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## Current Affairs (11 to 20 February, 2018)

### 1. National News

#### 1.1 Shaktikanta Das appointed RBI Governor

A day after the [sudden resignation of Governor Urjit Patel](#), the Modi administration on Tuesday appointed former bureaucrat Shaktikanta Das as the 25th Governor of the Reserve Bank of India (RBI) at a time when the government and the central bank are apparently locked in a tussle over several important issues.

“The Appointments Committee of the Cabinet has approved the appointment of Shri Shaktikanta Das, IAS Retd., former Secretary, Department of Economic Affairs, as Governor, Reserve Bank of India for a period of three years,” read the notification issued by the Department of Personnel and Training (DoPT) on Tuesday.

A veteran bureaucrat who served as Secretary Revenue and subsequently Economic Affairs in the Ministry of Finance, Mr. Das is currently a member of the Fifteenth Finance Commission and represents India at the G-20 in a role of a sherpa. He is a 1980 batch IAS officer of the Tamil Nadu cadre.

##### ‘Enjoys govt. trust’

“He is trusted by the top people in the government, hence his selection to head the central bank at such a crucial and delicate period,” a top source in the government told *The Hindu*.

Insiders in the government said there was a strong view in the PMO and the Finance Ministry to put a retired bureaucrat in charge at the [central bank](#) instead of hiring career economists like Raghuram Rajan or his successor Urjit Patel.

Those favouring a bureaucrat cited examples of Dr. D. Subbarao and Y.V. Reddy earlier.

#### 1.2 Don't reveal identity of rape victims: SC

The [Supreme Court](#) on December 11 laid down an absolute bar on the media to publish or air the names or any material which may even remotely reveal the identity of victims of sexual crimes.

“No person can print or publish in print, electronic, social media, etc. the name of the victim or even in a remote manner disclose any facts which can lead to the victim being identified and which should make her identity known to the public at large. The bar extends to anything which

can even remotely be used to identify the victim,” a Bench of Justices Madan B. Lokur and Deepak Gupta laid down the rule in their judgment.

The court held that the bar on disclosure under Section 228A(2) of the IPC was not confined to just the name of the victim but actually meant that the “identity of the victim should not be discernible from any matter published in the media”.

“The intention of the lawmakers was that the victim of such offences should not be identifiable so that they do not face any hostile discrimination or harassment in the future,” Justice Gupta, who authored the verdict, observed.

The apex court further held the name and identity of a victim who was either dead or of unsound mind should also not be disclosed even under the authorisation of the next of the kin. Any exception to this rule should be decided by the competent authority, the Sessions Judge.

The court was not impressed by arguments that the identity of a dead victim of sexual crime should be revealed as it would become a “symbol of protest or treated as an iconic figure”.

“All of us are fully aware that without disclosing her true identity ‘Nirbhaya’ became the most effective symbol of protest the country has ever known. If a campaign has to be started to protect the rights of the victim and mobilise public opinion it can be done so without disclosing her identity,” Justice Gupta reasoned.

The Supreme Court barred the police from putting in public domain FIRs under Sections 376 to 376E (the range of sexual offences under IPC) and those under the Protection of Children from Sexual Offences (POCSO) Act.

The documents disclosing identity of a victim should be kept in a sealed cover. Authorities to which a victim’s identity was disclosed by an investigating agency or the court are duty bound to keep it a secret. A victim need not reveal her identity while filing an appeal in a criminal court, the judgment held.

Only Special Courts under POCSO can permit the disclosure of the identity of a minor victim, that too, only if such divulgence were in the interest of the child.

The court finally urged States and Union Territories to set up at least one ‘one-stop centre’ in every district within a year to support women affected by violence of any nature.

### 1.3 India, China join hands to promote tea globally

Two apex industry organisations, Indian Tea Association (ITA) and China Tea Marketing Association (CTMA), have signed a memorandum of understanding to promote green and black tea consumption in major tea markets in Europe, the U.S., Russia and West Asia, besides India and China. The pact could also involve organisation of joint events.

The MoU was signed here between Vivek Goenka, ITA chairman, and Wang Qing, president, CTMA, who led a 14-member team.

Mr. Goenka said that the China imported 30 million kg of black tea annually amid its rising popularity in the country where green tea had earlier held sway. Indian exports stood at about 8.7 million kg in 2017 with the market being dominated by Sri Lanka and Kenya. An export of 15 million kg was being targeted next year. It may be mentioned that Tea Board and ITA had organised a tea delegation to China in October to boost trade between the two countries. To a question, Mr. Qing said that China would not look to India as a major market as prices were more attractive in their domestic market. China was the world's third largest exporter (mainly of green tea).

Small tea sector

ITA said that Solidaridad Asia had taken the lead role in forging this alliance which, it felt, would promote sustainable development of the tea industry in the two countries, including that of the small tea sector. The network works to promote sustainable production of 13 commodities across nine regions.

The MoU covers the areas of trade promotion, intellectual property protection and technology exchange.

ITA sources said that during interactions with CTMA certain issues, which were adversely affecting India-China tea trade, were flagged. These included China's non-acceptance of India test reports, difficult compliance conditions and delay in payments remittances. ITA also said that there was need for an intensified promotional initiative to secure a larger share of tea as a global beverage.

## 1.4 9% growth by 2022 must to generate jobs: NITI Aayog

A growth rate of 9% is essential to generate enough jobs and achieve universal prosperity, according to a vision document released by NITI Aayog on Wednesday.

Towards this, the 'Strategy for New India @75' document recommends a number of steps, including increasing the investment rate, reforming agriculture, and codifying labour laws.

“An annual rate of growth of 9% by 2022-23 is essential for generating sufficient jobs and achieving prosperity for all,” the report, which was launched by Finance Minister Arun Jaitley, said in the introduction. Later in the report, NITI Aayog said the target should be 8% growth over the period 2018-23.

“This will raise the economy’s size in real terms from \$2.7 trillion in 2017-18 to nearly \$4 trillion by 2022-23,” it said. “Besides having rapid growth... it is also necessary to ensure that growth is inclusive, sustained, clean and formalised.”

