-In) functions as the nodal agency for coordination of all cyber security efforts, emergency responses, and crisis management.
- Protection and resilience of critical information infrastructure with the set up of National Critical Information Infrastructure Protection Centre (NCIIPC).

Challenges to Cyber Security in India:

- Deploying multiple cybersecurity tools reinforces a fragmented and complex security environment that is prone to risks arising from human error.
- Cybersecurity challenges companies face as they shift the majority of their employees to a remote working arrangement in a really short period of time.
- India lacks indigenization in hardware as well as software cybersecurity tools. This makes India's cyberspace vulnerable to cyberattacks motivated by state and non-state actors.
- India doesn't have an 'active cyber defense' like the EU's General Data Protection Regulation (GDPR) or the US' Clarifying Lawful Overseas Use of Data (CLOUD) Act.

12. India Industrial Land Bank:

- The India Industrial Land Bank (IILB), a GIS-based portal, has seen a 30% increase in page views each month since April 2021.
- The Department for Promotion of Industry & Internal Trade (DPIIT) has developed IILB portal, a GIS-enabled database of industrial areas/clusters across the country to adopt a committed approach towards resource optimization, industrial upgradation and sustainability.
- The portal serves as a one-stop solution to the free and easy accessibility of all industrial information including availability of raw material, agriculture, horticulture, minerals, natural resources; distance from key logistic nodes; layers of terrain and urban infrastructure.
- It aims to provide information on available land for prospective investors looking at setting up units in the Country.
- It also provides links to State GIS Portals and State Land Banks.

Geographic Information System (GIS):

- A GIS is a computer system for capturing, storing, checking, and displaying data related to positions on Earth's surface.
- By relating seemingly unrelated data, GIS can help individuals and organizations better understand spatial patterns and relationships.
- GIS can use any information that includes location. The location can be expressed in many different ways, such as latitude and longitude, address, or ZIP code.
- GIS can include data about people, such as population, income, or education level.
- It can also include information about the sites of factories, farms, and schools, or storm drains, roads, and electric power lines etc.

13. Six Years of Digital India Programme:

- Recently, the Prime Minister of India addressed a virtual event to mark the completion of six years of Digital Indian programme.
- Digital India Programme was launched in 2015. The programme has been enabled for several important Government schemes, such as BharatNet, Make in India, Startup India and Standup India, industrial corridors, etc.

Vision Areas:

1. Digital infrastructure as Utility to Every Citizen.
2. Governance and services on demand.
3. Digital empowerment of citizens.

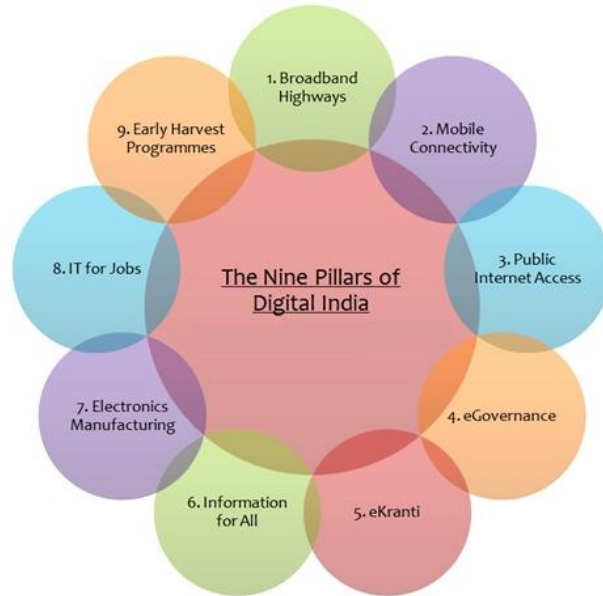
Objectives:

4. To prepare India for a knowledge future.
5. For being transformative that is to realize IT (Indian Talent) + IT (Information Technology)=IT (India Tomorrow).
6. Making technology central to enabling change.
7. On being an Umbrella Programme – covering many departments

Highlighted Various Schemes of Digital India programme:

- **Diksha:** It stands for Digital Infrastructure for Knowledge Sharing. It serves as National Digital Infrastructure for Teachers. All teachers across the nation will be equipped with advanced digital technology.
- **eNAM:** It was launched on 14th April 2016 as a pan-India electronic trade portal linking Agricultural Produce Market Committees (APMCs) across the States.
- **eSanjeevani:** It is a telemedicine service platform of the Ministry of Health & Family Welfare.

- **DigiBunai:** DigiBunai aids the weavers to create digital artwork and translate the saree design to be loaded to the looms. DigiBunai™ is a first of its kind Open Source software for Jacquard and dobby weaving.
- **PM SVANidhi scheme:** The Ministry of Housing and Urban Affairs (MoHUA) has launched Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi), for providing affordable loans to street vendors. It incentivizes digital transactions by the street vendors.
- Digital solutions during Covid-19: Contact tracing app, Aarogya Setu.



Significant Achievements:

- **Digital Payments:** The introduction of Unified Payments Interface (UPI), which introduced the benefits of digital payments in every part of the country.
- **Easing the Operations of Businesses:** The Electronic Customer Identification System (e-KYC), the Electronic Document Storage System (DigiLocker) and the Electronic Signature System (eSign) were introduced to help businesses streamline their operations.
- **JAM Trinity:**
- JAM trinity (Jan Dhan, Aadhar and Mobile) to weed out leakages in the system. It is being now used in vaccination drive for Covid.

14. UDISE+ 2019-20 Report:

- Recently, the Union Education Minister released the Report on United Information System for Education Plus (UDISE+) 2019-20 for School Education in India.
- In 2019-20, total students in school education from pre-primary to higher secondary have crossed 26.45 crore. This is higher by 42.3 lakh compared to 2018-19.

Gross Enrolment Ratio:

- I. Gross Enrolment Ratio (GER) at all levels of school education has improved in 2019-20 compared to 2018-19.
 - II. Upper Primary Level increased to 89.7% from 87.7%.
 - III. Elementary Level increased to 97.8% from 96.1%.
 - IV. Secondary Level increased to 77.9% from 76.9%.
- Higher Secondary Level increased to 51.4% from 50.1%.
- GER is the number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.

Pupil Teacher Ratio:

- In 2019-20, 96.87 lakh teachers were engaged in school education. This is higher by about 2.57 lakh compared to 2018-19.
- The Pupil Teacher Ratio (PTR) has improved at all levels of school education.
- Enrolment of Divyang Students:

- Enrolment of Divyang students has increased by 6.52% over 2018-19.

Enrolment of Girls:

- In 2019-20, enrolment of girls from primary to higher secondary is more than 12.08 crore. This is an increase by 14.08 lakh compared to 2018-19.

Gender Parity Index:

- Between 2012-13 and 2019-20, the Gender Parity Index (GPI) at both Secondary and Higher Secondary levels have improved.
- GPI in primary, secondary and tertiary education is the ratio of the number of female students enrolled at primary, secondary and tertiary levels of education to the number of male students in each level.
- Improvement of GPI has been most pronounced at the higher secondary level, which has gone up to 1.04 in 2019-20 from 0.97 in 2012-13.

Facilities at Schools:

- **Electricity:** More than 80% of schools in India in 2019-20 had functional electricity. This is an improvement of more than 6% over the previous year 2018-19.
- **Computers:** The number of schools having functional computers increased to 5.2 lakh in 2019-20 from 4.7 lakh in 2018-19.
- **Internet:** The number of schools having internet facilities increased to 3.36 lakh in 2019-20 from 2.9 lakh in 2018-19.
- **Hand Wash Facility:** More than 90% of schools in India had hand wash facilities in 2019-20. This is a major improvement as this percentage was only 36.3% in 2012-13.
- **Medical Check-Ups:** More than 82% of schools conducted medical check-ups of students in 2019-20, an increase of more than 4% compared to the previous year 2018-19.

Some Important Government Initiatives:

1. New National Education Policy (NEP), 2020
2. Sarva Shiksha Abhiyan
3. Mid Day Meal Scheme
4. Right To Education (RTE) Act, 2009
5. Beti Bachao Beti Padhao

15. Department of Public Enterprises:

- Recently, the government reallocated the Department of Public Enterprises (DPE) to the finance ministry from the ministry of heavy industries.
- The Finance Ministry will now have six departments while DPE's parent ministry, the Ministry of Heavy Industries and Public Enterprises will now be called the Ministry of Heavy Industries.
- The Department of Public Enterprises is the nodal department for all the Central Public Sector Enterprises (CPSEs) and formulates policy pertaining to CPSEs.
- CPSEs are those companies in which the direct holding of the Central Government or other CPSEs is 51% or more.
- It lays down, in particular, policy guidelines on performance improvement and evaluation, autonomy and financial delegation and personnel management in CPSEs.
- It furthermore collects and maintains information in the form of a Public Enterprises Survey on several areas in respect of CPSEs.
- It will now be the sixth department in the finance ministry besides economic affairs, revenue, expenditure, financial services and Department of Investment and Public Asset Management (DIPAM).
- The shift of DPE to the Finance Ministry will help in efficient monitoring of the capital expenditure, asset monetisation and financial health of the CPSEs.

16. Reforms Based and Results Linked Scheme: DISCOMs:

- Recently, the Union cabinet has approved a Reforms-based and Results-linked, Revamped Distribution Sector Scheme.
- The scheme requires that DISCOMs (Power Distribution Companies) submit detailed project reports (DPRs) on how they plan to reduce their operational losses to avail of funding.
- Initially, the preliminary timeline given to discoms was 31st October 2021. It is now extended to 31st December 2021.

Scheme Objectives:

- Reduction of AT&C (aggregate technical & commercial) losses to pan-India levels of 12-15% by 2024-25.
- Reduction of ACS-ARR gap (i.e. between the total cost of electricity and revenues generated from supplying power) to zero by 2024-25.
- Developing institutional capabilities for modern discoms.
- Improvement in the quality, reliability, and affordability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector.
- Implementation of the Scheme would be based on the action plan worked out for each state rather than a “one-size-fits-all” approach.

Features:

- **Conditional Financial Assistance:** The Scheme seeks to improve the operational efficiencies and financial sustainability of all DISCOMs (excluding Private Sector DISCOMs) by providing conditional financial assistance to DISCOMs for strengthening of supply infrastructure.
- **Subsuming of Various Schemes:** It is proposed that the currently ongoing approved projects under the following Schemes would be subsumed:
 1. Integrated Power Development Scheme (IPDS)
 2. Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)
 3. Ujwal Discom Assurance Yojana (UDAY)
 4. Prime Minister's Development Package (PMDP) 2015 for the Union Territories of Jammu & Kashmir (J&K) and Ladakh.
- **Solarization of Agricultural Feeders:** The Scheme has a major focus on improving electricity supply for the farmers and for providing daytime electricity to them through solarization of agricultural feeders.
- This Scheme converges with the PM-KUSUM Scheme, which aims to solarize all feeders, and provide avenues for additional income to farmers.
- **Smart Metering:** A key feature of the Scheme is to enable consumer empowerment by way of prepaid Smart metering to be implemented in Public-Private-Partnership (PPP) mode.
- Smart meters would allow consumers to monitor their electricity consumption on a routine basis instead of monthly basis, which can help them in usage of electricity as per their own needs and in terms of the resources available.
- It is proposed to install approximately 10 crore prepaid Smart Meters by December, 2023 in the first phase.
- **Leveraging Technology:** Artificial Intelligence would be leveraged to prepare system generated energy accounting reports.
- This will enable DISCOMs to take informed decisions on loss reduction, demand forecasting, Time of Day (ToD) tariff, Renewable Energy (RE) Integration and for other predictive analysis.

17. Non-Bank PSPs to Join Centralised Payment System:

- Recently, the Reserve Bank of India (RBI) allowed non-bank Payment System Providers (PSPs) to participate in Centralised Payment Systems (CPS - RTGS and NEFT), as direct members.

Allowed in a Phased Manner:

- In the first phase, PSPs such as Prepaid Payment Instruments (PPIs), card networks and White Label ATM (WLA) operators will be allowed access.
- ATMs set up, owned and operated by non-banks are called WLAs.
- Presently, only banks and select non-banks such as NABARD (National Bank for Agriculture and Rural Development) and Exim Bank (Export-Import Bank of India) are allowed access to CPS owned by RBI – NEFT and RTGS.

Separate IFSC to Non-Banks:

- It means allotment of a separate Indian Financial System Code (IFSC) to non-banks, opening a current account with the RBI in its core banking system (e-Kuber) and maintaining a settlement account with the RBI.
- IFSC represents the 11 digit character code that helps identify the individual bank branches that participate in the various online money transfer options like NEFT and RTGS.
- Core Banking System is a solution that enables banks to offer a multitude of customer-centric services on a 24x7 basis.
- It will also mean membership of Indian Financial Network (INFINET) and use of Structured Financial Messaging System (SFMS) to communicate with CPS.
- INFINET is a membership-only Closed User Group (CUG) Network that comprises the RBI, Member Banks and Financial Institutions.
- SFMS is India's backbone for inter-bank financial messaging & CPS.

Significance:

- **Minimizing risk of payment ecosystem:** Direct access for non-banks to CPS lowers the overall risk in the payments ecosystem.
- **Reduction in cost of payments:** It also brings advantages to non-banks like reduction in cost of payments, minimising dependence on banks, reducing the time taken for completing payments.
- **Mitigating failure or delay in fund execution:** Risk of failure or delay in execution of fund transfers can also be avoided when the transactions are directly initiated and processed by the non-bank entities.
- **Increasing efficiency and better risk management:** Non-bank entities shall transfer funds from their Current Account to RTGS Settlement Account and vice versa during the operating hours.
- It will increase efficiency, innovations, improve standards of data security as well as better risk management.

Centralised & Decentralised Payment Systems:

- CPS in India are Real Time Gross Settlement (RTGS) and National Electronic Funds Transfer (NEFT) systems, both owned and operated by the Reserve Bank.
- **RTGS:** It enables real-time transfer of funds to a beneficiary's account and is primarily meant for large-value transactions.
- Real time means the processing of instructions at the time they are received and gross settlement implies that settlement of funds transfer instructions occurs individually.
- **NEFT:** It is an electronic fund transfer system in which the transactions received up to a particular time are processed in batches.
- It is generally used for fund transfers of up to Rs. 2 lakh.
- The decentralised payment systems will include clearing houses managed by RBI (Cheque Truncation System (CTS) centres) as well as other banks (Express Cheque Clearing System (ECCS) centres) and any other system as decided by RBI from time to time.

E-Kuber:

- e-Kuber is the Core Banking Solution of the Reserve Bank of India which was introduced in 2012.
- The centralisation thus makes a “one-stop” shop for financial services a reality. Using CBS, customers can access their accounts from any branch, anywhere, irrespective of where they have physically opened their accounts.
- Almost all branches of commercial banks, including the Regional Rural Banks (RRBs), are brought into the core-banking fold.
- The e-kuber system can be accessed either through INFINET or Internet.

18. DICGC Bill, 2021:

- Recently, the Union Cabinet has cleared the Deposit Insurance and Credit Guarantee Corporation (DICGC) Bill, 2021.
- The failure of banks such as Punjab and Maharashtra Co-operative (PMC) Bank, Yes Bank and Lakshmi Vilas Bank reignited the debate on the low level of insurance against the deposits held by customers in Indian banks.

Deposit Insurance:

- It is a protection cover against losses accruing to bank deposits if a bank fails financially and has no money to pay its depositors and has to go in for liquidation.
- Credit Guarantee: It is the guarantee that often provides for a specific remedy to the creditor if his debtor does not return his debt.

Coverage:

- The bill will cover 98.3% of depositors and 50.9% of deposit value in the banking system, way above the global level of 80% and 20-30%, respectively.
- It will cover all types of banks, which also include regional rural banks and co-operative banks.
- It will cover banks already under moratorium and those that could come under moratorium.
- Moratorium is a legally authorized period of delay in the performance of a legal obligation or the payment of a debt.

Insurance Cover:

- It will provide funds up to Rs 5 lakh to an account holder within 90 days in the event of a bank coming under the moratorium imposed by the Reserve Bank of India (RBI).
- Earlier, account holders had to wait for years till the liquidation or restructuring of a distressed lender to get their deposits that are insured against default.
- The Rs 5-lakh deposit insurance cover was raised from Rs 1 lakh in 2020.
- The **Damodaran Committee** on ‘Customer Services in Banks’ (2011) had recommended a five-time increase in the cap to Rs. 5 lakh due to rising income levels and increasing size of individual bank deposits.
- Within the first 45 days of the bank being put under moratorium, the DICGC would collect all information relating to deposit accounts. In the next 45 days, it will review the information and repay depositors within a maximum of 90 days.

Insurance Premium:

- It permits raising the deposit insurance premium by 20% immediately, and maximum by 50%.
- The premium is paid by banks to the DICGC. The Insured banks pay advance insurance premiums to the corporation semi-annually within two months from the beginning of each financial half year, based on their deposits as at the end of previous half year.
- It has been raised from 10 paise for every Rs 100 deposit, to 12 paise and a limit of 15 paise has been imposed.
- This is only an enabling provision and the determination of an increase in the premium payable would involve consultations with the RBI and require government approval.

Deposit Insurance and Credit Guarantee Corporation:

- It came into existence in 1978 after the merger of Deposit Insurance Corporation (DIC) and Credit Guarantee Corporation of India Ltd. (CGCI) after passing of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 by the Parliament.
- It serves as a deposit insurance and credit guarantee for banks in India.
- It is a fully owned subsidiary of and is governed by the RBI.

Coverage:

- Banks, including regional rural banks, local area banks, foreign banks with branches in India, and cooperative banks, are mandated to take deposit insurance cover with the DICGC.
- Types of Deposits Covered:
- DICGC insures all bank deposits, such as saving, fixed, current, recurring, etc. except the following types of deposits:
 1. Deposits of foreign Governments.
 2. Deposits of Central/State Governments.
 3. Inter-bank deposits.
 4. Deposits of the State Land Development Banks with the State co-operative banks.
 5. Any amount due on account of any deposit received outside India.
 6. Any amount which has been specifically exempted by the corporation with the previous approval of the RBI.

Funds: The Corporation maintains the following funds:

1. Deposit Insurance Fund
2. Credit Guarantee Fund
3. General Fund
 - The first two are funded respectively by the insurance premia and guarantee fees received and are utilised for settlement of the respective claims.
 - The General Fund is utilised for meeting the establishment and administrative expenses of the Corporation.

19. UN's Survey on Digital and Sustainable Trade Facilitation 2021:

- Recently, India has scored 90.32% in United Nations Economic and Social Commission for Asia Pacific's (UNESCAP) Global Survey on Digital and Sustainable Trade Facilitation.
- This is a remarkable jump from 78.49% in 2019.

About Survey:

- The survey is conducted every two years by UNESCAP and includes an assessment of 58 trade facilitation measures covered by the World Trade Organization's Trade Facilitation Agreement.
- 58 measures include publications of existing import-export rules on the internet, risk management, advance ruling on tariff classification, pre-arrival processing, independent appeal mechanism, expedited shipments, automated customs system, among others.
- A higher score for a country helps businesses in their investment decisions.
- The UN Regional Commissions jointly conduct the UN Global Survey on Digital and Sustainable Trade Facilitation.
- The Survey currently covers 143 economies around the globe. For Asia Pacific, it is conducted by UNESCAP.

Assessment of India:

- It pointed out India's improvement in the scores on all five key indicators.
- Transparency: 100% in 2021 (from 93.33% in 2019)
- Formalities: 95.83% in 2021 (from 87.5% in 2019)
- Institutional Arrangement and Cooperation: 88.89% in 2021 (from 66.67% in 2019)
- Paperless Trade: 96.3% in 2021 (from 81.48% in 2019).

- Cross-Border Paperless Trade: 66.67% in 2021 (from 55.56% in 2019).

Comparison with Other Countries:

- India is the best performing nation as compared to the South and South West Asia region (63.12%) and Asia Pacific region (65.85%).
- The overall score of India is also greater than many OECD (Organisation for Economic Cooperation and Development) countries including France, UK, Canada, Norway, Finland etc. and the overall score is greater than the average score of the EU (European Union).

