

## 07 Nov 2019: UPSC Exam Comprehensive News Analysis

### TABLE OF CONTENTS

#### A. GS 1 Related

#### B. GS 2 Related

#### C. GS 3 Related

#### *ECONOMY*

1. Rs. 25,000-cr. fund to help housing sector
2. RBI panel moots tighter norms for CICs

#### *ENVIRONMENT AND ECOLOGY*

1. NGT issues ultimatum to ban certain RO systems

#### D. GS 4 Related

#### E. Editorials

#### *HEALTH*

1. An unwanted booster dose for vaccine hesitancy

#### *POLITY AND GOVERNANCE*

1. Judges for lawyers

#### *ECONOMY*

1. After RCEP opt-out, the challenge of a shape-up

#### *DISASTER MANAGEMENT*

1. As the seas come closer

#### *SECURITY*

1. Security compromised

#### F. Tidbits

1. NEERI develops web repository
2. China launches Sudan's first satellite
3. India, Russia to form aftersales support groups

#### G. Prelims Facts

1. Kerala government clears Net connectivity project (K-Fon Project).

#### H. UPSC Prelims Practice Questions

#### I. UPSC Mains Practice Questions

### A. GS 1 Related

*Nothing here for today!!!*

### B. GS 2 Related

*Nothing here for today!!!*

### C. GS 3 Related

**Category: ECONOMY**

#### 1. Rs. 25,000-cr. fund to help housing sector

##### **Context:**

The Union Cabinet has approved the creation of an Alternative Investment Fund (AIF) of Rs. 25,000 crore to provide last-mile funding for stalled affordable and middle-income housing projects across the country.

##### **Details:**

- The fund size will initially be Rs. 25,000 crore with the government providing Rs. 10,000 crore and the State Bank of India and the Life Insurance Corporation providing the balance
- The funds will be set up as Category-II Alternative Investment Fund registered with the Securities and Exchange Board of India and will be managed by SBICAP Ventures Limited.
- The open-ended fund is expected to swell over time. The government is also in talks with sovereign bonds and pension funds to put in money in AIF further.
- The Cabinet also approved the establishment of a 'Special Window' to provide priority debt financing for completion of stalled housing projects in the affordable and middle-income housing sector.

##### **Why an AIF?**

- The Alternate Investment Fund offers an opportunity to high net worth individuals and large sovereign funds/pension funds to take part in the distressed assets/real estate projects that have been at various stages of completion.
- The money will be pooled in the AIF and will be used for timely completion of these projects.
- The money will be put into an escrow account to be managed by SBI Caps.

##### **How will AIF help?**

- The AIF will be a special window to provide priority debt financing for completion of projects in the affordable and middle-income categories.
- All affordable and middle-income housing projects that are net worth positive and are registered with the Real Estate Regulatory Authority (RERA) and that have not been deemed liquidation-worthy will be eligible to receive funding from AIF.

- Projects classified as NPAs will also be eligible.
- The move is likely to generate jobs and revive demand for building materials like cement, iron and steel.
- 1600 stalled housing projects are likely to take off.
- This is also expected to release large amount of funds stuck in these projects for productive use in the economy.

## 2. RBI panel moots tighter norms for CICs

### Context:

- In 2018, Infrastructure Leasing and Financial Company (IL&FS), a core Investment company (CIC) with over 300 subsidiaries, defaulted on its payment following which over Rs 90000 crore worth of combined banking sector exposure was declared as non-performing or bad asset in the subsequent months.
- Experts have been seeking a review of CIC guidelines ever since.
- A working group formed by Reserve Bank of India has now suggested simplified structure for CICs.

### Core Investment Companies (CIC):

- A core investment company is a non-banking financial company (NBFC) which carries on the business of acquisition of shares and securities and holds not less than 90 per cent of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group
- In August 2019, there were 63 CICs registered with RBI.

### Concerns:

- Unlike NBFCs which are required to constitute board level committees, no such standards are mandated for CICs.
- The same director could be part of boards of multiple companies in a group, including CICs.
- In a few cases, the working group said, "it has been observed that the CIC had lent funds to group companies at zero percent rate of interest with bullet repayment of 3-5 years and without any credit appraisal".

