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Current Affairs (01 to 10 November, 2018)

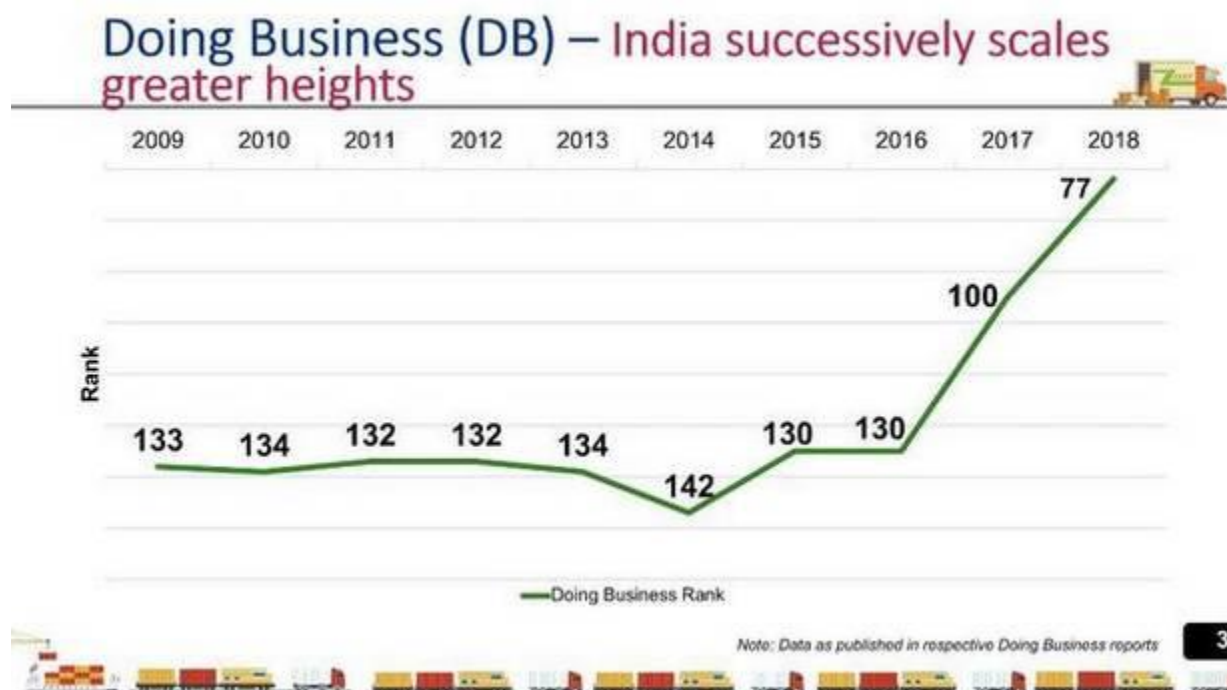
1. National News

1.1 India jumps to 77th rank in the ease of doing business index

India jumped 23 ranks in the World Bank's Ease of Doing Business Index 2018 to 77. It [ranked 100](#) in the 2017 report.

The Index ranks 190 countries across 10 indicators ranged across the lifecycle of a business from 'starting a business' to 'resolving insolvency'.

“India’s strong reform agenda to improve the business climate for small and medium enterprises is bearing fruit. It is also reflected in the government’s strong commitment to broaden the business reforms agenda at the state and now even at the district level,” said Junaid Ahmad, World Bank Country Director in India in a press release. “Going forward, a continuation of this effort will help India maintain its goal of strong and sustained economic growth and we look forward to recording these successes in the years ahead.”



Source: Indian Govt

"The improvement in rankings is excellent news for India, and good news for the business community," Commerce Minister Suresh Prabhu said at a press conference. "I'm sure we will continue to improve it more and more."

Mr. Prabhu said that there were several initiatives by the government in the works that would further ease doing business, such as enabling export and import using only a mobile phone.

"The government will get out of business and allow people to conduct their business," the Commerce Minister added.

Finance Minister Arun Jaitley pointed out that, since the World Bank sets May 1 as the deadline for measurement, there are several initiatives taken by the government that will only reflect in next year's rankings including the effects of the Insolvency and Bankruptcy Code and the full effect of the Goods and Services Tax.

He noted that, despite the sharp improvement India has made in several of the categories in the Index, there were others such as registering a property, starting a business, taxation, insolvency, and enforcing a contract where a lot of work still needs to be done.



Photo: Twitter/@wb_research

"During the past year, India made Starting a Business easier by fully integrating multiple application forms into a general incorporation form," the World Bank said in a release. "India also replaced the value added tax with the Goods and Services Tax (GST) for which the registration process is faster in both Delhi and Mumbai, the two cities measured by the Doing Business report. In addition, Mumbai abolished the practice of site inspections for registering companies under the Shops and Establishments Act. As a result, the time to start a business has been halved to 16 days, from 30 days."

India moved from rank 184 in 2014 to 52 in 2018 in the construction permits category, 137 to 24 in getting electricity, 126 to 80 in trading across borders, 156 to 121 in paying taxes, 137 to 108 in resolving Insolvency, 186 to 163 in enforcing contracts, 158 to 137 in starting a business, and 36 to 22 in getting credit.

"The upward movement in India's ranking is as expected," Vishwas Udgirkar, Partner, Deloitte India said in a note. "This has been on back of overall reforms driven by the government, and to a large extent, use of digital and technology leading to process improvement. The country is on the right track in adopting technology and innovations in business processes. Government efforts to this end are laudable. Government's thrust on infrastructure development to promote trade and business, especially logistics and supply chain centred initiatives, as also overall fiscal reforms including bankruptcy code, are showing results."

