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# **CURRENT AFFAIRS**

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## **GS 2 : Polity, Governance, International Relations**

### **1. Subodh Kumar Jaiswal takes charge as CBI chief**

#### **Context:**

Subodh Kumar Jaiswal, a 1985-batch Indian Police Service (IPS) officer, has been appointed the **Director of Central Bureau of Investigation (CBI)**.

#### **Appointment of CBI Director:**

- At present, the **appointment of the CBI director** is governed by the **Lokpal Act**.
- **Before** the Lokpal Act was legislated, the CBI director was appointed by the **Delhi Special Police Establishment (DSPE) Act**.
- The CBI director is appointed by the Centre on the basis of the recommendation of a search committee.
- The search committee is made up of the **Prime Minister as the chairperson, the Chief Justice of India and the Leader of Opposition**.
- Firstly, the **Home Ministry prepares a list** of IPS officers, who are eligible for appointment.
- This **list is sent to the Department of Personnel for preparation of the final list** on the basis of "seniority, integrity and experience in the investigation of anti-corruption cases".
- The **search committee examines the final list and recommends a name** to the government for the appointment.

### **2. Tackling rural economic distress**

#### **Background:**

- The lockdowns in several states have had a **severe impact on the livelihood of the migrant workers** most of whom work in the informal sector.

#### **Details:**

- The migrant workers and the rural poor have been facing great distress due to **lack of work which has pushed many of them into acute poverty**. A large population is facing **hunger and a cash crunch**.

### Hunger:

- The **'Hunger Watch' report** published by the Right to Food Campaign and the Centre for Equity Studies assessed the impact of the lockdowns on people belonging to low-income categories in the informal sector. The report notes the **nutritional insecurity** induced by lack of job and income sources.

### Reverse migration:

- The migrants rendered vulnerable due to the lockdown in different cities have resorted to reverse migration.
- A large population has got stranded in different parts of the country without work. They are having to deal with a **severe shortage of food and cash**.

### Recommendations:

- There is an urgent need to strengthen the public distribution system (PDS) and the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

### Expanding public distribution system (PDS):

- Though the government announced 5 kg free foodgrains for individuals enlisted under the National Food Security Act (NFSA), for May and June 2021, this might not suffice.
- The government should **expand PDS coverage and include all eligible households under the scheme**.
  - The PDS system suffers from **large exclusion issues**. According to a study, about 100 million people are excluded from the ration distribution system owing to a dated database based on the 2011 Census.
- The Centre should also **extend the free foodgrains programme to a year** instead of the currently announced two months.

### Enhancing the support for MGNREGA:

- The current allocation of Rs. 73,000 crore for 2021-22 for MGNREGS is grossly insufficient to meet the increased work demand in rural areas due to the current scale of economic distress. The government must **ensure sufficient**

funds to ensure the uninterrupted implementation of MGNREGS during the current year.

- The **notified annual increment** of about 4% in MGNREGS wages is very low and the government must aim for at least a **10% hike** considering the existing economic distress and the currently high levels of inflation.

#### Conclusion:

- Given the existing conditions, the Union government should **prioritise food and work for all** and implement policy reforms to strengthen the public distribution system and the MGNREGS.

### 3. WhatsApp approaches Delhi HC to challenge new IT rules

#### Context:

WhatsApp has approached the Delhi High Court challenging the Central government's new Information Technology Rules, 2021.

#### Issue:

- WhatsApp argues **against the requirement for social media platforms to compulsorily enable “the identification of the first originator of the information”** in India **upon government or court order**, which is included in the rules.
- It argued that **breaking end-to-end encryption** infringes on citizens' rights' such as the fundamental rights to privacy and free speech.
- It highlighted the **landmark judgment of the Supreme Court** in the **K.S. Puttaswamy case**, where it held that the **right to privacy is a fundamental right guaranteed under the Constitution**.
  - Also, recently the **Supreme Court has affirmed** that the **right to privacy included the right to anonymity**.
- Besides, **petitions** have been filed by several news portals, over its **attempt to regulate digital news media**.
  - They claim that the **new rules seek to regulate online news portals** by imposing a **vaguely worded “Code of Ethics”**.

#### Details:

- The Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, was **notified in February 2021**.

- Subsequent to it, **concerns were raised by various experts** over its impact on privacy, freedom of expression and security of users online.

#### 4. Dhaka clears currency swap for Lanka

##### What's in News?

**Bangladesh has cleared a \$200 million currency swap facility for Sri Lanka.**

- Bangladesh has become the first South Asian country to extend crucial financial assistance to Sri Lanka this year.
- **Sri Lanka has been struggling to maintain its reserves** in the backdrop of a daunting debt repayment schedule.
- So far in 2021,
  - Colombo has obtained **financial assistance from China, through a \$1.5 billion currency swap arrangement**, and a \$500 million loan, in addition to the \$500 million extended in 2020.
  - It has inked a **\$500 million loan agreement with the EXIM Bank of Korea**.
  - It has **requested India for an additional \$1.1 billion currency swap facility**. Earlier, India had extended a \$400 million currency swap facility from the RBI and it was settled in February 2021 after an extension.

