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Current Affairs (01 to 10 January, 2019)

1. National News

1.1 Sudhir Bhargava is new CIC Chief

The government has appointed Sudhir Bhargava as the new Chief Information Commissioner. He will take charge on January 1. Four new members have also been appointed to the Central Information Commission (CIC), taking its total strength to seven. Four vacancies still remain.

The CIC is the highest appeal body under the Right to Information Act. It has been functioning with just three members since the former chief and several members completed their tenure last month.

Mr. Bhargava, a former Secretary to the Ministry of Social Justice, will be sworn in by President Ram Nath Kovind on Tuesday. He has been a Commissioner since June 2015, and will take over as the ninth chief of the CIC. Like all of his predecessors, he is a retired bureaucrat. The previous chiefs have all been from Central service — IAS, IPS and IIS — backgrounds.

All four of the new Commissioners are also retired senior bureaucrats. Yashwardhan Kumar Sinha was High Commissioner of India to the United Kingdom, while Vanaja N. Sarna was chief of the Central Board of Excise and Customs. Suresh Chandra retired as Union Law secretary earlier this year, while Neeraj Kumar Gupta was Secretary in the Department of Investment and Public Asset Management.

Activists have slammed the government for a lack of transparency in the appointment process, as no details on the shortlist or the search committee have yet been made public. At a December 13 hearing of a PIL on vacancies in the State and Central Commissions, the Supreme Court had directed that such details be made available. "The Department of Personnel and Training will comply with the Supreme Court direction. Once the Commissioners take the oath of office, we will put the entire file on the process online. We have time until the next hearing date on January 22," a DoPT spokesperson told *The Hindu*.

"What is the point of such post-facto information? The details on the shortlist should have been put out before the appointment was made to ensure transparency," said Anjali Bhardwaj, co-convenor of the National Campaign for the People's Right to Information (NCPRI).

1.2 ASI declared 6 monuments of national importance in 2018

The 125-year-old Old High Court Building in Nagpur, Maharashtra, and two Mughal-era monuments in Agra — Haveli of Agha Khan and Hathi Khana — are among the six monuments declared protected and of national importance by the Archaeological Survey of India (ASI) in 2018.

The ancient Neemrana Baori in Rajasthan's Alwar district; the Group of Temples at Ranipur Jharail in Odisha's Bolangir district; and the Vishnu Temple in Kotali, Pithoragarh district, Uttarkhand, are the three other monuments that have been listed.

In 2016 and 2017, no new monument was included in the list of sites of national importance. The last monument to be included in the list, in 2015, was the Vishnu Temple in Nadavayal in Kerala's Wayanad district.

The list was presented in the Lok Sabha on December 24, 2018, by the Ministry of Culture in response to a question by the Shiv Sena MP from Ramtek, Krupal Balaji Tumane. Replying to the question, the Ministry said that the ASI takes up a survey for documenting/reporting ancient monuments/sites through exploration, and that a village-to-village survey and conservation of monuments is a continuous process.

According to the Ancient Monuments and Archaeological Sites and Remains Act, 1958, an "Ancient Monument means any structure, erection or monument, or any tumulus or place of interment, or any cave, rock-sculpture, inscription or monolith which is of historical, archaeological or artistic interest and which has been in existence for not less than 100 years."

There were 3,686 centrally protected monuments/sites under the ASI in the country; the number has now increased to 3,693. Uttar Pradesh (745 monuments/sites), Karnataka (506) and Tamil Nadu (413) have the highest number of ASI-maintained sites.

1.3 U.K. Sinha to head RBI panel on MSME revival

The RBI has appointed an eight-member expert committee headed by former SEBI chairman U.K. Sinha to comprehensively review and propose long-term solutions for revival of the micro, small and medium enterprises (MSME) sector.

Other members of the panel are Ram Mohan Mishra, Additional Secretary, Development Commissioner MSME; Pankaj Jain, Joint Secretary, Department of Financial Services, Ministry of Finance; P. K. Gupta, Managing Director, SBI; Abhiman Das, Professor, IIM-Ahmedabad; Sharad Sharma, co-founder, iSPIRT Foundation; and Bindu Ananth, Chair, Dvara Trust. The committee will submit its report by the end of June 2019.

Among the terms of references, the RBI said the panel would review the current institutional framework in place to support the MSME sector, and examine the factors affecting the timely and adequate availability of finance to the sector.

Double whammy

The MSME sector has been facing stress due to the demonetisation exercise and implementation of GST.

The panel will also review existing MSME-focussed policies and their impact, and study the global best practices with respect to MSMEs and recommend their adoption in India. Meanwhile, RBI Governor Shaktikanta Das tweeted that he would hold meetings with MSME associations and representatives of NBFCs next week.

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1.4 India records 377 mine death in 3 years

At a time when multiple agencies are involved in the rescue of 15 miners trapped in a rathole mine in Meghalaya, data tabled in the Lok Sabha earlier this week revealed that 377 workers involved in mining of coal, minerals and oil were killed in accidents between 2015 and 2017.

Of the 377 deaths, 129 occurred in 2017 alone. As many as 145 died in 2016, while the figure was 103 in 2015.

Coal mines have accounted for the highest number of casualties due to accidents in mines. Of the 377, more than half, 210, were killed in coal mines.

These figures were provided by the Labour and Employment Ministry on December 31, 2018 in response to a question raised by Laxman Giluwa, BJP MP from Jharkhand.