Cause of Improvement:

- The CBIC (Central Board of Indirect Taxes and Customs) has been at forefront of path breaking reforms under the umbrella of 'Turant' Customs to usher in a Faceless, Paperless and Contactless Customs by way of a series of reforms.
- During the Covid-19 pandemic, Customs formations worked to expedite imports such as oxygen-related equipment, life-saving medicines, vaccines etc.
- United Nations' Economic and Social Commission for Asia and the Pacific

About UNESCAP:

- It is a regional development arm of the United Nations for the Asia-Pacific region.
- Members: It has 53 Member States and 9 Associate Members from Asia-Pacific Region. India is also a member.
- Established: 1947
- Headquarters: Bangkok, Thailand
- Objective: To overcome some of the region's greatest challenges by providing results-oriented projects, technical assistance and capacity building to member States.
- Recent report: 'Economic and Social Survey of Asia and the Pacific 2021: Towards post-Covid-19 resilient economies'.

20. Insolvency and Bankruptcy Code (Amendment Bill), 2021:

- Recently, the government introduced the Insolvency and Bankruptcy Code (Amendment Bill), 2021 in the Lok Sabha.
- The Bill is set to replace the Insolvency and Bankruptcy Code Amendment Ordinance 2021 promulgated in April 2021.
- It introduced an alternate insolvency resolution process for Micro, Small and Medium Enterprises (MSMEs) with defaults up to Rs 1 crore called the Pre-packaged Insolvency Resolution Process (PIRP).
- In March 2021 a sub-committee of the Insolvency Law Committee (ILC) recommended a pre-pack framework within the basic structure of the Insolvency and Bankruptcy Code (IBC), 2016.

Insolvency and Bankruptcy Code:

- It is a reform enacted in 2016. It amalgamates various laws relating to the insolvency resolution of business firms.
- It lays down clear-cut and faster insolvency proceedings to help creditors, such as banks, recover dues and prevent bad loans, a key drag on the economy.
- **Insolvency:** It is a situation where individuals or companies are unable to repay their outstanding debt.
- **Bankruptcy:** It is a situation whereby a court of competent jurisdiction has declared a person or other entity insolvent, having passed appropriate orders to resolve it and protect the rights of the creditors. It is a legal declaration of one's inability to pay off debts.

Major Provisions:

- Distressed Corporate Debtors (CDs) are permitted to initiate a PIRP with the approval of two-thirds of their creditors to resolve their outstanding debt under the new mechanism.

- A corporate debtor is a corporate person who owes debt to any other person.
- The PIRP also allows for a Swiss challenge to the resolution plan submitted by a CD in case operational creditors are not paid 100 % of their outstanding dues.
- A Swiss Challenge is a method of bidding, often used in public projects, in which an interested party initiates a proposal for a contract or the bid for a project.

About Pre-packaged Insolvency Resolution Process:

- A pre-pack is the resolution of the debt of a distressed company through an agreement between secured creditors and investors instead of a public bidding process.
- This system of insolvency proceedings has become an increasingly popular mechanism for insolvency resolution in the UK and Europe over the past decade.
- Pre-packs are largely aimed at providing MSMEs with an opportunity to restructure their liabilities and start with a clean slate while still providing adequate protections so that the system is not misused by firms to avoid making payments to creditors.
- Unlike in the case of Corporate Insolvency Resolution Process (CIRP), debtors remain in control of their distressed firm during the PIRP.
- Under the pre-pack system, financial creditors will agree to terms with a potential investor and seek approval of the resolution plan from the National Company Law Tribunal (NCLT).

Need of Pre-Packs:

- CIRP is a time taking resolution. At the end of December 2020, over 86% of the 1717 ongoing insolvency resolution proceedings had crossed the 270-day threshold.
- Under the IBC, stakeholders are required to complete the CIRP within 330 days of the initiation of insolvency proceedings.
- One of the key reasons behind delays in the CIRPs are prolonged litigations by erstwhile promoters and potential bidders.

Key Features of Pre-Packs:

Insolvency Practitioner:

- Pre-Pack usually requires services of an insolvency practitioner to assist the stakeholders in the conduct of the process.
- The extent of authority of the practitioner varies across jurisdictions.

Consensual Process:

- It envisages a consensual process - prior understanding among or approval by stakeholders about the course of action to address stress of a CD, before invoking the formal part of the process.
- No requirement of Court Approval:
- It does not always require approval of a court. Wherever it requires approval, the courts often get guided by commercial wisdom of the parties.
- Outcome of the pre-pack process, where approved by the court, is binding on all stakeholders.

Benefits of pre-packs:

Quick resolution:

- It is limited to a maximum of 120 days with only 90 days available to the stakeholders to bring the resolution plan to the NCLT.
- Besides offering a way for MSMEs to restructure their debts, the pre-pack scheme could also reduce the burden on benches of the NCLT by offering a faster resolution mechanism than ordinary CIRPs.

Minimises Disruptions to the Business:

- Existing management retains control in the case of pre-packs rather than resolution professionals in CIRP, hence avoids the cost of disruption of business and continues to retain employees, suppliers, customers, and investors.

Addresses the entire liability side:

- PIRP will help CD to enter into consensual restructuring with lenders and address the entire liability side of the company.

Challenges of PIRP:

- **Raising additional capital:** Initially CDs may not raise additional capital or debt from Investors or Banks, because of the risk involved in recovering the money being provided by these Investors and lenders.
- **Small timeline:** Resolution Plan under PIRP is 90 days with an additional 30 days to AA (Adjudicating Authority) for support of the scheme. It is challenging for CoC (Committee of Creditors) members to decide on the Base resolution Plan within this short period without any broad parameters on which the Resolution Plan be approved.

Conclusion:

- While the PIRP is a timely effort to protect viable MSMEs, it is likely that operationalising it only for MSMEs now may just be the first step towards a sound Pre-pack and will lead to a much wider coverage in the future which, like the IBC, is expected to evolve with time and jurisprudence.
- The government should consider setting up specific benches of the NCLT to deal with pre-pack resolution plans to ensure that they are implemented in a time-bound manner.

21. World Economic Outlook: IMF:

- The latest edition of the **International Monetary Fund's** (IMF) World Economic Outlook has cut its 2021 growth forecast for India to 9.5% from 12.5% estimated earlier in April 2021.
- While re-calibrating its forecast IMF considered two major factors which are access to vaccines and risk of new Corona-variants.

Indian Economy:

- Indian economy is expected to grow by 9.5% in 2021 and 8.5% in 2022 (larger than the 6.9% it had projected in April).
- In 2020, India's economy witnessed an estimated contraction of 8%.
- The IMF has cut its growth forecast because of the Covid-19 Second Wave that hit the recovery momentum, damaging consumer confidence and rural demand.

Global Economy:

- Retained its global growth forecast at 6% for the year 2021, and it is expected to grow at 4.9% for the year 2022.
- In 2020, the global economy contracted by 3.3%

Global Trade Volume:

- Revised up its predictions of global trade volume growth by a sharp 130 bps for 2021 to 9.7% and 50 bps for 2022 to 7%.
- India is set to benefit from an expected rise in global trade prospects once its supply side gains traction.

Suggestions:

- **Tighter External Financial Conditions:** Emerging markets should prepare for possibly tighter external financial conditions by lengthening debt maturities where possible and limiting the buildup of unhedged foreign currency debt.
- **Avoid Premature Tightening Policies:** Central banks should avoid premature tightening policies when faced with transitory inflation pressures but should be prepared to move quickly if inflation expectations show signs of de-anchoring.

- **Prioritize Health Spending:** Fiscal policy should continue to prioritize health spending, including on vaccine production and distribution infrastructure, personnel, and public health campaigns, to boost take-up.
- Fiscal policy is the means by which a government adjusts its spending levels and tax rates to monitor and influence a nation's economy.

International Monetary Fund:

- The IMF was set up along with the World Bank after the Second World War to assist in the reconstruction of war-ravaged countries.
- The two organisations were agreed to be set up at a conference in Bretton Woods in the US. Hence, they are known as the Bretton Woods twins.
- Created in 1945, the IMF is governed by and accountable to the 189 countries that make up its near-global membership. India joined on 27th December, 1945.
- The IMF's primary purpose is to ensure the stability of the international monetary system — the system of exchange rates and international payments that enables countries (and their citizens) to transact with each other.
- The Fund's mandate was updated in 2012 to include all macroeconomic and financial sector issues that bear on global stability.

Reports by IMF:

The IMF publishes the following flagship reports on multilateral surveillance twice a year:

1. World Economic Outlook (WEO)
2. Global Financial Stability Report (GFSR)
3. Fiscal Monitor (FM)

22. Marine Aids to Navigation Bill 2021:

- Recently, the Parliament has passed the Marine Aids to Navigation Bill 2021. The bill will repeal the Lighthouse Act, 1927, an over nine-decade-old law governing the traditional navigation aid, i.e. lighthouses.
- Uptil now, the administration and management of Lighthouse and Lightships in India is governed by Lighthouse Act 1927 for safe navigation.
- Lighthouses serve two main purposes viz. as a navigational aid and to warn boats of dangerous areas.
- It is like a traffic sign on the sea.
- However, as the technology evolved, systems were put in place where with the help of Radar and other sensors, vessels were advised from shore about the position.
- Thus, Vessel Traffic Services (VTS) came into existence and found wide acceptability.
- These modern, technologically improved aids to marine navigation systems have changed their profile from a 'passive' service to that of 'passive as well as interactive' service.
- The need for enactment of a new Act is necessitated to provide an appropriate statutory framework which reflects the modern role of marine aids to navigation and to be in compliance with India's obligations under International Conventions.

Salient Features of the Bill:

Objectives:

1. Incorporating the global best practices and technological developments,
 2. Complying with India's International obligations in the field of Marine Aids to Navigation,
 3. Making the legislative framework user-friendly,
 4. Promoting ease of doing business.
- **Scope of the Law:** The Bill applies to the whole of India including various maritime zones including territorial waters, continental shelf, and exclusive economic zone.

- **Defined Mechanism:** It defines aid to navigation as a device, system or service, external to vessels, designed and operated to enhance safe and efficient navigation of individual vessels and vessel traffic.
- Vessel traffic service means a service implemented under the Act to improve the safety and efficiency of vessel traffic and to protect the environment.
- **Institutional Mechanism:** The Bill provides that the Central government shall appoint a Director General, who will inter alia advise the central government on matters related to aids to navigation.
- It also provides for appointments of Deputy Director Generals and Directors for districts.
- **Heritage Lighthouse:** The Bill empowers the Central Government to designate any aid to navigation under its control as a "heritage lighthouse".
- In addition to their function as aids to navigation, such lighthouses will be developed for educational, cultural, and tourism purposes.
- **Offences and Penalties:** It comprises a new schedule of offences, along with commensurate penalties for obstructing and damaging the aids to navigation, and non-compliance with directives issued by the Central Government and other bodies.

Intended Benefits:

- Improved Legal Framework for Matters related to Aids to Navigation & Vessel Traffic Services and covers the future developments in the field of Marine Navigation.
- Management of 'Vessel Traffic Services' for enhancing the safety and efficiency of shipping and to protect the environment.
- Skill development through Training and Certification for the operators of 'Aids to Navigation' and 'Vessel Traffic Services' at par with International standards.
- Auditing and Accreditation of Institutes to cater to the need of Training and Certification at par with global standards.
- Marking of "Wreck" in general waters to identify sunken / stranded vessels for safe and efficient navigation.
- Development of Lighthouses for the purpose of education, culture and tourism, which would tap the tourism potential of coastal regions and contribute to their economy.

23. SLDE and GHG Calculator:

- Recently, the government has launched the Secured Logistics Document Exchange (SLDE) along with a Calculator for GreenHouse Gas (GHG) Emissions to boost Ease-Of-Doing Business in the country.
- In World Bank's Ease-Of-Doing Business Report, 2020 India was ranked 63 out of 190 countries.

Secured Logistics Document Exchange:

- The SLDE platform is a solution to replace the present manual process of generation, exchange and compliance of logistics documents with a digitized, secure and seamless document exchange system.
- It will enable generation, storage and interchange of logistics-related documents digitally using Aadhaar and blockchain-based security protocols for data security and authentication
- It will also provide a complete audit trail of document transfer, faster execution of transactions, lower cost of shipping and overall carbon footprint, easy verification of authenticity of documents, lowered risk of fraud, etc.

GreenHouse Gas Emission Calculator:

- The GHG Calculator is an efficient, user-friendly tool and provides for calculating and comparing GHG emissions across different modes.

- It allows for commodity-wise comparison of GHG emissions and total cost of transportation, including their environmental cost, between movement by road and rail.
- The tool is intended to facilitate appropriate modal choice for all concerned.

Benefits:

Improved Efficiency:

- Initiatives will improve logistics efficiency, reduce logistics cost, and promote multi-modality and sustainability in a big way, also help fill the gap areas where no action has yet been taken either by private players or any of the line ministries.

Achieving Targets:

- It will help achieve the targets of improved India's ranking in Logistics Performance Index (LPI), reduction in logistics cost and establishment of indigenous India-specific metrics for continual improvement in logistics.
- India ranked 44th on the LPI in 2018.

Related Initiatives:

Dedicated Freight Corridor (DFC):

- It is a high speed and high capacity railway corridor that is exclusively meant for the transportation of freight, or in other words, goods and commodities.
- National Logistics Law 2020:
- It aims to streamline the logistics ecosystem in the country, with a view to promote growth of the sector and also to add impetus to enhance export competitiveness and ranking in LPI.
- **Logix India 2019:**
- It was organized by the Ministry of Commerce & Industry and the Federation of Indian Export Organisations (FIEO) as an initiative to improve logistics cost effectiveness and operational efficiencies for India's global trade.

Multimodal Logistics Park:

- The park will reduce trade cost by 10% and have cargo capacity of 13 million metric tons (MMT) per year.

Fast Tracking Freight in India:

- Recently it was launched to make goods transport cost-effective and to reduce India's logistics cost.

Port Community System 'PCS1x':

- The platform has the potential to revolutionize maritime trade in India and bring it at par with global best practices and pave the way to improve the Ease of Doing Business world ranking and LPI ranks.

24. New Facilities Under Strategic Petroleum Reserves:

- Recently, under the Strategic Petroleum Reserves (SPR) programme, the government has given approval for establishing two additional facilities.
- In 2020, India filled its strategic petroleum reserves in view of the slump in crude prices.

New Facilities:

- The new facilities will be commercial-cum-strategic facilities with a total storage capacity of 6.5 MMT (Million Metric Ton) underground storages at:
 1. Chandikhol, Odisha (4 MMT)
 2. Padur, Karnataka (2.5 MMT)
 3. They will be built in Public Private Partnership mode under phase II of the SPR Programme.

Existing Facilities:

- Under Phase I of the Programme, Government of India has established petroleum storage facilities with total capacity of 5.33 MMT at 3 locations:

1. Visakhapatnam, Andhra Pradesh (1.33 MMT).
2. Mangaluru, Karnataka (1.5 MMT).
3. Padur, Karnataka (2.5 MMT).
 - The petroleum reserves established under Phase I are strategic in nature and the crude oil stored in these reserves will be used during an oil shortage event, as and when declared so by the Government of India.

Strategic Petroleum Reserves:

- Strategic petroleum reserves are huge stockpiles of crude oil to deal with any crude oil-related crisis like the risk of supply disruption from natural disasters, war or other calamities.
- According to the agreement on an International Energy Programme (I.E.P.), each International Energy Agency (IEA) country has an obligation to hold emergency oil stocks equivalent to at least 90 days of net oil imports.
- In case of a severe oil supply disruption, IEA members may decide to release these stocks to the market as part of a collective action.
- India became an associate member of the IEA in 2017.
- The concept of dedicated strategic reserves was first mooted in 1973 in the US, after the OPEC (Organization of the Petroleum Exporting Countries) oil crisis.
- Underground storage is, by far, the most economical method of storing petroleum products because the underground facility rules out the requirement of large swathes of land, ensures less evaporation and, since the caverns are built much below the sea level, it is easy to discharge crude into them from ships.
- The construction of the Strategic Crude Oil Storage facilities in India is being managed by Indian Strategic Petroleum Reserves Limited (ISPRL).
- ISPRL is a wholly owned subsidiary of Oil Industry Development Board (OIDB) under the Ministry of Petroleum & Natural Gas.
- After the new facilities get functional a total of 22 days (10+12) of oil consumption will be made available.
- With the strategic facilities Indian refiners also maintain crude oil storage (industrial stock) of 65 days.
- Thus, Approximately a total of 87 days (22 by strategic reserves + 65 by Indian refiners) of oil consumption will be made available in India after completion of Phase II of the SPR programme. This will be very close to the 90 days mandate by the IEA.

Need of SPRs in India:

1. **Build Sufficient Capacity:** The current capacity of this is not sufficient to tackle any unpredicted event that occurs in the international crude market. 86% of the country is dependent on oil with nearly 5 million barrels of oil consumption in a day.
1. **Energy Security:** The fluctuation in the price of crude oil in the international market leads to a dire need for India to make petroleum reserves to ensure the country's energy security and avoid monetary loss.
 - The demand is to look for assets of energy sources present abroad. India should buy and store the oil in the host countries as Indian assets and retrieve them when required like China.
 - India should distribute its oil contracts in several countries so as to avoid the monopoly of any one region.
 - For example, currently India is importing most of the oil from the Gulf region.
 - The oil is the central source of energy but is limited, therefore alternative sources need to be looked upon.
 - Indian oil imported in the ships consisting of 90% foreign ships; is also an issue to be looked upon. India needs to acquire its own ships to transport oil.

25. Suspension of FCRA Certificate:

- The Commonwealth Human Rights Initiative (CHRI) has challenged the suspension of its Foreign Contribution Regulation Act (FCRA) certificate for 180 days.
- The Ministry of Home Affairs (MHA) suspended CHRI's certificate in violation of various provisions of the FCRA Act.

Foreign Contribution (Regulation) Act (FCRA), 2010:

- Foreign funding of persons in India is regulated under FCRA act and is implemented by the Ministry of Home Affairs.
- Individuals are permitted to accept foreign contributions without permission of MHA.
- However, the monetary limit for acceptance of such foreign contributions shall be less than Rs. 25,000.
- The Act ensures that the recipients of foreign contributions adhere to the stated purpose for which such contribution has been obtained.
- Under the Act, organisations are required to register themselves every five years.

Foreign Contribution (Regulation) Amendment Act, 2020:

- **Prohibition to accept foreign contribution:** The Act bars public servants from receiving foreign contributions. Public servant includes any person who is in service or paid by the government, or remunerated by the government for the performance of any public duty.
- **Transfer of foreign contribution:** The Act prohibits the transfer of foreign contribution to any other person not registered to accept foreign contributions.
- **Aadhaar for registration:** The Act makes Aadhaar number mandatory for all office bearers, directors or key functionaries of a person receiving foreign contribution, as an identification document.
- **FCRA account:** The Act states that foreign contributions must be received only in an account designated by the bank as FCRA account in such branches of the State Bank of India, New Delhi.
- **Reduction in use of foreign contribution for administrative purposes:** The Act proposes that not more than 20% of the total foreign funds received could be defrayed for administrative expenses. In FCRA 2010, the limit was 50%.
- **Surrender of certificate:** The Act allows the central government to permit a person to surrender their registration certificate.

Other Regulations:

- **Widening the Scope of Foreign Contribution:** Under the issued regulations, donations given in Indian rupees (INR) by any foreigner/foreign source including foreigners of Indian origin like Overseas Citizen of India (OCI) or Person of India Origin (PIO) cardholders should also be treated as foreign contribution.
- **Meeting the Standards of FATF:** The guidelines mandate that good practices should be followed by NGOs in accordance with standards of the global financial watchdog- Financial Action Task Force (FATF).
- It asked NGOs to inform the Ministry about "suspicious activities" of any donor or recipient and "take due diligence of its employees at the time of recruitment."

Argument of CHRI:

- The suspension order is contrary to the framework of the scheme set out under the FCRA Act and even the suspension was passed without initiating any inquiry.
- The suspension order was based on wholly incorrect facts and violates basic principles of natural justice.

Issues Related to FCRA:

- Scope not defined: It prohibits the receipt of foreign contributions “for any activities detrimental to the national interest” or the “economic interest of the state”.
- However, there is no clear guidance on what constitutes “public interest”.
- Limits Fundamental Rights: The FCRA restrictions have serious consequences on both the rights to free speech and freedom of association under Articles 19(1)(a) and 19(1)(c) of the Constitution.

