

Current News Analysis

01-01-2017

A. GS1 Related

B. GS2 Related

1. Grateful for shift in India's position, says Israel envoy

<http://www.thehindu.com/news/national/Grateful-for-shift-in-India%E2%80%99s-position-says-Israel-envoy/article16971335.ece>

Category: International Relations

Topic: Effect of policies and politics of developed and developing countries on India's interests

Key Points:

- Israel's Ambassador Daniel Carmon has said that Israel is grateful for the "changes and the shifts" in the Indian position at U.N. bodies in the past two years.
- It is important to note that recently, India has decided to abstain from resolutions critical of Israel at the U.N., the United Nations Human Rights Council and UNESCO.
- Mr. Carmon has welcomed this shift.
- The Israeli Ambassador went on to add that, "In the last couple of years we have seen a shift in various votes (by India) which reflects the present improvement in relations."

Background of events

- It is important to note that traditionally, India has stood unequivocally with the Palestinian cause, voting in favour of all resolutions critical of Israel.
- However in July 2015, India abstained on a vote against Israel at the U.N. Human Rights Council, marking what seemed a major shift in policy, especially as it followed a phone call from Israeli Prime Minister Benjamin Netanyahu to Prime Minister Narendra Modi.
- India repeated the abstention in 2016, but explained that it was due to a reference to the International Criminal Court, which India doesn't recognise.
- The present government which came to power in 2014 has consistently promised better ties with Israel, which it considers an ally on counter-terrorism and defence cooperation.

2. Pakistan readies dossier on India

<http://www.thehindu.com/todays-paper/tp-national/Pakistan-readies-dossier-on-India/article16972045.ece>

Category: International Relations

Topic: Effect of policies and politics of developed and developing countries on India's interests, India and the Neighbourhood- Relations

Key Points:

- It is reported that Pakistan would hand over a dossier on alleged Indian spy Kulbhushan Jadhav and evidence of attempted violation of maritime boundary by an Indian submarine to incoming UN Secretary-General Antonio Guterres on 2nd Jan 2017, which would be his first working day after assuming office.
- Maleeha Lodhi, who is Pakistan's Permanent UN representative, will officially pass on the dossier to Guterres at the UN headquarters in New York.
- Pakistan has claimed that Jadhav, who is an Indian Navy officer and an alleged operative of India's intelligence agency RAW, was caught by its security forces earlier this year.
- In fact, his capture was announced in March and was flaunted by the military establishment in Pakistan as "proof of Indian interference and state-sponsored terrorism".
- It is important to note that Ms. Lodhi had in October 2015 presented three dossiers to the then Secretary-General Ban Ki-moon, which were said to be containing proof of alleged Indian interference in Balochistan, Federally Administered Tribal Areas and Karachi. But, the move did not get much traction.

3. Sri Lanka parties slug it out over draft Development Bill

<http://www.thehindu.com/news/international/Sri-Lanka-parties-slug-it-out-over-draft-Development-Bill/article16970832.ece>

Category: International Relations

Topic: Effect of policies and politics of developed and developing countries on India's interests, India and the Neighbourhood- Relations

Key Points:

- As the year 2016 progressed, differences between the United National Party (UNP) and the Sri Lanka Freedom Party (SLFP) began to crop up.
- A new issue that has caused heat within the ruling coalition is the draft Development (Special Provisions) Bill. This legislation has been bitterly criticised by Chief Ministers, mostly belonging to the SLFP. Provincial councils, one after the other, have adopted resolutions against the

legislation. Proponents of the legislation believe that the initiative is meant to hasten the development process.

- Prime Minister Ranil Wickremesinghe had assured the agitated Chief Ministers that the Bill would not encroach upon subjects coming under the purview of the provincial councils.
- Tamil National Alliance chief R. Sampanthan has said that the attitude and approach of the present government are completely different from that of its predecessor.
- Tamil National Alliance chief R. Sampanthan has also expressed his dissatisfaction over the progress in the issues of return of land, resettlement and housing requirements of Tamils and the establishment of truth and reconciliation commission.

C.GS3 Related

1. Agni-IV to be test-fired tomorrow

<http://www.thehindu.com/news/national/Agni-IV-to-be-test-fired-tomorrow/article16971538.ece>

Category: Science and Technology

Topic: Developments

Key Points:

- India's strategic, ballistic missile, Agni-IV, will be flight-tested from a road-mobile launcher on the Abdul Kalam Island (earlier called Wheeler Island), off Damra village on the Odisha coast, on 2nd Jan, 2017.
- Agni-IV is a two-stage, surface-to-surface missile that is 20 metres long and weighs 17 tonnes.
- It can carry a one-tonne nuclear warhead over a distance of 4,000 km. The Defence Research and Development Organisation (DRDO) has designed and developed the missile.
- On December 26, 2016, the DRDO successfully test-fired Agni-V, with a range of more than 5,000 km.

2. What is a Megamaser?

<http://www.thehindu.com/sci-tech/science/Demystifying-Science-%E2%80%94-January-1-2017/article16970695.ece>

Category: Science and Technology

Topic: Developments

Key Points:

- Megamaser's are cousins of lasers.
- Lasers are devices used to emit a beam of light by controlling the emission of photons from excited atoms. While 'masers', which are a play on the word 'laser', do the same in the microwave region.
- 'Masers' can be made in labs or can also be found naturally in galaxies such as the Milky Way.
- Recently, the Hubble telescope found a 'Megamaser' that was around 100 million times brighter than the masers found in galaxies like the Milky Way.

- This megamaser galaxy, called IRAS 16399-0937, is located over 370 million light years from Earth. It hosts a double nucleus, formed of two separate cores in the process of merging.

3. ₹3 lakh cr. plan afoot to double airport capacity

<http://www.thehindu.com/business/Economy/Rs.-300000-cr-plan-afoot-to-double-airport-capacity/article16970568.ece>

Category: Indian Economy

Topic: Infrastructure- Airports

Key Points:

- Minister of State for Civil Aviation Jayant Sinha has said that the Centre will require up to ₹3 lakh crore for doubling the airport capacity over the next 10 to 15 years.
- He went on to add that the Centre had done an extensive city-by-city analysis of airport traffic projects and worked out a plan to double the airport capacity over the next 10-15 years.
- It is important to note that at present, out of 125 airports managed by Airports Authority of India (AAI), 69 airports receive commercial flights. Further, according to AAI, the existing airport terminals can handle 25 crore passengers per annum.

National Civil Aviation Policy (NCAP) 2016

- The National Civil Aviation Policy (NCAP) 2016 has called for adopting a hybrid-till model for all airports under which 30 per cent of airport operator's non-aeronautical revenues would be used to subsidise airport costs.
- Since its inception, the Airport Economic Regulatory Authority (AERA) has adopted a single-till model to determine aeronautical charges at 20 major airports across the country, including Kolkata and Chennai.
- The airports at Delhi, Mumbai, Bangalore and Hyderabad follow a shared-till model.
- It is important to note that under the single-till model, both aeronautical and non-aeronautical revenues are taken into account to calculate passenger fee.
- Moreover, apart from its core operations, airports earn income from the non-aeronautical side which includes food and beverages, duty-free shops, advertising, car parking and hotels.

Note to Students: The National Civil Aviation Policy (NCAP) 2016 is important for Civil Services aspirants to go through. The below link will prove beneficial to aspirants.

<http://byjus.com/free-ias-prep/national-civil-aviation-policy>

D. GS4 Related

E. Important Editorials

PIB

1. Year End Review 2016: Ministry of Railways

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156044>

Category: Polity and Governance, Indian Economy

Topic: Government Initiatives, Government Schemes

Key Points:

Note to students: This is a very important article and should be read in its entirety from the PIB website. Kindly refer to the URL above to read the complete article.

PASSENGER AMENITIES, SERVICES

- Initiation of “Janani Sewa” announced – i.e. Hot Milk, Hot Water and Baby Food items at stations and children’s menu items on Trains.
- Self Help Groups have been roped in to make local Cuisines available through E-Catering Services of Its PSU IRCTC.
- The Alternate Train Accommodation Scheme (ATAS) also known as VIKALP now available on sectors viz., Delhi- Howrah, Mumbai, Chennai, Bangalore and Secunderabad is now being extended to other sectors and instructions have been given to Zonal Railways to this effect.

DIGITAL INDIA INITIATIVES

- Implementation of E-enabled Track Management System (TMS) & Mobile Application of TMS on Indian Railway and Track Inventory Management System inaugurated on Northern Railway.
- Go India Smart Card introduced on pilot basis in select sectors (New Delhi - Mumbai, New Delhi - Howrah) to facilitate Cashless transactions and to reduce the time taken at Booking Counters.

SYSTEM IMPROVEMENT AND INNOVATION

- Indian Railways appointed Ernst Young (EY) as consultant to tap advertising potential of stations and trains.

- EY to identify assets and pricing strategy across 7000 stations for the purpose of advertising.

SAFETY

- TRI-NETRA - Terrain Imaging for Diesel Drivers- Infrared Enhanced Optical and Radar Assisted (Tri-NETRA) system trial launched.
- Japan and Korea are roped in to improve the safety performance of Indian Railways

GREEN INITIATIVES

- 'First Green Train Corridor namely Rameswaram - Manamadurai' free from human waste discharge inaugurated.
- "Okha-Kanalus and Porbandar-Wansjaliya Sections in Gujarat of Western Railways inaugurated as Green Corridor Sections (Free from human waste discharge from trains).

INITIATIVES FOR THE SENIOR CITIZENS & PERSONS WITH DISABILITIES

- Railway Streamlined procedure for issue of concession certificate to physically challenged persons (Divyang)
- With a view to provide support to old and differently abled passengers requiring assistance at the stations, introduced Yatri Mitras Sewa for enabling passengers to book wheelchair services cum porter services.

CLEANLINESS (SWACHH RAIL MISSION)

- In order to carry out efficient disposal of waste, Indian Railways has decided to provide separate dustbins for collections of biodegradable (wet waste) and non-biodegradable (dry waste) on the platforms and all passenger interface areas in A1 & A category stations apart from vending stalls.
- "Clean My Coach" Service launched to ensure cleanliness in Trains.

HIGH SPEED RAILWAY

- High Speed Train between Mumbai - Ahmedabad Corridor already sanctioned and under implementation with financial & technical assistance from Japan.
- Mission Raftaar launched to work towards increasing speed of existing trains in Indian Railways
- Semi-High Speed Train between Delhi – Agra called Gatimaan Express started.

2. Year End review: Ministry Of Defence

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156049>

Category: Security

Topic: Government Policy, Defence

Key Points:

Note to students: This is a very important article and should be read in its entirety from the PIB website. Kindly refer to the URL above to read the complete article.

- Speedy modernisation of the Armed Forces to meet present and emerging challenges, development of requisite capacities and infrastructure for making up critical deficiency of weapons and equipment and creating a robust defence set up in the country through the 'Make in India' initiative, were the salient achievements of the Ministry of Defence during 2016.

Key Highlights:

- The year also saw progress for the welfare of Ex-Servicemen as the much awaited One Rank One Pension (OROP) scheme funds reaching the accounts of Ex-Servicemen and families.
- India engaged with its neighbours and Far Eastern countries, as well as also developed countries through bilateral talks, ship visits and bilateral as well as trilateral military exercises.
- the Defence Acquisition Council (DAC), the apex body of the Ministry of Defence in matters of acquisitions, cleared different critical and high end defence procurement proposals to the tune of more than 1 lakh crore.
- The new Defence Procurement Procedure (DPP) 2016 was promulgated for capital procurements and came into effect from 1st April. DPP-2016 has a focus on achieving the 'Make in India' vision by according priority to 'Buy Indian – IDDM (Indian Designed, Developed and Manufactured) and 'Buy (Indian)' categories. It also focuses on enhancement and rationalization of indigenous content.

TRAINING EVENTS & MILITARY EXERCISES

- **India-France Joint Military 'Exercise Shakti – 2016'** was conducted from 6-16 Jan. 'Exercise Shakti-2016' is the seventh edition in the series of bilateral exercises.
- **India-Nepal Combined Military Training 'Exercise Surya Kiran IX'**: An Infantry Battalion of the Indian Army and Shree RudraDhoj Battalion of the Nepalese Army participated.
- **India-Indonesia Joint Training 'Exercise Garuda Shakti IV'**: The fourth edition of the joint exercise was conducted for 13 days from 10-23 Mar at Magelang, Indonesia.
- **'Exercise Maitree'**: A joint exercise of the Indian Army and Royal Thailand Army was held from 15-30 July in Thailand. The aim was to train contingents of both armies on conduct of counter-terrorist operations in an urban environment. The

exercise was designed to enhance mutual cooperation and interoperability between the two armies.

