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INDEX

1 National News

- 1.1 Indigenous gun trials of the Army to enter next stage by June
- 1.2 Himachal, Kerala and TN top development index
- 1.3 Easing of norms not linked to death in Sentinel Island
- 1.4 Govt's draft rules to regulate social media echo SC orders
- 1.5 Bogibeel: from small to big

2 Polity and Governance

- 2.1 Virudhunagar shines in development
- 2.2 Amid protests, triple talaq Bill passed
- 2.3 Centre gives nod to draft bill on Indian Medicine

3 Economy

- 3.1 Fiscal slippage will impact economic stability: N.K. Singh
- 3.2 GST rates cut on 27 items
- 3.3 Banks under PCA sitting on cash pile
- 3.4 Foreign fund outflows highest since 2008
- 3.5 Seven PSBs to receive Rs 25,615 crore from Centre
- 3.6 Traders welcome new e-commerce rules

4 Science and Tech

- 4.1 Manned space mission to take off

5 Environment / Geography

- 5.1 NGT bans mining close to Sariska reserve
- 5.2 States get greater say over coastal regions
- 5.3 River Dolphins go missing in Sunderbans as water salinity rises

6 Security

- 6.1 Assault on boys punishable by death

Current Affairs (21 to 31 December, 2018)

1. National News

1.1 Indigenous gun trials of the Army to enter next stage by June

The development of the indigenously-designed heavy artillery gun, the Advanced Towed Artillery Gun System (ATAGS), has advanced to a stage where user-assisted trials of the gun are likely to start by June and the Army has begun finalising the Preliminary Specifications Qualitative Requirements (PSQR), a defence official said.

“Two guns are currently undergoing trials and another two guns will join the trials in a month,” the official, who spoke on the condition of anonymity, said. “User-assisted trials will begin from May-June while the PSQR should be ready by July,” the official added.

The ATAGS is a 155mm, 52 calibre gun being developed by the Defence Research and Development Organisation on two parallel tracks: one prototype is being built in partnership with Tata Power (Strategic Engineering Division), and the other is in collaboration with Bharat Forge. There is a sanction for production of 10 guns as part of the development process.

The Army, which is in the process of drawing up the PSQR that details the essential and desired parameters for the gun, has already flagged a few concerns related to weight and accuracy. The gun currently weighs about 18 tonnes while the ideal weight for the army would be 14-15 tonnes. While the development team wanted the weight, accuracy and firing parameters to be relaxed in the PSQR, the Army has said that would be looked into after the user-assisted trials commence.

The gun has been undergoing development trials for some time now, with a few trials held in the Pokhran firing ranges as recently as last month.

Once the PSQRs are approved, the process for formulating the final Qualitative Requirements would begin. Guns from both Bharat Forge and Tata Power would be evaluated and based on the commercial bids, the order would be split between them with the lowest bidder getting a larger order. The Defence Ministry has already approved the in-principle purchase of 150 of these guns at an approximate cost of ₹3,365 crore.

The gun has several significant features including an all-electric drive, high mobility, quick deployability, auxiliary power mode, advanced communications system, automated command and control system. It also sports a six-round magazine instead of the standard three-round magazine. This necessitates a larger chamber and is a major factor pushing up the overall weight of the system.

The Army, which has been seeking to accelerate the modernisation of its weaponry, recently inducted its first modern pieces of artillery in three decades: the M777 Ultra-Light Howitzer from the U.S. and the K9 Vajra-T tracked self-propelled artillery gun from South Korea.

1.2 Himachal, Kerala and TN top development index

Himachal Pradesh, Kerala, and Tamil Nadu have been ranked highest in terms of being on track to achieve the United Nations' Sustainable **Development**Goals (SDG), according to a first-of-its-kind index released by NITI Aayog on Friday.

The index comprises a composite score for each State and Union Territory based on their aggregate performance across 13 of the 17 SDGs. The score, ranging between 0 and 100, denotes the average performance of the State/UT towards achieving the 13 SDGs and their respective targets. The average Indian score was 57.

"The SDG Index Score for Sustainable Development Goals 2030 ranges between 42 and 69 for States and between 57 and 68 for UTs," the report said.

"Among the States, Kerala and Himachal Pradesh are the front runners, with an SDG India Index score of 69. Among the UTs, Chandigarh is the front runner with a score of 68."

Tamil Nadu has a score 66, and is the top scorer on the goals to do with eradicating poverty and also providing clean and affordable energy.

"The aim of the index is to instil competition among States to improve their performance across social indices as the States' progress will determine India's progress towards achieving the set goals by 2030," NITI Aayog CEO Amitabh Kant said. Using the index, States will be monitored on a real-time basis.

"Kerala's top rank is attributed to its superior performance in providing good health, reducing hunger, achieving gender equality and providing quality education," the report said. "Himachal Pradesh ranks high on providing clean water and sanitation, in reducing inequalities and preserving the mountain ecosystem."

"Among the UTs, Chandigarh takes the lead because of its exemplary performance in providing clean water and sanitation to its people," it said. "It has further made good progress towards providing affordable and clean energy, generating decent work and economic growth, and providing quality education." Overall, the average score for the States was the worst when it came to gender equality (36), in creating sustainable cities and communities (39), in enabling industry, innovation, and infrastructure (44), and in eradicating hunger (48).

