



## CURRENT AFFAIRS 2013: JANUARY

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# How to use

Dear Students,

These current affairs notes are prepared with the objective to provide a comprehensive analysis of the important issues in news. While utmost effort has been taken to select only the news which is relevant and important, it is inevitable that the size of notes becomes large. This is due to the fact that an extensive coverage of the fundamentals associated with the news, background information of what has happened before in the same issue, timelines of events in international arena, and associated issues which are important alongside the main issues have been provided in the notes. Data points are for reference and it is not necessary to put your energy into memorizing them unless and until they are important. As the trend of UPSC is changing from mere knowing or memorization of issues/facts-and-figures to the in-depth knowledge of fundamentals associated and the awareness of the broad picture, we have tried to cover the points from which questions can be asked.

Notes are organized into 3 levels (section-subsection-heading) for consolidation and retention. We have also divided current affairs notes into two parts – with second part dealing with in-depth analysis of major issues, important for all and especially helpful for interview and Mains preparation.

Our endeavour is to provide best for our students. Our utmost concern is to enrich your preparation in any and all the ways possible. Put the current affairs notes to their maximum use by following the background and generating an overall picture for effectively tackling any questions asked in the examination. As improvement is always possible, we look forward to hearing your views and feedback on the notes.

Best wishes

Team Vision IAS

# POLITY AND GOVERNANCE

## Fundamental Rights/DPSP/Fundamental Duties

### Vishwaroopam controversies

- It was argued that Kamal Haasan was being anti-Tamil by naming the film in Sanskrit.
- Earlier, the film was to be released simultaneously in DTH also. But later it was denied. The issues were resolved one week after its theatrical release.
- TN govt banned the film under the 144 of the Indian Criminal Procedure Code. The CM of TN also cited section 7 of the Tamil Nadu Cinema Regulation Act, 1955 which not only allowed the state to ban a film, but which had also been upheld by the Supreme Court.

### **CrPC**

- Section 144 of the Criminal Procedure Code (CrPC) empowers a magistrate to prohibit an assembly of more than five people in an area.
- An aggrieved party under sub-sections (4) and (5) of Section 144 can approach the same authority or government for the revision against such orders.

### Amendments to Central Board of Film Certification (CBFC) Act

- The Information and Broadcasting Ministry is setting up a committee to revisit the law and make it more robust, possibly by giving States a way to appeal against the CBFC's decisions at an appellate tribunal. **Under the current Act, only aggrieved filmmakers unhappy with the certification can use that route.**
- Film certification powers are within the exclusive domain of the Central government in terms of the constitutional scheme.
- Section 5E of the Cinematograph Act gives the Centre over-riding power to suspend or revoke the CBFC's certification

### Justice A. P. Shah panel on Right to Privacy

- The Justice A. P. Shah panel has recommended an over-arching law to protect privacy and personal data in the private and public spheres.
- The report also suggested setting up privacy commissioners, both at the Central and State levels.
- It has spelt out nine national privacy principles that could be followed while framing the law.
- The report comes at a time when there is growing concern over unique identity numbers, DNA profiling, brain-mapping, etc, most of which will be implemented on the ICT platform.
- The report has listed certain exceptions in the right to privacy such as national security, public order, disclosure in public interest, prevention, detection, investigation and prosecution of criminal offences and protection of the individual or of the rights of freedom of others.
- In certain cases, historical or scientific research and journalistic purposes can also be considered as exceptions, says the report.

## Networking sites

- Referring to social networking sites and search engines, which have their own privacy code, Justice Shah said these will either have to follow the model provided in the proposed Act or have a self-regulatory mechanism approved by the privacy commissioner.
- The report suggests harmonising the proposed privacy Act with the RTI Act. Responding to privacy infringement concerns, as aired by the Prime Minister recently, Justice Shah said RTI was the only law that gave statutory protection to privacy, which could be over-ridden only in certain cases for individuals, not companies.

**In News:** Even as differences continue to persist between the Union Ministry of Home Affairs and the Ministry of Personnel's Department of Personnel and Training (DoPT) over the scope and need for a privacy law for the citizens of the country, Union Law Minister Ashwani Kumar has written to Prime Minister Manmohan Singh underlining the urgent need to bring in a "stand-alone privacy legislation" for the country.

## Good Governance and Human Rights

### The amendments to the Lokpal bill approved by the Union Cabinet

- The creation of Lokayuktas will be delinked from the Lokpal bill. The Cabinet upheld the suggestion that the States enact the institution of Lokayukta within a year of the notification of the Lokpal Bill with freedom to decide the contours of the Act.
- Director of Prosecution will be appointed by the CVC.
- The power to grant sanction for prosecution of public servants will shift from the government to the Lokpal.
- Only those bodies or authorities set up under any Central or State Act providing for administration of public religious or charitable trusts or societies for religious or charitable purposes, registered under the Societies Registration Act, would be exempted from the purview of Lokpal
- The Cabinet approved the suggestion that the fifth member (an eminent jurist) of the selection committee for appointment of the Lokpal be nominated by the President on the recommendation of the panel members. This committee shall comprise of the Prime Minister, the Lok Sabha Speaker, the Leader of the Opposition in the Lok Sabha and the Chief Justice of India.
- The government, however, has not accepted a key recommendation of Rajya Sabha Select Committee that an official facing an inquiry by the Lokpal should not be given an opportunity to be heard at the stage of the preliminary inquiry. While the overwhelming demand for taking the CBI and the CVC out of the purview of the ombudsman was not even on the agenda, the Cabinet rejected the committee recommendation that the Lokpal's approval be sought for transfer of CBI officers investigating cases referred to by it. This, the government maintained, was an administrative matter so that the "smooth functioning of CBI would not suffer."

### The coal block allocation

- The Supreme Court questioned Centre's power to allocate coal blocks to companies as the statutory Act empowers only the states to undertake this task.



- SC asked the government to go through other legislations particularly the Coal Mines (Nationalisation) Act, to find out whether it is empowered to allocate the resources. There is absolutely no power given to the Centre under the Mines and Minerals (Development and Regulation) ACT, 1957.
- Section 10(1) of MMDR Act provides that an application for a mining lease in respect of any land in which the minerals vest in the Government shall be made to the State Government and shall be accompanied by the prescribed fee.
- The apex court also questioned the government on how coal block allocation was decided by screening committee as alleged in the affidavit filed by coal secretary. The allocation of coal blocks is done through mechanism of an inter-ministerial inter-governmental body called screening committee which is chaired by Coal Secretary. It includes secretary of nine ministries having interests in coal, besides heads of various PSUs, and Chief Secretaries of coal supplying states are also part of it.
- The apex court also asked the AG to place before the bench its judgement in petrol pump allocation scam in which it had appointed a committee headed by a retired judge to look into all allocations.

### **Lokayukta appointment upheld in Gujarat**

- Supreme Court uphold the appointment of **Justice R.A. Mehta** as Lokayukta by the Governor, as it was in consultation with the Chief Justice of the Gujarat High Court.
- The recommendation of the Chief Justice suggesting only one name, instead of a panel of names in consonance with the law.
- SC stated - In order to avoid an inquiry by the Lokayukta an inquiry commission was set up by the State government and the post was vacant for nine years.
- The court also criticised Governor Kamla Beniwal that she has insisted that under the Lokayukta Act, the Council of Ministers has no role to play in the appointment. Such an attitude is not in conformity or in consonance with the democratic set-up of government envisaged in our Constitution.

### **Common emergency response number**

- On the lines of America's 911, India is planning to have a number that may be called for any emergency — police, fire or ambulance. It could be reached by all types of technologies be it landline, GSM or CDMA.
- Today, various states have separate emergency response numbers and in some states even police helpline 100 does not work properly.

### **Crime and Criminal Tracking Network and Systems (CCTNS)**

- It is create integrated system for effective policing and real time sharing data of crimes and criminals among police stations.
- It will make easier for the law enforcement agencies to track down a criminal moving from one place to another.
- It will bring more transparency in police administration as a person can lodge complaint on-line and get a status report of the complaint on-line too.
- The CCTNS will help senior police officers to keep a tab on people's complaints and progress of any investigation.

# Union Government

## Disqualification of defectors

- The SC clarified that under Tenth Schedule of the Constitution (anti-defection law) any interested person – member or non-member of the house – can bring to the notice of the Speaker the fact that a member has incurred disqualification.

# State Governments

## Tamil Nadu assembly to be shifted

- The Supreme Court dismissed a plea challenging the AIADMK government's decision to shift Legislative Assembly-cum-Secretariat complex back to its old building at Fort St. George in Chennai, stating that these issues should be raised before another forum and the court should not adjudicate them.
- Tamil Nadu govt wants to convert the existing LA cum secretariat at Omandurar Government Estate, Chennai into multi-specialty hospital-cum-medical College.

# Center-State Relations

## Mullaperiyar dam row

- Tamil Nadu contends that the dam is safe and its water level has to be raised from 132 ft to 136 ft, Kerala says the structure is weak and it has to be replaced with a new one.
- As tension rose between the two states in December 2011, a two-member technical team of apex court-appointed Empowered Committee visited the site and concluded that recent tremors in that region did not have any impact on the dam and that it was safe.
- **SC** is hearing a suit filed by Tamil Nadu questioning the law enacted by Kerala in 2006 to restrict the water level in the Mullaperiyar dam at 136 ft though the Supreme Court had permitted Tamil Nadu to raise the water level up to 142 ft.
- A five-judge Constitution Bench recently directed both the states to exchange all documents and findings of the expert committee by March 15 and posted the matter for final day-to-day hearing from April 9.

## Telangana issue

- Andhra Pradesh State has three main cultural regions of which Telangana is one; others include Coastal Andhra region in the east and Rayalaseema region in the south. The Telangana region comprises 10 districts including Hyderabad.
- Since Telangana was merged with Andhra state to form Andhra Pradesh state in 1956, there were several agitations in Telangana to invalidate the merger and to form Telangana state. On December 9, 2009, Government of India announced process of formation of Telangana state. Due to objections raised in Coastal Andhra and Rayalaseema regions immediately after the announcement, and due to the agitation in those regions for 14 days, the decision to form the new state was put on hold on December 23, 2009.
- Proponents of a separate Telangana state cite perceived injustices in the distribution of water, budget allocations, and jobs. Within the state of Andhra Pradesh, 68.5% of the catchment area of the Krishna

River and 69% of the catchment area of the Godavari River are in the Telangana region but the benefits of irrigation through the canal system under major irrigation projects accruing share to Telangana is 18.20%. There are allegations that in most years, funds allocated to Telangana were never spent. Only 20% of the total Government employees are from the region while population is over 40%. As per Srikrishna committee on Telangana, Telangana held the position of CM for 10.5 years while Seema-Andhra region held it for 42 years.

### **Srikrishna Committee on Telangana or *Committee for consultations on the situation in Andhra Pradesh (CCSAP)***

The Committee's report suggested 6 options of which options 1 to 4 were advised to be not feasible.

1. Maintain status quo
2. Bifurcation of the State into Seemandhra and Telangana; with Hyderabad as a Union Territory and the two states developing their own capitals in due course.
3. Bifurcation of State into Rayala-Telangana and coastal Andhra regions with Hyderabad being an integral part of Rayala-Telangana
4. Bifurcation of Andhra Pradesh into Seemandhra and Telangana with enlarged Hyderabad Metropolis as a separate Union Territory
5. Bifurcation of the State into Telangana and Seemandhra as per existing boundaries with Hyderabad as the capital of Telangana and Seemandhra to have a new capital
6. Keeping the State united by simultaneously providing certain definite Constitutional/Statutory measures for socio-economic development and political empowerment of Telangana region -creation of a statutorily empowered Telangana Regional Council.

#### **Dec 2012:**

- On 28 December 2012 a meeting was organized by Sushil Kumar Shinde, Home minister of India to discuss the Telangana issue. It was attended by 8 political parties having significant presence in the state legislature. After hearing views of all the parties, the home minister said that this will be the last such meeting on this issue and that the government will come up with a decision within 30 days.

#### **Jan 2013**

- Union Govt sought more time stating that the decision might get delayed as consultations with stakeholders were still on and it might take a little time to reach a final decision.
- The creation of the Telangana could create a cascading effect on other states; the UPA-II government is considering the creation of a Telangana Territorial Administration on the lines of Gorkhaland. To do this, the Centre had to further amend Article 371 (D), which has already provided a special status for 10 backward districts of the Telangana region, and this could be done with the approval of two-thirds of Parliament strength.

# Constitutional Bodies

## VVPAT(Voter paper trail in phases: EC)

- Subramanian Swamy filed a petition before SC for a direction to introduce EVMs with voter verification slips.
- EC replied that it had developed the **Voter Verifiable Paper Audit Trail System (VVPAT)** which is being tested before implementation.
- Under new system, a voter, by pressing the Electronic Voting Machine, will know who he is voting for in an election through a printing slip which will display the name of the candidate and go into a box.
- Dr. Swamy sought a direction to prohibit the EC from using EVMs unless these were incorporated with a paper trail. SC yet to take its decision.

## Electoral reform

- EC wants that not only those who are convicted, those who are facing serious criminal charges on heinous affairs, should also be barred from contesting the election.
- Under The Representation of the People Act, there is a disqualification once a person is convicted and sentenced to imprisonment of two years or more [in the case of certain offences mentioned in sub-sections (1) of Section-8, conviction itself leads to disqualification, even without any sentence of imprisonment]. The Commission's proposal is for disqualification even prior to conviction, provided the court has framed charges.

## Y.V. Reddy to head 14th Finance Commission

- Former RBI Governor Y.V. Reddy will be the Chairman of 14<sup>th</sup> Finance Commission.
- The Finance Commission has been asked to submit its report by October 31, 2014. Finance Commission, a constitutional body, is set up every five years.
- Besides other things, the Commission lays down principles governing the grants-in-aid to states and other local bodies for a five-year period beginning April 1, 2014.
- Prior to joining RBI as its Governor in September 2003, Mr. Reddy was India's Executive Director on the Board of the International Monetary Fund.
- The 13th Finance Commission was headed by former Finance Secretary Vijay Kelkar.

## Cauvery River Water dispute

- The sharing of waters of the Kaveri has been the source of a serious conflict between the Indian states of Karnataka and Tamil Nadu. The genesis of this conflict rests in two controversial agreements—one signed in 1892 and another in 1924—between the erstwhile Madras Presidency and Princely State of Mysore.
- The state of Karnataka contends that it does not receive its due share of water from the river as does Tamil Nadu. Karnataka claims that these agreements were skewed heavily in favour of the Madras Presidency, and has demanded a renegotiated settlement based on "equitable sharing of the waters".
- Tamil Nadu, on the other hand, pleads that it has already developed almost 3,000,000 acres (12,000 km<sup>2</sup>) of land and as a result has come to depend very heavily on the existing pattern of usage. Any change in this pattern, it says, will adversely affect the livelihood of millions of farmers in the state.
- Decades of negotiations between the parties bore no fruit. The Government of India then constituted a tribunal in 1990 to look into the matter.

- The tribunal delivered its final verdict on 5 February 2007. In its verdict, the tribunal allocated 419 billion ft<sup>3</sup> (12 km<sup>3</sup>) of water annually to Tamil Nadu and 270 billion ft<sup>3</sup> (7.6 km<sup>3</sup>) to Karnataka; 30 billion ft<sup>3</sup> (0.8 km<sup>3</sup>) of Kaveri river water to Kerala and 7 billion ft<sup>3</sup> (0.2 km<sup>3</sup>) to Puducherry.
- The dispute however, appears not to have concluded, as all four states deciding to file review petitions seeking clarifications and possible renegotiation of the order.

## 2012

- On 19 Sep 2012, Prime Minister Manmohan Singh, who is also the Chairman of the Cauvery River Authority, directed Karnataka to release 9,000 cusecs per day of Kaveri water to Tamil Nadu. But Karnataka felt that this was impractical due to the drought conditions prevailing because of the failed monsoon. Karnataka then walked out of the high level meeting as a sign of protest.
- On 21 September, Karnataka filed a petition before the Cauvery River Authority seeking review of its 19 September ruling.
- On 28 Sep 2012, the Supreme Court slammed the Karnataka government for failing to comply with the directive of the Cauvery River Authority. Left with no other option, Karnataka started releasing water. This led to wide protests and violence in Karnataka.
- On 4 October 2012, the Karnataka government filed a review petition before the Supreme Court.
- On 6 December, the Supreme Court directed Karnataka to release 10,000 cusecs of water to Tamil Nadu. The court asked the union government to indicate the time frame within which the final decision of the *Cauvery Water Dispute Tribunal*, which was given in February 2007, was to be notified.

## 2013

- **January:** Karnataka submitted that the apex court should not intervene at this stage on the findings of the Cauvery Monitoring Committee (CMC) as it should be first challenged before Cauvery River Authority (CRA) chaired by the Prime Minister.
- The Supreme Court directed Karnataka to furnish all the information on the amount of Cauvery river water shared by it with Tamil Nadu since 1992 and also held that requirement of drinking water for Karnataka should be given priority over water needed by Tamil Nadu for irrigation and some out-of-the-box thinking is required to balance the demand of two states.

**Cusec** is a measure of flow rate of water and is abbreviation for cubic feet per second (which is equivalent to a flow of 28.317 litres per second) and 11,000 cusecs flow for a day amounts to 1 TMC water.

## Modified Criteria for SAT chief

- The Union Cabinet modified norms for expanding the eligibility criteria of presiding officer of **Securities Appellate Tribunal (SAT)** that a retired judge of a High Court with seven years of experience would now be eligible for appointment as SAT chief.
- As per the earlier norms, only a retired judge of the Supreme Court or a former Chief Justice of a High Court could be appointed.

# Judiciary

## Supreme Court won't revisit collegium system

- The Suraz India Trust framed questions in a plea before the SC: will the two decisions of this court (1993 and 1998) really amount to amending Article 124 (2) of the Constitution? Is there any 'collegium' system in the Constitution for appointing Supreme Court or High Court judges? Can the Constitution be amended by a judicial verdict or only by Parliament in accordance with Article 368? In the constitutional scheme, can the judges be appointed by discussions and consensus between the judiciary and the executive, or can the judiciary alone make the appointments? Does the word 'consultation' in Article 224 mean 'concurrence'?
- The Supreme Court has rejected the plea on the ground that the Trust does not have locus standi to file the petition.

## HC order against BCI stayed

- The Supreme Court stayed an Orissa High Court judgment restraining the Bar Council of India (BCI) from imposing any extra conditions for enrolment as an advocate, including one that states that a law student must have obtained his graduation only from a recognised law college.
- HC earlier held the BCI could not frame any rules and add conditions for enrolment in addition to those prescribed under Section 24 of the Advocates Act.

### **Bar Council of India**

The **Bar Council of India** is a statutory body that regulates and represents the Indian bar. It was created by Parliament under the Advocates Act, 1961. It prescribes standards of professional conduct and etiquette and exercises disciplinary jurisdiction. It sets standards for legal education and grants recognition to Universities whose degree in will serve as a qualification for students to enrol themselves as advocates upon graduation.

## 3 new High Courts for North-East

- The Centre has constituted three new High Courts in the northeast — Meghalaya, Manipur and Tripura — taking the total number of High Courts in the country from 21 to 24.

## Fast track courts

- In the wake of last month's gang rape in Delhi, the Law Ministry is pushing for early setting up of fast track courts across the country to try such **heinous crimes and civil cases** having human dimension and is ready to bear majority of the financial burden involved.
- Law Minister has written to the Chief Ministers and Chief Justices of all the 21 High Courts to set up such courts, which used to be in existence till 2005, but were wound up because of dispute over cost-sharing between the Centre and States.
- Centre has now considering sharing the majority of financial burden, which could be up to 75 per cent and even 90 per cent in the case of North Eastern States.
- To help the process of setting up fast track courts, the Union Cabinet had last month decided to increase the strength of the subordinate judiciary by 10 per cent.

## Background:

- The Eleventh Finance Commission recommended a scheme for creation of 1734 Fast Track Courts (FTCs) in the country for disposal of long pending **Sessions and other cases**.
- The scheme was for a period of 5 years. The Finance Commission Division (FCD), Ministry of Finance released funds directly to the state Governments under the scheme of Fast Track Courts.
- It is the primary responsibility of the **State Governments to establish these courts in consultation with the concerned High Courts**.
- The FTCs were established to expeditiously dispose of long pending cases in the Sessions Courts and long pending cases of under trial prisoners.
- The term of scheme on the Fast Track Courts which were recommended by the Eleventh Finance Commission ended on 31st march, 2005. The Supreme Court, which is monitoring the functioning of Fast Track Courts through the case of Brij Mohan Lal Vs UOI & Ors, observed that the scheme of Fast Track Courts should not be disbanded all of a sudden and in its order dated 31st march, 2005, directed the Union of India to continue the Fast Track Courts.
- The Government accorded its approval for the continuation of 1562 Fast Track Courts that were operational as on 31.3.2005 for a further period of 5 years i.e. up to 31st March, 2010 with a provision of Rs. 509 crores. The Department of Justice is monitoring the scheme.
- As per the latest available information received from the High Court's/State Governments, 32.34 lakh cases have been disposed off by these courts, out of 38.90 lakh transferred to these courts leaving 6.56 lakh cases pending for disposal.
- The scheme of central assistance for Fast Track Courts was extended for a period of one year i.e. upto 31.3.2011. It was decided that there will be **no central funding for Fast Track Courts beyond 31-03-2011**.

## Others

### Real Estate (Regulation and Development) Bill, 2012

#### In News

- The bill is being opposed due to its penal provisions like heavy fines and even a jail term for builders and promoters who fail to deliver on their promises and the clamour for leaving commercial properties out of the purview of the bill.
- Following a protracted tussle between the industry and the HUPA, and the intervention of the Urban Development Ministry, changes are now being considered to make the Bill more acceptable to the industry.

### **The salient features of the Draft Real Estate (Regulation & Development) Bill are:**

- Establishment of a 'Real Estate Regulatory Authority' in each State by the Appropriate Government (Centre for the UTs and State Governments in the case of the States), with specified functions, powers, and responsibilities to facilitate the orderly and planned growth of the sector;
- Mandatory registration of developers / builders, who intend to sell any immovable property, with the Real Estate Regulatory Authority as a system of accreditation;
- Mandatory public disclosure norms for all registered developers, including details of developer, project, land status, statutory approvals and contractual obligations;

- Obligations of promoters to adhere to approved plans and project specifications, and to refund moneys in cases of default;
- Obligation of allottee to make necessary payments and other charges agreed to under the agreement and payment of interest in case of any delay;
- Provision to compulsorily deposit a portion of funds received from the allottees in a separate bank account, to be used for that real estate project only;
- The Authority to act as the nodal agency to co-ordinate efforts regarding development of the real estate sector and render necessary advice to the appropriate Government to ensure the growth and promotion of a transparent, efficient and competitive real estate sector; as also establish dispute resolution mechanisms for settling disputes between promoters and allottees/ buyers;
- Authorities to comprise of one Chairperson and not less than two members having adequate knowledge and experience of the sector;
- Establishment of a 'Real Estate Appellate Tribunal' by the Central Government to hear appeals from the orders of the Authority and to adjudicate on disputes. Tribunal to be headed by a sitting or retired Judge of Supreme Court or Chief Justice of High Court with 4 judicial and at-least 4 administrative/technical members;
- Chairperson of the Tribunal to have powers to constitute Benches, for exercising powers of the Tribunal;
- Establishment of a Central Advisory Council to advise the Central Government on matters concerning implementation of the Act.
- Council to make recommendations on major questions of policy, protection of consumer interest and to foster growth and development of the real estate sector;
- Penal provisions to ensure compliance with orders of the Authority and Tribunal;
- Jurisdiction of Civil Courts barred on matters which the Authority or the Tribunal is empowered to determine;
- Both Centre and States to have powers to make rules over subjects specified in the Bill, and the Regulatory Authority to have powers to make regulations;
- Powers to Central Government to issue directions to States on matters specified in the Act have also been specified.
- **(UPS MAINS 2010: Comment on the salient features of the recent draft Model Real Estate (Regulation of Development) Act of the Ministry of Housing and Urban Poverty Alleviation of the Central Government. 12 Marks)**

### **Govt. wants Court to resolve problems in IT Act**

- In the backdrop of recent problems related to the freedom of expression in the Information Technology Act, Govt. wish that the Supreme Court should clarify the IT Act.
- Some PIL argue that the IT Act curbs freedom of expression and that Section 66A violates Article 14, 19 and 21 of the Constitution of India. Equally they argue that the expressions used in the Act are "vague" and "ambiguous".
- The government, on the other hand, has already stated in several public consultations that expressions such as "grossly offensive", "danger", "obstructions", "insult", "injury", etc also appear in other legislations such as Section 20 (b) of the Indian Postal Act 1998, Indian Penal Code (IPC). Further the government is likely to argue that while the rationale of the Act is "to protect communal harmony and peace"; its misuse by a police officer cannot be seen as a flaw with the Act itself.



## **Section 228A of the IPC**

- It prohibits publication of the name of a deceased rape victim without the permission of her next of kin, lays down a specific procedure by which this permission is to be accorded: it must be given in writing to a welfare organization or institution recognised by the Central or State governments.
- **In news:** A foreign newspaper has published the name of the 23-year-old rape victim, apparently with the approval of her father.

## **Gorkhaland**

- Gorkhaland is the name of the proposed state in India demanded by the majority of Darjeeling hills and by the people of Gorkha ethnic origin in Dooars in Northern West Bengal.
- The movement for a separate state of Gorkhaland gained serious momentum during the 1980s, when a violent agitation was carried out by Gorkha National Liberation Front (GNLF) led by Subhash Ghising. The agitation ultimately led to the establishment of a semiautonomous body in 1988 called the Darjeeling Gorkha Hill Council (DGHC) to govern certain areas of Darjeeling district.
- However, in 2008, a new party called the Gorkha Janmukti Morcha (GJM) raised the demand for a separate state of Gorkhaland once again. On 18 April 2011, GJM signed an agreement with the state and central governments for the formation of Gorkhaland Territorial Administration, a semiautonomous body that would replace the DGHC in the Darjeeling hills.
- Certain political sections in the region still have not given the demand of statehood and recently slogans have been raised for the demand of the state during the CM's visit in Darjeeling.

# **ECONOMY OF INDIA**

## **Banking**

### **"India: financial system stability assessment update" report by IMF EXECUTIVESUMMARY**

#### **1. India has made remarkable progress toward developing a stable financial system-**

- Since liberalization in the early 1990s, the system's growth and increasing commercial orientation have been accompanied by steady improvements in the legal, regulatory, and supervisory framework. The Indian economy and its financial system weathered the global financial crisis well—due to strong balance sheets and profitability entering the crisis, a robust regulatory framework, and timely actions to counter pressures on liquidity, the supply of credit, and aggregate demand.

#### **2. Despite these recent successes, India's financial sector still confronts long- standing impediments to its ability to support growth as well as new challenges to stability-**

- The prominent role of the state in the financial sector—through ownership of large financial institutions, captive government financing, directed credit to priority sectors, tight controls over the range of

allowable activities, and restrictions on the availability of foreign capital—contributes to a build-up of fiscal contingent liabilities and creates a risk of capital misallocation that may constrain economic growth. Gradually reducing mandatory holdings of government securities by financial institutions, and allowing greater access to private (domestic and foreign) sources of capital, would provide greater room for the financial sector to intermediate funds toward productive economic activities, thereby improving prospects for sustained growth.

- The system is also becoming more complex—interlinkages across markets and institutions as well as across borders are growing, and conglomerate structures, including prospectively mixed conglomerates, are on the rise. Continued improvements in regulation, and strengthening of supervision and the financial stability framework, will be required to avoid a buildup of new vulnerabilities.

**3. In the near term, however, notwithstanding risks related to a worsening of bank asset quality and renewed pressures on systemic liquidity, financial system vulnerabilities appear manageable.**

- The combination of a sharp credit expansion and a more recent economic slowdown is putting pressure on banks' asset quality, especially for infrastructure and priority sector lending. Group concentrations have reached troubling levels at some banks.
- As demonstrated by the current turbulence in international markets, there is a risk of reversal of capital flows and a repeat of the liquidity pressures experienced in 2008.
- Stress tests suggest, however, that banks' substantial buffers of high quality assets (cash and holdings of government paper) should enable them to deal with such pressures, including through recourse to central bank facilities.

