

# Abhimanu

## Weekly current affairs Series

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**Week: IV, June 2017**

**Abhimanu's IAS Study Group**

**Chandigarh**

### Goods and Services Tax (GST)

- India has launched its biggest ever fiscal reform with the government promising a stronger, less corrupt economy while businesses are nervous about the new tax.
- The goods and services tax (GST) replaces more than a dozen levies imposed nationally and by the 29 states. It aims to transform the nation of 1.3 billion people and its \$2 trillion economy into a single market.
- Goods and Services Tax (GST) is a value-added tax at each stage of the supply of goods and services precisely on the amount of value addition achieved.
- It seeks to eliminate inefficiencies in the tax system that result in 'tax on tax', known as cascading of taxes.
- GST is a destination-based tax on consumption, as per which the state's share of taxes on inter-state commerce goes to the one that is home to the final consumer, rather than to the exporting state. GST has two equal components of central and state GST.

#### What are the existing taxes subsumed into GST?

- Taxes on production such as central excise duty and additional excise duty, import duties such as additional customs duty known as countervailing duty and special additional customs duty, service tax, central cesses and surcharges, state taxes like value-added tax (VAT), central sales tax on inter-state trade of goods, luxury tax, entertainment tax except those levied by local bodies, taxes on advertisements, taxes on betting and gambling and state cesses and surcharges on supply of goods and services are subsumed into GST. Basic customs duty, which includes the tariff barrier on imports, is not part of GST.

#### What are the benefits of GST?

- GST brings transparency on the taxes levied on the supply of goods and services. At present, when an item is purchased, the common man sees only the state taxes on the product label, not the various embedded tax components.
- GST will improve the ease of doing business as entry barriers along state borders will be dismantled.
- The new indirect tax system is expected to improve tax compliance, boost revenue receipts of central and state governments and accelerate GDP growth rate by an estimated 1.5-2 percentage points.
- Elimination of cascading of taxes will result in reduced tax burden on many items.

#### What are the products not part of GST?

- Crude oil, diesel, petrol, natural gas and jet fuel are temporarily kept out of GST. The GST Council, the federal indirect tax body of state finance ministers chaired by the Union finance minister, will decide when to bring these items into GST. Liquor is kept out of GST as a constitutional provision and hence it would require an amendment to Constitution if it is to be brought into GST net.

#### What is integrated GST or IGST?

- IGST is the tax on inter-state supply of goods and services with central and state GST components.

#### How are decisions taken at the GST Council?

- No decision can be taken in the Council without the concurrence of both the Union and the state governments. Decisions will be taken by a 75% majority of the weighted votes of members present and voting. The Union government's vote has a weightage of one-third of the votes cast, while all states together will have a weightage of two-thirds of the votes cast.

## Municipal bonds programme

- To finance its 24x7 water supply project, the Pune Municipal Corporation has launched India's biggest municipal bonds programme.
- The project looks to raise Rs 2,264 crore in five years.

### About Municipal Bonds:

- Municipal bonds are debt securities issued by states, cities, counties and other governmental entities to fund day-to-day obligations and to finance capital projects such as building schools, highways or sewer systems.
- The Bangalore Municipal Corporation was the first municipal corporation to issue a municipal bond of Rs.125 crore with a State guarantee in 1997. However, the access to capital market commenced in January 1998, when the Ahmedabad Municipal Corporation (AMC) issued the first municipal bonds in the country without State government guarantee for financing infrastructure projects in the city. AMC raised Rs.100 crore through its public issue.
- Among others, Hyderabad, Nashik, Visakhapatnam, Chennai and Nagpur municipal authorities have issued such bonds
- As per guidelines of the Urban Development Ministry, only bonds carrying interest rate up to maximum 8% per annum shall be eligible for being notified as tax-free bonds.

### Analysis:

- Solving urban infrastructure problems requires a lot of money. 'Muni bond' issues could help corporations directly raise funds without looking to State grants or agencies such as World Bank. Large institutional investors such as pension funds and insurance companies are always on the lookout for less risky avenues to invest. Municipal bonds could tap these sources of fund and help get many projects off the ground.
- The money raised from municipal bonds can boost quality of life in cities. Job prospects in the locality may also look up. These bonds may also prove a good investment option for investors looking beyond fixed deposits and small saving schemes.
- Municipal bonds in India enjoy tax-free status if they conform to certain rules and their interest rates will be market-linked.

## Handbook of Statistics on States 2016-17

- RBI has released second edition of its statistical publication titled 'Handbook of Statistics on States 2016-17'.
- This report covers all sub-national statistics on socio- demographics, state domestic product, agriculture, industry, and infrastructure, banking and fiscal indicators across the states over a period ranging from 1950-51 to 2016-17.
- It also offers data on state-wise availability of power, per capita availability of power, installed capacity of power, and power requirement, length of national highways, roads and state highways, and railheads.
- RBI estimate has not taken into account farm loan waivers announced by various state governments like Uttar Pradesh, Maharashtra and Punjab.