### Rules for Core Investment Companies as suggested by the RBI Panel:

- It is suggested that such entities should only have a two-tier structure, and stronger boards, with at least 50% independent directors.
- The group has also recommended formation of board level committees for audit and remuneration for CICs as well as group risk management committees to address the concerns over corporate governance that were compromised over the years with opaque ownership structures in large conglomerates.
- At least one third of the board should comprise of independent members if chairperson of the CIC is non-executive, otherwise at least half of the board should comprise of independent member.
- It was also suggested that Audit Committee of the Board should be chaired by an independent

director and the committee should meet at least once a quarter.

- It is suggested that capital contribution by a CIC in a step-down CIC, over and above 10% of its owned funds, should be deducted from its adjusted net worth.
- Step-down CICs should not be permitted to invest in any other CIC, but can 'freely' invest in other group companies. The number of layers of CICs in a group should be restricted to two. As such, any CIC within a group shall not make investment through more than a total of two layers of CICs, including itself.

## **Category: ENVIRONMENT AND ECOLOGY**

### **1. NGT issues ultimatum to ban certain RO systems**

#### **Context:**

The National Green Tribunal (NGT) has given strict directions to the Union Environment Ministry to issue notifications pertaining to prohibition on the use of RO (reverse osmosis) systems which result in wastage of almost 80% of water (only 20% water is recovered).

#### **Details:**

- The NGT in an earlier order had directed that "wherever RO is to be permitted, condition of recovery of water to the extent of more than 60% is required". It sought to make it mandatory to recover more than 60 per cent water wherever RO is permitted across the country.
- In a bid to regulate the use of RO purifiers, the Bench had also ordered the Environment Ministry to issue "appropriate notification prohibiting the use of RO where Total Dissolved Solids (TDS) in water is less than 500 mg/l.
- It had directed the government to sensitise public about the ill-effects of demineralised water.
- The order had come after perusing an expert committee report which said that if TDS is less than 500 milligrams per litre, a RO system will not be useful but will result in removing important minerals as well as cause undue wastage of water.

#### **Total Dissolved Solids (TDS):**

- TDS is made up of inorganic salts as well as small amounts of organic matter.
- As per a WHO study, TDS levels below 300 mg per litre are considered to be excellent, while 900 mg per litre is said to be poor and above 1200 mg is unacceptable.

#### **Reverse Osmosis:**

- Reverse Osmosis (RO) is a water treatment process that removes contaminants from water by using pressure to force molecules through a semipermeable membrane.

### **D. GS 4 Related**

*Nothing here for today!!!*

**Category: HEALTH**

**1. An unwanted booster dose for vaccine hesitancy**

This issue has been covered in 18<sup>th</sup> September 2019 Comprehensive News Analysis. [Click Here](#) to read.

**Category: POLITY AND GOVERNANCE**

**1. Judges for lawyers**

**Context:**

- Thousands of Delhi police personnel laid siege to the force's headquarters and staged a virtual revolt, sparked by two attacks on colleagues.
- One of the attacks led to at least 20 security personnel and several advocates being injured.
- The siege of the Delhi police headquarters by its personnel and the disruption of courts constituted a spectacular breakdown of governance in the national capital.
- They called off the protests following multiple appeals, including from their chief.

**Issue:**

- There are serious underlying issues behind the seemingly spontaneous rebellion in the Delhi police ranks.
- Overworked and often used as tools by political masters, police forces are far from professional in any part of India.
- The outburst of the constables in Delhi is also the result of their accumulated resentment against senior officers.
- Under the direct supervision of the Home Ministry, the Delhi police is often caught in the crossfire of many political battles, and junior personnel are often made the scapegoats.
- Specifically with regard to the Delhi police that function under the direct command of the Union Home Ministry, three main issues have agitated the constabulary which concern:
  - A near absence of promotional avenues.
  - Working conditions that dictate a 24-hour work day with no guidelines to specify shifts or duty-hours
  - Denial of the right to form any association or union to non-gazetted personnel under the Police Forces (Restriction of Rights) Act, 1966.
- Over 80 per cent of the police force, not just in Delhi but across the country, comprises of the constabulary that has been the victim of total indifference and failure of the Central and State Governments to change an oppressive Colonial policing system.
- Further, according to the Indian Police Act as well as the Delhi Police Act, a policeman is deemed to be on duty all 24 hours a day. The constables are left to the mercy of their supervisors on when they can go home or be recalled for duty.
- At a broader and deeper level, the scuffle between the police and lawyers is an alarming sign of an

increasingly debilitating governance deficit and collapse of the rule of law. This takes many forms, such as police support for mobs and legal processes that victimises victims of crimes further.

