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1. **Band for inflation tolerance:** The advantage of having a **band** is that it **allows the Marginal Pricing Cost** to recognise the **short-run tradeoffs** between inflation and growth but enables it to **rein in prices in the long run** and over the course of business cycles.

The range also accommodates data limitations, projection errors, short run supply gaps and instability in agriculture production, an important factor for CPI inflation. Food articles account for a major weight in the indices.

A breach of the “tolerance level“ in the band, for three consecutive quarters will constitute a failure of monetary policy, as notified by the Central Government under Section 45ZA of the RBI Act 1934.

2. **Amendment for statutory New Monetary Policy:** The February 2015 Agreement between Central Government and the Reserve Bank of India, was in the form of a memorandum of understanding. This has now been given statutory backing through the Finance Act 2016, and the notification of 5<sup>th</sup> August, 2016, on amendment to the RBI Act.

The amendment lays down that the central government will, in consultation with RBI, shall determine the inflation target and band , once every five years. The notified band will be effective till 4<sup>th</sup> August, 2021.

3. Parliament enacted **National Judicial Appointments Commission (NJAC)** to bring in transparency in the process of appointment of judges in the apex court and high courts. The overwhelming public support for NJAC, the unanimous decision of Parliament and its ratification by 20 states. The Supreme Court opted to continue the existing collegiums system under which only judges select lawyers for

appointment as judges. SC, said that the independence of judiciary could be in danger if the Executive, which is the largest litigant, participated in selection of judges.

4. **Place of Effective Management (POEM)** are rules for MNCs for purpose of taxation in India. They are in line with international norms, and as per global practices. As in June 2016, the date of its implementation is yet to be decided. It is likely to be modified after implementation of Goods and Services Tax in 2017. The rate for Additional Tax Measure (ARM) is 10.3%. The increase in service tax on MNCs without ARM is 13% .
5. The **National Intelligence Grid**: envisages a centralised agency that stores information received through two dozen agencies. The focus of NIG is counter terror investigations. At times, these can only be achieved with high end data processing technologies. This needs to be established at the earliest in the light of myriad security threats that India faces.
6. **Direct Benefit Transfer**: Technology is the backbone of government schemes such as Aadhaar, Pradhan Mantri Jan Dhan Yojana, and Direct Benefit Transfer. The ultimate aim is to enumerate each and every marginalised Indian, bring them within the formal banking sector, and transfer subsidies directly to their bank accounts. This model has already been used to reform delivery of LPG cooking gas subsidy. Government has already taken up DBT for fertilizer subsidies next.
7. **Civil servants** must be a mixture of generalists and specialists. Protection of the civil service has to be accompanied by accountability, incentives to perform, specialise, innovate and respond fast. Encouraging in-service specialisations,

privileging sector specialised training and knowledge should be the norm. Appointments above middling levels of seniority should be based on selection, not promotion, with aspirants drawn from the entire pool of civil servants as well as professionals seeking lateral entry

8. **On the warmest winter across the world:** In December, 2015, a very violent and extremely powerful depression, was a deep low pressure area, looming over Iceland, and churning up hurricane force of 75 knot winds and 30-foot waves in north Atlantic, while dragging warm air northwards.

This resulted in temperatures at least 20 degrees above normal, between zero and two degrees in Iceland and lashed Britain with floods. In Canada, places with an average of minus 21 temperatures rose to minus 4.6. Baffin Island, known for its snow, experienced unheard of rainfall in December, 2015.

9. **Odd-even car policy** in Delhi in 2016 involved permitting only cars with odd registration number on odd dates, and even registration numbers on even dates to ply on Delhi roads.

Experience of other countries, such as **Nigeria** suggests such measures are not worthwhile and in fact attract dysfunctional behaviour from society, such as using fake number plates and low level bribery of the traffic police. **Lagos** has tried this policy many times under pressure of traffic congestion but has had to discontinue. The experience of **Athens and Mexico City** is similar. **Paris** discontinued it just a few days after starting, because it was such a failure.

Cities which have restricted traffic in key congested parts of the city have been more successful, as Seoul's experience shows. Basically, the government was trying to compensate for its own inefficiency and failure by politicising an important public issue and imposing a social cost on the common man.

10. **Nuclear Liability Fund Rules 2015**, notified on 8<sup>th</sup> December, 2015, is a Fund of Rs. 2,000 crore, created to allow the Government to apply for damages from a nuclear power plant. The operators will pay a levy of 5 to 10 paise per unit of electricity sold, to the fund. The payments made by an operator towards the fund will be credited to the Consolidated Fund of India and then transferred to the Public Account under the 'MH 8235 General and Other Reserve Fund'.