Commonwealth Human Rights Initiative (CHRI):

- CHRI is an independent, non-partisan, international non-governmental organisation, working for the practical realisation of human rights across the Commonwealth.
- Headquarters: New Delhi
- The Commonwealth is one of the world’s oldest political associations of states. Its roots go back to the British Empire when some countries were ruled directly or indirectly by Britain.
- Some of these countries became self-governing while retaining Britain’s monarch as Head of State. They formed the British Commonwealth of Nations.
- In 1949, the Commonwealth came into being. Since then, independent countries from Africa, the Americas, Asia, Europe and the Pacific have joined the Commonwealth.
- **Membership:** The Commonwealth is a voluntary association of 54 independent and equal sovereign states.
- Membership is based on free and equal voluntary cooperation. Rwanda and Mozambique - have no historical ties to the British Empire.

Conclusion:

- Excessive regulation on foreign contribution may affect working of the NGOs which are helpful in implementing government schemes at the grassroots. They fill the gaps, where the government fails to do their jobs.
- The regulation should not hamper sharing of resources across national boundaries essential to the functioning of a global community, and should not be discouraged unless there is reason to believe the funds are being used to aid illegal activities.

26. Periodic Labour Force Survey 2019-20:

- Recently, the National Statistical Office (NSO) released the third annual report on Periodic Labour Force Survey (PLFS), conducted between July 2019 and June 2020.
- Labour indicators recorded an all-round improvement in 2019-20 compared with the previous two years i.e 2017-18 and 2018-19.

National Statistical Office:

- It is the central statistical agency of the Government mandated under the Statistical Services Act 1980 under the Ministry of Statistics and Programme Implementation.
- It is responsible for the development of arrangements for providing statistical information services to meet the needs of the Government and other users for information on which to base policy, planning, monitoring and management decisions.
- The services include collecting, compiling and disseminating official statistical information.

Other Reports & Indices by NSO:

2. Index of Industrial Production (IIP)
 3. Consumer Price Index (CPI)
 4. Sustainable Development Goals National Indicator Framework Progress Report
- **Unemployment Rate:** The unemployment rate fell to 4.8% in 2019-20. In 2018-19, it stood at 5.8% and 6.1% in 2017-18.
 - **Worker Population Rate:** It improved to 38.2% in 2019-20 compared with 35.3% in 2018-19 and 34.7% in 2017-18.

- **Labour Force Participation Ratio:** It increased to 40.1% in 2019-20 from 37.5% and 36.9%, respectively, in the last two years. The higher the LFPR, the better.
- **Gender Based Unemployment Rate:** The data showed the jobless rate for both male and female fell to 5.1% and 4.2%, respectively, in 2019-20 from 6% and 5.2% in 2018-19.
- WPR and LFPR also comparatively improved during the year.

Periodic Labour Force Survey:

- It is India's first computer-based survey launched by the NSO in 2017.
- It has been constituted based on the recommendation of a committee headed by Amitabh Kundu.
- It essentially maps the state of employment in the country. In doing so, it collects data on several variables such as the level of unemployment, the types of employment and their respective shares, the wages earned from different types of jobs, the number of hours worked etc.
- Before PLFS, the National Sample Survey Office (NSSO)- previous name of NSO used to bring the data related to employment and unemployment based on its quinquennial (every 5 year) household socio-economic survey programme.

Objectives:

- To estimate the key employment and unemployment indicators (viz. WPR, LFPR, UR) in the short time interval of three months for the urban areas only in the Current Weekly Status (CWS).
- To estimate employment and unemployment indicators in both usual status and CWS in both rural and urban areas annually.

Recent Government Initiatives to Tackle Unemployment:

- The Union government has come up with an economic stimulus package under Atmanirbhar Bharat Abhiyan to support the Indian economy and create jobs.
- Under the Pradhan Mantri Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi), the Union Government is providing affordable loans to street vendors.
- In 2020 the government allocated an additional fund of Rs 40,000 crore for MGNREGA, as part of the stimulus package.
- The government is offering credit guarantees for Micro, Small and Medium Enterprises (MSMEs) which will help them in getting loans easily and boost their functioning.
- Pradhan Mantri Mudra Yojana to provide financial support to entrepreneurs to start small enterprises.
- Various other initiatives have also been taken by the government to support the economy which includes relaxation in Companies Act and Insolvency proceedings, reforms in agri- marketing etc.
- Government has also taken initiatives such as the New Code on Wages, 2019 to reduce gender-based discrimination in wages, recruitment and conditions of employment.
- State governments have also come up with the initiative to support their economy and increase jobs.
- Andhra Pradesh government's 'ReStart' programme to support the MSME sector in the State.
- Jharkhand has launched three employment schemes to create wage employment for workers in rural areas.

27. Amendment in IBBI Regulations 2016:

- Recently, the Insolvency and Bankruptcy Board of India (IBBI) has amended the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- The amendments are aimed at enhancing the discipline, transparency, and accountability in corporate insolvency proceedings.

- In March 2021 a sub-committee of the Insolvency Law Committee (ILC) recommended a pre-pack framework within the basic structure of the Insolvency and Bankruptcy Code (IBC), 2016.

Revealing Former Names & Address:

- The amendment requires an Insolvency Professional (IP) conducting Corporate Insolvency Resolution Process (CIRP) to disclose all former names and registered office address(es) so changed in the two years preceding the commencement of insolvency along with the current name and registered office address of the Corporate Debtor (CD), in all its communications and records.
- CIRP includes necessary steps to revive the company such as raising fresh funds for operation, looking for a new buyer to sell the company as a going concern, etc.
- CD is any corporate organization which owes a debt to any person.
- A CD may have changed its name or registered office address prior to commencement of insolvency. Therefore the stakeholders may find it difficult to relate to the new name or registered office address and consequently fail to participate in the CIRP.

Appointment of Professionals:

- The amendment provides that the Interim Resolution Professional (IRP) or Resolution Professional (RP) may appoint a professional, other than registered valuers, if he is of the opinion that the services of such professional are required and such services are not available with the CD.
- Such appointments shall be made on an arm's length basis following an objective and transparent process.

Avoidance of Transactions:

- The RP is duty bound to find out if a CD has been subject to avoidance transactions, namely, preferential transactions, undervalued transactions, extortionate credit transactions, fraudulent trading and wrongful trading, and file applications with the Adjudicating Authority seeking appropriate relief.
- Significance:
- It would allow stakeholders to claw back lost value and would disincentive stakeholders from entering into such transactions.

Key terms:

- **Insolvency:** It is a situation where individuals or companies are unable to repay their outstanding debt.
- **Bankruptcy:** It is a situation whereby a court of competent jurisdiction has declared a person or other entity insolvent, having passed appropriate orders to resolve it and protect the rights of the creditors. It is a legal declaration of one's inability to pay off debts.

Insolvency and Bankruptcy Code:

Enactment: The IBC was enacted in 2016.

Objective:

1. To streamline and speed up the resolution process of failed businesses.
2. To consolidate provisions of the existing legislative framework to form a common forum for debtors and creditors of all classes to resolve insolvency.
3. To stipulate that the resolution process of a stressed company will have to be completed in a maximum of 270 days.

Institutions to Facilitate Resolution of Insolvency:

- **Insolvency Professionals:** These professionals administer the resolution process, manage the assets of the debtor, and provide information for creditors to assist them in decision making.
- **Insolvency Professional Agencies:** The agencies conduct examinations to certify the insolvency professionals and enforce a code of conduct for their performance.

- **Information Utilities:** Creditors will report financial information of the debt owed to them by the debtor. Such information will include records of debt, liabilities and defaults.
- **Adjudicating Authorities:** The proceedings of the resolution process are adjudicated by the National Company Law Tribunal (NCLT), for companies; and the Debt Recovery Tribunal (DRT), for individuals.
- The duties of the authorities will include approval to initiate the resolution process, appoint the insolvency professional, and approve the final decision of creditors.
- **Insolvency and Bankruptcy Board:** It is a key pillar of the ecosystem responsible for implementation of the Code. It regulates insolvency professionals, insolvency professional agencies and information utilities set up under the Code. The Board consists of representatives of the Reserve Bank of India, and the Ministries of Finance, Corporate Affairs and Law.

28. Stand Up India Scheme:

- Recently, the Ministry of Finance has extended the Standup India Scheme up to the year 2025.
- It was launched in April 2016 to promote entrepreneurship at the grass-root level focusing on economic empowerment and job creation.
- It aims to leverage the institutional credit structure to reach out to the underserved sector of people such as SCs, STs and Women Entrepreneurs.

Facilitates Bank Loans:

- The objective of this scheme is to facilitate bank loans between Rs.10 lakh and Rs.1 crore to at least one SC or ST borrower and at least one woman borrower per bank branch of Scheduled Commercial Banks for setting up a Greenfield enterprise.
- This enterprise may be in manufacturing, services or the trading sector.

Eligibility:

SC/ST and/or women entrepreneurs; above 18 years of age.

- Loans under the scheme are available for only Greenfield projects.
- A Greenfield project is one which is not constrained by prior work. It is constructed on unused land where there is no need to remodel or demolish an existing structure.
- Borrower should not be in default to any bank or financial institution.
- In case of non-individual enterprises, at least 51% of the shareholding and controlling stake should be held by either an SC/ST or Woman entrepreneur.

New Changes:

- The margin money requirement for loans under the Scheme has been reduced from 'upto 25%' to 'upto 15%' and activities allied to agriculture have been included in the Scheme.

Connect Centers:

- The offices of SIDBI (Small Industries Development Bank of India) and NABARD (National Bank for Agriculture and Rural Development) are designated Stand-Up Connect Centres (SUCC).

Performance so far:

- Banks have sanctioned Rs 26,204 crore to about 1,16,266 beneficiaries under the Scheme in the last five years. The scheme has benefited more than 93,094 women entrepreneurs.

29. RBI to Introduce Digital Currency:

- The Reserve Bank of India (RBI) is working on a phased implementation strategy for its own digital currency and is in the process of launching it in wholesale and retail segments in the near future.
- A high-level inter-ministerial committee set up by the Finance Ministry had recommended Central Bank Digital Currency (CBDC) with changes in the legal framework including the RBI Act, which currently empowers the RBI to regulate issuance of bank notes.

- **Digital Currency:** It is a payment method which exists only in electronic form and is not tangible.
- It can be transferred between entities or users with the help of technology like computers, smartphones and the internet. Although it is similar to physical currencies, digital money allows borderless transfer of ownership as well as instantaneous transactions. Digital currency is also known as digital money and cybercash. E.g. Cryptocurrency
- **Addressing the Malpractices:** The need for a sovereign digital currency arises from the anarchic design of existing cryptocurrencies, wherein their creation, as well as maintenance, are in the hands of the public.
- With no government supervision and ease of cross-border payments, renders them vulnerable to malpractices like tax evasion, terror funding, money laundering, etc.
- By regulating digital currency, the central bank can put a check on their malpractices.
- **Addressing Volatility:** As the cryptocurrencies are not pegged to any asset or currency, its value is solely determined by speculation (demand and supply).
- Due to this, there has been huge volatility in the value of cryptocurrencies like bitcoin.
- As CBDCs will be pegged to any assets (like gold or fiat currency) and hence will not witness the volatility being seen in cryptocurrencies.
- **Digital Currency Proxy War:** India runs the risk of being caught up in the whirlwind of a proxy digital currency war as the US and China battle it out to gain supremacy across other markets by introducing new-age financial products. Today, a sovereign Digital Rupee isn't just a matter of financial innovation but a need to push back against the inevitable proxy war which threatens our national and financial security.
- **Reducing Dependency on Dollar:** Digital Rupee provides an opportunity for India to establish the dominance of Digital Rupee as a superior currency for trade with its strategic partners, thereby reducing dependency on the dollar.
- **Advent of Private Currency:** If these private currencies gain recognition, national currencies with limited convertibility are likely to come under some kind of threat.

Significance:

- It would reduce the cost of currency management while enabling real-time payments without any inter-bank settlement.
- India's fairly high currency-to-GDP ratio holds out another benefit of Central Bank Digital Currency (CBDC) - to the extent large cash usage can be replaced by (CBDC), the cost of printing, transporting and storing paper currency can be substantially reduced.
- It will also minimize the damage to the public from the usage of private virtual currencies.

Issues:

- Some key issues under RBI's examination include, the scope of CBDCs, the underlying technology, the validation mechanism and distribution architecture.
- Also, legal changes would be necessary as the current provisions have been made keeping in mind currency in a physical form under the Reserve Bank of India Act.
- Consequential amendments would also be required in the Coinage Act, Foreign Exchange Management Act (FEMA) and Information Technology Act.
- Sudden flight of money from a bank under stress is another point of concern.

Recent Developments:

- El Salvador, a small coastal country in Central America, has become the first in the world to adopt Bitcoin, as legal tender.
- Britain is also exploring the possibility of creating a Central Bank Digital Currency (Britcoin).
- In 2020, China started testing its official digital currency which is unofficially called "Digital Currency Electronic Payment, DC/EP".

- In April 2018, RBI banned banks and other regulated entities from supporting crypto transactions after digital currencies were used for frauds. In March 2020, the Supreme Court struck down the ban as unconstitutional.

Conclusion:

- The creation of a Digital Rupee will provide an opportunity for India to empower its citizens and enable them to use it freely in our ever-expanding digital economy and break free from an outdated banking system.
- Looking into its impact on macroeconomy and liquidity, banking systems and money markets, it is imperative of policymakers to thoroughly consider the prospects of Digital Rupee in India.

30. Special Economic Zones:

- Special Economic Zones (SEZ) have touched new heights in terms of performance in Exports, Investment and Employment in the last three years.
- An SEZ is a territory within a country that is typically duty-free (Fiscal Concession) and has different business and commercial laws chiefly to encourage investment and create employment.
- SEZs are created also to better administer these areas, thereby increasing the ease of doing business.

SEZs in India:

- Asia's first EPZ (Export Processing Zones) was established in 1965 at Kandla, Gujarat.
- While these EPZs had a similar structure to SEZs, the government began to establish SEZs in 2000 under the Foreign Trade Policy to redress the infrastructural and bureaucratic challenges that were seen to have limited the success of EPZs.
- The Special Economic Zones Act was passed in 2005. The Act came into force along with the SEZ Rules in 2006.
- However, SEZs were operational in India from 2000 to 2006 (under the Foreign Trade Policy).
- India's SEZs were structured closely with China's successful model.
- Presently, 379 SEZs are notified, out of which 265 are operational. About 64% of the SEZs are located in five states – Tamil Nadu, Telangana, Karnataka, Andhra Pradesh and Maharashtra.
- The Board of Approval is the apex body and is headed by the Secretary, Department of Commerce (Ministry of Commerce and Industry).
- The Baba Kalyani led committee was constituted by the Ministry of Commerce and Industry to study the existing SEZ policy of India and had submitted its recommendations in November 2018.
- It was set up with a broad objective to evaluate the SEZ policy towards making it WTO (World Trade Organisation) -compatible and to bring in global best practices to maximise capacity utilisation and to maximise potential output of the SEZs.

Objectives of the SEZ Act:

1. To create additional economic activity.
2. To boost the export of goods and services.
3. To generate employment.
4. To boost domestic and foreign investments.
5. To develop infrastructure facilities.
6. Major Incentives and Facilities Available to SEZ:
7. Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
8. Exemption from various taxes like Income Tax, minimum alternate tax, etc.

9. External commercial borrowing by SEZ units upto US \$ 500 million in a year without any maturity restriction through recognized banking channels.
10. Single window clearance for Central and State level approvals.

Performance so far:

- **Exports:** Exports of Rs. 22,840 Crore (2005-06) has increased to Rs. 7,59,524 Crore (2020-21).
- **Investment:** Investment of Rs. 4,035.51 Crore (2005-06) has increased to Rs. 6,17,499 Crore (2020-21).
- **Employment:** Employment from 1,34,704 persons (2005-06) has increased to 23,58,136 persons (2020-21).

Challenges:

Unutilized Land in SEZs:

- Due to lack of demand for SEZ space and disruptions caused by the pandemic.

Existence of Multiple Models:

- There are multiple models of economic zones such as SEZ, coastal economic zone, Delhi-Mumbai Industrial Corridor, National Investment and Manufacturing Zone, food park and textile park which pose challenges in integrating the various models.

Competition from ASEAN Countries:

- In the past few years, many of the ASEAN countries have tweaked their policies to attract global players to invest into their SEZs and have also worked on a developmental set of their skilling initiatives.
- Consequently, Indian SEZs have lost some of their competitive advantages globally and hence need to have fresher policies.
- Promotion of MSME investments in SEZs by linking with MSME schemes and allowing alternate sectors to invest in sector-specific SEZs is among the recommendations by the Baba Kalyani Committee on SEZs. It had also batted for additional enablers and procedural relaxations as well as granting SEZs infrastructure status to improve their access to finance and enable long-term borrowings.

31. External Benchmarks Lending Rate:

- According to a recent RBI report on 'Monetary transmission in India', the share of outstanding loans linked to External Benchmarks Lending Rate (EBLR - like repo rate), increased from as low as 2.4% during September 2019 to 28.5% during March 2021.
- This increase in EBLR linked lending will contribute to significant improvement in monetary policy transmission.
- However, still 71.5% of outstanding loans are Internal Benchmark Lending Rate (IBLR- like base rate and MCLR) linked loans, which continues to impede the monetary policy transmission.
- **Transmission of Monetary Policy:** The transmission of monetary policy describes how changes made by the Reserve Bank of India (RBI) to the policy rate flow through to economic activity (like lending) and inflation.
- **Repo Rate:** It is also known as the benchmark interest rate and is the rate at which the RBI lends money to the banks for a short term. Here, the central bank purchases security.

Internal Benchmark Lending Rate (IBLR):

- The Internal Benchmark Lending Rates are a set of reference lending rates which are calculated after considering factors like the bank's current financial overview, deposits and non-performing assets (NPAs) etc. BPLR, Base rate, MCLR are the examples of Internal Benchmark Lending Rate.

Benchmark Prime Lending Rate (BPLR):

- BPLR was used as a benchmark rate by banks for lending till June 2010.
- Under it, bank loans were priced on the actual cost of funds.

- However, the BPLR was subverted, resulting in an opaque system. The bulk of wholesale credit (loans to corporate customers) was contracted at sub-BPL rates and it comprised nearly 70% of all bank credit.
- Under this system, banks were subsidising corporate loans by charging high interest rates from retail and small and medium enterprise customers.

Base Rate:

- Loans taken between June 2010 and April 2016 from banks were on base rate.
- During the period, base rate was the minimum interest rate at which commercial banks could lend to customers.
- Base rate is calculated on three parameters - the cost of funds, unallocated cost of resources and return on net worth.
- Hence, the rate depended on individual banks and they changed it whenever their cost of funds and other parameters changed.

Marginal Cost of Lending Rate (MCLR):

- It came into effect in April 2016. It is a benchmark lending rate for floating-rate loans. This is the minimum interest rate at which commercial banks can lend.
- This rate is based on four components-the marginal cost of funds, negative carry on account of cash reserve ratio, operating costs and tenor premium.
- MCLR is linked to the actual deposit rates. Hence, when deposit rates rise, it indicates the banks are likely to hike MCLR and lending rates are set to go up.

Issues Related to IBLR Linked Loans:

- The problem with the IBLR regime was that when RBI cut the repo and reverse repo rates, banks did not pass the full benefits to borrowers.
- In the IBLR Linked Loans, the interest rate has many variables including bank's spread, their current financial overview, deposits and non-performing assets (NPAs) etc.
- Due to this, such internal benchmarks did little to facilitate any swift change in interest rates as per changes in RBI repo rate policy.
- The opacity in interest rate setting processes under internal benchmark regime hinders transmission to lending rates.

EBLR and Its Benefits:

- To ensure complete transparency and standardization, RBI mandated the banks to adopt a uniform external benchmark within a loan category, effective 1st October, 2019.
- Unlike MCLR which was internal system for each bank, RBI has offered banks the options to choose from 4 external benchmarking mechanisms:
 1. The RBI repo rate
 2. The 91-day T-bill yield
 3. The 182-day T-bill yield
 4. Any other benchmark market interest rate as developed by the Financial Benchmarks India Pvt. Ltd.
- T-Bill or Treasury bills are money market instruments issued by the Government of India as a promissory note with guaranteed repayment at a later date.
- Financial Benchmarks India Pvt. Ltd was recognised by the Reserve bank of India as an independent Benchmark administrator on 2nd July 2015.

Benefits:

- Banks are free to decide the spread over the external benchmark.
- However, the interest rate must be reset as per the external benchmark at least once every three months.
- Being an external system, this means any policy rate cut decision will reach borrowers faster.