On boosting economic growth, the document identified two key steps for increasing the country’s investment rate and the tax-GDP ratio.

“To raise the rate of investment (gross fixed capital formation as a share of GDP) from about 29% in 2017-18 to about 36% of GDP by 2022-23, a slew of measures will be required to boost both private and public investment,” it said.

“India’s tax-GDP ratio of around 17% is half the average of OECD countries (35%) and is low even when compared to other emerging economies like Brazil (34%), South Africa (27%) and China (22%).”

“To enhance public investment, India should aim to increase its tax-GDP ratio to at least 22% of GDP by 2022-23,” the report added.

While demonetisation and GST have and will continue to contribute positively, the document said efforts need to be made to rationalise direct taxes for both corporate tax and personal income tax.

It further said that there was a need to ease the tax compliance burden and eliminate direct interface between taxpayers and tax officials using technology.

“In agriculture, emphasis must shift to converting farmers to ‘agripreneurs’ by further expanding e-National Agriculture Markets (e-NAMs) and replacing the Agricultural Produce Marketing Committee (APMC) Act with the Agricultural Produce and Livestock Marketing (APLM) Act,” the document said.

“The creation of a unified national market, a freer export regime and abolition of the Essential Commodities Act are essential for boosting agricultural growth,” it said.

The document also called for a strong push towards ‘Zero Budget Natural Farming’ (ZBNF) techniques that reduce costs, improve land quality, and increase farmers’ incomes.

In the infrastructure section, it said the share of freight transported by coastal shipping and inland waterways will be doubled by 2022-23.

“Initially, viability gap funding will be provided until the infrastructure is fully developed,” the document said. “An IT-enabled platform would be developed for integrating different modes of transport and promoting multi-modal and digitised mobility.” In order to enhance rural connectivity and access to government programmes, it said that by the end of 2019 all 2.5 lakh gram panchayats will be “digitally connected” under the Bharat Net programme.

“In the next phase, the last mile connectivity to the individual villages will be completed,” the document said. “The aim will be to deliver all government services at the State, district, and gram panchayat level digitally by 2022-23, thereby eliminating the digital divide.”

## 1.5 France, India focus on energy sector

Two agreements have been signed between India and France to foster the development of renewable energy innovations in the country, such as high-efficiency solar panels, power storage, e-mobility and smart grid management.

French Minister Brune Poirson signed two cooperation agreements between the French Development Agency (AFD), the French Alternative Energies and Atomic Energy Commission (CEA), Bollor 魂 lue-Solution and their Indian partner, Solar Energy Corporation of India (SECI), according to an official statement Thursday.

These agreements will foster the development of renewable energy innovations in India, such as high-efficiency solar panels, power storage, e-mobility and smart grid management, it said.

Poirson also visited the French stand at the RE-Invest Expo at the India Expo Mart, Greater Noida to highlight the participation of French companies and encourage them.

Major French companies are particularly present in the renewable energy sector in India, such as EDF, Engie, Schneider Electric, as well as SMEs and midcaps, such as Technique solaire, which is currently developing its second solar park in Maharashtra, ECM-SEMCO, which produces solar panels; and Navalt, which produces solar-powered boats.



## 2. International News

### 2.1 Dissolution of house by Sirisena illegal: SC

In a move that could bring the long-festering political crisis in Sri Lanka to a close, a seven-judge bench of the country's Supreme Court on Thursday unanimously ruled that President Maithripala Sirisena's decision to dissolve Parliament on November 9 was unconstitutional and illegal, and had no force or effect in law.

In a courtroom packed with lawyers, MPs, politicians and journalists, the judges further upheld that the President's arbitrary action had violated the fundamental right of 'equal protection of the law' of the Petitioners, as well as the rights of citizens and parliamentarians, and ordered that the Gazette proclamation be quashed and pronounced null and void.

In late October, President Sirisena had dismissed Prime Minister Ranil Wickremesinghe days after the latter returned from a state visit to India, and replaced him with former president Mahinda Rajapaksa, a pro-China strongman.

When that decision was contested, Sirisena had dissolved parliament.

Like India, the US, the EU and China urged a return to democratic principles, both Rajapaksa and Wickremesinghe had refused to step down, leading to a situation which brought governance in the island nation to a standstill.

Thursday's ruling comes a day after parliament-in session following an earlier temporary Supreme Court Ruling passed a vote of confidence in Wickremesinghe as PM, whose party and its allies have a simple majority. In a tweet, Wickremesinghe called on Sirisena to "promptly respect the judgment of the courts".

Though Rajapaksa remained silent, his son and MP Namal Rajapaksa tweeted: "We respect the decision of (Sri Lanka's) Supreme Court, despite the fact that we have reservations regarding its interpretation." If Sirisena rejects the Supreme Court's decision, he could face impeachment proceedings.

### 2.2 India ups ante over SAARC meet spat



Taking its protest over the presence of a minister from Pakistan Occupied Kashmir (PoK) at a South Asian Association for Regional Cooperation (SAARC) meeting to the next level, India has now demanded that the SAARC Chamber of Commerce and Industry (SCCI) be “derecognised” by the South Asian grouping.

In a letter addressed to the SAARC secretariat, which is based in Kathmandu, the Ministry of External Affairs (MEA) accused the SCCI of having “violated” the SAARC charter and principles by inviting the Minister from PoK Chaudhury Muhammad Saeed to its event in Islamabad on December 8. An Indian diplomat attending the event had walked out in protest against Mr. Saeed’s presence.

### **Regret letter**

According to government sources, the SCCI has written to the High Commission of India in Islamabad, “expressing regret”.

In its letter dated December 10, two days after the event, the MEA referred to Mr. Saeed as a “renegade entity” from Jammu and Kashmir “which is under illegal and forcible occupation of Pakistan”, and said his presence at the event constituted a contravention of SAARC principles to respect sovereignty and territorial integrity of member states. It also said the SCCI had taken a “political” position, which breached guidelines for SAARC Apex bodies.