#### 5. Mekedatu Project

The National Green Tribunal (NGT), Southern Zone has appointed a joint committee to look into allegations of unauthorized construction activity taking place in Mekedatu, where the Karnataka government had proposed to construct a dam across the Cauvery River.

##### *What is the Mekedatu Project?*

- Mekedatu, meaning goat's leap, is a deep gorge situated at the confluence of the rivers Cauvery and Arkavathi, about 100 km from Bengaluru, at the Kanakapura taluk in Karnataka's Ramanagara district.
- In 2013, then Karnataka announced the construction of a multi-purpose balancing reservoir project.

- The project aimed to alleviate the drinking water problems of Bengaluru and Ramanagara district.
- It was also expected to generate hydro-electricity to meet the power needs of the state.

### *Issues with the project*

- Soon after the project was announced TN has objected over granting of permission or environmental clearance.
- Explaining the potential for damage to the lower riparian state of TN, it said that the project was in violation of the final award of the Cauvery Water Disputes Tribunal.
- It stated that the project will affect the natural flow of the river Cauvery considerably and will severely affect the irrigation in TN.

## **GS 3 : Economy, Science and Technology, Environment**

### **6. The end of the road for India's GST?**

#### **Context:**

- The **upcoming 43rd meeting of the Goods and Services Tax (GST) Council.**

#### **Background:**

- The GST Council is mandated to meet at least once every quarter, but it had not met for the last two quarters, due to the pandemic.

#### **Lacunae in the current GST framework:**

- The article laments the fact that the GST system which was propounded to be the panacea for India's economy to deliver economic efficiency gains, improve tax buoyancy and collections, boost GDP growth and bring in greater formalisation of the economy has failed in realizing its objectives.
  - The **15th Finance Commission report too acknowledges that GST has been unable to deliver** on its early promises.
- The article points out some of the major lacunae in the GST system.

#### **Technical:**

- Multiple rates
- High tax slabs
- Complexity of tax filings
- Non-inclusion of petroleum products in the GST regime

### **Impediments to cooperative federalism:**

- The GST which is premised on the **principle of 'cooperative federalism'** has been marred by **severe erosion of 'trust' and 'trustworthiness' between the States and the Centre.**
- The GST system has failed to factor in India's **unique political economy** and its ramifications in the functioning of the GST council where the decisions which have to be ideally based on economic reasons are also being impacted by the political calculations. This serves as a major impediment to the functioning of the GST council.

### *GST Compensation issue:*

- The States have lost fiscal autonomy due to the adoption of the GST system. States are dependent on GST collections for nearly half of their tax revenues.
- The **States were guaranteed a 14% growth in their tax revenues every year**, which minimised their risks of loss of fiscal autonomy and compensated for their loss of fiscal sovereignty. The failure to compensate the states adequately has been a point of concern between the states and the centre over the last few years.
  - States are still owed Rs. 63,000 crore from last year's dues and GST cess collections are unlikely to meet this year's compensation dues as well, following the spate of lockdowns across several States.
- Also, this revenue compensation guarantee ends in July 2022.

### **Conclusion:**

- India's GST system was to be based on the spirit of cooperative federalism which would yield significant economic benefits to all the stakeholders. The **promised economic gains remain largely unfulfilled.**
- While technical fixes such as simplification of GST rates and tax filing systems could be addressed easily, the more fundamental challenges like the lack of guaranteed revenues and incentives for States to continue in a GST regime and the growing mistrust between the states and the centre would be a difficult challenge to address.
- The article cautions that the end of India's grand GST experiment seems inevitable unless there is a radical **shift in India's federal politics, backed by an extension of revenue guarantee for the States** for another five years.

## 7. Bank NPAs likely dropped in FY21: Care

### Context:

According to Care Ratings, the **quantum of gross non-performing assets (GNPAs) of scheduled commercial banks (SCBs)** might have declined by March 2021 in comparison with FY20.

- It could be owing to **write-offs, lower slippages, restructuring plans, Emergency Credit Line Guarantee Scheme (ECLGS) for MSME Borrowers and resilience in the economy.**

### Non-Performing Assets

- A Non-Performing Asset is a loan or advance wherein **interest or installments of principal remain overdue.**
- As per the Reserve Bank of India (RBI), **an asset becomes non-performing when it stops generating income for the bank.**
- NPA is an **important financial component** that is considered while analyzing a bank. It indicates the **asset quality of banks.**
- Banks with **high NPAs have lesser funds to advance** because of the higher provisioning that they have to provide.
- **Lesser lending** would mean lesser interest income, **impacting the profitability of the banks.**

### Gross Non-Performing Assets:

- Gross NPA is the **summation of all loan assets that are classified as NPA as per RBI guidelines.**
- Gross NPA consists of **Substandard Assets, Doubtful Assets and Loss Assets.**

### Net Non-Performing Asset:

- For precautions and to **meet unforeseen losses, banks are required to make provisions** as per RBI guidelines. RBI issues guidelines on Income Recognition, Asset Classification and Provisioning.
- From the gross NPA, provisions provided are netted to arrive at Net NPA.
- **Net non-performing assets = Gross NPAs - Provisions.**



## 8. Choksi captured in Dominica

### Context:

Fugitive diamond manufacturer Mehul Choksi, who had recently fled from Antigua and Barbuda, was captured in Dominica after an Interpol Yellow Notice was issued against him.