Jharkhand, which recorded 69 deaths (11 in 2015, 46 in 2016 and 12 in 2017) in the three years, has accounted for the highest death of coal mine workers in accidents inside mines. Goda in Jharkhand witnessed one of the biggest open cast mine accidents in 2016 when 23 workers died in December that year.

Telangana recorded 32 deaths in these three years while Madhya Pradesh registered 29.

During the period, 152 persons died in accidents in metal mines across the country. Rajasthan, one of highest mineral producing States in the country, accounted for 48 deaths (20 in 2015, five in 2016 and 23 in 2017) while Andhra Pradesh recorded 29 deaths. During this period, 15 deaths were reported in oil mines, most of them occurring in Assam and Gujarat.

1.5 MGNREGA scheme faces fund shortage

The Mahatma Gandhi National Rural Employment Guarantee Act scheme is facing a severe fund crunch, with 99% of money allocated already exhausted three months before the end of the financial year, and 11 States and Union Territories having a negative net balance.

Studies analysing government data show that the scheme faces difficulties in meeting the demand for work and paying wages on time. These issues are likely to be exacerbated by the current fund crisis, according to worried economists, researchers and workers on the ground.

Lean season

The scheme's financial statement shows that as on Saturday, the total availability of funds was ₹59,032 crore. The total expenditure, including payment due, stands at ₹58,701 crore. That leaves a slim margin of only ₹331 crore. For 11 States, that margin is non-existent, as their accounts are already in the red.

"There are three more months to go and this is when the lean agricultural season is upon us, when demand for MGNREGA employment peaks, intensifying the suffering at a time when work is needed most," said Nikhil Dey, an activist with the Mazdoor Kisan Shakti Sangathan. "Rainfall deficits and drought this year are likely to worsen the situation, as we saw in 2015-16 when the demand and need for work was higher than normal."

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A team of independent researchers led by Azim Premji University's Rajendran Narayanan has found that employment provided was already 32% lower than work demanded during 2017-18. Their ongoing study is analysing government data on the demand generated, employment provided, and fund availability in 3,500 panchayats across 10 representative States last year.

In monetary terms, using this data to estimate national allocation, this means that ₹76,131 crore is the minimum amount needed to meet the registered work demand last year, almost 30% higher than the current allocation, said the study.

"This shows that the employment provided is wilfully capped based on the funds available. On the ground, we are seeing that State governments and field functionaries are compelled not to register demand for work in order to contain the payment liabilities of the governments," said Mr. Dey.

1.6 Tribals of West Bengal battling food scarcity study

Two months after the West Bengal government denied any food scarcity as a possible cause of death of seven persons from a tribal community, a survey report has identified "food scarcity in varying degrees" in about 31% of tribal households in West Bengal.

The study titled 'An Inquiry into the world of the Adivasis of West Bengal', conducted by Professor Amartya Sen's Pratichi Institute and Asiatic Society, will be released in Kolkata on Monday.

The survey was conducted in 1,000 tribal households to ascertain living conditions, health and education.

West Bengal is home to a over five million tribals, with 6% of the India's tribal population of 100 million. But in many areas, tribals of the State are "far behind" in terms of human development. One area, which has been a matter of contention in recent months after the death of seven tribals in a span of 15 days in November, is scarcity of food. The preliminary survey report claimed that "nearly one third [31%] of the surveyed households" reportedly faced "food scarcity in varying degrees" in the past year.

…While some households faced acute hunger only in some months (August–October), in many cases, people had half-meals only twice a day. Also, in some cases, adult members reportedly ate only once a day. Also, in some cases, adult members [of households] reportedly ate only once a day," the report noted. Most of the families surveyed could hardly afford animal protein or pulses.

In addition "poverty-born vices like alcoholism [and] the fragility of the public health system…seemed to have resulted in a much lower life chances among the Adivasis than their more privileged co-citizens," the report noted. Degradation of forest and environmental degradation are cited as two more reasons for "reduced availability of natural nutrients" resulting in early deaths.

Premature deaths

The report indicated that the number of deaths reported to have occurred in the surveyed households, in the year preceding the survey, "was 52, among which 48 [92%] were premature deaths" and only four were due to old age.

"The average age of the [tribal] persons who died was 58 years, which is much shorter than the life expectancy at birth" (70 years in West Bengal).

The survey, a synopsis of which has been accessed by *The Hindu*, is conducted in 10 districts of the State, of which three were formerly undivided.

The work participation rate [WPR] is higher among the Adivasis in Bengal "forcing the children of schoolgoing age to discontinue their studies in order to fend [for] themselves and support the families," the report noted. According to the Census of 2011, while WPR is 39% and 49% in Bengal and India, respectively, "the corresponding figures for Adivasis were 49% and 47%," indicating the participation of more children.

"Our survey found that both the children and elderly people were also involved in earning, and that the rate of transition in education was low…" the report noted.

However, a higher rate of work participation has not contributed to a better living standard, indicated the survey, which followed a "mixed-method approach" combining quantitative and qualitative data. In the area of health and education, too, tribal communities are far behind the rest of State's population.

"A substantial number of…children whose immunisation cards were available were not fully immunised: of 36 children, only 21 (58%) were, as recorded in the cards, found to be fully immunised."

Moreover, 44% of households do not have access to toilets and nearly two-thirds of the households had no drainage system, the report noted.

1.7 SC ruling strikes a blow for CBI's independence

The Alok Verma divestment case has led the Supreme Court to further protect the tenure of the CBI Director and the independence of the country's premier investigative agency from interference by political higher-ups.

