

## Weekly Current Affairs

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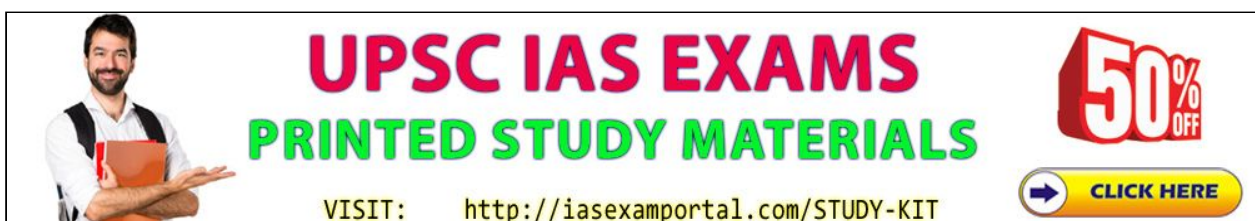
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## National



### Public sector banks to go swachh

- For public sector undertaking (PSU) bankers, cleaning up the sea of red on their books thanks to bad loans will no longer be enough.
- The Centre has written to PSU banks and insurance companies to build public toilets in and around their branches and join Prime Minister Narendra Modi's Swachh Bharat Abhiyan.
- "All public sector banks, public sector insurance companies, are requested to make special efforts in the construction of toilets for the public in their premises and nearby locations wherever feasible, and also arrange for their proper maintenance through outsourcing agencies under corporate social responsibility funds," the Finance Ministry said.
- Banks have been asked to furnish data on construction of toilets and their maintenance to the Department of Financial Services in the Finance Ministry, so that their cleanliness efforts can be assessed every quarter along with achievements on credit growth, bad loan recoveries and priority sector lending.
- "Cleanliness may figure as a specific agenda item in all quarterly, periodic review meetings," the letter said.
- Banks have also been asked to promote cleanliness in automated teller machine booths, in withdrawal slips, and also to suggest cleanliness to loan customers while inspecting their premises.
- Following the directive, the Department of Financial Services held a video conference with heads of PSU banks and insurers, where it was initially mooted that branches can let people use existing toilets within the premises as well.
- PSU banks have around 90,000 branches. Bankers said the construction of a toilet would cost Rs. 50,000 on an average, although it may be higher in urban centres and metro cities, where they may need to acquire land.
- Several bank chiefs are surprised at the directive, as it is not seen as a core activity of a bank.

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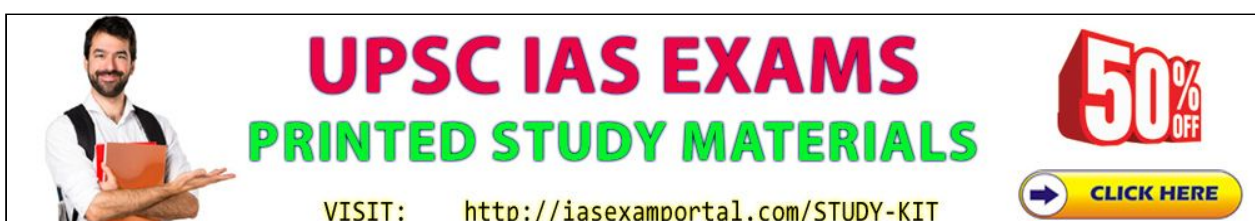
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## Lingayat community status to remain uncertain for six more months

- A stance of the State government over the issue of a separate religion tag for the Lingayat community, potentially an important factor in the upcoming Assembly elections, may continue to be in doubt as the expert committee set up to look into the issue has resolved to seek a six-month extension for submitting its report.
- The committee met for the first time on Saturday and if it gets its way, then the government can make a recommendation to the Centre only after the elections, leaving the ruling Congress' stance on the issue up in the air.

## Govt says all measures taken to curb activities of ISI

- Nearly 7,000 additional Border Security Force (BSF) personnel were deployed along the Pakistan border to check cross-border infiltration, the government has informed a parliamentary panel.
- The Parliamentary Standing Committee on External Affairs, headed by Congress MP Shashi Tharoor, said the "government's measures to curb such activities [subversive activities in India through Pakistan's Inter-Services Intelligence (ISI)] lack the necessary determination."
- The committee said it was understandable that recognising and proving such clandestine activities were difficult, but the "government needs to be more decisive so as to send a clear-cut message to the sponsors of these acts".
- The External Affairs Ministry assured the committee that all necessary actions were taken to protect national and national security interests and "undertaking of cross-LoC counter-terrorist operations last year [in 2016] was one such example."
- "Besides, our forces continue to appropriately respond to ceasefire violations and attempts at cross-border infiltration. The government does not lack determination in responding to subversive activities and has, in fact, been more decisive than in the past in dealing with it.
- A well-coordinated response is very much in evidence, both in understanding the surgical strikes and in neutralising cross-border terrorists," the Ministry said in a response. It said that 26 companies (around 2,600 men) of "special party" of the BSF had been moved from the Bangladesh border to the Pakistan border.
- "Over the years, the Pakistani government has not only illegally occupied a portion of Jammu & Kashmir but also asserted it claims thereon.
- The most astonishing aspect of such assertion has been Pakistan's handing over a portion of PoK to China and the recent China-Pakistan Economic Corridor (CPEC) further aggravates our sovereignty concerns.
- In the light of such developments, the Committee feel that India needs to outline a coherent and comprehensive policy on Jammu & Kashmir, including PoK. The Committee, therefore, reiterate their recommendation of pursuing a proactive and assertive position on our rightful claims to PoK, including Gilgit-Baltistan," the report said.



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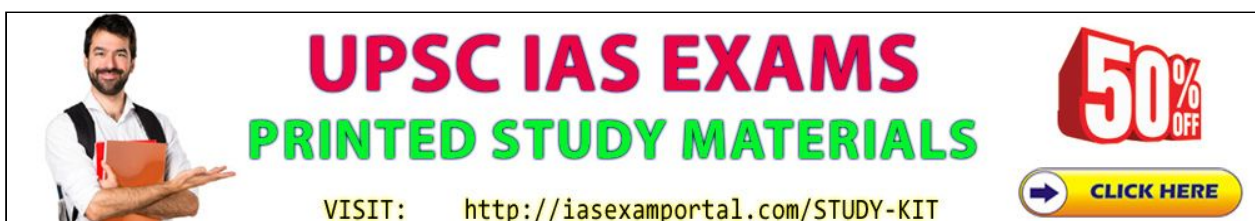
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## NRI's facing big problems due to Aadhaar

- Non-resident Indians are having a harrowing time in accessing government services and registering land deeds as the Revenue Department is insisting on the biometric identification number.
- This is despite a recent order issued by UIDAI chief executive officer Ajay Bhushan Pandey asking Central government departments and State governments, as well as implementing agencies, to keep in mind that Aadhaar, as a document, may be sought only from those eligible for its enrolment.
- Most of the NRIs, PIOs and OCIs may not be eligible for Aadhaar enrolment as per the Aadhaar Act of 2016.
- However, most NRIs complain that the Aadhaar number is required for everything, including enrolling a student for a public exam such as those conducted by the CBSE, for getting LPG cylinders, telephone connection, and renewing driving licences. Banks insist on linking Aadhaar with their accounts to avoid deactivation.
- Further, as many NRIs are doing business in India, when they are filing income tax returns, the authorities are insisting on linking Aadhaar with the PAN card, K.V. Shamsudheen, chairman, UAE-based Pravasi Bandhu Welfare Trust, said.
- The biggest difficulty is the Revenue Department asking property owners to furnish Aadhaar copies as the State government has commenced a programme to digitise land documents.

## INS Arihant more dependable platform for second strike

- INS Arihant, India's only operational ship submersible ballistic nuclear (SSBN) asset, is its most dependable platform for a second-strike, given the country "no first use" on nuclear weapons. The other options, land-based and air-launched, are easier to detect.
- The submarine is manned by a staff of 100 with extensive training from the School for Advanced Underwater Warfare in Visakhapatnam and further hands-on training on INS Chakra, a Nerpa-class nuclear ship.
- Arihant has been immobilised even as the second ballistic missile submarine, Arighat, was launched on November 19 for sea trials. The launch was kept a low-profile event attended by Defence Minister Nirmala Sitharaman and senior Navy officers.
- INS Arihant and other nuclear launch platforms – land-based missiles and designated aircraft – are operationally handled by the Strategic Forces Command, and report to the Nuclear Command Authority chaired by the Prime Minister.
- However, the over 100 nuclear warheads are not mated with missiles or bombs and remain in civilian custody of the Atomic Energy Department and the Defence Research and Development Organisation.
- India has an ambitious plan to build a SSBN fleet, comprising five Arihant-class vessels.
- Naval sources say the plan hinges on Arihant's success. It has taken 30 years to build it, at a high cost.



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- "It was initially estimated to cost about Rs. 3000 crore for three boats – now the cost of Arihant itself seems to have gone over Rs. 14,000 crore," a former high-ranking naval officer said.
- The Eastern Naval Command plans to operate its nuclear sub fleet from an independent Naval Operational Alternative Base (NOAB) being constructed on 5,000 acres of land at Rambilli, for direct access to the sea. The base is located about 50 km from Visakhapatnam, and jetties are under construction.

## India's role in studying gravitational waves increased

- India's role in studying gravitational waves – touted as one of the most important discoveries of the recent past – will increase once the proposed gravitational wave observatory is set up in the country, said David Reitze, executive director of LIGO.
- The observatory is expected to start functioning by 2025. "The more detectors we have and depending on where they are, the more accurately we are able to point in the direction in the sky. India having a detector improves that dramatically and that's going to be a big mission," said Mr. Reitze.
- Gravitational waves are 'ripples' in the fabric of space-time, caused by some of the most violent and energetic processes in the universe such as merger of black holes or neutron stars. Its discovery saw three scientists get the Nobel Prize for Physics in 2017.
- One way was to make the detector at least 40% more effective, allowing them to be more sensitive.
- At present, the LIGO detectors are sensitive to about 70 to 80 megaparsec (280 million to 300 million light years) for binary neutron stars and for binary black holes, the sensitivity is about 2 gigaparsec (approximately 3 billion light years).
- With improved sensitivity, these detectors will be able to fetch information from farther distances in space.

## Army approved a revised promotion policy

- Faced with long delays in the promotion of officers of the ranks of Major-General and Lieutenant-General, the Army has approved a revised promotion policy.
- While deciding to fill only 75% of the annual vacancies for the next four years to bring down the average age of the officers, the new policy will allow Lieutenant-Generals with just 18 months of residual service to be considered for posting as commanders instead of the existing 24 months.
- "The new promotion policy approved in the last week of December was promulgated based on the recommendations of an expert committee and the Army's own consultations which have been approved by the Defence Ministry. The policy aims to reduce the ages of senior commanders and enhance transparency and stability in the higher ranks and appointments.
- Over the past several years, many crucial staff positions have been vacant as eligible officers had not completed their command tenures because of the increased officer pool at the middle level and delays in holding promotion boards. This had increased the overall age of the officers compared with their counterparts in the Navy and the Air Force.



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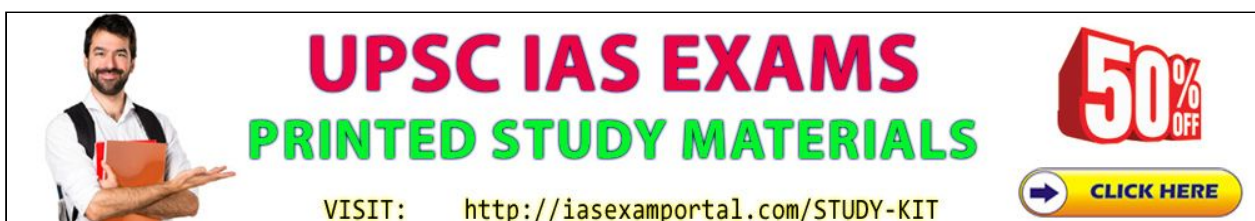
- To address the issue, the Defence Ministry constituted a committee of two retired officers mandated to interact with all stakeholders and give their recommendations on revising the promotion policy.
- The key measures in the revised policy include a clearly defined road map of conducting selection boards in a shorter timeframe for a brief period and calculation of vacancies based on actual exits in a year.
- To take care of the immediate situation, a cap of 75% of the annual vacancies will be implemented for a brief period of four years to achieve a reduction of average age bracket by one year.
- Other features include consideration of all affected officers on a common yardstick and promotion of different streams on common seniority. The measure reducing the qualifying residual service for commanders from 24 months to 18 months will “provide a larger pool of competent officers”.

### **Integrated Disease Surveillance Programme indicated food poisoning one of the major outbreaks**

- Recent data put out by the Union Health Ministry’s Integrated Disease Surveillance Programme (IDSP) has indicated that food poisoning is one of the commonest outbreaks reported in 2017. This is apart from acute diarrhoeal disease (ADD).
- According to the data, 312 of the 1,649 outbreaks reported till the third week of December 2017 were due to ADD and 242 were due to food poisoning.
- The IDSP has interpreted that the incidence of ADD and food poisoning is high in places where food is cooked in bulk, such as canteens, hostels and wedding venues.
- Director of the National Centre for Disease Control (NCDC), the nodal agency under the Union Health Ministry that documents outbreaks and brings out data under its disease surveillance programme, told that the trend had been the same over many years.
- “It is not just this year. Acute diarrhoeal disease and food poisoning have been common outbreaks since 2008. This is followed by chickenpox and measles,” Dr. Dhariwal said.
- Food poisoning, also called food-borne illness, is caused by eating contaminated food. Infectious organisms including bacteria, viruses and parasites or their toxins are the most common causes.
- Pointing out that the increase in the number of cases was due to better and increased reporting of cases, he said the good thing was that the overall mortality was not alarming.

### **SC says morality changes with time in LGBT case**

- The Supreme Court referred to a larger Bench a writ petition filed by five gay and lesbian members of the LGBT community to strike down the colonial Section 377 in the Indian Penal Code of 1860, which criminalises homosexuality.
- A three-judge Bench decided to revisit a December 2013 verdict of the Supreme Court in the Suresh Kumar Kaushal versus Naz Foundation, which dismissed the LGBT community as a negligible part of the population while virtually denying them the right of choice and sexual orientation.



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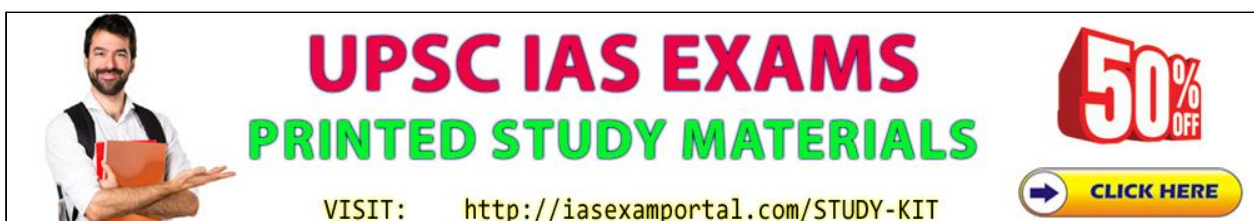
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- The Bench said a section of people cannot live in fear of a law which atrophies their right to follow their natural sexual inclinations. It said societal morality changes with time, and law should change pace with life.
- While the court noted that Section 377 punishes carnal intercourse against the order of nature, it added, "The determination of order of nature is not a common phenomenon. Individual autonomy and individual natural inclination cannot be atrophied unless the restrictions are determined as reasonable."
- The court observed that what is natural for one may not be natural for the other, but the confines of law cannot trample on or curtail the inherent rights embedded with an individual under Article 21 (right to life) of the Constitution.
- It noted the arguments of senior advocate Arvind Datar and advocate Menaka Guruswamy, who appeared for the petitioners, that Section 377 is not a reasonable restriction on the fundamental right to choice.
- The petitioners include Navtej Singh Johar, Bharathanatyam dancer; Sunil Mehra, senior journalist; Ritu Dalmia, restaurateur; Aman Nath, an expert on Indian art and culture; and Ayesha Kapur, food and beverage industry consultant.
- Mr. Datar argued that Section 377 has the potential to destroy individual choice and sexual orientation.
- The court agreed that both its decisions emphasising transgender identity in the NALSA case and the observations made by a nine-judge Bench in the right to privacy case upholding the right to sexual orientation and choice of sexual partners warrant a re-look into its dismissive verdict in the Naz case.
- But initially the Bench seemed reluctant, saying a five-judge Bench is already considering a curative petition by Naz.
- The court, at one point, even observed that a provision cannot become unconstitutional purely because it is abused. Mr. Datar, however prevailed, saying while Naz is an NGO, he is representing petitioners whose fundamental rights are directly affected by Section 377.
- A Review Bench of the Supreme Court, in January 2014, had agreed with the December 11, 2013 verdict refusing to strike down Section 377 IPC. The 2013 verdict had, instead, set aside the historic and globally accepted verdict of the Delhi High Court.
- The High Court had read down Section 377 and declared that the penal provision targeted homosexuals as a class.

## Real time complaint for the online victims

- The Ministry of Home Affairs is set to launch a web portal where people who have faced online abuse and victims of cyber crimes like financial frauds can register complaints on a real-time basis.
- The Centre also plans to give access rights to banks on the portal to address cases of fraudulent transactions online.
- Home Minister Rajnath Singh said last week that according to India's Computer Emergency Response Team (CERT-In), there was a 21% increase per year in incidents of cybercrime.



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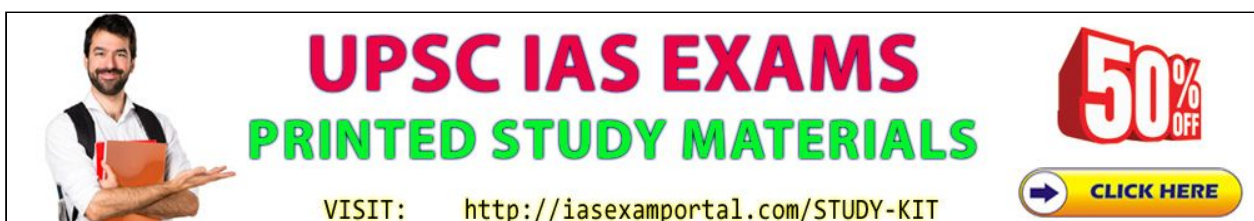
- The portal has been readied on the directives of a committee appointed by the Supreme Court to check circulation of child pornography and sexual violence videos on the Internet.
- In December, the court asked the Centre to set up a cell in the Central Bureau of Investigation or the Ministry of Home Affairs to report and take down such videos and messages.
- SC said it “expected the government and social media platforms and Internet service providers, including Google, Yahoo, Facebook, WhatsApp and Microsoft, to abide by the recommendations on which there is consensus and to try and implement them at the earliest.” The portal will be operational from January 10.
- “If money has been fraudulently withdrawn through someone’s credit or debit card, the person can log onto the portal and register a complaint. Since banks would be given access rights, the bank concerned would receive the complaint and take action immediately,” said a senior official of the Home Ministry.

### India’s supercomputing prowess moved up several notches

- India’s supercomputing prowess moved up several notches after it unveiled pratyush, an array of computers that can deliver a peak power of 6.8 petaflops. One petaflop is a million billion floating point operations per second and is a reflection of the computing capacity of a system.
- According to a statement by the Indian Institute of Tropical Meteorology (IITM), Pratyush is the fourth fastest supercomputer in the world dedicated to weather and climate research, and follows machines in Japan, USA and the United Kingdom.
- It will also move an Indian supercomputer from the 300s to the 30s in the Top500 list, a respected international tracker of the world’s fastest supercomputers.
- The machines will be installed at two government institutes: 4.0 petaflops HPC facility at IITM, Pune; and 2.8 petaflops facility at the National Centre for Medium Range Weather Forecast, Noida.
- The government had sanctioned Rs. 400 crore last year to put in place a 10-petaflop machine. A key function of the machine’s computing power would be monsoon forecasting using a dynamical model.
- This requires simulating the weather for a given month – say March – and letting a custom-built model calculate how the actual weather will play out over June, July, August and September.
- With the new system, it would be possible to map regions in India at a resolution of 3 km and the globe at 12 km.
- While inaugurating the facility at IITM, Pune, Union Science Minister Dr. Harsh Vardhan said Pratyush would be India’s “premier” HPC (high performance computing) and was a step up from India’s current peak capacity of 1.0 PF.

### PM asked state police chiefs to share information with each other

- Prime Minister Narendra Modi asked the State police chiefs to share information with one another as “security cannot be achieved selectively, or alone, and for that breaking of silos and information sharing among States can help make everyone more secure”.

