

News for May 2016

# **The Crux of The Hindu and PIB**

Vol. 21

Important News in the field of :

**National**

**Economy**

**India and World**

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Press Information Bureau, Government of India

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Aspirant Forum is a Community for the UPSC Civil Services (IAS) Aspirants, to discuss and debate the various things related to the exam. We welcome an active participation from the fellow members to enrich the knowledge of all.

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#### About the 'CRUX'

Introducing a new and convenient product, to help the aspirants for the various public services examinations.

The knowledge of the Current Affairs constitute an indispensable tool for all the recruitment examinations today. However, an aspirant often finds it difficult to read and memorize all the current affairs, from an exam perspective. The Newspapers and magazines are full of information, that may or may not be useful for the exams. Thus, a candidate is forced to spend a substantial amount of his time in selecting and maintaining notes for the current affairs.

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The whole concept of the CRUX is to provide you with a summary of the important news and current affairs, from an exam point of view. By reading the CRUX, you will be able to save your precious time and effort, as you get all the relevant matter in a summarized and convenient form.

The Crux is particularly helpful for the Civil Services, Banking, SSC and other exams that have a current affairs section.

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Best Wishes  
Editorial Board  
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## National

### Lost in translation, the definition of secular

Months after raking up the controversy over the word secular in the Preamble of the Indian Constitution and its 'true' Hindi translation, the Bharatiya Janata Party (BJP) is all set to ignite the debate once again.

According to BJP-led Maharashtra government, the Hindi translation of secular is 'panth nirpeksha' and Marathi translation is 'dharma nirpeksh'.

The Hindi version of the Preamble, published by Maharashtra State Bureau of Textbook Production and Curriculum Research in the Class VI textbook mentions 'panth nirpeksh' instead of 'dharma nirpeksh'. Interestingly, all other Marathi medium textbooks for Class VI have continued with the word 'dharma nirpeksh', except for Hindi. In addition, Hindi textbooks for all other standards, including those for year 2016, have the word 'dharma nirpeksh' in the Preamble.

The Opposition leaders criticised the government for this and said it was an attempt to change the Preamble. "We condemn such shameful tactics of the government. This is nothing but clear attempt to change the Constitution by back door methods. We will be strongly opposing it, inside and outside the Assembly," said Congress spokesperson Sachin Sawant.

The State bureau has come up with a new curriculum and textbooks with different design for Class VI from the current academic year. According to a senior officer from the Education department, the Hindi translation is a courtesy of the official version made available from the Central government website.

According to the Hindi translation of the Constitution (Updated as of November 9, 2015) available at the website of Ministry of Law and Justice (Legislative Department) the earlier translation of word 'secular' to 'dharma nirpeksh' is replaced with 'panth nirpeksh'.

Asked why it was reflected only in Hindi textbook and not in any other, the officer suggested that the question be put to a higher authority.

When asked about the controversy, the State Education Minister Vinod Tawde said no such instructions have gone out from the state government as the committee responsible for printing books has the final authority. "But since you have pointed it out, I will ask the officers to in-

quire into the incident and if anything wrong is found out, we will correct the mistake," he said.

Senior counsel in the Bombay High Court Advocate Mihir Desai told The Hindu that the original Constitution is in English. "If they are claiming that pantha nirpeksh means secular then they must explain the rationale behind it. It should also be explained as to whether dharma and pantha are the same. It must be noted that, secularism is an integral part of the Constitution and has not undergone any change," he said.

### 'Demographic dividend hinges on quality elementary education'

The success of the Government's 'Make in India' and 'Digital India' programmes hinges on improving elementary education in the country through an inclusive approach, according to Vineet Nayar, Founder Chairman of Sampark Foundation.

Mr. Nayar, a former CEO of HCL Technologies, said that numerical literacy, or the ability to use and understand mathematics, and language literacy will be crucial to the future prospects of the country's children.

Almost half the students in Standard V in the country's public-funded schools, where about 144 million children study, are unable to recognise numbers beyond 99 or read simple English text, according to Mr. Nayar.

"A large pool of this will come into the job market. Is this a demographic dividend or a disaster?" he asked. Sampark Foundation, founded by Mr. Nayar and his wife Anupama in 2004, is a not-for-profit organisation that has committed Rs. 650 crore to promote the cause of transformative learning in government schools in India. The onus, according to him, is on the industry to fix the problems in elementary education. "Writing a cheque won't solve the problem," he said, pointing to the inverse relationship between the money spent and learning outcomes.

"We need big business houses and corporate leaders to fix elementary education programmes by bringing in innovation to improve learning outcomes by working within the existing political system," Mr. Nayar said. This can be done using innovative methods at low costs with existing teachers and systems, he said.

"The change, however, has to be done now and at a very large scale," he added. A lesson could be learnt from the way the IT (information technology) industry addressed the skill shortage issue.

"They (the IT industry) proactively fixed the issue by their back-to-school programme," he pointed out. 'Innovation-led large-scale social change' is the central theme of the





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Foundation, which has signed memorandums of understanding (MoUs) with the States of Uttarakhand, Jammu & Kashmir and Chhattisgarh.

“Our foundation is impacting the lives of three million children studying in 50,000 schools in these States,” Mr. Nayar claimed.

### Modi launches LPG scheme for poor women

Prime Minister Narendra Modi on Sunday launched the Pradhan Mantri Ujjwala Yojana, which aims to provide five crore LPG connections to women in Below Poverty Line (BPL) households over the next three financial years, at a cost of Rs. 8,000 crore.

The scheme, launched at Ballia in Uttar Pradesh, is to be partially funded from the savings accruing to the government from LPG users who gave up their subsidy as part of the Give It Up programme.

“Over one crore consumers have given up their subsidy, leading to savings of nearly Rs. 2,000 crore per year. This money would be utilised to provide LPG connections to BPL families,” Mr. Modi said at the launch function.

Finance Minister Arun Jaitley had, in his Budget speech in February, announced a provision of Rs. 2,000 crore this financial year to provide LPG connections to 1.5 crore women from BPL households.

The new users who receive LPG connections under the scheme will not have to pay the security deposit, while the Rs. 1,600 administrative costs, cost of pressure regulator booklet and safety hose will be borne by the government.

Consumers will have the option to purchase gas stove and refills on EMI.

#### Expansion plans

The Prime Minister said nearly 10,000 new distributorships and infrastructure expansion plans were in the works to cater to the increased demand arising out of the new connections.

The households will be selected using the socio-economic and caste census data.

Currently, India has 16.64 crore active LPG consumers with a requirement of about 21 million tonnes per annum. Stating that LPG coverage is being increased, he said there are serious health hazards associated with cooking based on fossil fuels.

According to World Health Organisation estimates, about 5 lakh deaths occur in India alone due to unclean cooking fuels. Experts say having an open fire in the kitchen

is like burning 400 cigarettes an hour.

Providing LPG connections to BPL households will ensure universal coverage of cooking gas in the country and this will empower women and protect their health, he said.

#### Demand for LPG to double

India’s demand for LPG is expected to see a double-digit growth over the coming years, the government said in a release. Towards this, several steps have been taken to increase infrastructure in order to meet the demand.

“The three public sector oil marketing companies have approved plans to expand rated LPG bottling capacity from the present over 15,000 thousand metric tonne per annum [TMTPA] by around 10 per cent by the end of FY 17-18, so as to meet the expected increase in LPG demand,” the release said. Several steps are being taken to expand import facilities as well.

“While Indian Oil is developing new import facilities at Dahej [by 2018-19], Paradip and Cochin [by 2017-18], Bharat Petroleum is developing its import facility at Haldia, apart from which East India Petroleum Private Limited [EIPL] capacity augmentation is also getting completed by December 2016,” the release said, adding that the private sector was also working towards adding import infrastructure.

Apart from those who voluntarily gave up their LPG connections, those earning Rs. 10 lakh or more a year have been deemed ineligible for the subsidy.

The recently-released income tax data shows that there were 13.3 lakh individuals who declared an income above Rs. 10 lakh a year in assessment year 2012-13. Using that number, back-of-the-envelope calculations show removing the LPG subsidy from these people would save the government Rs. 173 crore a year.

### HC dismisses plea on parties’ de-registration

The Delhi High Court has dismissed a petition seeking cancellation of registration of political parties having connotation of religion, caste, creed, god or community in their names, saying the plea was “motivated”.

A Bench of Chief Justice G. Rohini and Justice Jayant Nath said it was satisfied with the explanation given by the Election Commission and the issue would be looked into by the poll panel.

“The ECI is concerned with it. They will look into it. No public interest is there. This [plea] is motivated,” the Bench said.



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“In the light of specific stand taken by the ECI that after 2005 they have not registered any political party having connotation of religion, caste, creed, race, name of god or community in its name, we decline to entertain the petition. The petition is dismissed,” the Bench said.

The Citizen Rights Foundation had filed the plea which also sought to prevent such political parties from participating in elections. It had sought a direction to the EC to action to change the names of these political parties within a period fixed by the court.

It had claimed that there were 16 registered political parties having connotation of religion in their names and should be prohibited from collecting funds from the public.— PTI

### Centre may appoint independent regulators for professional services

The government is planning to appoint independent regulators for services such as medicine, law, chartered accountancy, cost accountancy and company secretaryship.

According to sources in the commerce ministry, the existing structure of a regulator-cum-professional body for these services has resulted in several alleged instances of conflict of interest.

This hurt the credibility and reputation of these bodies and hampered India's attempts to secure Mutual Recognition Agreements (MRA) with other countries to enable easier temporary movement of skilled workers and professionals across borders, the sources said.

#### Chances brighten

The independent regulators will maintain distance from the professional bodies similar to the situation in developed countries, they said.

MRAs are pacts where two or more nations recognise each other's compliance assessments to ensure that services, products and processes meet relevant technical norms. The bodies being referred to by the commerce ministry include Medical Council of India (MCI), Bar Council of India (BCI), Institute of Chartered Accountants of India (ICAI), Institute of Cost Accountants of India and Institute of Company Secretaries of India (ICSI). All these are statutory bodies under an Act of Parliament.

According to the ministry, once independent regulators are appointed for these services, the chances of inking more MRAs automatically brighten up.

The ministry was initially considering preparing a com-

prehensive plan for appointing independent regulators for all these service segments and then coming out with a Cabinet note for inputs from other ministries. However, the “wholesale approach” has been junked.

#### Current plan

The current plan is to initiate discussions with each of the ministries concerned (health, law and corporate affairs in this case). Then, separate Cabinet notes can be put up by the ministries on the need for independent regulators for these services, the sources said. The move comes in the backdrop of the Supreme Court recently citing a Parliamentary panel report to state that the MCI “was repeatedly found short of fulfilling its mandated responsibilities” and that the “quality of medical education was at its lowest ebb...”

The apex court, noting the instances of corruption in MCI, had set up an Oversight Committee to supervise the council's functions and scrutinise its policy decisions.

#### Conflict of interest

Bar Council of India (BCI) Chairman Manan Kumar Mishra dismissed allegations of conflict of interest regarding the council and objected to the proposal of appointing a super-regulator for the body.

He said the BCI involves former Supreme Court judges, chief justices of high courts and top academicians in its legal education and disciplinary committees and questioned, “What can be more superior?” The commerce ministry has been pitching for opening up legal, education and healthcare sectors to attract foreign investment.

### ‘Won't alter anti-terror law for sake of visa deal'

President Recep Tayyip Erdogan on Friday warned the EU that Turkey would not change an anti-terror law for the sake of a deal on visa-free travel and migrant flows, throwing up a major potential stumbling block a day after his prime minister said he was stepping down.

In a typically combative speech just 24 hours after Prime Minister Ahmet Davutoglu said he would surrender his positions of premier and ruling party chief, Mr. Erdogan vowed to put to a referendum his controversial plan of a presidential system in Turkey as “quickly as possible.”

Mr. Davutoglu had championed the March deal with the EU under which Turkey would help reduce the flow of migrants to the bloc in exchange for incentives including the promise of visa-free travel for Turks to the passport-free Schengen Area. The European Commission this week recommended that Turks enjoy visa-free travel but





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Turkey must complete five more benchmarks by the end of next month to complete the EU's list of 72 criteria. Crucial among these are changes to anti-terror law as well as protection of personal data. But Mr. Erdogan signalled Ankara had no intention of changing its anti-terror legislation to placate Brussels.

#### **Attempt on scribe's life**

Turkish opposition journalist Can Dunder escaped a shooting outside the courthouse in Istanbul where he is on trial on charges of revealing state secrets. The attacker fired several times before being detained by police. Dunder, the editor-in-chief of leading Turkish opposition daily Cumhuriyet, was unharmed.

#### **Income Tax Dept. can reveal taxpayers' details**

NEW DELHI: The taxman can reveal information related to taxpayers disclosing previously concealed income under the Budget's Income Declaration Scheme, if it is deemed to be in public interest.

An amendment to this effect has been made in the Finance Bill of 2016 approved by the Lok Sabha.

Tax experts said the amendment is aimed to allay any misconceptions that the government would keep such taxpayers' details confidential under any circumstance.

#### **Penal tax rate**

The Income Declaration Scheme offers people with undisclosed income to declare it by paying a penal tax rate of 45 per cent on such income. The final version of the Finance Bill okayed by the Lok Sabha has imported Section 138 of the Income Tax Act into the declaration scheme's ambit.

#### **Objectivity**

"Bringing in Section 138 to the Scheme brings in objectivity on confidentiality of income tax information and the limitations thereof," Rahul Garg, leader of the direct tax practice at PwC India told The Hindu. "This is appropriate to ensure that people don't misunderstand the confidentiality aspect." In other words, the aim behind bringing in this section is to dispel the perception that the details disclosed under the scheme are confidential under any circumstances — they can be disclosed if it is deemed to be in public interest.

The key to this, according to tax experts, is the objectivity of the Chief Commissioner.

"The discretion has been given to the Chief Commissioner who is a very senior authority and he has to see if it is in public interest to share the information," Amitabh

Singh, a tax consultant, said. "Even the Supreme Court has not been able to convince the Reserve Bank of India to make public the names of wilful bank loan defaulters." "I doubt any Chief Commissioner will risk his career by disclosing the information. He will not do it without political pressure and backing," Mr. Singh said.

#### **DGCA seeks monthly details from carriers on airfares**

The Directorate General of Civil Aviation (DGCA) has decided to ask all domestic carriers to furnish details of the number of tickets they sell in the highest fare bucket, and the contribution of such tickets to their revenue from 20 domestic routes, in a bid to check sharp surges in airline fares.

#### **Make data public**

The DGCA plans to make the data public and would incorporate these numbers in its monthly traffic data reports, a senior official at the aviation regulator said on Friday. The move comes on the back of complaints from Parliamentarians on rising airfares. "We have received complaints on high airfares. The purpose of the move is to form a clear perspective on how many seats are being sold in the highest fare bucket," the official said. Airlines offer different fare brackets for each flight, known as fare bucket.

The twenty routes for which airlines would have to share these details include Bangalore-Mumbai, Delhi-Mumbai, Delhi-Chennai, Calcutta-Port Blair and Hyderabad-Mumbai.

"We will ask for details of the number of seats sold on the highest and the lowest fare buckets and the revenue earned on selling such seats," the official added.

#### **Experts criticise**

Some aviation experts criticised the government for monitoring airfares and said it is a function of demand and supply.

"DGCA is involving itself in the pricing regime. It must get its priorities right — it is a safety compliance and standard organisation, not an economic regulatory bureau," said Mark D Martin, founder and chief executive of Martin Consulting, an aviation consulting firm. DGCA had conducted an analysis of airfares in 2014 and found that the average fares were closer to the minimum fare, meaning most tickets sold were not priced exorbitantly. Civil Aviation Minister Ashok Gajapathi Raju had said in Lok Sabha earlier this week that airlines have passed on the benefits of declining aviation turbine fuel to passengers, as per



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a study conducted by the government during January-March this year.

In the debate on demand for grants of the Civil Aviation Ministry, some Parliamentarians had sought action against airlines and had alleged airfares remained high despite decline in jet fuel prices which accounts for over 40 per cent of airline's operational costs.

### Chief Justice of India again calls for augmenting judges' strength

Continuing to express his concern over the governments' inaction in improving the judge-population ratio in the country, Chief Justice of India T. S. Thakur on Sunday said access to justice was a fundamental right and the governments could not afford to deny the people their fundamental rights.

After an emotional outburst over the problem of 'shortage of judges' in the presence of Prime Minister Narendra Modi at a conference in New Delhi last month, the CJI once again raised the issue while addressing a large gathering of legal luminaries here on the occasion of centennial celebrations of circuit bench of High Court.

"While we [judiciary] remain keen to ensure that judges' appointments are made quickly, the machinery involved with the appointment of judges continues to grind very slowly," Justice Thakur alleged saying around 170 proposals for appointment of High Court judges were currently pending with the government.

This matter was brought to the notice of the Prime Minister recently with a request to make appointments quickly, Justice Thakur said. people could not be denied justice. "Access to justice is a fundamental right and the government cannot afford to deny the people their fundamental rights," he said.

Shortage of judges was one of the formidable challenges the judiciary was facing, the CJI said disclosing that out of some 900 sanctioned posts of judges in different High Courts, there were over 450 vacancies, which needed to be filled immediately.

### Digital DBT aids rural job schemes

The government has electronically transferred more than Rs.61,000 crore in the last financial year to March 30 through the Direct Benefit Transfer (DBT) scheme, Finance Ministry data showed.

According to the data presented in Parliament, Rs.61,824.32 crore was transferred to 30.8 crore beneficiaries in 59 schemes. Out of this, Mahatma Gandhi

National Rural Employment Guarantee Act (MGNREGA) payments made up Rs.25,800 crore, or 42 per cent of total DBT schemes.

This also means that 85 per cent of the MGNREGA payments made in 2015-16 were done directly into the beneficiary's bank accounts.

The second largest head under which DBT transfers were made was the PAHAL scheme for the electronic transfer of LPG subsidies. The government transferred Rs.21,400 crore under the PAHAL scheme in 2015-16, which is 35 per cent of the total amount transferred through DBT.

The Finance Ministry data also showed that 3.34 crore duplicate, fake, or inactive consumers were blocked under the PAHAL and related schemes as of April 1, 2015. That number may have increased since then.

### Savings

"The savings in LPG subsidy on account of this blocked customers, calculated at an average cash subsidy of Rs.150 taking the average cylinders used by a consumer at 6.5 comes to an estimated savings of Rs.3,300 crore in 2015-16," according to the Finance Ministry statement. The Department of Higher Education (Rs.1,975 crore), Ministry of Minority Affairs (Rs.1,134 crore) and the Ministry of Tribal Affairs (Rs.955 crore) were the other government agencies that made substantial payments using the DBT model.

### Home Ministry open to review of draft Geospatial Bill

Even as the Ministry of Home Affairs (MHA) agreed to review a much-criticised draft Bill that proposes jail term of seven years and a fine up to Rs. 100 crore for wrongly depicting the map of India, officials said the Bill was first drafted in 2012 and the January 2 attack at the Pathankot airbase was the immediate trigger for reintroducing the Bill.

Three days after the draft Geospatial Information Regulation Bill, 2016 was uploaded on the Home Ministry's website seeking comments from the public, the government on Monday indicated that it was open to review its contents and consider all suggestions that are to come in the next one month.

The draft Bill has come under scathing criticism on social media and other online platforms for its draconian features.

Uttarakhand DGP, M.A. Ganapathy, who was one of the officials involved in drafting the Bill during his stint in the MHA, told The Hindu : "Instead of getting hysterical, peo-





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ple should send valid and sane suggestions to oppose the draft Bill. This is at a draft stage and the idea was to invite comments.”

Another official involved in drafting the Bill said: “This Bill has been in the works since 2012. A committee of secretaries (CoS) had submitted a report, calling for a regulatory body to monitor the Internet giants like Google and Microsoft. How else do you regulate them, by begging?”

The official added that the investigations in the Pathankot airbase attack revealed that the terrorists who got into the airbase had precise information about its topography.

“The Pathankot airbase and other strategic locations are easily available on Google maps and it has become easier for terrorists to plan an attack. When Pathankot happened, we decided that this was the time to revisit the Bill,” said the official.

#### **Permission mandatory**

According to the draft Bill, it will be mandatory to obtain permission from a government authority before acquiring, disseminating, publishing or distributing any geospatial information of India.

“No person shall depict, disseminate, publish or distribute any wrong or false topographic information of India, including international boundaries, through internet platforms or online services or in any electronic or physical form,” it states.

#### **Second floor test a possibility: SC**

The Supreme Court Bench of Justices Dipak Misra and S.K. Singh on Wednesday clarified that the petition filed by former Uttarakhand CM Harish Rawat on the larger question of the constitutionality of proclamation of President’s Rule on March 27 would be kept alive and judicially reviewed.



The court would also separately hear the pending petitions of nine dissident Congress MLAs who had challenged their disqualification by the Speaker for ‘horse-

trading.’

It had refused to stay their disqualification, due to which they were unable to vote in the decisive apex court-ordered floor test. Had they voted, the numbers would have favoured the BJP.

The court hinted that in case it decided the petitions in favour of the disqualified MLAs, a second floor test may be a possibility. “If this man [Rawat] becomes CM now and supposing we set aside the disqualification of the MLAs in the future, there will have to be another floor test,” Justice Misra observed.

The court proceedings took an interesting turn when one of the disqualified MLAs, Shaila Rani Rawat, stood up to challenge the Speaker’s powers to disqualify her.

Ms. Rawat, represented by advocate Manohar Lal Sharma, said President’s Rule was proclaimed on March 27 morning and the MLAs were disqualified in the evening. “Once the President’s Rule has set in, the Speaker had no power to disqualify these nine MLAs,” Mr. Sharma said, saying his client could not bring this point to the attention of the court as she was fighting the forest fire. Though it asked Ms. Rawat, “why did you not come before us with this point,” the Bench dismissed her writ petition.

#### **India successfully test-fires advanced interceptor missile**

In its effort to have a full fledged multi-layer Ballistic Missile Defence system, India on Sunday, successfully test-fired its indigenously developed supersonic interceptor missile, capable of destroying any incoming hostile ballistic missile, from a test range off Odisha coast.

“The test conducted to validate various parameters of the interceptor in flight mode has been successful,” Defence Research Development Organisation sources said.

The interceptor was engaged against a target which was a naval version of Prithvi missile launched from a ship anchored inside Bay of Bengal, taking up the trajectory of a hostile ballistic missile.

The target missile was launched at about 11.15 hours and the interceptor, Advanced Air Defence (AAD) missile positioned at Abdul Kalam island (Wheeler Island) getting signals from tracking radars, roared through its trajectory to destroy the incoming hostile missile in mid-air, in an endo-atmospheric altitude, the sources said.

#### **Kill effect**

“The ‘kill’ effect of the interceptor was ascertained by analysing data from multiple tracking sources,” a DRDO scientist said.



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The interceptor is a 7.5-metre-long single stage solid rocket propelled guided missile equipped with a navigation system, a hi-tech computer and an electro-mechanical activator, the DRDO sources said.

The interceptor missile had its own mobile launcher, secure data link for interception, independent tracking and homing capabilities and sophisticated radars, the sources added.

#### Amit Shah launches cooking gas scheme for tribal families

BJP president Amit Shah on Sunday launched the “Pradhan Mantri Ujjwala Yojana” giving cooking gas connections to poor tribal families in Dahod district of Gujarat.

Mr. Shah said that five crore connections would be provided to rural areas across the country.

“After coming to power, Prime Minister Modi had launched a campaign asking the well-to-do people to give up LPG subsidy. So far, one crore people have obliged. This has helped this scheme to provide connections to people in rural areas,” Mr. Shah said.

Mr. Shah termed the new initiative a right tool for women empowerment as with gas connections, women will no longer be dependent on firewood and kerosene for cooking.

He slammed the UPA government for corruption in provision of gas connections which remained limited to urban middle class families.

“As soon as Mr. Modi took over, he took steps to remove corruption and curb black marketing by direct transfer of Rs. 13,000 crore into the bank accounts of poor people. It’s a huge step in curbing corruption and pilferage in the social welfare schemes in the country.”

The new beneficiaries enrolled for the scheme from Gujarat, Madhya Pradesh and Rajasthan were given the gas connection documents by Mr. Shah, Petroleum Minister Dharmendra Pradhan and the Chief Ministers.

“This financial year alone, one crore new connections will be provided for which Rs. 2,000 crore has been earmarked. In Gujarat, we will provide 25 lakh new connections, most of which will be targeted at rural beneficiaries,” Mr. Pradhan said.

#### Draft Bill on Delhi statehood released

The Aam Aadmi Party (AAP) government released a draft bill seeking full statehood for the Capital here on Wednesday.

Available on the Delhi government website, citizens can

review and suggest amendments to the said draft bill till the end of June through emails to “fullstatehood.delhi@gov.in” and “fullstatehood.delhi@gmail.com” following which it will be sent to the Centre for its nod, Chief Minister Arvind Kejriwal said.

