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**Highlights of the Budget 2015-16:**

**Self Employment and Talent Utilisation (SETU) to be Established:**
- Government has announced the setting up of a Self- Employment and Talent Utilisation (SETU) mechanism.
- **What is it?**
- It will be a Techno-Financial, Incubation and Facilitation Programme to support all aspects of start up businesses, and other self-employment activities, particularly in technology-driven areas.
- An amount of Rs.1000 crore is being set up initially in NITI Aayog for SETU.

**ATAL Innovation Mission (AIM) to be Set up:**
- **What is it?**
- AIM will be an Innovation Promotion Platform involving academics, entrepreneurs and researchers and draw upon national and international experiences to foster a culture of innovation, R&D and scientific research in India.
- The platform will also promote a network of world-class innovation hubs and Grand Challenges for India. Initially a sum of Rs.150 crore will be earmarked for this purpose.

**Corporate Tax to be Reduced:**
- The Finance Minister has said that the Corporate Tax Rate is proposed to be reduced from the current 30% to 25% over the next 4 years.
- **Why?**
- This is expected to lead to higher level of investment, higher growth and more jobs.
- The reduction will be accompanied by rationalization and removal of various kinds of exemptions and incentives which is leading to a large number of tax disputes. The effective collection of Corporate Tax today is about 23%.
- **Corporate tax rate is a tax collected from companies. Its amount is based on the net income companies obtain while exercising their business activity, normally during one business year. Revenues from the Corporate Tax Rate are an important source of income for the government of India. It is a Direct tax.**

**GST to be Implemented:**
- The Finance Minister has said that his government is moving forward on various fronts to implement Goods and Services Tax (GST) from the next year. GST, on which his government introduced a Bill in the last session of the parliament, is expected to play a transformative role in the way our economy functions. It will add buoyancy to our economy by developing a common Indian market and reducing the cascading effect on the cost of goods and services, Shri Jaitley added. The Finance Minister said that as a part of the movement towards GST the Education Cess and the Secondary and Higher Education Cess are to be subsumed in the Central Excise Duty.

**GST:**
- The goods and services tax (GST) is a comprehensive value-added tax (VAT) on goods and services. It is an indirect tax levy on manufacture, sale and consumption of goods as well as services at a national level.
- Through a tax credit mechanism, this tax is collected on value-added goods and services at each stage of sale or purchase in the supply chain.
- The system allows the set-off of GST paid on the procurement of goods and services against the GST which is payable on the supply of goods or services. However, the end consumer bears this tax as he is the last person in the supply chain.
- Experts say that GST is likely to improve tax collections and boost India’s economic development by breaking tax barriers between States and integrating India through a uniform tax rate.
What are the benefits of GST?
- Under GST, the taxation burden will be divided equitably between manufacturing and services, through a lower tax rate by increasing the tax base and minimizing exemptions.
- It is expected to help build a transparent and corruption-free tax administration. GST will be levied only at the destination point, and not at various points (from manufacturing to retail outlets).
- Currently, a manufacturer needs to pay tax when a finished product moves out from a factory, and it is again taxed at the retail outlet when sold.

How will it benefit the Centre and the States?
- It is estimated that India will gain $15 billion a year by implementing the Goods and Services Tax as it would promote exports, raise employment and boost growth. It will divide the tax burden equitably between manufacturing and services.

What are the benefits of GST for individuals and companies?
- In the GST system, both Central and State taxes will be collected at the point of sale. Both components (the Central and State GST) will be charged on the manufacturing cost. This will benefit individuals as prices are likely to come down. Lower prices will lead to more consumption, thereby helping companies.

Why are some States against GST; will they lose money?
- The governments of Madhya Pradesh, Chhattisgarh and Tamil Nadu say that the information technology systems and the administrative infrastructure will not be ready by April 2010 to implement GST. States have sought assurances that their existing revenues will be protected.
- The central government has offered to compensate States in case of a loss in revenues.
- Some States fear that if the uniform tax rate is lower than their existing rates, it will hit their tax kitty. The government believes that dual GST will lead to better revenue collection for States.
- However, backward and less-developed States could see a fall in tax collections. GST could see better revenue collection for some States as the consumption of goods and services will rise.

National Investment and Infrastructure Fund to be Set up:
- The government has proposed to set up this fund. An annual flow of Rs.20,000 crore is ensured by the government for the NIIF.

What it does?
- This will enable the Trust to raise debt, and in turn, invest as equity, in infrastructure finance companies such as IRFC and NHB. The infrastructure finance companies can then leverage this extra equity, manifold.

Forwards Markets Commission to be Merged with Sebi:
- The Union Finance Minister has proposed to merge the Forwards Markets Commission with SEBI.
- Why? To strengthen regulation of commodity forward markets and reduce wild speculation.

About FMC:
- Forward Markets Commission (FMC) is a regulatory authority for commodity futures market in India. It is a statutory body set up under Forward Contracts (Regulation) Act 1952.
The Commission functions under the administrative control of the Ministry of Finance, Department of Economic Affairs, Government of India. The Act provides that the Commission shall consist of not less than two but not exceeding four members appointed by the Central Government, out of them one being nominated by the Central Government to be the Chairman of the Commission.

The functions of the Forward Markets Commission are as follows:

- To advise the Central Government in respect of the recognition or the withdrawal of recognition from any association or in respect of any other matter arising out of the administration of the Forward Contracts (Regulation) Act 1952.
- To keep forward markets under observation and to take such action in relation to them, as it may consider necessary, in exercise of the powers assigned to it by or under the Act.
- To collect and whenever the Commission thinks it necessary, to publish information regarding the trading conditions in respect of goods to which any of the provisions of the Act is made applicable, including information regarding supply, demand and prices, and to submit to the Central Government, periodical reports on the working of forward markets relating to such goods;
- To make recommendations generally with a view to improving the organization and working of forward markets;
- To undertake the inspection of the accounts and other documents of any recognized association or registered association or any member of such association whenever it considers it necessary.

**Gold Monetisation Scheme:**

- The Finance Minister has proposed to introduce Gold Monetisation Scheme, which will replace both the present Gold Deposit and Gold metal Loan Schemes.
- The new scheme will allow the depositors of gold to earn interest in their metal accounts and the jewellers to obtain loans in their metal account.
- Banks/other dealers would also be able to monetize this gold.
- It was also announced that the Government shall commence work on developing an Indian Gold Coin, which will carry the Ashok Chakra on its face. Such an Indian Gold Coin would help reduce the demand for coins minted outside Indian and also help to recycle the gold available in the country.

**Act East’ Policy of the Government:**

- The Unin Finance Minister has announced setting-up of manufacturing hubs in CMLV countries, namely, Cambodia, Myanmar, Laos and Vietnam.
- This ‘Act East’ policy of the Government endeavours to cultivate extensive economic and strategic relations in South-East Asia.
- In order to catalyse investments from the Indian private sector in this region, a project development company will set-up the manufacturing hubs in CMLV countries through separate Special Purpose Vehicles (SPVs).

**Micro Units Development Refinance Agency (MUDRA) Bank:**

- The Finance Minister has proposed to create a Micro Units Development Refinance Agency (MUDRA) Bank, with a corpus of Rs. 20,000 crore, and credit guarantee corpus of Rs. 3,000 crore.

What it does?
• MUDRA Bank will refinance Micro-Finance Institutions through a Pradhan Mantri Mudra Yojana.
• In lending, priority will be given to SC/ST enterprises.

Benefits:
• These measures will greatly increase the confidence of young, educated or skilled workers who would now be able to aspire to become first generation entrepreneurs.
• Existing small businesses, too, will be able to expand their activities.
• By floating MUDRA bank, the Centre has ensured credit flow to SMEs sector and has also identified NBFCs as a good fit to reach out to them.
• People will now be able to get refinance at subsidised rate and it would be passed on to the SMEs. Moreover, it would enable SMEs to expand their activities.

**Paramparagat Krishi Vikas Yojna and Pradhan Mantri Gram Sinchai Yojna to be Fully Supported:**

• Reinforcing the government’s commitment to farmers, Union Finance Minister has flagged the Pradhan Mantri Gram Sinchai Yojna aimed at ‘per drop more crop’ and Paramparagat Krishi Vikas Yojna (organic farming) as the two most important programmes in the farm sector to enhance productivity and production.
• *Paramparagat Krishi Vikas Yojna: It has been formulated to promote Organic Farming. The objective is to promote eco-friendly concept of cultivation reducing the dependency on agro-chemicals and fertilizers and to optimally utilize the locally available natural resources for input production.*
• *Pradhanmantri Gram Sinchai Yojana is aimed at irrigating the field of every farmer and improving water use efficiently to provide ‘Per Drop More Crop’.*

**Tourist Visa on Arrival Scheme to be Extended to 150 Countries Gradually:**

• The Finance Minister has announced to extend Visa on Arrival Facility (VOA) to 150 countries in stages from the current 43.

**“TOURIST VISA ON ARRIVAL” SCHEME:**

• It was introduced on January 1, 2010. It was initially trialed for citizens of five countries. Now, the Citizens of 43 countries can avail this facility.

**Eligibility:**
• Citizens of the identified countries can avail this facility and:
• whose sole objective of visiting India is sight-seeing, casual visit to meet friends or relatives, etc.,
• who do not have a residence or occupation in India;
• who hold passports with minimum six months validity, and a re-entry permit if that is required under the law of the country of nationality of the applicant;
• who is a person of assured financial standing (individuals must have a return ticket and sufficient money to spend during his/her stay in India);
• who is not considered an undesirable person;

**Validity:** It will be valid for 30 days with single entry facility.

**More details:**
• It shall be non-extendable and non-convertible except with the approval of the Ministry of Home Affairs in exceptional circumstances.
• The ‘Tourist Visa-on-Arrival’ will be provided only at designated international airports, namely, Bangalor, Chennai, Delhi, Hyderabad, Kochi, Kolkata, Mumbai and Trivandrum. It will not be available at any other Immigration Check Post.
• It shall be allowed for a maximum of two times in a calendar year to an applicant with a minimum gap of two months between each visit.
• It shall not be applicable to holders of Diplomatic/Official passports.

**8 schemes delinked from Central support:**
• The government has decided to delink eight Centrally Sponsored Schemes (CSS), including National e-Governance Plan, Backward Regions Grant Funds, Modernisation of Police Forces and Rajiv Gandhi Panchayat Sashaktikaran Abhiyaan (RGPSA), from its support.

**Why?**
• As much as 42% of union taxes will go to States as per the recommendation of 14th Finance Commission. The government has decided to accept this recommendation so as to reduce its fiscal burden.
• The 8 schemes delinked from Centre’s support are: National e-Governance Plan, Backward Regions Grant Funds, Modernisation of Police Forces, Rajiv Gandhi Panchayat Sashaktikaran Abhiyaan (RGPSA), Scheme for Central Assistance to the States for developing export infrastructure, Scheme for setting up of 6000 Model Schools, National Mission on Food processing and Tourist Infrastructure.

**SARFAESI Act to cover NBFCs:**
• The Budget proposal to treat non-banking financial companies (NBFCs) as financial institutions under the SARFAESI Act (The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ) will be a big boost to the sector. A long-standing demand of the industry, this will allow NBFCs to enjoy the benefits that presently apply only to banks.
• It is proposed that NBFCs registered with RBI and having asset size of Rs.500 crore and above will be considered for notifications as ‘financial institution’ in terms of the SARFAESI Act, 2002.

**Present Scenario:**
• Currently, NBFCs are not covered under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act.
• Though the Reserve Bank of India has tightened the NPA recognition norms, it has not laid out clear guidelines either on the recovery mechanism or the provisions for NBFCs to take action against defaulters under SARFAESI Act.
• Most of the NBFCs are unable to recover bad debts. There have been lakhs of cases that are dragged to court every year by NBFCs. Hence, the working group of RBI, headed by Usha Thorat, had recommended that the Act be extended to cover the NBFCs also.

**SARFAESI Act:**
• This act allows banks and financial institutions to auction properties (residential and commercial) when borrowers fail to repay their loans. It enables banks to reduce their non-performing assets (NPAs) by adopting measures for recovery or reconstruction.
• Upon loan default, banks can seize the securities (except agricultural land) without intervention of the court.
• SARFAESI is effective only for secured loans where bank can enforce the underlying security. In such cases, court intervention is not necessary, unless the security is invalid.

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or fraudulent. However, if the asset in question is an unsecured asset, the bank would have to move the court to file civil case against the defaulters.

- The SARFAESI Act also provides for the establishment of Asset Reconstruction Companies (ARCs) regulated by RBI to acquire assets from banks and financial institutions.
- The Act provides for sale of financial assets by banks and financial institutions to asset reconstruction companies (ARCs). RBI has issued guidelines to banks on the process to be followed for sales of financial assets to ARCs.
- The Act provides three alternative methods for recovery of non-performing assets, namely:
  - Securitisation
  - Asset Reconstruction
  - Enforcement of Security without the intervention of the Court
- The provisions of this Act are applicable only for NPA loans with outstanding above Rs. 1lac. NPA loan accounts where the amount is less than 20% of the principal and interest are not eligible to be dealt with under this Act.

**The Act empowers the Bank:**

- To issue demand notice to the defaulting borrower and guarantor, calling upon them to discharge their dues in full within 60 days from the date of the notice.
- To give notice to any person who has acquired any of the secured assets from the borrower to surrender the same to the Bank.
- To ask any debtor of the borrower to pay any sum due or becoming due to the borrower.
- Any Security Interest created over Agricultural Land cannot be proceeded with. If the borrower fails to comply with the notice, the Bank may take recourse to one or more of the following measures:
  - Take possession of the security
  - Sale or lease or assign the right over the security
  - Manage the same or appoint any person to manage the same

**Status quo on AFSPA**

- The controversial Armed Forces Special Powers Act (AFSPA) will continue to exist in J & K. The PDP party had earlier made a written assurance on withdrawing it within a time frame conditional for striking an alliance.

**AFSPA:**

- It is an Act empowering armed forces to deal effectively in ‘Disturbed Areas’. Any area which is declared ‘Disturbed’ under the disturbed areas act enables armed forces to resort to the provisions of AFSPA.

**Who declares an area as disturbed?**

- The choice of declaring any area as ‘disturbed’ vests both with state and central government.

**Special powers provided to armed forces:**

- After an area comes under the ambit of AFSPA, any commissioned officer, warrant officer, non-commissioned officer or another person of equivalent rank can use force for a variety of reasons while still being immune to the prosecution.

**Ambit:**

- The act was passed on 11 September 1958 by the parliament of India to provide special legal security to the armed forces carrying out operations in the troubled areas of Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland, Tripura (seven sisters).
• In 1990 the act was extended to the state of Jammu and Kashmir to confront the rising insurgency in the area.
• In Manipur, despite opposition from the Central government, state government withdrew the Act in some parts in Aug, 2004.

The government can declare AFSPA in the following conditions:
• When the local administration fails to deal with local issues and the police proves inefficient to cope with them.
• When the scale of unrest or instability in the state is too large for the police to handle.

Legal provisions of AFSPA:
• In an area declared, “disturbed” an army officer is legally free to carry out following operations:
• Fire upon or otherwise use force, even to the causing of death, against any person who is acting in contravention of any law” against “assembly of five or more persons” or possession of deadly weapons.
• Destroy any shelter (private or govt.) from which armed attacks are made or likely to be made or attempted to be made.
• Arrest any person without warrant who has committed a cognizable offence or against whom a reasonable suspicion exists that he has committed or is about to commit a cognizable offence.
• Enter and search, without warrant, any premises for purpose of arrest or to recover any person, arms, explosives.
• To search and seize any vehicle suspected to be carrying an offender or any person against whom any reasonable suspicion exists that he has or is about to commit an offence.
• To provide legal immunity to the army personnel found involved in any violation or ethical breach i.e., they cannot be sued or prosecuted.

Why do armed forces need AFSPA?
• The forces are aware that they cannot afford to fail when called upon to safeguard the country’s integrity. Hence, they require the minimum legislation that is essential to ensure efficient utilization of combat capability. This includes safeguards from legal harassment and empowerment of its officers to decide on employment of the minimum force that they consider essential.
• The absence of such a legal statute would adversely affect organizational flexibility and the utilization of the security capacity of the state. This would render the security forces incapable of fulfilling their assigned role.
• Common people see it as ‘Right to Kill’ Act. Since its inception many Human Rights organizations and civil societies have been opposing it for the following reasons:
• It makes no distinction between a peaceful gathering of five or more people and a berserk mob.
• The law also states that, “no prosecution can be initiated against an officer without the previous sanction of the Central government”.
• The decision of the government to declare a particular area ‘disturbed’ cannot be challenged in a court of law.
• In 2005 the Jeevan Reddy Commission said that AFSPA should be repealed and the clauses that are required should be included in other Acts.

ICHR revamped
• The Union MHRD has reconstituted the Indian Council for Historical Research, inducting 18 new members.
About Indian Council of Historical Research:
- The Indian Council of Historical Research (ICHR) is plainly a Fund-disbursing Agency that disburses funds to Indian and Foreign Scholars on specific applications for Fellowships and Grants.
- The source of the Funds, at the disposal of the ICHR is Grants-in-Aid received from the Department of Higher Education in the Ministry of Human Resource Development, Grants-in-Aid from various Indian States, donations and from the proceeds of revenues from the sale of Publications.
- The council does not carry any historical research of its own by its staff as was initially envisaged.
- It was established in 1972 by an Administrative Order of the then Ministry of Education of Government of India.
- It is an autonomous organization.

‘Go India’ Smart Card for Train Tickets
- ‘Go-India’ smart card scheme has been launched on pilot basis on two sectors i.e. New Delhi-Mumbai and New Delhi-Howrah.
- Aim of the Scheme: To reduce the transaction time at the booking counters for the convenience of passengers as it facilitates cashless transaction.

About the Smart Card:
- The Go-India smart card enables passengers to pay for reserved and unreserved tickets.
- The smart card can be used at nominated Unreserved Ticketing System (UTS)/Passenger Reservation System (PRS) counters and at Automatic Ticket Vending Machines (ATVMs) on these two sectors for issuing tickets.
- Initially, the card can be get issued by paying minimum Rs.70/- where passenger will get Rs.20/- balance. After that, card can be recharged for Rs.20/- or in multiple of Rs.50/- upto Rs.5000/-.
- Maximum limit on Go-India smart card is Rs.10,000/-.  
- Go-India smart card has life time validity. In case of no usage in six months from the date of last transaction, smart card will be temporarily deactivated, which can be activated again by paying Rs.50/- as activation fee.
- Sources: PIB.

Mothers’ low weight linked to shorter height of Indian children
- A study published in the journal Proceedings of the National Academy of Sciences says that the reason a greater proportion of Indian children, even those from economically better families, are shorter and smaller than children in sub-Saharan Africa is the lower body mass of mothers before conception and less weight gain during pregnancy.

Other important observations made by the study:
- The study says over 42% of pre-pregnant Indian women were found to be underweight compared with 16.5% in sub-Saharan Africa.
- The most important reason why pre-pregnant women are more likely to be underweight than the average women is age. In India, women have children very soon after marriage, in a narrow age range between 18 and 25. This is also the time in their lives that they are most likely to be underweight.
- Besides lower pre-pregnancy weight, weight gain during pregnancy is low at about 7 kg for a full-term pregnancy both in India and in sub-Saharan Africa. Since weight gain
during pregnancy is nearly the same in the two regions, Indian women end up weighing less than their counterparts at the end of pregnancy.

- Higher prevalence of low birth-weight babies in India is also linked to mother’s low pre-pregnancy weight and less weight gain during pregnancy.

**What should be done?**

- It is difficult to compensate for poor nutrition during pregnancy by providing nutritious food to children after birth. First, babies have to be exclusively breastfed for the first six months. Second, stunting is thought to take place in the first 1,000 days between conception and two years of age. For half of this first 1,000 days, a child relies totally on the mother for nutrition.

**400% rise in parties’ spend on LS polls**

- The recently released data by Association for Democratic Reforms says that over the last 10 years, the declared expenditure by political parties for the Lok Sabha elections grew over 400%.

**Important observations made:**

- Spending on publicity is driving most of the increased expenditure.
- Spending grew faster than the rate of increase in the collection of funds, as parties can spend on the Lok Sabha elections from funds collected before the announcement of the election as well.

**What the law says?**

- By law, the six Indian national political parties must submit a statement of election expenditures to the Election Commission within 90 days of the completion of the election. This is supposed to include all funds collected and spent by them in cash, cheque or through other means between the date of the announcement of the election and the date of completion of the election, which ranges from 30 to 90 days.
- But, most of the parties fail to submit these details in time.

**Core sector growth slows to 1.8 % in Jan**

- Growth in eight core industries slowed to 1.8% in January, the lowest in 13 months. Negative growth in crude oil and natural gas and low growth in steel, cement and electricity have led to the dip in the overall growth rate of core industries.
- *The eight core sector industries are*— coal, crude oil, natural gas, refinery products, fertilizer, steel, cement and electricity.

**RBI panel widens scope for priority sector lending**

- The Reserve Bank of India (RBI) recently said that loans to sanitation, health care and drinking water facilities and renewable energy would come under the priority sector ambit. The target for lending to the agriculture sector has been retained at 18% of adjusted net bank credit (ANBC), but the RBI has recommended a sub-target of 8% of ANBC for small and marginal farmers, which is to be achieved in a phased manner.

**Panel observations regarding the Priority Sector Lending Target:**

- The panel has said that the target for lending to the redefined priority sector is retained uniformly at 40% of adjusted net bank credit (ANBC) or credit equivalent of off-balance sheet exposure (CEOB), whichever is higher, for all scheduled commercial banks. It has also said that all foreign banks (irrespective of number of branches they have) may be
brought on a par with domestic banks and the same target/sub-targets may be made applicable to them.

- It suggested foreign banks with 20 and above branches may be given time up to March, 2018, in terms of extant guidelines and submit their revised action plans. Other foreign banks, that is, with less than 20 branches, may be given time up to March, 2020, to comply with the revised targets as per action plans submitted by them and approved by the RBI.

**PRIORITY SECTOR LENDING:**

- Priority Sector Lending is an important role given by the Reserve Bank of India (RBI) to the banks for providing a specified portion of the bank lending to few specific sectors like agriculture or small scale industries. This is essentially meant for an all round development of the economy as opposed to focusing only on the financial sector. Typically, these are small value loans to farmers for agriculture and allied activities, micro and small enterprises, poor people for housing, students for education and other low income groups and weaker sections.