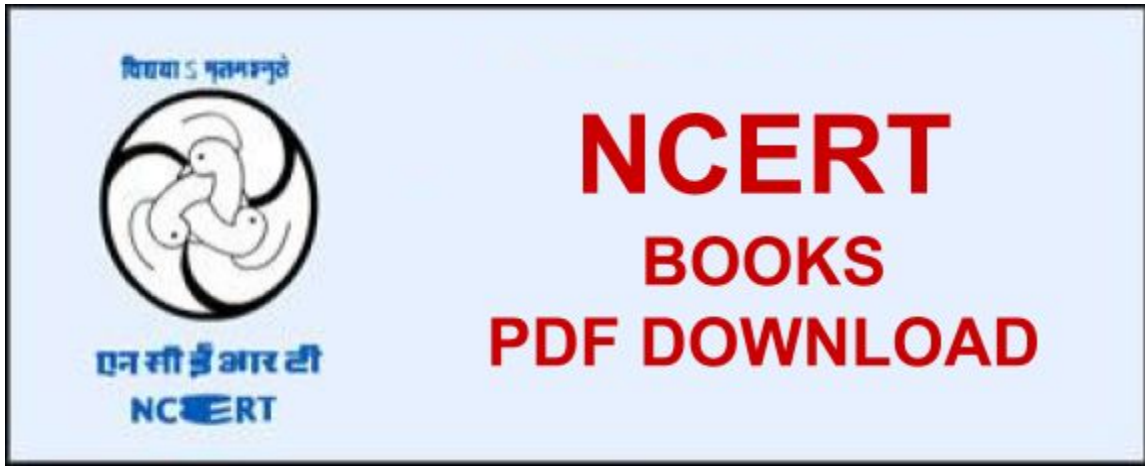


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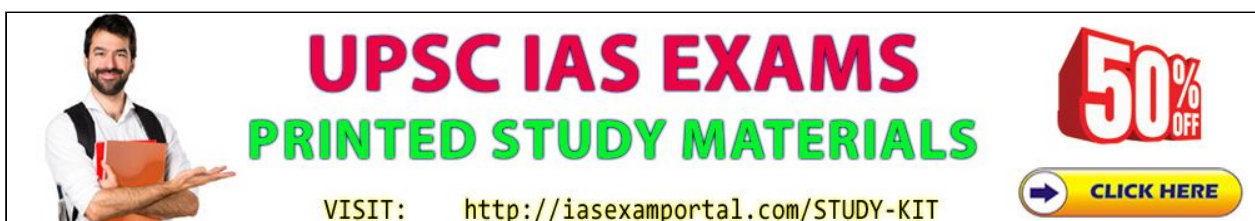
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- Speaking at the concluding day of the annual conference of DGPs and IGPs at the BSF Academy in Tekanpur, Madhya Pradesh, Mr. Modi said there was an emerging global consensus towards greater information sharing on illicit financial dealings, and India could play a key role in achieving this.
- Mr. Modi said cyber crimes should be given top priority and dealt with immediately. In this context, he particularly mentioned the importance of social media. He said messaging should rely on local languages for greater effectiveness.
- Referring to the radicalisation of youth, Mr. Modi urged the top police officers to use technology to pinpoint the problem areas.
- Nearly 250 top officers from the State police forces and central police organisations participated in the three-day meet.
- Mr. Modi said India was an “organic entity” and not an “assembled” one, and asked the police officers from the States to open up in sharing information on illicit financial dealings. He said while openness was getting increased acceptance worldwide, there was a need for greater openness among the States too, on security issues.
- Following a directive of Mr. Modi, the Home Ministry has been organising the conference outside the national capital since the NDA government came to power in 2014.
- The previous three conferences were held in Guwahati, Rann of Kutch and Hyderabad. The Prime Minister recalled how the nature and scope of the conference had changed since 2014, beginning with it being shifted out of Delhi.
- He appreciated the officers who had been instrumental in facilitating this change. Mr. Modi said the conference had now become more relevant, in the context of challenges and responsibilities facing the country.
- He said the new format of the conference had resulted in a marked improvement in the quality of discussions.
- The Prime Minister commended the security apparatus for keeping the country safe. He said the officers present in the conference had provided leadership, despite often having to operate in an environment of negativity.
- As a result of the discussions over the last few years, now, once an objective is clearly defined for the police force, there is a lot of cohesion in the execution.

### SC asked Kerala CM to respond to CBI’s plea

- The Supreme Court stayed the trial in the SNC-Lavalin corruption case and asked Kerala Chief Minister Pinarayi Vijayan to respond to the CBI’s appeal against his discharge.
- A Bench of Justices N.V. Ramana and Abdul Nazeer issued notice on the CBI appeal against the discharge of Mr. Vijayan, K. Mohanachandran and A. Francis.
- The court also sought the response of the premier investigating agency on pleas made by three other accused – M. Kasthuriranga Iyer, G. Rajasekharan Nair and R. Sivadasan – as to why they were not treated on a par with Mr. Vijayan and his two co-accused who were released from all charges.
- “For once, we both [the CBI and the accused] agree,” senior advocates Mukul Rohatgi and Raghenth Basant, appearing for the various appellant accused persons, said in agreement with the CBI.



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- Mr. Mehta said the High Court had crossed the boundaries of its jurisdiction under Article 227 of the Constitution. "The case needs to be re-heard," Mr. Mehta submitted.
- Mr. Rohatgi and Mr. Basant successfully urged the Bench to grant status quo on the trial proceedings while the appeals were pending in the Supreme Court.

### **Polavaram Project Authority permitted Andhra Pradesh government for new tenders**

- The Polavaram Project Authority (PPA) has permitted the Andhra Pradesh government to call fresh tenders for the spillway and the spill channel concrete work. The decision was taken at a meeting of the PPA.
- The early completion of the spillway including the approach channel, stilling basin, spill and the pilot channels, was critical for completing the project as per schedule.
- He said the PPA had discussed the various bottlenecks hindering the progress of the project, and the members felt that work on the spillway was behind schedule and needed to be expedited.
- He said the State government had already called tenders for the spillway work and the same would be opened in a week. This would facilitate the government from deleting the work being done by the prime contractor Transstroy and entrusting it to another contractor.
- The National Hydro Power Corporation (NHPC) had suggested some alternatives but the Dam Design Review Panel had made it clear that the cofferdam was necessary upstream to build the main dam.
- The PPA CEO said according to the Andhra Pradesh Re-organisation Act, the PPA office should be located in Hyderabad, the common capital of A.P. and Telangana for 10 years.
- The PPA had some requirements and once those were provided it would move to Vijayawada. But that was likely to take time, he said.
- The Water and Power Consultancy Services Limited (WAPCOS) submitted a proposal for monitoring the execution of the project, but the PPA wanted details about the number of men it could deploy.

### **Playing National Anthem made optional by SC**

- The Supreme Court modified its November 30, 2016 interim order and made it optional for cinema halls to play the 52-second national anthem before every show.
- A Bench, led by Chief Justice of India Dipak Misra, clarified that it is not mandatory to play the anthem before screenings. The court left the choice of whether to play the anthem or not to the discretion of individual cinema hall owners.
- However, if the anthem was played, patrons were bound to stand up in respect. The court clarified that the exception granted to the disabled persons "shall remain in force on all occasions."
- The court banked on a Union Home Ministry order of 2015 which directs that "whenever the Anthem is sung or played, the audience shall stand to attention."
- "Playing of the Anthem is directive, but showing respect is mandatory," Chief Justice Misra observed.



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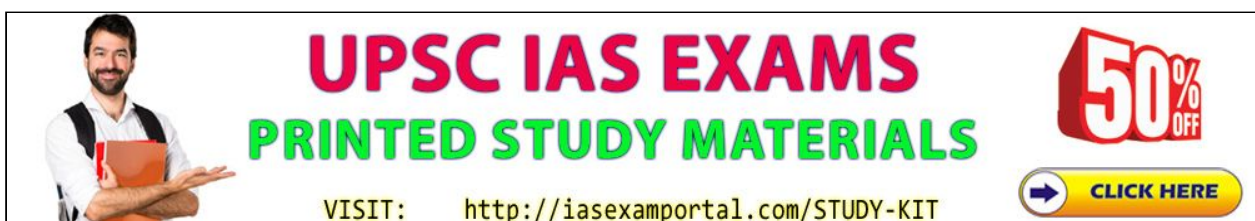
- The court took note of its judgment in the Bijoe Emmanuel versus State of Kerala, which dealt with three children belonging to the Jehovah Witnesses sect who refused to sing the anthem in the school assembly though they stood up in respect, to drive home the point that standing up was a sign of “proper respect” to the anthem.
- The modification will be in place till the Union government takes a final decision on the recommendations of an inter-ministerial committee on the occasions, circumstances and events for the solemn rendering of the national anthem.
- The committee will examine whether any amendment is necessary to the Prevention of Insults to National Honour Act, 1971, to expand or specify the meaning of ‘respect’ to the national anthem. The committee, which was set up on December 5, 2017, will submit its report in six months.
- The Prevention of Insults to National Honour Act states: “Whoever intentionally prevents the singing of the Jana Gana Mana or causes disturbances to any assembly engaged in such singing shall be punished with imprisonment for a term, which may extend to three years, or with fine, or with both.”

### US has no plans to discontinue the extension of H-1B visa

- The U.S. has no plans under consideration to discontinue the extension of H-1B visas beyond six years, when beneficiaries apply for permanent residency – green card – authorities clarified.
- USCIS is not considering a regulatory change that would force H-1B visa holders to leave the United States by changing our interpretation of section 104(c) of AC-21, which provides for H-1B extensions beyond the six-year limit.
- AC-21’ or the ‘American Competitiveness in the Twenty First Century Act’ is the law passed by the U.S. Congress in 2000, which also governs the extension of H-1B visas.
- Even if it were (considering changes to section 104-c), such a change would not likely result in these H-1B visa holders having to leave the United States because employers could request extensions in one-year increments under section 106(a)-(b) of AC-21 instead.
- The section on three-year extensions uses the word ‘may’ which could allow some discretion by the executive but there is a separate section in the same Act that allows one-year extensions in which the executive has no discretion.

### Centre tells SC that there are no alternatives to hanging

- There is no viable method presently other than hanging to execute condemned prisoners. Lethal injections are unworkable and often fail, the Centre told the Supreme Court.
- The government was responding to a query from the apex court on alternative modes of execution.
- The court had previously said a condemned convict should die in peace and not in pain. A human being is entitled to dignity even in death. Issuing notice, the court had earlier asked the government to consider the the “dynamic progress” made in modern science to adopt painless methods of causing death.



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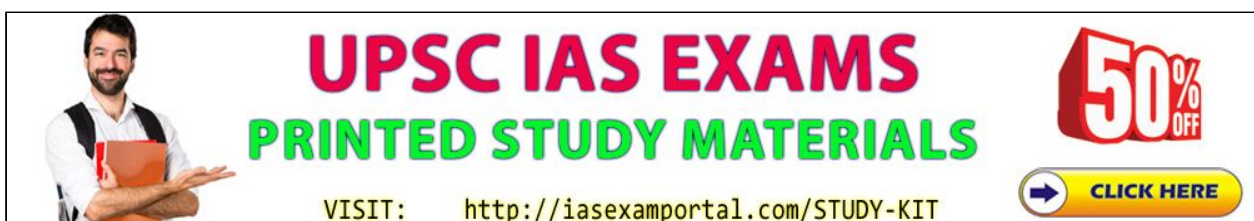
- Additional Solicitor-General Pinky Anand, while seeking more time to file a detailed affidavit, made preliminary remarks that hanging to death is the only viable option in India. "Today, there is no viable method other than hanging," Ms. Anand submitted orally.
- Petitioner-in-person and advocate Rishi Malhotra countered that death by lethal injection is practised in several States in the U.S. and even the Law Commission of India had recommended lethal injection. The court gave the government four weeks to file the affidavit.
- The court has already clarified that it is not questioning the constitutionality of the death penalty, which has been well settled by the court, including in Deena versus Union of India and earlier in the Bachan Singh case reported in 1980. Section 354 (5), which mandates death by hanging, of the Code of Criminal Procedure has already been upheld.
- However, the Bench had, at an earlier hearing, favoured a re-look at the practice of hanging to death as "the Constitution of India is an organic and compassionate document which recognises the sanctity of flexibility of law as situations change with the flux of time."
- The court is hearing a writ petition filed by Delhi HC lawyer Rishi Malhotra, who sought the court's intervention to reduce the suffering of condemned prisoners at the time of death. Mr. Malhotra said a convict should not be compelled to suffer at the time of termination of life.

### India will sign a pact with the United Kingdom for a return of illegal Indian migrants

- India will sign a pact with the United Kingdom for a return of illegal Indian migrants within a month of them being detected by British authorities.
- The U.K has consistently raised the issue of return of illegal migrants – said to number in thousands – with India. The memorandum of understanding comes ahead of Prime Minister Narendra Modi's proposed visit in March.
- During her maiden visit to India on November 7, 2016, British Prime Minister Theresa May had said the U.K. would consider an improved visa deal "if at the same time we can step up the speed and volume of returns of Indians with no right to remain in the U.K."
- An Indian delegation, led by Minister of State for Home Kiren Rijju, is visiting the U.K. The delegation is expected to ask Westminster to "spell out the position" it is going to take in court on businessman Vijay Mallya's extradition.
- Mr. Modi's visit to the U.K. coincides with the hearing in Mr. Mallya's case when the court takes up the "admissibility of evidence."

### India reached out to lawmakers of Indian origin spread across the world

- India reached out to lawmakers of Indian origin spread across the world seeking support for its emerging status as a global power.
- Speaking at the "First PIO Parliamentarian Conference", External Affairs Minister Sushma Swaraj urged the legislators and political figures to consider what kind of contribution they could make for India's global ambition.



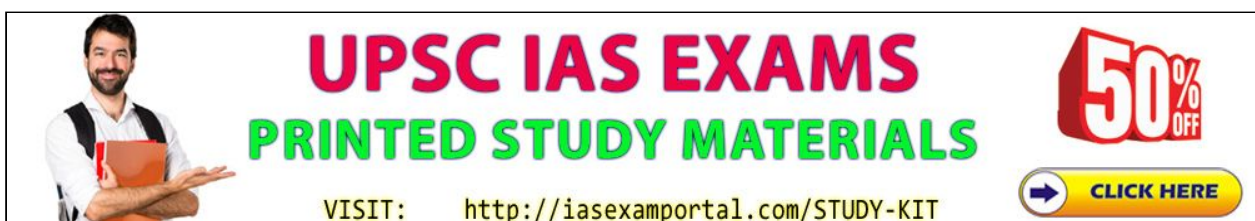
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- Introducing the theme of the event, Ms. Swaraj reminded the guests of the contribution of former Prime Minister Atal Bihari Vajpayee in starting the annual Pravasi Bharatiya Divas, and appreciated the political awareness of the people of Indian origin in various countries.
- “A total of 141 lawmakers confirmed their attendance and 134 leaders have made to this event today despite massive weather disturbance [in the West],” Ms. Swaraj said.
- The PIO Parliamentarian forum was planned last year during a conversation with Prime Minister Narendra Modi to connect the lawmakers of Indian origin with their ancestral land, the Minister said.
- Mr. Modi said, “Your ancestors had to leave India under various circumstances and that is why when you return to an Indian airport, you are reminded of your ties with this country. You have a desire to return to India and I understand your feelings very well.
- On the one hand, you have preserved Indian culture. On the other hand your people have excelled in sports, arts, cinema in the global platforms and have contributed to your adopted country’s welfare,” Mr. Modi said in Hindi.
- He mentioned the presence of former Guyanese President Bharat Jagdeo, and noted that from Mauritius to Guyana, there were several Indian-origin individuals who had become leaders of their countries. “We have a mini-world Parliament in front of us today,” Mr. Modi said.
- “For enhancing our pride and dignity, you all deserve our appreciation,” he said noting that India was experiencing aspirational and societal changes.
- He noted that there was an “irreversible change” sweeping India, and urged the leaders to come forward to join hands.
- Ms. Swaraj made special mention of the Indian community in Mauritius which had emerged as the leading player in the island nation.
- “Gandhiji inspired people in Mauritius to get education and increase political awareness and that is why after a few generations, they have achieved political leadership,” she said congratulating the girmityas living abroad for their success.




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### **Ambitious to-do list of making and launching around 65 satellites for ISRO**

- The Indian Space Research Organisation (ISRO) has set itself an ambitious to-do list of making and launching around 65 satellites for a slew of uses. They are planned to be realised over the period from 2017 to 2021.
- This post-12th Five-Year Plan pace is stupendous as the number of satellites made in India over the last 40-odd years hit a century only a few days ago.
- The last three, including two small ones, were rolled out of its Bengaluru centre in late December and are slated to be launched this month.



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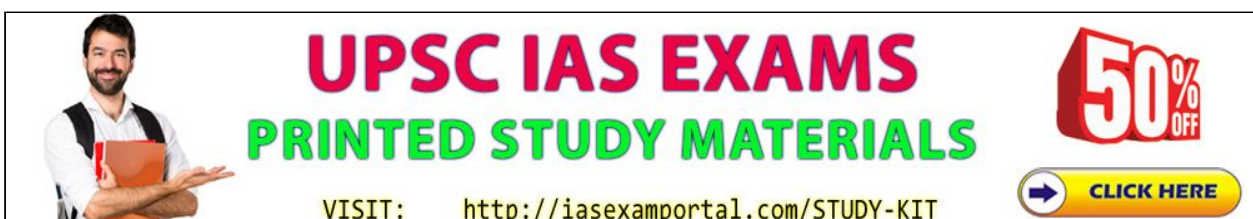
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- The new goal puts ISAC's annual asking rate at around 18 satellites a year: ISAC would now need to come out with three satellites every two months.
- Since ISAC was set up in 1972 and until a few years ago, this used to be its average yearly output.
- ISAC's spacecraft are meant for communication, navigation and Earth observation (EO), for both general and strategic purposes, while new emerging applications are getting added.
- In the four-year list, ISAC counts 26 for communication, 28 for EO and seven for navigation besides the scientific missions Aditya-L1 and XPoSat, apart from a few small experimental satellites.
- A few proposals that were made during 2017 are awaiting approval. A satellite launch costs Rs. 200-Rs. 300 crore depending on its size and the level of technology.
- Dr. Annadurai said the centre was ready to rise to the challenge; its staff was routinely working almost 24/7. Last year, ISAC started to outsource some of the large and critical activities of satellite assembly and testing to Indian industry.
- The second such project for the ninth navigation satellite, IRNSS-11, is under way at an ISAC campus.

### Centre eased several foreign direct investment norms,

- The Centre eased several foreign direct investment norms, including allowing overseas airlines to own up to 49% of Air India and permitting 100% FDI in single brand retail and construction development under the automatic route.
- The Union Cabinet allowed foreign airlines to invest up to 49% under the approval route in Air India, "subject to the conditions that: (i) foreign investment(s) in Air India, including that of foreign airline(s), shall not exceed 49% either directly or indirectly and (ii) substantial ownership and effective control of Air India shall continue to be vested in an Indian national."
- The move comes close on the heels of Singapore Airlines and Tata Group evincing interest in bidding for the debt-laden national carrier.
- As per the present policy, foreign airlines are allowed to invest under the government approval route in the capital of Indian companies operating scheduled and non-scheduled air transport services, up to the limit of 49% of their paid-up capital.
- However, this provision was not applicable to Air India. The government, therefore, decided to do away with this restriction.
- The changes to the FDI norms would trigger significant interest in the carrier from foreign airlines, however the actual terms of the offer and conditions attached would determine the level of participation in the bids.
- CAPA India, in October 2017, recommended that the government exit Air India completely. "Any level of equity retention will deter investors due to concerns about the prospect of continued government interference post-privatisation," it had said at the time.
- "No major Indian corporation from outside of aviation will invest in such a complex project without an experienced strategic partner. Allowing foreign airlines to participate will increase the number of interested bidders and the valuation."
- The government may, however, have to face opposition to its plans to divest stake in Air India.



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- The Parliamentary Standing Committee on Transport, Tourism and Culture, in a draft report, is said to have described Air India as a “national pride” and urged that the airline be “given a chance for at least five years to revive.”

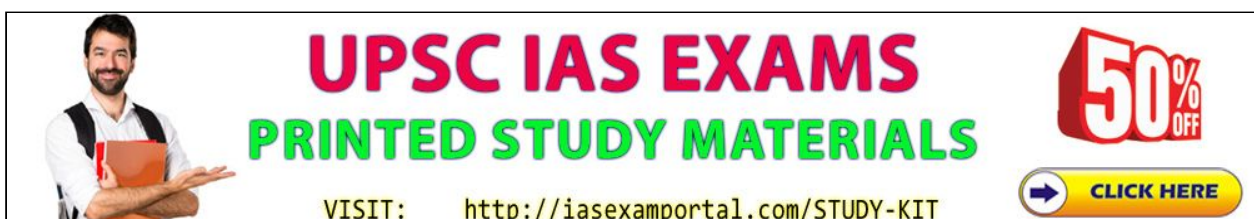
### **SIT headed by a former High Court judge to independently probe 186 anti-sikh riot cases**

- In a relief for the 1984 Sikh riots victims who have waited decades for justice, the Supreme Court decided to set up its own Special Investigation Team (SIT) headed by a former High Court judge to independently probe 186 cases not investigated further by the Centre’s SIT.
- A Bench, led by Chief Justice Dipak Misra, said the three-member SIT would also have two police officers, one serving and one retired.
- On the government’s insistence, the Bench posted the matter for January 11 so that the Centre, represented by Additional Solicitor General Pinky Anand, and senior advocate H.S. Phoolka, who is appearing for the victims, could suggest names for the SIT.
- “Regard being had to the nature of the cases, we think it appropriate that a fresh SIT be constituted for carrying on further investigation,” the Court said.
- It said that besides the retired HC judge, the members would be a former IPS officer not below or equivalent to the rank of an IG and a serving IPS officer, all available in Delhi.
- The Centre had earlier told the SC that of the 293 cases investigated by the SIT, closure reports were filed in 241.

### **Gulbarga Tur Dal will soon be added to GI tag products**

- The Kalaburagi red gram, “Gulbarga Tur Dal”, which is known internationally for its superior quality, will soon be added to the list of Karnataka producers with the Geographical Indication (GI) tag.
- Red gram grown here has distinctive features having to do with this region’s unique soil and climatic conditions. The prominent characteristics of the crop grown in Kalaburagi district are good taste and aroma compared to those grown elsewhere. It consumes less time to cook when compared to tur dal grown in other regions.
- Initially conferring of GI status may not work wonders for the farmers of the district, but in the long run, farmers and manufactures will be able to get better price for the brand in the market.
- Red gram is considered to be the main kharif crop in the region. Of the total 9 lakh hectares of red gram cultivated across the State, 3.7 lakh hectares under red gram is in Kalaburagi district.
- Farm scientist Muniswamy said that securing GI for the product will help farmers in getting premium price and creating international demand for produces. “The ultimate beneficiaries of this whole process are farmers,” he added.

### **BCI asks MP’s and MLA’s to why they should not be banned**



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- The Bar Council of India, the country's apex lawyers' body asked Members of Parliament and State Assembly legislators, who double up as advocates, to respond on why they should not be banned from legal practice.
- An expert committee of the Bar Council of India (BCI) is considering a plea filed by Supreme Court advocate Ashwini Upadhyay to ban lawmakers – Members of Parliament and Members of the State Legislative Assemblies – who practise as advocates, saying they are salaried public servants and cannot ride two horses at the same time.
- "The committee, after considering the representation of the petitioner, has decided to issue notice to the MPs/MLAs and has invited their comments with regard to the representation," the BCI said.
- "The Council has thought it just and proper to seek the comments of those MPs, MLAs or MLCs who are in legal practice, before taking any final decision in this matter," the BCI said in a statement.