1.3 Easing of norms not linked to death in Sentinal Island

Relaxing the Restricted Area Permit (RAP) for foreigners visiting the Andaman and Nicobar Islands had "nothing to do with the killing of U.S national John Allen Chau," Ministry of Home Affairs said in a response in Parliament. RAP is mandatory for foreign nationals visiting certain areas, including Andaman and Nicobar Islands.

Chau was allegedly killed when he landed on North Sentinel Island in November. According to reports, fishermen who took the U.S. national to the North Sentinel Island saw him being hit by arrows allegedly shot by members of Sentinalese tribes inhabiting the island. After the incident came to light, some activists raised question as to why RAP norms to the island, including North Sentinel Island, were relaxed.

“30 islets in the Union Territory of Andaman & Nicobar Island, including North Sentinel Island were excluded from the Restricted Area Permit (RAP) regime till 31.12.2012 subject to certain conditions. However, separate approvals of the appropriate competent authorities would continue to be required for visiting Reserved Forests, Wildlife sanctuaries and Tribal reserves as is the case at present,” the reply pointed out. It further stated that government can withdraw the relaxation at any time based on security considerations.

On December 18, the Ministry of Home Affairs was responding to questions raised by members of the Parliament P. Venugopal, B. Senguttuvan and P.C. Mohan in the Lok Sabha.

Replying to a question by B. Senguttuvan, the Home Ministry pointed out that the report of Director General of Police of the A&N administration, points out that Mr. Chau had in a spirit of misadventure attempted to land in Sentinel Island to communicate with “aboriginal Sentinalese tribes”, leading to his death at the hands of the tribe. Sentinalese, along with five other tribes residing in the island, are classified as particularly vulnerable tribal groups. There are about 70 such PVTGs in the country.

“The entire North Sentinel Island along with 5 km coastal sea from high water mark is notified as tribal reserve and hence entry by any outsiders, including foreigners, is prohibited under A & N Islands (Protection of Aboriginal Tribes) Regulation 1956,” the response stated.

Threat to tribals

On the question whether the tribes of Andamans chose to remain in isolation, the Ministry said the tribes are in “different stages of socio-economic condition”.

“The Nicobarese have joined the mainstream and the Sentinalese are still in isolation practising primordial hunting and gathering way of life. The other tribes namely Jarawas, Onges, Andamanese and partly in contact with the outside population but they prefer to remain in their own abode particularly Shompens and the Jarwas,” the answer states.

The Onges and the Great Andamense are in contact with the outside population, the answer further added.

To a question on the impact of letting tourists in, the Home Ministry said that “any interface by the tourists and visitors would infect the tribes with bacteria and (other) viruses which could exterminate the tribes”.

“Therefore, in order to protect them from infection due to bacteria and (other) viruses, Section 8 of the A&N Islands (Protection of Aboriginal Tribes) Regulation, 1956 has suitably been amended by incorporating the following stringent penalties,” the answer stated.

Meanwhile, sources have suggested that A & N administration have given up on looking for the body of the US national. Earlier this month, the representatives of National Commission of Scheduled Tribes (NCST), held a meeting at Port Blair where representatives of the Commission called for strengthening the protection in the areas inhabited by the tribes.

1.4 Govt's draft rules to regulate social media echo SC orders

The draft rules proposed by the government to curb “unlawful content” on social media that make it mandatory for intermediaries to trace the “originator” of such content have drawn strong criticism from the Opposition. The latter contend that the state is expanding the scope for surveillance of citizens.

However, a close look at the draft Information Technology (Intermediaries Guidelines) Amendment Rules, 2018, shows that the proposed changes are largely in line with developments on this front in cases before the **Supreme Court** in recent months.

Court's concern

While the Centre itself has been informing the court since October about its intentions, the court has also voiced its concern over irresponsible content on social media.

In fact, in a July 17, 2018 judgment in the Tehseen S. Poonawalla case, the court gave the government a virtual carte blanche to stop/curb dissemination of “irresponsible and explosive messages on various social media platforms, which have a tendency to incite mob violence and lynching of any kind.”

For instance, Rule 3 of the draft speaks about the “due diligence” to be observed by online platforms that have over 50 lakh users.

Norms for access

It proposes the publication of rules, a privacy policy and user agreement for access to a social intermediary's resource. Clause (1) of Rule 3 mandates that a user cannot host, display, upload, modify, publish, transmit, update or share information, for example, which is pornographic, paedophilic, racially or ethnically objectionable, invasive of another's privacy, harms minors in anyway, etc.

Now consider this. On December 6, a Supreme Court Bench, led by Justice Madan B. Lokur, mentioned online giants Google, YouTube, Facebook, Microsoft and WhatsApp and recorded that “everybody is agreed that child pornography, rape and gang-rape videos and objectionable material need to be stamped out.”

The same order also noted submissions by senior advocate Kapil Sibal, for WhatsApp, that “they have an end-to-end encryption technology, due to which it will not be possible to remove the content”.

Subsequently, on December 11, the Bench ordered the Centre to frame the necessary guidelines/Standard Operating Procedure (SOP) and implement them within two weeks to “eliminate child pornography, rape and gang rape imagery, videos and sites in content hosting platforms and other applications”. The court then listed the case for February 2019. The draft rules have come within two weeks of the Supreme Court order.