- The Yellow Notice is issued by Interpol to track missing persons.

### Interpol Notices

- INTERPOL Notices are international requests for cooperation or alerts allowing police in member countries to share critical crime-related information.
- **Red Notice:** To seek the location/arrest of a person wanted by a judicial jurisdiction or an international tribunal with a view to his/her extradition.
- **Blue Notice:** To locate, identify or obtain information on a person of interest in a criminal investigation.
- **Green Notice:** To warn about a person's criminal activities if that person is considered to be a possible threat to public safety.
- **Yellow Notice:** To locate a missing person or to identify a person unable to identify himself/herself.
- **Black Notice:** To seek information on unidentified bodies.
- **Orange Notice:** To warn of an event, a person, an object or a process representing an imminent threat and danger to persons or property.
- **Purple Notice:** To provide information on modus operandi, procedures, objects, devices, or hiding places used by criminals.
- **Interpol - UNSC Special Notice:** To inform Interpol's members that an individual or an entity is subject to UN sanctions.

## 9. What is Global Minimum Corporate Tax?

The US has anticipated support from the G7 industrial democracies for the Biden Administration's proposed 15%-plus global minimum corporate tax.

### *Global Minimum Corporate Tax*

- Major economies are aiming to discourage multinational companies from shifting profits – and tax revenues – to low-tax countries regardless of where their sales are made.
- Increasingly, income from intangible sources such as drug patents, software, and royalties on intellectual property has migrated to these jurisdictions.
- This has allowed companies to avoid paying higher taxes in their traditional home countries.
- With a broadly agreed global minimum tax, the Biden administration hopes to reduce such tax base erosion without putting American firms at a financial disadvantage.

### *How would such tax work?*

- The global minimum tax rate would apply to companies' overseas profits.
- Therefore, if countries agree on a global minimum, governments could still set whatever local corporate tax rate they want.
- But if companies pay lower rates in a particular country, their home governments could “top-up” their taxes to the agreed minimum rate, eliminating the advantage of shifting profits to a tax haven.
- The Biden administration has said it wants to deny exemptions for taxes paid to countries that don't agree to a minimum rate.

**THE INDIAN EXPRESS**

**GS 2 : Polity, Governance, International Relations**

### **1. Traceability Provision in New IT Rules 2021**

#### **Why in News**

Recently, messaging platform WhatsApp has moved the Delhi High Court to challenge the **traceability provision** in the **New IT Rules 2021**.

- Earlier the Ministry of Electronics and IT (MeitY) had sent a **notice to WhatsApp asking it to withdraw a controversial update to its privacy policy** which might be a threat to Data Protection of Indians.

## Key Points

- **Traceability Provision:**
  - It requires **intermediaries to enable identification of the first originator** of information on their platforms.
  - Rule 4(2) of the Intermediary Rules states that a **significant social media intermediary** providing services primarily in the nature of messaging shall enable the identification of the first originator of the information on its computer resource as may be required by a judicial order or an order passed by a competent authority under the Information and Technology (IT) Act 2000.
  - Failure to comply with this requirement would **take away the indemnity** provided to social media intermediaries under **Section 79 of the IT Act**.
- **Concerns Raised:**
  - **Infringes Rights to privacy and freedom of speech:**
    - This breaks end-to-end encryption and impermissibly infringes upon users' fundamental **Rights to privacy and Freedom of speech**.
    - **Article 19(1)(a)** of the Indian Constitution guarantees the **freedom of speech and expression**.
    - The **right to privacy is protected as an intrinsic part of the right to life and personal liberty** under **Article 21** and as a part of the freedoms guaranteed by Part III of the Constitution (**Puttaswamy Judgement 2017**).
    - **States throughout the world have recognised** the "important benefits" of **end-to-end encryption** and the dangers of undermining that security protocol.
  - **Discourages Free Expression:**
    - Freedom of Speech and Right to Privacy **encourages users to express their ideas and opinions, report unlawful activities, and challenge popular views without fear of reprisal**, whereas enabling the identification of the first originator of information in India subverts privacy and **discourages free expression of views**.
  - **Will Curb Freedom of Media:**
    - Such a requirement would **put journalists at risk of retaliation for investigating issues that may be unpopular, civil or for discussing certain rights and criticizing or advocating for politicians or policies**.
    - **Clients and attorneys** who could become reluctant to share confidential information for fear that the privacy and security of their communications are **no longer ensured**.

- **Traceability not Effective in Finding Originator:**
  - Traceability would not be effective in finding the originator of a particular message because **people commonly see content on websites or social media platforms and then copy and paste them into chats.**
  - It would also be **impossible to understand the context** of how it was originally shared.