### PSLV set for 31 satellite launch

- The PSLV rocket, after a shocking falter four months ago, will return to the launch pad at Sriharikota.
- A successful flight of PSLV-C40 is expected to put behind the Indian light lift rocket's freak failure on August 31. During the forced hiatus, the Indian Space Research Organisation diagnosed why the nose cone of the previous C-39 rocket did not release the satellite; it took necessary corrective steps.
- Now among the world's favourite and reliable commercial launchers for small satellites, the upcoming 42nd PSLV will carry a total of 31 satellites including 28 paid riders.
- The main payload, the 710-kg Cartosat-2F, is the seventh in the Cartosat-2 series and is built to work for five years. Said to have a high, sub-metre resolution, it is unofficially said to serve military surveillance purposes.
- ISRO is putting up two of its own small satellites – a 100 kg micro satellite and the 11-kg nano satellite INS-1C. There are also 28 smaller customers.
- The commercial satellites include three 100-kg class micro satellites and 25 nanosats (1-10 kg) from Canada, Finland, France, Korea the U.K. and the U.S.
- The PSLV has so far launched 209 small and medium satellites for foreign countries and earned revenue for the commercial arm, Antrix Corporation Ltd.
- ISRO will be trying a two-orbit feat with the PSLV for the second time. On Friday, just after 17 minutes from take-off, the main satellite will be released first into a 505-km orbit, followed by 29 others.

### Backward districts to be the target of govt.

- At the Cabinet meeting, Prime Minister Narendra Modi told all Ministries to report on the initiatives taken up by them for 115 backward districts and also to come up with an action plan for these districts.
- This is part of a concerted effort by the government to focus attention on these districts.
- Officials in-charge



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- NITI Aayog had appointed officials of the ranks of Additional Secretary and Joint Secretary asprabhari or in-charge to coordinate the efforts of the Centre and the States. The Prime Minister will also start his visits to these districts from April 14.
- Speaking at a conference organised by the NITI Aayog on the transformation of these 115 most backward districts in the country, Mr. Modi said that they should not be seen as just poor or backward but as sites of potential transformation.
- Among the 115 districts, 35 are affected by Left-wing violence. The districts were identified on the basis of indicators of education, health, nutrition, basic infrastructure, rural household electrification, and access to potable water and individual toilets.
- Jharkhand tops the list, with 19 backward districts, followed by Bihar with 13 districts; Chhattisgarh is at the third spot with 10 districts. NITI Ayog is developing a real-time monitoring mechanism of key performance indicators and will rank the districts on a continuous basis.
- While selecting the districts, maximum weight was given to data of landless households dependent on manual labour.
- The other criteria were nutritional level of children below five years of age and their drop-out rate from schools.
- The government is also expecting electoral benefit from the plan because these districts also have a high population of tribes and Dalits, a section the BJP is hoping will stick with it in the Lok Sabha elections to be held in 2019.

### ISRO launched its 42nd PSLV

- The Indian Space Research Organisation (ISRO) launched its 42nd Polar Satellite Launch Vehicle (PSLV) from the Satish Dhawan Space Centre in Sriharikota.
- The PSLV-C40, which took off at 9.29 a.m, placed 31 satellites, originating from seven countries, in two orbits. ISRO termed the successful launch a New Year's gift to the nation.
- The rocket was only briefly visible to onlookers on a foggy morning. Its primary payload was the fourth satellite in the advanced remote sensing Cartosat-2 series.
- The Cartosat-2, whose imagery will be used to develop land and geographical information system applications, weighs 710 kg and was placed in a circular polar sun synchronous orbit 505 km from Earth. The satellite's design life is five years. The 30 co-passenger satellites together weigh 613 kg.
- It was, however, the two other Indian satellites in the C40's payload that generated the most excitement. Called technology demonstrators, the microsatellite and the nanosatellite showed big strides towards miniaturisation.
- The ISRO also used them to send a message to potential commercial customers, placing its microsatellite in an orbit different from the other 30. After deploying all the other satellites, the fourth stage of the rocket restarted twice to move from the 505 km orbit to a 359 km orbit to inject the microsat.
- The remote sensing microsatellite is of the 100 kg class with a mission life is 10 months. The nanosatellite, named Indian Nano Satellite-1C, is the third in its series. The INS-1C, whose mission life is six months, carries the Miniature Multispectral Technology Demonstration payload.



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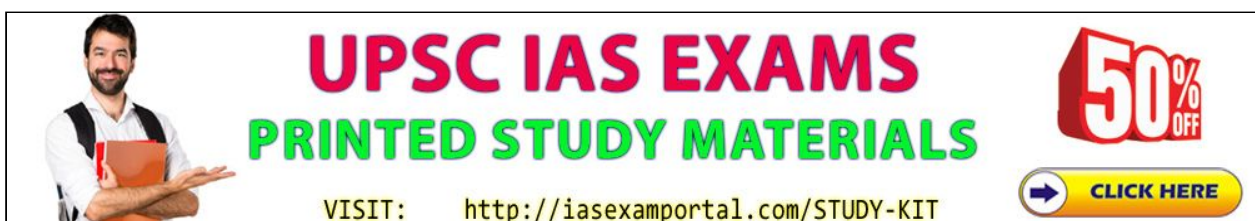
- The ISRO Chairman said the Chandrayaan-2 was on schedule but did not commit to a March 2018 deadline.

## India pressed the need for Britain to review immigration policies

- Commerce and Industry Minister, have pressed the need for Britain to review immigration policies relating to India, including on student visas and the extension of a visa system introduced for Chinese visitors to the U.K.
- The visit comes amid the official confirmation that Prime Minister Narendra Modi will attend the Commonwealth Heads of Government Meeting (CHOGM) in London in April.
- The meetings came as India and Britain agreed to the terms of a memorandum of understanding on the swift return of Indian illegal immigrants from the U.K. – an issue that has been repeatedly raised by the British government and cited as an obstacle to immigration reform on the British side.
- The progress on this issue – the MoU will likely be signed during Mr. Modi's visit – will be seen as a gesture of goodwill on the Indian side and will strengthen their calls for change on the U.K.
- Among the key asks raised by the Ministers is for the introduction of a two-year visa system for business travellers. Britain introduced the system for Chinese visitors in 2016.
- Mr. Prabhu said he raised issues both around the ease of getting visas and the costs which could prove prohibitive for the services sector. Costs have been rising amid a toughening of the U.K. policy regime in this area.
- Mr. Rijju raised issues relating to the two-year visa, as well as students and the treatment of women on spousal visas.
- The last is a growing issue of concern, amid fears that women who had accompanied partners on spousal visas would be deserted in India, had their visas been cancelled.
- He added that another issue raised was the need for visa-free travel for Indian diplomats in the U.K. Britain remained the only major European country not to bring in this policy, he said.
- With Britain unable to commence formal discussions on a trade deal with India till it leaves the EU, the two countries have begun informal talks on the scope of potential trade opportunities through this working group.
- India would be working with Britain on cooperation around new technical innovation when it came to the use of wind, tidal and solar energy, as well as the potential for British firms in this area to set up manufacturing facilities in industrial corridors in India.

## In an unprecedented act four SC judges held the press conference

- In an unprecedented act, four senior judges of the Supreme Court on Friday held a press conference and publicly accused Chief Justice of India Dipak Misra of selectively assigning cases to judges of his choice without any rational basis.



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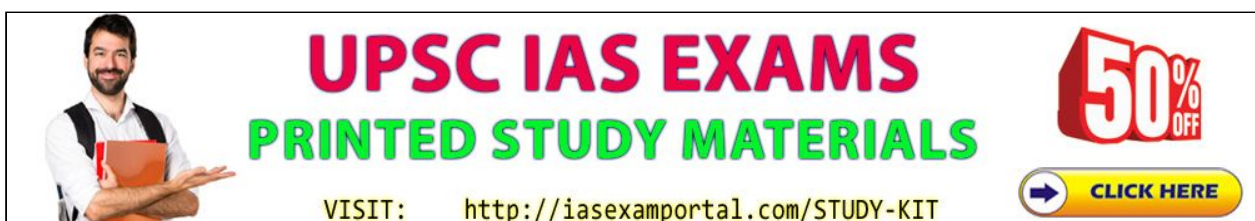
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- Transcending judicial protocol that sitting judges should not interact with the media, Justices Jasti Chelameswar, Ranjan Gogoi, Madan B. Lokur and Kurian Joseph – the senior-most judges after the CJI – accused Justice Misra of assigning cases of “far-reaching consequences to the nation” to junior hand-picked judges against the time-tested convention, practice and tradition of the court.
- In a letter addressed to the CJI and circulated at the press meet, the four said certain Supreme Court judges arrogated to themselves the “authority to deal with and pronounce upon” cases which ought to be heard by other appropriate Benches. The letter is of October 2017 origin.
- Justice Chelameswar, speaking for the four, said they had collectively tried to persuade the Chief Justice to take remedial measures but their efforts had failed.
- The judges said that with the independence of the judiciary and the future of democracy at stake, they had “no other choice but communicate to the nation to please take care of this institution.”
- Justice Chelameswar said they decided to act now because they did not want “any wise men to say 20 years later that Justices Chelameswar, Ranjan Gogoi, Lokur and Kurian sold their souls and did not take care of the interests of this illustrious institution.”
- Justice Chelameswar recounted that the trigger for the press conference was a meeting they held with the Chief Justice regarding the assignment of a petition, seeking an independent probe into the mysterious death of CBI judge B.H. Loya, to a particular Bench.
- The four had expressed their reservations to the CJI about the assignment of the case. But the CJI had refused to budge. They had then informed him of their intention to go public.
- Though Justice Chelameswar did not name the Loya petition, Justice Gogoi, who is scheduled to take over as Chief Justice of India after Chief Justice Misra retires on October 2 this year, spoke up to say the petition is indeed regarding judge Loya’s death.
- Without naming any, Justice Chelameswar said that several other important cases like this had been assigned to preferred Benches over the past months. The convention of the court demands that important cases of public interest or sensitive matters should be first heard by the CJI.
- If the CJI is not willing for some reason to hear the case, it should be assigned to the next senior-most judge in the Supreme Court. Instead of that, such cases were assigned to certain Benches and eventually given a quiet burial.

### Govt says it’s an internal matter of judiciary

- As four sitting judges of the Supreme Court took the unprecedented step of addressing a press conference airing their differences with Chief Justice of India Dipak Misra, Minister of State for Law P.P. Chaudhary said, “Our judiciary is reputed all over the world as independent and they will sort out the matter themselves.”
- As Justices J. Chelameswar, Ranjan Gogoi, Madan Lokur and Kurian Joseph addressed the press conference, Union Law Minister Ravi Shankar Prasad carried on with his workday in his ministerial office and refused to respond to any queries.
- Attorney-General of India K.K. Venugopal tweeted, “This should not have happened. My expectation is that it will be resolved in the next two days.”



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- Govt said the issues highlighted by the judges were “an internal matter of the judiciary” and that it was “up to them [the judiciary] to sort out the matter.”

## SC wants centre and state to come on board on Mullaperiyar dam

- Despite the Centre’s assurance that the Mullaperiyar dam is “safe,” the Supreme Court directed it to constitute a special committee to prepare for disaster management for the 122-year-old dam.
- A three-judge Bench, led by Chief Justice of India Dipak Misra, also directed Tamil Nadu, which owns the dam, and Kerala, where it is located, to set up special committees to prepare disaster management plans.
- It ordered that the three committees work in harmony. The step was taken to allay the fears of thousands who live downstream or in the vicinity of the dam.
- The court clarified that these committees had nothing to do with the dam’s lifespan or safety. Their brief would be restricted to preventing a disaster or containing the loss of life and damage to property in case a tragedy hit the dam.
- It noted that a committee had already been formed, as ordered by a Constitution Bench in May 2014, to cover the dam’s safety and lifespan.
- The order came on a petition to direct the government to appoint an international agency to study the longevity of the dam, a perennial source of water and controversy between Tamil Nadu and Kerala, built in 1895.
- The petition was filed by advocate Russell Joy, representing three million people living downstream, in the direct line of a catastrophe that may arise from a dam burst.
- It said the dam was constructed “as a composite gravity structure” across the Periyar, with “crude lime surki mortar, at a time when dam engineering was in its infancy...” It was built for 50 years and had already survived 122 years.

## India confirms NSAs met in Bangkok

- The National Security Advisers (NSAs) of India and Pakistan met on December 26 in Bangkok, the Ministry of External Affairs (MEA) confirmed.
- Commenting on the meeting, MEA spokesperson Raveesh Kumar said it was part of the mechanism to hold Pakistan accountable for the terrorism that emanates from its territory.
- The ‘talks on terror’ model to engage Pakistan is a change in the position that India had taken following the attack on the Pathankot airbase when New Delhi had cancelled the CBD.
- The dialogue was launched by External Affairs Minister Sushma Swaraj during her visit to Islamabad on December 9, 2015.



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- The MEA had maintained silence on the talks between Indian NSA Ajit Doval and his Pakistani counterpart Lt. Gen. Nasir Janjua that were reported in the Pakistani and the Indian media last month.
- The meeting was held a day after the mother and wife of death row prisoner Kulbhushan Jadhav met him in Islamabad, but the MEA maintained that the two NSAs did not discuss Mr. Jadhav's case at all.

### India must seize the chance: U.S.

- India is a "leading power" in the Indo-Pacific and should gear up to become an alternative manufacturing destination to China to attract U.S. business, said U.S. ambassador to India Kenneth Juster.
- In his first public address since taking over as the new envoy, Mr. Juster also made a pitch for India and the U.S. to negotiate a Free Trade Agreement.
- "A number of U.S. companies have reported increasing difficulties conducting business in the largest market in the region – China.
- Accordingly, some companies are downgrading their operations there, while others are looking with great interest at alternative markets. India can seize the strategic opportunity – through trade and investment – to become an alternative hub for U.S. business in the Indo-Pacific region," he told an audience in New Delhi.
- Mr. Juster, who most recently served as assistant adviser to U.S. President Donald Trump on economic issues, also expressed the need for India to expand market access and intellectual property rights, both of which are the subject of U.S.-India litigation at the World Trade Organisation.
- He said India and the U.S. can work together in Afghanistan, partner with Japan and Australia in the Indo-Pacific, coordinate their humanitarian assistance, as well as cooperate on connectivity projects in South Asia.
- He said Mr. Trump's recent decision to suspend security aid to Pakistan came because Islamabad "has not done all it can to eliminate terrorist sanctuaries in Pakistan that are contributing to unrest in Afghanistan."
- He placed defence and counter-terrorism cooperation as the first pillar of the India-U.S. relationship, while calling economic relations, energy and environment, science and health, and regional cooperation as the other pillars.

### Indu Malhotra to start a new chapter in SC

- Senior advocate Indu Malhotra is set to make history as the first woman lawyer to be directly appointed as a judge of the Supreme Court.
- Known to be hard working and diligent, Ms. Malhotra will be the seventh woman judge in the Supreme Court, since it was established 67 years ago, if her appointment goes through.



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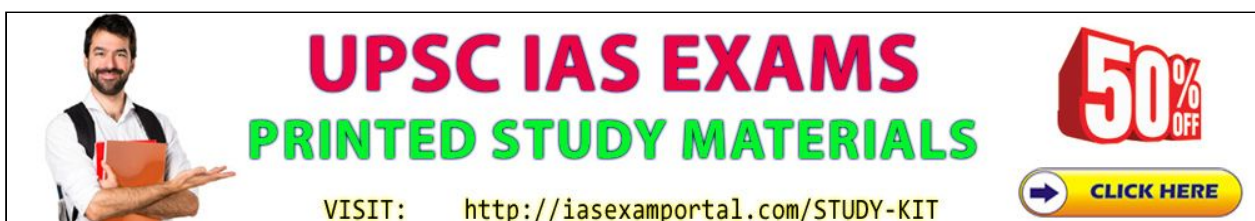
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- A second generation lawyer, Ms. Malhotra was born in 1956 in Bengaluru to noted advocate Om Prakash Malhotra. She joined the legal profession in 1983 and later secured first position in the Advocate-on-Record exam for the Supreme Court, a tough nut to crack for most lawyers.
- In 2007, she became the second woman to be designated as a senior advocate by the Supreme Court only after the legendary Justice Leila Seth, who was given the honour in 1977.
- She is on the board of trustees in SaveLIFE Foundation and represented the NGO in a case which resulted in the Supreme Court passing a slew of laws to protect good Samaritans, who save lives in road accidents.
- Another Supreme Court advocate Vrinda Grover said the addition of another woman judge at the top court was a welcome move. "At present there is only one, we need more," Ms. Grover said.
- In 1989, Justice M. Fathima Beevi became the first woman judge in the Supreme Court. With only five women judges being appointed as Supreme Court judge till now, the legal fraternity feels more women should be given the opportunity.

### **Crocodiles and humans coexist peacefully in Odisha village**

- Forty-five crocodiles or muggers were spotted during the forest department's annual enumeration at the Ghodahada reservoir and its adjoining ponds in Ganjam district of Odisha.
- The presence of crocodiles in this irrigation reservoir spread over five square kilometres has been attributed to humans.
- During the British era, a zamindar family had kept a few crocodiles in a large tank adjacent to the Ujjaleswar temple. Forest officials say some crocodiles from the temple tank escaped into the reservoir during floods.
- According to the annual crocodile census held on January 8, 28 muggers have been sighted in the Ghodahada reservoir while 17 were found in the seven ponds near it. The Ujjaleswar temple tank has four.
- But forest officials feel their real numbers might be higher. In the 2017 census, 55 muggers were sighted in the region and 39 of them were found within the reservoir.
- To get an accurate figure of the crocodiles, the forest department has decided to conduct another enumeration at the end of winter.
- Crocodiles of the reservoir or those in the ponds have not harmed any of the villagers, who are mostly fishermen, to date. Fishermen of the area have formed a Maa Ramchandi Crocodile Protection Committee, which is involved in the conservation of the reptiles in the reservoir and the ponds.



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## International



### Israel-Palestine are taking another look at the one-state idea

- As momentum ebbs for a two-state solution to the Israeli-Palestinian conflict, both sides are taking another look at the one-state idea. But that solution has long been problematic for both sides.
- For the Israelis, absorbing three million West Bank Palestinians means either giving up on democracy or accepting the end of the Jewish state. The Palestinians, unwilling to live under apartheid-like conditions or military occupation, have also seen two states as their best hope.
- Now, for the first time since it declared its support for a Palestinian state side-by-side with Israel in 1988, the Palestine Liberation Organization (PLO) is seriously debating whether to embrace fallback options, including the pursuit of a single state.
- Palestinian supporters envision one state with equal rights for Palestinians and Jews. Palestinians would have proportionate political power and, given demographic trends, would before long be a majority, spelling the end of the Zionist project.
- That outcome is unacceptable to the Israeli right-wing, which is pressing to annex the land on the occupied West Bank where Jewish settlers have built communities while consigning Palestinians to the areas where they live now.
- Israeli proponents of these ideas freely acknowledge that the Palestinian areas would be considerably less than a state, at least to start: Prime Minister Benjamin Netanyahu has even called it a "state-minus".
- Eventually, they say, the Palestinians could achieve statehood in a confederation with Jordan or Egypt, as part of Israel, or perhaps even independently – but not soon.

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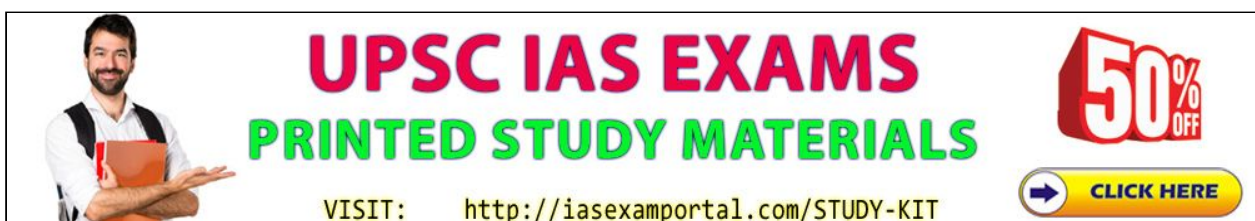
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- Both sides have long officially supported the idea of a two-state solution to the conflict while accusing the other of harbouring designs on the whole territory. But U.S. President Donald Trump's Jerusalem declaration last month changed the calculus.
- To its Palestinian supporters, the one-state idea is bitter consolation after decades of striving for statehood under the Oslo peace accords, which many believe has achieved little aside from providing cover, and buying time, for Israel to expand settlements.
- Several efforts are under way. A decade-old group called the Popular Movement for One Democratic State, led by Radi Jarai, a former Fatah leader, is planning a media campaign to explain the idea to West Bank residents.
- To the Israeli Right, abandoning the two-state goal is a good thing, a long-term threat averted. But the it has not fully explained how its single state overcomes the demographic conundrum.

### Smart Dubai project good example for India

- Sometime in early 2015, Prime Minister Narendra Modi's Cabinet put forth a plan for upgrading a cluster of 300 villages to 'Smart Villages'.
- Christened as the Shyama Prasad Mukherji Rurban Mission, after the founder of the Jan Sangh, the project aimed to develop the first phase by 2019. A sound plan, considering that at least 833 million, about 68%, of Indians are living in rural areas.
- And one that can be easily realised in a developing setting such as India's, according to Yousef Khalili, head of Smart City Digital Transformation Consulting Unit at NXN Group.
- For Mr. Khalili, one of the architects of the Smart Dubai projects, Smart Villages is an idea that's close to his heart. For India, Mr. Khalili recommends starting with the challenges that are presented for such a project.
- The stress points of a city are very different from that of a village; and the quality of their life is perhaps the most prominent challenge in rural areas. Here, we are talking about demands of basic decent life conditions – education, health care, environment and employment among others.
- Mr. Khalili says one should not look for the typical solutions that governments often resort to which have had little success over decades. When pointed to the obvious drawback that most villages lack the kind of Internet connectivity required, Mr. Khalili strikes back with complementary solutions.
- However, even with pragmatic, yet lofty ideas, Mr. Khalili is aware that realising them would require more than just good intentions. At his previous position with Cisco as well, Mr. Khalili had worked extensively on a project focussing on India as a landscape to launch Smart Villages.



