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B. GS2 Related

Category: POLITY

1. [Government clears proxy vote move for NRIs](#)

Changes in Electoral Laws

- The Government has approved changes in electoral laws to permit Non-Resident Indians to cast their vote in assembly and Lok Sabha elections from overseas
- If the proposal passes in Parliament, NRIs will be able to exercise their voting rights through “proxy”
- Currently, only service personnel are permitted to vote through proxy

Why is proposed facility of proxy for NRIs different from service personnel?

- The facility for NRIs will not be the same as that enjoyed by service personnel
- For example, voters in the armed forces can nominate their relatives as permanent proxy to vote on their behalf
- Facility for NRIs: Overseas electors will have to appoint a nominee afresh for each election
- One person can act as proxy for only one overseas voter

2. [Rajya Sabha passes RTE amendments](#)

Context

- The Rajya Sabha unanimously passed the **Right of Children to Free and Compulsory Education (Amendment) Bill, 2017**, which aims to provide a **two-year window** to around 11 lakh private and government teachers to get prescribed minimum qualifications for appointment.

Amendments

- The Bill gives them an opportunity to acquire professional qualification by enrolling themselves in the Swayam platform, which will be an online medium.
- Those living in rural areas would be taught through Swayam Prabha television channels in 32 languages, and they would have to buy a set top box worth ₹1300

Basic Information

SWAYAM platform

- It stands for Study Webs of Active-Learning for Young Aspiring Minds.

- It is the Indian electronic e-education platform which proposes to offer courses from the high school stage to Post-Graduate stage in an interactive electronic platform.

3. How to curb "invisible money"

Context

- The reforms suggested by Election and Law Commission, and Government's non-compliance on them
- This non-compliance is increasing Invisible money in Elections

Power given to EC, under the RP Act

- The Election Commission (EC) works in accordance with

(1) Article 324 of the Constitution of India,

(2) the Representation of the People Act (RP Act), 1951

(3) the rules framed by the government thereunder, and various judgments of the Supreme Court and High Courts

- The power to frame rules under the RP Act has not been given to the EC by successive governments

Status of reforms suggested by the EC

- Most of the reform proposals by the EC have not been acted upon
- It sent 22 proposals in 2004
- In December 2016, it sent 47 proposals including those for "Election expenses and election petitions", "Election campaign and advertisements", and "Reforms relating to political parties"
- There are also instances where the Supreme Court has directed reforms in its decisions, with the government and Parliament attempting to amend laws to prevent implementation of the judgments

Two proposals by the government which increase invisible money in Elections

- The other significant proposals that the **Budget made** were

(a) to remove the limit of 7.5% on profits that a company can donate to a political party, and

(b) to remove the requirement that the company making a donation to a political party disclose the name of the party and the amount donated

Suggestions by the Law commission

- A logical and simple way of introducing financial transparency and accountability in the working of the political parties is recommended by the Law Commission
- **Suggestion:** is to bring political parties under the Right to Information (RTI) Act, 2005
- The Central Information Commission (CIC) had also said in a full bench decision in June 2013 that six national political parties were indeed "public authorities" under the RTI Act
- **Why:** Because they fulfilled all conditions specified in Section 2(h) of the RTI Act which defines "public authority"

Reaction from Political Parties : Despite this decision, political parties, including the ruling party now, refused to accept RTI applications

4. Govt moves to check benami, Aadhaar to be made must for property deals

In News

Move to curb Benami Transactions and the use of black money in Property Deals

- The government is planning to make Aadhaar-based authentication mandatory at the time of registration of documents such as agreement for sale, power of attorney, etc.
- The government has also firmed up plans to enable electronic registration of properties, for which Aadhaar-based authentication will be a prerequisite
- For this, the government is planning to amend Sections 32 and 32A of the Registration Act, 1908
- Also, the Aadhaar law allows the Central Identities Data Repository, under the UIDAI, to offer authentication services

Expected benefits:

- This is expected to ensure foolproof property titles for the buyers
- It will also minimise the scope of fraudulent and benami transactions

Other steps taken by the Government to curb black money in real state

- The government also enacted the **Benami Transactions (Prohibition) Amended Act, 2016** last year
- This law empowers authorities to provisionally attach and eventually confiscate benami properties

C. GS3 Related

1. Space for a cut: On RBI repo rate cut

Context

- Reserve Bank of India did cut the policy repo rate by 25 basis points, and has opted to play safe while nominally acceding to the clamour for softer lending rates.

Bimonthly policy statement

- It refers to the significant slowdown over the past three months in core inflation – retail price gains excluding those for food and fuel
- Monsoon has so far been normal, and the initial roll-out of GST has been –smooth–.
- Monetary policy committee chosen to retain the –neutral– stance, given that it expects the trajectory of inflation to rise from current lows amid a welter of uncertainties

Chances for Inflation

- Due to the implementation of farm loan waivers by States
- State governments will implement salary and allowance increases following the Centre’s implementation of the seventh pay panel-related hikes.
- A second successive normal monsoon that could check food costs and a stable international commodity price outlook – that could help keep the inflation trajectory favourable.