1.2 RBI autonomy is 'essential', says centre

The Ministry of Finance has acknowledged that the autonomy of the Reserve Bank of India is an 'essential and accepted governance requirement,' in a statement issued on Wednesday. Significantly, it neither confirmed nor denied that it had issued directives to the central bank under section 7 of the RBI Act.

"The autonomy for the Central Bank, within the framework of the RBI Act, is an essential and accepted governance requirement," the Department of Economic Affairs of the Ministry of Finance said in a statement.

'Nurtured, respected'

"Governments in India have nurtured and respected this. Both the Government and the Central Bank, in their functioning, have to be guided by public interest and the requirements of the Indian economy. For the purpose, extensive consultations on several issues take place between

the Government and the RBI from time to time,” the statement added. “This is equally true of all other regulators. Government of India has never made public the subject matter of those



- The autonomy for the central bank, within the framework of the RBI Act, is an essential and accepted governance requirement, says the Ministry

- Both the government and the RBI have to be guided by public interest and the requirements of the economy

- Government has never made public the subject matter of its consultations. Only the final decisions taken are communicated, the Ministry adds

- Centre writes to the RBI on reclassifying NPAs for the power sector, the RBI's dividends to the Centre and seeking dilution of PCA norms to help increase lending to MSMEs

consultations. Only the final decisions taken are communicated. The Government, through these consultations, places its assessment on issues and suggests possible solutions... [and] will continue to do so.”

Later in the day, Finance Minister Arun Jaitley said, “We need not answer more than we have said today. The statement says that the communication between the RBI and the government are never made public. Only decisions are made public.”

While speculation abounded on Wednesday about whether the Centre had invoked section 7 of the RBI Act, which would give the government the ability to direct the central bank's actions, the Finance Ministry remained silent on the issue. The Economic Affairs Secretary too declined comment.

“The Central Government may from time to time give such directions to the Bank as it may, after consultation with the [RBI] Governor, consider necessary in the public interest.”

Section 7 of the RBI Act reads. “Subject to any such directions, the general superintendence and direction of the affairs and business of the Bank shall be entrusted to a Central Board of Directors which may exercise all powers and do all acts and things which may be exercised or done by the Bank.”

This Central Board of Directors, as per the Act, comprises a Governor and [not more than four] Deputy Governors to be appointed by the Centre, four Directors to be nominated by the Centre and one government official nominated by the Centre. Giving control of the RBI to its Board of Directors effectively gives control to the Central Government.

Finance Ministry officials said three letters have been sent to the RBI citing Section 7, without actually implementing it. These letters were to do with the Centre’s desire for the power sector’s non-performing assets to be reclassified, the issue of RBI’s dividends to the Centre, and the government’s desire for the Prompt Corrective Action norms to be eased so as to increase lending to the MSME sector.

1.3 India protests China-Pakistan bus via PoK

India on Thursday reiterated its opposition to a proposed luxury bus service between Pakistan and China that would pass through parts of Pakistan-occupied Kashmir and Gilgit-Baltistan — territory that India claims — terming it “a violation of India’s sovereignty”, a day after it had summoned a Chinese diplomat to South Block to lodge a strong protest against the initiative.

“We have lodged strong protests with China and Pakistan on the proposed bus service that will operate through areas of Pakistan Occupied Jammu and Kashmir State under the so-called ‘China-Pakistan Economic Corridor’,” the spokesperson for the Ministry of External Affairs (MEA) told reporters. “Any such bus service through Pakistan Occupied Jammu & Kashmir State will be a violation of India’s sovereignty and territorial integrity.”

India urges cancellation

A Director in the MEA had delivered a note verbale to a Counselor in the Chinese Embassy on Wednesday, urging the cancellation of the bus service that is due to start on November 3, said an official, who spoke on condition of anonymity.

Both Beijing and Islamabad responded to New Delhi’s protests.

While China asserted that the bus service from Lahore to Tashkurgan in Xinjiang — timed to begin when Pakistani Prime Minister Imran Khan will be visiting Beijing — did not alter the country's stance on the Kashmir issue, Pakistan dismissed India's objections as "frivolous".

"As for the bus service, I have not heard of the relevant information and I have not heard of complaints," Lu Kang, China's foreign ministry spokesperson, said at the ministry's regular briefing, when asked about India's protest against the move.

Mr. Lu stressed that the CPEC was an "economic project", and did not reflect China's position on Kashmir. "It is an economic cooperation project between China and Pakistan and not targeted at any third party. It has nothing to do with the territorial dispute and it will not affect China's principled position on the issue of Kashmir," Mr. Lu observed.

Red carpet

China is preparing to roll out the red carpet for Mr. Khan, who is set to arrive in Beijing on Friday, and would be formally welcomed at the Great Hall of the People on Saturday. Reacting to India's statement, the spokesperson for Pakistan's Ministry of Foreign Affairs said: "India's repeated regurgitation of claims over Indian Occupied Kashmir can neither change the facts of history nor the legality of the Jammu & Kashmir dispute."

India has consistently opposed the 1963 "China-Pakistan Boundary Agreement" that recognises PoK as under "actual Pakistani control" without prejudicing a final dispute resolution with India, and India has protested the Karakoram Highway on which traffic has been plying regularly, as well as subsequent infrastructure projects built by China in the disputed area.

Asked on Thursday if India's strong objection to the bus service indicates a "toughening of position", the MEA spokesperson, however, declined to comment.

1.4 India hopes for U.S. waiver on Iran

With about 72 hours to go for the United States deadline on sanctions on oil trade with [Iran](#) as well as dealing with ports and shipping, Indian officials were cautiously optimistic they will receive a waiver from Washington. The spokesperson of the Ministry of External Affairs said India has been in talks with the U.S. as well as with Iran to ensure uninterrupted energy supply.