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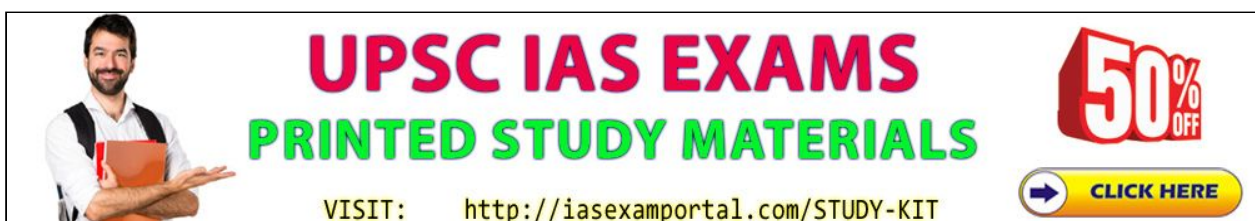
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## Govt urges NRI's to come back to India in Asean-India summit

- Setting the tone for the government's outreach to the Indian diaspora, External Affairs Minister Sushma Swaraj on Sunday urged people of Indian origin to take advantage of India's projects for connectivity to Southeast Asian countries.
- Speaking in Hindi at the ASEAN-India Pravasi Bharatiya Divas in Singapore, she said her Ministry prioritised the welfare of Indian citizens living abroad, and urged them to return home to take advantage of the economic opportunities.
- Referring to the challenges such as piracy in the high seas and the armed conflicts that Indians living abroad often encountered, she said her Ministry was committed to helping the crisis-struck Indians at a "supersonic speed".
- Ms. Swaraj said Southeast Asia remained an inseparable part of the plan to convert the 21st century into the Asian century.
- Her comments came days before India hosts the heads of states of the Southeast Asian countries in Delhi on January 25 for the ASEAN-India Commemorative Summit, a high-profile display of its "Act East policy".
- Ms. Swaraj, who was in Indonesia on January 5 and 6, had announced that President Joko Widodo would be one of the guests of the summit and the Republic Day parade.
- The push for ASEAN ties will be on display on January 9 when India hosts the first global meeting of parliamentarians of Indian origin.

## North korea's pace of becoming nuclear power surprised US

- At the start of Donald Trump's presidency, U.S. intelligence agencies told the new administration that while North Korea had built the bomb, there was still ample time – upward of four years – to slow or stop its development of a missile capable of hitting a U.S. city with a nuclear warhead.
- The North's young leader, Kim Jong-un, faced a range of troubles, they assured the new administration, giving Mr. Trump time to explore negotiations or pursue countermeasures.
- One official who participated in the early policy reviews said estimates suggested Mr. Kim would be unable to strike the continental U.S. until 2020, perhaps even 2022. Within months, those comforting assessments looked wildly out of date.
- At a speed that caught U.S. intelligence officials off guard, Mr. Kim rolled out new missile technology and in quick succession demonstrated ranges that could reach Guam, then the West Coast, then Washington.
- The U.S.'s inability to see the North's rapid strides over the past several months now ranks among its most significant intelligence failures, current and former officials said in recent interviews.
- That disconnect – they saw it coming, but got the timing wrong – helps explain the confusion, mixed signals and alarm that have defined how Mr. Trump's untested national security team has responded to the nuclear crisis.
- Senior intelligence officials acknowledged that they made two key assumptions that proved to be wrong.



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# आईएएस परीक्षा की तैयारी कैसे शुरू करें?



- ❖ सिविल सेवा क्या, क्यों और कैसे?
- ❖ सिविल सेवा हेतु समसामयिकी की तैयारी कैसे करें?
- ❖ ग्रामीण पृष्ठभूमि के छात्र आई.ए.एस. की तैयारी कैसे करें?

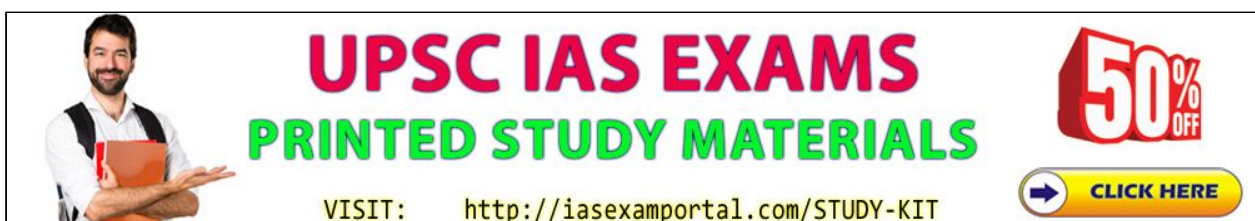
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- स्नातक के छात्र आईएएस की तैयारी कैसे करें ? एक वर्ष
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- आईएएस परीक्षा के लिए पर्यावरण मुद्दों की तैयारी कैसे करें ?

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- They assumed that North Korea would need about as much time to solve the rocket science as other nations did during the Cold War, underestimating its access to both advanced computer modelling and foreign expertise.
- They also misjudged Mr. Kim, 33, who took control of the regime in late 2011 and made the weapons programme more of a priority than his father did.
- The shakiness of intelligence on North Korea casts a shadow over Mr. Trump's options going forward. If Mr. Trump attempted to destroy the arsenal, or if the North Korean government collapsed, the challenge would be to neutralise the weapons without any launch taking place or any warhead falling into the wrong hands.

### **New U.S. strategy for Afghanistan is to launch a two-pronged military offensive**

- Pakistan is believed to have told U.S. interlocutors that a major military offensive against the Taliban from both sides of the Afghan border, if it fails, will have negative consequences for the entire region, according to a media report.
- The key element in the new U.S. strategy for Afghanistan is to launch a two-pronged military offensive that inflicts a military defeat on the Taliban and forces them to join the Afghan reconciliation process on Kabul's conditions.
- U.S. Defence Secretary Jim Mattis at his weekend briefing at the Pentagon urged Islamabad to cooperate with the U.S. in defeating the Afghan Taliban.
- Pakistan fear that a major military offensive, without engaging some Taliban factions in direct talks first, could be counterproductive.
- The Taliban might outlive this offensive too, and deal with it "lying low in their mountain fastness, as they did with previous offensives", one interlocutor said. And in the process Pakistan will lose whatever influence it has.
- With all lines of communication closed, the Taliban will become even more dangerous, particularly for Pakistan, which has always faced the blowback of previous adventures in Afghanistan, whether launched by the Russians or Americans, the report said.



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### China says it does not have any plans of opening naval base at Gwadar

- China counselled the “outside world” not to speculate on Beijing’s reported intent to open a naval base at Gwadar, the starting point of the China-Pakistan Economic Corridor (CPEC).
- “I am not aware of what you mentioned,” the Chinese Foreign Ministry spokesperson Lu Kang said, when asked to comment on reports that that China would establish a naval base at Gwadar, to supplement its already existing Indian Ocean facility at Djibouti.
- “As you know the building of CPEC is an important part of the Belt and Road initiative and China and the Pakistan are also making efforts to build the CPEC which is in the common interest of the countries along the route,” Mr. Lu observed.



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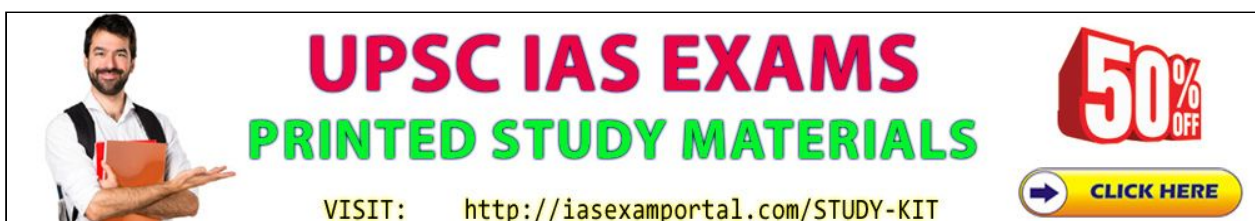
- He added: "So, I don't need think it is necessary for the outside world to make too much guesses in this regard."
- In Pakistan, the Pakistan Today daily said that Beijing and Islamabad have no plans to build a Chinese naval base in coastal areas of Pakistan, and the matter has never been discussed between the two countries.
- The security of the Chinese nationals working on the CPEC projects, as well as of the Chinese shipments going into the Arabian Sea, would solely be a responsibility of Pakistani law enforcement agencies, and, for the same purpose, a designated division – Strategic Security Division – had been established.

### China will fund the construction of an Afghan counterterrorism base

- China will fund the construction of an Afghan counterterrorism base in Badakhshan province to block cross-border infiltration of ethnic Uighur militants.
- Fergana News Agency (FNA) has quoted Gen. Dawlat Waziri of the Afghan Defence Ministry as saying that China will provide financial support to build the base, whose precise location inside Badakhshan, in northern Afghanistan, is yet to be determined.
- Gen. Waziri said the Chinese side would cover all material and technical expenses for this base – weaponry, uniforms for soldiers, military equipment and everything else necessary for its functioning.
- The decision to build the facility was taken during last month's visit to China by Afghan Defence Minister Tariq Shah Bahrami.
- Mr. Bahrami and his Chinese counterpart Gen. Chang Wanquan agreed that their counterterrorism focus should not only be confined to Badakhshan, but Afghanistan's entire northern region.
- Afghan analysts said the largest group of Uyghur militants already resides in Badakhshan, from where they can rapidly shift to China. The Afghan Defence Minister's visit follows the first meeting of the foreign ministers of China, Pakistan and Afghanistan last month.

### Israel still highly optimistic on India

- Not disheartened by India's vote against Israel at the UN General Assembly on the issue of Jerusalem, Prime Minister Benjamin Netanyahu has expressed hope that bilateral ties would receive a further boost during his milestone visit to the country.
- India in December voted in favour of the UN General Assembly resolution, condemning the U.S. for its decision to recognise Jerusalem as the capital of Israel.
- Mr. Netanyahu, who would be leaving for India on January 14, said: "Well I would have preferred a different vote to be frank but I don't think it materially changes the tremendous flowering of relations between India and Israel."
- Prime Minister Narendra Modi had also visited the Jewish state in July, becoming the first Indian premier to do so.



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- “I think everybody can see that. Prime Minister Modi’s visit was a very important milestone in that. My visit to India is the other one,” Mr. Netanyahu said addressing the Government Press Office’s annual end-of-year reception for the foreign press corps.
- When asked about the impact of India’s recent decision to cancel a half a billion dollars defence deal related to development of Spike Anti-Tank Guided Missile, the Israeli leader said, “I think you are going to see an expansion of economic and other ties regardless of this or that deal”.

## Many challenges to China’s Silk Road

- China’s plan for a modern Silk Road of railways, ports and other facilities linking Asia with Europe hit a \$14 billion pothole in Pakistan.
- Pakistan’s relations with Beijing are so close that officials call China their “Iron Brother”. Despite that, plans for the Diamer-Bhasha Dam were thrown into turmoil in November when the chairman of Pakistan’s water authority said Beijing wanted an ownership stake in the hydropower project. He rejected that as against Pakistani interests.
- China issued a denial but the official withdrew the dam from among dozens of projects being jointly developed by the two countries.
- From Pakistan to Tanzania to Hungary, projects under President Xi Jinping’s signature ‘Belt and Road Initiative’ are being cancelled, renegotiated or delayed due to disputes about costs or complaints that host countries get too little out of the projects.
- In some areas, Beijing is suffering a political backlash due to fears of domination by Asia’s biggest economy.
- Belt and Road, announced by Mr. Xi in 2013, is a loosely defined umbrella for Chinese-built or -financed projects across 65 countries from the South Pacific through Asia to Africa and Europe.
- Other governments welcomed the initiative in a region the Asian Development Bank says needs more than \$26 trillion of infrastructure investment by 2030 to keep economies growing.
- Nations including Japan have given or lent billions of dollars for development, but China’s venture is bigger and the only source of money for many projects.
- Among projects that have been derailed or disrupted, authorities in Nepal cancelled plans in November for Chinese companies to build a \$2.5 billion dam after they concluded contracts for the Budhi Gandaki Hydro Electric Project violated rules requiring multiple bidders.
- Consulting firm BMI Research has compiled a database of \$1.8 trillion of infrastructure investments across Asia and Africa that include Chinese money or other involvement.

## U.S. can still come back to environment deal

- President Donald Trump said that the United States could “conceivably” return to the Paris climate accord, although he stopped short of signalling any move in that direction.



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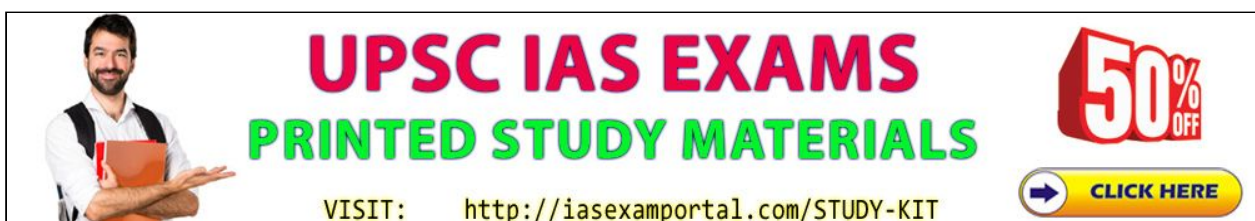
- “Frankly, it’s an agreement that I have no problem with, but I had a problem with the agreement that they signed, because, as usual, they made a bad deal,” Trump told a news conference.
- “So we can conceivably go back in,” added the President, who announced his intention to pull out of the 2015 accord on curbing global warming emissions last June.
- A full U.S. pullout could jeopardise global efforts to limit average warming to under two degrees Celsius (3.6 degrees Fahrenheit) over pre-Industrial Revolution levels.
- Standing alongside Norwegian Prime Minister Erna Solberg, Mr. Trump presented himself as a champion of environmentalism.
- “One of the great assets of Norway is a thing called water,” Mr. Trump said. “They have tremendous hydro power, tremendous. In fact most of your energy or your electricity is produced by hydro. I wish we would do some of that.”
- In the year since coming to office, Mr. Trump’s administration has worked to ease environmental legislation, which industry considers a burden on growth.
- “The Paris Accord really would have taken away our competitive edge. And we are not going to let that happen,” he said.

## EU backs under-fire Iran N-deal

- European Union powers urged U.S. President Donald Trump to endorse a key nuclear agreement with Iran saying the deal is essential for international security.
- The Foreign Ministers of Britain, France and Germany threw their weight behind the pact limiting Iran’s nuclear ambitions and insisted that the Islamic Republic is respecting it.
- Mr. Le Drian called on all parties to uphold the agreement, noting that “our American allies should respect it as well. There is no particular reason for any rupture”.
- Under the accord, Iran slowed its nuclear programme in exchange for an easing of international economic sanctions.
- Mr. Trump is expected to decide whether to extend the sanctions relief or re-impose the restrictions his predecessor, suspended two years ago. British Foreign Secretary Boris Johnson also noted that no one has put forward a plan that might be as effective in curbing Iran’s nuclear ambitions.
- The pact is underpinned on the U.S. side by a presidential waiver of nuclear-related sanctions on Iran’s central bank. U.S. officials and others familiar with the administration’s deliberations told the Associated Press that Mr. Trump is likely to back the accord for now but that he may pair his decision with new, targeted sanctions on Iranian businesses and people.

## Beijing wary of Indian presence in S. China Sea

- China objected to Vietnam’s invitation to India to invest in oil and natural gas sector in the disputed South China Sea, saying it is firmly opposed to infringement of its rights using development of bilateral ties as an “excuse”.



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- Vietnam's Ambassador to India Ton Sinh Thanh on Tuesday had told an Indian news channel that his country would welcome Indian investments in the South China Sea.
- But China firmly oppose relevant party to use it as an excuse to infringe upon China's legitimate rights and interests in the South China Sea and impair regional peace and stability," Mr. Lu said.
- China has been opposing Oil and Natural Gas Corporation exploring oil in wells claimed by Vietnam in the South China Sea for years.



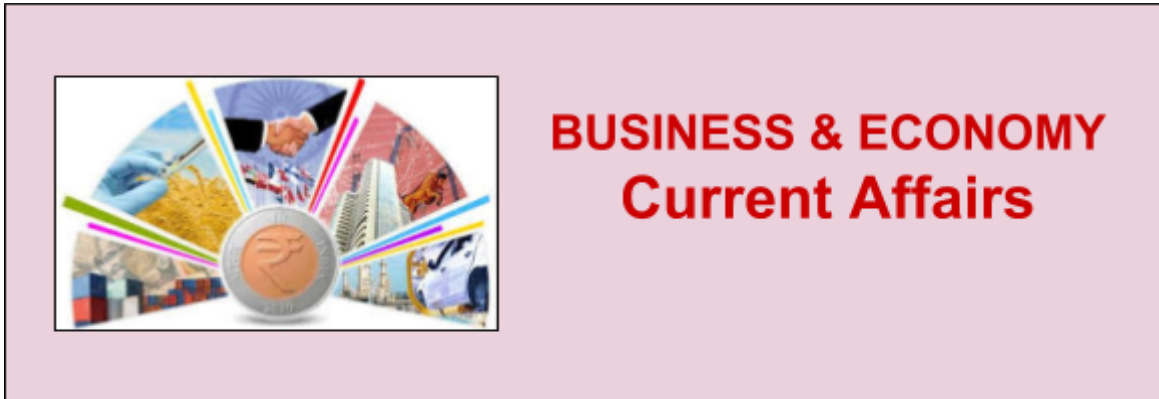
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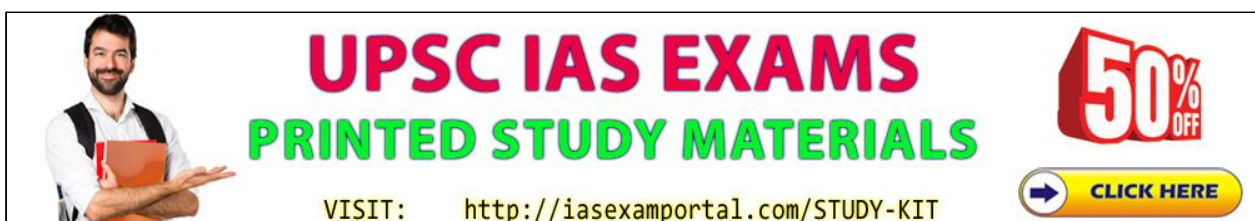
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## Business and Economy



### ICMAI has been approached by the Defence Ministry and AAI

- The Institute of Cost Accountants of India (ICMAI) has been approached by the Defence Ministry and the Airports Authority of India to provide suggestions on costing and pricing techniques.
- H. Padmanabhan, vice-president of the institute, told the media here on Saturday that the institute was doing such a project for the Railways.
- “The Railways wants a clear presentation from us before March 31. There are deadlines for defence and AAI too. We are on the job to provide our services,” he said. The institute has also given its pre-budget suggestions to the government.
- D.P. Nandy, director – Advanced Studies, at the institute, said it had introduced four new courses for members and non-members. These are related to arbitration, business valuation, GST and one for engineering students.
- The three-month course on GST will be unveiled next month and the other three from April. Each batch will have 20-25 students in about 40 centres across the country.
- The institute plans tie-ups with organisations related to these professions to take the courses to more people. If required, it will organise in-house classes for employees if there is a request from the companies, he said.
- Apart from these, it has a tie-up with the National Skill Development Agency and has signed agreements with many State governments to train young graduates.



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## FDRI needs to increase the confidence in investors

- The banking system of any country is built on an edifice of trust that depositors have in their banks. The confidence that money is safe, keeps depositors away from withdrawing their funds unless they really need it.
- Meanwhile, it allows banks to lend out the money to borrowers which generates interest income for the depositor, profit for the bank and larger economic growth.
- However, the 'bail-in' clause in the government's Financial Resolution and Deposit Insurance (FRDI) Bill has created confusion. Section 52 of the Bill allows the proposed Resolution Corporation to cancel the liability owed by a failed bank.
- Since the main liability of a bank is the ordinary depositor's money, it naturally causes concern whether depositors stand to lose their money beyond what is insured in the event of a bank failure. Unless nipped in the bud, a panic reaction could destabilise the banking system.
- Why should depositor liability be cancelled at all? When a failed bank does not have any assets left to pay its creditors, it is natural that depositors will not get back all or part of their money. The government can never commit to pay out all depositors in such an event.
- The new provision of 'bail-in' is welcome. However, when the banking system is struggling with the larger issue of non-performing assets, it is better to concentrate on recovery and also encourage bankers grant fresh loans for that the economy grows at faster pace.
- In India, up to Rs. 1 lakh of a depositor's money is protected by insurance provided by the Deposit Insurance and Credit Guarantee Corporation (DICGC), a subsidiary of the Reserve Bank of India.
- However, this insurance limit has not been changed since 1993 even while income and deposit levels have grown substantially.
- Many countries revised their deposit insurance limits after the global financial crisis of 2008 but India did not do so. Deposits up to \$250,000 are protected by insurance in the U.S. while the figure is \$1,15,000 in the U.K. But the accurate comparison should take into account the average income in a country.
- Deposit insurance limit is 3-4 times the average income levels in the U.K. and the U.S. In the case of emerging countries like Brazil and China, the insurance limit is 9 times the per capita income. Compare that with India where the insurance limit is actually a little less than its per capita income.
- Government should increase the deposit insurance limit under the Bill, considering that at about \$1,600, it is at a much lower level than some of the other developing or larger economies.
- Further, there should be provision for a periodic review to raise the quantum of deposits covered by insurance.
- The current elevated level of non-performing assets and mounting losses of banks indicate that the RBI could have been more proactive in its supervision.
- So far, it has been up to the RBI to act in the instance of a bank failure as it deemed fit. The FRDI is meant to formalise the existing process and improve it further.
- People were taken by surprise at the explicit recognition of a bail-in process which was thus far implicitly present. The government tried to soothe nerves by talking about implicit guarantees for deposits in PSU banks.