The Centre will be required to take Parliament's approval before making payments out of the fund of Rs.2,000 crore, and thereafter, the process shall resume in the event of any withdrawals from the fund so as to ensure that the fund balance remains Rs. 2,000 crore at any given time, This will be the biggest addition to the pool of compensation available for nuclear damages

**The Fund Fundamentals**

- The levy** shall be collected and paid to the fund till the total amount reaches ₹2,000 cr
- The process** shall resume in the event of any withdrawals from the fund
- The payments** towards the fund will be credited to the Consolidated Fund of India and then transferred to the Public Account

**Centre** will be required to take Parliament's approval before making payments out of the fund

**Operators** delaying quarterly payments to the fund will pay 18% interest on daily basis

**₹1,500 CRORE**  
CAP ON THE OPERATOR'S LIABILITY

11. US economy .recovery owes much to its public-funded **Troubled Assets Relief Programme (Tarp)** under which banks were able to get rid of their troubled assets.

12. BCCI reforms:

<b>MAJOR MOVES</b>	
<ul style="list-style-type: none"> <li>➤ Terms of office-bearers to be of <b>3 years, max 3 terms regardless of post</b>; cooling-off period after each term</li> <li>➤ Each office-bearer to hold <b>only one post</b> at a time</li> <li>➤ Betting to be legalised</li> <li>➤ BCCI to <b>come under RTI</b></li> <li>➤ Only associations that represent states to have voting</li> </ul>	<p>rights as <b>full BCCI members</b></p> <ul style="list-style-type: none"> <li>➤ Other existing members like Services, Railways, Cricket Club of India and Vidarbha to be only <b>associate members</b></li> <li>➤ No <b>direct or indirect conflict of interest</b> in functions of BCCI and IPL franchisees</li> <li>➤ Selection committee to only consist of <b>three former Test cricketers</b>. Senior most player to be appointed chairman</li> </ul>

13.

<b>DOING BUSINESS GETS EASIER</b>	
<ul style="list-style-type: none"> <li>➤ Business Identification Number (BIN) will provide one-stop clearance from multiple authorities</li> <li>➤ The government is also trying to make eBiz issue unique ID for all registrations</li> <li>➤ It takes around <b>29 days to complete 14-15 procedures</b> in India</li> <li>➤ Comparable figure for OECD countries is <b>15.7 days and eight steps</b></li> </ul>	 <ul style="list-style-type: none"> <li>➤ It's intended to help improve India's ranking on ease of doing business which is currently <b>155th among 189</b></li> <li>➤ Steps have also been initiated to speed up liquidation and restructuring of companies</li> </ul>

14. **‘Negative Interest’**: The short-term interest rate, acts as the benchmark in most economies. Any change in rate, impacts the money supply. The term came in to popular use after the global financial crisis of 2009.

The Central Bank of a country resorts to ‘negative interest’. The rate of interest on money kept with the Central bank is very low or is in the negative zone. Through this strategy, the Central Bank discourages commercial banks from

keeping money idle with it. It wants them to withdraw the money and explore more profitable avenues of earning profits, thereby lifting national growth. This creates some pressure on prices lifting inflation from very low levels.

Bank of Japan, Danish National Bank, the Swedish Riksbank the Swiss National Bank, and the European Central Bank, have all resorted to negative interest rates since 2014.

In India, the repo rate is the rate at which Reserve Bank of India lends money to banks. is the bench mark for short term rates. Lowering of repo rate signals an accommodative monetary stance of the central bank. Up to 2016, RBI has not had to resort to negative rates.

15. **Nuclear Supply Group** was founded in response to India's Nuclear Test in May 1974, by the signatories of the Nuclear Non Proliferation Treaty. India's test demonstrated that certain non-weapons specific nuclear technology, could be readily turned to weapons development. As in 2016, the NSG has 47 members:

1. Argentina	13. Denmark	25. Lithuania	37. Slovakia
2. Australia	14. Estonia	26. Luxembourg	38. Slovenia
3. Austria	15. Finland	27. Malta	39. South Africa
4. Belarus	16. France	28. Mexico	40. South Korea
5. Belgium	17. Germany	29. Netherlands	41. Spain
6. Brazil	18. Greece	30. New Zealand	42. Sweden
7. Bulgaria	19. Hungary	31. Norway	43. Switzerland
8. Canada	20. Iceland	32. Poland	44. Turkey
9. China	21. Italy	33. Portugal	45. Ukraine
			46. United



10. Croatia	22. Japan	34. Romania	Kingdom
11. Cyprus	23. Kazakhstan	35. Russia	47. United
12. Czech Republic	24. Latvia	36. Serbia	States

16. **Significance of Ladakh and Leh**, also known as the Land of High Passes, Ladakh hosts the Khardung La, at 5,602 m, the world's highest motorable pass. It also straddles India's highest airport (3,505 m); the world's highest polo ground (3,500 m), and the highest observatory (4,517 m). The world's highest battlefield, Siachen, at 6,300 m is also in Ladakh, serviced by the world's highest helipad at 6,400 m.