#### Extension of jurisdiction

Released by Mr. Kejriwal with Deputy Chief Minister Manish Sisodia by his side at the Delhi Secretariat, the State of Delhi Bill, 2016, motions for the extension of jurisdiction of the elected government of the Capital over police, land, municipal corporations and bureaucracy.

Areas demarcated under the New Delhi Municipal Council (NDMC) and the Delhi Cantonment Board would, however, remain beyond the legislative and administrative control of the proposed Delhi State.

The draft bill seeks the replacement of the term ‘Lieutenant Governor’ with ‘Governor’ in a significant shift in terms of administrative nomenclature. The Governor of State of Delhi would act “on the aid and advice of the Council of Ministers as provided in Article 163 of the Constitution”, as per the draft.

Mr. Kejriwal, who termed the Bill a culmination of the aspirations of multiple governments which had both the Bharatiya Janata Party (BJP) and the Congress at their helm in the past, urged his political opponents to “rise above differences” and participate in an all-party meet on the issue. The BJP-led Centre termed the document “unconstitutional” while the Congress said the Chief Minister was raking up the issue to “divert the attention of the people from his failures.”

“The draft has been put on the Delhi government’s website. Through its passage, we seek to fulfil the dreams of the Congress and the BJP. We should rise above party lines. A special session of the Assembly may also be called for passing the resolution,” Mr. Kejriwal said.

#### ‘Assembly not empowered’

The Leader of the Opposition in the Delhi Legislative Assembly and BJP legislator, Vijendra Gupta, termed the bill “mischievous and unacceptable”.

“Only Parliament is empowered to prepare, adopt and pass the Delhi Statehood Bill as enshrined in the Constitution of India. The Delhi Legislative Assembly is not empowered to prepare and adopt the Bill as it is a constitutional one,” he said.

#### Digital vans all set to take e-governance to rural areas

The government will roll out a new campaign on Monday



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under which 66 digital vans, equipped with Internet and audio-visual facilities, will go to 657 districts by March 2017 to increase awareness about various e-governance services in rural and semi-urban areas.

“The aim is to reach out to more than 10 lakh citizens and register over 1.5 lakh rural citizens for MyGov, digital locker, Aadhaar and other digital services,” a Telecom Ministry official said.

These vans would cover more than 13 lakh km in 13,200 man days.

The campaign will be flagged off by Communications and IT Minister Ravi Shankar Prasad at a conference to present the report card of the Ministry’s two years in office.

It will run from May 30, 2016 to March 31, 2017. The vans will use the Internet and audio visual facilities to interact with and educate the people in rural areas, especially the youth, about the various Digital India initiatives.

#### **34 districts in phase 1**

“State governments, along with the Department of Posts, Department of Telecommunications (BSNL) and CSC-SPV, will play an active role in the execution of this campaign. A district level committee, headed by the District Collector, will foresee its ground level execution to ensure that the maximum benefit is generated out of this campaign,” the official said.

During phase 1 of the campaign till July 2016, some 16 vans will cover 34 districts in nine States — Haryana, Rajasthan, Punjab, Gujarat, Maharashtra, Chhattisgarh, Karnataka, Kerala and Andhra Pradesh.

#### **Service in 14 languages**

Rural citizens will be informed about the services offered at CSC centres, national scholarship portal, e-hospital, digital lockers and Aadhaar in 14 languages — Hindi, English, Gujarati, Punjabi, Tamil, Telugu, Kannada, Oriya, Bengali, Assamese, Manipuri, Urdu, Marathi and Malayalam.

People will be educated on Aadhaar, national scholarship portal, digital lockers and e-hospital

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## Hindu and PIB Crux

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## Economy

### M-wallets may make hard currency history

Consumers are opting for digital payments for not just e-commerce and auto rides but to make big-ticket purchases such as gold and motorbikes.

The rise of the smartphone as a payment tool is reflected in the brisk growth of mobile wallet transactions in the country, according to RBI data and the trend is only expected to grow with the introduction of unified payment interface and payment banks.

M-wallets have emerged as the most significant contributor in pushing cashless and electronic payments.

According to RBI data, m-wallets have already surpassed mobile banking in volume terms. For the year 2014-15, the volume of mobile banking transactions stood at 171.92 million, compared to 255 million m-wallet transactions. The number for credit card and debit card stood at 21.11 million and 553.45 million, respectively.

For the financial year ended March 2016, the volume of m-wallets transactions doubled for the April 2015-February 2016 period to over 550 million. According to research firm RNCOS, the market size for mobile wallets is expected to grow at a CAGR of 30 per cent from its current size of Rs.350 crore to Rs.1,210 crore by 2019.

"It won't be long until the physical cash that we depend on vanishes. Money will be invisible or virtual," Suresh Sethi, Business Head, M-Pesa at Vodafone India said.

The growth in m-wallets is mainly a result of a simpler payment process for consumers and the increasing reach of smartphones and the Internet. A mobile wallet is the digital equivalent of a physical wallet where one can store money and then use it for payments or transferring money.

"The bulk of our wallet transactions are done under 10 seconds. In comparison, payment gateway transaction may take anywhere up to 100-180 seconds to process," said Govind Rajan, Chief Operating Officer, FreeCharge. FreeCharge currently has one million transactions daily on its platform and aims to push it to seven million a day by the end of this financial year.

"People are using wallets for all sorts of things... right from a Rs.5 payment to up to Rs.8 lakh purchases. They buy gold jewellery on Dhanteras... motorcycles, air tick-

ets, taxis, recharge, DTH bill payment, electricity payment, university fees... They are doing practically everything using their wallets," Nitin Misra, Vice President at Paytm said.

Paytm is currently the leader in the segment has about 125 million wallet users. It sees about 60 million monthly transactions on its platform.

Likewise, Upasana Taku, Cofounder at MobiKwik said: "In 2014, mobile recharge was the dominant player for MobiKwik accounting for 55 per cent of our business. In 2015, we introduced for the first time mobile payments to brick-and-mortar stores with exclusive tie ups with the likes of Big Bazaar, Barista, WHSmith India, Archies, etc. By the end of 2015, payments at online and offline stores really took off. It now makes up for 40 per cent of our total GMV and is already the single largest contributor to business."

In the last three months, MobiKwik, which has over 30 million users, has seen average spend grow from Rs.500 to around Rs.1,000 on its platform.

### Higher spends

Ms. Taku said currently most wallets have a monthly transaction limit of Rs.10,000 but with the introduction of KYC norms, many users are now increasing their wallet limit to Rs.1,00,000 and starting to make higher spends every month.

"For example, users today pay even as much as Rs.10,000 to book a Tata Value Home. We expect to see many more making such high-ticket purchases."

Interestingly, a report by Nielson points out that the penetration of mobile payment apps among users is similar across towns of all sizes with 60 per cent of people in large town (with over 10 lakh population) and 58 per cent in smaller towns using the facility. However, usage is higher among small town users, with these consumers spending 109 minutes a month on such app against 91 minutes in bigger towns.

Increased smartphone penetration due to lower handset prices has led to a surge in adoption of wallets, said Mr Sethi, adding that while almost half of e-commerce payments are happening through the mobile. The adoption of wallets is the highest in 18-30 age group as 50 per cent of smartphone users fall in this age bracket, he said. Vodafone, which also offers M-pesa in many African countries, said the current usage in India was mostly centred on money transfer unlike in Africa where storage of cash is preferred.

"Customers in India pre-dominantly use our service to transfer money, followed by recharges and for utility bill



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payments. M-pesa covers about 70 per cent of the electricity billers.

Money transfer contributes to over 65 per cent of the overall transactions, catering largely to the migrant population enabling them to transfer money to their families back in the villages,” Mr. Sethi said.

Significantly, as per an IMAI-IMRB’s Digital Commerce 2015 Report, only about eight per cent of buyers pay online using m-wallets, while 21 per cent prefer to pay using debit card, 16 per cent prefer credit cards and majority 45 per cent prefer cash-on-delivery mode of payment.

#### **Integration issue**

One of the reasons for the lower usage of m-wallets for ecommerce payment currently, Mr. Rajan said, was that all e-commerce players have not integrated mobile wallets as a mode of payment. Mr. Misra from Paytm said at their e-commerce website, they are seeing over 95 per cent transactions through the Paytm wallet.

While on one hand major marketplaces such as Snapdeal, Flipkart and Amazon are trying to build a foothold in the m-wallet segment, players such as Paytm have made inroads into being an e-commerce marketplace.

In such a scenario it is possible that players encourage the use of their own wallets on their platforms.

“Captive wallets that serve only their platform have a huge disadvantage; not everyone will accept them. Neither will they be able to focus on building a strong merchant network. Take for example Ola Money.

“Sure it’s used on Ola, but outside Ola who uses Ola Money for payments? For Flipkart and Amazon the frequency of usage by a user is even lower than Ola. So why would a user park money in a wallet, which he or she would use only once in 1-2 months, remains to be seen,” Ms. Taku reasons.

Talking about the growth of the segment, Mr. Sethi said given the scale of mobile users in India, mobile banking has the potential to emerge as a game changer in terms of costs, convenience and speed of reach.

#### **Don’t divert ‘unclaimed’ EPF deposits: Labour Ministry**

Union Labour and Employment Minister Bandaru Dattatreya has alerted the Prime Minister’s Office about the adverse implications of a recent decision by the Finance Ministry to not pay depositors of Employees’ Provident Fund (EPF) and small savings schemes’ the funds that have been unclaimed for seven years.

In a meeting with Nripendra Misra, Principal Secretary

in the Prime Minister’s Office last week, Mr Dattatreya had raised concerns about the possibility of fresh backlash, especially given recent protests against the Government’s decisions relating to the EPF. Since March 7, the finance ministry has rolled back its proposal to tax 60 per cent of EPF savings at retirement and lower the EPF rate for 2015-16, while the Labour Ministry dropped a rule that would restrict access to EPF balances for members till they turn 58 years of age.

In March, the Finance Ministry notified new rules that would allow it to divert ‘unclaimed’ deposits in EPF, PPF and other small savings instruments to a new Senior Citizens’ Welfare Fund proposed in last year’s Budget.

“The Minister has apprised him (Mr Misra) that unclaimed EPF savings have definite claimants and workers or their nominees can claim the money even after several years, so it is a misnomer to term them unclaimed deposits,” a senior labour ministry official told The Hindu .

The Labour Minister is also learnt to have argued that the amount paid out to beneficiaries of inoperative accounts – that were defined as accounts with no fresh inflows for three years - have risen drastically in the past few years. According to official estimates, dues paid out of inoperative EPF accounts –have gone up drastically from Rs 955 crore in 2011-12 to Rs 4,316 crore in 2013-14 to Rs 6,491 crore in 2014-15. While the Centre had decided to stop annual interest credits into such accounts from 2011-12, it has reversed the decision starting this April. At present, 9.23 crore out of total 15 crore accounts with deposits of over Rs 43,000 crore are termed inoperative.

Mr. Dattatreya also raised this issue in his meeting with Finance Minister Arun Jaitley to discuss the EPF rate for 2015-16, over which the two ministries had differences of opinion. Labour Secretary Shankar Aggarwal and Additional Labour Secretary Heera Lal Samariya were also present in the meeting.

“The funds, as per para 53 of the EPF Scheme, 1952, cannot be expended for any purpose other than payment to individual members,” Mr. Dattatreya had said in a written reply in Lok Sabha.

According to a Finance Ministry notification on March 18, deposits, unclaimed for over seven years, of EPF, PPF and small saving schemes such as Post Office Savings Accounts, Post Office Recurring Deposit Accounts and National Savings Certificates subscribers will be diverted towards setting up a Senior Citizens’ Welfare Fund. The move was announced by the government in the last Budget.

#### **Finance Act 2015**





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The Finance Act of 2015 didn't specifically mention the EPF, but said "inoperative accounts of Small Savings schemes, PPF and such other amounts, in any accounts or schemes as may be prescribed" will be utilised to set up the Fund.

The Finance Ministry notification came two weeks before the EPF central board of trustees chaired by Mr. Datatreya scrapped the 2011 move to stop interest credits on inoperative PF accounts. The decision was approved by the board on March 29.

#### **Trade unions**

Trade unions have written to the government to reverse the decision to divert EPF funds for other purposes, without the concurrence of the board of trustees.

"Even a part of the EPF funds can in no way be appropriated by the government for any other purpose without the consensual concurrence by CBT. The CBT has never concurred with such a move; rather the employees representatives in CBT in its meeting held on 11th March 2015 raised the issue themselves and vehemently opposed such idea of appropriation of a part of EPFO fund in the name unclaimed deposit for any other purpose by the Govt. These are all matters of record," Tapan Sen, General Secretary, CITU, has said in a letter to Mr. Jaitley.

#### **Farm sector stalling FTA talks with NZ: Pranab**

Seeking to dispel the impression that India was lukewarm about the ongoing negotiations with New Zealand on a Free Trade Agreement (FTA), President Pranab Mukherjee on Monday said the government was "not maintaining silence" on the issue, but was carefully considering the issues involved.

However, Mr. Mukherjee indicated that the differences were mainly in regard to agricultural products. "No, we are not maintaining silence. Ten rounds of discussions have taken place since 2010 on the FTA. Unfortunately, we have not been able to finalise an agreement."

"There are some problems about agricultural products. However, we have come a long way since the days when our agricultural sector required total protection," the President said, answering questions from journalists on board his special aircraft on his way back from a five-day tour of Papua New Guinea and New Zealand.

"I conveyed India's willingness to work towards an early conclusion of an FTA keeping in mind the need to find a satisfactory resolution of our mutual concerns," he said earlier in an initial statement to the media on board his special aircraft.

He said India was the largest producer of liquid milk in

the world. "The 300 million Indian middle class has developed an appetite for consumer goods and consumer durables. What was relevant in the 1960s and the 1970s, or even the 1980s, may not be relevant in 2016. The government is considering these aspects very carefully," he said.

Citing a recent example of FTAs boosting trade, he said trade between India and Sri Lanka went up 20 times after the signing of a free trade agreement.

Expressing satisfaction over his visit to the two countries, in both cases, the first state visit by an Indian President, Mr. Mukherjee said it was aimed at taking forward the country's 'Act East' policy.

He said India stood to gain from expanding ties with New Zealand. "If we develop our cooperation in agriculture, in maintaining cold chain management, we can learn much and greatly benefit from their experience."

#### **Core sector output accelerates to 16-month high of 6.4 %**

India's infrastructure sectors clocked their highest growth in 16 months in March 2016, with the index for core industries climbing 6.4 per cent, buoyed by a sharp uptick in the output of cement, electricity, fertilisers and refinery products.

The advance in the index in March followed a growth of 5.7 per cent in February, leading economists to cautiously consider it a sign of likely recovery in the economy.

#### **Wait and watch**

"One should wait for a couple of months to see if this is a sustained trend," D.K. Srivastava, Chief Policy Advisor at EY told The Hindu. "This is clearly a sign of recovery setting in the economy. The reforms that took place in both coal and power sectors will start to bear fruit now," he added.

The fertiliser sector grew at 23 per cent in March 2016, up from 16.3 per cent in February. The cement sector saw a growth of 11.9 per cent in March 2016, slower than the 13.5 per cent it saw in February.

The electricity sector grew at 11.3 per cent in March 2016, significantly faster than the 9.2 per cent seen in February. "The pickup in the cement and refinery products sectors implies demand is picking up," Mr. Srivastava said. "This is possibly (due to the) infrastructure demand being pushed by the Central government.

This shows that the government's support for developing infrastructure is finally kicking in."

Others, however, were not so optimistic, pointing to the poor performance of the Manufacturing Purchasing Managers' Index (PMI) in April as being inconsistent with the





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seemingly sustained growth in the core sectors.

#### **PMI in manufacturing**

"It is unusual that the core sector numbers are up, but PMI in manufacturing has gone down," Rajiv Kumar, Senior Fellow at the Centre for Policy Research said. "The data is most unreliable, there is no consistency."

"Even this growth, of 6.4 per cent, is not very strong, historically.

"The growth should be in the double digits. But it is showing a pickup, and this is good news," he added.

Growth in the coal sector slowed to 1.7 per cent in March compared to 3.8 per cent in February, while the crude oil sector contracted sharply by 5.1 per cent in March compared to a growth of 0.8 per cent in February.

"These numbers are throwing up results that are not in tune with what is happening in the economy," K Ravichandran, Senior Vice President and Co-Head, Corporate Sector Rating at ICRA said. "So, one can't say conclusively that the economy is on the mend. Investment is happening, activity is happening on government-led capital expenditure (capex) in road, rail and defence. But private capex is not really happening."

Another reason why the jubilation over a recovery might be premature is that the strong growth in March 2016 could likely be a result of a base effect brought on by the contraction seen in the index in March 2015. The index of eight core industries contracted 0.7 per cent in March 2015.

"This data needs to be seen keeping the base effect in sight," Mr. Kumar said. "To get a more accurate picture, we need to compare March 2016 with March 2014."

This comparison shows that the index grew 5.6 per cent in March 2016 over its level two years previously.

#### **Manufacturing PMI slows to 4-month low**

Indian manufacturers saw new orders slowing precipitously in April, after a strong showing in March, due to a contraction in demand, according to a private survey.

The Nikkei Manufacturing Purchasing Managers' Index (PMI) slowed to 50.5 in April from 52.4 in March. This places April's manufacturing activity very near the 50 mark, a reading below which marks a contraction.

"PMI data indicated that Indian manufacturers raised output at a slower pace in April as new business inflows were broadly unchanged during the month," according to a statement from Nikkei. "The upturn in new export orders was sustained, although growth was at a six-month low." "The new orders index fell to 50.1 in April, just above the expansion threshold, from 53.9 in March," Nomura re-

search analysts Sonal Varma and Neha Saraf wrote in a report. "Given that March data was at an eight-month high, some consolidation was expected, but the April data suggest a sharper-than-expected moderation in domestic demand."

#### **Expanded production**

"The inventory data indicate that, despite slowing new orders, production should continue to expand at a moderate pace in coming months," they wrote.

"In spite of the stagnation in new work, goods production increased in April," according to the Nikkei statement. "The rate of expansion was only slight and softened since March, however."

#### **Factories boost capital efficiency, increase automation**

Factories in India are becoming increasingly efficient, with the net value added per factory increasing by 24 per cent in the five years from 2009-10 till 2013-14, the latest period for which the government released data on Friday. The net value added per factory in operation increased from Rs.3.88 crore in 2009-10 to Rs.4.82 crore in 2013-14, according to the Annual Survey of Industries 2013-14.

#### **Capital output ratio**

Similarly, the net value added per person engaged also increased from Rs. 5.02 lakh to Rs. 6.6 lakh over the same period. "There is some evidence from the capital formation and savings data that up to 2014-15, the capital output ratio has been falling," D.K. Srivastava, Chief Policy Advisor at EY told The Hindu .

"Output per unit of capital employed has been increasing. Also, companies are become more capital intensive, which may imply that labour-saving technology is being used."

The survey data shows the value of fixed capital per factory in operation increased from Rs. 1,212 lakh in 2012-13 to Rs. 1,278 lakh in 2013-14, which is much higher than the Rs. 886 lakh it was at in 2009-10. Coupled with this, the number of people engaged per factory has come down, albeit marginally, from 77 in 2009-10 to 72 in 2012-13 and 73 in 2013-14.

"This is symptomatic of jobless growth, which is when factories are trying to automate and increase technology usage to improve productivity while keeping employment constant," Rajiv Kumar, Senior Fellow at the Centre for Policy Research, said. "This could also reconcile the different signals from the gross value added data and the industrial output data." This push for automation and decreased labour costs has resulted in the overall out-



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put per person engaged also seeing a steady increase, growing from Rs. 31.6 lakh in 2009-10 to Rs. 48.4 lakh in 2012-13.

#### **Capacity utilisation**

The overall view is that, with the global economy still being subdued, companies are looking to use their existing capacity more efficiently rather than investing in capacity expansion.

And, with capacity utilisation still relatively low, this suggests that there is still more room to improve efficiencies. "Capacity utilisation is low, one of the reasons people aren't coming forward with new investment," K Ravichandran, Senior Vice President and Co-Head, Corporate Sector Rating at ICRA, said.

"They are instead trying to cut costs on the labour front and trying to automate. Even the disaggregated data shows that there is a lot of automation being done, resulting in better efficiencies." "This indicates that while we have under-utilised capacity, whenever demand increases, output will be increased without additional investment," Mr. Srivastava said.

#### **Trade facilitation panel soon**

The government has started the process to set up a National Committee on Trade Facilitation (NCTF) in the country to coordinate and implement the World Trade Organisation's Trade Facilitation Agreement (TFA) aimed at easing customs norms to expedite global trade flows, Commerce Minister Nirmala Sitharaman said.

The NCTF, which is in line with the government's "Ease of Doing Business" initiatives, is meant to institutionalise co-ordination on trade facilitation between the 35-plus central government departments, private players and state governments.

India had ratified the TFA in April. For the TFA to be operational, two-thirds (or 108) of the 162 WTO members will have to ratify it. So far, 77 countries have ratified it.

Addressing the Consultative Committee Meeting attached to her Ministry on 'Implementation of TFA', Sitharaman said, the TFA will help in the world's best trade practices being shared among the WTO member countries ratifying the pact. She said while India has made rapid strides in streamlining its processes on the lines of international best practices, the country needs to ensure speedy legislation so that there are visible beneficial outcomes. Industry and its various associations would be consulted while implementing the different provisions of the TFA.

The agreement is supposed to enable domestic manufacturers connect more easily to regional and Global Value Chains, she said. Ajay Sancheti, MP and Member of the Consultative Committee, said while implementing the TFA adequate measures must be taken to protect India's domestic industries.

Sitharaman also unveiled a user-friendly analytics dashboard to provide easy access to the public on export and import trends of India, including commodities, export destinations, ports of export, countries of import, ports of import, as well as balance of trade for different regions, countries and ports.

#### **Analytics dash board**

Commenting on the analytics dashboard on India's export and import trends, Sanjay Budhia, Co-Chairman, CII National Committee on International Trade Policy and Exports said proper access to trade data and information was very critical to frame strategy in international business. This initiative of the commerce ministry will be beneficial to small and mid-sized exporters in particular.

The dashboard on export and import will enable small businesses to foray into global trade based on reliable information.

#### **Low inflation shows oil price benefit passed on: Pradhan**

Oil Minister Dharmendra Pradhan, citing reasonable levels of inflation over the past two years, has strongly dismissed the perception that the government has failed to pass on the benefits of lower oil prices to Indian consumers "Since the last two years, the ballpark figures for inflation have been under control. How come? If we had not passed on the crude oil price benefit to the consumer, the transportation sector would not have seen so much rationality in prices," Petroleum and Natural Gas Minister Mr. Pradhan told The Hindu.

"Today, 50 per cent of the profitability due to the slide in oil prices has been passed on to consumers. The remaining 50 per cent was kept with the Centre. Of that 50 per cent, 42 per cent is transferred to the states as per the 14th Finance Commission's recommendations," the Minister said, stressing that the Centre is focused on funding developmental priorities as a welfare state.

He also defended the high taxation on fuels like petrol and diesel as a tool to protect people from a price shock when oil prices start to climb up again.

"There is no developed country that has transferred the benefit of sliding oil prices to the consumers in any real





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way,” Mr Pradhan said. “If you make the consumer vulnerable by exposing him to low prices, then he will feel such a pinch when the prices go up,” he said, hinting at the government’s logic to raise taxes on fuels while global prices fell.

Central and state-level taxes now account for around 60 per cent of the final price of petrol and 55 per cent of the final price of diesel in the national capital, as per official data. The minister said that the high proportion of taxes on petrol and diesel could be reduced when oil prices rise again.

#### **‘Strategy’**

“That is a strategy. Again and again, I have stated in Parliament that if necessary, at one point of time, knowing the volatility of the oil economy, this could be done. Our first step was to bring some benefit to the customer, then to spend on welfare activities, and third, in the event of prices shooting up, do what we can to alleviate this,” he said.

“We talk about energy. Is energy only the diesel that is put in sports utility vehicles (SUVs)? It is also the clean fuel that should go into houses,” Mr Pradhan said, stressing that the Centre has been using the fuel tax receipts to finance critical development programs such as affordable housing, cooking gas connections for the poor and so on. “LPG came in the country in 1955,” he added. “From then to May 2014, India had 130 million active LPG connections. In the last 22 months, we have added 35 million new LPG connections and we have brought in the Ujjwala Yojana where, in the next three years, we will add five crore LPG connections in the names of the women in BPL households, with financial support from the government.”

In addition, he pointed to the Power Ministry’s rural electrification programme, saying that the target to electrify the 18,000-odd villages that have so far remained without electricity has also meant a higher expenditure.

#### **Housing scheme**

Highlighting the government’s schemes to provide 1.5 crore houses by 2019, Mr Pradhan said that the erstwhile scheme—Indira Awaas Yojana—has been expanded under this government, which has resulted in a higher expenditure. “We made a provision in the Budget and started spending. Where will the money come from?” he said.

#### **PTI reports:**

The Centre saved over Rs.21,000 crore in LPG subsidy in the last two financial years as paying the dole directly into bank accounts of actual users helped eliminate duplicate connections as well as diversions, Mr. Pradhan

said at a seminar.

