

### **Aadhaar link deadline extended indefinitely**

In relief for citizens, the Supreme Court indefinitely extended the deadline for linking Aadhaar with mobile phones and tatkal passports and for opening bank accounts from March 31, 2018, till the Constitution Bench pronounces its final verdict on the validity of the Aadhaar scheme.

Remarking that it has had enough of “piecemeal” notifications and legislation issued by the government to link one service or the other, the court said it was time the court stepped in and stopped passing interim orders extending the deadline. There should be a sense of certainty that citizens would not be harmed or their services curtailed even as the very Aadhaar scheme was under the court’s microscope.

- On December 15 last, the Bench had extended the Aadhaar linkage deadline from December 31, 2017, to March 31, 2018. It had, however, even then concluded that the Aadhaar-PAN linkage was valid.
- Despite submissions made by senior advocaes that the indefinite extension of the deadline should include all services, including those under Section 7, the court restricted its relaxation of the deadline to services outside Section 7.

Section 7 of the Aadhaar Act says that the Centre and State governments can insist on Aadhaar “for the purpose of establishing identity of an individual as a condition for receipt of a subsidy, benefit or service for which the expenditure is incurred from the Consolidated Fund of India.” To undergo authentication to access services under Section 7, an individual has to either produce his Aadhaar card or Aadhaar enrolment application.

The petitioners challenging Aadhaar argue that the scheme is a coercive step and a stark violation of the ordinary citizen’s fundamental right to privacy.

### **SC shuts the door on foreign law firms**

Keeping India’s legal market exclusively for Indians, the Supreme Court ruled that foreign law firms or foreign lawyers cannot practise law in the country

either on the litigation or non-litigation side. This means overseas lawyers or firms cannot open offices in the country, appear in courts or before any authority or render other legal services, such as giving opinions or drafting documents.

- Upholding similar verdicts of the Bombay and Madras High Courts, the court said, there was no bar on foreign law firms or foreign lawyers visiting India for a temporary period on a “fly in and fly out” basis for giving legal advice to their clients on foreign law or their own system of law and on international legal issues.
- the expression ‘fly in and fly out’ will only cover a casual visit not amounting to ‘practice’,” the court said, adding that any dispute in this issue would be decided by the Bar Council of India.
- The court also ruled that foreign law firms and lawyers did not have an “absolute right” to conduct arbitration proceedings and disputes arising out of contracts relating to international commercial arbitration.
  - Though they might not be debarred from conducting arbitration in India arising out of international commercial arbitration, they would be governed by the code of conduct applicable to the legal profession in India.
- The court said Business Process Outsourcing (BPO) companies providing a range of services to customers like word processing, secretarial support, transcription and proof reading services, travel desk support services and others would not come under the Advocates Act.

Sections of the legal fraternity have been opposing their entry, contending that Indian advocates are not allowed to practise in the U.K., the U.S., Australia and other nations, except on fulfilling onerous restrictions like qualifying tests, experience and work permit. It was also argued that foreign lawyers cannot be allowed to practise in India without reciprocity.

- The closely watched case saw 32 law firms from various countries participating. They had argued that there was no bar on a company carrying on consultancy or support services.
- The Bar Council of India contended that even non-litigious practice came under the term ‘practice of law’, and that could be done only by those enrolled under the Advocates Act in the country.

The ruling settles a long-standing argument on whether foreign firms or attorneys should be allowed to enter the Indian legal market.

### **TB elimination goal advanced by five years**

Advancing India's TB elimination goal by five years ahead of the global target, Prime Minister Narendra Modi said, "India is determined to address the challenge of TB in mission mode. I am confident that India can be free of TB by 2025."

- He was speaking at the inauguration of the Delhi End TB Summit . The Prime Minister also launched the TB Free India Campaign on the occasion.

### **ICMR wins 2017 Kochon Prize for TB research**

The 2017 Kochon Prize was awarded to the Indian Council of Medical Research ,for building a tradition of excellence in TB research and development.

#### **Kochon Prize**

The Kochon Prize is awarded annually by Stop TB Partnership to individuals and/or organizations that have made a significant contribution to combating TB. The Kochon Prize, which is endowed by the Kochon Foundation, a non-profit foundation registered in the Republic of Korea, consists of a USD \$65,000 award.

The Kochon Prize was established in 2006 in honour of the late Chairman Chong-Kun Lee (left), founder of the Chong Kun Dang Pharmaceutical Corporation and Kochon Foundation in Korea, who was committed throughout his career to improving access to low-cost lifesaving antibiotics and anti-TB drugs. "Kochon" was a pen name that he used.

### **Army flags meagre Budget grants**

This year's budget allocations have "dashed our hopes" for modernisation and the government's Make in India efforts may end up a non-starter, the Army leadership has told a Parliamentary standing committee in the strongest statement to come from the military on finances available for new purchases in 2018-19 budget.

- Vice-Chief of Army Staff Lt. Gen. Sarath Chand told the Parliamentary standing committee on defence that various efforts taken for modernisation have "received a little setback."