“The government of India requests the SAARC secretariat to consider initiating steps for derecognition of the SAARC Chamber of Commerce and Industry as the Apex body of the SAARC”.

Founded in 1992, the SCCI is formed from local chambers of commerce from all nine members of SAARC including the Federation of Indian Chambers of Commerce and Industry (FICCI). The group led by SCCI president Ruwan Edrisinghe meets regularly and is one of the SAARC’s most active bodies.

### 3. Polity and Governance

#### 3.1 Lack of basic rights for the aged a concern: SC

Terming the rights of the rising elderly population of the country an “emerging situation” not envisaged even in the Constitution, the Supreme Court on Thursday said the government could not tighten its purse strings in the name of “economic budgeting” to explain the inadequate welfare provided to senior citizens and the aged. The court said it was a statutory right of every aged person under the Maintenance and Welfare of Parents and Senior Citizens Act of 2007 to be provided dignity, health and shelter. All the three are important components which make the fundamental right to life under Article 21.

A Bench of Justices Madan B. Lokur ordered the Centre to obtain the “necessary information” from all the State governments and the Union Territories about the number of old age homes in each district and file a status report by January 31.

“In the absence of a suitable number of old age homes, and homes as per their status, they are left to fend for themselves making them vulnerable to mishaps and other unforeseen events,” Justice Lokur, who authored the verdict, observed.

The apex court ordered the Centre to obtain details from the States about the medical and geriatric care facilities available to senior citizens in each district.

“There is no reliable information about the number of beds reserved for geriatric care in government or private hospitals or information regarding specific geriatric centres,” the court observed.

#### **Pension pittance**

The court directed that the Centre should prepare a plan of action for giving publicity to the provisions of 2007 Act and ensure that the State governments carry out and execute the provisions of the law.

The court’s judgment, based on a petition filed by former Union Law Minister Ashwani Kumar, expressed shock at the “pittance” paid to senior citizens and the elderly in the form of pension.

The Centre also noted that there had been a steady rise in the population of senior citizens in India. It submitted in court that the number of elderly persons had increased from 1.98 crore in

1951 to 7.6 crore in 2001 and 10.38 crore in 2011. It is projected that the number of 60+ in India would increase to 14.3 crore in 2021 and 17.3 crore in 2026.

### **3.2 SC rejects PIL pleas for Rafale deal probe**

In a big relief to the Modi government today, the Supreme Court ruled out an investigation into the deal for 36 Rafale fighter jets worth Rs 58,000 crore.

The government has come under fire from the opposition Congress and other parties for allegation of corruption over the pricing details of the Rafale deal. Opposition parties had raised the issue of corruption in Rafale deal on a war footing in the recently held state elections of Chhattisgarh, Rajasthan, Madhya Pradesh, Mizoram and Telangana.

The apex court said there was no reason to doubt the decision-making process in the multi-billion dollar Rafale deal. A bench headed by Chief Justice Ranjan Gogoi said there has been a necessity of fighter aircraft and the country cannot remain without these jets.

The CJI, who read out the judgement for the three-judge bench, said no reasons were found to interfere in the procurement process for the fighter jets.

The top court said it is not the job of the court to deal with the comparative details of the pricing.

In a scathing criticism of the campaign carried out to malign the Narendra Modi government, the apex court said, "Mere press interviews cannot form the basis of judicial review specially when there is a categorical denial by the government. Perception of individuals cannot be the basis of roving inquiry by the court."

"We cannot sit on judgement of the govt of purchasing the number of aircraft; detailed scrutiny of Rafale Deal is not required," the court added.

The apex court said scrutiny into the deal has to be made in the light of national security.

The chief justice said there were three broad areas of concern-pricing, process and offset partner.

"We have studied the material extensively. We are satisfied that there is no occasion to doubt the process," the court said.

The extent of permissible of judicial review with respect to contracts relating to defence procurements have to be decided on a fact-to-fact basis, the court said.

A SC bench, headed by Chief Justice Ranjan Gogoi, said there has been a necessity of fighter aircraft and the country cannot remain without fighter jets.

Multiple pleas seeking court-monitored probe into the multi-billion dollar Rafale fighter jet deal with France were filed in the Supreme Court.

Earlier, the bench had reserved its verdict on a batch of pleas on November 14. Advocate ML Sharma was the first petitioner in the case. Later, another lawyer Vineet Dhanda had moved the apex court with the plea for court-monitored probe into the deal.

AAP leader Sanjay Singh had also filed a petition against the fighter jet deal. After the three petitions were filed, former Union ministers Yashwant Sinha and Arun Shourie alongwith activist advocate Prashant Bhushan had moved the apex court with a plea for a direction to the CBI to register FIR for alleged irregularities in the deal.

## 4. Bills and Acts

### 4.1 Centre drafts child protection policy

A code of conduct for employees of all organisations and a declaration signed by them agreeing to ensure the safety of [children](#) are some of the provisions included in the Centre's draft national child protection policy, prepared on the prodding of the Supreme Court in the wake of the Muzaffarpur shelter abuse case.

The Ministry of Women and Child Development has placed the draft policy on its website and invited comments from stakeholders until January 4. This will be the first policy dedicated to the protection of children, an area that until now was only a part of the broader National Child Policy, 2013.

The Supreme Court had earlier directed the CBI to investigate allegations involving 17 shelter homes for children, destitute women, beggars and senior citizens in Bihar following the case of sexual abuse of more than 30 girls in a shelter home in Muzaffarpur in the State. The apex court had also asked the Centre to consider framing a national policy on protection of children.

As per the draft, the policy will apply to "all institutions, and organisations (including corporate and media houses), government or private sector".

The draft policy recommends that all organisations must have a code of conduct based on "zero tolerance of child abuse and exploitation". It requires organisations to lay down that employees don't use language or behaviour that is "inappropriate, harassing, abusive, sexually provocative, demeaning or culturally inappropriate".