Way forward

- Impulses for growth in industry and services are weakening, so the Centre and the States to take enabling steps, through policy measures and directed fiscal actions, to give a thrust for the revival of private investment
- It will serve nobody’s interests if the rate reduction doesn’t have –the desired amplifier effects on the economy– and ends up only temporarily masking the true problems in the banking and real sectors.

2. Unhappy with MCLR, RBI may link rates to market determined benchmarks

Context:

- Reserve Bank of India is reviewing the MCLR system and exploring linking of the bank lending rates directly to market determined benchmarks to ensure a better transmission of interest rates.

The experience with the MCLR system

- It introduced in April 2016 for improving the monetary transmission but it has not been entirely satisfactory, even though it has been an advance over the Base Rate system.
- An internal Study Group has been constituted to study MCLR system from the perspective of improving the monetary transmission and exploring linking of the bank lending rates directly to market determined benchmarks.

Current problems with monetary transmission:

- Banks not doing enough to pass on the full benefit of its rate actions to the borrowers and help revive the sagging private investment for economic growth.
- Banks have been selective in their rate cuts in aggressive segments like home and auto loans, but in other segments, borrowers are still tied to the base rate.
- Ongoing resolutions on the NPA front will help in better transmission as the banks’ balance sheet stress is resolved.

RBI plan

- RBI will be coming out with final guidelines on tripartite repo to deepen the corporate bond market, which, by working as an alternative to the bank lending, will also force banks to tinker with the rates quickly.
- RBI is forming a high level task-force to help develop a –comprehensive near real-time public credit registry.

Public credit registry

- It will evaluate the existing public and private infrastructure for credit information, assess any data gaps, study the best international practices and provide a roadmap.
- It can potentially help banks in credit assessment and pricing of credit as well as in making risk-based, dynamic and countercyclical provisioning.
- The PCR can also help the RBI in understanding if transmission of monetary policy is working, and if not, where are the bottlenecks.
- It can help supervisors, regulators and banks in early intervention and effective restructuring of stressed bank credits.

Basic Information

The marginal cost of funds based lending rate (MCLR)

- It refers to the minimum interest rate of a bank below which it cannot lend, except in some cases allowed by the RBI.
- It is an internal benchmark or reference rate for the bank. MCLR actually describes the method by which the minimum interest rate for loans is determined by a bank – on the basis of marginal cost or the additional or incremental cost of arranging one more rupee to the prospective borrower.
- This new methodology replaces the base rates system introduced in July 2010.

Reasons for introducing MCLR

- RBI decided to shift from base rate to MCLR because the rates based on marginal cost of funds are more sensitive to changes in the policy rates.
- This is very essential for the effective implementation of monetary policy. Prior to MCLR system, different banks were following different methodology for calculation of base rate /minimum rate “ that is either on the basis of average cost of funds or marginal cost of funds or blended cost of funds. Thus, MCLR aims
- To improve the transmission of policy rates into the lending rates of banks.
- To bring transparency in the methodology followed by banks for determining interest rates on advances.
- To ensure availability of bank credit at interest rates which are fair to borrowers as well as banks.
- To enable banks to become more competitive and enhance their long run value and contribution to economic growth.

3. [The difficult economics of the Indian farmer](#)

Context

- The hardships faced by Indian farmers on different fronts due to climate, price risk, Government policy problems etc.

Problems

- The risks begin with sowing. The production in the months ahead is deeply dependent on weather conditions.
- Price risk: A bumper crop can pull down prices in wholesale markets. Farmers are reported to have not been able to even recover the cost for some crops
- Recent report that the fall in inflation has increased the real debt burden of farmers, which has risen faster than real income in recent years.
- The opportunities for risk mitigation are minimal.
- MSPs was originally conceived as a way to mitigate risk through guaranteed prices. It later degenerated into a tool to buy the political support of large farmers.
- Farmers who suffered losses in the last year have not yet received compensation for 55% of the estimated claims from Pradhan Mantri Fasal Bima Yojana. Crop insurance will not benefit farmers if the compensation is not paid in time
- A more robust mechanism is needed to mitigate the price risk. The lack of future prices means that farmers base their production decisions on prices at the time of sowing.
- In majority of agri-products, the policymakers used restrictive export policies to keep domestic prices low. This showed the pro-consumer bias in the policy complex

How to reduce price risk?

- Price deficiency payment, which has been advocated by NITI Aayog
- In price deficiency payment, farmers can be compensated through direct benefit transfer if prices fall below a predetermined threshold level.
- A deeper derivative market in agricultural commodities will also help farmers in hedging against price risks.
- The market regulator has done well by allowing option contracts.
- However, the government should avoid its response of banning trading whenever prices rise.