- The adoption of external benchmarking will make the interest rates transparent.
- The borrower will also know the spread or profit margin for each bank over the fixed interest rate making loan comparisons easier and more transparent.
- Higher interest rates offered by competing saving instruments such as small saving schemes and debt mutual fund schemes have impeded transmission especially during the easing cycle. Thus, the government should synchronise the Fiscal policy with the monetary policy in the long-term.

32. Foreign Card Payment Network Companies Barred: RBI:

- Recently, the Reserve Bank of India (RBI) has barred three foreign card payment network firms - Mastercard, American Express and Diners Club — from taking new customers on board over the issue of storing data in India.
- As many as five private sector banks, including Axis Bank, Yes Bank, and IndusInd Bank, are to be impacted by the RBI's decision.
- The Personal Data Protection Bill also has provisions pertaining to 'data localisation'.

RBI's Circular on Data Storage-April 2018:

- All system providers were directed to ensure that within six months the entire data (full end-to-end transaction details, information collected or carried or processed as part of the message or payment instruction) relating to payment systems operated by them is stored in a system only in India.
- They were also required to report compliance to the RBI and submit a board-approved system audit report conducted by a Computer Emergency Response Team - India (CERT-IN) empanelled auditor within the timelines specified.

Reason of Non- Compliance given by Payment Firms:

- Payment firms like Visa and Mastercard, which currently store and process Indian transactions outside the country, have said their systems are centralised and expressed the fear that transferring the data storage to India will cost them millions of dollars.
- Localization Demands from Other Countries:
- Once it happens in India, there could be similar demands from other countries, upsetting their plans.

Lack of Clarity:

- While the Finance Ministry had suggested some easing of norms in transferring the data, the RBI has refused to change, stating that the payment systems need closer monitoring in the wake of the rising use of digital transactions.

Significance of RBI's Move:

- The RBI's decision to restrict entities from onboarding new customers is a crucial development in their endeavour to ensure that all payment system operators store or localise their end-to-end transaction data only in India.
- The motivation behind such a move is to carry out effective law enforcement requirements as data access for law enforcement purposes has been a challenge.

Regulation of Payment Firms:

- Firms such as Mastercard, Visa and National Payment Corporation of India (NPCI) are Payment System Operators authorised to operate a card network in India under the Payment and Settlement Systems (PSS) Act, 2007.
- Under the Act, the RBI is the authority for the regulation and supervision of payment systems in India. The RBI's payment system enables payments to be effected between a payer and a beneficiary and involves the process of clearing, payment or settlement, or all of them.
- It includes both, paper-based such as cheque, demand draft and digital such as National Electronic Fund Transfer (NEFT), BHIM app, settlement systems.

- The RBI has decided to allow non-bank entities — Prepaid Payment Instrument (PPI) issuers, card networks, White Label ATM operators, Trade Receivables Discounting System (TReDS) platforms – to become members of the centralised payment system and effect fund transfer through Real Time Gross Settlement (RTGS) and NEFT.

Conclusion:

- It is necessary for all entities to comply with the RBI’s localisation mandate. At the same time, however, it’s true that hard localisation may impact India’s payments ecosystem.
- To have a more effective mechanism for law enforcement, India needs to move beyond MLAT (Mutual Legal Assistance Treaty), which is slow and ineffective, to a system based on bilateral treaties on data transfers with the European Union, UK and the US.
- The idea must be to ensure that Indian law enforcement requirements of access to data are met in a timely manner while at the same time allowing data flows to foster innovation and trade in the tech ecosystem.

33. India’s Textile Sector:

- Recently, the Union Minister of Textiles held an in-depth review of initiatives undertaken by the Ministry of Textiles for giving a boost to the textiles sector.
- Textiles & garments industry is labour intensive sector that employs 45 mn people in India is second only to the agriculture sector in terms of employment.
- India’s textiles sector is one of the oldest industries in the Indian economy, and is a storehouse and carrier of traditional skills, heritage and culture.
- It can be divided into two segments:
 1. The unorganised sector is small scale and uses traditional tools and methods. It consists of handloom, handicrafts and sericulture (production of silk).
 2. The organised sector uses modern machinery and techniques and consists of the spinning, apparel and garments segment.

Significance of the Textiles Sector:

- It contributes 2.3% to Indian Gross Domestic Product, 7% of Industrial Output, 12% to the export earnings of India and employs more than 21% of total employment.
- India is the 6th largest producer of Technical Textiles with 6% Global Share, largest producer of cotton & jute in the world.
- Technical textiles are functional fabrics that have applications across various industries including automobiles, civil engineering and construction, agriculture, healthcare, industrial safety, personal protection etc.
- India is also the second largest producer of silk in the world and 95% of the world’s hand woven fabric comes from India.

Challenges of the Textiles Sector:

- **Highly fragmented:** The Indian textile industry is highly fragmented and is being dominated by the unorganized sector and small and medium industries.
- **Outdated Technology:** The Indian textile industry has its limitations of access to the latest technology (especially in small-scale industries) and failures to meet global standards in the highly competitive market.
- **Tax Structure Issues:** The tax structure GST (Goods and Service Tax) makes the garments expensive and uncompetitive in domestic as well as international markets. Another threat is rising labour wages and workers’ salaries.
- **Stagnant Exports:** The export from the sector has been stagnating and remained at the USD 40-billion level for the last six years.

- **Lack of Scale:** The apparel units in India have an average size of 100 machines which is very less in comparison with Bangladesh, which has on an average of at least 500 machines per factory.
- **Lack of Foreign Investment:** Due to challenges given above the foreign investors are not very enthusiastic about investing in the textile sector which is also one of the areas of concern.
- Though the sector has witnessed a spurt in investment during the last five years, the industry attracted Foreign Direct Investment (FDI) of only USD 3.41 billion from April 2000 to December 2019.

Major Initiatives:

- **Amended Technology Upgradation Fund Scheme (ATUFS):** In 2015, the government approved "Amended Technology Upgradation Fund Scheme (ATUFS)" for technology upgradation of the textiles industry.
- **Scheme for Integrated Textile Parks (SITP):** To assist small and medium entrepreneurs in the textile industry to clusterize investments in textile parks by providing financial support for world class infrastructure in the parks.
- **SAMARTH (Scheme For Capacity Building In Textile Sector):** To address the shortage of skilled workers, the government launched the Scheme for Capacity Building in Textile Sector (SCBTS) and named it SAMARTH Scheme.
- **North East Region Textile Promotion Scheme (NERTPS):** This is a scheme for promoting textiles industry in the NER by providing infrastructure, capacity building and marketing support to all segments of the textile industry.
- **Power-Tex India:** It comprises new research and development in power loom textiles, new markets, branding, subsidies and welfare schemes for the workers.
- **Silk Samagra Scheme:** It focuses on improving the quality and productivity of domestic silk thereby reducing the country's dependence on imported silk.
- **Jute ICARE:** This pilot project launched in 2015 is aimed at addressing the difficulties faced by the jute cultivators by providing them certified seeds at subsidized rates, and by popularizing several newly developed retting technologies under water limiting conditions.
- **National Technical Textile Mission:** It aims to position the country as a global leader in technical textiles and increase the use of technical textiles in the domestic market. It aims to take the domestic market size to USD 40 billion to USD 50 billion by 2024.

Conclusion:

- The Textile sector has great potential and it should be realised by using innovations, latest technology and facilitations.
- India can make the sector organised by setting up mega apparel parks and common infrastructure for the textile industry. Focus should be on the modernisation of obsolete machinery and technology.
- India needs a comprehensive blueprint for the textile sector. Once that is drawn up, the country needs to move into mission mode to achieve it.

34. 30 Years of Economic Liberalisation:

- Recently, on the 30th anniversary of the economic liberalisation reforms, former Prime Minister of India, Manmohan Singh, raised concerns over the macro-economic stability of the country.
- According to him, the current economic crisis triggered by the Covid-19 pandemic is more challenging than during the 1991 economic crisis and the nation would need to recalibrate its priorities to ensure a dignified life for all Indians.

1991 Crisis & Reforms:

- 1991 Crisis: In 1990-91, India faced a severe Balance of Payments (BOP) crisis, where its foreign exchange reserves were just adequate to finance 15 days of imports. There were many factors that led to the BOP crisis:
 1. **Fiscal Deficit:** The fiscal deficit during 1990-91 was around 8.4% of GDP.
 2. **Gulf War I:** In 1990-91, the situation was aggravated by the rise in the price of oil due to Iraq's invasion of Kuwait.
 3. **Rise in Prices:** The inflation rate increased from 6.7% to 16.7% due to a rapid increase in money supply and the country's economic position became worse.
- **Nature and Scope of 1991 Reforms:** In order to get out of the macro-economic crisis in 1991, India launched a New Economic Policy, which was based on LPG or Liberalisation, Privatisation and Globalisation model.
- Then Finance Minister, Manmohan Singh, was the prime architect of the historic 1991 liberalisation.

The broad range of reforms under the LPG model included:

- **Liberalising Industrial Policy:** Abolition of industrial license permit raj, Reduction in import tariffs, etc.
- **Beginning of Privatisation:** Deregulation of markets, Banking reforms, etc.
- **Globalisation:** Exchange rate correction, liberalising foreign direct investment and trade policies, Removal of mandatory convertibility cause, etc.
- These reforms are credited and applauded for the high economic growth seen from 1991 to 2011 and substantial reduction of poverty from 2005 to 2015.

35. Agriculture Infrastructure Fund:

- Recently, the Union Cabinet approved some modifications in the Central Sector Scheme of Financing Facility under 'Agriculture Infrastructure Fund'.
- **Launch:** It was launched in 2020 as a part of the Rs. 20 lakh crore stimulus package announced in response to the Covid-19 crisis.
- **Aim:** To provide medium-long term debt financing facility for investment in viable projects for post-harvest management Infrastructure and community farming assets.
- The funds will be provided for setting up of cold stores and chains, warehousing, grading and packaging units, e-marketing points linked to e-trading platforms, besides PPP (Public Private Partnership) projects for crop aggregation sponsored by central/state/local bodies.
- Duration: Extended to 13 years upto 2032-33.

Features:

Eligible Beneficiaries:

- They are Farmers, Farmer Producer Organizations (FPOs), Primary Agricultural Credit Society (PACS), Marketing Cooperative Societies, Self Help Groups (SHGs), Joint Liability Groups (JLG), Multipurpose Cooperative Societies, Agri-entrepreneurs, Start-ups, and Central/State agency or Local Body sponsored PPP Projects.
- Eligibility has been extended to State agencies and Agricultural Produce Marketing Committees (APMCs), as well as federations of cooperative organisations, FPOs and SHGs.
- **Financial Support:** Rs. 1 Lakh Crore will be provided by banks and financial institutions as loans to eligible beneficiaries.
- Moratorium for repayment may vary subject to minimum of 6 months and maximum of 2 years.
- **Interest Subvention:** Loans will have interest subvention of 3% per annum up to a limit of Rs. 2 crore. This subvention will be available for a maximum period of seven years.

- **CGTMSE Scheme:** A credit guarantee coverage will be available for eligible borrowers from this financing facility under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme for a loan up to Rs. 2 crore.
- **Management:** The fund will be managed and monitored through an online Management Information System (MIS) platform. It will enable all the qualified entities to apply for loans under the Fund.
- The National, State and District level monitoring committees will be set up to ensure real-time monitoring and effective feed-back.

36. Fertiliser Self-Sufficiency:

- Recently, the Minister of Chemicals and Fertilisers has reviewed the initiatives of the Department of Fertilisers for making India Atmanirbhar in Fertilisers.
- The Government is planning to liberalise Market Development Assistance (MDA) policy to promote the use of alternative fertilisers.

Market Development Assistance (MDA) Policy:

- MDA policy was earlier limited to city compost only.
- There were demands to expand this policy by incorporating organic waste like Biogas, Green Manure, organic compost of rural areas, solid/liquid slurry, etc.
- This expansion will fully complement the Swachh Bharat Abhiyan.

Government Initiatives and Schemes:

- **Neem Coating of Urea:** The Department of Fertilizers (DoF) has made it mandatory for all the domestic producers to produce 100% urea as Neem Coated Urea (NCU).
- The benefits of use of NCU are as under:
 1. Improvement in soil health.
 2. Reduction in usage of plant protection chemicals.
 3. Reduction in pest and disease attack.
 4. An increase in yield of paddy, sugarcane, maize, soybean, Tur/Red Gram.
 5. Negligible diversion towards non-agricultural purposes.
 6. Due to slow release of Nitrogen, Nitrogen Use Efficiency (NUE) of Neem Coated Urea increases resulting in reduced consumption of NCU as compared to normal urea.

New Urea Policy (NUP) 2015:

- Objectives of the policy are-
 1. To maximize indigenous urea production.
 2. To promote energy efficiency in the urea units.
 3. To rationalize the subsidy burden on the Government of India.

New Investment Policy- 2012:

- The Government announced New Investment Policy (NIP)-2012 in January, 2013 and made amendments in 2014 to facilitate fresh investment in the urea sector and to make India self-sufficient in the urea sector.

Policy on Promotion of City Compost:

1. The Government of India approved a policy on promotion of City Compost, notified by the DoF in 2016 granting Market Development Assistance of Rs. 1500/- for scaling up production and consumption of city compost.
2. To increase sales volumes, compost manufacturers willing to market city compost were allowed to sell city compost in bulk directly to farmers.
3. Fertilizer companies marketing city compost are covered under the Direct Benefit Transfer (DBT) for Fertilizers.

Use of Space Technology in Fertilizer Sector:

- DoF commissioned a three year Pilot Study on “Resource Mapping of Rock Phosphate using Reflectance Spectroscopy and Earth Observations Data” by National Remote Sensing Centre under ISRO, in collaboration with Geological Survey of India (GSI) and the Atomic Mineral Directorate (AMD).

The Nutrient Based Subsidy (NBS) Scheme:

- It has been implemented from April 2010 by the DoF.
- Under NBS, a fixed amount of subsidy decided on an annual basis, is provided on each grade of subsidized Phosphatic & Potassic (P&K) fertilizers depending on its nutrient content.
- It aims at ensuring the balanced use of fertilizers, improving agricultural productivity, promoting the growth of the indigenous fertilizers industry and also reducing the burden of Subsidy.

Fertilizer Consumption in India:

- India’s fertiliser consumption in FY20 was about 61 million tonnes — of which 55% was urea— and is estimated to have increased by 5 million tonnes in FY21.
- Since non-urea (MoP, DAP, complex) varieties cost higher, many farmers prefer to use more urea than actually needed.
- The government has taken a number of measures to reduce urea consumption. It introduced neem-coated urea to reduce illegal diversion of urea for non-agricultural uses. It also stepped up the promotion of organic and zero-budget farming.
- Currently, the fertiliser production of the country is 42-45 million tonnes, and imports are at around 18 million tonnes.
- Subsidy on Urea: The Centre pays subsidy on urea to fertiliser manufacturers on the basis of cost of production at each plant and the units are required to sell the fertiliser at the government-set Maximum Retail Price (MRP).
- Subsidy on Non-Urea Fertilisers: The MRPs of non-urea fertilisers are decontrolled or fixed by the companies. The Centre, however, pays a flat per-tonne subsidy on these nutrients to ensure they are priced at “reasonable levels”.
- Examples of non-urea fertilisers: Di-Ammonium Phosphate (DAP), Muriate of Potash (MOP).
- All Non-Urea based fertilisers are regulated under Nutrient Based Subsidy Scheme.

Why Plants Need Fertilizer



37. Sankalp Se Siddhi: Mission Van Dhan:

- Recently, the Minister of Tribal Affairs reviewed various initiatives under 'Sankalp Se Siddhi- Mission Vand Dhan', by TRIFED (Tribal Cooperative Marketing Development Federation of India).

Tribal Cooperative Marketing Development Federation of India (TRIFED):

- The Tribal Cooperative Marketing Development Federation of India (TRIFED) came into existence in 1987.
- It is a national-level apex organization functioning under the administrative control of the Ministry of Tribal Affairs.
- The ultimate objective of TRIFED is socio-economic development of tribal people in the country by way of marketing development of the tribal products such as metal craft, tribal textiles, pottery, tribal paintings and pottery on which the tribals depends heavily for a major portion of their income.

About 'Sankalp se Siddhi':

- The 'Sankalp Se Siddhi' initiative, also known as 'Mission Van Dhan', was introduced by the central government in 2021, in line with the Prime Minister's aim to establish a sustainable livelihood for India's tribal population.
- Through this mission, TRIFED aims to expand its operation through convergence of various schemes of different ministries and departments and launch various tribal development programmes in mission mode.
- Through this mission, establishment of several Van Dhan Vikas Kendras (VDVKs), haat bazaars, mini TRIFOOD units, common facility centres, TRIFOOD parks, SFRUTI (Scheme of Fund for regeneration of traditional industries) clusters, tribes india retail store, e-commerce platform for trifoood and tribes, India brands are being targeted.
- TRIFED has been implementing several noteworthy programmes for the empowerment of the tribals.
- Over the past two years, the 'Mechanism for Marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) & Development of Value Chain for MFP' has impacted the tribal ecosystem in a major way.
- TRIFED has also injected Rs. 3000 crores into the tribal economy, even during such difficult times, aided by government push.
- The Van Dhan tribal start-ups, a component of the same scheme, have emerged as a source of employment generation for tribal gatherers and forest dwellers and the home-bound tribal artisans.

TRIFED is involved in following initiatives:

Van Dhan Vikas Yojana:

- Van Dhan Scheme, a component of 'MSP for MFP', was launched in 2018.
- An initiative targeting livelihood generation for tribal gatherers and transforming them into entrepreneurs.
- The idea is to set-up tribal community-owned Van Dhan Vikas Kendra Clusters (VDVKCs) in predominantly forested tribal districts.
- VDVKs are for providing skill upgradation and capacity building training to tribals and setting up of primary processing and value addition facilities.

MSP for MFP:

- Mechanism for Marketing of Minor Forest Produce (MFP) Through Minimum Support Price (MSP) and Development of Value Chain for MFP provide MSP to gatherers of forest produce.

- The scheme acts as a measure of social safety for MFP gatherers who are primarily members of ST (Scheduled Tribe).
- The scheme formed a system to ensure fair monetary returns of the gatherers for their endeavour in collection, primary processing, storage, packaging, transportation, etc.
- MFP includes all non-timber forest produce of plant origin and includes bamboo, canes, fodder, leaves, gums, waxes, dyes, resins and many forms of food including nuts, wild fruits, honey, lac, tusser etc.

Tech For Tribals:

- It aims to transform 5 crore Tribal Entrepreneurs by capacity building and imparting entrepreneurship skills to tribal forest produce gatherers enrolled under the Pradhan Mantri Van Dhan Yojana (PMVDY).
- The program will ensure higher success rate of the Tribal Entrepreneurs by enabling and empowering them to run their business with marketable products with quality certifications.

TRIFOOD Scheme:

- It was launched in August 2020 and promotes value addition to MFP.
- TRIFOOD parks will produce processed foods from minor forest produce and also from the food gathered by the tribal people in that region.

Village and Digital Connect Initiative:

- To ensure that existing schemes and initiatives reach the tribals, TRIFED's regional officials across the country have been visiting identified villages with a significant tribal population.

38. Matsya Setu:

- Recently, the Ministry of Fisheries, Animal Husbandry and Dairying has launched the Online Course Mobile App "**Matsya Setu**" for fish farmers.
- The app was developed by the Indian Council of Agricultural Research-Central Institute of Freshwater Aquaculture (ICAR-CIFA) and National Fisheries Development Board (NFDB).

About:

- It aims to disseminate the latest freshwater aquaculture technologies to the aqua farmers of the country, thus increasing the productivity and income.
- Aquaculture is breeding, raising, and harvesting fish, shellfish, and aquatic plants.
- India is the second major producer of fish through aquaculture in the world.
- It has a focus on grow-out culture of commercially important fishes like carp, catfish, scampi, murrel, ornamental fish, pearl farming etc.
- It can be used to disseminate the latest information on different schemes among the stakeholders, especially fishers, fish farmers, youth and entrepreneurs across the country, and facilitate ease of doing business.