- **'Exercise YudhAbhyas':** As part of the continuing Indo - US defence cooperation, the 12th edition of the joint military training 'Exercise YudhAbhyas2016' was conducted at Chaubattia in Uttarakhand from 14-27 Sep. The exercise was in a series of one of the longest running joint military training exercises covering counter-terrorist operations under the flagship of UN for countering international terrorism. It included a series of training events such as cordon and search operation, cliff chop assaults and other training events covering operational activities carried out under the flag of UN Mission.
- **'Exercise Indra – 2016':** As part of continued efforts to further strengthen Indo-Russian friendship, troops of two sides, participated in the eight edition of Joint 'Exercise Indra – 2016' from 22 Sep to 2 Oct. The 11-day exercise focused on Counter Terrorism and Counter Insurgency operations in semi-mountainous and jungle terrain under the UN mandate.
- **'Sino - Indian Joint Exercise':** As part of the ongoing initiative to enhance interaction and cooperation between India and China, under the provisions of the Border Defence Cooperation Agreement, 2013, the Indian and Chinese armies held their Second Joint Exercise 'Sino India Cooperation 2016' on 19 Oct.
- **'India – China Joint Training Exercise':** The sixth India - China Joint Training Exercise "Hand – in – Hand 2016" was held at Pune from 16 - 27 Nov. The aim of the exercise was to enhance confidence and trust between the two armies which may be called upon to grapple with anti-terrorism operations under the UN mandate. The conduct of Joint Military Exercises is also an important step to uphold the values of Peace, Prosperity and Stability in the region.
- **Maiden Sea trials of Kalvari - First Scorpene Class Submarine:** 'Kalvari', the first of the Scorpene class submarines, being built at the Mazagon Dock Shipbuilders Ltd Mumbai (MDL), went to sea on 1 May under her own propulsion for the first sea trial, off the Mumbai coast. The submarine is presently under going advanced/ deep dive trials and is likely to be commissioned in early 2017.
- **Assistance to Sri-Lanka:** In response to the request for assistance made by the Government of Sri Lanka, the Prime Minister Shri Narendra Modi, announced that India would provide aid on emergency basis to help those affected by the floods and landslides in various parts of Sri Lanka. Accordingly, two Indian Navy

warships, INS Sutlej and INS Sunayna, were deployed to Sri-Lanka on 20 May to provide assistance due to the calamity caused by the cyclone "Roanu".

- The ships sailed from Kochi with 30-40 tons of relief material which included inflatable rafts, fresh water, medical supplies, clothing and other provisions necessary for disaster relief operations and reached Colombo harbour on 21 May.
- **Naseem-Al-Bahr**: The Indian Navy and the Royal Navy of Oman conducted the 10th bilateral maritime exercise Naseem-Al-Bahr from 22-27 Jan.
- **IFR 2016-Passage Exercise**: The unprecedented scale and scope of the PASSEX are indicative of India's growing stature in the maritime domain and the bridges that have been painstakingly built by the Indian Navy towards achieving the motto of the International Fleet Review in letter and spirit - 'United through Oceans'.
- **Exercise MALABAR 2016**: In consonance with India's 'Act East Policy' and growing relations among India, US and Japan, IN ships Satpura, Sahyadri, Shakti and Kirch participated in the 20th edition of Ex MALABAR-16 with the US Navy and Japanese Maritime Self Defense Force (JMSDF).
- **India gets Women Fighter Pilots**: History was created as the first three women fighter pilots of the IAF were commissioned at the Combined Graduation Parade at Air Force Academy, Dundigal on 18 Jun.
- **Desert Eagle II**: This was the second in the series of bilateral exercises between the IAF and the United Arab Emirates Air Force (UAE AF).
- **Agni – V Successfully Test-Fired**: Agni-V, the Long Range Surface-to-Surface Ballistic Missile was successfully flight tested by DRDO on 26 December from Dr. Abdul Kalam Island, Odisha. The full range test-flight of the missile further boosted the indigenous missile capabilities and deterrence level of the country. All the Radars, tracking systems and Range Stations tracked and monitored the flight performance and all the Mission objectives were successfully met. This was the 4th test of Agni-V missile and the second one from a Canister on a Road Mobile Launcher.
- **Surface-to-Air Missile 'Akash'**: The medium range surface-to-air missile 'Akash' has been developed and inducted into IAF and Indian Army. During the year, Akash Army version, user exercise was carried out. The total production orders placed by Services for eight squadrons of IAF and two regiments of Indian Army for Anti-Missile System amounts to approximately Rs. 23,900 crore. Indigenous

development of the system has given impetus to the Defence industrial base in the country. DRDO has also undertaken two new projects of Akash this year.

3. English Text of PMs address to the nation on the eve of New Year 2017

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156050>

Category: Polity and Governance

Topic: Government Initiatives

Key Points:

- There is no precedent globally, to what India has done. Nations similar to us do not have the amount of currency that we had. Over the last ten to twelve years, 500 and 1000 rupee currency notes were used less for legitimate transactions, and more for a parallel economy.
- The excess of cash was fuelling inflation and black-marketing. It was denying the poor, their due. Lack of cash causes difficulty, but excess of cash is even more troublesome. Our aim is to achieve a balance. Economists agree that when cash is outside the formal economy, it is a cause of worry. When it joins the mainstream, it is an opportunity for development.
- It is accepted the world over, that terrorism, Naxalism, Maoism, counterfeit currency trade, drug trade, human trafficking – all of these depend on black money.
- These evils have become a festering sore on society and Governments. Demonetisation has dealt a severe blow to these trades. Today, youth who had turned to the wrong path, are returning to the mainstream in large numbers. If we remain vigilant, we can now save our children from returning to those evil ways of violence and cruelty. The fact that so much of the cash in circulation has been deposited in the banking system indicates the success of this mission.
- India is celebrating the centenary of Pandit Deendayal Upadhyay as Garib Kalyan Varsh. Banks should also not let this opportunity slip. They should take appropriate decisions in public interest promptly.
- When policies and programmes are made with clear objectives in mind, not only are beneficiaries empowered, but both short term, and long term benefits are achieved. Spending is carefully scrutinized, and chances of good results are maximized. The more the villages, the poor, the farmers, the dalits, the tribals, the marginalized, the oppressed, the deprived and women are empowered, and financially enabled to stand on their own feet, the stronger the country will become, and the faster will be the pace of development. Two new middle income categories have been created under the Pradhan Mantri Awaas Yojana in urban areas. Loans of up to 9 lakh rupees taken in 2017, will receive interest subvention of 4 per cent. Loans of up to 12 lakh rupees taken in 2017, will receive interest subvention of 3 per cent.

- The number of houses being built for the poor, under the Pradhan Mantri Awaas Yojana in rural areas, is being increased by 33 per cent. In addition to this, another scheme is being put in place for the neo middle and middle class in rural areas. Loans of up to 2 lakh rupees taken in 2017, for new housing, or extension of housing in rural areas, will receive an interest subvention of 3 per cent.
- The Government has decided, that 3 crore farmers who have Kisan Credit Cards, will be given RuPay debit cards within three months. Kisan Credit Cards were launched in 1998, but so far, it was essential to go to a bank, to use them. Now, farmers will have RuPay Debit Cards, which they can use anywhere.
- Just as agriculture is vital for the economy, so are the medium and small scale enterprises also called the MSME sector. Government has taken some decisions in the interest of small and medium businesses, which will also boost employment.
- The progress of the MUDRA Yojana has been very encouraging. Last year, nearly 3 and a half crore people have benefited from this. The Government now aims to double this, giving priority to Dalits, Tribals, Backward Classes and Women. A new scheme is being launched for pregnant women. We are introducing a nation-wide scheme for financial assistance to pregnant women. 6000 rupees will be transferred directly to the bank accounts of pregnant women who undergo institutional delivery and vaccinate their children. This scheme will help reduce the maternal mortality rate, in a big way. This will help ensure nutrition before and after delivery, and improve the health of mother and child. So far, pregnant women in 53 districts were being given financial assistance of 4000 rupees, under a pilot project.
- The Government has launched a new, swadeshi platform for digital transactions – named BHIM after Babasaheb Bhimrao Ambedkar. BHIM stands for Bharat Interface for Money. I call upon the youth, the trading community, and farmers to connect with BHIM as much as possible. Friends, the developments, decisions, and policies that were put in place after Diwali, will of course be evaluated by economists.
- As a nation, India's villages, poor, farmers, youth, educated and uneducated men and women, have all displayed infinite patience and people power. In a short time, the new year of 2017 will begin. Exactly 100 years ago, in 1917, Mahatma Gandhi initiated a Satyagraha in Champaran. Now, a century later, we witness that the people of India continue to share that feeling towards truth and goodness. Today, Mahatma Gandhi is not among us. But the path towards truth that he showed us, is still most appropriate. As we begin the centenary year of the Satyagraha, let us recall the Mahatma and resolve to follow his message of truth and goodness.

F. Concepts-in-News: Related Concepts to Revise/Learn:

1. Concepts-in-News: Related Concepts to Revise/Learn

MUDRA Yojana

Agni – V

Desert Eagle II

Exercise MALABAR 2016

Bharat Interface for Money

2. BILLS/ACTS/SCHEMES/ORGS IN NEWS

BILLS/ACTS/SCHEMES/ORGANISATIONS IN NEWS	Links to Refer
National Civil Aviation Policy, 2016 : Salient Features	http://pib.nic.in/newsite/PrintRelease.aspx?relid=146238

3. Tags

MUDRA Yojana

Agni – V

Desert Eagle II

Exercise MALABAR 2016

Bharat Interface for Money

Practice Questions

Date: 1st January, 2017

Category: International Relations

Topic: Military Engagements, Bilateral Relations

Source: PIB

Difficulty level: Medium

Type: Factual

1] 'Exercise Shakti – 2016' was a joint-military exercise held between which two countries?

- a) India- France
- b) India- Germany
- c) India- Japan
- d) India- U.S.

Answer: a)

Date: 1st January, 2017

Category: Science and Technology

Topic: Developments

Source: PIB

Difficulty level: Medium

Type: Factual

2] 'Kalvari', recently in the news is a,

- a) Long Range Surface-to-Surface Ballistic Missile
- b) Scorpene class submarine
- c) Medium range surface-to-air missile
- d) A deep-sea port India is developing

Answer: b)

Date: 1st January, 2017

Category: Science and Technology

Topic: Developments

Source: The Hindu

Difficulty level: Difficult

Type: Factual

3] Consider the following statements regarding "Megamaser's", which recently appeared in the news,

1] Megamaser's are cousins of lasers.

2] Lasers are devices used to emit a beam of light by controlling the emission of photons from excited atoms. While 'masers', which are a play on the word 'laser', do the same in the microwave region.

3] Recently, the Hubble telescope found a 'Megamaser' that was around 100 million times brighter than the masers found in galaxies like the Milky Way.

Which of the following statements is/are correct?

- a) 1 and 2 Only
- b) 2 and 3 Only
- c) All, 1, 2 and 3
- d) 1 and 3 Only

Ans (c)

Date: 1st January, 2017

Category: Polity and Governance

Topic: Government Schemes, Initiatives

Source: PIB

Difficulty level: Medium

Type: Factual

4] Consider the following statements, regarding developments from the Indian Railways,

- 1) 'First Green Train Corridor namely Rameswaram - Manamadurai' free from human waste discharge was inaugurated.
- 2) TRI-NETRA - Terrain Imaging for Diesel Drivers- Infrared Enhanced Optical and Radar Assisted (Tri-NETRA) system trial was launched.

Which of the following statements is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans c)

Date: 1st January, 2017

Category: Indian Economy

Topic: Government Schemes, Initiatives

Source: PIB

Difficulty level: Medium

Type: Factual

5] Consider the following statements,

- 1) Micro Units Development & Refinance Agency Ltd (MUDRA) has been formed with primary objective of developing the micro enterprise sector in the country by extending various support including financial support in the form of refinance, so as to achieve the goal of **"funding the unfunded"**.
- 2) This Agency would be responsible for developing and refinancing all Micro-enterprises sector by supporting the finance Institutions which are in the business of lending to micro / small business entities engaged in manufacturing, trading and service activities..

Which of the following statements is/are incorrect?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans d)

Coarse Cereals and Oilseeds are examples of Rabi crops.

Current News Analysis

02-01-2017

A. GS1 Related

B. GS2 Related

1. Large scale achievements made under various Schemes

<http://pib.nic.in/newsite/erelease.aspx?relid=156056>

Category: Centre programs and policies

Topic: Achievements

Key Points:

➤ *Pradhan Mantri Jan Dhan Yojana (PMJDY) –*

Prime Minister of India Shri Narendra Modi launched the National Mission on Financial Inclusion, named as *Pradhan Mantri Jan Dhan Yojana* (PMJDY) with a view to increasing *banking penetration* and promoting *financial inclusion* and with the main objective of covering all households with at least one bank account per household across the country.

Objectives of PMJDY –

- *Universal access to banking facilities* for all households across the country through a bank branch or a *fixed point Business Correspondent* (BC) within a reasonable distance
- To cover all households with atleast one Basic Bank Account with *RuPay Debit card* having inbuilt accident insurance cover of Rs.1 lakh
- *An overdraft facility upto Rs.5000* after satisfactory operation in the account for 6 months
- *A Life Cover of Rs.30,000* to those beneficiaries who open their accounts for the first time

- **Financial literacy programme** which aims to take financial literacy upto village level
- The Mission also envisages expansion of **Direct Benefit Transfer** under various Government Schemes through bank accounts of the beneficiaries
- Providing **micro –insurance** to the people
- **Unorganised sector Pension schemes** through the Business Correspondents

Achievements under PMJDY –

- **26.03 crore accounts** have been opened under PMJDY (15.86 crore accounts in rural areas and 10.17 crore in urban areas)
- **Deposits** of Rs. 71,557.90 crore has been mobilized and 19.93 crore **RuPay Debit cards** have been issued under PMJDY
- **Aadhaar seeding** in PMJDY close to 14.5 crore
- **Zero balance accounts** has been reduced to 23.86%
- **Household Coverage:** 99.99% households out of the 21.22 crore households surveyed have been covered under PMJDY

➤ *Jan Suraksha schemes –*

Prime Minister of India Shri Narendra Modi launched **3 Social Security Schemes in the Insurance and Pension sectors**; namely the Pradhan Mantri Suraksha Bima Yojna, the Pradhan Mantri Jeevan Jyoti Bima Yojana and the Atal Pension Yojana on Pan India basis to create a universal social security system for all Indians, especially the poor and the under-privileged.

- **Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)** - It is available to people in the age group of 18 to 50 years having a bank account who give their consent to join / enable auto-debit.

The life cover of Rs. 2 lakhs shall be for the one year period stretching from 1st June to 31st May and will be renewable. **Risk coverage** under this scheme is for Rs. 2 Lakh in case of death of the insured, due to any reason.

