Abhimanu

Weekly current affairs Series

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Abhimanu's IAS Study Group

Chandigarh

NATIONAL ECONOMIC AFFAIRS

Revision of guidelines of Sovereign Gold Bonds (SGB) Scheme

- The Union Cabinet has given approval for revision of guidelines of Sovereign Gold Bonds (SGB) Scheme with a view to achieve its intended objectives.
- Specific changes have been made in the attributes of the scheme to make it more attractive, mobilise finances as per the target and reduce the economic strains caused by imports of gold and reduce the Current Account Deficit (CAD).
- Flexibility has been given to Ministry of Finance to design and introduce variants of SGBs with different interest rates and risk protection / pay-offs that would offer investment alternatives to different category of investors.
- Ministry of Finance (the issuer) has been delegated this power to amend / add to the features of the Scheme with approval of the Finance Minister to reduce the time lag between finalizing the attributes of a particular tranche and its notification. Such flexibility will be effective in addressing the elements of competition with new products of investment, to deal with very dynamic and sometimes volatile market, macro-economic and other conditions such as gold price.

Following specific changes in the scheme have been approved:

- The investment limit per fiscal year has been increased to 4 kg for individuals, 4 Kg for Hindu Undivided Family (HUF) and 20 Kg for Trusts and similar entities notified by the Government from time to time.
- The ceiling will be counted on financial year basis and will include the SGBs purchased during the trading in the secondary market.
- The ceiling on investment will not include the holdings as collateral by Banks and Financial institutions.
- SGBs will be available 'on tap'. Based on the consultation with NSE, BSE, Banks and Department of Post, features of product to emulate 'On Tap' sale would be finalised by Ministry of Finance.
- To improve liquidity and tradability of SGBs, appropriate market making initiatives will be devised. Market makers could be commercial banks or any other public sector entity, such as MMTC or any other entity as decided by GoI.
- The Government may, if so felt necessary, allow higher commission to agents.

Analysis:

- Sovereign Gold Bond (SGB) Scheme was notified by the Government of India on November 05, 2015 after due approval of the Cabinet. The main objective of the scheme was to develop a financial asset as an alternative to purchasing metal gold.
- The target was to shift part of the estimated 300 tons of physical bars and coins purchased every year for Investment into 'demat' gold bonds.
- The target mobilisation under the scheme at Rs. 15,000 crore in 2015-16 and at Rs.10,000 crore in 2016-17. The amount so far credited in Government account is Rs. 4,769 crore.
- In view of less than expected response of the investors to the scheme, and considering its bearing on CAD and consequently on overall macro-economic health of the country, it was felt necessary to make changes in this scheme to make it a success.

Union Cabinet clears minimum wage code bill

- The Union Cabinet has approved the new wage code bill which will ensure a minimum wage across all sectors by integrating four labour related laws.
- The proposed legislation is expected to benefit over 4 crore employees across the country.

Main highlights of the bill:

- The Labour Code on Wages Bill will consolidate the Minimum Wages Act, 1948; the Payment of Wages Act, 1936; the Payment of Bonus Act, 1965; and the Equal Remuneration Act, 1976, sources said.
- The bill seeks to empower the Centre to set a minimum wage across all sectors in the country and states will have to maintain that.
- However, states will be able to provide for higher minimum wage in their jurisdiction than fixed by the central government.
- The new minimum wage norms would be applicable for all workers irrespective of their pay. At present, the minimum wages fixed by the Centre and states are applicable to workers getting up to Rs 18,000 pay monthly.
- This would ensure a universal minimum wage for all industries and workers, including those getting monthly pay higher than Rs 18,000.

Second National Commission on Labour has recommended that the existing labour laws should be broadly grouped into four or five labour codes on functional basis. Accordingly ministry has taken steps for drafting four Labour Codes on — Wages; Industrial Relations; Social Security & Welfare and Safety and Working Conditions, respectively.It will be done by simplifying, amalgamating and rationalising the relevant provisions of the existing central labour laws.