"The U.S. is well aware of our requirement for oil domestically, which is critical for sustaining our economic growth. We have taken note of the U.S. position that the intention of imposing sanctions on Iran is not to hurt India. We will continue to engage with the U.S. and other

stakeholders so that our energy security is not compromised,” said MEA spokesperson Raveesh Kumar.

The U.S. had called for all countries to “zero out” their oil purchases from Iran, which India has not done. However, U.S. officials are compiling a list of those countries that have significantly reduced their oil imports from Tehran, who would qualify for waivers, and India expects to be on that list. The waivers “look likely but not yet formally decided”, a government official told *The Hindu*, indicating that the final word rests with U.S. President Donald Trump who must sign them before November 4.

“These are matters that our two governments are discussing and we are together working on it. I am not in a position to make statements on this issue at this time,” U.S. Ambassador to India Kenneth Juster told reporters recently.

Significantly, Foreign Secretary Vijay Gokhale had mentioned India's intention to go ahead with the Chabahar project in the US Ambassador's presence at the same event, blaming Pakistan for "blighting" India's connectivity options to the West.

"We have sought to bypass an unwilling regime in Islamabad by establishing in June 2017 an air freight corridor between India and Afghanistan, [and] develop the Chabahar Port as a gateway for onward connectivity to and from Afghanistan and Central Asia," Mr Gokhale said.

Mr. Juster also denied that India's position on the sanctions had anything to do with US President Trump's decision to regret India's invitation to the Republic Day Parade. " This was completely a scheduling issue, " Mr. Juster told reporters.

"The State of the Union address is around the same time. Right now there is no speaker of the House and the speaker decides the date of SOTU."

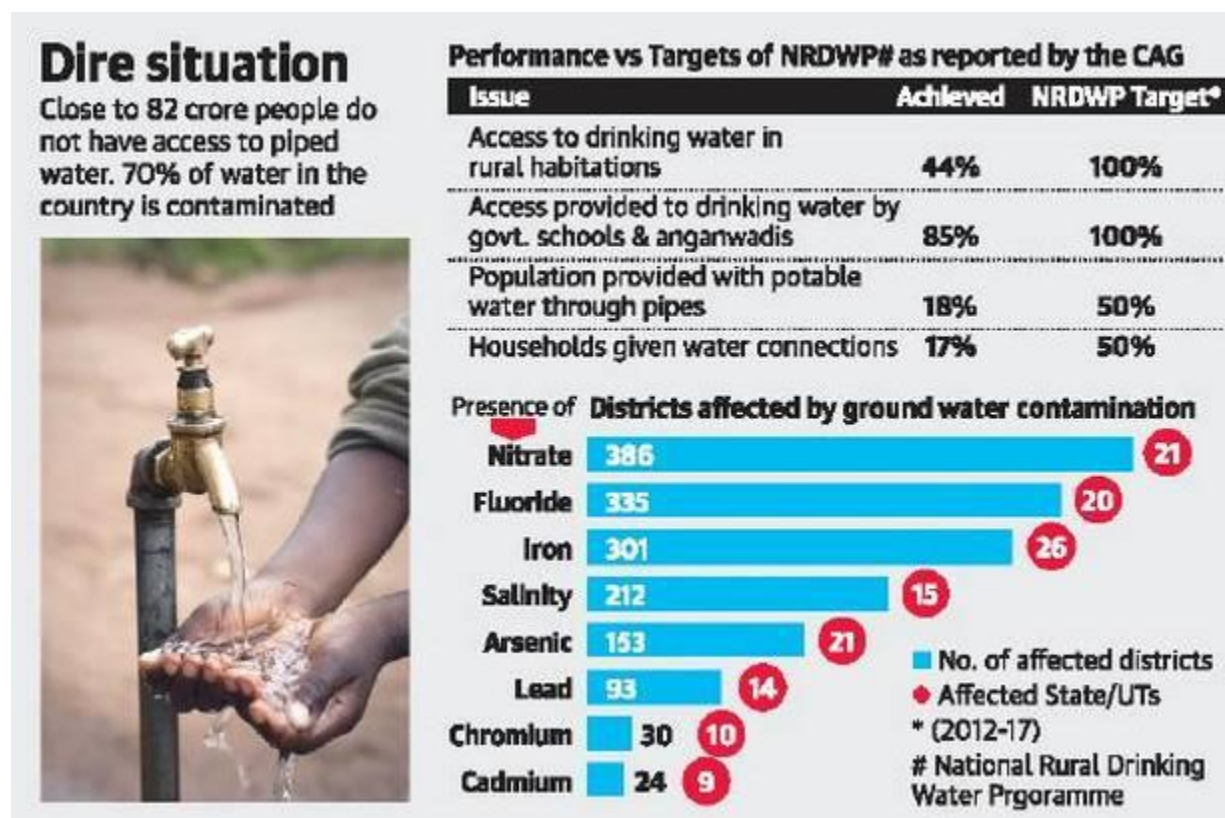
1.5 Water ATMs may help in bridging safe water gap

For thousands of communities across India, the process of getting [drinking water](#) is now the same as the process of getting cash: they head to an ATM.

With 82 crore people who still do not have access to piped water and 70% of water in the country contaminated by pollutants, the government is increasingly starting to accept small water enterprises — such as water ATMs and community purification plants — as an alternative solution to the safe drinking water challenge.

A new report by Safe Water Network (SWN) says the government needs to spend ₹44,000 crore on 2.2 lakh small water enterprises to provide safe drinking water to about 37 crore people, mostly in urban slums where piped water infrastructure is difficult to build, and in rural areas with contaminated water sources. While such enterprises cost only a fraction of piped water infrastructure, policy changes and at least a doubling of tariffs are needed to help them bridge the safe water gap, says the report released this week.