### Section 79 of the IT Act 2000

- It says any **intermediary shall not be held legally or otherwise liable for any third party information, data, or communication link** made available or hosted on its platform.
  - **Third party information** means any information dealt with by a network service provider in his capacity as an intermediary.
- This **protection shall be applicable if the said intermediary does not** in any way **initiate the transmission** of the message in question, **select the receiver of the transmitted message** and **does not modify any information** contained in the transmission.
- It is **not granted if the intermediary, despite being informed or notified by the government or its agencies, does not immediately disable access** to the material under question.
- The intermediary **must not tamper with any evidence of these messages or content** present on its platform, failing which it loses its protection under the Act.

### End-to-End Encryption vs Traceability

- End-to-end encryption was **designed to help ensure that nobody other than the person you are talking to can know that you sent a particular message.** This is the exact opposite of traceability, which would reveal who sent what to whom.
  - **End-to-end encryption** is a system of communication where only the communicating users can read the messages.
- **Traceability would force private companies to collect and store who-said-what and who-shared-what for billions of messages sent each day.** This will require platforms to collect more data than they need, solely for the purpose of turning it over to law enforcement agencies.

## 2. Registration of Unorganised Workers

### Why in News

The **Supreme Court of India (SC)** has directed the Central Government and the State Governments to complete the **registration process of unorganized workers** so that they can avail the welfare benefits given under various government schemes.

### Key Points

- **SC's Observations:**
  - **Record of Migrant Workers:**
    - It has asked states and Union territories to keep a record of the **returning migrant labourers**, including details about their skills, place of their earlier employment, etc so that the administration can extend necessary help to them.
  - **Common National Database:**
    - There should be a **common national database for all organised workers** situated in different states.
    - The process initiated by the Ministry of Labour and Employment for creating a **National Database for Unorganised Workers** should be completed with collaboration and coordination of the States.
      - It may serve registration for extending different schemes by the States and Center.
  - **Mechanism for Supervision:**
    - There should be a suitable mechanism **to monitor and supervise whether the benefits of the welfare schemes reach the beneficiaries** which may be from grassroot levels to higher authorities with names and places of beneficiaries.
  - **Dry Ration to Stranded Workers:**
    - The stranded migrant workers throughout the country should be provided dry ration under the **AtmaNirbhar Bharat Scheme** or any other scheme found suitable by the Centre and the states.
- **Migration in India:**
  - **Migration** is the movement of people away from their usual place of residence, across either internal (within country) or international (across countries) borders.
  - The latest **government data on migration** comes from the **2011 Census**.
    - As per the Census, India had 45.6 crore migrants in 2011 (38% of the population) compared to 31.5 crore migrants in 2001 (31% of the population).

- Migrant workers keep moving from one place to another place in search of work and such workforce also keeps shifting from one sector to another depending upon the opportunities (such as more wages, duration, and continuity of work), hence, it is not easy to keep record/ data of migrant labour workforce.
- The **Covid-19** lockdown has led to an exodus of migrant workers from cities to rural areas and threw the spotlight on the vast number of Indians who live outside their home states.
  - Lakhs of migrant workers were rendered jobless as urban areas were shut due to lockdown.
  - Night shelters run by local authorities began overflowing, and supplies started dwindling.
- **Provisions Related to Migrant Workers:**
  - **Section 112 of the Code of Social Security, 2020**, registration of unorganised workers, gig workers and platform workers was contemplated.
  - **Section 21 of the Code on Occupational Health, Safety and Working Conditions** enables the provision for maintaining a database of migrant workers to help in targeting, skill mapping and utilising government schemes effectively.
    - The Code ensures that migrant workers get journey allowance once a year from employers to visit their hometowns.
  - The **Inter-State Migrant Workmen Act, 1979**, required all establishments who hired inter-state migrants to be registered, as well as all contractors who recruited these workers to be licensed.
- **Related Initiatives Taken:**
  - **Interoperability of Ration Card:** Under the **One Nation-One Ration Card (ONORC)**, the beneficiaries from one state can get their share of rations in other states where the ration card was originally issued.
  - **Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY):** PMGKAY is a part of **Pradhan Mantri Garib Kalyan Package (PMGKP)** to help the poor fight the battle against Covid-19.
  - **Garib Kalyan Rojgar Abhiyan (GKRA):** The scheme provides livelihood opportunities to the returnee **migrant** workers and rural citizens who have returned to their home states due to the **Covid-19** induced **lockdown**.
  - **ASEEM Portal:** The **Ministry of Skill Development and Entrepreneurship (MSDE)** has launched '**Atmanirbhar Skilled Employee Employer Mapping (ASEEM)**' portal to help skilled people find sustainable livelihood opportunities.
    - Database of labour migrants in Indian states and overseas citizens, who returned to India under the Vande Bharat Mission

and filled SWADES Skill Card, has been integrated with the ASEEM portal.

- **National Migrant Information System (NMIS):** The **National Disaster Management Authority (NDMA)** has developed an online dashboard called 'NMIS'.
  - It would maintain a central repository of migrant workers and help in speedy inter-state communication to facilitate the smooth movement of migrant workers to their native places.