**What is meant by Priority Sector?**

- Priority sector refers to those sectors of the economy which may not get timely and adequate credit in the absence of this special dispensation.

**CATEGORIES OF PRIORITY SECTOR:**

- Agriculture
- Micro and Small Enterprises
- Education (educational loans granted to individuals by banks)
- Housing
- Export Credit
- State sponsored organizations for Scheduled Castes/Scheduled Tribes
- Consumption loans (under the consumption credit scheme for weaker sections)
- Loans to the software industry (having credit limit not exceeding Rs 1 crore from the banking system)

**Minimum Limits:**

- The limits are prescribed according to the ownership pattern of banks. While for local banks, both the public and private sectors have to lend 40% of their net bank credit, or NBC, to the priority sector as defined by RBI, foreign banks have to lend 32% of their NBC to the priority sector.

**Specific targets within the priority sector:**

- Domestic banks have to lend 18% of NBC to agriculture and 10% of the NBC has to be to the weaker section. However, foreign banks have to lend 10% of NBC to the small-scale industries and 12% of their NBC as export credit.
- The rate of interest on various priority sector loans will be as per RBI’s directives issued from time to time, which is linked to Base Rate of banks at present. Priority sector guidelines do not lay down any preferential rate of interest for priority sector loans.

**Pact binds RBI to inflation target**

- The Centre and the Reserve Bank of India have signed an agreement under which the central bank will prioritise controlling price rise above the other objectives of the monetary policy — interest rates and the foreign exchange rate. The agreement targets inflation and gives the central bank a free hand in determining the policy rate — which according to the agreement is the repo rate.

**Objectives of the Agreement:**

- To maintain the price stability with a focus on growth.
• To subdue India’s chronic finance volatility.

About the Agreement:
• Under the agreement the Reserve Bank is committed to bringing inflation below 6% by January 2016. The consumer inflation target has been set at 4%, with a band of plus or minus 2% points, for the financial year 2016-17.
• Under the agreement, the central bank will be deemed to have missed its target if consumer inflation remains above the 6% level for three consecutive quarters during 2015-16.
• The bank will have to explain to the government the causes, and what steps it intends to take to steer inflation back within a given time if it misses the target.
• The RBI is also required to make public every six months a document explaining the sources of inflation and the inflation forecast for the period between six and eight months.
• In case of any dispute arising out of interpretation of the agreement, it would be resolved through a meeting between the RBI governor and the government
• With this agreement, RBI has joined the group of central banks like the US Federal Reserve and European Central Bank which have inflation targeting as their main objective.
• The government will now need to amend the RBI Act to reflect a new mandate for the central bank, ushering in the biggest overhaul of monetary policy since the big bang reforms of 1991 that saw India open up its economy to foreign investors.

About the RBI:
• The Reserve Bank of India is India’s Central Banking Institution, which controls the Monetary Policy of the Indian Rupee.
• It commenced its operations in April 1935 during the British Rule in accordance with the provisions of the Reserve Bank of India Act, 1934. Following India’s independence the RBI was nationalised in the year of 1 January 1949.
• It is a member bank of the Asian Clearing Union. The bank is also active in promoting financial inclusion policy and is a leading member of the Alliance for Financial Inclusion (AFI). It represents the Government of India as the member of the IMF and the World Bank.

Important functions of the RBI:
• Regulator and supervisor of the financial system.
• Manager of foreign exchange.
• Issuer of currency.
• Banker’s bank.
• Banker to the Government: performs merchant banking function for the central and the state governments; also acts as their banker.
• Formulates, implements and monitors the monetary policy.
• Prescribes broad parameters of banking operations within which the country’s banking and financial system functions.
• Custodian of Cash Reserves of Commercial Banks.

National Electoral Roll Purification and Authentication Programme (NERPAP)
• The Election Commission of India has launched “National Electoral Roll Purification and Authentication Programme” (NERPAP) throughout the country.
• Objective: To bring a totally error free and authenticated electoral roll.
• Details:
During the programme, data of electors will be linked with Aadhar data of UIDAI for the purpose of authentication.

The programme will focus on improving image quality of electors along with sorting issues like corrections of errors etc.

Sources: PIB.

**National Service Scheme**

- The Union Minister for Youth Affairs and Sports has said that at present, there is no proposal under consideration for de-linking of National Service Scheme (NSS) operation from funding for the institutions by the Government.

**About National Service Scheme:**

- It is a central government-sponsored public service program conducted by the Department of Youth Affairs and Sports of the Government of India.
- The scheme was launched in Gandhiji’s Centenary year, 1969.
- **Aim:** To develop student’s personality through community service. The programme also aims to inculcate social welfare in students, and to provide service to society without bias.

**Details:**

- The cardinal principle of the NSS programme is that it is organised by the students themselves, and both students and teachers through their combined participation in community service, get a sense of involvement in the tasks of nation building.
- NSS volunteers work to ensure that everyone who is needy gets help to enhance their standard of living and lead a life of dignity. In doing so, volunteers learn from people in villages how to lead a good life despite a scarcity of resources.
- It also provides help in natural and man-made disasters by providing food, clothing and first aid to the disaster victims.

**The broad objectives of NSS are to:**

- understand the community in which they work;
- understand themselves in relation to their community;
- identify the needs and problems of the community and involve them in problem solving process;
- develop among themselves a sense of social and civic responsibility;
- utilize their knowledge in finding practical solution to individual and community problems;
- develop competence required for group living and sharing of responsibilities;
- gain skills in mobilizing community participation;
- acquire leadership qualities and democratic attitude;
- develop capacity to meet emergencies and natural disasters
- practice national integration and social harmony.

**Pradhan Mantri Adarsh Gram Yojana**

- The Union Minister of State for Social Justice and Empowerment recently said that 16 villages selected under Pradhan Manti Adarsh Gram Yojana (PMAGY) have been developed as ‘model villages’. The scheme was being implemented on pilot basis in these villages.

**Pradhan mantri Adarsh Gram Yojana (PMAGY):**

- This scheme was launched for the integrated development of scheduled castes dominated villages in the country.
• Under this Scheme, each village would be able to avail gap funding of Rs.10 lakh over and above the allocations under Rural Development and Poverty Alleviation Schemes.
• The Plan aims to build an “Adarsh Gram” (Model village) which has adequate physical and institutional infrastructure, in which minimum needs of all sections of the society are fully met. The village which is progressive and dynamic and its residents live in harmony. All the facilities necessary for dignified living should be available and the residents are enabled to utilise their potential to the fullest.
• In March 2012 the Pradhan Mantri Adarsh Gram Yojana(PMAGY) was transferred to the Ministry of Rural Development (MoRD) from the Ministry of Social Justice and Empowerment.

Deforestation hits monsoon rains, says study

• According to a new study conducted by the researchers at the Indian Institute of Science in Bangalore, Widespread deforestation, especially in the northern high latitudes, has taken a toll on the monsoon across the northern hemisphere, with rains over India particularly badly affected.

Details of the Study:
• The study says that
• Till 1750s, only about 7% of the global land area had been cleared for agriculture and that proportion has since risen to around one-third.
• Such deforestation has reduced rains in the monsoon regions of the northern hemisphere. India was affected the most, with global deforestation producing an 18% reduction in its summer monsoon rains.
• The deforestation led to moderately increased rains over South Africa, South America and Australia in the southern hemisphere.
• Reasons for the decrease in Rainfall in Northern high latitude regions:
• When forests in the northern high latitudes are removed, more sunlight is reflected back into space and this region gets cooled sharply. And hence, the rainfall is affected.
• Sources: The Hindu.

Cattle slaughter, in varying degrees

• The Bill banning cow slaughter in Maharashtra, pending for the past several years, has received the President’s assent.
• Now, anyone found to be selling beef or in possession of it can be jailed for five years and fined Rs 10,000.

Present Situation:
• According to the previous Act the sale of cow slaughter was banned in the state, now even possession of the meat is prohibited.
• The previous act allowed bulls and buffaloes as they only need a fit for slaughter certificate. Now the new legislation does not allow that either. However, the new act allows the slaughter of water buffaloes which is seen as an inferior quality meat.

Opposition:
• Maharashtra’s beef traders have decided on seeking legal recourse following this ban on slaughter of bulls and bullocks.
• Beef traders also feel that this will affect their livelihoods and displace them, they also warn that the prices of other meat will increase because of this move.
• The beef traders claim that the decision will affect almost 70% of their business and leave many of them without jobs.
Cow slaughter in other states:
- Based on the types of legislations enacted by the different states, the Indian States can be classified into five categories:
- North-eastern States with no restrictions on cattle slaughter.
- Kerala with no law but a caveat.
- Tamil Nadu, West Bengal and Assam which allow the slaughter of cattle with a certificate.
- Andhra Pradesh, Telangana, Bihar, Goa and Odisha which ban cow slaughter, but allow the slaughter of other cattle with a certificate.
- The rest of India which bans the slaughter of all cattle.

Why the President’s assent was necessary for this Bill?
- The bill was reserved by the governor for the consideration of the President. When a Bill is reserved by a Governor, under the Article 201, for the consideration of the President, the President shall declare either that he assents to the Bill or that he withholds assent there from:
- Provided that, where the Bill is not a Money Bill, the President may direct the Governor to return the Bill to the House or, as the case may be, the Houses of the Legislature of the State together and, when a Bill is so returned, the House or Houses shall reconsider it accordingly within a period of six months from the date of receipt of such message and, if it is again passed by the House or Houses with or without amendment, it shall be presented again to the President for his consideration.
- When the bill is again presented to the President for the assent, the president is not bound to give his assent to the Bill. This means that the state legislature cannot override the veto power of the President.
- The Constitution has also not prescribed any time limit within which the President has to take decision with regard to a bill reserved by the governor for his consideration. Hence, the President can exercise pocket veto in respect of state legislation also.

Govt embarrassed in RS as Motion of Thanks on President’s Address adopted with amendment
- The government recently had to face embarrassment in the Rajya Sabha after the house adopted Motion of Thanks on President’s address with an amendment moved by a member in the opposition party.
- Normally, the Motion of Thanks on President’s Address is passed without members insisting for division on amendments moved.
- This is for the fourth time that Motion of Thanks on President’s Address has been adopted with amendment in Rajya Sabha.
- Motion of Thanks:
- Article 87(1) of the Indian Constitution provides for the special address by the President. Under this Article at the commencement of the first session after each general election to the House of the People and at the commencement of the first session of each year, the President shall address both Houses of Parliament assembled together and inform Parliament of the causes of its summons.
- Such an Address is called ‘special address’; and it is also an annual feature. No other business is transacted till the President has addressed both Houses of Parliament assembled together.
- This Address has to be to both Houses of Parliament assembled together. If at the time of commencement of the first session of the year, Lok Sabha is not in existence and has
been dissolved, and Rajya Sabha has to meet, Rajya Sabha can have its session without the President’s Address.

- Article 87(2) of the Constitution requires that provision shall be made by the rules regulating the procedure of either House for the allotment of time for discussion of the matters referred to in the President’s Address. Accordingly, discussion on the matters referred to in the President’s Address takes place on a Motion of Thanks moved by a member and seconded by another member.
- The scope of the discussion on the Address is very wide and members are at liberty to speak on every matter of national or international importance and other issues.
- Notices of amendments to the Motion of Thanks on the President’s Address can be tabled after the President has delivered his Address. Amendments may refer to matters contained in the Address as well as to matters which, in the opinion of the member, the Address has failed to mention. The only limitations are that members cannot refer to matters which are not the direct responsibility of the Central Government and that the name of the President cannot be brought in during the debate since the Government and not the President is responsible for the contents of the Address.
- Amendments can be moved to the Motion of Thanks in such form as may be considered appropriate by the Chairman.
- President’s Address and Motion of Thanks are governed by Articles 86 (1) and 87 (1) of the Constitution and Rules 16 to 24 of the Rules of Procedure and Conduct of Business in Lok Sabha.

**SC verdicts differ on beef being a poor man’s food**

- The Bill banning cow slaughter in Maharashtra, pending for the past several years, has received the President’s assent. The sale of Beef and slaughter of cow in Maharashtra is now banned.
- The Supreme Court, in the past while examining this case, had given two varying verdicts. While in 1958, the apex court said keeping useless cattle alive would be a wasteful drain on the nation’s cattle feed, in 2005 it upheld Gujarat’s total ban on cattle slaughter, regardless of whether the bovine is useful or useless.

**1958 Verdict:**
- In 1958, the Supreme Court, while deciding the constitutionality of cattle slaughter ban laws in Bihar, Uttar Pradesh and Madhya Pradesh, had held that “there is no getting away from the fact that beef or buffalo meat is an item of food for a large section of the people in India.”

**SC’s observations in 1958:**
- It held that cattle, except cows of all ages and calves of both cows and buffaloes, not capable of milch or draught can be slaughtered. The court classified such cattle as “useless.”
- The apex court found that keeping “useless cattle” alive would be a “wasteful drain” on the nation’s cattle feed. If slaughtered, they would feed the poor.
- The SC termed Beef as the poor man’s diet and held that poorer people who can hardly afford fruit or milk or ghee are likely to suffer from malnutrition if they are deprived of even one slice of beef or buffalo flesh which may sometimes be within their reach.

**2005 Verdict:**
- The apex court reversed its earlier stand in 2005. This time, it upheld Gujarat’s total ban on cattle slaughter, regardless of whether the bovine is useless or useful.

**SC’s observations in 2005:**
• The court held that beef contributes only 1.3 per cent of the total meat consumption pattern of the Indian society and also said that Nutrition is not necessarily associated with non-vegetarian diet and that too originating from slaughtering cow and its progeny.
• The court also held that the concept of food security has undergone considerable change and it is futile to think that meat originating from cow progeny can be the only staple food or protein diet for the poor population of the country.
• Now, Maharashtra's beef traders have decided on seeking legal recourse following the ban by Maharashtra Government.

**Lok Sabha clears Insurance Bill**

• The Lok Sabha recently cleared the long-pending Insurance Laws (Amendment) Bill. Now, it will be sent to the Rajya Sabha.

**The Insurance Laws (Amendment) Bill:**

• Aim: the amendments are aimed at removing archaic and redundant provisions in the legislations and incorporating certain provisions to provide Insurance Regulatory Development Authority (IRDA) with flexibility to discharge its functions effectively and efficiently. The overall objective is to further deepen the reform process which is already underway in the insurance sector.

**Details of the Bill:**

• In India, insurance companies are not permitted to have foreign holding of more than 26%. This Bill raises the limit to 49% and allows entry of foreign re-insurers (companies that insure insurance companies).
• It also provides for permanent registration of insurance companies.
• It permits the holder of a life insurance policy to name the beneficiary.
• The Bill seeks to amend clause 45 to the effect that no claim can be repudiated (rejected) after three years of the policy issuance under any circumstances.
• With the aim to reduce the dependence on agents the Bill seeks to have more channels for distribution, in addition to the existing ones such as agents and bancassurance.
• The Bill proposes to give insurance companies the freedom to collect premiums in instalments for more products.
• To strengthen redressal of policyholders' complaints, the Bill proposes an independent grievance redressal authority, with powers similar to a civil court. The authority will be composed of judicial and technical members.
• The Bill also stresses on technology to increase electronic issuance of policies. This will help improve claims payout.
• **Advantages:**
  • With foreign participants playing a bigger role, there will be more variety in products and more professionalism in selling these. With more competition, mis-selling will reduce.
  • Simplifying the norms for expansion of re-insurance companies will also help penetration.
  • Since electronic issuance and dematerialising of policies can facilitate data sharing between companies, any cases of fraud can be detected faster.
  • The Bill provides for appeals against decisions by Insurance Regulatory and Development Authority to lie with the Securities Appellate Tribunal set up under the SEBI Act, 1992.
Many opposition parties are against the idea of raising the cap on FDI in insurance sector.

**ISRO defers satellite launch**

The Indian Space Research Organisation has postponed the launch of IRNSS-1D, its fourth navigational satellite, from the Satish Dhawan Space Centre, Sriharikota, scheduled for March 9.

**About Indian Regional Navigation Satellite System:**

- IRNSS is an independent regional navigation satellite system being developed by India. It is designed to provide accurate position information service to users in India as well as the region extending up to 1500 km from its boundary, which is its primary service area.
- IRNSS will provide two types of services, namely, Standard Positioning Service (SPS) which is provided to all the users and Restricted Service (RS), which is an encrypted service provided only to the authorised users.
- The IRNSS System is expected to provide a position accuracy of better than 20 m in the primary service area.
- IRNSS comprises of a space segment and a ground segment. The IRNSS space segment consists of seven satellites, with three satellites in geostationary orbit and four satellites in inclined geosynchronous orbit.
- IRNSS ground segment is responsible for navigation parameter generation and transmission, satellite control, ranging and integrity monitoring and time keeping.
- IRNSS-1A, the first satellite of the IRNSS constellation, has already started functioning from its designated orbital slot after extensive on orbit test and evaluation to confirm its satisfactory performance.

**Applications of IRNSS:**

- Terrestrial, Aerial and Marine Navigation
- Disaster Management
- Vehicle tracking and fleet management
- Integration with mobile phones
- Precise Timing
- Mapping and Geodetic data capture
- Terrestrial navigation aid for hikers and travellers
- Visual and voice navigation for drivers

**Positioning of the seven satellites:**

- Global Navigational Systems:
As of April 2013, only the United States NAVSTAR Global Positioning System (GPS) and the Russian GLONASS are global operational GNSSs. China is in the process of expanding its regional BeiDou navigation system into the global Compass navigation system by 2020. The European Union’s Galileo positioning system is a GNSS in initial deployment phase, scheduled to be fully operational by 2020 at the earliest. France (DORIS), India, and Japan are in the process of developing regional navigation systems.

**Fewer children born each year; child sex ratio worsens**

- The New data from 2011 census says that the number of children born every year is declining rapidly in India, but the slowdown is faster for baby girls as against baby boys. The data was released by the office of the Registrar-General of India.

**Details:*

- Around 2.1 crore children were born in 2010, the year before the latest Census was conducted. In the year 2000 in comparison, 1.98 crore children were born. However, the growth in the number of male children born was higher at 5.44 per cent, while the growth in the number of girls born was far lower at 4.69 per cent. The sex ratio at birth as a result was slightly worse in 2011 than it was in 2001.
- The numbers also clearly indicate that couples are choosing to restrict the size of their families; nearly half of the children born in 2000 were the third, fourth, fifth and so on in the family. In 2011, just a third of children born in the preceding year were the family’s third, fourth, fifth or so on children. In fact, the absolute number of first and second-borns only increased between 2000 and 2010, while the number of later-born children declined.
- Fertility is declining faster than expected in India. In a given year, a child born to a woman under the age of 24 is most likely to be her first child, and one born to a woman aged 25-40 her second child. In 2001 in contrast, a child born to a woman in the age group 30-34 was most likely to be her third child, and one born to a woman aged 35 to 39 was most likely to be her fourth child, the Census numbers show.
- The data also shows that just 2% of women under the age of 18 are now married in India. Statistics on marriage released showed that 72 lakh people under the age of 18 were married as of 2011, 70% of them girls.

**RBI to put Re. 1 note into circulation**

- One rupee notes are all set to come back into circulation as the government has decided to restart printing the currency after more than two decades.
- The RBI said the notes to be issued would be legal tender as provided in The Coinage Act 2011.
- The RBI said the note will bear Ashoka Pillar symbol in the window without words ‘Satyamev Jayate,’ and carry a hidden numeral in the centre.

**Some facts:***

- The Government of India also has the sole right to mint coins of all denominations.
- One rupee currency notes will be printed by the Government of India.
- The note will carry bilingual signature of Finance Secretary.
- The surrounding design of the new note will consist of the picture of Sagar Samart – the oil exploration platform and with the authentic rendering of value in fifteen Indian language in language panel and the year figure shown in the centre bottom in international number.
No cut in the coverage of National Food Security Act

- The Union Minister of Consumer Affairs, Food and Public Distribution recently said that the Government has decided not to accept the recommendation of High Level Committee on restructuring of FCI regarding cut in the coverage of the National Food Security Act. He clarified that beneficiary coverage at the level of 67% as provided by the Nations Food Security Act would continue.

Background:
- A high level committee was set up by the Government on 20th August, 2014 under the chairmanship of Shanta Kumar to look into the matters related to the restructuring of FCI.
- The major issue before the Committee was how to make the entire food grain management system more efficient by reorienting the role of FCI in MSP operations, procurement, storage and distribution of grains under Targeted Public Distribution System (TPDS).

About National Food Security Act, 2013:
- Also called as the Right to Food act, this act aims to provide subsidized food grains to approximately two thirds of India’s 1.2 billion people.
- It extends to the whole of India.
- Under the provisions of this act, beneficiaries are able to purchase 5 kilograms per eligible person per month of cereals at the following prices:
  - Rice at 3 Rupees per kg
  - Wheat at 2 Rupees per kg
  - Coarse grains (millet) at 1 rupee per kg.

Salient features:
- 75% rural and 50% of the urban population are entitled for three years from enactment to five kg food grains per month at 3 Rupees, 2 Rupees, 1 Rupee per kg for rice, wheat and coarse grains (millet), respectively.
- The states are responsible for determining eligibility.
- Pregnant women and lactating mothers are entitled to a nutritious “take home ration” of 600 Calories and a maternity benefit of at least Rs 6,000 for six months.
- Children 6 months to 14 years of age are to receive free hot meals or “take home rations”.
- The central government will provide funds to states in case of short supplies of food grains.
- The state government will provide a food security allowance to the beneficiaries in case of non-supply of food grains.
- The Public Distribution System is to be reformed.
- The eldest woman in the household, 18 years or above, is the head of the household for the issuance of the ration card.
- There will be state- and district-level redress mechanisms and State Food Commissions will be formed for implementation and monitoring of the provisions of the Act.
- The poorest who are covered under the Antodaya yojana will remain entitled to the 35 kg of grains allotted to them under the mentioned scheme.
- The cost of the implementation is estimated to be $22 billion (1.25 lac crore), approximately 1.5% of GDP.

Maharashtra scraps Muslim quota

- The Maharashtra government has officially scrapped the five per cent reservation for Muslims in educational institutions, despite a Bombay High Court ruling in its favour.
The government has also said that admissions in educational institutions and jobs already granted under the quota would be protected.

- The previous government had announced reservation in education and jobs for Marathas (16%) and Muslims (5%) ahead of the Assembly polls in October 2014.
- This was challenged in court through several petitions. Eventually, the court scrapped the reservation altogether for Marathas, but allowed it for Muslims in education alone.
- The Maharashtra state government had challenged the Bombay High Court order in the Supreme Court, which refused to interfere with the interim decision of the High Court but asked the Maharashtra state government to go back to the Bombay High Court on the issue.