A recent report by the Comptroller and Auditor General of India (CAG) pointed out that only 18% of the rural population has access to potable piped water, failing to meet the 2017 target of 50%.



70% contaminated

India is ranked at 120 out of 122 countries on the Water Quality Index, said Niti Aayog, adding that 70% of the country's water supply is contaminated.

"For those who can afford it, you buy a household RO (reverse osmosis system) to purify your water for drinking. But for many people, that is not possible. The community purification plants treat water locally. The water ATM is a dispensation system, which can be automatic with a

coin or smart card, or manual,” explained Poonam Sewak, vice president at the SWN. “Essentially, it’s a community RO.”

Community water purification plants have grown from less than 12,000 in 2014 to almost 50,000 in 2018, according to the SWN, as they have been incorporated into government planning. To reach the government’s Har Ghar Jal target of 100% piped water by 2030, almost ₹5 lakh crore of infrastructure investment will be required, says government data. SWN estimates that if the government is willing to spend less than 10% of that amount on small water enterprises, it could provide safe drinking water at a fraction of the cost.

2. International News

2.1 Iran oil: India to get U.S. sanctions waiver

Free to trade

India is among eight countries that will receive a waiver from U.S. sanctions on oil trade with Iran



On May 8, President Donald Trump announces that the U.S. is pulling out of the Iran nuclear deal

- Sanctions imposed prior to nuclear deal are re-triggered. These target Iran's ability to purchase U.S. dollar notes & trade in metals, besides other currency transactions

From November 4, other sanctions will kick in targeting Iran's oil exports and energy sector

On November 2, Secretary of State Mike Pompeo announces that **eight countries including India,** which is the second largest importer of crude oil from Iran, will receive sanction waivers to keep buying oil

8 nations can import but at lower levels after November 5

Eight countries will be given exemptions and “weeks longer to wind down” their trade with Iran, once U.S. sanctions against Iran kick in on November 5.

This was clarified by Secretary of State Michael Pompeo on Friday during a conference call with some members of the press.

EU not on list

Mr. Pompeo said the list of eight “jurisdictions” would be released on Monday, two of which have already reached zero levels of Iranian oil imports.

He also clarified that the European Union (EU) — which consists of 28 countries including the U.K. — will not be one of the jurisdictions granted a temporary exemption.

India — for whom Iran is the third largest source of oil after Iraq and Saudi Arabia — is expecting to be on the list as The Hindu recently reported.

SWIFT services

In terms of entities granted exemptions, there would be no exemption for Society for Worldwide Interbank Financial Telecommunication (SWIFT), a global financial messaging service, Treasury Secretary Steven Mnuchin, who was also on the call, said. SWIFT — which does not hold money itself but transmits information on transactions — has a network that spans 200 countries and some 11,000 financial institutions, as per the data released by the company. If it is sanctioned, that will have a significant impact on organisations that use it. SWIFT has been told it will have to cut off from sanctioned entities as soon as technologically feasible or could face sanctions, Mr. Mnuchin said.

The EU, which remains party to the Joint Comprehensive Plan of Action (JCPOA or the ‘Iran Deal’) has been frustrated by the U.S.’s withdrawal, and has been searching for ways to work around the sanctions, including through the use of a Special Purpose Vehicle (SPV). The U.S. plans to bring any SPV within its sanctions net as well. “...If there are transactions that go through there that have the intent of evading our sanctions, we will aggressively pursue our remedies,” Mr. Mnuchin said.

700 entities to be hit

Seven hundred entities — individuals and groups as well as companies — will be sanctioned on Monday, Mr. Mnuchin said. Most of them will be formerly sanctioned entities, but some 300 will be new.

2.2 Pakistan – China luxury bus services launched from Lahore to Kashgar

Notwithstanding India’s objection, Pakistan and China have launched a luxury bus service passing through PoK from Lahore to Kashgar city in China’s Xinjiang province.

The Kashgar-bound bus left on its maiden journey from Gulberg in Lahore on Monday night. It is part of an initiative to connect the two countries via road under the USD 60 billion China-Pakistan Economic Corridor (CPEC).

The bus service was to begin on last Saturday but was rescheduled for Monday midnight following widespread protests by radical Islamists over the acquittal of Christian woman Aasia Bibi in a blasphemy case.

Chairman of Pakistan Economic Forum Humayun Iqbal Shami called it a big day in relations between Pakistan and China.

“The countries which carry better and convenient means of communication between them have more opportunities of strengthening people-to-people contacts,” he said.

The bus will take 36 hours from Lahore to reach the Xinjiang province in China’s far west.

The Lahore-Kashgar bus will run four days - Saturday, Sunday, Monday and Tuesday - a week from Lahore and will be available from Kashgar on Tuesday, Wednesday, Thursday and Friday.

The bus will have five stopovers before crossing into China at Khunjerab and will require a valid visa and ID card.

The one-way fare is Rs 13,000, while a round trip will cost Rs 23,000.

A private bus service - Shuja Express - is plying 15-seater luxurious buses on the route. Passengers are allowed 20 kilogramme of luggage and will be charged more in case of additional weight. The cost of food and rest area in Gilgit is included in the ticket price.

Earlier, India lodged strong protests with China and Pakistan over the proposed bus service between the two countries through Pakistan-occupied Kashmir (PoK).

Chinese Foreign Ministry spokesman Lu Kang defended the bus service, saying its cooperation with Islamabad has nothing to do with the territorial dispute and will not change its principled stance on the Kashmir issue.