Institutions should also designate a staff member to ensure that procedures are in place to ensure the protection of children as well as to report any abuse. Any individual who suspects physical, sexual or emotional abuse must report it to the helpline number 1098, police or a child welfare committee.

Unlike the National Child Policy, 2013, the latest document doesn't talk about children who may need additional special protection measures: including those affected by migration, communal or sectarian violence, children forced into begging or in conflict with the law, and those infected with HIV/AIDS. It also doesn't talk about the role of the state for ensuring the protection of child rights or addressing local grievances.

“We welcome the decision to bring a national policy, but its subsequent versions will need to go into a greater detail,” said Priti Mahara, Director (Policy, Advocacy and Research) CRY. “The document needs to define what child protection is as well as what it means by institutions or organisations.”

Ms. Mahara added that the norms should be designed in such a way that organisations can customise their policies according to the nature of their work, thereby, giving them a sense of ownership on safeguarding children’s rights.

“A policy has four aspects — creating awareness, prevention, reporting and responding,” said Prabhat Kumar, Technical Advisor, Child Protection, Save The Children. “This document needs to go into all these aspects, especially a reporting structure involving various nodal bodies and a monitoring mechanism for implementation of the guidelines. Moreover, while it talks about organisations laying down a code of conduct, it doesn’t explain what is acceptable behaviour such as conduct of teachers in schools,” he observed.

Mr. Kumar suggested that the government could use the opportunity to go beyond the role of institutions and look at the role of individuals. “Perhaps the government could look at ensuring that all officials in public service give an undertaking that they will not exploit children,” Mr. Kumar said.

## 4.2 Bill banning commercial surrogacy passed in LS

The Lok Sabha on Wednesday passed a Bill banning commercial surrogacy with penal provisions of jail term of up to 10 years and fine of up to ₹10 lakh.

The Bill, which will become law once the Rajya Sabha approves it, allows only close Indian relatives to be surrogate mothers and purely for “altruistic” reasons. It states an Indian infertile couple, married for five years or more, can go in for ‘altruistic surrogacy’ where the surrogate mother will not be paid any compensation except medical expenses and insurance.

### ‘Historic legislation’

Union Health Minister J.P. Nadda termed the proposed legislation historic and thanked the members for a “high-quality” debate, despite noisy protests from the Congress, the TDP and the AIADMK. While the Congress raised the issue of a JPC probe into the Rafale deal, AIADMK members were protesting against the delay in constituting a Cauvery Water Board.

Opening the debate, Mr. Nadda said India had become a hub of commercial surrogacy and surrogate mothers were being exploited. The Minister claimed that the Bill had the support of every section of society, besides political parties, the Supreme Court and the Law Commission.

Dr. Kakoli Ghosh Dastidar of the Trinamool Congress, while supporting the Bill, suggested ways to improve it. “The hon. Supreme Court has recently decriminalised Section 377 and the LGBT community has been accepted to be a part of the mainstream. So, we have same- sex couples now. But, in this Bill, there is no mention of them,” she said.

The Trinamool MP also called for stopping “fashion surrogacy”, alleging that some celebrities were opting for it as they did not want their figures destroyed. Supriya Sule of the NCP urged the government to expand its scope as “the Bill is a good Bill but not modern enough.”

BJD’s Bhartruhari Mahtab pointed out that it does not define who is a close relative.

Replying to the debate, Mr. Nadda said the definition of a close relative will be clearly given in the rules of the Bill. He, however, made it clear that only a defined mother and family can avail of surrogacy and it won’t be permitted for live-in partners or single parents.



## 5. Economy

### 5.1 MFs allowed to segregate bad assets

As part of its measures to minimise an industry-wide impact of a debt default, the Securities and Exchange Board of India (SEBI) has allowed mutual fund (MF) houses to segregate bad assets — known as side pocketing in industry parlance — in their debt and money market schemes.

The capital markets regulator would also soon prescribe guidelines for uniformity in pricing of corporate bonds and evolve a regulatory framework for such pricing by agencies like CRISIL and ICRA.

These were among the decisions approved by the board of the capital markets regulator, which met here on Wednesday.

“Creation of segregated portfolio is a mechanism to separate distressed, illiquid assets from other more liquid assets in a mutual fund portfolio to deal with a situation arising due to a credit event,” SEBI said in a statement.

“With a segregated portfolio, investors who may take the hit when the credit event happens shall get the upside of future recovery, if any,” it added.

Addressing the media, SEBI chairman Ajay Tyagi said that the regulator would soon issue the regulatory framework for such segregation and include safeguards so that it did not in any way lead to fund managers misusing the facility and taking undue risk.

#### **IL&FS the trigger**

Interestingly, SEBI’s decisions are largely triggered by the developments at IL&FS, which has defaulted on its various repayment obligations, leading to a liquidity crisis across segments like mutual funds and non-banking financial companies.

Sumit Agrawal, founder, RegStreet Law Advisors, and a former law officer at SEBI, is of the view that side pocketing will help fund managers ring-fence bad assets, thereby minimising the affect on the net asset value (NAV) and benefiting investors. Among other decisions, the regulator tweaked the framework for Institutional Trading Platform (ITP) and renamed it as Innovators Growth Platform (IGP) for companies in the fields of technology, bio-technology, nano-technology, intellectual property and data analytics.

The regulator has also expanded the universe of companies for whom the Offer For Sale (OFS) mechanism is available. Shareholders of any company with a market capitalisation of over ₹1,000 crore would be able to use the OFS mechanism instead of the current limit of the top 200 companies.

For the commodity derivatives market, the regulator has allowed custodial services that would enable institutional participation in the segment. In this regard, the regulator has approved the amendment of SEBI (Custodian of Securities) Regulations 1996.

## 5.2 IIP rises to 11-month high in October

Industrial production activity rose at almost a one-year high in October led by strong growth in the manufacturing and mining sectors even as retail inflation for November slowed to a 17-month low on cooling food prices, according to official data released on Wednesday.