### Highlights of the report:

- Maharashtra, the most industrialised state, had a fiscal deficit of Rs 1,020 crore in 1990-91 but the same jumped to Rs 37,950 crore in 2015-16. The deficit is now expected to decline to Rs 35,030 crore in 2016-17.
- Gujarat, which had a deficit of Rs 22,170 crore in FY16, is expected to see the deficit further widen in FY17 to Rs 24,610 crore.
- Another state projected to have a higher deficit is Andhra Pradesh at Rs 20,500 crore in 2016-17, from Rs 17,000 crore in FY16 and Rs 970 crore in FY91.
- Similarly, Tamil Nadu is also projected to have a higher deficit at Rs 40,530 crore in 2016-17, up from Rs 32,320 crore a year ago.
- According to the Reserve Bank of India, Karnataka, which had good finances in the past, is also estimated to post a higher deficit in FY17 at Rs 25,660 crore, up from Rs 20,560 a year ago.

- Kerala is also slated to have a higher deficit at Rs 23,140 crore in FY17 from Rs 17,720 crore in FY16.
- Bihar is slated to improve its finances with fiscal deficit of Rs 16,010 crore in FY17 against Rs 28,510 crore in FY16.
- West Bengal has been improving its finances with its fiscal deficit projected to improve to Rs 19,360 crore in FY17 from Rs 25,180 crore a year ago.

## **RBI includes complaints against electronic banking services under ombudsman scheme**

- The Reserve Bank of India (RBI) has allowed consumers to lodge complaints against banks for non-adherence to norms related to electronic banking services, including those provided on mobile phones, under the banking ombudsman scheme, its cost-free dispute resolution mechanism.
- The central bank has also allowed customers to file complaints against banks for deficiencies arising out of sale of third party products such as insurance policies and mutual fund schemes sold by banks.
- The banking ombudsman has now been powered to pass an award of Rs20 lakh, as against the earlier threshold of Rs10 lakh.
- The ombudsman can also give a consumer up to Rs1 lakh as compensation for loss of time, expenses incurred and mental anguish suffered during fighting the case.

### **What is Banking Ombudsman?**

- Banking Ombudsman Scheme is a mechanism created by the RBI to address the complaints raised by bank customers. It is run by the RBI directly to ensure customer protection in the banking industry.
- According to the RBI, "The Scheme enables an expeditious and inexpensive forum to bank customers for resolution of complaints relating to certain services rendered by banks."
- The Banking Ombudsman Scheme was introduced under Section 35 A of the Banking Regulation Act, 1949 by RBI with effect from 1995. The present Ombudsman scheme was introduced in 2006.
- The Banking Ombudsman is a senior official appointed by the Reserve Bank of India. He has the responsibility to redress customer complaints against deficiency in certain banking services. At present fifteen Ombudsmen were appointed by the RBI to settle complaints and they are appointed in state capitals.
- All Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Co-operative Banks are covered under the Scheme.
- The Banking Ombudsman can receive and consider any complaint relating to a number of deficiencies related to banking operations including internet banking. RBI has mentioned a large number of service deficiencies by banks to customers where the customers can approach the Ombudsman through a complaint.

### **Following are some of the instances:**

- non-payment or inordinate delay in the payment or collection of cheques, drafts, bills etc.;
- non-acceptance, without sufficient cause, of small denomination notes tendered for any purpose, and for charging of commission in respect thereof;
- non-acceptance, without sufficient cause, of coins tendered and for charging of commission in respect thereof;
- non-payment or delay in payment of inward remittances ;
- failure to issue or delay in issue of drafts, pay orders or bankers' cheques;
- non-adherence to prescribed working hours ;

## **CVC authorised to probe allegations of corruption in private sector banks**

- The Central Vigilance Commission (CVC) can now probe allegations of corruption in private sector banks and against their employees.
- The Reserve Bank of India (RBI) has given the necessary approval to the CVC on this.

- The move comes after the Supreme Court last year ruled that the chairman, managing directors and other officers of a private bank could be seen as public servants when it came to the Prevention of Corruption (PC) Act, 1988.

