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Category: POLITY

1. [Ensure State panels for women are set up: SC](#)

In news:

- The Supreme Court has asked the Centre if state commissions for women (SCW) actually exist.
- The top court raised the question as it dealt with the issue of precarious conditions faced by destitute widows living in Vrindavan and other places across the country.
- The court, which is hearing a matter pertaining to the condition of such widows, told the Centre that if SCWs did not exist in the States, then the State governments concerned should be asked to ensure setting up of such panels.
- **~ No access to justice~**
- **Supreme Court observation:** the ostracised destitute widows belong to the "socially disadvantaged class" of society and were not treated with the dignity they deserve in the shelter homes in Vrindavan and elsewhere. It had equated them with socially underprivileged groups who have no real access to justice, are voiceless and needed to be empowered.

2. [~Why exempt CBI from RTI Act?~](#)

In news:

- A plea has been filed in the Supreme Court for an early hearing of a petition challenging a 2011 government notification, which includes the Central Bureau of Investigation (CBI) on the list of "intelligence and security organisations" exempted from disclosing information to the public under the Right to Information Act.

The Petition

- According to the petition 2011 notification including the CBI in the Second Schedule of the Right to Information (RTI) Act of 2005 was arbitrary, especially when the organisation was only an investigating agency and not a security or intelligence organisation.
- It is alleged that it will scuttle the RTI appeal pending before the Chief Information Commissioner, in regard to the Bofors-Quattrocchi case in which order was passed by the Central Information Commission directing the CBI to provide the requisite papers to the petitioner.
- Also, by issuing the notification and placing the CBI in the Second Schedule, the government appears to be claiming absolute secrecy for the CBI without the sanction of the law.

The Impact of the 2011 Government notification

- Such an administrative decision has a profound impact on the citizens of India inasmuch as it restricts their fundamental right to information.
- By this notification the government could keep adding organisations to the Second Schedule, which do not meet the express criteria laid down in Section 24(2) of the RTI Act and ultimately render the RTI Act ineffective.

3. [Unacceptable fetters: on the Rajasthan ordinance](#)

Context:

- The recent Criminal Laws (Rajasthan Amendment) Ordinance, 2017.

Ordinance protecting public servants

- The Rajasthan ordinance making it a punishable offence to disclose the names of public servants facing allegations of corruption before the government grants formal sanction to prosecute them
- It is a grave threat to media freedom and the public's right to know
- Section 228-B, the newly introduced (through the ordinance) Indian Penal Code offence that relates to acts done in the course of discharging official functions
- It prescribes a two-year prison term for disclosing the identity of the public servants concerned

Other issues related to the ordinance

- The Criminal Laws (Rajasthan Amendment) Ordinance, 2017 restricts judicial magistrates from ordering an investigation without prior sanction
- It may even paralyse an impending probe, as no investigating agency can approach a sanctioning authority without gathering any material
- It is an additional shield for public servants who already enjoy the protection of Section 197 of the Code of Criminal Procedure, and Section 19 of the Prevention of Corruption Act, 1988
- The sections make prior sanction mandatory before a court can take cognizance of a case
- It may even paralyse an impending probe, as no investigating agency can approach a sanctioning authority without gathering any material

Other sanctions by Union and State governments, protecting public servants

- The Union government, too, has a set of amendments to the Prevention of Corruption Act pending since 2013, including a proviso for prior sanction
- Provisions barring investigation or prosecution without prior sanction are also in force in Maharashtra

The Supreme Court verdicts:

- The SC verdict of May 2014 striking down a statutory provision for prior government clearance for a CBI probe against officials is very important
- The court had observed that such a provision destroys the objective of anti-corruption legislation, blocks the truth from surfacing, thwarts independent investigation and forewarns corrupt officers
- Anti-corruption legislation in India seems to be in a state of unacceptable flux

The way forward

- It is time the Centre enforced a strong body of legislation that punishes the corrupt, protects the honest, and ensures time-bound public services and whistle-blower safety