Growth in the Index of Industrial Production ((IIP) came in at 8.08% in October, up from 4.47% in the previous month, and 1.83% in October of last year. This was primarily led by the 7.04% growth in the mining sector and the 7.92% growth in the manufacturing sector, both of which grew 0.11% and 4.62% in the previous month, respectively.

“Industrial production displayed a stellar performance in October, coming in at a multi-month high with most sectors showing a markedly better performance, albeit aided somewhat by a favourable base,” said B. Prasanna, head, global markets group at ICICI Bank. “This is welcome after manufacturing growth slowed notably in Q2 FY2019.”

“Electricity volume growth has re-entered double-digit territory after a gap of over two years and the consumer goods segment also gained from the favourable base, with both durables and non-durables on a healthy uptrend,” Mr. Prasanna further noted.

Growth in the electricity sector touched 10.8% in October, up from the 8.24% in September. The last time growth in the sector hit double-digits was in April 2016. Growth in the consumer goods segment also hit double-digits, coming in at 12.1% in October from 5.68% in the previous month. Within this, growth in the consumer durables segment zoomed to 17.56%, up from 5.16% in September.

Growth in the capital goods sector was at 16.8% in October, up from 6.51% in September.

“The boost in IIP is from infrastructure which is primarily government-led spending,” said Ranen Banerjee, leader, public finance and economics, PwC India.

“We hope private sector investments will pick up soon, else the burden on the government and the risk of fiscal slippages will be higher,” he added.

### **Moderating inflation**

Growth in the Consumer Price Index (CPI), the measure of retail inflation, slowed sharply to 2.33% in November from 3.38% in the previous month. It was 4.88% in November of last year.

“Macro data got a boost from a very benign CPI print aided by low food prices characterised by continued deflation in pulses and vegetables,” Mr. Prasanna said. “There is also substantial moderation in core inflation sequentially. We expect CPI to remain below 4% till Q1 FY2020.

“We also expect a change in monetary policy stance to “neutral” from “calibrated tightening” in the February policy and expectations of a rate cut will now start building,” added Mr. Prasanna.

Inflation in the food category remained in the negative territory, contracting 1.69% in November compared with a contraction of 0.14% in the previous month. The housing sector also saw a significant easing of inflation, to 5.99% from 6.55% over the same period. The fuel and light segment also witnessed slowing inflation to 7.39% from 8.55%.

“The inflation print will lead to calls for aggressive monetary policy and reversal in stance by the Reserve Bank of India on the interest rates,” Mr. Banerjee said. “Falling food prices will put pressure on farmers’ income, leading to pressure for more farm loan waivers.”

## **5.3 Bankers ask Das to ease PCA norms**

Chief executives of public sector banks, who met the new Reserve Bank of India (RBI) Governor Shaktikanta Das on Thursday, requested the central bank to relax the prompt corrective action (PCA) norms on the ground that it was hurting credit off-take. A crucial meeting of the RBI central board is scheduled on Friday.

According to sources, bankers highlighted the challenges they are facing to boost loan growth as there are 11 state-run banks under prompt corrective action. PCA was imposed on these lenders by RBI after the banks breached the risk thresholds on net non-performing assets, capital and return on assets.

Bankers expect the central bank to take a decision in the Friday’s board meeting regarding easing the PCA norms so that restrictions are withdrawn from some of the lenders.

The meeting with Mumbai-based public sector banks, in which chiefs of six lenders and Indian Banks' Association chairman Sunil Mehta (also the chairman of Punjab National Bank) were present, will be followed by meetings with other banks.

Bad loans in the banking system have risen sharply over the last three years, with gross NPAs crossing the ₹10 lakh crore mark. The rise in NPAs has impacted banks' profitability and eroded their capital.

The Board of Financial Supervision (BFS) of RBI, which met last week, deliberated on the PCA issue and reviewed the performance of banks till the half year. While the government wanted the RBI to relax the PCA norms, the central bank was not in agreement with the proposal.

### **Lack of liquidity**

The request to relax PCA norms comes at a time when growth is slowing and non-banking financial companies (NBFCs) are constrained by lack of liquidity. Since loans from NBFCs contribute almost 17% of the total credit off-take and one-third of retail credit, the crisis will hit loan growth. Since public sector banks, that have 70% of the market share have capital constraints they are unable to fill the space vacated by NBFCs. "Various issues were discussed during the meeting," said a banking industry source. Credit flow to the MSMEs, liquidity, the February 12 circular, were among the issues that were discussed.

The controversial February 12 circular of the RBI mandated banks to restructure loans and make higher provision even if there was a default for one day.

The circular had also withdrawn all restructuring schemes that resulted in higher provision requirement for banks.

While both the banks and the government lobbied hard for relaxation of the one-day stressed asset norms the RBI did not oblige.

## **5.4 RBI Board discusses governance**

The board of the Reserve Bank of India (RBI), which met here on Friday, agreed to examine the issue of governance further.

"The board deliberated on the governance framework of the Reserve Bank and it was decided that the matter required further examination," the RBI said in a statement.

This was the first board meeting under the chairmanship of the new RBI Governor Shaktikanta Das, who assumed charge on Tuesday.

The statement also said the board reviewed various issues like current economic situation, global and domestic challenges, matters relating to liquidity and credit delivery to the economy, and issues relating to currency management and financial literacy.

Mr. Das assured the board that he would discuss the deliberations on capital management and governance with the government for an early resolution, sources said.

Mr. Das listened to all the points of discussions, including those which had caused discomfort within the RBI brass, they said.

The four-hour meeting was very smooth and cordial, the sources familiar with the board deliberations said.

### **Patel lauded**

The board 'placed on record its appreciation of the valuable services rendered' by Mr. Patel during his tenure as Governor and Deputy Governor of the bank.

RBI had imposed restrictions under the PCA framework for 11 public sector banks, which irked the government as it believed loan growth was impacted due to such restrictions.

There is a possibility that a formal proposal on PCA will be brought before the board at its next meet in mid-January, which is likely to happen in New Delhi, according to sources.

"The board may also come to a conclusion as early as at the next meeting itself," they added.