**4. The oversight regime for banks, insurance, and securities markets is largely in compliance with international standards, but some gaps remain.**

- A common issue across the sectors is the lack of *de jure* independence, which can be rendered more challenging by the intricate relationship with state-owned supervised entities and their business decisions. A framework for consolidated supervision of financial conglomerates is still being developed. There are also gaps in prudential regulation, including the large exposures and related-party lending regime in banks, and valuation and solvency requirements in insurance. Better monitoring of compliance with reporting, auditing, and accounting requirements for securities issuers, and mechanisms for pursuing criminal enforcement will further strengthen the securities regulation framework. Areas for further strengthening of securities clearing and settlement systems include the legal framework for settlement of corporate securities, liquidity risk management for central counterparties (CCPs), and regulatory coordination. In light of the growing complexity of financial services, supervisory effectiveness needs to be enhanced through augmenting resources and skilled personnel, and revising staffing policies to enable expertise to be built and retained in the supervisory function. Finally, regulators must have clear mandates that focus on the safety and soundness of regulated institutions, risk management, disclosure, and proper market conduct; supervisory involvement in decisions related to credit and asset allocation should be avoided.

**5. The multiple roles of Reserve Bank of India (RBI) create the potential for conflicting goals-**

- RBI officers are nominated as directors on the Boards of public banks while at the same time RBI serves as the prudential supervisor of these banks. It would be preferable for the government to focus on policies that ensure the appointment of well-qualified, independent Board members that are not from the RBI. And while there may be some synergies, RBI's role as monetary authority, bank regulator, and government debt manager may have led it to require banks to hold larger holdings of government debt than might be needed on prudential grounds. Finally, using the banking system rather than government programs in meeting the needs of priority sectors (agriculture, small and micro credit, education, health) and underserved areas may conflict with RBI's supervisory role.

**6. In light of its commitment to retain the public sector character of state-owned banks, the government needs to consider how to manage its ownership in ways that are compatible with the public banks prudently financing a rapidly growing economy-**

- To perform competitively, banks need the flexibility to attract top notch financial talent, innovate, enhance risk management, and build up capital. Public ownership should not impose obligations or restrictions that limit banks' ability to remain competitive and sound.

**7. More focus on crisis management structures and planning is needed.**

- RBI has broad resolution authority, but stronger powers to conduct carve-outs and more attention to crisis preparedness would be desirable. Resolution powers and contingency planning for insurance companies and the payment system also need strengthening. While in the past, problems in the banking system were addressed by the absorption of weak institutions into stronger ones, going forward fiscal constraints and the absence of suitable acquirers may require alternative approaches. The effectiveness of the deposit insurance scheme can also be bolstered by providing it with powers to appoint liquidators and strengthening its funding.

**8. The authorities have taken a number of steps recently to promote the development of fixed income markets but further measures would be desirable-**

- In particular, gradually reducing the Statutory Liquidity Ratio (SLR) in line with evolving international liquidity requirements would support not only deeper capital markets but also systemic liquidity management and monetary transmission. Further use of capital markets to refinance infrastructure loans would help alleviate pressures on public banks—so far, the main lenders to the infrastructure sector.

**9. The existing framework for insolvency and secured transactions has significant shortcomings and needs to be addressed.**

- The corporate insolvency framework, in particular, requires a comprehensive and modern insolvency law with a viable reorganization regime and stronger supporting institutions. The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interests (SARFAESI) Act has given some

creditors (banks and certain other financial institutions) out-of-court enforcement, but the timeliness and credit registry provisions need improvement and coverage should be extended.

**10. The authorities' strong and longstanding commitment to financial inclusion could be further enhanced by providing more room for private initiative and competition.**

- Current initiatives tend to be prescriptive and may discourage market players from seeking more cost-effective and sustainable ways of reaching the underserved. The passage of the draft legislation that will create legal certainty and acknowledge the important role microfinance institutions can play in financial inclusion should be a high priority. RBI should continue to open up space for nonbank payment service providers.

**In Media**

- THE HINDU: Multiple roles of RBI create conflict: IMF
- DNAINDIA: Despite progress India's financial sector vulnerable: IMF
- INDIAN EXPRESS : Worsening bank asset quality poses near-term risk to India, says IMF but RBI disagrees
- INDIAN EXPRESS: IMF cautions on allowing biz houses into banking space

**Amendments to Regional Rural Banks (RRBs) act, 1976**

- The union cabinet recently gave its approval to the proposed amendments in the Regional Rural Banks (RRBs) act, 1976 to enhance authorized and issued capital to strengthen their capital base.
- The term of the non official directors appointed by the central government is proposed to be fixed not exceeding two years.
- The proposed amendments will ensure financial stability of RRBs which will enable them to play a greater role in financial inclusion and meet the credit requirements of rural areas and the boards of RRBs will be strengthened.

**Regional Rural Banks (RRBs)**

- Regional Rural Banks (RRBs) were established under Regional Rural Banks act, 1976 (the RRB act) to create an alternative channel to the 'cooperative credit structure and to ensure sufficient institutional credit for the rural and agriculture sector.
- RRBs are jointly owned by the government of India, the concerned state government and sponsor banks, with the issued capital shared in the proportion of 50 percent, 15 percent and 35 percent, respectively.
- As per provisions of the Regional Rural Banks act, 1976 the authorized capital of each RRB is Rs. 5 crore and the issued capital is a maximum rs. 1 crore.

**NABARD scraps controversial scheme**

- Under NABARD (Warehousing) Refinance Scheme 2011-12, NABARD's funding of corporate warehousing projects on terms far softer than those offered to poor and often suicidal farmers has been withdrawn by it with retrospective effect under pressure from the Reserve Bank of India.

- RBI had advised the NABARD in September 2012, to refund the amount refinanced to banks in the year 2011-12 with interest at applicable rates under the Rural Infrastructure Development Fund (RIDF) to contributing banks in proportion to their contribution to the warehousing fund, alleging violation of RBI Interest Rate Directives and also that funds under RIDF could not be used for providing refinance to banks.

### **Fast tracking of cheque bouncing cases**

- The Supreme Court issued notice to the Centre and the States on a writ petition filed by the Indian Banks' Association for a direction to issue guidelines to the trial courts for summary trial of cheque bouncing cases. The SC said this is an issue of public importance that had a nationwide impact on the working of the banking, financial and criminal justice systems.
- The remedy available in a civil court is a long-drawn. The Parliament inserted new Sections 143 to 147 in the Negotiable Instruments (Amendment and Miscellaneous Provisions) Act, 2002 with the aim of speedy disposal of cases through their summary trial as well as making the offence compoundable. Punishment provided under Section 138 too was enhanced from one year to two years.
- Union Minister for Law and Justice in 2008 advocated the setting up of Fast Track Magisterial courts for dealing with the huge pendency of dishonoured cheque cases.
- Despite legislative, across the country magistrates continue to adopt a protracted procedure that defeats the object of speedy resolution of Section 138 of the Negotiable Instrument Act cases.

## **Industry**

### **India's EBiz portal**

- The portal is India's **Government-to-Business (G2B) portal** developed by Infosys in a Public Private Partnership (PPP) Model.
- It is part of the Government's **National eGovernance Plan (NeGP)**.
- This Mission Mode Project will mark a **paradigm shift** in the Government's approach to providing Government-to-Business (G2B) services for India's investor and business communities.
- The **online single-window concept** was visualised to enable businesses and investors to save time and costs and improve the business environment.

**Status: Launched in Jan 2013**

#### **More**

- eBiz will create a 24x7 facility for information and services, and will also offer joined-up services where a single application submitted by a customer, for a number of permissions, clearances, approvals and registrations, will be routed automatically across multiple governmental agencies in a logical manner.
- An in-built payment gateway will also add value by allowing all payments to be collected at one point and then apportioned, split and routed to the respective heads of account of Central/ State/parastatal (a quasi-governmental organisation, corporation, business, or agency) agencies along with generation of challans and MIS (management information systems) reports.

## **MCA21 - pioneering e-governance**

- To facilitate business in India a pioneering e-governance initiative 'MCA21' was launched by the ministry in January 2007.
- This project has adopted a service oriented approach in the design and delivery of government services, whereby stakeholders have easy and secure access to mca services, through the infrastructure setup for the purpose, at any time and from any place and in a manner that best suits them.
- MCA21 has been progressing at a steady rate in its pursuit to provide better services to the citizens and corporate alike.
- The current year has been exceptional in terms of rolling out newer initiatives, selection of new operator and transitioning from incumbent to new operator.

## **NEFT**

- MCA21 has been allowing three modes of payment by the companies, credit cards, net banking (5 designated banks) and paper challans; all these modes had limitations for the companies with bank accounts in banks other than the 5 designated banks and physical visits to the branches of the designated banks for filing challans.
- By introduction of national electronic funds transfer mode of payment, companies having bank account in any bank can make e-payments by using the neft method.

## **Limited Liability Partnership (LLP)**

- The e-governance project for Limited Liability Partnership (LLP) has been brought under the same platform of MCA.
- Now, the filing and approval of LLP forms is being done through MCA21 website and stakeholders are able to avail all existing facilities of MCA21.

## **DIN-DPIN**

- DIN (Director Identification Number) and DPIN (Director/Partner Identification Number) is identification attached to an individual and thus must be independent of the type of firm one is associated with, (partnership or limited company).
- A smooth integration was done to eliminate the duplication of identities in the system. This has helped all the major regulators and also the companies to make an individual check through the MCA21 system.
- DIN is needed by director of a company who is authorised to file and issue documents. It is very important for the companies to get DIN to file online or place any online service request.
- MCA through its MCA21 system issues the DIN online with the verification and digital signature of practicing professionals (company secretary/ chartered accountant/ cost & works accountant).
- This has brought a great deal of dynamism in the corporate world, it has become very easy for the companies to appoint a new director, change the director as soon as the decision comes in to effect. Now, one can get a DIN online in a few minutes.
- Integration with pan database has been established for online verification of identity details in MCA21 system.

## XBRL filing

- To bring in the global standards for filing and database updation mca has made it mandatory for companies of select, big class to file all the documents in the XBRL (extensible business reporting language) format.
- Mca has involved the entire stakeholder, viz. Software companies, implementing agencies, professionals and companies, for smooth implementation of this project.
- Mca directly and through its agencies like iica, icai, and icsi has been conducting training and awareness programs for effective implementation of XBRL filing.

## Key benefits of XBRL filing

- Relevant data has tags and selective information can be fetched for specific purposes by various government and regulatory agencies
- It is in conformation with the global reporting standards , which helps in the improved data mining and relevant information search

## E-stamping

- Now all the states and union territories of India are covered under the e-stamping scheme of mca services.
- With this addition, companies registered in all the states and union territories have the facility of availing online e-stamping for mca services.
- This is a major initiative of central government department where payment on behalf of various state governments is collected online and deposited with respective states without any manual intervention.
- This initiative is also a green initiative reducing the need for paper stamps.
- The World Bank has described it as a pioneering initiative in achieving e-governance in a federal structure.

## Rangarajan Committee for Deregulation of Natural Gas sector

- The Rangarajan Committee has come out with a new formula for fixing the price of Natural Gas produced in the country and favours deregulating the natural gas sector in a phased manner over the next 5 years.

## Old Formula:

- The natural gas pricing scenario in India is complex and heterogeneous in nature. There are wide varieties of gas price in the country. At present there are broadly 2 pricing regimes for gas:

### 1. **APM (Administered Pricing Mechanism) Gas Pricing:**

APM gas refers to gas produced by entities awarded gas fields prior to the **PSC (Production Sharing Contract)** - An agreement between Contractor and Government whereby Contractor bears all exploration risks, production and development costs in return for its stipulated share of production resulting from this effort. In other words, how much of the resource extracted from the country each will receive.) regime. The prices of gas from these fields are administered by Govt. of India through a Tariff Commission.

ONGC & OIL come under the APM regime

## 2. Non-APM/Free Market Gas Pricing:

### a. Domestically produced gas from JV (Joint Venture) fields

This refers to gas produced from fields awarded through NELP (Nation Exploration Licensing Policy). The pricing formula is linked to the price of oil-

$$\text{Gas Price} = 2.5 + (\text{Oil Price} - 25)^{0.15}$$

Where Oil Price is the annual average Brent Crude price for previous year and has a cap of \$60/barrel and a floor of \$25/barrel

KG-D6 block of RIL is covered under this regime

### b. Imported LNG

The price of LNG imported under term contracts is governed by the SPA (Special Purchase Agreement) between the LNG seller and Government

## New Formula:

- The new formula suggested by Rangarajan Committee is based on the weighted average price of natural gas in 3 markets (US, UK & Japan) as well as imported liquefied natural gas. Use of an average of international export and global benchmark prices makes it dynamic and it will be revised on a monthly basis. The formula will lead to a doubling of gas prices to \$8 billion/mBtu

## Why is the change necessary?

- India desperately needs Gas to run its gas-based power plants, most of which are either operating at very low capacity or unable to start production due to lack of fuel. If gas supply is assured to these plants, it could add 8200 MW to India's power production.
- More than 50% of India's on-land and sedimentary basins have not been explored and developed for commercial exploitation. NELP initially attracted interest from global E&P (Exploration and Production) firms because of the promise of market-driven prices in return for the risks of exploration and development being borne by them. Subsequent NELP rounds failed to generate interest because the Government reneged on its promise.
- Presently, the Government specifies the price at which gas can be sold to consumers (Power Plants, Fertilizer, Cement & Steel companies) and also the proportion of gas that can be sold to each sector. By scrapping government set pricing, India hopes to attract investment from global E&P firms and Indian firms. Pricing issues had resulted in RIL significantly lowering production from the KG-D6 basin

## Concerns/Criticism:

**1. Why set the prices at all?** International investors will come to India's oil & gas sector only when policy incentivizes exploration. As gas has to be explored in progressively deeper waters, exploration & production costs will rise and the government will have to give operators the freedom to set market prices for the gas they produce



**Government's counter-argument:** The Indian gas market is predominantly monopolistic with a handful of suppliers and a large number of consumers. The consumers such as fertiliser and power plants do not enjoy sufficient freedom to pass on the higher costs in the event of complete deregulation

2. The recommended formula estimates the price by averaging some numbers derived from foreign gas markets which do not reflect the cost of service for producing conventional natural gas in India. How a market price in the US or Europe which is a function of demand and supply in that region, could be applied to a hugely fuel deficit nation like India is a concern. The US has low gas prices because of abundant fuel with the advent of shale gas while demand in Europe and Japan, unlike India, has fallen.

3. The price and production data to be used in the computation is not easily available. Gas contracts vary from spot purchases to long term with widely varying basis for pricing. How will these contracts be factored in the calculation is another concern of the industry

#### **RANGARAJAN PANEL'S FORMULA**

- The new formula, if implemented, will lead to a near doubling of prices to around \$8 per mmbtu (compared to current \$4.2 per mmbtu)
- The Rangarajan Committee's formula is based on the weighted average price of natural gas in North America, Europe and Japan markets as well as imported liquefied natural gas
- The committee favours deregulating the natural gas sector in a phased manner over the next five years
- The panel has also recommended that production sharing contracts with oil companies in the future should be based on the amount of oil or gas output that the company was willing to offer to the government
- Under the new system of bidding, the company that was willing to offer the highest amount of oil or gas produced from the field would get the contract

#### **Background:**

- The British thermal unit (symbol Btu or sometimes BTU) is a traditional unit of energy equal to about 1055 joules. It is the amount of energy needed to heat one pound of water by one degree Fahrenheit.
- In natural gas, by convention 1 MMBtu (1 million Btu) = 1.054615 GJ. Conversely, 1 gigajoule is equivalent to 26.8 m<sup>3</sup> of natural gas at defined temperature and pressure. So, 1 MMBtu = 28.263682 m<sup>3</sup> (998.12 ft<sup>3</sup>) of natural gas at defined temperature and pressure.
- As a coarse approximation, 1000 ft<sup>3</sup> of natural gas ≈ 1 MMBtu ≈ 1 GJ

#### **NHRC unveils 'Code of Ethics' for Indian industry**

Refraining from projects that would be detrimental to locals, respecting whistleblowers' rights and allowing equal opportunities to qualified employees regardless of their caste or religion are among the 12- point '**Code of Ethics**' propagated by National Human Rights Commission for Indian Industry. Some of them are:

- Companies must conform to trade procedures, including licensing, documentation and other necessary formalities.
- The first tenet of ethical behaviour has to be inclusiveness.

- All companies must refrain from undertaking projects or activities that would be detrimental to the wider interests of the communities in which they operate. This implies that companies should respect the local culture, customs and traditions in which they operate.
- It should promote equal opportunities to all qualified employees.
- Companies should provide a safe, healthy, clean and ergonomic working environment for their employees and indirect workers.
- It stressed that all forms of conflict of interest must be avoided.

### **M-SIP**

- The Union Cabinet has approved the proposal to provide a special incentive package to promote large-scale manufacturing in the Electronic System Design and Manufacturing (ESDM) sector.
- The scheme is called the Modified Special Incentive Package Scheme (M-SIPS).

### **The main features of M-SIPS are as follows:**

- The scheme provides subsidy for investments in capital expenditure, 20 per cent for investments in SEZs and 25 per cent in non-SEZs.
- It also provides for re-imbursement of CVD/excise for capital equipment for the non-SEZ units.
- For high technology and high capital investment units, like fabs, re-imbursement of central taxes and duties is also provided.
- The incentives are available for investments made in a project within a period of 10 years from the date of approval.
- The incentives are available for 29 category of ESDM products including telecom, IT hardware, consumer electronics, medical electronics, automotive electronics, solar photovoltaic, LEDs, LCDs, strategic electronics, avionics, industrial electronics, nano-electronics, semiconductor chips and chip components, other electronic components and EMS.
- Units across the value chain starting from raw materials including assembly, testing, packaging and accessories of this category of products are included. The scheme also provides incentives for relocation of units from abroad.
- The scheme is open for three years from notification.
- Approvals for incentives not exceeding Rs. 10,000 crores will be granted during the XII Plan period.
- The projects with incentives of Rs 10,000 crores have potential to create employment for nearly 0.5 million persons.
- The policy is expected to create an indigenous manufacturing eco-system for electronics in the country.
- It will foster the manufacturing of indigenously designed and manufactured chips creating a more cyber secure ecosystem in the country.
- It will enable India to tap on the great economic potential that this knowledge sector offers.
- The increased development and manufacturing in the sector will lead to greater economic growth through more manufacturing and consequently greater employment in the sector.

### **National Electric Mobility Mission Plan 2020**

- The government has approved the roadmap for facilitating large-scale use of eco-friendly electric vehicles, including hybrids, by 2020.

- The (NCEM) National Council for Electric Mobility covers two-wheelers, four-wheelers and commercial vehicles. Plans for bringing monorail into this are also underway.
- The NCEM adopted the National Electric Mobility Mission Plan 2020 (NEMMP 2020), which is the mission document for National Mission for Electric Mobility.
- The Plan lays the vision, sets the targets and provides the roadmap for achieving significant penetration of efficient and eco-friendly electric vehicle technologies in India by 2020.
- According to industries, the government will save Rs 30,000 crore in fuel by giving Rs 14,000 crore in subsidy to industry for manufacturing electric vehicles. The industry contribution would be about Rs 8,000 crore.
- India has set a target to produce six million green vehicles by 2020, of which four to five million are expected to be two-wheelers. At present, there are only about 1,500 electric four-wheelers and about four lakh electric two-wheelers.
- China alone accounts for almost for one-and-half crore electric two-wheelers.
- Electric vehicles will contribute in a big way to GDP and job creation in India in the years to come.

## Agriculture and Rural Development

### Enhancing Farm Income for Small Holders through Market Integration

- The National Advisory Council had constituted a Working Group of its Members in July, 2012 on the subject of “Enhancing Farm Income for Small Holders through Market Integration”. The Working Group looked into the issues concerning integration of small holders with organized market and has now developed a set of recommendations for policy, legal framework and implementation guidelines to create a favourable eco system that would contribute towards inclusive growth.
- The draft recommendations of the Working Group are now placed in public domain for comments.

#### **The Problem:**

- In India, 83 per cent (8-10 crore) of the farmers are small and marginal (2005-06), covering nearly 50 per cent of operational holdings. Over 90 per cent of such farmers are dependent on rain for their crops. Hit by the vagaries of the weather, shrinking land assets and profit margins, difficulties in accessing critical inputs such as credit, water, power and quality seeds, fertilisers, this segment has been facing a deep crisis, leading to continued farmer suicides in many regions. With continued land fragmentation, about 15-20 lakh new small and marginal farmers are being added every year, the paper said.

#### **Recommendations:**

- The Government should promote Farmer Producer Organisation (FPOs) in mission mode on a scale like the self-help group movement.
- “The present arrangements for risk mitigation, especially crop insurance instruments, are highly unsatisfactory and do not adequately cover the risks faced by small and marginal farmers,” it noted.
- The working group, therefore, suggested that first and foremost there was need to aggregate small holders into members-based FPOs to provide essential goods and services to the rural poor and contribute significantly to the process of rural poverty alleviation.
- It also urged the Government to open more procurement centres in remote areas and deepen the minimum support price system to help mitigate the risks involved.

- Among other measures, the NAC group also proposed the creation of a professionally-managed apex organisation, with functional autonomy, to act as a single-window source for technical support, training needs, research and knowledge management to State Governments, FPOs etc.
- The annual budget of the Rural Development and Agriculture Ministries in the 12th Plan is likely to be about Rs 1,30,000 crore, which means that only 0.55 per cent of the budget of the two Ministries would be adequate to promote FPOs," it said.

### **Agri Clinic and Agri Business Centre Scheme**

- Thousands of graduates and post graduates who pass out from agriculture universities every year but there are not enough jobs to absorb them. On the other hand, agricultural extension services for farmers have been shrinking.
- It was against this backdrop that the 'Agri Clinic and Agri Business Centre Scheme' was launched by the Ministry of Agriculture a decade back in association with NABARD and in coordination with the Small Farmers Agribusiness Consortium (SFAC) and the National Institute of Agricultural Extension Management (MANAGE); its guidelines were revised 2011.
- The scheme is open to agricultural graduates in subjects allied to agriculture like horticulture, sericulture, forestry, veterinary science, animal husbandry, dairy, poultry, agri-engineering, food technology and other allied activities.
- **Under the scheme, unemployed agricultural graduates are provided training at designated training centres and successful candidates can later apply for loans to start their agri-clinics and business centres in any specified venture.** They do not need to deposit collateral security for loans up to Rs. five lakh. The loan period can vary between five to ten years depending on the activities.
- **The objective of the scheme is to supplement the efforts of the government extension system, make available supplementary sources of input supply and services for farmers and to provide gainful employment to agricultural graduates in various areas of the agricultural sector.**

### **Foodgrains output may drop**

- After a record run in two consecutive years, foodgrains production is likely to decline this year owing to the deficient southwest monsoon during the 2012-13 kharif seasons. This adversely impacted the output of pulses, coarse cereals and oilseeds, with a bearing on their price levels.
- But what may bring down the overall output is the slightly lower area sown under Rabi wheat, rice, coarse cereals and minor oilseeds. The crops that are under stress include minor oilseeds, jowar and bajra, while pulses remain an area of concern.
- The States that have suffered the most due to rain deficit are Karnataka, Tamil Nadu, Maharashtra and Andhra Pradesh.

#### **National Monsoon Mission**

The main objectives of the National Monsoon Mission are:

- (i) To build a working partnership between the academic and R&D organisations both national and international and the operational agencies to improve the operational monsoon forecast skill over the country.
- (ii) To set up a state of the art dynamic modelling framework for improving the prediction skill of:
  - a) Seasonal and extended range prediction system (16 days to one season)
  - b) Short to medium range prediction system (up to 15 days).

## **Micro Irrigation**

- A scientific method of irrigation carrying desired water and nutrients direct to the root zone of the plant, drop by drop.

## **National Mission on Micro Irrigation (NMMI)**

- NMMI was launched as a Mission from June 2010.
- NMMI would boost converge of micro irrigation activities under major government programmes such as National Food Security Mission (NFSM), Integrated Scheme of Oilseeds, Pulses, Oil palm & Maize (ISOPOM), Technology Mission on Cotton (TMC) etc. for increasing water use efficiency, crop productivity and farmers income.

## **The salient features of the scheme are:**

- Small & marginal farmers would get subsidy of 60 per cent and for other beneficiaries, 50 per cent for an area up to 5 hectare under the Government of India share.
- Introduction of new components with advanced technologies on micro irrigation like semi permanent sprinkler system, fertigation system, sand filter, different types of valves etc.
- Release of Central share to the State Implementing Agencies instead of districts.
- The scheme also has an effective delivery mechanism that calls for close coordination among the beneficiaries, the Panchayats, the State Implementing Agencies and the registered system suppliers for the increased area under gross cultivation.
- National Committee on Plasticulture Applications in Horticulture (NCPAH) as the nodal agency provides suitable policy measures for effective implementation of NMMI in the country.
- NCPAH monitors effectively the performance of 22 Precision Farming Development Centres (PFDCs) and overall development of precision farming methods and hi-tech interventions in general in the country.

## **People's archive of rural India**

- An online platform being launched by noted development journalist and *The Hindu* Rural Affairs Editor P. Sainath.
- The platform, which is expected to commence operations on an experimental basis from June, is an effort by the Magsaysay award-winning journalist who has reported from the length and breadth of rural India to document for posterity the myriad forms of labour and production in rural India.
- (Did you know that there is a community called Khalasi in Kerala, which has specialised in hydraulics for millenniums? This community has traditionally helped in moving newly-constructed ships from the dry docks to the sea without damaging the vessel's base. Then there is a little known tribe in Assam known as Apathenis, whose members plough the land with their feet as they believe that it is a crime to use implements against Mother Earth. These are just a couple of facts on the diversity and complexity of life in rural India that are set to find a place in the "People's archive of rural India,")

# Public Finance

## Higher Taxes on the Rich:

- Ahead of the Budget, Finance Minister P. Chidambaram has indicated that the Government is considering the idea of additional taxation for India's super-rich. If the government does decide to raise taxes for the wealthy, it would be following France and US, where the governments have recently raised taxes for the rich.
- Currently, income is taxed at 3 rates- 10%, 20% and 30%. These rates were fixed in 1997 and have remained unchanged since then. The government can either change the tax rate for wealthy or it can impose a surcharge on income tax paid by the rich or it can introduce an inheritance tax

## Why is the Government considering it?

1. The government is under pressure to raise more taxes to contain the widening fiscal deficit (5.3% of GDP) and to fund its welfare programmes for an equitable and inclusive growth
  2. With growth rates slowing, governments worldwide are looking at additional taxation for the rich in order to generate more revenues.
- Late last year, the U.S. increased the tax rate for individuals who have a taxable income of at least \$400,000, or couples with at least \$450,000, from 35% to 39.6%
  - France increased the income-tax rate of people in the highest tax bracket from 41% to 45%. It also proposed a special tax on incomes above 1 million Euros per year, which would result in 1500 individuals paying an overall tax rate of 75%

## Criticisms:

- **Industry:** Such negative policies could potentially lead to capital flight as well as encourage tax evasion and will negatively impact entrepreneurship, capital mobilization and business confidence
- **Individuals:** In India, tax base and tax compliance is very low with only 30-40 million paying taxes. Tax increase will work only when our tax compliance rates are comparable to developed countries. Additionally, foreign countries have a strong welfare system. Whatever you pay as taxes comes back in the form of social security and free medical treatment for senior citizens
- **Tax Experts:** India needs to widen its tax base with a focus on real estate transactions, which often happen in cash to evade taxes. Increasing tax rates will fuel a black market and lead to tax evasion. Taxing the rich might bring temporary relief and check the widening fiscal deficit but it is not a sustainable solution. India's Tax-to-GDP ratio at 16.8% is comparable to developing countries such as China (17.5%), Mexico (17%) and Malaysia (15.7%). Tax effort is a function of income levels and as incomes will increase so will the Tax-to-GDP ratio. The greater thrust should be on checking tax evasion and growth of black money

## Issues:

### a. Which income levels should be targeted?

- In the United States the \$400,000 figure is close to 3.5 times the average household GDP. The same calculation in India results in a figure of Rs. 13 lakhs/year. Clearly for a country with India's income disparity levels the threshold must be higher

### b. Implementation concerns:

- The rich will simply park their wealth in lower tax regimes such as Singapore, Mauritius, Dubai & Switzerland or relocate to a tax haven
- Escaping taxes on items outside of salary is a matter of financial jugglery and the top compensation packages already have components such as variable pay, profit-led returns & Employee Stock Options (ESOPs)
- Inheritance tax overlaps with wealth tax in some cases & collections may not justify the cost of administering them

## TAXING TIMES

Number of taxpayers in India & their slabs

(2011-12)

(in millions)

Tax slab (Rs )	No of taxpayers	% of taxpayers
0-5 lakh	28.84	89.00
5-10 lakh	1.79	5.50
10-20 lakh	1.38	4.30
>20 lakh	0.41	1.30

Source: Standing committee report on DTC

## Related Reading:

- **Inheritance Tax:** An inheritance tax or estate tax is a levy paid by a person who inherits money or property or a tax on the estate (total value of the money and property) of a person who has died. India had an inheritance tax/estate duty from 1953-1985. It was only 0.4% of Direct taxes in 1985 before it was abolished
- **Wealth Tax:** Wealth tax is an annual direct tax like income tax which is charged on the net wealth of the assessee. The assets chargeable to wealth tax are property, cars, jewellery, Yachts, Aircrafts & Cash in hand (>50,000). It is charged at the rate of 1% of the amount by which the net wealth exceeds Rs 15 lakhs
- The difference between them is that Inheritance tax can be levied on non-productive assets like investments in shares, mutual funds, UTI while the above mentioned assets are exempt from wealth tax

### **Third Quarter Review of Monetary Policy:**

- RBI has lowered its key policy rates. This will infuse liquidity worth Rs 18,000 crore in the system. The last rate cut was in April 2012

#### **Policy Rate Decisions:**

1. Repo Rate lowered from 8% to 7.75%
2. Reverse Repo Rate & Marginal Standing Facility (MSF) Rate automatically lowered to 6.75% and 8.75%
3. Cash Reserve Ratio (CRR) lowered to 4% of Net Demand & Time Liabilities (NDTL)

#### **Economic Projections:**

1. GDP Growth for 2012-13 lowered to 5.5%
2. Inflation Projection for March-2012 is 6.8%

### **Reasons:**

For decline in GDP Growth projection:

1. Global growth rate decline continues to inhibit improvement in Services sector
2. Severe winter in certain parts has endangered crop prospects and sowing of rabi crops
3. Investment demand remains sluggish

### **For the Cut in Policy rates:**

1. Decline in WPI Inflation
2. Government has stuck to its resolve to consolidate finances and maintain fiscal deficit target for FY-13 at 5.3% of GDP. Steps like Deregulation in diesel prices, cap on subsidised LPG cylinders, liberalisation of FDI in retail, deferment of GAAR have been appreciated by RBI
3. Industry has been demanding a cut in interest rates to boost growth through cheaper borrowing

### **Doubt that may arise:**

- WPI has decreased but CPI still is more than 10% and since RBI's main stance is inflation management, is the move justified?
- For this we need to differentiate between Headline inflation & Core Inflation-
- Headline Inflation is the measure of total inflation within an economy and is affected by areas of market which may experience sudden inflationary spikes such as food or energy. Hence it may not reflect an accurate picture of current state of economy. More useful for the household since it reflects changes in the cost of living
- Core Inflation represents the long run trend in price level. It excludes items frequently subject to volatile prices like food and energy. It is used by central banks since it is less volatile and along with other factors can be used to predict headline inflation.
- The WPI decline is on account of decline in manufactured goods inflation. This gives RBI the space to ease rates in spite of persistent food inflation.