The premium is Rs. 330 per annum which is to be auto-debited in one installment from the subscriber's bank account as per the option given by him on or before 31st May of each annual coverage period under the scheme.

The scheme is being offered by **Life Insurance Corporation**

Achievements: Till date, **Cumulative Gross enrolment** reported by Banks, subject to verification of eligibility, etc. is over 3.08 crore under PMJJBY

- **Pradhan Mantri Suraksha BimaYojana (PMSBY)** - The Scheme is available to people in the age group 18 to 70 years with a bank account who give their consent to join / enable auto-debit on or before 31st May for the coverage period 1st June to 31st May on an annual renewal basis.

The risk coverage under the scheme is Rs. 2 lakh for accidental death and full disability and Rs. 1 lakh for partial disability

The premium of Rs. 12 per annum is to be deducted from the account holder's bank account through 'auto-debit' facility in one instalment

The scheme is being offered by Public Sector General Insurance Companies or any other General Insurance Company who are willing to offer the product on similar terms with necessary approvals and tie up with banks for this purpose

Achievements: Till date, **Cumulative Gross enrolment** reported by Banks, subject to verification of eligibility, etc. is over 9.88 crore under PMSBY

- **Atal Pension Yojana (APY)** – applicable to all bank account holders in the age group of **18 to 40 years** and the contributions differ, based on pension amount chosen.

Subscribers would receive the guaranteed minimum monthly pension of Rs. 1000 or Rs. 2000 or Rs. 3000 or Rs. 4000 or Rs. 5000 at the age of 60 years

Under the scheme, the monthly pension would be available to the subscriber, and after him to his spouse and after their death, the pension corpus, as accumulated at age 60 of the subscriber, would be returned to the nominee of the subscriber.

The Central Government would also co-contribute 50% of the total contribution or Rs. 1000 per annum, whichever is lower, for a period of 5 years for those eligible subscribers joining the scheme between the period 1st June, 2015 and 31st March, 2016 and who are not members of any statutory social security scheme and who are not income-tax payers.

Achievements: A total of 38.23 lakh subscribers have been enrolled under APY with a total pension wealth of Rs. 1344.70 crore.

➤ ***Skill development and Start-ups:***

- ***Pradhan Mantri Mudra Yojana (PMMY)*** - The scheme aims to provide ***formal access of financial facilities*** to Non Corporate Small Business Sector – ***NCSBS***. The main objective of the scheme is ***to promote & ensure bank finance to unfunded segments of the economy***

Who are covered - Non Corporate Small Business Sector, comprising of proprietorship / partnership firms running as small manufacturing units, service sector units, shopkeepers, fruits / vegetable vendors, truck operators, food-service units, repair shops, machine operators, small industries, artisans, food processors and others, in rural and urban areas

Borrowers can avail loan facility from any Public/Private/ Regional Rural Banks, NBFCs and MFIs and ***no processing fee*** for loans up to Rs.50000 (***Shishu***)

‘Activities allied to Agriculture’ which promote livelihood or are income generating have been included under PMMY

3 types of loans under PMMY –

- Shishu*** (Up to Rs.50000)
- Kishore*** (Above Rs.50000/- and up to Rs. 5 Lakh)
- Tarun*** (Above Rs. 5 lakh and up to Rs.10 lakh)

Note - All loans sanctioned on or after April 08, 2015 upto a loan size of Rs.10 lakh for non-farm income generating activities will be branded as PMMY loans

- ***Stand-Up India Scheme*** - The scheme envisages extending bank loans between Rs. 10 lakh to Rs. 1 crore for ***Greenfield Enterprises set-up by SC, ST and Women entrepreneurs*** and extending effective handholding support to them.

Each bank branch is to extend loans to at least one SC/ST and one woman entrepreneur. Enterprises covered under the scheme may be in manufacturing, services or the trading sector.

The Scheme shall be implemented through 1.25 lakh bank branches of all ***Scheduled Commercial Banks***

Provision of convergence with State/ Central Government Schemes has been identified in the Scheme. Credit Guarantee Fund Scheme for Stand-Up India (CGFSI) is operational with a corpus fund of Rs.5,000 crore

Achievements: total number of loans sanctioned under Stand up India Scheme is 15341 (**Women: 12055, SC: 2568 and ST: 718**)

➤ **Education related schemes:**

- **Loan Scheme** – It is formulated by **Indian Banks Association**, aims to provide **financial support from the banking system to deserving/ meritorious students for pursuing higher education** in India and abroad.

The main emphasis is that every meritorious student though poor is provided with an opportunity to pursue education, with the financial support from the banking system, on affordable terms and conditions, and, that no deserving student is denied an opportunity to pursue higher education for want of financial support.

Achievements: **The outstanding Educational Loan Portfolio** of Public Sector Banks has increased to Rs 68,783 crore on 30th September, 2016

- **Vidya Lakshmi Portal** - The portal has been developed and is being maintained by **NSDL e-Governance Infrastructure Limited**.

Students can view, apply and **track the education loan applications** made to banks anytime, anywhere by accessing the portal

2.North Korea close to launching ICBM

<http://www.thehindu.com/news/international/North-Korea-close-to-launching-ICBM-Kim/article16974461.ece>

Category: International issues

Topic: North Korea

Key Points:

- **North Korean leader Kim Jong-un** said that the isolated nuclear capable country was close to test-launching an **Intercontinental Ballistic Missile (ICBM)**. North Korea tested ballistic missiles at an unprecedented rate during 2016, although some experts

have said it is years away from developing an ICBM fitted with a nuclear warhead capable of reaching the United States.

- ***North Korea has been under UN sanctions since 2006*** over its nuclear and ballistic missile tests. The sanctions were tightened recently, after North Korea conducted its 5th and largest nuclear test in Sept, 2016

A successful ICBM test launch would mark a significant step forward for secretive Pyongyang's weapons capability.

Note - ICBMs have a ***minimum range of about 5,500 km***, but some are designed to travel 10,000 km or further. The U.S. State of California is roughly 9,000 km from North Korea. However, North Korea has struggled to reliably deploy its intermediate-range Musudan ballistic missile, succeeding just once in 8 attempted launches in 2016

3. Jaitapur to witness anti-nuclear plant protest again

<http://www.thehindu.com/news/cities/mumbai/Jaitapur-to-witness-anti-nuclear-plant-protest-again/article16974634.ece>

Category: National issues

Topic: Nuclear power plant

Key Points:

- ***The group opposing a nuclear power plant at Jaitapur*** has announced a one-day protest on January 25, following reports of the Centre asking French and American nuclear companies interested in building atomic plants in the country to furnish details of functional reactors designed by them.

French company EDF proposes to build 6 European Pressurised Reactors (EPR) of 1,600 MW each in Jaitapur (***1600 * 6 MW power***). The project was earlier with another ***French company - Areva***, in whose reactor business EDF has now acquired a 51 per cent share

- Interestingly, despite the ***environmental clearance given to the project 6 years ago*** and completion of the land acquisition process, no nuclear plant was set up at Jaitapur as ***the Nuclear Power Corporation of India Limited - NPCIL*** and ***the French company*** are yet to sign certain techno-commercial agreements.

- ***Jan Hakka Seva Samiti, an umbrella organisation for groups fighting the project*** said "What the government is doing now is ridiculous. If the DAE wants to inspect

functional EPR, they should have placed this demand before giving environmental clearance. This only proves how badly the whole project was designed”

C.GS3 Related

1. Finance minister sais 'Hoarded black money to be converted into cheaper loans'

<http://www.thehindu.com/business/Economy/Hoarded-black-money-to-be-converted-into-cheaper-loans-Jaitley/article16974282.ece>

Category: Indian Economy

Topic: Demonetization

Key Points:

- ***Union Finance Minister Arun Jaitley said***, the future agenda of the government, as stated by Prime Minister Narendra Modi in his most recent speech is ***to channel the wealth that was previously being hoarded as black money into cheaper capital*** for affordable housing, women’s health, the agriculture sector, and medium and small enterprises.

Cheaper loans for affordable housing, women’s health, for the agricultural sector, for the MSMEs, and therefore cheaper capital and the transfer of this wealth which was being hoarded as black money now as cheaper capital in these areas is the future agenda of the government

- ***Major reforms of the Centre*** - 2016 saw several major economic reforms like the passage of the insolvency law, the creation of the Monetary Policy Committee (Inflation control), and the passage of the constitutional amendment bill on the Goods and Services Tax.

D. GS4 Related

E. Important Editorials

The Hindu

1.Obama's parting shot at Russia

<http://www.thehindu.com/todays-paper/tp-opinion/Obama%E2%80%99s-parting-shot-at-Russia/article16975461.ece>

- ***President Barack Obama's decision to slap more sanctions on Russia and sack 35 diplomats from the U.S. is the latest flashpoint in the bilateral relations of the former Cold War foes.*** Though the immediate trigger for Mr. Obama's action are the cyberattacks on Democratic Party systems, which U.S. intelligence agencies believe were carried out by Russians to influence the results of the presidential election, the action must be seen against the deteriorating relationship between the two countries.
- ***Ironically, Russia-U.S. relations have hit the lowest point since the collapse of the Soviet Union under a president who had promised a reset of ties.*** At home Mr. Obama faces criticism for not acting decisively against Russian interventions that go against American interests.
- ***The sanctions the U.S. and its European allies have imposed on Russia after it annexed Crimea had little impact on Moscow's foreign policy decisions.***
- ***In Syria, Russia made a military intervention to boost the regime of Bashar al-Assad against armed rebels who had U.S. support.*** Mr. Obama remained largely a spectator when Russia reshaped the Syrian conflict, ***first*** through a brutal military campaign and then through multilateral diplomacy. Ties plunged to a new low with the allegations of hacking into the Democratic Party systems. By taking the toughest actions yet against Russia in his final weeks in office, Mr. Obama may be trying to mute criticism of his Russia policy.
- ***But Mr. Obama's policy will have long-term implications for U.S.-Russia ties.*** The rising tensions have reignited fears of a new Cold War. Though today's Russia doesn't have the economic resources of the Soviet Union, its actions in Syria and ***Ukraine show that Moscow is not afraid of upping the ante in a unipolar world.*** ***Second,*** Mr. Obama is further complicating matters of foreign policy for his successor.
- ***Given that President-elect Donald Trump had promised during the campaign to have better relations with Russia and closer coordination in the fight against the Islamic State,*** Mr. Obama's last-minute intervention is being interpreted as an attempt to tie Mr. Trump's hands. The Washington establishment is also happy with the President's decisions. For now, Mr. Putin has deftly avoided a tit-for-tat response, saying that Moscow will assess the policies of the next administration. The question

is, what will Mr. Trump do? If he goes completely against the Obama administration's policies, he will upset the establishment, including leaders from his own party. If he doesn't, he will fail on his promise of reshaping ties with Russia and potentially raise tensions further. Either way, Russia is back as a top challenge on the U.S. foreign policy landscape.

F. Concepts-in-News: Related Concepts to Revise/Learn:

1. Concepts-in-News: Related Concepts to Revise/Learn

Financial Inclusion

Social security

Skill development and Entrepreneurship

Nuclear reactors

Demonetization

2. BILLS/ACTS/SCHEMES/ORGS IN NEWS

BILLS/ACTS/SCHEMES/ORGS IN NEWS	Links to Refer
<i>Demonetization</i>	http://pib.nic.in/newsite/erelease.aspx?relid=155829

3. Tags

Pradhan mantri Jan Dhan Yojana

Pradhan mantri MUDRA Yojana

Atal Pension Yojana

Pradhan mantri Suraksha Bima Yojana

Pradhan mantri Jeevan Jyothi Bima Yojana

Practice Questions

Date: 02nd January, 2016
Category: Centre's schemes
Topic: Bank reforms
Source: The Hindu
Difficulty level: Medium
Type: Factual

1. 'Fixed point Business Correspondent' is associated with
 - a. Prime Minister Universal Financial Inclusion program
 - b. Swabhimaan campaign
 - c. Swavalamban scheme
 - d. MUDRA yojana

Ans (a)

Date: 02nd December, 2016
Category: Centre's schemes
Topic: MUDRA yojana
Source: The Hindu
Difficulty level: Medium
Type: Factual

2. Which of the following loans is not a part of Pradhan Mantri Mudra yojana?
 - a) Shishu
 - b) Bala
 - c) Tarun
 - d) Kishor

Ans (b)

Date: 02nd January, 2016
Category: National payments corporation
Source: The Hindu
Difficulty level: Medium
Type: Conceptual

3. Which of the following statements are correct regarding the 'National Payments Corporation of India'?

- (i) It is the umbrella organisation for all retail payment systems in India
- (ii) It is a not-for-profit organisation registered under section 25 of the Companies Act 1956
- (iii) It aims to allow all Indian citizens to have unrestricted access to e-payment services.

- a) (i) only
- b) (i) and (ii) only
- c) (ii) and (iii) only
- d) All 3 are correctly matched

Ans (d)

Date: 02nd January, 2016
Category: Defense
Topic: DRDO
Source: The Hindu
Difficulty level: Medium
Type: Conceptual

4. Which of the following statements are correct regarding the Smart Anti-Airfield Weapon – SAAW?

- (1) It is capable of engaging ground targets with high precision up to a range of 100 kms.
- (2) It is indigenously developed by DRDO

- (a) (1) only
- (b) (2) only

(c) Both (1) & (2)

(d) Neither (1) nor (2)

Ans (c)

Date: 02nd January, 2016

Category: National organizations

Difficulty level: Easy

Type: Factual

5. 'Department of Public Investment and Asset Management' – DIPAM works under

a) Union Ministry of Disinvestment

b) Union Ministry of Finance

c) Union Ministry of Trade and Commerce

d) PM's Office

Ans (a)

Current News Analysis

03-01-2017

A. GS1 Related

B. GS2 Related

1. SC bowls out top BCCI bosses

<http://www.thehindu.com/sport/SC-bowls-out-top-BCCI-bosses/article16979128.ece>

Category: Polity and Governance

Topic: Judiciary

Key Points:

- A three-judge Bench of Chief Justice T.S. Thakur and Justices A.M. Khanwilkar and D.Y. Chandrachud declared Mr. Thakur and Mr. Shirke “unfit” to continue at the helm of the BCCI.
- The bench cited their “obstructionist” attitude and specious pleas in court about their incapacity to make affiliated State associations fall in line with the Justice Lodha reforms.