Way forward

- Strike a balance between the interests of both the producer and the consumer
- The actual impact of higher remunerative farm prices can be contained by making markets more efficient and removing middlemen from the system.
- Building a common agriculture market is also necessary.
- Government policy should focus not just on higher production but also on helping farmers manage risks

Category: **SCIENCE AND TECHNOLOGY**

1. [In a scientific first, disease gene “edited”™ in human embryos](#)

Repairing of Gene

- Scientists in the United States have repaired a disease-causing mutation in the DNA of early-stage human embryos
- Why Important: This is an important step in Engineering babies free of inherited disorders
- The team successfully uses the CRISPR “gene editing” tool in viable embryos
- This research is hailed by experts around the world

Basic Information

- Clustered regularly interspaced short palindromic repeats (CRISPR) are segments of prokaryotic DNA containing short, repetitive base sequences
- These play a key role in a bacterial defence system, and form the basis of a genome editing technology known as CRISPR/Cas9 that allows permanent modification of

Schemes in news

I. National Electric Mobility Mission Plan 2020

- It was unveiled in 2013.
- This Mission Plan has been designed mainly considering the Fuel Security and Environmental Pollution in the country.

Aim

- To promote electric mobility in the country.
- NMEM aims for a cumulative fuel saving of about 9500 million litres.
- This results in reduction of pollution and greenhouse gas emission of 2 million tonnes with targeted market penetration of 6-7 million vehicles by 2020.

FAME

- As part of this mission, Department of Heavy Industry formulated a scheme namely FAME -India [Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India].
- The overall scheme is proposed to be implemented over a period of 6 years, till 2020.
- It is intended to support the hybrid/electric vehicles market development and its manufacturing eco-system to achieve self-sustenance at the end of the stipulated period.
- The scheme is one of the green initiatives of the Government of India
- It will be one of the biggest contributors in reducing pollution from road transport sector in near future.
- The scheme has 4 focus areas i.e. Technology Development, Demand Creation, Pilot Projects and Charging Infrastructure.

II. Sagar Vani

Agency: Ministry of Earth Sciences

INCOIS:

- ESSO-Indian National Centre for Ocean Information Services (INCOIS) provides ocean information services for the benefit of various user communities in the country
- The services are more fruitfully utilized when the advisories reaches the end user in timely manner and in user readable format

Sagar Vani

- An Integrated Information Dissemination System (IDS) named “SAGAR VANI” has been developed
- It is a software platform where various dissemination modes will be integrated on a single central server
- **Developer:** ESSO-INCOIS through the Industry M/s. Gaian Solutions Pvt. Ltd.
- It includes Multi Lingual SMS, Voice Call / Audio Advisory, Mobile Apps (User / Admin modules), Social Media (Facebook, Twitter, etc.), Email, GTS, Fax, Digital Display Boards, Radio / Television broadcast units, IVRS, Cloud Channels, etc.

The “Big thing”™

- The system compares with the most advanced countries’™ services in terms of speed of delivery, omni channel capabilities and diverseness of services
- With this system, the services will be disseminated in local languages using advanced artificial intelligence and machine learning capabilities
- For the first time in India, we are also using the power of television and cable network mediums for topical and alert dissemination services

Importance

- The “Sagar Vani”™ will serve the coastal community, especially the fishermen community with the advisories and alerts towards their livelihood as well as their safety at Sea

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G. Practice Questions for UPSC Prelims Exam

G. UPSC Mains Practice Questions

GS Paper II

1. “The power to frame rules under the Representation of People Act, 1951 has not been given to the EC by successive governments.” Examine Critically.

GS Paper III

1. “Policy should focus not just on higher production but also on helping farmers manage risks” Discuss. How price deficiency payments can address price risk?

GS Paper IV

1. What do you understand by “values” and “ethics”? In what way is it important to be ethical along with being professionally competent?
2. You are a young, aspiring and sincere employee in a Government office working as an assistant, to the director of your department. Since you’ve joined recently, you need to learn and progress. Luckily your superior is very kind and ready to train you for your job. He is a very intelligent and well-informed person having knowledge of various departments. In short, you respect your boss and are looking forward to learn a lot from him. Since you’ve good tuning with the boss, he started depending on you. One day due to ill health he invited you at his place for finishing some urgent work. You reached his house and you heard shouting noises before you could ring the bell. You waited for a while. After entering, boss greeted you and explained the work. But you were constantly disturbed by the crying of a woman. At last, you inquired with the boss but his answer did not satisfy you. Next day, you were compelled to inquire further in the office and found out that his behavior is very bad at home with his wife. He also beats up his wife. His wife is not well educated and is a simple woman in comparison to her husband. You see that though your boss is a nice person in the office, he is engaged in domestic violence at home. In such a situation, you are left with the following options. Analyse each option with its consequences.
 1. Just ignore thinking about it because it is their personal matter.
 2. Report the case to the appropriate authority.
 3. Your own innovative approach towards the situation. (250 words)