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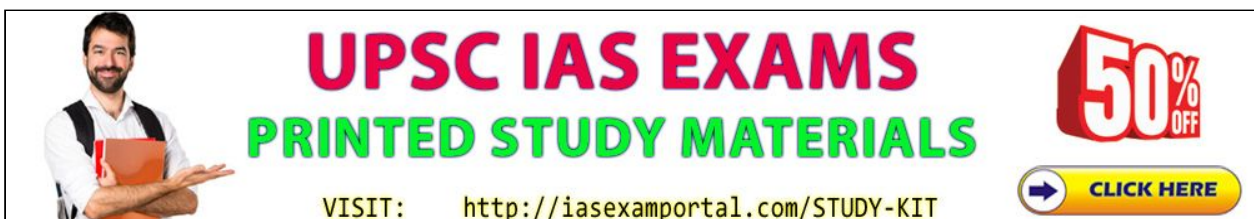
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- There are two problems with this clarification. First, the implicit guarantee cannot be emphasised beyond a point lest it creates a moral hazard in the form of risky behaviour by banks and lazy monitoring of banks by depositors.
- Second, what about private banks who hold 25% share of total deposits in the country? Are their customers not deserving of the same protection from the government?

## Taxation issues led to problems for coffee

- Under the Constitution, agricultural income can be taxed by the State and not by the Centre.
- However, in the case of tea, the Centre contended that there was a substantial manufacturing process involved in the production of tea; hence, income from tea could not be classified as fully agricultural income and that a part of the income had to be taxed as central income.
- This was done under Sec 8 of the I-T Act, which stated that due to the manufacturing activity involved, 40% of the income would be taxed by the Centre.
- In 2002, the Centre then followed the same logic and introduced Sec 7 & 7B for rubber and coffee respectively. It decided to partially tax the agricultural income from both commodities, claiming there was manufacturing activity involved.
- Where coffee is cured or hulled before being sold, manufacturing activity was involved and hence 25% of the income was to be taxed by the Centre.
- Curing is a process by which raw coffee is converted to green beans ready for roasting. Substantial machinery and effort is involved but the actual cost of curing works out to about Rs. 2 per kg for a product worth about Rs. 200 per kg, or 1%. The Centre thus claimed the right to tax 25% of the agricultural income from coffee.
- Once this legislation was enacted planters, started selling uncured coffee instead of cured coffee. The coffees were sold in raw coffee form which is a 'bulk' coffee. Soon, a vibrant, active, regular and credible market for raw coffee developed.
- Today, the farm gate prices are quoted mostly for raw coffee. When raw coffee is traded, the criteria looked at is moisture content, appearance and outturns, not so much the cup taste. Overnight, the charm of producing a fine cup disappeared.
- Good bulks at the least cost of production became the norm. The coffee was then bought by curers, exporters and domestic roasters, who cured, graded and bulked the coffee according to customer requirements. In the process, the origin of the coffee got lost.
- The production of fine coffees takes a lot of effort; while the extra input and efforts are certain, the rewards are uncertain. There is a considerable marketing effort involved and the price realisations are uncertain.
- In such a scenario, most growers will be reluctant to pursue fine coffees when they know that they fall within the jurisdiction of an income tax officer.
- Though today there is no agricultural income tax, central income tax can also be avoided. As a result, one finds that most of the fine coffee awards are won by corporates, who have the administrative capacity to deal with the extra headaches.
- Just before the enactment of the rule 7B, pooling of coffee was abolished and free open market sales began. The first coffee auctions were opened for growers.



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- This was an opportunity to sell their coffees after curing in the name of the estate and an opportunity for buyers to buy single-origin coffees.
- It was the ideal platform for promoting single-origin coffees. Then came Rule 7B and the sellers disappeared. The auctions never recovered from this setback.
- The Finance Minister often talks of reducing complexity in income tax rules; deleting this rule is one of the easiest steps he can take.
- Using an appropriate cliché, it is “one of the lowest hanging fruits” he is ever likely to find. This is a rule that brings little revenue, may be even no revenue, but destroys a beautiful business. We hope he picks this ripe coffee cherry at the earliest.
- And, if he is a coffee drinker himself, he will find he has many fine single-origin coffees from India to choose from.

### **Credit growth, after a long gap, grew in double digits to 10.65%**

- Credit growth, after a long gap, grew in double digits to 10.65% to Rs. 80,96,727 crore in the fortnight ended December 22, 2017 due to the base effect, according to RBI data.
- Advances stood at Rs. 73,17,391 crore in the fortnight ended December 23, 2016. “The credit growth is mainly because of the base effect,” State Bank of India’s managing director (retail and digital banking) P.K. Gupta said.
- “Due to demonetisation last year, the base figures are getting revised and so, that is where you are seeing the growth,” Mr. Gupta added.

### **Government is looking into ways to incentivise States that promote exports**

- Commerce Minister Suresh Prabhu said the government was looking into ways to incentivise States that promote exports, adding that a strategy was being prepared to increase the share of international trade in India’s GDP.
- “We have discussed ideas to incentivise States that will promote exports,” Mr. Prabhu said at a press conference following the third meeting of the Council for Trade Development and Promotion.
- “We will have to work with NITI Aayog for this. We had also asked States to appoint at least one nodal officer in charge of exports. They said for this, they would need experts, not bureaucrats. So, we are looking into that.”
- “We are in the process of preparing a strategy for at least 40% of India’s GDP which will happen in next 7-8 years to come from global trade, and at least half of that should be from exports,” he added.
- “So, [we are looking at] strategies for promoting that. We are also looking at strategies for Make in India..., to take our manufacturing share to more than what it is today.”
- Trade bodies that attended the meeting sought steps to raise the awareness of officers who handle refunds under the Goods and Services Tax, and also asked for an exemption from GST for all inputs used for export production.



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## Companies (Amendment) Act, 2017 notified by the government

- The government announced that it has notified the Companies (Amendment) Act 2017, which is set to ease the implementation of the Insolvency and Bankruptcy Code 2016.
- “The Central Government notified the Companies (Amendment) Act, 2017... on January 3, 2018,” the government said in a release.
- “The provisions of this Amendment Act shall come into force on the date or dates as the Central Government may appoint by notification(s) in the Official Gazette. A few provisions in the Amendment Act have important bearing on the working of the Insolvency and Bankruptcy Code 2016.”
- Currently, Section 53 of the Companies Act 2013 prohibits the issuance of shares at a discount, something the new Act has changed.
- Similarly, Section 197 of the Companies Act 2013 requires the approval of the company in a general meeting for the payment of managerial remuneration in excess of 11% of the net profits.
- The amended Act says that in case of payment default, “... the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders... for such payment of managerial remuneration shall be obtained by the company before obtaining the approval in the general meeting.”
- Section 247 of the Companies Act 2013 prohibits a registered valuer from undertaking valuation of assets in which he has a direct or indirect interest.
- Amendments limit the prohibition to three years prior to a valuer’s appointment or three years after the valuation was conducted.

## SBI planning to raise 2 billion dollar through issuance of bonds

- State Bank of India (SBI) is planning to raise \$2 billion by issuing bonds in U.S. dollars or in some other convertible currency in the current and the next financial years.
- The bank’s board approved the fundraising in its meeting. The lender may raise the funds in more than one tranche. The funds could be used to support credit demand.
- “The executive committee of the Central Board... has approved long term fund-raising in single/multiple tranches up to \$2 billion,” SBI said in a notification to exchanges.
- The lender said the fund-raising will take place through a public offer and/or private placement of senior unsecured notes in U.S. dollars or any other convertible currency during fiscal years 2017-18 and 2018-19. SBI shares declined 0.2% to close at Rs. 305.65 on the BSE.

## Direct tax collection grew to a multi year high



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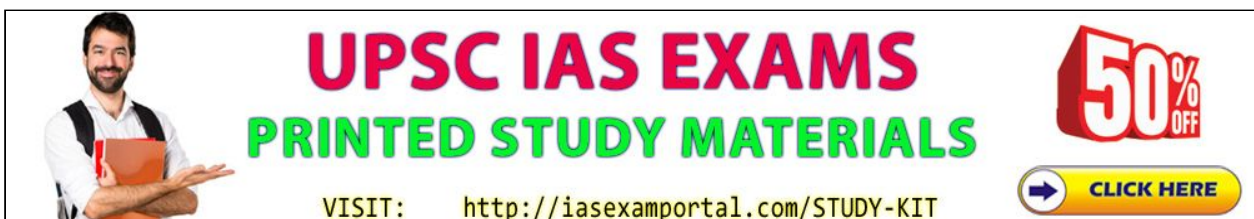
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- Net direct tax collections grew at a multi-year high of 18.2% in the April to December period, according to official data released.
- “The provisional figures of direct tax collections up to December 2017 show that net collections are at Rs. 6.56 lakh crore which is 18.2% higher than the net collections for the corresponding period of last year,” the government said in a release.
- “The net direct tax collections represent 67% of the total Budget Estimates of direct taxes for financial year 2017-18 (Rs. 9.8 lakh crore).”
- Net direct tax collections grew 12% in the same period of the previous financial year. Tax experts ascribe this quicker increase in direct tax collections to the government’s efforts to widen the tax net and increase compliance.
- “In December 2017, the CBDT had issued instructions to step up efforts in tax collection by pursuing tax arrears and expediting even non-time barring cases where there was a possibility of raising tax demand,” Shefali Goradia, partner, Deloitte India said.
- The release added that Rs. 3.18 lakh crore had been collected as advance tax up to December 2017, which amounts to a 12.7% increase over the advance tax collections in the same period of the previous financial year.
- “The growth in [advance tax payments for] corporate income tax (CIT) is 10.9% and that in personal income tax (PIT) is 21.6%,” the release said.
- The increase in advance tax receipts could also be the result of a simplification in the compliance processes for small business entities and increasing the threshold limit for opting for the Presumptive Taxation Scheme under income tax.

## Free lancing grows at a huge pace in India

- Freelancers in India, on an average, earn about Rs. 19 lakh per year, according to a new survey by global digital payments giant PayPal.
- The survey, titled ‘Insights into the freelancers ecosystem’, said that web and mobile development, web designing, Internet research and data entry were the key focus areas for Indian freelancers, while some of them were also engaged in accounting, graphic design and consultancy.
- India is the largest freelancer market with 10 million people freelancing, according to PayPal.
- About 23% of the surveyed freelancers earn in the range of Rs. 40-45 lakh annually, 23% earn in the range of Rs. 2.5-5 lakh a year, 13% earn between Rs. 10-15 lakh annually, 11% earn Rs. 2.5 lakh or less annually and 8% earn Rs. 7.5-10 lakh annually, as per the report.
- “Close to 61% of the surveyed freelancers have not been paid at least once through their career. Further, many freelancers receive payments only after 2-4 weeks of invoicing, thereby creating a gap in flow of capital,” the survey said.
- The survey, conducted with 500 Indian freelancers, found that they were below the age of 40 and predominantly men.
- “Of the surveyed freelancers, 41% have witnessed very fast growth in through the past 12 months, with 80% of them working with international as well as domestic clients,” the report said.



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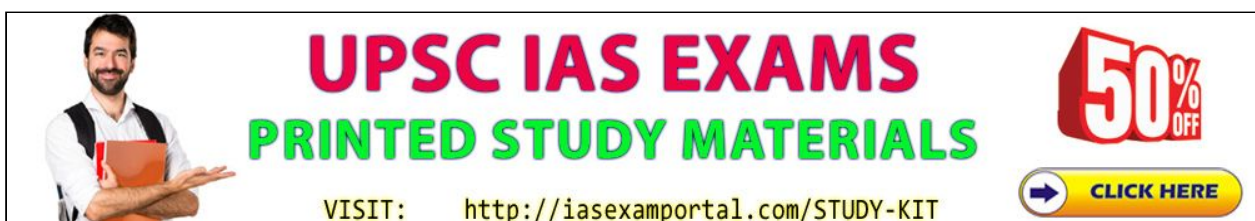
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## The new industrial policy seeks to promote emerging sectors

- The new industrial policy, which seeks to promote emerging sectors, will be released within a few months, Commerce and Industry Minister Suresh Prabhu said.
- The proposed policy, a draft of which has been prepared by the Ministry, will completely revamp the Industrial Policy of 1991. Among other things, it would endeavour to reduce regulations and widen the purview to new industries currently in focus.
- In August, the Department of Industrial Policy and Promotion had floated a draft industrial policy whose aim is to create jobs over the next two decades, promote foreign technology transfer and attract \$100 billion in FDI annually.
- Mr. Prabhu also said that, he had chaired a meeting of the task force on artificial intelligence (AI). The 18-member panel was constituted to explore possibilities to leverage AI for economic transformation.
- The Ministry said in a statement that the members drafted preliminary proposals that were discussed at the meeting. Mr. Prabhu said WTO's mini-ministerial meet to be organised by India would be held in March.

## Govt liberalised and simplified the FDI regime in a host of sectors

- The Union government liberalised and simplified the Foreign Direct Investment (FDI) regime in a host of sectors, including Single Brand Retail Trading (SBRT) and construction development.
- The Union Cabinet, chaired by Prime Minister Narendra Modi, gave its approval to a proposal permitting 100% FDI under the automatic route for SBRT.
- The Centre also eased 'sourcing norms' in SBRT by permitting companies to set off their incremental sourcing of goods from India for global operations in the initial five years – beginning April 1 of the year of the opening of the firm's first store – against the mandatory sourcing requirement of 30% of purchases from India.
- After the completion of the five-year period, SBRT entities would be required to meet the 30% sourcing norms directly towards its India's operation, on an annual basis, the government said in an official statement.
- Apple is learnt to have sought the waiver on the ground that it manufactures 'cutting-edge technology' products for which it is not possible to source as much from India due to the absence of or low capacity of the requisite supply-chain items.
- The relaxation in local sourcing norms would allow the SBRT entity adequate time to set up their supply chain for local sourcing in India, Mr. Wahi said, adding that it would also provide an impetus to the government's "Make In India" initiative.
- On its impact on consumers, Mr. Wahi said the move would open up the Indian retail markets, leading to greater number of brands entering the Indian retail space and thus increasing competition.
- In construction development, the Centre said that real estate broking service did not amount to 'real estate business' and was, therefore, eligible for 100% FDI under the automatic route.



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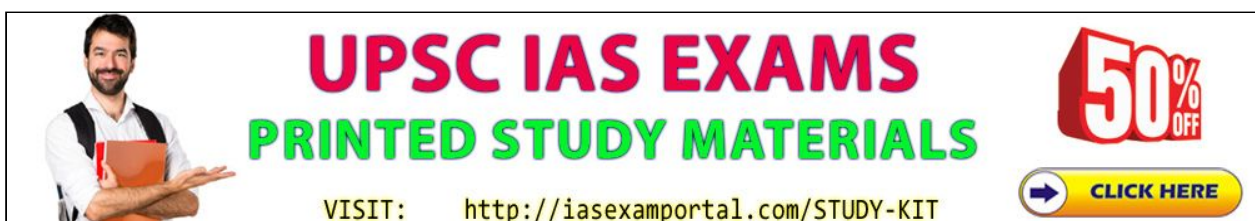
- Bhairav Dalal, partner, Real Estate Tax, PwC India, said that the clarification on real estate broking services was a welcome move “given the number of start-ups in this space offering innovative broking products.”

### **India’s growth rate in 2018 is projected to hit 7.3% and 7.5% in the next two years,**

- India’s growth rate in 2018 is projected to hit 7.3% and 7.5% in the next two years, according to the World Bank, which said the country has “enormous growth potential” compared to other emerging economies with the implementation of comprehensive reforms.
- India is estimated to have grown at 6.7% in 2017 despite initial setbacks from demonetisation and the Goods and Services Tax (GST), according to the 2018 Global Economics Prospect released by the World Bank here.
- He said in comparison with China, which is slowing, the World Bank is expecting India to gradually accelerate. “The growth numbers of the past three years were very healthy,” said Kose, author of the report.
- India’s economy is likely to grow 7.3% in 2018 and then accelerate to 7.5% in the next two years, the bank said.
- China grew at 6.8% in 2017, 0.1% more than that of India, while in 2018, its growth rate is projected at 6.4%. And in the next two years, the country’s growth rate will drop marginally to 6.3 and 6.2%, respectively.
- To materialise its potential, India needed to take steps to boost investment prospects, Kose said.
- India has a favourable demographic profile which is rarely seen in other economies. “In that context, improving female labour force participation rate is going to be important,” he said.

### **confusion surrounding the final deadline for filing the GSTR-1 form**

- A combination of last-minute filers, glitches on the Goods and Services Tax Network portal, and confusion surrounding the final deadline for filing the GSTR-1 form meant that people faced several hurdles in filing their returns for the April to November period.
- January 10 was the deadline for filing GSTR-1 forms for the July to September quarter for taxpayers with a turnover up to Rs. 1.5 crore and for the July to November period for taxpayers with a turnover above Rs. 1.5 crore.
- Following the circulation of a fake notification on social media claiming that the government had extended the deadline to January 15, the government was forced to issue a clarification that the original deadline stood.
- The other problem seems to be the systemic issue of tax filers waiting till the last date to file their returns, which overloads the portal. While some said that this was a major problem, others said the portal downtime was not a significant issue.
- “There have been two broad problems with the GSTN portal,” Archit Gupta, founder and CEO of Cleartax said. “The first is that people are having trouble logging onto the portal, and the second is that the data, once uploaded, is not reflecting on the site.”



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- “For most of the taxpayers, the clients are sharing their information at the last moment, so consultants are finding it very difficult to file their returns on the last date,” Mr. Singhania added.

### **GST refunds hit car exports: SIAM**

- India’s passenger vehicle (PV) exports remained flat in 2017, plagued by the issue of GST refunds to automobile manufacturers, which has touched Rs. 2,000 crore since the implementation of the new tax regime.
- According to the Society of Indian Automobile Manufacturers (SIAM), PV exports from India stood at 7,38,894 units last year as against 7,38,137 units in 2016, a marginal growth of 0.1%.
- “The system of GST refund is not functioning and [is] having an impact on exports of passenger vehicles. In December, we had a meeting of five-six top exporters and what we found was that the pending refund amount is around Rs. 2,000 crore,” SIAM deputy director general Sugato Sen said.
- The issue has affected companies which export more from India than they sell in the domestic market, he added.
- Under the GST regime, payments are made upfront and manufacturers claim input tax credit refund later. As per SIAM data, after the new tax became reality in July 2017, exports began to decline rapidly.
- In January-March 2017, exports grew 12.56% to 1,82,473 units against 1,62,103 units in the year-earlier period. Similarly, in April-June, it increased 13.79% to 1,80,669 units from 1,58,770 units.
- But, in July-September, exports declined by 12.87% to 1,81,423 units as against 2,08,223 units. In October-December too, PV exports stood at 1,94,329 units as against 2,09,041 units, a decline of 7.04%.
- Manufacturers such as Ford India and Volkswagen India had in November expressed concern over the challenges related to GST refund. VW India had even stated that it could be forced to rethink on exports if the challenge was not resolved.
- Mr. Sen added that one of the reasons for drop in PV exports was also due to a major exporter like Hyundai focusing on catering to the growing domestic demand.

### **India, U.K. hold trade talks in Brexit’s shadow, eye FTA**

- Commerce and Industry Minister Suresh Prabhu held talks with his British counterpart, International Trade Secretary, as the two countries look for opportunities to boost trade and investment, including via a potential Free Trade Agreement, as Britain prepares to leave the European Union.
- As part of its efforts to strengthen trade, Britain’s export credit agency U.K. Export Finance has doubled financial support for British firms that export to India.
- The UKEF has now made £4.5 billion available to British companies exporting to India and Indian firms buying British goods and services.
- While Britain is unable to hold formal trade talks with countries outside the EU till it leaves the union (at the end of March 2019), the 12th meeting of the U.K.-India Joint Economic and Trade Committee



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(JETCO), being held this week provides an opportunity for the countries to build on the U.K.-India trade working group established last year.

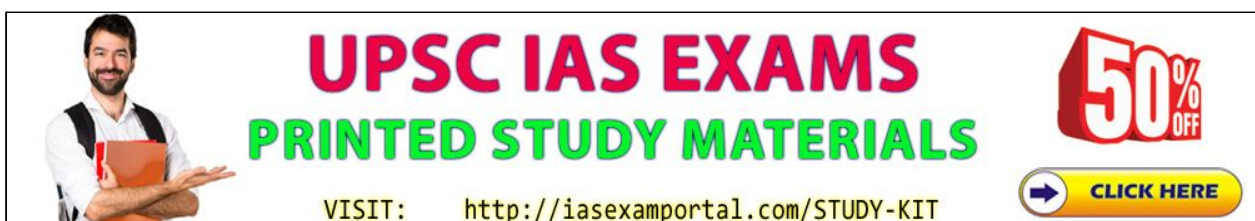
- Liam Fox, a vocal campaigner for Brexit, said expanding bilateral trade and investment with India, and breaking down trade barriers, would be central to the task of Britain preparing for its independent trade policy.
- “It’s in our shared interest to boost prosperity, generate jobs, develop skills, and enhance the competitiveness of both our countries,” Mr. Fox said.
- Mr. Prabhu is on a four-day visit to London, as part of which he is set to attend JETCO. His visit comes ahead of the Commonwealth Heads of Government Meeting in April, which Prime Minister Narendra Modi is expected to attend.

### Telecom subscriber base falls

- The number of telecom subscribers dwindled by 1.58 crore to 118.5 crore in November, even as Reliance Jio continued to lead in customer addition with over 15 crore subscribers, as per a report by TRAI.
- “The number of telephone subscribers in India declined from 1,201.72 million at the end of October 2017 to 1,185.88 million at the end of November 2017, thereby showing a monthly decline rate of 1.32 per cent,” the Telecom Regulatory Authority of India (TRAI) said in a monthly subscriber report.
- The decline was mainly on account of closure of mobile services by some of the operators.

### Israel says India’s vote in UN will not change things between India and Israel

- Israel said that India’s vote at the United Nations General Assembly against the American recognition of Jerusalem as its capital would not affect its ties with India.
- Speaking to the media, Ambassador of Israel Daniel Carmon indicated that Israel and India maintained an “all-weather friendship” and that discussion on a bilateral Free Trade Agreement was under way.
- “Our relationship is richer and wider in terms of collaboration and complementarity. It [the issue of India’s negative vote at the UN General Assembly] is being talked about through diplomatic channels between our countries.
- We always want the international community to vote for us. Of course we are not happy when some do not support us,” said Mr. Carmon, reminding that Israel had recently supported India’s candidate for the ICJ, Judge Dalveer Bhandari.
- The envoy spoke about his country’s position on India’s UNGA vote while sharing details of the January 14-19 visit by Prime Minister Benjamin Netanyahu.
- Mr. Netanyahu, who will visit Delhi, Gujarat, and Mumbai, will be accompanied by a 130-member business delegation and Baby Moshe, an Israeli survivor of the 26/11 terror attacks in Mumbai.