**Why was it scrapped?**

- The government says that the Muslim quota in educational institutions was scrapped because the ordinance granting it had lapsed on the penultimate day of the Winter Session of the Assembly.

**Reservations in Maharashtra:**

- The demand for reservation for Muslims in Maharashtra was based on the findings of various government panels, primarily the Sachar and the Mehmood-ur-Rehman committees.
- The reports found that Muslims make up around 10-12% of Maharashtra’s population, but have little presence in government jobs and educational institutions. Unemployment was high among its youth and they were often subjected to bias, official apathy and police brutality.
- Around 60% of urban and rural Muslims in Maharashtra live below the poverty line (BPL), and just about 25% of them are marginally above the poverty line. The Mehmood-ur-Rehman committee had recommended for 8-10% reservation in government jobs.
- Reservation for Marathas has been highly contested and their claims of backwardness fiercely debated.
- The 22nd report of the Maharashtra State Commission for Backward Classes, headed by Justice R.M. Bapat, rejected their demand for reservation. That view has been endorsed by numerous other experts.

**Investors rue absence of triple E status for NPS**

- The Union budget recently proposed an additional tax deduction of Rs.50,000 for investments in National Pension Scheme (NPS) under Section 80 CCD, with a view to giving a major boost to the new pension scheme.
- This will be over and above the deduction of Rs.1.5 lakh available under Section 80C of the Income-Tax Act.
- This is a welcome move to rope in more investors into NPS.
- However, investors are disappointed. For, the accumulated investment in NPS will continue to be taxable at the time of withdrawal. The government has not made investments in NPS tax-free at the time of withdrawal. The accumulated corpus at the time of withdrawal will continue to be taxable.
- Experts also say that the absence of EEE (triple E) status for NPS was preventing faster enrolment into the scheme.

**What is EEE status?**

- Employee Provident Fund (EPF) and PPF schemes enjoy this status.
- EEE status (exempt-exempt-exempt in income-tax jargon) refers to the money that is deposited in EPF or PPF schemes and is exempt from income-tax under Section 80C.
Any interest or returns earned during the accumulation phase is also exempted from income-tax. Also, during withdrawal (after maturity), the money one gets is also exempted from income-tax.

Currently, NPS has more than 80 lakh subscribers with total asset under management of over Rs. 76,000 crore.

**About National Pension System:**
- The NPS was launched on 1st January, 2004 with the objective of providing retirement income to all the citizens. NPS aims to institute pension reforms and to inculcate the habit of saving for retirement amongst the citizens.
- Initially, NPS was introduced for the new government recruits (except armed forces). With effect from 1st May, 2009, NPS has been provided for all citizens of the country including the unorganised sector workers on voluntary basis.
- Additionally, to encourage people from the unorganised sector to voluntarily save for their retirement the Central Government launched a co-contributory pension scheme, called ‘Swavalamban Scheme’.
- Under Swavalamban Scheme, the government will contribute a sum of Rs. 1,000 to each eligible NPS subscriber who contributes a minimum of Rs. 1,000 and maximum Rs. 12,000 per annum.
- The subscriber will be allotted a unique Permanent Retirement Account Number (PRAN). This unique account number will remain the same for the rest of subscriber’s life. This unique PRAN can be used from any location in India.

**PRAN will provide access to two personal accounts:**
- Tier I Account: This is a non-withdrawable account meant for savings for retirement.
- Tier II Account: This is simply a voluntary savings facility. The subscriber is free to withdraw savings from this account whenever subscriber wishes. No tax benefit is available on this account.

**DBTL scheme PaHaL enrolls 80% LPG consumers in Guj**
- The Direct Benefit transfer of LPG (DBTL) scheme Pratyaksh Hanstantrit Labh (PaHaL) has now seen penetration among 80% of the total active LPG consumers in Gujarat.
- The success of the scheme is a result of an intensive information education campaign comprising of advertising through various means and directly reaching out to consumers, several innovative measures such as guardian officers for each district, deployment of technology by use of SMS, and a single window portal to enable consumers to join the scheme.

**PaHaL scheme:**
- Pratyaksh Hanstantrit Labh (PaHaL) aims to reduce diversion and eliminate duplicate or bogus LPG connections. Under PaHaL, LPG cylinders are sold at market rates and entitled consumers get the subsidy directly into their bank accounts. This is done either through an Aadhaar linkage or a bank account linkage.
- The scheme has witnessed massive enrolment in a short span of time.
- The scheme will cover over 15.3 crore consumers across 676 districts of the country. Currently over 6.5 crore consumers i.e. 43% have already joined the scheme and will receive subsidy in their bank account.
- It has also has put in place various mechanisms to simplify enrolment and enhance consumer convenience, and thus, only 1.09 lakh complaints have been received so far, which constitute a mere 0.1% of the transactions. Over 85% of the complaints have been resolved.
• Preliminary data from 54 districts indicate that the growth of subsidised LPG has reduced significantly accompanied by a corresponding increase in sale of commercial LPG. This indicates that the scheme will enable substantive savings in subsidy which can then be deployed for other productive purposes, without reducing any entitlements of existing consumers.
• The success of the scheme is a result of an intensive Information Education Campaign comprising advertising through various means, direct reaching out to consumers, and dealer level campaigns.
• DBTL is designed to ensure that the benefit meant for the genuine domestic customer reaches them directly and is not diverted. By this process public money will be saved.

**Divergent thinking: RBI Act**

• The government has proposed to set up a Monetary Policy Committee (MPC) by amending the RBI Act. But the discussions regarding this are yet to begin and will take place over the next few months.

**This raises the debate about the independence of the RBI. Why?**

• The debate about the independence of the RBI arises because of uncertainty regarding the government’s choice of the committee’s structure.
• Many suggestions have been proposed, including one by the Srikrishna Commission and the other by the Urjit Patel committee, which differ on the role of the government in having representation in the MPC.
• Any signs of government influence in the central bank’s decisions would worry investors, given India’s history of high spending, which, if accompanied by low interest rates, could lead to a surge in inflation and deepening debt problems.

**Srikrishna panel recommendations:**

• The Srikrishna panel is for a *seven member* panel with the RBI governor as its head.
• It proposed *five external members* with two to be appointed by the Union government in consultation with the RBI governor, and the other three by the Union government.
• It has also favoured a government representative without voting powers.

**Urjit Patel Committee recommendations:**

• The Patel committee suggests *five members with the governor as chairman*, deputy governor in charge of monetary policy as vice-chair, and the executive director from the monetary policy department, besides two independent members to be nominated by the governor and his deputy.
• Setting up of Monetary Policy Committee is in line with international best practices and it is likely to provide greater transparency on the decision process.

**International practices:**

• Monetary policy committees have become the norm among major central banks across the globe, but how one would work in India is still uncertain, as officials have only held preliminary discussions of the proposals. Internationally, there is no single formula on what should be the composition of MPC and how the interest rates are decided.
• The US Federal Reserve does not target inflation, and the Fed’s Board of Governors is responsible for the discount rate and reserve requirements. The Federal Open Market Committee (FOMC) is responsible for announcing the Fed funds’ target rate. The FOMC comprises seven Fed governors; the president of the Federal Reserve Bank of New York, and four of the 11 remaining reserve bank presidents who serve one-year term on rotational basis.
In Japan, the monetary policy is decided by the policy board at monetary policy meetings.

In China, the Monetary Policy Committee is a consultative body and has an advisory role. The macro targets are set by the state council, which is also entrusted with the monetary policy decision. The number of members of the MPC range from five to 10.

In countries like the UK and Indonesia, members are appointed by the government, but in Israel or South Africa, it is done by the governor.

In the UK monetary policy committee, the treasury has a representative without voting rights. The chancellor of the exchequer, equivalent to finance minister in India, appoints four external members based on their expertise in economics and monetary policy. Decisions are taken by vote and not by consensus.

The RBI Governor is appointed by the Central Government under the provisions of the RBI Act. The Governor typically has a term of 4 years. The Governor can be removed from office at any time by the Central Government. Hence, the governor holds the office at the pleasure of the Central Government.

**Documentary ban may not stand legal scrutiny: experts**

Legal experts have said that the government’s decision to ban the BBC documentary on the December 16, 2012 gang rape in Delhi, India’s Daughter, both in the media and on the Internet, and file an FIR against unknown persons may not be based on sound principles of law.

The law experts have said that filing of the FIR was hasty and it would not sustain in a court of law. The ban based on a court injunction order could be challenged on the ground that it took away the public’s right to know.

**Why the government has banned this film?**

- The government defends its move by saying that the rationale behind the ban was in the interests of justice and public order as the film ‘created a situation of tension and fear amongst women’.
- This film could affect the right of the convict in his pending appeal against death penalty before the Supreme Court.

**Spectrum bids touch Rs. 86,000 cr.**

- The government has got commitments of Rs. 86,000 crore from telecom players at the end of the fourth day of the auction of spectrum, crossing the targeted minimum of Rs. 82,000 crore from the sale of 2G and 3G airwaves.

**Spectrum allocation in India:**

- India was among the early adopters of spectrum auctions beginning auctions in 1991.

**Who conducts auctions?**

- The Department of Telecommunications (DoT) conducts auctions of licenses for electromagnetic spectrum.

**Electromagnetic spectrum:**

- The electromagnetic spectrum is the range of all possible frequencies of electromagnetic radiation.
- The types of electromagnetic radiation are broadly classified into the following classes:
  - Gamma radiation
  - X-ray radiation
  - Ultraviolet radiation
  - Visible radiation
  - Infrared radiation
- Terahertz radiation
- Microwave radiation
- Radio waves
- Radiations in the increasing order of their wavelength (shortest to longest):
  - Gamma ray < X ray < Ultraviolet < Visible < Infrared < Microwave < Radio.

**Sunderbans losing green cover and land mass, says ISRO study**
- According to a satellite analysis conducted by the Indian Space Research Organisation, the Indian Sundarbans has lost 3.71% of its mangrove and other forest cover, while losing 9,990 hectares of its landmass to erosion in one decade. The Eastern Zone Bench of the National Green Tribunal, which is hearing a case of environmental violations in the Sundarbans, directed holding the study.

**The study also says that:**
- As much as 1,607 hectares of the eroded area had vegetation.
- During the 10 years, 216 hectares of landmass had been added, of which 121 hectares has green vegetation.
- About 95.14% of the green cover has not undergone gone any change, while fresh vegetation has come up in 1.1% of the entire area.
- The depletion may be due to natural and anthropogenic (human intervention) processes.
- The 9,600-sq.km Indian Sundarbans is highly susceptible to coastal erosion and coastal land dynamics. A recent World Bank report had also pointed out that the carrying capacity of the landmass had exceeded with the population density of over 1,000 a sq.km.

**Sundarbans:**
- The Sundarbans is a natural region in West Bengal and Bangladesh. It is the largest single block of tidal halophytic mangrove forest in the world.
- The Sundarbans covers approximately 10,000 square kilometres (3,900 sq mi) of which 60% is in Bangladesh with the remainder in India.
- It is a UNESCO World Heritage Site.

**Mangroves in India:**
- Mangroves in India account for about 3% of the world’s mangrove vegetation. Mangrove cover in India is 4,662 sq. km, which is 0.14% of the country’s total geographical area. Sundarbans in West Bengal accounts for almost half of the total area under mangroves in the country. Mangrove in India is famous for its rich variety of flora and fauna.
- The forest survey report, 2013, notes down that the overall Mangrove cover in the county in 2013 has decreased compared to 2011. The reasons for the decrease in the mangrove cover may be:
  - Grazing by domestic cattle and exploitation of mangrove woods for fuel and timber.
  - The neo-tectonic movement of river courses.
  - Abatement of upstream freshwater discharges due to construction of dams and reservoirs.
  - Rapid trend of reclamation of mangrove forests for habitations.
  - Pollutant discharges from cities and industries etc.
  - Composition of Mangroves in India: The very dense mangrove comprises 1,403 sq. km (30.10% of the total mangrove cover), moderately dense mangrove is 1,658.12 sq. km (35.57%) while open mangroves cover an area of 1,600.44 sq. km (33%).
Compulsory licensing soon for export of generic drugs by India

- The Indian pharmaceutical industry is expected to receive a massive boost if a recent attempt by the World Trade Organization (WTO) to amend its TRIPS (Trade-Related Aspects of Intellectual Property Rights) Agreement on the access to essential medicines goes through.

How would it help?
- It will enable India to export generic versions of some costly life-saving drugs made under compulsory licensing to third world countries, especially in Africa, which do not have the production capacity for such medicines.

Background:
- The 2001 Doha Ministerial Conference had decided to amend the TRIPS Agreement by allowing generic copies made under compulsory licences to be exported to countries lacking production capacity, if certain conditions and procedures are followed.
- Generally, a country issues a compulsory license to produce generic versions of a patented drug for domestic consumption. However, in 2003 it was agreed that such a provision could be expanded for export purposes, for the benefit of least developed countries and those lacking manufacturing capacity.
- This was agreed in 2003 and implemented in 2005 but the ratification process was never completed.
- Presently, countries that require generics produced under compulsory licensing to be imported have used the waiver mechanism under the TRIPS pact. This isn’t enough. Countries with the wherewithal to export have to also change their domestic laws. So far, this has been only done by India, Norway, Canada and the European Union.

TRIPS:
- TRIPS is an international agreement administered by the World Trade Organization (WTO), which sets down minimum standards for many forms of intellectual property (IP) regulations as applied to the nationals of other WTO Members. It was negotiated at the end of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) in 1994.
- TRIPS requires WTO members to provide copyright rights, covering content producers including performers, producers of sound recordings and broadcasting organizations; geographical indications, including appellations of origin; industrial designs; integrated circuit layout-designs; patents; new plant varieties; trademarks; trade dress; and undisclosed or confidential information.
- The agreement also specifies enforcement procedures, remedies, and dispute resolution procedures.

First indigenously developed and manufactured vaccine against Rotavirus

- First India-made Rotavirus vaccine was recently launched by PM recently. The vaccine will prevent Rotavirus infection that claims lives of over 1,13,000 infants every year in India, through a highly infectious diarrhoea. It is claimed to be the world’s cheapest vaccine at the rate of around Rs 60 per dose.

Who developed it? It was developed by Hyderabad-based Bharat Biotech.
- The development of the vaccine, at an investment of over Rs 400 crore and over 15 years of research, was partly funded by the Bill and Melinda Gates Foundation and the department of biotechnology and also got support from various international agencies.

Rotavirus:
- Rotavirus is the most common cause of severe diarrhea among infants and young children.
**Signs and Symptoms:**

- Kids with a rotavirus infection have fever, nausea, and vomiting, often followed by abdominal cramps and frequent, watery diarrhea.
- Kids may also have a cough and runny nose.
- Sometimes the diarrhea that accompanies a rotavirus infection is so severe that it can quickly lead to dehydration. Signs of dehydration include thirst, irritability, restlessness, lethargy, sunken eyes, a dry mouth and tongue, dry skin, fewer trips to the bathroom to pee, and (in infants) a dry diaper for several hours.
- As with all viruses, though, some rotavirus infections cause few or no symptoms, especially in adults.

**Transmission:**

- Rotavirus is transmitted by the faecal-oral route, via contact with contaminated hands, surfaces and objects, and possibly by the respiratory route. Viral diarrhea is highly contagious.

**Treatment and Prevention:**

- Treatment of acute rotavirus infection is nonspecific and involves management of symptoms and, most importantly, maintenance of hydration.
- Depending on the severity of diarrhoea, treatment consists of oral rehydration, during which the child is given extra water to drink that contains small amounts of salt and sugar.
- In 2004, the WHO and UNICEF recommended the use of low-osmolarity oral rehydration solution and zinc supplementation as a two-pronged treatment of acute diarrhoea.
- The RotaTeq vaccine has been found to prevent approximately 75% of cases of rotavirus infection and 98% of severe cases. Another vaccine, Rotarix, also is available and is effective in preventing rotavirus infection.

**Saiha district in Mizoram selected for Beti Bachao, Beti Padhao programme**

- The Government of India’s “Beti Bachao, Beti Padhao” (Save Girl-child, Educate Girl-child) programme, which was announced by Prime Minister, has been formally launched in Northeast and the Saiha District in Mizoram has been selected among 100 districts from across India for this unique initiative.

**About BBBP:**

- Beti Bachao, Beti Padhao Andolan is a programme which will help in generating awareness and improving the efficiency of delivery of welfare services meant for women.
- It is set up with an initial corpus of Rs 100 crore.

**Aim:**

- The adverse and declining child sex ratio (CSR) across the States is a major cause of concern as it has fallen from 927 in 2001 to 918 in 2011. The BBBP seeks to arrest the trend and over time to reverse it.

**Implementation:**

- A 100 critical low CSR districts in all States and UTs have been identified for focused and convergent action by the Ministries.
- The Ministry of WCD is the nodal Ministry for this initiative and will carry out training to stakeholders, community mobilization and sensitization.
- It will also embark upon a range of advocacy measures and activities, not limited to the 100 low CSR districts but all across the country.
- All forms of media and social media platforms would be used for this.
The key to the success of the initiatives would lie with the communities, States, Panchayats and the local self-Government.

**Conservation and promotion of Culture through National Culture Fund**

- The Union Minister of State for Culture recently said that a large number of projects, both in the form of tangible projects like restoration, conservation of old ASI monuments, provision of Tourist Amenities at the historical sites; and intangible projects like capacity building of artisans, training programmes, books publications, cultural events, etc. have been undertaken through the National Culture Fund (NCF) of Ministry of Culture.

**National Culture Fund (NCF):**

- The National Culture Fund was established by the Government of India (Ministry of Culture) as trust under the Charitable Endowments Act, 1890, in 1996.
- The contributions to NCF are made by the corporate houses to undertake development of Tangible & Intangible heritage on a project mode basis.
- NCF already has such partnerships with some Corporates like NTPC, ONGC, SAIL, HUDCO, REC, Apeejay Group etc. who have provided funds for such heritage projects.
- NCF’s primary mandate is to establish & nurture Public Private Partnerships in the field of heritage and mobilize resources for the restoration, conservation, protection and development of India’s rich, natural, tangible and intangible heritage.
- NCF accepts private institutions and individuals as equal partners of the government in the management of the cultural heritage of India.
- It enables the government to mobilize extra budgetary resources by allowing direct contributions to the NCF account maintained outside the Consolidated Fund of India. All contributions to NCF are given 100% tax exemption under Section 80 G (2) of the Income Tax Act of 1961.
- The NCF is accountable to each donor in respect of funds donated. The funds can be donated either in Indian currency or any foreign convertible currency.

**Digital Gender Atlas for girls’ education in India launched**

- The Department of School Education and Literacy under the Ministry of Human Resource Development recently launched a Web-based tool ‘Digital Gender Atlas for Advancing Girls Education’ with geographical representation of data to help states in policy-making and implementation.

**How is it helpful?**

- The tool, which has been developed with the support of UNICEF, will help identify low performing geographic pockets for girls, particularly from marginalised groups such as scheduled castes, schedule tribes and Muslim minorities, on specific gender related education indicators.
- The Atlas provides comparative analysis of individual gender related indicators over three years and that enables a visual assessment of the change and an understanding of whether some intervention introduced in a geography at a particular point in time has worked or not.
- The main purpose of the Gender Atlas is to help identify and ensure equitable education with a focus on vulnerable girls, including girls with disabilities. To ensure this is feasible, the Gender Atlas has been developed as a hands-on management tool to enable critical decisions and actions in pockets where gaps are to be met.
The new data from the Digital Gender Atlas for Advancing Girls' Education will help States better channelise their resources to the areas that need it most.

The atlas also creates a Vulnerability Index of factors which impinge on girls’ education, including the likelihood of joining the workforce early and early marriage.

The main components of the Gender Atlas are: Composite Gender Ranking, Trend Analysis of Gender Indicators, Vulnerabilities based on educational indicators in districts with substantial tribal, schedule caste, minority population in educationally backward blocks and in left wing extremist districts, and the low sex ratio districts selected under ‘Beti Bachao Beti Padhao’ programme.

**The new Atlas data shows that:**

- Delhi, Kerala and Tamil Nadu are India’s best-ranked States in terms of gender-related education indicators.
- Tamil Nadu, Kerala, Delhi and Punjab are in the top 25% of the index’s range for elementary education, and the two Southern states and Delhi make the top quarter of the index for secondary education as well.
- Central and northern States, including Rajasthan, Madhya Pradesh and Bihar, are among the worst performers.
- Pockets of backwardness exist in better-off States too. Ramanathapuram, Krishnagiri and Dharmapuri districts in Tamil Nadu do as badly on the composite girls’ education indicator as Barabanki, Bheraich and Shrawasti in Uttar Pradesh. Bangalore’s urban and rural districts do as well as Mumbai or Pune, but the neighbouring district of Tumkur is among India’s worst off districts.
- The two southern States, along with Delhi and Himachal Pradesh, are the best performers here, with Gujarat, Rajasthan and the central and northern States among the worst.

**Gram Nyayalayas**

- The Union Law & Justice Minister recently said that the state-wise progress of setting up of Gram Nyayalayas is not so encouraging and impressive.

**Gram Nyayalayas:**

- Gram Nyayalayas or village courts are established under the Gram Nyayalayas Act, 2008 for speedy and easy access to justice system in the rural areas of India. The Act came into force from 2 October 2009.
- However, the Act has not been enforced properly, with only 194 functional Gram Nyayalayas in the country against a target of 5000 such courts.
- The major reason behind the non-enforcement includes financial constraints, reluctance of lawyers, police and other government officials.

**Important features of Gram Nyayalayas:**

- Gram Nyayala are established generally at headquarter of every Panchayat at intermediate level or a group of contiguous panchayat in a district where there is no panchayat at intermediate level.
- The Gram Nyayalayas are presided over by a Nyayadhikari, who will have the same power, enjoy same salary and benefits of a Judicial Magistrate of First Class. Such Nyayadhikari are to be appointed by the State Government in consultation with the respective High Court.
- A Gram Nyayalaya have jurisdiction over an area specified by a notification by the State Government in consultation with the respective High Court. The Court can function as a mobile court at any place within the jurisdiction of such Gram Nyayalaya, after giving wide publicity to that regards.
The Gram Nyayalayas have both civil and criminal jurisdiction over the offences. The pecuniary jurisdiction of the Nyayalayas are fixed by the respective High Courts.