- (Note: The WPI decline is surprising since the deregulation of fuel prices should have actually increased inflation. Why this is so is for the economists to figure out :P)

## Related Terminology:

1. **CRR:** Proportion of Bank's NDTL that is to be kept with the RBI as cash deposits. Decrease in CRR increases liquidity and vice-versa. There is no upper and lower limit for CRR (Before 2007 they were 20% and 3% respectively)

2. **NDTL: Net Demand and Time Liabilities**

Demand liabilities: liabilities payable on demand

Examples: Current deposits, Demand Drafts, Savings Bank deposits, Margins held against Letters of Credit/Guarantees

Time liabilities: Payable liabilities other than on demand

Examples: Fixed deposits, Gold deposits, Cash certificates

3. **Repo Rate:** Rate at which banks can borrow from the RBI

Reverse Repo: Rate at which RBI can borrow from banks

(Reverse Repo is fixed at 1% below Repo Rate)

Decrease in Repo Rate increases liquidity in the system since Banks can get money at a cheaper rate and vice-versa.

4. **Marginal Standing Facility:** This is the facility provide by RBI to banks to borrow up to 1% of their NDTL. MSF is the last resort for banks once they exhaust all other borrowing options since it comes at a cost. It is 1% above the Repo Rate

5. **Difference between CPI and WPI:**

- a) Food only has a weight of 24% in WPI while it ranges from 37-70% in CPI
- b) Services have a weight of 12-25% in CPI while are not reflected in WPI
- c) Metals and a few other bulk commodities have a weight of 8% in WPI but are not directly included in CPI

## Social Development

### GAAR Controversy:

- General Anti-avoidance Rule (GAAR) is a concept which generally empowers the Revenue Authorities in a country to deny the tax benefits of transactions or arrangements which do not have any commercial substance or consideration other than achieving the tax benefit. Denial of tax benefits by the Revenue Authorities in different countries, often by disregarding the form of the transaction, has been a matter of

conflict between the Revenue Authorities and the taxpayers. Traditionally, the principles regarding what constitutes an impermissible tax avoiding mechanism have been laid down by the Courts. In its recent ruling in the famous Vodafone case, the Supreme Court has stated that GAAR is not a new concept in India as the country already has a judicial anti-avoidance history.

### Timeline of Events:

- **August, 2010:** The principle of GAAR was incorporated into the Direct Taxes Code introduced as a bill in the parliament
- **March, 2012:** Pending consideration of the bill, Income Tax Act, 1961 was amended by the Finance bill, 2012 to add GAAR. Draft guidelines were published. The announcement of these provisions saw a sharp decline in FDI & FII inflows to India
- **May, 2012:** Finance bill is amended to defer the applicability of GAAR provisions by one year to April, 2013. A committee was constituted under the chairmanship of DG-IT (Director General Income Taxes) to recommend guidelines for implementation of GAAR and suggest safeguards against indiscriminate use of GAAR provisions
- **June, 2012:** DGIT committee submits draft GAAR guidelines and although making some good recommendations, they failed to provide the necessary comfort and clarity to taxpayers about GAAR
- **July, 2012:** An expert committee under the chairmanship of Dr. Parthasarathi Shome is setup to undertake stakeholder consultations and finalize the guidelines for GAAR
- **September, 2012:** The expert committee submits its final report for the consideration of Government
- **January, 2013:** The Government accepts the major recommendations of the expert committee with some modifications and defers the applicability of GAAR provisions by 2 years to April, 2016

### Why is GAAR necessary?

1. Tax avoidance, like tax evasion, seriously undermines the achievements of the public finance objective of collecting revenues in an efficient, equitable and effective manner. Since the better-off sections are more endowed to resort to such practices, tax avoidance also leads to cross-subsidization of the rich.
2. Since the liberalization of the Indian economy, increasingly sophisticated forms of tax avoidance are being adopted by the taxpayers and their advisers. The problem has been further compounded by tax avoidance arrangements spanning across several tax jurisdictions. This has led to severe erosion of the tax base.
3. In view of the above, it is necessary and desirable to introduce a general anti-avoidance rule which will serve as a deterrent against such practices. This is also consistent with the international trend. Countries like Australia, New Zealand, South Africa, Germany, France, UK and others have introduced GAAR into their tax codes.

### Apprehensions of the Investor community:

The GAAR provisions proposed in the Finance Bill 2012 gave wide discretionary powers to the tax authorities to invoke GAAR. The main concern of the industry was that the provisions as they were worded were so open ended that even those transactions that are globally considered legitimate tax planning and are thus permissible, now became vulnerable to being treated as impermissible by the authorities.

1. By its very nature, GAAR involves the use of discretion by the tax authorities and holds a strong danger of being misused or used indiscriminately. Other countries have put safeguards in place such that GAAR is invoked selectively. However, in a jurisdiction like India, where the tax administration has still to gain the requisite maturity and may arguably lack complete accountability, the degree of discretion that GAAR offers can be hazardous.
2. Secondly, if GAAR is introduced, under which circumstances should it be invoked? Given the complexity of transactions, there is a very thin line dividing tax mitigation and tax avoidance. If invoked inconsiderately, GAAR may affect even the transactions that are genuine and constitute legitimate tax planning.
3. The third aspect was the use of specific anti avoidance rules (SAAR) instead of GAAR. Having SAARs provide greater clarity and certainty in law as they communicate the clear intent of the government to not accept certain transactions.

### Key Recommendations of Shome Committee:

1. An arrangement, the main purpose of which is to obtain a tax benefit, would be considered as an impermissible avoidance arrangement
2. The assessing officer will be required to issue a show cause notice, containing reasons
3. The assessee shall have an opportunity to prove that the arrangement is not an impermissible avoidance arrangement
4. Investments made before August 30, 2010, the date of introduction of the Direct Taxes Code, Bill, 2010, will be grandfathered (GAAR will not apply to them)
5. GAAR will not apply to such FIIs that choose not to take any benefit under the Income-tax Act, 1961. GAAR will also not apply to non-resident investors in FIIs
6. A monetary threshold of Rs. 3 crore of tax benefits in the arrangement will be provided in order to attract the provisions of GAAR

### Related Reading:

#### 1. Difference between Tax Evasion, Tax Avoidance & Tax Mitigation

- **Tax Evasion:** Use of illegal arrangements where liability to tax is hidden or ignored i.e. the tax payer pays less tax than he is legally obligated to pay by hiding income or information from tax authorities
- **Tax Avoidance:** Misuse or abuse of the tax laws exploiting structural loopholes to achieve tax benefits and although the arrangement could be strictly legal it is usually in contradiction with the tax laws. The key distinction being that in tax avoidance the key facts or details are not hidden by the tax payer but are on record
- **Tax Mitigation:** Arrangement of business by companies and individuals in order to minimise tax liability
- In many cases the dividing line between tax mitigation and tax avoidance may not be clear. GAAR is an antidote for Tax avoidance and not Tax evasion

#### 2. Difference between SAAR & GAAR:

- **SAAR:** Set of rules which target specific 'known' arrangements of tax avoidance. SAAR being specific have a very limited scope of application and this may provide tax-payers with an opportunity to find loopholes and circumvent these provisions
- **GAAR:** GAAR has a broader application and can more effectively target 'out of box' thinking in devising new means of tax avoidance

### 3. SC Ruling:

- The Supreme Court of India in its ruling in the case of *Vodafone* has said that all tax planning cannot be said to be illegal/illegitimate or impermissible. Genuine strategic tax planning is permissible.

### **BIPA negotiations put on hold:**

- Following a spate of show cause notices (worth \$5 billion) on the Government by foreign companies seeking to recover their investments under the BIPAs, the Union Government has ordered a freeze of all BIPA negotiations till a review of the model text of BIPA is carried out and completed.

### **Background:**

- As part of the Economic Reforms Programme of 1991, the foreign investment policy of India was liberalised and negotiations undertaken with a number of countries to enter into BIPAs. India has signed BIPAs with 82 countries of which 72 have already come into force and the remaining are in the process of being enforced.

### **BIPA: Bilateral Investment Promotion & Protection Agreement**

- An agreement between 2 countries for the reciprocal encouragement, promotion and protection of investments in each others' territories by the companies based in either country

### **Objectives:**

- The principal objective of BIPAs is to provide a stable investment climate, inter alia, by protecting investments from the arbitrary actions of a foreign government.
  - Create favorable conditions for greater investments by investors of one country in the territory of another country
  - Increase the comfort level of investors by assuring a minimum standard of treatment in all matters, legal security and dispute resolution through international mechanism
- India with its rising economic status needs BIPAs to not only attract greater investments but also protect the interests of Indian companies investing abroad. A large proportion of Indian investments are made in countries with which India has a BIT (Bilateral Investment Treaty). On the flip side it may expose India to claims made by foreign investors.

### **Need for a review of Model BIPA text:**

- Over the last few months, 6 notices have been served by international investors invoking provisions of BIPAs signed by India. The companies which have launched investment arbitration proceedings are:

Sistema Corp. (Russia) Telenor Asia (Norway) Capital Global Ltd. & Kaif Investment Limited (Mauritius based investors in Loop Telecom) Children's Investment Fund Management (UK & Cyprus)	Claim that the cancellation of telecom licences by SC go against India's obligations under BIT
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- **Vodafone International (Netherlands):** Claims that the Government's decision to retrospectively tax its acquisition of Hutch in 2007 is a breach of India's obligations and denial of justice.
- Fearing more notices in future the Ministry of Finance and Ministry of Commerce & Industry have decided to review the model BIPA text and incorporate safeguards to avoid such litigation in the future. The Government has said that foreign investors cannot claim protection on issues related to taxation, indirect foreign shareholders and minority stakeholders
- **India is not alone in calling for a review**
- This review is symptomatic of larger global backlash against Investment Treaty Arbitration i.e. arbitration arising from BIPAs and other investment agreements.
- Australia has stopped signing BITs (Bilateral Investment Treaty) which have arbitration provisions
- South Africa has decided to review its existing BITs with a view to terminate and re-negotiate a new model BIT
- Venezuela, Bolivia & Ecuador have denounced the ICSID Convention to stem the investment arbitration cases against them
- (ICSID- International Centre for Settlement of Investor Disputes arbitrates investor-state disputes)
- The above show that there are apprehensions in the global community with respect to Investment Treaty Arbitration such as:
  1. Lack of transparency in proceedings
  2. It reduces States' regulatory space
  3. The need for judicial independence as arbitrators and counsel are drawn from a small 'club' belonging predominantly to capital exporting nations from Europe and the U.S
- The above criticisms, though valid, reveal only half the truth. Argentina is an example of ICSID balancing State & Investor claims. Many adverse awards against Argentina have been annulled by review panels under ICSID. States can also raise counter-claims against investors and win damages. There are also instances of claims against developed nations by investors from developing nations.
- BITs are necessary because doing away with them will mean a return to the days of gunboat diplomacy, diplomatic protection and politicisation of disputes.

## What is the way-out for India?

1. India should initiate a comprehensive review of existing investment treaties and seek suitable amendments in the existing treaties through bilateral negotiations
2. Policymakers can look at not allowing investor-state dispute settlement mechanisms through International arbitration (Australia has this in its trade agreements with developing countries)
3. There are some exception clauses (such as national security clauses) which are exempt from the treaty's obligations. It might be worthwhile to enlarge the list of exception clauses by incorporating other policy priorities (such as taxation and financial stability) in the treaty.
4. Fourth, for a more balanced outcome, policymakers should avoid using words such as "creating favourable conditions for investments" in the preamble since it could be interpreted by arbitral tribunals as removing all restrictions in favour of foreign investors.
5. Fifth, the main objective of treaties should not be investment protection alone. There are legitimate policy objectives (such as sustainable development and financial stability) which should also be incorporated in the

treaties. Policymakers should ensure that the state's power to regulate business activities in the public interest is explicitly mentioned in the treaty's preambles and other sections.

### **NIF Restructuring:**

National Investment Fund (NIF) has been restructured to enhance the disinvestment policy and take forward the disinvestment exercise at a faster rate. Following changes have been incorporated:

1. The disinvestment proceeds with effect from the fiscal year 2013-14 will be credited to the public account' under the head National Investment Fund (NIF), and they would remain there until withdrawn/invested for the approved purposes
2. The fund will be used to subscribe to shares issued by the Central Public Sector Enterprise (CPSEs), including public sector banks and public sector insurance companies
3. The fund will be used for preferential allotment of shares of the CPSE to promoters so that government holding does not go down below 51 per cent, in all cases where the CPSE is going to raise fresh equity
4. The fund managers presently managing the NIF will stand discharged of their responsibility from the date the funds and the interest income are transferred to the fund
5. The NIF will be operated through an empowered group of ministers (eGoM) headed by the finance minister and it will work on the advice of an inter-ministerial group (IMG) working under the chairmanship of disinvestment secretary

### **Related Reading:**

**1. NIF:** On 27 January 2005, the Government had decided to constitute a 'National Investment Fund' (NIF) into which the realization from sale of minority shareholding of the Government in profitable CPSEs would be channelised. The Fund would be maintained outside the Consolidated Fund of India. The income from the Fund would be used for the following broad investment objectives:-

- a) Investment in social sector projects which promote education, health care and employment;
- b) Capital investment in selected profitable and revivable Public Sector Enterprises that yield adequate returns in order to enlarge their capital base to finance expansion/ diversification.

#### **Salient features of NIF:**

- i. The Fund will be professionally managed to provide sustainable returns to the Government, without depleting the corpus. Selected Public Sector Mutual Funds will be entrusted with the management of the corpus of the Fund
- ii. 75% of the annual income of the Fund will be used to finance selected social sector schemes, which promote education, health and employment. The residual 25% of the annual income of the Fund will be used to meet the capital investment requirements of profitable and revivable CPSEs that yield adequate returns, in order to enlarge their capital base to finance expansion/ diversification

#### **Fund Managers of NIF:**

- The fund is managed by three public sector mutual funds – SBI, LIC and UTI mutual funds. As on August 31, 2012, the NIF corpus was Rs 1,800 crores

- In 2009 the government had decided to put a 'pause' on putting disinvestment money in NIF. Since then, all the proceeds have been used for funding six social sector schemes -- Mahatma Gandhi National Rural Employment Guarantee Scheme, Indira Awas Yojana, Rajiv Gandhi Grameen Vidyutikaran Yojana, Jawaharlal Nehru National Urban Renewal Mission, Accelerated Irrigation Benefit Programme and Accelerated Power Development Reform Programme

**2. Disinvestment in 2012-13:** The Government has an Rs 30,000 crore disinvestment target this fiscal. So far, the government has only raised Rs 7000 crores through minority stake sale in PSUs. Upcoming disinvestments include a 10% stake sale in OIL (Oil India Ltd) worth Rs 2700 crores and a 9.5% stake sale in NTPC worth Rs 12,000 crores.

## External Sector

### FDI in Aviation Industry finally bearing fruit

In September, 2012 CCEA (Cabinet Committee on Economic Affairs) had allowed foreign airlines to invest up to 49% in domestic carriers, giving wings to cash-strapped Indian carriers. The move will create access to capital, global connectivity, technology and best practices for the airlines and with the increased competition the customers will benefit with better offerings, greater efficiency and cheaper airfare.

However, foreign airlines while welcoming the move have been cautious with the investment opportunity because of:

1. **Structural Problems in the Indian Aviation Sector:** Indian airlines are presently not viable because they are unable to support the cost structure with existing fares. Balance sheets for most domestic airlines are relatively weak. Infrastructural Deficits and Tax-policy are also concerns for Foreign airlines
2. Due to economic downturn even the large foreign airlines have their profit margins under pressure. Therefore foreign airlines are expected to pick-up minority stakes of 10-15% initially with a commitment to increase it further with policy reforms and improved performance.

#### **AIRLINES' NET LOSS**

##### **2011-12 ( in Rs crore)**

AIR INDIA

**7,853.0**

KINGFISHER AIRLINES

**2,328.0**

JET AIRWAYS

**1,236.1**

SPICEJET

**605.8**

#### **Indian domestic passenger growth**

(Figures in millions)

2006	26.1
2007	35.0
2008	35.1
2009	42.9
2010	51.8
2011	60.7

## Recent Happenings:

- Abu-dhabi based Etihad Airways could be the first foreign airline to acquire stake in an Indian carrier. It is in talks with Jet Airways to pick up a 24% stake in the Indian carrier.
- Other airlines such as SpiceJet and Kingfisher are also in talks with International carriers such as AirAsia, Singapore Airlines and Emirates.

## India's Gold Rush: Impact and Sustainability

### Gold Imports:

#### Facts-

1. India is the largest importer of gold in the world. It imported 1080 tonnes/\$60 billion of Gold in 2012 out of the global supply of 4130 tonnes. (1/3<sup>rd</sup> of the total supply)

India exports back about 40% of its imports in the form of gold jewellery and other gold re-exports. However even gold re-exports have fallen to 29%.

2. Mining and production of Gold in India is negligible (2 tonnes/yr). India imports most of its gold requirements
3. India has over 18,000 tonnes/ Rs. 40 lakh crore of aboveground stocks (Households, Temples, Government, Banks). This is more than 2 times the US Fed's reserves
4. Gold's share in total import bill of the country is around 11%

#### Why is it a problem?

##### **1. Gold imports add to the widening Current Account Deficit (CAD)**

It is considered that a CAD of 2.5-3% is sustainable for India. CAD was 4.2% in 2011-12 and touched a record high of 5.4% in July-Sept Quarter in 2012

This widening CAD is on account of the widening trade deficit driven by rising imports of Gold. Even though international prices of Gold have increased exponentially, India's Gold imports have increased substantially.

Moreover, the foreign exchange reserve used to import Gold reduces the availability of this resource to finance import of other commodities

##### **2. Gold as a commodity on its own does not add much to the productive capacity of the economy.**

If Indians had invested in other instruments such as equity markets & mutual funds, the country's annual GDP would have been higher by 0.4% according to a Morgan Stanley Research since the savings invested in Gold are locked

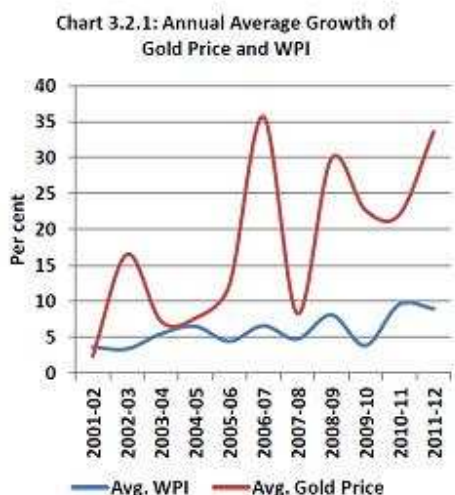


## What explains this Gold affinity?

### 1. Cultural Factors: Indians like Gold and gold ornaments.

We buy it to celebrate births, weddings and other functions. We donate it to our Gods. We even have a day considered auspicious to buy Gold.

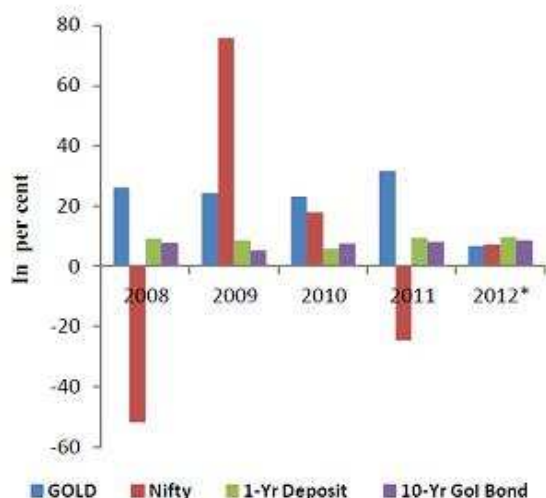
### 2. As a hedge against Inflation particularly in rural areas because of low financial literacy and Gold being considered safe and liquid



### 3. As an attractive investment option

Uncertainty in the Real Estate and equity markets has made Gold an attractive investment. Gold has outperformed other investment options and is being increasingly used to diversify assets.

### 4. Convenient store for ill-gotten wealth, Black money i.e. unaccounted wealth



## Steps Taken/to be taken by the Government:

### Short Term

1. Duty on Gold hiked from 4% to 6% in order to bring down imports  
(This may lead to re-emergence of Smuggling in Gold as was seen Pre-1991)
2. Linking of Gold ETFs (Exchange Traded Funds) to Gold depositing schemes of Banks with a view to increase availability of physical gold in the market

### Long Term

- Make other Asset classes like Equities more attractive to invest in. Spread Financial Literacy to explain that Gold does not always offer safe returns and wean them away from physical gold to gold-related financial products.

### Related Terminology:

- **ETFs:** Exchange Traded Funds are essentially Index Funds that are listed and traded on exchanges like stocks. An ETF is a basket of stocks that reflects the composition of an Index, like S&P CNX Nifty or BSE Sensex. The ETFs trading value is based on the net asset value of the underlying stocks that it represents. Think of it as a Mutual Fund that you can buy and sell in real-time at a price that change throughout the day.
- **Gold ETFs:** Gold ETFs basically offer investors a means of participating in the gold bullion market without the hassle of taking physical delivery of gold and to buy and sell that participation through trading of a security on Stock Exchange. As per the prescribed norms, the ETFs in India have to maintain 100 per cent gold reserves corresponding to the full value of the investments they have secured.
- **Mutual Funds:** A mutual fund is a company that brings together money from many people and invests it in stocks, bonds or other assets. The combined holdings of stocks, bonds or other assets the fund owns are known as its portfolio. Mutual funds are operated by money managers, who invest the fund's capital and attempt to produce capital gains and income for the fund's investors.

# SOCIAL ISSUES

## Poverty and Exclusion

### New formula for Identification of Urban Poor

- This will be as per the recommendations of the **Hashim Committee** set up by the Planning Commission on urban poverty alleviation.
- Under a formula the government is set to introduce, "baskets" based on people's vulnerabilities will divide families into **two groups, one automatically included in the poverty bracket, the other automatically excluded.**
- Being homeless or jobless, or consisting entirely of people aged below 18 or above 65, are among the factors that will automatically include a family as poor. Automatically excluded will be families with a motor vehicle, a concrete house with four or more rooms, or electronic appliances such as an air-conditioner or a refrigerator.
- The ministry of housing and urban poverty alleviation will grade urban on the basis of economic, social and occupational vulnerabilities.
- The grading of the population will be according to their needs. Based on data from the **socio-economic caste census**, families will be assigned points. For example, those living in a house with its roof/walls of grass or thatched bamboo would be given 2 points, those living under a roof of handmade tiles 1. The higher this score, the stronger the family's entitlement to a scheme: a family that scores very high on the housing vulnerability index would be a priority for schemes such as Rajiv Awas Yojana.
- As of now, the ministry struggles to identify beneficiaries in cities such as Delhi, where few families earn below the urban **poverty cutoff** (currently Rs 4,824) and where there is often suspicion about income documents having been fudged.

AUTOMATICALLY IN	AUTOMATICALLY OUT
<ul style="list-style-type: none"><li>• Families without a home</li><li>• When every member is jobless</li><li>• When all members are under 18 and/or above 65</li></ul>	<ul style="list-style-type: none"><li>• Families with a motor vehicle</li><li>• When they live in a concrete house with 4 or more rooms</li><li>• When they have an AC or a fridge</li></ul>

(UPSC 2008: The conditions of the *urban poor* are more deplorable than that of their rural counterparts. Give your views)

### Parliamentary panel on Food Security Bill

- A Parliamentary Committee suggested monthly legal entitlement to 5 kg of foodgrains per person at highly subsidised rates to 67 per cent of country's population under the UPA government's ambitious Food Security Bill.
- The beneficiaries should get rice, wheat and coarse grains at Rs. 3, 2 and 1 per kg, respectively."

- The panel agreed to the Bill's provision to cover 75 per cent of the rural population and 50 per cent of the urban people.
- The general households would get at least 3 kg at 50 per cent of the minimum support (MSP) price.
- It is also recommended to give additional 5 kg of foodgrains per month to women during pregnancy and till two years after child birth.
- The Committee found that entitlement of 7 kg or 11 kg would not be feasible considering the current production and procurement trends.
- The committee also recommended that a simple and fair way of setting state-wise exclusion ratio should be prescribed and instead of two categories of general households and priority households, there should be inclusion and exclusion. Further the coverage under the proposed law should be reviewed after 10 years and rates after 5 years.
- It opined that the cash transfer in lieu of foodgrains entitlements at this juncture may not be desirable as there is not enough accessibility to banking facility are made available throughout India.

#### **The government's draft bill:**

It seeks to cover 63.5 per cent of the population, consisting of 75 per cent of the population in rural India and 60 per cent in urban India. These proportions have been broken down into "priority" and "general" groups with the former eligible for 7 kg of subsidized grain at the low prices mentioned above, whereas the general category will be eligible for 3 kg each at half the economic cost of grain distributed through the public distribution system.