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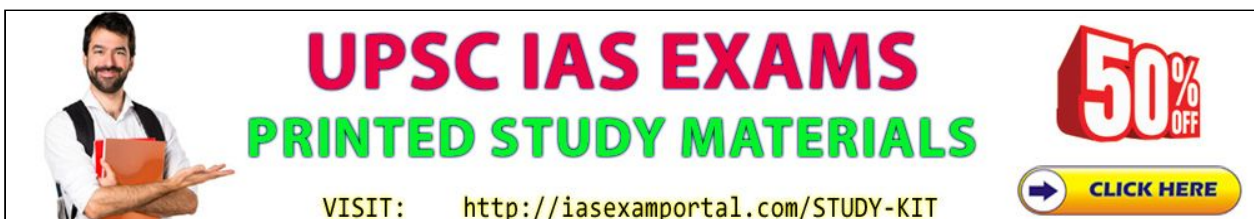
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## China became Nepal's second Internet service provider

- China became Nepal's second Internet service provider, breaking India's monopoly in providing Internet access to the Himalayan country.
- China Telecom Global (CTG), a company formed in 2012, has teamed up with Nepal Telecom to provide alternative cyber connectivity to Nepal.
- So far, Nepal had been linked to the global internet network through Indian telecom operators, using optical fibre connections in Biratnagar, Bhairahawa and Birgunj, among others.
- But a new terrestrial fibre cable launched in 2016 by CTG will now connect Nepal and China through the Jilong (Rasuwadighi) border gateway. Media reports in Nepal say the new link extends to China's Hong Kong Data Center, one of Asia's largest global data centres.
- Last month, CTG paired with Daily-Tech, a developer and operator of data centre infrastructure across China, and Global Switch, a leading data centre in Europe, to launch a state-of-the art data centre in Hong Kong.
- The Chinese side views its Nepal venture as part of a larger digital network of countries along the New Silk Road.




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## Industrial output went to more than two years high

- Industrial output growth quickened in November to a 25-month high of 8.4% bolstered by strong performances in the manufacturing, construction, and consumer non-durables sectors.
- Separately, Consumer Price Index (CPI) data for December showed retail inflation quickened to a 17-month high of 5.21%, spurred by food and fuel price gains.
- The acceleration in the Index of Industrial Production (IIP) growth was significant, coming after October's 2.24% increase. Growth in the manufacturing component of the index touched 10.2% in November, up from 2.47% in the previous month.
- This strong performance was accompanied by a 13.5% jump in the infrastructure and construction sector, up from 5.21% in October.

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- Economists said a low base – in November 2016, when the government demonetised high value currency, IIP grew 5.1% even as the index number itself shrank from the preceding month– and public spending contributed to the stronger IIP reading.
- Growth in manufacturing in November was led by strong double-digit growth in ‘food products’, ‘pharmaceuticals, medicinal chemical and botanical products’, and the ‘computer, electronic and optical products.’
- The other sector that saw robust growth was consumer non-durables, which grew 23.1% in November, up sharply from 7.7% in the previous month. The consumer durables sector grew 2.5%, recovering from October’s 6.89% contraction.
- The data reflects an ongoing revival, said Ranen Banerjee, Partner - Public Finance and Economy at PwC India.

### Govt puts up defense for the World trade organization

- Minister for Commerce and Industry Suresh Prabhu made a strong defence of the WTO and the multilateral trading system, and expressed his optimism about tackling the issue of food security, following the impasse at the Buenos Aires WTO meeting in December.
- “The benefits of global trade expansion have happened largely because of the WTO,” said Mr. Prabhu, speaking at the London School of Economics during an official visit to the U.K. this week.
- The WTO was “democratic, rule-based, transparent and something more unique – no decision can be taken without consensus,” he said contrasting it with the United Nations, and the limited ability of countries to exercise their veto to those within the Security Council. This veto was coming under increasing scrutiny globally, he added.
- The WTO, by contrast, gave all members an equally strong voice, which offered the best choice for taking forward the “expansion of global trade” and “bringing more economic prosperity for people at large” as well as dealing with the issues of poverty and the need for inclusive growth.
- Those who questioned the WTO itself had turned it into an ‘easy whipping boy’, he said. “We need to make sure that this organisation is promoted, protected and taken forward.”
- This did not mean reforms were not necessary to make it more transparent and effective, he said. Moreover, the WTO and constituent countries had to address the issues of economic development and inclusivity, according to him.

### CPI accelerated to a 17-month high

- Inflation as measured by the Consumer Price Index accelerated to a 17-month high of 5.21% in December, from November’s 4.88% as food, housing and fuel costs continued to strengthen.
- Economists said quickening retail inflation would likely lead the Reserve Bank of India (RBI) to retain its cautious monetary stance.
- “Inflation is being largely driven by housing and vegetables,” said DK Srivastava, Chief Policy Advisor at EY India. “Out of these two, vegetables are a seasonal effect and housing has a large weightage in the index.



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- A more sustained influence is that of rising fuel prices. The present indications are that the RBI will go for long pause in its rate policy.”
- The housing segment saw inflation accelerate for the sixth straight month in December to 8.25%, from 7.36% in November. Inflation in the food and beverages segment quickened to 4.85%, from 4.41%.
- Within this, inflation in the vegetables segment touched 29.1%, the fastest pace of gains among all items in the food groups.
- Inflation in the clothing and footwear segment eased in December to 4.8%, from 5.04% in the previous month.

## Science and Tech



### Ozone layer recovered since CFC ban

- An international ban on chlorine-containing man-made chemicals called chlorofluorocarbons (CFCs), has resulted in about 20% less ozone depletion, NASA said.
- CFCs are long-lived chemical compounds that eventually rise into the stratosphere, where they are broken apart by the Sun’s ultraviolet radiation, releasing chlorine atoms that go on to destroy ozone molecules.
- Stratospheric ozone protects life on the planet by absorbing potentially harmful ultraviolet radiation that can cause skin cancer and cataracts, suppress immune systems and damage plant life.

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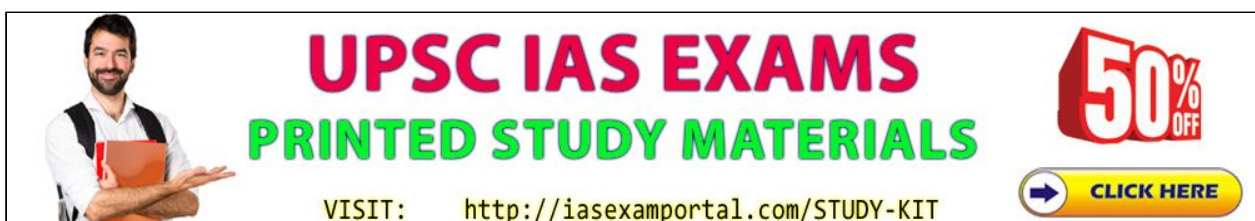
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- By comparing the Microwave Limb Sounder (MLS) measurements of hydrochloric acid and nitrous oxide each year, the scientists determined that the total chlorine levels were declining on average by about 0.8% annually. The study was published in the journal Geophysical Research Letters.
- To determine how ozone and other chemicals have changed year to year, scientists used data from the MLS aboard the Aura satellite, which has been making measurements continuously around the globe since mid-2004.
- The change in ozone levels above Antarctica from the beginning to the end of southern winter – early July to mid-September – was computed daily from MLS measurements every year from 2005 to 2016.
- When ozone destruction happens, chlorine is found in many molecular forms. But after chlorine has destroyed nearly all the available ozone, it reacts instead with methane to form hydrochloric acid, a gas measured by MLS.
- According to the study, the Antarctic ozone hole should continue to recover gradually as CFCs leave the atmosphere, but complete recovery will take decades.

### How H.pylori stays in highly acidic atmosphere

- An international group of over 50 scientists including three Indians have found out how the bacteria Helicobacter pylori survive in highly acidic environment of the human stomach. H. pylori causes peptic ulcer, and chronic infection can also lead to gastric cancer.
- For the first time, scientists have found that the binding of the bacteria to the stomach mucosal layer is acid-sensitive, allowing it to attach and detach when needed.
- The bacteria bind to the mildly acidic (pH 6) mucous layer of the stomach and when the mucous is shed into the highly acidic (pH 2) stomach, the bacteria quickly unbinds and moves to a fresh mucous layer site. The results were published in Cell Host & Microbe.
- Previous studies have shown that the bacteria tightly attach to the epithelial cells and mucous of the stomach with the help of an adhesin called BabA.
- But now the researchers found that though tightly bound to the mucous, the binding affinity reduces once the bacteria sense more acidic pH (2-4 pH). The mucous lining of the stomach is constantly shed into the stomach, which is highly acidic compared with the mucous layer.
- The scientists found a 2- and 20-fold less binding at pH 4 and 2, respectively, compared to pH 6. Within 30 seconds, 85% of the bacteria detached from the mucous layer when placed in a strong acid. They also saw that 95% of them recovered binding activity when shifted to less acidic site.
- In order to know the exact pH at which bacteria loses binding, they tested 21 Swedish bacteria isolates. They found that that the bacteria detached at pH ranging from 2.3 to 4.9 showing that they can adapt to individual acid secretion patterns.
- H. pylori is associated with low stomach acidity in Peru but higher acidity in Indians. The scientists carried out further studies to understand how Indian strains were more acid tolerant. They found that in order to escape the acid, the Indian strains attach to the end or bottom of the stomach.



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## MCQ



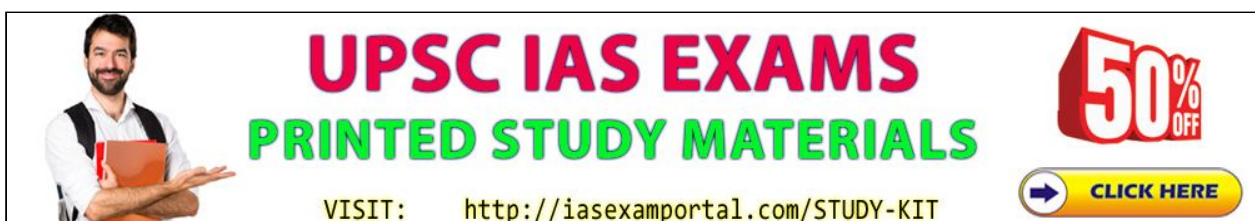
**Ques- Which of the following is correct regarding PSLV-C40?**

1. It placed highest ever 36 satellites in the space
  2. Cartosat-2 was one the satellites which were placed by the PSLV-C40
- A. 1 only  
B. 2 only  
C. Both  
D. None

**Ans B**

**Ques- Recently which of the following country became second internet service provider in Nepal?**

- A. India  
B. China



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- C. Japan
- D. Myanmar

**Ans B**

**Ques- Consider the following statements and mark the correct option.**

1. Both WPI and CPI are calculated by Central Statistics office
  2. Both are published on the monthly basis
- A. 1 only
  - B. 2 only
  - C. Both
  - D. None

**Ans B**

**Ques- Two important rivers- one with its source in Jharkhand and another with its source in odisha-merge at a place only a short distance from the coast of bay of Bengal before flowing into the sea. This is an important site of wildlife and biodiversity and a protected area. Which one of the following could be this ?**

- A. Bhitarkanika
- B. Chandipur-on-sea
- C. Gopalpur-on-sea
- D. Simlipal

**Ans A**

**Ques- Which of the following is correct regarding Indian Internet users**

1. India has close to 35 crore internet users
  2. Out of all internet users, 50% is through mobile.
- A. 1 only
  - B. 2 only
  - C. Both
  - D. None

**Ans A**

**Ques- Broad-based Trade and Investment Agreement (BTIA)' is sometimes seen in the news in the context of negotiations held between India and**

- (a) European Union
- (b) Gulf Cooperation Council
- (c) Organization for Economic Cooperation and Development
- (d) Shanghai Cooperation Organization

**Ans A**



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**Ques- Which of the following is correct regarding retail sector in India?**

- a) Organised retail in India is nearly one-third of the total market
  - b) India also allows 100% FDI in cash-and-carry, or wholesale, ventures.
- 1. a only
  - 2. b only
  - 3. both
  - 4. none

**Ans 2**

**Ques- Which one of the following is the national aquatic animal of India?**

- (a) Saltwater crocodile
- (b) Olive ridley turtle
- (c) Gangetic dolphin
- (d) Gharial

**Ans C**

**Ques- Which of the following is not part of World Bank?**

- A. International Bank for Reconstruction and Development (IBRD),
- B. International Development Association (IDA)
- C. International Finance Corporation (IFC)
- D. All are part of world bank

**Ans C**

**Ques- Consider the following form of taxes:**

- 1. Income tax
- 2. Wealth tax
- 3. Fringe benefit tax

**which of the following are part of direct tax?**

- A. 1 only
- B. 1,2
- C. 2,3
- D. All

**Ans D**

**Ques- Which of the following ports are matched correctly with their country?**

- 1. Chabahar : Iran
  - 2. Hambantota : Sri Lanka
  - 3. Gwadar : Bangladesh
- A. 1,3
  - B. 1,2



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- C. 2,3
- D. All

**Ans B**

**Ques- Which of the following are incorrect?**

- a) Indian constitution allows single citizenship
  - b) U.S constitution allows single citizenship
  - c) The Govt of india amended the citizenship act and merged PIO and OCI cards
- 1) Only 2
  - 2) Only 3
  - 3) Only 1
  - 4) All

**Ans 1**

**Ques- Which of the following is correct regarding Computer Emergency Response Team?**

- 1. Indian Computer Emergency Response Team (CERT-In) is the Government organisation under Ministry of Electronics and Information Technology.
  - 2. It was setup after the terrorist attack in Mumbai in 2008
- A. 1 only
  - B. 2 only
  - C. Both
  - D. None

**Ans A**

**Ques- Which of the following is/ are correct regarding section 377 of IPC**

- 1. It is only against men
  - 2. punishment of 1[imprisonment for life], or with imprisonment of either description for a term which may extend to ten years is provided
- A. 1 only
  - B. 2 only
  - C. Both
  - D. None

**Ans B**

**Ques- Military exercise Hand-in-Hand is exercise between India and which of the following country?**

- A. Nepal
- B. China
- C. Russia
- D. Afghanistan



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**Ans B**

**Ques- H.pylori is responsible for which of the following?**

- A. HIV
- B. TB
- C. Peptic ulcer
- D. Pneumonia

**Ans C**

**Ques- Consider the following statements and mark the correct answer.**

- a) Ozone is naturally found at the ground level and its concentration is 1% of the total gases present at the ground level.
  - b) Ozone layer absorbs 97–99% of the Sun's medium-frequency ultraviolet light, which otherwise would potentially damage exposed life forms near the surface.
- A) a only
  - B) b only
  - C) Both
  - D) None

**Ans B**

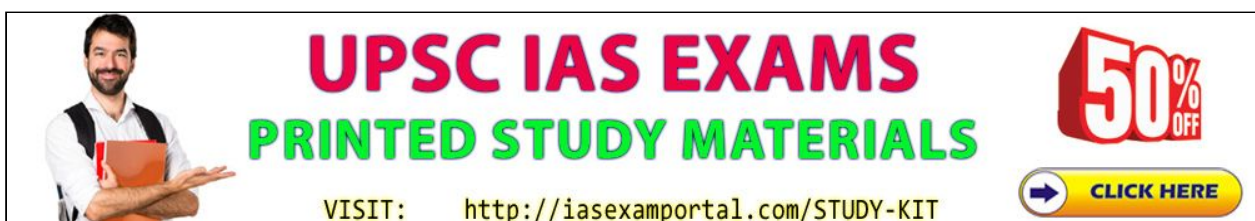
**Ques- Which of the following statements are correct regarding The Aadhaar?**

- 1. Every citizen is entitled to obtain an Aadhaar number.
  - 2. To verify the identity of a person receiving a subsidy or a service, the government may require them to have an Aadhaar number.
  - 3. Biometric information will not be shared with anyone even in the interest of national security.
- A. 2 only
  - B. 1,2
  - C. 2,3
  - D. All

**Ans A**

**Ques- According to Integrated Disease Surveillance Programme, which of the following is most common outbreak?**

- A. Acute diarrhoeal disease
- B. Plague
- C. Food poisoning
- D. None of the above



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**Ans A**

**Ques- Which of the following is correct regarding the INS Arihant?**

- A. It is the lead ship of India's Arihant class of nuclear-powered ballistic missile submarines.
- B. INS Arihant is to be the first of the expected five in the class of submarines designed and constructed as a part of the Indian Navy's secretive Advanced Technology Vessel (ATV) project.

- 1. Only A
- 2. Only B
- 3. Both
- 4. None

**Ans 3**

**Ques- Consider the following This crop requires**

- 1) Average annual temperature of 25-27 deg
  - 2) Well distributed rainfall over 150-200
  - 3) Deep rich well drained soil This crop is
- a) Rice
  - b) Cocoa
  - c) Coffee
  - d) Tea

**Ans B**



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## IMPORTANT ARTICLES FROM VARIOUS NEWSPAPERS



### THE HINDU

#### A sum of contributions

The Emissions Gap Report 2017, released last year ahead of the UN Climate Change Conference, underlined that fulfilment of national pledges related to carbon emission reductions under the Paris Agreement would be inadequate to keep global warming below 2°C. Thus, a renewed focus on climate governance is imperative.

The Talanoa Dialogue of the UN Framework Convention on Climate Change, beginning this month, will facilitate the parties to take stock of progress post-Paris. As a key player in international climate governance, India could set the precedent in deepening the dialogue process through an action-oriented, inclusive, bottom-up approach, involving extensive participation and collaboration of its States.

In a federal democracy like India, subnationals or States are a vital part of the grand coalition between the Centre, civil society, businesses, and key climate stakeholders. India's State Action Plan on Climate Change supports the integration of national climate change goals into subnational policies. India has committed to meet its current target of 33% reduction in emission intensity of the 2005 level by 2030, by generating 40% of its energy from renewables. States are important for the realisation of this goal.

Enhancing climate actions is expected to involve routine engagement of the States in the international process. The Under2 Coalition, a Memorandum of Understanding by subnational governments to reduce their greenhouse gas (GHG) emissions towards net-zero by 2050, is generating a unique precedent for bold climate leadership, with its member states and regions surpassing 200 in number. Currently, Telangana and Chhattisgarh are signatories to this pact from India, as compared to representations from the other top

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emitters: 26 subnational governments in China and 24 in the U.S. Greater representation of Indian States is crucial.

It is equally imperative to examine the progress of subnational actions in meeting national climate targets. Towards this end, both national and State plans would need to be periodically reassessed and reviewed. A transparent framework for review, audit and monitoring of GHG emissions is needed. As State capacities vary significantly, the principle of common but differentiated responsibilities should be applied to allocate mitigation targets in different States, based on the principle of equity.

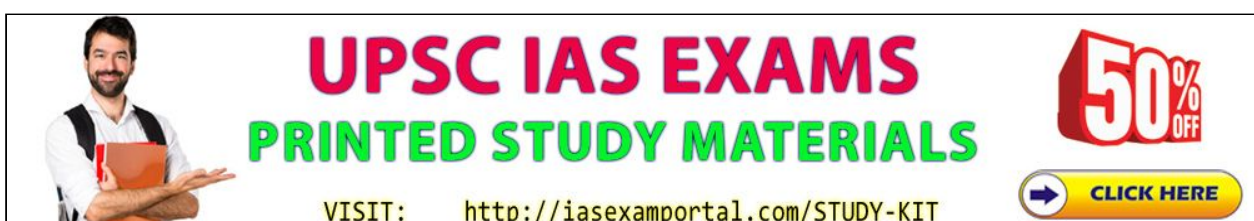
States have enormous mitigation potential, but the evidence pertaining to its effectiveness is still scarce. Therefore, India must look towards creating knowledge action networks and partnerships under both national and State action plan frameworks. Kerala has taken the lead to build such a knowledge network funded by the National Mission on Strategic Knowledge for Climate Change.

## Standing up for human rights

In his new year message, UN Secretary-General António Guterres referred to the pervasive and large-scale infraction of human rights across the world as a global challenge that defies our vision of a humane and just world order. The message is particularly relevant for us. This is because the torture of individuals in state custody remains a brazen human rights abuse that mocks our governance even as we claim human dignity as the end objective of the Indian state, with the Supreme Court affirming it as “an intrinsic value, constitutionally protected in itself” ( Puttaswamy , 2017, M. Nagaraj , 2006).

## Cause for concern

As we move into the new year with hope in the future, we must pause to reflect on whether in our approach towards eliminating torture as an affront to human dignity, we have been caught between legislative lassitude and judicial abdication. I do confess to a disappointment while propounding the necessity of a purposive and comprehensive anti-torture legislation through a public interest litigation. The necessity to move the highest court arose because even years after India became a signatory to the Convention Against Torture in 1997, we have not been able to ratify it or have in place a domestic legislation to effectuate the right to life with dignity read into Article 21 of the Constitution. In a departure from judicial precedents established in Vishakha (1997), D.K. Basu(1997), Vineet Narain (1997), Association for Democratic Reforms (2002), Swami Achyutanand Tirth (2016) and the Triple Talaq (2017) case, the Supreme Court refrained from exercising even its limited nudge function to prompt the government into bringing the necessary anti-torture law. Acts of custodial torture continue to defy constitutional diktat and mock the Supreme Court’s declaration of torture as “...synonymous with the darker side of human civilization, is a naked violation of human dignity...” (D.K. Basu, 1997). The recent Constitution Bench judgment in Puttaswamy (Supra), citing its earlier judgments, reaffirmed that torture infringes on human dignity which is “inalienable and inseparable from human existence”.