Other Related Initiatives:

- **Shaphari:** Certification Scheme for Aquaculture Products: It is a market-based tool for hatcheries to adopt good aquaculture practices and help produce quality antibiotic-free shrimp products to assure global consumers.
- Establishment of Fisheries and Aquaculture Infrastructure Development Fund (FIDF) during 2018-19.
- **Pradhan Mantri Matsya Sampada Yojana:** The programme aims to achieve 22 million tonnes of fish production by 2024-25. Also, it is expected to create employment opportunities for 55 lakh people.
- **Focus on Blue Revolution:** Creating an enabling environment for integrated and holistic management of fisheries for the socio-economic development of the fishers and fish farmers.

- Extension of Kisan Credit Card (KCC) facilities to fishers and fish farmers to help them in meeting their working capital needs.

39. GI Certified Bhalia Wheat: Gujarat:

- Recently, the first shipment of Geographical Indication (GI) certified Bhalia variety of wheat was exported to Kenya and Sri Lanka from Gujarat.
- The Bhalia variety of wheat received GI certification in July, 2011.
- This Wheat has high protein content and is sweet in taste.
- This crop is grown mostly across the Bhal region of Gujarat which includes Ahmedabad, Anand, Kheda, Bhavanagar, Surendranagar, Bharuch districts.
- This variety is grown in the rainfed condition without irrigation.

Other GI products from Gujarat are:

- Latest is the wooden printing blocks of Pethapur and others are, furniture made in Sankheda, agates from Khambhat, Kutch embroidery, zari craft from Surat, patola from Patan, bandhani from Jamnagar, and Kesar mangoes from Gir.

Geographical Indication Status:

- GI is an indication used to identify goods having special characteristics originating from a definite geographical territory. It is used for **agricultural, natural** and **manufactured** goods.
- The Geographical Indications of Goods (Registration and Protection) Act, 1999 seeks to provide for the registration and better protection of geographical indications relating to goods in India.
- The Act is administered by the Controller General of Patents, Designs and TradeMarks- who is the Registrar of Geographical Indications.
- The Geographical Indications Registry is located at Chennai.
- The registration of a geographical indication is valid for a period of 10 years. It can be renewed from time to time for a further period of 10 years each.
- It is also a part of the World Trade Organisation's Trade-Related Aspects of Intellectual Property Rights (TRIPS).
- Recent Examples: Jharkhand's Sohrai Khovar painting, Telangana's Telia Rumal, Tirur Vetilla (Kerala), Dindigul Lock and Kandangi Saree (Tamil Nadu), Odisha Rasagola, Shahi Litchi (Bihar), etc.
- Agricultural and Processed Food Products Export Development Authority (APEDA - Ministry of Commerce and Industry) has a focus on promotion of exports of GI products.
- Recently, a consignment of Dahanu Gholvad sapota was exported from Maharashtra's Palghar district.
- Wheat is Rabi Crop. It is sown in October-December and harvested during April-June.
- Temperature: Between 10-15°C (Sowing time) and 21-26°C (Ripening & Harvesting) with bright sunlight.
- Rainfall: Around 75-100 cm.
- Soil Type: Well-drained fertile loamy and clayey loamy (Ganga-Satluj plains and black soil region of the Deccan).
- Major wheat growing states in India are Uttar Pradesh, Punjab, Haryana, Madhya Pradesh, Rajasthan, Bihar and Gujarat. India is the second largest producer after China.

40. Anti-Dumping Duty:

- Recently, the government has decided not to impose Anti-Dumping Duty (ADD) on imports of certain copper products, from China, Thailand, Korea and three other countries.

- In April, Directorate General of Trade Remedies (DGTR) recommended imposing the duty on “copper and copper alloy flat-rolled products” from China, Korea, Malaysia, Nepal, Sri Lanka and Thailand, after conducting a probe.
- However, the Ministry of Finance takes the final call to impose these duties and issues notification for the same.
- **Anti-Dumping Duty (Concept):**
- Dumping is said to occur when the goods are exported by a country to another country at a price lower than the price it normally charges in its own home market.
- This is an unfair trade practice which can have a distortive effect on international trade.

Objective:

- Imposition of Anti-dumping duty is a measure to rectify the situation arising out of the dumping of goods and its trade distortive effect.
- In the long-term, anti-dumping duties can reduce the international competition of domestic companies producing similar goods.
- It is a protectionist tariff that a domestic government imposes on foreign imports that it believes are priced below fair market value.
- The use of anti-dumping measures as an instrument of fair competition is permitted by the World Trade Organisation.

Different from Countervailing Duties:

- ADD is a customs duty on imports providing a protection against the dumping of goods at prices substantially lower than the normal value whereas **countervailing** duty is a customs duty on goods that have received government subsidies in the originating or exporting country.
- WTO's Provisions Related to Anti-Dumping Duty:
- **Validity:** An anti-dumping duty is valid for a period of five years from the date of imposition unless revoked earlier.
- **Sunset Review:** It can be extended for a further period of five years through a sunset or expiry review investigation.
- A Sunset review/ expiry review is an evaluation of the need for the continued existence of a program or an agency. It allows for an assessment of the effectiveness and performance of the program or agency.
- Such a review can be initiated suo moto or on the basis of a duly substantiated request received from or on behalf of the domestic industry.

Directorate General of Trade Remedies:

- It is the apex national authority under the Ministry of Commerce and Industry for administering all trade remedial measures including anti-dumping, countervailing duties and safeguard measures.
- It provides trade defence support to the domestic industry and exporters in dealing with increasing instances of trade remedy investigations instituted against them by other countries.

41. Open Network for Digital Commerce:

- The Department for Promotion of Industry and Internal Trade (DPIIT) has issued orders appointing an advisory committee for its Open Network for Digital Commerce (ONDC) project that is aimed at curbing “digital monopolies”.
- This is in the direction of making e-commerce processes open source, thus creating a platform that can be utilised by all online retailers.
- Earlier, the Ministry of Consumer Affairs released draft e-commerce rules for consumer protection which seek to bring changes to how e-commerce marketplaces, including Amazon

and Flipkart, operate after small businesses complained that they misuse market dominance and deep-discounting to gain an unfair advantage.

Key Points:

- The ONDC aims at promoting open networks developed on open-sourced methodology, using open specifications and open network protocols, independent on any specific platform.
- The project to integrate e-commerce platforms through a network based on open-source technology has been tasked to the Quality Council of India.
- Implementation of ONDC, which is expected to be on the lines of Unified Payments Interface (UPI) could bring various operational aspects put in place by e-commerce platforms to the same level.
- Various operational aspects include onboarding of sellers, vendor discovery, price discovery and product cataloguing etc.
- On ONDC, buyers and sellers may transact irrespective of the fact that they are attached to one specific e-commerce portal.

Significance:

- If the ONDC gets implemented and mandated, it would mean that all e-commerce companies will have to operate using the same processes (like Android Based Mobile Devices).
- This could give a huge booster shot to smaller online retailers and new entrants.
- If mandated, this could be problematic for larger e-commerce companies, which have their own processes and technology deployed for these segments of operations.
- ONDC is expected to digitise the entire value chain, standardise operations, promote inclusion of suppliers, derive efficiency in logistics and enhance value for consumers.
- Meaning of Open-Source:
- Making a software or a process open-source means that the code or the steps of that process is made available freely for others to use, redistribute and modify it.
- For example, while the operating system of Apple's iPhones (iOS) is closed source, meaning it cannot be legally modified or reverse engineered,
- Google's Android operating system is open-source, and therefore it is possible by smartphone manufacturers such as Samsung, Xiaomi, OnePlus, etc to modify it for their hardware.

Government Initiatives Regarding e-Commerce in India:

1. Consumer Protection (e-commerce) Rules 2020
2. Consumer Protection Act, 2019

What is E-Commerce?

- Electronic commerce or e-commerce is a business model that lets firms and individuals buy and sell things over the Internet.
- Propelled by rising smartphone penetration, the launch of 4G networks and increasing consumer wealth, the Indian e-commerce market is expected to grow to USD 200 billion by 2026.
- The Indian e-commerce industry has been on an upward growth trajectory and is expected to surpass the US to become the second-largest e-commerce market in the world by 2034.

42. World Bank Support to India's Informal Working Class:

- The World Bank has approved a USD 500 million loan programme to support India's informal working class to overcome the current pandemic distress.
- The loan will create greater flexibility for states to cope with the ongoing pandemic, future climate and disaster shocks.

- Of the USD 500 million commitment, USD 112.50 million will be financed by its concessionary lending arm International Development Association (IDA) and the rest will be a loan from International Bank for Reconstruction and Development (IBRD).
- The loan has a maturity period of 18.5 years including a grace period of five years.

Fundings Since Start of Pandemic:

- In 2020, provided immediate emergency relief cash transfers to about 320 million individual bank accounts identified through pre-existing national social protection schemes.
- Also an additional food rations for about 80 crore individuals.

What is the significance?

- States can now access flexible funding from disaster response funds to design and implement appropriate social protection responses.
- The funds will be utilised in social protection programmes for urban informal workers, gig-workers, and migrants.
- A gig worker is indulged in the gig economy which is a free market system in which temporary positions are common and organizations contract with independent workers for short-term engagements.
- It is aimed at building the resilience of economies and livelihoods of communities.
- Investments at the municipal level will promote National Digital Urban Mission that will create a shared digital infrastructure for people living in urban areas and will scale up urban safety nets and social insurance for informal workers.
- It will also include gender-disaggregated information on women workers and female-headed households.
- This will allow policymakers to address gender-based service delivery gaps and effectively reach the unreached, particularly widows, adolescent girls, and tribal women.
- Street vendors are an integral part of India's urban informal economy. The programme will give street vendors access to affordable working capital loans of up to Rs 10,000.
- Some five million urban street vendors could benefit from the new credit programme.

Informal Sector Worker:

- The informal sector is the part of any economy that is neither taxed nor monitored by any form of government.
- The workers who indulge in the informal sector are informal sector workers or informal workers.
- The informal sector provides critical economic opportunities for the poor.
- It is largely characterized by skills gained outside of a formal education, easy entry, a lack of stable employer-employee relationships, and a small scale of operations.
- Unlike the formal economy, the informal sector's components are not included in GDP computations.

Need to Protect Informal Workforce:

- India's estimated 450 million informal workers comprise 90% of its total workforce, with 5-10 million workers added annually.
- Further, according to Oxfam's latest global report, out of the total 122 million who lost their jobs in 2020, 75% were lost in the informal sector.
- Job loss and further increasing informalisation due to the Covid-19 pandemic and subsequent lockdown has resulted in lack of social protection to poors.
- Moreover, in the financial year 2020-21, the economy contracted by 7.7%. So, there is an urgent need to revive the economy by generating employment and the informal sector is more labour intensive.

Some Initiatives by the Government:

1. Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM)

2. Labour Reform
3. Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)
4. PM SVANidhi: Micro Credit Scheme for Street Vendors
5. Atmanirbhar Bharat Abhiyan
6. Deendayal Antyodaya Yojana National Urban Livelihoods Mission

World Bank Group:

- The World Bank Group is a unique global partnership which consists of five development institutions.
- International Bank for Reconstruction and Development (IBRD) provides loans, credits, and grants.
- International Development Association (IDA) provides low- or no-interest loans to low-income countries.
- The International Finance Corporation (IFC) provides investment, advice, and asset management to companies and governments.
- The Multilateral Guarantee Agency (MIGA) insures lenders and investors against political risk such as war.
- The International Centre for the Settlement of Investment Disputes (ICSID) settles investment-disputes between investors and countries.
- India is not a member of ICSID.
- As of now, IBRD has 189 member countries, while IDA has 173.

Conclusion:

- **Strengthening MSME:** Nearly 40% of the informal workforce is employed with Micro, Small and Medium Enterprises (MSMEs). Therefore, it is natural that the strengthening of MSME will lead to economic recovery, employment generation, and formalization of the economy.
- **Skilling Under CSR Expenditure:** The large corporate houses should also take the responsibility of skilling people in the unorganized sectors under Corporate Social Responsibility (CSR) Expenditure.
- **Recognizing Invisible Labour:** A national policy for domestic workers needs to be brought in at the earliest to recognize their rights and promote better working conditions.

43. Four Years of the GST:

- Recently, the Central Board of Indirect Taxes and Customs (CBIC) decided to felicitate around 54,000 taxpayers to mark the completion of 4 years of Goods and Services Tax (GST).
- The introduction of e-way bills coupled with the crackdown on fake invoicing has helped in bringing in a substantial portion of GST revenues, which were either being evaded or under-reported.
- E-invoicing system would also usher the taxpayers into a fully automated compliance regime wherein the computation of tax liabilities and matching of input tax credit would become very simple.


Simplification of Compliance:











- Various initiatives viz. linking the customs portal with GST portal for credit availability on imports, making available proper means for matching input tax credit, increased automation of the refund procedure to seamless operation of the Invoice Registry Portal, helped simplify tax compliance.

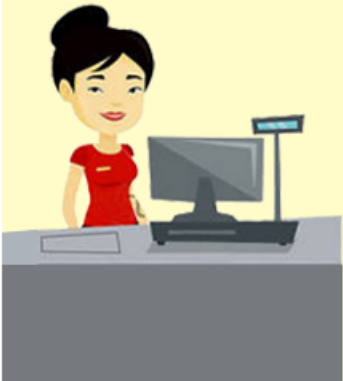
Functioning of GST Council:

- The GST Council made corrections to law, issued clarifications on complex issues, rationalized GST rates and introduced relaxations for dealing with the Covid-19 pandemic, which establishes that the GST Council structure has been very functional and agile.

Services Exempted under GST



 Supply of services by providing information under RTI Act	 Renting of transport vehicles to an educational institution
 Fumigation in a warehouse of agricultural produce	 Admission to, or conduct of examination provided to all educational institutions
 Subscription of online educational journals by educational institutions	 Transportation of goods from India to a place outside India by air or sea
 Viability Gap Funding for 3 years from commencement of RCS UDAN airport	 Dollar denominated services provided by financial intermediaries located in IFSC SEZ
 Reinsurance services	 Legal services provided to Government



Example to the World:

- India has served as an example to the world by successfully implementing one of the most complex tax transformation projects for the country.

What are the Challenges?

- The GST collections fell because of the pandemic. Because GST entailed a bigger surrender of taxation powers for the states – states do not levy direct taxes or customs duties – a guaranteed revenue growth of 14% for a period of five years was offered to them by the centre to get them to agree.

Issues Highlighted by the 15th Finance Commission:

- The 15th Finance Commission has highlighted several areas of concern in the GST regime relating to multiplicity of tax rates, shortfall in GST collections vis-à-vis the forecast, high volatility in GST collections, inconsistency in filing of returns, dependence of States on the compensation from Centre and so on.

Large Businesses vs Small Businesses:

- The fundamental principles on which the GST law was built viz. seamless flow of input credits and ease of compliance has been impaired by IT glitches.
- Indirect taxes, unlike direct taxes such as income tax, do not differentiate between the rich and the poor and therefore put a bigger burden on the latter.
- Further, small and medium businesses are still grappling to adapt to the tech-enabled regime.

Major Suggestions:

- With oil prices sky-rocketing across the country, the policymakers need to contemplate the inclusion of petroleum and related products within the GST net.
- It is vital to finally constitute the GST Appellate Tribunal as it is obvious that all taxpayers do not have the finances or means to approach the High Court for every practical difficulty faced.
- Streamlining of anti-profiteering measures and simplification of compliance procedures also needs to be revisited to ensure that the cost efficiency and reduction in prices envisaged under GST law finally reaches the common man.

Goods and Services Tax:

The GST is a value-added tax levied on most goods and services sold for domestic consumption.

- The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services.
- GST, which subsumed almost all domestic indirect taxes (petroleum, alcoholic beverages and stamp duty are the major exceptions) under one head, is perhaps the biggest tax reform in the history of independent India. It was launched into operation on the midnight of 1st July 2017.

Features of GST:

- **Applicable on Supply Side:** GST is applicable on 'supply' of goods or services as against the old concept on the manufacture of goods or on sale of goods or on provision of services.
- **Destination based Taxation:** GST is based on the principle of destination-based consumption taxation as against the principle of origin-based taxation.
- **Dual GST:** It is a dual GST with the Centre and the States simultaneously levying tax on a common base. The GST to be levied by the Centre is called Central GST (CGST) and that to be levied by the States is called State GST (SGST).
- **Import of goods or services** would be treated as inter-state supplies and would be subject to Integrated Goods & Services Tax (IGST) in addition to the applicable customs duties.
- **GST rates to be mutually decided:** CGST, SGST & IGST are levied at rates to be mutually agreed upon by the Centre and the States. The rates are notified on the recommendation of the GST Council.
- **Multiple Rates:** GST is levied at four rates viz. 5%, 12%, 18% and 28%. The schedule or list of items that would fall under these multiple slabs are worked out by the GST council.
- This is aside from the tax on gold that is kept at 3% and rough precious and semi-precious stones that are placed at a special rate of 0.25% under GST.

GST Council:

- It is a constitutional body (Article 279A) for making recommendations to the Union and State Government on issues related to GST.
- The GST Council is chaired by the Union Finance Minister and other members are the Union State Minister of Revenue or Finance and Ministers in-charge of Finance or Taxation of all the States.
- It is considered as a federal body where both the centre and the states get due representation.

Reforms brought about by GST:

- **Creation of a common national market:** By amalgamating a large number of Central and State taxes into a single tax.

Mitigation of cascading effect:

- The GST that a merchant pays to procure goods or services (i.e. on inputs) can be set off later against the tax applicable on supply of final goods and services. The set off tax is called input tax credit.
- The GST thus avoids cascading effect or tax on tax which increases the tax burden on the end consumer.
- Reduction in Tax burden: From the consumers' point of view, the biggest advantage is in terms of reduction in the overall tax burden on goods.
- Making Indian products more competitive: Introduction of GST is making Indian products more competitive in the domestic and international markets owing to the full neutralization of input taxes across the value chain of production.
- The law is still a 'work-in-progress' and the process of evolution, in such a complex journey, cannot be eliminated. The Government should continue to take measures to deliver on its promise of a 'Good & Simple Tax' in the times to come.

44. Financial Stability Report: RBI:

- The Reserve Bank of India (RBI) has released the 23rd edition of its Financial Stability Report (FSR).
- The Report discusses issues relating to development and regulation of the financial sector.
- Financial Stability Report: The FSR which is published biannually reflects the collective assessment of the Sub-Committee of the Financial Stability and Development Council (FSDC - headed by the Governor of RBI) on risks to financial stability and the resilience of the financial system.
- Impact of Vaccination: As per the RBI, Policy support & Vaccination have been nurturing global recovery though the second wave of Covid-19 has dented domestic economic activity.
- Gross NPA for Banking Sector: The latest report suggests that the gross Non-Performing Assets (NPAs) for the whole banking sector is expected to slip but not as great a level as mentioned in previous FSR.
- MSME Sector at Risk: In the retail loans and the loans given to the MSMEs sector, the NPA level or the quality of credit may actually deteriorate in the months to come which will adversely impact consumer credit.
- The stress level forecast for the banking sector is seen to be improving and the banks seem to be having better capital provisioning. But the MSME sector is facing stress which is an issue of concern.

23rd Financial Stability Report:

- **Gross NPA Ratio:** The Gross Non-Performing Assets (NPAs) ratio was found under control at 7.5% as of March 2021, contrary to all expectations of NPAs increasing due to the pandemic.
- The stress tests indicate that under normal conditions the NPA ratio will increase to 9.8% by March 2022.
- **NPA Ratio under Stress Cases:** Under the medium stress scenario, where GDP growth is at 6.5%, the gross NPA ratio could rise to 10.36%.
- Under the severe stress scenario, where GDP growth is at 0.9%, the gross NPA ratio for the banking sector may rise to 11.22%.
- **Rise in Fiscal Deficit:** As per the budget 2020-21, the fiscal deficit was at 9.3%. The fiscal deficit is likely to increase.
- As per the recent data, a burden of around Rs. 3 lac crore is likely to be added which will increase the fiscal pressure to about Rs. 14 lac crore which further adds 3-4% to the fiscal deficit of 9.3%.

- **Increased Dependence on Govt. Securities:** One more important area of concern is the increasing dependence of the banking sector on government securities.
- Banks are finding recourse in investing their liquidity in government securities.
- **RBI's Assistance amid the Crisis:** There are two major factors that have led the GDP in negative growth; Gross Fixed Capital Formation and Private Final Consumption Expenditure.
- It is the expenditure incurred on the final consumption of goods and services by the resident households and non-profit institutions serving households.
- During this period, RBI has provided support to the banking sector in terms of credit support.
- RBI has provided collateral support and has opened new credit lines.
- The plan of giving moratorium during tough times and rolling back the same has helped to keep things under check.