These two orders came on a suo motu case being heard in the Supreme Court from 2015 to curb online sexual abuse.

'Safer social media'

Past orders in the case show that since October, the government has been trying hard to convince the court that it really wants to make social media safe.

Thus, a Supreme Court order of October 22 records that the Centre has already prepared a SOP “for taking action by the security/law enforcement agencies under Section 79(3)(b) of the Information Technology Act. A November 28 order records the submission of Solicitor-General Tushar Mehta indicating that “certain actions were required to be taken by the intermediaries”. These included setting up of proactive monitoring tools for auto-deletion of “unlawful content” and setting up a 24X7 mechanism for dealing with requisitions of law enforcement agencies. All these mechanisms can be found in the various clauses of the draft rules.

The draft rules require the intermediary to trace the “originator of information” for authorised government agencies. The intermediary has to produce the information in 72 hours, but only if the request is based on a lawful order, in writing and concerns State security or investigation or prosecution or prevention of an offence, which may include lynching or mob violence. Besides, the draft rules put the onus on social media giants to “take all reasonable measures” to protect individual privacy as required under the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Information) Rules of 2011.

SC in July 17, 2018 judgment in Tehseen S. Poonawalla case: It shall be the duty of the Central government as well as State governments to take steps to curb and stop dissemination of irresponsible and explosive messages, videos and other material on various social media platforms which have a tendency to incite mob violence and lynching of any kind. The police shall cause to register an FIR...

SC order on December 11 in Re: Prajwala Letter case: The Government of India may frame necessary guidelines/SOP and implement them within two weeks so as to eliminate child pornography, rape and gang rape imagery, videos, sites, content hosting platforms and other applications.

SC order on November 28 in Re: Prajwala Letter notes that Solicitor General informs the court that “certain actions are required to be taken by intermediaries”:

a. Set up proactive monitoring tools for auto-

Draft rule 3 (5) of the Information Technology (Intermediaries Guidelines) Amendment Rules, 2018 proposes social media intermediaries to provide information/assistance when required by “lawful order” by any government agency for reasons of State security, cyber security, investigation, detection, prosecution or prevention of offences. These offences may include mob violence, lynching, online sexual abuse, etc. The “originator of the information” needs to be traced to register an FIR.

Rule 3 (2) (b) of the draft Information Technology (Intermediaries Guidelines) Amendment Rules, 2018 proposes social media intermediaries to publish rules, privacy policy to stop users from engaging in online material which is paedophilic, pornographic, hateful, racially and ethnically objectionable, invasive of privacy, etc.

Draft rule 3(9) says the intermediary shall deploy technology based automated tools or appropriate mechanisms, with appropriate controls, for proactively identifying and removing or disabling public access to unlawful information or contents

deletion of unlawful content by deploying artificial intelligence based tool

SC order on November 28 in Re: Prajwala Letter notes that Solicitor General informs the court that “certain actions are required to be taken by intermediaries”:

b. Set up a 24X7 mechanism for dealing with requisitions of law enforcement agencies, prompt disposal of requisitions and appointment of India-based contact officer and escalation officers.

October 22 SC order in the Prajwala case records that government has prepared an SOP for taking action by the security/law enforcement agencies under Section 79(3)(b) of the Information Technology Act

Draft rule 3 (7) (iii) proposes intermediaries to “appoint in India, a nodal person of contact and alternate senior designated functionary, for 24X7 coordination with law enforcement agencies and officers to ensure compliance to their orders/requisitions made in accordance with provisions of law or rules.

Draft rule 3 (8) proposes that when an intermediary receives actual knowledge in the form of a court order or is notified by a government agency under Section 79(3)(b) of the Information Technology Act, it shall remove or disable access to unlawful acts

1.5 Bogibeel: from small to big

India’s longest rail-road bridge that took ₹5,920 crore to build was born “small” on paper – a scribbled note in Parliament after a dramatic display of anger – 22 years ago.

The 4.94 km Bogibeel, the fourth bridge across river Brahmaputra to be inaugurated by Prime Minister Narendra Modi on Tuesday, was one of eight spans pursued in 1973 to ease the pressure on the 4,258-ft Saraighat Bridge on the western edge of Guwahati.

Until the Saraighat was built in 1962, the Brahmaputra was the only river in India that had not been bridged along its entire length from delta to foothills either for road or railway.

The first push for the bridge was from a citizen’s forum in eastern Assam’s Dibrugarh. In June 1977, members of the forum submitted a memorandum to Prime Minister Morarji Desai demanding the construction of the bridge at Bogibeel, about 17 km downstream of the town.

But the bridge found no takers in New Delhi until it dramatically made its way into the Parliament less than two decades later.

Angry outburst

Based on another memorandum seeking the construction a bridge connecting Dibrugarh and Dhemaji, five MPs of the Asom Gana Parishad (AGP) had a detailed project report prepared for Bogibeel soon after their election in 1996.

But the Railway Board said the estimated project cost – ₹2,000 crore – was too much for a small State like Assam. The AGP parliamentarians, nevertheless, sought Prime Minister H.D. Deve Gowda's support for the bridge they said would be crucial for communication and internal security of India's easternmost part.

The AGP was part of the United Front government that Mr. Deve Gowda headed. Party's Birendra Prasad Baishya was the Minister of Steel and Mines while Muhiram Saikia was Minister of State for Human Resources Development.