The judgment by the three-judge Bench led by Chief Justice of India echoes what senior advocate Fali Nariman, appearing for Mr. Verma, said during the court hearing.

Mr. Nariman had said that the unceremonious overnight divestment of his client as CBI Director through orders of the government and the CVC pointed to an interference in the statutory guarantee of a two-year tenure.

'Centre of power'

He had described the CBI Director as the "centre of power in an abundantly powerful organisation having jurisdiction to investigate and to prosecute key offences and offenders having great ramifications and consequences on public life."

In short, the CBI was an able weapon in the hands of Rule of Law to prosecute corruption in public life, among other offences.

With this judgment, the Supreme Court has protected the tenure of the CBI Director. It has interpreted Section 4B (2) of the Delhi Special Police Establishment (DSPE) Act of 1946 to expand the meaning of the word 'transfer' to include divestment and dispossession of CBI Director, quite like what happened to Mr. Verma.

The judgment mandates that the high-power committee of the Prime Minister, the CJI and the Opposition leader, set up under Section 4A (1) of the 1946 Act, should first approve any move by the government to transfer or even divest a CBI Director before the end of his tenure.

The court dismissed the contention of the government that the PM Committee had very limited power, that is, to make recommendation for appointment of a CBI Director.

The CVC argued that just because a person becomes a CBI Director, he or she does not cease to be a civil/government servant.

The CVC has power over all civil/government servants.

To this, Chief Justice Gogoi countered, in his judgment, that Parliament has consistently enacted laws, from the CVC Act in 2003 to the amendments which ushered in provisions like 4A and 4B into the DSPE Act, in order to "completely insulate" the CBI Director's office from outside influences.

These laws were a "sequel" to the court's own Vineet Narain judgment to protect the integrity of CBI.

1.8 Customers cannot be charged for availing tokenization service: RBI

The Reserve of India (RBI) has allowed all card payment networks to offer tokenisation service. However, the central bank has made it clear that no charges should be recovered from the customer for availing this service.

Tokenisation involves a process in which a unique token masks sensitive card details. The token is then used to perform card transactions in contact-less mode at Point Of Sale (POS) terminals, Quick Response (QR) code payments, etc.

The RBI has allowed card payment networks to offer card tokenisation services to any token requestor, that is, a third party app provider. A card holder can avail of these services by registering the card on the token requestor's app and after giving 'explicit consent'.

"All extant instructions of Reserve Bank on safety and security of card transactions, including the mandate for additional factor of authentication (AFA) / PIN entry shall be applicable for tokenised card transactions also," the RBI said in a release.

"This permission extends to all use cases/channels [e.g., Near-Field Communication (NFC) / Magnetic Secure Transmission (MST)-based contact-less transactions, in-app payments, QR code-based payments etc.] or token storage mechanisms (cloud, secure element, trusted execution environment etc.). For the present, this facility shall be offered through mobile phones/tablets only. Its extension to other devices will be examined later based on the experience gained," the RBI said.

For additional factor of authentication, PIN entry shall be applicable for tokenised card transactions also.

Safety measures

"Adequate safeguards shall be put in place to ensure that PAN cannot be found out from the token and vice versa by anyone except the card network," the RBI said.

"Moreover, actual card data, token and other relevant details shall be stored in a secure mode and the token requestors are not allowed to store PAN or any other card detail," the release added. The ultimate responsibility for the card tokenisation services rendered rests with the authorised card networks, the RBI said.

2. International News

2.1 U.S., Israel officially quit UNESCO

The United States and Israel have formally quitted the United Nations Educational, Scientific and Cultural Organisation (UNESCO) on Tuesday.

The Times of Israel reported that the move came following alleged allegations that the Paris-based organisation criticised Israel's policies of East Jerusalem's occupation and the grant of full-time membership to Palestine in defiance of the American and Israeli pressure.

'UNESCO is a body that continually rewrites history, including by erasing the Jewish connection to Jerusalem,' Israel's Ambassador to the UN Danny Danon was quoted as saying.

'It is corrupted and manipulated by Israel's enemies, and continually singles out the only Jewish state for condemnation. We are not going to be a member of an organisation that deliberately acts against us,' Danon added.

Israel initiated the withdrawal process after the US declared to step out of UNESCO in 2017.

'We hope that the organization will change its ways but we are not pinning hopes on this; therefore, my directive to leave the organisation stands and we will move forward to carry it out,' Israel's Prime Minister Benjamin Netanyahu said.

The Jewish state, which is home to six UNESCO world heritage sites including Masada, the Old City of Acre, the Bahai Temples in Haifa and the 'White City' of Tel Aviv, had joined the United Nations organisation on September 16, 1949. However, a spokesperson for the Foreign Ministry in Jerusalem confirmed that these sites will continue to remain as world heritage sites even after Israel formally quits from the UNESCO membership.

However, Al Jazeera further stated that the withdrawal from both the countries would not affect the UN organisation financially as both Israel and the US had stopped funding it since Palestine's membership was granted in 2011.

2.2 Chinese lunar rover named as 'Yutu 2'

China has named the lunar rover, successfully deployed on Thursday to carry out a string of experiments on the far side of the moon, as 'Yutu-2'.

The state-run Xinhua news agency reported that the Yutu-2 touched the lunar surface at 10:22 p.m. local time on Thursday, leaving a trace on the loose lunar soil. The rover's touchdown is part of China Chang'e-4 lunar probe.

Analysts say that China's lunar probe is part of its 'Made in China-2025' project, which focuses on advanced technology, including space applications.