2. ‘It is a trilateral partnership of India, U.S. and Israel’

<http://www.thehindu.com/news/international/%E2%80%98It-is-a-trilateral-partnership-of-India-U.S.-and-Israel%E2%80%99/article16979190.ece>

Category: International Relations

Topic: Effect of policies and politics of developed and developing countries on India’s interests

Key Points:

- A senior functionary of the American Jewish Committee (AJC), which is an influential advocacy group in the U.S. recently remarked that the optics of the U.S.-Israel relations will change for the better under the incoming Donald Trump administration and that this will have a positive impact on India’s relations with both the U.S. and Israel.

C.GS3 Related

1. Agni-IV test a 'grand success'

<http://www.thehindu.com/news/national/Agni-IV-test-a-%E2%80%98grand-success%E2%80%99/article16979214.ece>

Category: Science and Technology

Topic: Developments

Key Points:

- The flight-testing of India's long-range, strategic ballistic missile, Agni-IV, was a "grand success".
- The Agni-IV is a two-stage, surface-to-surface, long-range strategic ballistic missile which can carry a nuclear warhead weighing one tonne over a distance of more than 4,000 km.

D. GS4 Related

E. Important Editorials

The Hindu

1. The price of defiance

<http://www.thehindu.com/opinion/editorial/The-price-of-defiance/article16979003.ece>

Category: Polity and Governance

Topic: Judiciary

Key Points:

- The president and secretary of the Board of Control for Cricket in India have been removed for defying the Supreme Court's order to accept reforms suggested by a court-appointed committee.
- In fact, its president, Anurag Thakur, now faces legal action for contempt of court as well as prosecution for perjury.

Background:

- The apex court was seeking to reform the manner in which cricket is administered in the country.

- In the court's view, the appointment of the Justice R.M. Lodha Committee and adoption of its recommendations were part of a project to bring transparency and accountability to the BCCI.
- In response to these developments, the BCCI responded with obstructionist tactics and defiance.
- Even when the court made the Lodha panel reforms binding on the BCCI through its July 18 verdict, the BCCI appeared to defy it.

2. The rediscovery of urban India

<http://www.thehindu.com/opinion/op-ed/The-rediscovery-of-urban-India/article16978941.ece>

Category: Polity and Governance, Indian Economy

Topic: Government Initiatives, Infrastructure

Key Points:

- There is a demographic transition happening in India- in fact, India is moving away from villages and is set to soon become more urban.
- The Jawaharlal Nehru Urban Renewal Mission (JNNURM) was launched in 2005.
- This scheme was no doubt the first concerted effort to make a difference to the urban chaos.
- However, by the time it was wound up by the United Progressive Alliance (UPA) government in March 2014, the JNNURM fell much short of intentions.
- It is important to note that till 2014, every project needed for a city was being appraised and approved in Nirman Bhawan in New Delhi.
- This was a 'top-down' method of planning. This had its own disadvantages.

Disadvantages of 'top-down' method of planning:

- For example, there was no sense of involvement in and ownership of new schemes by city and State governments.
- Consequently, project and investment approvals were being accorded in the last two quarters of a financial year causing implementation delays.

Present Situation

- Citizen participation in urban planning and project prioritisation are now made mandatory.
- About one crore citizens contributed to the making of 'smart city' plans.
- Urban planning is now made 'bottom up' and the results are showing.

Note to Students: Aspirants are advised to read about 'Atal Mission for Rejuvenation and Urban Transformation (AMRUT)' and 'Smart Cities Mission.'

BusinessLine

1. Slow stimulus

<http://www.thehindubusinessline.com/opinion/editorial/rate-cuts-and-stimulus-to-corporate-india/article9455434.ece>

Category: Indian Economy

Topic: Government Policy

Key Points:

- The recent decision by leading public sector banks to slash their marginal cost of funds-based lending rate by 65 to 90 basis points at one go is welcome.
- It is important to note that, with the Reserve Bank of India easing its policy rates by as much as 175 basis points in the last two years and deposit rates falling by a similar margin, banks would have found it difficult to justify not passing on their reduced costs to borrowers.
- Further, demonetisation proved to be the final blow for lowering of rates.
- While cheaper money is bound to have a stimulating effect on the economy as a whole, the extent to which different segments benefit may be uneven.

Marginal Cost of Funds based Lending Rate:

- On retail borrowings, reductions in the MCLR apply only to new loan applicants; existing borrowers will continue to pay earlier card rates unless they switch their lender or choose to reset their rate by paying a fee to the bank.

In conclusion, under normal circumstances, lending rate cuts of this order would have been guaranteed to boost consumer sentiment and retail loan growth, buoy up corporate profits and the Sensex — all of which would add up to a sizeable kicker to the GDP.

But given the continued cash crunch, negative wealth effect, the prospect of job losses in the informal sector and other uncertainties unleashed by the note ban, such a revival cannot be taken for granted this time around. High-frequency data on automobile and durable sales, cement despatches and retail loan growth will need to be watched closely for signs of a turnaround in consumer confidence.

Indian Express

1. Secularism is just not a judicial fix: The apex court errs in its secular defence

<http://blogs.economictimes.indiatimes.com/et-editorials/secularism-is-just-not-a-judicial-fix-the-apex-court-errs-in-its-secular-defence/>

Category: Polity and Governance

Topic: Judiciary

Key Points:

- In a landmark judgement, a seven-member Constitution bench split 4-3 to deliver the verdict that seeks neat separation of religion and politics.
- It is important to note that Gandhi, when he projected the goal of Ram Rajya, was not seeking a theocracy but using a religious idiom that people would understand to call for a moral order of popular sovereignty.
- Further, fixing the problems of democracy cannot be achieved through court rulings.
- Politics has to fix its own problems, through dialogue if possible, using logical extrapolation of troublesome arguments, and, when argument is not effective, via the hard lessons of the often violent culmination of taking anti-democratic logic forward through social action.
- The legislature, rather than the courts, should draw the line, if any line can at all be drawn in the abstract, on the interface between religion and politics.

PIB

1. Successful Flight Test of Agni – IV

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156070>

Category: Science and Technology

Topic: Developments

Key Points:

- Agni-IV, the Long Range Surface to Surface Ballistic Missile with a range of 4,000 kms was successfully flight tested, once again proving the reliability and efficacy of the weapon system.
- The Missile was launched from Dr. Abdul Kalam Island, Odisha at 1200 hrs. on 2nd January, 2017. All the radars, tracking systems and Range Stations have tracked and monitored the flight performance. All the mission objectives have been successfully met.

2. Trash Skimmers to be Introduced In Six New Cities for Surface Cleaning Of Ganga

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156069>

Category: Science and Technology

Topic: Developments

Key Points:

- National Mission for Clean Ganga (NMCG) will introduce trash skimmers for surface cleaning of Ganga in six more cities in the first week of this month.
- The cities are Rishikesh, Haridwar, Garh Mukhteshwar, Sahibganj, Kolkata and Navdweep. Urban Local Bodies will be the nodal agency to monitor this work. State Programme Management Groups (SPMGs) and Collectorate office will be supervising these works under the aegis of NMCG at State and district level respectively.
- River Surface Cleaning (RSC) work was introduced last year in Allahabad, Kanpur, Varanasi, Mathura-Vrindavan in Uttar Pradesh and Patna in Bihar.
- Trash skimmers were deployed at the foregoing locations and tonnes of floating waste was collected and disposed off in a proper manner. This task was performed under the CSR head and proved to be extremely effective. In the coming days, more towns will be identified for carrying out similar activities.
- Namami Gange programme was launched as a mission to achieve the target of cleaning river Ganga in an effective manner with the unceasing involvement of all stakeholders, especially five major Ganga basin States – Uttarakhand, Uttar Pradesh, Jharkhand, Bihar and West Bengal.

3. Joint Press Communique- India and Srilanka

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156076>

Category: International Relations

Topic: India and the Neighbourhood- Relations

Key Points:

- India and Sri Lanka held Ministerial level talks on fishermen issues today, 2 January 2017 in Colombo. Minister of Agriculture & Farmers Welfare of India Shri Radha Mohan Singh met with Minister for Fisheries and Aquatic Resources Development of Sri Lanka Mr. Mahinda Amaraweera.
- As part of the Confidence Building Measures (CBMs) agreed to by both sides, it was decided to intensify cooperation on patrolling and to institute periodic interaction between the Coast Guard of the two countries.
- An understanding was reached to ensure that there was no physical harm or loss of life while apprehending fishermen by Navy and Coast Guard of the two countries. It was agreed to explore the possibility of introducing effective tracking systems for the fishing vessels and making the use of onboard communication equipment mandatory.

4. Restaurants billing 'service charges' in addition to taxes is optional: Department of Consumer Affairs

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156064>

Category: Indian Economy

Topic: Taxation

Key Points:

- A number of complaints from consumers have been received that hotels and restaurants are following the practice of charging 'service charge' in the range of 5-20%, in lieu of tips, which a consumer is forced to pay irrespective of the kind of service provided to him.
- The Consumer Protection Act, 1986 provides that a trade practice which, for the purpose of promoting the sale, use or the supply of any goods or for the provision of any service, adopts any unfair method or deceptive practice, is to be treated as an unfair trade practice and that a consumer can make a complaint to the appropriate consumer forum established under the Act against such unfair trade practices. In this context, the department of Consumer Affairs, Central Government has called for clarification from the Hotel Association of India, which have replied that the service charge is completely discretionary and should a customer be dissatisfied with the dining experience he/she can have it waived off. Therefore, it is deemed to be accepted voluntarily.
- The Department of Consumer Affairs has asked the State Governments to sensitize the companies, hotels and restaurants in the states regarding aforementioned provisions of the Consumer Protection Act, 1986 and also to advise the Hotels/Restaurants to disseminate information through display at the appropriate place in the hotels/restaurants that the 'service charges' are discretionary/ voluntary and a consumer dissatisfied with the services can have it waived off.

F. Concepts-in-News: Related Concepts to Revise/Learn:

1. Concepts-in-News: Related Concepts to Revise/Learn

National Mission for Clean Ganga (NMCG)

Agni-IV

Long Range Surface to Surface Ballistic Missile

2. BILLS/ACTS/SCHEMES/ORGS IN NEWS

BILLS/ACTS/SCHEMES/ORGANISATIONS IN NEWS	Links to Refer
Taxation Laws (Second Amendment) Bill, 2016	http://pib.nic.in/newsite/PrintRelease.aspx?relid=154450

3. Tags

National Mission for Clean Ganga (NMCG)
Agni-IV
Long Range Surface to Surface Ballistic Missile

Practice Questions

Date: 3rd January, 2017
Category: Polity and Governance
Topic: Government Schemes
Source: PIB
Difficulty level: Medium
Type: Factual

1] Consider the following statements,

- 1] Agni-IV is a two-stage, surface-to-surface, long-range strategic ballistic missile.
- 2] This missile can carry a nuclear warhead weighing one tonne over a distance of more than 4,000 km.

Which of the following statements is/are correct?

- a) 1 Only
- b) 2 Only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans (c)

Date: 3rd January, 2017
Category: Science and Technology
Topic: Developments
Source: PIB

Difficulty level: Medium

Type: Factual

2] Consider the following statements,

1] A programme called GOMED (Genomics and other omics technologies for Enabling Medical Decision) has been developed by the CSIR which provides a platform of disease genomics to solve clinical problems.

2] 'Ksheer Scanner', which is a new technological invention by CSIR-CEERI, detects the level of milk adulteration and adulterants in 45 seconds at the cost of 10 paise.

Which of the following statements is/are incorrect?

- a) 1 Only
- b) 2 Only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans (d)

Date: 3rd January, 2017

Category: Polity and Governance

Topic: Government Schemes

Source: PIB

Difficulty level: Medium

Type: Factual

3] Consider the following statements,

1] The Rashtriya Avishkar Abhiyan (RAA), aims to motivate and engage children of the age group 6-18 years, in Science, Mathematics and Technology by observation, experimentation, inference drawing and model building, through both inside and outside classroom activities.

2] 'Prashikshak', is a Teacher Education Portal launched by Ministry of Human Resource Development .

Which of the following statements is/are correct?

- a) 1 Only
- b) 2 Only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans (c)

Date: 3rd January, 2017
Category: Polity and Governance
Topic: Government Schemes
Source: PIB
Difficulty level: Medium
Type: Factual

4] Consider the following statements,

- 1] The Uchhatar Avishkar Yojana (UAY) was launched to promote industry-specific need-based research so as to keep up the competitiveness of the Indian industry in the global market.
- 2] e- PATHSHALA is a single point repository of e-resources containing, NCERT textbooks and various other learning resources.

Which of the following statements is/are incorrect?

- a) 1 Only
- b) 2 Only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans (d)

Date: 3rd January, 2017
Category: Polity and Governance
Topic: Judiciary
Source: The Hindu
Difficulty level: Medium
Type: Factual

5] Consider the following statements,

1. Lodha committee is the first report with respect to governance of cricket board.
2. The Committee recommended that one association should represent an entire state and only **one vote** per state.
3. It recommends **separate governing bodies** for the IPL and BCCI.
4. It made a strong recommendation to lawmakers to legalise betting in cricket for all.