Conclusion:

- **RBI's Advice:** The FSR is advising the banks to reinforce their capital and liquidity positions to fortify themselves against potential balance sheets stress.
- **Generating Demand in Economy:** What is now required is to generate demand in the economy. The banks and the significant leaders in the economy have a key role to play in this. When the demand begins to rise, only then economic recovery can occur.
- **Second Generation Reforms:** The second generation reform needs to be initiated. The most important segment of the second generation reform is the rural development including agriculture & allied sectors and small scale industries.
- Reviving the rural economy furthers the scope of overall economic growth.
- **Increasing the Efficiency of Public Sector Banks:** The difference between the Private Sector and Public Sector Banks is almost 5% points in terms of NPA.
- In the case of private sector banks, the NPA in a baseline scenario will get to around 6% whereas in the public sector banks it will be almost double; 12%.
- The public sector banks need to be made more efficient, if necessary the ownership changes (privatisation) need to be done too.
- It needs to be noted that the private sector banks have responded better to the economic crisis and have proven themselves to be comparatively less affected by the Covid-19 pandemic.
- **Bringing Bad Banks in Action:** In order to bring the banking industry out of this challenging time, the creation of Bad Banks is the most crucial step that needs to be taken.
- A bad bank is an Asset Reconstruction Company (ARC) or an Asset Management Company (AMC) that takes over the bad loans of commercial banks, manages them and finally recovers the money over a period of time.
- Similar to this, in 2002, the SARFAESI Act was enacted for hiving off the bad assets which led to a significant decline in NPAs.
- **Meeting the Financial Needs:** Stronger capital positions, good governance and efficiency in financial intermediation can be the touchstones of this endeavour so that financing needs of productive sectors of the economy are met while the integrity and soundness of banks and financial institutions are secured on an enduring basis.

45. Ministry of Cooperation: A New Push to Co-operatives:

- Recently, a separate 'Ministry of Co-operation' has been created by the Central Government for realizing the vision of 'Sahkar se Samridhhi' (Prosperity through Cooperation) and to give a new push to the cooperative movement.
- The Government has signaled its deep commitment to community based developmental partnership. It also fulfils the budget announcement made by the Finance Minister in 2021.

Significance of Ministry of Co-operation:

- It will provide a separate administrative, legal and policy framework for strengthening the cooperative movement in the country.
- It will help deepen Co-operatives as a true people based movement reaching upto the grassroots.
- It will work to streamline processes for 'Ease of doing business' for co-operatives and enable development of Multi-State Co-operatives (MSCS).

About 'Co-operatives':

- According to the International Labour Organisation (ILO), a cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.
- There are many types of cooperatives such as Consumer Cooperative Society, Producer Cooperative Society, Credit Cooperative Society, Housing Cooperative Society and Marketing Cooperative Society.
- The United Nations General Assembly had declared the year 2012 as the International Year of Cooperatives.
- India is an agricultural country and laid the foundation of World's biggest cooperative movement in the world.
- In India, a Co-operative based economic development model is very relevant where each member works with a spirit of responsibility.

Constitutional Provisions Related to Cooperatives:

- The Constitution (97th Amendment) Act, 2011 added a new Part IXB right after Part IXA (Municipals) regarding the cooperatives working in India.
- The word "cooperatives" was added after "unions and associations" in Article 19(1)(c) under Part III of the Constitution. This enables all the citizens to form cooperatives by giving it the status of fundamental right of citizens.
- A new Article 43B was added in the Directive Principles of State Policy (Part IV) regarding the "promotion of cooperative societies".
- Co-operative Movement in India

Co-operative Movement in Pre-Independence Era:

- The Cooperatives were first started in Europe and the British Government replicated it in India to mitigate the miseries of the poor farmers, particularly harassment by moneylenders.
- The term Cooperative Societies came into existence when the farmers of Pune and Ahmednagar (Maharashtra) spearheaded an agitation against the money lenders who were charging exorbitant rates of interest.
- British government came forward and passed three acts- the Deccan Agricultural Relief Act (1879), the Land Improvement Loan Act (1883) and the Agriculturists Loan Act (1884).
- The first credit cooperative society was formed in Banking in 1903 with the support of the Government of Bengal. It was registered under the Friendly Societies Act of the British Government.
- But the enactment of the Cooperative Credit Societies Act, 1904 gave Cooperative a definite structure and shape.
- In 1919, cooperation became a provincial subject and the provinces were authorised to make their own cooperative laws under the Montague-Chelmsford Reforms.
- The categorization carried on to the Government of India Act, 1935.
- In 1942, the Government of British India enacted the Multi-Unit Cooperative Societies Act to cover Cooperative Societies with membership from more than one province.

Co-operative Movement in Post-Independence Era:

- After independence, cooperatives became an integral part of Five-Year Plans.

- In 1958, the National Development Council (NDC) had recommended a national policy on cooperatives and also for training of personnel and setting up of Co-operative Marketing Societies.
- National Cooperative Development Corporation (NCDC), a statutory corporation, was set up under National Cooperative Development Corporation Act, 1962.
- In 1984, Parliament of India enacted the Multi-State Cooperative Societies Act to remove the plethora of different laws governing the same types of societies.
- The Government of India announced a National Policy on Co-operatives in 2002.

Importance of Cooperatives:

- It provides agricultural credits and funds where state and private sectors have not been able to do very much.
- It provides strategic inputs for the agricultural-sector; consumer societies meet their consumption requirements at concessional rates.
- It is an organization for the poor who wish to solve their problems collectively.
- It softens the class conflicts and reduces the social cleavages.
- It reduces the bureaucratic evils and follies of political factions;
- It overcomes the constraints of agricultural development;
- It creates a conducive environment for small and cottage industries.

Challenges:

Mismanagement and Manipulation:

- A hugely large membership turns out to be mismanaged unless some secure methods are employed to manage such co-operatives.
- In the elections to the governing bodies, money became such a powerful tool that the top posts of chairman and vice-chairman usually went to the richest farmers who manipulated the organization for their benefits.

Lack of Awareness:

- People are not well informed about the objectives of the Movement, rules and regulations of co-operative institutions.

Restricted Coverage:

- Most of these societies are confined to a few members and their operations extended to only one or two villages.

Functional Weakness:

- The Co-operative Movement has suffered from inadequacy of trained personnel.
- New areas are emerging with the advancement of technology and cooperative societies can play a huge role in making people familiar with those areas and technologies.
- Principle of the cooperative movement is to unite everyone, even while remaining anonymous. The cooperative movement has the capacity to solve people's problems.
- However, there are irregularities in cooperatives and to check them there have to be rules and stricter implementation.
- To strengthen the cooperatives there should be market linkages for agricultural farmers as well as cooperative societies.

46. Nord Stream 2 Pipeline:

- Recently, the US has approved the Germany-Russia Nord Stream 2 Pipeline (NS2P) project - which significantly increases Europe's energy dependence on Russia.
- The US had previously imposed sanctions to prevent the completion of this gas pipeline between Russia and Germany.

- This is a 1,200-km pipeline that runs from Ust-Luga in Russia to Greifswald in Germany through the Baltic Sea. It will carry 55 billion cubic metres of gas per year.
- It was decided to build this pipeline in 2015.
- Nord stream 1 system is already completed and together with NS2P, it will supply 110 billion cubic metre of gas a year to Germany.

Nord Stream pipelines from Russia



47. G7's Build Back Better World Initiative:

- The G7 (Group of Seven) Countries proposed a 'Build Back Better World (B3W) initiative' at the recent 47th G7 summit to counter China's Belt and Road Initiative (BRI).
- It aims to address the infrastructure investment deficit in developing and lower income countries-the space which has been increasingly captured by China through 2,600 BRI projects with trillions of dollars of investment.
- BRI projects are perceived as corrosive tactics or debt traps laid by China for its strategic dominance in trade, foreign policy and geopolitics in the world.
- The overall focus is on developing transportation, logistics and communications, which would reduce trade and transaction cost for China's trade, give more market access to Chinese markets and ensure stable supply of energy and other resources.
- This infrastructure plan is being led by the United States.
- B3W initiative will provide a transparent infrastructure partnership to help narrow about \$40 trillion needed by developing nations by 2035.
- It calls for spending hundreds of billions of dollars in collaboration with the private sector while adhering to climate standards and labour practices.
- However, the announcement is yet to be made about how exactly the plan would work or how much capital it would ultimately allocate.

Group of Seven:

- It is an intergovernmental organisation that was formed in 1975.
- The bloc meets annually to discuss issues of common interest like global economic governance, international security and energy policy.
- The G7 countries are the UK, Canada, France, Germany, Italy, Japan and the US.
- All the G7 countries and India are a part of G20.

- The G7 does not have a formal constitution or a fixed headquarters. The decisions taken by leaders during annual summits are non-binding.

48. China-led South Asian Initiative:

- Recently, Bangladesh has invited India to join the China-led South Asian initiative for Covid-19 vaccines and poverty alleviation.
- It includes the creation of the China-South Asian Countries Emergency Supplies Reserve, and a Poverty Alleviation and Cooperative Development Centre set up in China.

About China-South Asian Initiative:

- Members: China, Afghanistan, Bangladesh, Nepal, Pakistan and Sri Lanka.
- India, Bhutan and the Maldives are the other SAARC countries that are not part of this initiative.
- China has different kinds of strategic, maritime, political and ideological interests with different South Asian nations so it is increasing its engagements with each country on equal footing to counterbalance India.

What is India's stand?

- Given continuing tensions over Chinese PLA aggression at the Line of Actual Control in Ladakh, India's stand is that other bilateral relations cannot move ahead without a resolution of the boundary stand-off.

49. India Rejects OIC's Proposal:

- Recently, the Ministry of External Affairs rejected the Organisation of Islamic Cooperation's (OIC) proposal to assist a dialogue between India and Pakistan.
- Earlier in December 2020, India also rejected the criticism of its Kashmir policy by the OIC.
- OIC Offered to arrange a meeting between India and Pakistan and proposed to send a delegation to Jammu & Kashmir in line with resolutions of the OIC council of foreign ministers.
- Pakistan has repeatedly sought to raise the Kashmir issue at the OIC against the backdrop of India's dramatically improved relations with several key players in West Asia and in the Islamic organisation, including Saudi Arabia, the United Arab Emirates, Bahrain, Qatar, Indonesia and Bangladesh.

India's Response:

- The OIC should be watchful that their platform is not subverted by "vested interests" such as Pakistan to interfere in internal affairs of India or for anti-India propaganda through biased and one-sided resolutions.

Organisation of Islamic Cooperation:

- It is the second largest intergovernmental organization after the United Nations (UN) with a membership of 57 states.
- It is the collective voice of the Muslim world. It endeavors to safeguard and protect the interests of the Muslim world in the spirit of promoting international peace and harmony among various people of the world.
- India is not a member of the OIC.
- It was established upon a decision of the historical summit which took place in Rabat, Kingdom of Morocco in September 1969.
- Its headquarters is Jeddah, Saudi Arabia.

50. Stand-Off on GERD:

- Recently, Ethiopia has started the second phase of filling a Grand Ethiopian Renaissance Dam's (GERD) reservoir on the upper Blue Nile, which raised tensions from Sudan and Egypt ahead of an upcoming UN Security Council meeting on the issue.
- Ethiopia had previously announced it would proceed to the second stage of filling in July, with or without a deal.
- The Nile, Africa's longest river, has been at the center of a decade-long complex dispute involving several countries that are dependent on the river's waters.
- Ethiopia began the construction of the GERD in 2011 on the Blue Nile.
- This 145-meter-tall hydropower project is Africa's biggest dam project and will have lasting impacts on its longest river- Nile.
- Blue Nile is a tributary of the Nile river and it carries about two-thirds of the river's water volume and most of the silt.
- Egypt, which lies downstream, has objected to the construction of the dam and proposed a longer timeline for the project.
- It does not want the water level of the Nile to dramatically drop as the reservoir fills with water in the initial stages.
- The Nile is an important water source in the region so there are concerns that this dispute may evolve into a full-fledged conflict between Egypt and Ethiopia.
- Sudan has also been involved due to its location. Recently, the USA has stepped in to mediate.

Egypt's Concern:

- Egypt lies downstream and is concerned that Ethiopia's control over the water could result in lower water levels within its own borders.
- Egypt depends on the Nile for approximately 97% of its drinking water and irrigation supplies.
- The dam would jeopardise food and water security and livelihoods of ordinary Egyptian citizens.
- Sudan's Stand:
- Sudan too is concerned that if Ethiopia were to gain control over the river, it would affect the water levels Sudan receives.
- However, Sudan is likely to benefit from the power generated by the dam.
- The regulated flow of the river will save Sudan from serious flooding in August and September. Thus it has proposed joint management of the dam.

Nile River:

- The River Nile is in Africa. It originates in Burundi, south of the equator, and flows northward through northeastern Africa, eventually flowing through Egypt and finally draining into the Mediterranean Sea.
- The source of the Nile is sometimes considered to be Lake Victoria, but the lake itself has feeder rivers of considerable size like the Kagera River.
- The Nile River is considered as one of the longest rivers in the world.
- The Nile is formed by three principal streams: the Blue Nile, the Atbara, and the White Nile.
- The Nile basin is huge and includes parts of Tanzania, Burundi, Rwanda, Congo (Kinshasa), Kenya.
- The Nile River forms an arcuate delta as it empties into the Mediterranean Sea. Deltas with triangular or fan-shape are called arcuate (arc-like) deltas.

51. OECD/G20 Inclusive Framework Tax Deal:

- India and the majority of the members of OECD-G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) have joined a new two-pillar plan to reform international taxation rules.

- The two-pillar plan - inclusive framework tax deal on Base Erosion and Profit Shifting (BEPS)- seeks to reform international tax rules and ensure that multinational enterprises pay their fair share wherever they operate.
- The signatories of the plan amounted to 130 countries and jurisdictions, representing more than 90% of global GDP.
- The new framework seeks to address the tax challenges arising from the digitalisation of economies.
- It also seeks to address concerns over cross-border profit shifting and bring in subject-to-tax rule to stop treaty shopping.
- Treaty shopping is an attempt by a person to indirectly access the benefits of a tax treaty between two countries without being a resident of any of those.

Pillar One:

- It will ensure a fairer distribution of profits and taxing rights among countries with respect to the largest MNEs, including digital companies.
- It would re-allocate some taxing rights over MNEs from their home countries to the markets where they have business activities and earn profits, regardless of whether firms have a physical presence there.
- According to OECD, more than USD 100 billion of profit are expected to be reallocated to market jurisdictions each year.

Pillar Two:

- It is about minimum tax and subject-to-tax rules (All sources of income liable to tax without taking account of tax allowances).
- It seeks to put a minimum standard tax rate among countries through a global minimum corporate tax rate, currently proposed at 15%.
- This is expected to generate an additional USD 150 billion in tax revenues.

Significance:

- It will ensure that large multinational companies pay their fair share of tax everywhere.
- The two-pillar package will provide much-needed support to governments needing to raise necessary revenues to repair their budgets and their balance sheets while investing in essential public services, infrastructure and the measures necessary to help optimise the strength and the quality of the post-Covid recovery.

What is India's Stand?

- India will have to roll back the equalisation levy that it imposes on companies such as Google, Amazon and Facebook when the global tax regime is implemented.
- It is aimed at taxing foreign companies which have a significant local client base in India but are billing them through their offshore units, effectively escaping the country's tax system.
- The levy at 6% has been in force since 2016 on payment exceeding Rs 1 lakh a year to a non-resident service provider for online advertisements.
- India favours a wider application of the law to ensure that the country won't collect less under the proposed framework than it gets through the equalisation levy.
- India is in favour of a consensus solution which is simple to implement and simple to comply with.
- The solution should result in allocation of meaningful and sustainable revenue to market jurisdictions, particularly for developing and emerging economies.
- The Two Pillar Plan justifies India's stand for a greater share of profits for the markets and consideration of demand side factors in profit allocation.

Base Erosion and Profit Shifting (BEPS):

- BEPS is a term used to describe tax planning strategies that exploit mismatches and gaps that exist between the tax rules of different jurisdictions.
- It is done to minimize the corporation tax that is payable overall, by either making tax profits 'disappear' or shift profits to low tax jurisdictions where there is little or no genuine activity.
- In general BEPS strategies are not illegal; rather they take advantage of different tax rules operating in different jurisdictions.
- BEPS is of major significance for developing countries due to their heavy reliance on corporate income tax, particularly from multinational enterprises (MNEs).
- The BEPS initiative is an OECD initiative, approved by the G20, to identify ways of providing more standardised tax rules globally.

52. Indian Ocean Naval Symposium:

- Recently, the 7th edition of Indian Ocean Naval Symposium (IONS) was hosted by the French Navy at Réunion Island.
- It is a biennial event which was conceived by the Indian Navy in 2008.
- The IONS is a voluntary and inclusive initiative that brings together navies of Indian Ocean Region littoral states to increase maritime co-operation and enhance regional security.
- It also serves to develop an effective response mechanism and humanitarian assistance and disaster relief (HADR) against natural disasters.
- The chairmanship of IONS has been held by India (2008-10), UAE (2010-12), South Africa (2012-14), Australia (2014-16), Bangladesh (2016-18) and Islamic Republic of Iran (2018-21).
- France assumed the Chairmanship in June 2021 for a two-year tenure.

Members Nations:

- IONS includes 24 member nations that touch or lie within the Indian Ocean Region (IOR), and 8 observer nations.
- The members have been geographically grouped into the following four sub-regions:
 - South Asian Littorals: Bangladesh, India, Maldives, Pakistan, Seychelles, Sri Lanka and United Kingdom (British Indian Ocean Territory)
 - West Asian Littorals: Iran, Oman, Saudi Arabia and United Arab Emirates
 - East African Littorals: France (Reunion), Kenya, Mauritius, Mozambique, South Africa, and Tanzania.
 - South East Asian and Australian Littorals: Australia, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Timor-Leste.

Significance For India:

IONS fits into India's three-fold ambitions in the region:

- Strengthening and deepening the relations with the Indian Ocean littoral states;
- Establishing its leadership potential and aspirations of being a net-security provider; and
- Fulfilling India's vision of a rules-based and stable maritime order in the IOR.
- It will help India to consolidate its sphere of influence from the Straits of Malacca to Hormuz.
- IONS can be used to counter-balance the increasing presence of China in the region.

53. GRB 200826A: Gamma-Ray Burst:

- Recently, a group of astronomers have detected a very short, powerful burst of high-energy radiation also known as Gamma-Ray Bursts (GRBs) that lasted for about a second.
- It was named GRB 200826A after the date it occurred, which is 26th August 2020.
- It was detected by National Aeronautics and Space Administration's (NASA's) Fermi Gamma-ray Space Telescope.

- Gamma-Ray Bursts are the most powerful events in the universe, detectable across billions of light-years.
- A light-year is the distance a beam of light travels in a single Earth year, or 9.5 trillion kilometers.
- Astronomers classify them as long or short based on whether the event lasts for more or less than two seconds.

Long GRBs:

- They observe long bursts in association with the demise of massive stars.
- When a star much more massive than the Sun runs out of fuel, its core suddenly collapses and forms a black hole.
- Black hole refers to a point in space where matter is so compressed as to create a gravity field from which even light cannot escape.
- As matter swirls toward the black hole, some of it escapes in the form of two powerful jets that rush outward at almost the speed of light in opposite directions.
- Astronomers only detect a GRB when one of these jets happens to point almost directly toward Earth.
- Each jet drills through the star, producing a pulse of gamma rays – the highest-energy form of light – that can last up to minutes.
- Following the burst, the disrupted star then rapidly expands as a supernova.
- A supernova is the name given to an exploding star that has reached the end of its life.

54. Monkey pox:

- Recently, the US started surveillance on people travelling from Nigeria, who may have had contact with the individuals infected with Monkeypox.
- It is a viral zoonotic disease (transmission from animals to humans) and is identified as a pox-like disease among monkeys hence it is named Monkeypox. It is endemic to Nigeria.
- It is caused by monkeypox virus, a member of the Orthopoxvirus genus in the family Poxviridae.
- The natural host of the virus remains undefined. But the disease has been reported in many animals.
- Animals known to be sources of Monkeypox virus include monkeys and apes, a variety of rodents (including rats, mice, squirrels and prairie dogs) and rabbits.