#### **About CVC:**

- Central Vigilance Commission was set up by the Government in February, 1964 on the recommendations of the Committee on Prevention of Corruption, headed by Shri K. Santhanam, to advise and guide Central Government agencies in the field of vigilance.
- CVC is conceived to be the apex vigilance institution, free of control from any executive authority, monitoring all vigilance activity under the Central Government and advising various authorities in Central Government organizations in planning, executing, reviewing and reforming their vigilance work.
- Consequent upon promulgation of an Ordinance by the President, the Central Vigilance Commission has been made a multi member Commission with "statutory status" with effect from 25th August, 1998.
- The CVC Bill was passed by both the houses of Parliament in 2003 and the President gave its assent on September 11, 2003. Thus the Central Vigilance Commission Act 2003 (No 45 Of 2003) came into effect from that date.
- The Commission shall consist of: a) A Central Vigilance Commissioner – Chairperson; b) Not more than two Vigilance Commissioners - Members;

#### **Commission's Jurisdiction under CVC Act**

- Members of All India Service serving in connection with the affairs of the Union and Group A officers of the Central Government
- Officers of the rank of Scale V and above in the Public Sector Banks
- Officers in Grade D and above in Reserve Bank of India, NABARD and SIDBI
- Chief Executives and Executives on the Board and other officers of E-8 and above in Schedule 'A' and 'B' Public Sector Undertakings
- Chief Executives and Executives on the Board and other officers of E-7 and above in Schedule 'C' and 'D' Public Sector Undertakings
- Managers and above in General Insurance Companies
- Senior Divisional Managers and above in Life Insurance Corporations
- Officers drawing salary of Rs.8700/- p.m. and above on Central Government D.A. pattern, as on the date of the notification and as may be revised from time to time in Societies and other Local Authorities

## **NATIONAL POLITY**

### **MERIT (Merit Order Despatch of Electricity for Rejuvenation of Income and Transparency)**

- A web portal- MERIT (Merit Order Despatch of Electricity for Rejuvenation of Income and Transparency) was launched by the Ministry of Power.

#### **The Portal provides the following information:**

- **Regional Weather Summary:** This provides Weather Outlook for the Region for the current day and upto next 7 days. Weather stations of Meteorological department have been mapped to the nearest important Electrical Station/ Power Stations in each State.
- **Radar:** The Doppler Weather Radar generates different displays and derived products of practical utility based on standard algorithms. These displays are updated every 10 minutes.

- **Satellite Images:** INSAT 3D is being used to monitor the Weather of Indian Origin. The image is updated every 30 minutes.
- **Meteogram-** The Meteogram at Web-Portal provides plots for Meteorological variables such as Rainfall, Cloud Cover, Temperature, Humidity, Wind, Speed, Sea Level Pressure, Indices for Thunderstorm etc. for 10 days with a resolution time of three hours. Each Meteogram provides information for the 10 km radius.
- **Region Specific Forecast** - Fog Forecast, Metar, Bay Bulletin, Coastal Area Bulletin, Cyclone, Port Warning etc.

#### **The advantages of “Merit” Portal are as follows:**

- Empowerment of the Consumer and participative governance
- Transparent information dissemination pertaining to marginal variable cost and source wise purchase of electricity
- Promotes economy and efficiency in operations
- Demystifies the utility portfolio and its complexity
- Optimization of the power procurement costs
- Facilitates renewable integration and handling of the variability and uncertainty of renewables
- Indication of supply side reliability, adequacy, and cost of power procurement

## **Kanyashree Scheme**

- The West Bengal government is among the winners to receive the prestigious UN Public Service Award for its initiative to combat child marriage and ensure education to the girl child in the state.
- The West Bengal government was among the 12 institutions from 11 countries that were recognised by the world body on UN Public Service Day, commemorated on June 23rd.
- India was named first in the Asia-Pacific group for the category: ‘Reaching the Poorest and Most Vulnerable through Inclusive Services and Participation’.

#### **About kanyashree Scheme:**

- This is a conditional cash transfer scheme with the aim of improving the status and well-being of the girl child in West Bengal by incentivizing schooling of all teenage girls and delaying their marriages until the age of 18, the legal age of marriage.
- Kanyashree Prakalpa is a West Bengal Government sponsored scheme which will be implemented henceforth in all districts of the State.

#### **Components of the Scheme**

- Annual Scholarship of Rs. 500/- (Rupees Five hundred only)
- One time Grant of Rs. 25,000/- (Rupees Twenty-five thousand only)
- The Annual Scholarship is for unmarried girls aged 13-18 years enrolled in classes VIII-XII in government recognized regular or equivalent open school or equivalent vocational/technical training course.
- The One-time Grant is for girls turned 18 at the time of application, enrolled in government recognized regular or open school/college or pursuing vocational/technical training or sports activity or is an inmate of Home registered under J.J. Act 2000
- Both the benefits under the scheme will be granted to girls who belong to families with annual family income not more than Rs. 1, 20,000/- (Rupees One Lakh and twenty thousand only). The bar for family is not applicable if the girl has lost both parents, is physically challenged (40% disability) or is inmate of Justice Juvenile Home.