#### **National Advisory Council's recommendation:**

The National Advisory Council (NAC), on the other hand, had made a case for providing food grains using the Rs. 3-2-1 pricing formula to 75 per cent of the population (90 per cent in rural areas and 50 per cent in urban areas) divided into "priority" (46% rural; 28% urban) and "general" (39% rural; 12% urban) categories. Priority households were to be entitled to 35kg of subsidized food grain per month and general households to 20kgs, at a price not exceeding 50 per cent of the minimum support price (MSP).

#### **Rangarajan panel's recommendation:**

It supported a substantial reduction in coverage. It favoured a scheme that would "restrict the assured delivery of foodgrains at Rs 2 per kg for wheat and Rs 3 per kg for rice, to the really needy households and cover the rest through an executive order with a varying quantum depending on the availability of foodgrains. The "really needy" households were defined as the set of those falling in income terms below the revised official Tendulkar poverty line plus an additional 10 per cent above that line.

### **Assistance raised under IAY**

- Government raised the amount of assistance from Rs 45,000 to Rs 70,000 for construction of a dwelling unit (for hilly area, from Rs. 48500 to 75000) under Indira Awaas Yojna.
- There will also be a provision now of loan up to Rs 20,000 — up from Rs 10,000 — with four per cent interest for buying land for the house.

# SC/ST/OBC/Minorities

## SC/ST (Prevention of Atrocities) Act

### **What are the kinds of offences that a person can be booked for under the Act?**

- Any person, either an individual or a government servant, can be booked under the Act if he threatens, humiliates, injures, abuses verbally or physically, wrongfully confines or calls by his caste a member of the Scheduled Castes or the Scheduled Tribes notified under the Constitution. Forcing a SC/ST citizen to work for free or vote in favour of a candidate in an election against his choice is also an offence punishable under the Act. Similarly, government servants can be booked under the Act if they fail to discharge their duty to protect the rights of members of the SC/ST.

### **What is the punishment under the Act?**

- The minimum punishment under the Act is six months and fine, but in cases where the offence is also punishable under the Indian Penal Code, the maximum punishment can extend upto life plus fine. The quantum of punishment for anybody who is punished under the Act for the second time is more. The court while awarding the punishment can also order attachment or forfeiture of any movable or immovable property of the accused.

### **Can special public prosecutors be appointed under the Act?**

- Yes. For every Special Court established by the state government, it can also appoint an advocate who has been in practice for not less than seven years as special public prosecutor.

### **Can preventive action also be initiated under the Act?**

- Yes. A District Magistrate or any other designated officer, if he has reason to believe that a person or a group of persons is likely to commit an offence or has threatened to commit any offence under this Act, can take necessary action.

### **Has the Act achieved the desired result?**

- The general consensus seems to be that the Act has not done much to prevent harassment of members of the SC/ST castes. As per the annual report of the Ministry of Social Justice and Empowerment for 2002, of the total cases filed, only 21.72 per cent were disposed of. Out of these, 2.31 per cent ended up in conviction. Even the Supreme Court has pointed to this anomaly. Last year, a PIL was filed in the Allahabad High Court, alleging that offences committed against members of the SCs and STs in Uttar Pradesh were not being taken cognisance of under the Act. Uttar Pradesh, incidentally, has the highest number of cases under the Act. Last year, the present BSP government had issued an order that said action would be taken under Section 182 of the IPC against those who lodge false cases under the Act. The Section 182 of the IPC provides for imprisonment upto six months or fine up to Rs 1,000 or both for a person or persons who give false information with intent to cause public servant to use his lawful power to the injury of another person.

- **Why in News:** A case was registered under SC/ST act against **Ashis Nandy** for his (alleged derogatory) remarks at the annual literary festival at Jaipur

### **Aadishilp**

- The 16-day crafts expo 'Aadishilp' organised by the Marketing Development Federation of India Limited (trifed), functions under the ministry of tribal affairs.
- The expo focused on the country's tribal artisans.
- Exquisite and varied hand-made articles from the seven sister-states of north eastern India i.e., Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland and Tripura occupied two dozen of the stalls.
- The main objective of the event was to give tribal artisans an opportunity to display their ethnic works.

### **Jarawa area in Andamans**

- The Supreme Court banned tourists from taking the Andaman Nicobar Trunk Road that passes through the area where the Jarawas live. The road is used to reach the Limestone Cave. The Bench directed that only government officials, persons residing in the reserve and vehicles carrying essential commodities for the Jarawas would be allowed on the Trunk Road.
- The court has already banned all commercial and tourism activities within a five-km radius of the Jarawa Tribal Reserve on the Andaman and Nicobar Islands.

### **Can't Muslim policeman sport beard?**

- The Supreme Court issued notice to the Maharashtra government on a special leave petition filed by Mr Zahiuddin and staying the disciplinary proceedings against him.
- According to Mr Zahiuddin, he was allowed the permission to sport beard from his commandant which was subsequently cancelled in view of the amended service guidelines issued by the Home Ministry. His writ petition challenging the Commandant's order was rejected by the High Court.
- Mr Zahiuddin raised important questions of law in his SLP: can Sikhs in the force be allowed to have a beard and wear a turban, features which distinguish them from followers of other religions and did the Commandant's order violate Article 14 (right to equality) of the Constitution? Did the order cancelling permission violate his right under Article 25 (right to profess, practise and propagate one's religion)? Has the High Court failed to appreciate that keeping a beard is obligatory for every man following Islam and that it is sinful not to do so as the Koran ordains him to sport a beard?

### **Reservation for Special Backward Classes (SBCs) in Rajasthan**

- In a major setback to the State Government, the Rajasthan High Court has stayed the five per cent reservation for Special Backward Classes (SBCs), including Gujjars, putting a question mark on the way the decision was taken "without any valid justification" following a prolonged agitation by the Gujar community.
- The decision taken by the State Cabinet on November 28 last year to provide a separate five per cent quota to the SBCs without touching the 21 per cent reservation available to Other Backward Classes and taking the overall reservation in jobs and education to 54 per cent had left Gujjars dissatisfied as it was susceptible to judicial rejection since its inception.

- A Division Bench of the High Court granted interim stay on the decision while hearing a public interest writ petition and made a terse observation in its order: **“More than 50 per cent reservation without any valid justification is unconstitutional.”**

## Women

### SC notice on Child Rights commission

- The Supreme Court asked to explain the failure to set up commissions for protection of child rights in altogether 19 states and UTs
- Under Section 17 of the Commissions for Protection of Child Rights Act, 2005, it was necessary in all the states for effective implementation of rights of children.

## Old Persons

### No Differential Treatment in pensions

- SC held that no differential treatment can be given while deciding the pension of retired government employees, while deciding their "dearness pay".
- While giving judgement, SC said inflation would have the same effect on all pensioners, whether they retired prior to or after June 1, 1988
- SC quashed an August 9, 1989 Tamil Nadu Government Order to the extent that it extended to employees who retired on or after June 1, 1988 a lower component of 'dearness pay' as against those who had retired prior to June 1, 1988, holding that the order was violative of Articles 14 (equality before law) and 16 (equality in matters of public employment) of the Constitution.

## Health

### Cash incentives to States for lower neonatal deaths

- With India unlikely to achieve the millennium development goal (MDG) of 28 per 1,000 live births by 2015, the Centre has approved a monetary incentive for States to encourage them to further bring down neonatal deaths. This has been done on the recommendations of the 13th Finance Commission.
- Manipur, with an IMR of 11 per 1,000 live births, will receive the highest amount followed by Tamil Nadu.

### Health Minister's Discretionary Grant (HMDG)

- The eligibility criterion of annual income to avail them of the **Health Minister's Discretionary Grant (HMDG) (for non BPL)** has been raised from Rs. 75,000 to 1, 00,000, along with an increase in the financial limit for treatment.
- Under the HMDG scheme, a maximum assistance of Rs. 50,000 was given to the poor and needy as part of the expenditure incurred on hospitalisation for major surgical interventions and treatment of major diseases including heart ailments, kidney transplant, hip and knee replacement, cancer, AIDS, hepatitis and tumour.

- The new areas covered under the scheme are urology, nephrology, gastroenterology, liver transplant and surgery for portal hypertension, cases of complicated diabetes which require one-time treatment such as amputation or renal transplant.
- BPL families are covered under the **Rashtriya Arogya Nidhi (RAN)**, where financial assistance is provided for treating life-threatening diseases and medical aid is received in government hospitals. The financial assistance is released in the form of a “one-time grant”.

## Human Resource

### Risk-based system to give education loans

- The Finance Ministry want public sector banks to usher in a risk-based pricing regime for education loans.
- Currently, banks are charging a fixed rate of interest for all education loans (there may be variations subject to the quantum) irrespective of the courses pursued, rating of institutions or student ratings. There has been a widespread demand for charging differential rates.
- The proposed system is based on assigning ratings to universities, institutes and colleges as well as students.
- Lending to promising students will reduce credit risk, improve asset quality and check the rise of bad loans.
- Banks response to the rating concept is mixed. Problems: Big task-Too many college and students to be rated. College may not prefer to be rated etc.

### Revision in the norms for the scheme ‘Special Industry Initiative Scheme for Jammu & Kashmir (Udaan)’

- The cabinet committee on economic affairs has approved the modification in the scheme ‘Special Industry Initiative for Jammu & Kashmir’ (Udaan) to make it more flexible and relevant.
- Within the overall central assistance of rs.750 crore, the flexibility to appropriate the budget among different expense heads will be allowed.
- Public sector undertakings (PSUs) have now been allowed to participate in the scheme and will meet the expenses under their corporate social responsibility (CSR) head.
- It allows inclusion of three year engineering diploma holders in the scheme, reimbursement of fixed training cost after minimum three months employment, instead of one year employment, provision of medical/accident insurance, etc.

### **Special Industry Initiative Scheme for Jammu & Kashmir (Udaan)**

- Under the scheme, 40,000 youth will be trained in five years.
- Companies which show interest in the scheme and enter into the agreement with the National Skill Development Corporation (NSDC), will screen and select students from the state.
- After assessing the skill gap of the trainees, a training module, its duration and nature of training will be designed by the companies.
- Trainees will be relocated to the training facility.
- After completion of the training, they will be interviewed for a job with the company and will be placed as far as possible.
- The scheme targets youth who are educated, but do not have marketable skills.



- It includes graduates, postgraduates, three year engineering diploma holders and youth with professional degrees.
- This talent pool in the absence of job opportunities becomes highly alienated and their potential in turning around the state economy is wasted.
- The scheme will facilitate gainful employment to the youth of Jammu & Kashmir.
- By providing them jobs, the scheme proposes to channelize their energies into creative pursuits.

### **NCERT survey**

- There was an increase of 26.77 per cent in the total number of schools in the country between 2002 and 2009. The maximum growth rate was witnessed in upper primary schools (49.15 per cent) followed by higher secondary schools (46.80 per cent), secondary by 28.95 and primary by 16.68 per cent.
- One-fifth of the total primary schools did not have drinking water, three out of 10 schools were without usable urinal facilities, and about half of the schools did not have playgrounds between 2002 and 2009.
- A growth rate of over 13.67 per cent was reckoned in enrolment from Class I-XII while a 19.12 per cent increase was recorded in girls' enrolment.
- The ratio between girls' enrolment to the total enrolment decreases the higher the class.
- Further, there was 30-per-cent increase in the number of teachers in the country. The growth rate in the number of teachers in higher secondary schools increased by 34 per cent during this period while the teaching faculty almost doubled in higher secondary schools.
- Pupil-teacher ratio too improved significantly in primary, upper primary and secondary schools. A significant change is observed in primary schools where the ratio has declined from 42:1 to 32:1 at the national level.
- Only 73 per cent of schools in rural India had drinking water facilities, 56 per cent had usable toilet facilities and 48 per cent had separate toilet facilities for girls.
- The report said 42.8 per cent of schools complied with RTE norms between 2010-12
- The report said that the enrolment level for 6-14 years age-group, at 96.5 per cent, continued to be high. However, the proportion of children not enrolled went up from 3.3 per cent in 2011 to 3.5 per cent in 2012, with the increase being largest for girls in the 11-14 age-groups.

### **National Jawaharlal Nehru Science Fellowship/Professorships**

- Taking a cue from China, the Planning Commission is working on a totally new approach to get top Indian scientists working abroad to spend some time doing teaching and research in scientific and technical research institutions here.
- Instead of being offered a job through the normal recruitment routes, the scientists would be selected by an expert committee consisting of top level Indian and international scientists and invited by the Government to work here for short periods.
- The selected scientists would be paid directly by the Government through a special window and not by the institutions where they would be working.
- Planning Commission is looking at making the scheme a joint activity with top corporate so that they can also offer such scholarships and let the scientists be associated with their laboratories.
- It is proposed to be called 'National Jawaharlal Nehru Science Fellowship/Professorships' programme.

## **Annual Status of Education Report (ASER) 2012 (by Pratham)**

- The Annual Status of Education Report (ASER) 2012, facilitated by NGO Pratham, was released by Human Resource Development Ministry
- Recording the decline in the learning, the report found that almost half of the Class 5 students in rural schools cannot solve a two-digit subtraction problem. Less than half of them can read text meant for a Class 2 child.
- It has found, for example, that only 30 per cent of children in Class III could read a text appropriate for the skill set of Class I students — compared to 50 per cent just four years ago.
- **Usage:** Can be used to quote some figures in Mains answer or essay

# **INDIA AND WORLD**

## **Major Powers**

### **David Coleman Headley Case**

#### **Who is David Headley?**

- David Coleman Headley (born Daood Sayed Gilani) is a Pakistani-American from Chicago who conspired with the Lashkar-e-Taiba group and, he claims, Pakistani military officers in the numerous 2008 Mumbai attacks and other terrorist activity.
- Between 2002 and 2005, Headley made several trips to Pakistan for terrorist training while simultaneously working as an informant for the United States Drug Enforcement Administration. Between 2006 and 2008, Headley performed five spying missions in Mumbai scouting targets for the planned 2008 attacks, on behalf of Lashkar-e-Taiba and Pakistani ex-military officers. The attacks killed 168 people. In 2009, Headley traveled to Britain to help plan an attack against the Danish newspaper Jyllands-Posten, which had published cartoons of the prophet Muhammad. He was arrested in October 2009 at O'Hare International Airport in Chicago on his way to Pakistan.

#### **Why in News recently?**

- On January 24, 2013 Headley was convicted by the United States federal court in Chicago, Illinois for his part in the 2008 Mumbai attacks. Based on the recommendation of the prosecutors in the case, he was sentenced to 35 years in prison.
- The judge in the case, Harry Leinenweber, stated that the sentence was sufficient to put him under lock and key for the rest of his life, and that he would never be in a position again to commit a terrorist attack.
- However, others, including survivors of the attacks, have been critical of the sentence, saying that the length of the sentence was an appalling dishonor and that Headley had no right to live. Headley could have faced up to the maximum sentence of life imprisonment, but got a lighter sentence due to his cooperation with U.S. federal prosecutors, specifically in providing testimony against the those who plotted to attack a Danish newspaper.

## Indian Stance on Headley and Rana

- Indian objective has been that the processes initiated with the filing of charge sheet against nine individuals by the NIA special court regarding the conspiracy surrounding the Mumbai terror attacks is taken forward.
- Two of these charge sheets are against Headley and Rana. The US has been helpful, thus far, within the limits of their own laws. They have enabled Indian access to Headley. Indian officials have been able to spend seven days questioning him.
- However, India has not been able to question Rana earlier given his rights as an accused under US laws but now that he is a sentenced prisoner, India will once again seek US government's support for access to him and also further access as may be deemed necessary to Headley.
- India intends to work closely with the US to take the legal process forward and its demand for extradition for Rana and Headley continues to stand.
- Though India had limited access to 52-year-old Pakistani -American Headley, who receded the 26/11 Mumbai terror attack, targets for LeT, but it has so far not been able to quiz his Pakistani-Canadian businessman friend Rana.

## China gives go-ahead for three new Brahmaputra dams

- China has given the go-ahead for the construction of three new hydropower dams on the middle reaches of the Brahmaputra River, ending a two-year halt in approving new projects on the river amid concerns from India and environmental groups.
- China has, so far, only begun construction on one major hydropower dam on the main stream of the middle reaches of the Brahmaputra or Yarlung Zangbo as it is known in China – a 510 MW project in Zangmu in the Tibet Autonomous Region (TAR), which began to be built in 2010.
- A 640 MW dam will be built in Dagü, which lies 18 km upstream of Zangmu. Another 320 MW dam will be built at Jiacha, also on the middle reaches of the Brahmaputra downstream of Zangmu. A third dam will be built at Jiexu, 11 km upstream of Zangmu.
- The construction of the Zangmu dam in 2010 triggered concerns in India regarding possible impact on downstream flows. Chinese officials, however, assured their Indian counterparts that the project was only a run-of-the-river hydropower station, which would not divert the Brahmaputra's waters. The government has also built at least six smaller hydropower projects on the Yarlung Zangbo's tributaries, which, officials say, will have no impact on downstream flows.
- **Diversion plan shelved:** The government has, for now, shelved a long-discussed plan to divert the Yarlung Zangbo's waters to the arid north, citing technical difficulties.
- **Fresh concerns likely in India:** While they are run-of-the-river projects, they will be required to store large volumes of water for generating power. Their construction is likely to trigger fresh concerns in India on how the flows of the Brahmaputra downstream will be impacted.

## LAC patrol

- Seeking to further tone down aggression in border patrols along the Line of Actual Control (LAC), Beijing has proposed a formal agreement to do away the practice of 'tailing' of troops by either side that sometimes takes place along the contentious boundary.

- One practice that is occasionally followed is the 'tailing' of a border patrol to ensure that it does not cross over the perceived LAC. During such a manoeuvre, troops track the border patrol party for kilometres, increasing the probability of a confrontation.

### **India-China joint civil servant training**

- India and China have begun an effort to share their experiences of carrying out administrative reforms and to jointly train their civil servants.

## **Neighbour**

### **UNMOGIP**

**(In News due to ceasefire violation by Pakistan)**

- Immediately after the freedom a dispute erupted between India and Pakistan on the question of the very basis of accession of Jammu and Kashmir by the ruler. New Delhi took this matter to the United Nation and the Security Council passed resolution 39 (1948) and established the United Nations Commission for India and Pakistan (UNCIP) to investigate and mediate the issues. After the termination of UNCIP, the Security Council passed another resolution 91(1951) and established **United Nations Military Observer Group in India and Pakistan (UNMOGIP)** to observe and report violations of ceasefire.
- Following renewed hostilities of 1971, UNMOGIP has remained in the area to observe developments pertaining to the strict observance of the ceasefire of 17 December 1971 and report thereon to the Secretary-General.

**Current stands:**

**India:**

- India recently sought to bury the ghost of third party intervention in Jammu & Kashmir by suggesting that the U.N. Military Observer Group in India and Pakistan (Unmogip) be wound up as it had been “overtaken” by the Simla Agreement of 1972. India’s Permanent Representative to the U.N. Hardeep Puri articulated India’s position during a debate in the U.N. Security Council on the United Nations’ peacekeeping operations.
- Unmogip’s role was to supervise the ceasefire line, which was established in Jammu and Kashmir as a result of the Karachi Agreement of 1949. This line no longer existed and a new line came into existence on December 17, 1971.
- The Simla Agreement, which enjoins India and Pakistan to bilaterally sort out their disputes, makes UNMOIGP obsolete.

**Pakistan:**

- Responding to Mr. Puri’s observations, his Pakistani counterpart Masood Khan said no bilateral agreement between India and Pakistan had overtaken or affected the role and legality of Unmogip. “Unmogip continues to monitor the ceasefire in accordance with the U.N. Security Council resolution; its mandate is, therefore, fully valid, relevant, and operative,” he said.

## UN:

- "A permanent peace settlement should be arranged between the two states (India and Pakistan) and only then UNMOGIP should fade into history," UNMOGIP - Major General Young Bum-Choi said in an interview published in the February 2013 issue of the UN newsletter.

### Mission facts

- Location:  
The ceasefire line between India and Pakistan in the State of Jammu and Kashmir
- Headquarters:  
Islamabad (November-April) / Srinagar (May-October)
- Duration:  
January 1949 to present

## Also in News

- J&K Chief Minister Omar Abdullah said recently that the United Nations Military Observer Group in India and Pakistan (UNMOGIP) has failed to maintain the sanctity of the Line of Control (LoC).
- Omar said J&K has been a victim of cross-border and cross-LoC terrorism, and UNMOGIP has not passed any strictures while taking note of ceasefire violations.
- The Kargil war followed a violation of the LoC by Pakistan. "The United Nations failed to uphold the sanctity of the LoC then," he said.
- Soon after the escalation of tensions over the beheading of an Indian soldier on the LoC in Mendhar, Islamabad had suggested a probe by UNMOGIP. New Delhi rejected the suggestion, and India's envoy at the UN, Hardeep Puri, sought the winding up of the mission. Pakistan, on the other hand, has been strongly opposed to any move to disband UNMOGIP.

## India-Pakistan Trade:

### Timeline of Events:

- **April, 2011:** Both sides issue an ambitious Joint statement that vowed to improve trade ties between the neighbours, ushering in a new future in bilateral economic relations. Key proposals include granting of MFN status to India, Relaxation of visa rules for businessmen, Opening of bank branches in each other's country, India to allow FDI from Pakistan
- **November, 2011:** Pakistan's cabinet gave an in-principle approval for trade normalisation with India and said that the MFN status would be granted gradually
- **March, 2012:** Pakistan did away with the 'positive list' maintained for trade with India. This list accounted for 1960 items permitted for import from India. A negative list of 1200 items is introduced accounting for items which cannot be imported from India. Apart from the negative list Pakistan opened its markets for a much wider range of Indian goods encompassing more than 7500 tariff lines
- **April, 2012:** Integrated check-post at Wagah-Attari border inaugurated to boost trade through the land route. Trading hours increased, infrastructure for large container vehicles set-up

- **December, 2012:** Pakistan misses the deadline of granting MFN status and phasing out of negative list due to concerns in the domestic industry of Indian goods flooding their markets
- For the period April-December, 2012 Pakistan's exports to India grow by 66% while Indian exports to Pakistan grow by 16%
- **January, 2013:** The killing of 2 Indian soldiers along the LOC causes trade to be suspended for 20 days, once again showing how quickly the trade relations can change.

#### **Key Points:**

1. Bilateral trade potential between the two countries is estimated to be \$19.8 billion (U.S.), which is 10 times larger than the current \$1.97 billion in trade
2. The three categories with the largest export potential (54 per cent) from India are machinery, mechanical appliances, electrical equipment, chemicals and textiles. The three categories with the largest import potential from Pakistan are textiles, jewellery, precious metals and base metals, accounting for 45 per cent.
3. A substantial proportion of India's export potential – 58 percent – is in products that are on Pakistan's negative list for India or on Pakistan's sensitive list applicable to India under the South Asian Free Trade Area (SAFTA) agreement. Similarly, 32 percent of India's import potential from Pakistan is in items on the sensitive list for Pakistan applicable under SAFTA
4. To realize the untapped trade potential between the two countries, several physical and regulatory impediments need to be addressed. The physical infrastructure at the land routes is inadequate even though new facilities have been put in place for cross-border road transportation of goods.
5. Even as tariff and non-tariff barriers are lowered, informal trade is likely to co-exist with formal trade for some time. Third-country traders have played a dual role as facilitators and guarantors of trade transactions between Indian and Pakistani traders. Until business partnerships can materialize through market forces, payments can be ensured, and trust in business relationships can be established, informal trade may not shift to formal channels. (Informal Trade is worth \$600 million to \$3 billion according to various estimates)
6. For deeper and stronger trade linkages, it is important that there are foreign investment flows between the two countries. India has now permitted outward flows of investment to Pakistan and inward flows of investment from Pakistan. If a bilateral investment treaty is put in place, it will improve business confidence to invest in the other country.
7. A key determinant of the realization of trade potential is the liberalization of visas. The revised visa regime provides only an incremental improvement over the existing system. The two countries should move to a more liberal visa regime without compromising on security.

#### **Related Reading:**

##### **a. Difference between Negative list and Sensitive List:**

The negative list specifies the banned list rather than the permitted list of imports from India. The sensitive list consists of items on which tariff concessions are not allowed in order to protect domestic markets

##### **b. India had already granted the MFN (Most Favored Nation) status to Pakistan in 1996.**

In 2004, India and Pakistan as members of SAARC signed the SAFTA (South Asian Free Trade Agreement). SAFTA required members to offer MFN status to India and with Pakistan not granting it to India, SAFTA has been a virtual non-starter.

## **India, Bangladesh sign extradition treaty, new visa regime**

- India and Bangladesh recently signed (on 28-Jan-2013) two landmark agreements to extradite criminals and terrorists and liberalise the visa regime.
- **Refusal provisions** have been built into the extradition treaty, which India waited for long. If extradition of someone poses a threat to **national security**, a country may refuse the deportation request. No political detainee will be brought under the purview of the treaty. If a controversy arose during an extradition process, officials explained, the matter will be settled as per the laws of the country concerned.
- The other agreement provides for a **friendlier visa regime** for Bangladeshis. Businessmen will be given a **five-year, multiple-entry visa**. Those travelling on medical grounds will get a **two-year, multiple-entry visa**, which can be extended for one more year. Three attendants of a patient will also be entitled to visa. Until now, India has been granting Bangladeshi tourists visas for up to six months and has allowed one person to accompany a patient.

## **India - Bangladesh partnership in dams on common rivers**

- In contrast to China's unilateral move to construct dams on the upper reaches of the Brahmaputra, India has taken a different route with respect to dams on rivers it shares with Bangladesh.
- India and Bangladesh have identified several projects including the controversial Tipaimukh hydel project in which Dhaka could have equity participation. Over time, some portion of the electricity generated by projects on common rivers could accrue to Bangladesh, said official sources.
- 'Take Dhaka into confidence' According to the proposal the Ministry of External Affairs has informed Indian power companies about adverse reactions in Bangladesh over the Tipaimukh project on River Barak and advised them that any development, however insignificant, should be taken up after taking Dhaka into confidence.
- The sources said that after the power companies decided to share technical details and the environment plan with Bangladesh, National Security Advisor Shivshankar Menon advised them to take the extra step by inviting Dhaka to participate in the Tipaimukh project.
- Subsequently, Prime Minister Manmohan Singh felt that as a first step, a delegation could be invited to India to discuss the possibility of Bangladesh taking a stake in the project.
- **Bangladesh has now shown interest in jointly developing nine hydroelectric projects in the North east and Sikkim. Of them, three are under construction — Subansiri (2000 MW), Myntdu (84 MW) and Teesta-III (1200 MW). Dhaka is also interested in six other projects that are at the planning stage including Jadukata (345 MW), Tipaimukh (1500 MW) and Teesta-IV (495MW).**
- The offer of a joint stake in Tipaimukh, which is located in India on the Manipur-Mizoram border but on a river common to Bangladesh, will be the first move to test the waters in terms of various wrinkles that are likely to appear in a joint hydel project with a huge capital outlay. The project had led to agitations in Bangladesh where people feared that the dam would lead to floods during monsoons and lean flows during the rest of the year.
- Sources said a part of the electricity that would be generated could be transferred to Bangladesh. India has a similar arrangement with Bhutan which is working satisfactorily — India buys about 1,200 MW of power from Bhutan and pays for it. India is constructing projects in Bhutan that are expected to yield an additional 10,000 MW provided funds don't fall short.
- India has already taken small steps in this regard with Bangladesh. A transmission line is nearing completion and, by this summer, India should be supplying 500 MW to her eastern neighbour.

- The two sides are now working on an East-West connectivity project under which electricity generated in the North-East will be evacuated to eastern India by taking transmission lines across Bangladesh.
- If all goes according to plan, officials say Bangladesh's share from the projects could be transferred from this grid.

### **Alarm over growing Chinese presence in Maldivian IT, telecom sectors**

- With Indian security agencies sounding an alarm over the growing influence of China in the Indian Ocean region, the Ministry of Communications and IT has agreed that Beijing's state-owned companies should be kept at bay from the Maldives' IT and telecom sectors.
- The Ministry has also suggested that the Ministry of External Affairs (MEA) take up the matter with the Maldives. The MEA should also request the Maldives for an amicable solution on the issue.
- China has been eyeing a greater presence in the Maldives for quite some time. In a surprise move just before it hosted the SAARC summit last year, the Maldives allowed China to open an embassy.
- Intelligence agencies were alerted after the Maldives requested China for a soft loan of Rs. 250 crore for an IT infrastructure project. Intelligence agencies picked up the first signs of a possible Maldives-China tie up when Chinese companies signed two MoUs in mid-2011.
- Already, the Sri Lankan subsidiary of Chinese telecom equipment-maker Huawei Technologies has signed an agreement with the National Centre of Information Technologies, Maldives, to develop the IT infrastructure under the 'Smart Maldives Project'.
- "The proposed project assumes significance due to the fact that China can capitalise its influence over the Maldives to utilise the latter's network once the project is implemented," the RAW said in its internal note.