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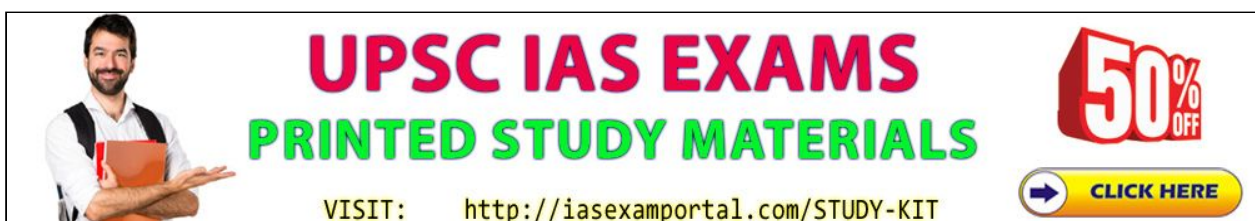
## Baffling stand

The court's disinclination to exercise its expansive review jurisdiction for enforcing the non-negotiable right to dignity in the face of legislative and government inaction is inexplicable given the court's activism as sentinel on the *qui vive* qua enforcement of constitutional rights. And this despite the 2010 recommendation of the Select Committee of the Rajya Sabha supported by the National Human Rights Commission, the Law Commission of India and repeated assurances given on behalf of the Indian government at the UN Universal Periodic Review. The court remained impervious to its own jurisprudence expounded in *Puttaswamy and NALSA* (2014), among others, that unless there is a manifest intent expressed to the contrary, domestic laws should be aligned with the international legal regime on the subject. Those facing criminal trials and extradition proceedings abroad including Abu Salem, Kim Davy, Jagtar Singh Johal and others have questioned the country's investigative and criminal justice system in the absence of an effective and enforceable law against custodial torture. The damning slur on the nation's trial process and commitment to the rule of law itself was also not enough to move the court to exercise its "suggestive" jurisdiction. It seemed legitimate to expect the highest constitutional court to inspire legislation that would vindicate the ethic of human rights as it has done so often in the past. Its decision, to the contrary, in a petition seeking a comprehensive legal framework against torture betrays, with respect, judicial inconsistency and an irrational flexibility destructive of legal certitude necessary for law to serve a stabilising function in our polity.

## Walk the talk

The Prime Minister must surely know that when the dignity of a large section of its citizens is denuded, a diminished nation in default of its international commitments cannot expect to have its voice heard with respect in the chanceries of the world. The Vice President and Chairman of the Rajya Sabha, M. Venkaiah Naidu, who believes that human rights are guaranteed "...because of being a part of our DNA...", must walk the talk, also because a 2010 unanimous recommendation of the Rajya Sabha's Select Committee proposing an anti-torture law remains unimplemented. The Attorney General likewise owes a moral responsibility to the nation in supporting the proposed dignitarian legislation against torture which is unburdened by a partisan political agenda. After all, it was his assurance to the court that the government was seriously considering the October 2017 recommendation of the Law Commission in support of a standalone anti-torture law which persuaded it to dispose of the petition without suggestive observations that would have strengthened a compelling constitutional cause with the court's moral authority. Parliamentarians who are privileged to represent the concerns of the people must keep faith and ensure the passage of a humanitarian law.

Whether or not the court was right in abdicating jurisdiction to enforce a dignitarian constitutional value in the premises aforesaid is best left to be determined at a later date, considering that the court itself has repeatedly disavowed any claim to infallibility. In the meanwhile, we must strive to set higher standards of accountability for our constitutional functionaries in 2018. I wish to be able to remember this year as one in which we invested our democracy with dignity in an inseparable coalescence, when hope triumphed over despair and sensitivity prevailed over apathy. This year should be the year of a fulsome affirmation of our



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right to question, lest our silence be seen as acquiescence in constitutional aberration. Let us keep digging in for the values that define our nation.

## Dark clouds across Asia

What awaits the Asia-Pacific in 2018? Prospects appear, if anything, bleaker than was the case in 2017. More disorder, coming with increasing signs of a breakdown in inter and intra-state relations, is perhaps on the horizon. The Asian region is nowhere near achieving the kind of equilibrium that the Concert of Europe brought to 19th century Europe.

Between the two giants

The region is today an area of intense geostrategic and geo-economic competition. China is the rising economic and military power in Asia today – the second most important economic power after the U.S. and having the second or third most powerful military. In seeking dominance over Asia, however, it not only has to contend with a strong military and economic U.S. presence in the region, but it also cannot afford to ignore the competition from Japan and India. In mid-2017 in Doklam, India had demonstrated that it was more than capable of standing up to China's bullying tactics.

Much of the speculation about the extent of China's rise is based on the common presumption that the U.S. under President Donald Trump had surrendered its global leadership role. The reluctance of the U.S. to embark on 'new wars', especially in Asia, does not, however, undermine its geopolitical, geostrategic and geo-economic pre-eminence. It is not China's rise, but the breakdown of the institution of the state, as is evident in Afghanistan and Syria, that poses far more pressing problems for Asia.

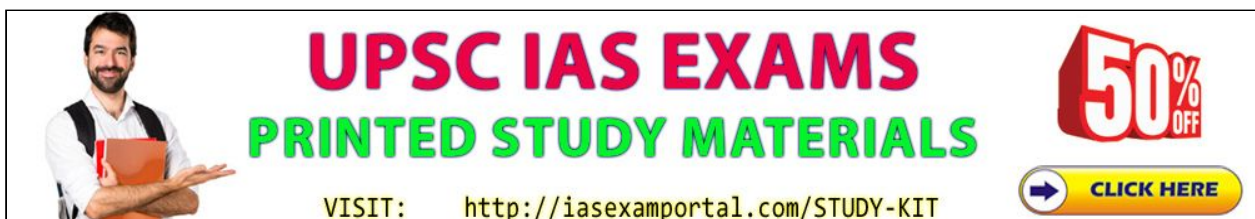
Undoubtedly, East Asia will remain a troubled region for much of 2018, with the leadership of North Korea intent on playing increasingly dangerous games and engaging in nuclear sabre-rattling. It is unpredictable at this point whether this would lead to a major destabilisation of the region, with far-reaching consequences for Asia and the world.

The future of the rest of the Asia in 2018 is again dependent on how the strategic triangle of state relations between China, Pakistan and India plays out, as also the extent to which events in West Asia deteriorate. The situation has become more complicated as China and Pakistan have further strengthened their axis, which is inimically disposed towards India. Fragmentation of already difficult relationships does not hold out much hope for any improvement in 2018.

As it is, options for an improvement in relations in 2018 between China and India appear limited. The 19th Congress of the Chinese Communist Party (October 2017) essentially highlighted China's quest for global leadership and the means to achieve it, including making China's military 'world class', one capable of 'winning wars'. It contained few hints that signified a possible thaw in India-China relations.

## Shots across India's bow

In 2017, India-China relations had steadily deteriorated. China is clearly peeved that India refuses to participate in its Belt and Road Initiative that straddles Asia and Europe. The stand-off at Doklam in mid-2017 was possibly intended by China to be a 'shot across India's bow', to send a message to India. More such situations will, in all likelihood, be repeated in 2018.



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China can also be expected in 2018 to resort to other pressure tactics against India. Backing Pakistani intransigence in 'needling' India is certain to be one. Additionally, China can be expected to intensify its moves to displace India as the major partner in relations with many of India's neighbours – 2017 had already seen China moving in this direction vis-à-vis Nepal, the Maldives, Sri Lanka, Bangladesh and Myanmar. As it is, China has succeeded to some extent in denting India's long-standing relationship with Russia, having established a strategic congruence with that country.

India would again need to be on its guard in 2018 as China consolidates its takeover of Gwadar (Pakistan) and Hambantota (Sri Lanka) ports. Together with China's establishment of a base in Djibouti (on the Horn of Africa), India could find itself at the receiving end of China's 'Wei-Qi tactics'.

As India grows closer to the U.S. in 2018, the India-China equation could further worsen. The most recent National Security Strategy of the U.S. refers to China as a 'rival', while welcoming India's emergence as a 'strategic and defence partner'. This is certain to ratchet up the rivalry between India and China in the Asia-Pacific region, likely to be further compounded by India's association with the Quadrilateral (of U.S., India, Japan and Australia).



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## Looking at Pakistan

Again, 2018 holds out little prospect of an improvement in India-Pakistan relations. The last year ended with a serious ceasefire violation along the Line of Control in the Rajouri Sector, in which army men, including a Major, were killed. In 2017 there was an over 200% increase in ceasefire violations, with infiltration touching a four-year high.

This year began with a major terrorist attack by Jaish-e-Mohammed (JeM) elements on a Central Reserve Police Force (CRPF) camp in Avantipur (Pulwama district) in which five CRPF men were killed. The treatment meted out to the family of Kulbhushan Jadhav (currently incarcerated in a Pakistani prison) and



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the fake news that followed their visit provides an index of Pakistan's cold, calculated and consistent hostility towards India. The South Asian Association for Regional Cooperation (SAARC) continues to remain in cold storage. Pakistan has also not refrained from persisting with its proxies like the Lashkar-e-Taiba and the JeM in its war with India.

In its neighbourhood, India must be prepared during 2018 for a further deterioration of the situation in already disturbed Afghanistan. The Afghan state is in real danger of imploding, and this situation could worsen. The latest attack by Mr. Trump on Pakistan's duplicity in dealing with terrorism could well result in Pakistan adopting a still more perverse and disruptive role here, and providing further encouragement to the Afghan Taliban and the Haqqani network.

The current peace talks may well collapse as a result. Any possibility of exerting greater military pressure by the North Atlantic Treaty Organization and allied forces may prove futile.

## West Asia in turmoil

The situation in West Asia in 2018 could well turn out to be far grimmer than in 2017. West Asia is at the crossroads today. The entire region is in turmoil. Syria has almost ceased to be a state. The war here entails major powers like the U.S. and Russia, proxies for certain West Asian countries, a medley of non-state actors, apart from terrorist outfits such as the Islamic State (IS) and al-Qaeda.

Intrinsic to the Syrian and West Asian imbroglio is the ongoing war within Islam featuring, at one level, intense rivalry between Sunni Saudi Arabia and Shiite Iran, and at another, the spectre of a split down the line between the Arab and the non-Arab and the Sunni and Shiite worlds.

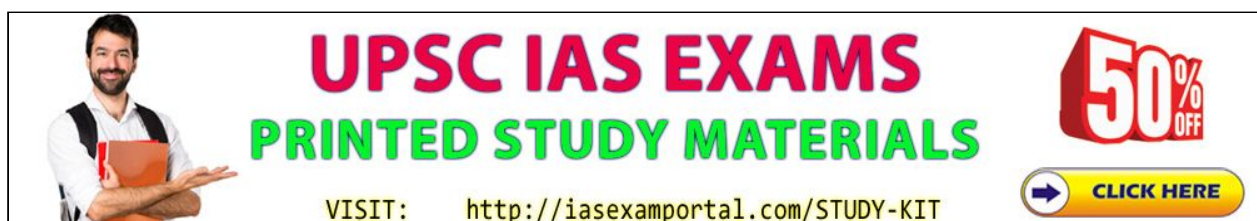
In addition, there are other forces aggravating an already complicated situation, viz. the war in Yemen, the disruption within the Gulf Cooperation Council, the nascent upheavals in Saudi Arabia and Iran, and the spectre of de-stabilisation that hovers over much of the region. None of these issues is likely to find resolution in 2018, and could suck in more states of the region.

If the U.S. were to follow through with its announcement to recognise Jerusalem as Israel's capital, it might well ignite new tensions across the entire Arab world. This will further inflame radical Islamist ideas and tendencies across the region, paving the way for a new round of conflict.

This year could also see a resurgence in terrorism. Both the IS and al-Qaeda seem to have acquired a new salience lately. The collapse of the so-called Islamic Caliphate and its territorial demise has hardly weakened the terror potential of the IS. In much the same manner as the Afghan jihad in 1980s and 1990s exacerbated insurgencies across parts of the world, retreating IS members returning to their homeland could provide a new narrative of terrorism in 2018. Existing cells across many parts of the world could well be re-vitalised as a result. The wave of attacks seen recently in Afghanistan can be attributed to this vanguard of retreating IS fighters.

Given such a scenario, it is difficult to be optimistic about a better 2018.

## The age of crypto-economics



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The Finance Ministry recently issued a statement warning against investing in bitcoin and other cryptocurrencies (CCs). Likening CCs to 'Ponzi schemes', it linked them to terror-funding, smuggling, drug-trafficking, and money-laundering. The stern advisory came after three other warnings issued by the Reserve Bank of India.

### Why the distrust?

Two aspects of the bitcoin phenomenon have attracted great interest: the challenge it poses to states and central banks; and the potential of its underlying technology to unleash a new wave of creative destruction.

It would be safe to say that the world's top central bankers have finally realised the futility of trying to control CCs. They are preparing to join them – by issuing their own Central Bank Digital Currency (CBDCs).

A CBDC is a complex tool whose functionality is still being researched. But there is one flaw endemic to any CBDC: the contradiction between the centralising tendency of a CBDC and the decentralising technology that underpins cryptocurrencies. What economists conveniently forget when discussing CCs such as bitcoin is the trigger for it: distrust of bankers.

The global financial crisis of 2008-09 raised a simple question: what option do people have if banks are not to be trusted? A man (or a group of people) named Satoshi Nakamoto provided an answer: a peer-to-peer, 'trustless' electronic cash system based on a technology called blockchain.

### Why is it attractive?

In order to be functional, a virtual currency must solve the problem of double spending. Given that anything digital can be copied, how do you prevent someone from spending the same unit of currency twice? Today's cashless economy tackles this through a centralised ledger maintained by a 'trusted' intermediary – often a bank – on its own servers. But as per the definition of the problem, banks can't be trusted, remember?

Nakamoto solved the double spending problem by designing a decentralised ledger that bundles data about transactions into blocks, timestamps them, and links each new block of transactions with the previous one in an immutable chain of blocks that are copied, authenticated, and updated continuously, and publicly, on thousands of computers – the blockchain.

The blockchain uses economic incentives (payment in the form of bitcoins or other CCs) to motivate members of the network to do the work of validating every transaction. It does away with the bank's role as an intermediary, and this is what differentiates CCs from (the digital version of) fiat currencies.

Not surprisingly, central banks and states are not pleased to have the rug of the cashless economy – with which they've been smothering ordinary citizens – pulled from under their feet by a technology that regards them with disdain.

It has been pointed out that bitcoins, unlike a stock or a bond, are a purely speculative asset untethered to a material basis of value. While this is somewhat true, it doesn't explain why bitcoins continue to remain attractive as a store of value. A major reason seasoned speculators find bitcoins irresistible is its



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deflationary nature, which makes it inflation-proof. Since there can only ever be 21 million bitcoins, unlike a fiat currency, it cannot suffer a loss in value due to inflation.

In this regard, cryptocurrencies such as bitcoin may herald the next stage of neo-liberal economics: the privatisation of currency and disciplining of the state (no more quantitative easing!) by reducing the fiat currency into one of many competing currencies.

In theory, the state still has a trump card: it decides the currency in which taxes are paid. But that may mean little in a scenario where the political apparatus has been captured by finance capital, which is increasingly the norm in democracies where unknown donors contribute astronomical sums to political parties.

#### Blockchain world

Amid all the frenzy over bitcoin's rocketing values, it is easy to forget that it is just one version of one application (cryptocurrency) of a new technology (blockchain). In some ways, the present moment is analogous to the early days of the Internet, when Hotmail was an exciting new discovery and the Internet was synonymous with email.

Coinmarketcap.com, a website that tracks the market capitalisation of cryptocurrencies, lists 1,379 currencies. Away from the hysteria around bitcoin, lesser known cryptocurrencies such as OmiseGo, TRON, Golem, and Storj are attracting investments that are helping to set up an entire decentralised ecosystem and payments infrastructure on blockchain platforms that could radically transform the way businesses transact with each other.

The fundamental value proposition of the blockchain is that it eliminates the need for trust – a commodity without which exchanges of value (transactions) cannot happen. This means that individuals and businesses can do away with a whole bunch of intermediaries whom they pay for managing trust.

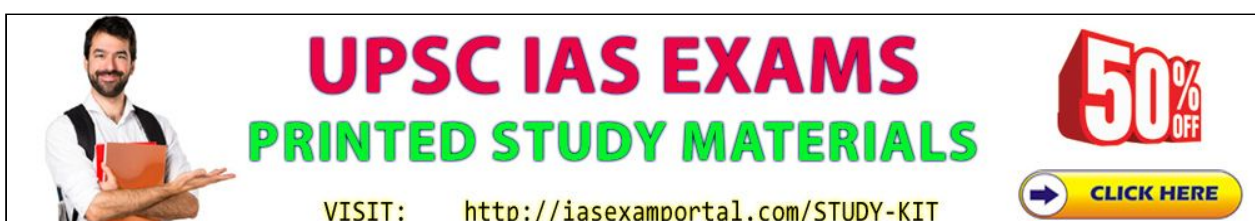
For instance, on Ethereum, a blockchain platform that calls itself "the android of the cryptocurrency world," you can set up an application that enables people to rent out idle storage space on their laptop. Someone who needs cloud storage can pay you directly, instead of paying Amazon, a leading cloud storage intermediary. You could thus monetise a resource that you didn't even know you had. Well, Storj is an application that does precisely that, and it already enjoys a market cap of \$298 million. Ethereum, too, is listed on cryptocurrency exchanges, and it is worth \$112 billion, not far behind bitcoin's market capitalisation of \$259 billion.

Programmable money is another example of a decentralised blockchain-based application. Since digital currencies are software programs, one can program a particular CC such that, say, it cannot be used to buy the product of a company that uses sweat shop labour.

Two domains that would gain immensely from blockchain applications and CCs are Artificial Intelligence and Internet of Things (IoT), since in an IoT world, thousands of devices would need to rapidly and seamlessly transact with each other in real time, without the devices' owners having to dig into their wallets every time.

Given the enormous scope for increased efficiency and cost-saving, it is not inconceivable that in the medium term, the biggest threat to businesses in the finance and digital space will come from the blockchain versions of themselves.

Of course, as happened in the early days of the Internet, some of the claims being made about blockchain are plain silly. It is true that the technology's peer-to-peer orientation renders it more democratic. But it is



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not about to usher in a socialist paradise. Even the World Wide Web was supposed to be a decentralised, democratic space where everyone was equal. We all know how that turned out.

Clearly, technological innovations cannot substitute for the hard job of reducing socio-economic disparities through political mobilisation. If blockchain is getting traction, it is because it works with, rather than against, market logic.

It so happens that right now any technology that drives decentralisation also carries some political promise by virtue of challenging the centralising tendency of power. But that is a byproduct, and not to be confused with its intent, which remains the same as with any other IT innovation of recent times: efficiency and profit.

### The much-neglected pollutant

As a blanket of pollutants descends on large parts of north India, it is important to remember that killer pollutants go beyond particulate matter. A much-neglected pollutant in discussions about pollution is surface ozone (O<sub>3</sub>). A recent study shows that O<sub>3</sub> levels will continue to rise drastically, particularly in north India.

Matthieu Pommier from the Norwegian Meteorological Institute, Oslo, along with a team of researchers from the Chalmers University of Technology (Sweden), the Energy and Resources Institute (New Delhi), and the Indian Institute of Tropical Meteorology (Pune), analysed the prevalence of O<sub>3</sub> in the subcontinent. Their paper, "Impact of regional climate change and future emission scenarios on surface O<sub>3</sub> and PM<sub>2.5</sub> over India", was published in the journal Atmospheric Chemistry and Physics on January 4. The researchers examined the rise of pollutants due to a) anthropogenic pressures and inorganic aerosols, (where; and b) climate change which affects atmospheric conditions which have diluted or dispersed the pollutants.

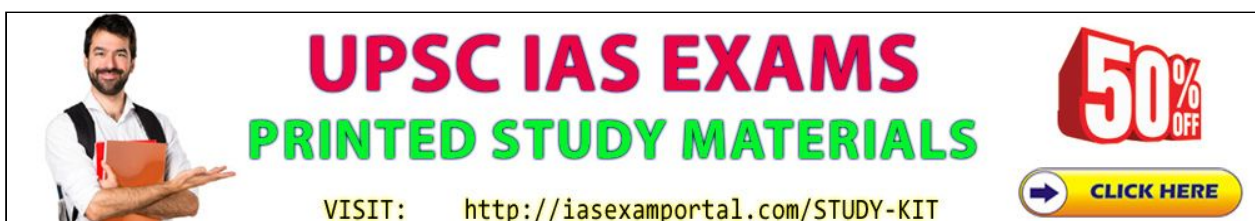
Using statistical models relying on physical and chemical processes that either generate the pollutants or "sink" them (such as rain for PM<sub>2.5</sub> or uptake by vegetation in the case of ozone), the researchers conducted 10-year simulations for 2026-2035, 2045-2055, and used 2006-2015 as the reference.

In terms of climate change-driven variations, by the 2050s, ozone levels will increase by up to 4.4% (or by 2 parts per billion) in large swathes of north India, particularly Uttar Pradesh, while there will be a decrease over forest patches of the Western Ghats in the south of 3.4% (1.4 parts per billion). Climate change will adversely impact soil moisture, rains, or vegetation density, which will further impact the absorption of ozone. The scenario is scarier when tabulating man-made sources such as vehicles, power plants, or any machinery that uses fossil fuels, where the O<sub>3</sub> component will increase by up to 45% in parts of north India "in the absence of a policy effort" to curb the pollutant. The increase, albeit in varying degrees, will be seen in much of the subcontinent save for a few spots close to the Western Ghats – perhaps a lesson on how to contain pollutants – where O<sub>3</sub> will actually decrease by 4%.

Surface ozone not only damages health but also destroys crops, as a previous study in 2017 by Shyam Lal from the Physical Research Laboratory in Ahmedabad, and others, showed. In a country where food insecurity is high, this should be reason enough to act.

### Agriculture needs a reforms package

With rural economic anxieties acquiring a political voice, the expectation is that the Budget will focus on agriculture. For some time, the country has been in denial over the extent of the mess in the sector.



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Farm incomes are unattractive for a variety of reasons; the absurdity of policies features among them. The overriding objective of price stability, over time, has tilted farm policy in favour of the consumer, the numerically larger vote bank. Trade and price controls are highly restrictive, and mostly anti-farmer. Protection afforded to the inefficient fertilizer industry ensures that input costs are high. The farmer is forced to sell in the domestic market where prices tend to be lower than global agricultural prices. Research papers have quantified the degree of anti-agriculture bias in the system. Farmers' economic viability is rarely the primary consideration, although political rhetoric would suggest otherwise. Increasingly though, incompetence and politics have ensured that policies are failing to serve even consumers.

Agri-markets are not free. Governments seek to influence prices, to smoothen them out. In the absence of state intervention, prices soar in bad weather years and plunge in good weather years, hurting consumers and farmers. The levers in government's hands are import and export controls, buffer stocks management and minimum support prices (MSPs).

