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Category: **POLITY**

1. [Union Cabinet approves new metro rail policy](#)

The central government will approve and aid metro rail projects only if they have private participation and ensure last-mile connectivity for users, under a new policy cleared by the Union cabinet on Wednesday.

New metro rail policy

- States will get powers to make rules and regulations and set up permanent fare fixation authorities.
- In line with global best practices, metro projects will be approved on the basis of "Economic Internal Rate of Return of 14%", a change from the existing "Financial Internal Rate of Return of 8%".

Funding to the Metro Projects

- Metro rail projects are capital-intensive and are generally financed by central and state governments with equity and grants. The rest is raised from multilateral agencies like Japan International Cooperation Agency (JICA) and European Investment Bank (EIB).
- Under the new policy, states need to adopt innovative mechanisms like value capture financing tools to mobilize resources for financing metro projects by capturing a share of increase in the asset values through "Betterment Levy".
- States will also be required to enable low-cost debt capital by issuing corporate bonds for metro projects.

2. [Foreign court can't rule on Indian couple's divorce plea: HC](#)

- A foreign court does not have the jurisdiction to decide matrimonial matters of a couple who have Indian domicile and are governed under the Hindu Marriage Act even if the parties were at the time residing in a foreign nation, the Bombay High Court has observed.
- The High Court was hearing an appeal filed by the man's wife challenging an order passed by a family court here that dismissed her plea seeking maintenance for herself and her two children. The family court, while dismissing her plea, observed that the Dubai court had already adjudicated the matter. However, the High Court, after perusing the case, opined that both are Indian citizens and there was no material to endorse the husband's claim that they have domiciles in Dubai.

Rulings of the court

- Under the circumstances, we are unable to hold that the Dubai court was a court of competent jurisdiction to decide the matrimonial dispute between the petitioner [wife] and the respondent [husband].
- The HC noted that the parties in the present case are Indian nationals, are Hindus by birth, were married as per Hindu Vedic Rights and were governed in the matter of marriage and divorce by the provisions of the Hindu Marriage Act 1955.

3. [SC bats for personal liberty](#)

Context

- The apex court was hearing the plea filed by Mr. Paul after his bail pleas were rejected by the Gauhati High Court twice.
- He was arrested in November last year after an FIR was lodged against him under the Prevention of Corruption Act

- and a charge sheet was filed this January.
- Apex court has granted bail to former Assam Public Service Commission (APSC) chairman Rakesh Kumar Paul in a case of alleged corruption.
- Honâ€™ble supreme courtâ€™s stand on personal liberty v/s stateâ€™s perceived justice:
- Personal liberty cannot be compromised at the altar of what the state may perceive as justice, the Supreme Court has said while granting bail to former Assam Public Service Commission (APSC) chairman Rakesh Kumar Paul in a case of alleged corruption.
- In matters of personal liberty, we cannot and should not be too technical and must lean in favour of personal liberty.

4. [Yawning gaps in communication and track safety](#)

In news

- While senior Railway Ministry officials suggested on Sunday that a likely reason for the derailment of Utkal Express here was the repairs taken up on the track when the train arrived, employees of different railway wings in the Khatauli-Muzaffarnagar area have started a blame game.
- Senior officials suggest derailment could have been caused by the work on the rail line; stationmaster insists he was not informed about any maintenance.
- Employees of the Railway Engineering Department in Khatauli maintain that they had informed the station officials about the repairs on Saturday evening, but stationmaster Rajendra Singh told The Hindu that he was not aware that the work had been on.

Category: ECONOMICS

1. [India to raise visa issue in trade policy meet](#)

- The Centre will, during the India-U.S. Trade Policy Forum (TPF) meeting likely in October, raise Indian industryâ€™s concerns over the U.S. visa â€˜curbsâ€™ and the â€˜delayâ€™ in inking a bilateral social security pact (or totalisation agreement).
- In the TPF meeting, the premier forum to resolve bilateral trade and investment issues, the U.S. is expected to table its worries over Indiaâ€™s â€˜restrictionsâ€™ on e-commerce as well as the â€˜challengesâ€™ faced by American innovative industries due to Indiaâ€™s â€˜weakâ€™ Intellectual Property Rights regime.
- In addition, New Delhi would take up the â€˜non-tariff barriersâ€™ by the U.S. that are hurting Indian agriculture, pharmaceuticals and other industrial exports, while Washington is likely to raise its concerns over Indiaâ€™s â€˜excessively high tariffsâ€™ on imports of many manufactured products as well as the \$24.3 billion goods trade deficit that the U.S. had with India in 2016.

2. [Safeguarding the interests of farmers](#)

Providing food to the poor or targeted groups at subsidised prices is fully WTO-compatible.

Context

The ongoing discourse, particularly in Tamil Nadu, on

- Public Distribution System (PDS),
- Procurement of grains/pulses from farmers,
- Public storage in Food Corporation of India godowns,
- Commitments made in the World Trade Organisation (WTO),
- Direct Benefit Transfer, etc.