The government began paying subsidy directly into bank accounts of cooking gas consumers in select districts from November 2014 and in the rest of the country from January 1, 2015. As on April 1, 2015, there were 18.19 crore registered LPG consumers and 14.85 crore active consumers implying a gap of 3.34 crore consumers which were duplicate, fake or inactive.

“Eliminating such 3.34 crore consumers helped save Rs.14,672 crore in 2014-15 fiscal (year ending March 31, 2015).”

The saving in 2015-16 was about Rs.7,000 crore, lower than the previous fiscal because oil prices slumped, cutting the subsidy required.

#### **LS clears decks for MPC**

The Lok Sabha approved the Finance Bill 2016 which included an amendment to the RBI Act clipping the central bank governor’s powers to set monetary policy.

The amendment made to the RBI Act through the Finance Bill removed the governor’s powers to singularly set monetary policy vesting them in a six-member Monetary Policy Committee.

Of the six members, the government will nominate three. The RBI Governor will chair the committee and have a second or casting vote in case of a tie.

#### **Committee members**

The Deputy Governor in-charge of monetary policy and another officer to be nominated by the central bank’s board will also be members. Decisions will be taken by majority vote with each member having a vote.

The passage of the finance bill marks the completion of the three-stage process in the passage of the General Budget in the lower house.

Union Finance Minister Arun Jaitley moved 55 amendments to the Bill he had introduced on February 28, including for extending tax holiday for start-ups to Limited Liability Partnerships and to drop the proposal to tax employer contributions to recognised provident funds in excess of Rs.1.50 lakh.

#### **Dividend tax**

In respect of additional dividend tax to be levied at the rate of 10 per cent in case of the specified tax payers, it has been clarified that it will be levied if the aggregate amount of dividends received by such tax payer from a domestic company or companies exceeds Rs.10 lakh.

With the passage of the Bill, the government has also succeeded in amending retrospectively the definition of foreign companies in the Foreign Contribution (Regu-





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lation) Act 2010, paving the way for political parties to receive funds from Indian registered foreign companies, where Foreign Direct Investment (FDI) is allowed.

The amendment is likely to benefit the BJP and the Congress, both accused of receiving foreign funds for political activities by U.K. based Vedanta Group from 2004 to 2012. Both the parties challenged a Delhi High Court order, which had termed the donations illegal in 2014.

#### **Agricultural income**

Replying to the debate on the Finance Bill 2016, Mr. Jaitley said the government had no intent to impose Income-Tax on agriculture income as under the Constitution, the Centre had no powers to levy tax on agriculture income. He rejected demands, including from ally Shiv Sena, for roll back of one per cent excise duty on non-silver jewellery.

#### **Capital gains on FDI from Mauritius to be taxed**

Starting next year, the Centre will tax capital gains on investments from Mauritius, the tiny island from where India has received nearly a third of its total foreign direct investment (FDI) inflows since 2000.

The source of the leak in tax revenue was plugged after the two countries signed a protocol on Tuesday at Port Louis, Mauritius. The protocol amends the convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains.

#### **Protracted negotiation**

This protocol is a result of many years of negotiation as well as the global momentum on tax treaty abuse and double non-taxation, including the G20's move over inappropriate use of treaties.

However, following the agreement, Mauritius could cease to be the preferred route for FDI and portfolio investments into India.

The amendment will tackle long-pending issues of treaty abuse and round-tripping of funds, attributed to the

#### **MPC to be set up once Finance Bill is notified: Das**

The process to constitute a Monetary Policy Committee (MPC) will begin once the Finance Bill 2016 has been notified as an Act, Economic Affairs Secretary Shaktikanta Das said.

"Process to constitute Monetary Policy Committee will be

initiated after passage of Finance Bill and its notification as an Act," Mr Das tweeted.

In his Budget speech, Finance Minister Arun Jaitley had said that the Reserve Bank of India Act would be amended to facilitate the setting up of a committee tasked with setting interest rates in the economy.

The proposed committee will have six members — three appointed by the Reserve Bank of India (RBI) and the remaining nominated by an external selection committee. Following the setting up of this MPC, each member will have a vote while the Reserve Bank of India governor will have a deciding vote in the event of a tie, therefore rendering him as first among equals. This is important in the context of the government pushing for lower interest rates to spur the sluggish demand in the economy.

#### **'Good monsoon to increase economic growth in 2016-17'**

India's GDP is estimated to grow at 7.6 per cent in 2015-16 and 7.7 per cent in 2016-17 due to a favourable monsoon, the National Council of Applied Economic Research (NCAER) said. The Delhi-based think-tank said on Saturday the numbers mark significant revision upwards from its January 2016 forecast, when it had predicted a 7.4 per cent growth for 2015-16 as well as for 2016-17. The current forecast is mainly due to monsoon prediction. But, it also sounded a note of caution by stating, "It is hard to conjecture whether the economy has finally reached the tipping point where positives outweigh the negatives."

#### **Exports contracting**

Exports are expected to contract by 1.6 per cent while wholesale price inflation is projected to grow at 0.9 per cent for 2016-17. Current Account Balance as a percentage of GDP is expected to contract by 1 per cent. Fiscal deficit of the Centre as a percentage of GDP is forecast at 3.5 per cent for 2016-17. The agriculture sector witnessed feeble average growth rate of 0.5 per cent in 2014-15 and 2015-16 due to drought in two successive years. The manufacturing sector, after showing robust growth in the second quarter, slowed down consistently in the third and fourth quarters. The growth in Index of Industrial Production (IIP) slowed to 2.4 per cent in 2015-16 from 2.8 per cent in 2014-15. In the fourth quarter, manufacturing was in "recession" (-1.1%) and the overall IIP barely grew 0.2 per cent, it said.

#### **Nascent recovery**

"On the industry front, emerging trends suggest a nascent recovery, however, a discordant note was struck by



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the persistence of volatility in the capital goods sector and the poor growth in manufacturing,” NCAER said. Even as select indicators show improvement, it is much too early to conclude that the economy is on course to a full-fledged recovery as the improvement is not sufficiently broad-based.

What is indisputable, however, it said, is that the outlook is once again upbeat and barring any accidents, growth should pick up in the remaining three years of the present government’s tenure, the NCAER said.

It red-flagged the much slower growth in services exports, notably software and business service exports which together account for approximately 50 per cent of the total service exports.

Inflation ranged between 3.66 per cent in August 2015 and 5.7 per cent in January 2016,

#### WPI increases on higher food prices

Wholesale prices moved out of deflationary territory after 17 months in April, rising by 0.3 per cent compared to a contraction of 0.8 per cent in March—driven largely by rising food prices.

With consumer price inflation in April rising to 5.4 per cent, prospects for a fresh interest rate cut by the Reserve Bank of India (RBI) have dimmed for the next few months, said economists.

“Inflation at the wholesale level printing in at a positive number almost rules out chances of monetary easing in the near term especially after retail inflation also registered a higher than expected level last week,” Richa Gupta, Senior Economist at Deloitte India, said.

#### Alarming signals

“On the food side, there were some alarming signals as pulses saw an increase of close to 4 per cent from the previous month showing that supply constraints in certain pockets can lead to flaring up of food inflation.”

The food articles category, among primary articles, saw inflation accelerating to 4.2 per cent in April, compared to 3.7 per cent in March. Manufactured food inflation surged to 8 per cent from 4.5 per cent over the same period.

“Inflation in prices of cereals and pulses are persistently high for the past seven months and is firming up,” Ranen Banerjee, Leader Public Finance and Economics, PwC India said. “Manufactured food price has also registered a sharp rise that may not be a good sign.”

Inflation in manufactured products moved into positive territory after 13 months, rising to 0.7 per cent in April from a contraction of 0.13 per cent in the previous month. The situation in the fuel and power segment eased some-

what in April with inflation in the sector contracting 4.8 per cent compared to a contraction of 8.3 per cent in March.

#### Commodity prices spike

“Prices of manufactured products rose on the back of increases in global commodity prices and a rise in sugar price on the back of expected shortages in the market,” Ms. Gupta said. “The number still remains low and given the outlook on commodity prices, (we) expect WPI to remain low.”

There are, however, other factors that could drive inflation up in the future such as monsoon and fuel prices.

“If the outlook on the monsoons turns negative, the prices of food products may go up further with traders trying to hedge their positions now to gain in the future,” Mr. Banerjee said.

“The fuel and power prices are still in the negative territory. However, the base effect on these is expected to wither out soon and we could see inflationary trends by July 2016,” he said.

#### India’s IPR regime not regressive: Sitharaman

The National Intellectual Property Rights (IPR) Policy will send a clear message to Washington that India’s IPR regime is not regressive, Commerce & Industry Minister Nirmala Sitharaman said.

The comments come ahead of Prime Minister Narendra Modi’s visit to the U.S. next month when the issue of greater protection and enforcement of IPR may come up for discussions.

Sitharaman, however, said India does not recognise “unilateral measures” such as the U.S. Special 301 Report that tries to create pressure on countries to enhance IPR protection beyond the World Trade Organisation’s Agreement on Trade-Related Aspects of IPRs (TRIPS).

The Special 301 Report — a review of IPR regimes of U.S trading partners — had retained India on the ‘Priority Watch List’ in 2016 for not addressing “long-standing and systemic deficiencies in its (India’s) IPR regime.”

#### Greater clarity

The IPR Policy, announced ahead of Modi’s visit, has brought greater clarity on India’s stance on IPR issues,” she said. “Any patent holder anywhere in the world need not fear that India’s IPR policy is regressive.

This policy will build on the interest for innovation and Research & Development.”

At the same time India will not undertake commitments beyond TRIPS. Though U.S. concerns on India’s IPR regime include “rejections” of patent applications for in-





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novative pharmaceutical products due to “unpredictable” application of Section 3(d) of (Indian) Patents Act, Finance Minister Arun Jaitley had also said that the IPR Policy will ensure that no changes are made in that Section (which prevents ever-greening of drug patents) as well as the patent-disabling Compulsory Licensing (CL). Compulsory licensing and norms similar to Section 3(d) are among the flexibilities available in international treaties and TRIPS Agreement to ensure availability of essential and life-saving drugs at affordable prices.

#### **Indigenous knowledge**

On other issues, Sitharaman said the IPR Policy will promote India’s indigenous knowledge on water conservation measures — a point raised by Water Resources Minister Uma Bharti in the cabinet meeting.

The Policy will also promote ayurveda, yoga, naturopathy, unani, siddha and homoeopathy, she said. But it has not included the concept of ‘utility patents’ -- a model less stringent than for patents.

#### **Copyright violations**

Citing instances of several copyright violations (of movies and music) in states like Tamil Nadu and Maharashtra known for entertainment business, Sitharaman said the Centre will work with states for better protection and enforcement of copyrights. The Centre will hold roadshows to promote the IPR policy.

The Minister said in certain aspects of addressing issues on e-commerce (tax issues affecting the States) and cyber crime, India was superior to even the U.S.

#### **N.K. Singh to head panel to review FRBM Act**

The government has announced the constitution of a panel under Former Revenue Secretary and Rajya Sabha MP N.K. Singh to review the Fiscal Responsibility and Budget Management (FRBM) Act of 2003.

The panel will also consider the possibility of replacing absolute fiscal deficit targets with a target range that may be adjusted in line with the overall credit trends in the economy.

Mr. Singh will chair the five-member review committee promised by Finance Minister Arun Jaitley in the Budget. The ambit of the committee includes reviewing “the working of the FRBM Act over last 12 years and to suggest the way forward, keeping in view the broad objective of fiscal consolidation and prudence and the changes required in the context of the uncertainty and volatility in the global economy”.

The Committee is also to examine the feasibility of hav-

ing a ‘fiscal deficit range’ as the target instead of the existing fixed numbers. The Committee is also tasked with examining “the need and feasibility of aligning the fiscal expansion or contraction with credit contraction or expansion respectively in the economy”.

“The moment you give any sort of leeway in terms of a fiscal deficit target band, there is always the possibility of the government diluting the target,” M. Govinda Rao, Professor Emeritus at the National Institute of Public Finance and Policy, told The Hindu.

“But linking fiscal expansion to credit expansion means they are talking about counter-cyclical measures,” Mr. Rao said.

#### **India needs ‘global sized’ institutions: FM**

The proposal of SBI to merge its five associate banks with itself and acquire Bharatiya Mahila Bank is in line with the government’s policy of consolidation as the country needs global-sized institutions, Finance Minister Arun Jaitley said.

“Consolidation was part of the Indradhanush package. I had announced about consolidation in the Budget... therefore, the banks have acted. It is accordance with the government’s policy,” Jaitley said.

Yesterday, the country’s largest lender State Bank of India (SBI) proposed merger of its five associate banks and the three-year old Bharatiya Mahila Bank (BMB) with itself and sought the government’s approval for the same. “Let the proposal come to the government. I had already announced consolidation as the road map in the Budget itself. And therefore, I think the larger question (is) that India doesn’t need so many banks in the public sector,” Jaitley said in an interview to a private television channel. “And therefore, let larger global-sized institutions come into existence without adversely impacting the employees’ working conditions. And if it (the proposal) comes to us, I will certainly look at that. And I will look at it very positively.”

#### **Contrarian view**

He said there is a need to reduce the number of banks by consolidating some of them. Further, he said the banks have given their own opinion and if some banks have a contrarian view, the government will “certainly respect that, look into it and take that into consideration”.

According to SBI Chairman Arundhati Bhattacharya, with the merger, the balance sheet size of the bank will soar to Rs.37 lakh crore, from Rs.28 lakh crore currently.

The five associate banks that are under proposal to be merged with the banking major are State Bank of Bikaner and Jaipur, State Bank of Travancore, State Bank of Pati-





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ala, State Bank of Mysore and State Bank of Hyderabad. Among these, State Bank of Bikaner and Jaipur, State Bank of Mysore and State Bank of Travancore are listed on bourses.

Asked if more lenders are expected to come out with such consolidation plans, Jaitley said the immediate priority will be to improve the stress situation and their economic health.

"I think the immediate priority with regard to other banks is to get them out of the stress situation, improve on their economic health and then look at a possible consolidation, wherever possible," he said.

Asked about the government's plan on strategic sale in public sector undertakings through divestment, he said suggestions from NITI Aayog are awaited.

#### **Divestment**

"Divestment is the art of the possibility. Divestment is not something which you decide and you do it. You decide to divest and privatise them... market conditions may not be conducive. You may have other issues related to a particular proposal, how meritorious a proposal is..." Jaitley said.

Speaking about the government having widened its policy for the first time, Mr. Jaitley pointed out to the available means such as divestment, strategic sale and privatisation, asset recycling and buybacks.

"And therefore, over the past policy, we have improved upon it... all these options are today open to the government... there is a lot of flexibility now. Once NITI Aayog gives us the report, we will do it," he said.

The government is working on "some unfinished work" on stake sale in hotels.

"For the present, I can tell you that we have some hotels which were left out in the earlier NDA government's privatisation plan."

#### **TRAI to start net neutrality talks**

The Telecom Regulatory Authority of India (TRAI) will start pre-consultation on net neutrality within two to three days.

"We will start pre-consultation on net neutrality in 2-3 days," TRAI Chairman R S Sharma told reporters on Wednesday. TRAI has already resolved the differential tariff issue, which is a major part of net neutrality.

However, the subject did not cover other parts of net neutrality like framework for internet-based calls, messaging, and throttling of internet speed on the basis of content or paid preferences.

Telecom industry body COAI and telecom major Airtel

have written to TRAI seeking clarification on differential rules, whether they can offer services exclusively to their customers.

Sharma said that TRAI would take a call on issues raised by companies based on tariff they filed with the regulator. Every telecom operator needs to file tariff with the TRAI for the service they intend to provide to their customers.

#### **IRDAI to tweak norms for insurance IPOs**

Insurance Regulatory and Development Authority of India (IRDAI) will make certain changes to its guidelines for facilitating insurance companies to go public, according to a top official.

Insurers at present had to take the Authority's permission for selling more than one per cent of equity. This stipulation has to be changed when they plan to make an IPO, according to T. S. Vijayan, Chairman, IRDAI.

The IRDAI, he said, was also in the process of announcing a timeframe after which insurers could make an IPO. "We are working with the companies... not decided on the timing (minimum years of operation before going public)," he said.

Listing of the shares would contribute towards better corporate governance and transparency, he said.

IRDAI's move comes in the backdrop of at least two life insurers exploring the prospects of coming out with an IPO

#### **Indian firms may have to abide by strict global standards: EY**

Indian companies will have to comply with stricter international norms following a rise in foreign investments in the country, according to a report.

The organisations would have to meet the requirements of foreign laws like U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, according to the report by EY.

"Active measures are being progressively included to identify and seal any gaps within organisations' compliance frameworks," according to the report titled 'Forensic Outlook 2016.'

"These include, but are not limited to, introducing or re-evaluating the company's code of conduct and anti-bribery and corruption compliance framework, setting up whistleblowing frameworks to enhance transparency, conducting awareness trainings and implementing thorough fraud, bribery and corruption monitoring systems."

#### **Retail sector**

"The Retail and Consumer Products (RCP) sector has



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seen a significant uptick in India with increasing consumer purchasing power as well as varied choices... with cost reduction high on the agenda, many companies have resorted to cost reduction initiatives to maintain profitability. "This has given rise to several risk scenarios," according to the report.

The risk scenarios for the retail sector include bribery and corruption, supply chain leakage such as thefts or any dubious movement of inventory and counterfeiting, which will not only results in a loss of revenue but also expose companies to increased reputation and litigation risks.

#### **Auto sector**

Similarly, the report points out to a number of risks facing the auto sector, including violation of emission norms through the manipulation of prototype test norms and test results, bribery and corruption, and dealer frauds.

These include monetary and non-monetary benefits extended to government officials for managing emission test results, negotiating fleet sale contracts, obtaining bulk sale orders, managing non-compliance to various government licenses and regulatory requirements.

#### **TRAI seeks comments on free data**

The Telecom Regulatory Authority of India issued a consultation paper on free data seeking comments from stakeholders whether business models which provide free data or suitable reimbursement to users could be allowed without violating the differential pricing norms set by the regulator.

This move is aimed at giving consumers more choices for accessing the Internet, according to a posting on the regulator's website.

Earlier this year, TRAI had banned the practice of differential pricing of data or allowing telecom service providers to offer differential pricing for access to specific applications or websites. The move put the end to Facebook's Free Basics. Now, the regulator is looking at different models which can work within its regulatory framework.

"The following... seek response from stakeholders on possible options to facilitate free access to certain websites/contents or incentivising user to visit certain website/app without violating the existing TRAI Regulation on discriminatory tariff for data services," according to the paper.

It is looking at whether a "Telecom Service Provider (TSP)-agnostic platform" that does not play the role of gate-keeper could be allowed in order to "give consumers more choices for accessing the Internet."

The regulator cited examples of some business models

like Gigato and mCent which provide data recharge coupons (essentially giving away free data without being a gatekeeper) in exchange for the customer downloading a specific application or performing some activity on a particular website.

The other models it talks about is that of a "don't charge" or toll-free API, where the telecom service provider doesn't act like a gatekeeper and direct transfer of money for Internet data charges.

#### **Intermediate mechanism for NPAs on anvil**

Worried over mounting bad loans, the Bank Board Bureau (BBB) is working out an "intermediate mechanism" to ensure early resolution of the problem and also to provide comfort to the bank management with regard to settlement of dues.

"We are putting in place an intermediate mechanism which will analyse some of the processes which would be triggered to settle the NPAs that the banks are carrying on their balance sheets," Vinod Rai, chairman of BBB told reporters on the sidelines of an industry event.

That intermediate mechanism will provide a certain degree of comfort to the management of the bank — chief executive or the executive director — he said, adding there are two kind of issues, one is process of resolution, the other is the pricing at which the resolution takes place.

"Pricing is the commercial judgement of the institution. And I don't think it would be fair to have an outside agency take that decision," he said. When asked by when it would be in place, Rai said: "It's all being thought out. We have not crystallised our thinking. But there will be an intermediate mechanism. It will give a lot of comfort to bank decision makers and it will be very credible."

The entire thing will be rolled out in a fortnight, he said without giving much details of it. Asked if it will be under the Bureau, he said it will be outside BBB and would be in domain of banks.

Last week Rai had stressed that the bad loans situations was not alarming and said all public-sector banks have got their strategies in place to tackle the stressed asset woes.

#### **Licence-raj gone, but inspector-raj still there, says RBI's Raghuram Rajan**

Pitching for better business environment for startups, Reserve Bank governor Raghuram Rajan said on Saturday





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India has done away with the 'licence raj', but 'inspector raj' continues to some extent.

He also said regulations should be for betterment of the industry and not to discourage entrepreneurs and suggested a system of self-certification for the industries with some checks on the part of the authorities to prevent any misuse.

Advocating an easier set of regulations for small and medium enterprises in India, Rajan gave examples of the UK and Italy, saying, "We have seen that while regulations are liberal in United Kingdom, it is very heavy in Italy. It is seen that the start ups in the UK grow faster than their Italian counterparts."



Addressing ministers, bankers, bureaucrats and other stakeholders at the 4th Odisha Knowledge Hub in Bhubaneswar, the RBI chief also said Indian economy is in the midst of recovery but some areas are still under stress.

"Some sectors are doing quite well while some are experiencing stress and they still need some pick up -- most obviously the agriculture sector which faced two successive droughts," Rajan said.

A good monsoon will be helpful for the growth of the economy, he added.

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Stating that the government needed to create a proper environment for the start ups, Rajan said "though India has done away with the licence raj, inspector raj continues to some extent".

He batted for lighter regulation for small scale industries and easier business environment for startups in order to foster job creation.

Rajan emphasised on new technology and new institutions to lend credit to the sector which could grow and become big enterprises after some time.

"These entrepreneurs mostly depend on small banks and credit to them is given basing on different factors," he said adding as certain companies vanish after taking

loans, the system of unique identification of promoters should be there.

The RBI governor also advocated for safety nets for the start ups besides being given skill training and access to national and international market.

Noting that land acquisition is a big problem for the sector, Rajan said the state and agencies should create land bank or industrial parks to provide land to the start ups who mostly come forward in the small and medium sector.

### Govt. relaxes licence fees for India-controlled ships

The government said domestic shipping firms will have to pay only a one-time licence fee of Rs.20,000 to own foreign flag vessels, in a bid to give a boost to the maritime sector.

"Vessels of Indian Controlled Tonnage will now be required to pay only a one-time processing fee of Rs.20,000 towards issue of licence. Till now, they were being charged Rs. 20,000 on a monthly basis by the Directorate General of Shipping as processing fee for issue of licence under Section 406 of Merchant Shipping Act, 1958," according to the Union Shipping Ministry on Monday.

#### Big boost

The government said the move would boost the Indian Controlled Tonnage Scheme and be a step towards promoting 'ease of doing business' in the maritime sector. "Paying license fees every month is a tedious process as you have to go through the red tape again and again," said Vishwapati Trivedi, Former Shipping Secretary. "Although the licence fee was small, the process of submitting the fees was so long. It's a very positive step that will boost business for the Indian shipping companies."

"This might seem like a small amount, but every measure to expedite and simplify the process counts in the target of reducing transaction costs for trade," Shankar Shinde, Vice Chairman, Federation of Freight Forwarders Associations of India, told The Hindu . "With global trade slowing down, this comes as a minor relief for the shipping industry," he said.

### Tribunal pulls up SEBI for lack of uniformity in penalising players

A recent order by the Securities Appellate Tribunal (SAT) has brought to the fore the issue of lack of uniformity in actions taken by the Securities and Exchange Board of India (SEBI) in similar offences by different market par-





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ticipants.

Hearing an appeal filed by Almondz Global Securities Ltd, the tribunal quashed the remaining punishment against the merchant banker after highlighting the fact that similar offences by other entities saw a much lenient penal action by SEBI officials.

In December 2011, SEBI issued an interim order barring the merchant banker from taking any new assignment till further directions. The final order was issued only in March 2014 barring the banker for six months.

The SEBI probe found that the banker did not do proper due diligence while managing the public issue of Bhartiya Global Infomedia. The tribunal, in its order, said that it does not feel that the violation by Almondz Global was so grave to invite such a "severe punishment."

It cited similar violations by other merchant bankers like Axis Capital, SBI Capital Markets, Edelweiss Financial Services, Keynote Capital and Chartered Capital and Investment and noted that none were suspended from taking new assignments till the probe was over.

This is not the first time that the tribunal has highlighted the lack of uniformity in actions taken by adjudicating officers of SEBI.



Incidentally, in August 2014, it even went to the extent of saying that if adjudicating officers rely on orders passed by other officials, then such orders should be taken into account before passing the final order. Further, if the officer disagrees with an earlier order, then the reasons should be recorded, it said.

"If every adjudicating officer of SEBI passes independent order without bothering to consider decision taken by another adjudicating officer of SEBI in similar set of circumstances, then there would be complete chaos and total lawlessness," said the tribunal while hearing the appeal filed by R M Shares Trading Pvt Ltd.