#### About MSPs


Prime Minister Narendra Modi is under pressure to deliver on the 2014 poll promise of higher MSPs. The centrality of MSPs in vote-bank politics is well-known, but the economics of it is not sufficiently appreciated. The MSP, the price at which the government offers to procure from farmers, is an economic policy tool which requires technical acumen.

A sensible policy would be to buy from farmers when market prices are depressed and sell stocks in the open market when prices are elevated. In the first scenario, if the MSP is pegged higher than the market price, the procurement will raise the market price, boosting farm incomes. In the latter, by offloading its stocks at a price lower than the market price, government can cushion consumers against excessive inflation. The buyers of the subsidised sales (an efficient Public Distribution System) are directly benefited, but as the sales also lead to lower prices in the open market, all consumers gain.

Procurement works effectively only if trade controls and stocks management are aligned with it. How these tools tend to be deployed in a counterproductive manner was evident in the example of pulses in 2016-17. Despite a bumper harvest, after a steep MSP hike and good rains, export controls and stocking limits for private traders were retained and a record volume of imports allowed to be shipped in. The resulting glut sent the market price down, below the MSPs, rendering it pointless. The looming losses set off farmer protests seeking even higher MSPs.

The United Progressive Alliance government's MSP policy was blamed for the food prices inflation, from 2009 to 2013. The culprit, though, was poor management of food stocks. The government had been raising MSPs to reduce the gap between low domestic and high global agricultural prices. The launch of the National Food Security Mission and a global food prices crisis necessitated hikes more aggressive than were originally planned. The high MSP ensured that the increase in food grain production in the four-year period, 42 million metric tonnes, was more than double of what had been targeted. But the high MSP also edged out private traders, forcing a scale-up in procurement. Wheat and rice stocks surged but were not used to dampen market prices.

Former Chief Economic Adviser Kaushik Basu has written about the mindset behind the reluctance to release stocks to cool rising prices. The argument was that selling at a price lower than the purchase price (MSP plus carrying costs) would inflict losses on the exchequer and add to the fiscal deficit. Since procurement spending is a sunk cost, not selling implied even higher fiscal losses. International wheat prices were 30% lower than in India, yet consumers were forced to pay more.



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A bias Agricultural economist Ashok Gulati's calculations show that even after four years of systematically aggressive hikes, Indian MSPs of rice and wheat are less than support prices in China and other Asian countries, betraying India's bias in favour of consumers.

This bias explains the deepening economic divide between the farm-dependent and the rest of the population, reflected in insecurities of even traditionally land-owning people.

The narrative is that the bulk of agriculture is not sufficiently productive to be able to gainfully engage young rural Indians and so policy attention must be on building industry. China's experience challenges such notions. The Chinese economic reforms were kicked off in 1978 with an overhaul of agriculture. As farm prices were decontrolled, real per capita incomes began rising and, in just six years Chinese poverty levels halved, from 33% in 1978 to 15% in 1984. In contrast, India's 1991 reforms bypassed agriculture altogether and instead focussed completely on industrial liberalisation. Indian poverty halved in 18 years from 45% in 1993 to 22% in 2011.

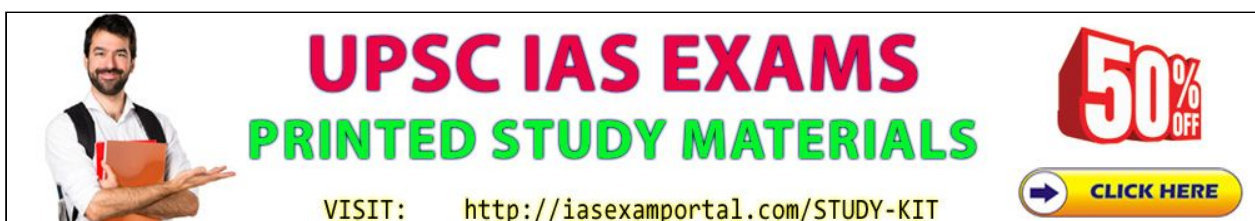
The Budget presents an opportunity to revisit strategic choices. Nothing short of an overhaul of agriculture, resembling the industrial liberalisation of 1991, will work.

## INDIAN EXPRESS

### Work in progress

The credo of "ease of doing business" is behind changes in the Foreign Direct Investment (FDI) Policy announced by the Union cabinet. It has approved 100 per cent FDI for single-brand retail via the direct route – the earlier policy allowed foreign players a 49 per cent stake under the automatic route. FDI beyond 49 per cent in single-brand retail required government approval. The decision to allow foreign airlines to invest up to 49 per cent in Air India will pave the way for divestment of the state-run carrier. Permitting 100 per cent FDI in construction businesses through the automatic route is, likewise, aimed at reversing the past two years' downturn in the real estate sector. The decision to allow Foreign Institutional Investors and Foreign Portfolio Investors to invest in power exchanges through the primary market will help inject capital and global best practices in these vital interfaces between buyers and sellers of electricity and make the market more competitive. So far, FIIs and FPIs were only allowed to transact in the secondary market, where previously-issued stocks, bonds and futures are bought and sold.

policy changes should be seen in conjunction with a range of recent reforms, including the Real Estate Regulation Act (RERA), GST and the Insolvency and Bankruptcy Code (IBC). RERA, for example, is intended to instil financial discipline and improve transparency in the real estate sector. But the construction business needs to do well for the policy to have its intended effect of benefiting the home-buyer. The decision to free investments in the sector from government regulations should help the construction business tide over the disruptive impacts of demonetisation and GST. With the glitches of GST expected to be ironed out this year, idling time at check-posts for clearance of goods across state borders will come down significantly, thereby speeding up logistics. This will mean a range of operational and cost



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advantages for global companies. Wednesday's policy changes are likely to further improve the environment for business. Moreover, with the IBC coming into full play this year, money locked up as stressed assets will be up for redistribution. With the latest FDI policy changes, the process of capital infusion is likely to acquire further momentum.

Wednesday's reforms bring Air India on par with other airlines. Allowing foreign airlines to invest up to 49 per cent of their paid up capital in Indian companies was among the reasons for the country's aviation boom. But Air India, which remained an outlier to this development, has accumulated a debt of nearly Rs 52,000 crore. While it is too early to predict the time it will take to change the airline's fortunes, the next logical step should be to extend reforms to other white elephants of the economy.

## A case of miscasting

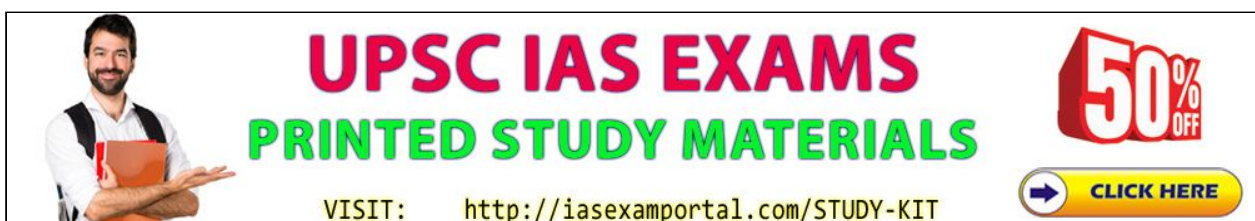
Less than three weeks after the slow progress of the National Mission for Clean Ganga drew flak from a Comptroller and Auditor General (CAG) report, the Centre has decided to infuse military vigour into the programme. It has sanctioned the raising of a Territorial Army Battalion, which will be responsible for the "tasks and activities related to resurrecting the Ganga". The battalion comprising ex-servicemen will keep tabs on pollution levels, assist the government in enforcing pollution control measures and support the civil administration and police in managing the ghats. But if the government means business on cleaning up the Ganga on a war footing, it has to do much more than relying on such enforcement measures.

According to the National Mission for Clean Ganga website, nearly 12,000 million litres of sewage is generated every day in the Ganga basin. Barely a third of this waste is treated; the rest flows into the river. The volume of muck might actually be even greater because large parts of cities like Haridwar, Varanasi and Kanpur are not even connected to the sewage network, and their waste remains unaccounted for. Moreover, even sewage treatment plants (STPs) can do so much. The waste cleaned up by these plants has to undergo a final cleansing in the river. But with more than 40 dams, weirs and barrages checking the Ganga's flow along its 2,500 km journey, not even a martinet's command can make the river clean sewage. It simply doesn't have the water for the purpose.

In the past, the Territorial Army has done well in ecological endeavours such as the rejuvenation of forests. Cleaning up the Ganga, however, requires structural interventions, some of which have been highlighted by the CAG report. For example, the report talks of plugging the gaps in sewerage networks. It mentions that more than 50 per cent of the STPs sanctioned under the National Mission for Clean Ganga have been held up by delays in execution. Roping in the Territorial Army is unlikely to remove such snags.

## Squandered chances

In the run-up to what will be the last full-fledged budget of the Narendra Modi government, there has been a significant shift in the economic landscape from the time the NDA came to power in May 2014. Estimates of the Central Statistical Organisation (CSO) show that Gross Domestic Product (GDP) will grow at 6.5 per cent in FY18 – a four year low and much below the RBI's growth forecast of 6.7 – in what is further



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confirmation of the current slowdown. The secular decline in growth since 2015-16, 8 per cent that year, 7.1 per cent in FY17 and the estimated growth of 6.5 per cent in FY18, could mean that this NDA government may be on course to reporting a lower average growth over its five-year term next year than the 7.1 per cent of even UPA 2, which it has attacked often for economic management.

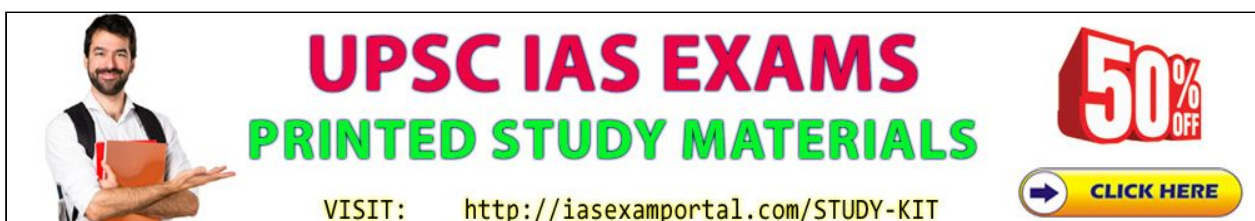
The CSO estimate is also a reflection of the fact that the two so-called structural reforms pushed by this government – demonetisation and GST – have weighed heavily on the economy. Looking back, it now appears that the government may have erred in not having pushed the pedal on reforms in the first two years of its term when it enjoyed a bonanza in terms of low oil prices compared to past governments. For, that period, marked by stable macro indicators, offered a great opportunity to address the twin balance sheet issue. That was when there was enough elbow room, both fiscal and monetary, for the government to carry out serious repair work. By leaving it late, and considering the fact that there is little or no flexibility on both these counts for a counter-cyclical policy without breaching the fiscal deficit targets, and with its attendant risks and the fact that 2018 will be marked by several assembly polls, a rebound in growth next fiscal, if at all, may kick in only in the second half of FY19. And if growth sputters next fiscal, too, there could be a political cost – with national polls in 2019.

Unlike many other governments, this government has been perceived as fiscally conservative and staying the course on fiscal consolidation. It is a moot point as to whether this would have been the case without low oil prices. Having enjoyed that for a good part of its term, it is difficult to escape the feeling that NDA 2 may have squandered an economic opportunity at a time when there has been a synchronised recovery in global growth after the financial crisis of 2008. Contrast that with the record of NDA 1 which, after facing severe challenges, left an economy in much better shape, which the government that succeeded it, the UPA, built on. This government would be better off if Prime Minister Modi expands his considerable political capital on reviving growth.

## Security questions

The Unique Identification Authority of India (UIDAI) has taken a firm step in support of data security and privacy by introducing disposable IDs, authentication tokens and tiered KYC requirements to reduce the exposure of Aadhaar numbers. These are logical measures, since providers only need to have the number authenticated against a person. There is no need for them to store it even for a second thereafter. This principle has been followed in other services for decades. For instance, email providers do not know their users' passwords, since they are not stored on servers in plain text. They are stored as hexadecimal hashes, which are cryptographically compared against passwords during a login. It is surprising that this pervasive principle, which is followed by almost all services requiring a login, was not applied to UIDAI earlier.

While the objectives of Aadhaar are entirely reasonable, its implementation has not earned universal trust. Apart from disastrous denials of the very services it was designed to assure – withdrawal of food and shelter entitlements to the poorest have been noted – the security of the world's biggest repository of biometric data has been questioned following leaks. The first problem is being examined by the courts. And the virtual ID is the UIDAI's first attempt to address the second. From the time the project was launched by



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Nandan Nilekani, its promoters chose to stonewall criticism, instead of engaging with it, by arguing that Aadhaar is an impregnable data silo. The UIDAI's reaction to a newspaper story which showed how easy it is to acquire Aadhaar numbers was to target the messenger. Just two months ago, the government claimed in an affidavit that Aadhaar is breach-proof.

There is an element of hubris here, and the technologists behind Aadhaar must know it. Systems are secured by multiple strategies, but there is no such thing as bulletproof security. All systems are vulnerable to a capable, imaginative and determined attacker, no matter how diligently they are secured. The only certain deterrent is legal, and fortunately privacy law has plugged the gap. However, it remains to be seen how many impugned parties have the stomach for private litigation. And the fact remains that large repositories of data, whether Equifax or Aadhaar, are targets in a world where data is the new gold. Their holdings must be shared on a need-to-know basis, and the recent blanket requirements for Aadhaar data to be shared with service providers, from mutual fund managers to telecom companies, flies in the face of that principle. Tiered exposure and virtual IDs would now reduce exposure of real Aadhaar numbers, though they must have already been shared in large quantities. Now, UIDAI has taken a step towards seeking universal trust, which is the bedrock of a legitimate authentication system.



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## Insecure authority

Since the setting up of the Unique Identification Authority of India (UIDAI) in 2009, the issue of privacy and security of data has been at the heart of the debate around Aadhaar. These concerns have been magnified during the NDA's current tenure, as Aadhaar is linked with an increasing number of services, from mobile phones to bank accounts. Whether and to what degree the government can mandate the use of the biometric-based unique identity is a matter before the Supreme Court. On Saturday, however, the institutional mechanism at the heart of the project acted in a manner that raises questions over the ethos by which it plans to deal with these questions, as well as any perception of lapses in its own functioning.

By initiating criminal proceedings against a newspaper and its reporter for a journalistic exercise highlighting possible gaps in its data security apparatus, the UIDAI has displayed a worrying lack of maturity and insecurity that it must rectify immediately.

A report in The Tribune on January 3 claimed that "It took just Rs 500, paid through Paytm, and 10 minutes in which an 'agent' of the group running the racket created a 'gateway' for this correspondent and gave a login ID and password." Using the login, the reporter could "enter any Aadhaar number in the portal, and instantly get all particulars that an individual may have submitted." The UIDAI, immediately after the report was published, said that there had been no breach of biometric data and that "data was fully safe and secure". On Saturday, a deputy director from the body proceeded to register an FIR against both the reporter and the publication along with those named in the story for cheating, fraud, forgery as well as under various sections of the Aadhaar and IT Act.

It is imperative that the UIDAI identify and prosecute any officials or employees who are complicit in a possible breach of data security. The way to do that, and assuage the public's concerns over privacy, was to examine the events and issues raised by the report. Instead, it chose to shoot the messenger, to initiate a criminal prosecution that in the best case scenario shows an unwillingness to listen to criticism and at worst will be seen as an attempt to browbeat and intimidate a free press. If the UIDAI, as a relatively young independent organisation, needs a role model, it need not look far. Since the 2014 general elections, and particularly after the Uttar Pradesh polls, questions were raised by the Opposition over EVMs being tampered with to favour the BJP.

The Election Commission, in response, invited political parties to a "hackathon" to prove exactly how the machines could be meddled with. It is that attitude, marked by confidence and transparency, that the UIDAI must emulate. By filing an FIR over a newspaper report, it does just the opposite.

## A tide of anger

Twenty people dead, hundreds injured, over 1,000 imprisoned: The explosion of rage that has swept through Iran in recent days has shaken the Islamic Republic's élite. Beginning in Meshad on December 28, as a small agitation organised by President Hassan Rouhani's right-wing opponents, the protests have now



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spanned cities and towns in all parts of the country. Even though elements of the establishment have characterised the protests as a Western plot, and organised counter-demonstrations, the real reasons for the anger are only too evident. Led, in the main, by young unemployed men below 25, and encompassing sections of the lower middle-class, the protests illustrate the growing hardships ordinary Iranians are encountering. Even though President Rouhani's austerity-focused economic policies have propelled GDP growth to 5 per cent, inequality has widened.

Half of the Iranian population stagnates below the poverty line – which, is higher than the official minimum wage the government has resisted raising. Every eighth Iranian, according to official data widely considered to understate the problem, is unemployed; among young people, the ratio is one in four. Economic gains from the lifting of western sanctions have gone mainly to the religious élite and its military allies, the Iranian Revolutionary Guard Corps.

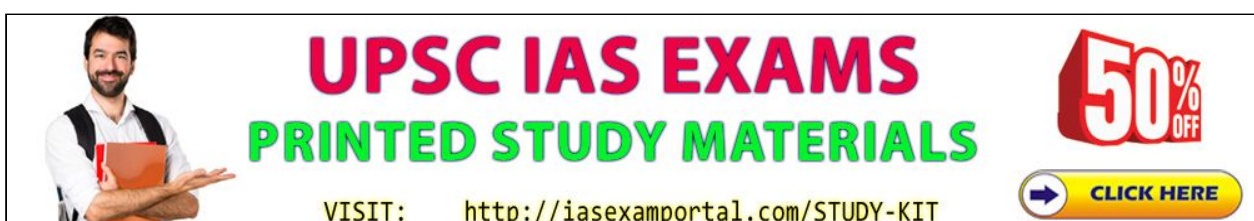
For much of 2017, signs of a rising tide of anger were present. In May, angry miners attacked President Rouhani's vehicle as he tried to visit the site of a collapsed shaft. Then, in November, the collapse of shoddily-built public housing in an earthquake provoked widespread outrage. There were protests by middle-class Iranians who had lost their life's savings in bankrupt financial institutions; by pensioners angered by the fact that the payments were being delayed; by trade unions furious over unpaid wages; by students; by teachers. President Rouhani's 2017 budget, which gave generous handouts to institutions run by clerics of both the reformist and conservative camps, as well as to the IRGC, dismayed many progressives who had backed his election.

Precisely what kinds of change these protests will lead to is, of course, impossible to predict. Largely leaderless – at least, in the sense of having an organised political structure – the protests appear to lack structure and coherent objectives. Indeed, Iranian reformists, who led protests against former President Mahmoud Ahmadinejad's election in 2009, have largely distanced themselves from the street protests. The establishment's conservatives, too, have acted in the same way. For this precise reason, though, the protests have true significance: The street rage is directed at both the ideological ends of the cleric-led establishment, thus challenging the foundations of the Islamic Republic. There is little doubt that Iran's regime has the capacity to quell these protests but barring fundamental reforms that lead both to economic change and a more inclusive political system, it is likely the tide of anger will continue to rise.

## Make it right

In August last year, while delivering its verdict on the right to privacy case, the Supreme Court (SC) made a strong case for the freedom of sexual orientation. "Discrimination against an individual on the basis of sexual orientation is deeply offensive to the dignity and self-worth of the individual," the court noted. The unanimous ruling of the nine-judge bench had strong words for the 2013 verdict of the apex court which had set aside the Delhi High Court's 2009 judgment overturning Section 377, the colonial-era law that criminalises homosexuality. "Privacy includes at its core the preservation of personal intimacies... and sexual orientation," the court said.

A three-judge bench of the SC, comprising Chief Justice Dipak Misra, and Justices A.M. Khanwilkar and D.Y. Chandrachud, reaffirmed the spirit of this landmark verdict by referring to a Constitution Bench a petition seeking to repeal Section 377. The petition filed by five members of the LGBTQ community said



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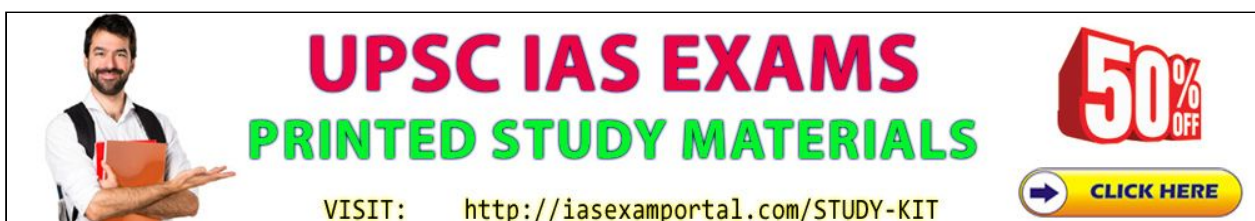
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that they live in fear of police action because of their sexual preferences. The court's response to this petition is worded in the progressive language that was the hallmark of the privacy verdict: "A section of people or individuals who exercise their choice could never remain in a state of fear".

The apex court's 2013 verdict was disappointing because it had pushed the country back towards a law that drew from Victorian notions of morality. It had held that there was no need to overturn Section 377 because there was, at most, "a minuscule fraction" of homosexuals in India. While re-criminalising homosexuality, the two-judge bench had passed the buck to the legislature, asking it to debate the issue. But the privacy verdict allows the judiciary to reclaim its role as the custodian of the rights of the vulnerable individual and minority. The nine-judge bench that delivered this verdict questioned the majoritarian underpinnings of the 2013 ruling: "In a democratic Constitution founded on the rule of law, their [minority] rights are as sacred as those conferred on other citizens to protect their freedoms and liberties". The bench also reminded the judiciary of its counter-majoritarian role: "Discrete and insular minorities face grave dangers for the simple reason that their way of life does not accord with the mainstream. Yet in a democratic Constitution founded on the rule of law, their rights are as sacred as those conferred on other citizens to protect their personal freedoms and liberties".

The August 2017 verdict had noted that the contours of the right to privacy would develop over time. Monday's decision to revisit Section 377 allows the judiciary to do just that. It is hoped that the Constitution Bench – whenever it is constituted – will support the rights which the privacy verdict had championed.



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