## GS 3 :Economy, Science and Technology,Environment

### 3. Social Media and Safe Harbour

The new rules for social media platforms and digital news outlets called the Intermediary Guidelines and Digital Media Ethics Code has come into effect.

#### *New guidelines for digital media*

- The guidelines had asked all social media platforms to set up a grievances redressal and compliance mechanism.
- This included appointing a resident grievance officer, chief compliance officer and a nodal contact person.
- The IT Ministry had also asked these platforms to submit monthly reports on complaints received from users and action taken.
- A third requirement was for instant messaging apps was to make provisions for tracking the first originator of a message.
- Failure to comply with any one of these requirements would take away the indemnity provided to social media intermediaries under Section 79 of the Information Technology Act.

#### *What is Section 79 of the IT Act?*

- Section 79 says any intermediary shall not be held legally or otherwise liable for any third party information, data, or communication link made available or hosted on its platform.
- This protection, the Act says, shall be applicable if the said intermediary does not in any way, initiate the transmission of the message in question, select the receiver of the transmitted message and does not modify any information contained in the transmission.

- This means that as long as a platform acts just as the messenger carrying a message from point A to point B, without interfering in any manner, it will be safe from any legal prosecution.
- The intermediary must not tamper with any evidence of these messages or content present on its platform, failing which it loses its protection under the Act.

### *Effect of non-compliance*

- As of now, nothing changes overnight. Social media intermediaries will continue to function as they were, without any hiccups.
- People will also be able to post and share content on their pages without any disturbance.
- Social media intermediaries such as Twitter, Facebook, and Instagram have so far not appointed any officer or contact person as required under the new rules.
- They have also failed to submit monthly action taken reports on grievances and complaints submitted to them by users. Thus, protection under Section 79 of the IT Act does will not hold for them.

### *Liabilities with the new rules*

- Further, Rule 4(a) of the IT Rules mandates that significant social media intermediaries must appoint a chief compliance officer (CCO) who would be held liable in case the intermediary fails to observe the due diligence requirements.
- This means that if a tweet, a Facebook post or a post on Instagram violates the local laws, the law enforcement agency would be well within its rights to book not only the person sharing the content but the executives of these companies as well.

### *Global norms on safe harbour protection*

- As most of the bigger social media intermediaries have their headquarters in the US, the most keenly watched is Section 230 of the 1996 Communications Decency Act.
- This provides Internet companies a safe harbour from any content users post of these platforms.
- Experts believe it is this provision in the US law that enabled companies such as Facebook, Twitter, and Google to become global conglomerates.
- Like Section 79 of India's IT Act, this Section 230 states that "no provider or user of an interactive computer service shall be treated as the publisher or



speaker of any information provided by another information content provider”.

- This effectively means that the intermediary shall only be like a bookstore owner who cannot be held accountable for the books in the store unless there is a connection.

### *Repercussions of the rules in India*

- WhatsApp has approached the Delhi High Court challenging the new Rules which include a requirement for social media platforms to compulsorily enable “the identification of the first originator of the information” in India upon government or court order.
- It argued that this provision forces it “to break end-to-end encryption on its messaging service, as well as the privacy principles underlying it.

## **4. New Rules for Increased FDI in Insurance Sector**

### **Why in News**

Recently, the **Ministry of Finance** amended **Indian Insurance Companies (Foreign Investment) Rules, 2015** and clarified on the final rules for increased FDI (**Foreign Direct Investment**) in the Insurance Sector.

- Parliament had passed the **Insurance Amendment Bill 2021** to increase the FDI limit in the insurance sector to **74% from 49%**.
- The Ministry of Finance has notified '**Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021**'.

### **Key Points**

- **Highlights of New Rules:**
  - **Management Persons to be Resident Indian Citizens:**
    - For an Indian insurance company having foreign investment - **majority of its directors, key management persons, and at least one among** the chairperson of its Board, its managing director and its chief executive officer - **will be a resident Indian citizen.**
  - **Meaning of Foreign Investment:**
    - Total foreign investment here would mean the **sum of both direct and indirect** foreign investment.
      - **Direct investment** by a foreigner will be called **Foreign Direct Investment**, while **investment by an Indian company** (which is **owned or controlled by foreigners**)

into another Indian entity is considered as **Indirect Foreign Investment**.

- **Significance:**
  - The increase in foreign ownership to 74% **can result in inclusion of global best practices in terms of insurance products** going forward. It will also help in bringing down the cost of insurance products in India.
  - It is **good for Indian Promoters**, it will let them keep control of **management and board**, the additional capital inflow will help them with funds to push for growth.
  - It will **benefit small insurance players** or the ones where the sponsors don't have the ability to put in more capital and hence it will benefit in strengthening them and **increasing competition** across the industry.
  - It is **likely to help local private insurers** grow fast and expand their presence across India, which has one of the lowest insurance penetration levels globally.
- **Insurance Penetration in India:**
  - Insurance penetration in India is **currently at 3.7% of the Gross Domestic Product (GDP)** compared to the world average of 6.31%.
  - Growth in the **life insurance sector** has slowed to **11-12% currently** from **15-20% until fiscal 2020**, as the pandemic pushed customers to save cash instead of spending on stocks or life insurance policies.
  - As of **31<sup>st</sup> March, 2021**, there were **only 24 life and 34 non-life direct insurers** in India, whereas there were **243 life insurance companies (1956) and 107 non-life insurance companies (1973)** at the time of nationalisation.
- **Other Related Step (Model Insurance Villages):**
  - The **Insurance Regulatory and Development Authority of India (IRDAI)** has mooted the concept of '**Model Insurance Village (MIV)**' to boost **insurance penetration in rural areas**.
  - The idea is to offer **comprehensive insurance protection** to all the major insurable risks that **villagers are exposed to** and make available covers at **affordable or subsidised cost**.