Homegrown GPS

It follows the BeiDou Navigation Satellite System — China's homegrown Global Positioning System that started worldwide service last month. Next year China plans to launch its Mars explorer mission. In 2022, it hopes to complete its own Earth-orbiting space station.

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Some observers say that China's advances can mutate into a Cold war-style competition in outer space with the United States.

Already China and the United States are roiled in a so-called trade war. U.S. administration officials are on record stating that there deep opposition to the 'Made-in-China 2025' project.

The Hong Kong based *South China Morning Post* quoted Chen Hongqiao, a researcher at Guangdong University of Foreign Studies in the southern city of Guangzhou, as telling that the landing could intensify the space race between China and the U.S. "Today the fight [between China and the U.S.] is on trade. Tomorrow it can be on the moon," he observed.

A military dimension?

According to the *Nikkei Asian Review*, after the latest launch, Beijing is moving forward with plans to build a research base on the moon. It is also said to be considering mining there for helium-3, a rare substance on earth that can be used as a fuel in nuclear fusion power generation. The publication added that the U.S. is growing increasingly alarmed because a more advanced Chinese space programme could be translated into military strength.

The rover has been programmed to launch ground penetration radar that would help map the moon's inner structures. It would also analyse soil and rock samples for minerals, apart from activating a radio telescope to search for possible signals from deep space.

The payload also carried a canister filled with air, soil, water, bacterium, silkworm eggs, the seeds of a small flowering plant and a potato, the *SCMP* reported. Scientists hope that the small eco-system will spring to life and produce the first blossoming flowers on the moon in about three months' time.

The China National Space Administration (CNSA) said the Chang'e-4 mission had "lifted the mysterious veil" from the far side of the moon, which is permanently blocked from view from earth, and "opened a new chapter in human lunar exploration".

3. Polity and Governance

3.1 Judges' retirement age wont go up

The Union Law Ministry has said there was no proposal as of now to increase the retirement age of Supreme Court judges from 65 to 67 and of High Court judges from 62 to 65.

The Ministry was responding to the recommendation of a Parliamentary Standing Committee that raising the retirement age of judges would help retain the existing judges, which in turn would help in reducing both vacancy and pendency of cases in short run.

In August 2010, Law Minister M. Veerappa Moily introduced the Constitution (114th Amendment) Bill, 2010 in the Lok Sabha.

The Bill, which sought to increase the retirement age of High Court judges, could not be taken up for consideration in Parliament and lapsed with the dissolution of the 15th Lok Sabha.

Panel's concern

The committee, in its report tabled in Parliament on Thursday, raised concern over the large number of vacancies of judges in High Courts.

The Ministry countered that the appointment of judges in the Supreme Court and High Courts is a continuous and collaborative process of the Judiciary and Executive.

"While every effort is made to fill vacancies expeditiously, vacancies keep on arising on account of retirement, resignation or elevation of judges and increase in judge strength," the Ministry said.

It further stated that the timeline for the initiation of the proposals for filling vacancies is rarely adhered to by the High Courts.

As of now, out of the total approved strength of 1,079 judges in 24 High Courts across the country, only 695 posts are filled.

The committee, headed by BJP lawmaker Bhupender Yadav, was of the view that to reduce pendency of cases, the existing vacant posts need to be filled immediately.

As per the existing memorandum of procedure (MoP), the judge appointment proposal has to be initiated by the Chief Justice of an High Court six months before the occurrence of vacancy. Within six weeks, the Chief Minister/Governor has to recommend on the proposal received from the Chief Justice.

And within four weeks, the Chief Justice of India/SC Collegium has to recommend the proposal to the Law Ministry.

4. Bills and Acts

4.1 Bill to allow voluntary use of Aadhaar ID introduced

On Wednesday, the government introduced a Bill in the Lok Sabha that will allow individuals to voluntarily offer Aadhaar biometric ID to verify their identity in order to obtain services such as the opening of a bank account and the connection to a mobile phone.

The bill, which seeks to amend three separate laws governing Aadhaar, the telecom sector and the banking system, also gives a minor the option of opting out of the 12-digit identity scheme to reach the age of 18.

It also provides for strict penalties for breaches of standards for the use of Aadhaar.

The Aadhaar and Other Laws(Amendment) Bill, 2018, moved by Ravi Shankar Prasad, Minister of Law and Information Technology, prohibits the storage of biometric core information and Aadhaar numbers by service providers in cases of individuals who have voluntarily provided the national identity as a means of authenticating them.

It also shows that anyone who does not offer Aadhaar can not be denied a service, whether it is a bank account or a SIM card.

4.2 Lok Sabha passes Citizenship Bill

The Lok Sabha on Tuesday passed the contentious Citizenship (Amendment) Bill, 2019, that seeks to provide citizenship to non-Muslims from Bangladesh, Pakistan and Afghanistan.

Home Minister Rajnath Singh, who introduced the Bill in the Lok Sabha, said the six communities — Hindus, Jains, Christians, Sikhs, Buddhists and Parsis from Bangladesh, Pakistan and Afghanistan — faced "discrimination and religious persecution" and they "have no place to go, except India."

The Congress said many States opposed the Bill and it should be sent to a select committee. As the government did not heed the demand, its MPs walked out.

Nehru cited

Quoting former Prime Minister Jawaharal Nehru as being in favour of giving shelter to persecuted minorities in the neighbouring countries, Mr. Singh said, "Although Indian leaders signed pacts with leaders of Pakistan and Bangladesh for protection of minorities, unfortunately it had not happened." "Even former Prime Minister Manmohan Singh, while speaking as Leader of the Opposition in the Rajya Sabha, had asked the then BJP-led government to be more liberal in dealing with the issue of persecuted minorities in Bangladesh," Mr. Singh said. The Bill seeks to grant citizenship to members of the six communities who have come to India till December 31, 2014.