- The marginal increase in BE [budget estimates] barely accounts for the inflation and does not even cater for the taxes.
- Allocation of Rs21,338 crore for modernisation is insufficient even to cater for committed payment of Rs29,033 crore for 125 ongoing schemes, emergency procurements.... Committed liabilities of 2017 — which will also get passed on to 2018 — will further accentuate the situation.

Typically, any modern Army has a mix of one-third of its equipment in the vintage category, one-third in the current category and one-third in the State of the art category.

- As far as we India is concerned, the state today is 68% of our equipment is in the vintage category, with just about 24% in the current, and 8% in the state of the art category.

The shortage of funds has also impacted the indigenisation efforts under the Make in India initiative as well as development of critical infrastructure in border areas.

- The Army have identified as many as 25 projects for Make in India. However, there is not adequate Budget to support this. As a result... many of these may end up foreclosed,” Lt. Gen. Chand told the committee.

### **SC ruling closes Centre's options**

The Supreme Court's ruling that the 'practice of law', as allowed and regulated in India, includes work on both the litigation side and on non-litigation services means that the Centre may not be able to throw open the legal services sector to overseas players.

- Both the present regime and the previous United Progressive Alliance government were considering a proposal to permit foreign law firms in the country to practise law in matters not involving litigation and on a reciprocal basis.

### **Background**

There was opposition from bar associations in the country after a committee was set up by the Commerce Ministry to consider opening up legal services in 2005.

- Lawyers were against the country succumbing to international pressure. Their main objection was that Indian law firms would not be able to compete with foreign firms and that the latter had greater money power and may control the legal market.
- Also, they argued that people could practise law only if they were citizens possessing a law degree from a university in the country and enrolled in the Bar Councils.

Foreign law firms, backed by their respective governments, have been asking not for the right to practise in Indian courts, but only for access to the non-litigation market, which has seen an exponential increase after globalisation.

In 2011, the Union Law Ministry had informed the Madras High Court that it was holding consultations with the Bar Council of India to consider amending the Advocates' Act for the purpose.

- Law ministry filed the affidavit in response to a plea by an advocate seeking legal action against 30 foreign law firms that were "illegally practising" in the country.

#### Impact on Commercial arbitration

In particular, international commercial arbitration has taken off in a big way. The government had backed plans to allow foreign firms to appear in international commercial arbitration proceedings to represent overseas clients.

- Barring them in the arbitration sector would scupper India's ambition to be a global arbitration hub, and only help Singapore, London or Paris take over these arbitration opportunities.
- The court has recognised only limited access to foreign players in arbitration. It should be limited to matters governed by an international commercial arbitration agreement.
- Even then, the code of conduct applicable to the legal profession in India has to be followed, it has said. The government was hoping the domestic legal services industry would drop its resistance if the opening up was restricted to non-litigation work.

#### Nepal President Bidya Bhandari gets 2nd term

- Nepal's lawmakers elected President Bidya Bhandari for a second term, extending the tenure of the nation's first woman head of state for another five years.
- Ms. Bhandari took nearly two-thirds of the vote to retain her position as ceremonial head of state, Nepal's Election Commission confirmed.

### **CAG flags Railways' parlous finances**

- According to the CAG report tabled in Parliament. the reported operating ratio of 96.5% in 2016-17 does not reflect the true financial performance of Indian Railways, as this would have deteriorated to 99.54% if the actual expenditure on pension payments was taken into account.

**Operating ratio** - An operating ratio of 99.54% means that Railways is spending 99.54 paise to earn 100 paise.

### **‘₹5,000 crore higher’**

- Had the actual amount ₹40,025.95 crore required to meet the expenditure on pension payments of Zonal Railways been appropriated to the Pension Fund [instead of ₹35,000 crore], the total gross working expenditure of IR would have increased to ₹1,64,537.93 crore and the operating ratio would work out to 99.54%, the Comptroller and Auditor General of India said.
- Even at 96.5%, the operating ratio was at its poorest level since 2000-01 when it was 98.34%.

### **Suggestions by the Auditor**

- The CAG pitched for revisiting the passenger and other tariffs to reduce losses in core activities.



- It also said there was hardly any justification for not fully recovering the cost of passenger services in the case of AC First Class, First Class and AC 2-Tier class.
- The CAG said passenger fares and freight charges should be based on the cost involved so that it brings both rationality and flexibility in pricing, considering the financial health of Railways and the current market scenario.
- Non-availability of sufficient funds in Depreciation Reserve Fund to replace the overaged assets is indicative of weak financial health of Indian Railways.
- The huge backlog of renewal and replacement of over aged assets in railway system needs to be addressed for safe running of trains.

### **Control mechanisms**

- There is a need to strengthen internal control mechanisms to reduce instances of misclassification of expenditure.
- The unsanctioned expenditure should be controlled; administration should ensure all unsanctioned expenditure is regularised on priority.
- Further, the CAG said that the Indian Railways should follow the system of disclosing significant accounting policies forming the basis of preparation of financial statements such as accounting of fixed assets, depreciation and investments.