GST composition scheme

- The composition scheme is an alternative method of levy of tax designed for small taxpayers whose turnover is up to Rs 75 lakh — Rs 50 lakh in the case of eight north-eastern states and the hilly state of Himachal Pradesh. The objective behind it is to bring simplicity and reduce the compliance cost for small taxpayers.
- The scheme is optional under which manufacturers other than those of ice cream, pan masala and tobacco products have to pay a 2% tax on their annual turnover. The tax rate is 5% for restaurant services and 1% for traders.
- As per the Central GST Act, businesses are eligible to opt for the composition scheme if a person is not engaged in any inter-state outward supplies of goods and not into making any supply of goods through an electronic commerce operator who is required to collect tax at source.
- While a regular taxpayer has to pay taxes on a monthly basis, a composition supplier is required to file only one return and pay taxes on a quarterly basis. Also, a composition taxpayer is not required to keep detailed records that a normal taxpayer is supposed to maintain.
- **Benefits of Registering under GST Composition Scheme**
- **Reduced tax liability**: The biggest benefit of registering under compounding scheme is the reduction in taxes. Tax rates under composition scheme are expected to be in the range of 1% to 3% which is considerably lower than standard tax rates under regular GST scheme.
- **Limited compliance:** Another major advantage of composition scheme is that it promises to reduce the number of documents and processes required for compliance under GST law. Where a normal taxpayer will be required to file a minimum of 3 returns in a month, a compounding dealer will be asked to file only 1 return every quarter of a year.
- **Ease of doing business:** Reduced tax liability and limited compliance will make it easy for small businesses to grow and flourish. On one hand reduced taxes will result in surge of profit margin while on the other limited compliance will reduce hassles allowing a party to focus more on his business
- **Limitations of GST Composition Scheme**

- **No inter-state business:** Tax benefits of GST compounding scheme are only given if a taxpayer carries his business within the boundaries of a state. A taxpayer registered under the composition scheme is barred from carrying out inter-state transactions and cannot affect import-export of goods and services. Thus, he is compelled to carry only intra-state transaction and limits the territory of his business.
- **No Credit of Input Tax:** compounding scheme has any provision of input credit on B2B transactions. Therefore, if any taxable person is carrying out business on B2B model, such person will not be allowed the credit of input tax paid from the output liability. Also, the buyer of such goods will not get any credit of tax paid, resulting in price distortion and cascading effect.
- **Pay tax from your own pocket:** Although the rate of composition/ compounding tax is expected to be very low, a taxpayer under this scheme is not allowed to recover such tax from his buyer. The taxpayer is not allowed to raise a tax invoice. Consequently, the burden of such tax is kept on the taxpayer himself and this has to be paid out of his own pocket.
- **Penal provisions:** While taking advantage of GST Composition scheme, one needs to take utmost care as the penalty is severe. If taxpayer is found wrongly registered under this scheme while not fulfilling eligibility criteria and therefore avoiding normal taxes. Then the person will have to pay taxes along with penalty equal to 100% of taxes levied upon him.

Bharat Bill Payment Central Unit (BBPCU)

- The National Payments Corporation of India (NPCI) has received final nod from the Reserve Bank of India (RBI) to function as the Bharat Bill Payment Central Unit (BBPCU) and operate the Bharat Bill Payment System (BBPS).
- The final clearance from RBI comes almost a year after NPCI launched the BBPS pilot project to make payment of utility bills easier.
- The pilot started in August 2016 with eight BBPS operating units that had received in-principle approval from RBI.
- The total number of Bharat Bill Payment Operating Units certified by NPCI now stands at 24.
- The certified units include 10 private sector banks, 3 public sector banks (Bank of Baroda, Union Bank of India and Indian Overseas Bank), five cooperative banks and six non-bank biller aggregators.

What is Bharat Bill Payment System (BBPS)?

- It is a RBI mandated bill payment system which will offer interoperable and integrated bill payment services to customers across geographies with reliability, certainty and safety of transactions through a network of agents enabling multiple payment modes and instant payment confirmation.

BBPS Participants:

Two primary participants who will be carrying out distinct functions under BBPS are:

- Bharat Bill Payment Central Unit (BBPCU) : It will be a single authorized entity operating the BBPS and will be responsible for setting requisites operational, technical and business standards for the entire system and its participants, will also undertake clearing and settlement activities. National Payments Corporation of India (NPCI) has been authorised to act as BBCPU for the implementation of the BBPS.
- Bharat Bill Payment Operating Units (BBPOUs) : These will be the operational units authorized by RBI to function in adherence with the standards set up by the BBPCU. There will be multiple BBPOUs operating in accordance with the BBPCU. BBPOUs will comprise of Banking as well as Non-banking entities. They will be operating under a tiered structure which will be further strengthened via an agent network through agent institutions.Bharat Bill Payment System participants-stake-holders-pic
- In addition to the above participants there will be more participants connected to the BBPCU through BBPOUs.

These participants may be from the agent side BBPOUs or the biller side BBPOUs and includes the following:

- Agent

- Customer
- Agent Institutions
- Billers
- Sub-Biller
- Sponsor Banks

NATIONAL POLITY

Supreme Court strikes out immediate arrests in dowry cases

- The Supreme Court has put an end to immediate arrest of the husband and his family members in the dowry harassment case.
- Supreme Court said that complaints under Section 498A should now be referred to Family Welfare Committees- to be constituted at every district and no arrest shall be affected till the committee's report is received.
- The Bench said such report may be then considered by the investigating officer or the magistrate on its own merit.
- Supreme Court puts end to immediate arrests in dowry cases, however, these directions will not apply to the offences involving tangible physical injuries or death.
- The court also ruled that there will be no routine impounding of passports or issuance of Red Corner Notice for the accused NRI.
- The apex court also ruled Personal appearance of all family members and particularly outstation members may not be required.
- The court passed the order keeping in view the fact that many a times the anti-dowry harassment law, framed in 1983 following a spate of dowry-related deaths, is allegedly misused.