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4.3 Parliamant passes bill to provide 10% quota for poor

Parliament on Wednesday cleared the Constitutional Amendment Bill guaranteeing 10% quota in education and employment to economically weaker sections in the general category, following an approval by the Rajya Sabha.

The Upper House nod came following an over nine-hour-long heated debate, during which the Opposition accused the government of bringing the Bill in haste with an eye on the coming Lok Sabha election.

The AIADMK staged a walkout vehemently opposing the move, while some other political parties, including the DMK, the Left and the AAP demanded that the Bill be sent to a Select Committee.

DMK's Kanimozhi, supported by several members, sought a division of vote on her motion for referring the Bill to a Select Committee. However, it was defeated with just 18 votes in favour. Then the CPI and the AAP members walked out in protest.

The Bill was passed with a majority of 165 against seven votes. It will be now sent for Presidential assent.

The Constitution (124th Amendment) Bill was introduced by Minister of Social Justice and Empowerment Thawar Chand Gehlot, who later in his reply said that the existing reservation to the SCs, STs and OBCs would not be touched by the amendment.

Clarifying the Bill's provisions, Law Minister Ravi Shankar Prasad said the reservation would be applicable to jobs in both Central and State governments, adding that the legislation gave powers to States to determine the economic criteria for identification of beneficiaries. He responded to the Opposition's charge of political intent by terming the government move a "slog-over six", with many more to come.

Earlier, during the debate, Congress leader Anand Sharma said provisions under Articles 15 and 16 of the Constitution were for the backward and weaker communities. In the past, attempts were made twice to extend reservation beyond their scope, but the Supreme Court struck them down. The same happened in several States.

Stating that it took the BJP-led government over four years to bring the Bill in the last session, Mr. Sharma questioned the circumstances and the manner in which it was taken up — pointing out that the party had lost recent Assembly polls in five States. Also questioning the economic criteria set for extending the quota, he said not many people would benefit from it especially when the government had failed to create enough jobs.

Mr. Sharma also asked the government to extend parliamentary session further to bring in the Women's Reservation Bill for passage.

Member Kapil Sibbal listed three hurdles that the law would have to surpass. There was complete non-applicability of mind on the government's part, its constitutionality could come under judicial scrutiny and that the implementation part was not clear, he said.

Samajwadi Party's Ram Gopal Yadav demanded 54% quota for OBCs, as the government had now opened up the doors by breaching the 50% cap fixed by the Supreme Court. Although he supported the Bill, he said the Centre had failed to even provide proper reservation to the SC, ST and OBCs. "When there are no jobs, what is the meaning of reservation?," he said.

Derek O'Brien of the TMC accused the government of cheating the poor and the youth. "The Trinamool Congress is disgusted. We are angry that Parliament has been disrespected, completely disrespected and this is the wrong method which has been used here," he said, stating that it was a political move by the government in the face of a projected poor performance in the coming Lok Sabha elections.

Referring to various government schemes, the TMC leader said they were all "Cheat India" and the proposed law was yet another attempt to mislead people.

Stating that the Bill had been brought without any empirical basis, AIADMK's Navaneethakrishnan quoted a Supreme Court order, stating: "A Backward Class cannot be determined only and exclusively with reference to economic criterion. It may be a consideration or basis along with and in addition to social backwardness but it can never be the sole criterion". He said the Bill trampled upon the rights of people in Tamil Nadu, which already had 69% reservation.

Mr. D. Raja also questioned the haste with which the Bill was brought in. He said it was signed on January 7, introduced and passed by Lok Sabha on January 8 and then taken up in Rajya Sabha. He dared the government to bring reservation in the private sector. BSP's Satish Chandra Misra said the Bill came after the meeting of his party supremo and Samajwadi Party chief for a possible pre-poll alliance in Uttar Pradesh.

5. Economy

5.1 Reserve Bank relaxes debt recast norms for MSMEs

Following a demand from the government for a debt recast package for micro, small and medium enterprises (MSMEs), the Reserve Bank of India (RBI) has relaxed the provisioning norms for lenders for restructuring loans of up to ₹25 crore.

According to the guidelines released on Tuesday, the RBI has allowed one-time restructuring of existing loans to MSMEs that are in default but 'standard' as on January 1, 2019. Banks have to make only 5% provisioning for restructuring the loans as compared to 15-20%, which is the provision that restructured loans typically attract.

The government has been asking for such a package for a long time for the MSME sector which was severely hit due to demonetisation exercise and implementation of the Goods and Services Tax (GST).

Enabling environment

"Considering the importance of MSMEs in the Indian economy, it is considered necessary at this juncture to take certain measures for creating an enabling environment for the sector," RBI said. The issue of restructuring of MSME accounts was discussed by the RBI board on November 19, 2018 . The issue also figured during RBI's recent interactions with the lenders.

"The above issue has been examined in RBI and a view has been taken to facilitate meaningful restructuring of MSME accounts that have become stressed," RBI said.

The restructuring has to be implemented by March 31, 2020, the RBI said.

"A provision of 5%, in addition to the provisions already held, shall be made in respect of accounts restructured under this scheme," the RBI said, adding that each bank or non-bank should formulate a policy for this scheme with the board's approval.