Category: ECONOMICS

1. [Govt. may have to foot bill for rail safety fund](#)

Context:

- The Ministry of Railways may ask the Finance Ministry to fund its share of the railway safety fund that is, **Rashtriya Rail Sanraksha Kosh (RRSK)** this year as the public utility has an earnings shortfall of at least ₹10,000 crore in 2017-18.
- The actual income of the Indian Railways was 8.45% lower than the targeted earnings.
- Although the Railways' passenger and goods earnings had increased this year compared with the last year, its sundry earnings had declined sharply by during this period.
- Income from non-fare revenues, including land lease, advertising, PSU dividends and catering department, form part of the sundry earnings.

Rashtriya Rail Sanraksha Kosh- The Safety Fund

- Finance Minister had announced the setting up of a special safety fund with a corpus of more than ₹1 lakh crore over a period of five years in Budget 2017-18.
- In the first six months of the current financial year, the Indian Railways had utilised a quarter of the safety fund.
- The Finance Ministry advised the Ministry of Railways to prioritise deploying RRSK funds on areas that reduce chances of human error and ensure training of safety staff.

Basic Information:

Rashtriya Rail Sanraksha Kosh

- It has been set up on the recommendations of a high-level safety review committee under Dr. Anil Kakodkar.
- The fund is utilised for track improvement, bridge rehabilitation, rolling stock replacement, human resource development, improved inspection system, and safety work at level crossing, among other things.
- It is a non-lapsable safety fund over a period of five years.
- The Finance Ministry would contribute Rs.15,000 crore annually towards the fund, the Ministry of Railways would fund the balance Rs.5,000 crore every year.

2. [RBI to make LEI must for cos with over Rs 5 crore exposure](#)

In news:

- The RBI is set to make Legal Entity Identifier (LEI) compulsory for companies having aggregate fund-based and non-

- fund based exposure over Rs 5 crore
- Banks will be required to capture this number in the Central Repository of Information on Large Credits (CRILC) database that captures details of loan above Rs 5 crore
- Past decisions of the RBI on LEI: RBI has made LEI mandatory for transactions in interest rate, forex and credit derivative market

Benefits of the LEI number

- It will enable banks to effectively monitor debt exposure of companies having businesses in multiple sectors and dealing with large number of banks and NBFCs
- It will make it easier for banks to detect frauds and willful defaulters and prevent ever-greening of loans
- The need for such a system was felt after the 2008 global financial crisis and global body, the Financial Stability Board, worked on the global structure of the LEI system
- It would also enable banks in preventing multiple loans to companies against the same collateral

Who can issue the LEI number?

- Firms can obtain their LEI code from Legal Entity Identifier India Ltd.(LEIL)
- The LEIL is a wholly owned subsidiary of Clearing Corporation India Ltd.
- LEIL is accredited by the Global Legal Entity Identifier Foundation (GLEIF) and recognised by RBI as issuer of LEI under the Payment and Settlement Systems Act, 2007
- Apart from the LEIL, any local operating unit accredited by GLEIF can issue LEI numbers.

Basic Information:

What is an LEI?

- The Legal Entity Identifier (LEI) is a global reference number that uniquely identifies every legal entity or structure that is party to a financial transaction, in any jurisdiction.
- It is a unique 20 digit alphanumeric code that is assigned to a legal entity.

Purpose:

- The global LEI system has been set up by regulatory authorities, including G20 and the Financial Stability Board, to address the global financial crisis.
- The LEI is designed to enable the identification and linking of parties to financial transactions in order to manage counter party risk.
- Its goal is to improve measuring and monitoring of systemic risk and support more cost-effective compliance with regulatory reporting requirements.

3. Sebi to tighten listing norms as part of crackdown on shell firms

Context:

- The Sebi is looking to tighten listing norms to prevent fly-by-night operators from getting listed on stock exchanges.
- These norms could be introduced as early as this month.
- The capital market regulator's move follows the government's ongoing crackdown on shell companies to curb black money.
- Earlier, Sebi had imposed a partial trading ban on 331 firms termed as shell firms by the ministry of corporate affairs.