### **Insurance Regulatory and Development Authority of India**

- Following the recommendations of the **Malhotra Committee report, in 1999**, the **Insurance Regulatory and Development Authority (IRDA)** was constituted as an autonomous body to regulate and develop the insurance industry.
- The **IRDA** was incorporated as a **statutory body in April 2000**.

- The **key objectives** of the IRDA include the promotion of competition so as to enhance customer satisfaction through increased consumer choice and lower premiums while ensuring the financial security of the insurance market.
- It is **headquartered in Hyderabad**.

### Way Forward

- There should be sufficient appetite for investment from long term investors including **sovereign wealth funds**, **global pension funds** and insurance firms.
- The sector needs capital and larger participation of the international partner for evolution and availability of global products in India and for better penetration.

## 5. Rights of Van Gujjars

### Why in News

The **Uttarakhand High Court** has **reprimanded the State government for stopping some Van Gujjar families on the way to Govind Pashu Vihar National Park** and said their **right to life is being violated** by the authorities.

### Key Points

- **Background:**
  - The **Van Gujjars pursue seasonal migration from the Terai-Bhabar and Siwalik region of Uttarakhand to the higher bugyals in the Western Himalayas in summer** and vice versa in winter.
    - This **phenomenon of transhumance** pursued by the community is among the few climate-adaptive and resilience strategies that ensures their pastoral livelihood remains viable and sustainable.
  - The Van Gujjars **possess legitimate permits** across their summer (Govind Pashu Vihar National Park) and winter homesteads. However, they are **not permitted by authorities** to enter the Park.
- **Rights of Pastoralists under Forests Rights Act 2006:**
  - It has ensured that **even pastoralists possess rights to access grazing pastures in lieu of the Community Forest Resource right** they are eligible for.
    - Section 2 (a) **prescribes for the rights of pastoral communities on customary common forest land** within the traditional or customary boundaries of a village.

- It also prescribes the seasonal use of a landscape in case of **pastoral communities**, including in unclassified forests, reserve forests, un-demarcated forests, deemed forests, protected forests, sanctuaries and national parks.
- **High Court's Order:**
  - Upholds the **right of Van Gujjars to migrate to their summer homesteads** in the **bugyals (Himalayan alpine meadows)** located within the **Govind Pashu Vihar National Park**.
  - The court relied on **Article 21 (Protection of Life and Personal Liberty) of the constitution**.

### Article 21 of the Constitution

- It declares that **no person shall be deprived of his life or personal liberty except** according to **procedure established by law**.
- This right is **available to both citizens and non-citizens**.
- The right to life is **not merely confined to animal existence or survival** but also includes the right to live with human dignity and **all those aspects of life** which go to make a man's life **meaningful, complete and worth living**.
- **About Van Gujjars:**
  - Van Gujjars are the **forest-dwelling nomadic community** inhabiting the **foothills of Himalayan States** such as **Uttarakhand, Himachal Pradesh and Jammu and Kashmir**.
  - Usually, they **migrate to the bugyals (grasslands)** located in the upper Himalayas with their buffaloes and return only at the end of monsoons to their makeshift huts, deras, in the foothills.
  - They traditionally **practice buffalo husbandry**; a family owns up to 25 heads of buffaloes. They rely on buffaloes for milk, which gets them a good price in Uttarakhand and Uttar Pradesh markets.

### Govind Pashu Vihar National Park

- **Location:**
  - It is located in the **Uttarkashi district** of the state of **Uttarakhand**. The park lies in the higher reaches of the **Garhwal Himalayas**.
- **Establishment:**
  - The park was **established as a Wildlife Sanctuary in the year of 1955**. It was **declared as a National Park in the year of 1990**.
- **Flora and Fauna:**
  - Fauna include the **Snow Leopard, Brown Bear, Musk Deer, Western Tragopan** etc.

- Some of the noteworthy trees present in the sanctuary include deodar cedar, chir pine, silver fir, blue pine and several **deciduous species**.
- **Other Features:**
  - Within the park is the **Har-ki-dun valley** which is a known **spot for trekking**, while the **Ruinsara high altitude lake** is also popular as a tourist destination.
  - The park creates an upper water catchment of **River Tons**.
    - **Tons river** is a significant tributary of **Yamuna River** and reaches the upper **stretches of Garhwal**.