Which of the following statements are wrong?

- a) 1,2 and 3
- b) 2,3 and 4
- c) 4 only
- d) 3 and 4 only

Answer: c)

Explanation: It made a strong recommendation to lawmakers to legalise betting in cricket for all except cricket players, officials and administrators.

Current News Analysis

04-01-2017

A. GS1 Related

B. GS2 Related

1. Modi chants mantra to 'connect'

<http://www.thehindu.com/news/national/Modi-chants-mantra-to-%E2%80%98connect%E2%80%99/article16982988.ece>

Category: Polity and Governance

Topic: Government Initiatives

Key Points:

- Prime Minister Narendra Modi has underlined the need to inculcate the concept of 'scientific social responsibility,' akin to corporate social responsibility.
- This is seen as an effort to connect the leading institutions with all stakeholders, including schools and colleges.
- The idea behind this initiative is to create an environment for sharing of ideas and resources by providing opportunity to the brightest and best of brains in every corner of India to excel in science.
- The Prime Minister has sought to address the problems of ease of access, maintenance, redundancy and duplication of expensive equipments.
- PM Modi has exhorted national laboratories to establish a 'connect' with schools and colleges to develop appropriate training programmes.

2. Trump adviser promises a fillip in India-U.S. ties

<http://www.thehindu.com/news/national/Trump-adviser-promises-a-fillip-in-India-U.S.-ties/article16984615.ece>

Category: International Relations

Topic: Effect of policies and politics of developed and developing countries on India's interests

Key Points:

- Republican adviser and prominent NRI businessman-politician Shalabh Kumar has recently remarked that India's relations with the U.S. will not be based on "optics" but on "real action" in the Trump era.
- It is important to note that in February 2016, the Obama administration had announced its intention to supply eight U.S.-made F-16C fighter jets to Pakistan. This had led to an outcry from India.
- Mr. Kumar, heads the "Republican Hindu Coalition". This organization reportedly donated more than a million dollars to the Trump campaign, and had been among lobby groups that fought against the F-16 transfer which led to the U.S. government dropping plans to finance the planes.

C.GS3 Related

1. 'No concessions likely for Apple's manufacturing unit'

<http://www.thehindu.com/todays-paper/tp-business/%E2%80%98No-concessions-likely-for-Apple%E2%80%99s-manufacturing-unit%E2%80%99/article16985284.ece>

Category: Indian Economy

Topic: Manufacturing

Key Points:

- According to a senior government official, The Commerce Ministry does not favour granting concessions to U.S. multinational technology major Apple, for establishing a manufacturing unit in India to make its products including iPhones and iPads.
- The reason attributed to this is because other companies have not sought similar concessions — including the relaxation of labelling and local sourcing norms as well as excise and import duty reductions — for starting manufacturing in the country.

Background:

- India is among the largest smartphone markets in the world.
- The California-headquartered Apple is looking to expand its market share in the segment in the country from the current level of about two per cent.
- Apple only operates in the premium smartphone category, where its share is much higher.

D. GS4 Related

E. Important Editorials

The Hindu

1. Secularising the election

<http://www.thehindu.com/opinion/editorial/Secularising-the-election/article16983751.ece>

Category: Polity and Governance

Topic: Government Policy

Key Points:

- In a recent landmark judgement by the Supreme Court, a seven-member Bench ruled in a four-three majority, that it is a general prohibition on the use of religion or any other communal or sectarian value in the electoral arena.
- It is important to note that given that secularism is a basic feature of the Constitution, it has been interpreted in the light of Parliament's intention to prohibit any religious or sectarian appeal for votes.
- In conclusion, the majority verdict will find resonance with all those who swear by the primacy of secularism in the public domain.

Economic Times

1. Scrap the voluntary service charge fiat

<http://blogs.economictimes.indiatimes.com/et-editorials/scrap-the-voluntary-service-charge-fiat/>

Category: Indian Economy

Topic: Government Initiatives, Government Policy

Key Points:

Regarding the recent government order on service charges at restaurants, making their payment a matter of discretion on the part of the consumer- some sections believe that this should be withdrawn.

Two alternatives have been suggested,

- 1) To increase menu prices to cover the full cost of employee remuneration.
- 2) To build in an implicit variable component in restaurant staff compensation

It has been pointed out that if the service charge is banned or made uncertain, as the government now has, then, restaurants have no alternative but to raise menu prices to recover the full employee cost. This does not particularly help customers, particularly those who order takeaways and do not avail of on-premise service.

Indian Express

1. Listen to Dissent

<http://indianexpress.com/article/opinion/editorials/representation-of-people-act-caste-discrimination-supreme-court-elections-campaign-vote-bank-4457700/>

Category: Polity and Governance

Topic: Government Policy

Key Points:

- Interpreting a provision of the Representation of People Act (RPA), a seven-judge Constitution bench of the Supreme Court has ruled that “religion, race, caste, community or language would not be allowed to play any role in the electoral process”.
- The ruling further went on to add that the election of a candidate would be declared null and void if these considerations are invoked in the campaign.
- Thus, any mention of the religious, racial, caste, communal or linguistic identity of voters by a candidate could now attract censure under the RPA.
- It is important to note that intent of the judgement — which is to censure hate and divisive campaigns.
- In India, caste, religion, language, etc, have been the basis of social discrimination in India.
- Political groups invoke these categories to mobilise people: In fact, many political parties have been products of mass mobilisations against caste, linguistic, religious and racial discrimination and oppression.

PIB

1. BHIM will create Equality

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156095>

Category: Indian Economy

Topic: Government Initiatives, Government Schemes

Key Points:

- The new indigenously developed payment app 'BHIM' (Bharat Interface for Money) has been named after the main architect of Indian constitution, Bhim Rao Ambedkar.
- Through this app, Bharat Ratna Bhim Rao Ambedkar's name will take the centre-stage in India's economy.
- This app will create financial equality in the Country, as envisaged by Dr. B.R. Ambedkar.
- BHIM is a biometric payment system app using Aadhar platform, and is based on Unified Payment Interface (UPI) to facilitate e-payments directly through bank.
- It was launched to stress on the importance of technology and digital transactions.
- It can be used on all mobile devices, be it a smartphone or a feature phone with or without internet connection.
- The payments through the new system (BHIM App) can be made by just a thumb impression after the bank account is linked with Aadhaar gateway.
- The technology through BHIM will empower poorest of the poor, small business and the marginalised section.

- The new app is expected to minimise the role of plastic cards and point of sale machines.
- The app will eliminate fee payments for service providers like MasterCard and Visa, which has been a stumbling block in people switching to digital payments.
- The app can be used to send and receive money through smartphones. Money can also be sent to non UPI supported banks. Bank balance can also be checked through the app. Currently Hindi and English are supported in the app, with more languages coming soon.

2. Major Initiatives and Achievements of Department Of Industrial Policy & Promotion – 2016

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156108>

Category: Indian Economy

Topic: Government Policy

Key Points:

Intellectual Property Rights (IPR) Policy:

- In May, 2016, Government for the first time adopted a comprehensive National Intellectual Property Rights (IPR) policy to lay future roadmap for intellectual property.
- This aims to improve Indian intellectual property ecosystem, hopes to create an innovation movement in the country and aspires towards “Creative India; Innovative India” “रचनात्मक भारत; अभिनव भारत”.
- Objective of this policy is to increase IPR awareness; stimulate generation of IPRs; have strong and effective IPR laws; modernize and strengthen service-oriented IPR administration; get value for IPRs through commercialization; strengthen enforcement and adjudicatory mechanisms for combating IPR infringements; and to strengthen and expand human resources, institutions and capacities for teaching, training, research and skill building in IPRs.

Industrial Infrastructure

National Industrial Corridor Development & Implementation Trust (NICDIT):

Delhi Mumbai Industrial Corridor Project Implementation Trust Fund (DMIC-PITF Trust) is now re-designated with an expanded mandate of integrated development of Industrial Corridors.

- This would be an Apex body under administrative control of DIPP for coordinated and unified development of all industrial corridors in the country.
- It will channelize Govt. of India (GoI) funds as well as institutional funds for development of corridors. It will coordinate all central efforts for the development of Industrial Corridor projects and will also monitor their implementation.

Ease of Doing Business:

- The World Bank's Doing Business 2017 report shows that for the first time the absolute score of 'Distance to Frontier' that measures the gap between India and the global best practice has increased for two consecutive years. It has improved by 2.5% from 55.27 to 53.93 over a period of last one year.

International Cooperation

- **Korea Plus**- It is a special initiative to promote and facilitate Korean Investments in India. It was operationalized on June 18, 2016 and comprises of a representative from the Ministry of Industry, Trade and Energy, Government of the Republic of Korea and representative from Korea Trade Investment and Promotion Agency (KOTRA) and three representatives from Invest India.

3. Group of Secretaries presents ideas on “Transport and Communications” to PM

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156099>

Category: Indian Economy

Topic: Infrastructure- Transport

Key Points:

- Groups of Secretaries to the Government of India, on 3rd January 2017 began the second round of presentations on ideas for transformative change in various areas of governance.
- The first such set of eight presentations had been made in January 2016. Nine such presentations are envisaged this time.
- Today, the first group presented their ideas on the “transport and communications” sectors.
- Union Ministers, and officials from the NITI Aayog were also present on the occasion.

4. Year End Review: Ministry of AYUSH

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156093>

Category: Polity and Governance

Topic: Government Initiatives

Key Points:

The Ministry of AYUSH made a number of important strides in the year 2016 to strengthen and popularise the alternative systems of medicine.

Schemes were introduced to boost research and MOUs were signed to enhance cooperation with other countries in the field of Homeopathy, Ayurveda and other traditional systems of medicine.

CELEBRATION OF INTERNATIONAL DAY OF YOGA:

Government of India continues to take global leadership in the observation of the International Day of Yoga on 21st June every year, and uses the occasion to propagate this holistic approach to health and well-being across the national boundaries. In India, an estimated 50 lakh people participated in yoga training programmes of up to 1 month duration held as part of the observation of the International Day of Yoga in 2016, making it an unprecedented exercise in promotion of preventive healthcare in India.

NATIONAL AYUSH MISSION:

The Government of India has approved and notified National AYUSH Mission (NAM) on 29.09.2014 which envisages better access to AYUSH Services; strengthening of AYUSH educational institutions, facilitate the enforcement of quality control of Ayurveda, Siddha and Unani & Homoeopathy (ASU &H) drugs and sustainable availability of ASU & H raw-materials in the States/UTs during 12th Plan.

F. Concepts-in-News: Related Concepts to Revise/Learn:

1. Concepts-in-News: Related Concepts to Revise/Learn

NATIONAL AYUSH MISSION

Korea Plus

2. BILLS/ACTS/SCHEMES/ORGS IN NEWS

BILLS/ACTS/SCHEMES/ORGANISATIONS IN NEWS	Links to Refer
National Civil Aviation Policy, 2016 : Salient Features	http://pib.nic.in/newsite/PrintRelease.aspx?relid=146238

3. Tags

NATIONAL AYUSH MISSION

Korea Plus

Practice Questions

Date: 4th January, 2017

Category: Polity and Governance

Topic: Government Schemes

Source: PIB

Difficulty level: Medium

Type: Factual

1] Consider the following statements,

1] BHIM is a biometric payment system app using Aadhar platform, and is based on Unified Payment Interface (UPI) to facilitate e-payments directly through bank.

2] The payments through the new system (BHIM App) can be made by just a thumb impression after the bank account is linked with Aadhaar gateway.

Which of the following statements is/are incorrect?

a) 1 only

b) 2 only

c) Both 1 and 2

d) Neither 1 nor 2

Ans d)

Date: 4th January, 2017

Category: Polity and Governance

Topic: Government Schemes

Source: PIB

Difficulty level: Medium

Type: Factual

1] In May, 2016, Government for the first time adopted a comprehensive National Intellectual Property Rights (IPR) policy to lay future roadmap for intellectual property.

2] This policy aims to improve Indian intellectual property ecosystem, hopes to create an innovation movement in the country and aspires towards “Creative India; Innovative India” “रचनात्मक भारत; अभिनव भारत”.

Which of the following statements is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans c)

Date: 4th January, 2017

Category: Polity and Governance

Topic: Government Schemes

Source: PIB

Difficulty level: Medium

Type: Factual

3] Consider the following statements regarding “**NATIONAL AYUSH MISSION (NAM)**”

1] The basic objective of NAM is to promote AYUSH medical systems through cost effective AYUSH services, strengthening of educational systems, facilitate the enforcement of quality control of Ayurveda, Siddha and Unani & Homoeopathy (ASU &H) drugs and sustainable availability of ASU & H raw-materials.

2] Although the NAM contemplates establishment of a National Mission, corresponding Missions at the State level is not envisioned.

Which of the following statements is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans a)

The NAM contemplates establishment of a National Mission as well as corresponding Missions in the State level.

Date: 4th January, 2017
Category: Indian Economy
Topic: International Trade
Source: PIB
Difficulty level: Medium
Type: Factual

4] Consider the following statements with respect to the concept 'Distance to Frontier' as featured in "The World Banks' Doing Business 2017" report,

- 1] The absolute score of 'Distance to Frontier' measures the gap between India and the global best practice.
- 2] In the 2017 report, this absolute score has increased for two consecutive years.

Which of the following statements is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans c)

Date: 4th January, 2017
Category: Indian Economy
Topic: Infrastructure
Source: PIB
Difficulty level: Medium
Type: Factual

5] Consider the following statements,

- 1) The Delhi Mumbai Industrial Corridor Project Implementation Trust Fund (DMIC-PITF Trust) is now re-designated with an expanded mandate of integrated development of Industrial Corridors.
- 2) This would be an Apex body under administrative control of DIPP for coordinated and unified development of all industrial corridors in the country.