5.2 Banks unfairly charged for soiled notes

The Committee on Government Assurances has questioned the rationale behind banks being asked to bear the cost of soiled and counterfeit notes, particularly during the demonetisation exercise of 2016.

In its report tabled in the Rajya Sabha on Monday, the committee said it did not understand the rationale behind the policy wherein the banks had been asked to bear the losses arising out from mutilated and counterfeit notes, when they had no role in mutilating or circulating counterfeit notes, particularly just after demonetisation when they had the onerous task of handling huge cash flow.

The number of soiled notes more than doubled in 2017-18 compared to the previous financial year. According to RBI data, 27,678 million pieces of soiled notes were disposed of by banks in 2017-18 compared to 12,503 million pieces in 2016-17. Over 99% of the notes that were rendered invalid by demonetisation had returned from circulation. However, the number of counterfeit notes detected in 2017-18 was lower at 5,22,738 pieces as against 7,62,072 in the previous year. The committee also felt that it was improper to penalise the banks especially at a time when they had stretched their limits to support the government during demonetisation process and has recommended that the Department of Economic Affairs should consider relaxing note refund rules in this regard.

A Navaneethakrishnan, Chairman, Committee on Government Assurances, presented the 72nd Report of the Committee to the Rajya Sabha.

The panel discussed the issue with some public sector banks and representatives of the RBI, NABARD and Department of Economic Affairs and Ministry of Finance on its study visits to Kolkata, Chennai and Bengaluru.

The committee deals with the culling of assurances, examination of implementation of assurances, and dropping of assurances given by Ministers while replying to questions raised by Members during the proceedings of the Rajya Sabha.

5.3 Economy on track to maintain high growth rate

The Indian economy is projected to be the fastest-growing major economy in the current and upcoming fiscal 2019-20, the finance ministry said Wednesday while emphasising that the government has taken several steps to boost investors' confidence. According to a recent World Bank report, India has improved its ranking in the Ease of Doing Business to 77th in 2018. The average growth of the Indian economy between 2014-15 and 2017-18 was 7.3 per cent, fastest among the major economies in the world, the ministry said in Year End Review 2018. "Indian economy is projected to be the fastest-growing major economy in 2018-19 and 2019-20 (International Monetary Fund October 2018 database). This is borne by GDP growth of 7.6 per cent in the first half of 2018-19," it said. The Indian economy is on track to maintain a high growth rate in the current global environment, it added. Highlighting various initiatives taken to improve the confidence and boost the growth of the Indian economy, it said there were measures to boost manufacturing, comprehensive reforms in the foreign direct investment policy, special package for the textile industry, push to infrastructure development by giving infrastructure status to affordable housing and focus on coastal connectivity. The success of the government policies is further reaffirmed and underscored when the international organisations such as the World Bank and the IMF recognise India as the fastest-growing emerging economy in the world and applaud the resilient and stable growth India has witnessed, it said. On inflation, it said the country witnessed moderation during 2017-18 and this progress is a result of a number of initiatives and reforms undertaken by the government which follows in the subsequent pages. Consumer Price Index-based headline inflation averaged 3.3 per cent during the period which is the lowest in the last six financial years. This has been stated in the Economic Survey 2017-18 placed in Parliament by Finance and Corporate Affairs Minister Arun Jaitley.

5.4 GST can boost direct, indirect tax collections, says experts

The fact that the government is increasingly dependent on tax revenue, especially indirect taxes, to meet its fiscal requirements is not a cause for worry, according to tax analysts, who say that the real benefits of the Goods and Services Tax (GST) have not yet taken effect. Once they do, government revenue from both direct and indirect taxes will grow significantly.

An analysis by *The Hindu* of the budget documents of the last five years has shown that the government's dependence on tax revenue has steadily increased, with tax revenue making up a little more than 70% of its total receipts in 2018-19, up from 65% in 2014-15. Correspondingly, the share of revenue from non-tax sources (such as dividends from PSUs and the RBI) and capital receipts (such as disinvestment proceeds) has been declining.

Within tax revenue, the analysis shows that the share of indirect tax has been growing over the years, increasing to nearly 50% in 2018-19 from a little less than 45% in 2014-15. This increased dependence on tax revenue to meet its fiscal needs has meant that the government has had to push quite hard to increase its tax base at both the direct and indirect tax levels.

The view among tax analysts is that the government cannot take the risk of increasing tax rates, whether direct or indirect, for fear of a backlash from the public. So, the only option it has to boost tax revenues is to increase the tax base and stop evasion, both of which the government has been trying to do.

"Several steps such as analysing the business-wise monthly GST payments and ascertaining trends in State-wise movement of goods using the e-waybill data would have already been initiated to evaluate options for enhancing the GST taxpayer database and revenues," M.S. Mani, partner, Deloitte India, said.

"Going forward, it is likely that the GST data would be correlated with information relevant from an income tax payment perspective so that incorrect tax filings can be corrected and revenues enhanced.

Detecting tax evasion

"Hence, the expansion of the GST taxpayer base, improving the return filings compliance and using the large amount of data available to detect tax evasion would become the cornerstone of the government's measures to enhance tax revenues," Mr. Mani added.

The other trend the government would be banking on is that increased economic activity and a higher GDP growth rate will boost consumption and hence, indirect tax collections, other analysts say.

"The indirect tax rate is fixed, so if there is price inflation, then the government receives a tax on that as well because product prices go up and so the tax component also goes up," Ranen Banerjee, partner, PwC India, said. "The second aspect is that when the GDP grows, consumption also grows, and so you get more indirect taxes from that."

