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Category: [INTERNATIONAL RELATIONS](#)

1. [U.S. backs sale of fighters to India](#)

In news:

- The Trump administration has told the U.S. Congress that it “**strongly supports**” the **sale of F-18 and F-16 fighter planes to India**.
- President Donald Trump is in principle against companies relocating facilities abroad.
- Fighter planes built by American companies **Boeing and Lockheed Martin**
- Both companies have offered to assemble these planes in India.
- **Move to reduce Trade deficit:**
 - The deals could reduce America’s trade deficit with India and create more jobs in America than they relocate
- **Strategic significance:** Defense cooperation with India is so vital to U.S. interests because U.S. need India to be a net security provider in the **Indo-Pacific region**.
- **Key Fact:**
 - **Single engine fighter acquisition:** F-16 and Gripen, built by Swedish company Saab, are competing.
 - **Twin engine fleet for aircraft carriers:** French Rafale and Boeing’s F/A-18 are competing
 - Lockheed Martin and Tata have formed a joint venture to make F-16, while Saab announced a JV with the Adani group last week for Gripen.

2. [India refuses to join declaration against Myanmar at international meet](#)

“World Parliamentary Forum on Sustainable Development”:

- **Venue:** Indonesia
- **Bali Declaration and reference to violence in Rakhine State:** “Call on all parties to contribute to the restoration of stability and security, exercise maximum self-restraint from using violent means, respect the human rights of all people in Rakhine State regardless of their faith and ethnicity, as well as facilitate and guarantee safe access for humanitarian assistance.”
- **India’s Stance:**
- An Indian parliamentary delegation, led by Speaker Lok Sabha Sumitra Mahajan, dissociated itself from the **“Bali Declaration”**.
- The declaration adopted at the conclusion of the Forum, was not in line with the agreed global principles of “sustainable development”.
- India reiterated its stance that the purpose of convening the Parliamentary forum was to arrive at mutual consensus for implementation of SDGs (**Sustainable Development Goals**) which requires inclusive and broad-based development processes
- India said, “Never before “country-specific” issues have been included in the declaration as these dilute the objective of these Forums which require unity and focused efforts of all the countries.”

Sustainable Development Goals (SDGs)

- The Sustainable Development Goals (SDGs), officially known as **Transforming our world: the 2030 Agenda for Sustainable Development** is a set of 17 “Global Goals” with 169 targets between them.
- Spearheaded by the United Nations through a deliberative process involving its 193 Member States.



Category: ECONOMICS

1. [State laws repugnant to IBC are void: SC](#)

In news:

Supreme Court ruling: “Entrenched managements are no longer allowed to continue in management if they cannot pay their debts,”

- Provisions of State enactments which hinder the country’s **new bankruptcy law**, the **Insolvency and Bankruptcy Code (IBC)**, meant to protect the interests of shareholders, creditors and workmen against entrenched managements unable to dig their way out of their debts, will be declared void.
- Erstwhile management of a company cannot represent it in court once insolvency resolution process has been admitted in the **National Company Law Tribunal** and the management transferred to insolvency professional.

2. [Govt blacklists 300,000 directors of shell companies](#)

In news:

- The government decided to bar as many as **300,000** directors of companies that have defaulted on statutory compliances from serving on the boards of other firms to improve corporate governance and check financial irregularities through the use of shell companies.
- The ministry of corporate affairs, which regulates unlisted companies, also decided to track down the beneficial owners of suspected shell companies
- It will take penal action against those who divert funds from companies that are struck off the records of the **Registrar of Companies (RoC)**.
- The ministry said it is also monitoring the action being taken by regulatory bodies against professionals such as chartered accountants, company secretaries and cost accountants who have been found to have colluded with the shell companies in committing financial irregularities.

Impact:

- Weeding out shell companies would not only help in checking the menace of black money but also would promote an ecosystem of “ease of doing business” and enhancing investors’ confidence
- Filing annual reports on time will minimize the possibility of fraud and tax evasion and it will also protect stakeholder interest and improve India’s image globally

Shell corporations:

- A shell corporation is a corporation without active business operations or significant assets.
- These types of corporations are not all necessarily illegal, but they are sometimes used illegitimately, such as to disguise business ownership from law enforcement or the public.
- Legitimate reasons for a shell corporation include such things as a startup using the business entity as a vehicle to raise funds, conduct a hostile takeover or to go public.

Reasons to legitimately set up a Shell Corporation

- The number one reason for a domestic company to set up a shell company is to realize a tax haven abroad.
- Large corporations, like in the Apple example, have decided to move jobs and profits offshore, taking advantage of looser tax codes. This is the process of “offshoring” or “outsourcing” work that was once conducted

domestically.

- To remain within legal bounds internationally, corporations will set up shell companies in the foreign countries in which they are offshoring work.