Which of the following statements is/are incorrect?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans d)

Current News Analysis

05-01-2017

A. GS1 Related

B. GS2 Related

1. China's stance on terror self-defeating: India

<http://www.thehindu.com/news/national/China%E2%80%99s-stance-on-terror-self-defeating-says-India/article16989313.ece>

Category: International Relations

Topic: Effect of policies and politics of developed and developing countries on India's interests

Key Points:

- India on 4th January 2017 said that China is following “double standard” on terrorism.
- India has asked Beijing to support its campaign to blacklist Pakistan-based terror mastermind Masood Azhar.
- Reiterating the government's position on terror, Minister of State for External Affairs Mr. Akbar said India had zero tolerance for terrorism.

2. J.S. Khehar sworn in as Chief Justice

<http://www.thehindu.com/news/national/J.S.-Khehar-sworn-in-as-Chief-Justice/article16989691.ece>

Category: Polity and Governance

Topic: Judiciary

Key Points:

- Justice Jagdish Singh Khehar, the senior-most judge of the Supreme Court, was sworn in as the 44th Chief Justice of India by President Pranab Mukherjee on 4th January 2017.
- It is important to note that Justice Khehar is known for his firm and decisive approach to cases.
- His appointment comes at a time when the relationship between the government and the judiciary remains tense over an unprecedented number of judicial vacancies (400) in the HCs and eight in the SC.

3. State media cautions China over India's labour cost

<http://www.thehindu.com/news/international/State-media-cautions-China-over-India%E2%80%99s-labour-cost/article16986822.ece>

Category: International Relations

Topic: Effect of policies and politics of developed and developing countries on India's interests

Key Points:

- In anticipation of India's rise as the next workshop-of-the world, a leading Chinese daily affiliated with the Communist Party of China (CPC) is strongly advocating that Beijing should rapidly shift to high-end manufacturing, and take advantage of the low labour costs that are still available in its less developed zones.

4. 'Indian-American members of Congress will have crucial role'

<http://www.thehindu.com/news/international/%E2%80%98Indian-American-members-of-Congress-will-have-crucial-role%E2%80%99/article16988003.ece>

Category: International Relations

Topic: Effect of policies and politics of developed and developing countries on India's interests

Key Points:

- Newly-elected Indian-American members of the U.S Congress have exhorted the community to encourage more people to run for office.
- In fact, with five members, the current Congressional cycle has the largest representation of the community in history.
- It is important to note that with one percent of the U.S population, Indian-Americans constitute one per cent of members in the new U.S Congress.

C.GS3 Related

1. Ministry seeks duty cut for leased planes

<http://www.thehindu.com/todays-paper/tp-business/Ministry-seeks-duty-cut-for-leased-planes/article16990314.ece>

Category: Indian Economy

Topic: Industry- Civil Aviation

Key Points:

- Recently, the Union civil aviation ministry has proposed the lowering of customs duty for aircraft imported by leasing companies set up in India.

- The Union civil aviation ministry, has asked the finance ministry to consider reducing customs duty for lessors from 21 per cent to the prevalent rates of zero per cent for scheduled and 2.5 per cent for non-scheduled operations.
- It has been suggested that India needs to set up special purpose vehicles (SPVs) in order to give a boost to the leasing business.

D. GS4 Related

E. Important Editorials

The Hindu

1. Bengaluru's night of horror

<http://www.thehindu.com/opinion/editorial/Bengaluru%E2%80%99s-night-of-horror/article16988827.ece>

Category: Polity and Governance

Topic: Social Justice

Key Points:

- According to reports, at New Year's-eve in downtown Bengaluru, a large number of women were sexually assaulted around midnight. There have been unfortunate remarks made by the state Home Minister, who blamed the violence on "western culture". The larger issue which needs to be addressed is the reluctance of women to register offences. It is important to note that The Criminal Law (Amendment) Act, 2013, passed after national outrage over the Delhi gang rape of December 16, 2012, had sought to bring clarity to the continuum of sexual offences and to simplify procedures for women to bring them to the attention of the police.
- Note to Aspirants: In the year 2015, there were a number of initiatives taken by the Government in order to promote women safety. The Ministry of Women and Child Development had taken up many initiatives. Aspirants are advised to go through these initiatives by referring the below link:
<http://pib.nic.in/newsite/PrintRelease.aspx?relid=133957>
- Also, in 2016, a number of initiatives aimed at women empowerment were taken up by the ministry. Aspirants are advised to go through the below link:
<http://pib.nic.in/newsite/PrintRelease.aspx?relid=155963>

Economic Times

1. Make corporate tax rates ASEANesque

<http://blogs.economictimes.indiatimes.com/et-editorials/make-corporate-tax-rates-aseanesque/>

Category: Indian Economy

Topic: Government Policy, Taxation

Key Points:

- Foreign investors, direct, portfolio and private equity, are reportedly looking at new routes to invest in India to save on taxes.
- This development is not unexpected, after India amended its tax treaty with Mauritius and Singapore to tax capital gains on investments coming through these countries from April 1, 2017.
- The government will also enforce new General Anti-Avoidance Rules (Gaar), meant to prevent sharp tax practices and determine if a transaction has tax avoidance as its primary purpose.
- Both the treaty revisions and Gaar are in sync with the global move towards cross-border tax transparency and ending base erosion and profit shifting.
- It has been suggested that India needs to slash its corporate tax rate to Asean levels.
- It has also been suggested that India must lower tax rates and simultaneously phase out exemptions that are a drag on the exchequer.
- Further, the need is to swiftly adopt the goods and services tax, and use its multiple audit trails to broaden tax base of both direct and indirect taxes.
- The way forward is to limit tax avoidance while retaining India's investment appeal.

Business Line

1. More pain ahead

<http://www.thehindubusinessline.com/todays-paper/tp-opinion/more-pain-ahead/article9459757.ece>

Category: Indian Economy

Topic: Government Policy

Key Points:

- The latest Financial Stability Report from the Reserve Bank of India has again brought to light the festering issue of asset quality of Indian banks.
- There has been a huge addition to the stockpile of bad loans.

Important Statistics:

- Between March and September 2016, gross NPAs went up from 7.8 per cent to 9.1 per cent of total advances.
- Between September 2015 and September 2016, gross non-performing assets shot up from 5.1 per cent to 9.1 per cent of total advances.

PIB

1. Cabinet approves signing of MoU between India and Portugal in the field of agriculture and allied sectors

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156124>

Category: International Relations

Topic: Bilateral Agreements

Key Points:

- The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi has given its approval for signing of an Agreement for cooperation in the field of Agriculture and allied sectors between India and Portugal.
- The Agreement covers various activities in these fields which include exchange of scientific and technical information, trade in plants and plant products, exchange of information in phytosanitary issues, training programmes, seminars and visits of experts and consultants.
- The Agreement provides constitution of a Joint Working Group comprising of representatives from both countries, the task of which would be to monitor the implementation of the present MoU and making concrete proposals for agriculture cooperation and develop guidelines and priorities for future cooperation in the field of agriculture and allied sectors.
- The Agreement shall enter into force on the date of its signing and shall remain in force for a period of five years and shall be automatically extended for a subsequent period of five years unless either Party gives written notice through diplomatic channels to the other Party of its intention to terminate the Agreement at least six months before its expiration.

2. Cabinet approves MoU between India and Kenya on bilateral cooperation in the field of agriculture and allied sectors

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156122>

Category: International Relations

Topic: Bilateral Agreements

Key Points:

- The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved signing of a Memorandum of Understanding (MoU) between India and Kenya on bilateral cooperation in the field of agriculture and allied sectors.
- The MoU covers various activities in these fields which include agricultural research, animal husbandry and dairy, livestock and fisheries horticulture, natural resource management, post-harvest management and marketing, soil and conservation, water

management, irrigation farming systems development and integrated watershed development integrated pest management, agricultural plant, machinery and implements, sanitary and phytosanitary issues.

- The MoU provides for constitution of a Joint Working Group comprising of representatives from both countries, the task of which would be to develop detailed cooperation programmes and monitor implementation of the MoU.
- The MoU shall enter into force on the day of signing and shall remain valid for a period of five years and shall automatically be renewed for a subsequent period of five years unless either Party notifies the other in writing, six months before the expiry of the validity period of the intention to terminate it.

3. Cabinet approves Agreement between India and Uruguay regarding Cooperation and Mutual Assistance in Customs Matters

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156117>

Category: International Relations

Topic: Bilateral Agreements

Key Points:

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi has approved signing and ratifying an Agreement between India and Uruguay regarding Cooperation and Mutual Assistance in Customs Matters.

The Agreement will help in the availability of relevant information for the prevention and investigation of Customs offences. The Agreement is also expected to facilitate trade and ensure efficient clearance of goods traded between the countries.

The draft Agreement takes care of Indian Customs' concerns and requirements, particularly in the area of exchange of information on the correctness of the Customs value declared, the authenticity of certificates of origin of goods and the description of the goods traded between the two countries.

Background:

Uruguay is an important trading partner of India among members of the MERCOSUR, a trading block in Latin America. India signed a Preferential Trade Agreement (PTA) with the MERCOSUR which came into effect from 1st June, 2009. Trade between India and the Uruguay has been expanding gradually. The Agreement would provide a legal framework for sharing of information and intelligence between the Customs authorities of the two countries and help in the proper application of Customs laws, prevention and investigation of Customs offences and the facilitation of legitimate trade. The draft text of the proposed Agreement has been finalized with the concurrence of the two Customs Administrations.

4. Launch of IPR Enforcement Toolkit for Police and IPR Awareness Campaign for Children

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156135>

Category: Polity and Governance

Topic: Government Initiatives

Key Points:

The Commerce & Industry Minister Smt. Nirmala Sitharaman launched an IPR Enforcement Toolkit for Police on 4th January, 2017.

- The toolkit has been jointly prepared by Cell for IPR Promotion and Management (CIPAM) and Federation of Indian Chambers of Commerce and Industry (FICCI).
- This toolkit will be a ready reckoner for police officials across the country in dealing with IP crimes, specifically Trade Marks counterfeiting and Copyrights piracy.
- In addition to details of offences under various laws, it provides for checklists for registering a complaint and conducting search and seizures. It also lays down general guidelines for search and seizure in case of IP crimes.
- This toolkit will be provided to all state police departments across the nation and will assist them in dealing with the cases relating to Trademarks and Copyrights infringements.

F. Concepts-in-News: Related Concepts to Revise/Learn:

1. Concepts-in-News: Related Concepts to Revise/Learn

Cell for IPR Promotion and Management (CIPAM)
MERCOSUR

2. BILLS/ACTS/SCHEMES/ORGS IN NEWS

BILLS/ACTS/SCHEMES/ORGANISATIONS IN NEWS	Links to Refer
National Civil Aviation Policy, 2016 : Salient Features	http://pib.nic.in/newsite/PrintRelease.aspx?relid=14623 8

3. Tags

Cell for IPR Promotion and Management (CIPAM)

MERCOSUR

Practice Questions

Date: 5th January, 2017

Category: International Relations

Topic: Bilateral Agreements

Source: PIB

Difficulty level: Medium

Type: Factual

1] Consider the following statements,

1] MERCOSUR, is a trading block in Latin America.

2] Uruguay is an important trading partner of India among members of the MERCOSUR.

Which of the following statements is/are incorrect?

a) 1 only

b) 2 only

c) Both 1 and 2

d) Neither 1 nor 2

Ans d)

Date: 5th January, 2017

Category: Polity and Governance

Topic: Government Schemes

Source: PIB

Difficulty level: Medium

Type: Factual

2] Consider the following statements, regarding the recently launched, “IPR Enforcement Toolkit for Police”

1] The toolkit has been jointly prepared by Cell for IPR Promotion and Management (CIPAM) and Federation of Indian Chambers of Commerce and Industry (FICCI).

2] This toolkit will be a ready reckoner for police officials across the country in dealing with IP crimes, specifically Trade Marks counterfeiting and Copyrights piracy.

Which of the following statements is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans c)

Date: 5th January, 2017

Category: Polity and Governance

Topic: Government Schemes

Source: PIB

Difficulty level: Medium

Type: Factual

3] Consider the following statements regarding “Cell for IPR Promotion and Management (CIPAM) ”

1] The Cell for IPR Promotion and Management (CIPAM) is working to ensure effective implementation of the National IPR Policy 2016.

2] CIPAM is collaborating with the International Trademark Association (INTA) to launch an IPR Awareness campaign for schoolchildren, which would spread the message on IPRs in a creative and engaging manner.

Which of the following statements is/are incorrect?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans d)

Date: 5th January, 2017

Category: Polity and Governance

Topic: Basic Provisions

Source: Standard Texts

Difficulty level: Medium

Type: Factual

4] Which among the following statements is correct?

- a. The Nehru Report (1928) had advocated the inclusion of Fundamental Rights in the Constitution of India
- b. The Government of India Act, 1935 referred to Fundamental Rights
- c. The August offer, 1940 included the Fundamental Rights
- d. The Cripps Mission, 1942 referred to Fundamental Rights

Ans. (a)

Date: 5th January, 2017

Category: Modern Indian History

Topic: National Movement

Source: Standard Texts

Difficulty level: Medium

Type: Factual

5] The Cabinet Mission Plan for India envisaged

- a. Federation
- b. Confederation
- c. Unitary form of Government
- d. Union of States

Ans b)

Current News Analysis

06-01-2017

A. GS1 Related

B. GS2 Related

1. With gifts and goodwill, 218 fishermen return from Pak.

<http://www.thehindu.com/news/international/With-gifts-and-goodwill-218-fishermen-return-from-Pakistan/article16992053.ece>

Category: International Relations

Topic: Effect of policies and politics of developed and developing countries on India's interests, India's Neighbourhood

Key Points:

- In an important development, Pakistan has released 218 Indian fishermen on 5th January, 2017.
- These fishermen were detained for the past 12 months.
- Officials have said that this is a goodwill gesture aimed at confidence building measures.