About Dowry protection act:

- This Act prohibits the practice of giving or taking of dowry by either parties to a marriage. This law also punishes demanding and advertising dowry.
- It imposes a duty on parties getting married to make a list of gifts and presents.
- If dowry has been exchanged at a wedding anyway, it imposes a duty on the person who is given dowry to give it to the bride.
- More serious crimes in relation to dowry such as dowry death and cruelty from dowry demands are punishable under the general law on crimes – the Indian Penal Code, 1860.
- The punishment for giving and taking dowry or abetting the give and take of dowry was earlier punishable by imprisonment up to 6 months, or a fine up to Rs. 5,000. Demanding dowry directly or indirectly from the parents or guardian of a bride was also liable for similar punishment. This punishment was later enhanced by the amendment act and now these offences are punishable with a minimum of six months and maximum ten years of imprisonment. The fine limit has been enhanced to Rs 10,000 or to an amount equivalent to the dowry given, taken or demanded whichever is more. The court has been given the discretion to reduce the minimum punishment though in doing so the court is required to record in writing adequate and special reasons for doing so. (Sec 3 and 4 of the Dowry Prohibition Act, 1961)

NGT directs Uttarakhand, Himachal Pradesh to submit guidelines on forest fire

- The National Green Tribunal (NGT) has directed the Uttarakhand and Himachal Pradesh governments to submit the national forest fire prevention and control guidelines.
- The court has also asked both the state governments to inform it about the total number of forest fires till date starting from 2016.
- The tribunal had earlier directed the states to submit crisis management plan for prevention and control of forest fires to the Ministry of Environment and Forests (MoEF).
- In Himachal and Uttarakhand, over 17,502 acres have been ravaged this year due to forest fires — a rise of over 171 per cent.
- Accumulated Chir pine needles — which are inflammable due to their high-resin content — are believed to be a "prominent factor in occurring and spreading of forest fires".

Analysis:

- In this summer, the pine forests of Uttarakhand and Himachal Pradesh caught fire. Over 4,500 hectares was affected in Himachal Pradesh, some 40% more than the 3,185 hectares in Uttarakhand.
- By May 2016, the fire had damaged around 3500 hectares of land and claimed at least seven human lives apart from loss of fauna and flora. Uttarakhand is known for human induced forest fires since long time.
- Forest fires cause serious health hazards by producing smoke and noxious gases such as Carbon Dioxide, Carbon monoxide, methane, hydrocarbons, nitric oxide and nitrous oxide that lead to serious consequences for local climate.
- Forest fire leads to loss of timber, bio-diversity, loss of wildlife habitat, global warming, soil erosion, loss of fuel wood and fodder, damage to water and other natural resources, loss of natural regeneration
- Forest fire also leads to changes in microclimate of the region in the form of soil moisture balance and increased evaporation. The dense smoke from the fires affected visibility.

National Mission for Clean Ganga

- The Executive Committee of National Mission for Clean Ganga (NMCG) has approved seven projects worth Rs 425 crore in the sector of sewage infrastructure, Ghat development and research.
- All the six projects will be provided with Operation and Maintenance cost for 15 years by Central government and 100% central assistance.
- The approved projects will be undertaken in Uttar Pradesh and Bihar.

About NMCG:

- The National Mission for Clean Ganga (NMCG), created in June, 2014, is being supported by State level Programme Management Groups (SPMGs) of Uttar Pradesh, Uttarakhand, Bihar, Jharkhand and west Bengal.
- The main activities undertaken under Namami Gange include sewage and effluent management including creation of new and rehabilitation of existing STPs, complete sanitation coverage of Gram Panchayats, development of model cremation/dhobi ghats, development of decision support system in GIS platform for efficient planning and monitoring and creation of an IT based monitoring centre with capabilities of real time alerts and prediction.
- For long term protection and rejuvenation, a provision has been made for 100% funding for the entire life time cost of the treatment of assets created including O&M cost for 10 years. Due importance has also been accorded to bio diversity, conservation, maintenance of flow in the river and afforestation along river side with medicinal and native plant species along with conservation of aquatic species.
- The expenditure incurred on Namami Gange in the first three years, (ie; 2014-2015 to 2016-17) is Rs 3673.00 crore.