Both the Central and the State Government can add or remove items in the Schedule. While the Central Government can amend the list in Schedule I and II, by notifying them and thereafter laying it in the Parliament, the State Government can amend the items in Part III of Schedule I or II, in the areas of law which the state is competent to enact law after due consultation with the respective High Court and notifying it. Such notification has to be laid in the State Legislature.

Gram Nyayalayas can follow special procedures in civil matters, in a manner it deem just and reasonable in the interest of justice.

Gram Nyayalayas allow for conciliation of the dispute and settlement of the same in the first instance.

Gram Nyayalayas has been given power to accept certain evidences which would otherwise not be acceptable under Indian Evidence Act.

Appeals in criminal matter can be made to the Sessions Court in the respective jurisdiction and in civil matters to the District Court within a period of one month from the date of judgment.

**India can shape the future of Internet, says ICANN chief**

In a recent visit to India the CEO of Internet Corporation for Assigned Names and Numbers (ICANN) said that with next billion people on the Internet likely to come from India the country had the power to shape the future of Internet.

**ICANN:**

- ICANN, a non-profit organisation, is the global body that oversees operation and administration of the Internet domain name system.
- ICANN was formed in 1998. It is a not-for-profit partnership of people from all over the world dedicated to keeping the Internet secure, stable and interoperable. It promotes competition and develops policy on the Internet’s unique identifiers.
- ICANN doesn’t control content on the Internet. It cannot stop spam and it doesn’t deal with access to the Internet. But through its coordination role of the Internet's naming system, it does have an important impact on the expansion and evolution of the Internet.

**Commemorative Celebrations of World War -1**

- Indian Army is Commemorating the **Centenary of the First World War** from 10 Mar to 14 Mar 2015 in New Delhi in memory of the 1.5 million Indian Soldiers who fought in the war and over 74000 who made the supreme sacrifice.
- 10th March coincides with the **Battle of Neuve Chapelle** marking the British Offensive in Artois region of France in which the Garhwal Brigade & Meerut Division of the Indian Corps participated.
- The time period 2014 to 2018 is being commemorated as the **Centenary of World War-1.**

**Mega Food Parks**

- The Minister of State for Food Processing Industries recently said that a total 42 Mega Food Parks (MFPs) have been sanctioned by the Government for setting-up in the country. Out of these, 21 Mega Food Parks have been accorded final approval and are at various stages of implementation, while 4 Mega Food Parks are progressing towards meeting the conditions for final approval.

**Mega Food Parks Scheme:**
• The Scheme of Mega Food Park aims at providing a mechanism to link agricultural production to the market by bringing together farmers, processors and retailers so as to ensure maximizing value addition, minimizing wastages, increasing farmers’ income and creating employment opportunities particularly in rural sector.

• **Aim of the Scheme:** The Scheme is aimed at providing modern infrastructure facilities along the value chain from farm gate to the market with strong backward and forward linkages.

**What these food parks provide?**

• They facilitate the efforts to increase the level of processing of agricultural and horticultural produce, with particular focus on perishables, in the country and thereby to check the wastage.

• The Scheme has a cluster based approach based on a hub and spokes model. It includes creation of infrastructure for primary processing and storage near the farm in the form of Primary Processing Centres (PPCs) and Collection Centres (CCs) and common facilities and enabling infrastructure at Central Processing Centre (CPC).

• The PPCs are meant for functioning as a link between the producers and processors for supply of raw material to the Central Processing Centres.

• CPC has need based core processing facilities and basic enabling infrastructure to be used by the food processing units setup at the CPC. The minimum area required for a CPC is 50 acres.

• The scheme is demand-driven and would facilitate food processing units to meet environmental, safety and social standards.

**Implementation and financial assistance:**

• Mega Food Park project is implemented by a Special Purpose Vehicle (SPV) which is a Body Corporate registered under the Companies Act. State Government/State Government entities/Cooperatives applying for setting up a project under the scheme are not required to form a separate SPV.

• The financial assistance for Mega Food Park is provided in the form of grant-in-aid at 50% of eligible project cost in general areas and at 75% of eligible project cost in NE Region and difficult areas (Hilly States and ITDP areas) subject to maximum of Rs. 50 crore per project.

**Benefits:**

• Reducing post harvest losses.

• Maintainance of the supply chain in sustainable manner.

• Additional income generation for the farmers.

• Shifting the farmers to more market driven and profitable farming activities.

• It will be a one stop shop where everything will be available at a single location.

• As per experts, it will directly employ 10,000 people.

• This integrated food park will help reduce supply chain costs.

• It will also reduce wastage across the food value chain in India and improve quality and hygiene to create food products in the country.

**Difficulties in implementation:**

• Major challenges being faced by the Special Purpose Vehicles (SPVs) in implementation of the Mega Food Park projects, include acquiring contiguous land of 50 acres or more in the name of SPV, obtaining term loan from the Banks, difficulties in obtaining various statutory clearances from the State Government Departments/Agencies, timely contribution of equity by the promoters, lack of cohesiveness amongst the promoters etc.

• Ministry has made various amendments in the scheme and its guidelines from time to time to address these challenges to improve the pace of implementation of MFPs.
Land Bill clears Lok Sabha hurdle

- The controversial Land Acquisition (Amendment) Bill was recently passed by the Lok Sabha. The Bill was passed with 9 amendments.
- In the official amendments it moved, the government accommodated some concerns of the Opposition and allies, such as dropping social infrastructure from the five categories of land use exempted from the consent clause.
- However, other key points of contention — the Social Impact Assessment and the restoration of the consent clause — remained unresolved as the Bill moves to the Rajya Sabha, where the government is outnumbered — and the Opposition plans to force the Bill to a Select Committee.

Changes introduced in the Bill:
- Land shall be acquired up to 1 km on both sides of designated railway lines or roads for industrial corridor.
- Government shall undertake a survey of wasteland and arid land and maintain a record.
- A provision is included in the Bill for providing employment to project affected families.
- Hearings to be held in districts where land acquisition takes place.
- Courts won’t need government nod to take cognisance of offence under CrPC.
- ‘Five year’ clause for completion of project on acquired land will be augmented and amended by the length of the project. No acquisition will be transferred to private persons.
- Under section 33 compulsory employment clause shall be inserted.
- Land acquired for Hospitals, Educational Institutions and other Social Projects will not come under definition of Industrial Corridor.
- Government to ensure before notification land acquired would be bare minimum required for a project.

RTI Act applies to A-G’s office

- Stating that even under common parlance the office of the Attorney General of India has always been understood to mean a “constitutional authority,” the Delhi High Court recently refused to accept that this office was outside the ambit of the Right to Information Act and further directed it to reconsider the RTI application that it had rejected on these grounds.

Background:
- The issue had come into question when a petition challenging an order by the Central Information Commission was up for hearing before a Bench of the Supreme Court.
- The CIC had held that the office of the AGI was not a public authority under Section 2(h) of the RTI Act.
- The petition was also challenging a letter by the AGI refusing all information to the petitioner under the RTI act.

RTI Act:
- The Act applies to all States and Union Territories of India except Jammu & Kashmir.
- Under the provisions of the Act, any citizen may request information from a “public authority” (a body of Government or “instrumentality of State”) which is required to reply expeditiously or within thirty days.
The Act also requires every public authority to computerise their records for wide dissemination and to proactively certain categories of information so that the citizens need minimum recourse to request for information formally.

The Act covers the whole of India except Jammu and Kashmir, where J&K Right to Information Act is in force.

Private bodies are not within the Act’s ambit directly. In a decision of Sarbajit Roy versus Delhi Electricity Regulatory Commission, the Central Information Commission affirmed that privatised public utility companies continue to be within the RTI Act.

The Central Information Commission (CIC) has also held that the political parties are public authorities and are answerable to citizens under the RTI Act.

**Exclusions:**

- Central Intelligence and Security agencies specified in the Second Schedule like IB, Directorate General of Income tax (Investigation), RAW, Central Bureau of Investigation (CBI), Directorate of Revenue Intelligence etc. are excluded from providing the information.
- Agencies specified by the State Governments through a Notification will also be excluded.
- The exclusion, however, is not absolute and these organizations have an obligation to provide information pertaining to allegations of corruption and human rights violations. Further, information relating to allegations of human rights violation could be given but only with the approval of the Central or State Information Commission.

**CIC:**

- The Central Information Commission (CIC) is set up under the Right to Information Act and is the authorised body, established in 2005, under the Government of India.
- The Chief Information Commissioner heads the Central Information Commission, the body that hears appeals from information-seekers who have not been satisfied by the public authority, and also addresses major issues concerning the RTI Act.
- The Chief Information Commissioner and Information Commissioners are appointed by the President on the recommendation of a committee consisting of—
- The Prime Minister, who shall be the Chairperson of the committee;
- The Leader of Opposition in the Lok Sabha; and
- A Union Cabinet Minister to be nominated by the Prime Minister.

**JD(U) issues whip on eve of trust vote**

- The ruling Janata Dal (United) in Bihar has issued whip to party legislators to vote for the present government seeking a trust vote in the State Assembly.

**Whip:**

- A whip is the instruction issued by political parties to vote according to the party line in a legislature.
- Violation of the party whip could lead to expulsion under the Anti Defection Act.

**A whip is of three kinds.**

- A one-line whip is non-binding, and merely serves to inform the members of the vote.
- A two-line whip seeks attendance in the legislature during the vote.
- A three-line whip is a clear-cut directive, to be present in the legislature during the vote and cast vote according to the party line. Violation of the whip could lead to the member’s expulsion from the House.

**In India, under the anti-defection law, a three-line whip can be violated only by more than one-third of a party’s strength in the legislature.**
Sindhudurg comes alive with a ‘pristine’ coral collection

- The Zoological Survey of India (ZSI) has found three new records of coral reef on the Sindhudurg coast near Malvan of Maharashtra during a recent survey.
- Efforts are on to protect the reef with the assistance of the United Nations Development Programme (UNDP), which has sanctioned Rs. 80 lakh towards capacity building of the local people.
- The three new records are Goniatsrea sp, Porites sp and Turbinaria sp.

Coral reefs:
- Coral reefs are diverse underwater ecosystems held together by calcium carbonate structures secreted by corals. Coral reefs are second only to rainforests in biodiversity of species.

Composition:
- Coral reefs are built by colonies of tiny animals found in marine waters that contain few nutrients.
- Most coral reefs are built from stony corals, which in turn consist of polyps that cluster in groups. The polyps belong to a group of animals known as Cnidaria, which also includes sea anemones and jellyfish. Corals secrete hard carbonate exoskeletons which support and protect the coral polyps.
- Reefs grow best in warm, shallow, clear, sunny and agitated waters.

Threats:
- Coral reefs are fragile ecosystems, partly because they are very sensitive to water temperature.
- They are under threat from climate change, oceanic acidification, blast fishing, cyanide fishing for aquarium fish, sunscreen use, overuse of reef resources, and harmful land-use practices, including urban and agricultural runoff and water pollution, which can harm reefs by encouraging excess algal growth.

About ZSI:
- Established in 1961, it is a premier organisation in zoological research and studies.
- It was established to promote the survey, exploration and research of the fauna in the region.
- The activities of the ZSI are coordinated by the Conservation and Survey Division in the Ministry of Environment and Forests, Government of India.

Main objectives:
- Exploration and Survey of Faunal Resources
- Taxonomic Studies
- Status Survey of Endangered Species
- Publication of Results through Departmental Journals
- Publication of Fauna of India
- Maintenance and Development of National Zoological Collections

Red Data Book:
- Similar to the Red Data Book produced by IUCN, ZSI also releases a Red Data Book on Indian Animals. It was first published in 1983.
- The ZSI also participates in the Indian Antarctic Program, since its inception in 1989.

IMF raises India growth forecast to 7.2 % this fiscal

- The International Monetary Fund (IMF) has forecast India will grow 7.5% in 2015-16, up from 7.2% in the current year.
In the Union budget 2015, the government estimated growth of up to 8.5 per cent in 2015-16.

**Important observations made by the Report:**
- The report stressed the urgency of certain key reforms, including the bottlenecks in the energy, mining and power sectors; infrastructure gaps, land acquisition processes and environmental clearances.
- The report says that India’s vulnerabilities have receded more than those of most emerging markets and sentiment has been revived.
- The Indian economy is reviving, helped by positive policy actions that have improved confidence and lower global oil prices. To continue on this trend, India needs to revitalise the investment cycle and accelerate structural reforms.
- The IMF report also said that India’s economic profile recently got a lift as the country improved the way it measures economic output.
- The recent move to introduce a flexible inflation-targeting framework has also received appreciation as it will help deliver low and stable inflation, and diminish the prospect of renewed bouts of high inflation.

**Reforms suggested by the IMF:**
- The report has recommended for efficient procurement, distribution, and storage of food in the public system.
- It has also recommended for greater flexibility in labour markets and improvements in education for meeting the rising shortages of skilled labour.

**Pharma Jan Samadhan scheme**
- Pharma Jan Samadhan Scheme was recently launched by the Union Minister of Chemicals & Fertilizers.

**What is it?**
- It is a web enabled system for redressal of consumers’ grievances relating to pricing and availability of medicines. It was created by National Pharmaceutical Pricing Authority (NPPA)

**Details:**
- The ‘Pharma Jan Samadhan’ scheme has put in place a speedy and effective complaint redressal system with respect to availability and pricing of medicines.
- It would serve as a robust e-governance tool for protection of consumers’ interests through effective implementation of the Drugs (Price Control) Order 2013.
- It will provide consumers and others with an on-line facility to redress their complaints relating to over-pricing of medicines, non-availability or shortage of medicines, sale of new medicines without prior price approval of NPPA, and refusal of supply for sale of any medicine without good and sufficient reason. NPPA will initiate action on any complaint within 48 hrs of its receipt.

**National Pharmaceutical Pricing Authority (NPPA)**
- NPPA is an organization of the Government of India which was established, inter alia, to fix/ revise the prices of controlled bulk drugs and formulations and to enforce prices and availability of the medicines in the country, under the Drugs (Prices Control) Order, 1995.
- The organization is also entrusted with the task of recovering amounts overcharged by manufacturers for the controlled drugs from the consumers.
- It also monitors the prices of decontrolled drugs in order to keep them at reasonable levels.

**Functions of National Pharmaceutical Pricing Authority**
• To implement and enforce the provisions of the Drugs (Prices Control) Order in accordance with the powers delegated to it.
• To deal with all legal matters arising out of the decisions of the Authority;
• To monitor the availability of drugs, identify shortages, if any, and to take remedial steps;
• To collect/ maintain data on production, exports and imports, market share of individual companies, profitability of companies etc, for bulk drugs and formulations;
• To undertake and/ or sponsor relevant studies in respect of pricing of drugs/ pharmaceuticals;
• To recruit/ appoint the officers and other staff members of the Authority, as per rules and procedures laid down by the Government;
• To render advice to the Central Government on changes/ revisions in the drug policy;
• To render assistance to the Central Government in the parliamentary matters relating to the drug pricing.

**Implementation of AIBP**

• The Union Minister of State for Water Resources recently said that since the inception of the Accelerated Irrigation Benefit Programme (AIBP), 297 Major and Medium Irrigation (MMI) Projects and 16769 Minor Irrigation (MI) Projects have been benefitted under this programme.

**Accelerated Irrigation Benefits Programme:**

• The Accelerated Irrigation Benefit Programme (AIBP) was launched during 1996- 1997 to give loan assistance to the States to help them complete some of the incomplete major/medium irrigation projects which were at an advanced stage of completion and to create additional irrigation potential in the country.
• The Surface Minor Irrigation Schemes of North-Eastern States, Hilly States of Sikkim, Uttranchal, Jammu and Kashmir, Himachal Pradesh and Koraput, Bolangir and Kalahandi Districts of Orissa have also been provided Central Loan Assistance (CLA) under this programme since 1999-2000.
• Grant component has been introduced in the programme from April 2004 like other Central Sector Schemes.
• As per the existing AIBP criteria effective from December 2006, grant amounting to 25% of the project cost for major and medium irrigation projects in non-special category States and 90% grant of the project cost for major/medium/minor irrigation projects in special category States ( including Koraput, Bolangir and Kalahandi Districts of Odisha) are provided to the selected projects.
• The minor irrigation schemes in non-special category States falling in drought prone/tribal areas are treated at par with special category States and are provided 90% grant of the project cost.
• Major and medium projects providing irrigation benefits to drought prone/tribal area and flood prone area are also eligible for 90% grant of the project cost.

**Parliament Passes Motor Vehicles Bill**

• The Rajya Sabha recently passed the Motor Vehicle (Amendment) Bill, which will pave the way for plying of e-rickshaws on the roads of the National Capital Region. The Bill was cleared by the Lok Sabha on March 3.
• It will not only benefit the poor but will give a boost to ‘Make in India’ initiative as the battery-operated vehicle was now being manufactured indigenously.

**Important provisions in the Bill:**
The Bill brings e-carts and e-rickshaws under the ambit of the Act. E-carts and e-rickshaws are defined as special purpose battery powered vehicles, having three wheels, and with power up to 4000 watts. They can be used for carrying goods or passengers, for hire or reward. They should have been manufactured, equipped and maintained in accordance with specifications as prescribed.

Under the Act, a person shall be granted a learner’s licence to drive (i) public service vehicles, (ii) goods carriages, (iii) educational institution buses, or (iv) private service vehicles, only if he has held a driving licence to drive a light motor vehicle for at least one year. A light motor vehicle is a motor car, tractor or road roller not weighing more than 6000 kilograms. The Bill adds a proviso to the Act to exempt e-rickshaw and e-cart drivers from this requirement. The Bill states that the conditions for issuing of driver licences for ecart or e-rickshaw shall be prescribed.

The Bill also provides for the central government to make Rules on (i) the specifications for e-carts and erickshaws, and (ii) the manner and conditions for issuing driving licenses.

Rhino numbers rise in West Bengal

A West Bengal State Forest Department survey conducted in January has revealed that the Jaldapara National Park in the State has nearly 200 of Rhinos and the Gorumara National Park, 50. Jaldapara now has the second highest population of them after the Kaziranga National Park in Assam, which has over 2,000.

West Bengal is now home to the second highest population of the one-horned rhinoceros in the country after Assam, with the number growing to 250 in the State.

One horned Rhino:

- The greater one-horned rhino is the largest of the rhino species. Once found across the entire northern part of the Indian sub-continent, rhino populations were severely depleted as they were hunted for sport and killed as agricultural pests. This pushed the species very close to extinction in the early 20th century and by 1975 there were only 600 individuals surviving in the wild.

- By 2012, conservation efforts saw the population grow to over 3,000 in the Terai Arc Landscape of India and Nepal, and the grasslands of Assam and north Bengal in northeast India.

- They are listed as a vulnerable species.

Insurance Bill passed with Cong. support

The Insurance Laws (Amendment) Bill, 2015 was recently passed in the Rajya Sabha. The Bill, which replaced an ordinance promulgated in December 2013, was passed by a voice vote.

The Insurance Laws (Amendment) Bill:

- It was introduced in the Rajya Sabha in 2008.

- Aim: the amendments are aimed at removing archaic and redundant provisions in the legislations and incorporating certain provisions to provide Insurance Regulatory Development Authority (IRDA) with flexibility to discharge its functions effectively and efficiently. The overall objective is to further deepen the reform process which is already underway in the insurance sector.

Details:
- In India, insurance companies are not permitted to have foreign holding of more than 26%. This Bill raises the limit to 49% and allows entry of foreign re-insurers (companies that insure insurance companies).
- It also provides for permanent registration of insurance companies.
- It permits the holder of a life insurance policy to name the beneficiary.
- The Bill seeks to amend clause 45 to the effect that no claim can be repudiated (rejected) after three years of the policy issuance under any circumstances.
- With the aim to reduce the dependence on agents the Bill seeks to have more channels for distribution, in addition to the existing ones such as agents and bancassurance.
- The Bill proposes to give insurance companies the freedom to collect premiums in instalments for more products.
- To strengthen redressal of policyholders’ complaints, the Bill proposes an independent grievance redressal authority, with powers similar to a civil court. The authority will be composed of judicial and technical members.
- The Bill also stresses on technology to increase electronic issuance of policies. This will help improve claims payout.

**Advantages:**
- With foreign participants playing a bigger role, there will be more variety in products and more professionalism in selling these. With more competition, mis-selling will reduce.
- Simplifying the norms for expansion of re-insurance companies will also help penetration.
- Since electronic issuance and dematerialising of policies can facilitate data sharing between companies, any cases of fraud can be detected faster.
- The Bill provides for appeals against decisions by Insurance Regulatory and Development Authority to lie with the Securities Appellate Tribunal set up under the SEBI Act, 1992.

**Make paid news a poll offence: Law panel**

- In a recently released report, the law commission has recommended that newspaper advertisements on the eve of elections be banned and wants Independent candidates to be barred from contesting elections, and paid news made an electoral offence leading to disqualification.
- Headed by Justice A.P. Shah, the commission submitted its 255th report, on the issue of electoral reforms, to the Union Law Ministry.

**Other recommendations:**
- The law commission has said that it is not in favour of introducing compulsory voting, terming it undemocratic, undesirable and not helping to improve political awareness and participation.
- The commission has also not favoured the often voiced plea for right to recall as well to reject a winning candidate if the vote polled by him were less than those opting for none of the above (NOTA) or state funding of the elections in view of the current economic conditions of the country.
- The commission has recommended increasing the period of disqualification from current three years to five years for a candidate who fails to file election expenses and contributions received, with the intent to debar defaulters from contesting the next elections at least.
The Commission has recommended that both “paying for the news” by the candidates and “receiving payment for news” by the media organisation should be made an electoral offence by inserting it in the newly inserted section 127B of the electoral act.

The commission has recommended an amendment to the constitution to vesting with the president or the governor the power to disqualify a Member of Parliament or state legislature on the grounds of defection, instead of the speaker or chairman as presently, on the advice of the poll panel.

The commission has stressed on regulating and restricting government sponsored advertisements six months prior to the date of expiry of the House “to maintain the purity of elections.

On the issue of electoral finances, it said election expenses incurred or authorised by candidates or their election agents, currently extends from the date of nomination to the date of declaration of results. This period should be extended to apply from the date of notification of the polls to the date of declaration of results.

The Commission has said that the Companies Act should be amended to require passing of the resolution authorising the contribution from the company’s funds to a political party at the company’s Annual General Meeting instead of its Board of Directors.