Pakistan rejected protests by India against the bus service to China.

“We reject the Indian Ministry of External Affairs’ (MEA) purported protest and statement regarding bus service through China-Pakistan Economic Corridor (CPEC),” Pakistan’s Foreign Office said.

Launched in 2015, the CPEC is a planned network of roads, railways and energy projects linking China's resource-rich Xinjiang Uyghur Autonomous Region with Pakistan's strategic Gwadar Port on the Arabian Sea.

3. Polity and Governance

3.1 No double jeopardy bar if there was no trial

The bar of double jeopardy does not arise if an accused was discharged of a criminal offence, even before the commencement of trial, on the basis of an invalid sanction for prosecution, the [Supreme Court](#) has held.

Article 20 (2) of the Constitution mandates that a person cannot be prosecuted or punished twice for the same offence.

A Bench of Justices R. Banumathi and Indira Banerjee held in an October 30 judgment that if an “accused has not been tried at all and convicted or acquitted, the principles of double jeopardy cannot be invoked at all.”

If an earlier order of sanction was found to be invalid, there is no bar for the competent authority to issue a proper order of sanction for prosecution, Justice Banumathi, who wrote the verdict for the Bench in a case under the Prevention of Corruption Act, observed.

“The courts are not to quash or stay the proceedings under the Act merely on the ground of an error, omission or irregularity in the sanction granted by the authority unless it is satisfied that such error, omission or irregularity has resulted in failure of justice,” the Supreme Court observed.

The judgment is based on an appeal filed by the State of Mizoram against an order passed by the Gauhati High Court in August 2015, upholding a Special Court decision to decline to entertain a second chargesheet filed in a corruption case against the accused, Dr. C. Sangnghina, on the ground of double jeopardy.

Allowing the appeal, the apex court observed that the accused was earlier discharged due to lack of proper sanction and the principle of double jeopardy did not apply.

“There was no bar for filing fresh/supplementary charge sheet after obtaining a valid sanction for prosecution. Once it found that there was no valid sanction, the special court should have directed the prosecution to do the needful. The special court has not given sufficient opportunities to produce valid prosecution sanction from the competent authority. It erred in

refusing to take cognisance of the case even after production of valid prosecution sanction obtained from the competent authority and the High Court was not right in affirming the order of the special court,” the SC reasoned.

The corruption case was filed by the Aizawl police in February 2009 for misappropriation of public money. During inquiry, it was detected that the respondent had acquired valuable assets disproportionate to known sources of income.

The first invalid sanction for prosecution was issued by the Commissioner-Secretary, Department of Personnel & Administrative Reforms (DP & AR) directly without the Governor’s approval. Following the discharge of the accused by the special court, the Governor accorded a fresh sanction in December 2013.

3.2 SC recalls order enhancing life term to death

The Supreme Court has recalled its 2009 judgment converting life imprisonment for three persons, found guilty of rape and murder, to death.

A Review Bench led by Justice Kurian Joseph found that the three convicts did not have a lawyer to defend them in the apex court during the hearing of an appeal filed by the Maharashtra government for enhancement of their sentence.

Lost opportunity

Deciding their review petition against the 2009 judgment, the Bench allowed the three men to file fresh appeals. These appeals would now be heard by an appropriate Bench of the apex court.

“They have been deprived of an opportunity of engaging counsel and of urging such submissions as they may have been advised to urge in defence to the appeals filed by the State for enhancement,” the Supreme Court held in an order on October 31.

Lifeline for co-accused

The Justice Kurian Bench also threw a life-line to three other co-accused in the case. These three had already been sentenced to death by the lower courts. They had separately approached the Supreme Court for a stay of their impending execution. In 2009, the Supreme Court had dismissed their appeals against their death penalty. Now, almost nine years later, the court reasoned that since the first three men have been granted an opportunity to file fresh appeals, their co-accused should also be given the same chance before the Supreme Court.

4. Economy

4.1 Loans for MSMEs in 59 minutes

In a bid to boost credit availability to Micro, Small and Medium Enterprises (MSMEs), Finance Minister Arun Jaitley has launched a web portal through which one can avail loans up to Rs 1 crore in just 59 minutes. The portal will enable principal approval of loans up to Rs 1 crore for MSMEs from Small Industries Development Bank of India (SIDBI) and 5 Public Sector Banks (PSBs).

The web portal is www.psbloansin59minutes.com. “The portal sets a new benchmark in loan processing and reduces the turnaround time from 20-25 days to 59 minutes,” the finance ministry said in a statement. Upon approval, the loan will be disbursed in 7-8 working days. On this website, in-principle approval of loans will not require any physical documents.

Here are key features of the MSME loan in 59 minutes plan:

1. MSMEs will be able to apply for loans from SIDBI and 5 PSU Banks — State Bank of India, Bank of Baroda, Punjab National Bank, Vijaya Bank and Indian Bank.
2. MSMEs will be able to connect with banks without visiting the branch. There will be no human intervention until the sanction and or disbursement stage.
3. The portal will be using “sophisticated algorithms” to read and analyse data points from sources such as IT returns, GST data, bank statement etc.
4. MSMEs can also get loans up to Rs 2 crore without any collateral using this portal.

While applying for the loans, one will require:

1. GST Identification Number (GSTIN), GST User-ID & Password
2. Income Tax E Filing password & Date of Incorporation/ Birth OR ITR for latest 3 years in XML format

3. Current A/c – Net Banking: Username & Password or Bank Statement for last 6 months in PDF format
4. Director/Partner/Proprietor details: Basic, Personal, KYC, Educational details & ownership in the firm
5. Convenience fee Rs 1000 + GST on in-principle approval.