- For the current year (2017-18), an amount of Rs 2300 crore has been allocated in the budget. It is however, observed that the pace of utilization of fund under this programme has not been satisfactory.
- The slow implementation of project is attributed to delay in tendering, retendering, non- availability of land, legal issues, natural calamities, delay in permission for road cutting, crossing, local festivals, higher fund requirement and pending approvals of state Cabinet etc. Regular monitoring meeting of NMCG with concerned state is expected to help in expediting the pace of the projects implementation and eliminating bottlenecks in making land available and clear the projects through tendering.
- The Order issued through the Gazette of India on 7thOctober, 2016 constituting River Ganga (Rejuvenation, Protection and management) Authorities under the Environment (Protection) Act, 1986 lays down a new institutional structure for policy and implementation in fast track manner and empowers NMCG to discharge its functions in independent and accountable manner. The said Authority has its jurisdiction spread over 5 states along the main stem of Ganga and 5 states and Union territory of Delhi along the major tributaries of the river Ganga.

The key principles identified for the Authority are:

- Maintaining the continuity of the flow without altering the natural season variations.
- Restoring and maintaining the integral relationship between the surface flow and sub-surface water (ground water),
- Restoration and maintenance of the property and quality of water in time bound manner.
- Regenerating and maintaining the lost natural vegetation in catchment area,
- Regeneration and conservation of the aquatic and riparian biodiversity in river Ganga basin,
- To keep the bank of river Ganga and its floodplains as construction free zone to reduce pollution sources and maintain its natural ground water recharge functions
- Making public participation as integral part of process of rejuvenation, protection and management of the river.

India performs miserably in war on inequality

- The "index and the inequality report" was recently released by the international NGO Oxfam and Development Finance International.

Highlights of the report:

- India has been ranked 132 out of 152 countries in an index that rates countries by their commitment to reducing inequality.
- Report has showed that OECD countries headed by Sweden ranked the highest while Nigeria was at the bottom. The US had the highest level of inequality among developed countries, though it is the wealthiest country in history.
- Ironically, Bhutan, known for coining the term 'Gross National Happiness', is ranked even lower than India at 143. Of India's immediate neighbours, all but Nepal (81) and China (87) ranked between 138 and 150. Given that this region is home to the largest chunk of poor people in the world.
- 13 developing countries that had reduced their overall inequality level found that 69% of the reduction was because of public services.
- Progressive taxation, where corporations and the richest individuals are taxed more in order to redistribute resources and ensure the funding of public services, is a key tool for governments committed to reducing inequality.
- The report noted that government spending on health, education and social protection was woefully low in India.
- The tax structure looks reasonably progressive on paper, but in practice much of the progressive tax is not collected.
- India fared poorly on labour rights as well as respect for women in the work place.

- If India were to reduce its inequality by a third, 170 million people could be raised out of poverty. In contrast, it noted how Namibia had halved the poverty rate from 53% to 23% with very high spending on health and education.

About report:

- The index and the inequality report were put together by the international NGO Oxfam and Development Finance International to measure the efforts of governments that had pledged to reduce inequality as part of the sustainable development goals. The index mainly focused on redistributive actions governments can take, rather than those that would prevent rising inequality in the first place.

Right of Children to Free and Compulsory Education (Amendment) Bill

- The Lok Sabha has passed the Right of Children to Free and Compulsory Education (Amendment) Bill.

Highlights of the bill:

- The Bill amends the Right of Children to Free and Compulsory Education Act, 2009 by extending the deadline for teachers to acquire the prescribed minimum qualifications for appointment.
- Under the Act, if a state does not have adequate teacher training institutions or sufficient number of qualified teachers, the provision to possess minimum qualifications is relaxed for a period not exceeding five years i.e. till March 31, 2015.
- The Bill further adds to this provision by stating that those teachers who do not possess the minimum qualifications as on March 31, 2015 will acquire the minimum qualifications within a period of four years i.e. by March 31, 2019.

Analysis:

- Many new schools had come up in the days of educational expansion under the Sarva Shiksha Abhiyan and the RTE, and many teachers who were hired did not have requisite degrees, some having studied only till school.
- They were given five years to train themselves, and many did, but 5-6 lakh private schools teachers and 2.5-lakh government school teachers still did not have the requisite degrees. The qualifications are deemed necessary to ensure that teachers are well-qualified to ensure quality of education.
- The RTE Act was enacted to provide free and compulsory education to all children between the age of six and 14 years. The central government subsequently received requests from states for extension of the period to enable them complete the training process for in-service untrained teachers.