C.GS3 Related

1. Measures to decimate shadow economy to boost GDP: Jaitley

<http://www.thehindu.com/business/Economy/Measures-to-decimate-shadow-economy-to-boost-GDP-Jaitley/article16993859.ece>

Category: Indian Economy

Topic: Government Policy

Key Points:

- At a meeting of the Financial Stability and Development Council held on 5th January, 2017, Finance Minister Arun Jaitley mentioned that “the Centre’s measures to eliminate the shadow economy and tax evasion are expected to have a positive impact both on GDP and on fiscal consolidation in the long run”.
- Along with other financial sector regulators, RBI Governor Urjit Patel also attended the Council’s meeting.

- At the Council's meeting, developments and issues pertaining to financial technology, digital innovations and cyber security were discussed along with the regulators' suggestions and proposals for the Union Budget.
- Chief Economic Adviser Arvind Subramanian made a presentation on the state of economy, following which the Council reviewed the major issues and challenges facing the economy.

2. Brief economic slowdown likely: Pranab

<http://www.thehindu.com/todays-paper/tp-national/Brief-economic-slowdown-likely-Pranab/article16995939.ece1>

Category: Indian Economy

Topic: Government Policy

Key Points:

- President Pranab Mukherjee said on 5th January, 2017 that the demonetisation aimed at fighting corruption may lead to a brief economic slowdown.
- The President went on to add that "Goodwill must prevail between different communities. At times, harmony may be put to test by vested interests. Communal tensions may rear their ugly heads. Rule of law must form the sole basis of dealing with any such challenging situations."
- Quoting Jawaharlal Nehru, he said India was a country held together by strong but invisible threads. Tolerance, he said, was a core civilisational value for India.

3. Export infrastructure scheme on the anvil

<http://www.thehindu.com/business/Export-infrastructure-scheme-on-the-anvil/article16993846.ece>

Category: Indian Economy

Topic: Government Policy

Key Points:

- In an effort to boost export infrastructure, Commerce Minister Nirmala Sitharaman said on 5th January, that "the Centre will tie up with the States to soon roll-out a new scheme called 'TIES' — or Trade Infrastructure for Export Scheme".
- She further went on to add that States must develop their own export strategy in alignment with the national foreign trade policy, as well as enhance co-operation with Central agencies to set up common facilities for testing, certification, trace-back, packaging and labelling.
- The Centre has decided to soon bring out a Logistics Performance Index to rank states on steps taken to facilitate trade and improve logistics.
- Measures in the pipeline include expediting the proposal for a north east corridor to improve connectivity with south east Asian countries and exports to that region.

- She further went on to add that, “There is a need to diversify our services exports. Areas like medical tourism, nursing and healthcare, education, audio-visual media have an excellent potential that can be harnessed. For this, we need to develop the right competencies like language skills for the East and North East Asian markets,”

D. GS4 Related

E. Important Editorials

The Hindu

1. Reading between the lines

<http://www.thehindu.com/opinion/lead/Reading-between-the-lines/article16993971.ece?homepage=true>

Category: Polity and Governance

Topic: Judiciary

Key Points:

- The recent Supreme Court verdict on electoral malpractice ensures that future legal challenges to election victories based on identity politics will walk the fine line of text, context and subtext.
- It is important to note that in 1973, it was a 7:6 plurality of the Supreme Court in the Kesavananda Bharati case that gave India its doctrine of the basic structure of the Constitution.
- Further, it is important to note that the lead judgment of the majority relies upon the principle of purposive construction of statutes to hold that “the Representation of the People Act, 1951 is a statute that enables us to cherish and strengthen our democratic ideals.
- To interpret it in a manner that assists candidates to an election rather than the elector or the electorate in a vast democracy like ours would really be going against public interest.”

Economic Times

1. Food wastage is an area of prime concern

<http://blogs.economictimes.indiatimes.com/et-editorials/food-wastage-is-an-area-of-prime-concern/>

Category: Indian Economy

Topic: Government Policy

Key Points:

- Food loss and waste is a global problem, but unaffordably high in India. Minimising food wastage should be taken up as a priority.

Important Statistics

- According to the United Nations' Food and Agriculture Organisation, one-third of all food produced for human consumption, roughly 1.3 billion tonnes, is lost or wasted.
- The Central Institute of Post-Harvest Engineering and Technology (CIPHET), Ludhiana, estimated the harvest and post-harvest loss of nearly Rs 93,000 crore in 2012-13 — nearly 16 per cent of fruit and vegetables and 6 per cent of cereals were lost.

Reasons Attributed

- Missing processing capacity, transport links and storage facility are to blame for most wastage.

Benefits of reducing post-harvest loss

- Reducing post-harvest loss can increase the amount of food available to farmers for their own consumption and for sale.
- It can contribute to addressing the country's hunger and malnutrition problem.
- With nearly 200 million people undernourished, India ranks 97th among 118 countries on the 2016 Global Hunger Index.

The Way Forward

- The focus needs to be on moving the produce from the field to the consumer.
- This means marketing freedom for farmers, motorable roads, refrigerated vans and smooth movement across state borders, besides investing in the food processing industry, particularly close to the areas of production.
- This will minimise food loss during transport.

Indian Express

1. Let the budget be

<http://indianexpress.com/article/opinion/editorials/union-budget-2017-18-narendra-moid-opposition-election-commission-let-the-budget-be-4460935/>

Category: Indian Economy

Topic: Government Policy, Budget

Key Points:

- The Election Commission (EC) has been approached by a united Opposition, seeking postponement of the presentation of the Union Budget for 2017-18 till the completion of polls to the five state assemblies, for which the schedule has already been announced.
- These parties are of the belief the government would use the budget, which it wants to present on February 1, to dole out various sops to “allure” voters while these polls are held between February 4 and March 8.

- In fact, it has been alleged that the decision by the government to advance the presentation of the budget from the normal date of February 28 has been made with a view to influence voters.
- This raises an important question, which is 'Can a popularly elected government at the Centre be denied the right to make announcements, populist or otherwise, during its tenure just because of state-level elections?'

PIB

1. High Level Meeting Between Indian Coast Guard and Sri Lanka Coast Guard

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156136>

Category: International Relations

Topic: Bilateral Agreements

Key Points:

- A three member delegation led by Director General Sri Lanka Coast Guard (SLCG) Rear Admiral Samantha Wimalathunge, is on a three day visit to India from 03 January 2017 for a High Level Meeting, with the Indian Coast Guard (ICG).
- The Indian delegation was led by Director General, Indian Coast Guard Shri Rajendra Singh.
- The visit was in continuation of the various efforts by the governments of the two countries in furthering cooperation between the coast guards of two countries on maritime issues of mutual concerns to formulate a cooperative approach.
- Of late the Sri Lankan Coast Guard has been proactive in meeting the challenges in the new global safety and security regime in this region. The recent visit is significant in providing continued impetus to the existing ties between the two organisations. The focus of the meeting was on further strengthening the operational level interaction for search and rescue, preservation & protection of marine environment, revalidating operational & communication procedures between the two coast guards.

2. Distribution of AIDS and Assistive devices on The Birthday of Sir Louie Braille

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156137>

Category: Polity and Governance

Topic: Government Initiatives

Key Points:

- During an event organized on the occasion of Sir Louie Braille's birthday, 270 Smart Phones and 40 Daisy Players distributed to students with visual impairment under ADIP scheme of the Department of Empowerment of Persons with Disabilities (Divyangjan), Ministry of Social Justice & Empowerment.

- Scholarships cheques worth Rs. 5.00 lakhs were also distributed to each of 66 Students with visual impairment under National Scholarship Scheme of National Federation of the Blind.
- The Purpose of National Federation of the Blind is to act as a vehicle for collective self-expression by the blind. Since its beginning in 1940, the NFB has been providing public education about blindness, information and referral services, scholarships, literature and publication about blind, advocacy services and protection of civil rights, employment assistance and support services.

3. Government issues notification of 'Indian Skill Development Service'

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156132>

Category: Polity and Governance

Topic: Government Initiatives

Key Points:

- The Ministry of Skill Development and Entrepreneurship (MSDE) has issued the notification of setting up of Indian Skill Development Services (ISDS).
- This service has been created for the Training Directorate of the Ministry of Skill Development and Entrepreneurship.
- The purpose of instituting a formal service in Group 'A' category was initiated almost two years back when the Ministry was formed and the union cabinet approved its creation on October 7, 2015.
- With notification of this service the skill ecosystem is expected to get strengthened and modernised in line with the current scientific and industrial development in the country.
- ISDS will be a Group 'A' service where induction will take place through Indian Engineering Service Examination conducted by UPSC. It is an attempt to attract young and talented administrators for Skill Development.
- The knowledge acquired by the engineers recruited will give new impetus to the initiative of the government to the skill development and also efficient and effective implementation of the schemes. In years to come the ministry will be able to create a workforce of trained skill administrators who will enable us to achieve the goal of increased skilled youths. Administered training is paramount to face big challenge of skilling Indians.
- Under the leadership of Prime Minister skill development has taken a priority with a hope that Skill India mission will supply huge human resource not only in India but also Internationally. This is a step forward to meet the target of skilling 500 million people by 2022.

4. Shri Shripad Naik inaugurates three day International Conference on Yoga for Diabetes

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156142>

Category: Polity and Governance

Topic: Government Initiatives

Key Points:

- The three day International Conference on “Yoga for Diabetes” was inaugurated by Minister of State for AYUSH (Independent Charge), Shri Shripad Yesso Naik in New Delhi on 4th January, 2017.
- In his inaugural address, the Minister informed that UNESCO, the world’s apex body for culture has recently included yoga in its list of intangible cultural heritage.
- This is yet another recognition of the universal relevance of yoga and will add to its respectability across national borders, the Minister added.
- Shri Naik said that this conference aims to generate discussions on the role of Yoga in the prevention and management of Diabetes and to draw up a roadmap to be adopted for the control of Diabetes through Yoga. It will provide a common platform for the Allopathy and AYUSH practitioners, Researchers, Academicians, Policy makers and students to come together in the fight against diabetes.

F. Concepts-in-News: Related Concepts to Revise/Learn:

1. Concepts-in-News: Related Concepts to Revise/Learn

Ministry of Skill Development and Entrepreneurship (MSDE)

Indian Skill Development Services (ISDS)

2. BILLS/ACTS/SCHEMES/ORGS IN NEWS

BILLS/ACTS/SCHEMES/ORGANISATIONS IN NEWS	Links to Refer
National Civil Aviation Policy, 2016 : Salient Features	http://pib.nic.in/newsite/PrintRelease.aspx?relid=146238

3. Tags

Ministry of Skill Development and Entrepreneurship (MSDE)

Practice Questions

Date: 6th January, 2017

Category: Polity and Governance

Topic: Government Schemes

Source: PIB

Difficulty level: Medium

Type: Factual

1] Consider the following statements,

1] UNESCO, the world's apex body for culture has recently included yoga in its list of intangible cultural heritage.

2] The recently held international conference on "Yoga for Diabetes" aimed to generate discussions on the role of Yoga in the prevention and management of Diabetes and to draw up a roadmap to be adopted for the control of Diabetes through Yoga.

Which of the following statements is/are incorrect?

a) 1 only

b) 2 only

c) Both 1 and 2

d) Neither 1 nor 2

Ans d)

Date: 6th January, 2017

Category: Polity and Governance

Topic: Features, Cases

Source: PIB

Difficulty level: Medium

Type: Factual

2] Which among the following was the major outcome of the Kesavananda Bharati case?

a) Basic Structure doctrine of the Constitution

b) Federal structure of the constitution

c) Concept of Fundamental Duties

d) Concept of Fundamental Rights

Ans a)

Date: 6th January, 2017

Category: Polity and Governance

Topic: Government Schemes

Source: PIB

Difficulty level: Medium

Type: Factual

3] Consider the following statements

1. National Skill Development Agency(NSDA) is an autonomous body under Ministry of Skill Development and Entrepreneurship
2. Cabinet has given the nod for creation of a new cadre of Group-B Indian Skill Development Service officers under UPSC civil service exams.
3. The National Quality Assurance Framework (NQAF) aims to improve the quality of manufactured goods in India.

Which of the above is/are correct?

- A. 1 only
- B. 1 & 3 only
- C. 2 & 3 only
- D. 1, 2 & 3

Ans: A

Date: 6th January, 2017

Category: Geography

Topic: Various Parts of the World

Source: Standard Texts

Difficulty level: Medium

Type: Factual

4] Consider the following statements,

1. Sir Creek is a tidal estuary on the border of India and Pakistan
2. It divides the Gujarat state of India from the Punjab province of Pakistan
3. During the winter season, the area is home to flamingoes and other migratory birds.

Which of the above is/are correct?

- A. 1 only
- B. 1 & 3 only
- C. 2 & 3 only
- D. 1, 2 & 3

Ans: B

Date: 6th January, 2017

Category: International Relations

Topic: Important International Institutions

Source: PIB

Difficulty level: Medium

Type: Factual

5] Global Hunger Index was adopted and developed by -

- A. Food and Agriculture Organisation
- B. World Bank
- C. International Food Policy Research Institute
- D. UNDP

Ans: C

Current News Analysis

07-01-2017

A. GS1 Related

B. GS2 Related

1. Aadhaar now mandatory for EPF pension scheme

<http://www.thehindu.com/news/national/Aadhaar-now-mandatory-for-EPF-pension-scheme/article17001180.ece>

Category: Polity and Governance

Topic: Government Initiatives

Key Points:

- In a recent development, the Centre has made obtaining an Aadhaar number mandatory for 2.5 crore members of the Employees' Pension Scheme of 1995.
- The Labour Ministry said in a notification that those without an Aadhaar number will have to make an application to get enrolled by January 31, 2017.
- In a notification issued by the Union Labour and Employment Ministry on January 4, "Members and pensioners of the Employees' Pension Scheme desirous of continuing to avail pension and membership to the Employees' Pension Scheme by availing the Central Government's contribution and subsidy under the said scheme, are hereby required to furnish proof of the possession of the Aadhaar number or undergo Aadhaar authentication,".