Facts

- The PDS in Tamil Nadu is intact and continues to retain the feature of universal coverage even after implementation of the National Food Security Act, 2013 (NFSA).
- Although the guidelines under the NFSA prescribe identification of priority households, there is no denial of any benefit under the PDS.
- There is no reduction even in the total coverage from the earlier Targeted Public Distribution System, which was effective till Tamil Nadu joined the NFSA in November 2016.
- The major part of the subsidy for the distribution of foodgrains (90.81% for rice and 91.70% for wheat) is borne by the Government of India.

Ensuring trade transparency

About Indian government stand at the WTO on the Trade Facilitation Agreement

- The Trade Facilitation Agreement was agreed on in 2013 in Bali and came into force from February 2017 after two-thirds of the WTOâ€™s 164 members ratified it.
- Several trade-related issues such as transparency, predictability and efficiency at the ports, faster clearance procedures, and improved appeal rights for traders are to be addressed by countries.
- They shall notify various provisions to bring in the facilitation, over three years or more.
- Only the basic set of provisions will be implemented within one year.
- The Trade Facilitation Agreement allows for consultations before any new trade rules are notified. A WTO study indicated that when the Trade Facilitation Agreement is fully implemented, trade costs for member countries will decrease by an average of 14.3%. It is also estimated that the time taken to export and import will come down drastically.
- Finance Minister Arun Jaitley has made budgetary allocations for bringing in single-window clearance and improving customs clearance at the ports. A high-level committee chaired by the Cabinet Secretary will monitor logistics and efficiency at ports and related issues.

- Thus, it can be seen that the Trade Facilitation Agreement is not about market access but inter alia about facilitating and bringing trade transparency. By ratifying the Trade Facilitation Agreement, India has not forgotten the developmental agenda lying unfulfilled at the WTO.

Protecting the farmer

- The Public Stock Holding issue remains unresolved at the WTO.
- Although agreed on in Bali in 2013 and reiterated in Nairobi in 2015, that a permanent solution for Public Stock Holding be found by 2017, it is still a "work-in-progress".
- The existing WTO rules would have allowed a legal challenge to our Public Stock Holding and minimum support price-based procurement programme in case we breached "the limit" on procurement.
- The limit is defined as 10% of the value of production of the particular grain being procured.
- WTO rules classify procurement and holding of public stocks for food security purposes as "Green Box" or non trade-distorting.
- However, if foodgrains for the public stocks are procured through an administered price/minimum support price and if this minimum support price is higher than the archaic fixed reference price (calculated on base period 1986-88), then it is considered as trade-distorting agriculture support.
- Such trade-distorting support should be within "the limit", which is 10% of the value of production of the particular grain being procured.
- One of the first things that this government did in 2014 was to intensely engage with the WTO to obtain a "peace clause" so that even if we did breach "the limit", no one shall challenge our programme till such a time a permanent solution is found, agreed on, and adopted by the WTO membership.
- Providing food to the poor or targeted groups at subsidised prices is fully WTO-compatible. This does not figure at all in the WTO calculations. India has not undertaken any commitment in the WTO for any kind of limit on the food supplied under the NFSA.

3. [AI will have huge impact on jobs](#)

Context

- The emergence of Artificial Intelligence and automation is going to have a huge impact on jobs in the country.

In the tech sector

- The current model is heavily around small, added features like upgrading or software testing.
- And testing is one of those areas that is really going to be replaced by AI.
- Young professionals should prepare and train themselves for new technologies in areas such as AI, cyber security and healthcare.

Artificial Intelligence

- Stanford University describes machine learning as "the science of getting computers to act without being explicitly programmed."
- AI aims to build machines that can simulate human intelligence processes.
- Need for policy on data protection
- There is a need for policy on data protection and increasing amount of data and how it is being utilised in various platforms is actually a big risk.
- If not handled properly, it will end up with data monopoly. Experts opine that, data is going to create a new set of monopolies and whole new model of colonisation.

Category: INTERNAL SECURITY

1. [T-90 battle tanks to get an upgrade](#)

In news

- The Army is looking to upgrade the T-90 main battle tank to enhance firepower and mobility. They are going to be equipped with a new missile system and a new more powerful modular engine.

T-90

- The T-90 is a third-generation Russian battle tank that entered service in 1993. The tank is a modern variation of the T-72B and incorporates many features found on the T-80U.

Nothing here for Today!!!

E. Practice Questions for UPSC Prelims Exam

F. UPSC Mains Practice Questions

GS Paper II

1. "The broader aims and objectives of WTO are to manage and promote international trade in the era of globalization. But the Doha round of negotiations seem doomed due to differences between the developed and the developing countries." Discuss in the Indian perspective.
2. In the light of the Satyam Scandal (2009), discuss the changes brought in corporate governance to ensure transparency, accountability.

GS Paper III

1. Discuss the role of financial regulator SEBI in improving the corporate governance of the country.