The Indian Institutes of Management Bill, 2017

- The Bill declares 20 existing Indian Institutes of Management (IIMs) as institutions of national importance and confers on them the power to grant degrees.
- The Board of Governors will be the executive body of each IIM, comprising upto 19 members. It will nominate 17 board members including eminent persons, faculty members and alumni. The remaining two members will be nominees from the central and state governments, respectively. The Board appoints its own Chairperson.
- The Board of Governors will appoint the Director of each IIM. A search committee will recommend names for the post of the Director. The Director is eligible for variable pay, to be determined by the Board.
- The Academic Council of each IIM will determine the: (i) academic content; (ii) criteria and process for admission to courses; and (iii) guidelines for conduct of examinations.
- A coordination forum will be set up, which will include representation from the 20 IIMs. It will discuss matters of common interest to all IIMs

Key Issues and Analysis

- Currently, the central government has a role in the functioning of IIMs which includes appointment of the Chairperson of their Boards, their Directors and pay to the Director. In contrast, the Bill extends greater autonomy to the Board in the performance of these functions.
- Under the Bill, the autonomy envisaged for IIMs exceeds the autonomy granted to other institutions of higher education such as IITs and AIIMS. For example, Directors of IITs and AIIMS are appointed by the central government. Introduction of new courses of study at AIIMS requires approval of the Medical Council of India.
- It is unclear if there is a plan to extend the enhanced autonomy proposed for IIMs to other higher educational institutions of national importance as well.
- Certain recommendations of expert committees have not been addressed in the Bill. These relate to: (i) the Board having the autonomy to determine faculty pay; and (ii) creation of an autonomous Standing Committee for management education under an apex regulatory body for higher education.

High Tomato Prices in India

- According to data released by Department of consumer adder, in just over a month, retail prices of tomato have gone from about Rs 20 per kg to Rs 70 per kg.

Type of Tomato crop in India:

- There are two main crops of tomatoes grown in the country.
- **The first** one is what is transplanted from around mid-June in central and southern India, mid-July through August in northern and stretching up to end-September in eastern India (Purulia in West Bengal, Buxar in Bihar and Ranchi in Jharkhand). This is typically a 90-100 day crop that starts yielding fruits 60-70 days after with production happening in "flushes". There can be 8-10 flushes in any given crop cycle, at intervals of 3-4 days.
- Transplanting of the second main crop happens around January-February. This is a longer duration crop of 130-150 days, yielding an average 25 tonnes per acre over 15-20 pickings, as against 15-20 tonnes for the autumn/late-kharif tomato. This "summer tomato" (because it is harvested mostly over May-July) is grown mostly in areas where the maximum temperatures don't go beyond the mid-to-late thirties range during the flowering and fruiting stages. Such conditions are found mostly in relatively cool or hilly areas such as Madanapalle, Mysore, Kolar, Sangamner and Narayangaon in Maharashtra, or Solan and Mandi in Himachal Pradesh

Analysis:

- Tomatoes do tend to get dearer at this time. The all-India average retail rate at this time last year was Rs 40/kg, and it was Rs 30 the year before.
- One reason is tapering supplies from the last summer crop; farmers would be planting the next autumn/kharif crop at this time.
- But even after discounting for the normally low market arrivals now, there is no doubt that ruling rates — in many places, they are in the Rs 90-100 range — are far too high.
- 2016 autumn/kharif tomato crop was a bumper one. That, along with the government's November 8 decision to scrap Rs 500 and Rs 1,000 notes, led to prices crashing to Rs 3-4 per kg levels during November-December, which was a fraction of what they realised in the same period of the previous year.
- Farmers, therefore, were inclined to plant less of the summer tomato this time. The ones who did, hoping for prices to recover at least by summer, were to be disappointed. They practically terminated their crop, the impact of which is being felt now. Prices have, indeed, recovered — partly also because of supply disruptions induced by the rains. But the farmers clearly aren't the ones making merry.
- Tomato plantings in the current kharif season have so far been 35-40 per cent lower relative to last year. While high prices could still induce plantings, the fact is the nursery sowing time is over in many areas. If the autumn/kharif crop, too, turns out lower, we may not see any significant cooling of prices in the immediate period. But in the meantime, one can take comfort from potato and onion prices, which are not on fire — at least for now.

National Commission for Backward Classes (Repeal) Bill, 2017

- The Constitution (123rd Amendment) Bill, 2017, providing for setting up of a National Commission for Backward Classes, was recently passed by the Rajya Sabha. The Bill was passed after dropping Clause 3.
- Clause 3 pertains to the insertion of a new article 338B about the constitution and powers of the National Commission for Backward Classes.
- The bill is meant to upgrade the Backward Classes Commission from a statutory body to a constitutional body, which will give it powers equal to a court to summon people and inquire into incidents of violence and discrimination against backward classes.
- The amended bill will now have to be returned to the Lok Sabha for its fresh approval. The Lower House had already passed the bill but in the Upper House it had been referred to a Select Committee as the Opposition had wanted more scrutiny. The Constituent amendment bill's passage requires two-third majority of those present and voting.