"I lost my temper when Bogibeel was missing from the Budget proposal at the Cabinet meeting prior to the Railway Budget during the Parliament session in September 1996. I told the PM and Ram Vilas Paswan (then Railway Minister)... they ignored us," Mr. Baishya told *The Hindu* on Monday.

Mr. Deve Gowda placated Mr. Baishya by asking Mr. Paswan to settle the Bogibeel issue. Moments later, Mr. Paswan had a brief meeting with AGP parliamentarians.

"He said it was too late to incorporate Bogibeel in the Railway Budget, but advised us to hand over a note with the request for a 'small bridge' during the presentation for reading out loud," Mr. Baishya.

Hitting hard

The off-the-script announcement placed the bridge in the Parliament records. Two days later, Mr. Paswan found out that the bridge he had announced was massive, not small. The scale of the project, Mr. Baishya recalled, had hit the Railway Minister hard at a meeting with the AGP members and the Railway Board chairman.

But Bogibeel was accommodated in the Prime Minister's special package and Mr. Deve Gowda laid its foundation stone at Dhemaji on January 22, 1997. Work, though, started after another round of initiation ceremony by his successor Atal Bihari Vajpayee in April 2002.

But the bridge missed several deadlines. Its project's cost hence shot from ₹1,767 crore to ₹5,920 crore.

2. Polity and Governance

2.1 Virudhunagar shines in development

Tamil Nadu's Virudhunagar showed the most improvement, between June and October, among the country's 111 most underdeveloped districts, while Jharkhand's Pakur reflected the least improvement, according to a survey by the Niti Aayog.

The government think tank on Thursday released the second 'delta' ranking of these districts that measures the incremental progress made by them across areas such as health and nutrition, education, agriculture and water resources, financial inclusion, skill development, and basic infrastructure.

Virudhunagar is followed by Nuapada in Odisha, Siddharthnagar in Uttar Pradesh, Aurangabad in Bihar and Koraput in Odisha.

As per the second delta ranking, Hailakandi in Assam, Chatra and Giridih in Jharkhand and Kiphire in Nagaland brought up the bottom, above Pakur, as the districts showing the least improvement.

Jammu and Kashmir's Kupwara district ranked at the top of the list for 'fast movers' for showing great initiative and displaying a qualitative jump in scores between June and October 2018. In the first delta ranking, Kupwara had topped the list for 'least improved aspirational districts'.

Kupwara's ranking improved to 7 from 108 during the period under review. Similarly, Ranchi's (Jharkhand) ranking rose to 10 from 106, Siddharthnagar's jumped to 3 from 103, Jamui's (Bihar) advanced to 9 from 99 and that of Fatehpur moved up to 25 from 82.

"The ranking factors in validated data from Household Surveys conducted by NITI Aayog's knowledge partners, namely, TATA Trusts and Bill & Melinda Gates Foundation (IDInsight)," the Niti Aayog said, adding that the surveys were carried out in all aspirational districts during the month of June 2018 covering more than 1,00,000 households.

The delta ranking is computed in a transparent manner for combined improvements made between June and October.

The Aspirational Districts Programme was initiated in January 2018 with the aim of improving the socio-economic status of 112 districts through cooperative and competitive federalism. Wayanad (Kerala) is not part of the ranking as household survey data was unavailable, according to the Niti Aayog.

2.2 Amid protests, triple talaq Bill passed

The Winter session of [Parliament](#) opened on Thursday after a prolonged holiday for Christmas. Parliament proceedings for much of the session was washed out over a variety of issues, including the latest snooping row, the Rafale jet deal and Cauvery dam.

On Thursday too, the scene in the Rajya Sabha was no different as the House adjourned for the day without transacting any business. There was ruckus in the House over issues ranging from construction of a dam on the Cauvery River to violence in Uttar Pradesh’s Bulandshahr district.

Meanwhile, the Lok Sabha was adjourned twice over protests by the AIADMK on the Mekedatu issue and the Congress, which wanted a JPC probe into the Rafale deal. The triple talaq Bill was passed after the Congress and AIADMK members walked out protesting the government's refusal to send the Bill to a Joint Select Committee for scrutiny.

On the schedule for Thursday:

<i>Bills for consideration and passing in Lok Sabha:</i>	<i>Bills for consideration and passing in Rajya Sabha:</i>
The Indian Medical Council (Amendment) Bill	The Trafficking of Persons (Prevention, Protection and Rehabilitation) Bill, 2018
The Muslim Women (Protection of Rights on Marriage) Bill	The National Council for Teacher Education (Amendment) Bill, 2018
The National Medical Council (Amendment) Bill, 2017	The Right of Children to Free and Compulsory Education (Amendment) Bill, 2018
The New Delhi International Arbitration Centre Bill, 2018	The Representation of the People (Amendment) Bill, 2018
The Companies (Amendment) Bill, 2018	<i>Bill for withdrawal in Rajya Sabha:</i> The Nalanda University (Amendment) Bill, 2013

2.3 Centre gives nod to draft bill on Indian Medicine

The Union Cabinet has approved the draft National Commission for Indian System of Medicine Bill, 2018. The NCIM will promote “availability of affordable healthcare services in all parts of the country”, the Centre said in a statement on Friday.