### **Curb on visa facilities to Maldivians**

- The decision of the Union Government to stop Maldivians from using their visa-free travel facilities to India for other activities could hit medical tourism in the southern states.
- Maldivians will now need medical visas for treatment in Indian hospitals.

### **India-aided Housing project in Sri Lanka**

#### **Background of the Project**

- During the visit of President Mahinda Rajapaksa to India from 8-11 June 2010, an announcement was made by Prime Minister Singh that India would support a programme to reconstruct 50,000 houses in Sri Lanka.
- The housing project, aiming at the construction of 50,000 houses for Sri Lanka's internally displaced, is the largest Indian development project abroad. The project, worth nearly Rs. 1400-crore, is expected to be completed by October 2015.

#### **Pilot Phase**

- The work on the pilot phase has been completed. The first lot of 1000 completed houses was handed over to beneficiaries during the visit of Minister Krishna to Jaffna on 18 January 2012. An MOU with the Government of Sri Lanka on the modalities of implementation of the next phase of the Project for remaining 49,000 houses was also signed during this visit.



## Second Phase

- The next phase covers the Northern, Eastern, Central and Uva Provinces in terms of its spatial spread and involves construction of new dwelling units and repairs of existing houses. Of the 50,000 houses, as many as 43,000 will be built or repaired in the North and the East, which bore the burnt of the last Eelam War, which ended in May 2009. A total of 6000 more houses will be built in the hill provinces, where the impoverished Indian Tamil plantation labourers reside.

## New Approach Adopted: Beneficiary- Driven Approach

- India abandoned the contractor-driven approach undertaken in the pilot project and opted for the beneficiary-driven approach.
- The key to this approach was selection of beneficiaries based on an open and transparent system, the hiring of reputed implementing agencies (IAs) and monitoring at all levels and all stages of the process. Under the owner driven model, the beneficiaries were identified in consultation with the government of Sri Lanka and were in charge of the construction of their houses. Funds were transferred to their savings bank accounts directly by the Development Cooperation Wing of the High Commission in four instalments. The money was released based on the progress in construction.

# ASEAN

## Vice-President, Hamid Ansari's four-day visit to Vietnam

- to participate in events marking the conclusion of **40 years of friendship and five years of strategic partnership between the two countries.**

## MOU

- While a Memorandum of Understanding (MoU) for cooperation in the field of micro, small and medium enterprises (MSME) was signed between the two countries, the Vietnam's Vice-President NguyenThi Doan, made a strong pitch for development of ties in the fields of information technology, biotechnology, pharmaceuticals and space research.
- The MoU signed will focus on developing policy and institutional frame work through exchange of experts for the development of MSMEs and conducting industrial surveys and feasibility studies to identify thrust areas and opportunities for development of MSMEs in Vietnam.

## Trade and Investment

- Indian companies such as Godrej (furniture), Nagarjuna and KCP (sugar), Phillips Carbon Black, Marico, Fortis Health Care and CCL (coffee) have invested in Vietnam but none of these are big.
- Major pharmaceutical firms such as Torrent, Zydus Cadila, Glenmark and Panacea Biotech have also set up offices to promote their products in Vietnam. Incidentally, India is one of the largest exporters of pharmaceutical products to Vietnam.
- Lack of awareness and consciousness in Vietnam of India as a business partner seems to be a stumbling block to better trade relations, according to an official in the Indian delegation. With ASEAN, Taiwan, Korea

and Japan showering attention on Vietnam, and China offering attractive loans for projects using Chinese equipment, the disinterest in India as a partner is probably understandable, said the official.

- Tata Steel was planning a big investment in setting up a steel plant in the country but it is now on the backburner, if not given up already, as the company could not secure the right incentives from the Vietnamese government.
- The absence of a direct flight between the two countries is a dampener to not just business but also tourism. (Air agreement was signed in 2011 but no operationalised yet)
- Trade between the two countries stands at around \$4 billion and the aim is to take it to \$7 billion by 2015.

## Others

### Pravasi Bharatiya Divas 2013

- Celebrated every 9th January since 2003. Because on 9th January 1915, Gandhiji returned from India from South Africa. It is organized by Ministry of Overseas affairs.
- PBD 2013 Location: Kochi
- Theme: Engaging diaspora – the Indian growth story
- Chief guest: **Rajkeswur Purryag (President of Mauritius)**

### Highlights

- Ghadar Stamp was released to commemorate the 100 years of Ghadar Revolution.
- Pravasi Bharatiya Samman Awards 2013 given to 14 people, including Chief Guest Purryag, who was chosen for his outstanding contributions in public service and fostering friendly relations with India.
- Lone woman winner **Patricia Maria Rozario** is the first Indian singer of Western classical music to sustain a performing career over 30 years. Along with Zubin Mehta, she is one of the few Indian fellows of the Royal College of Music, UK.

### NCERT panel on minorities

- An advisory committee of NCERT set up for promotion of education of religious minorities has suggested **establishing separate schools for girls to check their dropout rates** and a comprehensive scholarship criterion for the holistic development of children.
- It has also recommended **in-depth research studies in minority education**, initiating teacher exchange programmes for exposing teachers to diverse situations and developing awareness packages for teachers and administrators towards policy and programmes for education of minority groups.
- Besides, it has pressed for decentralisation of policy planning involving local, block-level functionaries and community and a national-level consultation on issues and challenges related to minority education.

### Background

- Muslim children in both rural and urban educational institutes suffer from problems of alienation, discrimination and cultural marginalisation
- It is felt that organisations like NCERT should take more comprehensive research studies with specialised consultation to address these gaps in a more nuanced and realistic manner.

- NCERT Director Parvin Sinclair is of the view that many research studies have been undertaken in the area of minority education mostly focused on Muslims only, the focus now needs to be shifted to a larger spectrum and educational development of all minority groups.

### **Nirbhay**

- Nirbhay will be an all-weather low-cost medium-range cruise missile with stealth and high accuracy. The missile will have a range of 750km, which will be increased later
- It will carry a ring laser gyroscope for high-accuracy navigation and a radio altimeter for the height determination.
- It will be capable of being launched from multiple platforms on land, sea and air and shall be inducted into Indian Navy, Army, and Air Force. In particular, Nirbhay will be adapted for the Indo-Russian Su-30MKI.

### **Supreme Court quashes appointment of Karnataka Upalokayukta**

- The Supreme Court held the Governor of Karnataka can appoint the Lokayukta/Upalokayukta only on the advice tendered by the Chief Minister, and the Chief Justice of the High Court is only one of the consultees, and his views will have no primacy.
- It quashed the appointment because the Chief Minister did not have an effective consultation with the then Chief Justice of the Karnataka High Court.

### **Aakash-3 tablet**

- IIT-Bombay is planning the next edition of the tablet –Aakash – that will work on a SIM.
- It will also have a faster processor, a higher memory capacity and will function on both the android operating system and Linux.

## **INTERNATIONAL AFFAIRS AND INSTITUTIONS**

### **Country Watch**

#### **In Amenas hostage crisis**

- The In Amenas hostage crisis began on 16 January 2013, when al-Qaeda-linked terrorists affiliated with a brigade led by Mokhtar Belmokhtar took over 800 people hostage at the **Tigantourine gas facility** near In Amenas, Algeria.
- After four days, the Algerian special forces raided the site, in an effort to free the hostages
- At least 39 foreign hostages were killed along with an Algerian security guard, as were 29 militants.
- It was one of many attacks in the **Maghreb** carried out by Islamist groups since 2002.
- An al-Qaeda-affiliated group, known variously as both Katibat al-Mulathameen ('The Masked Brigade') and al-Muwaqqi'ūn bi-d-Dimā' ('those who Sign with Blood'), perpetrated the attack.

## Demands

- The militants demanded an **end to French military operations against Islamists in northern Mali**, in return for the safety of the hostages. A spokesman claiming to represent the "Masked Brigade" (or al-Mulathameen Brigade) said the hostage seizure was a **response to Algeria's opening of its airspace to French warplanes that attacked Mali's militants five days prior**.



## **Backgrounder on the Seige**

- In 1830, the French conquered Algiers. Their attempts to rule the rest of the country met stiff opposition, often religiously inspired: the Sufi warrior Amir Abd al-Qadir was particularly notable for his campaign to keep the French out.
- After independence in the 1960s, the Algerian government asserted state control over religious activities for purposes of national consolidation and political control. Islam became the religion of the state in the new constitution (Article 2), and was the religion of its leaders. The state monopolized the building of mosques, and the Ministry of Religious Affairs controlled an estimated 5,000 public mosques by the mid-1980s. Islamic law (sharia) principles were introduced into family law in particular, while remaining absent from most of the legal code; thus, for example, while Muslim women were banned from marrying non-Muslims (by the Algerian Family Code of 1984), wine remained legal.
- The militants who laid the siege came from a Mali-based al-Qaeda splinter group run by an Algerian.
- Algeria's response to the crisis was typical of its history in confronting terrorists, favoring military action over negotiation, which caused an international outcry from countries worried about their citizens.

- Algeria has fought its own Islamist rebellion since the 1990s, elements of which later declared allegiance to al-Qaeda and then set up new groups in the poorly patrolled wastes of the Sahara along the borders of Niger, Mali, Algeria and Libya, where they flourished.
- The standoff has put the spotlight on al-Qaeda-linked groups that roam these remote areas, threatening vital infrastructure and energy interests. The militants initially said their operation was intended to stop a French attack on Islamist militants in neighboring Mali though they later said it was two months in the planning, long before the French intervention.

### **Maghreb**

- The Maghreb is the region of Northwest Africa, west of Egypt. The traditional definition as being the region including the Atlas Mountains and the coastal plains of Morocco, Algeria, Tunisia, and Libya, was later superseded, especially since the 1989 formation of the Arab Maghreb Union, by the inclusion of a fifth nation, Mauritania, and of the disputed territory of Western Sahara (mostly controlled by Morocco).

### **The Central African Republic (CAR) crisis**

- One of Africa's poorest and least developed countries, CAR has been in turmoil since its independence from France in 1960.
- The current conflict has its roots in failure to implement key provisions of the peace agreement with rebels in 2007, particularly **the integration of fighters into the national army**.
- Recently, rebels organised under the banner of the **Sekele Coalition** advanced on **Bangui, the capital of CAR**.
- They want to overthrow President **Francois Bozize**, a military officer who seized power in 2003 and has since been **elected President** in 2005 and 2011.
- Mr. Bozize called on France to provide military assistance to protect his government. France had already turned down the appeal.

### **Position of France**

- Days to intervene in the internal business of a country are over.

### **Position of the African Union (A.U.)**

- Preferred option is for the political dialogue to succeed
- Peacekeepers from the **Economic Community of Central African States [ECCAS]** are already deployed in the country.
- The African Union (A.U.) is prepared to deploy troops in the Central African Republic (CAR) if all efforts to stabilise the country fail.

### **US's Immigration Laws to be rewritten**

- A bipartisan group of senators has reached agreement on the principles of sweeping legislation to rewrite the nation's immigration laws. The deal being announced covers border security, guest workers and employer verification, as well as a path to citizenship for the 11 million illegal immigrants already in the U.S.

- With President Barack Obama also backing comprehensive immigration reform, the deal marks the start of what could be the most promising negotiations in years toward overhauling the nation's inefficient patchwork of immigration laws.
- The Immigration Reform is primarily focusing on the number of immigrants, both legal and illegal currently in the United States. Organizations and politicians that use the term "Immigration Reform" to support a decrease in immigrants include: American Immigration Reform, Numbers USA and Congressman Tom Tancredo.
- The proposed Immigration Reform included the following topics:
  - Border Security measures like Increase the protection of borders, Increase the number of border patrol agents, Install additional cameras and radar towers, End the "Catch and Release Policy", Increase funding to expand detention centers and Denial of visas to recognized crime members
  - Worksite Enforcements like all workers must hold legal status in the United States, The Social Security Administration will send letters to employers explaining the potential liability of hiring illegal employees, Increase investigation of employers who hire illegal workers, Make E-verify integrated with DMV's around the country to avoid illegal workers from obtaining job by showing a fake drivers license
  - Guest Worker Programs like Reform the H-2A Agricultural Seasonal Worker Program, Reform the H-2B Program for non-agricultural seasonal workers, Extend the TN work visa eligibility to 3 years
  - Improve the current immigration system like Streamline the background checks conducted by the FBI when required by the USCIS, Make sure that illegal aliens do not earn credits toward social security

### **John Kerry**

- Senator John Kerry is to replace Hillary Clinton as US Secretary of State

### **US Gun Control Laws**

#### **Why in News?**

- Mr. Obama recently announced the gun-control proposals in the wake of a Connecticut elementary school shooting that killed 20 first-graders and six educators last month.
- Gun advocates some with rifles slung across shoulders or pistols holstered at the hip have rallied peacefully in state capitals nationwide against President Barack Obama's sweeping federal gun-control proposals.

#### **What's in Obama's Gun Control Proposal?**

- The initiative to reduce gun violence announced by President Obama includes both legislative proposals that would need to be acted on by Congress and executive actions he can do on his own. Many of the executive actions involve the president directing agencies to do a better job of sharing information.

#### **Proposed Congressional Actions**

- Requiring criminal background checks for all gun sales, including those by private sellers that currently are exempt.
- Reinstating and strengthening the ban on assault weapons that was in place from 1994 to 2004.
- Limiting ammunition magazines to 10 rounds.

- Banning the possession of armor-piercing bullets by anyone other than members of the military and law enforcement.
- Increasing criminal penalties for "straw purchasers," people who pass the required background check to buy a gun on behalf of someone else.
- Acting on a \$4 billion administration proposal to help keep 15,000 police officers on the street.
- Providing \$30 million in grants to states to help schools develop emergency response plans.
- Providing financing to expand mental health programs for young people.

## **Proposed Executive actions**

- Issuing a presidential memorandum to require federal agencies to make relevant data available to the federal background check system.
- Addressing unnecessary legal barriers, particularly relating to the Health Insurance Portability and Accountability Act, that may prevent states from making information available to the background check system.
- Improving incentives for states to share information with the background check system.
- Reviewing safety standards for gun locks and gun safes (Consumer Product Safety Commission).
- Providing incentives for schools to hire school resource officers.
- Developing model emergency response plans for schools, houses of worship and institutions of higher education.

## **Gun Control Debate**

- Gun control laws and policy vary greatly around the world. Some countries, such as Australia, the United Kingdom or Germany, have very strict limits on gun possession while others, such as the United States, have relatively lenient limits.
- In 2008, the Supreme Court in US ruled that the Bill of Rights included a guarantee of the personal right to own a gun. The decision was both a measure of how far the pro-gun debate had moved, and a blow to many of the stricter gun control laws adopted by cities like Washington, Chicago and New York. National Rifles Associations is a big lobby that is anti- Gun Control for obvious reasons.
- In recent years, there have been calls for action on gun violence after a series of horrific mass shootings; including the killing of 32 people at Virginia Tech in 2007 and recently in December 2012 the debate was revived again after a gunman carrying semiautomatic weapons forced his way into the Sandy Hook Elementary School in Newtown, Connecticut.

## **Pro Gun Control**

1. Most violent crimes are committed with guns; thus, restricting gun ownership will likely reduce the number of such crimes.
2. Lunatics, bullied school kids, disgruntled workers, and others can inflict mass casualties with guns that otherwise wouldn't be possible.
3. A crime victim who has a gun may be in more danger than an unarmed person since the criminal may kill in perceived self-defense.
4. Suicides and crimes of passion are higher with gun availability, as it's much easier to act immediately on your impulses when a gun is available.

5. The 2nd Amendment of the Constitution was targeted towards militia, e.g. the National Guard, rather than individuals.
6. Crimes that may have been less harmful can be made more dangerous by adding a gun.
7. Legalized gun ownership means guns have a greater chance of falling into the hands of kids, potentially resulting in some deadly accidents.
8. Terrorism, school shootings, and other modern circumstances make guns more dangerous nowadays.

## **Anti Gun Control**

1. Criminals will always find a way to obtain their guns, leaving law-abiding citizens without any weapons to use in defense.
2. Crimes are often prevented by the deterrent effect of the possibility of victim gun possession.
3. The 2nd Amendment to the Constitution protects the individual's right to gun ownership.
4. Woman and weaker individuals may have no means of self-defense from rape or other crimes, especially in the inner city.
5. Guns in the possession of citizens are an added protection against government tyranny.
6. Police are often too overwhelmed to protect all citizens from violent crime.
7. Banning guns will create another potentially large source of organized criminal revenue, as a black market for guns will surely develop.
8. Banning guns will take away yet another piece of our liberty, which is one more step to socialism and totalitarianism.
9. Reasonable gun control & education steps can be put in place, so an outright ban is unnecessary.

## **Gun control Law in India**

- Gun ownership in India is a privilege under the Arms Act of 1959. To obtain a license to own a firearm, a person has to prove that there exists "threat to life." Once a license is obtained, there are several restrictions on caliber (9mm, .303 British .45 ACP are prohibited along with several other calibers) and types of firearms (semiautomatic rifles, short barrel shotguns, and automatic weapons are not allowed for civilians).

## **Fukushima plant will be largest wind farm**

- Japan has decided to build the world's largest offshore wind farm to replace the crippled nuke plant. The project is part of Fukushima's plan to become completely energy self-sufficient by 2040, using renewable sources alone.

## **Milos Zeman**

- He won the Czech Republic's first directly elected presidential vote.
- Since Czechoslovakia split into Slovakia and the Czech Republic in 1993, the Czech Republic has had two Presidents elected by Parliament — Vaclav Havel (93-03) and Vaclav Klaus (03-13).
- Under the Czech constitution, the President has the power to pick the Prime Minister after a general election and to appoint members of the Central Bank board.



## **Britain introduces same-sex marriage bill**

### **Why in News?**

- The British government published a bill to legalize same-sex marriage, and said lawmakers will get their first vote on it in Parliament next month.
- The Marriage (Same Sex Couples) Bill extends marriage to gay couples but excludes clergy in the Church of England the country's official faith from having to carry out the ceremonies. This is intended to placate religious opponents of same-sex unions though it has not stopped criticism of the bill from religious leaders.
- The bill is likely to become law because it is supported by Conservative Prime Minister David Cameron, many members of his Cabinet and most Liberal Democrat and Labour lawmakers.
- The bill allows for other religious groups who wish to conduct same-sex ceremonies such as Quakers and liberal Jews to do so if their governing bodies approve.

### **Background**

- Same-sex marriage is currently unlawful in the United Kingdom, but bills in Scotland and England and Wales are currently before their respective parliaments, aiming to introduce such marriages.
- Whilst there are some differences in the laws of marriage in each jurisdiction of the UK, legislation such as the Matrimonial Causes Act 1973 expressly prevents same-sex marriage.
- Since 2005, same-sex couples have been allowed to enter into civil partnerships, a separate union which provides the legal consequences of marriage but not legal recognition as a marriage.
- In 2006, the High Court rejected a legal action brought by a British lesbian couple who married in Canada, seeking to have their union recognised in the UK, not as a civil partnership, but as a marriage.
- Polls suggest a majority of Britons support extending marriage to same-sex couples, but the issue remains divisive.

### **Arguments for Same Sex marriage**

- It encourages people to have strong family values and give up high-risk sexual lifestyles.
- The number of child adoptions will increase since gay couples cannot pro-create.
- The only thing that should matter in marriage is love. The number one reason that heterosexuals marry is not to establish legal status, allow joint filing of taxes, or protect each other in medical decision-making. They marry because it is the ultimate expression of a person's love for another.
- Denying these marriages is a form of minority discrimination.
- It doesn't hurt society or anyone in particular. A marriage is a relationship between two people. How does it hurt society or people not involved in the marriage?

### **Arguments against Same Sex marriage**

- It Violates Natural Law. Marriage is not just any relationship between human beings. It is a relationship rooted in human nature and thus governed by natural law.
- It Always Denies a Child Either a Father or a Mother. It is in the child's best interests that he be raised under the influence of his natural father and mother. This rule is confirmed by the evident difficulties faced by the many children who are orphans or are raised by a single parent, a relative, or a foster parent.
- It Does Not Create a Family but a Naturally Sterile Union
- It Defeats the State's Purpose of Benefiting Marriage

## **Bhutan**

### **Bird flu in Bhutan**

- The 'high alert' was announced in Border States against avian influenza after its outbreak in Bhutan.

#### **Avian Influenza (H5N1)**

Avian influenza is flu infection in birds. The virus that causes the bird infect in can change (mutate) to infect humans. Infection with the H5N1 virus in humans causes typical flu-like symptoms, which might include Cough (dry or productive), Diarrhoea, Fever greater than 100.4°F (38°C), Muscle aches etc.

### **Sri Lanka – Legal Controversy**

- The country's first woman Chief Justice Shirani Bandaranayake was removed after an ex parte trial which she claimed was biased and unfair. Parliament voted for her sacking despite the Supreme Court's definition that the process was unconstitutional. Also, the Appeal Court had quashed the findings against Ms. Bandaranayake.
- Mr. Rajapaksa, addressing lawyers immediately after the sacking of Chief Justice Shirani Bandaranayake, admitted that there were inherent flaws in some of the constitutional provisions.

### **Judiciary v/s Legislature: The Controversy**

- A report, prepared by a Parliament Select Committee (PSC) which enquired into the allegations against Chief Justice Shirani Bandaranayake, held her guilty to a few of the 14 listed charges. This declared null and void by a Court.
- The Sri Lankan Supreme Court determined that a PSC had "no legal authority" to declare guilty or pronounce a decision affecting the rights of the judge. Based on this, a Court of Appeal quashed the PSC report. So the debate [in parliament] is unconstitutional. The highest court has decided that the impeachment is unlawful.
- Meanwhile, Ms. Bandaranayake's lawyers told the press that she was willing to face "any independent enquiry", and detailed why the charges against the CJ did not hold water.
- President Rajapaksa's government, which had previously jailed the country's army chief, accused Bandaranayake of corruption, based on unproven allegations of disproportionate wealth. The parliament voted, 155 against 49, for the impeachment of the chief justice, ignoring the orders of the Supreme Court, which had invalidated the parliamentary proceedings. The country's capital is now rife with speculation about an impending showdown between the court and parliament. The developments in Sri Lanka highlight the dangers of super-majorities in parliament.

### **Fatah-Hamas Reconciliation talks**

#### **Background on Hamas- Fatah Conflict**

- The conflict, which erupted between the two main Palestinian parties, Fatah and Hamas, began in 2006, resulted in the split of Palestinian Authority into two polities, both seeing themselves the true

representatives of the Palestinian people – the Fatah ruled Palestinian National Authority and the Hamas Government in Gaza.

- The Cairo reconciliation agreement between the parties was signed in May 2011, bringing hopes of reuniting the Fatah ruled Palestinian National Authority and the Hamas Government in Gaza. The implementation of the agreement however was not executed up until the withdrawal of the Hamas external office from Damascus, due to the 2011-2012 Syrian uprising.
- As a result, the Doha deal was signed by Fatah and Hamas in 2012. On April 1, the Doha implementation however was described as "stalling" with no progress on the joint elections scheme. In addition, the Fatah blamed Hamas that its security forces have set up roadblocks and arrested dozens of Fatah members and individuals in Gaza, they whom accused of "spreading rumors"

## Current Status

- Egypt's President Mohamed Morsy is holding talks to reconcile differences between Palestinian factions, Fatah and Hamas — a step that reinforces Cairo's leadership in regional diplomacy to resolve the Israel-Palestine conflict.
- Hamas has been administrating Gaza since June 2007, when Fatah was forced out from the coastal strip following bitter fighting between the two factions.
- As internal fighting engulfs Syria, Egypt and Qatar, known for their support for the Muslim Brotherhood in the region, have been making a concerted effort to champion the Palestinian cause, with Hamas — an offshoot of the Brotherhood — emerging as the chief beneficiary.

## Egyptian Situation: Arab Spring and Beyond

### Why in News:

- The Egyptian opposition, in January, rejected talks with President Mohammed Morsi unless their demands are met on amending the constitution, creating a new government and ending the bloodshed.
- Facing his worst crisis since taking office in July, Mr Morsi renewed his call for the opposition to engage in a national dialogue, after almost 50 people were killed in clashes. Mr Morsi has declared a state of emergency and a night-time curfew for one month in the three restive cities of Port Said, Suez and Ismailia.
- The **Egyptian Popular Current** political group, led by former presidential candidate Hamdeen Sabahy, said a serious dialogue requires real guarantees by presenting political solutions, not security measures. The Popular Current, which emphasizes that it is not against constructive national dialogue, refuses to engage in talks amid continuing bloodshed and the regime's crimes against demonstrators.

## Background on Egyptian revolution and Present state of Affairs:

- The Egyptian Revolution of 2011 took place following a popular uprising that began on 25 January 2011. It was mainly a campaign of non-violent civil resistance, which featured a series of demonstrations, marches, acts of civil disobedience and labor strikes. Millions of protesters from a variety of socio-economic and religious backgrounds demanded the overthrow of the regime of Egyptian President Hosni Mubarak.
- Despite being predominantly peaceful in nature, the revolution was not without violent clashes between security forces and protesters, with at least 846 people killed and 6,000 injured. Protests took place

in Cairo, Alexandria, and in other cities in Egypt, following the Tunisian revolution that resulted in the overthrow of the long-time Tunisian president.

- The primary demands from protesters were the end of the Hosni Mubarak regime, the end of emergency law, freedom, justice, a responsive non-military government and a say in the management of Egypt's resources.
- International reactions have varied with most Western states saying peaceful protests should continue but also expressing concern for the stability of the country and the region. The Egyptian revolution, along with Tunisian events, has influenced demonstrations in other Arab countries including Yemen, Bahrain, Jordan, Syria and Libya.
- In February 2011, Vice President Omar Suleiman announced that Mubarak would be stepping down as president and turning power over to the Supreme Council of the Armed Forces (SCAF) and Mubarak resigned from office. In June 2012, Hosni Mubarak was found guilty of complicity in the murders of the protestors and sentenced to life imprisonment, but this sentence was later overturned on appeal. On 30 June, 2012 Morsi was inaugurated as the 5th President of Egypt.
- Mr. Morsi claimed a prominent place on the regional stage, traveling to Iran to denounce Syria's ruler and call for an end to the civil war there. In November 2012, Mr. Morsi and the United States brokered a cease-fire between Israel and Hamas after a week of fighting over the Gaza Strip. Balancing his party's inclination toward the militants in Hamas against Egypt's treaty obligations toward Israel, Mr. Morsi won plaudits for his role in ending the conflict.
- However, on Nov. 22, the day after his cease-fire accomplishment, Mr. Morsi precipitated the deepest political crisis since the revolution, when he issued a decree granting himself broad powers beyond court review.
- Mr. Morsi said he was acting to protect the deeply divided constitutional assembly, which many believed was on the verge of being dissolved by the judiciary. He quickly tried to soften his declaration in the face of outraged protests. But liberal activists, already upset about the assembly's domination by Islamists, took to Tahrir Square for a massive demonstration, as judges at many levels — including the country's highest and most respected court — went on strike.
- On Nov. 29, the leaders of the Islamist-dominated constitutional assembly held a hasty vote to adopt a draft constitution that independent analysts called hasty and ill-defined. The leaders of the constituent assembly rushed its proceedings to an end before the courts could act, and Mr. Morsi said he would put it to a referendum on Dec. 15.
- The proposed constitution would fulfill some central demands of the revolution: the end of Egypt's all-powerful presidency, a stronger Parliament and provisions against torture or detention without trial. But it would also give Egypt's generals much of the power and privilege they had during the Mubarak era and would reject the demands of ultraconservative Salafis to impose puritanical moral codes.
- In early December, full-fledged street battles broke out between supporters of Mr. Morsi and opponents of the new constitution, both liberals and the "felools," or Mubarak supporters. After six people were killed overnight, on Dec. 6, the army deployed tanks outside the presidential palace and took steps to physically separate the two sides.
- The fighting was the worst clash between political factions here since the days of President Gamal Abdel Nasser's military coup six decades ago, and Egyptians across the political spectrum responded with shock and dismay.
- The constitution was ratified in two rounds of voting in December, winning about 64 percent, but the contest's low turnout — just over 30 percent — seemed to show widespread dissatisfaction.