#### **Target Beneficiary**

- All girl children within the age of 13 to 19 years from families with annual income up to Rs 120000/-
- Girls regularly attending institutions for education or vocational/sports training
- Girls of Child Care Institutes registered under J.J. Act within the age of 18-19 years
- For the one-time grant, girls who are completing 18 years on or after 1st April 2013

- Approximately 18 Lakhs girl students for annual scholarship each year.
- Approximately 3.5 Lakhs girls for one time grant each year

## **VAJRA (Visiting Advanced Joint Research Faculty) scheme**

- In a bid to bring together the Indian scientists abroad and India-based researchers for conducting joint researches in India, the Department of Science and Technology (DST) has launched a scheme named 'Visiting Advanced Joint Research Faculty' (VAJRA).

### **About VAJRA scheme**

- VAJRA – Visiting Advanced Joint Research Faculty scheme will enable NRIs and overseas scientific community to participate and contribute to research and development in India. The Science and Engineering Research Board (SERB), a statutory body of the Department will implement the Scheme.
- VAJRA faculty will undertake research in S&T priority areas of nation wherein the capability and capacity are needed to be developed. The VAJRA faculty will engage in collaborative research in public funded institutions.

### **Structure of Scheme:**

- The Indian collaborator and the overseas faculty will jointly frame a research plan and the application duly endorsed by the Head of the Institution will be submitted online by the Indian collaborator.
- Public funded academic institutions and national laboratories are eligible to host the VAJRA Faculty. These institutions should appoint them as Adjunct/ Visiting Faculty and involve them in co-guiding and mentoring of students and developing collaborative programs. The Faculty can also be allowed to participate in other academic activities as agreed to by the host institution and the Faculty.
- Selection: A Selection Committee of eminent scientists will evaluate the applications. The Committee will meet twice a year in January and July. SERB will announce the results in the month of April and September.
- Research Areas: VAJRA faculty will undertake research in S&T priority areas of nation wherein the capability and capacity are needed to be developed.

### **Nature of Support:**

- US\$ 15000 p.m. for the first month.
- US\$ 10000 p.m. in the other two months.

### **Duration/ Residency Period:**

- Minimum: 1 Month
- Maximum: 3 Months a year.

## **Centre announces 30 more Smart Cities**

- Thirty more cities from across the country have been added to the Centre's Smart Cities Mission, with a proposed investment of Rs.57,393 crore in various projects under the scheme, taking the total number of cities to 90.

### **About Smart cities project:**

- The concept of smart cities originated at the time when the entire world was facing one of the worst economic crises. In 2008, IBM began work on a 'smarter cities' concept as part of its Smarter Planet initiative. By the beginning of 2009, the concept had captivated the imagination of various nations across the globe.
- Countries like South Korea, UAE and China began to invest heavily into their research and formation. Today, a number of excellent precedents exist that India can emulate, such as those in Vienna, Aarhus, Amsterdam, Cairo, Lyon, Málaga, Malta, the Songdo International Business District near Seoul, Verona etc.
- The India Smart Cities Challenge is a competition designed to inspire and support municipal officials as they develop smart proposals to improve residents' lives. In 2015, cities competed in the first round – with the best proposals receiving funding from the Ministry of Urban Development.
- Smart Cities focus on their most pressing needs and on the greatest opportunities to improve lives. They tap a range of approaches – digital and information technologies, urban planning best practices, public-private partnerships, and policy change – to make a difference.



## Analysis:

- Rapid and poorly regulated urbanisation has overwhelmed urban governments, rendering them incapable of providing even basic services such as clean water, sewerage, pedestrian-friendly roads, public transport, uninterrupted power, street lighting, parks and recreational spaces. So weak and uncoordinated is governance that commercial entities have wilfully violated building regulations and put up unauthorised structures — with severe impact on congestion, air quality and flood management — and governments have gladly regularised the violations later.
- The smart city plan proposes to intervene and bring some order by upgrading the physical infrastructure in select enclaves, and incentivising the use of information and communication technologies
- Technologies such as GPS to inform passengers in real time on their mobile phones, and common ticketing, increase the efficiency of transport use.
- Universal design in public buildings and streets would help all people, including those with disabilities.
- The challenge for Smart Cities is to provide proof of concept quickly and make outcomes sustainable. Care also needs to be taken that the effect is not to create gated communities of best practices and civic upgrade in a wider landscape of urban distress. It is crucial that these urban enclaves cater to the housing, health, education and recreation needs of a wide cross section of society, and that the convergence of the Smart Cities programme with existing urban renewal projects countrywide be smooth

## NATGRID can soon access PAN, I-T records

- The Centre has empowered the National Intelligence Grid (NATGRID), the integrated mechanism to keep track of security-related data, to access the Income Tax department's records on individual taxpayers as well as PAN card holders.