The draft Bill will enable the constitution of a National Commission with four autonomous boards for the purpose of conducting overall education in Ayurveda, Unani, Siddha and Sowaigpa.

“There are two common boards, namely the board of assessment and rating to assess and grant permission to educational institutions of Indian systems of medicine, and board of ethics and registration of practitioners of Indian systems of medicine to maintain a National Register and ethical issues relating to practice under the National Commission for Indian Medicine,” said the statement.

To assess the standard of teachers before appointment and promotions, the Bill proposes a common entrance and an exit exam.

3. Economy

3.1 Fiscal slippage will impact economic stability: N.K. Singh

Finance Commission Chairman N.K. Singh on Saturday sounded a note of caution against fiscal slippage, saying it would adversely impact the country's macroeconomic stability as well as investment climate.

The remarks come in the backdrop of States such as Madhya Pradesh and Rajasthan, which witnessed a change of government, announcing farm loan waivers.

Mr. Singh expressed apprehension that some States are not according priority to fiscal discipline, which was not the case earlier.

He also emphasised the need to strengthen the Centre-State relationship through institutional mechanisms.

Addressing the 'Skoch Summit' here, he said the government should look at ways to further accelerate the reforms process pertaining to the factors of production — labour, land, capital.

Speaking at the event, Bibek Debroy, Chairman, Economic Advisory Council to the Prime Minister, said there was a need to re-examine all institutional structures to push the country's growth.

3.2 GST rates cut on 27 items

The GST Council, chaired by Union Finance Minister Arun Jaitley, met in New Delhi today. Addressing the media after the meeting, he said the rates have been tweaked on 27 items.

Here are some of items whose rates have been slashed:

- Sliced dried mangoes reduced from 12% to 5%
- *Khakra* and plain *chapattis* reduced to 5%
- ICDS food packets for children reduced from 18% to 5%
- Unbranded *namkeen* down to 5%
- Unbranded ayurvedic medicines down from 12% to 5%
- Plastic and rubber waste down from 18% to 5%
- Paper waste from 12% to 5%
- Yarn brought from 18% to 12%
- Many stones used in flooring, except marble and granite - will be now taxed at 18% instead of 28%
- A lot of items in stationery were at 28% now at 18%
- Diesel engine parts - brought down to 18% from 28%

- Services - zari job work - down from 12% to 5%

3.3 Banks under PCA sitting on cash pile

Commercial banks, under the prompt corrective action (PCA) framework of the Reserve Bank of India (RBI), are sitting on a pile of cash as they don't have too many options to lend, even as the banking system is scrambling for liquidity.

The 11 public sector banks under the PCA, enjoying 25% market share among commercial banks, are facing restrictions on lending while their deposit mobilisation has been healthy.

Liquidity deficit

The average liquidity deficit in the banking system has been about ₹1 lakh crore since October with the shadow banks impacted the most as they are finding it difficult to raise funds following the IL&FS crisis. This, in turn, is affecting the loan market.

"The daily average cash surplus in my bank is about ₹20,000 crore to ₹25,000 crore," said the chief executive of a public sector bank which is under the PCA framework. Though deposit mobilisation had picked up, there were restrictions on lending by the bank, the official explained. A senior official from another mid-sized public sector bank said the bank's daily excess cash was about ₹40,000 crore.

As a result, the bank's statutory liquidity ratio (SLR) was about 27-28%, much higher than the RBI mandated 19.5%. SLR is the minimum amount of liabilities that a bank must invest in government securities.

For banks under PCA, the ratio is much higher. "As a result, we have no other option but to invest in government bonds," another senior official from a public sector bank said. Investments in government bonds is the most risk-free avenue to park funds which, in banking parlance, is known as 'lazy banking.' While 'lazy banking' refers to the risk averse nature of banks, here, the situation is slightly different as their hands are tied.

No curbs on deposits

"Banks under PCA are sitting on high liquidity as deposit growth has picked up. While there is no restriction on them to get deposits, they face constraints on lending. So they are investing the resources in government bonds, which has resulted in high SLR holding," said Madan Sabnavis, chief economist, CARE Ratings.

According to the latest RBI data, year-on-year deposit growth is 9.7% till the week ended December 7 compared with 2.7% a year ago.

"In this context, the government's decision to provide the banks under PCA with additional capital is a good move which will bring them out of the framework gradually so that lending activity can get a boost," said Mr. Sabnavis. Last week, the government had sought Parliament's approval to provide ₹41,000 crore to PSBs in the current fiscal. The aim is to provide capital to the banks under PCA, which will help them come out of restrictions imposed.

3.4 Foreign fund outflows highest since 2008

For the Indian equity markets, year 2018 will end as the worst in terms of foreign money outflows since 2008 when markets across the globe were reeling under the sub-prime crisis and Lehman Brothers filed for the largest bankruptcy in history.

In the Indian context, 2018 would also be only the third such year in the last decade when foreign portfolio investors (FPIs) would end a calendar year as net sellers of Indian shares.

Foreign investors, who have always been looked upon as the prime drivers of any bull run in the Indian equity market, have been net sellers at almost \$4.8 billion or ₹33,344 crore during the current calendar year, till date.

Further, the year also saw overseas investors selling shares worth almost \$4 billion or ₹28,921 crore in just one month — October — making it the worst-ever month in terms of FPI outflows. The previous high was seen in November 2016, when FPIs sold Indian shares worth ₹18,244 crore.