- Passage of the constitution begins what its supporters call the first experiment in Islamist democracy, and its results will be watched across the Arab world. But opposition leaders called the charter illegitimate and vowed to use any peaceful means available to prevent it from being carried out.

## **The Proposed Constitution of Egypt**

- On the question of Islamic law's place in Egyptian jurisprudence, the assembly left unchanged a longstanding article at the beginning of the text grounding Egyptian law in the "principles of Islamic law."
- But in an attempted compromise between the ultraconservatives and their liberal opponents, the proposed constitution, added a new article defining those principles in accordance with established schools of Sunni Muslim thought.
- Some liberals expressed fear that conservative Islamist judges and lawmakers could ultimately use the new clause to push Egypt to the right. But liberals who signed on to the compromise said the language was broad enough to give judges grounds to argue for individual rights, too.
- Egypt's generals, who seized power at Mr. Mubarak's ouster and who relinquished it to Mr. Morsi only in August, retained many of their prerogatives. The defense minister would be chosen from the military's officers. Insulating the armed forces from parliamentary oversight, a special council that includes military officers would oversee military affairs and the defense budget. And the military would retain the ability to try civilians in military courts if they are accused of damaging the armed forces. On individual rights, the constitution is a muddle. Believers in any of the three Abrahamic religions — Islam, Christianity and Judaism — are guaranteed the freedom of worship, but only those three.
- The constitution calls for freedom from discrimination, but does not specify whether women or religious minorities are protected. A provision on women's equality was left out to avoid a dispute after ultraconservatives insisted that women's equality should be qualified by compliance with religious laws.
- The text also offers no guidance about how to balance its broad protections of freedom of expression against other provisions protecting people or religions from insults.

## **Malian crisis**

### **Why in News?**

- French and Malian forces have taken control of Timbuktu airport and other access points to the historic Malian desert town.
- Islamist extremist groups expanded their presence in the country's vast, Saharan north following a March 2012 coup d'état that overthrew Mali's democratically elected government and led the military chain of command to collapse. Insecurity in northern Mali has displaced over 350,000 people
- Malian Refugees have spilled over to neighboring countries also as is given in the table below:

**Malian Refugees by Country of Asylum  
(as of 1 November 2012)**

Country of Asylum	Malian Refugees	Others* of Concern	Source
Niger	61,880	3,132	CNE, UNHCR
Burkina Faso	35,859	-	CONAREF/ UNHCR
Mauritania	108,953 **	-	Government/ UNHCR
Algeria	1,550	-	Government
Togo	20	-	Government/ UNHCR
Guinea	44	-	Government/ UNHCR
<b>Total</b>	<b>208,306</b>	<b>3,132</b>	

\* 3,132 are returning Niger nationals.

\*\* Figures to be confirmed after Level 2 Registration.

## Why the conflict?

### 1. Vested interest of Islamist extremism

All the Islamist militants follow the Saudi-inspired Wahhabi/Salafi sect of Islam. They have tried to impose their version of Islam, amputating limbs of people convicted of crimes and destroying Sufi shrines, which they claim promote idolatry.

### 2. Issue of Tuaregs

Tuareg rebel groups have claimed greater control over what they see as their historic homeland in the north, which they refer to as Azawad. They have also complained of neglect and discrimination by the Malian government, which has been dominated by southern ethnic groups since independence. Most recently, negotiated settlements in the early 1990s and 2006- 2009—mediated by the government of Algeria—laid the groundwork for fragile peace by promising greater regional autonomy, the integration of Tuareg combatants into the military, and more state aid for the impoverished north. The government never fully implemented these agreements, and non-implementation became a grievance unto itself.

### 3. Internal Situation in Mali

These include poor governance, the corrosive impact of drug trafficking and other illicit commerce, military fragmentation. High-level corruption, reportedly tied, in part, to criminal networks, contributed to public distaste for the government and to reported initial support for the coup against former President Amadou Toumani Touré. The roughly 7,000-person military remains in disarray due to internal tensions and political uncertainty.

#### 4. Spill over of Libyan Conflict

The trouble began when hundreds of Malian combatants who had fought to defend the late Libyan leader, Muammar Gaddafi, fled back home with weapons at the end of last year and formed the most powerful Tuareg-led rebel group the region have known - the Azawad National Liberation Movement (MNLA).

#### French in Mali

- In January 2013, French jets are zipping past northern Mali, bombing the region and with it, a participatory framework that had thus far allowed African states to troubleshoot what is first and foremost a regional political crisis. France's aerial assault and imminent deployment of ground troops is a volte face from its original plan to offer "logistical aid" to African peacekeepers in Mali. For all of French President François Hollande's promises to treat Africa as a partner and friend, his government's military intervention in the Sahel is proof that Françafrique is alive and well. Its monopoly over the rapid deployment of military force allows France to sustain a relationship of dependency with the continent, at a time when governments in North, West and Central Africa are struggling to control armed rebels.
- In the last few months, the U.N. Security Council had placed Mali at the centre of its agenda, while co-opting the concerns and counsel of West African states along the way. Last year, the council adopted Resolutions 2056, 2071 and 2085 — each facilitating progressively tough measures — to tackle this conflict. The U.N.'s efforts, which France has now upended, were aimed at bringing African stakeholders on board. In July 2012, the UNSC emphasised dialogue between various stakeholders in Mali, while acknowledging the sovereign authority of Mali's interim government. The Economic Community of West African States (Ecowas) mediated this dialogue, often interacting with fringe elements such as Ansar Dine, the Tuareg Islamist group that has now coalesced with other Islamist outfits in northern Mali.

#### Solution

- Negotiating and sustaining an agreement is feasible only if there is a mechanism to enforce its terms. The Ecowas and the African Union (AU) should aim at a Regional Solution with the help of the Security Council. It will be necessary to eventually pursue a broad reconciliation process that strengthens the foundations for national cohesion in Mali. International community will also have to expand the humanitarian response to this crisis, and not allow it to slip off an international agenda that has been completely preoccupied by events in Syria. Without an early political resolution of the crisis, there is a real risk that many of these people will be condemned to a future of protracted displacement and deprivation, just as has happened with millions of refugees from Afghanistan, Iraq and Somalia.

#### Timbuktu Manuscripts

- Timbuktu Manuscripts is an umbrella term for what were a large number of manuscripts (estimates range in the hundreds of thousands) which had been preserved by private households in Timbuktu, Mali. A large portion of the manuscripts had to do with art, medicine, science, and calligraphy of the late Abbasid Caliphate, and even multiple priceless old copies of the Quran.
- Many of the manuscripts were reported destroyed, along with many other monuments of medieval Islamic culture in Timbuktu, by the Islamist rebels of Ansar Dine in the Northern Mali conflict.

- Some reports claim that the vast majority of manuscripts in state and private collections appear to be unharmed.

## **Institutions**

### **Regional Comprehensive Economic Partnership (RCEP)**

- It is a recently launched group of 16 countries comprising ASEAN member-states and six countries with which they have free trade agreements
- The six countries are - China, India, Japan, South Korea, Australia, and New Zealand.
- The grouping, which includes more than 3 billion people, has a combined GDP of about \$17 trillion and accounts for about 40 per cent of world trade.

### **Delhi Communiqué of BRICS Heads of Revenue Meeting**

- This was the first meeting of the Heads of Revenue
- Affirming their continued commitment to promote closer coordination and cooperation in the area of tax administration, the Heads of the Revenue of the BRICS Countries i.e. Brazil, Russia, India, China and South Africa, identified seven areas of tax policy and tax administration, for extending their mutual cooperation. The issues identified were:
  - i) contribute to development of International Standards on International Taxation and Transfer Pricing taking into account the aspirations of developing countries in general and BRICS Countries in particular
  - ii) strengthening the enforcement processes by taking appropriate actions for non-compliance and putting more resources on international cooperation
  - iii) sharing of best practices and capacity building
  - iv) sharing of anti-tax evasion and non-compliance practices, including abuse of treaty benefits and shifting of profits by way of complex multi-layered structures
  - v) development of a BRICS mechanism to facilitate countering abusive tax avoidance transactions, arrangements, shelters and schemes
  - vi) promotion of effective exchange of information
  - vii) other issues of common interests and concerns related to taxation.
- The communiqué expresses the concerns of the BRICS countries on the erosion of the tax base by practices that involve abuse of tax treaty benefits, incomplete disclosure of information and fraudulent claims, and makes a commitment to address these concerns by preventing the base erosion and profit shifting through mutual cooperation.
- The communiqué also expresses an agreement among BRICS countries on working together toward capacity building, improvement of systems and sharing of resources, knowledge and best practices, and emphasizes the spirit of cooperation and solidarity that underlies the BRICS partnership and aims at extending it to the area of tax administration in a way that will benefit the people of the BRICS countries.

### **Action plans of BRICS countries on strengthening Health Surveillance System**

- The member countries will nominate their respective nodal officers to jointly form a Technical Working Group (TWG). This TWG will exchange information regarding the prevailing systems and institutional mechanisms through meetings and/or other means.



- Best practices and models will be identified along with the potential areas of mutual benefit and collaboration among member countries. Visit to member countries will be undertaken as necessary.
- A plan of collaboration will emerge pursuant to the deliberations. This can include, inter alia, detection and notification mechanisms, standard operating procedures, risk assessment processes, response to public health emergencies and disaster, collaboration on identified areas /diseases.
- A report will be placed before the next meeting of the health ministers of BRICS countries.

## Others

### US- Russia relations

- Two countries adopted legislation penalising each other for alleged human rights abuses.
- Shortly before the New Year, U.S. President Barack Obama signed into law a bill that blacklists Russian officials allegedly implicated in the death of Russian lawyer **Sergei Magnitsky** and in other “gross violations of human rights.” The 37-year-old lawyer, in 2009, died in a Russian prison where he was sent to by some Interior Ministry officials after blowing the whistle on their multi-million tax scam.
- Russia hit back by adopting an “**anti-Magnitsky**” law that not only mirrored American sanctions but also banned U.S. adoptions of Russian orphans.
- It is for the first time in the history of their relations that Russia/the Soviet Union and the U.S. have resorted to blacklisting each other’s citizens on the basis of their human rights record.
- The main intention of the Magnitsky Act was to punish Russian officials that were thought to be responsible for the death of Sergei Magnitsky by prohibiting their entrance to the United States and use of their banking system. Sergei Magnitsky was a 37-year-old lawyer who was beaten, deprived of vital medical attention, and left to die in a Russian prison nearly a year after uncovering a massive fraud allegedly committed by Russian officials to the tune of \$230 million. The very people whom Magnitsky implicated in the fraud arrested him in 2008; a year after his murder, several of these officials were promoted and awarded, adding insult to the fatal injury inflicted on Magnitsky.
- Despite Russia’s anger, its response to the Magnitsky Act was largely a symbolic gesture that did not really hurt U.S. interests. Hardly any American officials will be harmed by not being able to travel to Russia or keep their money in a Russian bank.
- However, the U.S. sanctions and the Russian retaliation have badly poisoned the air of “Reset” between the two countries. Both sides promised to keep adding new names to their blacklists of persona non grata.

### **“Reset” Policy**

- **“Reset” Policy:** Russian President Dmitry Medvedev and U.S. President Barack Obama struck a warm tone at the 2009 G20 summit in London and released a joint statement that promised a “fresh start” in U.S.-Russia relations. In March, 2009, U.S. Secretary of State Hillary Clinton and her Russian counterpart Sergey Lavrov symbolically pressed a “reset” button. The new nuclear arms reduction treaty (called New START) was signed by President Obama and President Medvedev on April 8, 2010 in Prague.

# GEOGRAPHY OF INDIA

## Ecology and Environment

### Moby Dick

- A new lizard species has been discovered in dry north-western forests of Madagascar and named "Moby Dick"
- "Sirenosaurus mobydick" presents a unique combination of anatomical features that can be found in amphibians, reptiles, mammals and birds.

### Dwarf Cavendish

- The Dwarf Cavendish banana (or simply Cavendish banana) is a banana cultivar originally from Vietnam and China.
- It became the primary replacement for the Gros Michel banana in the 1950s after crops of the latter were devastated by Panama disease.
- The name 'Dwarf Cavendish' is in reference to the height of the pseudostem, not the fruit (which are medium sized).
- It is one of the most commonly planted banana varieties from the Cavendish group, and the main source of commercial Cavendish bananas along with Grand Nain.

### **Why is it in news?**

- To help the farmers overcome the problem like Panama disease, the Department of Horticulture has been promoting hybrid dwarf varieties like 'Dwarf Cavendish' and 'red banana'.

### **What is panama disease?**

- Panama disease is a plant disease attacking the roots of the banana plants.
- It is a type of Fusarium wilt, caused by the fungus *Fusarium oxysporum*.
- The disease is resistant to fungicide and cannot be controlled chemically.

### Panchayat Biodiversity Registers (PBR)

- The PBR is not a catalogue of information, it is a legal document that can be presented in a court of law
- It can be used as a proof to deal with misappropriation and benefit sharing
- **Why in news:** In the past, a range of institutions and agencies had been developing PBRs in their own format and style resulting in no uniformity, clarity or authenticity. The National Biodiversity Authority (NBA), set up under Biological Diversity Act, is coming up with elaborate guidelines on access to Panchayat Biodiversity Registers (PBRs)

# Human and Economic

## National waterway for northeast

- The **121-km stretch of Lakhimpur-Bhanga of the Barak River** will become a national waterway, the **sixth** in the country.
- The Inland Waterways Authority of India will execute the project in two phases - first by 16-17 and second by 18-19. It will help cargo transport through Assam, Nagaland, Mizoram, Manipur, Tripura and Arunachal Pradesh.

## Physical

### Atmospheric Internal Waves

- The elements called atmospheric internal waves are waves that propagate between layers of low-density and high-density air.
- Cloud patterns made up of repeating lines are the result of internal waves, and airplane turbulence happens when internal waves run into each other and break.
- Internal waves are difficult to capture and quantify as they propagate, deposit energy and move energy around.

### **What makes weather forecasting go wrong?**

- When forecasters don't account for them on a small scale, then the large scale picture becomes a little bit off, and sometimes being just a bit off is enough to be completely wrong about the weather.
- When internal waves deposit their energy it can force the wind faster or slow the wind down such that it can enhance large scale weather patterns or extreme kinds of events.

### Nowcasting Weather Services

- The Indian Meteorological Department (IMD) under the Ministry of Earth Sciences has operationalised its location specific nowcasting weather services through Earth System Science Organization (ESSO)-IMD across the country.
- This includes the web based inputs.
- Under this service activity, that covers 117 urban centres currently on experimental basis; nowcast of severe weather (Thunderstorms; heavy rainfall from lows/depressions over the land) in 3-6h range is issued.
- Origin, development/movement of severe weather phenomena are regularly monitored through all available observing systems (Automatic Weather Stations-AWSs; Automatic Rain Gauges-ARGs; Doppler Weather Radars-DWRs; Automatic Weather Observing Systems-AWOS; satellite derived wind vectors, temperature, moisture fields etc.) are assimilated to generate predictions (prepared both in text as well as in graphical form) on 3h time range.
- Web GIS rendering of the nowcast products is implemented for enhanced spatial representation of the severe weather intensities associated with warnings.
- **Nowcasting:** The forecasting of the weather within the next six hours is often referred to as nowcasting. In this time range it is possible to forecast smaller features such as individual showers and thunderstorms with reasonable accuracy, as well as other features too small to be resolved by a computer model

# SCIENCE AND TECHNOLOGY

## New Technologies, Devices and Discoveries

### CATIII B instrument

- It is a landing system, which helps pilot to land a plane when runway visibility is up to 50 meters. It was in news as there have been flight disruptions at IGI airport due to dense fog.

### What is Dry Ice?

- Dry ice, sometimes referred to as "**Cardice**" or as "**card ice**" is the solid form of **carbon dioxide**.
- It is used primarily as a **cooling agent**.
- Its advantages include lower temperature than that of water ice and not leaving any residue (other than incidental frost from moisture in the atmosphere).
- It is useful for preserving frozen foods, ice cream, etc., where mechanical cooling is unavailable.

### Why is it in news?

- The seasonal thawing of carbon dioxide ice near **Mars' North Pole carves grooves** in the red planet's sand dunes, new research has found.
- Researchers using NASA's **Mars Reconnaissance Orbiter** see seasonal changes on far-northern Martian sand dunes caused by warming of a winter blanket of frozen carbon dioxide
- Earth has no naturally frozen carbon dioxide, though pieces of manufactured carbon-dioxide ice, called "dry ice," sublime directly from solid to gas on Earth, just as the vast blankets of dry ice do on Mars

### Dendro Calamus

- Bamboo wood is usually hollow and not very good for construction but there is a special bamboo, biological name "Dendro Calamus".
- It is partly solid, flattened, processed and ultimately used as a building material.
- A bamboo guest house for DU was inaugurated recently, where solid furniture made of bamboo along with other wood, walls made entirely out of bamboo and even curtain shades made from the same material.

### National Bamboo Mission

- The cottage was commissioned by the National Bamboo Mission
- National Bamboo Mission was mooted in Xth five year plan, as a centrally Sponsored Scheme, in which the contribution of the Central Government will be 100%. The Scheme was to be implemented by the Division of Horticulture under the Department of Agriculture and Cooperation in the Ministry of Agriculture, New Delhi

### The Large Hadron Collider (LHC)

- The Large Hadron Collider (LHC) is the world's largest and highest-energy particle accelerator.

- It was built by the European Organization for Nuclear Research (CERN) from 1998 to 2008, with the aim of allowing physicists to test the predictions of different theories of particle physics and high-energy physics, and particularly prove or disprove the existence of the hypothesized Higgs boson and of the large family of new particles predicted by supersymmetric theories.
- The LHC is expected to address some of the still unsolved questions of physics, advancing human understanding of Physical laws.
- It contains **six detectors (ATLAS, CMS, ALICE, LHCb, TOTEM and LHCf)** each designed for different kinds of exploration.

## **AEgIS experiment**

- It is another experiment in LHC.
- In this experiment, physicists will attempt to produce an entire beam composed of not just anti-particles but anti-atoms by mid-2014.
- AEgIS is one of six antimatter experiments at CERN that create antiparticles and anti-atoms in the lab and then study their properties using special techniques.
- It aims to know whether matter and antimatter obey the same laws of physics or not.

## **What is anti-particle?**

- According to the Standard Model, the dominant theoretical framework in particle physics, every particle has a corresponding particle with the same mass and opposite charge, called an anti-particle.

## **Other experiments**

- Other experiments are **ALPHA, ATRAP and ASACUSA**.
- The ALPHA and ATRAP experiments will make measurements by trapping anti-atoms and studying them, while the ASACUSA and AEgIS will form an atomic beam of anti-atoms.
- All of them will continue testing and upgrading through 2013.

## **Working principle of AEgIS**

- AEgIS will attempt to measure the interaction between gravity and antimatter by shooting an anti-hydrogen beam horizontally through a vacuum tube and then measuring how it much sags due to the gravitational pull of the Earth to a precision of 1 per cent.
- The experiment is not so simple because preparing anti-hydrogen atoms is difficult.

## **World's first bendable battery**

- Scientists have developed world's first bendable lithium-ion batteries, paving way for flexible mobile devices.
- Researchers led by Professor Lee Sang-young of the Ulsan National Institute of Science and Technology in South Korea developed imprintable, fluid-like polymer electrolytes that are used for lithium-ion batteries.

- Conventional batteries use liquefied electrolytes and are put into square-shaped cases, which make them inflexible with risks of explosion. Because of these disadvantages, there have been efforts to develop high-molecule electrolytes.
- The use of fluid-like electrolytes not only makes the battery bendable but also more stable. Also, there is no need to manufacture the square-shaped battery cases when using the fluid-electrolytes.
- Spreading the fluid-like electrolytes on electrodes and exposing them to ultraviolet rays for 30 seconds is how the new rechargeable battery is created.
- Another advantage of the imprintable electrolytes is greater efficiency. If electrolytes are imprintable, they can have various patterns printed on them, helping chemical reactions that raise the output of the batteries.

## Energy

### Solar cities

- Fifty-four cities across India have received in-principle approval to be developed as 'solar cities' by the Ministry of New and Renewable Energy.
- The criteria set by the Ministry for the identification of cities include a city population between 50,000 to 50 lakh (with relaxation given to special category States, including the north-eastern States), initiatives and regulatory measures already taken along with a high level of commitment in promoting energy efficiency and renewable energy.
- A capacity addition of 30,000 MW is proposed from renewable energy during the 12th Plan period. Meanwhile, global venture capital (VC) investments in the solar sector have touched a five-year low. This can be due to the grim prospects for thin-film, concentrating solar and concentrating PV technologies.

### Zero-Carbon Fuel

- British scientists seeking to tap more efficient forms of solar power are exploring how to mimic the way plants transform sunlight into energy and produce hydrogen to fuel vehicles.
- The research will use synthetic biology to replicate the process by which plants concentrate solar energy to split water into hydrogen and oxygen, which is then released into the atmosphere.
- These will harness sunlight and drive the production of hydrogen, from which the technologies to release energy on demand are well-advanced.
- Hydrogen is a zero-emission fuel which can power vehicles or be transformed into electricity.
- The scientists believe copying photosynthesis could be more efficient in harnessing the sun's energy than existing solar converters.

### Blue-green Algae

- Scientists have engineered bacteria which could help grow chemical precursors for fuels and plastics.
- Biological reactions are good at forming carbon-carbon bonds, using carbon dioxide as a raw material for reactions powered by sunlight, called photosynthesis, and cyanobacteria, also known as "blue-green algae," have been doing it for more than 3 billion years.
- With support from Japanese chemical manufacturer Asahi Kasei Corp., Atsumi's lab at UC Davis has been working on introducing new chemical pathways into the cyanobacteria.

- The researchers, working a step at a time, built up a three-step pathway that allows the cyanobacteria to convert carbon dioxide into 2, 3 butanediol, and a chemical that can be used to make paint, solvents, plastics and fuels.
- Because enzymes may work differently in different organisms, it is nearly impossible to predict how well the pathway will work before testing it in an experiment.
- After three weeks growth, the cyanobacteria yielded 2.4 grams of 2, 3 butanediol per liter of growth medium – the highest productivity yet achieved for chemicals grown by cyanobacteria and with potential for commercial development.

## Space

### NASA Super-TIGER balloon

- It is NASA's long duration balloon.
- It has broken the record for longest flight by a balloon of its size while flying high over Antarctica.
- It was carrying the Super Trans-Iron Galactic Element Recorder (Super-TIGER) experiment, and has been afloat for 46 days and is on its third orbit around the South Pole.
- Super-TIGER are flying a new instrument for measuring the rare heavy elements among the flux of high-energy cosmic rays bombarding Earth from elsewhere in our Milky Way Galaxy.
- The information retrieved from this mission will be used to develop an understanding where these energetic atomic nuclei are produced and how they achieve their very high energies.



### Unha-3 rocket

- It was the first time the North Korea had made successful use of a three-stage rocket to put a satellite into orbit.
- It appeared to mark a step towards fielding an intercontinental range ballistic missile.
- Due to the secrecy of North Korea's ballistic missile programme, technical details are scarce.
- According to several analysts the Unha's first stage consists of four clustered Nodong motors, which themselves are enlarged Scud motors.
- The second stage is supposed to be based on SS-N-6 technology North Korea is known to have acquired.
- The third and last stage might be identical to the Iranian Safir's second stage which is propelled by two small gimballled motors.
- North Korea has probably not yet developed a nuclear warhead small enough to be fit on their ballistic missiles.



### **No. F-6049**

- NASA testing vintage engine from Apollo 11 rocket.
- The engine was supposed to help propel Apollo 11 into orbit in 1969, when NASA sent Neil Armstrong and two other astronauts to the moon for the first time. But it was grounded due to a technical glitch.
- **Why in news:** It is now being started again to be used in tests to determine if the technology can be improved upon for the next generation of US Missions to the moon and beyond

### **Australian Telescope Compact Array**

- The **Australia Telescope Compact Array (ATCA)** is a radio telescope at the Paul Wild Observatory, twenty five kilometres west of the town of Narrabri in Australia.
- The telescope is an array of six identical 22-metre diameter dishes, which commonly operate in aperture synthesis mode to produce radio images.
- Five of the dishes can be moved along a three-kilometre railway track.
- The sixth antenna is situated three kilometres west of the end of the main track.
- The compact array is a part of the Australia Telescope National Facility network of radio telescopes.
- Astronomers have made the most precise measurement ever of how the universe has cooled down during its 13.77 billion year history just as predicted in Big Bang theory, using ATCA.





## **Fireflies**

- A US company plans to mine asteroids for metals, useful ores and minerals as they hurtle past the Earth using the first rock-prospecting spacecraft by 2015.
- Deep Space Industries says they want to start sending miniature scout probes, dubbed "Fireflies," on one-way missions to near-Earth asteroids as soon as 2015.
- A larger probe, "Dragonflies" that will bring back 50-to 100- pound samples from prospective targets could be on their way by 2016.
- The goal is to extract metals, water and compounds that can be used to make spacecraft fuel from the chunks of rock that float within about 50 million kilometres of Earth.

## **Indian firms gear up for the mega Thirty Metre Telescope project**

- Several Indian companies are eager to play a major role in the construction of the \$ 1.2 billion Thirty Metre Telescope.
- The Indian companies will be supplying high-end components such as edge sensors, actuators, segment support assemblies and provide services such as polishing of the mirror segments, and software to control the operations of the telescope, the mirror, and telescope dome.
- The telescope is being constructed by a consortium consisting of US, China, Japan, Canada and India. India is making a contribution of 10 per cent – 70 per cent of it in kind and 30 per cent in cash.

## **Opportunity**

- Opportunity, NASA's other Mars rover, has toiled around the red planet for 10 years.
- Some 8,000 kilometres away from the limelight surrounding Curiosity's every move, Opportunity embarks on its tenth year of exploration a milestone since it was only tasked to work for three months.
- It landed on Eagle Crater in Mars' southern hemisphere on January 24, 2004, whereas its twin **Spirit** landed on the opposite side of the planet.
- Spirit fell silent in 2010

## **McLaughlin Crater**

- Mars Reconnaissance Orbiter (MRO) has provided compelling new evidence that a Martian crater, named McLaughlin crater, once may have held groundwater-fed lake.
- The McLaughlin Crater is 92 kilometres in diameter and 2.2 kilometres deep. Its depth apparently once allowed underground water, which otherwise would have stayed hidden, to flow into the crater's interior

## **BEAM**

- The BEAM project is sponsored by NASA's Advanced Exploration Systems (AES) Program, which pioneers innovative approaches to rapidly and affordably develop prototype systems for future human exploration missions.
- The BEAM demonstration supports an AES objective to develop a deep space habitat for human missions beyond Earth orbit.
- It will be a low-cost space dwelling that inflates like a balloon in orbit opening the door for commercial leases of future free-flying outposts and deep-space astronaut habitats for NASA.



- The Bigelow Expandable Activity Module, nicknamed BEAM, will be the third orbital prototype developed and flown by privately owned Bigelow Aerospace.

## **ATTREX**

- NASA will send a remotely piloted research aircraft 65,000 feet over the tropical Pacific Ocean to probe unexplored regions of the upper atmosphere and detect how a warming climate is changing Earth.
- The first flights of the **Airborne Tropical Tropopause Experiment (ATTREX)**, a multi-year airborne science campaign with a heavily instrumented Global Hawk aircraft, will take off from and be operated by NASA's Dryden Flight Research Center at Edwards Air Force Base in California.
- The Global Hawk is able to make 30-hour flight.

## **What will it do?**

- Water vapour and ozone in the stratosphere can have a large impact on Earth's climate. The processes that drive the rise and fall of these compounds, especially water vapour, are not well understood.
- This limits scientists' ability to predict how these changes will influence global climate in the future.
- ATTREX will study moisture and chemical composition in the upper regions of the troposphere, the lowest layer of Earth's atmosphere.
- The tropopause layer between the troposphere and stratosphere, 12 km to 17 km above Earth's surface, is the point where water vapour, ozone and other gases enter the stratosphere.
- Studies have shown even small changes in stratospheric humidity may have significant climate impacts. Predictions of stratospheric humidity changes are uncertain because of gaps in the understanding of the physical processes occurring in the tropical tropopause layer.