### **Contentious issues**

The issue of liquidity and credit delivery were the two contentious issues between the government and RBI with the former wanting a special window for non-banking finance companies.

"The draft report on Trend and Progress of Banking in India (2017-18) was also discussed," the statement added.

## 6. Science and Tech

### 6.1 Now, graphene can detect brain disorders

Graphene, a form of carbon and a super-strong, ultra-light material discovered in 2004, enables flexible electronic components, enhances solar cell capacity, and promises to revolutionise batteries. Now scientists have added one more use to this list.

#### Detecting ALS

They have found a potential new application of this material for detecting Amyotrophic Lateral Sclerosis (ALS) — a progressive brain disorder for which there is currently “no objective diagnostic test.” This is described in the journal *Applied Materials & Interfaces of the American Chemical Society*.

ALS is characterised by rapid loss of motor neurons controlling skeletal muscles, leading to paralysis.

“We have a new exciting work on the application of graphene that may one day be used to test for ALS and other neurodegenerative diseases”, co-first author Bijentimala Keisham, a PhD candidate working under Vikas Berry, Associate Professor of Chemical Engineering at the University of Illinois in Chicago (UIC), told this correspondent in an email.

Graphene consists of a single layer of carbon atoms arranged in a hexagonal lattice, each atom bound to its neighbours by chemical bonds. The elasticity of these bonds produces resonant vibrations known as phonons.

Graphene’s use to detect ALS exploits its ability to change these resonant vibrations in a very specific and quantifiable way when an extraneous molecule is introduced into the lattice, says the report. The foreign molecule affects the vibrational energies of graphene and the changes can be “accurately mapped using Raman spectroscopy”, a technique commonly used in chemistry to provide a structural fingerprint by which molecules can be identified.

In their study the UIC team found a distinct change in the vibrational characteristics of graphene when Cerebro-Spinal Fluid (CSF) — found in the brain and the spinal cord — from patients with ALS was added to it. The researchers carried out the test using the CSF from 13 people with ALS; three people with multiple sclerosis (MS) and three people with an unknown neurodegenerative disease.

### Three changes

“The changes in graphene’s phonon vibration–energies, as measured by Raman spectroscopy, were unique and distinct,” Keisham said. “These distinct changes accurately predicted what kind of patient the CSF came from — one with ALS, MS or no neurodegenerative disease.”

The authors, however, add this strategy does not analyse the Raman signal of the CSF but rather “looks at the change in the Raman signal from interfaced graphene”.

“In summary, we demonstrate a robust system to investigate ALS by using graphene,” says the report. “The results suggest that our graphene platform can be used not only to potentially diagnose ALS, but also to monitor its progression,” it says.

## 6.2 ISRO’s ‘angry bird’ takes to the skies

An anxious ISRO Chairman K. Sivan on Wednesday watched the flight path of the GSLV-F11 intently as it soared into the evening sky carrying communication satellite GSAT-7A, meant to enhance the communication infrastructure of the Indian Air Force.

Three key factors had weighed on the minds of the launch team at ISRO — the weight of the satellite, changes made to the cryogenic stage and the second stage of the vehicle to increase payload capacity, and the possibility of a cyclone looming on the coast that finally changed track gave anxious moments to the team.

### Heaviest satellite

In its Mk-II version, the GSLV with the indigenous cryogenic stage carried on board its heaviest satellite that weighed 2,250 kg, from the second launch pad of the Satish Dhawan Space Centre, SHAR, here at 4.10 p.m.

“[In] the vehicle, the second stage propellant loading has been increased from 37.5 tonnes to 40 tonnes, and cryogenic stage propellant loading has been increased from 12 tonnes to 15 tonnes along with enhanced thrust value for the cryogenic stage,” Mr. Sivan said after the satellite was placed in a ‘super synchronous transfer orbit’, a little over 19 minutes after launch to enhance its life, pegged at eight years.

[Watch | All you need to know about ISRO's GSAT-7A](#)

Though the Mission Control team remained tight-lipped about the purported use of the satellite, sources in ISRO and the Indian Air Force said the satellite would enhance the communication capabilities of IAF. “This is primarily for the Indian Air Force’s communication purposes, such as



ground to air communication,” one of the sources told *The Hindu*. The satellite, being dubbed as ‘angry bird’ by some, is likely to enhance the range of communication and also aid in aircraft to aircraft communication.

“There is always further improvements in GSLV... in the coming GSLV F10s and F12 missions we are going to make bigger payload compartment to accommodate still bigger spacecraft and that is another important challenge in front of us and we are getting ready with that change as well to make sure that GSLV continues to remain very successful and rugged vehicle like PSLV,” said S. Somanath, Director, Vikram Sarabhai Space Centre.

With ISRO ending the year on a high, having completed 17 missions, Mr. Sivan said he had a ‘great gift’ for his staff. “This year, we completed 17 missions. It is a very good number. The gift is... next year, we are going to have around 32 missions.”

#### Force multiplier

“It will be a major booster and force multiplier for the Indian Air Force. When we talk of a network-centric warfare, such type of systems will help achieve full network centricity. From that perspective, it’s a major value addition to the IAF,” said Ajay Lele, Senior Fellow at the Institute for Defence Studies and Analyses (IDSA).

## 7. Environment / Geography

### 7.1 SC directs centre to declare 10 km area around National Park as eco-sensitive

The Supreme Court on Tuesday directed the Union Environment Ministry to declare 10 km area around 21 national parks and wildlife sanctuaries across the country as 'eco-sensitive zones'.

A Bench led by Justice Madan B. Lokur took the initiative after its amicus curiae informed the court that the State governments have taken no effort to protect the area around these sanctuaries and parks.

The court recorded that the issue has been pending for the past 12 years.

