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2013

NATIONAL

Southern grid gets first flow from Kudankulam

- The first 1,000-MWe unit of the Kudankulam Nuclear Power Project (KNPP) was synchronised with the southern regional grid. The first reactor generated 75MWe and gradually notched up 160 MWe. Subsequently, it was successfully transmitted to the southern grid.
- The power will be further raised to 500 MWe, 750 MWe and 1,000 MWe in stages. At every stage, various tests are conducted and the technical parameters verified. Based on the results of the tests at each stage and with AERB [Atomic Energy Regulatory Board] clearances, subsequent stages are reached
- The KNPP was conceived in 1988 through the Rajiv-Gorbachev agreement, which paved the way for the export of two 1,000-MWe VVER (Voda Voda Energo Reactor, or, pressurised light water reactor). Actual work on the project started only on March, 2002.
- Though anti-KKNPP agitation gained momentum in neighbouring Idinthakarai, which temporarily impeded the project's progress, the AERB gave its nod for initial fuel-loading on August 2012, and subsequently granted clearance for the "first approach to criticality" on July, 2013.
- Once the KKNPP's first unit of 1,000-MWe capacity is commissioned, the nuclear power contribution in the country will be raised to 5,780 MWe.

Centre alone can suspend screening of films certified by Censor Board: panel

- In the recent instances of films like Aarakshan , Vishwaroopam and Madras Café running into trouble in some States- demanding a ban by the 'vested groups', the Empowered Committee on film certification has mandated that no State government can order the suspension of a film.
- The draft Cinematograph Bill, 2013 has suggested a change in the 1952 legislation according to which only the Central government can suspend the screening of a film after it has been certified by the Censor Board.
- Only after a show-cause notice has been given in writing to the film-maker, with the grounds for proposing such a move and giving him/her reasonable opportunity to respond can the Central government invoke this clause.
- Even Entry 60 of List I of the Seventh Schedule to the Constitution places law-making power relating to sanction of film for exhibition in the jurisdiction of the Central government
- The Committee has also sought to shift from the current practice of 'U', 'U/A' and 'A' certification to the internationally prevalent practice of age-related classifications and certifications. It has proposed to break-up 'U/A' by age to '12+' and '15+' while retaining 'U' and 'A'. The 'S' classification for restricted circulation has been retained.

- The Cinematograph Act, 1952 will now include songs and its lyrics to the definition of a 'film'; earlier it was confined to the "moving picture content of the film". This has been done, in particular, to address the issue of 'item songs' as the 'sexual overtone and teasing references' have drawn considerable ire.

INTERNATIONAL

Firing continues along LoC as DGMOs discourse

- On the backdrop of continued violation of the ceasefire by Pakistan along the Line of Control (LoC) and the International Border (IB), the Directors-General of Military Operations (DGMOs) of India and Pakistan had a telephonic conversation over the hotline.
- In the existing arrangement, the two DGMOs talk over the hotline every Tuesday.
- Ceasefire violations by Pakistan along the LoC and IB have increased and this year (2013) alone as many as 204 such incidents occurred in Jammu and Kashmir.
- The DGMO-level meeting is yet to be held. This proposal was the outcome of the first bilateral interaction between PM Manmohan Singh and his Pakistani counterpart Nawaz Sharif in October, 2013.

India - China Bilateral relationship

- The PM Manmohan Singh's three-day visit kicked-off on 22nd October, 2013.
- The following are the issues that would be discussed in the meet between India and China.

1. **Border issues** - An agreement to put in place more confidence building measures (CBM) to keep peace on the Line of Actual Control (LAC).

- The Border Defence Co-operation Agreement (BDCA), which was first suggested by the China in 2012, and for which negotiations began in March, 2013 comprises a new set of CBM for border management. This will provide an additional mechanism that would further consolidate on the 1993 Peace and Tranquility Agreement.
- Face-offs at the LAC could never be ruled out as long as the boundary issue remained unresolved, but the key here was the ability to manage them. The Depsang incident saw the status quo being restored within three weeks compared to a six-year face off in 1986-93 because there was a mechanism in place to do so.
- India has also reiterated that LAC is "the most peaceful border [where] not a shot has been fired since 1975."

2. **Visa liberalisation agreement**

- Improving on the balance of trade - Though trade between India and China slowed down last year, it is around \$ 66 billion, and is tilted heavily against India.

- India wants to push for greater market access in certain sectors such as pharmaceuticals and Information Technology. Whereas the China is interested in setting up a manufacturing and Special economic Zone (SEZ) in India.
 - Apart from the strategic economic dialogue, there is a CEOs' forum which is also looking at improving the trade balance.
3. **Hydro-electric projects or dams** being constructed on the Brahmaputra river.