SEBI Norms

- Sebi norms now specify that a company wishing to get listed needs to have a track record of generating profits and distributing dividends for at least three of the five years preceding the time it goes public, have a minimum net worth of Rs1 crore in each of the preceding three years and have net tangible assets of at least Rs3 crore in each of the three preceding years.
- A company cannot make a share allotment in a public issue if the number of prospective allottees is less than 1,000.
- A grading/rating system for initial public offerings have also been proposed so that investors have a basic idea of the quality of the company they are investing in.
- This rating can be given either by a credit rating agency or any external expert or by Sebi itself.

Why this move by SEBI ?

- Sebi wants to ensure that companies with stronger businesses and a potential to maintain profitability during the initial years of listing are allowed to go public.
- The plan is to increase the minimum net worth requirement, the proportion of assets held in tangible form, the number of years of profitability and the minimum number of public investors to whom shares are allotted.

Impact of this move

- It may prevent many small genuine businesses from getting listed and raising capital from the public to grow.
- However, it will definitely help to a large extent to ensure that only strong, mid-sized or larger companies are able to get listed.

Way forward

- There are more than 4,000 listed firms in the country. Of this, around 2,000 do not have enough liquidity and are suspected to be involved in dubious transactions or manipulations to show business only on paper.
- Firstly, action must be taken against companies that have defaulted and do not have enough liquidity.

- Sebi should not abruptly put unnecessary regulatory burdens on genuine businesses

4. [India's GVA growth may rise to 6.3 pc in Sep quarter: Nomura](#)

In news:

- The Indian economy is expected to see a rebound in the July-September quarter of this year
- GVA growth rate would be 6.3 percent, says a Nomura report

Recovery underway

- Nomura's proprietary indices suggest that growth bottomed out in the second quarter
- A recovery is underway in the third quarter, largely because consumption and investment indicators have improved in the third quarter
- Rural consumption indicators such as tractor and two-wheeler sales picked up sharply ahead of the festive season, despite weak monsoon, likely reflecting improving cash levels with remonetization
- Urban consumption indicators such as passenger vehicle sales and consumer credit also improved in the September quarter, relative to June quarter

Annual growth figures

- For this financial year, Nomura expects a GVA growth of 6.4 percent, slightly lower than the RBI's forecast of 6.7 percent
- This is partly because it expects the government to cut spending due to fiscal constraints

Stance on Monetary policy

- It expects rates to stay unchanged in the base case
- This is due to incremental growth momentum headed higher, core inflation above 4 percent and fiscal risks on the horizon

Nothing here for Today!!!

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F. Practice Questions for UPSC Prelims Exam

1. Article 164, provided for limiting the number of ministers in the state cabinet.
2. Article 164 was inserted in the Constitution based on the recommendation of the National Commission for Review of the Working of the Constitution headed by former Chief Justice of India, M.N. Venkatachaliah.

Choose the correct statements.

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

G. UPSC Mains Practice Questions

GS Paper II

1. Discuss impact of globalization on farming sector in India.

GS Paper IV

1. You are the Executive Director of an upcoming InfoTech Company which is making a name for itself in the market. Mr. A, who is a star performer, is heading the marketing team. In a short period of one year, he has helped in doubling the revenues as well as creating a high brand equity for the Company so much so that you are thinking of promoting him. However, you have been receiving information from many corners about his attitude towards the female colleagues; particularly his habit of making loose comments on women. In addition, he regularly sends indecent SMS's to all the team members including his female colleagues. One day, late in the evening, Mrs. X, who is one of Mr. A's team members, comes to you visibly disturbed. She complains against the continued misconduct of Mr. A, who has been making undesirable advances towards her and has even tried to touch her inappropriately in his cabin. She tenders her resignation and leaves your office.
 - a) What are the options available to you?
 - b) Evaluate each of these options and choose the option you would adopt, giving reasons.