### About NATGRID

- It was conceived in the wake of the 2008 Mumbai attacks.
- The grid was to provide an intelligence database that would have networked 21 sets of data sources to provide quick and secure access of information to about 10 intelligence and law-enforcement agencies including the Intelligence Bureau (IB) and R&AW.
- These data sources include records related to immigration entry and exit, banking and financial transactions.
- NATGRID is being implemented in four phases; the first two of which will be operationalised by 2014 at a cost of Rs 1,200 crores and the first data sets will be retrievable by early 2013.
- The Cabinet Committee on Security approved the first two phases in 2011.
- The implementation of the third and fourth phases are expected to require amendments to several laws to allow for the sharing and transfer of data on items such as property and bank transaction details and internet usage.
- Unlike the NCTC and the NIA which are central organisations, the NATGRID is essentially a tool that enables security agencies to locate and obtain relevant information on terror suspects from pooled data of various organisations and services in the country

### Analysis(On NATGRID)

- NATGRID is essentially a tool that enables security agencies to locate and obtain relevant information on terror suspects from pooled data of various organisations and services in the country.
- It will help identify, capture and prosecute terrorists and help preempt terrorist plots.
- NATGRID is only the technical interface for intelligence agencies and not an organization in itself. If the agency initiating the inquiry is not authorized to get that information, it cannot get it.
- In the past we have seen due to lack of coordination and most of the time ego clashes between the police departments of both states information is not shared. With NATGRID, this issue would be solved and the respective departments could access the data base without having to coordinate with each others.



- It would help a great deal in combating terrorism emerging out of India soil, it would be hard to say whether it would have its effects on terrorists coming in from other countries, but it is essential that we deal with home grown terror first since these are the people who ultimately end up facilitating those who come from outside.
- But on the other side, possible violations of privacy and leakage of confidential personal information can be happened. The Snowden files are just one pointer to the widespread misuse in recent years of surveillance capabilities to compromise individual privacy and even violate national sovereignty
- No state agency or police force has access to its database thus reducing chances of immediate, effective action.
- NATGRID claims to be protected by several structural and procedural safeguards and oversight mechanisms including that of external audits and technology safeguards.

## **Uttarakhand and Haryana declared 4th and 5th ODF States**

- Under the Swachh Bharat Mission Gramin (SBM-G), rural Uttarakhand and rural Haryana have declared themselves as the 4th and 5th Open Defecation Free (ODF) States of India.
- They have joined the league of Sikkim, Himachal Pradesh and Kerala, which were the first three states to be declared ODF.
- Nationally, the sanitation coverage has increased from 42% to over 64% in just two and a half years since the launch of SBM.
- With the total number of ODF States now rising to 5, more than 2 Lakh villages and 147 districts have also been declared ODF across the country.

### **About Swachh Bharat Mission:**

- The core intent of the Swachh Bharat Mission is to make India open defecation free by 2019. Keeping public spaces clean, constructing and maintaining both individual and community toilets are all part of the 'Swachh' agenda.
- Though the Swachh Bharat Mission found mention in the Prime Minister's Independence Day speech, it was formally inaugurated with much fanfare on October 2, 2014, Mahatma Gandhi's 145th Birth anniversary.
- The Swachh Bharat Mission (Gramin) is the successor of the erstwhile Nirmal Bharat Abhiyan (NBA). The aim of the NBA, earlier known as the Total Sanitation Campaign, was to make India open defecation free by 2017.

### **Components of Swachh Bharat**

- The Swachh Bharat Mission is split into two sub-Missions - Swachh Bharat Mission (Gramin) and Swachh Bharat Mission (Urban). While the Union Ministry of Drinking Water and Sanitation is the nodal agency for the rural mission, the Ministry of Urban Development will take care of the budgetary concerns of the urban component.
- Keeping the needs of the rural populace in mind, 1.34 lakh crore rupees has been earmarked for the rural mission, compared to the Rs. 62,009 crore budget for the urban mission.
- Apart from this, the mission will also be supported through the Swachh Bharat Kosh while is set up to channelize philanthropic contributions for the cause, Corporate Social Responsibility (CSR) contributions and funding from other multilateral sources.
- Swachh Bharat Mission for Urban Areas: The focus is on establishing close to 2.6 lakh individual toilets and 2.5 lakh community toilets across 4,401 towns and cities in India. Eradicating manual scavenging and improved municipal solid waste management is part of the agenda.
- Swachh Bharat Mission – Gramin: Gram Panchayats and Zilla Parishads will work on war footing to make sure that all households in all villages have functional water supply and toilet facilities. Productive use of night soil as bio-fertilizers is also on the cards.