### 17. **Trilateral Pact Signed for Chabahar Port**

India, Iran and Afghanistan signed trilateral pact for the strategically located Chabahar Port, that would give New Delhi much needed access to Kabul, Central Asia and beyond in absence of transit rights through Pakistan.

Gas is the cleanest fossil fuel, offers high thermal efficiencies and is likely to stay cheap. This is because of (a) India's long term deals with Iran and Qatar for cheap gas. (b) The worldwide investments in solar energy and battery technology (c) The new LNG export from America , (d) and after the Chabahar port in Iran and roads leading up to it are complete due to India's access to central Asia.

18. The timeline to introduce the **BS-VI emission standard** has been advanced to April 1, 2020. This new target means India will leapfrog the BS-V standard. An earlier auto fuel policy had foreseen that BS-V and BS-VI norms would be implemented from 2022 and 2024, respectively. Speeding up

tougher vehicular emission norms will help check deteriorating air quality. Tailpipe emissions from automobiles determine their impact on air quality. It means that engine technology and fuel quality will both have to improve for India to move from its current emission standards, a mix of BS-III and BS-IV, to BS-VI.

19. **Coffee** has a natural chemical compound called chlorogenic acid (CGA). It is an antioxidant. CGA is thought to be beneficial in modulating sugar metabolism, controlling blood pressure and possibly treating heart disease and cancer. However, when coffee is roasted the traditional way -typically above 204.4° Celsius for 10 to 15 minutes -the CGA content drops dramatically .One study found the decrease ranged from 50 to nearly 100%.

20. **The exchange rate** : The exchange rate of a currency is its price in terms of another currency. A USD INR rate of 65 means that the price of one US dollar is `65.

- a) The RBI publishes daily reference rates for the USD, the Euro, the Japanese Yen, and UK Pound Sterling; however, the USDINR rate is the most widely tracked exchange rate in India.
- b) The `\$ exchange rate is determined by market forces of demand and supply.
- c) Exporters and global investors into India supply dollars; importers and global investors who take money out of India demand dollars.
- d) 5 When foreigners invest in India, and we have a good export growth, the rupee appreciates. When we import too much and foreigners sell off their investments in India, we have rupee depreciation.

21. **New definition of 'market'**: “Marketplace provides a platform for business transactions between buyers and sellers to take place and in return for the services provided, earns commission from sellers of goods services.”

The new definition is likely to emphasise on revenues. Ecommerce companies calling themselves marketplaces will need to derive revenues largely from fees for services provided and should not be trading on their own account.

22. Madhya Pradesh CM Shivraj Singh Chouhan has announced to create a '**Department of Happiness**' on similar lines in the state to infuse positivity in the lives of people. “Happiness will not come into the lives of people merely with materialistic possessions or development but by infusing positivity in their lives so that they don't take extreme steps like suicide in distress,” Chouhan said. “MP will be the first state in the country to create Department of Happiness and I got this inspiration from Bhutan which gave the world the concept of Happiness Index way back in 1970s,” he said

23. HRD ministry releases the first ever list under **the National Institutional Ranking Framework** The rankings under the National Institutional Ranking Framework (NIRF) have been carried out in four categories -engineering, management, pharmacy and university -in the inaugural year. The ranking was done on the basis of parameters such as TLR (teaching, learning and resources); RPC (research, professional practice & collaborative performance); graduation outcome (GO); outreach and inclusivity (OI); and perception (PR). Engineering and management have two categories each category A that includes research and teaching institutes and category B for only teaching institutes

The primary objective of higher education is to enable the students to (i) acquire critical thinking, (ii) ability to ask questions, (iii) synthesise information and (iv) use the acquired knowledge to find solutions to unfamiliar complex situations.

**Ranking of Indian Institutions**

This ranking increases the chances of Indian institutes attracting attention of global audience

Rankings will help top ranked institutes to garner funds for research

Chances of attracting foreign faculty and students also get brighter

New institutes like IIT Hyderabad, IIT Ropar and IIT Udaipur that rank among top 10 stand to gain most

Institutes with higher ranking will be able to attract projects under initiatives like Make in India, Smart Cities, and IMPRINT. This in turn will lead to funding from government and industry both within and outside India.