#### **Conclusion:**

- Lawyers and the police are critical to law enforcement, and their unfailing loyalty to the law and the legal process is an essential attribute that a society counts on.
- Far from adhering to the principles of their respective professions, when they take the law into their own hands, it is the sign of a dysfunctional society turning on itself.
- The judicial intervention in the clash between lawyers and the police must not only be impartial and fair but also be seen as such.
- To restore public confidence in policing and judicial process, strict action must be taken against those who indulged in violence. That is essential also to restore the majesty of the law and its enforcement.

#### **Category: ECONOMY**

##### **1. After RCEP opt-out, the challenge of a shape-up**

This issue has been covered in 6<sup>th</sup> November 2019 Comprehensive News Analysis, in the Editorials segment under the articles “Safe, for now” and “A victory for the dairy sector”. [Click here](#) to read.

#### **Category: DISASTER MANAGEMENT**

##### **1. As the seas come closer**

#### **Issue:**

- The figures of people will be forced to migrate as a result of climate change, range from tens of millions to hundreds of millions, but the multiple entanglements of climate change make it difficult to get accurate estimates. People may move because of drought, violence, degradation of local ecosystems, war or job loss. Poverty, adverse effects of globalisation and conflict may get worse with climate change, which is why it is often referred to as a “threat multiplier”.
- Getting accurate sea level rise (SLR) projections is difficult. Along with expansion of warm waters and melting of glaciers, subsidence of land also increases relative SLR. Models for glacier melt are not as well developed as other models that study global warming.
- There is broad agreement that if high emissions of greenhouse gases (GHGs) were to continue, average global SLR could be as high as two metres by the end of this century.

#### **Effects of sea level rise:**

- A new study uses neural networks to improve accuracy and finds that the area affected by SLR will be substantially more than previously estimated. This means that the various effects from SLR: coastal flooding, salt water intrusion into land, destruction of coastal infrastructure, communities and ecosystems will be much more than anticipated.
- While earlier measures suggest that five million people in India will be annually affected by coastal flooding, the new estimates point to 36 million; similarly, in Bangladesh instead of five million, 42 million will be threatened.
- By 2050, in a scenario that limits warming to 2°C above average pre-industrial temperatures, about 150 million people worldwide will be permanently below the high tide line along the coast and, by



2100, the numbers will rise to 360 million people.

- The new estimates indicate that about a billion people reside on land along the coast going up to an elevation of 10 metres (the low elevation coastal zone) and the bulk of them, more than two thirds, are below the five-metre elevation.

#### **Concern:**

- Most of the people found to be at risk from coastal events live in Asia — residing in countries like China, Bangladesh, India, Vietnam, Indonesia, Thailand, the Philippines and Japan.
- Very large fractions of coastal populations in these countries will be vulnerable.
- Other than Asia and the Netherlands, there are 20 countries (13 of which are small island nations) in which more than a tenth of their population are expected to reside below the high tide line by 2100, and this is with deep cuts to emissions.
- Coastal cities, such as Alexandria, Ho Chi Minh City, Basra and Shanghai are among the most vulnerable and large portions of Mumbai and Kolkata will be fully submerged by 2050.
- The effects on the economy, coastal communities, infrastructure and land will be immense and people living along the coast will be forced to move inland, probably to nearby towns and cities. When this is not possible, people will be forced to move across borders, thus affecting political stability.

#### **What should India's policies be?**

- Denial cannot be a mechanism to deal with these anticipated challenges from climate change. Preparing for SLR will entail protecting the coast through measures such as natural barriers, levees, flood barriers and even hard barriers.
  - But engineering protection mechanisms are expensive and have consequences for the coastline.
  - Stopping infrastructure construction along the coast and integrating anticipated SLR effects into coastal planning are essential.
  - Planning for retreat from the most vulnerable areas well ahead of time is essential.
  - Urban policies, especially in mid-size towns, should integrate proposals for new migrants.
- Turning border regions into fortress worlds will also not be justified, both in practical and ethical terms. Preparation in advance with regional policies for labour, regional agreements for migration and for advance skill development is needed.
- Given that South Asia is one of the most vulnerable regions to climate change and the countries here share ecological zones, borders and coastlines, in addition to language and family histories, coordinated management of extreme events, advance preparation for migration into mid-size towns and better ecosystem support in the hinterland are useful ways to collaborate and build regional partnerships.
- Since migrants in general cannot be distinguished from climate migrants, rights, services and policies need to be applied to all migrants. Otherwise, countries will create multiple classes of migrants based on their reasons for moving and places of origin.
- India's long history has shown that the subcontinent has always been a place that welcomes people. Investing in the rural economy, reducing unemployment, reducing poverty and improving measures

for sustainability can improve people's lives and increase their resilience and openness to "others".