An email query sent to SEBI asking whether there exists any protocol within the regulatory body to ensure uniform action against similar offences by market participants remained unanswered till the time of going to press. There is no uniform standard of due diligence expected of mer-

chant bankers in a public issue process," says Vaneesa Agrawal, a former SEBI official.

### Government approves capital goods sector policy

The Cabinet approved the first-ever policy for the capital goods sector in the country that aims to triple the value of production of these goods to Rs.7.5 lakh crore by 2025 and create more than 21 million jobs.

The policy also envisages increasing exports to 40 per cent of production from the present 27 per cent. The share of domestic production in India's demand will also be increased from 60 per cent to 80 per cent, making India a net exporter of capital goods.

"This is first ever policy for Capital Goods sector with a clear objective of increasing production of capital goods from Rs.2,30,000 crore in 2014-15 to Rs.7,50,000 crore in 2025 and raising direct and indirect employment from the current 8.4 million to 30 million," according to a government statement.

"The policy will help in realising the vision of 'Building India as the World class hub for Capital Goods'. It will also play a pivotal role in overall manufacturing as the pillar of strength to the vision of 'Make in India',' according to the statement.

The objectives of the policy will be met by the Department of Heavy Industry in a time-bound manner through obtaining approval for schemes as per the roadmap of policy interventions.

### HSCL takeover

The Union Cabinet also approved financial restructuring of Hindustan Steel Works Construction Limited (HSCL) and its takeover by National Buildings Construction Corporation Limited (NBCC), which is a PSU under the Ministry of Urban Development.

HSCL will become subsidiary of NBCC with the latter holding 51 per cent equity. The shareholding of Government of India in HSCL will be reduced to 49 per cent.

As per the proposal, the government's loan along with accumulated interest and outstanding guarantee fee worth Rs.1,502.2 crore will be converted into equity and equity capital of the company will be raised to that extent.

The paid-up equity capital of the company will become Rs.619.3 crore from Rs.117.1 crore at present. After writing off of the accumulated losses, the equity and paid up capital of HSCL will become Rs.34.3 crore.

Further, NBCC will infuse funds of Rs.35.7 crore as equity into HSCL. The equity and paid up capital of HSCL will become Rs.70 crore.



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The government will provide one-time support of Rs.200 crore for settling term loans availed from commercial banks.

#### **HFCL loan waiver**

The Cabinet also approved waiving off of loan Rs.1,916.14 crore (as on 31.03.2015) and the outstanding interest of Rs.7,163.35 crore on the loan owed by Hindustan Fertilizer Corporation Ltd (HFCL) as part of a financial restructuring package for the PSU.

The transfer of 56 acres of ash dyke land of Barauni unit to Bihar State Power Generation Company Limited (BSPG-CL) to settle dues of HFCL for faster revival of Barauni Unit was also given a nod.

#### **India Posts**

The Cabinet also granted ex-post facto approval to the proposal for undertaking cadre review of the Indian Postal Service.

The government said this will enable the Department of Posts to meet the functional requirements and strengthen the cadre structure both in the headquarters and in the field on the basis of functional requirement.

It will also reduce the existing stagnation and improve the career prospects of Indian postal service officers.

The proposal will be implemented through measures that include creation of various posts at different levels. However, there will be no change in overall number of posts in the cadre .

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## International

### EU-U.S. trade pact talks likely to stop, says France

Negotiations for a vast U.S.-EU trade pact, which aims to create a free-trade zone covering 850 million people, are likely to grind to a halt because of Washington's reluctance to make concessions, a top French trade official warned on Tuesday.

"In view of the United States' state of mind today, that seems to be the most likely option," Minister of State for Trade Matthias Fekl said when asked if the talks on a Transatlantic Trade and Investment Partnership (TTIP), which began in 2013, could stop.

Mr. Fekl's comments reflect deep suspicion in Europe that the deal will erode ecological and health regulations to the advantage of big business.

Washington and Brussels want the mega deal completed this year before U.S. President Barack Obama leaves office, but it has faced mounting opposition on both sides of the Atlantic.

On Monday, environmental pressure group Greenpeace released a trove of leaked documents about the closed-door negotiations, charging that a deal would inflict a dangerous lack of standards on U.S. and European consumers.

However, the European Commission said Greenpeace was "flatly wrong" in its interpretation of the documents. The Greenpeace leak was a "storm in a teacup", Brussels said. American officials also hit back at Greenpeace with the U.S. Trade Representative saying: "The interpretations being given to these texts appear to be misleading at best and flat out wrong at worst." — AFP

### Pay if you want F-16s, U.S. tells Pak.

In a diplomatic coup for India that sets the stage for Prime Minister Narendra Modi's visit to the U.S. capital in June, the Obama administration on Monday announced that the U.S. would not be financing the sale of F-16 fighter jets to Pakistan.

The administration's turnaround, by now aligning itself with the bipartisan sentiments expressed in the U.S. Congress against giving aid to finance the deal, also signifies a change in its attitude towards Pakistan.

"[W]hile Congress has approved the sale, key members have made clear that they object to using Foreign Mili-

tary Financing (FMF) to support it. Given congressional objections, we have told the Pakistanis that they should put forward national funds for that purpose," U.S. State Department Spokesperson John Kirby said.

The original plan was to sell eight F-16s to Pakistan and finance most of the \$699 million deal through FMF. Senate Foreign Relations Committee Chairman, Republican Bob Corker, and Democratic Ranking Member Ben Cardin had in early March announced that they would not approve FMF for Pakistan until it demonstrated "behavioural changes" in its support for terrorism and its dealings with India.

India has been strongly protesting the U.S. decision to give these fighters to Pakistan, and the matter figured in Foreign Secretary S. Jaishankar's meetings with U.S. officials last week in Washington. New Delhi has said these fighters could be used to threaten India, a concern that many U.S. lawmakers also have raised during a hearing on April 27. Mr. Modi will be addressing a joint session of the U.S. Congress on June 8.

The State Department announcement came on the fifth anniversary of the U.S. raid in Pakistan that killed al-Qaeda chief Osama Bin Laden. On a special CNN programme on the Osama raid, U.S. President Barack Obama said he had taken Pakistan at its word on its ignorance about the terror leader's presence in its territory.

However, Hillary Clinton, then Secretary of State, said she did not believe Islamabad. "I believe Pakistan knew... We could not prove it," she said, adding that it was too much of a coincidence that the Pakistani military did not notice the distinct building that housed Osama.

### Pak. response

Meanwhile, Pakistan said it will acquire jets from elsewhere if the United States doesn't arrange funding for F-16s.

"If funding is arranged, Pakistan will get the F-16s, otherwise we will opt for jets from some other place," said Sartaj Aziz, the Prime Minister's Adviser on Foreign Affairs, according to The Dawn newspaper.

While the United States is increasingly "frustrated with Pakistan" — as a diplomatic source put it — it cannot easily jettison it.

Mr. Obama said in the interview that the U.S. had "excellent counter terrorism cooperation with Pakistan", and on April 27, Special Envoy for Afghanistan and Pakistan Richard Olson argued that F-16s improved Pakistan's counter-terror capabilities.

Even the announcement of the U.S. decision to walk back on the F-16 deal came with a preface. "[E]ffective





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engagement with Pakistan... is critical to promoting the consolidation of democratic institutions and economic stability, and supporting the government's counter-terrorism activities and capabilities. As a matter of longstanding principle, the Department of State opposes conditions to the release of appropriated foreign assistance funds," Mr. Kirby said.

Pakistan has not been able to get the Taliban to the negotiating table in Afghanistan as it had promised, and the U.S. is increasing its engagement with India on Afghanistan, much to the discomfort of Pakistan establishment.

Mr. Olson and Peter Lavoy, Senior Director for South Asian Affairs at the National Security Council, visited New Delhi en route to Kabul recently where they met senior Indian officials, including National Security Adviser (NSA) Ajit Doval.

#### **\$1.3 billion contract**

Lockheed Martin Corp, manufacturers of F-16s, has been lobbying hard for the Pakistan deal, but the setback coincided with a \$1.3 billion contract Pentagon announced on Monday for the F-35 Joint Strike Fighter jet programme. The new order is for 13 F-35s, the fifth generation stealth fighters. The Joint Strike Fighter programme is estimated to cost \$379 billion for adding 2,457 aircraft, the costliest Pentagon acquisition ever.

#### **G7 to take steps on global steel glut-draft**

The Group of Seven nations will take steps to tackle a global glut in steel that many blame on overcapacity at Chinese producers of the material used in construction and cars, according to a draft text obtained by Reuters. If adopted at the G7 summit in Japan later this month, it will likely add to pressure on China, which accounts for about half of global steel output, to take steps after production hit a record high earlier this year. Steel mills from Australia to the UK are under threat of closure because of the glut.

"We recognise the negative impact of global excess capacity across industrial sectors, especially steel, on our economies, trade and workers," the draft text says.

"We are committed to moving quickly in taking steps to address this issue by enhancing market function, including through coordinated actions that identify and seek to eliminate such subsidies and support, and by encouraging adjustment."

G7 leaders will meet on 26-27 May in Ise-Shima near Nagoya, a major car production and steel manufacturing centre.

China's steel output hit a record in March as rising prices and better margins prompted mills that had been shut or suspended to resume production.

Chinese prices have since plummeted, with Chinese steel futures posting their biggest weekly fall since 2009 on Friday.

Last month, China and other major steel producers failed to agree on measures to tackle the overcapacity crisis, prompting the United States, European Union and others to call for urgent action.

China plans to shed as much as 150 million tonnes of domestic crude steel capacity in the next five years in a bid to help tackle the capacity overhangs that have saddled domestic firms with losses and debts.

France and Germany urged fellow EU members on Friday to tighten trade defences to protect the bloc's companies against floods of cheap imports, including steel products from China.

Cheap Chinese steel exports have been cited as one reason for Tata Steel's decision to sell its British steel operations. Australian steel and mining company Arrium has gone into administration, while in Germany steelworkers have taken to the streets because of the threat of job cuts.

Chinese officials have said that they are already taking sufficient steps to curb capacity, while state news said blaming China for the global steel crisis is an excuse for protectionism that would be counter-productive.

Some European countries are opposed to the wording of the G7 draft text because of fears about retaliation from China, according to a source.

China is not the only concern, with Japan threatening to take action against India at the World Trade Organisation after it set minimum prices for imported steel. Japan and South Korea have also been criticised for exporting steel products cheaper than those sold domestically.

"In particular, we are concerned about subsidies and other support by governments and government-supported institutions that distort the market and contribute to global excess capacity, including such supports granted to overseas expansion of the capacity," the G7 text says.

#### **U.S. rejects Russian proposal for joint air strikes**

Moscow on Friday proposed that Russia and United States, which have been flying separate bombing campaigns in Syria, launch joint air strikes against jihadists from next week, a proposal the Pentagon swiftly rejected.



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“We are proposing to the U.S., as the head of the International Syria Support Group, to take part as of May 25 in joint operations between the Russian air force and the air force of the coalition,” Russian Defence Minister Sergei Shoigu said in televised comments.

Hours later Pentagon spokesman Navy Captain Jeff Davis rejected Moscow’s proposal, saying the U.S. military does “not collaborate or coordinate with the Russians on any operations in Syria”.

“Russian operations are supporting and enabling the Assad regime and our focus is solely on degrading and defeating [the Islamic State]” Captain Davis said.

#### U.S.-Iran rapprochement far from a settled matter

The thaw in the U.S.-Iran ties has been beneficial for India, but relations with Tehran are far from a settled question in Washington.

Stephen Mull, U.S. lead coordinator for Iran nuclear deal implementation, remembers how awkward one of his first interactions with the Iranians turned out in 2010. “[T]he talking points that we had for that meeting were very tightly controlled... We had very strict instructions that we had to sit in that room and read every single point; we couldn’t change a word. And the Iranians clearly had the same kind of instruction. It was a very awkward, sterile kind of exchange,” he told a group of journalists after the nuclear deal came into effect early this year.

#### Policy differences

By September 2015, things were different. “Obviously, we have still huge policy differences between us, but we could also sit in a room and have an unstructured discussion. We could ask them why did you do this, what is your goal in doing this, here’s our goal, is there anything we have in common — to start looking at ways of constructively solving problems.”

The Obama administration showcases its breakthrough with Iran as a major foreign policy success, but the nature and future of U.S.-Iran bilateral ties remain ambiguous. It is also a highly contested political issue on the domestic front — the Republican presumptive nominee for President, Donald Trump, has even said he would “tear up the deal”.

Both the U.S. and Iran have repeatedly stated that their engagements were limited to the nuclear question, but that evidently is not the case. In January, when American sailors captured by Iran for straying into its waters were released soon, Secretary of State John Kerry had por-

trayed that as yet another sign of better relations.

U.S officials have repeatedly denied any plans to restart full diplomatic ties with Iran, but that idea is afloat now. “I think we should have an American embassy in Tehran. Why can’t we as a first step — we have the Swiss represent us in Tehran — why can’t we place American diplomats in the Swiss mission? And the Iranians can put some people in the Pakistani embassy here, as a first step. We have track two contacts, officially, unofficially and semi-officially going on for a while,” said Zalmay Khalilzad, a former U.S. Ambassador to Iraq. A U.S. State Department official said there could be no such plan. “Iran remains a designated State Sponsor of Terrorism,” he said.

#### ‘Appeasing the Ayatollah’

Though Republicans are sniping at Mr. Obama for “appeasing the Ayatollah”, even president George W. Bush had authorised secret talks with Iran ahead of the invasion 2003 Iraq invasion, according to Mr. Khalilzad.

In his recently published memoir, Mr. Khalilzad disclosed secret meetings he had with Mohammad Javad Zarif, then Iranian Ambassador to the United Nations and now Foreign Minister, on Iraq’s post-Saddam future, in 2002. According to Mr. Khalilzad, Iran promised to not fire at U.S planes that strayed into the Iranian airspace.

U.S. officials admit that given the continuing volatility in West Asia, sustained interaction with Iran is a necessity. However, U.S. efforts to convince its partners in the region, Saudi Arabia and Israel, have not been adequately successful. “We can be opposed to hostile Iranian policies... [But] we should not shy away from talking or engaging [with Iran]... For example, we have a problem [with] the Shia community in Iraq. If we want to solve this problem diplomatically, reality dictates that we not only engage [Iraqi Shia cleric] Ayatollah Sistani, but also the Iranians,” said Mr. Khalilzad.

But neither the U.S., nor Iran is ready for a broader engagement with each other. Even after the U.S. lifted secondary sanctions against Iran, most of the primary sanctions put in place after American diplomats were taken hostage in 1979 still remain in place. However, in partial relief allowed earlier this year, Americans can buy carpets, pistachios, caviar from Iran and Iran can buy planes from America.

#### French PM visits Israel to push for peace plan

French Prime Minister Manuel Valls visited Israel on Sun-



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day to advance his country's plan to restart Israeli-Palestinian peace efforts in the face of opposition from his counterpart Benjamin Netanyahu.

Mr. Valls, who arrived on Saturday night, is to meet Mr. Netanyahu on Monday before holding talks in Ramallah on Tuesday with Palestinian Prime Minister Rami Hamdallah. Palestinian President Mahmud Abbas has welcomed the French initiative to hold a meeting of Foreign Ministers from a range of countries on June 3, without the Israelis and Palestinians present. Another conference would then be held in the autumn, with the Israelis and Palestinians in attendance. The goal is to eventually restart negotiations that would lead to a Palestinian state.

Mr. Netanyahu has criticised the initiative and called for direct negotiations between the two sides.

### President Sirisena to attend G-7 summit in Japan

Sri Lanka's President Maithripala Sirisena, who leaves for Japan on Wednesday, will be the first leader of his country to take part in the G-7 summit, to be held in Ise-Shima on Thursday and Friday.

Apart from him, Prime Ministers of Bangladesh, Laos, Papua New Guinea and Vietnam and Presidents of Chad and Indonesia are expected. An official release said the invitation extended to Mr. Sirisena "symbolises the positive attitude of the international community towards Sri Lanka's way forward as a sustainable democracy and a potential economic hub in Asia".

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## India and The World

### Nepal President's 'Kumbh diplomacy' to placate India

Nepali President Bidhya Devi Bhandari's visit to Ujjain to participate in the Simhastha Kumbh is being interpreted in Kathmandu as a gesture to assuage India following Prime Minister K. P. Sharma Oli's March visit to China during which Nepal and China sealed a transit agreement, indicating an end to Nepal's dependence on India. Pilgrimage to Indian temple towns had been used in the past by Nepali kings as an outreach to India, and President Bhandari's trip, beginning May 9, has drawn comparison with similar visits undertaken during the era of the royalty.

"President Bhandari is not known for promoting religion in Nepal. But she has consciously tried to promote Nepal's link with the Hindu faith since taking over as the President in October 2015. Her visit to Delhi is indeed timed to remove any misgivings that India might have after Prime Minister Oli's visit to China," said Upendra Mahato of the United Madhes Democratic Front (UMDF).

Ms. Bhandari's visit will take place in the backdrop of stalled negotiations between Mr. Oli and rebels from Nepal's plains who are led by the UMDF.

#### **Oli holds meeting**

On Sunday, Mr. Oli held a day-long meeting to diffuse the demands by the Opposition, which has accused him of not honouring the promises of constitutional amendments made during his February trip to India. However, the meeting did not yield any breakthrough.

Days after Mr. Oli's visit to China, India took up the issue of Nepal's constitutional amendment during the 13th EU-India summit held in Brussels, when the Joint Statement demanded an "inclusive constitutional settlement" in the neighbouring country. Nepal had objected to the EU-India Joint Statement, terming it an "interference".

Ms. Bhandari's visit is also being interpreted as a step to reassure India after External Affairs Minister Sushma Swaraj met newly-elected Nepali Congress leader Sher Bahadur Deuba in Delhi.

Mr. Deuba has repeatedly hinted that he would intensify his opposition against the Oli government.

### Shalimar pavilion restored in Indo-German effort

The Dewan-i-Khaas, a seventeenth century Mughal-era pavilion in the famous Shalimar Gardens in Srinagar has been restored to its old glory with traditional painted papier maché ornaqash work in a Rs 22 lakh collaborative project with Germany.

#### **Fine workmanship**

"Kashmir has amazing workmanship in the field of handicrafts. The papier mache designs at Shalimar Garden should be replicated in shawls and sold as souvenirs to tourists," said Dr Martin Ney, German Ambassador in India.

Germany has supported 50 conservation projects across India.

The Kashmir project, which took three years to complete, saw local papier maché artisans being trained in conservation courses to restore the wooden structure.

Appreciating the German Embassy's efforts, Minister for Education Naeem Akhtar said, "There is scope of more international cooperation in such work. Kashmir is sitting on a goldmine of heritage sites which need to be preserved." The Shalimar Bagh was laid out by the Emperor Jahangir (1605-27 AD) and was completed around 1620 AD. The gardens, along with six other Mughal era gardens in Kashmir, have been on UNESCO's list of World heritage Sites since 2010.

The restored Dewaan-e-Khaas, which is now open to the public, is located on the fourth terrace in the garden and positioned in the middle, with an array of 120 fountains.

The ceilings and rare naqashi work in both Dewan-i-Aam and Dewan-i-Khaas pavilions have faced deterioration over the years due to neglect.

The wooden ceiling panels had decayed due to wood rot while the joints and supports had loosened over the years with insect and fungal infestation.

The situation was exacerbated with inappropriate conservation and repair work. Saleem Beg, member of the National Monument Authority of India, had earlier expressed concern over "inappropriate redoing of naqashi in the past."

#### **Close to original**

"The present restoration is the closest it can get with the original. The restoration saw old-technique paper-maché work on the ceiling," said Mr. Beg, speaking about the present effort. "All the problems were scientifically analysed and a range of treatments tested to establish the best possible intervention," said Mr Beg. "The paint layer also was very sensitive, requiring extreme care while re-



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moving the discoloured varnish layer. These challenges required a time-consuming process of conservation,” Mr. Beg added.

#### Non-trade issues at WTO, lack of legal experts worry India

Developing nations, including India, are facing a double disadvantage at the World Trade Organisation’s (WTO) Dispute Settlement Body (DSB), according to a senior government official.

Commerce Secretary Rita Teatitia said these nations are challenged not only by the lack of a sufficient pool of trade law experts to represent them effectively at the DSB but also by certain efforts to bring within the body’s ambit non-trade issues such as labour and environment. She was speaking at a function organised by the Centre for WTO Studies at the Indian Institute of Foreign Trade on Monday.

##### **The efforts**

Ms. Teatitia said, “there have been efforts to include within the DSB, the disputes arising out of decisions in other forums and I am talking about very specifically labour and environment issues.”

She said “such cases would pose a great challenge for developing nations because very often these are conditions that add as restrictions in the freedom of trade particularly for developing countries.”

With the global trade slowdown and the consequent rise in trade restrictive measures taken by many countries, the world is witnessing increasing use of trade remedies (such as anti-dumping duty, safeguard duty and countervailing duty), the official said. She said many of these measures are also ending up as disputes at the DSB.

##### **Building capacity**

There are only a few Indian law firms in trade law practice, Ms. Teatitia said. Therefore, to handle India’s trade disputes with other countries, the government has been engaging both international and Indian law firms.

However, she said, “we would like to see an increase in the number of Indian experts” so that the government can rely entirely on local firms to deal with such issues.

The official said the commerce ministry was trying to build capacity to comprehensively track the trade restrictive measures taken by other countries, especially those that hurt India’s exports.

Ms. Teatitia’s comments (on efforts to include non-trade issues in the DSB’s jurisdiction) assume significance as India has been advocating that certain issues, including

labour and environment, must be kept out of the WTO’s purview and instead be dealt with by the global bodies concerned such as the International Labour Organisation and the United Nations Framework Convention on Climate Change.

The developed world, however, is keen that the WTO addresses, what they call, global trade’s “new challenges”, including labour and environment.

**India has been advocating that certain issues, including labour and environment, must be kept out of WTO’s purview**

#### India, Japan, U.S. to hold naval exercises

In a move that is sure to raise eyebrows in Beijing, four Indian warships will join the navies of the United States and Japan in the second half of June for the next edition of Malabar exercises east of Okinawa, a Japanese island.

Last December, India and the U.S announced formal expansion of the bilateral exercises into a trilateral format with the edition of Japan.

Official sources said that two stealth frigates, a guided missile corvette and a fleet replenishment tanker of the Indian Navy would take part in the exercises.

In September 2007, the navies of Australia, Japan and Singapore joined India and the U.S. in the Malabar exercises which forced China to issue a demarche to New Delhi. This is also not the first time these exercises will be held near Okinawa.

Former Navy Chief Admiral Arun Prakash said it showed that India has made up its mind to form some sort of partnership with Japan and the U.S. and termed the exercises an acknowledgement of the “shared security concerns”.

Australia has repeatedly expressed interest in joining Malabar on a permanent basis and the United States had been pushing its inclusion, but India has so far resisted the move so as not to antagonise China.

#### Mogao caves reveal pivotal India-China Buddhist link

Hewn out of solid rock in the middle of the bone dry Gobi desert, there exist hundreds of caves, whose intricately painted walls and magnificent statues have become markers in describing the epic journey of Buddhism.

The torrent of spiritual energy, which, in turn, has fuelled mature art, has not evolved in isolation. On the contrary,





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the grottos of Dunhuang are an emblem of an exceptionally powerful cultural cross-current that had, for centuries, threaded the Indian and Chinese civilisations.

Geography, and specifically the ancient Silk Road, indeed played a foundational role in bringing about the India-China cultural confluence in the past.

Dunhuang was a major point of intersection along the Silk Road. Here, the Silk Road — having started from the not-so-distant Xian and after having passed through the Gansu corridor — stood at a prominent junction.

After making way through the famous Jade Gate on the edge of Dunhuang, the Silk Road bifurcated into two lines. Both the trails eventually re-converged at Kashgar— another equally important junction along the Silk Road, on the edge of Central Asia.

#### **Buddha's message**

Out of the two, the northern route, after passing through the Gobi desert, headed to Hami. Then the “road” passed through a string of oasis towns — Turfan, Karashahr, Kucha, and Aksu. These settlements are all on the foothills of the “celestial” Tien Shan mountains, on the way to Kashgar.

It is, however, the back-and-forth among people and goods along a branch of the southern route which proved critical in channelling a masterly artistic fusion evident at Dunhuang's magnificent Mogao caves.

Along the southern route, Yarkand in China's Xinjiang province has long been recognised for its key role in the permeation of Buddhist influence from India.

From Yarkand, a major artery heads through the lofty Karakoram pass, leading to vibrant markets of Leh and Srinagar. The passage finally descends through the plains towards India's western coast.

Though the mercantile class prospered, it was the monks, scholars and travellers frequenting the Silk Road who brought the essential message of Buddha to China. In terms of art, it was the Greco-Buddhist Gandhara School, known for depicting Buddha in human form, that finally reached China, heavily influencing the emergence of what became known as Serendian art, embodying a powerful Chinese artistic tradition as well.