### **20:80 gold import scheme**

### **In News**

- The Centre announced its intention to probe the circumstances behind the extension of the 20:80 gold import scheme to private parties in the final days of the previous government's term in 2014.

- The scheme was previously restricted to banks and PSUs.

### **What prompted the scheme?**

- In response to a stressed current account deficit in 2012-13 due to a surge in gold imports, the government at the time introduced an import scheme in 2013.
- The scheme mandated that 20% of all gold imports would have to be exported.

### **Aim**

- The scheme was designed to restrict the import of gold, conserve foreign exchange by imposing export obligations, and ensure that the premium from purchase and sale of gold resided in the hands of public agencies.

### **Who could import gold under the scheme?**

- At the time of its implementation, the 20:80 scheme was open only to banks and to public sector companies such as the Metals and Minerals Trading Corporation and the State Trading Corporation of India.
- In May 2014, the RBI in consultation with the government widened the scheme to also allow Premium Trading Houses (PTH) and Star Trading Houses (STH), both private sector entities, to import gold.

### **How did the scheme fare?**

- According to the Commerce Ministry, a review of the scheme found that since liberalisation in May 2014, gold imports had increased substantially, averaging about 140-150 tonnes a month.
- Within this, the government found that gold imported by STHs and PTHs increased 320% following the May 2014 decision compared with the earlier period.
- The share of these entities in the total gold imported into the country also increased from 20% before May to 60% after.



- The government on November 28, 2014 scrapped the 20:80 scheme and removed all restrictions on gold imports.

### **What was the impact of the abolition?**

- The Centre, citing the Comptroller and Auditor General of India, said that the average monthly import of gold fell to 71.5 million tonnes in the months following the abolition of the 20:80 scheme [December 2014 to March 2015] from the monthly average of 92.16 million tonnes in the period following the widening of the policy [June 2014 to November 2014].
- Gold imports averaged 33.6 million tonnes per month before STHs and PTHs were allowed to import under the 20:80 scheme [from August 2013 to May 2014], according to the government.

## **STATE-TELANGANA**

### **Rs 100-crore apparel super hub to come up in Sircilla**

A memorandum of understanding for an Apparel Super Hub in Sircilla was signed between the Telangana government and a firm based in Karur, Tamil Nadu.

- The hub, to be a part of the proposed Apparel Park in Sircilla, would pursue multiple objectives of training women, from Sircilla and surrounding villages, on apparel manufacturing, providing them employment as well as supporting the growth of apparel SMEs in the region.

In the first phase, Kay Ventures, the private firm, will train 3,000 women on apparel making machines provided by the State government.

- Until the construction of Phase 1, the facility would operate the training and production line at the Sircilla Textile Park.

- Phase I development is estimated to cost around Rs 30 crore and would be operational in nine-12 months. It would be funded 90% by the State government and rest by Kay Ventures and its associates.

The hub would be developed in three phases, on 20 acres, and made fully operational in three years. This would entail an investment of Rs 100 crore.

- Eventually, it would have 5,000 state-of-the-art sewing units with its corresponding embroidery, printing, washing and value addition/support facilities.

## **STATE – AP**

### **MPI: State secures rank equivalent to 51st globally**

#### **In News –**

Chief Minister N. Chandrababu Naidu released the Andhra Pradesh Multidimensional Poverty (MPI) Index Report 2017.

According to the report, the State secured an Index value of 0.0825. Value ranges from 0 to 1; 0 being the best and 1 being the worst.

It is equivalent to 51st rank globally. India, with an Index value of 0.1911 is at the 66th position. East Godavari topped in the State with 0.0468 and Vizianagaram is at the bottom with 0.1271.

#### **About MPI**

The MPI poverty headcount ratio, which gives the proportion of people living in multidimensional poverty, has reduced from 41.6% in 2005-06 to 21% in 2016-17.

The rural ratio stands at 22% while for urban areas it is 19%. As of 2011, the ratio of the country stands at 41.3%.

The study was conducted by the Vision Management Unit (VMU) of the Planning Department in collaboration with the Oxford Poverty and Human Development Initiative (OPHI) of the University of Oxford, UK.

The State is the first to conduct a household survey exclusively to estimate the MPI at the State and district levels.

The end-to-end process including sampling, data processing & analysis, and estimation of headcount and Index values have been verified and vetted by the OPHI.

### **Govt. to introduce life tax for autos, tractors**

#### **In News**

The State government is contemplating introducing life tax for auto-rickshaws and tractors in the State.

The assurance comes in the wake of representations made by auto unions.

The government was planning to do away with the quarterly tax system.

#### **Background**

Central government had increased the fitness fee etc, which the auto drivers and tractors owners feel is a burden.

The Centre, however, allowed the State to revise the tariff if required. Subsequently, the State government constituted a committee, which submitted its report.

#### **To bring down the qualification for driving licence**

The government was also pursuing with the Centre to bring down minimum qualification of 10th standard to obtain driving licence to 8th

class. The government was issuing licences if the applicant passed Class 8 and appeared for the Class 10 examination.