- The protests across the world by people of all ages show that there is fervour for transformation to deal with the climate crisis. This is India's historic moment to act decisively.

## Category: SECURITY

### 1. Security compromised

The editorial talks about the serious doubts cast on the Indian state's claims to being a legitimate power in cyberspace, both due to the vulnerability of its critical information infrastructure and blatant disregard for the fundamental rights of its citizens online, in the backdrop of two recent events

- The ostensible cyber-attack on the Kudankulam Nuclear Power Plant— indicating that a system (or more) in the plant had been breached by malware. *To read more on the issue, [Click here](#).*
- WhatsApp's statement that some Indian users of WhatsApp came under surveillance using an Israeli spyware. *To read more on the issue, [Click here](#).*

### Issues:

There are three glaring issues highlighted by these cases.

1. Contrary to what the NPCIL may claim, air-gapped systems are not invulnerable. Stuxnet crossed an air gap, crippled Iran's nuclear centrifuges and even spread across the world to computers in India's critical infrastructure facilities. It is also not enough to suggest that some systems are less important or critical than others — a distributed and closed network is only as strong as its weakest link.
2. With the Indian military announcing that it will modernise its nuclear forces, which may include the incorporation of Artificial Intelligence and other cyber capabilities, the apparent absence of robust cybersecurity capability is a serious cause for concern.
3. The surveillance of Indian citizens through WhatsApp spyware in the lead-up to the general elections highlights the vulnerability in the field of cybersecurity. It is in line with the government's ceaseless attempts at enforcing the "traceability" of end-to-end encrypted messages on WhatsApp. A backdoor, once opened, is available to any actor — good or bad. To use it without oversight belies reckless disregard for the integrity of electronic information.

### Conclusion:

- These instances point out to a weakening of India's cyber sovereignty: the government comes across as incapable of protecting its most critical installations and, by rendering digital platforms susceptible to spyware, limiting its own agency to prosecute and investigate cybercrime.
- These incidents also fly in the face of the country's claims to being a responsible power as a member of export control regimes such as the Wassenaar Arrangement. The possibility of such misuse of intrusion technologies is a frequent argument deployed by advanced economies to keep developing countries out of elite clubs.
- India must plan to leverage offensive and defensive cyber capabilities, by getting serious about cybersecurity.
- There must not be piecemeal approach: The security of a billion hand-held devices is of equal strategic value to the country's nuclear assets.



**1. NEERI develops web repository**

- The National Environmental Engineering Research Institute (NEERI) along with the Council of Scientific and Industrial Research (CSIR) has launched India's first web repository documenting air quality studies done in the last 60 years.
- The archives also include records from the pre-internet era.

**2. China launches Sudan's first satellite**

- Sudan's first satellite for conducting research in military, economic and space technology has been launched by China.
- It is said that the satellite aims to develop research in space technology, acquire data as well as discover natural resources for the country's military needs.

**3. India, Russia to form aftersales support groups**

- India and Russia have agreed to form specific working groups for aftersales support of key defence platforms and intensify efforts to finalise a cooperation programme for 2021-2030.
- This was agreed between Defence Minister Rajnath Singh and his Russian counterpart at the 19th India-Russia Inter-Governmental Commission on Military and Military Technical Cooperation meeting.
- The Ministers directed the respective teams to work closely for early conclusion of the India-Russia Inter-Governmental Agreement on Reciprocal Logistics Support.
- In September 2019, the countries had signed an Intergovernmental Agreement (IGA) for mutual cooperation in joint manufacturing of spares, components, aggregates and other material related to Russian or Soviet-origin defence equipment.

**G. Prelims Facts****1. Kerala government clears Net connectivity project (K-Fon Project).**

- The Kerala government has officially cleared the **K-Fon project**.
- The project is aimed at providing free high speed Internet connection to over 20 lakh BPL families in the State.
- The Cabinet, has also accorded administrative sanction for the Rs. 1,548-crore project which will also provide Net connectivity at affordable rate for families which do not fall in the BPL bracket.