4.2 Centre eyes seaplane in UDAN 3

Seaplanes may soon be operating commercial passenger flights in India with the Centre inviting bids for connecting selected destinations under the regional connectivity scheme (RCS).

Included among the 10 destinations that the government proposes to connect through seaplanes are the recently unveiled Statue of Unity at Sardar Sarovar Dam, Sabarmati Riverfront in Ahmedabad, Tehri Dam in Uttarakhand and Nagarjuna Sagar in Telangana.

Opening the third round of the RCS, the Ministry of Civil Aviation has invited proposals for air routes that include tourist destinations. The deadline for submitting applications is November 20.

Struggling bidders

In the latest phase, the Centre is reoffering 34 airports that weren't successfully connected, primarily because two airlines — Air Odisha and Air Deccan — were unable to operate routes they had bid for due to lack of funds. Some destinations have been put on the block again as helicopter operations failed to take off.

The previous two rounds saw a total of 428 routes awarded to 17 airlines and helicopter operators. Air Odisha was granted rights to connect 54 routes and Air Deccan 30, but both have been able to only start 10 routes each, which too see erratic services.

"Few airports which are deprived of regular connectivity due to default of few airlines have been added [in the third round]," said a senior official of the Ministry of Civil Aviation, speaking on condition of anonymity.

The Centre has also offered 23 tourist destinations including Bodh Gaya, Agra, Kanha, Varanasi, Hampi, Mysore and Kullu.

4.3 Testing the waters, breaking new ground: What a cargo voyage signifies

A cargo of 16 containers carrying snacks and other food items manufactured by Pepsi is on its way to Varanasi. What makes this nine-day journey special is that instead of roads or railways, this cargo has taken the waterway — part of an effort by the government to resurrect the Ganga as a significant transportation artery.

On November 12, Prime Minister [Narendra Modi](#) will receive the vessel, MV R N Tagore, at the new multimodal freight terminal in Varanasi. Modi will dedicate to the nation the terminal, designed mainly for construction material, foodgrains, cement, and fertilisers.

Minister for Road Transport and Shipping [Nitin Gadkari](#) tweeted on November 3, the day after the ship departed Haldia at the mouth of the Hooghly in West Bengal: “This should have been the biggest news of the week in India. For the first time since Independence, a container is moving on inland vessel... Such a huge accomplishment!”

The background

The push to revive the country’s waterways as viable commercial freight corridors is among the government’s less talked-about big-ticket infrastructure initiatives. Rivers and canals were traditionally used in pre-modern India to transport humans and materials, and to carry out trading activity. Inland waterways started to decline with the advent of widespread road and rail networks. Long, slow voyages began to be considered incompatible with the faster pace of doing business, and as silt deposits led to channels becoming increasingly shallow, commerce dried up in the traditional docks and ports.

The potential

India has 14,500 km of navigable waterways in rivers, canals, backwaters, creeks, etc. About 55 million tonnes of cargo moves on waterways, but the activity is largely restricted to the Ganga-Bhagirathi-Hooghly system, the Brahmaputra, the Barak river, the rivers in Goa, the backwaters of Kerala, inland waterways in Mumbai, and the delta regions of the Godavari and Krishna. Overall, waterways account for just about 3% of all freight movement in India, and the mode remains grossly underutilised, officials say. Also, according to the calculations in various government papers, the same amount of energy can move several times more cargo (by weight) by water than it can move via rail or by road.

Authority and Act

The Inland Waterways Authority of India (IWAI) was established in 1986. Five waterways were identified, but the investment in them remained inadequate. Between 1986 and 2014, India spent only Rs 1,456 crore on its inland waterways. In comparison, China invested \$15 billion (Rs 1,09,000 crore) from 2005-10, and Germany pumped in €9 billion (Rs 77,000 crore) in its waterways in 2016 alone. After the NDA government came to power, India invested Rs 1,605 crore in this sector from 2014-18. The National Waterways Act, 2016, which came into effect on April 12 that year, merged existing Acts to make a law to notify 106 National Waterways, including the existing five.

Constraints and effort

There are multiple constraints in transporting men and materials perennially on inland waterway corridors. Periodic dredging is required to clear the silt that comes with the monsoon, so that adequate depth is maintained. Both fixed and floating terminals are needed at multiple points along the waterways. Many rivers are becoming progressively drier; many of those that retain adequate volumes are spanned by low bridges that would hinder passage of larger vessels.

The Jalmarg Vikas Project approved by the Cabinet in January this year receives financial assistance from the World Bank to upgrade navigability on National Waterway 1 from Varanasi to Haldia, a distance of 1,380 km. The project seeks to develop a fairway of 3-metre depth in phases, at an estimated cost of Rs 5,369 crore.

The project is intended to be completed by 2023.

There are plans to develop three multimodal terminals along National Waterway 1. Apart from the one in Varanasi, being built for Rs 169.59 crore, there is one planned in Sahibganj in Jharkhand, and the third in Haldia. It also involves building a Farakka navigation lock for Rs 359 crore, to be completed by June 2019.

The government has also tapped the National Clean Energy Fund and the Central Road Fund for the initiative, and has borrowed from the market by issuing government bonds.

Northeast milestone

Completing a month-long, 2,085-km voyage from Bihar to Assam, 1,233 tonnes of bagged fly ash from NTPC's Kahalgaon plant reached Guwahati's Pandu Inland Port, marking one of the longest hauls in waterways sector movement in India. The government called it "a critical integrated movement through three waterways — NW1 on the Ganga, the Indo-Bangladesh Protocol (IBP) route, and NW2 on the Brahmaputra.

The PepsiCo cargo

Since August 2016, when Minister Gadkari flagged off a consignment of Maruti cars from Varanasi to Haldia, pilot movements have been carried out on various stretches of NW1.