The impulse for a cautious revival of India-China cultural ties, rooted in a common Buddhist heritage, is now palpable among Chinese officials in Dunhuang. “India is the root of Buddhist culture here. That's why we're willing to establish a long-term stable relationship [with India]. This is the starting stage and there's long way to go, but there's a huge potential,” says Xudon Wang, Director of the Dunhuang Academy.

He adds that once the ongoing process of digitising the

artworks in Mogao caves is completed, the Chinese and the Indian sides should be ready to work together to hold joint exhibitions. Dr. Xudon stresses that academic visits should add another layer to this phased revival of cultural ties.

Deputy-Mayor of Dunhuang, Wu Guang Lin, points to an agreement between India and China, following Prime Minister Narendra Modi's visit to China, to establish a sister city relationship between Dunhuang and Aurangabad. He says the arrangement is a statement of intent by the two countries to leverage culture as a major strand for building India-China ties.

#### **Australia offers multiple-entry visa to Indians**

To boost Australia's future tourism growth, a three-year multiple-entry visitor visa for India will be implemented by July 2016 on a trial basis, according to an Australian High Commission press release.

This will allow entry into Australia multiple times on the same visa and each stay will be valid up to three months, the release said.

Only for visitors

Apart from India, this will be implemented in three countries — Thailand, Vietnam and Chile. The announcement of the trial was made as part of the Australian government's 2016-17 budget. It will be applicable to eligible applicants on tourist and business visitor visa streams.

#### **Amended Mauritius DTAA unclear on hybrid securities**

The amendment to the Double Taxation Avoidance Treaty with Mauritius will push offshore fund management companies to set up shop in India, said Aarthi Sivanandh, a partner at JSA, a leading law firm in the country.

“Under the new safe harbour rules, offshore funds' gains will be taxed as capital gains than as business income. This will require them to reconfigure their plans,” she said.

Capital gains

Under the amended treaty signed with the island nation, India gets the right to tax capital gains on investments routed through Mauritius. The amendment to the 1983 treaty will come into force from April 1, 2017.

Based on available information, it was, however, unclear if the amendment covered investments made using hybrid securities, Ms. Sivanandh said.

“Although the actual language of the protocol has not



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been made available, the statement indicates its applicability only to shares. Therefore, the extent of its applicability to hybrid instruments is still open, and they could technically walk away with residence-based taxation protections.”

### IPR ensures safeguards for Indian pharma industry

The IPR policy approved by the Cabinet on Thursday night, comes in the backdrop of the US Trade Representative (USTR), in its annual (2016 edition) Special 301 Report (on the global state of IPR protection and enforcement) retaining India on the ‘Priority Watch List’ for “lack of sufficient measurable improvements to its IPR framework.” It also comes ahead of Prime Minister Narendra Modi’s U.S. visit in June.

Mr. Jaitley made it clear that the IPR Policy will ensure that no changes are made in the Section (which prevents ever-greening of drug patents) as well as the patent-disabling Compulsory Licensing (CL).

#### Committed to Doha

In fact, the Policy states “India shall remain committed to the (World Trade Organisation’s) Doha Declaration on Trade Related IPR Agreement (TRIPS) and Public Health.” It also says “India will continue to utilise the legislative space and flexibilities available in international treaties and the TRIPS Agreement.”

These flexibilities include the sovereign right of countries to use provisions such as Section 3(d) and CLs for ensuring the availability of essential and life-saving drugs at affordable prices.

The Policy says that to have strong and effective IPR laws, which balance the interests of rights owners with larger public interest, steps could be taken — including review of existing IP laws — to update and improve them or to remove anomalies and inconsistencies. The review will be done in consultation with stakeholders, it added.

Government sources said the changes in the laws will be those relating to the Rules on patents, trademarks, copyrights and other IPRs, but the changes will not go beyond India’s commitments at the WTO-level.

To ensure strong and effective IPR laws, the Policy states India will engage constructively in the negotiation of international treaties and agreements in consultation with stakeholders.

Government sources said the international treaties and agreements referred to are international IP classification agreements, including the Nice and Vienna Classifica-

tions, and not pacts like the Trans Pacific Partnership, which apparently has TRIPS-plus provisions.

Policy at public cost

“The IPR policy is driven by the agenda of IP maximalism, where IP owners’ rights will be maximised at the cost of public interest. This (policy) will influence courts and judges. The policy needs to be opposed from becoming a ‘national’ policy,” said Dinesh Abrol, convenor of the National Working Group on Patent Laws and WTO, a civil society group.

### Madhesis on the warpath again

Madhesi protesters under the leadership of the United Madhesi Democratic Front (UMDF) of Nepal declared on Friday that they would start a new round of agitation and enforce a blockade on the capital Kathmandu.

The protest comes three months after the end of a crippling economic blockade that the UMDF had launched demanding citizenship rights for the Madhesis of Nepal.

“Since our last declaration in February, the government of Prime Minister K.P. Sharma Oli has done nothing to address the democratic aspirations of the Madhesi people. Our new protest will begin with a rally on Saturday and from Sunday, we will [enforce] blockade on the government headquarters,” Upendra Yadav, one of the key leaders of the UMDF, told The Hindu on the phone from Kathmandu.



“We will not let the government function unless it carries out amendments to the Nepali Constitution guaranteeing citizenship rights.”

#### China card

The aim of the protest, Mr. Yadav said, was to expose the government of Mr. Oli. “Prime Minister Oli declared that the new Constitution will be amended, but he did not take the promised steps. Instead, he has been blackmailing India by showing the China card because India has supported the amendments.”





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Friday's declaration of protest was made exactly a week after Nepal cancelled the visit of President Bidhya Devi Bhandari to India and recalled its ambassador.

#### China opposes India's NSG bid

Bruised by the successful Indian diplomacy that recently stalled the U.S. sale of F-16 fighter planes to it, Pakistan has found an opportunity to hit back.

"It's obvious that China's position is aimed at keeping India out of the NSG if Pakistan cannot be a member of the same organisation," said Shyam Saran, the former Foreign Secretary and Chairman of the Research and Information Systems for Developing Countries, a think tank under the Ministry of External Affairs (MEA).

#### U.S. position

Responding to the developments, U.S. State Department spokesperson John Kirby said in Washington: "Well, first of all, I'm going to refer you to the governments of China and Pakistan with respect to their positions on India's membership. Deliberations... about the prospects of new members joining the Nuclear Suppliers Groups are an internal matter among current members. And then I'd point you back to what the President said during his visit to India in 2015, where he reaffirmed that the U.S. view was that India, 'meets missile technology control regime requirements and is ready for NSG membership.'"

India got an exemption from the NSG for nuclear imports in 2008, following the civil nuclear deal with the U.S., despite not being a signatory to the NPT. In 2010, the Obama administration declared its support for India's "full membership" of the group, but things have not moved far since.

The NSG exemption in 2008 was the outcome of unqualified lobbying on India's behalf by the then Bush administration. Several Western countries also were opposed to the exemption.

The non-proliferation enthusiasts remain sceptical of India's record since 2008 in taking additional steps to limit proliferation. The Chinese intervention that equates India with Pakistan — which has an established history of nuclear proliferation — complicates the scenario further.

While the Obama administration remains in principle supportive of India's admission to the NSG, its willingness and ability to push other countries will be tested next month.

"The Obama administration's support for India's membership in all four export control regimes has been unwavering for years, extending back to the early days of the

administration," says Lauryn Williams, project manager, Nuclear Policy Program, Carnegie Endowment for International Peace.

Foreign Secretary S. Jaishankar reportedly sought more forceful American intervention on India's behalf during his interactions in April with U.S. Interlocutors.

#### Joint committee to meet in Tokyo on high speed rail project

To take forward the ambitious Mumbai-Ahmedabad high speed rail project announced by the government in December last year in partnership with Japan, a high-level Indian delegation led by Niti Aayog vice-chairman Arvind Panagariya and Foreign Secretary S. Jaishankar will attend a joint committee meeting on the project in Tokyo on Monday.

"During the meeting, the joint committee will finalise the schedule of project, terms related to the appointment of general consultant and procurement conditions," the government said in a statement.

"Since the finalisation of the loan agreement will take time, the Government of India has requested a schedule of project implementation and the appointment of a General Consultant before finalisation of the loan agreement," the statement added.

Economic Affairs Secretary Shaktikanta Das, Railway Board chairman AK Mital and Ramesh Abhishek, secretary in the department of industrial policy and promotion, are also part of the delegation.

The Japanese side would be led by Hiroto Izumi, Special Adviser to the Prime Minister of Japan.

#### India, U.S. hold first maritime security dialogue

Towards deepening the evolving partnership in the maritime domain, India and the U.S. held the first round of discussions under the recently-constituted maritime security dialogue between officials of Defence and External Affairs ministries and their U.S. counterparts.

"Among the issues discussed were Asia-Pacific maritime challenges, naval cooperation, and multilateral engagement," the U.S. Embassy said in a statement on Monday. The dialogue was one of the several new initiatives agreed between Defence Minister Manohar Parrikar and his U.S. counterpart Ashton Carter during the latter's visit to India last month as part of the maritime security objectives under the India-US Joint Strategic Vision for the



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Asia-Pacific and Indian Ocean Region.

#### **Exploring opportunities**

“They also agreed to launch a bilateral Maritime Security Dialogue, co-chaired by officials at the Joint Secretary/ Assistant Secretary-level of the Indian Ministries of Defence and External Affairs and the U.S. Departments of Defence and State,” the joint statement issued at the end of the visit had stated.

A senior official told The Hindu ahead of the discussions that being the first dialogue both sides are looking to explore the scope of maritime cooperation under the framework of this maritime dialogue at the bilateral and multi-lateral level to be taken up.

U.S. Ambassador to India, Richard Verma, who participated in the discussions, noted that the creation of this dialogue “is a further sign of the growing relations between our two countries.”

The other initiatives agreed include the conclusion of a “white shipping” technical arrangement to improve data sharing on commercial shipping traffic and Navy-to-Navy discussions on submarine safety and anti-submarine warfare.

#### **Beijing, New Delhi capable of solving disputes, China tells U.S.**

Asking the U.S. to respect the efforts by China and India to resolve their boundary dispute peacefully, a top Chinese official on Monday said the two nations are wise enough to deal with it after the Pentagon accused Beijing of deploying more troops along the Sino-India borders.

“The Chinese side is committed to safeguarding peace and tranquillity of the border areas between China and India and resolving the boundary question through negotiation,” the Chinese Foreign Ministry said.

The U.S. military report also warned of increasing Chinese military presence in various parts of the world, particularly in Pakistan.

#### **Peaceful settlement**

“China and India are wise and capable enough to deal with this issue. It is hoped that other country would respect efforts made by China and India for the peaceful settlement of dispute, rather than the opposite,” the Foreign Ministry said, apparently referring to the U.S.

U.S. Deputy Assistant Secretary of Defense for East Asia Abraham M. Denmark had said that “we have noticed an increase in capability and force posture by the Chinese

military in areas close to the border with India”.

“It is difficult to conclude on the real intention behind this,” Mr. Denmark said on Saturday after submitting Pentagon’s annual 2016 report to the U.S. Congress.

“It is difficult to say how much of this is driven by internal considerations to maintain internal stability, and how much of it is an external consideration,” he said in response to a question on China upgrading its military command in Tibet.

#### **Strong dissatisfaction**

On Sunday, the Chinese Defence Ministry expressed “strong dissatisfaction” and “firm opposition” to the Pentagon report which also alleged that China is focusing on the militarisation of the artificial islands built by it in the disputed waters of the South China Sea in a bid to assert its control. — PTI

#### **India rejects Pak. protests over geospatial Bill**

In its letter to the UN Secretary General, Islamabad said: “In violation of UNSC resolutions, the official map of India has been depicting the disputed territory of Jammu and Kashmir as part of India which is factually incorrect and legally untenable.”

“Pakistani establishment has a habit of taking up old imagined maps of Pakistan in which they claim territories like Hyderabad. The objections on Geospatial Information Regulation Bill is continuation of the same old territorial aspiration of the Pakistani state,” said former Foreign Secretary Kanwal Sibal.

The draft Geospatial Information Regulation Bill has been under discussion for some weeks now with many experts suggesting that the Bill, if enacted into law, will reduce the flow of now easily available geospatial data. Pakistan’s observations on the depiction of J&K marks the first time that a Bill has drawn opposition from a neighbouring country.

Former diplomat T.P. Srinivasan said India was right in reminding Pakistan that it cannot interfere in former’s decision to have its own maps and regulations regarding geospatial data.

#### **India to develop Chahbahar**

The main contract on Chahbahar port was supplemented by a contract between the Ex-Im Bank of India and Iran’s Ports and Maritime Organisation with a capital back-up of \$150 million for developing the port.





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Speaking at the event to launch the Trilateral Transport and Transit Corridor, Mr. Modi said, "The arc of economic benefit from this agreement could extend to the depths of the Central Asian countries. When linked with the International North South Transport Corridor, it would touch South Asia at one end and Europe at another."

#### **Pakistan circumvented**

The agreement on Chabahar will open a new route of commerce between India, Iran, Afghanistan and Russia, feels Maharaja Krishna Rasgotra, former Foreign Secretary and one of the first Indian diplomats to have joined foreign services in post-1947 India.

"Soon after 1947, Pakistan became an obstacle between India and Central Asia and that is why we tried repeatedly in the past to befriend Iran and open an alternative route to Central Asia. We tried to have warm ties with Iran but our attempts were not always successful. But the agreement on Chabahar will finally convince Pakistan that it cannot continue to play the role of an obstacle for India's plans for Central Asia," Mr. Rasgotra told The Hindu.

The agreement is a tangible sign of India-Iran cooperation, say West Asian experts who also feel that India will have to draw benefits from the newly opened Iranian economy without getting drawn into the regional rivalries. "India will have to ensure that its engagement is not taken as an approval for regional power politics by any of the regional big players," said Prof. Ashwini Mahapatra of the Centre for West Asian Studies of JNU.

#### **Indian Ocean Rim nations to boost cooperation on SEZs**

India and several other nations bordering the Indian Ocean have decided to evolve a regional mechanism for cooperation on Special Economic Zones (SEZ) – or duty-free enclaves with tax holidays — to boost exports.

#### **First meeting**

The first-of-its-kind meeting between SEZ authorities from these Indian Ocean Rim (IOR) nations was held on May 19-20 at Chabahar, Iran, which houses a Free Trade Zone (FTZ) – a synonym for SEZs, official sources said.

The meeting comes at a time of global economic and trade slowdown and attempts are being made by countries to boost growth through trade.

"Thanks to their strategic locations and access to major waterways, these zones have formed a virtual network of trade connections" spanning continents including Asia, Australia and Africa, according to a concept note for the event.

Participants at the Chabahar meet also considered a pro-

posal to form a "joint FTZ" among the IOR Association (IORA) member countries since most of these FTZs are situated or are being built in coastal regions. The meeting also assumes importance given that India had on Monday signed a pact with Iran to develop the Chabahar port, and agreed to provide \$500 million for the purpose.

A World Bank (Trade & Competitiveness Global Practice) report in February 2015 said, "More and more countries have begun to implement this instrument (SEZs) for their industrialization process, especially as a way of attracting foreign direct investments mostly in the manufacturing sector, creating jobs, generating exports and foreign exchanges." It noted that some countries have been successful while others, particularly those in sub-Saharan Africa, were still struggling. The meeting discussed ways to share information on SEZ best practices and common objectives including trade facilitation.

#### **'India-China exchange a model for the 21st century'**

President Pranab Mukherjee was given a rousing welcome by Chinese officials as he landed in Beijing on the second of a four-day visit to China. Speaking at a reception in Beijing presided over by Chinese Vice-President Li Yuanchan, the President emphasised cultural and people-to-people links as key to expanding relations between the two countries.

Mr. Mukherjee harked back to the past to refer to strong cultural linkages between India and China, including the exchange of knowledge to set the context for the present. He said that they "should be seen as a model for civilisational contacts and peaceful exchanges in the 21st century".

Arguing that Indians and Chinese today "rely on borrowed prisms and secondary sources to understand each other", he emphasised the need for direct exchanges between the civil societies.

#### **Call for FDI**

Mr. Li said that both India and China were engaged in the projects of national rejuvenation and domestic reform. China had increased its investment and participation in railway projects and industrial parks in India, he said.

Earlier in the day, Mr. Mukherjee wrapped up his visit to Guangzhou, capital of China's richest province, Guangdong, by inviting Chinese investors to expand their foreign direct investment in India and to leverage the various flagship initiatives launched by the Indian government such as Make in India, Digital India and the Smart City projects.



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He was addressing a China-India business forum that comprised representatives from the Indian and Chinese business community and the Governor of Guangdong province, Zhu Xiaodan.

#### **Trade deficit**

While the trade deficit between the two countries was a concern, "India would like to see a greater market for our products ... in IT and IT-related services, pharmaceuticals and drugs and agro-products... in China", he said.

Following the speech, Mr. Mukherjee visited the historic Hua Lin temple — believed to have been built after the arrival of Indian monk Bodhidharma in the sixth century. He later met the Communist Party of China's party secretary for the Guangdong province Hu Chunhua at a lunch meeting. Broadly three issues were discussed: economic ties and issues related to trade and investment; cultural relations; and China's federal system.

Mr. Hu told Mr. Mukherjee that Guangdong had increasingly become a major port of call for Indian traders and businesspeople and that after Japan and South Korea, Indians comprised the third largest business community in the province.

He added that he was confident about greater engagement and enhancement of ties between Guangdong and India. Initiatives such as sister-province relationship, for example between Gujarat and Guangdong which was established in 2014, were also discussed in the meeting.

#### **India to expedite visa process for Pak. citizens**

India has decided to expedite the visa process for Pakistani citizens, a senior government official said. On Thursday, Indian High Commissioner to Pakistan, Gautam Bambawale, met Home Secretary Rajiv Mehrishi and discussed steps to expedite the visas for Pakistanis. The officials discussed upgrading the facilities at Wagah-Attari checkpoint to clear the backlog.

According to data available with the MHA, from March-December 2015, as many as 81,477 applications from Pakistanis were received, of which 49,265 cases were processed and 32,212 were pending for want of security clearances.

#### **Visitors complain**

Officials said they would smoothen the visa process as several visitors from Pakistan had complained that the entire procedure was lengthy and cumbersome.

"It is not like we are relaxing the norms for Pakistani visitors, the applications will have to be processed quickly

and the visitor will be informed about the decision as soon as possible. For example, if earlier the process was taking 60 days, it will now have to be decided in 40 days," said an official.

According to the official, there is always a huge demand from Pakistani visitors. Since the visa clearance for Pakistanis are decided by the Home Ministry, on many occasions the verification takes months.

Mr. Bambawale is believed to have informed the Home Secretary that there was a huge backlog of pending visa cases and a mechanism need to be put in place to resolve the same. The official said a central database could be maintained to verify the details of those who come to India at regular intervals.

#### **India, China agree to advance ongoing boundary negotiations**

Cordial and clear discussions on sensitive issues marked India-China talks on Thursday during President Pranab Mukherjee's visit to Beijing but no significant change in divergent positions was realised.

Meetings with President Xi Jinping, Prime Minister Li Ke-qiang and National Peoples' Congress chairman Zhang Dejiang marked a busy third day of a four-day visit by Mr. Mukherjee to China.

Just before Mr. Mukherjee's visit, Chinese spokespersons had voiced opposition to India joining the Nuclear Suppliers Group without signing the Nuclear Non-proliferation Treaty (NPT).

Mr. Mukherjee's delegation apprised its Chinese counterparts about India's aims to rapidly expand its civilian nuclear programme in line with the country's energy needs. He also asked Mr. Xi to give this matter "personal attention", said foreign secretary S. Jaishankar.

#### **Cooperation on n-energy**

Xiao Qian, Director-General of Asian region in China's ministry of foreign affairs, briefing the press following the meeting also said that the two leaders "agreed to strengthen cooperation in the peaceful uses of nuclear energy".

Mr. Mukherjee led a delegation to meet Mr. Xi after receiving a grand welcome in a ceremony held at the Great Hall of Peace in Beijing.

The two leaders discussed ways to strengthen cooperation in "investment, trade and tourism". Chinese officials also showed interest in India's flagship schemes such as 'Digital India' and 'Make in India' and in possibilities of investment in the Smart Cities project.





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Specifically, China has also agreed to accommodate more Indian tourists (seven batches or around 400 people this year) to visit Kailash Mansarovar via the Nathu La pass into Tibet.

The two leaders also agreed to advance the ongoing boundary negotiations under the 'Special Representatives' mechanism, and at the same time resolved to take actions to maintain peace and tranquillity in the boundary regions. Mr. Jaishankar said that the Indian delegation had conveyed to the Chinese the need to eliminate cross-border terrorism.

The specific issue of China's support for sanctions against the Jaish-e-Mohammad leader Masood Azhar was not discussed, Mr Xiao said.

#### India to seek WTO panel to rule on U.S. visa fees row

India will soon ask the World Trade Organisation (WTO) Dispute Settlement Body to establish a panel of experts to adjudicate its dispute with the U.S. over the increase in visa fees, government sources said.

This follows the failure of India and the U.S. to arrive at an amicable solution during the consultations held on May 11 and 12 under the auspices of the WTO, they said. India's decision — to seek the setting up of the panel — is likely to be announced after Prime Minister Narendra Modi's June 7-8 visit to the U.S. According to WTO norms, if consultations fail, the complaining country can ask the settlement body to appoint a panel.

As per the WTO rules, India notified the WTO Secretariat on March 3 that it has "initiated a WTO dispute proceeding against the U.S. regarding measures imposing increased fees on certain applicants for two categories (H-1B and L-1) of non-immigrant temporary working visas into the U.S., as well as measures relating to numerical commitments for some visas." According to India, the measures appear to be inconsistent with the U.S. commitments under the General Agreement on Trade in Services (GATS), the WTO stated.

#### IT sector

India said the visa fee increase is "discriminatory" against Indian firms as these (H-1B and L-1) are the same categories that are most extensively used by Indian service suppliers, especially in the information technology sector.

India, during the consultation process, categorically stated that the Obama administration's rationale of using the visa fee hike to raise revenue (in this case, to finance a biometric tracking system and healthcare requirements of the 9/11 terror attack victims) and Washington's "implicit justification" of this move could "open a Pandora's Box," the sources said.

India warned that the U.S.'s decision to continue with the implementation of the visa fee increase could result in other nations deliberately raising customs duties on goods to increase revenue for their domestic programmes. This is because the applied duties on many goods in several countries are much lower than the duty levels on those goods they have legally committed — or bound — in the WTO, giving them ample room to increase their 'applied' duties up to the 'bound' level.

#### 'Protectionist'

Such 'protectionist' actions (of hikes in visa fees and duties) will in turn further hurt global trade, which is already going through a major slowdown owing to weak demand in many markets.

"The visa fee increase can be equated with hikes in tariffs (customs duties on goods imports). It will hurt the very trade liberalisation process ironically being championed by the U.S. itself," an official said.

During the talks, the U.S. denied that there was anything in its legislation specifying that the visa fee hike is applicable only to Indian companies. The U.S. said there was nothing discriminatory in the legislation against Indian information technology companies, adding that since the visa fee increase is general in nature, it was not violative of any WTO rule. As per WTO norms, member countries are not allowed to normally discriminate between their trading partners. Washington also informed that the visa fee hike was part of a legislation (the Consolidated Appropriations Act, 2016), and therefore it would not be possible to make any changes without addressing the legislation as a whole, the sources said.

Indian IT industry body Nasscom said the financial implications of the visa fee increase for the technology sector would be around \$400 million a year.



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## Science, Tech. and Environment

### Never again another Chernobyl

The nuclear industry would like to forget April 26, 1986, the day the worst nuclear disaster hit the world. Ironically, the Chernobyl accident occurred when an experiment to improve the reactor safety system went terribly wrong.

The operators wanted to find out whether an electrical system they made by using the kinetic energy of the slowing turbo-generator, could provide enough electrical power to operate the emergency equipment and the core cooling water circulating pumps until the diesel emergency power supply kicks in.

Writing in The Guardian on April 1, 2016 Dr David Robert Grimes, a scientist at Oxford University, aptly noted that “the mixture of flawed design, disabled redundancies and a tragic disregard for experimental protocol all feature heavily in the blueprint of the disaster.”

A massive steam explosion blew the 1,000-ton top steel case through the roof of the reactor building. A second explosion threw out burning fragments of nuclear fuel and graphite starting fires at five locations on the roof made of bitumen!

The unprepared and unprotected firemen became the first victims of the accident. Investigators estimated that about six tonnes of uranium dioxide fuel and solid fission products including many radio-nuclides escaped.

#### Health effects

The authentic report of the United Nations Scientific Committee on the Effects of Atomic Radiation (UNSCEAR-2008) published in 2011 stated that 28 out of 134 heavily exposed plant staff and emergency workers died due to radiation exposure. Further 19 of the survivors died by 2006. They died due to various reasons, usually not associated with radiation exposure.