Drawbacks:

- However, the visit is unlikely to have landmark agreements such as the move in 2003, during the former PM Atal Bihari Vajpayee's China visit, to set up the Special Representatives mechanism to negotiate on the boundary question; or the agreement on political parameters and guiding principles announced in 2005 when former Premier Wen Jiabao visited India.
- Since that agreement, the wide perception is that boundary talks have remained deadlocked. The 2005 agreement marked the conclusion of the first of three stages. The second stage, to decide a framework to settle the dispute in all sectors, has proved to be the most difficult.
- Also the Chinese projects in the PoK would most unlikely be discussed.

Russia steps in to improve military ties with Iran

- After consolidating in Syria, Russia is set to expand military ties with Iran, as part of its bid to re-emerge as a major player in the Levant and Gulf.
- The common military agenda would be to deter air strikes against Iran, and to ward off the possibility of "regime change" through armed external intervention.
- Russia focused on air defence tactics as there were apprehensions from the Iran side of a potent threat of massive air strikes by Israel and the U.S. against its atomic infrastructure, apparently to undermine its perceived nuclear weapon ambitions.
- Both the sides are working to overcome the S-300 hurdle. S-300 is an air-defence missile which can down high-speed incoming missiles and aircraft; Russia had to stop supplying this missile following the U.N. sanctions against Iran.
- But with the geopolitical situation transforming rapidly following attempts at regime change in Syria by prominent Gulf States and western powers, the Iranians are more willing to reinforce their military bonds with Russia.
- The Russians have offered Iran Tor air defence systems as an alternative to the S-300 missiles. But Iran would be more inclined to consider acquisitions of the Antei-2500 missiles as these weapons are used to protect mobile ground troops from aerial attack. This is more appealing

to Iran, as it would depend on large deployment of land forces in any future combat.

- Both the sides are committed to the prevention of regime-change in Syria, since this would eventually expose energy-rich Iran, situated on the crossroads of the Gulf, Central Asia, Europe and Caucasia, to a dangerous level of subversion.



- With Syria, Russia had brokered a deal, wherein Syria has committed to chemical disarmament. In return Syria has obtained security guarantees that would allow Russia for a deep rooted military relationship with Damascus (Syria).
- Russia has also steadily expanded ties with the Lebanese Hezbollah, a top ally of Syria and Iran.

Courtesy - Wikipedia and Basarsoft ORION-ME

More about Levant region

- The Levant, also known as the Eastern Mediterranean, is a geographic and cultural region consisting of the "eastern Mediterranean littoral between Anatolia and Egypt". The Levant consists today of Lebanon, Syria, Jordan, Israel, Cyprus, the Palestinian territories, and parts of southern Turkey (Aleppo Vilayet).
- The Levant has been described as the "crossroads of western Asia, the eastern Mediterranean and northeast Africa".

Resumption of EU's talks with Turkey

- The European Union (EU) has agreed to restart membership talks with Turkey in November, 2013 ending a three-year freeze despite Turkey's crackdown on protests this year.
- EU had given 'in-principle' agreement in June, 2013 but, but then postponed the process in protest over Turkey's spring crackdown.
- The November negotiations will focus on regional development, one of 35 chapters or sets of EU rules and standards that candidate states must satisfy before becoming a member of the EU.

Background:

- Turkey had begun accession talks with the EU in 2005 itself, the same time as Croatia (which this year became the bloc's 28th member). But the talks have broken down because of Turkey's long-standing territorial dispute with Cyprus, a member of the bloc since 2004, as well as opposition from major powers France and Germany.

To become a EU member-

- A country needs to successfully close negotiations on all 35 chapters before joining the EU.
- So far Turkey has closed only one chapter i.e., chapter 25 on science and research. And Cyprus has blocked eight chapters because of Turkey's refusal to open sea and air ports to Cyprus.

What are the benefits of joining EU?

- **Trade Benefits:** The Single Market of the EU means that companies going about their business in EU member states have been forced to lower the prices of their products to become more competitive.
- **People movement:** European citizens have the freedom to live, work, study, and travel in any other EU country. Since 1995 alone, about 100,000 young Britons have spent time studying in another European country.
- **Problems addressed amicably:** By working together in the EU member countries can ensure their concerns are heard and taken more seriously, on the international fora. For Example, Greece being bailed out during its crisis.