2. Bengaluru is set to host Pravasi Bharatiya Divas

<http://www.thehindu.com/news/national/Bengaluru-is-set-to-host-Pravasi-Bharatiya-Divas/article17001115.ece>

Category: Polity and Governance

Topic: Government Initiatives

Key Points:

- The 14th edition of Pravasi Bharatiya divas will kickstart on Saturday with participation of more than 6,000 delegates from 30 countries.
- The 14th edition of the Pravasi Bharatiya divas is being held in Bengaluru.
- In fact, many delegates, who have descended on the city, are seeing the event as a platform to meet people from different regions or to air their grievances even as efforts

are being made to showcase investment opportunities in various states before potential investors.

- This event will be a three-day event where, technological advancements and social innovations will be showcased to Persons of Indian Origin (PIO) looking for business opportunities in the country.
- The start up environment in Bengaluru will be a highlight during the Youth Pravasi Divas on Saturday.

3. May's visit to the U.S. to put "special relationship" to the test

<http://www.thehindu.com/news/international/May%E2%80%99s-visit-to-the-U.S.-to-put-%E2%80%9Cspecial-relationship%E2%80%9D-to-the-test/article16999855.ece>

Category: International Relations

Topic: Effect of policies and politics of developed and developing countries on India's interests

Key Points:

- It is reported that British Prime Minister Theresa May is set to call on United States President-elect Donald Trump shortly after his inauguration this spring.

Background of events:

- It is important to note that the enduring partnership between the two countries, which was famously described many decades ago by Winston Churchill as the "special relationship", has gone through ups and downs.
- The Obama administration in the U.S. had prioritised relations with other European nations such as Germany. In fact, Obama had described Chancellor Angela Merkel last year as his "closest international partner" over the past eight years.
- Further, attempts to forge a Transatlantic Trade and Investment Partnership (TTIP) also reflected the U.S.' eagerness to broaden its relations with Europe beyond Britain.
- However, with the future of TTIP looking decidedly dim, even before the U.S. election, and the election of Mr. Trump, 2017 will throw up new opportunities — and challenges — for the relationship.

C.GS3 Related

1. GDP growth expected to be slower at 7.1% this year

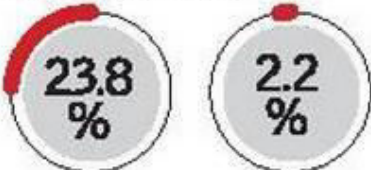
<http://www.thehindu.com/todays-paper/GDP-growth-expected-to-be-slower-at-7.1-this-year/article17002234.ece>

Category: Indian Economy

Topic: Government Policy

Key Points:

- Chief Statistician TCA Anant said on 6th January, 2017 that India's gross domestic output is expected to grow at a slower pace of 7.1 per cent in 2016-17 compared to the 7.6 per cent clocked in the previous year.

IT'S OFFICIAL		
CSO's projection is mostly based on data available at the end of October, and doesn't factor in demonetisation		
GDP growth 2016-17 7.1% 2015-16 7.6%	Agriculture growth 2016-17 4.1% 2015-16 1.2%	Per capita net national income (current prices) 2016-17 ₹ 1,03,007 (rise of 10.4 %) 2015-16 ₹ 93,293
Real GDP 2016-17: ₹ 121.55 lakh crore. Estimate of real GDP for 2015-16: ₹ 113.50 lakh crore.	Final Consumption Expenditure  2016-17 2015-16 The final consumption expenditure sees a spike since last fiscal	Gross Value Added (GVA) Will grow at 2016-17 7% 2015-16 7.2%

2. Centre clears 26% strategic sale in BEML

<http://www.thehindu.com/business/Industry/Centre-clears-26-strategic-sale-in-BEML/article17000613.ece>

Category: Indian Economy

Topic: Government Policy

Key Points:

- It is reported that the Centre will sell 26 per cent stake in defence equipment manufacturer BEML.

- This will make it the first major PSU to be sold through strategic disinvestment, which may fetch the exchequer over ₹1,000 crore.
- It is important to note that in September, the Cabinet had cleared strategic sale of Bharat Pumps and Compressors Ltd., while in December it had approved sale of India's first pharma company Bengal Chemicals and Pharmaceuticals Ltd as well as Hindustan Antibiotics Ltd.
- These PSUs will be the first privatisation since the sale of Jessop and Co in 2003-04 under the NDA government headed by Prime Minister Atal Bihari Vajpayee.

D. GS4 Related

E. Important Editorials

The Hindu

1. Clamping down on ordinance raj

<http://www.thehindu.com/todays-paper/tp-opinion/Clamping-down-on-ordinance-raj/article17002088.ece>

Category: Polity and Governance

Topic: Judiciary

Key Points:

- In Indian polity, it is important to note that the temptation to use the power vested in the President and the Governors under Articles 123 and 213 of the Constitution is generally a result of one of the following three reasons:
 - a) reluctance to face the legislature on particular issues,
 - b) fear of defeat in the Upper House where the government may lack the required numbers,
 - c) and the need to overcome an impasse in the legislature caused by repeated and wilful disruption by a vociferous section of the Opposition.

The recent verdict of a seven-member Bench of the Supreme Court breaks new ground in highlighting the constitutional limitations on the cavalier resort to ordinances.

Past Precedents

- In 1986, the Supreme Court had declared in the D.C. Wadhwa case that repeated re-promulgation of ordinances was unconstitutional.
- In Krishna Kumar Singh v. State of Bihar, the court went deeper and concluded that the failure to place an ordinance before the legislature constitutes abuse of power and a fraud on the Constitution.

In fact, the recent verdict of a seven-member Bench of the Supreme Court widens the scope of judicial review of ordinances.

Ultimately, it is important to note that the courts can only define the boundaries between the use and abuse of power, but it is up to parties in the legislature to observe the limits of constitutional propriety and show that they have both the time and the will to enact laws.

Economic Times

1. Pension regulator gets it right on NPS

<http://blogs.economictimes.indiatimes.com/et-editorials/pension-regulator-gets-it-right-on-nps/>

Category: Indian Economy

Topic: Government Policy

Key Points:

- Experts believe that the pension regulator is right to seek tax parity for members of the National Pension System (NPS) and the Employees Provident Fund (EPF).
- It is important to note that NPS subscribers have to pay tax at maturity, unlike the EPFO members, who are exempt from tax at all three stages of contribution, accumulation and withdrawal.
- It has been suggested that the government must ensure tax parity to popularise NPS, which has lower administrative costs besides superior returns.
- The case is compelling, considering that the tax-exempt saving allowed now is low, and in combination with the Public Provident Fund, makes contributions to the NPS effectively out of taxed income for people with even moderate incomes.
- It has been observed that a swift adoption of the goods and services tax (GST) will also help widen the income-tax base.
- Further, a uniform exempt-exempt-tax (EET) would do away with the absurd restriction of annuities as the only asset class that qualifies for tax exemption when savings from NPS are redeployed.

Business Line

1. Failure of leadership

<http://www.thehindubusinessline.com/opinion/editorial/editorial/article9464357.ece>

Category: Polity and Governance

Topic: Social Justice, Government Initiatives

Key Points:

- In a recent survey by the Indian National Bar Association a shocking statistic was revealed: nearly 70 per cent of female victims of sexual harassment in the workplace refrain from lodging a complaint — mostly due to fear, embarrassment and a lack of confidence in the system's ability and willingness to address the issue.
- It is important to note that the sexual harassment of women at workplaces is commonplace, but regrettably, managements continue to be in a state of denial.
- Unfortunately, most businesses do not consider sexual harassment a serious offence and tend to sweep complaints under the carpet.
- In many instances, women are blamed for their male colleagues' unacceptable behaviour.
- It is also important that every employee of an organisation be given a clear understanding of what is acceptable and what is unacceptable behaviour.
- Misuse of provisions of the law, often out of vindictiveness, must also be prevented.
- Organisations stand to gain by creating a healthy work atmosphere where men and women can be equal-opportunity professional partners, and more women join the workforce.

PIB

1. Japan to assist in making Chennai, Ahmedabad and Varanasi Smart Cities

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156166>

Category: International Relations

Topic: Bilateral Agreements

Key Points:

- Japan has decided to be associated with the development of Chennai, Ahmedabad and Varanasi as smart cities. Japan is quite interested in urban development initiatives of the Government of India and decided to be a partner.
- So far, leading countries have come forward to be associated with development of 15 smart cities. These include: United States Trade Development Agency (USTDA) – Visakhapatnam, Ajmer and Allahabad, UK-Pune, Amaravati(Andhra Pradesh) and Indore, France-Chandigarh, Puducherry and Nagpur and Germany –Bhubaneswar, Coimbatore and Kochi.

2. India and Kazakhstan sign Protocol to amend the Double Taxation Avoidance Convention (DTAC)

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=156176>

Category: International Relations

Topic: Bilateral Agreements

Key Points:

India and Kazakhstan on 6th January, 2017 signed in the national capital a Protocol to amend the existing Double Taxation Avoidance Convention (DTAC) between the two countries which was

earlier signed on 9th December, 1996 for the avoidance of double taxation and for the prevention of fiscal evasion with respect to taxes on income.

Salient features of the Protocol are as under:

(i) The Protocol provides internationally accepted standards for effective exchange of information on tax matters. Further, the information received from Kazakhstan for tax purposes can be shared with other law enforcement agencies with authorisation of the competent authority of Kazakhstan and vice versa.

(ii) The Protocol inserts a Limitation of Benefits Article, to provide a main purpose test to prevent misuse of the DTAC and to allow application of domestic law and measures against tax avoidance or evasion.

(iii) The Protocol inserts specific provisions to facilitate relieving of economic double taxation in transfer pricing cases. This is a taxpayer friendly measure and is in line with India's commitment under Base Erosion and Profit Shifting (BEPS) Action Plan to meet the minimum standard of providing Mutual Agreement Procedure (MAP) access in transfer pricing cases.

(iv) The Protocol inserts service PE provisions with a threshold and also provides that the profits to be attributed to PE will be determined on the basis of apportionment of total profits of the enterprise.

(v) The Protocol replaces existing Article on Assistance in Collection of Taxes with a new Article to align it with international standards.

F. Concepts-in-News: Related Concepts to Revise/Learn:

1. Concepts-in-News: Related Concepts to Revise/Learn

Base Erosion and Profit Shifting (BEPS)

Double Taxation Avoidance Convention (DTAC)

2. BILLS/ACTS/SCHEMES/ORGS IN NEWS

BILLS/ACTS/SCHEMES/ORGANISATIONS IN NEWS	Links to Refer

National Civil Aviation Policy, 2016 :
Salient Features

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=146238>

3. Tags

Base Erosion and Profit Shifting (BEPS)

Double Taxation Avoidance Convention (DTAC)

Practice Questions

Date: 7th January, 2017

Category: International Relations

Topic: Bilateral Agreements

Source: PIB

Difficulty level: Medium

Type: Factual

1] Consider the following statements, regarding the recently signed Protocol to amend the Double Taxation Avoidance Convention (DTAC) between India and Kazakhstan,

1] The Protocol provides internationally accepted standards for effective exchange of information on tax matters.

2] The information received from Kazakhstan for tax purposes can be shared with other law enforcement agencies with authorisation of the competent authority of Kazakhstan and vice versa.

Which of the following statements is/are incorrect?

a) 1 only

b) 2 only

c) Both 1 and 2

d) Neither 1 nor 2

Ans d)

Date: 7th January, 2017

Category: International Relations

Topic: Bilateral Agreements
Source: PIB
Difficulty level: Medium
Type: Factual

2] Consider the following statements regarding international assistance for developing smart cities in India,

- 1] Japan has decided to be associated with the development of Bengaluru, Ahmedabad and Varanasi as smart cities.
- 2] France is associated with the development of Chandigarh, Puducherry and Nagpur.

Which of the following statements is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans b)

Japan has decided to be associated with the development of Chennai, Ahmedabad and Varanasi as smart cities.

Date: 7th January, 2017
Category: Polity and Governance
Topic: Basic Provisions
Source: The Hindu
Difficulty level: Medium
Type: Factual

3] Consider the following statements

1. Article 123 of the Constitution of India gives the President legislative powers to promulgate ordinances.
2. Article 213 of the Constitution of India gives the Governor the power to promulgate ordinances.

Which of the following statements is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans c)

Date: 7th January, 2017
Category: Polity and Governance
Topic: Basic Provisions
Source: The Hindu
Difficulty level: Medium
Type: Factual

4] Under the Indian Constitution, who are the ultimate Sovereign ?

- a) The Indian People
- b) Prime Minister of India
- c) President of India
- d) All elected leaders of India

Ans a)

Date: 7th January, 2017
Category: Polity and Governance
Topic: Basic Provisions
Source: The Hindu
Difficulty level: Medium
Type: Factual

5] Consider the following statements,

- 1] Article 123 of the Constitution grants the President certain law making powers to promulgate Ordinances when either of the two Houses of Parliament is not in session and hence it is not possible to enact laws in the Parliament.
- 2] An Ordinance may relate to any subject that the Parliament has the power to legislate on.

Which of the following statements is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans c)