Market participants are of the view that such significant outflows were primarily on account of the weakness in the rupee and the volatility of the stock markets that saw the benchmark Sensex touching an all-time high of 38,989 in August only to lose more than 9% or more than 3,500 points since then.

“The one big factor that spooked everyone, especially foreign investors, was the fall in the rupee that moved from around 64 level to 74 against the dollar during the year,” said Harendra Kumar, managing director, institutional equities, Elara Capital.

“There was also heightened volatility globally due to the concerns related to the trade war between U.S. and China that made investors stay away from the emerging market pack, including India. The bubble kind of situation in the mid-cap and small-cap segments at the start of the year also led to profit booking from such investors,” added Mr. Kumar.

While the benchmark Sensex had gained a little more than 4% or 1,413 points in the current calendar year, it is insignificant compared with the previous year’s rise of 7,430 points or almost 28% amidst robust FPI flows totalling ₹51,252 crore.

Incidentally, when foreign investors pulled out a record ₹52,987 crore in 2008, the 30-share Sensex had lost a whopping 10,639 points or 52.45%.

Neelkanth Mishra, co-head of equity strategy, Asia Pacific and India equity strategist, Credit Suisse, believes that even if volatility remains high in 2019, the impact on the Indian market would be moderate as foreign investors now have a lesser stake in the markets compared with some of the earlier years.

“... the impact should be somewhat moderated, given that foreign investors have not been meaningful buyers of Indian stocks for the past three years and are now accounting for less than a third of trading volumes,” he said recently while presenting the global financial major’s 2019 outlook for the Indian market.

Domestic support

Meanwhile, most market participants believe that the potential losses this year have been largely mitigated due to the strong buying support, especially in index constituents, from domestic institutional investors such as mutual funds and the Life Insurance Corporation (LIC).

Strong buying by domestic investors also helped the Indian stock markets overtake Germany for the first time ever in terms of market capitalisation. According to data from the World Federation of Exchanges (WFE), the market capitalisation of India was pegged at \$2.06 trillion in December, slightly higher than Germany's \$1.9 trillion.

3.5 Seven PSBs to receive Rs 25,615 crore from Centre

The government will infuse Rs. 28,615 crore into seven public sector banks (PSBs) through recapitalisation bonds by the end of December 2018.

The amount infused will help the banks meet regulatory capital requirement.

Out of these seven PSBs, Bank of India is likely to get the highest amount of Rs. 10,086 crore, followed by Oriental Bank of Commerce which might get Rs. 5,500 crore.

3.6 Traders welcome new e-commerce rules

A day after the government issued a clarification, tightening the norms for e-commerce players, the Confederation of All India Traders (CAIT) welcomed the decision and demanded that the rules be implemented with retrospective effect from April 1, 2018 so as to void the Walmart acquisition of Flipkart.

The government on Wednesday barred online retailers from selling products of companies in which they own a stake. They also barred online retailers from selling goods exclusively on their platforms. These rules are to come into effect from February 1, 2019.

"It was under immense pressure that the government decided to frame new rules," Praveen Khandelwal, secretary general, CAIT, told the media. "It was a tough, year-long struggle for traders. We met Commerce Minister Suresh Prabhu, Finance Minister Arun Jaitley and key government officials to convince them of the need to ensure a level-playing field.

"Both online and offline traders in the country will now be able to sell their goods on e-commerce platforms in a transparent manner," Mr. Khandelwal added. "Some multinational companies, which recently struck deals, should also be included in it and it [new norms] should be implemented from April 1, 2018."

A senior official in the Commerce Ministry, however, said February 1, 2019 was set so as to give companies time to comply with the rules. As such, implementing them with a retrospective effect would not be possible.

Empowered regulator

Mr. Khandelwal also called for the creation of an empowered regulator for the e-commerce sector.

"The decision to create a regulator is still being deliberated upon and if it is to be created, it will be done through the new e-commerce policy that we are drafting and which should be ready in a few weeks," the official said.

The official also categorically said that the clarification issued on Wednesday was not intended to target any specific company and that they were aimed at “promoting fair and non-discriminatory trade.”

4. Science and Tech

4.1 Manned space mission to take off

If everything goes according to plan, in 40 months, three Indians will be launched into space by an Indian rocket. This is the aim of India's ambitious manned spaceflight mission, Gaganyaan, the contours of which were outlined by Dr. K. Sivan, Chairman of the Indian Space Research Organisation (ISRO) on Tuesday.

"We will do it before the 75th Independence Day. I will say that we will target six months before that. Sceptics have been doubtful but we are confident. Most of the technologies are already developed," Dr. Sivan told a press conference.

He stated that ISRO began work on the manned mission in 2004 and some of these technologies have been demonstrated successfully through various tests — Space Capsule Recovery Experiment, Crew module Atmospheric Re-entry Experiment and Pad Abort Test.

In the Independence Day address from the Red Fort, Prime Minister Narendra Modi had announced that an Indian will go to space by 2022 "with the tricolour in his hand."

ISRO will use its GSLV Mk-III launch vehicle, which has the necessary payload capability to launch Gaganyaan, Dr. Sivan said. Two unmanned missions will be undertaken prior to sending humans on the first manned flight within 30 months and manned mission in 40 months.