### **Analysis:**

- From the Central Rural Sanitation Programme of the 80's to the Nirmal Bharat Abhiyan of the previous UPA regime, sanitation and water supply schemes have managed to capture and hold the attention of the governments, both at the centre and the state level. Despite being a national obsession, most schemes have come and gone with very little to show on the ground.

- Census 2011 revealed that only 30.7% of households in rural areas had access to toilets. A 2008 UNICEF study sets the number even lower at a mere 21%. India tops the list of countries with the maximum number of people defecating out in the open.
- The TSC and NBA's central goal was to improve the toilet coverage in the country. In the past decade, the increase in toilet coverage across India has just been 1% per year.

## **FSSAI issues draft regulations for organic food products**

- Food regulator FSSAI has come out with a draft regulation for organic food products, seeking to ensure that these food items are actually organic.

### **Main highlights of the guidelines:**

- It mandates that labelling of organic foods should convey full and accurate information on the organic status of the product.
- Organic food products should also carry a certification mark or a quality assurance mark given by any of the notified certification bodies.
- There is exemption of organic food marketed through direct sale by the original producer or producer organisation to the end consumer from verification compliance. However, this exemption does not apply to processed organic products.
- The FSSAI has defined 'organic agriculture' as a system of farm design and management to create an eco system of agriculture production without the use of synthetic external inputs such as chemicals, fertilisers, pesticides and synthetic hormones or genetically modified organisms.
- Organic farm produce means the produce obtained from organic agriculture, while organic food means food products that have been produced in accordance with specified standards for organic production, as per the draft.

### **About FSSAI:**

- FSSAI was set up in August 2011 under the Food Safety and Standard Act, 2006.
- It has powers to lay down standards for food articles and to regulate their manufacturing, storage, distribution, sale and import.
- Some of its activities include licencing and surveillance of food and beverages outlets, enforcement of safety regulations across registered food vendors and ensuring safety of imported food items, their standards and labelling.

### **Background:**

- Organic food products are either that grown under a system of agriculture without the use of chemical fertilisers and pesticides or made from organically produced raw materials. Currently, a number of food products are being marketed as organic.
- However consumers do not have any way to check the authenticity of organic food products due to lack of a regulatory framework. This draft regulation on organic food is aimed at overcoming this problem and ensuring that what is sold as organic food is really organic.

## **Social Security Agreement between India and the Netherlands**

- The Union Cabinet has approved Amendment of the bilateral Social Security Agreement (SSA) between India and the Netherlands by incorporating the “Country of Residence” Principle into the said SSA.
- “Country of residence” principle will apply to a few instances of Indian nationals include the following: a) An Indian worker who dies in the Netherlands and has his/her spouse and children living in India; b) An Indian worker who gets disabled while working in the Netherlands and returns to India.
- A bilateral Social Security Agreement, (SSA) was signed between India and the Netherlands on 22nd October 2009 and came into force on 15th June 2010.
- The SSA allows exemption from double contribution to the social security system in both jurisdictions, exportability of accumulated social security benefits across jurisdictions (applicable even to the self-employed), and totalization of serving periods.

### **Analysis (Indo-Netherlands relations):**

- India and Netherlands have shared cordial relations since Independence. The relations between the two nations have focused on economic and commercial aspects instead of a strategic outlook. However, even that has been changing in the recent past.
- In terms of trade and investment, India has strong economic interests in the Netherlands, which, in the financial year 2015-16, was the fourth largest investor of FDI into India and the 30th largest trading partner globally and 6th largest trading partner in the EU after Germany, U.K., Belgium, France and Italy. Trade and investment cooperation is a key component of India-Netherlands relationship and has shown satisfactory growth. Two-way trade has between India and the Netherlands stood at US\$ 4.81billion in 2016 with a balance of trade in favour of India of US \$ 1.17 billion.
- India and Netherlands have set up a joint working group on counter terrorism. This would help the two nations learn from each other’s experience. While India has a long history of tackling terrorism, Netherlands is a part of the coalition that is fighting the ISIS.
- Netherlands has long experience in harnessing wind energy. Thus the two nations can collaborate in this sector as India attempts to increase the contribution of clean energy for sustainable development.
- The Netherlands supports a permanent seat for India at the UN Security Council.
- Netherlands is a country whose significant area lies below the sea level. Hence, it has faced devastating floods. India can benefit from that experience to tackle the problem at home.
- Netherlands is a popular tourist destination for Indians. The Indian government is also trying to attract the Dutch tourists by including Netherlands in the e-visa scheme.
- There are particularly lucrative opportunities for Dutch companies in the following sectors of India’s economy: agri-food, logistics (ports, shipping and inland waterways), technology (the automotive and defence industries) infrastructure and water management, energy, health, chemicals and creative industry.
- In May 1985, a Cultural Agreement was signed between the two countries, which provides for cooperation and exchanges in education and science, art and culture. Indian Cultural Centre named “The Gandhi Centre” in The Hague was inaugurated on 2 October 2011.
- The Netherlands has the second largest population of people of Indian origin in Europe, next only to the UK. A 225,000-strong Indian Diaspora (200,000 Surinami-Hindustani community and 25,000 NRIs/PIOs) is an important element that helps foster closer ties with the Netherlands.