Outbreaks:

- It was first reported in 1958, in monkeys in the Democratic Republic of Congo (DRC) and in humans in 1970, also in the DRC.
- In 2017, Nigeria experienced the largest documented outbreak, 40 years after the last confirmed case.
- Subsequently, the disease has been reported in many West and Central African countries.

Symptoms:

- Infected people break out in a rash that looks a lot like chicken pox. But the fever, malaise, and headache from Monkeypox are usually more severe than in chicken pox infection.
- In the early stage of the disease, Monkeypox can be distinguished from smallpox because the lymph gland gets enlarged.

Transmission:

- Primary infection is through direct contact with the blood, bodily fluids, or cutaneous or mucosal lesions of an infected animal. Eating inadequately cooked meat of infected animals is also a risk factor.
- Human-to-human transmission can result from close contact with infected respiratory tract secretions, skin lesions of an infected person or objects recently contaminated by patient fluids or lesion materials.

- Transmission can also occur by inoculation or via the placenta (congenital monkeypox).
- It spreads rapidly and can cause one out of ten deaths if infected.
- There is no specific treatment or vaccine available for Monkeypox infection. In the past, the anti-smallpox vaccine was shown to be 85% effective in preventing Monkeypox.

55. Bird Flu: Avian Influenza:

- India has recorded first death due to H5N1 avian influenza this year. It is also called avian influenza.
- It is a disease caused by avian influenza Type A viruses found naturally in wild birds worldwide.
- The virus can infect domestic poultry and there have been reports of H5N1 infection among pigs, cats, and even tigers in Thailand zoos.
- Symptoms have ranged from mild to severe influenza-like illness.

Classification:

- Avian Influenza type A viruses are classified based on two proteins on their surfaces – Hemagglutinin(HA) and Neuraminidase(NA).
- There are about 18 HA subtypes and 11 NA subtypes.
- Several combinations of these two proteins are possible e.g., H5N1, H7N2, H9N6, H17N10, etc.

Spread:

- There have been reports of avian and swine influenza infections in humans.
- The infection is deadly as it has a high mortality rate of about 60%.
- The most common route of virus transmission is direct contact. They can also be affected if they come in contact with contaminated surfaces or air near the infected poultry.

56. Internet Through High Altitude Balloons:

- Recently, the US has planned to transmit the Internet to the people in Cuba via high-altitude balloons when their government has blocked access.
- There is an ongoing protest in Cuba against long standing restrictions on rights, scarcity of food and medicines, and the government's poor response to the Covid-19 pandemic.

High Altitude Balloons for Internet:

- They are commonly known as Loon Balloons as the first High Altitude Balloon for providing internet was used under Project Loon.
- They are made of the commonplace plastic polyethylene and are the size of a tennis court.
- They are powered by solar panels and controlled by software on the ground.
- While up in the air, they act as floating cell towers, transmitting internet signals to ground stations and personal devices.
- They float 60,000 to 75,000 feet, above the Earth, well above commercial jetliner routes.
- They last for well over 100 days in the stratosphere before being returned to earth.
- Each balloon can serve thousands of people. But they had to be replaced every five months or so because of the harsh conditions in the stratosphere. And the balloons can be difficult to control.

57. Nauka Module of Russia:

- Recently, the Russian Space Agency Roscosmos, launched its biggest space laboratory named Nauka to the International Space Station (ISS).
- Nauka means Science in Russian. This is Russia's most ambitious research facility in space and is fitted with an oxygen generator, robotic cargo crane, a toilet and a bed for Russian astronauts.
- This was sent into orbit using a Proton rocket (family of rockets in Russia - the most powerful in Russia's space inventory) and will take eight days to reach the ISS.

- During this period, engineers and flight controllers will test Nauka in space, and prepare for its arrival on the space station.
- It will replace Pirs, and will be attached to the critical Zvezda module, which provides all of the space station's life support systems and serves as the structural and functional centre of the Russian Orbital Segment (ROS).
- Pirs has been part of the space station since September 2001, functioning as a docking port for Russian visiting spacecraft and an airlock for Russian spacewalks.

Significance:

- It will increase the habitable volume of the ISS to 70 cubic Metres. Cosmonauts will use the extra space to conduct experiments and to store cargo.
- Nauka will serve as a new science facility, docking port, and spacewalk airlock for future operations.
- For more than 20 years, people have been carrying out research under microgravity conditions which is not possible on earth, this module will help augment the ongoing research.
- Research is being carried out in various disciplines such as, biology, human physiology, and physical, material and space science.

International Space Station:

- ISS is a habitable artificial satellite - the single largest man-made structure in low earth orbit.
- It is a collaborative effort between five participating space agencies: NASA (National Aeronautics and Space Administration), Roscosmos (Russia), JAXA (Japan), ESA (Europe) and CSA (Canada).
- A space station is essentially a large spacecraft that remains in low-earth orbit for extended periods of time.
- It is like a large laboratory in space, and allows astronauts to come aboard and stay for weeks or months to carry out experiments in microgravity.

58. Pegasus Spyware:

- Recently, it has been reported that **Pegasus** has allegedly been used to secretly monitor and spy on an extensive host of public figures in India.
- **Pegasus** is a type of malicious software or malware classified as a spyware.
- It is designed to gain access to devices, without the knowledge of users, and gather personal information and relay it back to whoever it is that is using the software to spy.
- Pegasus has been developed by the Israeli firm NSO Group that was set up in 2010.
- The earliest version of Pegasus discovered, which was captured by researchers in 2016, infected phones through what is called spear-phishing – text messages or emails that trick a target into clicking on a malicious link.
- Since then, however, NSO's attack capabilities have become more advanced. Pegasus infections can be achieved through so-called "zero-click" attacks, which do not require any interaction from the phone's owner in order to succeed.
- These will often exploit "zero-day" vulnerabilities, which are flaws or bugs in an operating system that the mobile phone's manufacturer does not yet know about and so has not been able to fix.

Types of Cyber Attacks:

Malware:

- It is short for malicious software, refers to any kind of software that is designed to cause damage to a single computer, server, or computer network. Ransomware, Spy ware, Worms, viruses, and Trojans are all varieties of malware.

Phishing:

- It is the method of trying to gather personal information using deceptive e-mails and websites.

- Denial of Service attacks: A Denial-of-Service (DoS) attack is an attack meant to shut down a machine or network, making it inaccessible to its intended users.
- DoS attacks accomplish this by flooding the target with traffic, or sending it information that triggers a crash.

Man-in-the-middle (MitM) attacks:

- It is also known as eavesdropping attacks, occur when attackers insert themselves into a two-party transaction.
- Once the attackers interrupt the traffic, they can filter and steal data.

SQL Injection:

- SQL stands for Structured Query Language, a programming language used to communicate with databases.
- Many of the servers that store critical data for websites and services use SQL to manage the data in their databases.
- A SQL injection attack specifically targets such kinds of servers, using malicious code to get the server to divulge information it normally wouldn't.

Cross-Site Scripting (XSS):

- Similar to an SQL injection attack, this attack also involves injecting malicious code into a website, but in this case the website itself is not being attacked.
- Instead the malicious code the attacker has injected, only runs in the user's browser when they visit the attacked website, and it goes after the visitor directly, not the website.

59. Sub-orbital Flight:

- Recently, a six person crew on Virgin Galactic's VSS Unity spaceship undertook a brief trip to the "edge of space" which is known as Suborbital Flight.
- Sirisha Bandla, an astronaut born in India, was a part of the crew. She was the third woman of Indian origin to go to space after Kalpana Chawla and Sunita Williams.
- Virgin Galactic is a British-American spaceflight company, operating in the United States.

Sub-orbital Flight/Trajectory:

- When an object travels at a horizontal speed of about 28,000 km/hr or more, it goes into orbit once it is above the atmosphere.
- The satellites need to reach that threshold speed (orbital velocity) in order to orbit Earth.
- Such a satellite would be accelerating towards the Earth due to gravity, but its horizontal movement is fast enough to offset the downward motion so that it moves along a circular path.
- Any object travelling slower than 28,000 km/hr must eventually return to Earth.

60. New Commission for Air Quality Management:

- The Commission for Air Quality Management in the National Capital Region and Adjoining Areas Bill, 2021, was recently introduced by the Union Minister for Environment, Forests and Climate, in Parliament and passed by both Houses.
- While the Bill received overwhelming support, many members had raised concerns on the provision that allowed the commission to collect environmental compensation from farmers over pollution.
- The monitoring and management of air quality in the Delhi-NCR region has been done in pieces by multiple bodies, including the Central Pollution Control Board (CPCB), the state pollution control boards, the state governments in the region, including Delhi, Haryana, Uttar Pradesh, and Rajasthan, and the Environment Pollution (Prevention and Control) Authority (EPCA) of the National Capital Region.

Composition:

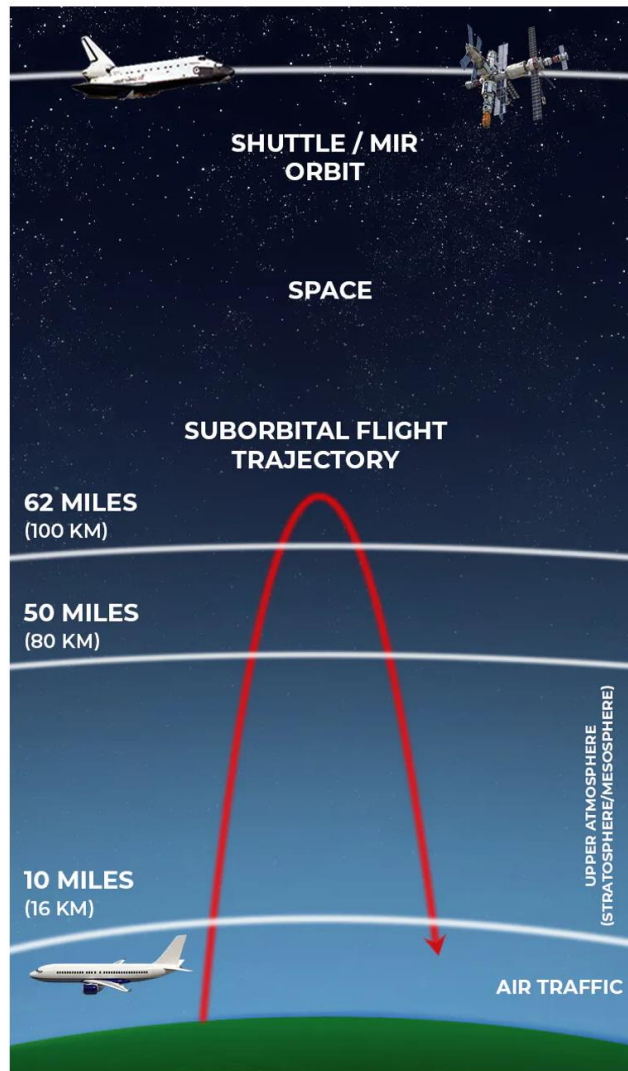
- The Commission will be headed by a full-time chairperson who has been a Secretary to the Government of India, or a Chief Secretary to a State government.
- The chairperson will hold the post for three years or until s/he attains the age of 70 years.
- It will have members from several Ministries as well as representatives from the stakeholder States.
- It will have experts from the Central Pollution Control Board (CPCB), Indian Space Research Organisation (ISRO) and Civil Society.

61. Suborbital Flights:

- Any object that launches to space but does not reach sufficient horizontal velocity to stay in space falls back to Earth. Hence they fly in a suborbital trajectory.
- It means that while these vehicles will cross the ill-defined boundary of space, they will not be going fast enough to stay in space once they get there.

Significance of Suborbital Flights:

- **Increased Access:** It would provide increased flight access for design innovation and experimental manipulation due to high projected flight rates.
- Suborbital flights will be helpful for microgravity research. Microgravity is the condition in which people or objects appear to be weightless.
- Suborbital flights could also be an alternative to parabolic flights in aeroplanes that space agencies currently use to simulate zero gravity.
- Zero Gravity or Zero-G can simply be defined as the state or condition of weightlessness.
- They would be far less expensive than carrying experiments and people to the International Space Station.



62. Methane in the Moons of Saturn:

- Recently, NASA's Cassini spacecraft had detected an unusually high concentration of methane, along with carbon dioxide and dihydrogen, in the moons (Titan and Enceladus) of Saturn by flying through their plumes (in 2017).
- It found that Titan has methane in its atmosphere and Enceladus has a liquid ocean with erupting plumes of gas and water.

- An international research team has used new statistical methods to understand if methanogenesis or methane production by microbes could explain the molecular hydrogen and methane.

What are the Findings of Cassini?

- Cassini found ice particles, salts, hydrogen and organic molecules in the plumes, tentative hints of an ocean that is similar to Earth's oceans in composition.
- There is also evidence for alkaline hydrothermal vents on Enceladus' seafloor, similar to those that support methanogens in Earth's oceans.

What are Methanogens?

- Most of the methane on Earth has a biological origin.
- Microorganisms called methanogens are capable of generating methane as a metabolic byproduct.
- They do not require oxygen to live and are widely distributed in nature.
- They are found in swamps, dead organic matter, and even in the human gut.
- They are known to survive in high temperatures and simulation studies have shown that they can live in Martian conditions.
- Methanogens have been widely studied to understand if they can be a contributor to global warming.

Possibility of Methanogens on Enceladus:

- Methane could be formed by the chemical breakdown of organic matter present in Enceladus' core.
- Hydrothermal processes could help the formation of carbon dioxide and methane.
- Enceladus' hydrothermal vents could be habitable to Earth-like microorganisms (Methanogens).
- Few missions have visited Saturn: Pioneer 11 and Voyagers 1 and 2 flew by; But Cassini orbited Saturn 294 times from 2004 to 2017.

63. Zika Virus:

- Recently, Zika Virus Disease (ZVD) was reported for the first time in Kerala.
- Zika virus is a mosquito-borne flavivirus that was first identified in Uganda in 1947 in monkeys. It was later identified in humans in 1952 in Uganda and the United Republic of Tanzania.
- Zika Virus Disease is caused by a virus transmitted primarily by Aedes mosquitoes (AM), mainly Aedes aegypti.
- This is the same mosquito that transmits dengue, chikungunya and yellow fever.
- Zika virus is also transmitted from mother to fetus during pregnancy, through sexual contact, transfusion of blood and blood products, and organ transplantation.

Symptoms:

- Symptoms are generally mild and include fever, rash, conjunctivitis, muscle and joint pain, malaise or headache. Most people with Zika virus infection do not develop symptoms.
- Zika virus infection during pregnancy can cause infants to be born with microcephaly (smaller than normal head size) and other congenital malformations, known as congenital Zika syndrome.
- There is no vaccine or medicine for Zika. Instead, the focus is on relieving symptoms and includes rest, rehydration and acetaminophen for fever and pain.

64. New Source of Gravitational Waves Discovered:

- Recently, LIGO Scientific Collaboration (LSC) has made the discovery of gravitational waves from a pair of neutron star-black hole (NS-BH) mergers.

- The reverberations from these two objects were picked up using a global network of gravitational wave detectors, the most sensitive scientific instruments ever built.
- Until now, the LIGO-Virgo Collaboration (LVC) was only able to observe collisions between pairs of black holes or neutron stars. The NS-BH merger is a hybrid collision.
- Gravitational Waves are invisible ripples in space that form when:
 1. A star explodes in a supernova.
 2. Two big stars orbit each other.
 3. Two black holes merge.
 4. Neutron star-Black hole (NS-BH) merges.
- They travel at the speed of light (1,86,000 miles per second) and squeeze and stretch anything in their path.
- As a gravitational wave travels through space-time, it causes it to stretch in one direction and compress in the other.
- Any object that occupies that region of space-time also stretches and compresses as the wave passes over them, though very slightly, which can only be detected by specialized devices like LIGO.
- Theory and Discovery:
 - These were proposed by Albert Einstein in his General Theory of Relativity, over a century ago.
 - However, the first gravitational wave was actually detected by LIGO only in 2015.

Black Hole:

- A black hole is a place in space where gravity pulls so much that even light cannot get out. The gravity is so strong because matter has been squeezed into a tiny space.
- Gravitational waves are created when two black holes orbit each other and merge.

Neutron Stars:

- Neutron stars comprise one of the possible evolutionary end-points of high mass stars.
- Once the core of the star has completely burned to iron, energy production stops and the core rapidly collapses, squeezing electrons and protons together to form neutrons and neutrinos.
- A star supported by neutron degeneracy pressure is known as a 'neutron star', which may be seen as a pulsar if its magnetic field is favourably aligned with its spin axis.

65. Sutlej River Pollution:

- Recently, the National Green Tribunal (NGT) has directed Punjab and Rajasthan governments to submit quarterly compliance reports to Jal Shakti ministry about remedial action being taken to curb the inflow of effluent discharge into the Satluj and Beas.

Source of Sutlej's Pollution:

- Three Major Sources Polluting the Buddha Nallah: Buddha Nallah (Tributary) is a major source of pollution in the river Sutlej.
- Untreated sewage waste from Ludhiana city sewage treatment plants (STP).
- Untreated industrial effluents from dyeing units and outlets that directly release sewage and industrial waste into the stream.
- Small-scale industries like units on electroplating, hosiery, steel rolling mills, etc mainly contribute to the wastewater in the nallah.
- **High Biological Oxygen Demand (BOD):** Buddha Nallah contributes about 16,672 kilogram a day of BOD load and East Bein (a rivulet in Doaba in Punjab) contributes about 20,900 kg/day of BOD load.
- The more organic matter there is (e.g., in sewage and polluted bodies of water), the greater the BOD; and the greater the BOD, the lower the amount of dissolved oxygen available for higher animals such as fishes.

- **Leather Industry:** Another seasonal rivulet, Chitti Bein and its sub-drain, Kala Sanghian drain, in the Jalandhar district are equally responsible for high pollution in the Sutlej river.
- The untreated discharge from Jalandhar's leather goods industry is one of the major reasons behind Chitti Bein's pollution.

Component of Pollutants:

- Traces of chromium and arsenic can be found in the Sutlej after the confluence of Buddha Nallah.
- Prevalence of mercury, lead, chromium, cadmium and selenium in more than permissible limits (MPL) in the groundwater and surface water in and around drains like Buddha Nallah, Chitti Bein and Kala Sanghian.
- Heavy metals and pesticides were also detected in fodder, vegetable, milk, urine and blood samples.

Impact on Indira Gandhi Canal:

- The Indira Gandhi Canal is the longest canal in the country.
- It starts from Harike Barrage, a few kilometres below the confluence of the Satluj and Beas rivers in Punjab, flows through Ludhiana and terminates in the Thar Desert in northwest Rajasthan.
- The canal is a source of drinking and irrigation in the north and western Rajasthan.
- It provides water to 1.75 crore people living in 7,500 villages across eight districts in the state.
- The water in the Indira Gandhi canal has apparently turned black due to the presence of pollutants in it.
- The pollution has caused several health complications among people such as skin diseases, gastroenteritis, indigestion and loss of eyesight.

Sutlej River:

- It rises on the north slope of the Himalayas in Lake La'nga in southwestern Tibet.
- The ancient name of Sutlej River is Zaradros (Ancient Greek) Shutudri or Shatadru (Sanskrit).
- It is the longest of the five tributaries of the Indus River that give the Punjab (meaning "Five Rivers") its name.
- Jhelum, Chenab, Ravi, Beas and Satluj are main tributaries of Indus.

66. Genome of Salt-secreting Mangrove Species:

- Recently, the scientists for the first time have decoded the reference-grade whole genome sequence of a highly salt-tolerant and salt-secreting mangrove species, *Avicennia marina*.
- This study was led by the Department of Biotechnology (DBT)-Institute of Life Sciences, Bhubaneswar.
- *Avicennia Marina* is one of the most prominent mangroves species found in all mangrove formations in India.
- It is a salt-secreting and extraordinarily salt-tolerant mangrove species that grows optimally in 75% seawater and tolerates >250% seawater.
- It is among the rare plant species, which can excrete 40% of the salt through the salt glands in the leaves, besides its extraordinary capacity to exclude salt entry to the roots.
- It is also referred to as grey mangrove or white mangrove.

Significance of Study:

- This study assumes significance as agriculture productivity globally is affected due to abiotic stress factors such as limited water availability and salinization of soil and water.
- Availability of water is a significant challenge to crop production in dryland areas, accounting for 40% of the world's total land area.