### Other Protected Areas in Uttarakhand

- Jim Corbett National Park (first National Park of India).
- Valley of Flowers National Park and Nanda Devi National Park which together are a **UNESCO World Heritage Site**.
- **Rajaji National Park**.
- **Gangotri National Park**.
- Nandhaur Wildlife Sanctuary.

## 6. National Mission on use of Biomass in Coal Based Thermal Power Plants

### Why in News

Recently, the Ministry of Power has decided to set up a **National Mission on use of Biomass in coal based thermal power plants**.

### Key Points

- **About:**
  - The proposed National Mission on biomass will also contribute to the **National Clean Air Programme (NCAP)**.
  - It would further **support the energy transition in the country** and our targets to move towards **cleaner energy sources**.
- **Aim:**
  - To **address the issue of air pollution** due to farm **stubble burning** and to **reduce carbon footprints of thermal power generation**.
- **Objective:**
  - Increase the **level of biomass co-firing from present 5% to higher levels** to have a larger share of carbon neutral power generation from the thermal power plants.

- **Biomass co-firing** stands for adding biomass as a partial substitute fuel in high efficiency coal boilers.
- **Take up R&D (Research & Development)** activity in boiler design to handle the higher amount of silica, alkalis in the biomass pellets.
- **Facilitate overcoming the constraints in supply chain of biomass** pellets and agro- residue and its transport upto to the power plants.
- **Consider regulatory issues in biomass co-firing.**
- **Proposed Structure:**
  - The Mission would have a **Steering Committee headed by the Secretary (Ministry of Power)** comprising all stakeholders including **representatives from the Ministry of Petroleum & Natural Gas , Ministry of New & Renewable Energy etc.**
  - **National Thermal Power Corporation Limited** will play a larger role in providing logistics and infrastructure support.
- **Duration:**
  - The duration of the proposed National Mission would be a **minimum 5 years.**
- **Initiatives to Reduce Pollution from Coal Power Plants:**
  - **Stringent emission standards** for coal based thermal power plants have been notified.
    - **Compulsory adoption of emissions standards for installing Flue Gas Desulphurization (FGD) units** that cut emissions of toxic sulphur dioxide.
  - **Approved automatic transfer of coal linkage from inefficient power plants to new supercritical plants** subject to certain conditions to promote setting up of supercritical units in place of old ones.
  - Thermal power plants within 50 km of sewage treatment facilities will **mandatorily use treated sewage water.**
- **Other Initiatives to Reduce Air Pollution:**
  - **Bharat Stage-VI (BS-VI) emission norms.**
  - **UJALA scheme.**
  - **International Solar Alliance.**
  - **National Action Plan on Climate Change (NAPCC).**

## Biomass

- **About:**
  - **Biomass** is plant or animal material used as fuel to produce electricity or heat. Examples are wood, energy crops and waste from forests, yards, or farms.
  - Biomass has always been an **important energy source for the country considering the benefits it offers.**
- **Benefits:**

- It is **renewable, widely available, carbon-neutral** and has the potential to provide **significant employment in the rural areas**.
- It is also capable of providing firm energy. About **32% of the total primary energy use in the country is still derived from biomass** and more than **70% of the country's population depends upon it** for its energy needs.
- **Biomass power & cogeneration programme:**
  - **About:**
    - Initiated by the **Ministry of New and Renewable Energy**.
    - For efficient utilization of biomass, **bagasse based cogeneration in sugar mills and biomass power generation** have been taken up under the programme.
    - **Biomass materials used for power generation include** Rice husk, straw, cotton stalk, coconut shells, soya husk, de-oiled cakes, coffee waste, jute wastes, groundnut shells, saw dust etc.
  - **Objective:**
    - **Promoting technologies for optimum use** of the country's biomass resources for grid power generation.

### Prelims Practice Questions

**1. Which of the following Buddhist Sites in India are designated as UNESCO's Heritage Sites?**

1. Khajuraho Monuments
2. Ajanta Caves
3. Mahabodhi Temple Complex
4. Nalanda Mahavihara

Select the correct answer using the code given below:

- A 1 and 4 only  
B 2 and 3 only  
C 3 and 4 only  
D 2, 3 and 4

Answer : D

Explanation

- UNESCO's Heritage Sites Related to Buddhism:
  - Archaeological Site of Nalanda Mahavihara at Nalanda, Bihar
  - Buddhist Monuments at Sanchi, MP
  - Mahabodhi Temple Complex at Bodh Gaya, Bihar
  - Ajanta Caves Aurangabad, Maharashtra.
- Khajuraho monuments, declared a UNESCO World Heritage Site in 1986, is an exceptional specimen of Chandela architecture and sculpture (Not a Buddhist Site). Hence, option D is correct.

**2. 'Net metering' is sometimes seen in the news in the context of promoting the**

- a. Production and use of solar energy by the households/consumers
- b. Use of piped natural gas in the kitchens of households
- c. Installation of CNG kits in motor-cars
- d. Installation of water meters in urban households

Answer: a



Explanation:

- Net metering is a billing mechanism that credits solar energy system owners for the electricity they add to the grid.
- The provision for earning from solar energy production incentivizes consumers to install solar energy systems.