It recommended “express penalties”, apart from losing tax benefits, to be imposed on political parties. This should include a daily fine of Rs 25,000 for each day of non-compliance, with the possibility of de-registration if the default continues beyond 90 days.

Noting that the ban on broadcast of election matter 48 hours prior to an election was restricted to the electronic media now, the commission recommended such prohibition for the print media also.

The report recommended measures to strengthen the Election Commission and for a collegium or selection committee, which includes the Leader of Opposition, to appoint commissioners.

**Law commission:**

- Law Commission of India is an executive body established by an order of the Government of India.
- Its major function is to work for legal reform.
- Its membership primarily comprises legal experts, who are entrusted a mandate by the Government.
- The Commission is established for a fixed tenure and works as an advisory body to the Ministry of Law and Justice. The recommendations of the commission are not binding on the government.
- The first Law Commission was established during the British regime in 1834 by the Charter Act of 1833. After that three more Commissions were established in pre-independent India. The first Law Commission of independent India was established in 1955 for a three year term.

**Home Guards are volunteers, not entitled to salary: SC**

- The Supreme Court has classified Home Guards as volunteers expected to serve anywhere in the country in times of crisis, including communal riots, **but not entitled to regular pay**.
- The SC recently held that though Home Guards were endowed with powers of policemen while on duty, they could not claim similar benefits.
The Court has directed the State governments to pay Home Guards duty allowance at rates equalling the minimum monthly pay that the police personnel were entitled to and has asked to implement this direction in the next three months.

Background:
- The verdict came on a PIL filed for steady employment benefits through regularisation of their services.

SC’s observations:
- The court has said that the Home Guards was still a voluntary service as there was no concept of wages for them, and they were paid only a duty allowance. The SC noted that there is nothing on the record to suggest that Home Guards performed duties throughout the year. On the other hand, it is the specific case of the State that, as and when there is requirement, they are called for duty and otherwise they remain in their homes and hence they cannot be paid regular salaries.
- Home Guards were raised in the United Kingdom during World War-II as a voluntary citizen organisation for local defence. The Indian version was raised in Bombay in December 1946. The Home Guards was meant as an auxiliary force to assist the police in controlling civil disturbances and communal riots.

**SAT quashes SEBI ban on DLF with majority order**
- In a major relief for DLF, the Securities Appellate Tribunal (SAT), recently, passed a ‘majority order’, quashing the three-year market ban imposed on the realty giant by the Securities and Exchange Board of India (SEBI), even as the Presiding Officer dissented.
- While DLF has already gone through five months of debarment, the SAT order will help it tap the markets for raising necessary funds for business, including through REITs and mortgage-backed securities.

Background:
- SEBI, in October 2014, had barred DLF and six others from the capital markets for three years, alleging “active and deliberate suppression of material facts” during its over Rs.9,000-crore IPO more than seven years ago.

About SAT:
- Securities Appellate Tribunal is a statutory body established under the provisions of Section 15K of the Securities and Exchange Board of India Act, 1992 to hear and dispose of appeals against orders passed by the Securities and Exchange Board of India or by an adjudicating officer under the Act and to exercise jurisdiction, powers and authority conferred on the Tribunal by or under this Act or any other law for the time being in force.
- It covers the whole of India.

**UK to join China-backed Asian development bank**
- Britain has said that it has sought to become a founding member of the Asian Infrastructure Investment Bank (AIIB), making it the first Western nation to embrace the China-backed institution, but the United States reacted frostily to the development.
- The AIIB was launched in Beijing last year to spur investment in Asia in transportation, energy, telecommunications and other infrastructure.

About AIIB:
• The Asian Infrastructure Investment Bank (AIIB) is an international financial institution proposed by China. The purpose of the multilateral development bank is to provide finance to infrastructure projects in the Asia-Pacific region.
• AIIB is regarded by some as a rival for the IMF, the World Bank and the Asian Development Bank (ADB), which the AIIB says are dominated by developed countries like the United States and Japan.
• Presently there are 22 members including China.
• The authorised capital of AIIB will be $100 billion. AIIB’s headquarters is to be located in Beijing.
• India is the second largest shareholder in the Bank after China.
• It is being called as a very positive development in the sense that it opens up more borrowing opportunities.

**Indian Ocean conference will discuss strategic challenges**

• Top Ministers, bureaucrats and more than a dozen Ambassadors in the Indian Ocean Rim Association (IORA) are meeting for the first time in Odisha to discuss strategic challenges in the region.
• **Objective of the conference:** To draw a resolution outlining India’s role, including trade ties and strategic challenges, in the Indian Ocean region.

**Indian Ocean Rim Association (IORA):**

• It is an international organisation consisting of coastal states bordering the Indian Ocean. IORA was established in 1997 to promote cooperation in the Indian Ocean region. It seeks to expand mutually beneficial cooperation through a consensus-based, evolutionary and non-intrusive approach. IORA is the only regional forum linking most countries on the Indian Ocean rim through an annual Foreign Ministers’ meeting.
• It was formerly known as the Indian Ocean Rim Initiative and Indian Ocean Rim Association for Regional Cooperation (IOR-ARC).
• The IORA is a regional forum, tripartite in nature, bringing together representatives of Government, Business and Academia, for promoting co-operation and closer interaction among them.
• It is based on the principles of Open Regionalism for strengthening Economic Cooperation particularly on Trade Facilitation and Investment, Promotion as well as Social Development of the region.
• The Coordinating Secretariat of IORA is located at Ebene, Mauritius.

**The objectives of IORA are as follows:**

• To promote sustainable growth and balanced development of the region and member states.
• To focus on those areas of economic cooperation which provide maximum opportunities for development, shared interest and mutual benefits.
• To promote liberalisation, remove impediments and lower barriers towards a freer and enhanced flow of goods, services, investment, and technology within the Indian Ocean rim.
• The Association comprises 20 member states and six dialogue partners, the Indian Ocean Tourism Organisation and the Indian Ocean Research Group has observer status.
Rs. **800 cr. of Nirbhaya Fund lying unused**

- More than two years after the Centre set up the high profile Nirbhaya Fund with a corpus of Rs. 1000 crore, only Rs. 200 crore has been allocated so far towards various schemes to ensure women’s safety.

**Nirbhaya Fund:**
- Announced by the government of India in its 2013 Budget, the Fund was established to support initiatives by the government and NGOs working towards protecting the dignity and ensuring safety of women in India.
- The Fund was created with a corpus of Rs. 1000 Crores for empowerment, safety and security of women and girl children.
- The Fund is administered by Department of Economic Affairs of the finance ministry.
- Utilization of Nirbhaya Fund would be preceded by formulation of viable schemes and necessary approvals from the competent authority.
- The fund was set up after the horrific rape and murder of a 23-year old medical student in the national capital in 2012.

**IMA, Health Ministry lock horns**

- The Indian Medical Association and the Union Health and Family Welfare Ministry are headed for a face off over the government’s proposal to allow Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) practitioners and paramedical staff to perform abortions on pregnant women under the Medical Termination of Pregnancy (MTP) Amendment Bill. The IMA has already expressed reservations about the proposal.
- Some states too are opposed to this move.

**Government’s stand:**
- The government is of the view that expanding the provider base with strict conditionalities would enhance access and availability of safe abortion services without compromising on quality of service.
- The government has planned to provide requisite training and certification, which would be specified in the rules, to the AYUSH practitioners for allowing them to perform the procedure.
- Why the IMA has been opposing?
- The IMA says that the proposal could put patients at risk as well as allow unethical practices and sex selective abortions.

**What the Indian Medical Council Act, 1956 says?**
- Section 15 of the Indian Medical Council Act, 1956, states that no person other than a medical practitioner enrolled on a State Medical Register shall practice medicine in any State. Any person who acts in contravention of this shall be punished with imprisonment of one year or fine of Rs.1,000 or both.

**Supreme Court’s observations:**
- The Supreme Court, in the case of Dr. Mukhtiar Chand vs State of Punjab, has held that practice of modern system of medicine by Indian System of Medicine (ISM) qualified professionals was possible provided such professionals are enrolled in the State Medical Register for practitioners of modern medicine maintained by the State Medical Council. The respective State governments can notify and give recognition to qualifications eligible for registration in the State Medical Register.
**States raise pitch for Councils**

- Some State governments have requested the Central Government to set up the bicameral system and set up an Upper House or legislative council in their states. These State governments reason that an Upper House will provide a better opportunity for people’s participation in governance and decision-making.
- The setting up of legislative councils in States has to be cleared by an Act of Parliament.
- Currently, only seven States follow the bicameral system — Andhra Pradesh, Telangana, Bihar, Jammu and Kashmir, Karnataka, Maharashtra and Uttar Pradesh.
- Though they were originally set up to provide wiser counsel to the State assemblies, experts point out that the demand for legislative councils today is because of an increased pressure for accommodating various political interests.

**Legislative Councils in India:**

- The Vidhan Parishad (or Legislative Council) is the upper house in those states of India that have a bicameral legislature.
- The Legislative Council is a permanent body and cannot be dissolved.
- Each Member of the Legislative Council (MLC) serves for a six-year term, with terms staggered so that the terms of one-third of a Council’s members expire every two years.
- MLCs must be citizens of India, at least 30 years’ old, mentally sound, not an insolvent, and on the voters’ list of the state for which he or she is contesting an election. He or she may not be a Member of Parliament at the same time.
- The size of the Vidhan Parishad cannot be more than one-third the membership of the Vidhan Sabha. However, its size cannot be less than 40 members (except in Jammu and Kashmir, where there are 36 by an Act of Parliament.)
- According to Article 169 of the Indian Constitution, the state legislative assembly has to pass a resolution demanding creation or abolition of the council. The Parliament can then make it a law by passing it like any ordinary bill. It doesn’t require any amendment to the Constitution.

**Don’t insist on Aadhaar: SC**

- The Supreme Court recently asked the central and state governments not to insist on possessing Aadhar card for availing benefits under the various social security schemes as it reiterated an order it passed in September 2013.

**Background:**

- The verdict has come after a PIL drew the attention of the court towards the Delhi government directive insisting on an Aadhar card for the registration of marriages.

**About Aadhaar:**

- Aadhaar is a 12 digit individual identification number which will serve as a proof of identity and address, anywhere in India.
- How the scheme is helpful:
  - Aadhaar-platform is aimed at providing social security benefits / subsidies based on eligibility through direct benefit transfer.
  - It provides access and options to rural and poor people.
  - It helps bring transparency and eliminate corruption, leakage and inefficiency.
  - It was conceived as an initiative that would provide identification for each resident across the country and would be used primarily as the basis for efficient delivery of welfare services.
  - It would also act as a tool for effective monitoring of various programs and schemes of the Government.

**Who assigns the number?**
The Unique Identification Authority of India (UIDAI) assigns Unique Identification Number “Aadhaar” to residents of India on voluntary basis.

**UIDIA:**
- The Unique Identification Authority of India (UIDAI) is an agency of the Government of India responsible for implementing the Aadhaar Identities. The agency was established in January-2009, and owns and operates the Unique Identities database. The Unique Identification Authority of India had been established under the Planning Commission by an executive order.
- The agency provides a unique identification number to all persons resident in India on voluntary basis. The agency maintains a database of residents containing biometric and other data, and is headed by a chairman, who holds a cabinet rank.
- UIDAI is the Registrar of Identities i.e. it registers, assigns and verifies the unique identities. It is supposed to register two types of unique identities:
  - Residents of India (called Aadhaar)
  - Corporate entities (Corporate-UID) for company, bank, NGO, trust, political party etc.: Corporate-UID has been provisioned within 12-digit UID number system. Corporate-UID is supposed to produce the similar effect as Aadhaar for corporate entities i.e. identification and traceability of transactions. It is supposed to bring transparency on financial transactions, donations; and to prevent corruption, money laundering, benami transactions (i.e. under a fictitious name), allocation of natural resources like land, spectrum, mining of sand, iron-ore, coal-blocks, etc.

**Issues:**
- Aadhaar lacks legal or statutory authority as of now.
- The AADHAAR number is not recognized as a legal proof of residence due to issues with the data protection.
- India’s Intelligence Bureau claims anyone with an Aadhaar number can introduce others without any documentation to get the identity number, which makes it vulnerable to terrorism and other issues.

**Present situation:**
- Total number of AADHAAR cards generated so far: 70.43 crore

**AADHAAR saturation level:**
- more than 90% in nine States / UTs
- between 75 and 90% in seven States / UTs and
- between 50 and 75% in another eight States / UTs
- In remaining twelve States / UTs, the Aadhaar saturation level is under 50%
- Total money sanctioned for this project: Rs. 13663.22 crore.
- A target of universal enrolment has been set by the government.
- Sources: The Hindu, Wiki, UIDIA.

**Cow protection Bill passed**
- The Haryana Assembly recently passed the Haryana Gauvansh Sanrakshan and Gausamvardhan Bill with two amendments, paving the way for prohibiting the slaughter of cow and its progeny and providing punishment of up to 10 years with a fine ranging from Rs. 30,000 to Rs. 1 lakh for any violation.

**Details:**
- The new bill states that “any person who attempts to export cows for slaughter would be imprisoned for not less than three years and up to seven years. Fine imposed would not be less than Rs 30,000 and may extend up to Rs 70,000”.

http://www.insightsonindia.com
• It also says that in case of default in payment of fine, an additional imprisonment that may extend up to one year can be imposed.
• The Bill provides that any person who has to export cows will have to seek permit for the same, stating the reasons for export. Besides, no permit would be issued for export of cows to states where cow slaughter is not banned by law. The government would have the power to issue special permits for export of cow in case where it is of the opinion that it shall be in public interest to do so.
• The government has also banned sale of beef or beef products except for medicinal purposes.
• As per the Bill, the government shall establish laboratories to differentiate beef from the meat of other animals, testing and identification of various constituents of milk and milk products.
• It has also been approved that any vehicle used in the commission of such offence would be liable to be confiscated by the police officer not below the rank of sub-inspector or any person authorised on behalf of the government.
• Now, the government would make schemes for conservation and upgradation of indigenous breeds of cow. Incentives would be provided for production, processing and marketing of milk or milk products obtained from indigenous breeds of cows.

**Australia may seek membership of the China-led infrastructure Bank**

• After Britain, it may be Australia’s turn to seek membership of the Asian Infrastructure Investment Bank (AIIB) — a move, if it materialises, will signal a revolt by core members against the United States, which is discouraging the participation of its allies in the China-led initiative.
• Britain had recently said that it has sought to become a founding member of the Asian Infrastructure Investment Bank (AIIB), making it the first Western nation to embrace the China-backed institution.

**Asian Infrastructure Investment Bank (AIIB):**

• The AIIB was launched in Beijing last year to spur investment in Asia in transportation, energy, telecommunications and other infrastructure. It is an international financial institution proposed by China. The purpose of the multilateral development bank is to provide finance to infrastructure projects in the Asia-Pacific region.
• AIIB is regarded by some as a rival for the IMF, the World Bank and the Asian Development Bank (ADB), which the AIIB says are dominated by developed countries like the United States and Japan.
• Presently there are 22 members including China.
• The authorised capital of AIIB will be $100 billion. AIIB’s headquarters is to be located in Beijing.
• India is the second largest shareholder in the Bank after China.
• It is being called as a very positive development in the sense that it opens up more borrowing opportunities.

**Centre notifies rollback norm under transfer pricing pact**

• Government has notified rules for rolling back advance pricing agreements (APA) that seek to provide predictability and stability to taxpayers.
• It is also being said that this is one retrospective tax application that no one is likely to complain about. Multinational companies will now be able to not only ascertain their tax liability in advance but also use that principle for past four years.
Now, the agreement will contain rollback provisions in respect of an international transaction. Rollback provisions essentially mean that a negotiated position on pricing of an international transaction reached under the advance pricing arrangement can be applied to a similar transaction for up to four years in the past.

**Why such move?**
- The move aims at curtailing disputes that arise from transfer pricing issues between MNCs and the Revenue Department. It is a major area of litigation for resident and non-resident taxpayers. Under this mechanism, parent companies sell goods and services to their subsidiaries that reduce their profits, lowering their tax liabilities.

**Advance Pricing:**
- An APA is essentially a contract between a taxpayer and the tax authorities that sets out beforehand the method for determining transfer pricing pertaining to transactions between a subsidiary and its foreign parent.
- Under the APA, introduced in 2012, companies could enter into an agreement with tax authorities for the next five years. Now, with the roll-back norms notified they can enter into such pacts for the previous four years as well.
- This relates to the pricing of assets, tangibles and intangibles, services, and funds that are transferred within an organisation in a cross-border transaction.
- Transfer pricing transactions have been the source of a large number of high-profile tax disputes in India in the recent past and the APA programme launched in 2013-14 has been appreciated globally for its fairness and quick disposal.

**Opposition wants village adoption scheme scrapped**
- Five months after it was launched, the Prime Minister’s much-touted scheme, the Saansad Gram Adarsh Yojana, under which MPs have to adopt a village for development, is meeting resistance from the Opposition.

**Why the opposition want it scrapped?**
- Opposition parties want it scrapped as there are no clear guidelines on how to develop model villages and no clarity on the source of funding.

**Saansad Adarsh Gram Yojana:**
- It is a village development project under which each Member of Parliament will take the responsibility of developing physical and institutional infrastructure in three villages by 2019.
- The goal is to develop three Adarsh Grams or model villages by March 2019, of which one would be achieved by 2016. Thereafter, five such Adarsh Grams (one per year) will be selected and developed by 2024.
- The Project was launched on the occasion of birth anniversary of Lok Nayak Jai Prakash Narayan.

**Areas of development:**
- The Scheme aims to keep the soul of rural India alive while providing its people with quality access to basic amenities and opportunities to enable them to shape their own destiny.
- Inspired by the principles and values of Mahatma Gandhi, the Scheme places equal stress on nurturing values of national pride, patriotism, community spirit, self-confidence and on developing infrastructure.
- The Scheme is unique and transformative as it has a holistic approach towards development. It envisages integrated development of the selected village across multiple areas such as agriculture, health, education, sanitation, environment, livelihoods etc.
Far beyond mere infrastructure development, SAGY aims at instilling certain values, such as people’s participation, Antyodaya, gender equality, dignity of women, social justice, spirit of community service, cleanliness, eco-friendliness, maintaining ecological balance, peace and harmony, mutual cooperation, self-reliance, local self-government, transparency and accountability in public life, etc., in the villages and their people so that they get transformed into models for others.

**Implementation:**
- The scheme will be implemented through a village development plan that would be prepared for every identified gram panchayat with special focus on enabling every poor household to come out of poverty.
- The constituency fund, MPLADS, would be available to fill critical financing gaps.
- The planning process in each village will be a participatory exercise coordinated by the District Collector. The MP will play an active facilitating role in this exercise.
- Adoption and adaptation of technology and introduction of innovations are critical to this programme. This will include use of space application and remote sensing for planning, mobile based technology for monitoring, agriculture technology for increasing productivity etc.
- At the national level, a separate, real time web based monitoring system will be put in place for the scheme covering all aspects and components. The Ministry will put in place a specially designed capacity building programme for Government functionaries at different levels including Gram Panchayats.
- At the state level there will be an Empowered Committee headed by the Chief Secretary consisting of the relevant Departments and including experts, as required with at least two Civil Society representatives.
- The district Collector will be the nodal officer for implementing the SAGY. He will conduct a monthly review meeting with representatives of the participating Line Departments. The Members of Parliament concerned will chair the review meetings.
- SAGY gives focus to community participation. Social mobilization of village community can trigger a chain of other development activities in the village. For instance, reducing risk behaviours like alcoholism, smoking, substance abuse (drugs/tobacco/gutkha etc) among all age groups of population. Women participation in the decision-making process will be encouraged.

**CIC gives in to parties’ defiance**
- While accepting that political parties were in violation of its order, the Central Information Commission recently said it was unable to take any action against them, a move that the petitioners called “an abdication of its responsibilities.” Faced with the only such case of non-compliance in the RTI’s history, the CIC suggested that further action be taken by the Union government or by courts.

**Background:**
- Eighteen months have passed since the CIC in June 2013 deemed national parties to be ‘public authorities’ under the RTI Act, to whom the provisions of the Act would now apply. Yet, despite not having challenged the CIC’s order before the Commission itself or before a court or even in Parliament, all the parties refused to comply with the Act. They have not replied to the CIC’s notices and never appeared before it.

**What has the CIC said?**
- The CIC has asked for a copy of its order to be sent to the Department of Personnel and Training for taking action as deemed appropriate for addressing the legal gaps and issues that have come to light during the hearings.
- It has also said the petitioners are free to approach courts.

**CIC:**
- The Central Information Commission (CIC) is set up under the Right to Information Act and is the authorised body, established in 2005, under the Government of India.
- The Chief Information Commissioner heads the Central Information Commission, the body that hears appeals from information-seekers who have not been satisfied by the public authority, and also addresses major issues concerning the RTI Act.
- The Chief Information Commissioner and Information Commissioners are appointed by the President on the recommendation of a committee consisting of—
  - The Prime Minister, who shall be the Chairperson of the committee;
  - The Leader of Opposition in the Lok Sabha; and
  - A Union Cabinet Minister to be nominated by the Prime Minister.
- CIC will be appointed for a term of 5 years from date on which he enters upon his office or till he attains the age of 65 years, whichever is earlier. CIC is not eligible for reappointment.

**Cabinet approves Bill to unearth black money**
- The Union Cabinet recently approved a Bill that seeks harsh penalties and rigorous imprisonment for those having unaccounted money abroad. The Undisclosed Foreign Income and Assets (Imposition of Tax) Bill provides for a penalty of up to 300 per cent of tax amounts evaded, in addition to 10 years’ rigorous imprisonment.

**Details of the Bill:**
- The Bill proposes mandatory filing of returns for owners or beneficiaries of foreign assets. Failure to make the disclosures is punishable with a jail term of seven years.
- The Bill also gives a short window to offenders to declare wealth, pay taxes & penalty and escape prosecution.
- The Bill also seeks to make non-compoundable the offence of stashing away unaccounted money abroad. Besides, the offenders will not be allowed to approach the Settlement Commission.
- The Bill also says income in relation to any undisclosed foreign asset or undisclosed income from any foreign asset be taxable at the maximum marginal rate, 30% plus surcharges. Any exemption and deduction will be disallowed and that beneficial owner or beneficiary of foreign assets will be required to file return, even if there is no taxable income.