“Among the several hundred thousands of recovery workers, apart from an indication for an increase in the incidence of leukemia and cataracts among those who received higher doses, there is no evidence of health

effects attributable to radiation exposure,” UNSCEAR noted.

Since authorities did not initiate prompt countermeasures against contamination of milk with iodine 131, some members of the general public received large doses to their thyroid; this led to a substantial fraction of the more than 6,000 thyroid cancers observed to date among people who were children and adolescents in April 1986 (15 of them died by 2005).

“To date, there has been no persuasive evidence of any other health effect in the general population that can be attributed to radiation exposure,” UNSCEAR concluded. In “NucNet Chernobyl Fact File,” NucNet, a global nuclear news agency updated the grisly details of the disaster this month.

Authorities evacuated about 45,000 inhabitants of Pripyat, the nearby town, on April 27, never to return; the town remains how it was left. Later they resettled 210,000 people into less contaminated areas. The accident resulted in the radioactive contamination of 18,000 square kilometre of agricultural land, of which people could no longer farm 2,640 square kilometre.

#### Present status

International Atomic Energy Agency (IAEA) noted that “since 1986, radiation levels in the environment have fallen by a factor of several hundred, due to natural processes and counter-measures and most of the land contaminated with radio-nuclides has been made safe and returned to economic activity.”

Except in areas very close to the stricken reactor, increase in doses were low, often within natural background radiation present everywhere.

About 2,500 workers are assembling at site a humongous 36,000-ton new containment shell (cost \$2.45 billion) 350-foot high and 500-foot long with a design life of 100 years. This marvellous piece of engineering will be slid over the stricken reactor and the old shelter (sarcophagus).

The Chernobyl accident forced Russia to eliminate the deficiencies that caused the accident in 15 similar reactors. There are no such deficient reactors operating in any country.

A study led by Prof. J. T. Smith, University of Portsmouth, U.K. has revealed abundant wild life populations at Chernobyl ( Current Biology, October 5, 2015).

“Chernobyl led to a leap forward in global cooperation on nuclear safety. Countries with nuclear power began sharing information and experience in a way they never had before. The IAEA’s mandate on nuclear safety was enhanced. IAEA Safety Standards were expanded,” Mr.





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Yukiya Amano, the Director General, IAEA stated on April 26.

He listed other notable developments: IAEA adopted important international legal instruments including the Convention on Nuclear Safety; the agency set up an international coordinated response system, with the IAEA's Incident and Emergency Centre at its heart and an IAEA peer-review system which involves the deployment of international teams of experts to advise countries on the operational safety of their nuclear reactors or the effectiveness of their regulatory system.

### 101 species of spiders found in Chinnar Wildlife Sanctuary

Researchers recently spotted 101 species of spiders belonging to 65 genera from Chinnar Wildlife Sanctuary in Idukki, Kerala, when documenting spider diversity in the Sanctuary. The spider population from the sanctuary accounted for 6.98 per cent of the Indian spider species.

Lycosidae, better known as wolf spiders and with excellent eyesight and agile movements, were the dominant species in the sanctuary. The researchers encountered multiple web cast in the sanctuary and spotted as many as 10 species of Araneidae. These orb-weaver spiders cast their carefully knitted web in gardens, fields, and forests and wait for the prey to walk in. The documentation, which was carried out by C.K. Adarsh and P.O Nameer of the Centre for Wildlife Sciences of the College of Forestry, Kerala Agricultural University, Kerala, was published in the Journal of Threatened Taxa.

The spiders were surveyed in bushes, tree trunks, ferns, forest floor, foliage and grasslands and were handpicked for documentation.

Two endemic genera of Indian spiders — Annandaliella and Neoheterophrius — were identified during the study. Also, seven feeding guilds of spiders namely orb-weavers, stalkers, ground runners, foliage runners, sheet-web builders, space-web builders, and ambushers were identified. The report of Latrodectus hasselti from Chinnar is the first record of the species from Kerala. There are only very few reports on the occurrence of L. hasselti in other parts of India.

Spiders perform important ecological services by functioning as predators in nature. They feed on other insects and even small vertebrates. The loss of spiders could lead to ecosystem imbalances. Little has been understood about the spiders of India, especially that of the Western Ghats, they pointed out.

The world of spiders is often shrouded in mystery, and

much misunderstanding has been woven around them. There are popular misconceptions that all spiders are poisonous creatures. But, in reality, a very few spiders are poisonous and harmful to human beings, the researchers pointed out, quoting earlier studies.

### The genetics behind fraternal twinning

Two genes that affect a woman's likelihood of giving birth to twins have been identified in a new study published in American Journal of Human Genetics . This could have implications for fertility research and help predict how women will respond to treatments for infertility.

Identical, or monozygotic (MZ), twins occur at a fairly stable frequency of 3 to 4 per 1,000 births all around the world. In contrast, the occurrence of fraternal, or dizygotic (DZ) twins (non-identical twins) varies wildly across different kinds of populations — only 6 per 1,000 in Asia but 40 per 1,000 in Africa. Older mothers are four times more likely to have non-identical twins than younger ones; taller, heavier women who smoke and have family history of twinning are also reportedly more prone to having fraternal twins. All of this lends to the long-held suspicion that there exist genetic factors that affect a woman's susceptibility to give birth to fraternal twins.

Usually, ovulation involves the maturation and release of exactly one egg, called the "single dominant follicle." This chosen egg, if fertilised by a sperm cell, can lead to a pregnancy. The result of this is a fused cell called the zygote which then develops into an embryo. Very rarely, the zygote divides early on into two and each one develops into an individual embryo, ending up in identical twins. In the case of non-identical or fraternal twins, an extra egg cell is released during ovulation, opening the possibility of both getting fertilised by two different sperms and the formation of two non-identical embryos.

Before they arrived at the two genes, the scientists combed through the entire genomes of 1,980 mothers of non-identical twins and 12,953 control subjects (mothers with no non-identical twins). They found 30 spots that seemed to be linked with twinning and kept narrowing down. "Two genetic variants, one near FSHB gene and the second one in SMAD3 gene showed a statistically significant association," said Hamdi Mbarek from Vrije Universiteit in Amsterdam, who led the study, in an email to me.

Mothers who had one specific variant of the FSHB gene were more likely to have given birth to non-identical twins. This variant is linked to increased production of follicle stimulating hormone (FSH), leading to more than one



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egg maturing and consequently multiple ovulation. The second, SMAD3, likely affects how the ovaries respond to FSH. Mothers of non-identical twins were significantly more likely to carry a variant of SMAD3 which makes her ovaries more sensitive to the same amount of FSH.

#### **Lessons from past failures**

Efforts to characterise the genes that contribute to non-identical twinning in humans had been largely unsuccessful until this study. But these failures did not go in vain. "They taught us that non-identical twinning in humans is a polygenic trait and that much more powerful genome-wide association studies (like this one) are required to find the genes which may offer insights for new treatments," said Mbarek.

He added that rigorous selection of their cohort mothers to make sure none received any kind of fertility treatment was also a crucial factor for enabling these results.

The scientists stress that their findings are probably just the beginning. "There is a very clear suggestion and indication that more loci are contributing," said co-author Dorret Boomsma in a press release.

Knowing one's predisposition to multiple births can be very useful in the light of risks like premature birth associated with twinning. Mbarek added that future studies into SMAD3, the totally new candidate for twinning, may offer a novel avenue for fertility treatments, particularly in women who poorly respond to ovarian stimulation and also help in prevention of premature ovarian ageing.

#### **Western Ghats under threat: Report**

Many natural and mixed World Heritage Sites, including the Western Ghats, are threatened by harmful industrial activities such as mining, says a report.

The harmful industrial activities include oil and gas exploration and extraction, mining, illegal logging and large-scale constructions, according to the report, 'Protecting people through nature,' prepared by the World Wildlife Fund and the International Union for Conservation of Nature (IUCN).

Three of the seven such Indian sites — Manas Wildlife Sanctuary, Sundarbans, and the serial sites of Western Ghats — have been listed as being under threat.

The report highlights that the Western Ghats support "the single largest population of endangered Asian elephants and vulnerable Indian bison."

The report concludes that "nearly half of all natural World Heritage Sites, including the Grand Canyon and the Great Barrier Reef, are threatened by industrial activities." The data for the study was drawn from the IUCN's

World Heritage Outlook.

On Western Ghats, the report says the sites are facing "extractive threats" in the form of "oil and gas concessions" and "mines and mining concessions." The Manas Wildlife Sanctuary faces unsustainable water use whereas Sundarbans has issues related to water management. The survey estimates that 11 million people directly depend on the World Heritage Sites for food, water, shelter, and medicine. The harmful industrial development poses a threat to these 'ecosystem services and the communities that depend on them.'

Responding to the assessment, V.B. Mathur, Director, Wildlife Institute of India, Dehradun, said the methodology of the report and its outcome were too generic in nature.

#### **Remote sensing and 'divining' in a desperate quest for water**

In the quest for groundwater this summer, people seem to be relying on both cutting edge satellite images and traditional beliefs like 'water divining'.

Over a month back, the State Government decided to use the Indian Space Research Organisation's satellite images to locate borewells in four taluks of three districts of North Karnataka: Indi in Vijayapura; Afzalpur and Aland in Kalaburagi; and Kundagol in Dharwad. The ploy worked. Tadaalaga and Aland have now become tanker-free in recent weeks, thanks to borewells sunk in the spots located by satellite images. Both taluks had been dependent on water supply through tankers, since November 2015.

#### **Private land problem**

However, in Dharwad's drought hit taluk of Kundagol, the government's remote sensing -based borewell action plan has hit a block. Although eight underground water points in Kundagol were identified from satellite maps, officials in the zilla panchayat engineering department said they could not drill the wells as all points are in private properties.

Kundagol's tahsildar has been tasked with two options: negotiate compensation with land owners or acquiring lands.

Meanwhile, in places where the government did not seek satellite images, it's the practice of 'water divining' that people have resorted to as a desperate search is on for trustworthy "water diviners". They are in huge demand even in the country's IT capital.

A gated community on the Kanakapura Main Road want-





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ed to sink another borewell as a standby, after the first one was almost dry, and they took the help of Bora Linga, who claims have powers to detect groundwater with the throbbing of his veins. He walked around the 12-acre campus and identified a spot, and when the borewell was dug there was water, said a resident.

There are nearly two dozen water diviners from Karnataka actively involved in the practice of locating underground water. Their fees range from anywhere between Rs 5,000 and Rs 7,000 for every successful find.

#### **'Dubious practice'**

This is despite scientists questioning the practice and arguing it is not based on concrete evidence. "Science does not believe in divining. There is no meaning attached to this coinage, 'water diviners'," said hydro-geologist K.C. Subhash Chandra.

Several residents argue that the reliance on the practice of "divining" is cheaper and less time consuming than more scientifically proven methods.

#### Himalayan varieties help scientists develop blight-resistant pomegranate

The wild varieties of pomegranate that have survived in the Himalayan region for centuries have now helped scientists in developing a hybrid pomegranate variety that has resistance to the deadly disease of bacterial blight.

Bacterial blight has turned out to be a major destroyer of this premium fruit crop, especially in south India.

Indian Institute of Horticultural Research (IIHR) has developed the hybrid bacterial blight-resistant variety after nearly 15 years of research. The disease-resistant variety, which is set for field trials at multiple locations, is expected to be released for commercial cultivation by farmers in about two years, according to B.N.S. Murthy, principal scientist and head of fruit crops division of the IIHR, who is heading this research project for the last four years.

"These wild varieties of pomegranate being grown in the Himalayan region, including in Kashmir and Himachal Pradesh, for hundreds of years have natural resistance to bacterial blight. But they are not high yielding.

On the other hand, the commercial varieties of this crop are high yielding and have attributes such as quality, softness of seeds and bright colour. The commercial varieties, however, lack resistance to the bacterial blight. We have introduced disease-resistance traits from the wild varieties into the commercial varieties through hybridisation," explained Dr. Murthy. Under the project, 73 wild

varieties of pomegranate had been collected by the scientists for developing the new hybrid variety. The new hybrid variety may turn out to be a boon for pomegranate growers as over 60 per cent of the fruit crop is being lost every year in the country owing to bacterial blight. The loss level is very huge considering the fact that India accounts for about 110 million tonnes of pomegranate crop a year.

The disease-resistant variety is also bound to contribute to the environment-friendly cultivation of this crop by substantially reducing the quantum of pesticides being sprayed to protect it. At present, farmers spray pesticides for nearly 50 days of the 180-day fruiting period. Of this about 40 days of application of pesticide is for handling the bacterial blight alone, Dr. Murthy pointed out.

IIHR Director M.R. Dinesh noted that even as the bacterial blight-resistant variety was set to be taken up for multiple location trials, the further research on development of more disease-resistant varieties was on.

#### Atomic oxygen detected in Mars

Scientists have detected atomic oxygen in the atmosphere of Mars for the first time since the last observation 40 years ago.

These atoms were found in the upper layers of the Martian atmosphere known as the mesosphere. Atomic oxygen affects how other gases escape Mars and therefore has a significant impact on the planet's atmosphere.

An instrument onboard the Stratospheric Observatory for Infrared Astronomy (SOFIA) detected only about half the amount of oxygen expected, which may be due to variations in the Martian atmosphere.

Scientists will continue to use SOFIA to study these variations.

"Atomic oxygen in the Martian atmosphere is notoriously difficult to measure," said Pamela Marcum, SOFIA project scientist.

"To observe the far-infrared wavelengths needed to detect atomic oxygen, researchers must be above the majority of Earth's atmosphere and use highly sensitive instruments, in this case a spectrometer. SOFIA provides both capabilities," Ms. Marcum said.

#### Exotic heat-resistant gel: a spinoff from ISRO

A near-invisible silica gel that would serve as a thermal barrier in cryogenic fuel tanks, boot soles and sun films



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may sound like a magical product straight from a sci-fi. But it's a tangible reality that researchers of the Indian Space Research Organization at its Vikram Sarabhai Space Centre (VSSC), Thiruvananthapuram, have made possible.

The yet to be christened product, the hydrophobic silica aero gel as it is known now, is supposed to have low thermal conductivity and density and high specific surface area and can be applied on any surface.

With its "exotic properties," silica aero gels are attractive candidates for many unique thermal, optical, acoustic, catalytic and chemical applications and are best known for their "super-insulating property."

Silica aero gels can be made in chunks (granular), beads, powder and tape or sheet form, and may be used as the application demands, according to VSSC.

As air fills the gel up to 95 per cent of its size, it comes as super lightweight material. The air molecules trapped inside the gel would act as insulators, and its heat conductivity is close to zero. They could be used for coating the windows of houses and vehicles as they would let in 95 per cent of the light that falls on the surface and fully deflect the heat.

"The researchers stumbled upon the exotic properties of the gel during their search for a super thermal insulator for the cryogenic fuel tanks of rockets. The temperature on the surface of the rockets is likely to be between 300 and 400 degree Celsius during its flight, and the cryogenic fuel needs to be insulated. Thus, the gel was developed," explained K. Sivan, director, VSSC.

As the gel acts as a thermal barrier, it could be used as a protective component of clothes and boots of soldiers stationed in extremely cold regions such as Siachen and Kargil. The weight of military clothes could be brought down to ordinary dresses after applying the gel over it thus giving the much required freedom of movement for the soldiers. To coat a jacket may require around 500 grams of gel. "Discussions are on with some textile developers for the design of cloths by applying gel over it," said Dr. Sivan.

"Besides apparel for soldiers, the gel could also be used for heavy duty dresses used by researchers working in Arctic/Antarctic expeditions. For insulating cryogenic fuel tanks, 2.8 kg of gel is required. It needs to be produced in large quantities for commercial use and discussions are on with some entrepreneurs," he explained.

"ISRO has offered the knowhow of the technology to suitable entrepreneurs in India and the benefits from the transfer of technology would go to the country," he said.

The other applications of the material include acoustic insulations, building and pipeline insulation and window facades as translucent panels which allow natural light but not heat for hot areas where air conditioners are and trapping heat in cold places.

It would also be used for controlling oil spills and vibration. Other applications include acoustic damping materials and insulation in refrigerators, fillers or additives in paints, sealants, adhesives, cement, coatings, foams, and for increasing the heat resistance of the material, according to VSSC sources.

#### 'Noise net' could save birds and aircraft

Introducing a noise net around airfields that emit sound levels equivalent to those of a conversation in a busy restaurant could prevent collisions between birds and aircraft, saving lives and billions in damages, new research has found.

Filling a controlled area with acoustic noise around an airfield, where the majority of collisions tend to take place, can reduce the number of birds in the area by 80 per cent, the findings showed.

"We are using a different kind of deterrent — trying to stop birds from hearing one another by playing a noise that is at the same pitch as the alarm calls or predator noises they are listening out for," said lead researcher John Swaddle, professor of biology at College of William and Mary in Williamsburg, U.S.

"By playing a noise at the same pitch, we mask those sounds, making the area much riskier for the birds to occupy. The birds don't like it and leave the area around the airfields," Mr. Swaddle noted.

The researchers set up speakers and amplifiers in three areas of an airfield in Virginia and observed bird abundance over eight weeks, the first four weeks without noise and the second four with the noise turned on. Results showed a large decrease in the number of birds in the 'sonic net' and areas just outside and found that it was particularly effective at deterring a number of species that were at high risk of bird strike such as starlings.

#### Prior research

"We conducted prior research in an aviary but this is the first study done out in the field to show the efficacy of sonic net," Mr. Swaddle, who is also a visiting research associate at University of Exeter in Britain, said.

#### Gilead gets patent for Hepatitis C drug Solvadi





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In direct contradiction to its earlier order, the Controller General of Patents, Designs and Trademark granted American pharmaceutical company Gilead Sciences the patent for the blockbuster Hepatitis C drug Sofosbuvir (brand name Sovaldi) in India.

An application for the same patent was first rejected in January 2015 as lacking inventiveness and novelty.

On Monday, however, the patent office dismissed all pre-grant oppositions and stated that it found, "claimed compounds are novel, inventive and patentable under Patents Act."

The decision is a major blow to the access to drug movement, said Leena Menghaney, South Asia head of Médecins Sans Frontières (MSF).

"There has been excessive pressure building up on the Indian government to dilute the independent functioning of the patent office to ensure that patent claims are granted far more easily to U.S. firms. In the process, the patent office has completely ignored recent proceedings in the U.S. against Gilead regarding the same application which have been found to infringe two of Merck's patents, clearly defeating Gilead's claim that its application on the drug was novel," added Ms Menghaney.

"These are very scary times for the patient communities globally who rely on affordable generic medicines coming from India. The government's "Make in India" campaign seems to be only for foreign companies and not for Indian



generic industry which has been the lifeline for people across the world," said Loon Gangte with the Delhi Network of Positive People

#### **Application pending**

Another key application on sofosbuvir is pending before the Kolkata patent office and several oppositions to its grant have been filed by patient and public interest groups.

Stating that the case had been decided outside the merit of the technical and legal issues, Tahir Amin Co-Founder and Director of Intellectual Property Initiative for Medicines, Access & Knowledge (I-MAK) said that the organi-

sation would appeal against the decision.

"The Indian patent office has had to deal with a lot of external influences around this case, especially since the initial decision last year. Clearly the decision has been taken outside the realm of the patent office. The decision has not been reasoned properly and there are a lot of discrepancies. The interpretation of the law as it is intended has not been applied and we will be appealing against it."

#### **'Plant kingdom faces increasing threats'**

Britain's Royal Botanic Gardens warned on Tuesday of the threats facing the world's plant kingdom in the first global report of its kind aimed at drawing attention to often-overlooked species.

The "State of the World's Plants" report was drawn up by botanists at the Kew Gardens research centre in west London, which has one of the world's largest collections in its greenhouses and sprawling gardens.

"There has never been a State of the World's Plants," said Kathy Willis, science director at Kew Gardens.

#### **Global reference**

The 80-page report is intended to become a database and global reference point as it will be published annually and allow for comparisons on preserving the world's plants. "This has been a huge undertaking... We engaged with more than 80 scientists to pull this together," said Steve Bachman, one of the report's authors.

More than 391,000 species of vascular plants, a large group of plants which conduct water and minerals, have been registered around the world.

Every year around 2,000 additional species are discovered -- mainly in Australia, Brazil or China.

Some 17,810 plant species have a medical use, 5,538 are food and 3,649 are animal feed, Kew Gardens said.

All the more reason to preserve them, Willis said.

But raising public awareness can be more complicated than warning about threats to African elephants, Bengal tigers or even tropical rainforests.

The threats to the plant kingdom come, above all, from farming. House building, diseases and pesticides are also top killers, the report said, with climate change only playing a marginal role for the moment.

But Willis said it may take until 2030 before the impact of climate change can really be monitored.

"For most of the major groups of plants we're talking about, it takes at least 10, 20, 30 years before the next generation starts to produce flowers and pollen," she said.

Past studies have estimated that 10 percent of the world's



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plant species are threatened with extinction — others give the alarming figure of 62 percent. Kew Gardens gave an estimate of 21 percent.

#### Fuel loading begins at Unit II of Kudankulam nuclear plant

Power generation in the second reactor of the Kudankulam Nuclear Power Project is likely to commence before the first week of June as loading of enriched uranium fuel in the reactor began on Wednesday night.

Sources in the KKNPP told The Hindu that robotic loading of 163 enriched uranium fuel assemblies, each measuring about 4.57 meters and weighing about 705 Kg, began on Wednesday and the exercise was likely to be completed in 10 days.

#### 'Hot run'

"If it is completed as planned, the reactor will be ready for criticality, which will be taken up after getting mandatory nod from the Atomic Energy Regulatory Board," the sources said.

After preparing the second 1,000-MWE VVER reactor, being built with Russian assistance, for the 'hot run', the KKNPP started the exercise last year. During this test, the second reactor, its associated closed primary coolant pipelines, secondary coolant circuits, and the concrete reactor containment building demonstrated the strength and integrity prior to reactor start-up.

The reactor pressure vessel, the main coolant pipelines and every part of the reactor were tested during the 'hot run' by sophisticated robotic systems to ascertain whether these could withstand extreme factors as per the design specifications.

After an analysis by the Russian and KKNPP experts and the representatives of AERB at the KKNPP complex, the data obtained during the 'hot run' and subsequent inspections were forwarded to the AERB for its final nod for removing the dummy fuel assemblies and loading the 163 uranium fuel assemblies.

Since the experts were satisfied with the hot run data, the dummy fuel assemblies were removed and the AERB gave permission for actual fuel loading.

#### Safeguards

Officials added that this was the first nuclear power plant in the world where the post-Fukushima safety enhancement requirements had been implemented and were being operated successfully.

Russia is building the KKNPP under a 1988 intergovernmental agreement. Unit 1 of KKNPP, India's most powerful nuclear reactor till date, was commissioned in autumn 2013 and was restarted after a scheduled pre-

ventive maintenance on June 23, 2015. India and Russia had agreed to set up six VVER-1000 type reactors of 1000MW each at Kudankulam to be supplied by Rosatom State Corporation of Russia.

Russians have emphasised that theirs is the only active civil nuclear cooperation as nuclear cooperation with the U.S. and France has been repeatedly delayed.

#### Oligocene fossils can explain anthropoid distribution, say experts

The climate change that occurred about 34 million years ago may hold the reason as to why humans originated in Africa and not in Asia. More specifically, the deterioration of climate marking the Eocene-Oligocene Transition (which occurred about 34 million years ago) could have acted as an evolutionary filter, allowing different types of primates to evolve in Africa as compared to Asia. The ensuing dominance of the subset of primates known as anthropoids in African regions must have led to the evolution of humans there, according to a paper in Science. Therefore, even though the earliest primate fossils have been found in Asia, the actual evolution of humans took place in Africa.

The geological calendar relating to the evolution of primates and humans encompasses the so-called periods of which two are of interest here — the Paleogene and the Neogene. The Paleogene, which lasted over 43 million years, beginning 66 million years ago (mya) and ending about 23 mya, was the time when mammals evolved from simpler forms. This was followed by the Neogene period (starting from the end of Paleogene to about 2.5 mya) during which time early humans evolved.

The Paleogene itself is divided into three epochs: the Paleocene, Eocene and Oligocene.

Nearly 55 mya, the earth suffered a global increase in temperature of about 5 degrees Celsius. This is known as the Paleocene-Eocene Thermal Maximum. During this, the primates, from a subset of which humans eventually evolved, being highly sensitive to temperature changes, migrated from their place of origin in lower latitudes, to the northern land regions. Subsequently, temperatures fell during the Eocene-Oligocene Transition. Marking this was a deterioration of climate which caused these primates to again retreat to lower latitudes.

#### Asian anthropoids

In a paper published in Science, Xijun Ni and co-workers study a recently discovered set of fossils of primates from the early Oligocene period found in the Yunnan province of southern China. These fossils point to an African origin of humans in the Neogene period, even though anthro-





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poids originated in Asia.