The National Commission for Backward Classes (NCBC) was set up in pursuance to the Supreme Court judgement in the Indra Sawhney case as per the NCBC Act, 1993. Section 9 ("Function of the Commission") of the NCBC Act, 1993, states as under:

- The Commission shall examine requests for inclusion of a any class of citizens as a backward class in the lists and hear complaints of over-inclusion or under-inclusion of any backward class in such lists and tender such advice to the Central Government as it deems appropriate.
- The advice of the Commission shall ordinarily be binding upon the Central Government.
- There have been demands in the Parliament and by the General Public for grant of Constitutional status to the National Commission for Backward Classes to enable it to hear the grievances of OBCs in the same manner that a National Commission for Scheduled Castes (constituted under Article 338) and National Commission for Scheduled Tribes (constituted under Article 338A) hear the grievances of Scheduled Castes and Scheduled Tribes

INTETRNATIONAL AFFAIRS

India, Japan civil nuclear deal comes into force

- A landmark civil nuclear cooperation deal between India and Japan that provides for collaboration between their industries in the field came into force.
- The civil nuclear cooperation agreement was signed last November during Prime Minister Narendra Modi's visit to Tokyo after years of negotiations.
- The deal allows Japan to export nuclear technology to India, making it the first non-NPT signatory to have such a deal with Tokyo.
- There was political resistance in Japan - the only country to suffer atomic bombings during World War II - against a nuclear deal with India, particularly after the disaster at the Fukushima Nuclear Power Plant in 2011.

Analysis:

- Japanese companies are world leaders in nuclear technology. Whether a reactor is French or Korean, key components like reactor vessels are the monopoly of Japanese firms like JSW. Only Russian reactors are not dependent on Japanese parts, but their reactors are limited to 1000 MW and have outdated safety technology.

- This Agreement is a reflection of the strategic partnership between India and Japan and will pave the way for enhanced cooperation in energy security and clean energy.
- It seeks to promote full cooperation between the two countries in the development and uses of nuclear energy for peaceful purposes on a stable, reliable and predictable basis.
- The deal is essential for bringing a network of nuclear energy cooperation for India, especially with the U.S. as prominent American nuclear companies are owned by the Japanese nuclear majors.

Government mulls insurance cover for digital transaction frauds

- The government is considering the recommendations of the Chandrababu Naidu committee on digital payment security, including insurance cover for the victims of fraudulent digital transactions.

Important recommendations of committee:

- The Committee suggested several measures for digital payment security, including an insurance scheme to cover losses incurred in digital transactions on account of fraud, etc.
- The report suggests that in order to address the apprehension of the general public in adopting digital payments, the scheme should target low-ticket transactions to cover the vulnerable sections like small merchants, farmers etc.
- The number of digital transactions in the country was rising and hence the concern for their security.
- Around 1,200 crore digital transactions take place annually in the country. Of these, between 0.005% and 0.007% are fraudulent transactions.
- The number of cases of frauds involving credit cards, ATM/debit cards and Internet banking during 2015-16 was 16,468 and in 2016-17 it was 13,653.
- As per incidents reported to the Indian Computer Emergency Response Team (CERT-In), 40 phishing incidents affecting 19 financial organisations and 10 incidents affecting ATMs, Point of Sale (POS) systems and Unified Payment Interface (UPI) have been reported during November 2016 to June 2017.

Analysis:

- The rise of cyber-attacks and security breaches are increasing at an exponential rate across the globe. Hackers and cyber criminals are becoming more and more sophisticated and widening the scope of their attacks to new markets with increasing success.
- Today's attacks are well organised and are customised for specific organisations, hence the need for customised defence strategies and a multi-layered approach to security.
- As the Internet continues to improve the lives of many all over the world, and advancements in technology break down the boundaries of what's possible, cybercriminals will continue to find flaws and vulnerabilities to use to their advantage. The rise and rise of cyber-attacks isn't set to come to a halt any time soon, so it's pivotal that businesses prepare for a new generation of cyber risks.

Pakistani court removes PM Nawaz Sharif

- Pakistan's Supreme Court has removed the prime minister, Nawaz Sharif, from office in a unanimous verdict over corruption allegations that will further upset the country's unstable political landscape.
- The verdict by the five-member court caps a year of political controversy over corruption allegations unleashed by the 2016 Panama Papers leak.

Analysis:

- In the last seventy years, all Pakistani Prime Ministers have been assassinated, dismissed or forced to resign by heads of state with military backing, or deposed in coups d'etat.
- Mr. Sharif is the second Prime Minister, after Yousuf Raza Gilani, to be sent home by an activist Supreme Court amidst an orchestrated media furore.