"The efficiency gains of GST haven't yet kicked in and once they do, this will give revenue buoyancy in the next 3-5 years," Mr. Banerjee added.

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However, he said that the worry for the government should be the fact that an increasing proportion of its indirect tax collections are coming from a single source — oil.

Non-tax revenue

Despite this optimistic outlook of future growth in tax revenue, the government has also been trying to improve its collections from other sources such as dividends from public sector companies and the Reserve Bank of India, and also through disinvestments.

The analysis of budget data shows that PSU dividends as a proportion of non-tax revenue have been growing over the years, from 16% in 2014-15 to 21.4% in 2018-19. The government has reportedly been pressurising the state-run oil companies to transfer larger dividends to the Centre every year.

It is also reportedly asking the state-run oil companies to buy back shares, and is also pushing more PSUs to list on the stock exchanges.

However, this is an untenable source of revenue for the government because they are based on finite resources.

Notably, dividends from the RBI, as a proportion of non-tax revenue, have been falling.

"Non-tax revenues, if you look at the majority, they have come from auctioning spectrum licences and royalties from oil, etc, and also disinvestment," Mr. Banerjee said.

"All of these have a limit. Suppose you decide to sell everything, but after that, what? You cannot expand your budget based on this," he said.

5.5 GST returns non-filers grow faster than base

The number of tax filers failing to file their returns has been increasing in the 17 months of GST implementation until November 2018, according to an answer submitted by the Finance Ministry in the Lok Sabha.

While the number of people required to file monthly returns has grown 32% from July 2017 to about 98.5 lakh in November 2018, the number of people not filing these returns has grown 167% during that time, the latest Goods and Services Tax filing data showed.

The data also shows that this is not just the case for monthly filers, but also for those under the composition scheme, which allows for quarterly return filing.

While the number of people required to file quarterly returns increased about 55% from July 2017 to 17.74 lakh in November 2018, the number of people who have not filed returns increased about 162% during this period.

In other words, the number of people failing to file returns has grown faster than the tax base itself for both regular and composition filers.

Tax analysts say the reasons are varied, including some taxpayers having too low a turnover, and others getting registered onto GST only due to the insistence of their large clients, and yet others simply daunted by the filing process.

"While the increase in the proportion of non-filers is a matter of concern, it must be borne in mind that several GST registrants may be having nil or low turnover and some others may have taken registration on their customers' insistence," M.S. Mani, partner at Deloitte India, said. "Some of the initial challenges faced by smaller business on the GST portal may also have deterred some of them from attempting to file online returns."

However, other tax analysts point towards a more serious situation where small businesses are systematically and fraudulently evading tax in the hope that they are too small for the taxman to notice.

"What happens is that a lot of small vendors get onto the system because their large clients force them, because the client can avail of input tax credits only if their supplies are from a GST-registered vendor," a tax analyst with a large consultancy told *The Hindu* on the condition of anonymity.

"However, these small vendors try to fly below the tax radar. They charge the GST rate on their supplies, but then keep this as their own profit margin instead of paying tax to the government."

These vendors base these activities on the fact that the taxman will take 2-3 years to notice this activity, since invoice matching is still not activated on the GST portal, the analyst added.

"By the time they are noticed, the vendor has already changed their name and GST number and is carrying on their business," the analyst said.

'Government loses'

"They have been doing this for 15 years under VAT and are simply transferring that practice to GST. The government loses because it has to pay ITC to the big corporate and doesn't even get its tax revenue from the small vendors."

Another analyst explained that, in reality, there are a relatively small number of taxpayers that fall below the ₹20 lakh threshold for filing returns.

"A ₹20 lakh income per year works out to about ₹5,500 a day," the analyst explained. "Even your corner grocery store or kirana store would do more business than this in a day. They just don't file their returns because they are scared to draw the attention of the taxman."

6. Science and Tech

6.1 China's probe lands on far side of moon, sends images

China's Chang'e-4 lunar rover scripted history on January 3 when it made the first-ever soft landing on the far side of the moon and sent back close-up images of the previously unexplored region, a giant leap for cosmic exploration and a major boost to the Communist nation's quest to become a space superpower.

Chang'e-4, named after a Chinese moon goddess and comprising a lander and a rover, touched down at the preselected landing area at 177.6 degrees east longitude and 45.5 degrees south latitude on the far side of the moon at 10:26 a.m. (Beijing time), China National Space Administration (CNSA) said.

The lunar explorer landed on the far side of the moon and has already sent back its first pictures from the surface, which were shared by state media. The pioneering achievement is another demonstration of China's ambitions to be a space power. The country aims to land a crewed flight on the moon in the coming decade.

The US space agency NASA congratulated Chinese scientists on their success.

"As part of the international science community, we look forward to learning about this rather unexplored part of our Moon exploration," said Thomas Zurbuchen, associate administrator for NASA's Science Mission Directorate.

The robotic spacecraft is carrying instruments to analyse the unexplored region's geology and will conduct biological experiments.

The first-ever soft landing is being seen as a major milestone in space exploration because unlike previous moon missions that have landed on the Earth-facing side, this is the first time any craft has landed on the unexplored and rugged far side of the moon. The successful landing formally inaugurated the world's first expedition to the far side that never faces the Earth and is expected to fulfil scientists' long-held aspiration to closely observe the enormous region, state-run *China Daily* reported.

Though the far side has been extensively photographed by spacecraft, starting with a Soviet probe in 1959, no probe had ever made a soft landing onto it. Scientists around the world have not been able to conduct close observations and surveys of the region for decades.