“The global climate deterioration, which happened 34 million years ago, changed the fate of anthropoids. We suggest that this global climate deterioration is an evolutionary filter for primates,” says Xijun Ni in an email to this correspondent. The authors find that of the six fossils studied, only one is an anthropoid. Earlier known records of primate fossils from the Late Eocene period from China, Myanmar and Thailand have shown a domination of stem anthropoids. So the lack of anthropoids in the set of fossils discovered now, which date later geologically, could be attributed to the filtering mechanism caused by lowering of temperature and deterioration of climate that marked the Eocene-Oligocene Transition, the authors infer.

Dr Ni clarifies, “In Asia, this [evolutionary] filter removed most of the anthropoids but left lemur-like primates. In Africa, the effect of this filter is on the opposite side. It removed most of the lemur-like primates but gave anthropoids more opportunities. After the filtering, the evolutionary center of anthropoids moved from Asia to Africa.”

They also consider a fossil collection from Pakistan, dated at a late early-Oligocene and find evidence of a few primates. However, these were identified as belonging to those species of small-bodied primates which did not evolve into humans later.

In a complementary manner, the late Eocene-early Oligocene primates from the Afro-Arabian region had shown a very different response to the Eocene-Oligocene Transition. There the anthropoids diversified “taxonomically and ecologically,” leading to the eventual evolution of humans in the Neogene period.

### Asian waterbird census data causes mixed feelings

A quarter century of ornithological observations of wetland birds of Kerala come with a mixed bag of joy and despair for birders.

At a time when the wetlands of the State are facing multi-pronged threats, the population of a few bird species has been found soaring whereas some others have nose-dived in the population chart. Researchers focused their attention on the data generated from the four Ramsar sites of the State - Sasthamkotta Lake, Ashtamudi Lake, Vembanad Lake and Kole Wetlands - and also the other important wetland habitats to get a bird's eye view of the population trends of wetland avian fauna.

The brightly coloured purple swamphen is one species that have thrived amidst widespread destruction of its

habitats. Its population trend analysis demonstrated that the species has increased in Kerala during the last decade.

Ornithologists arrived at the conclusion after evaluating the bird data picked up from the Asian Water bird Census (AWC) held between 1987 and 2014. The annual census, coordinated by Wetlands International, also happens to be the first country-wide citizen science activity on natural history in India. An influx of Eurasian coot, which was an added to the list of Kerala birds during the late 1980s, has been reported in the State during winter season, noted P.O. Nameer of Kerala Agricultural University, the lead author of the population assessment paper.

The painted stork, earlier evaluated as a vagrant visitor to wetlands of Malabar and south Kerala has spread beyond the region they are generally found predicted ornithologists, after taking into account the reports of its sightings in other parts of the State.

The population of Asian Openbill, extremely rare during the 1970s, has remarkably increased since 2001, with at least four census reporting the presence of more than 3,000 birds. So is the case of Eurasian spoonbill as there have been several reports of sighting of large flocks from Kole Wetlands, Vembanad Lake and Kuttanad Wetlands. Same is the case with blackheaded Ibis.

Indian spotbilled duck, glossy ibis, oriental darter, Asian woollyneck and spotbilled pelican recorded increased presence whereas the population of the river terns and cormorants remained stable.

But the bird group of terns underwent a steady decline over the years. From the nearly 30,000-strong population in 1993-94, it had plummeted to just near 10,000 in the last decade. The loss of estuarine habitat like Purathur in Malappuram district and disturbances in other estuaries might have contributed to this decline. The decline was evident in the relatively stable sites such as Kole Wetlands, rued the ornithologists.

The population of whiskered tern, which form the major chunk of the population of the terns in the State, too has fallen significantly. Gulls too painted a gloomy picture as they were sighted in lesser number during the past few censuses. The BirdLife International has recorded that 11 water bird species of Kerala come under the IUCN Red list threatened categories with the black bellied tern being one of the ‘Endangered’ waterbird species in Kerala.

The only report of black bellied tern during AWC was from the Kole Wetlands. great knot, a ‘vulnerable,’ trans-continental migrant, has been reported from four sites whereas the Asian woolly neck stork (another vulnerable species), has been reported from 44 wetlands across the



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State.

#### Threats identified

Demographic pressure, industrial development, pollution, urbanisation, agriculture and aquaculture and water transport have been adding pressure on the wetlands of the State.

Reclamation of wetlands and the aquatic ecosystems, which are often considered as wastelands, is spelling trouble to several taxa. The stake nets used for fishing removes a wide array of non-target organisms, which are functionally important to the aquatic environment. Destructive fishing practices are also taking a toll on the bird population, it was reported.

Unregulated fishing, reclamation of wetlands, dumping of solid waste and domestic sewage too posed threats to the wetlands of Kerala, according to ornithologists.

#### Remnants of El Nino holding up monsoon

The El Nino refers to a cyclical warming of the Central and Eastern Equatorial Pacific that frequently corresponds to a drought in India. The La Nina is the converse of the El Nino and brings good rains over the subcontinent.

Generally rain-bearing winds begin to be drawn across the equator by this time of the year.

These so-called cross equatorial flows haven't developed substantially for this time of the year and even the IMD doesn't yet have a clear explanation for this phenomenon.

While it has been steadily raining over Andamans — a meteorological thumb-rule that the monsoon is on track — they are likely to peter out because they aren't sufficiently fuelled by the cross-equatorial flows.

"There is a lag in the seasonal transition. Usually there are cyclones in May and we haven't seen one so far," said D.S. Pai, Chief forecaster, IMD. "Also, different models are showing different things and we are waiting and watching."

#### Pre-monsoon rains

There will be rains over Tamil Nadu and Kerala in and around June 1 but these would be pre-monsoon rains, Mr. Rajeevan added.

The IMD has an elaborate set of criteria to officially declare the monsoon's onset over Kerala. These include at least 8 of 14 specified locations in Kerala and Karnataka receiving a minimum quantity of rains over two days, and a specific range of land temperatures and windspeeds.

#### 'No change in forecast'

"We are not changing our forecast," said Mahesh Pala-

wat of Skymet, "because our model indicates consistent rain over Kerala beginning May 28. Also there have been instances in the past when IMD has declared monsoon even when some of their own parameters haven't been met. It's a subjective declaration."

In April, the IMD had said that India's monsoon rains would be "above normal" and 106 per cent of 89 cm. This is cheerful news on the back of two consecutive years of drought in 2014 and 2015 and severe water shortage in several parts of the country. Policy makers relying on a good monsoon to bolster economic growth and consumption.

#### Ken-Betwa project: Panel warns of dangers to ecology and animal life

A team of wildlife experts submitted a crucial report Monday, on which hinges the fate of the first-ever inter-State river linking project since India's independence. The submitted report — not yet public — warns of the dangers to the ecology and animal life due to the proposed Ken-Betwa project. The main feature of the project is a 230-km long canal connecting the Ken and Betwa rivers which will irrigate 3.5 lakh hectares of drought-prone Bundelkhand. However, it will also inundate about 400 of the 4300-hectare Panna Tiger reserve in Madhya Pradesh.

The report neither endorses nor disapproves of the Ken-Betwa project but notes that if the government were to go ahead it ought to ensure that the proposed canal does not hinder tiger movement and that there should be enough habitable forest land developed to compensate for the loss of tiger reserve land.

The Ken-Betwa river interlinking project is being vigorously promoted by the incumbent NDA government as the first in a series of projects to transfer surplus water from certain rivers into deficient ones and improve irrigation as well as hydropower availability.

Given the threat to the tiger reserve, the Environment Ministry, whose clearance is mandatory for the project, tasked the National Board for Wildlife (NBWL) with an expert analysis on the environmental impact.

#### 'Tough report'

"We have given a very tough report ... the terms of the committee were not to recommend a 'yes' or 'no' but to give a site report," said Raman Sukumar, NBWL member and part of a six-member team tasked to visit the site and assess the ecological and wildlife costs of the project. He didn't disclose the contents of the report.

Apart from threats to the tiger habitat, there are also threats to gharial, hyenas and vultures that live within the





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sanctuary.

Another expert confirmed to The Hindu that the report “had to strike a balance” between the need for irrigation and to preserve the ecology of the reserve, that is also now held as a model of tiger conservation. “No one can be happy about the project but the reality is that there is a Supreme Court directive to the government to implement the project,” he added.

The number of tigers in the reserve had plummeted from 25 in 2006 to zero in 2009, sparking national consternation. In conservation efforts in the seven years since, tigers from other reserves were relocated and are now believed to number 18.

#### **Dam’s height**

Discussions are still under way on whether the height of the proposed dam along the canal can be reduced to limit the extent of tiger reserve inundation. However, the project in its current form will not affect farmers in the vicinity of the river and portions of the tiger reserve that will be lost are not the territory of the resident big cats, said people familiar with the contents of the report.

The Environment Ministry’s go-ahead will enable the National Water Development Agency (NWDA), a Water Resources Ministry body, to begin work on the project.

“The MP government has already agreed to compensate twice the area that will be lost in the reserve, but reducing dam height will make the project unviable,” said S. Masood Hussain, Director General, NWDA.

#### **‘Ken-Betwa link will benefit tigers’**

The Union Water Resources Ministry, which is spearheading the Ken-Betwa river inter-linking project to irrigate six lakh hectares in Madhya Pradesh and Uttar Pradesh, has told the Union Environment Ministry that many measures are in place to ensure that territories and habitats of tigers and vultures in the region are not damaged.

The Ministry was responding to a report filed on Monday by wildlife experts, constituted by the National Board for Wildlife (NBWL), who warned of dangers to wildlife resident in the core region of the Panna tiger reserve.

The Hindu reported on the contents of the report on Monday.

NBWL clearance is necessary for the go-ahead and subsequent commissioning of the Rs 9,000-crore project that proposes to irrigate the drought-ravaged Bundelkhand region.

#### **‘New water bodies’**

The project involves building the 288-metre Daudhan

dam, and transfer of surplus water from the Ken river basin to the Betwa basin. This will submerge nearly 4,141 hectares of the Panna tiger reserve — held as model of tiger conservation after its numbers fell from 35 in 2006 to zero in 2009, and rose again to at least 18 after seven years of conservation — and could also mean that one tigress and her cub and some of the vultures resident in the area may have to adjust to new surroundings.

“On the contrary, water that will result in the region may lead to new water bodies that will draw herbivores and thus prey and carcasses for the tiger and the vultures,” said a source in the Water Ministry.

The Madhya Pradesh government had promised 8,000 hectares of alternate forest land as compensation and much of it — currently barren — would be replenished with vegetation that had once existed in the region, the source added.

“There will be some inconvenience to wildlife but we are watering 6.35 lakh hectares and improving the lot of nearly 70 lakh people...I think the cost and benefit is evident,” said another official.

#### **Experts unconvinced**

Wildlife experts aren’t convinced. Raghu Chundawat, conservation biologist who has worked on tiger conservation in Madhya Pradesh, says the project will not channel water to drought prone regions of Bundelkhand.

#### **India lauded for Red Line Campaign on antibiotics**

India’s idea of putting a red line on antibiotic packages to curb their over-the-counter sale is now being cited as a model that can be used globally to counter the rising threat of superbugs.

In its final report on tackling drug resistant infection released on May 19, the global Review on Antimicrobial Resistance — commissioned by U.K. Prime Minister David Cameron in 2014 and chaired by economist Jim O’Neill — says India has led the way so far with its idea of a ‘Red Line Campaign’ for antibiotics packaging, launched earlier this year, and should be considered as a starting point. It recommends that the labelling and symbols used can be improved if needed and then expanded globally.

“Common labelling standards of this type could become a condition of sale of antibiotics around the world,” the report notes, while stressing that convincing people to stop using antibiotics would not be effective unless they recognise antibiotics. “Labelling of antimicrobials, especially antibiotics, is crucial. We call on governments and international health organisations to agree on global labelling



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standards," it adds.

#### **Launched in February**

India's Red Line campaign, launched in February this year, began marking prescription-only antibiotics with a red line to curb their irrational use and create awareness on the dangers of taking antibiotics without being prescribed. The report says laws prevent sale of antibiotics and other antimicrobials over-the-counter, but these may be weakly enforced in some countries and non-existent in many.

It says 20-30 per cent of antibiotics are consumed without prescription in south and east Europe, and up to 100 per cent in parts of Africa.

It is still early in India to map the impact of the Red Line initiative, but experts see better awareness. "The government has backed it up with a communication campaign that says a Red Line medicine should not be taken without prescription," Dr. Kamini Walia, who heads the Indian Council of Medical Research's (ICMR) antibiotic stewardship programme and antimicrobials, said.

She added the campaign must continue and have hard-hitting messages like those used for tobacco, and side-effects of over-prescribing should also be highlighted.

#### **NASA's Valkyrie robots set the table for life on Mars**

Four sister robots built by NASA could be pioneers in the colonisation of Mars, part of an advance construction team that sets up a habitat for more fragile human explorers. But first they're finding new homes on Earth and engineers to hone their skills.

The space agency has kept one Valkyrie robot at its birthplace, the Johnson Space Center in Houston. It has loaned three others to universities in Massachusetts and Scotland so professors and students can tinker with the six-foot-tall, 136-kg humanoids and make them more autonomous.

One of the robots, nicknamed Val, still hasn't quite harmonised its 28 torque-controlled joints and nearly 200 sensors after arriving at a robotics centre at the University of Massachusetts-Lowell.

Engineering students let the electricity-powered robot down from a harness and tried to let it walk, only to watch as Val's legs awkwardly lurched and locked into a ballet pose.

"That doesn't look good," said Taskin Padir, a professor at Northeastern University, noting Val's \$2-million price tag.

Northeastern and UMass-Lowell are partnering on a two-

year project to improve the robot's software and test its ability to manipulate tools, climb a ladder and perform high-level tasks.

NASA originally designed Valkyrie several years ago to compete in the disaster-relief robotics contest hosted by the U.S. military's Defence Advanced Research Projects Agency, but now it's looking for outside expertise to craft her into a kind of space mechanic. NASA shipped two other Valkyries to the Massachusetts Institute of Technology and the University of Edinburgh in Scotland.

This is not yet the stuff of *The Martian*, the Hollywood blockbuster about surviving on the Red Planet.

For one thing, the tiny holes that prevent Val from overheating could get clogged up by spiralling Martian dust. But a sturdier exterior will come later.

There are still another two decades before NASA aims to land humans on Mars in the mid-2030s, said Johnson Space Center spokesman Jay Bolden. Now is the time, he said, to build the computer code that will make the robots useful in hostile environments. If not the Valkyries, it will be their descendants serving as the android vanguard that could make human life possible on Mars.

#### **Clear communication**

"It needs to be able to communicate back to Earth, very clearly and concisely, what's going on," said Holly Yanco, a computer science professor who directs UMass-Lowell's robotics centre and is an expert on human-robot interactions.

A time delay between communications from Earth to Mars means humans won't be able to remotely control robots that will need to build structures and do emergency repair work.

There's a huge step between NASA's robotic rover Curiosity, which landed on Mars in 2012, and the capabilities of a robot such as Valkyrie, said Robert Platt, an assistant professor at Northeastern University who is part of the research team.

"The rovers get their instructions uploaded at the beginning of the day," Mr. Platt said.

"Those instructions amount to, 'Go over there,' or, 'Check out that rock.'

It's a completely different ballgame when the job for the day is to assemble a couple of habitats."

A number of technological advancements, from faster computers to better machine-learning algorithms, will soon make it possible for a robot such as Valkyrie to perform such tasks, Mr. Platt said.

"Robotics has been making tremendous strides in the past five years. Drones, autonomous vehicles," he said.





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"It's one of those situations where you work on the same problem for decades and decades, and something finally starts to happen. Maybe this is that time." — AP

#### Age of the digital dawns on Indian IT industry

The Indian Information Technology (IT) services industry, which has been through a roller coaster ride since the 2008 financial crisis hit it hard, is transitioning to the digital age for growth given the strategic position in which technology companies are placed in the IT spectrum.

Infosys, for example, which had been through a few troughs in the recent past, is on a turnaround under the leadership of Vishal Sikka, its Chief Executive Officer (CEO) and Managing Director (MD). With his strategy of 'Renew and new,' the bellwether is now focusing on digital technologies. Optimism seems to be high given the opportunities in digital technologies that IT companies are best placed to exploit. The ability to visualise uses for new digital technologies combined with execution capability is driving opportunities for the industry.

"In the current digital business front, the sourcing model is changing. Clients are looking at IT services firms as partners with whom they can work and can do more co-discovery, co-sourcing and co-innovation," said Partha Iyengar, Vice President, Gartner.

#### Consulting

Gordon Coburn, President, Cognizant, recently told The Hindu that the company's combination of investment in consultants and the retraining of its employees in digital technologies is bearing fruit now. Consultants help clients understand what technology can do for them and as to how a technology vendor can help implement the same. Retrained employees from the technical teams help execute the project, typically. Clients find this attractive since their technology investments in the past and returns from them have reached a plateau. The only way for some of these large spenders to move forward is to devise dramatically new ways to engage their own end-users. In today's economic environment, cutting costs is as critical as enabling new revenue. "Clients want savings from the way they run their business and then use those savings to invest in new ways to change their business" said Mr. Coburn.

#### Digital spend

According to Gartner, of the total IT spend of about \$ 3.54 trillion in 2016, IT services is expected to be about \$929 billion, fuelled by digital technologies. Digital technolo-

gies are certainly more mainstream today than five years ago. But they still do not account for a major portion of IT services revenue, yet. For TCS, in the last fiscal, digital revenues grew 52.2 per cent due to faster adoption of digital solutions. Infosys is concentrating on digital solutions through its platform business. The company has announced an ambitious plan of achieving \$20 billion revenue by 2020 of which \$2 billion would be from 'next generation' services. Under the new leadership of Abidali Neemuchwala, billionaire Azim Premji-promoted Wipro has also embarked on a new journey equipped with six themes, including digital. "Our vision of the digital business across advisory, design and technology is securing mindshare amongst existing and new customers. We believe consulting capabilities in business and IT strategy, functional and process excellence are critical to the advisory offering in digital," said Abidali Neemuchwala, CEO, Wipro.

#### Changes

HfS Research, an analyst firm, said in February it came across about 56 large outsourcing deals of which over 50 per cent are in the digital arena, including social, mobility, analytics, cloud, automation, security and IoT. The percentage of digital deals stood between 30 per cent and 40 per cent during the period between September and November 2015. But in the last three months, it has risen over the 40 per cent mark, the report said.

Hansa Iyengar, Senior Analyst - Large Enterprise Services, Ovum, a research organisation, said, "There is surely a lot of work being put out on the market. We have witnessed an increase in contract activity. Major markets like North America and Europe (U.K., Nordics, Germany) are showing an increase in the number of contracts coming up for renewal as well as new contracts coming to market."

#### Niche capability

With new technologies, niche players get an opportunity to gain experience. Large outsourcing companies lacking in expertise may need to either partner or acquire specialised players. Now, 'acqui-hire', or buyout of a company for skills of its staff is also gaining ground. Infosys' acquisition of Panaya and Skava, Wipro's buyout of Designit, Mindtree buying Magnet 360 and Cognizant buying US-based KBACE Technologies are examples. Funding start-ups, both external and internal, is gaining acceptance as giants value a nimble-footed culture. "We will see more collaboration between larger companies and start-ups that address niche needs," said P.N. Sudarshan, Senior Director, Financial Advisory, Deloitte.



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#### **In-sourcing**

With new technologies coming in faster than before, clients today realise that vendors are only a step ahead. This has given rise to the in-sourcing phenomenon. David Smoley, Chief Information Officer, AstraZeneca, said last month on a visit to India that the company's move to get technology operations in-house had resulted in annual IT costs dropping from \$ 1.3 billion in 2013 to \$ 900 million now.

Deal sizes are also dropping, moving to the \$75 million range from \$100 million-and-more. While this may worry major firms, smaller players see an opportunity. "There was a notion that dealing with large companies involves less risk than with smaller one. With the focus on digital and specialisation, smaller players are also getting a chance to compete with major players," said Rostow Ravanan, CEO and MD, Mindtree.

However, large deals have not disappeared. The challenge for large vendors will be to find ways to retain margins in smaller deals.

With the focus on digital and specialisation, smaller players are getting a chance to compete with the majors Rostow Ravanan, CEO and MD, Mindtree

HfS tracked 56 large outsourcing deals, in February, of which over 50 per cent were in the digital arena

#### **'Improved tech can cut emissions'**

Technology holds the key to achieving the government's goals of reducing carbon dioxide emissions and oil imports by 10 per cent and introducing BS-VI-compliant fuel across the country, according to Dharmendra Pradhan, Oil Minister.

"To reduce carbon dioxide emissions and oil imports, to be more energy efficient and to introduce BS-VI fuel, technology is a major way to do it," Mr. Pradhan said inaugurating Honeywell UOP's Recycle Hydrocracker Pilot Plant at Gurugram on Monday.

#### **New facility**

The facility is used to mimic a full-scale refinery's functioning on a smaller scale, thus allowing tests and new methods to be developed at a lower cost. "This pilot plant emulates a refinery unit," Anant Maheshwari, President, Honeywell India told The Hindu. "A refinery plant can be anywhere between tens to hundreds of millions of dollars of investment. The pilot plant that we are doing here, with the same amount of precision, is about a \$5 million investment."

The plant could prove particularly useful at a time when the country is looking to transition to less polluting fuel. The country has been running on BS-III fuel since 2010

with BS-IV currently being used in major cities.

#### **BS-VI deadline**

The Ministry of Petroleum and Natural Gas has set a deadline of 2017 by which time all the vehicles in the country must be BS-IV-compliant and 2020 for the rollout of BS-VI fuel.

"If we were looking at a new process or catalyst for BS-VI and low-sulphur diesel, we can do the testing here," Steven Gimre, Managing Director, UOP India said. "We can partner with companies here and they can provide us feedstock. So, if they want to know if their feedstock can meet product specifications, then they can send it to us and we can test it."

#### **Key clients**

"IOCL, BPCL, HPCL are our key clients," Mr. Gimre said. "IOCL is one of our biggest customers as a company and is one of the biggest refiners in the country."

Regarding the direct transition to BS-VI and the leapfrogging of BS-V — something car companies have pointed out as being a significant jump and difficult to implement — Mr. Gimre said the technology was available since it had already been implemented in Europe.

"From a technology standpoint, the (BS-VI) solutions are there," he said.

"For our customers, it is a matter of them deciding what to do in each refinery, how to apply the technology in each specific case."

#### **Growing usage**

Hydrocarbon usage in the country is growing rapidly and it is imperative that technology moves apace to ensure the damage to the environment is limited, he said.

#### **'Adopting BS-VI norms will make diesel vehicles costlier'**

The government's decision to leapfrog the Bharat Stage (BS)-V Emission Standards and implement the BS-VI norms by April 2020, four years ahead of the earlier schedule, will make diesel vehicles costlier by Rs.70,000 to Rs.1,50,000, according to a statement issued by ICRA Ratings.

The diesel segment is likely to witness a sizeable price increase due to introduction of additional components, the note said. This will make diesel passenger vehicles costlier (vis-à-vis petrol variants) and may deter demand for diesel vehicles, it added.

"The cost of petrol passenger vehicles may increase by 20,000-30,000 per vehicle, while the increase for diesel passenger vehicles could be in the range of Rs.75,000-100,000 per vehicle. For medium and heavy com-





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mercial vehicles, the cost differential is expected to be Rs.100,000-150,000 (or 10 per cent of current vehicle cost)," said Subrata Ray, Senior Group V-P, ICRA ratings. As diesel vehicles would require significant technology changes, the cost differential between petrol and diesel passenger vehicles would expand further. "This will widen the payback period for diesel vehicles," Mr. Ray said.

Price gap



The narrowing price gap between petrol and diesel, the recent ban on registration of diesel vehicles in the National Capital Region, along with the potential risk of restricting diesel-powered taxis could have significant implications for diesel investments by Original Equipment Manufacturers (OEMs), he said. ICRA Ratings said while availability of technology would not be an issue, the key challenge for OEMs would be adapting the available solutions to Indian market conditions in a short time-frame, in a cost-effective manner. Availability of BS-VI compliant fuel on nationwide basis by 2020 may be a challenge, it said.

#### Air pollution levels up by 8%: U.N. report

The United Nations Environment Assembly (UNEA) meeting at Nairobi noted that air pollution has increased by 8 per cent and progress and policies on air quality fall short of what is needed to save millions of lives each year.

The UNEA report "Actions on Air Quality", released on Tuesday, said the declining air quality across the globe was threatening to add to the seven million air pollution deaths across the world in what was described as a "global public health emergency."

#### Glaring gap

A snapshot on the actions on air quality taken by countries across different regions saw India figure high among those with stringent air quality laws and regulations but it was also among those countries where burning of both agricultural and municipal wastes is not regulated and

commonly practised.

This underlined the glaring gap between expression of intent and the ground that needs to be covered in implementing the policies.

While India was ranked among countries where major investments have been made in public transport in the last 5 years, it also figures among nations with neither low sulphur fuels (50 ppm) nor advanced vehicle emission standards, highlighting the dichotomy between intent and ground action.

#### Intent praised

The report noted that "India with major air quality challenges in many cities has established air quality laws besides regulation and implementation strategies for them."