"The mission will aim to send a three-person crew to space for a period of 5-7 days. The spacecraft will be placed in a low earth orbit of 300-400km," Dr. Sivan said.

The total programme is expected to cost less than ₹10,000 crore and will result in significant spinoffs in multiple dimensions, including technology spinoffs in the social sector.

"This is very cost-effective when you look at it from a larger perspective, more so when you compare it with similar missions sent by other countries. The benefits which we are going to obtain from them are invaluable," Dr. Jitendra Singh, Minister of State for Space, said.

Launch sequence

A crew module, along with the service module, together called the orbital module weighing seven tonnes, will be mounted atop the GSLV launch vehicle.

"The crew will reach low earth orbit in 16 minutes and stay in orbit for 5-7 days. During orbit, the astronauts will carry out micro gravity experiments," Dr. Sivan said.

In the return phase, at 120 km above earth, the crew module will separate from the service module and head towards earth in a controlled manner. "It will take 36 minutes to reach the earth," he stated.

The crew module will splash down on the Arabian Sea closer to Ahmedabad. However, Dr. Sivan said ISRO is drawing up plans to land the module on the Bay of Bengal or even on land in case of any contingency to "ensure safety of the crew."

The mission crew can be either Air Force pilots or even civilians. However, Dr. Sivan said that for the first flight the preference is for pilots. The selection of the crew is expected to begin shortly as it will take 2-3 years to complete the training. "You can expect an advertisement soon," Dr. Sivan stated.

National effort

Given the complexity of the programme, Dr. Sivan said, it will truly be a national endeavour with the participation of ISRO, academia, industry as well as other government and private agencies as stakeholders.

The project will also result in employment for 15,000 people most of it in the private sector.

To accelerate the programme, ISRO is considering seeking collaborations with space agencies from friendly countries with advanced space programmes.

The programme once launched, will make India the fourth nation in the world to have a manned space mission. So far only the U.S., Russia and China have launched human space flight missions.

5. Environment / Geography

5.1 NGT bans mining close to Sariska reserve

Following a plea challenging the environmental clearance granted to mines within 10 km of the Sariska Tiger Reserve, the National Green Tribunal has banned all mining activity around the area. Any further activity is subject to the clearance of leases by the National Board of Wildlife.

A Bench, headed by NGT judicial member Raghuvendra S. Rathore, passed the directions while noting that the final notification on the eco-sensitive zone for the Tiger Reserve is yet to be notified by the Ministry of Environment, Forests and Climate Change (MoEF &CC).

“We direct that all mining activities of any mineral will be stopped within 10 km of the boundary of Sariska Tiger Reserve/Wildlife Sanctuary till mining leases are cleared by the standing committee of the National Board of Wildlife. All the ECs of the mining leases may be referred to the standing committee of the NBWL,” the Bench said.

The Tribunal further added, “In case MoEF issues final notification on the eco-sensitive zone, the mining lease which fall within the eco-sensitive zone will have to have clearance of the standing committee of the NBWL.”

Violates 2006 SC order

The directions came following an appeal filed against the environmental clearance granted in 2016 by the State Environmental Impact Assessment Authority (SEIAA) and the District Environment Impact Assessment Authority (DEIAA), to mines within 10 km of the boundary of the Tiger Reserve.

It was contended that the EC was granted in violation of previous orders passed by the Supreme Court in 2006 that prohibited mining activity within 1 km of national parks and sanctuaries.

The green panel also took note of the Supreme Court order earlier this month, which said that for 21 national parks and sanctuaries, the eco-sensitive zone “will be 10 km as the proposal for the same had not been sent to the MoEF by the States.”

5.2 River Dolphins go missing in Sunderbans as water salinity rises

Rise in salinity in the water system that makes the Indian Sunderbans has resulted in the decrease of population of the Ganges River Dolphins in the region.

A recent study covering 100 km of rivers and channels around the Sunderbans have revealed that the national aquatic animal is no longer sighted in the central and eastern parts of the archipelago. Only in the western part of Sunderbans, where the salinity is lower, could researchers find some evidence of the species.

The details of the study have been published in *Journal of Threatened Taxa*, in an article titled *Possible Range Decline of Ganges River Dolphin Platanista Gangetica in Indian Sundarban*. The paper, authored

by Sangita Mitra and Mahua Roy Chowdhury, states that “sighting records in the present study reveal that distribution of GRD (Ganges River Dolphin) is influenced by the salinity level of the waterways”.

“The study is indicative of how natural changes including the phenomenon of climate change and human interventions in the Indian Sunderbans are having an adverse impact on the habitat of the species” Ms Mitra told The Hindu.

Ms. Roy Chowdhury, the other researcher who carried out the study from 2012- 2016, said that because of its unique body shape, it becomes difficult for the dolphin to remain submerged in waters with high salinity. According to her, freshwater flow to the Sunderbans is crucial for the subsistence of these species. She pointed out the hyper-saline zone in the central part of the Sunderbans, which includes areas such as Raidighi and Patharpratima, have lost connectivity with the upstream freshwater flow. Though there is some fresh water connectivity and flow in the eastern part, salinity levels were still high and thus there was no evidence of the Ganges River Dolphin in this region.