3. [Govt starts direct transfer of subsidized fertilizers to check diversion, smuggling](#)

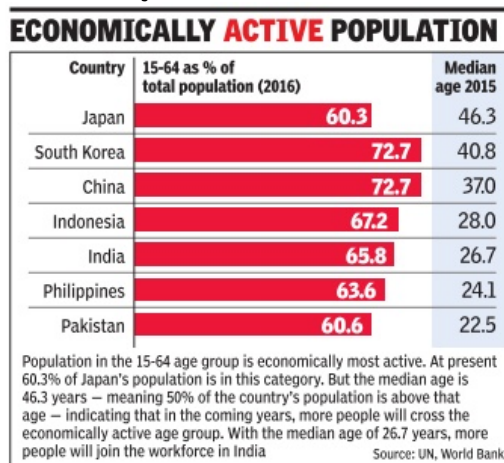
In news:

- With a view to preventing **diversion of subsidized fertilizers** for industrial use and their smuggling across the border, the government soft-launched the **direct benefits transfer (DBT) scheme** for the commodity in the national capital.
- Nationwide rollout of the scheme that could help prevent the leakage of subsidies meant for farmers.
- However, unlike in the case of liquified petroleum gas, subsidy on fertilizers will not be passed on to farmers directly as the latter cannot be forced to shell out large sums upfront for fertilizers and get bank transfers later.
- Instead, companies will sell the product at state-set prices and the government will settle the subsidy involved in every individual sale to farmers with the companies within a week of the transaction.
- The **point-of-sale machines** will capture sales data including the identity of the farmer, quantity of purchase, soil health details and land details where possible.
- Using this data, the government intends to limit diversion of subsidised fertilizers to other sectors such as plywood manufacture.

4. [Aging population to hit Asia growth: IMF](#)

In news:

- **The International Monetary Fund chief raised a red alert:** aging populations in **key Asian economies** would drag on their growth, urging policymakers to step up their response to shifting demographics.
- **Revealed by various studies:**



- Asia's population is aging faster than anywhere else in the world
 - **Japan forecast** : to become the first "ultra-aged" country, meaning 28% of the population is 65 or over
 - South Korea: while a fifth of the people are expected to be 65 by 2030.
 - Rapidly aging countries, including China, Japan, Korea and Thailand, "will have smaller workforces in the future and potentially lower productivity growth".
- In emerging countries such as India "where population is still growing" better education for girls and wider access to finance for women should be prioritised.
- Gender gap and GDP: "closing the gender gap in the employment market could raise Japanese GDP by 9%, South Korea's by 10%, and India's by 27%."

Category: DISASTER MANAGEMENT

1. [Development must be climate-smart](#)

Context

- Issues related to Extreme Weather Events.

Intergovernmental Panel on Climate Change (IPCC) Special Report

- Climate models have indicated with high confidence that climate change will lead to an increase in extreme rainfall events
- According to the IPCC Special Report on Extreme Events, global warming leads to "changes in the frequency, intensity, spatial extent, duration, and timing of extreme weather and climate events, and can result in unprecedented extreme weather and climate events"

Understanding the extreme events:

- The main reason for understanding extreme events is to help policymakers, emergency responders and local communities to plan and prepare for them
- Cities could be laid out to reduce flooding by following natural contours, drainage and tank systems
- Emergency responders should be well prepared to transport and care for people who may become stranded during disasters

The concept of "attribution"

- Research that tries to understand this relationship between anthropogenic climate change and extreme events in particular locations is called ‘attribution’

Rainfall in Chennai and Climate Change:

- According to experts, the 494 mm rain in Chennai was a rare event, with less than a 0.2% chance of occurring in any given year
- The Chennai flood of 2015 did not have a clear climate signature to show that it was due to warming of the earth

Possible reasons behind the actual patterns of flooding in Chennai, Mumbai and Houston

- These were due to several human-induced activities
 - (1) rampant increase in built-up area across natural drainage channels
 - (2) the diversion or damming of rivers upstream leading to sediment transport and siltation
 - (3) coastal subsidence and other effects of development

Urbanization behind the scene

- The spread of infrastructure such as roads, highways, buildings, residential complexes, tiled or asphalt-covered land obstructs rainwater from percolating(drain) into the soil
- Often there are further barriers that block movement of water and increase flooding

Issues with the Infrastructure Development and Urbanization

- In many parts of the world, construction in cities or in urbanising areas does not take into consideration the existing topography, surface water bodies, stream flows, etc.
- In much of India, urban growth over the past few decades has ignored the hydrology of the land
- For decades, urbanisation has ignored ecological principles associated with water bodies, vegetation, biodiversity and topography

The Way Forward

- Development needs to be climate-smart, but also avoid social and institutional challenges such as moral hazard
- Construction on existing lake beds and other waterbodies needs to be removed or redesigned to allow flood drainage along natural water channels
- As the frequency of extreme weather events increases around the world, losses in rich countries are higher in terms of GDP
- But in terms of the number of people at risk, it is the poor countries that suffer the most
- Those who are the most vulnerable and the poorest end up bearing the brunt of the burdens of climate change and mal-development, which together operate to worsen impacts

Category: SCIENCE AND TECHNOLOGY

1. [NASA captures images of strong solar flares](#)

In news:

- Two high-intensity solar flares were emitted, the second of which was the **most intense recorded** since the start of this sun cycle in December 2008, NASA said.
- These radiation flares, which can disrupt communications satellites, GPS and power grids by reaching the upper earth atmosphere, were detected and captured by the US Space Agency’s Solar Dynamics Observatory.
- The current cycle of the sun, which began in December 2008, saw the intensity of solar activity decline sharply, opening the way to the ‘solar minimum’.
- **Solar Cycles:**
 - Solar cycles last on average eleven years.
 - At the end of the active phase, these eruptions become increasingly rare but still can be powerful.
 - Solar storms result from an accumulation of magnetic energy in some places.
 - These jets of ionized matter are projected “ at high speed into and beyond the crown of the sun “hundreds of thousands of kilometres outward.

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F. Practice Questions for UPSC Prelims Exam

G. UPSC Mains Practice Questions

GS Paper III

1. “Parts of Asia risk becoming old before becoming rich.” Comment?