## **National Large Solar Telescope (NLST)**

- The **National Large Solar Telescope (NLST)** is a Gregorian multi-purpose open telescope proposed to be built in Merak village in Ladakh in India and aims to study the sun's microscopic structure.
- The Indian Institute of Astrophysics is the nodal agency with various other scientific bodies like the Indian Space Research Organisation (ISRO), Aryabhata Research Institute of Observational-Sciences, Tata Institute of Fundamental Research (TIFR) and Inter-University Centre for Astronomy and Astrophysics (IUCAA) also participating.
- NLST is proposed to be Gregorian multi-purpose open telescope with the provision of carrying out night time stellar observations using a spectrograph.
- It hopes to resolve features on the Sun of the size of about 0.1 arcsec.
- Currently, the world's largest solar telescope is the **McMath-Pierce Solar Telescope**, with a diameter of 1.6 metres in Kitt Peak National Observatory at Arizona in the U.S.
- NLST will be the largest solar telescope in the world till 2020 at least till the next generation of 4-m class telescopes come into operation.

## Gregorian Telescope

- The Gregorian telescope consists of two concave mirrors.
- The primary mirror (a concave paraboloid) collects the light and brings it to a focus before the secondary mirror (a concave ellipsoid) where it is reflected back through a hole in the centre of the primary, and thence out the bottom end of the instrument where it can be viewed with the aid of the eyepiece.

## Chandrayaan-2: India to go it alone

- India has decided to go it alone in its second lunar mission, which was originally proposed as an Indo-Russian venture.
- ISRO had the primary responsibility to provide both the orbiter and the rover, while Roskosmos was to design and build the lander for this combined orbiter-rover-lander mission
- However the failure in December 2011 of Roskosmos' Phobos-Grunt mission resulted in a complete review of technical aspects connected with the Phobos-Grunt mission, which was also to be used in the lunar projects such as the lander for Chandrayaan-2. Thus Roskosmos has expressed its inability to provide the lander on time to meet even the revised timeframe of 2015 for Chandrayaan-2 launch
- Chandrayaan-2 will have five primary payloads on the orbiter, two of which will be improvements on instruments that were onboard Chandrayaan-1. It will be launched by a GSLV powered by an indigenous cryogenic engine.

## SARAL

- Satellite with **AR**gos and **AL**tiKa is a joint technology mission of ISRO and CNES (Space Agency of France).
- The ISRO built satellite with payloads modules (AltiKa altimeter, DORIS, Laser Retroreflector Array (LRA) and ARGOS-3 (Advanced Research and Global Observation Satellite) data collection system provided CNES will be launched by Indian Polar Satellite Launch Vehicle rocket into the Sun-synchronous orbit (SSO).
- ISRO will be responsible for the platform, launch, and operations of the spacecraft.
- The SARAL satellite, carrying AltiKa and an Argos-3 instrument2, is scheduled to be launched on 25 February 2013

## NGC 6872

- It is the **largest-known spiral galaxy**, measuring five times the size of our Milky Way galaxy.
- It is a **barred spiral galaxy** located 212 million light-years from the Earth
- Using archival data from NASA's Galaxy Evolution Explorer (GALEX) mission, scientists found that measuring tip-to-tip across its two outsized spiral arms, NGC 6872 spans more than 522,000 light-years, making it more than five times the size of our Milky Way galaxy.
- It is located 212 million light-years from Earth in the southern **constellation Pavo**.



## Background

- A barred spiral galaxy is a spiral galaxy with a central bar-shaped structure composed of stars. Bars are found in approximately two-thirds of all spiral galaxies.
- In modern astronomy, a constellation is an internationally defined area of the celestial sphere.

## 99942 Apophis

- 99942 Apophis is a near-Earth asteroid that caused a brief period of concern in December 2004 because initial observations indicated a probability of up to 2.7% that it would strike the Earth in 2029.
- Additional observations provided improved predictions that eliminated the possibility of an impact on Earth or the Moon in 2029.
- However, a possibility remained that during the 2029 close encounter with Earth, Apophis would pass through a gravitational keyhole, a small region no more than about 800 m (half a mile) wide, that would set up a future impact on April 13, 2036.
- A **gravitational keyhole** is a tiny region of space where a planet's gravity would alter the orbit of a passing asteroid such that the asteroid would collide with that planet on a given future orbital pass
- **Why in news:** Apophis, a 900 foot-wide asteroid named after an Egyptian demon passed nearby earth recently.

## Black Beauty

- “**Northwest Africa 7034**” (NWA 7034) nicknamed "Black Beauty" is a Martian meteorite believed to be the second oldest yet discovered.
- It is estimated to be two billion years old and contains the most water of any Martian meteorite found on earth.
- **Why in news:** It was purchased in Morocco and a slice of it was donated to the University of New Mexico by its American owner.

## IT

### S. Ramakrishnan

- New Director of the Vikram Sarabhai Space Centre (VSSC), Thiruvananthapuram.
- He is an expert in aerospace propulsion, launch vehicle systems, and project management and played a key role in realising India's first satellite launch vehicle SLV-3.
- He was also awarded with Padma Shri in 2003

### Some possible uses of drones

- In Japan private security drones one can rent to fight crime or other private use.
- The video cameras mounted on drones normally have a wider field of vision than regular cameras, which means they are likely to be more effective than regular CCTV.
- An MIT graduate came up with a concept of a Tacocopter, a drone that would deliver fast food via air, cutting out the pesky business of traffic jams.

- Drones can be put to noble uses, like disaster relief and search and rescue operations, or wildlife conservation.
- Google and the World Wildlife Fund collaborating to run conservation programmes at four sites in Africa and Asia have bought drones to assist their efforts.

## **RSS**

- Rich Site Summary is a family of web feed formats used to publish frequently updated works—such as blog entries, news headlines, audio, and video—in a standardized format.
- An RSS document (which is called a "feed", "web feed", or "channel") includes full or summarized text, plus metadata such as publishing dates and authorship.
- RSS feeds benefit publishers by letting them syndicate content automatically.
- A standardized XML file format allows the information to be published once and viewed by many different programs.
- They benefit readers who want to subscribe to timely updates from favorite websites or to aggregate feeds from many sites into one place.
- The RSS reader checks the user's subscribed feeds regularly for new work, downloads any updates that it finds, and provides a user interface to monitor and read the feeds.
- RSS allows users to avoid manually inspecting all of the websites they are interested in, and instead subscribe to websites such that all new content is automatically checked for and advertised by their browsers as soon as it is available.

## **4G**

- The government will auction spectrum in 700 MHz band in 2014, which is used for offering high-speed Internet services through fourth generation technologies.

## **Specific Absorption Rate (SAR)**

- Specific absorption rate (SAR) is a measure of the rate at which energy is absorbed by the body when exposed to a radio frequency (RF) electromagnetic field.
- Although, it can also refer to absorption of other forms of energy by tissue, including ultrasound.
- It is defined as the power absorbed per mass of tissue and has units of watts per kilogram (W/kg).
- SAR is usually averaged either over the whole body, or over a small sample volume (typically 1 g or 10 g of tissue).
- The value cited is then the maximum level measured in the body part studied over the stated volume or mass.
- **Why in news:** Specific Absorption Lab has recently been inaugurated in Telecommunication Engineering Centre, Delhi

## **4G LTE**

- An acronym for Long Term Evolution, LTE is a 4G wireless communications standard developed by the 3rd Generation Partnership Project (3GPP) that's designed to provide up to 10x the speeds of 3G networks for mobile devices such as smartphones, tablets, netbooks, notebooks and wireless hotspots.

- 4G technologies are designed to provide IP-based voice, data and multimedia streaming at speeds of at least 100 Mbit per second and up to as fast as 1 GBit per second.
- 4G LTE is one of several competing 4G standards along with Ultra Mobile Broadband (UMB) and WiMax (IEEE 802.16).
- The leading cellular providers have started to deploy 4G technologies, with Verizon and AT&T launching 4G LTE networks and Sprint utilizing its new 4G WiMax network.

## Defence

### K-15

- India successfully test-fired the underwater ballistic missile, K-15 (code-named B05), off the Visakhapatnam coast, marking an end to a series of developmental trials.
- The missile was tested for its full range of 700 km.
- The process of integrating K-15 missile with INS Arihant will begin soon.
- India is only the fifth country to have such a missile -- the other four are the United States, Russia, France and China.
- India is also developing K-4 missile with a range of 3,000 km.

### Manoeuvrable version of BrahMos

- India successfully test-fired a highly manoeuvrable version of the 290-km range supersonic cruise missile BrahMos
- BrahMos is capable of acquiring data not only from the American GPS but also from Russian GLONASS satellite systems, ensuring double redundancy.

### DO-228

- The Dornier 228 is a twin-turboprop STOL (short takeoff and landing) utility aircraft.
- Hindustan Aeronautics (HAL) bought a production licence (from Dornier GmbH; later DASA Dornier, Fairchild-Dornier) and manufactures them for the Asian market sphere.
- The DO-228 is a highly reliable, multi-purpose, fuel efficient, rugged, light weight twin turbo prop aircraft with a retractable tricycle landing gear.



### Why is it in news?

- India handed over a Dornier surveillance aircraft to Seychelles.
- The maritime surveillance aircraft will be used to guard the extensive coastline of the island nation in the Indian Ocean.

### **C-17 Globemaster III**

- The **Boeing C-17 Globemaster III** is a large military transport aircraft which commonly performs strategic airlift missions, transporting troops, medical evacuation and airdrop duties.
- The first C-17 was delivered on 24 January 2013 for testing and training; it is to be officially accepted in June 2013. Four more C-17s are to be delivered in 2013, with the last five delivered in 2014.

### **INS Saryu**

- The Indian navy commissioned its largest off shore patrol vessel INS Saryu for maritime surveillance around Andaman and Nicobar islands.
- It is the first of the four new classes naval off shore patrol vessels (NOPVs) that would be commissioned by the Indian Navy over the next one-and-half years.

### **ICGS Rajkamal**

- Indian Coast Guard Ship 'ICGS-Rajkamal' is the fourth in the series of eight Inshore Patrol Vessels (IPVs) designed and built by M/s Garden Reach Shipbuilders and Engineers, Kolkata.
- Equipped with state-of-the-art weaponry and advanced communication and navigational equipment, it makes an ideal platform for undertaking multifarious close-coast missions such as surveillance, interdiction, Search and Rescue, and medical evacuation.
- ICGS "Rajkamal", literally meaning "Royal Lotus", will be based at Chennai and will be under the administrative and operational control of the Commander, Coast Guard Region (East).

## **Biotech**

### **Bio-inspired Technology**

- It is new branch of science and technology has emerged in recent years.
- It learns from the properties and behaviour of plants and animals, particularly their modes of defence and offence, and attempts to produce new technological products, inspired by these properties.
- For example about 10 years ago those scientists understood how the household lizard can run effortlessly on the ceiling, defying gravity and without dropping off to the floor. Based on an understanding of this phenomenon, scientists have been able to make tape-based adhesives. Likewise the flowers of the plant cocklebur inspired the Swiss engineer George de Mestral to invent Velcro. Latest in the series is the development of mechanically interlocking tissue adhesives or needles, trocars and surgical staples, inspired by porcupine

### **Amending the Drugs and Cosmetics Rules, 1945**

- The Health Ministry is now in the process of amending the Drugs and Cosmetics Rules, 1945 to regulate human clinical trials taking place in the country.
- More than the death of over 2,000 people during 2008-2011 in clinical trials, it was the recent rap by the Supreme Court responsible for the steps being taken
- These steps to regulate the clinical trial industry come eight years after the government amended the 1945 Rules to permit "**concurrent phase**" trials of drugs developed outside India to be conducted in the country.

- Prior to this, trials of such drugs could only be conducted with a “**phase lag**,” thus safeguarding participants’ safety.
- The amendment was specifically aimed at promoting India as a preferred destination for conducting clinical trials.
- But opening the clinical-trial floodgates has come at the cost of human life and scant regard to those affected by the investigations. For instance, there is currently no provision under the Rules requiring payment of financial compensation in case of trial-related injury or death of subjects, nor is there any method for assessing the amount of compensation.
- The regulatory body is poorly staffed; the Ministry is just about planning to increase the strength to monitor deficient areas including clinical trials.

## Is drug trial necessary?

- Conducting trials on humans is absolutely necessary for ascertaining the safety and efficacy of experimental molecules before they are commercialised.
- However, abundant caution should be exercised to enrol only healthy subjects who have fully understood the implications of participating in the trial and have provided truly informed consent.
- Close monitoring and immediate investigation of any serious adverse events/death related to a trial and suspending/calling off the trial instantly when the molecule tested is not found safe, and providing medical attention/compensation to subjects are basic requirements.

### Background:

- **Phase lag:** The trial in India had to be conducted one phase earlier than elsewhere. This means that, for example, if the Phase 3 of a trial was completed outside the country, trials within India had to commence from Phase 2.
- **Concurrent phase:** For example, Phase 2 and Phase 3 trials for drugs discovered outside India can be conducted concurrently with international trials.
- **Phase I trial** is designed to evaluate the safety of administering the potential drug in healthy human body and detect the maximum tolerable dose. **Phase II trial** performed on larger groups is meant to test the efficacy of the potential drug or activity of the therapy, besides further evaluating safety. Failure and subsequent abandonment of the candidate drug mostly occur in this phase.
- **Phase III trials**, also called confirmatory trials, are randomised, controlled, multi-centric trials performed on much larger groups of patients to confirm the effectiveness of the likely drug, test its bio-availability or its concentration in human blood and to compare it with current Golden Standard treatment. Information gathered from Phase III trials is used for regulatory submission for marketing approval.

## Ossification Test

- Ossification (or osteogenesis) is the process of laying down new bone material by cells called osteoblasts. It is synonymous with bone tissue formation. By detection of the material, the age of a person can be ascertained.
- Juvenile Justice Board has turned down the demand of bone-ossification test of a minor accused in the Delhi gang-rape case citing the SC ruling of procedure of ascertaining the age of a minor accused.



Juvenile Justice Act. Section 3: The inquiry initiated against a minor under the JJ Act would continue under the same act, even after the accused becomes a major during the trial.

## Anaemia prevention

- The government will soon launch an ambitious programme to provide **Iron Folic Acid (IFA) tablets** every week to 13 crore adolescent girls in the age group of 10-19 years across the country.
- The tablets will be given to them after the mid-day meals.
- The adolescent girls will be given six monthly dose of **Albendazole (400 mg)** tablet for deworming.
- The aim of the programme is also to inform adolescent girls of the correct dietary practices for increasing iron intake.
- India is still among the top four that account for 50 per cent of global under-five mortality. In this context, India co-convened the June 2012 Global Call to Action on child survival along with Ethiopia and United States of America, in collaboration with UNICEF, in Washington DC.

### Anaemia

Anaemia is a decrease in number of red blood cells (RBCs) or less than the normal quantity of hemoglobin in the blood. However, it can include decreased oxygen-binding ability of each haemoglobin molecule due to deformity or lack in numerical development as in some other types of haemoglobin deficiency.

## Rheumatoid Arthritis (RA)

- Rheumatoid arthritis (RA) is a chronic, systemic inflammatory disorder that may affect many tissues and organs, but principally attacks flexible (synovial) joints.
- It can be a disabling and painful condition, which can lead to substantial loss of functioning and mobility if not adequately treated.
- Rheumatoid arthritis, an autoimmune disease, is triggered, in large part, by TNF-alpha, a small signalling protein usually involved in launching protective systemic inflammatory responses.
- With excessive TNF production, however, immune cells can become activated inappropriately and cause tissue inflammation.
- This produces a number of diseases, including RA.

## What is IRHOM2

- Researchers at Hospital for Special Surgery in New York City have identified a protein, known as IRHOM2, as the potential new target for drugs to treat patients with rheumatoid arthritis (RA).
- The finding could provide an effective and potentially less toxic alternative therapy to **tumor necrosis factor-alpha blockers (TNF-blockers)**, the mainstay of treatment for rheumatoid arthritis, and could help patients who do not respond to this treatment.
- TNF-blockers treatments are very expensive, and some patients do not respond.

## Polio eradication

- The last reported case of polio in India was in West Bengal on January 13, 2011. On 25 February, 2012, India was officially struck off the list of polio-endemic countries by the World Health Organization (WHO)
- The government now proposes to set up a common flexi-pool of funds to tackle communicable diseases such as malaria, tuberculosis, dengue, filaria etc.

## **Polio**

It is viral, infectious disease spread from person to person, primarily via the fecal-oral route. Although approximately 90% of polio infections cause no symptoms at all, affected individuals can exhibit a range of symptoms if the virus enters the blood stream. In about 1% of cases, the virus enters the central nervous system, preferentially infecting and destroying motor neurons, leading to muscle weakness and acute flaccid paralysis.

### **Vaccine-Derived Polioviruses (VDPV)**

- Although oral polio vaccine (OPV) is safe and effective, in extremely rare cases (approx. 1 in every 2.7 million first doses of the vaccine) the live attenuated vaccine virus in OPV can cause paralysis.
- In some cases it is believed that this vaccine-associated paralytic polio (VAPP) may be triggered by immune deficiency.
- The extremely low risk of VAPP is well known and accepted by most public health programmes in the world because without OPV, hundreds of thousands of children would be crippled every year.
- A second disadvantage is that very rarely the virus in the vaccine may genetically change and start to circulate among a population.
- These viruses are known as circulating vaccine-derived polioviruses (cVDPV).

### **Why OPV is used?**

- OPV is administered orally. It can be given by volunteers and does not require trained health workers or sterile injection equipment.
- The vaccine is relatively inexpensive.
- OPV is safe, effective, and induces long-lasting immunity to all three types of poliovirus.
- For several weeks after vaccination, the vaccine virus replicates in the intestine, is excreted in the faeces, and can be spread to others in close contact.
- This means that in areas where hygiene and sanitation are poor, immunization with OPV can result in the “passive” immunization of people who have not been directly vaccinated.

### **Other Options**

- The inactivated polio vaccine (IPV), which uses killed strains of the virus, does not have the problem of VDPV.
- But it has hitherto been more expensive and must be given as an injection.
- Over the last two decades, more than 35 of the wealthier nations have switched to IPV.
- VDPVs have been circulating in Africa for several years now. Last year, a VDPV strain that arose in Pakistan not only crippled children there but also affected children in neighbouring Afghanistan.

### **NIDS (Nutritional Immune Deficiency Syndrome)**

- Whole world knows and worries about AIDS whose total universal load is only about 30 to 33 million in all in contrast to the Indian load alone of NIDS of 67 million.
- It has now proved that Nutritional Immune Deficiency Syndrome is deadly and there is no escape.

- Nutritional Immune Deficiency Syndrome is not even mentioned in textbooks in medical Colleges. Those children die in hundreds daily.

#### **Why it is deadly?**

- The patients suffer from loose motion, diarrhea, infection and other stomach and digestive problems; they may also developed sensitivity to the various therapies.
- The immune system is already compromised. Individual charting of food has to be done for each patient as each may have a separate list of problems.
- Individual cases has to be studied, evaluated and then taken care of.
- It is difficult to do charting of food to be taken by these patients by the dietician.

#### **Dengue Decision Support System (DDSS)**

- A software tool that can rapidly diagnose dengue fever based on symptoms and clinical parameters has been developed and validated by scientists of the CSIR-Indian Institute of Chemical Technology (IICT).

#### **Plasmodium Knowlesi**

- Researchers have located a new malaria-causing parasite — Plasmodium Knowlesi — for the first time in humans in India. It was located in tribal people in the Andaman and Nicobar Island.
- From the infected monkeys that serve as its hosts, this parasite gets transmitted to humans through the Leucosphyrus group of Anopheles mosquitoes that serve as vectors.
- It is likely that the parasite migrated to the islands from neighbouring SE Asian countries from where poachers from Thailand and Indonesia are said to secretly visit the islands.
- Its existence would need a new approach in the malaria-control programmes as this parasite may behave differently if efficient human-to-human transmission occurs in future.

#### **SCR7**

- A team of Indian researchers, led by Dr Sathees C Raghavan of the Indian Institute of Science, Bangalore, have identified a molecule which they claim will revolutionise the cure for cancer.
- The molecule has been named after Sathees as "SCR7".
- Scientists world over believe that the double-strand break (DSB) of DNA is one of the most lethal form of DNA damage, resulting in drastic consequences such as genome instability, and cancer.
- DSB is primarily repaired by two pathways, homogeneous recombination and non-homogeneous end joining, which was considered as a major route for the repair of DSBs in humans.
- The inhibitor SCR7 targets non-homogeneous end joining and offers a strategy towards the treatment of cancer.

#### **Viroclime**

- A project by scientist, which aims to improve tools for tracking harmful viruses from human sewage in European waters.
- It looked at viruses from five European sites including Spain, Hungary, Sweden, and Greece and one site in Brazil.

- There are two types of virus, which could act as a signal to more serious water-based diseases — one belongs to the winter vomiting bug family, the other to noroviruses.
- Scientists believe that being able to monitor viruses in water could help them predict the effects of climate change and to develop new health protection measures to suit such change.
- It could also help predict a rise in the number of stomach illnesses by exploiting the link to rainfall.
- Torrential rain leads drains to overflow, releasing germ and virus riddled water into waterways and if this water is swallowed while engaging in water sports for example, it can make people sick. According to research, it is more likely to be viruses that cause people to be ill rather than the germs.

## **Polio free does not mean paralysis free**

### **Acute flaccid paralysis**

- It is symptomatic of polio.
- Can also arise for other reasons, including infection by non-polio pathogens.
- India's polio surveillance system has indicated a sharp increase during recent years in the number of non-polio AFP cases.

### **Polio's current status in India**

- No child in India has been diagnosed with polio for nearly two years.
- Polio free does not mean paralysis free.

### **What is the problem?**

- A good polio surveillance system ought to pick up all AFP cases among children so that they can be screened for poliovirus infection.
- In 2011, there were more than 60,000 non-polio AFP cases.
- Country now has the world's highest rate of non-polio AFP cases.
- Most of the country's non-polio AFP cases occur in just two States:-
  - Bihar (Highest in India)
  - Uttar Pradesh
- On average, only about one child out of every 200 children carrying the poliovirus develops AFP. Such cases must be identified so that appropriate immunization measures can be undertaken.
- India's polio surveillance shows that the country is polio-free. But it also indicates that the country now has the world's highest rate of non-polio AFP cases.

### **Why India has such highest rate now?**

- The increased non-polio AFP rate is due to increased reporting of AFP cases due to deliberate efforts of the programme to increase the sensitivity of the surveillance system since 2004.
- Efforts were more intense and closely monitored in the traditionally polio-endemic states of Bihar and U.P., resulting in even higher rates of reporting of AFP cases in those States.
- Polio-endemic countries of Nigeria, Pakistan and Afghanistan too, efforts to strengthen polio surveillance were resulting in increased non-polio AFP cases being reported.

## Measures taken to strengthen surveillance

- Expanding the definition of AFP.
- Increasing the number of AFP reporting sites.
- Increasing the number of active surveillance visits.
- More training for health professionals on what constituted an AFP case.

## Some exceptions in India

- The programme in India had taken a much broader interpretation of what would qualify as an AFP case than other countries have.
- Facial paralysis would not be part of a standard definition of AFP, it was included in the definition for India.
- Diseases like meningo-encephalitis, Bells palsy, post-diphtheria polyneuritis and spinal muscular atrophy included in that definition for India.
- Data had shown that broadening the case definition led to the detection of some polio cases that would have otherwise been missed.

## Enteroviruses

- Enteroviruses are a genus of positive-sense single-stranded RNA viruses associated with several human and mammalian diseases.
- Polioviruses were formerly classified as a species belonging to the genus Enterovirus in the family Picornaviridae.
- There are three serotypes of poliovirus, *PV1*, *PV2*, and *PV3*
- In 2008 the Poliovirus species was eliminated from the genus Enterovirus and the three serotypes were assigned to the species Human enterovirus C, in the genus Enterovirus in the family Picornaviridae

## Health

### Zero Liquid Discharge (ZLD)

- Zero Liquid Discharge is a process that is beneficial to industrial and municipal organizations as well as the environment because money is being saved and no effluent, or discharge, is left over.
- ZLD systems employ the most advanced wastewater treatment technologies to purify and recycle virtually all of the wastewater produced.
- Zero Liquid Discharge System ZLD systems provide numerous economic and environmental advantages for plant managers—water is recycled and reused, saving on the cost and treatment of raw water.
- Since all water is reclaimed, no effluent is discharged from the plant, avoiding the cost of environmental impact.
- The technology is particularly appropriate in water-short areas.

### Zero Liquid Discharge Technologies for Water Recycle Reuse Applications:

- Biological Treatment Systems
- Physical/Chemical Treatment Systems

- Conventional Filtration Systems
- Membrane Filtration and Separation Systems
- Chemical Feed and Disinfection Systems

## Why is it in news?

- It is now two years since the Madras High Court delivered a judgment ordering the closure of dyeing and bleaching units in the Tirupur knitwear cluster for polluting the river Noyyal for decades.
- The order was pronounced solely because the dyeing fraternity did not adhere to the zero liquid discharge (ZLD) norms despite the directions from the Supreme Court and High Court.
- There were widespread fears that it would mar the local industry, which in recent data has been disproved

## Other

### GI tag for Meerut scissors

- For the first time, a handmade tool (scissor) from micro and small and medium enterprises in India has been registered for a **geographical indicator (GI)** tag.

### Dark Matter

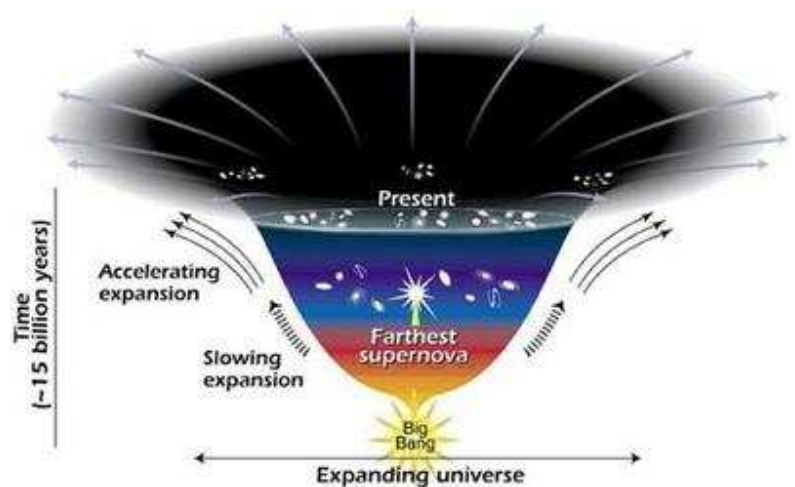
- In astronomy and cosmology, dark matter is a type of matter hypothesized to account for a large part of the total mass in the universe.
- Dark matter cannot be seen directly with telescopes; evidently it neither emits nor absorbs light or other electromagnetic radiation at any significant level.
- Its existence and properties are inferred from its gravitational effects on visible matter, radiation, and the large-scale structure of the universe.
- Dark matter is estimated to constitute 84% of the matter in the universe and 23% of the total energy density (with almost all the rest being dark energy).
- It is called dark matter because it does not interact with light. Dark matter interacts with ordinary matter through gravity and binds galaxies together like invisible glue.
- While dark matter pulls matter together, dark energy pushes the universe apart at ever-increasing speeds. In terms of the total mass-energy content of the universe, dark energy dominates. Even less is known about dark energy than dark matter.

## Why is it in news?

- NASA has teamed up with the European Space Agency to probe the existence of dark matter.

## Euclid

- It is ESA's mission, a space telescope designed to investigate the cosmological mysteries of dark matter and dark energy will launch in 2020.
- Euclid will spend six years mapping the locations and measuring the shapes of as many as 2 billion galaxies spread over more than one-third of the sky.
- It will study the evolution of our universe, and the dark matter and dark energy that influence its evolution in ways that still are poorly understood.
- The telescope will launch to an orbit around the Sun-Earth Lagrange point L2 — the location where the gravitational pull of two large masses, the Sun and Earth in this case, precisely equals the force required for a small object, such as the Euclid spacecraft, to maintain a relatively stationary position behind Earth as seen from the Sun.
- The US space agency will contribute 16 state-of-the-art infrared detectors and four spare detectors for one of two science instruments planned for Euclid.
- NASA has nominated three US science teams totalling 40 new members for the Euclid Consortium. This is in addition to 14 US scientists already supporting the mission.
- Euclid will map the dark matter in the universe.
- Euclid's observations will yield the best measurements yet of how the acceleration of the universe has changed over time, providing new clues about the evolution and fate of the cosmos.