- Ironically, Mr. Sharif was installed as Prime Minister in 1990 by the military in intrigue that was exposed decades later. At that time, the Pakistani establishment deemed Benazir Bhutto 'a security risk' over her avowed desire to change attitudes towards India and the rest of South Asia.
- Mr. Sharif fell out of the army's favour when he decided to assert himself in the conduct of foreign and national security policy after becoming Prime Minister. He was ousted once by the President and a second time by the army chief in a coup. Elected for a third time, he has now been sent packing through the Supreme Court.
- During the Panama Papers case, Mr. Sharif was accused in social media of being an Indian agent and rumours swirled of his alleged investments in India and 'secret partnerships' with Indian businessmen.
- Mr. Sharif's ouster is unlikely to stem the tide of widespread corruption in Pakistan. It might also not be the end of Mr. Sharif, who could possibly win another election in his Punjab base. But the episode proves again that Pakistan is far from being a democracy where the law takes its course, institutions work within their specified spheres and elected leaders are voted in or out by the people.

SCIENCE AND TECHNOLOGY

Ban on use of Liquid Nitrogen

- The Haryana government had recently banned the use of liquid nitrogen.
- The Haryana food and drugs administration department issued an order under section 34 of Food Safety and Standards Act, 2006 (Central Act 34 of 2006).

About Liquid Nitrogen:

- Liquid nitrogen is nitrogen that is cold enough to exist in liquid form. It is used for many cooling and cryogenic applications. Here are some liquid nitrogen facts and information about handling liquid nitrogen safely.
- Liquid nitrogen is the liquefied form of the element nitrogen that is commercially produced by fractional distillation of liquid air. Like nitrogen gas, it consists of two nitrogen atoms sharing covalent bonds (N2).
- At normal pressure, liquid nitrogen boils at 77 K (−195.8°C or −320.4°F).
- Liquid nitrogen is stored in special insulated containers that are vented to prevent pressure build-up.
- Since past few years, liquid nitrogen is being extensively used by restaurants and food industries to prepare frozen desserts like ice creams, which can be created a moment before serving on the table. It cools any substance immediately. The rapidity of cooling is also responsible for smaller ice crystals which give a smooth texture to the ice cream.
- Recently, it is also being popular in preparing cocktails, as it can immediately chills glasses of ingredients. It also adds a smoking effect to the drink.

Hazards Associated with Liquid Nitrogen Handling.

- **Extreme Cold:** The vapor of liquid nitrogen can rapidly freeze skin tissue and eye fluid, resulting in cold burns, frostbite, and permanent eye damage even by brief exposure.
- **Asphyxiation:** Liquid nitrogen expands 695 times in volume when it vaporizes and has no warning properties such as odor or color. Hence, if sufficient liquid nitrogen is vaporized so as to reduce the oxygen percentage to below 19.5%, there is a risk of oxygen deficiency which may cause unconsciousness. Death may result if oxygen deficiency is extreme. To prevent asphyxiation hazards, handlers have to make sure that the room is well ventilated when using cryogens indoors.

- **Oxygen Enrichment:** When transferring liquid nitrogen, oxygen in the air surrounding a cryogen containment system can dissolve and create an oxygen-enriched environment. Since the boiling point of nitrogen is lower than oxygen's, liquid oxygen evaporates slower than nitrogen and may build up to levels which can increase the flammability of materials such as clothing near the system. Equipment containing cryogenic fluids must be kept clear of combustible materials in order to minimize the fire hazard potential. Condensed oxygen in a cold trap may combine with organic material in the trap to create an explosive mixture.
- **Pressure Buildup and Explosions**: Without adequate venting or pressure-relief devices on the containers, enormous pressures can build upon cryogen evaporation. Users must make sure that cryogenic liquids are never contained in a closed system. Use a pressure relief vessel or a venting lid to protect against pressure build-up.

Green Climate Fund

- India's National Bank for Agriculture and Rural Development (NABARD) has signed an Accreditation Master Agreement (AMA) with the Green Climate Fund.
- With the signing of the AMA, NABARD becomes the first Indian organisation to get Direct Access Entity status and is the first step for the body to access GCF resources.

About GCF:

- The Green Climate Fund (GCF) is a new global fund created to support the efforts of developing countries to respond to the challenge of climate change.
- GCF helps developing countries limit or reduce their greenhouse gas (GHG) emissions and adapt to climate change.
- It seeks to promote a paradigm shift to low-emission and climate-resilient development, taking into accounts the needs of nations that are particularly vulnerable to climate change impacts.
- It was set up by the 194 countries who are parties to the United Nations Framework Convention on Climate Change (UNFCCC) in 2010, as part of the Convention's financial mechanism.
- It aims to deliver equal amounts of funding to mitigation and adaptation, while being guided by the Convention's principles and provisions.
- When the Paris Agreement was reached in 2015, the Green Climate Fund was given an important role in serving the agreement and supporting the goal of keeping climate change well below 2 degrees Celsius.
- Responding to the climate challenge requires collective action from all countries, including by both public and private sectors.
- Among these concerted efforts, advanced economies have agreed to jointly mobilize significant financial resources. Coming from a variety of sources, these resources address the pressing mitigation and adaptation needs of developing countries.
- GCF launched its initial resource mobilization in 2014, and rapidly gathered pledges worth USD 10.3 billion. These funds come mainly from developed countries, but also from some developing countries, regions, and one city (Paris).
- GCF's activities are aligned with the priorities of developing countries through the principle of country ownership, and the Fund has established a direct access modality so that national and sub-national organisations can receive funding directly, rather than only via international intermediaries.
- The Fund's investments can be in the form of grants, loans, equity or guarantees.
- The GCF was set up in 2010 under the UNFCCC's financial mechanism to channel funding from developed countries to developing countries to allow them to mitigate climate change and also adapt to disruptions arising from a changing climate. It was central to the Paris climate agreement signed in 2015, that the world's largest historical emitter.