**3. Consider the following statements:**

1. The Central Bureau of Investigation (CBI) was set up in 1963 under the Ministry of Personnel, Public Grievances and Pensions.
2. CBI is a statutory body constituted on the recommendations of Santhanam Committee.

Which of the statements given above is/are correct?

- A 1 only
- B 2 only
- C Both 1 and 2
- D Neither 1 nor 2

Answer : D

Explanation

- The Central Bureau of Investigation (CBI) was set up in 1963 by a resolution of the Ministry of Home Affairs. Hence, statement 1 is not correct.
  - Now, the CBI comes under the administrative control of the Department of Personnel and Training (DoPT) of the Ministry of Personnel, Public Grievances and Pensions.
- The establishment of the CBI was recommended by the Santhanam Committee on Prevention of Corruption (1962–1964).
  - The CBI is not a statutory body. It derives its powers from the Delhi Special Police Establishment Act, 1946. Hence, statement 2 is not correct.

**4. Nilesh Shah Committee, sometimes seen in the news recently, is associated with which of the following?**

- a. To suggest ways for promoting Investment Funds
- b. To study about the Asset Reconstruction Companies (ARC)

- c. To review the regulations of the central bank for streamlining them
- d. None of the above

Answer : a

- The International Financial Services Centres Authority (IFSCA) in its endeavour to develop a comprehensive and consistent regulatory framework based on global best practices with a special focus on ease of doing business, has recently constituted an Expert Committee on Investment Funds.
- The committee will recommend to IFSCA on the road map for the funds industry in the IFSCs.

Composition of committee

- The Committee has been constituted under the Chairmanship of Mr. Nilesh Shah, MD, Kotak Mahindra Asset Management Co. Ltd.
- The Committee comprises of leaders from the entire Fund Management ecosystem including from areas such as technology, distribution, legal, compliance, and operations.

International Financial Services Centres Authority (IFSCA)

- IFSCA has been established as a unified regulator to develop and regulate financial products, financial services and financial institutions in the International Financial Service Centres (IFSCs) in India.
- The Fund Industry has been playing an increasingly important role in intermediating between seekers of capital and investors.
- IFSC has been actively engaging with stakeholders to enhance the Global reach of GIFT-IFSC.
- The regulatory approach has been to benchmark with Global Standards and adopt a facilitative framework to provide ease of operations for seeker as well as provider of capital.

**5. Which of the following recommendations were emphasised by Bimal Jalan Committee to RBI?**

- a. Disinvestment Policy
- b. Monetary Policy Committee
- c. Surplus Distribution Policy
- d. Capital Account Convertibility

Answer : c

### Bimal Jalan Committee

- The RBI had formed a committee chaired by former Governor Bimal Jalan to review its economic capital framework and suggest the quantum of excess provision to be transferred to the government.
- The panel recommended a clear distinction between the two components of the economic capital of RBI i.e. realized equity and Revaluation balances.
- Revaluation reserves comprise of periodic marked-to-market unrealized/notional gains/losses in values of foreign currencies and gold, foreign securities and rupee securities, and a contingency fund.
- Realized equity, which is a form of a contingency fund for meeting all risks/losses primarily built up from retained earnings, It is also called the Contingent Risk Buffer (CBR).
- The Surplus Distribution Policy of RBI that was finalized is in line with the recommendations of the Bimal Jalan committee.
- The Jalan committee has given a range of 5.5-6.5% of RBI's balance sheet for Contingent Risk Buffer.
- Adhering to the recommendations, the RBI has decided to set the CBR level at 5.5% of the balance sheet.

### Other Committees

- Disinvestment policy is recommended by G V Ramakrishna Committee
- Capital Account Convertibility is recommended by Tarapore Committee
- Monetary Policy Committee is recommended by Urjit Patel Committee

### 6. Which of the following is/are the importance of Mangroves?

1. Stabilize the coastal shores.
2. Enhance the natural recycling of nutrients.
3. Act as carbon sinks.
4. Reduce the turbidity of water.

### Options:

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

Answer: c

Explanation:

- Mangroves play a critical role in the environment. They help in the following ways.
  - Stabilize the coastal shores and help limit coastal erosion.
  - Enhance the natural recycling of nutrients.
  - Act as carbon sinks and hence play a critical role in carbon cycle of the environment
  - By reducing the rate of flow of water it helps reduce the turbidity of water.

### **Mains Practice Questions**

**1. Including more women in science and applied technologies is critical for the advancement of society. Discuss.**

**Approach**

- Start the answer by mentioning the status of gender equality in India.
- Discuss the status of women in Science, Technology, Engineering, Mathematics (STEM) fields.
- Suggest some measures to improve women's participation in STEM fields.
- Conclude Suitably.

**2. Genetic engineering is a double-edged sword. The only solution is to accelerate the good side of these technologies. Discuss (250 words)**

**Approach**

- Introduce by briefly explaining what genetic engineering is.
- Mention the advantages and challenges associated with Genetic engineering.
- Provide a way forward to accelerate the good side of such technologies.
- Conclude suitably.