The report comes close on the heels of World Health Organisation (WHO) findings which listed 13 of India's cities among the world's top 20 polluted cities. The United Nations Environment Programme (UNEP) Executive Director Achim Steiner spoke of "reclaiming our air" as more and more people around the world are affected by air pollution and the negative health affects.

More than 80 per cent of the people live in urban areas and are exposed to pollutants that exceed the WHO limits and have a bearing on lives, productivity and the economy of the countries concerned, according to the report.

#### Cost of mitigation

The cost of reducing air pollution in 2010 for India was pegged at \$0.5 trillion and \$1.4 trillion for China. However, on an optimistic note, the report said there have been improvements in access to cleaner cooking fuels and efforts point to a growing momentum for change.

The UNEA, reckoned to be the global environment parliament, is meeting at the UNEP headquarters in Nairobi for the second time with the broad agenda of implementation of the 2030 sustainable development goals that were adopted by the member nations in 2015.

#### India fifth largest producer of e-waste: Study

India, which has emerged as the world's second largest mobile market, is also the fifth largest producer of e-waste, discarding roughly 18.5 lakh tonnes of electronic waste each year, a study says.

Telecom equipment alone accounts for 12 per cent of the e-waste, a joint study by Assocham-KPMG said.

#### Matter of concern

The rising levels of e-waste generation in India have been a matter of concern in recent years. With more than



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100 crore mobile phones in circulation, nearly 25 per cent end up in e-waste annually, it said.

“India has surely emerged as the second largest mobile market with 1.03 billion subscribers, but also the fifth largest producer of e-waste in the world, discarding roughly 18.5 lakh metric tonnes of electronic waste each year, with telecom equipment alone accounting for 12 per cent of the e-waste,” the study said.

The Ministry of Environment, Forest and Climate Change has notified e-waste management rules, 2016, in which producers are for the first time covered under extended producers’ responsibility (EPR).

#### **Waste collection target**

The rules prescribe a waste collection target of 30 per cent waste generated under EPR for the first two years, progressively going up to 70 per cent in the seventh year of the rule.

The rules prescribe stringent financial penalties for non-compliance. However, the study said the unorganised sector in India is estimated to handle around 95 per cent of the e-waste produced in the country.

Given the huge user base and vast reach of telecom in India, it is practically difficult and expensive for the handset manufacturers to achieve the targets prescribed in the rules from first year, the study said.

#### **Phased manner**

“It is suggested that electronic waste collection targets are implemented in a phased manner with lower and practically achievable target limits. Also, detailed implementation procedures for collection of electronic waste from the market need to be followed,” the study said. — PTI

The country discards roughly 18.5 lakh tonnes of electronic waste each year, say researchers

#### **India to ‘export’ #TwitterSeva**

Micro-blogging platform Twitter is now considering the roll-out of the Twitter Seva service in other countries such as the U.K. and the UAE. This follows the success of the service, developed for the India market to help delivery of e-governance services.

#### **Large volumes**

Twitter Seva helps process a large volume of tweets and assigns them to the relevant authority for real-time resolution.

It is currently being used by Ministry of Commerce, Ministry of External Affairs and Ministry of Railways, besides the Bengaluru Police.

“Twitter Seva is an India-only product right now,” Raheel

Khursheed, Head of News, Government and Politics Partnerships at Twitter India, said in an interaction. He added, “It is probably now that it will go from India to other geographies like the U.K. and the UAE and a few countries that are excited to see this work here.”

#### **Made in India**

The product had been designed and developed in the country, and the processes that Twitter had built into it are ‘absolutely’ India exclusive, according to him.

Twitter India is also exploring the roll-out of the product with more ministries and state governments, he added.

“The objective is to inject this solution as a real-time service delivery and feedback-gathering mechanism...With the help of the Twitter dashboard, queries and complaints can be easily monitored and quick actions can be taken.

“The detailed analysis of the tweets also presents insights about their audience along with the receptiveness and impact of their tweets,” Mr Khursheed said.

Through the service, the Railway Ministry processes about 5,500 tweets per day, responding to any citizen query related to catering, cleanliness, or even urgent medical support on board a train.

Similarly, Ministry of External Affairs processes over 6,000 tweets in a month, while the number is over 40,000 per month for Commerce Ministry and over 3,000 in a month for Bengaluru Police.

Talking about the use of Twitter by the NDA-government, Mr. Khursheed said, “While the government is using Twitter to communicate what it wants to, it is also making a shift to (using the platform to) deliver services as well. This is not a coincidence... it is an innovation happening pretty much only in the Indian market.”

#### **Citizen connect**

Mr Khursheed added that in the two years of being in power, Prime Minister Modi’s following on Twitter has grown by 400 per cent from 4 million to 20 million followers, making him the most-followed political leader in India and second in the world after American President Barack Obama.

Further, 95 per cent of ministers in the ruling government are active on Twitter, according to him.

#### **New emission norms pose huge challenge: Srivats Ram**

The transition to Bharat Stage VI (BS-VI) emission norms for vehicles will pose a significant technological challenge, according to a top official of Wheels India.

Adaptation of Euro-VI norms to Bharat Stage VI (BS-VI) is not a minor challenge. It’s a significant technological





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development challenge, said Srivats Ram, Managing Director, Wheels India, a TVS Group Company.

Even for Europe, the transition from Euro 5 to Euro 6 norms took a lot of time, he said. "Technologies had to be adapted, innovations relating to manufacturing had to be done, and, more importantly, testing and validation to the new standards had to be performed," Mr. Srivats Ram pointed out.

The climatic conditions, driving habits and road conditions, leave alone fuel conditions and maintenance practices, were significantly different in India compared to Europe, he said.

#### **Innovation must**

Significant developments in terms of automotive technology and pace of innovation must happen first if the industry had to meet the target that had been set for BS-VI, he said.

The government recently announced that India would leapfrog from BS-IV emission norms that are now in force to the BS-VI norms by 2020. Introduced in 2000, the Bharat norms are emission control standards put in place by the government to check air pollution. Based on European regulations (Euro norms), these standards prescribe specifications/limits for the release of air pollutants from equipment using internal combustion engines, including vehicles. Implementation of the BS-V standard was originally scheduled for 2019. This has now been skipped. BS-VI, originally proposed to come in by 2024, has now been advanced to 2020 instead.

#### **Pricing concern**

To a question, he admitted that pricing was one of the concerns in adapting Bharat Stage VI norms. "With the new regulations, there are a lot of technological changes that need to be made in the vehicles which will have an impact on pricing. And that will not be an insignificant impact. The price part, however, is one part of the equation. But leaving aside the price part, the technology and the adaptation of technology to Indian road conditions need to be done," he said.

"Everything said, India is a price-sensitive market. They have to see how to adapt the technology to make it affordable," he said. To a specific question, he said "some of these features that we talk about have come about in the West only after the regulations have been announced." Be it Euro norms or crash test norms, vehicle firms in Europe started implementing these standards only after these had come into force.

"I don't think India in that sense is any different from any other market. The difference between India and the other markets is that other markets have had time to actually

develop the technology and implement it. India seems to be on a fast path judging by the current road map that has been laid out," he said.

There are a lot of technological changes that need to be made in the vehicles which will have an impact on pricing

### Thermal stress impacts corals in Indian waters

Coral ecosystem thriving in the Indian waters has come under severe stress with instances of coral bleaching being reported from islands of Lakshadweep and some parts of Andaman.

It is the thermal stress in the form of increase in Sea Surface Temperature (SST) during April that has proved disastrous for the corals.

While bleaching has been widely reported in the coral islands of Lakshadweep, some isolated incidents were reported from Andaman. Joint observations carried out by the National Institute of Ocean Technology, Chennai, and the Indian National Centre for Ocean Information Services (INCOIS), Hyderabad, confirmed the developments, said Satheesh Shenoi, director of the INCOIS.

#### **Sea surface temperature**

During the last couple of months, an increase in the Sea Surface Temperature was observed in the waters around the Andaman Islands, the Gulf of Mannar, and the Lakshadweep Islands. Following the observations, warning was sounded in these areas for coral bleaching. The in-situ observations carried out at North Bay, South Andaman revealed the primary signs of bleaching, according to a communication from the INCOIS.

"Coral bleaching takes place when the symbiotic relationship between algae (zooxanthellae) and their host corals breaks down under certain environmental stresses. This results in the host expelling their zooxanthellae. In the absence of symbiotic algae, the corals expose their white underlying calcium carbonate coral skeleton and the affected coral colony becomes pale in colour. Coral bleaching can be activated and persist during varied environmental stresses," explains a scientific document released by the Centre.

The SST was in the range of 32 degree Celsius when in situ temperature observations were made during the last week of April in Andaman coast. However, the rain following the development of a depression in the Bay of Bengal has brought down the SST thereby averting the massive incidents of bleaching, Dr. Shenoi explained.

There existed a strong trend for bleaching but not to an alarming level and only a few species were found to be



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vulnerable to the trend, he explained.

In Lakshadweep, bleaching was reported in the water around the islands of Kavarathy, Agathy and Bangaram. The damage to the coral ecosystem was reported as deep as 30 metres, according to Idrees Babu, a scientist of the Department of Science and Technology, Lakshadweep.

The SST in the Lakshadweep waters rose to 32 degree Celsius against the normal temperature of 25 degree Celsius. There has not been much rain in region except the scattered showers, said Mr. Babu.

The Lakshadweep region witnessed a massive destruction of corals in 1997 when around 85 per cent of the coral reef was destroyed.

#### Coral regeneration

Amidst growing concern about the impact of coral bleaching, scientists have also brought out some good news from the ocean depths of Andaman. The branching corals that were destroyed during the 2004 South Asian tsunami have started regenerating in the region. The impact of bleaching would be different in different species and some may take 10 years or longer to regenerate, Dr. Shenoi pointed out.

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## Misc. News and Events

### SC panel to monitor MCI

Endorsing a Parliamentary Standing Committee report of March 2016 that medical education and profession in the country is at its “lowest ebb” and suffering from “total system failure” due to corruption and decay, the Supreme Court on Monday used its rare and extraordinary powers under the Constitution to set up a three-member committee, headed by former Chief Justice of India R.M. Lodha, to oversee the functioning of the Medical Council of India (MCI) for at least a year.

A Constitution Bench, led by Justice Anil R. Dave, in a 165-page judgment, said that the apex court was constrained to exercise its extraordinary powers under Article 142 of the Constitution as the government had not acted on the report of the Parliamentary Standing Committee on Health and Family Welfare.

Its report on ‘The functioning of the Medical Council of India’ was tabled in Parliament on March 8, 2016.

The judgment referred to the parliamentary panel report, which described the MCI as an “ossified and opaque body” unable to cope with the “humongous” task of managing medical education in over 400 colleges across the country.

#### ‘Unethical practices up’

“Quality of medical education is at its lowest ebb, the right type of health professionals were not able to meet the basic health needs of the country. Products coming out of medical colleges are ill-prepared to serve in poor resource settings like Primary Health Centres. Graduates lacked competence in performing basic health care tasks. Unethical practices continued to grow. The MCI was not able to spearhead any serious reforms in medical education,” the judgment said, citing the panel report.

### Submarine lacks key weapon systems

Sixteen years after the Navy last inducted a submarine, it is set to commission a new line of conventional submarines by year end but for some time they will operate without their crucial weapon systems, torpedoes, procurement of which are yet again caught up in allegations of wrongdoings.

Kalvari, the first of Project-75 Scorpene submarines weighing about 1,600 tonnes, sailed out of Mumbai harbour on Sunday for sea trials and is scheduled to be commissioned into the Navy in September. However, the procurement of heavy weight torpedoes from Whitehead Alenia Sistemi Subacquel of Italy, a subsidiary of defence major Finmeccanica has been stuck due to the VVIP chopper scam and ongoing ban on the company and its subsidiaries. The Navy last inducted a conventional diesel-electric submarine, INS Sindhusashtra, procured from Russia in July 2000.

“During the next few months, the submarine will undergo a barrage of sea trials, including surface trials, diving trials, weapon trials, noise trials etc. which would test the submarine to the extremes of its intended operating envelop,” a senior officer said, terming the development a significant moment for the Navy.

#### Vigorous tests

As this is the first submarine in the series, the tests will be very rigorous and based on the observations the trials of the remaining submarines can be streamlined and accelerated, he added.

The remaining five submarines, being manufactured by Mazagaon Dock Limited are to be launched at nine-month intervals.

However all is not gloom for the submarines. In addition to torpedoes, they also carry charges and Exocet anti-ship cruise missiles launched from torpedo tubes. The Navy is critically short of submarines, the most potent Naval platforms.

There are 13 operational submarines and with regular maintenance and turnaround times the actual availability will be much less. In addition six of them are set to undergo extensive midlife upgrades, which takes about 2-3 years per boat, further cutting down the numbers.

### Obama may create monument to gay rights movement in U.S.

The White House is considering the creation of a national monument to the gay rights movement on a small piece of Greenwich Village parkland across the street from the Stonewall Inn, where a 1969 uprising helped inspire the push for equality, advocates said Tuesday.

Interior Secretary Sally Jewell and other federal officials are scheduled to attend a listening session next week in New York, during which supporters of such a park will make their case. The advocates include Sen. Kirsten E. Gillibrand and Rep. Jerrold Nadler, both Democrats from



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New York.

“We are excited about this, and we do think that the president should move forward on it,” said Kristen Brengel, the vice president for government affairs at the National Parks Conservation Association. The scheduled meeting was reported by The Washington Post .

Ms. Brengel said the National Park Service this week began a “reconnaissance survey” on the Greenwich Village land, known as Christopher Park, a routine step before making any recommendation to the president.

White House officials said no decision had been made. President Barack Obama has the power to create national parks and monuments, as he has done repeatedly during his two terms.

#### **1969 uprising**

The push to create a national park or monument near the Stonewall Inn is intended to recognize the protests that erupted at the Manhattan bar after the police raided it in summer 1969. Those spontaneous protests by gay men who frequented the bar are viewed by many as the beginning of the modern gay rights movement.

The bar has been granted landmark status by the city, even as it continues to serve as a watering hole that caters not only to the area’s gay residents, but also to tourists from around the world, gay or straight.

#### **Deserves remembrance**

“Stonewall deserves to be remembered,” said Brian Sullivan, a former bartender at the tavern who returns almost daily. “When I started coming here, gay people were disowned by their families, so this is the place where we formed a new gay family of our own.”

Mr. Sullivan, 57, leaned against the bar’s redbrick edifice as he recalled some of the history he had witnessed there, from harrowing police raids to resolute speeches by the drag queen Marsha P. Johnson.

“This is the mecca; it’s where it all started,” he said.

Chad Walter, a market researcher who plays for the Stonewall billiards team, said he hoped a monument would strengthen the continuing gay rights movement.

“People are still being discriminated against all across the country,” Mr. Walter, 39, said. “This adds legitimacy; it tells people that even the government agrees this movement is important and historic.”

Advocates of creating a national park near the Stonewall Inn have been working to build support for years. They are hoping that members of the public will turn out at the meeting next week to encourage Obama to act before he leaves office in January. The Parks Conservation Association has collected about 20,000 signatures on peti-

tions that have been sent to the White House.

But even as advocates are urging the president to act, New York lawmakers — led by Ms. Gillibrand and Mr. Nadler — are trying to build support for legislation that could create the national park if the president chooses not to.

#### **Good progress**

Marc Brumer, a spokesman for Ms. Gillibrand, said they were making “good progress” on the legislation, which he said had recently picked up support from Sen. Mark S. Kirk.

“Whether it’s the right to marry the person you love, or the repeal of ‘don’t ask, don’t tell,’ we’ve come so far in the push for equal rights,” Ms. Gillibrand said in a statement. “It’s past due for a national monument honouring the legacy and events that took place at Stonewall and the LGBT rights movement in our country.” — New York Times News Service

#### **India ready to import gas for idle power plants, says Goyal**

The government is ready to import at least 70 to 80 million metric standard cubic metres (mmscm) of natural gas for India’s idle gas-based power plants if it can secure long-term ‘affordable’ rates, Piyush Goyal, Minister of Power, said. “This will enable India to operate its idle gas-based power capacity,” Mr. Goyal said addressing a conference on ‘The Future of Electricity’. Obtaining the required gas will lead to the re-starting of 20,000 MW of idle power capacity in India. The minister recently visited Australia and secured assurances for gas supply at \$5 per mmbtu but suppliers were not willing to sign long-term contracts. “If the government gets gas at \$5 per mmbtu, gives custom duty waiver, reduces marketing margins and gas transportation charges by half and reduces inter state transmission charges to zero, the industry will be able to absorb the price” Sushil Maroo, MD & CEO, Essar Power Limited, told The Hindu .

As to what ‘affordable’ price sellers would agree to for long-term contracts, Anish De, Partner, KPMG, said, “The international market is oversupplied on gas.”

Adding that this could go on for five years or more, he said, “Earlier, suppliers were not looking at long-term contracts in the region of 7-10 years, he said. “They might look at it now.”

#### **Indian Railways sets up directorates**

Indian Railways established two new directorates to deal with mobility and non-fare revenue issues, as announced





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by Railway Minister Suresh Prabhu in this year's Rail Budget.

The directorates would focus on enhancing the average speed of trains and boost non-fare revenues by 10 to 20 per cent under the direct supervision of Railway Board Chairman A.K. Mittal. The mobility directorate will be tasked with identifying train corridors where speed can be increased on a priority basis and monitoring capacity enhancement measures, among other things. The non-fare revenue directorate will focus on mopping up non-fare revenues through advertising, monetising land along rail tracks and manufacturing to generate non-fare revenues.

The Indian Railways has set an aim to increase the average speed for freight trains by five kilometres per hour this year. At present, the average speed of freight trains is 25 km per hour, passenger trains 35 km per hour, mail express 50 km per hour and super fast express trains 70-80 km per hour, Railway Board Chairman A.K. Mittal had said last month.

### Han Kang is first South Korean to win Man Booker fiction prize

South Korean author Han Kang won the Man Booker International Prize on Monday, sharing the £50,000 (Rs. 43.34 lakh) award with her translator — who had only taught herself Korean three years before.

Han Kang, 45, an author and creative writing teacher who is already successful in South Korea, is likely to enjoy a spike in international sales following the win for *The Vegetarian*.

"I'm so honoured" she said. "The work features a protagonist who wants to become a plant, and to leave the human race to save her from the dark side of human nature. "Through this extreme narrative I felt I could question... the difficult question of being human."

She was the first South Korean to win the prize.

Described as "lyrical and lacerating" by chairman of the judges Boyd Tonkin, the tale traces the story of an ordinary woman's rejection of convention from three different perspectives.

#### Unanimous choice

It was picked unanimously by the panel of five judges, beating six other novels including *The Story of the Lost Child* by Italian sensation Elena Ferrante and *A Strangeness in My Mind* by Turkey's Orhan Pamuk.

"This is a book of tenderness and terror," Mr. Tonkin told guests at the award ceremony dinner at the Victoria and Albert Museum in London.

Han Kang's first book to appear in English, *The Vegetarian* was described by newspaper *The Guardian* as a shock to the system.

"Across the three parts, we are pressed up against a society's most inflexible structures — expectations of behaviour, the workings of institutions — and we watch them fail one by one," Daniel Hahn wrote in a review.

#### 'Climbing a mountain'

For the first time this year, the award went jointly to the translator, Deborah Smith, 28, who only started learning Korean three years before she embarked on the translation.

"This was the first book that I ever translated, and the best possible thing that can happen to a translator has just happened to me," an emotional Ms. Smith said.

"When I was 22 I decided to teach myself Korean... I felt that I was limited by only being able to speak English. I'd always read a lot of translations, and you get the sense of this whole world being out there, very different perspectives, different stories," she said.

"It felt as though I looked up almost every other word in the dictionary. It felt a bit like climbing a mountain. But at the same time just falling into this world that was so atmospheric and disturbing and moving — it was a wonderful experience."

The international edition of Britain's Man Booker Prize was introduced in 2005 and up to now has been awarded in recognition of a body of work by a living author whose work was written or available in English.

But from this year, it will be presented annually for a single work of fiction that has been translated into English and published in Britain.

Once the poor relation in the English-language literary world, translations are becoming increasingly popular.

#### Translated fiction sales up

New research by Nielsen for the prize organisers revealed physical book sales of translated fiction in Britain rose 96 percent between 2001 and 2016, despite the market as a whole falling over that period.

Translated fiction is still a small genre, representing just 1.5 percent of fiction and 3.5 percent of literary fiction, but it provided five per cent of fiction sales and seven per cent of literary fiction sales last year.

Growth in translated Korean fiction in Britain was particularly strong.

### NAAC new ranking system from July 1

Starting this July, educational institutions across the country will be assessed for accreditation on a different ranking system by the National Assessment and Accredi-



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tation Council (NAAC).

Institutions, which are currently clumped together as part of the four-point ranking system of the NAAC, in spite of having varying Cumulative Grade Point Average (CGPA) scores, will have reason to cheer as the Bengaluru headquartered NAAC is introducing a new 7 point system.

CGPA scores and the rating given to colleges and universities by the NAAC help the higher educational institutions get funding from the UGC. In the current 4 point system, it was found that two institutions with a CGPA of 3.1 and 3.5 were ranked in the same category. From July 1, however, the new system, which ranks institutions with CGPA scores ranging between 1.51 and 4.00 in seven scales, will be implemented. For those institutions which have CGPA scores of 1.50 or less, there will be no accreditation by the NAAC.

“Earlier, there was a 9 point system which was then revamped to a 4 point system. However, it was noticed that several institutions with varying scores were being clumped together and so the new system is being introduced,” a senior NAAC official said. The new system will also assign a letter grade instead of the earlier descriptions of the institutions performance like Very Good, Good, Satisfactory and Unsatisfactory. In place of these descriptors, a letter grade (A++, A+, A, B++ etc) will be assigned. “To reflect the institutions performance levels more distinctively as recommended and approved by the Executive Committee of NAAC, the grading system has now been changed to a seven point system,” said D.P. Singh, NAAC Director.

Institutions for which visits will take place from July 1 will be graded as per the new system while those already accredited in the earlier system will continue with the same status till the validity of their assessment period, a statement from NAAC said.

### Prithvi-II test-fired successfully

India on Wednesday successfully test-fired its indigenously developed nuclear capable Prithvi-II missile as part of a user trial by the army from a test range at Chandipur in Odisha.

The trial of the surface-to-surface missile was carried out from a mobile launcher from launch complex-3 of the Integrated Test Range at around 09.40 hrs., defence sources said.

Sources said there was a plan for two trials of Prithvi-II in quick succession. However, after the successful trial of the first one, the second trial was abandoned due to technical problem, they said.

A similar twin trial was conducted on October 12, 2009

from the same base where both were successful.

### Strike range

With a strike range of 350 km, the Prithvi-II is capable of carrying 500 kg to 1,000 kg of warheads and is thrust by liquid propulsion twin engines. It uses advanced inertial guidance system with manoeuvring trajectory to hit its target.



The missile was randomly chosen from the production stock and the entire launch activities were carried out by the specially formed strategic force command (SFC) and monitored by the scientists of Defence Research and Development Organisation (DRDO) as part of training exercise, a defence scientist said.

“The missile trajectory was tracked by the DRDO radars, electro-optical tracking systems and telemetry stations located along the coast of Odisha,” informed sources said. The downrange teams on board the ship deployed near the designated impact point in the Bay of Bengal monitored the terminal events and splashdown.

Inducted into the armed forces in 2003, the nine-metre-tall, single-stage, liquid-fuelled Prithvi-II is the first missile to be developed by the DRDO under the Integrated Guided Missile Development Programme, defence sources said.

### IAF test-fires land-attack version of BrahMos

The Indian Air Force on Friday successfully test-fired a land-attack version of the supersonic cruise missile, BrahMos, in the western sector.

The flight-trial which took place in a firing range in the western sector, met its mission parameters, a BrahMos





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press release said. The missile destroyed a designated target.

Its accuracy in mountain warfare mode was re-established during a campaign by the Army in the eastern sector last year and repeated last month.

The missile system “has empowered all the three wings of the armed forces with anti-ship and land-attack capability,” the release said.

It quoted Sudhir Mishra, Chief Executive Officer and Managing Director of BrahMos Aerospace, as saying, “BrahMos has proved its mettle once again as the best supersonic cruise missile system in the world.”

This brings to light that the IAF too has been equipped with the land-attack version of BrahMos, which flies at a supersonic speed of Mach 3 (that is, three times the speed of sound). The Navy and the Army have already deployed the two-stage missile, which has a range of 290 km.

Asked why the IAF should fire a land-attack version of BrahMos, informed sources said two squadrons had already been equipped with the version. (One squadron has about 70 to 80 missiles) The IAF had deployed the missile in the border areas to take out the enemy’s communication towers, runways, and radar in case of a conflict, the sources said.

The IAF is preparing to fire the air version of BrahMos from its Sukhoi-30 MKI fighter aircraft in the coming weeks, the sources said. “All ground tests have been completed,” they added. A flight of Sukhoi-30 MKI with the launcher took place a few weeks ago and more such tests would follow.

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