Analysis:

- The Fund pays particular attention to the needs of societies that are highly vulnerable to the effects of climate change, in particular Least Developed Countries (LDCs), Small Island Developing States (SIDS), and African States.

- GCF aims to catalyze a flow of climate finance to invest in low-emission and climate-resilient development, driving a paradigm shift in the global response to climate change.
- The Green Climate Fund will support projects, programmes, policies and other activities in developing country Parties using thematic funding windows.
- It is intended to be the centrepiece of efforts to raise Climate Finance of $100 billion a year by 2020.
- The Fund will promote the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change.
- The Fund will strive to maximize the impact of its funding for adaptation and mitigation, and seek a balance between the two, while promoting environmental, social, economic and development co-benefits and taking a gender-sensitive approach.

Sagar Vani

- Minister of Science & Technology, Earth Sciences and Environment, Forests & Climate Change has launched an app “Sagar Vani” on the occasion of Foundation Day of Ministry of Earth Sciences.
- This has been developed by ESSO-INCOIS.

About ESSO-INCOIS:

- ESSO-Indian National Centre for Ocean Information Services (INCOIS) under Ministry of Earth Sciences (MoES) provides ocean information services for the benefit of various user communities in the country.
- The services are more fruitfully utilized when the advisories reaches the end user in timely manner and in user readable format.
- ESSO-INCOIS has adopted the state-of-the-art technologies and tools available in the country for the timely dissemination of Ocean Information and Advisory Services that includes Potential Fishing Zone (PFZ) advisories, Ocean State Forecast (OSF), High Wave Alerts and Tsunami early warnings.
- There are 3288 marine fishing villages and 1511 marine fish landing centres with marine fisher folk population of 3,999,214.
- About 37.8% (1,511,703) of marine fisher folk are engaged in active fishing. About 927,120 fishermen were involved in actual fishing either full or part time.
- ESSO-INCOIS is serving about 3.17 lakhs of users directly through in-house efforts as well as through the partnering organizations including NGO’s and there is yet to cover. Hence, it is necessary to target the reach of information to the 9.27 lakh involved in actual fishing either full or part time.
- Presently, the advisories are being disseminated to the stakeholders from different service sections and through various stakeholders and partners, which might cause delay in dissemination of the services. In order to effectively and timely disseminate the advisories, directly from the lab to the end user, an Integrated Information Dissemination System (IDS) named as “SAGAR VANI” has been developed by ESSO-INCOIS through the Industry M/s. Gaian Solutions Pvt. Ltd.

About Sagar Vani:

- The ‘Sagar Vani’ is a software platform where various dissemination modes will be integrated on a single central server.
- The ‘Sagar Vani’ includes Multi Lingual SMS, Voice Call / Audio Advisory, Mobile Apps (User / Admin modules), Social Media (Facebook, Twitter, etc.), Email, GTS, Fax, Digital Display Boards, Radio / Television broadcast units, IVRS, Cloud Channels, etc. The system also has facility to provide access to various stakeholders (NGOs, State Fishery Departments, Disaster Management Authorities, etc.) so that they too will be able to further disseminate these ocean information and alerts to the user community.
- This ‘Sagar Vani’ system compares with the most advanced countries’ services in terms of speed of delivery, omni channel capabilities and diverseness of services.

- With this system, the services will be disseminated in local languages using advanced artificial intelligence and machine learning capabilities.
- For the first time in India, we are also using the power of television and cable network mediums for topical and alert dissemination services.
- The 'Sagar Vani' will now serve the coastal community, especially the fishermen community with the advisories and alerts towards their livelihood as well as their safety at Sea.

QUICK FACTS

- **Country which declared total independence from World Bank & IMF - Bolivia**
- World Hepatitis Day is observed on : **28 July**
- BRICS Labour & Employment Ministers Meet held in **- China**
- 5th North East Connectivity Summit to be Held in **- Arunachal**
- India's First unmanned tan**k - Muntra**
- **'**Mahanayak Samman 2017' awarded to **- Shakuntala Barua**
- Winner of US Open Grand Prix badminton title **- HS Prannoy**
- The Ministry of Utmost Happiness is written by **- Arundhati Roy**