## 787 Dreamliners

### Why in News?

- A Boeing 787 experienced a fuel leak on January 8, and its flight from Boston was cancelled. On January 9, United Airlines reported a problem in one of its six 787s with the wiring in the same area as the battery fire on JAL's 787. After these incidents, the U.S. National Transportation Safety Board subsequently opened a safety probe. Later, on January 11, 2013, another aircraft was found to have a fuel leak, which led the FAA to announce a comprehensive review of the 787's critical systems, including the design, manufacture and assembly, on January 11, 2013.
- All 50 of the 787 Dreamliners that Boeing has delivered to airlines were grounded after the emergency landing by the ANA flight in western Japan on Jan. 16. Boeing has halted deliveries of new planes until it can address the electrical problems.

## The Dreamliner

- The Boeing 787 Dreamliner or simply Boeing 787 is a long-range, mid-size wide-body, twin-engine jet airliner developed by Boeing Commercial Airplanes. Its variants seat 210 to 290 passengers.
- Boeing states that it is the company's most fuel-efficient airliner and the world's first major airliner to use composite materials as the primary material in the construction of its airframe.
- The 787 has been designed to be 20% more fuel efficient than the 767 it is to replace.
- The Dreamliner's distinguishing features include mostly electrical flight systems, a four-panel windshield, noise-reducing chevrons on its engine nacelles, and a smoother nose contour.

## Problems with the Aircraft and Subsequent Actions

- In the Dreamliner's first year of service, at least four aircraft suffered from electrical system problems, including problems stemming from its lithium-ion batteries. Although teething problems are common within the first year of a new aircraft design's life, after a number of incidents including an electrical fire found by maintenance workers on a landed Japan Airlines (JAL) 787 at Boston's Logan International Airport, as well as a similar fire aboard an All Nippon Airways 787.
- The 787 has suffered from a number of problems during its launch, though only two of the problems are related to difficulties that are above and beyond regular wear and tear.
- In December 2012, Boeing CEO James McNerney told media outlets that the problems were no greater than those experienced by the company with the introduction of other new models, such as the Boeing 777.
- On November 25, 2012, it was reported that Air India had requested that a team of Boeing engineers come to India to address issues described as "teething problems" with its aircraft.
- U.S. Department of Transportation secretary Ray LaHood stated the administration was "looking for the root causes" behind the recent issues. The head of the FAA, Michael Huerta, said that so far nothing found "suggests [the 787] is not safe".
- US-based aviation regulators oversight into the 2007 safety approval and FAA certification of the 787 has now come under scrutiny, as a key US Senate committee prepare "in coming weeks" for a hearing into the procedures of aviation safety certification, however an FAA spokesperson defended their 2007 safety certification of the 787 by saying: "the whole aviation system is designed so that if the worst case happens, there are systems in place to prevent that from interfering with other systems on the plane

## Air-powered hybrid cars

- French car giant Peugeot has unveiled new air-powered hybrid cars, which will knock 45 per cent off fuel bills for an average motorist.
- The system works by using a normal internal combustion engine, special hydraulics and an adapted gearbox along with compressed air cylinders that store and release energy.
- This enables it to run on petrol or air, or a combination of the two.
- The revolutionary new "Hybrid Air" engine system the first to combine petrol with compressed air - is a breakthrough for hybrid cars because expensive batteries will no longer be needed.
- The system can be installed on any normal family car without altering its external shape or size or reducing the boot size
- The car will be fitted with a sophisticated artificial brain that ensures it replenishes itself automatically so that motorists never run the risk of running out of compressed air late at night on a deserted country road



## **World's most complex 2D laser beam**

- Researchers, including one of Indian origin, have demonstrated the most complex 2-D optical phased array ever that can generate high-resolution beam patterns.
- The new 2-D optical phased array technology will enable advanced **Light Detection and Ranging (LIDAR)** and other defence applications.

## **LADAR**

- LADAR provides a more detailed level of information that can be used for applications such as rapid 3-D mapping.
- The array, which has dimensions of only 576 micro metre x 576 micro metre, roughly the size of the head of a pin, is composed of 4,096 (64 x 64) nanoantennas integrated onto a silicon chip.
- Radio frequency (RF) waves travel through the atmosphere, reflect off of a target, and return to the RADAR system to be processed.
- The amount of time it takes to return correlates to the object's distance. In recent decades, this technology has been revolutionised by electronically scanned arrays (ESAs), which transmit the RF waves in a particular direction without mechanical movement.
- Each emitter varies its phase and amplitude to form a RADAR beam in a particular direction through constructive and destructive interference with other emitters.
- Similar to RADAR, **Laser detection and ranging, or LADAR** (term often used in military context), scans a field of view to determine distance and other information, but it uses optical beams instead of RF waves.

## **Science, Technology and Innovation Policy (STI) 2013**

### **History**

- In 1958, all technological progress was assumed to flow out of national scientific infrastructure.
- In 1983, the focus was on technological self-reliance, given the curbs on imports.
- The 2003 policy called for ramping up research and development, and linking science to social goals.
- The latest document, updated for 2013, clearly puts innovation front and centre even incorporating it in the title of the policy.

### **The Key features of the STI policy 2013**

- Promoting the spread of scientific temper amongst all sections of society.
- Enhancing skills for applications of science among the young from all social sectors.
- Making careers in science, research and innovation attractive enough for talented and bright minds.
- Establishing world class infrastructure for R&D for gaining global leadership in some select frontier areas of science.
- Positioning India among the top five global scientific powers by 2020 (by increasing the share of global scientific publications from 3.5% to over 7% and quadrupling the number of papers in top 1% journals from the current levels).
- Linking contributions of Science Research and innovation system with the inclusive economic growth agenda and combining priorities of excellence and relevance.

- Creating an environment for enhanced private sector participation in R & D.
- Enabling conversion of R & D output with societal and commercial applications by replicating hitherto successful models, as well as establishing of new PPP structures.
- Seeking S&T based high risk innovation through new mechanisms.
- Fostering resource optimized cost-effective innovation across size and technology domains.
- Triggering in the mindset & value systems to recognize respect and reward performances which create wealth from S&T derived knowledge.
- Creating a robust national innovation system.

## **Aspirations of the Policy**

- Raising Gross Expenditure in Research and Development (GERD) to 2% from the present 1% of the GDP in this decade by encouraging enhanced private sector contribution.
- Increasing the number of Full Time Equivalent (FTE) of R&D personnel in India by at least 66% of the present strength in 5 years.
- Increasing accessibility, availability and affordability of innovations, especially for women, differently-abled and disadvantaged sections of society.

## **Mechanisms**

Wide ranging mechanisms are envisaged to be deployed to realize the policy aspirations, a few of these are:

- Promoting the spread of scientific temper amongst all sections of society.
- Enhancing skill for applications of science among the young from all social strata.
- Making careers in science, research and innovation attractive enough for talented and bright minds.
- Empowering women through appropriate STI inputs and investments
- Facilitating private sector investment in R&D centres in India and overseas.
- Promoting establishment of large R&D facilities in PPP mode with provisions for benefits sharing.
- Permitting multi stakeholders participation in the Indian R&D system.
- Treating R&D in the private sector at par with public institutions for availing public funds.
- Bench marking of R&D funding mechanisms and patterns globally.
- Aligning Venture Capital and Inclusion Innovation Fund systems.
- Sharing of IPRs between inventors and investors.
- Modifying IPR policy to provide for marching rights for social good when supported by public funds and for co-sharing IPRs generated under PPP.
- Providing incentives for commercialization of innovations with focus on green manufacturing.
- Closing gaps in the translation of new findings at the grassroots and the commercial space.
- Forging strategic partnerships and alliances with other nations through both bilateral and multilateral cooperation in science, technology and innovation.
- Triggering ecosystem changes in attitudes, mindset, values and governance systems of publicly funded institutions engaged in STI activities to recognize, respect and reward performances which create wealth from S&T derived knowledge.

## Policy Implementation

- Implementation of the proposals contained in the Policy will necessitate consultations with different government departments/ministries and agencies besides consultations with overarching, science and engineering academies industry and business associations etc.
- Accordingly DST will establish a Policy Implementation Group to expeditiously operationalise the proposals within the next two years.

# HISTORY OF MODERN INDIA

## Freedom Struggle

### Silk Letter Movement

- President released a commemorative stamp on the 'Silk Letter Movement'

### What is 'Silk Letter Movement'?

- The silk letter movement was an effort from a group of revolutionaries in Indian Freedom Struggle.
- This movement was a plan to mobilize the support of the governments of Afghanistan and Turkey in organizing a revolt within India to overthrow the British rule.
- Obaidullah Sindhi and Maulana Mahmood Hasan were two important leaders of this movement.
- In August 1916, some letters written on silk fell into British hands. It is believed that the silk letters confiscated by British government contained details of the provisional government of Azad Hind and its plans and a comprehensive scheme of forming an army and getting the support of the Turkish government.
- It is also known as **Reshmi Rumal Movement** or **Tehreek-e Reshmi Rumal**

# INDIAN ART AND CULTURE

## Literature

### Kora and Bo language

- Kora and Bo language are Great Andamanese language, of the Northern group. It was spoken on the northeast and north central coasts of North Andaman and on Smith Island.
- It has been extinct since November 2009 when its last speaker, Boro, died. JNU professor Anvita Abbi worked to preserve these languages.

- Anvita Abbi, professor of linguistics, Centre for Linguistics, School of Language, Jawaharlal Nehru University, recently won the Padma Shri for her works on tribal and endangered languages.
- Her new book, "Dictionary of the Great Andamanese Language", released recently, is a blend of four different tongues of the region, two of which are already extinct and includes a CD of the entire dictionary backed by original sound recordings of the language.
- Bo, Kora Sare and Jeru follow the same grammatical structure but with different words

## CURRENT AFFAIRS

### Awards

#### DSC Prize for South Asian Literature

- DSC Prize for South Asian Literature is a literary prize, instituted in 2010 awarded annually to writers of any ethnicity or nationality writing about South Asia. It is for an original full-length novel written in English, or translated into English. The prize is sponsored by DSC Limited, an Indian infrastructure and construction company. The award carries prize money of \$50,000.

#### Winner

- **2013:** Kerala-born writer **Jeet Thayil** for his debut novel 'Narcopolis'; **first Indian to win the prize.**

#### Krishi Karman Awards

- Ten States have been selected for the newly instituted Krishi Karman awards for best performance towards raising production of food grains.
- Three awards are being given for total food grain production and four awards for production of rice, wheat, coarse cereals and pulses – the crops that constitute the food grain basket.
- Krishi Karman awards are the first-ever awards being given to States for their effort and contribution towards raising the country's food grain production.
- Each award winning State gets a trophy, a citation and cash award. The cash award (for each State) is Rs. 2 crore for total food grain production and Rs. 1 crore for each of the four crops included in food grains.

### Events

#### Janatantra Morcha

- Anna Hazare launched an apolitical outfit 'Janatantra Morcha'. The Morcha will mobilise people to work collectively for rooting out corruption from the country by electing representatives with clean background.

## Don't collect transaction fee, court tells airlines

- SC held that the transaction fee shall not be collected from any passenger in any form or under any other name.
- Transaction fee was introduced by the airlines after they adopted a zero commission policy for their agents. Under transaction fee, agents charge customers any amount of their choice and there is no uniformity in it.

## Court notice to Goa on plea to ban ore exports

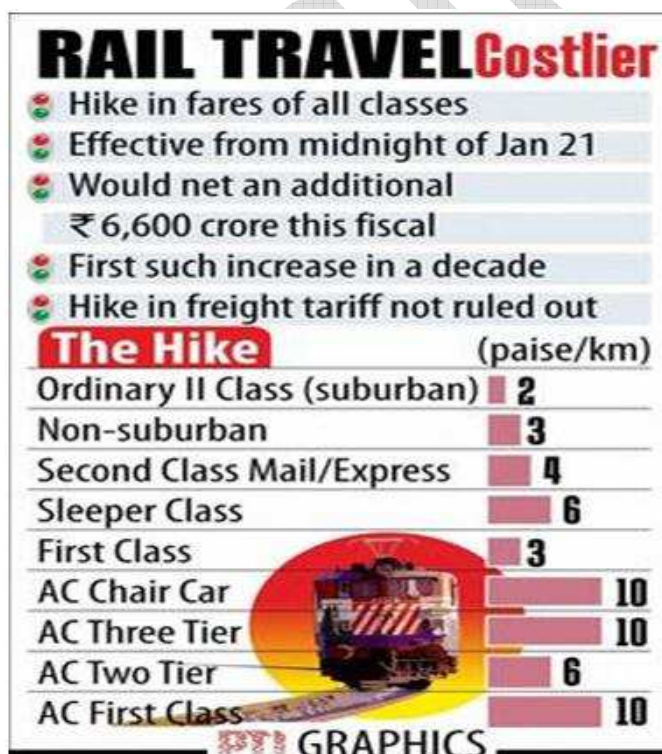
- The Supreme Court issued notice to the Goa government and exporters on an NGO application seeking a directive to the government not to allow transport of iron or manganese ore within and from the State and to suspend exports of these minerals.
- The NGO said the Central Empowered Committee (CEC), in its interim report on illegal mining in Goa, had upheld most of the allegations made in the M.B. Shah Commission's report, which estimated a Rs. 35,000-crore loss to the exchequer from illegal mining.

## No statues to obstruct traffic

- The Supreme Court restrained all the state governments and Union Territories from granting permission for erecting statues or construction of any structure at public places which obstructs traffic movement. However, this would not apply for installation of structures like street lights which facilitate smooth traffic movement.

## President's Rule in Jharkhand

- The Union Cabinet, taking the action on the report of Jharkhand Governor Syed Ahmed who has favoured imposition of President's rule while keeping the 82-member state Assembly in suspended animation, recommended the same to the President.
- Jharkhand, which was created in 2000, has been placed under President's rule twice before this.



## Hike in Rail fares

- The lowest hike is of two paise per km for second-class suburban rail and the highest is 10 paise per km for AC first class. For sleeper class, the hike is six paise per km.
- The last time passenger fares were increased was in 2002 when Nitish Kumar was the rail minister.
- The hike has been timed to mop up Rs. 1,000 crore during the Kumbh mela. The hike is expected to earn the railways an additional Rs. 6,600 crore a year.
- The freight charges have kept unchanged.

## Santosh Hegde panel

- A high-power commission headed by the retired Supreme Court judge, Santosh Hegde, will probe six encounter deaths in Manipur.

## **Malala Yousafzai**

### **Background on Malala**

- Malala Yousafzai is a Pakistani school pupil and education activist from the town of Mingora in the Swat District of Pakistan's Khyber Pakhtunkhwa province, and the youngest nominee for the Nobel Peace Prize.
- She is known for her education and women's rights activism in the Swat Valley, where the Taliban had at times banned girls from attending school. In early 2009, at the age of 11, Yousafzai wrote a blog under a pseudonym for the BBC detailing her life under Taliban rule, their attempts to take control of the valley, and her views on promoting education for girls. The following summer, a New York Times documentary was filmed about her life as the Pakistani military intervened in the region, culminating in the Second Battle of Swat.
- Yousafzai began to rise in prominence, giving interviews in print and on television and taking a position as chairperson of the District Child Assembly Swat.
- On 9 October 2012, Yousafzai was shot in the head and neck in an assassination attempt by Taliban gunmen while returning home on a school bus. In the days immediately following the attack, she remained unconscious and in critical condition, but later her condition improved enough for her to be sent to a hospital in the United Kingdom for intensive rehabilitation. Malala has now recovered.
- She was recently nominated for the 2013 Nobel Peace Prize, and is the youngest nominee in history

### **Malala Yousafzai Act**

- Two top American Senators have introduced legislation in the name of Malala Yousafzai. Introduced by Senators Barbara Boxer and Mary Landrieu, the Malala Yousafzai Scholarship Act is designed to expand scholarship opportunities for disadvantaged young women in Pakistan.
- The measure would also expand the range of academic disciplines that scholarship recipients could pursue to improve graduates' chances of obtaining meaningful employment.
- The Malala Yousafzai Scholarship Act would expand and enhance an existing United States Agency for International Development (USAID) scholarship program called the Merit and Needs-Based Scholarship Program.

## **Persons**

### **Aaron Swartz**

- A 'complicated prodigy', online activist and Internet folk hero
- Aaron Swartz, a wizardly programmer who as a teenager helped develop code that delivered ever-changing Web content to users and who later became a steadfast crusader to make that information freely available, committed suicide in his New York apartment.
- At 14, Swartz helped create RSS, the nearly ubiquitous tool that allows users to subscribe to online information.
- He later became an Internet folk hero, pushing to make many Web files free and open to the public.
- But in July 2011, he was indicted on federal charges of gaining illegal access to JSTOR, a subscription-only service for distributing scientific and literary journals, and downloading 4.8 million articles and documents, nearly the entire library."

## **Madanjeet Singh**

- An Indian artist, writer, diplomat and philanthropist passed away.
- From 2000, he was a UNESCO Goodwill Ambassador.
- He founded South Asian Foundation (SAF) in 2000. It has offered scholarships to South Asian students under various disciplines in its 12 UNESCO Madanjeet Singh Institutions of Excellence. These institutions are located in all eight countries of South Asia.

## **Justice D.K. Jain**

- Justice D.K. Jain has been appointed Chairman of the Law Commission of India, which gives advice to the government on complex legal issues.
- The Union Cabinet recently approved the constitution of the **20th Law Commission** with a **three-year term till August 31, 2015**.

### **Background**

#### **Law Commission**

- Law Commission of India is an executive body established by an order of the Government of India. Its major function is to work for legal reform. Its membership primarily comprises legal experts, who are entrusted a mandate by the Government.
- The Commission is established for a fixed tenure and works as an advisory body to the Ministry of Law and Justice.
- The first Law Commission was established during the British regime in 1834 by the Charter Act of 1833. After that three more Commissions were established in pre-independent India.
- The first Law Commission of independent India was established in 1955 for a three year term.

## **Vasudeva Rao**

- P. R. Vasudeva Rao, a specialist in actinide chemistry and, in particular in the area of chemistry of nuclear fuel cycle, took over as Director of the Indira Gandhi Centre for Atomic Research (IGCAR)

## **Ved Prakash**

- Ved Prakash, serving as acting chairman of the University Grants Commission, has been appointed as its chairman.

## **Halimah Yacob**

- Indian-origin politician Halimah Yacob (58) is set to become the first woman Speaker of Singapore's Parliament replacing Michael Palmer, who was forced to quit over his extra-marital affair.
- Ms. Halimah, a former labour lawyer, is a Member of Parliament from the ruling People's Action Party (PAP) and has extensive experience in the labour movement, social work and pre-school education.

## **Amerish B. 'Ami' Bera**

- Amerish B. 'Ami' Bera, an Indian-American Democrat from California, became the third Indian-American member of the U.S. House of Representatives in history

## **Tulsi Gabbard**

- She is an American politician who is the Congresswoman for Hawaii's 2nd congressional district and a Vice-Chair of the Democratic National Committee.
- She is the first American Samoan, **the first Hindu member**, and one of the first female combat veterans in the United States Congress.
- She took her oath of office on the **Bhagavad Gita**

## **U R Rao**

- Prof U R Rao, former Chairman, ISRO is being honoured by the Society of Satellite Professionals International (SSPI) by inducting him as a Member of the highly prestigious "Satellite Hall of Fame", Washington.
- Since 1987, the SSPI Hall of Fame has been recognising the invaluable contribution of the visionaries who have transformed life on planet earth for the better through satellite technology.
- As a honoured member of Hall of Fame, Prof Rao joins over 40 past illustrious space scientists such as Sir Arthur C Clarke, Dr James Van Allen, Dr William Pritchard, Dr Harold Rosen, Dr Fredric d'Allest, Dr Takayashi Yoshida, Dr Peter Jackson and Dr Olof Lundberg.

## **S Janaki**

- **Sishtla Sreeramamurthy Janaki** is an Indian playback singer is renowned for her voice modulation abilities, she has sung in many Indian languages, most frequently in Telugu, Kannada, Malayalam, Tamil, and Hindi. She is fondly better known as, "The Nightingale of the South"
- In 2013, the Government of India announced the Padma Bhushan award for her, at the age of 74. The singer refused to accept the award, because it came too late and because South Indian artists weren't given their due recognition.

# Reports

## **Vernacular Report, 2012**

- According to the Vernacular Report, 2012, of the Internet and Mobile Association of India (IAMAI), a higher percentage of rural people are aware of regional language content than urban users.
- English communication is an urban phenomenon and that local languages are more popular in rural areas.
- In rural areas, the report shows a bias in favour of sites offering government services, land records and private initiatives such as e-Choupal.

## **2013 World Press Freedom Index**

- India has dropped nine places to 140 in the list of 179 countries, its lowest since 2002 because of increasing impunity for violence against journalists and the Internet censorship continues to grow.



- China has gone up by one place to 173.
- As last year, the list is topped by three European countries — Finland, Netherlands and Norway.
- Turkmenistan, North Korea and Eritrea continue to be at the bottom of the list as has been in the last three years.
- It is published by Reporters without Borders which is a French-based international non-governmental organization that advocates freedom of the press and has consultant status at the United Nations.

## Others

### Gour Khyapa

- **Gour Khyapa** was a Bengali Baul singer and a philosopher.

#### **Background:**

- Baul are a group of mystic minstrels from Bengal. Bauls constitute both a syncretic religious sect and a musical tradition. Bauls are a very heterogeneous group, with many sects, but their membership mainly consists of Vaishnava Hindus and Sufi Muslims. They can often be identified by their distinctive clothes and musical instruments. Not much is known of their origin.

### Important Days

- National Youth Day: 12 Jan
- National Girl Child Day: 24 Jan
- National Voter's Day: 25 Jan
- Martyrs' Day: 30 Jan (Death Anniversary of Father of Nation)

### 'Is Sanjiv Kumar a whistleblower? The answer is yes and no'

- In deciding what sentence to award former Haryana Director of Primary Education Sanjiv Kumar who claimed to have blown the whistle on the Haryana JBT scam by approaching the Supreme Court but was found by the CBI to be complicit in the conspiracy, Special Judge Vinod Kumar said he was troubled by the absence of laws to protect whistleblowers and sentencing such a person may send the wrong message to a whistleblower.
- **The Judge also coined five principles in the process to decide who is a whistleblower: “1. Law welcomes whistleblowers; 2. If whistleblower is innocent but was only a victim of circumstances, he must be cited as a prosecution witness; 3. If whistleblower had a minor role in the commission of the offence or in the conspiracy, the courts should come forward to his rescue and in appropriate cases should not hesitate to make him an approver; 4. If the whistleblower had a major role in the commission of such offences, he must come up with complete facts before the investigating officer and during trial he must testify on oath at the stage of defence evidence and should disclose the truth, the whole truth and nothing but the trust before the court. The trial court must certify in its judgment that the whistleblower has come out with the truth and has not concealed anything and, lastly, on such certification in the judgment, the court can proceed to award the minimum possible sentence to such convict, and, if possible, release him on probation with recommendation to the Government that no departmental action should be initiated against him for the said conviction.”**

- In Sanjiv's case, the Judge said the convict's attempt during the entire trial was to show that he had nothing to do with the conspiracy. "His stand as to which was the true award list was found to be false. He kept on saying that he had prevented the scam by not implementing the fake lists. The prosecution evidence has proved beyond reasonable doubt that he was fully involved in the scam and had actually implemented the forged lists. One of the defence witnesses examined by him was found to be unworthy. He took a wrong stand before the Supreme Court on the fakeness or genuineness of the lists. He maintained the same stand before the investigating officer and stuck to his guns to the last even during the trial," the Judge said.

### **Filmfare Awards 2013**

Best Actor	Ranbir Kapoor (Barfi!)
Best Actress	Vidya Balan ( Kahaani)
Best Film	Barfi!
Best Director	Sujoy Ghosh (Kahaani)
Best Dialogue	Anurag Kashyap, Akhilesh Jaiswal, Sachin K Ladia, Zeishan Qadri (Gangs of Wasseypur)
Best Screenplay	Sanjay Chouhan & Tigmanshu Dhulia (Paan Singh Tomar)
Best Story	Juhi Chaturvedi (Vicky Donor)
Best Supporting Actor (Male)	Annu Kapoor (Vicky Donor)
Best Supporting Actor (Female)	Anushka Sharma (Jab Tak Hai Jaan)
Best Music Director	Pritam (Barfi!)
Best Lyrics	Gulzar (Challa), Jab Tak Hai Jaan
Best Playback (Male)	Ayushmann Khurrana (Paani Da Rang) (Vicky Donor)
Best Playback (Female)	Shalmali Kholgade (Pareshaan) ( Ishaqzaade)
RD Burman Award For Upcoming Talent In Music	Neeti Mohan (Jiya Re) (Jab Tak Hain Jaan)
Lifetime Achievement Award	Yash Chopra
Sony Trendsetter Of The Year	Barfi!
Best Debut (Male)	Ayushmann Khurrana (Vicky Donor)
Best Debut (Female)	Ileana D'Cruz (Barfi!)
Best Debut (Director)	Gauri Shinde (English Vinglish)

### **Urjit Patel**

- Is new RBI Dy Governor

### **News to Quote**

- Iraq wants to learn from India's success story in using smart-card technology that delivers health insurance (RSBY) to the poor to reform its public distribution system (PDS) too.
- It is not just Iraq, but several other developing countries including Pakistan, Bangladesh, Nepal and Ghana that are looking at the RSBY smart-card model to deliver subsidised goods in their countries.

### **Govt plans Greyhound-like force in 4 states**

- Learning from the success of Greyhounds, a special police unit in Andhra Pradesh, the Centre has approved funds to raise specialised forces in four Naxal-hit states of Bihar, Jharkhand, Chhattisgarh and Orissa.
- The Centre has, however, put certain riders before funds are released.

### **Haradhan H Bandopadhyay**

- Haradhan H. Bandopadhyay was a Bengali Indian male actor of television and films.

### **DAM 999**

- The Supreme Court dismissed filmmaker Sohan Roy's petition challenging a further extension of the ban by the Tamil Nadu government on screening of *DAM 999* in the State.
- According to Roy, the movie is an emotional thriller and tribute to the souls lost in the world's worst manmade dam disasters, and that it has nothing to do with the Mullaperiyar dam, an issue in dispute between Tamil Nadu and Kerala.
- The court said that it cannot ignore the apprehensions expressed by the State and consider only individual rights. The Tamil Nadu government says if the film is released, relations between the two States will be affected.

### **Trying the marines in Italy**

- The SC judgment declares the Exclusive Economic Zone (EEZ) of India — the region between the contiguous zone and 200 nautical miles into the sea — as the high seas. The Court has brought the high seas much closer to India's coast and no nation can claim sovereignty over the high seas. However, the United Nations Convention on the Law of the Sea (Unclos) defines high seas as the area beyond the EEZ, contiguous zone and territorial waters. This may prevent India from taking unilateral action in case of collisions happening just outside of the contiguous zone.
- The recent Supreme Court has set up a Special Court to try the Italian marines. Meanwhile, Article 100 of Unclos says that nations must cooperate to curb piracy. If the Special Court finds that the shooting is an anti-piracy action gone awry then Unclos could bring Italy into the trial process. The Special Court can then be asked to decide if Italy also has jurisdiction over the case.

### **SC reserves order on plea for removal of Andhra HC judge**

- A PIL filed, challenging the appointment of an Andhra HC judge on the ground that he was a proclaimed offender when he was a student of Nagarjuna University.
- The court, however, said it was not possible for it or government authority to know on the pending cases.
- The Attorney General submitted that courts cannot pass order for removal of a high court judge and it is for Parliament to take action through impeachment.
- The court has reserved its decision.

### **The probe into Walmart issue**

- Government will set up a one-man commission under the Commission of Inquiry Act, 1951 to look into allegations of bribery and lobbying activities against the US retail giant Walmart for seeking entry into India's multi-brand retail sector.
- Under the Commission of Inquiry Act, it is obligatory on part of the government to table the probe report as well as the action report in Parliament.

VISION IAS