The probe was launched by a Long March-3B carrier rocket on December 8 from the Xichang Satellite Launch Centre in Sichuan Province. It landed on the Von Karman crater in the South Pole-Aitken basin and then sent back a picture of the landing site shot by one of the monitor cameras on the probe's lander, marking the world's first image taken on the moon's far side.

The picture, published by the China National Space Administration, shows the place where Chang'e 4's rover will be heading to roam and survey. Tidal forces on Earth slow the moon's rotation to the point where the same side always faces Earth. The other side, most of which is never visible from Earth, is the far side of the moon.

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Direct communication with the far side of the moon, however, is not possible, which is one of the many challenges for the Chang'e-4 lunar probe mission. China launched a relay satellite, named Queqiao, in May, to set up a communication link between the Earth and Chang'e-4 lunar probe. This is the first time an attempt is made to explore the far side of the moon. Since the moon's revolution cycle is the same as its rotation cycle, the same side always faces Earth.

The far side of the moon is the hemisphere that never faces Earth, due to the moon's rotation. It is sometimes mistakenly referred to as the "dark side of the moon," even though it receives just as much sunlight as its Earth-facing side. The Chang'e-4 mission will be a key step in revealing the moon's mysterious side, a report by state-run *Xinhua* news agency said.

The scientific tasks of the Chang'e-4 mission include low-frequency radio astronomical observation, surveying the terrain and landforms, detecting the mineral composition and shallow lunar surface structure, and measuring the neutron radiation and neutral atoms to study the environment on the far side of the moon, according to CNSA.

Chang'e-4 mission has four scientific payloads developed by scientists from the Netherlands, Germany, Sweden and Saudi Arabia. Chang'e 4 is the fourth lunar probe launched by China since the country's lunar programme was opened in 2004.

Chang'e-4 includes two main parts: the main lander weighing about 2,400 pounds and a 300-pound rover. By comparison, NASA's Opportunity rover on Mars weighs about 400 pounds, and the Curiosity rover there is much bigger, at 2,000 pounds.

The spacecraft is largely a clone of Chang'e-3, which landed on the moon in 2013. Named after the goddess of the moon in Chinese legends, the first Chang'e spacecraft was launched in 2007 to verify China's lunar probe technology, obtain lunar images and perform scientific surveys. The Chang'e 2 followed in 2010 to carry out high-definition imaging of the moon and investigate landing conditions for the Chang'e 3. Chang'e 3 landed on the moon in 2013. Chang'e 3 released the first Chinese lunar rover, Yutu, on the moon. It worked there for around 1,000 days.

7. Environment / Geography

7.1 Open Defecation continues unabated

New research on the impact of the Swachh Bharat Mission in the rural parts of four northern States shows that while open defecation has fallen and toilet ownership has increased, the percentage of people who owned toilets but continued to defecate in the open has remained unchanged between 2014 and 2018.

This indicates that the Mission has been more successful at toilet construction than at driving behaviour change, according to the authors of the study, being released by the research institute for compassionate economics (r.i.c.e.) and the Accountability Initiative of the Centre for Policy Research next week.

A working paper released on Friday shows that approximately 44% of people over two years old in rural Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh still defecate in the open. This finding is based on a late 2018 survey, which covered 9812 people in these states. The researchers visited the same areas and families which who participated in a similar June 2014 survey which had showed that 70% of people then defecated in the open.

The 2014 survey took place before the launch of the government's flagship Swachh Bharat Mission which aims to eliminate open defecation across the country by October 2, 2019. According to the Mission, Madhya Pradesh and Rajasthan are already open defecation free or ODF states. Bihar has achieved 98.97% coverage of toilets for every household, while Uttar Pradesh has achieved 100%, according to government data, although the state has yet to be declared ODF.

The working paper confirms that the Mission has driven toilet construction, although its findings are more modest than government claims. Almost 60% of households covered by the survey which did not have a toilet in 2014 had one by 2018, said the study.

One major statistic, however, has remained unchanged since 2014: the fraction of people who own a toilet, but who nevertheless defecate in the open remains at about 23%.

"We find that nearly the entire change in open defecation between 2014 and 2018 comes from increases in latrine ownership, rather than from changes in behaviour (that is, differences in the proportion of owners and non-owners who defecate in the open)," said the working paper. "This finding is consistent with our qualitative interviews, which found that local officials were far more likely to stress latrine construction as a priority of the SBM than they were to stress use of latrines."

8. Security

8.1 Improved Light Combat Aircraft gets green light for production

On December 31, Light Combat Aircraft (LCA) Tejas quietly progressed towards manufacture in an enhanced, battle standard format.

A new 'limited' clearance from Centre for Military Airworthiness & Certification (CEMILAC), a laboratory of the Defence Research and Development Organisation, for the fighter aircraft green-lights its production in a superior lethal version, multiple sources associated with the LCA programme confirmed.

Hindustan Aeronautics Limted (HAL), which is mandated to produce the LCA for the Indian Air Force (IAF), aims to get the first aircraft out in late 2019 in the just-cleared standard, its Chairman and Managing Director R. Madhavan said.

"We have received drawings and documents related to this standard. We can now start activities such as planning, procurement of parts from vendors. We aim to deliver the first aircraft [in the cleared standard] in October or November 2019," he said.

'Tight lead time'

"The lead time has become tight for us. As for the remaining aircraft, we must see how many of the 16 we can deliver by the middle of 2020," Mr. Madhavan said.