**GST Bill to be first off the block**
- The Union government has decided to give the long-pending Goods and Services Tax (GST) Constitution Amendment Bill precedence over the controversial Land Acquisition (Amendment) Bill, sensing a better chance of passing the former if sequenced that way.
- The GST Bill’s passage will require a constitutional amendment, which means a two-thirds majority is required in Parliament. The Assemblies too will have to approve the Bill ahead of the April 2016 deadline.

**GST:**
- The goods and services tax (GST) is a comprehensive value-added tax (VAT) on goods and services. It is an indirect tax levy on manufacture, sale and consumption of goods as well as services at a national level.
- Through a tax credit mechanism, this tax is collected on value-added goods and services at each stage of sale or purchase in the supply chain.
The system allows the set-off of GST paid on the procurement of goods and services against the GST which is payable on the supply of goods or services. However, the end consumer bears this tax as he is the last person in the supply chain.

Experts say that GST is likely to improve tax collections and boost India’s economic development by breaking tax barriers between States and integrating India through a uniform tax rate.

**What are the benefits of GST?**

- Under GST, the taxation burden will be divided equitably between manufacturing and services, through a lower tax rate by increasing the tax base and minimizing exemptions.
- It is expected to help build a transparent and corruption-free tax administration. GST will be levied only at the destination point, and not at various points (from manufacturing to retail outlets).
- Currently, a manufacturer needs to pay tax when a finished product moves out from a factory, and it is again taxed at the retail outlet when sold.

**How will it benefit the Centre and the States?**

- It is estimated that India will gain $15 billion a year by implementing the Goods and Services Tax as it would promote exports, raise employment and boost growth. It will divide the tax burden equitably between manufacturing and services.

**What are the benefits of GST for individuals and companies?**

- In the GST system, both Central and State taxes will be collected at the point of sale. Both components (the Central and State GST) will be charged on the manufacturing cost. This will benefit individuals as prices are likely to come down. Lower prices will lead to more consumption, thereby helping companies.

**Why are some States against GST; will they lose money?**

- The governments of Madhya Pradesh, Chhattisgarh and Tamil Nadu say that the information technology systems and the administrative infrastructure will not be ready by April 2016 to implement GST. States have sought assurances that their existing revenues will be protected.
- The central government has offered to compensate States in case of a loss in revenues.
- Some States fear that if the uniform tax rate is lower than their existing rates, it will hit their tax kitty. The government believes that dual GST will lead to better revenue collection for States.
- However, backward and less-developed States could see a fall in tax collections. GST could see better revenue collection for some States as the consumption of goods and services will rise.

**Collegium system is illegal, says government**

- Calling the 21-year-old collegium system of judicial appointments to higher courts completely illegal, the Union government recently said that there was no guarantee that the best judges could be appointed only by judges.

**Background:**

- The government’s observation came during its final submissions before a Special Bench led by Justice Anil R. Dave. The Bench is deciding whether the legal challenge to the National Judicial Appointments Commission (NJAC) is maintainable at all.
- The NJAC would replace the collegium in judicial appointments. The NJAC Act and the 99th Constitution Amendment recently received the President’s assent after ratification by 20 States, but is yet to be notified by the government.

**NJAC Bill:**
NJAC is a proposed body responsible for the appointment and transfer of judges to the higher judiciary in India. It seeks to replace the collegium system of appointing the judges of Supreme Court and 24 High Courts with judicial appointments commission wherein the executive will have a say in appointing the judges.

**Details:**
- A new article, Article 124A, (which provides for the composition of the NJAC) will be inserted into the Constitution.
- It provides for the procedure to be followed by the NJAC for recommending persons for appointment as Chief Justice of India and other Judges of the Supreme Court (SC), and Chief Justice and other Judges of High Courts (HC).
- It also seeks changes in articles 124, 217, 222 and 231.

**The commission will consist of the following members:**
- Chief Justice of India (Chairperson, ex officio)
- Two other senior judges of the Supreme Court next to the Chief Justice of India – ex officio
- The Union Minister of Law and Justice, ex-officio
- Two eminent persons (to be nominated by a committee consisting of the Chief Justice of India, Prime Minister of India and the Leader of opposition in the Lok Sabha or where there is no such Leader of Opposition, then, the Leader of single largest Opposition Party in Lok Sabha), provided that of the two eminent persons, one person would be from the Scheduled Castes or Scheduled Tribes or OBC or minority communities or a woman. The eminent persons shall be nominated for a period of three years and shall not be eligible for re-nomination.

**Functions of the Commission:**
- Recommending persons for appointment as Chief Justice of India, Judges of the Supreme Court, Chief Justices of High Courts and other Judges of High Courts.
- Recommending transfer of Chief Justices and other Judges of High Courts from one High Court to any other High Court.
- Ensuring that the persons recommended are of ability and integrity.
- Under the present Collegium system, the Chief Justice of India would consult the four senior most judges of the Supreme Court for Supreme Court appointments and two senior-most judges for high court appointments.

**How the NJAC will help:**
- The NJAC, once it came into existence, is expected to usher in transparency in judicial appointments in the highest courts and end the highest judiciary’s two-decade-old grip over appointments of judges through the collegium system.
- It would restore an equal role for the executive in higher judicial appointments.

**Allegations:**
- Some people contend that that by passing the NJAC Bill, Parliament had “altered the basic structure of the Constitution” and encroached into judicial independence. They say Independence of the judiciary includes the necessity to eliminate political influence even at the stage of appointment of a judge. This is being violated.
- The amendment, as passed by the two houses of Parliament, “takes away the primacy of the collective opinion of the Chief Justice of India and the two senior most Judges of the Supreme Court of India”.
- Although the six-member Commission had the CJI as chairperson and two senior most Supreme Court judges as members, there was no “primacy” for them. Even their collective recommendation of a candidate as judge could be frozen if any two non-judicial members on the panel vetoed it.
Under the present Collegium system, the Chief Justice of India would consult the four senior most judges of the Supreme Court for Supreme Court appointments and two senior-most judges for high court appointments.

**Boy's arrest for FB post against govt. promise**

- The arrest of a 19-year-old boy by the Uttar Pradesh Police for allegedly posting an objectionable statement, attributed to a local leader, on Facebook is in contradiction to the Union government’s repeated assurances in the Supreme Court on free speech on the social media.

**What was the government’s assurance?**
- The government had said before the Supreme Court that a person was free to express political dissent, contrarian views and decent humour, and no one would “dare” charge him under Section 66(A) of the Information Technology Act, 2000.
- It had promised that dissent would not be classified as “grossly offensive” or “menacing” under the provision.

**Controversy over Section 66A:**
- The law came in for criticism after several arrests by police over Facebook and other social media postings.
- Two young women were arrested in Mumbai over a posting which the Shiv Sena found offensive.
- A lecturer was arrested in Kolkata for forwarding cartoons of chief minister Mamata Banerjee.
- A writer was arrested in UP for criticising the suspension of IAS officer DS Nagpal.
- In the wake of these incidents, many petitions were filed in SC challenging the law as being too vague, broad and arbitrary. SC in an interim order passed at the outset, restrained police from arresting anyone without clearing such action first with their superiors in such cases.

**Arguments against the Law:**
- The SC has received petitions demanding that the law either be aligned with Article 19(2) of the Constitution or be struck down.
- The opponents argue the I-T Act cannot prescribe restrictions on a citizen’s right to freedom of speech and expression that were wider than warranted under Article 19(2), which allows the state to curtail them only on the grounds of public order, security of state etc. Any other restriction on free speech on social media would be an unreasonable restriction under the Constitution.
- Section 66A defines the punishment for sending “offensive” messages through a computer or any other communication device like a mobile phone or a tablet. A conviction can fetch a maximum of three years in jail and a fine.

**Caste determines spending on food, choice of work: NSSO**

- A new data released by the NSSO shows that how much and what people eat and what work they do differs significantly by caste. However, these differences are likely to be correlated, rather than caused by caste.

**Details of the Report:**
- The data show that
- While food takes up a larger share of the total expenditure of Scheduled Tribes (ST) and Scheduled Castes (SC) households, compared with those if Other Backward Classes
(OBCs) and others, the food items that the different social groups spend on, changes with caste.

- Higher castes spend significantly more on milk and milk products. But spending on cereals and eggs and meat does not change significantly by caste in absolute terms. Among non-food items, higher castes ramp up their spending on education and rent.
- While in general SC and ST households spend substantially less than OBC and upper caste ones, substantial regional differences exist. The total consumption expenditure of a rural SC household in Tamil Nadu is more than that of an upper caste household in rural Bihar, while that of a rural SC household in Kerala is almost as much as that of an upper caste rural household in Gujarat.
- SC households are most likely to be engaged in casual labour in rural areas, but in regular wage jobs in urban areas, while OBC and upper caste households are more likely to be self-employed or in salaried jobs.

**Astra test-fired successfully against simulated target**

- Astra was recently successfully launched from Sukhoi-30 fighter aircraft to hit a simulated target. It is the indigenously developed Beyond Visual Range (BVR) air-to-air missile.

**Details:**
- It is an all-weather, state-of-the-art missile developed by DRDO and can engage and destroy enemy aircraft at supersonic speed (1.2 Mach to 1.4 Mach) in head-on (up to 80 km) and tail-chase (up to 20 km) modes.
- The 3.8 metre tall Astra is the smallest of the DRDO-developed missiles and can be launched from different altitudes. It can reach up to 110 km when fired from an altitude of 15 km, 44 km when launched from an altitude of eight km and 21 km when fired from sea level.

**Centre asks State Governments to utilise State Disaster Response Fund (SDRF) in wake of natural calamities**

- The Centre has said that State Government is empowered to undertake necessary relief measures in the wake of natural calamities like drought, hailstorm, pest attack and cold wave frost from State Disaster Response Fund (SDRF) which is readily available with them. In case SDRF is exhausted, contingency fund of the State can be utilised.
- All State Governments and UT Administrations have been asked to take immediate necessary steps to address the notified calamities by utilising the funds available under SDRF. If additional finance assistance, over and above SDRF is required, memorandum may be summited for consideration as per extant procedure/norms for assistance from National Disaster Response Fund.

**State Disaster Response Fund (SDRF):**
- SDRF has been constituted by each state under the provisions of Disaster Management act 2005. It was constituted based on the recommendations of the 13th Finance Commission.
- The government of India contributes 75% and 90% of the total yearly allocation of SDRF to general states and special category states respectively.
- The state executive committee headed by the Chief Secretary is authorized to decide on all matters relating to the financing of the relief expenditure from the SDRF.
Ratan Tata to Head Railways ‘Kayakulp’ Council

The Government has constituted the ‘Kayakulp’ Council and has appointed Shri Ratan Tata to head this Council.

Kayakulp:

- It is an innovation council which was proposed in the recent railway budget.
- It will be set up for the purpose of business re-engineering and introducing a spirit of innovation in Railways.
- The purpose of the Council is to recommend innovative methods and processes for the improvement, betterment and transformation of the Indian Railways.
- This Council would be a standing body and would interact with all stakeholders and other interested parties.

ED to attach assets in chopper case

The Enforcement Directorate recently issued orders for the provisional attachment of assets worth Rs.1.12 crore acquired by British national Christian Michel, an accused in the AgustaWestland VVIP chopper deal case.

Enforcement Directorate:

- Enforcement Directorate, established in the year 1956, is a law enforcement agency and economic intelligence agency responsible for enforcing economic laws and fighting economic crime in India.
- Directorate of Enforcement is a specialized financial investigation agency under the Department of Revenue, Ministry of Finance, Government of India, which enforces the following laws: –
  - Foreign Exchange Management Act, 1999 (FEMA) – A civil law having quasi judicial powers, for investigating suspected contraventions of the Exchange Control laws and regulations with powers to impose penalties on those adjudged guilty.
  - Prevention of Money Laundering Act, 2002 (PMLA) – A Criminal Law, with the officers empowered to conduct investigations to trace assets derived out of the proceeds of crime, and to provisionally attach/confiscate the same, to arrest and prosecute the offenders found to be involved in Money Laundering.
- The other functions include:
  - To collect, develop and disseminate intelligence relating to violations of FEMA, 1999, the intelligence inputs are received from various sources such as Central and State Intelligence agencies, complaints etc.
  - To investigate suspected violations of the provisions of the FEMA, 1999 relating to activities such as “hawala” foreign exchange racketeering, non-realization of export proceeds, non-repatriation of foreign exchange and other forms of violations under FEMA, 1999.
  - To adjudicate cases of violations of the erstwhile FERA, 1973 and FEMA, 1999.
  - To realize penalties imposed on conclusion of adjudication proceedings.
  - To handle adjudication, appeals and prosecution cases under the erstwhile FERA, 1973
  - To process and recommend cases for preventive detention under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act (COFEPOSA)
  - To undertake survey, search, seizure, arrest, prosecution action etc. against offender of PMLA offence.
  - To provide and seek mutual legal assistance to/from contracting states in respect of attachment/confiscation of proceeds of crime as well as in respect of transfer of accused persons under PMLA.
Centre yet to name two Anglo-Indians for Lok Sabha

- Ten months into its term, the new government is yet to nominate two members of the Anglo-Indian community to the Lok Sabha despite at least two reminders from the All India Anglo-Indian Association about the unprecedented delay.
- 5 lakh-strong Anglo-Indian community has gone unrepresented for four sessions including the Budget Session.
- If the nomination is not made before March 31, then the community would lose out on the entire year’s allocation of funds under MPLADS.

Anglo Indians:
- Who is an Anglo Indian?
  - According to the Constitution of India, a person from the Anglo-Indian community is defined as, “a person whose father or any of whose other male progenitors in the male line is or was of European descent; but who is domiciled within the territory of India, and is or was born within such territory of parents habitually resident therein and not established there for temporary purposes only.”

Basic facts:
- The President of India nominates two members from this community as MPs in the Lok Sabha, when it is felt that the community is not represented.
- The role of the Anglo-Indian MPs therefore, is primarily, to safeguard the community and its vibrant presence within the jurisdiction of India.
- Like other MPs, the Anglo-Indian MPs vacate their office every five years before fresh elections are held to decide the next tenure of the Lok Sabha. It is permissible for the same MP from the Anglo-Indian community to be re-nominated to the Parliament in successive Parliamentary sessions.

Five-tier monitoring and review mechanism introduced for ICDS scheme

- The Union Minister of Women and Child Development recently said that the Government has introduced a 5-tier monitoring & review mechanism at different levels (National/ State/ District/ Block and Anganwadi level) in order to strengthen the performance of the Integrated Child Development Services Scheme.
- Integrated Child Development Services (ICDS) Scheme:
  - ICDS was launched in 1975 in accordance to the National Policy for Children in India. The scheme aims at holistic development of under-six children and providing nutritional and health support to pregnant and lactating mothers. Scheme provides for a package of six services viz. supplementary nutrition, immunization, referral services, health check-up, pre-school non formal education and health and nutrition education. Three of the six services namely Immunization, Health Check-up and Referral Services are delivered through Public Health system.
  - These services are provided from Anganwadi centres established mainly in rural areas and staffed with frontline workers.
  - In addition to fighting malnutrition and ill health, the programme is also intended to combat gender inequality by providing girls the same resources as boys.
  - The scheme is implemented through the States/UTs on a cost sharing basis in the ratio of 50:50 for supplementary nutrition (SNP) and 90:10 for other components except in the case of North Eastern States where the share of Central and State Government is in the ratio of 90:10 for all the components including SNP.
  - The predefined objectives of ICDS are:
    - To raise the health and nutritional level of poor Indian children below 6 years of age.
    - To create a base for proper mental, physical and social development of children in India.
To reduce instances of mortality, malnutrition and school dropouts among Indian children.

To coordinate activities of policy formulation and implementation among all departments of various ministries involved in the different government programmes and schemes aimed at child development across India.

To provide health and nutritional information and education to mothers of young children to enhance child rearing capabilities of mothers in the country of India.

To provide nutritional food to the mothers of young children & also at the time of pregnancy period.

**Reservation for women in direct recruitment in Non-Gazetted posts in police forces of all Union Territories including Delhi Police**

The Union Cabinet chaired by the Prime Minister recently gave its approval for making reservation of 33% for women, horizontally and in each category (SC/ST/OBC and others) in direct recruitment in non-gazetted posts from Constables to sub-inspector in the police forces of all Union Territories, including Delhi Police.

The Cabinet also approved that suitable enabling provisions in the Recruitment Rules should be made accordingly by all UTs police forces including Delhi Police.

The reservation will be available to women against all such vacancies existing on the date of issue of the order after Cabinet approval and vacancies arising thereafter.

Why was it necessary?

This decision will help in augmenting the representation of the women in the police forces of all UTs and Delhi Police so as to make the police more gender sensitive.

It will also instil confidence among women to enable them to approach the police without hesitation for seeking protection and assistance as and when required.

It has been observed that many women do not approach the police, as they may have to confide or report the incident to a male police officer. This is particularly so in respect of sex related crimes.

A skewed police force with inadequate gender representation is a major practical barrier in effective implementation of legislation intended for the protection of women.

**Background:**

The decision has been taken in the light of amendments brought about in the Criminal Procedure Code in the wake of the 2012 gang-rape case in Delhi which requires that reports of crimes against women as well as their statements must be collected by women officers only.

**Present strength:**

The Delhi Police currently has about 7,000 women police officers, which form merely 8% of its total strength.

**Pradhan Mantri Kaushal Vikas Yojana**

The Union Cabinet chaired by the Prime Minister recently gave its approval for the Pradhan Mantri Kaushal Vikas Yojana (PMKSY) with an outlay of Rs.1500 crore.

Pradhan Mantri Kaushal Vikas Yojana (PMKSY):

This is the flagship scheme for skill training of youth to be implemented by the Ministry of Skill Development and Entrepreneurship through the National Skill Development Corporation (NSDC). The scheme will cover 24 lakh persons.

Skill training would be done based on the National Skill Qualification Framework (NSQF) and industry led standards.
• Under the scheme, a monetary reward is given to trainees on assessment and certification by third party assessment bodies. The average monetary reward would be around Rs.8000 per trainee.

• The scheme would be implemented through NSDC training partners. Currently NSDC has 187 training partners that have over 2300 centres. In addition, Central / State Government affiliated training providers would also be used for training under the scheme.

• Focus under the PMKVY would be on improved curricula, better pedagogy and better trained instructors. Training would include soft skills, personal grooming, behavioral change for cleanliness, good work ethics. Sector Skill Councils and the State Governments would closely monitor skill training that will happen under PMKVY.

• Skill Development Management System (SDMS) would be put in place to verify and record details of all training centres a certain quality of training locations and courses.

• Biometric system and video recording of the training process would be put in place where feasible.

• A robust grievance redressal system would be put in place to address grievances relating to implementation of the scheme. An online citizen portal would be put in place to disseminate information about the scheme.

**Chadar Badar**

• What is it?
• It is a rare and obscure form of performing art. It is an ancient form of puppetry which tells stories of the Santhal way of life, and migration.

• Where is it celebrated?
• It is prevalent among the Santhal tribes of Jharkhand and West Bengal.

• Details:
• It is performed with small **puppets** of dark seasoned wood and bamboo, manipulated by a combination of rods and strings to songs accompanied by Santhali or Bengali songs.

**DigiLocker gets good response**

• DigiLocker, the digital locker system launched by the government to securely store documents online, has received good response since its beta launch last month. The locker can be accessed by individuals, using their number.

• According to available data, DigiLocker has around 58,698 users and about 53,016 documents online so far.

• Gujarat tops the user base with more than 9,526 users followed by Uttar Pradesh (8,299 users) and Maharashtra (6,711 users).

• About DigiLocker:
• It is dedicated personal storage space, linked to each resident’s Aadhaar number. DigiLocker can be used to securely store e-documents as well as store Uniform Resource Identifier (URI) link of e-documents issued by various issuer departments. The e-Sign facility provided as part of DigiLocker system can be used to digitally sign e-documents.

• The initiative was launched by the Department of Electronics and Information Technology, under the Ministry of Communications and IT.

• Here, the users can store their documents such as insurance, medical reports, PAN card, passport, marriage certificate, school certificate and other documents in the digital format.
With this, the government is trying to create an electronic version of documents, which can be easily verified and stored in printable format.

At present, the digital locker gives 10MB of free space for individuals to store documents and links of government department or agency-issued e-documents. The government is also planning to subsequently increase the storage space to 1 GB.

Benefits:
- It will minimize the use of physical documents and will provide authenticity of the e-documents.
- It will provide secure access to Govt. Issued documents.
- It will also reduce administrative overhead of Govt. departments and agencies and make it easy for the residents to receive services.

**Coal Bill cleared**

The Rajya Sabha recently passed the Coal Mines (Special Provisions) Bill, 2015.

About the Bill:

Important provisions in the Bill:
- The Bill seeks to enable private companies to mine coal for sale in the open market.
- The Bill creates three categories of mines: (i) Schedule I, (ii) Schedule II, and (iii) Schedule III. Schedule I mines includes (i) all the 204 coal mines cancelled by the Supreme Court in August 2014, (ii) any land acquired by the prior allottee in or around the coal mines, and (iii) mine infrastructure. Schedule II includes 42 Schedule I mines that are currently under production or about to start production. Schedule III mines includes the 32 Schedule I mines that have been earmarked for a specified end-use.
- Method of allocation: Schedule I mines can be allocated by way of either public auction or government allotment. Schedule II and III mines will be allocated by way of public auction. Public auction will be conducted by way of e-auction on a payment of maximum fee of Rs five crore.
- Eligibility: For the auction of Schedule I mines, any government, private or joint venture company is eligible to bid. For the government allotment process, only government companies and companies that have been awarded power projects on the basis of competitive bidding for tariff are eligible. For Schedule II and III mines, government, private and joint venture companies with a specified end-use are eligible to bid.
- Purpose of mining: Coal mined from Schedule I mines can be used by companies for their own consumption, sale or any other purpose as specified in their mining lease.
- Prior allottees: A prior allottee shall not be eligible to participate in the auction process (i) if he has not paid the additional levy imposed by the Supreme Court, or (ii) if he is convicted of an offence related to coal block allocation and sentenced to imprisonment for more than three years.
- Nominated Authority: The central government shall appoint a nominated authority who will be an officer of the rank of a joint secretary in the government. Functions of the nominated authority include: (i) conducting the process of auction and allotment, (ii) executing the vesting and allotment orders, (iii) collecting the auction proceeds and transferring them to the respective state governments.
- Vesting order: The vesting order shall transfer and vest upon the successful bidder, rights and licenses which include: (i) all the rights, title and interest of the prior allottee, in
Schedule I coal mines, (ii) a mining lease that will be granted by the state government, and (iii) any statutory licences, approval or consent required to undertake coal mining operations in Schedule I coal mines, if already issued to the prior allottee.