## **Antarctic Treaty**

- India, being among the countries that have acceded to the Antarctica Treaty, is expected to have a clear policy on the consequences of its activities in the region.
- India is expanding its infrastructure development in Antarctica.

- The government is rebuilding its station, Maitri, to make it bigger and last for at least 30 years. Dakshin Gangotri, the first Indian base established in 1984.

## The Antarctic Treaty

- The Antarctic Treaty was signed in Washington on 1 December 1959 by the twelve nations that had been active during the IGY (Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, South Africa, United Kingdom, United States and USSR).
- In September, 1983, the twelfth consultative meeting in Canberra, Australia opened with participation of its 14 consultative members. These 14 parties admitted two more-India and Brazil. These two countries did not share the original treaty nations' historic interests in Antarctica.
- The Treaty, which applies to the area south of 60° South latitude, is surprisingly short, but remarkably effective
- . Through this agreement, the countries active in Antarctica consult on the uses of a whole continent, with a commitment that it should not become the scene or object of international discord.

## Highlights of the treaty:

- This treaty stipulates that Antarctica should be used exclusively for peaceful purposes, military activities, such as the establishment of military bases or weapons testing, are specifically prohibited;
- guarantees continued freedom to conduct scientific research, as enjoyed during the IGY;
- promotes international scientific cooperation including the exchange of research plans and personnel, and requires that results of research be made freely available;
- sets aside the potential for sovereignty disputes between Treaty parties by providing that no activities will enhance or diminish previously asserted positions with respect to territorial claims, provides that no new or enlarged claims can be made, and makes rules relating to jurisdiction;
- prohibits nuclear explosions and the disposal of radioactive waste;
- provides for inspection by observers, designated by any party, of ships, stations and equipment in Antarctica to ensure the observance of, and compliance with, the Treaty;
- requires parties to give advance notice of their expeditions; provides for the parties to meet periodically to discuss measures to further the objectives of the Treaty; and
- Puts in place a dispute settlement procedure and a mechanism by which the Treaty can be modified.

## India-Portugal International StartUp Hub (IPISH)

- Prime Minister Modi and Prime Minister Costa recently launched a unique startup Portal – the India-Portugal International StartUp Hub (IPISH) – in Lisbon.

### About IPISH:

- This is a platform initiated by Startup India and supported by Commerce & Industry Ministry and Startup Portugal to create a mutually supportive entrepreneurial partnership.
- IPISH hosts a range of tools and will provide information on the start-up hotspots of Bangalore, Delhi and Lisbon; and on associated subjects, such as policy, taxation, and visa options. It will develop a Go-To-Market Guide to support start-ups.
- IPISH is expected to help in mutual capacity building, and enable connections between start-ups, investors, and incubators from relevant sectors. It is also expected to establish a network of honorary ambassadors based in India and Portugal to guide start-ups from both countries.

### Analysis:

- There are strong complementarities between India and Portugal in the start-up sector. Portugal has one of the highest rates of business creation in Europe and has emerged as one of the most vibrant European eco-systems for entrepreneurship.
- Lisbon is hosting the Web Summit - a key annual international technology conference - for 3 years from 2016 onwards.

- The last Web Summit had 700 participants from India, and the number is expected to go up further this year. The governments of both India and Portugal are focusing on promoting Start-ups.

## **Indian Prime Minister visited USA**

- Indian Prime Minister Narendra Modi visited Washington DC on June 25-26, 2017, at the invitation of the President of the United States of America. This was the first meeting between the two leaders.