The rise in sea level, triggered by climate change, is one of the reasons for the increase in salinity of waters of rivers and channels. “Hydrological modifications like water diversion and commission of large barrages upstream have had a great impact on the salinity profile of the rivers downstream in the Sunderbans,” the publication stated.

In the study, the researchers noted a higher rate of encounter with the species in rivers and stretches that had limited use of motorised boats, less river traffic and more country boats. The encounter rate was higher by almost 55 % in such stretches, the publication stated.

Classified as endangered by the IUCN Red List, the freshwater species was also once found in different tributaries of the Ganga in West Bengal. Researchers and experts pointed out that the sighting of the Ganges River Dolphin has decreased over the years in the 534-km stretch from Farakka Barrage to Sunderbans.

“An adult species requires a minimum mid-channel depth of 5.2 metres, and for young ones the depth is 2.5 metres. At present the population of the Ganges River Dolphin is confined to some pockets like Nabadweep, Kolaghat, Diamond Harbour and Namkhana,” Ms. Mitra said. She said there was an urgent need for more detailed and comprehensive studies to assess the population and factors resulting in the decline of the species.

5.3 States get greater say over coastal regions

The Union Cabinet, chaired by Prime Minister Narendra Modi, on Friday approved the CRZ Notification 2018, streamlining of Coastal Regulation Zone clearances, aimed at enhancing activities in the coastal regions and promoting economic growth while keeping in mind conservation principles of coastal regions.

The move comes in the backdrop of a series of representations received by the Ministry of Environment, Forest and Climate Change from various coastal states and Union Territories, besides other stakeholders for a comprehensive review of the provisions of the CRZ Notification, 2011.

Few exemptions

According to the new notification only such projects, which are located in the CRZ-I (Ecologically Sensitive Areas) and CRZ IV (area covered between Low Tide Line and 12 Nautical Miles seaward) will require the necessary clearance from the Ministry of Environment, Forest and Climate Change.

The powers for clearances with respect to CRZ-II (The areas that have been developed upto or close to the shoreline) and III (Areas that are relatively undisturbed) have been delegated at the State level.

The construction norms on Floor Space Index (FSI) or the Floor Area Ratio (FAR), which was frozen as per 1991 Development Control Regulation (DCR) levels, has been relaxed and will now be based on laws which are in vogue.

The new notification also relaxed the No Development Zone (NDZ) criteria. Densely populated rural areas with a population density of 2,161 per square kilometre, falling under CRZ-III A, now have NDZ of 50 meters from the High Tide Line (HTL) as against 200 meters stipulated in the CRZ Notification, 2011.

Island curbs

For islands close to the mainland coast and for all Backwater Islands in the mainland, NDZ of 20 meters has been stipulated.

The notification also permits temporary tourism facilities such as shacks, toilet blocks, change rooms, drinking water facilities etc. in beaches. Such temporary tourism facilities are also now permissible in NDZ of the CRZ-III areas.

The government said the new notification will “boost tourism in terms of more activities, more infrastructure and more opportunities and will certainly go a long way in creating employment opportunities in various aspects of tourism”.

Also, in order to address pollution in coastal areas, treatment facilities have been made permissible activities in CRZ—I B area subject to necessary safeguards. Defence and strategic projects have been accorded necessary dispensation, it said

6. Security

6.1 Assault on boys punishable by death

The government on Friday approved amendments to the Protection of Children from Sexual Offences (POCSO) Act, 2012, to bring punishments for sexual assaults on boys on a par with those against girls. These include the provision of death penalty when the child is under 12 years and when a penetrative sexual assault is committed by a relative.

The amendments approved by the Union Cabinet will now have to be passed by Parliament. An official of the Ministry of Women and Child Development said the government intends to introduce the amendment Bill in the Rajya Sabha.

The move will ensure that the Bill, once introduced even if not passed, will not lapse when the term of the present government comes to an end and the Lok Sabha is dissolved.

Kathua rape case

Following the outrage over the gang rape of a minor girl in Kathua in Jammu and Kashmir, the government had brought an ordinance in April and followed it by passing a Bill in Parliament during the monsoon session to amend the Indian Penal Code. The changes included death penalty for gang rape of a girl under 12 years and 20 years in jail or death penalty for rape of a girl under 16 years.

Provisions were also added to provide imprisonment for the rest of one's natural life for gang rape of a girl under 16 years, while rape of a girl in the same age bracket would be punishable with jail of minimum 20 years upto life imprisonment.

Anomalies set right

However, the absence of these changes to POCSO Act, 2012, which deals with sexual crimes against both girls and boys, meant that same offences committed against boys carried lighter punishments. Friday's changes will address these anomalies.

The Union Cabinet approved changes to Section 6 of the POCSO Act, which deals with punishments for aggravated penetrative sexual assault, enhancing the punishment of 10 years to life imprisonment and 20 years to imprisonment for remainder of a person's natural life or with death.

This category of offence includes assault on a child under the age of 12 years, gang rape, assault on a mentally or physically challenged child or one that is committed by a relative or a custodian of a child. According to National Crime Record Bureau data as many as 94.6% of total crimes under the POCSO Act as well as Section 376 are committed either by relatives or acquaintances.

The government has also amended the definition of aggravated penetrative sexual assault to include an offence that causes the death of a child. The minimum punishment for penetrative sexual assault has been increased from seven years in jail to 10 years.