More than 15 voyages have been completed, including integrated movements through multiple waterways. What the PepsiCo cargo shows is that a commercial shipment can use this as a viable, working route for transportation.

4.4 ECB norms eased: overseas debt now cheaper for India Inc

Responding to the government's suggestion that overseas borrowing norms be relaxed, the Reserve Bank of India (RBI) on Tuesday eased the rules under the ECB (external commercial borrowing) framework.

The new rules will make it slightly cheaper for Indian companies and banks to tap the debt markets overseas. In recent months, the cost of borrowings in markets abroad has gone up, partly because of the spike in interest rates in the USA and also because the spreads have widened, especially for companies in the emerging markets. In September, ECB borrowings totalled \$1.7 billion, far lower than the \$4.8 billion raised in August. In July, the borrowings were \$2.2 billion.

The central bank has reduced the minimum average maturity requirement for ECBs in the infrastructure space, raised by eligible borrowers, from currently five years to three years. The hedging rules have also been relaxed.

The RBI said in a release, the existing norms had been reviewed and amended in consultation with the government.

From now on, borrowings of above five years will be exempt from the mandatory hedging provisions. Currently, borrowings of above 10 years do not need to be hedged.

Accordingly, the RBI explained, ECBs with a minimum average maturity period of three to five years, in the infrastructure space, will have to comply with the 100 per cent mandatory hedging requirement.

The central bank further clarified that ECBs falling under the revised criteria but raised prior to the date of this announcement will not be required to mandatorily roll-over their existing hedges. These rules are applicable to eligible borrowers raising foreign currency denominated ECBs under Track I.

On October 3, the RBI had announced liberalisation of the ECB policy for public sector oil marketing companies (OMCs) for working capital purposes, wherein, the three OMCs could borrow up to \$10 billion subject to conditions. Under the earlier policy, ECB could be raised for working capital purposes from direct and indirect equity holders or from a group company, provided the loan was for a minimum average maturity of five years.

Under the new provision, OMCs can raise ECB for working capital purposes with minimum average maturity period of 3/5 years from all recognized lenders under the automatic route. —
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4.5 Six airports set to be privatized

The Union Cabinet on Thursday gave an “in principle” approval for operating, managing and developing six non-metro airports — Ahmedabad, Jaipur, Lucknow, Guwahati, Thiruvananthapuram and Mangaluru — under the Public Private Partnership (PPP).

The Cabinet, chaired by Prime Minister Narendra Modi, has given “...in-principle approval for leasing out six airports of Airport Authority of India (AAI)...for operation, management and development under PPP,” the government said in a statement.

‘Increase in revenues’

At present, airports at Delhi, Mumbai, Bangalore, Hyderabad and Cochin are managed under the PPP model. The PPP mode has helped create world-class airports, while also helping the AAI increase its revenues, IT and Law Minister Ravi Shankar Prasad told reporters.

This will be done through the Public Private Partnership Appraisal Committee (PPPAC). Additionally, a committee headed by NITI Aayog CEO with the Aviation Secretary, Economic Affairs Secretary and Expenditure Secretary as its members, has been set up to decide on any issue falling beyond the scope of the PPPAC.

“PPP in infrastructure projects brings efficiency in service delivery, expertise, enterprise and professionalism, apart from harnessing the needed investments in the public sector,” the official statement said.

The airport sector is a top contender among infrastructure sectors in terms of international interest. “International operators and investors prefer brownfield airport expansion opportunities with having more than 3-4 million passenger capacity,” the statement said.

4.6 India to export sugar to China

In a boost to sugar mills sitting on surplus stocks, India will start raw sugar [exports](#) to China in early 2019, and is in talks to finalise exports to Indonesia and Malaysia as well.

In a statement on Thursday, the Commerce Ministry said the first contract to export 50,000 tonnes of sugar had been entered into by the Indian Sugar Mills Association (ISMA) and Chinese public sector company COFCO.

ISMA initially denied there was any contract to export sugar to China, then reversed its position and said it is making all efforts to export maximum possible sugar to China, but still denied any direct contract between ISMA and COFCO.

Government and sugar industry officials have been engaged in negotiations with Chinese government officials and companies for several months, according to the Ministry.

A senior official told *The Hindu* that the decision to export sugar to China had been taken “at the highest level.” When Prime Minister Narendra Modi met Chinese President Xi Jinping in April, they had committed to a volume of sugar exports of about two million tonnes, said the official.

“Raw sugar is the second product after non-basmati rice that China will import from India,” said the Ministry. “It is a move to reduce the \$60 billion trade deficit that China has with India. India’s exports to China in 2017-18 amounted to \$33 billion while imports from China stood at \$76.2 billion.”

The Ministry official said government delegations were also travelling to Malaysia and Indonesia next week, for talks to finalise sugar exports to those countries as well.

India is the world’s largest sugar producer with a production of 32 million tonnes in 2018. However, domestic consumption is only around 25 million tonnes, sugar producers have been left with large surplus stocks, driving down prices and affecting both mills and sugarcane farmers.

Both government and industry have been making efforts to increase exports in a bid to reduce surplus stocks. In June 2018, the Indian embassy in Beijing hosted a seminar pitching sugar exports, with 25 Chinese companies in attendance, including COFCO Sugar. Representatives from industry lobbyist ISMA had made presentations to promote the Indian pitch.

However, in an initial response to the Ministry statement, ISMA had denied any such talks or export contracts. Later, ISMA sources told *The Hindu* that “COFCO is a global trading house which can sell the sugar anywhere in the world; we don’t call it export to China.”