ECONOMICS**Mandatory cover for public deposits proposed**

- In the backdrop of the Sahara case, the government has proposed mandatory insurance cover for public deposits garnered by companies and hefty penalty of up to 18 % annual interest for defaulters, to safeguard investors from fraudulent money-collection schemes.
- The premium of the deposit insurance cover would need to be paid by companies themselves and a penalty of 15% annual interest would be slapped on those which do not provide deposit insurance to their depositors.
- The proposed measures, which are part of the draft rules for the new Companies Act, also bars the companies from promising huge returns and hefty agent commissions in excess of the prevailing rates prescribed by the RBI for such deposits.
- Besides, any violating company and each of its officers and other persons, who could be in default, would be fined Rs.10,000, with a further fine for continuing default of Rs.1,000 for every day of contravention.
- Under the deposit insurance scheme, the companies would need to enter into a contract to insure the total principal amount as also the promised interest component for the depositors. However, premium to be paid for such insurance can not be recovered from the depositor and the money has to be paid by the company itself.
- All deposit-taking companies would need to maintain a Deposit Repayment Reserve Account with a scheduled bank and this account would need to have at least 15% of the total amount of deposits.
- The government also proposed strict disclosure norms and other eligibility criteria before offering any deposit

scheme. Every company inviting deposits should provide for security by way of a charge on its assets, excluding intangible assets, for an amount equivalent to the deposits collected.

- Also, amount secured by way of charge on assets should not exceed the market value of such assets. As per the draft norms, deposit taking companies should appoint one or more independent trustees to ensure security for deposit amounts.

Courtesy Hindu newspaper

What is the Sahara case all about?

- Between 2008 and 2011, two unlisted Sahara group companies (SCSCL and SHICL) raised around Rs 18,000 Cr issuing OFCDs (Optionally Fully Convertible Debentures) to roughly 30 million shareholders. In 2011, SEBI ordered the group to refund this money to investors with 15% annual interest. This order was upheld by the Supreme Court.

Why did SEBI ask Sahara to refund the money?

- SEBI asked Sahara to refund investors because it felt Sahara was raising money in violation of capital raising norms and certain sections of the Companies Act. SEBI found that under the garb of an OFCD the company was running an extensive parbanking activity without conforming to regulatory disclosures and investor protection norms pertaining to public issues.

Courtesy – Business Standard

Special RBI measures help attract \$9.6 b in forex

- India has received over \$9 billion from two foreign schemes, which were announced in September, 2013 to attract foreign funds, and help the country bridge the widening current account deficit (CAD).
- Banks have taken advantage of RBI's liberalisation of FCNRR and Tier I capital schemes. So far, under the two schemes put together, banks have brought in \$9.6 billion
- Earlier in September, 2013 the RBI Governor Raghuram Rajan had announced opening of a swap window facility to encourage banks to lure NRI funds. Also, the Governor had relaxed norms for banks, and allowed them to raise capital abroad to the tune of 100% of their Tier I (equity) capital.
- The schemes will remain valid till November 30.

What is FCNR (B)?

- FCNR is an account that can be opened with an Indian bank by a Non Resident Indian (NRI) or a Person of Indian Origin (PIO) in foreign currency of one's choice. (B)- represents bank.

- The foreign currencies can be US dollar (USD), Pound sterling (GBP), Japanese Yen (JPY), Euro, Australian Dollar (AUD) & Canadian Dollar (CAD).

The major advantage of this account is

- The investment can be made in foreign currency itself (as compared to NRO/NRE (Non-Resident external) Accounts wherein investments are to be made in Indian currency only) and the interest earned as prevalent in India.
- This reduces the Exchange rate fluctuations.

Cyber frauds cost India \$4 billion

- According to a report released by Internet security solutions provider Symantec, the growing incidents of cybercrimes such as ransomware, identity theft, and phishing have cost the country \$4 billion during August, 2012-July, 2013.
- The report added that, the average cost per cyber crime victim in India grew 8%(from \$192 to \$207 during the period)
- The report, which is one of the largest global studies investigating the impact of cyber crime on consumers, is based on responses from 13,022 adults across 24 countries, including 1,000 from India.
- Today's cyber criminals are using more sophisticated attacks such as ransomware and spear-phishing, which yield them more money per attack than ever before. With 66 % of Indian consumers using their personal mobile device for work and play, this creates entirely new security risks for enterprises as cyber criminals have the potential to access even more valuable information.
- In the last 1 year, 56 % of cybercrime victims in India have experienced online bullying, online stalking, online hate crime or other forms of online harassment. India appears to be the ransomware capital of Asia Pacific with 11 % victims of this form of virtual extortion.
- This year's report further reveals that as consumers become more mobile and connected, these conveniences often come at a cost to them and their security.

SCIENCE & TECHNOLOGY

Scientists discover DNA body clock

- A U.S. scientist has discovered an internal body clock based on DNA that measures the biological age of human tissues and organs.
- The clock shows that while many healthy tissues age at the same rate as the body as a whole, some of them age much faster or slower. The age of diseased organs varied hugely, with some many tens of years "older" than healthy tissue in the same person, according to the clock.
- According to the Researchers, the mechanisms behind the clock will help them understand the ageing process and

hopefully lead to drugs and other interventions that slow it down.

- For instance, the female breast tissue aged faster than the rest of the body, on average appearing two years older. Diseased tissues also aged at different rates, with cancers speeding up the clock by an average of 36 years.