- Responsibility of the central government: The government may appoint a designated custodian to operate and manage the mine, on behalf of the central government, till the completion of auction or allotment.
- Compensation for prior allottees: Prior allottees shall be compensated for land and mine infrastructure. For the purpose of such compensation, land shall be valued as per the registered sales deed together with 12% simple interest from the date of purchase or acquisition, till the date of the execution of the vesting order. Mine infrastructure shall be valued as per the audited balance sheet of the previous financial year. Prior allottees shall not be entitled to compensation till the additional levy has been paid.

**Mines Bill cleared**

- Rajya Sabha recently passed the Mines and Minerals (development and regulation) Amendment Bill, 2015.
- About the Bill:
  - The Mines and Minerals (Development & Regulation) Amendment Bill, 2015 replaces an ordinance which was promulgated in January.
  - Salient features of the Bill:
    - All mineral concessions will be granted only through auction.
    - Direct auction for mining leases for bulk minerals; auction of prospecting licences-cum-mining leases for deep-seated minerals.
    - Uniform lease period of 50 years; no renewals; auction at the end of lease period; will solve issues arising out of all SC judgments on second and subsequent renewals.
    - Transition period of minimum 15 years for captive mines and 5 years for other mines; no sudden stoppage as a result of amendment.
    - Central Government empowered to prescribe deadlines for various processes and to issue binding directions to States.
    - Central Government to frame separate rules for atomic minerals.
    - The previous approval of the Central Government will not be required for grant of mineral concession except for Atomic Minerals, Coal and Lignite.
    - Enabling powers for reservation for the public sector to continue.
    - Higher penalties and jail terms for offences; special courts may be constituted, if necessary.
    - District Mineral Foundation to take care of people and areas affected by mining.
    - National Mineral Exploration Trust to be set up for impetus to exploration.
    - Easy transferability of concessions obtained through auctions so as to attract private investment and FDI.
    - Powers to Central Government to intervene even where State Governments do not pass orders within prescribed time lines; this will eliminate delay.

**Humayun’s Tomb gets its finial back**

- The Humayun’s Tomb in the national capital has got its finial back, after a storm dislodged it last May. The new finial was installed last week.
- Almost a replica of the previous one, the new finial is made of copper of 99.5% purity.

*Background:*
In May last year, the ornamental and auspicious finial installed atop the dome of the 16th century tomb, a UNESCO World Heritage Site, was damaged in a massive thunderstorm.

The 18-foot-long finial had 11 copper vessels in gold finish and covered with a brass crown. It had a beam made of sal wood inside.

Humayun’s Tomb:
- It is the first substantial example of Mughal architecture in India.
- It was built in 1565 A.D. by Humayun’s first wife Bega Begum (Haji Begum).
- It was the first garden-tomb on the Indian subcontinent. It was also the first structure to use red sandstone at such a scale.
- The tomb was declared a UNESCO World Heritage Site in 1993.
- Sources: The Hindu, Wiki.

**SEBI clears municipal bonds**

- The Securities and Exchange Board of India (SEBI) recently announced a slew of measures including listing of municipal bonds and setting up of a global financial hub within India on the lines of Singapore and Dubai.

**Why?**
- To deepen markets and help raise funds for business and infrastructure projects.

**Details:**
- SEBI has made it easier for banks to acquire control in distressed listed companies, by converting their debt into equity.
- SEBI has tightened the noose on entities indulging in market manipulation and insider trading by selective leak of information at the cost of investors.
- It has announced a road map for the new fiscal, beginning next month, with regard to new norms to help young entrepreneurs raise funds through listing of start-ups and crowd-sourcing, while it would streamline and strengthen its enforcement process for better efficiency.
- Proposing a new avatar by adopting latest technologies, the SEBI has said it would tap social media in a big way to reach out to the investors and make it easier for them through measures like e-IPO and Aadhar-based e-KYC initiatives.

**About Municipal Bonds:**
- A municipal bond is a bond issued by a local government, or their agencies.
- ‘Muni bonds’ are very popular among investors in many developed nations, especially in the U.S., where these have attracted investments totalling over $500 billion and are among preferred avenues for household savings.
- The Bangalore Municipal Corporation was the first municipal corporation to issue a municipal bond of Rs.125 crore with a State guarantee in 1997. However, the access to capital market commenced in January 1998, when the Ahmedabad Municipal Corporation (AMC) issued the first municipal bonds in the country without State government guarantee for financing infrastructure projects in the city. AMC raised Rs.100 crore through its public issue.
- Among others, Hyderabad, Nashik, Visakhapatnam, Chennai and Nagpur municipal authorities have issued such bonds
- As per guidelines of the Urban Development Ministry, only bonds carrying interest rate up to maximum 8% per annum shall be eligible for being notified as tax-free bonds.
- There is massive capital investment need in municipal infrastructure and funds from programmes such as Jawaharlal Nehru National Urban Renewal Mission (JNNURM) can only partly meet the requirement. Therefore, to meet their financing needs, the
municipalities have to seek recourse to other means including issuance of municipal bonds.

**Centre to re-brand ‘Jan Aushadhi’ scheme**

- The Union government’s ‘Jan Aushadhi’ scheme, which was set up with the intention of providing access to affordable medicines for all, is set to receive an impetus with a new name and the opening of 1,000 stores on a single day.
- The scheme has under-performed since its inception in 2008 with only 98 of the 178 stores opened being functional. The new initiative is in line with a business plan approved in August 2013 to open 3,000 stores during the 12th Plan period — from 2013-14 to 2016-17.

**What is Jan Aushadhi Scheme?**

- It is a scheme which seeks to make available quality medicines at affordable prices for all, especially the poor and the disadvantaged.
- Under this, less priced quality unbranded generic medicines will be made available through Jan Aushadhi stores which inherently are less priced but are of same and equivalent quality, efficacy and safety as compared to branded generic medicines.
- Under this Scheme, the State Government has to provide space in Government Hospital premises for the running of the outlets (JAS). Government hospitals, NGOs, Charitable Organisations and public societies like Red Cross Society, Rogi Kalyan Samiti typically constituted for the purpose can be operating agencies for the JAS.
- The operating agency for JAS is nominated on the basis of the recommendations of the State government. Operational expenditure is met from trade margins admissible for the medicines.
- The State Government has to ensure prescription of unbranded generic medicines by the Government doctors.
- The Jan Aushadhi Programme is accordingly a self sustaining business model not dependent on government subsidies or assistance. It is run on the principle of “Not for Profits but with Minimal Profits”.

**Benefits of the Scheme:**

- The Jan Aushadhi Campaign will help:
- Improve access to healthcare in as much as cost of treatment would come down substantially. This would enable the Public Health System to increase the coverage.
- Secure a socio-economically viable mechanism/institutional arrangement for efficacious sales of Pharma CPSU products, thereby improving their viability.
- Promote & encourage private industry to sell their quality unbranded generic products through these retail outlets.
- Educate doctors that unbranded generic medicines provide a better option that branded products since quality of generic medicines can be equally efficacious and safe at much lower prices.
- Create consumer awareness by involving private, charitable bodies and NGOs by making them part of the campaign.
- Reduce promotional cost and profits for the benefit of patients.
- Ensuring successful implementation of the Jan Aushadhi campaign would dispel the myth that quality of medicines is linked to price and demonstrate that quality medicines can be sold at substantially lower prices.
SC strikes down ‘draconian’ Section 66A

- The Supreme Court has struck down a draconian provision that had led to the arrests of many people for posting content deemed to be “allegedly objectionable” on the Internet. The apex court has ruled that Section 66A of the Information Technology Act is unconstitutional in its entirety.

Why?
- The SC said it is clear that Section 66A arbitrarily, excessively and disproportionately invades the right of free speech, under article 19(1) (a) of the Constitution, and upsets the balance between such right and the reasonable restrictions that may be imposed on such right and the definition of offences under the provision was open-ended and undefined.
- The court also said that the provision, introduced in 2009 to the original Act of 2000, used expressions “completely open-ended and undefined” and every expression used was “nebulous” in meaning. “What may be offensive to one may not be offensive to another. What may cause annoyance or inconvenience to one may not cause annoyance or inconvenience to another. Even the expression ‘persistently’ is completely imprecise.

Sections 69A and 79 of the Act:
- The Bench turned down a plea to strike down sections 69A and 79 of the Act, which deal with the procedure and safeguards for blocking certain websites and exemption from liability of intermediaries in certain cases, respectively.

Controversy surrounding section 66A:
- In the past few years, the provision has been invoked to make several arrests. On behalf of the victims, several petitions were moved in the Supreme Court, and these were heard at length by the court. The law came in for criticism after several arrests by police over Facebook and other social media postings.
- Two young women were arrested in Mumbai over a posting which the Shiv Sena found offensive.
- A lecturer was arrested in Kolkata for forwarding cartoons of chief minister Mamata Banerjee.
- A writer was arrested in UP for criticising the suspension of IAS officer DS Nagpal.
- Ravi Srinivasan was arrested for sending a tweet on then finance minister P. Chidambaram’s son Karti.
- Arrest of cartoonist Aseem Trivedi for displaying cartoons that mocked Parliament
- 4- Two Air India cabin crew members arrested for allegedly posting indecent jokes about the Prime Minister and for insulting the national flag.
- Youth arrested for posting against Azam Khan in Rampur, March 2015

What was the Government’s stand?
- The government had held out the promise that Section 66A of the Information Technology Act would not be used to stifle political dissent, humour that wasn’t vulgar and contrarian views, before a Supreme Court bench that was re-hearing a batch of petitions challenging the legality of the law.

Arguments against the Law:
- The opponents argue the I-T Act cannot prescribe restrictions on a citizen’s right to freedom of speech and expression that were wider than warranted under Article 19(2), which allows the state to curtail them only on the grounds of public order, security of state etc. Any other restriction on free speech on social media would be an unreasonable restriction under the Constitution.
- **Section 66A** defines the punishment for sending “offensive” messages through a computer or any other communication device like a mobile phone or a tablet. A conviction can fetch a maximum of three years in jail and a fine.
• Will the Supreme Court striking down Section 66 A of the Information Technology Act weaken the case against pro-IS tweeter Mehdi Masroor Biswas, who was arrested by the city police last year?
• Mehdi has been booked under Section 66 F of the IT Act, 2000, for cyber terrorism and Section 66 A of the IT Act, 2000, for posting offensive messages, apart from a host of other sections of the Indian Penal Code and the Unlawful Activities Prevention Act, 2012.
• Cyber experts have said that the challenge that the investigators in the case face was to prove criminal intent of striking terror in the minds of the people. If the investigators fail to prove the criminal intent, the only section under which he could be convicted is under Section 66 A of the IT Act, which has now been struck down by the Supreme Court.
• However, the investigators in the case are confident of securing a conviction in the case under Section 66 F for cyber terrorism.

Utah becomes first U.S. State to reinstate execution by firing squad
• Utah became the first U.S. State to reinstate execution by firing squad amidst a spiralling crisis due to lethal drug shortages faced by U.S. prisons, even as the State’s Governor was on the record describing the procedure as “a little bit gruesome.”
• The death penalty would be administered in such manner when no lethal injection drug was available and the latter would remain the “primary method” of executing inmates.
• Under the law in Utah, inmates would be killed by a firing squad only if the State cannot acquire lethal injection drugs 30 days prior to the scheduled execution date.

Shortage of Lethal Drug in US:
• Since 2010, U.S. correctional facilities have struggled to procure a key drug in the three-drug lethal cocktail administered to death row inmates, sedative sodium thiopental, after its sole U.S. producer, Hospira, took its production plants offline in the face of anti-death penalty campaigns and other obstacles.
• In a scramble to procure an alternative, numerous U.S. prisons had also turned towards foreign suppliers, including from Europe and India.
• After hitting a dead end, U.S. prisons entered a phase of experimenting with different drug protocols, including in States such as Georgia and Missouri, which relied on the use of a massive overdose of animal euthanasia drug pentobarbital. Such manipulations of the drug protocol yielded mixed results, culminating in the botched execution on April 29 last year of Clayton Lockett in Oklahoma.

Railways launches RuPay pre-paid debit card
• The Indian Railway Catering and Tourism Corporation (IRCTC) recently, launched the RuPay debit card service.
• The service was launched by the IRCTC in collaboration with Union Bank of India and the National Payment Corporation of India.
• It is in line with Prime Minister Narendra Modi’s financial inclusive programme as one does not need to have a bank account in UBI to have the card and you can avail it online also.

About RuPay card:
• RuPay is India’s own card payment gateway network like Visa and Master Card, and provides an alternative system for banks to provide a debit card service.
• It is a first-of-its-kind in the market as both virtual as well as physical cards are being issued to customers in two variants.

Benefits:
• The card holder will get free Rs.1 lakh accident insurance coverage as part of the benefits to customers.

• Railway passengers can now book their tickets, do shopping and pay service bills using RuPay pre-paid cards.

**Limits imposed:**

• One can have the card with a loading limit of Rs.10,000 with partial KYC detail or Rs.50,000 loading limit with full KYC.

• The first five transactions per card every month done on IRCTC for purchase of train tickets would be free and no transaction charges would be levied to customers for six months only. For every subsequent transaction post the free usage, customer would be charged Rs.10 per transaction.

**ADB too says India will overtake China in growth**

• The Asian Development Bank (ADB) has projected that India would grow at 7.8 per cent in 2015-16 and 8.2 per cent the next fiscal, overtaking China.

• The International Monetary Fund too had made a similar forecast of India’s growth overtaking China’s in 2016.

**Important observations made by the ADB:**

• The expected monetary-policy easing and higher capital expenditure on infrastructure projects would lift India’s growth from 7.4 per cent in 2014-15.

• China’s growth would slow down to 7.2 per cent this year and to 7 per cent in 2016, against an average of 8.5 per cent in the period since the global financial crisis. China has lowered its official economic growth forecast to about 7 per cent for 2015.

• Developing Asia will see slower growth this year and in 2016. A pick-up in India, cheaper commodity prices and reviving demand in the West will help support the region.

• As in 2014, this year and the next, the region will continue to grow at an average of 6.3 per cent but slower than the average 6.7 per cent between 2009 and 2013. Lower oil prices will reduce inflation in developing Asia to 2.6 per cent from 3.1 per cent last year.

**About ADB:**

• It is a regional development bank established on 22 August 1966 and is headquartered in Philippines.

• Aim: to facilitate economic development of countries in Asia. It also aims for an Asia and Pacific free from poverty.

**Membership:**

• The bank admits the members of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP, formerly known as the United Nations Economic Commission for Asia and the Far East) and non-regional developed countries.

• Currently, it has 67 members – of which 48 are from within Asia and the Pacific and 19 outside.

• ADB was modeled closely on the World Bank, and has a similar weighted voting system where votes are distributed in proportion with member’s capital subscriptions.

**Funding:**

• ADB raises funds through bond issues on the world’s capital markets.

• ADB also rely on its members’ contributions, retained earnings from its lending operations, and the repayment of loans.

• Japan holds the largest proportions of shares at 15.67%. The United States holds 15.56%, China holds 6.47%, India holds 6.36%, and Australia holds 5.81%.

**Board of Governors:**

• It is the highest policy-making body of the bank.
• It is composed of one representative from each member state.
• The Board of Governors also elect the bank’s President who is the chairperson of the Board of Directors and manages ADB.
• The Alternate Board of Governors are nominated by Board of Governors of ADB’s 67 to represent them at the Annual Meeting that meets formally once year to be held in a member country.

**Loans:**
• It offers both Hard Loans and Soft loans.
• The ADB offers “hard” loans from ordinary capital resources (OCR) on commercial terms, and the Asian Development Fund (ADF) affiliated with the ADB extends “soft” loans from special fund resources with concessional conditions.
• ADB focuses on five core areas of operations: infrastructure; the environment, including climate change; regional cooperation and integration; finance sector development; and education.
• **The Asian Development Fund (ADF)** bridges the development gap in Asia and the Pacific, home to both the world’s fast-rising and most vulnerable economies. ADF is a major instrument of concessional financing that has supported equitable and sustainable development in the region since 1973. Funded by ADB’s member countries, it offers loans at very low interest rates as well as grants to help reduce poverty in ADB’s poorest member countries.

**PRAGATI**
• Prime Minister of India recently launched multi-purpose and multi-modal platform PRAGATI (Pro-Active Governance and Timely Implementation).

**What is it?**
• PRAGATI is a unique integrating and interactive platform.
• The platform is aimed at addressing common man’s grievances, and simultaneously monitoring and reviewing important programmes and projects of the Government of India as well as projects flagged by State Governments.

**Unique features:**
• The PRAGATI platform uniquely bundles three latest technologies: Digital data management, video-conferencing and geo-spatial technology.
• It also offers a unique combination in the direction of cooperative federalism since it brings on one stage the Secretaries of Government of India and the Chief Secretaries of the States.
• With this, the Prime Minister is able to discuss the issues with the concerned Central and State officials with full information and latest visuals of the ground level situation. It is also an innovative project in e-governance and good governance.
• It is a three-tier system (PMO, Union Government Secretaries, and Chief Secretaries of the States).
• Prime Minister will hold a monthly programme where he will interact with the Government of India Secretaries, and Chief Secretaries through Video-conferencing enabled by data and geo-informatics visuals.
• Issues to be flagged before the PM are picked up from the available database regarding Public Grievances, on-going Programmes and pending Projects.
• The system will ride on, strengthen and re-engineer the data bases of the CPGRAMS for grievances, Project Monitoring Group (PMG) and the Ministry of Statistics and Programme Implementation. PRAGATI provides an interface and platform for all these three aspects.
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- It will also take into consideration various correspondences to PM’s office by the common people or from high dignitaries of States and/or developers of public projects.
- It is also a robust system for bringing e-transparency and e-accountability with real-time presence and exchange among the key stakeholders.
- The system has been designed in-house by the PMO team with the help of National Informatics Center (NIC).

Sagarmala: Concept and implementation towards Blue Revolution

- The Union Cabinet chaired by the Prime Minister recently gave its ‘in-principle’ approval for the concept and institutional framework of Sagarmala Project.

What is it?
- The Sagarmala project seeks to develop a string of ports around India’s coast. The prime objective of the Sagarmala project is to promote port-led direct and indirect development and to provide infrastructure to transport goods to and from ports quickly, efficiently and cost-effectively. Therefore, the Sagarmala Project shall, inter alia, aim to develop access to new development regions with intermodal solutions and promotion of the optimum modal split, enhanced connectivity with main economic centres and beyond through expansion of rail, inland water, coastal and road services.
- The Sagarmala initiative will address challenges by focusing on three pillars of development, namely:
  - Supporting and enabling Port-led Development through appropriate policy and institutional interventions and providing for an institutional framework for ensuring inter-agency and ministries/departments/states’ collaboration for integrated development,
  - Port Infrastructure Enhancement, including modernization and setting up of new ports, and
  - Efficient Evacuation to and from hinterland.

Details:
- In addition to strengthening port and evacuation infrastructure, it also aims at simplifying procedures used at ports for cargo movement and promotes usage of electronic channels for information exchange leading to quick, efficient, hassle-free and seamless cargo movement.
- The Sagarmala initiative would also strive to ensure sustainable development of the population living in the Coastal Economic Zone (CEZ). This would be done by synergising and coordinating with State Governments and line Ministries of Central Government through their existing schemes and programmes such as those related to community and rural development, tribal development and employment generation, fisheries, skill development, tourism promotion etc.
- A National Sagarmala Apex Committee (NSAC) is envisaged for overall policy guidance and high level coordination, and to review various aspects of planning and implementation of the plan and projects. The NSAC shall be chaired by the Minister incharge of Shipping, with Cabinet Ministers from stakeholder Ministries and Chief Ministers/Ministers incharge of ports of maritime states as members.

India vote at U.N. not anti-gay, explains government

- Under criticism for voting against the U.N. Secretary-General’s decision to extend marriage benefits to LGBT (Lesbian, Gay, Bisexual and Transgender) couples or same-
sex couples, India sought to explain that the vote was more about principle rather than its “anti-gay rights” content.

Details:
- India was among 43 countries, along with China, Saudi Arabia and Pakistan, which voted for the Russian resolution to withdraw benefits to same-sex couples. The resolution was defeated by the UN General Assembly vote.
- India had abstained from voting on a previous resolution against LGBT discrimination that was passed by the UNGA in September 2014.
- The resolution at the UNGA was proposed by Russia, a country that decriminalised homosexuality in 1993 but enforced a ban on gay propaganda.
- India and Pakistan were the only two South Asian countries to vote for the Russian resolution. While Sri Lanka voted against the resolution, along with the U.S. in a bloc of 80 countries, Bhutan, Nepal and the Maldives abstained and Afghanistan did not vote.
- EU member states and the US lobbied hard against the resolution.
- India, explaining the move, said it was a “complex issue” concerning whether nationals of a state “were governed by their laws or governed by the decision of others”.
- The UN now recognises all same-sex couples married, regardless of their nationality.

**US L-1B work visas**

- US President recently announced an easing of the process to obtain L-1B work visas for corporate executives, a move that could end the large scale harassment of IT professionals from India and make it easier for companies there to bring employees to America.
- Large scale decline of L-1 visas was a major hindrance in Indian companies investing in the US.
- **L-1B visa:** allows corporations to temporarily move workers from a foreign office to a U.S. office in a faster, simpler way.
- This visa is a non-immigrant visa which allows companies operating both in the US and abroad to transfer certain classes of employee from its foreign operations to the US operations for up to seven years.
- These are given for workers with specialized knowledge.
- The employee must have worked for a subsidiary, parent, affiliate or branch office of US company outside of the US for at least one year out of the last three years.

**Benefits for the US:**
- This could benefit hundreds of thousands of non-immigrant workers and their employers, that in turn, will benefit the US economy and spur additional investment
- It would attract larger foreign direct investment to the U.S.

**CBDT makes public names of 18 tax defaulters**

- Adopting an aggressive approach to increase tax collections, the Revenue Department, for the first time, publically named 18 tax defaulters, who owe over Rs.500 crore to the exchequer. This is the first time the department has put in public domain a list of those willful tax defaulters who have a tax liability of Rs.10 crore and above.

**About CBDT:**
- The Central Board of Direct Taxes is a **statutory authority** functioning under the Central Board of Revenue Act, 1963. The officials of the Board in their ex-officio capacity also function as a Division of the Ministry of Finance dealing with matters relating to levy and collection of direct taxes.
The Central Board of Direct Taxes (CBDT) is a part of the Department of Revenue in the Ministry of Finance, Government of India. It provides essential inputs for policy and planning of direct taxes in India and is also responsible for administration of the direct tax laws through Income Tax Department.