The parks and sanctuaries are the Pobitora sanctuary in Assam; Hemis High Altitude and Kishtewar national parks, Changthang, Hokersar, Trikuta sanctuaries in Jammu and Kashmir; Jogimatti, Thimlapura and Yadahalli Chinkara sanctuaries in Karnataka; Deolgaon Rehekuri and Thane Creek Flamingo sanctuaries and the Malvan marine sanctuary in Maharashtra; Siroi National Park and Khongjaingamba Ching sanctuary in Manipur; Baghmara Pitcher Plant sanctuary in Meghalaya; Fakim and Puliebadze and Rangapahar sanctuaries in Nagaland; Dr. Bhimrao Ambedkar bird sanctuary and Pilibhit sanctuary in Uttar Pradesh and the Jorepokhri sanctuary in West Bengal.

The court ordered the Centre to make the declaration "at the earliest". Any plea for modification by the States concerned should be made to the Environment Ministry in two weeks. The next hearing is in February.

### 7.2 Poachers Kill rhino in Kaziranga

The carcass of an adult male rhino with its horn removed was spotted by a tourist group at Kaziranga National Park (KNP) in upper Assam today, a senior forest department official said.

The tourist group spotted the carcass at the Bhulukajan forest camp area under the Bagori range in KNP, he said.

Following the recovery, the number of rhinos killed this year rose to six.

According to Divisional Forest Officer (DFO) of KNP, Rohoni Ballav Saikia, the visitors spotted the carcass of the pachyderm on the tourist route to Bagori range, while they were visiting the the World Heritage Site in a jeep safari.

Gunshots were heard on Friday night, but were thought to be sounds of firecrackers from a marriage nearby, Saikia said.

Earlier on May 11, a bullet-riddled carcass of another adult male rhino with its horn missing was recovered from Chirakhowa anti-poaching camp area near the banks of the Brahmaputra river.

On March 3, a female adult rhino was killed outside the KNP area at Lohore Chapori in the state's Majuli district. Its horn was also taken away by poachers.

Another rhino was killed at Polokata Tapu near Sitamari under the jurisdiction of Lahorijan forest camp on the midnight of February 11.

The first case of rhino poaching happened at Daflang camp area of KNP's Bagori Range on January 14, but the poachers could not take away its horn.

### 7.3 India, Nepal and Bhutan plan task force to protect wildlife

The governments of India, Nepal and Bhutan are actively considering having a joint task force for allowing free movement of wildlife across political boundaries and checking smuggling of wildlife across the Kanchenjunga Landscape, a trans-boundary region spread across Nepal, India and Bhutan.

The developments comes up after forest officials and representatives of non-government organisation of the three countries visited parts of the landscape and later held a meeting at Siliguri in north Bengal earlier this month.

Participants from India and Bhutan who attended the meeting told *The Hindu* that setting up of a joint task force was a key requirement in the road map on achieving the objectives of free movement of wildlife and checking smuggling of wildlife.

The landscape stretches along the southern side of Mount Kanchenjunga covers an area of 25,080 sq km spread across parts of eastern Nepal (21%), Sikkim and West Bengal (56%) and western and south-western parts of Bhutan (23%).

From India, Ravinkanta Sinha, Principal Chief Conservator of Forest, West Bengal participated in the meeting, whereas Nepal was represented by G.P. Bhattarai, Department of National Parks and Wildlife Conservation of that country. The Bhutanese delegation was led by Tashi Tobgyel,

Department of Forest and Park Services, Bhutan. Representatives of South Asia Wildlife Enforcement Network, an inter-governmental wildlife law enforcement agency, which held its first ever meeting in India in May 2018, were also present during the meeting.

### **Severe loss**

According to the International Centre for Integrated Mountain Development (ICIMOD), a regional knowledge development and learning centre, 1,118 sq km of riverine grassland and tree cover were lost in the landscape between 2000 and 2010. 74 % of the area was converted into rangeland and 26% to agricultural land.

Other than seven million people, the Kanchenjunga Landscape is also home to 169 species of mammals and 713 species of birds.

Studies by the ICIMOD suggest that between 1986 and 2015, as many as 425 people were killed by elephants (an average of 14 human deaths every year) and 144 elephants were killed between 1958 and 2013 (an average of three elephants every year).

S.P. Pandey of SPOAR, a north Bengal-based wildlife organisation, who also participated in the discussion, said that every few months there were cases of elephants, rhino and gaurs and other mammals crossing over political boundaries, triggering panic among locals across the border and also posing danger to the wildlife.

## **7.4 India recorded 95 tiger deaths in 2018, 41 outside reserves**

According to the National Tiger Conservation Authority's (NTCA) records till December 15, 2018, there were 95 cases of tiger deaths in the country. Of this, 41 cases of tiger deaths outside tiger reserves have been reported.

Of them, 14 occurred in Maharashtra, which accounted for over 34% of all deaths outside tiger reserves in the country. A total of 19 tiger deaths were recorded in Maharashtra in 2018, so deaths outside tiger reserves comprise more than 70% of all tiger deaths in the State.

The NTCA maintains the official database of tiger mortality in the country, and compiles figures from reports sent by different States on the basis of recovery of bodies or seizure of body parts.

According to the last tiger estimation exercise in the country in 2014, Maharashtra is home to 190 tigers, but more than a third of its tigers, or about 74 of them, live outside tiger reserves in the State.

“One of the major reason why tigers are dying in Maharashtra is because many of the tigers are living outside tiger reserves,” Anup Kumar Nayak, member secretary, NTCA, told *The Hindu*.

“In several areas, tigers are not only living outside reserve areas, but are venturing into human dominated landscapes, which increases the probability of human-animal conflict and results in deaths,” he explained.

Three States comprise 60% of tiger deaths.

Till December 15, of the 95 tigerd that died in the country, 41 deaths occurred outside protected areas. After Maharashtra, Madhya Pradesh recorded 22 deaths (11 outside and 11 inside tiger reserves), followed by Karnataka, with 15 deaths (six outside tiger reserves and nine inside) being recorded.

## 8. Security

### 8.1 India gets submarine rescue system

The Indian Navy on Wednesday inducted its first Deep Submergence Rescue Vehicle (DSRV) System at the Naval Dockyard in Mumbai.