ISMA DG Abinash Verma later clarified that ISMA is an association which does not directly enter into commercial contracts; any such contract would have been signed by its members.

Finally, in an official statement, ISMA said it is “making all efforts to export maximum possible sugar to China. We have had discussions with some of them. The Govt. of India is also taking all initiatives to help the Indian mills and exporters smoothly export sugar to China.”

5. Environment / Geography

5.1 Avni Killing: NCTA seeks report

The National Tiger Conservation Authority (NTCA) has commissioned a report from the Maharashtra Forest Department on how tigress Avni (T1) was killed.

“If we are not satisfied [with the description of events] on whether the animal was executed following established procedure, we will conduct our own investigation,” Arup Nayak, Director, NTCA, told *The Hindu*.

The NTCA is the apex statutory body tasked with providing funding support to the States for tiger conservation.

The report is expected by Monday, Mr. Nayak said.

‘Patently illegal’

On Sunday, Union Minister Maneka Gandhi had criticised the Maharashtra government for permitting a hunter to kill the tigress.

“This is patently illegal,” Ms. Gandhi, the Women and Child Development Minister, tweeted. “I am definitely going to take up this case of utter lack of empathy for animals as a test case. Legally, criminally as well as politically.”

She said she would take up the issue with Chief Minister Devendra Fadnavis. The tigress, which is said to have killed 13 people, was shot dead in Yavatmal on November 2 by civilian hunter Asgar Ali, who was with a team of Forest Department officials.

An official allegedly attempted — and failed — to fire a tranquilliser dart at the tigress, following which she charged at the team. Mr. Ali then fired in self-defence, according to Maharashtra Forest Minister Sudhir Mungantiwar.

‘Under Minister’s orders’

Ms. Gandhi said the controversial celebrity hunter Nawab Shafat Ali had been hired to kill the animal, and that his son, Mr. Ali, was at the scene illegally.

“His son was not authorised to kill. This is patently illegal. Despite forest officials being committed to tranquillise, capture and quarantine the tigress, the trigger-happy shooter has killed her under orders of Shri Mungantiwar,” Ms. Gandhi alleged.

Mr. Nayak said that the State Wildlife Warden was authorised to take a call on declaring an animal a man-eater.

“Until that step, all actions taken were followed in accordance with law. It’s the later steps that we will be investigating,” Mr. Nayak added.

5.2 New team of wildlife experts to probe killing of tigress Avni

The National Tiger Conservation Authority (NTCA) has constituted a three-member team of independent wildlife experts to probe how the man-eating tiger Avni (T1) was killed.

After animal activist and Union Minister Maneka Gandhi criticised the killing of Avni (which was legally sanctioned by Maharashtra’s wildlife authorities) last Sunday, the NTCA said it had asked the State’s Wildlife Department to explain the circumstances of the death. Specifically, it wanted to know who actually shot the tiger and whether there was an attempt to tranquillise it.

“If we are not satisfied (with the description of events) on whether the animal was executed following established procedure, we’ll conduct our own investigation,” Arup Nayak, Director, NTCA, had told The Hindu on November 5.

On Friday, Mr. Nayak told The Hindu that the NCTA had now constituted a team to investigate the killing of Avni, after visiting Yavatmal, where the tiger was shot on November 2.

Experienced team

“The three-member team will have experienced wildlife experts from the Wildlife Trust of India, a retired Forest officer from Kerala and NTCA’s own officer from its Nagpur division,” Mr. Nayak said.

The tigress which is said to have killed 13 people, was shot dead by civilian hunter Asgar Ali, who was with a team of Maharashtra Forest Department officials. According to Maharashtra Forest Minister Sudhir Mungantiwar, an official allegedly attempted — and failed — to fire a tranquiliser dart at the tigress following which she charged at the team. Mr Ali then fired in self-defence.

Mr. Nayak said the State Wildlife Warden was authorised to decide on a declaring an animal a man-eater. “Until that step, all actions taken were followed in accordance with law. It’s the later steps that the new team will be investigating,” he added.

6. Security

6.1 India declares nuclear triad operational

India on Monday declared that its nuclear triad, stated in its nuclear doctrine, is operational after indigenous ballistic missile nuclear submarine INS Arihant achieved a milestone by conducting its first deterrence patrol.

This means that Arihant is now prowling the deep seas carrying ballistic missiles equipped with nuclear warheads. “Prime Minister Narendra Modi received today [Monday] the crew of ship submersible ballistic nuclear INS Arihant. The submarine recently returned from its first deterrence patrol,” the PMO said in a statement.

6.2 Rafale fighter mode for India takes maiden flight

As the political controversy over the Rafale fighter jet deal continues in India, manufacturing of the aircraft customised as per specifications of the Indian Air Force (IAF) is making progress.

The first aircraft built by Dassault Aviation for the IAF, a two-seater variant, made its maiden flight on October 30 in France and is designated RB 008, according to official sources.

“RB stands for Air Marshal R.K.S. Bhadauria as he had a major role in the contract negotiations,” an official source said.

Air Marshal Bhadauria was the Deputy Chief of the IAF during the contract negotiations for 36 Rafale jets and is presently the Air Officer Commanding-In-Chief of the IAF’s Training Command. In September 2016, India and France signed a €7.87 billion Inter-Governmental Agreement (IGA) for 36 Rafale multi-role fighter jets in fly-away condition.

The surprise announcement for the 36 aircraft was made by Prime Minister Narendra Modi during a visit to Paris in April 2015, citing “critical operational necessity” of the IAF. RB 008 will be the 36th aircraft to be delivered to the IAF in 2022, 67 months after the contract is signed, the source added.

As per terms of the IGA, deliveries will begin 36 months after the signing of the contract and be completed in 67 months.