- Salinity is prevalent in 900 million hectares globally (with an estimated 6.73 million ha in India), and it is estimated to cause an annual loss of 27 billion USD.
- The genomic resources generated in the study will pave the way for researchers to study the potential of the identified genes for developing drought and salinity tolerant varieties of important crop species of the coastal region that is significant for India with 7,500m of coastline and two major island systems.
- A mangrove is a small tree or shrub that grows along coastlines, taking root in salty sediments, often underwater.
- The word 'mangrove' may refer to the habitat as a whole or to the trees and shrubs in the mangrove swamp.
- Mangroves are flowering trees, belonging to the families Rhizophoraceae, Acanthaceae, Lythraceae, Combretaceae, and Arecaceae.

67. Green Hydrogen:

- Recently, IRENA has released the 'World Energy Transitions Outlook' Report.
- According to the International Renewable Energy Agency (IRENA), hydrogen will make up 12% of the energy mix by 2050.
- The agency also suggested that about 66% of this hydrogen used must come from water instead of natural gas.
- Hydrogen is one of the most abundant elements on earth for a cleaner alternative fuel option.
- Type of hydrogen depend up on the process of its formation:
- Green hydrogen is produced by electrolysis of water using renewable energy (like Solar, Wind) and has a lower carbon footprint.
- Electricity splits water into hydrogen and oxygen.
- By Products : Water, Water Vapor.
- Brown hydrogen is produced using coal where the emissions are released to the air.
- Grey hydrogen is produced from natural gas where the associated emissions are released to the air.
- Blue hydrogen is produced from natural gas, where the emissions are captured using carbon capture and storage.
- At present less than 1% of hydrogen produced is green hydrogen.
- Manufacturing and deployment of electrolyzers will have to increase at an unprecedented rate by 2050 from the current capacity of 0.3 gigawatts to almost 5,000 gigawatts.
- India consumes about six million tonnes of hydrogen every year for the production of ammonia and methanol in industrial sectors, including fertilisers and refineries.
- This could increase to 28 million tonnes by 2050, principally due to the rising demand from the industry, but also due to the expansion of transport and power sectors.

Benefits of Using Green Hydrogen for India:

- Green hydrogen can drive India's transition to clean energy, combat climate change.
- Under the Paris Climate Agreement, India pledged to reduce the emission intensity of its economy by 33-35% from 2005 levels by 2030.
- It will reduce import dependency on fossil fuels.
- The localisation of electrolyser production and the development of green hydrogen projects can create a new green technologies market in India worth \$18-20 billion and thousands of jobs.

68. Tiger Corridor in Rajasthan:

- The Rajasthan government will develop a tiger corridor connecting the newly proposed 'Ramgarh Tiger Reserve', Ranthambore Tiger Reserve and Mukundra Hills Tiger Reserve.

- Sariska Tiger Reserve is another Tiger reserve in Rajasthan.
- Wildlife or animal corridors are meant to ensure safe passage for animals between two isolated habitats.
- In wildlife parlance, corridors are mainly of two types: functional and structural.
- Functional corridors are defined in terms of functionality from the perspective of the animal (basically areas where there has been recorded movement of wildlife).
- Structural corridors are contiguous strips of forested areas and structurally connect the otherwise fragmented blocks of the landscape.
- When structural corridors are affected by human anthropogenic activities, functional corridors automatically widen because of animal use.
- In 2019, the National Tiger Conservation Authority in collaboration with the Wildlife Institute of India published a document, mapping out 32 major corridors across the country, management interventions for which are operationalised through a Tiger Conservation Plan.
- The states are required to submit a Tiger Conservation Plan under section 38V of the Wildlife (Protection) Act, 1972.

69. India's First Cryptogamic Garden:

- Recently, India's first cryptogamic garden was inaugurated in the Chakrata town of Dehradun, Uttarakhand.
- The garden will be housing nearly 50 species of lichens, ferns and fungi.
- This garden is at Deoban in Chakrata at a height of 9,000 ft.
- This site is chosen because of its low pollution levels and moist conditions which are conducive for the growth of these species.
- Further, Deoban has pristine majestic forests of Deodar and Oak which create a natural habitat for cryptogamic species.
- Cryptogams:
 - A cryptogam is a plant that reproduces with the help of spores.
 - The word "Cryptogamae" implies 'hidden reproduction', referring to the fact that they do not produce any reproductive structure, seed, or flower.
 - Due to this, they are called "flowerless" or "seedless plants" or 'lower plants'.
 - They need a moist environment to survive.
 - These are present in aquatic and terrestrial places.
 - Algae, bryophytes, lichens, ferns and fungi are the best-known groups of cryptogams.

70. Water Pollution by Detergents:

- Water pollution caused by detergents has become a big concern in the global context.
- The per capita (per person) detergent consumption in India is around 2.7 kilogram per year.
- It is around 3.7 kg in the Philippines and Malaysia and 10 kg in the United States of America.
- A detergent is a surfactant or mixture of surfactants that has cleaning properties in dilute solution with water. A detergent is similar to soap.
- Surfactant, also called surface-active agent, substance such as a detergent that, when added to a liquid, reduces its surface tension, thereby increasing its spreading and wetting properties.
- Surface Tension is the property of the surface of a liquid that allows it to resist an external force, due to the cohesive nature of its molecules.
- They tend to be more soluble in hard water than soap because the sulfonate of detergent doesn't bind calcium and other ions in hard water as easily as the carboxylate in soap does.

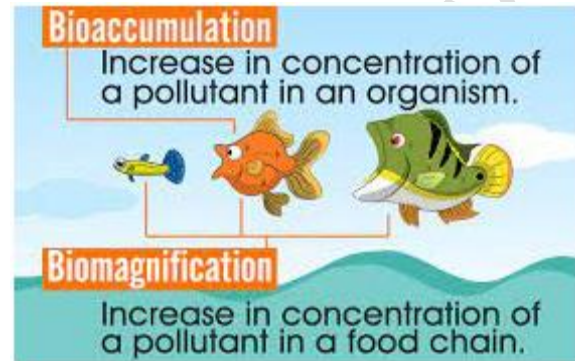
Detergents & Pollution:

Bioaccumulation of Nonylphenol:

- Nonylphenol, a hazardous chemical present in detergents, is known to enter water bodies and the food chains. It bio-accumulates and can pose serious environmental and health risks.
- It has been detected in human breast milk, blood and urine, and is associated with reproductive and developmental effects in rodents.

Inhibition of Biodegradation:

- Many laundry detergents contain approximately 35 to 75% phosphate salts. Phosphates can cause a variety of water pollution problems.
- For example, phosphate tends to inhibit the biodegradation of organic substances. Non-biodegradable substances cannot be eliminated by public or private wastewater treatment.
- Biodegradation is the process by which organic substances are broken down into smaller compounds by living microbial organisms.
- Some phosphate-based detergents can also cause eutrophication. Phosphate-enrichment can cause the water body to become choked with algae and other plants.
- **Eutrophication:** When a water body becomes overly enriched with minerals and nutrients which induce excessive growth of algae or algal bloom. It deprives the water of available oxygen, causing the death of other organisms.
- In Belgium, phosphates have been restricted for use in household detergents since 2003.
- **Oxygen-Reducing Substances:** Detergents also contain oxygen-reducing substances (ie, a chemical compound that readily transfers oxygen atoms) that may cause severe damage to the fishes and other marine animals.
- **Destruction of Mucus:** Detergents are capable of destroying the external mucus layers that protect the fish from bacteria and parasites, causing severe damage to the gills.
- Mostly fish die when detergent concentrations are near 15 parts per million (ppm); however, detergent concentrations as low as 5 ppm will kill fish eggs.



71. LEAF Coalition:

- LEAF (Lowering Emissions by Accelerating Forest Finance) Coalition was announced at the Leaders Summit on Climate, 2021.
- LEAF coalition will be one of the largest ever public-private efforts to protect tropical forests and intend to mobilize at least USD 1 billion in financing to countries committed to protecting their tropical forests.

About LEAF Coalition:

- It is a collective of the governments of the USA, United Kingdom and Norway.
- As it is a public-private effort, thus also supported by transnational corporations (TNCs) like Unilever plc, Amazon.com, Nestle, Airbnb etc.
- A country willing to participate would need to fulfil certain predetermined conditions laid down by the Coalition.

72. Taal Volcano:

- Recently, the Philippines increased the alert level on Taal Volcano to level 3 on a five-level scale after a Phreatomagmatic Eruption (PE) occurred that generated a dark grayish plume, one kilometer high.

- Alert Level 3 means there is magmatic unrest, or movement of magma that may further drive succeeding eruptions.
- Taal Volcano is situated on the island of Luzon, 50 km from Manila, Philippines.
- The Philippines is situated at the boundaries of two tectonic plates - the Philippines Sea Plate and the Eurasian plate - thus susceptible to earthquakes and volcanism.
- Taal is one of the most active volcanoes in the Philippines due to its location on the Pacific "Ring of Fire" - a zone of intense seismic activity.

73. SMILE Scheme:

- Recently, the Ministry of Social Justice and Empowerment has formulated a scheme "SMILE - Support for Marginalized Individuals for Livelihood and Enterprise".
- It includes a subscheme - 'Central Sector Scheme for Comprehensive Rehabilitation of persons engaged in Begging'.
- SMILE Scheme is a new Scheme after the merger of existing Schemes for Beggars and Transgenders.
- Scheme provides for the use of the existing shelter homes available with the State/UT Governments and Urban local bodies for rehabilitation of the persons engaged in the act of Begging.
- In case of non-availability of existing shelter homes, new dedicated shelter homes are to be set up by the implementing agencies.
- The focus of the scheme is extensively on rehabilitation, provision of medical facilities, counselling, basic documentation, education, skill development, economic linkages and so on.
- It is estimated that an approximate 60,000 poorest persons would be benefited under this scheme for leading a life of dignity.
- It will be implemented with the support of State/UT Governments/Local Urban Bodies, Voluntary Organizations, Community Based Organizations (CBOs), institutions and others.
- It will be a comprehensive scheme for persons engaged in the act of begging.

74. Kanjeevaram Silk Sari: Tamil Nadu:

- Recently, National award winning artisan weaver, B Krishnamoorthy, has created a repository with samples of all the designs, patterns and motifs traditional to Kanjeevaram silk sari weaving, preserving fine pieces for next generation.
- Traditionally, the Kanjeevaram is a sari that is usually handwoven in mulberry silk and has pure gold or silver zari that renders it a festive quality.
- Handloom silk saree is identified as the most luxurious and classy fabric in Indian traditional clothing.
- Originating from the village 'Kanchipuram' in Tamil Nadu, Kanjeevaram is considered the queen of silk sarees.
- The temple architecture of south India and especially around Kanchipuram has historically served as a mood board for design inspiration for the traditional Kanjeevaram motifs.
- One can spot motifs such as the mythical creature called the Yali (an elephant-lion fusion), the Ganda Berunda (a two-headed majestic mythical bird) and the ubiquitous temple border called reku.
- Tracing its long and rich history from the Chola Dynasty, Kanchipuram sarees today are considered as one of the oldest and rich legacies of the Indian textile industry.
- Kanchipuram silk has also received Geographical indication (GI Tag) in 2005-06.

75. India's 40th World Heritage Site: Dholavira:

- Recently, UNESCO has announced the Harappan city of Dholavira in Gujarat as India's 40th world heritage site. It is the first site of Indus Valley Civilisation (IVC) in India to be included on the coveted list.
- With this successful nomination, India now enters the Super-40 club for World Heritage Site inscriptions.
- Apart from India, Italy, Spain, Germany, China and France have 40 or more World Heritage sites.
- India has 40 world heritage sites overall, which includes 32 cultural, 7 natural and one mixed property. Ramappa Temple (Telangana) was India's 39th World Heritage Site.

76. India's 39th World Heritage Site: Ramappa Temple:

- Recently, Rudreswara Temple, (also known as the Ramappa Temple) at Mulugu district, Telangana has been inscribed on UNESCO's World Heritage list.
- Ramappa Temple was proposed by the government as its only nomination for the UNESCO World Heritage site tag for the year 2019.
- The Rudreswara temple was constructed in 1213 AD during the reign of the Kakatiya Empire by Recherla Rudra, a general of Kakatiya king Ganapati Deva.
- The presiding deity here is Ramalingeswara Swamy.
- It is also known as the Ramappa temple, after the sculptor who executed the work in the temple for 40 years.
- The temple stands on a 6 feet high star-shaped platform with walls, pillars and ceilings adorned with intricate carvings that attest to the unique skill of the Kakatiya sculptors.
- The foundation is built with the "sandbox technique", the flooring is granite and the pillars are basalt.
- The lower part of the temple is red sandstone while the white gopuram is built with light bricks that reportedly float on water.
- An inscription dates the temple to 1135 Samvat-Saka on the eight-day of Magha (12th January, 1214).
- The distinct style of Kakatiyas for the gateways to temple complexes, unique only to this region, confirm the highly evolved proportions of aesthetics in temple and town gateways in South India.
- European merchants and travellers were mesmerized by the beauty of the temple and one such traveller had remarked that the temple was the "brightest star in the galaxy of medieval temples of the Deccan".

Sandbox Technique:

- The technique involved filling the pit- dug up for laying the foundation-with a mixture of sand-lime, jaggery (for binding) and karakkaya (black myrobalan fruit) before the buildings were constructed on these 'sandboxes'.
- The **sandbox** in the foundation acts as a cushion in case of earthquakes.
- Most of the vibrations caused by earthquakes lose their strength while passing through the sand by the time they reach the actual foundation of the building.

77. Exercise Cutlass Express:

- Recently, Indian Naval Ship Talwar participated in a multinational training exercise Cutlass Express 2021, being conducted along the East Coast of Africa.
- The exercise is an annual maritime exercise conducted to promote national and regional maritime security in East Africa and the Western Indian Ocean.
- The 2021 edition of the exercise involves participation of 12 Eastern African countries, US, UK, India and various international organisations like International Maritime Organisation (IMO),

United Nations Office on Drugs and Crime (UNODC), Interpol, European Union Naval Force (EUNAVFOR), Critical Maritime Routes Indian Ocean (CRIMARIO).

- The exercise is designed to assess and improve combined maritime law enforcement capacity, promote national and regional security and increase interoperability between the regional navies.
- India's Information Fusion Centre – Indian Ocean Region (IFC-IOR) is also participating in the exercise.
- India's participation is in accordance with India's stated policy towards maritime cooperation in the Indian Ocean region and vision SAGAR (Security and Growth for All in the Region).

78. AmbiTAG:

- Recently, Indian Institute of Technology (IIT) Ropar, Punjab has developed a first-of-its-kind IoT (Internet of Things) device – AmbiTag that records real-time ambient temperature during the transportation of perishable products, vaccines and even body organs and blood.
- The device has been developed under Technology Innovation Hub – AWaDH (Agriculture and Water Technology Development Hub) and it's Startup ScratchNest.
- AmbiTAG is shaped as a USB (Universal Serial Bus) device.
- It is India's first indigenous temperature data logger for cold chain management.
- It continuously records the temperature of its immediate surroundings from -40 to +80 degrees in any time zone for a full 90 days on a single charge.
- Most of the similar devices available in the international market record data only for a duration of 30- 60 days.
- It generates an alert when the temperature goes beyond a pre-set limit.
- The recorded data can be retrieved by connecting the USB with any computer.

79. Output Pact of OPEC+:

- Recently, the United Arab Emirates (UAE) pushed back against a plan by the Organization of the Petroleum Exporting Countries (OPEC+) Plus group to extend the global pact to cut oil production beyond April 2022.

The Output Pact & Fluctuating Oil Price:

- The OPEC+ group of countries had, in April 2020, entered into a two-year agreement (Output Pact), which entailed steep cuts in crude production to deal with a sharp fall in the price of oil as a result of the Covid-19 pandemic.
- The price of Brent crude hit an 18-year low of under USD 20 per barrel in April 2020 as economic activity around the world crashed as countries dealt with the pandemic.
- In November 2020, the prices started rising and in July 2021, they were USD 76.5 per barrel mainly due to the steady rollout of vaccination programmes around the world.
- OPEC+, however, maintained lower levels of production despite crude oil prices reaching pre-Covid levels, with Saudi Arabia, notably, announcing a further cut in production of 1 million barrels per day for the February-to-April period, which helped boost rising prices even further.
- The OPEC+ group ran into sharp criticism from developing economies, including India, for deliberately maintaining low supply levels to raise prices.
- In April, OPEC+ agreed to gradually increase crude production, including a phased end to Saudi Arabia's 1 million barrel per day cut in production by July.

UAE's Objection:

- UAE agreed that there was a need to increase crude oil production from August 2021, but did not agree to a condition by the OPEC Joint Ministerial Monitoring Committee (JMMC) that the two-year production agreement be extended by six months.

- The UAE's key objection to the existing agreement is the reference output used to calculate the total production apportioned to each oil-exporting country.
- The baseline production level reference used in the current agreement was not reflective of the UAE's production capacity and, therefore, led to the UAE being apportioned a lower share of total production of crude oil.
- UAE would be open to extending the agreement if baseline production levels were reviewed to be fair to all parties.

Impact of OPEC+ conflict on India:

- **Delayed Relief:** If the UAE and other OPEC+ nations do not reach an agreement to increase production in August, expected relief in the form of lower crude oil prices could be delayed.
- **High Domestic Prices:** India is currently facing record-high prices of petrol and diesel. High crude prices have led to Indian oil marketing companies hiking the price of petrol by about 19.3% and that of diesel by about 21% since the beginning of 2021.
- **Slow Recovery:** The high price of crude oil was slowing down the economic recovery of developing economies post the pandemic.
- **Inflation:** The high prices might also increase the Current Account Deficit and put inflationary pressure on the Indian economy.

Organization of the Petroleum Exporting Countries:

- **OPEC** is a permanent, intergovernmental organization, created at the Baghdad Conference in 1960, by Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela.
- It aims to manage the supply of oil in an effort to set the price of oil in the world market, in order to avoid fluctuations that might affect the economies of both producing and purchasing countries.
- **Headquarter:** Vienna, Austria.
- **Membership:** OPEC membership is open to any country that is a substantial exporter of oil and which shares the ideals of the organization.
- **OPEC has a total of 13 Member Countries** viz. Iran, Iraq, Kuwait, United Arab Emirates (UAE), Saudi Arabia, Algeria, Libya, Nigeria, Gabon, Equatorial Guinea, Republic of Congo, Angola and Venezuela are members of OPEC.
- Organization of the Petroleum Exporting Countries Plus is an affiliated entity consisting of the OPEC members and 10 of the world's major non-OPEC oil-exporting nations which are: **Azerbaijan, Bahrain, Brunei, Kazakhstan, Malaysia, Mexico, Oman, Russia, South Sudan and Sudan.**

80. NPCI extends BHIM UPI to Bhutan:

- Bhutan has become first country to adopt Unified Payment Interface (UPI) standards of India for its quick response (QR) code.

Key Points:

- Bhutan after Singapore has become the second country to have BHIM-UPI acceptance at merchant locations.
- International wing of the National Payment Corporation of India (NPCI) called NPCI International Payments Ltd. (NIPL) announced partnership with Royal Monetary Authority (RMA) of Bhutan to implement BHIM UPI QR-based payments in Bhutan.
- Bhutan will also become the only country to issue & accept RuPay cards and accept BHIM-UPI.
- Significance of the move
- BHIM-UPI is a significant achievement of India in area of fintech. During covid-19 induced lockdown, BHIM-UPI became an effective mechanism of payment. In 2020-21, it processed 22

billion financial transactions of worth rupee 41 lakh crore. In the line, this partnership among NPCI and RMA, is going to benefit 200,000 tourists from India who travel to Bhutan every year.

About NPCI:

- NPCI is an umbrella organisation involved in operation of retail payments and settlement systems in India. It was launched by Reserve Bank of India and Indian Banks' Association to create a robust payment and settlement infrastructure.

Bharat Interface for Money (BHIM):

- It is an Indian mobile payment App developed by National Payments Corporation of India (NPCI). It is based on Unified Payments Interface (UPI) and named after B. R. Ambedkar. It was launched on December 30, 2016. This app facilitates e-payments directly through banks and supports all Indian banks which use UPI.

About Unified Payments Interface (UPI):

- UPI is built over Immediate Payment Service (IMPS) infrastructure that allows user to instantly transfer money in real-time. It allows users to transfer money in multiple bank accounts without revealing bank account details to other party.