DSRV is used to rescue crew members stranded in submarines that get disabled. The Indian Navy joins a select group of naval forces in the world that boasts of this niche capability.

The DSRV can be operated at a depth of 650 meters and can hold around 15 people. The Indian Navy in March 2016 had commissioned two DSRVs, the second will be deployed at the Eastern Naval Command in Visakhapatnam.

Describing it as a landmark event Chief of Naval Staff Admiral Sunil Lanba said, “The induction of the DSRV marks the culmination of years of effort of the Indian Navy in acquiring this niche submarine rescue capability.”

### 8.2 ISRO's GSAT-7A to add muscle to Airforce

Military communication satellite GSAT-7A, due to be launched on December 19 evening from Sriharikota, is expected to add a new space-based dimension to the way Indian Air Force interlinks, operates and communicates with its aircraft as they fly and with command centres on ground, according to multiple sources.

Although all Indian communication satellites offer capacity to the armed forces, GSAT-7A will be the first one built primarily for the IAF to qualitatively unify its assets and improve combined, common intelligence during operations. With integrated action being a buzzword it will also support aerial activities of the Army and the Navy where required.

“About 70% of it would be for the Air Force and the rest for the needs of the Army,” said a source in Delhi. The ground force’s Army Aviation Corps operates many helicopters, uses UAVs and will acquire fixed wing aircraft in future — all for surveillance and rescue missions.

Multiple sources said the satellite using Ku band will enable superior real time aircraft-to-aircraft communication; and between planes that are in flight and their commanders on the ground.

It would enhance by many times the coverage now provided by ground communication systems such as radars and stations of the Army.

Out-of-sight and remote areas where ground infrastructure and signals are difficult would get into the critical information loop.

### Forward leap

A military veteran said, "It will be a very important step or jump towards what we call network-centric operations or warfare. It will enable communication and data linking at forward places and air defence centres. Pilots can communicate much better with headquarters while they fly. Headquarters can receive data in real time."

## Eye in the sky

*GSAT-7A - a communication satellite designed specifically for military operations - will be launched from Satish Dhawan Space Centre, Sriharikota on December 19. Some facts about the launch:*



- This is the 13th flight of the Geosynchronous Satellite Launch Vehicle (GSLV)
- The satellite GSAT-7A is the 35th Indian communication satellite. It weighs 2,250 kg.
- The satellite is built to provide communication capability to users in the Ku-band over the Indian region
- Ku-band will enable superl-or real time aircraft-to-air-craft communication

Since August 2013, the Navy has a satellite largely for its use, the GSAT-7, for similarly linking its ships to command on land.



As with most satellites, GSAT-7A, too, has missed a couple of deadlines. An informed source said its communication elements were fine-tuned to accommodate the drones policy announced in August by the Ministry of Civil Aviation. "There was some worry over interference from drones to this satellite's signals. With a little bit of fine-tuning, a good amount of frequency margin has been ensured," the source said,

### **Last mission of 2018**

The GSAT-7A/GSLV-F11 mission will also wrap up the calendar year for the Indian Space Research Organisation (ISRO). The GSLV-F11 space vehicle will release it to an eventual geostationary orbit about 36,000 km from Earth. However, it will become fully functional after a month of testing payloads.

In 2018, [ISRO launched GSAT-11](#) on December 5 on a European vehicle from Kourou, [GSAT-29 on November 14 on its GSLV-MkIII vehicle](#) from Sriharikota, and the [ill-fated GSAT-6A](#) on March 29 from Sriharikota.

## **8.3 Navy to helm centre on maritime security**

The Navy will formally inaugurate the Information Fusion Centre (IFC) for the Indian Ocean Region (IOR) later this week.

Through this Centre, information on "white shipping", or commercial shipping, will be exchanged with countries in the region to improve maritime domain awareness in the Indian Ocean.

"The IFC-IOR is established with the vision of strengthening maritime security in the region and beyond, by building a common coherent maritime situation picture and acting as a maritime information hub for the region," a defence official said on condition of anonymity.

### **Gurugram headquarters**

The IFC has been established at the Navy's Information Management and Analysis Centre (IMAC) in Gurugram, which is the single point centre linking all the coastal radar chains to generate a seamless real-time picture of the nearly 7,500-km coastline.

"All countries that have already signed white shipping information exchange agreements with us, about 21 of them, are IFC partners," another official said.

"With the launch of the IFC, they now have the option of positioning liaison officers at the IFC for which we need to build up requisite infrastructure too. So we now start with their 'virtual presence'," the official said.

Against this backdrop, information exchange at the Centre would be initially undertaken by virtual means, telephone calls, faxes, e-mails and video conferencing. Subsequently, to enable better interconnection, quicker analysis of information and timely inputs, the IFC-IOR would host liaison officers from foreign countries.

“Additionally, the Centre would undertake conduct of exercises and training capsules in maritime information collection and sharing,” the first official stated.

Establishment of the IFR-IRO would ensure that the entire region is benefited by mutual collaboration and exchange of information and understanding the concerns and threats which are prevalent in the region.

### **Maritime network**

In a related development, India has signed the ascension agreement to the Trans Regional Maritime Network (T-RMN) which facilitates information exchange on the movement of commercial traffic on the high seas. The multilateral construct comprises of 30 countries and is steered by Italy.

Commodore K.M. Ramakrishnan signed the agreement on behalf of the Indian Navy at the Italian Naval Headquarters in Rome last Monday.

### **AIS systems on ships**

The information is available primarily through the Automatic Identification System (AIS) fitted on merchant ships with more than 300 gross registered tonnage as mandated by the International Maritime Organisation. The AIS information comprises name, MMSI number, position, course, speed, last port visited, destination and so on. This information can be picked up through various AIS sensors including coastal AIS chains and satellite based receivers.

“The Indian Navy is mandated to conclude white shipping information exchange agreements with 36 countries and three multi-national constructs,” the official added. Such multilateral agreements are necessitated due to the large traffic in the Indian Ocean which cannot be entirely monitored by any one nation.