- It is India’s official Financial Action Task Force unit.
- The Central Board of Revenue as the Department apex body charged with the administration of taxes came into existence as a result of the Central Board of Revenue Act, 1924.
- Initially the Board was in charge of both direct and indirect taxes. However, when the administration of taxes became too unwieldy for one Board to handle, the Board was split up into two, namely the Central Board of Direct Taxes and Central Board of Excise and Customs in 1964.
- The CBDT Chairman and Members of CBDT are selected from Indian Revenue Service (IRS), a premier civil service of India, whose members constitute the top management of Income Tax Department.

**Rajasthan govt. opens mother’s milk bank**

- Rajasthan’s first State-run human milk bank, “Jeevan Dhara”, was inaugurated by the Health Minister recently.
- The first mother’s milk bank in the State was started by a non-governmental organisation in a government hospital in Udaipur.

**Details:**
- Jeevan Dhara has been started in collaboration with the Norwegian government and JK Lon Hospital, and aims to collect excess breast milk from lactating mothers and provide it to infants deprived of it.

**Online Trade:**

- Even as the concept of human milk bank is picking up, experts have warned of the harmful effects of its online buying.
- The online market in human milk, growing fastest in the U.S., is now gaining popularity elsewhere, largely among mothers ineligible for milk from milk banks.
- Although a narrow group of adult consumers (including people with cancer, gym enthusiasts and fetishists) buy milk online, most buyers are parents who require milk for their infants.
- In countries such as the U.S., where milk banks charge up to $4 (Rs. 250) an ounce (0.03 litre), online milk is often the cheaper option.

**Problems associated with online buying:**

- Unlike regulated banks, online sellers do not incur any expense on pasteurisation and testing for disease or contamination.
- Collection, storage and shipping requirements are negotiated between buyer and seller, enabling lower prices. These cost-saving measures lead to a high risk of communicable disease transmission, contamination, and tampering.
- Unlike donors at licensed milk banks, online sellers are not required to undergo any serological screening — meaning diseases such as Hepatitis B and C, HIV, human T cell lymphotropic virus, and syphilis may go undetected.
Govt. decides to re-issue ordinance before April 5

- The Union Government has decided to re-promulgate the contentious Land Acquisition Ordinance before it lapses on April 5, even though it will mean taking on a virtually united opposition.

**Ordinance:**

**What are they?**

- Ordinances are temporary laws which can be issued by the President when Parliament is not in session.

**Details:**

- Ordinances are issued by the President based on the advice of the Union Cabinet.
- The President has been empowered to promulgate Ordinances based on the advice of the central government under Article 123 of the Constitution. This legislative power is available to the President only when either of the two Houses of Parliament is not in session to enact laws. Additionally, the President cannot promulgate an Ordinance unless he ‘is satisfied’ that there are circumstances that require taking ‘immediate action’.

**Approval by the Parliament:**

- Ordinances must be approved by Parliament within six weeks of reassembling or they shall cease to operate. They also cease to operate in case resolutions disapproving the Ordinance are passed by both Houses.

**Why are they issued?**

- The purpose of Ordinances is to allow governments to take immediate legislative action if circumstances make it necessary to do so at a time when Parliament is not in session.
- Often, ordinances are used by governments to pass legislation which is currently pending in Parliament.
- Governments also take the Ordinance route to address matters of public concern as was the case with the Criminal Law (Amendment) Ordinance, 2013, which was issued in response to the protests surrounding the Delhi gang rape incident.

**Repromulgation:**

- Repromulgation of Ordinances raises questions about the legislative authority of the Parliament as the highest law making body.

**Supreme Court’s observations on Repromulgation:**

- In the 1986 Supreme Court judgment of D.C. Wadhwa vs. State of Bihar, the SC observed:
  - “The power to promulgate an Ordinance is essentially a power to be used to meet an extraordinary situation and it cannot be allowed to be “perverted to serve political ends”. It is contrary to all democratic norms that the Executive should have the power to make a law, but in order to meet an emergent situation, this power is conferred on the Governor and an Ordinance issued by the Governor in exercise of this power must, therefore, of necessity be limited in point of time.”

**History of Ordinances:**

- Ordinances were incorporated into the Constitution from Section 42 and 43 of the Government of India Act, 1935, which authorised the then Governor General to promulgate Ordinances ‘if circumstances exist which render it necessary for him to take immediate action’.
- Most democracies including Britain, the United States of America, Australia and Canada do not have provisions similar to that of Ordinances in the Indian Constitution. The reason for an absence of such a provision is because legislatures in these countries meet year long.
• Some Members of the Constituent Assembly emphasised that the Ordinance making power of the President was extraordinary and issuing of Ordinances could be interpreted as against constitutional morality.

**Rajasthan passes bill on eligibility for panchayat polls**

• Rajasthan became the first State in the country to fix a minimum educational qualification for contesting elections to the Panchayati Raj Institutions.

**Details:**
• The Assembly recently passed the Rajasthan Panchayati Raj (amendment) Bill, 2015, which makes Class VIII pass mandatory for the post of sarpanch — except in tribal reserved areas, where the minimum qualification is Class V — and Class X for Zila Parishad or Panchayat Samiti elections.
• The amendments to Section 19 of the Rajasthan Panchayat Raj Act, 1994 also make a functional toilet mandatory in the house of a contestant.

**Background:**
• An ordinance was promulgated prescribing minimum educational qualifications to contest in local body elections in Rajasthan, and effectively keep out illiterate persons from the democratic process.
• The ordinance stipulated that a member of a zila parishad or panchayat samiti should have acquired secondary education. While the panchayat sarpanch of a Scheduled area should have passed Class 5, his counterpart in Non-Scheduled areas should have cleared Class 8.
• It was being argued that the ordinance violates the inclusive spirit of the 73rd and 74th Amendments and served as an “exit for illiterate people”.

**Why was it done?**
• According to the government, an elected representative with a basic education will be better placed to stop the embezzlement of funds at the panchayat level.
• Supporters also claim that this is a progressive step and ensures that dummy/proxy candidates are not fighting elections which come from local families who are traditionally in politics in villages.

**Opposition:**
• The political opposition, local communities and civil society groups have been arguing that the change in law is discriminatory to a large section of the rural population, particularly women.

**Literacy level in Rajasthan:**
• 2001 Census shows that 82.5 percent of the people above 20 years of age in rural Rajasthan did not have formal education beyond class 5 or primary level.
• Rural literacy rates in Rajasthan are 76.16 per cent for men, and an abysmal 45.8 per cent for women.
• In Rajasthan, the literacy rate of women in rural areas is only 45.8 per cent, which is lower than the national literacy rate of 57.93 per cent.
• In tribal areas, the situation is even worse, with the literacy rate of women being 25.22 per cent.
• The ordinance has been challenged in court by social activists and political parties.

**IAEA for more autonomy to India’s nuclear regulatory board**

• The U.N.’s International Atomic Energy Agency recently, after completing a 12-day review of India’s nuclear safety standards, said that India has a strong commitment to
safety but the Atomic Energy Regulatory Board (AERB) needs more independence and separation from the government.

- The IAEA’s review report also called for the Indian government to allow more on-site inspections at the nuclear power plants (NPPs) under international safeguards.

**International Atomic Energy Agency (IAEA):**

- The IAEA is the world’s centre of cooperation in the nuclear field. It was set up as the world’s “Atoms for Peace” organization in 1957 within the United Nations family. It also seeks to promote the peaceful use of nuclear energy, and to inhibit its use for any military purpose, including nuclear weapons.
- It is not under direct control of the UN. Though established independently of the United Nations through its own international treaty, the IAEA Statute, the IAEA reports to both the United Nations General Assembly and Security Council.
- The Agency works with its Member States and multiple partners worldwide to promote safe, secure and peaceful nuclear technologies.
- The IAEA Secretariat is headquartered at the Vienna International Centre in Vienna, Austria.
- The IAEA serves as an intergovernmental forum for scientific and technical cooperation in the peaceful use of nuclear technology and nuclear power worldwide.
- The IAEA has 164 member states.

**IAEA Mission & Programmes**

- The IAEA’s mission is guided by the interests and needs of Member States, strategic plans and the vision embodied in the IAEA Statute.
- Three main pillars/areas of work – underpin the IAEA’s mission: Safety and Security; Science and Technology; and Safeguards and Verification.

**PSLV-C27 Successfully Launches India’s Fourth Navigation Satellite IRNSS-1D**

- ISRO’s Polar Satellite Launch Vehicle, PSLV-C27, recently successfully launched the 1425 kg IRNSS-1D, the fourth satellite in the Indian Regional Navigation Satellite System (IRNSS). This is the twenty eighth consecutively successful mission of the PSLV.
- IRNSS-1D is the fourth of the seven satellites constituting the space segment of the Indian Regional Navigation Satellite System. IRNSS-1A, 1B and 1C, the first three satellites of the constellation, were successfully launched by PSLV on July 02, 2013, April 04, 2014 and October 16, 2014 respectively.

**About Indian Regional Navigation Satellite System:**

- IRNSS is an independent regional navigation satellite system being developed by India. It is designed to provide accurate position information service to users in India as well as the region extending up to 1500 km from its boundary, which is its primary service area.
- The IRNSS with a 1500km range will make India self-reliant on navigation and surveillance from outer space as it is expected to cover the Asian region.
- IRNSS will provide two types of services, namely, Standard Positioning Service (SPS) which is provided to all the users and Restricted Service (RS), which is an encrypted service provided only to the authorised users. The IRNSS System is expected to provide a position accuracy of better than 20 m in the primary service area.

**Details:**

- IRNSS comprises of a space segment and a ground segment. The IRNSS space segment consists of seven satellites, with three satellites in geostationary orbit and four satellites in inclined geosynchronous orbit. IRNSS-1A, the first satellite of the IRNSS constellation,
has already started functioning from its designated orbital slot after extensive on orbit test and evaluation to confirm its satisfactory performance.

- IRNSS ground segment is responsible for navigation parameter generation and transmission, satellite control, ranging and integrity monitoring and time keeping.

**Applications of IRNSS:**
- Terrestrial, Aerial and Marine Navigation
- Disaster Management
- Vehicle tracking and fleet management
- Integration with mobile phones
- Precise Timing
- Mapping and Geodetic data capture
- Terrestrial navigation aid for hikers and travellers
- Visual and voice navigation for drivers

**Global Navigational Systems:**
- As of April 2013, only the United States NAVSTAR Global Positioning System (GPS) and the Russian GLONASS are global operational GNSSs. China is in the process of expanding its regional Beidou navigation system into the global Compass navigation system by 2020. The European Union’s Galileo positioning system is a GNSS in initial deployment phase, scheduled to be fully operational by 2020 at the earliest. France (DORIS), India, and Japan are in the process of developing regional navigation systems.

**DRDO to develop indigenous AWACS**
- The Defence Acquisition Council (DAC), chaired by Defence Minister, recently approved the development of an indigenous Airborne Warning and Control Systems (AWACS) by the Defence Research and Development Organisation (DRDO).
- The council allocated Rs. 5,113 crore for two systems based on the A-330 aircraft, which will be procured from Airbus. Eventually, six systems will be built for use by the Air Force. In all, the DAC cleared deals estimated at Rs.7,400 crore.

**What are AWACS?**
- AWACS are radars mounted on an aircraft to provide seamless 360-degree coverage of the airspace.
- The Air Force is currently operating three Israeli Phalcons based on Russian Il-76 aircraft. In addition, the DRDO is developing two smaller Airborne Early Warning & Control (AEW&C) based on the Embraer aircraft, scheduled to be delivered this year.

**Centre’s nod for Rs. 500 cr. Corpus: price stabilisation fund (PSF)**
- The Union Agriculture Ministry recently approved the setting up of a price stabilisation fund (PSF) that was announced by Finance Minister in his July 2014 budget.

**Details:**
- The fund, with a corpus of Rs. 500 crore, will be used to support market interventions for managing prices of perishable agri-horticultural commodities.
- Initially, the fund is proposed to be used for onion and potato only. Losses incurred, if any, in the operations will be shared between the Centre and the States.
- The fund will be used to advance interest-free loans to State governments and Central agencies to support their working capital and other expenses on procurement and distribution interventions for such commodities. These commodities will be procured directly from farmers or farmers’ organisations right at the farm gate or mandi levels and be made available at reasonable prices to consumers.
• For this purpose, the States will set up a revolving fund to which the Centre and State will contribute equally. The ratio of Centre-State contribution to the State-level corpus in respect of northeast States will, however, be 75:25.
• The revolving fund is being mooted so that requirements for all future interventions can be decided and met at the State level itself. The Central agencies will, however, set up their revolving fund entirely with advance from the Centre.

**Russia, Australia, Netherlands to join AIIB**

• A late surge among top European countries, including Germany, France, Britain, and now Russia along with Australia to join the China-led Asian Infrastructure Investment Bank (AIIB), has imparted a new sense of realism to Beijing’s Silk Road plans. If implemented, they are likely to shift the global balance of economic power towards Eurasia.
• The decision of key European powers along with South Korea to join the bank, overriding strong objections from the United States, has split the Atlantic Alliance on this issue.
• The AIIB’s apparent success has now brought into sharper focus China’s ‘One belt One Road’ initiative which requires massive investment, including finance from the $40 billion Silk Road fund, which the Chinese have separately established.
• In order to ensure that there are no funding shortfalls, an action plan released recently by the Chinese government has asked countries along the Belt and Road to ensure that currency swap arrangements for payments are encouraged, and a bond market in Asia is fully developed.
• Analysts point out that the ‘One Belt One Road’ initiative, backed by a solid financial institutional network, once implemented, is expected to accelerate the shift of geo-economic power away from the United States, towards Eurasia. More than 4.4 billion people, or 63% of the global population countries, are expected to benefit from China’s game-changing plans.

**About AIIB:**

• The Asian Infrastructure Investment Bank (AIIB) is an international financial institution proposed by China. The purpose of the multilateral development bank is to provide finance to infrastructure projects in the Asia-Pacific region.
• The AIIB was launched in Beijing last year to spur investment in Asia in transportation, energy, telecommunications and other infrastructure.
• AIIB is regarded by some as a rival for the IMF, the World Bank and the Asian Development Bank (ADB), which the AIIB says are dominated by developed countries like the United States and Japan.
• Presently there are 22 members including China.
• The authorised capital of AIIB will be $100 billion. AIIB’s headquarters is to be located in Beijing.
• India is the second largest shareholder in the Bank after China.
• It is being called as a very positive development in the sense that it opens up more borrowing opportunities.

**Bharat Ratna conferred on Malviya**

• Freedom fighter and founder of Banaras Hindu University, Madan Mohan Malviya, was recently posthumously conferred the Bharat Ratna, the country’s highest civilian award, by President Pranab Mukherjee at a ceremony in Rashtrapati Bhavan.
• The President also bestowed the highest Padma award, the Padma Vibhushan, on BJP stalwart L.K. Advani, Punjab Chief Minister Parkash Singh Badal and Sanskrit grammar expert, Jagadguru Swami Rambhadra acharya.
• Prominent Padma Bhushan awardees included noted lawyer Harish Salve, journalists Swapan Dasgupta and Rajat Sharma and 98-year-old Saichiro Misumi — a proponent of Indo-Japanese friendship who had supported Netaji Subhash Chandra Bose during his visit to Japan in June 1943.

**Bharat Ratna:**
• Bharat Ratna is the highest civilian award of the Republic of India. The provision of Bharat Ratna was introduced in 1954.
• Eligibility: Any person without distinction of race, occupation, position or sex is eligible for these awards.
• There is no written provision that Bharat Ratna should be awarded to Indian citizens only. The award has been awarded to a naturalized Indian citizen, Agnes Gonxha Bojaxhiu, better known as Mother Teresa (1980) and to two non-Indians – Khan Abdul Ghaffar Khan and Nelson Mandela (1990).
• It is awarded in recognition of exceptional service/performance of the highest order in any field of human endeavour. The award was originally limited to achievements in the arts, literature, science and public services but the government expanded the criteria to include “any field of human endeavour” in December 2011.
• The recommendations for Bharat Ratna are made by the Prime Minister himself to the President. No formal recommendations for this are necessary.
• The number of annual awards is restricted to a maximum of three in a particular year.
• The Award does not carry any monetary grant.
• In terms of Article 18 (1) of the Constitution, the award cannot be used as a prefix or suffix to the recipient’s name. However, should an award winner consider it necessary, he/she may use the expression in their biodata/letterhead/visiting card etc. to indicate that he/she is a recipient of the award

**India, France to co-develop naval missile**
• The Defence Acquisition Council has approved the ‘Maitri’ project for the co-development of a Short Range Surface-to-Air Missile (SR-SAM) by the Defence Research and Development Organisation (DRDO) with MBDA of France.
• The project has been in the works since 2007 to meet the requirements of the Army and the Air Force. The DRDO had signed a Memorandum of Understanding with MBDA in 2013, but there has hardly been any progress because the DRDO’s Akash missile system has similar functions.
• The Army and the Air Force have expressed satisfaction with the capabilities of Akash, but the Navy has made it clear that Akash is not suitable for installation on warships.

**Project Maitri:**
• The Maitri missile project is a next-generation quick-reaction surface-to-air **missile** with a lethal near-hundred per cent kill probability under development by India’s Defence Research and Development Organisation.
• It is a short-range (15 km, 9.3 mi) surface-to-air point defence missile system.
Foreign airlines come under sexual harassment Act

- The Delhi High Court recently said that any foreign airline having even one office in the country is bound by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Background:
- The High Court was hearing a Public Interest Litigation seeking the implementation of the Vishakha guidelines on sexual harassment against women at the workplace in the aviation industry.
- The case had been transferred as a PIL from another court which was dealing with the plea of an Indian woman, employed with the Sri Lankan Airlines, seeking action against the carrier and its official whom she had accused of sexual harassment.

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013:
- The Act seeks to cover all women, irrespective of their age or employment status and protect them against sexual harassment at all workplaces both in public and private sector, whether organized or unorganized.
- Building on the Vishakha guidelines, the Act calls for the formation of an internal complaints committee and a local complaints committee at the district level. It came into force on December 9, 2013.

Some important provisions of the Act:
- The Act defines sexual harassment at the workplace and creates a mechanism for redressal of complaints. It also provides safeguards against false or malicious charges.
- The definition of “aggrieved woman”, who will get protection under the Act is extremely wide to cover all women, irrespective of her age or employment status, whether in the organized or unorganized sectors, public or private and covers clients, customers and domestic workers as well.
- While the “workplace” in the Vishaka Guidelines is confined to the traditional office set-up where there is a clear employer-employee relationship, the Act goes much further to include organisations, department, office, branch unit etc. in the public and private sector, organized and unorganized, hospitals, nursing homes, educational institutions, sports institutes, stadiums, sports complex and any place visited by the employee during the course of employment including the transportation.
- Every employer is required to constitute an Internal Complaints Committee at each office or branch with 10 or more employees. The District Officer is required to constitute a Local Complaints Committee at each district, and if required at the block level.
- The Committee is required to complete the inquiry within a time period of 90 days. On completion of the inquiry, the report will be sent to the employer or the District Officer, as the case may be, they are mandated to take action on the report within 60 days.
- The Complaints Committees have the powers of civil courts for gathering evidence.
- The Complaints Committees are required to provide for conciliation before initiating an inquiry, if requested by the complainant.
- Penalties have been prescribed for employers. Non-compliance with the provisions of the Act shall be punishable with a fine of up to 50,000. Repeated violations may lead to higher penalties and cancellation of licence or registration to conduct business.

RBI tightens takeover norms for shadow banking

- The Reserve Bank of India (RBI) plans tougher rules for takeovers involving non-banking financial companies (NBFCs), according to draft guidelines published recently, outlining a demand that all substantial deals seek its prior approval.
There are some 12,000 NBFCs registered with the RBI, and they largely offer loans. Some, like traditional banks, also take deposits.

Details:
- In its latest effort to boost transparency and strengthen its grip on the alternative lenders that account for a large part of the domestic shadow-banking sector, the RBI said any purchase of a stake of 26% or more in a company, or a change in more than 30% of its directors, would need the central bank’s permission.
- The RBI has also that the source of funds behind new investors in any NBFC will have to be disclosed. It also asked for an undertaking that the new proposed investors are not associated with any existing but unregistered body that accepts public deposits.
- NBFCs play a critical role in extending credit to areas where traditional finance cannot reach in a country where only just over half of the population has access to the mainstream banking system. However, controlling these NBFCs has been made a key priority for the RBI, given their size and reach.

Shadow banking:
- The shadow banking system is a term for the collection of non-bank financial intermediaries that provide services similar to traditional commercial banks.
- In the context of developing economies, shadow banks play a gainful role in credit delivery and financial inclusion as they can facilitate credit availability to certain sectors that might otherwise have difficulty in access to credit.

Regulation:
- Shadow banking operates outside the regular banking system and financial intermediation activities are undertaken with less transparency and regulation than the conventional banking.

Risks posed by them:
- Not all shadow banks take deposits and hence they are subject to less regulation than traditional banks. They can therefore increase the rewards they get from investments by leveraging up much more than their mainstream counterparts, and this can lead to risks mounting in the financial system.
- Unregulated shadow institutions can be used to circumvent the strictly regulated mainstream banking system and therefore avoid rules designed to prevent financial crises.
- Shadow banks can also cause a buildup of systemic risk indirectly because they are interrelated with the traditional banking system via credit intermediation chains, meaning that problems in this unregulated system can easily spread to the traditional banking system.
- As shadow banks use a lot of short-term deposit-like funding but do not have deposit insurance like mainstream banks, a loss of confidence can lead to “runs” on these unregulated institutions.
- Shadow banks’ collateralised funding is also considered a risk because it can lead to high levels of financial leverage.

Govt. provides clarity on deposit-taking norms for private firms
- The government said recently said that the amounts received by private firms from its members, directors or their relatives prior to April 1, 2014, would not be considered as deposits under the new Companies law.
- However, companies are required to provide details about such money received in their financial statement for the year starting from April 1, 2014 — the date when most provisions of the Companies Act, 2013, came into force.
• The Corporate Affairs Ministry, which is implementing the Act, has provided the clarification after having discussions with the Reserve Bank.
• The government has also said that any renewal or acceptance of fresh deposits on or after April 1, 2014, shall, however, be in accordance with the provisions of the Companies Act, and rules made thereunder.