### **Main highlights of the visit:**

- Indian PM met top American CEOs of global giants, including Apple, Microsoft and Google on issues
- The US has cleared the sale of 22 unmanned Guardian drones to India. The deal, estimated to be worth \$2-3 billion, has been approved.
- Both countries announced their intention to 'build on the implementation of the "White Shipping" data sharing arrangement. The agreement allows countries to share data on maritime traffic and domain awareness.
- Both countries determined to expand their engagements on shared maritime objectives and to explore new exercises.
- Both countries reiterate the importance of respecting freedom of navigation, overflight, and commerce throughout the region; and call upon all nations to resolve territorial and maritime disputes peacefully and in accordance with international law.
- From next year liquefied natural gas (LNG) from the U.S. will start flowing to India.
- Both countries emphasised that North Korea's "destabilising pursuit of nuclear and ballistic missile programs poses a grave threat to regional security and global peace."
- Ivanka Trump, will lead the U.S delegation to Global Entrepreneurship Summit (GES) later this year. GES is a key foreign policy initiative of former President Barack Obama to bring together global entrepreneurs and innovators, and India will be hosting its next edition.

## **SCIENCE AND TECHNOLOGY**

### **Cartosat-2 satellite**

- The Indian Space Research Organisation (ISRO) launched earth observation satellite Cartosat-2 series and 30 co-passenger satellites from Sriharikota in Andhra Pradesh.
- Cartosat-2 is a remote sensing satellite with the resolution of 0.6 metres which can spot even smaller objects within a square of 0.6 m by 0.6 m. The ISRO official succinctly defined it thus: High-resolution scene specific spot imagery.
- The previous satellite in the series, which had a resolution of 0.8 metres, took images that helped India carry out its precise strikes on seven terror camps across the Line of Control last year.
- This satellite has been launched by the Indian Space Research Organisation's (ISRO) Polar Satellite Launch Vehicle, which will be on its 40th flight.
- The Cartosat-2 series satellite weighs 712 kg, according to ISRO. Out of the 30 nano satellites which will launch with Cartosat-2, 29 are foreign and one is Indian. The 30 satellites will together weigh 243 kg.

- The 29 international nano satellites are being launched as between ISRO's commercial arm, the Antrix Corporation Ltd and 14 international customers. These customers are Austria, Belgium, Britain, Chile, Czech Republic, Finland, France, Germany, Italy, Japan, Latvia, Lithuania, Slovakia, and the US.
- Once this satellite becomes operational, it would be handed over to the defence forces, which have their own infrastructure, which includes ground stations, and trained manpower to access data. Defence surveillance will get a leg-up because it can be used in identifying terrorist camps and bunkers.
- The only Indian nano satellite is 15kg NIUSAT. It belongs to Nooral Islam University, Tamil Nadu. It will provide multi-spectral imagery for agricultural crop monitoring and disaster management support application

#### About PSLV:

- PSLV is a four-staged launch vehicle with first and third stage using solid rocket motors and second and fourth stages using liquid rocket engines. It also uses strap-on motors to augment the thrust provided by the first stage, and depending on the number of these strap-on boosters, the PSLV is classified into its various versions like core-alone version (PSLV-CA), PSLV-G or PSLV-XL variants.

## Brow-antlered deer

- A workshop on how people and brow-antlered deer (Sangai), can co-exist, recently concluded in Manipur.

#### About Brow-antlered deer

- Sangai is the state animal of Manipur and has been listed as an endangered species by the IUCN.
- The animal is a medium-sized deer, with uniquely distinctive antlers, measuring 100 -110 cm in length with extremely long brow tine, which form the main beam.
- They have a reddish brown to gray colored coat, dark brownish black nose, lips and mouth.
- Sangai feeds on a variety of water living plants, grasses, herbaceous plants, and shoots - Zizania latifolia, Saccharum munja, S bengalensis, Erianthus procerus, E ravernnae, etc, are the favorite food plants of the animal.
- Males are taller in height and darker in colour than their female counterparts.
- Rutting takes place in the early spring months between February and May. Gestation period is between 7.2 to 8.5 months, after which a calf is born.
- The young are spotted at birth, but these spots fade as the animal grows.
- The young are weaned at 7-8 months, and becomes sexually mature from 18 months of age onwards.
- The Sangai was believed to be almost extinct by 1950, but it was re-discovered in the Keibul Lamjao Park area by the environmentalist and photographer E P Gee.
- The maximum lifespan of Sangai in the wild is of around 10 years.

## QUICK FACTS

- Country which opened world's first data embassy in Luxembourg- **Estonia**
- UN Public Service Day is observed on- **23 June**
- International Olympic Day is observed on - **23 June**
- International Day Against Drug Abuse and Illicit Trafficking is observed on - **26 June**
- In Social Progress Index 2017, Rank of India is - **93rd**
- World Book Capital' title for 2019 - **Sharjah**

- India's biggest municipal bonds programme launched in - **Maharashtra**
- National Statistics Day is observed on - **29 June**
- Panel on National Education Policy- **K Kasturirangan**
- New President of IEA - **Kaushik Basu**
- Winner of Australian Open - **Kidambi Srikanth**
- Lone Fox Dancing is the autobiography of - **Ruskin Bond**