**Significance:**

- As many as 30,000 government offices and educational institutions would be linked through the high

speed network.

- It would also give a push to the digitalisation of government services like the e-health programme.
- IT parks, airports and seaports would also be benefited from the linkage.
- Small scale enterprises using e-commerce platforms stand to gain from K-Fon.
- High quality video conferencing and transport management are other significant advantages.
- The K-Fon fibre optic network will also link all mobile towers in the State for better mobile Internet services.

## H. UPSC Prelims Practice Questions

### Q1. Consider the following statements:

1. The committee for appointment of Chief Information Commissioner comprises of the Prime Minister, Leader of Opposition in the Lok Sabha and a Union Cabinet Minister nominated by the PM.
2. The Chief Information Commissioner is appointed by the President.
3. The Chief Information Commissioner must be a Member of Parliament or Member of the Legislature of any State or Union Territory.

Which of the given statement/s is/are incorrect?

- a. 1 only
- b. 1 and 2 only
- c. 3 only
- d. 2 and 3 only

**Answer: c**

### Explanation:

- CIC and members are appointed by the President of India on the recommendation of a committee consisting of—Prime Minister as Chairperson, the Leader of Opposition in the Lok Sabha; a Union Cabinet Minister to be nominated by the Prime Minister.
- Section 12(5) of the RTI Act 2005 states that the Chief Information Commissioner and Information Commissioners shall be persons of eminence in public life with wide knowledge and experience in law, science and technology, social service, management, journalism, mass media or administration and governance.
- Section 12(6) of the RTI Act 2005 states that Chief Information Commissioner or an Information Commissioner shall not be a Member of Parliament or Member of the Legislature of any State or Union Territory as the case may be, or hold any other office of profit or connected with any political party or carrying on any business or pursuing any profession.

### Q2. Which of the following is/are a Ramsar Site?

1. Wular Lake
2. Sambhar Lake

3. Loktak Lake

4. Kolleru Lake

Options:

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

**Answer: a**

**Explanation:**

A Ramsar site is a wetland site designated to be of international importance under the Ramsar Convention. The Convention on Wetlands, known as the Ramsar Convention, is an intergovernmental environmental treaty established in 1971 by UNESCO, which came into force in 1975. It provides for national action and international cooperation regarding the conservation of wetlands, and wise sustainable use of their resources. All the four lakes are a part of the Ramsar sites in India.

**Q3. Consider the following statements with respect to a Core Investment Company (CIC):**

- 1. A core investment company is a non-banking financial company (NBFC) which carries on the business of acquisition of shares and securities.
- 2. It holds at least 90 per cent of its net assets in the form of investment in equity shares or preference shares only.

Which of the given statement/s is/are correct?

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

**Answer: a**

**Explanation:**

A core investment company is a non-banking financial company (NBFC) which carries on the business of acquisition of shares and securities and holds not less than 90 per cent of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, debt or loans in group companies.

**Q4. Consider the following statements:**

- 1. The collegium System for appointment of judges comprises of the Chief Justice of India, the law minister and four Senior-most judges of the Supreme Court.
- 2. The recommendations of the Collegium are not binding on the Central Government.
- 3. The collegium system is not mentioned in the Indian Constitution.

Which of the given statement/s is/are correct?

- a. 1 and 3 only
- b. 2 only
- c. 1 and 2 only

d. 3 only

**Answer: d**

**Explanation:**

The Collegium System is a system under which appointments/elevation of judges/lawyers to Supreme Court and transfers of judges of High Courts and Apex Court are decided by a forum of the Chief Justice of India and the four senior-most judges of the Supreme Court. There is no mention of the Collegium either in the original Constitution of India or in successive amendments. The recommendations of the Collegium are binding on the Central Government; if the Collegium sends the names of the judges/lawyers to the government for the second time.

### **I. UPSC Mains Practice Questions**

1. What should India's policies be in addressing the issue of climate migrants considering the fact that it is one among the Asian countries at significant risk from coastal events resulting from climate change? Discuss. (15 Marks, 250 Words)
2. A strong digital ecosystem is the key to India's \$5 trillion economy vision. While India considers digital economy as a major growth enabler, comment on the challenges and India's preparedness in addressing growing cyber security threats. (15 Marks, 250 Words)