Sarit Kumar Das  
Director, IIT Ropar

24. [The Panama Papers](#) include more than 11million secret files from the Bond villainously named Mossack Fonseca, a law firm in the tax haven of Panama. Mossack Fonseca creates offshore companies for its global clientele and the files reveal the names of those who paid the firm to set up the companies. Now, the clincher: for a fee, Mossack Fonseca assists in masking the actual ownership while still showing compliance.
25. [International Consortium of Investigative Journalists \(ICIJ\)](#) and publications that carried their names from the Panama Papers Company emails, extracts of which were published in an investigation by the US-based International Consortium of Investigative Journalists and other media organisations, were “taken out of context“ and misinterpreted.
26. [Building Quality Negotiators](#): For India, ASEAN free trade agreement negotiations, the Indian team usually comprised about six people whereas Thailand sends 35 people. “These

people create a depth of memory. Since negotiations take a long time, this would help them. They were training a lot of people. They have a consistent team.” Unlike other countries, whose trade negotiators have been on the job for 20 years, India keeps changing its team and that affects the quality of negotiations

**Building Quality Negotiators**

- **India is not moving** fast enough on its FTAs and some of the deals could have been done better
- **PMO**, in a high-level meeting with senior officials, discussed on building a bench strength comprising officers from foreign and trade services, and trade lawyers who would negotiate India's trade agreements in future
- **Unlike other countries**, whose trade negotiators have been on the job for 20 years,

India keeps changing its team and that affects the quality of negotiations

- **Frequent movement** of officials and changes in the composition of delegations and the presence of ill-trained officials takes its toll on the quality of talks and hence, the final outcome
- **Commerce Department plans** to train officers from trade services and foreign services for long-term planning

 **At present, India is party to 16 trade agreements – bilateral and with multi-country organisations –and is negotiating 17 trade pacts including those with EU, Australia and Canada**

27. An expert committee by C Rangarajan, then chairman of the prime minister's economic advisory council, had in 2011, proposed that **the distinction** between plan and non-plan expenditure **be abolished** for both the Centre and states. Finance minister, had in his budget speech announced the government's intent to remove the distinction at the end of 12th Five Year Plan, to put into place a neutral appraisal and approval system.

The Department of Expenditure has undertaken a comprehensive review of the instructions issued, and has replaced them with a simpler framework. This will improve the efficiency with which schemes and projects are appraised and approved.

**Asset Play**

- Govt will look at all CPSEs, including profit-making cos, to assess if their existing resources can be optimally utilised
- Will focus on 74 loss-making enterprises
- Land will be sold by following the Expression of Interest (EOI) route
- NITI Aayog has recommended closure of **26 firms**
- Land bank of sick cos to be offered to banks, profitable CPSEs
- Administrative ministries to hold talks with their firms
- Leased land will be returned to respective state govts

28. **Land Banks:** The government is working out a plan to optimally utilise land banks of state run companies as part of its bigger ambition to monetise the assets of public sector enterprises. It will look at all central public sector companies (CPSEs), including profit making firms, to assess if their existing resources can be utilised for spurring the economic growth. This comes after five state-run firms, such as Coal India, NMDC, MOIL and Nalco, have announced a buyback of their shares from the Government. The buybacks by these firms is expected to deliver a bonanza of `12,000 crore to the exchequer.
29. **World Happiness Report**, 2015 published by the United Nations Sustainable Development Solutions Network, places Bhutan way down at 79 out of 158 nations. The report has its origins in Bhutan, when Prime Minister Jigmi Y Thinley got the UN to adopt a 2011 resolution that invited member nations to measure their happiness.

Bhutan has been celebrated internationally for having introduced the concept of Gross National Happiness as a

matter of state policy and the tiny insular country that was until recently a monarchy was celebrated for the manner in which it protected its ecology, culture and way of life.

30.INDMAX technology used in Paradip Port has been developed by Indian scientists to convert various hydrocarbon streams into distillates had surprised the world. India is trying to reduce the dependence on petro fuel in the country by 10% by 2022. A very large find of hydrocarbon deposits has been made in the region around Vishakhapatnam.

31. **Saichen Glacier:** The 1949 Karachi Agreement, signed after the first Indo-Pak armed conflict, defined the cease fire line (CFL). The truce subcommittee of the UN's commission for India and Pakistan , did not give a precise definition of the CFL north of a point known as NJ9842. India and Pakistan's international border with China, fell in this undefined area. After the 1971 War, in the Simla Agreement, both countries agreed to respect the CFL, renamed as the Line of Control (LOC).

The vagueness about the border beyond NJ9842 persisted as both parties chose to ignore the region, which till that point had seen no combat and hence no deployment of forces. The agreement stated that the line extends from NJ9842 and then north to the glaciers. In April 1984, India launched Operation Meghdoot to defend Siachen. Indian troops reached the glacier much before the Pakistanis and since then Siachen is under Indian control.

32. **Genetic Engineering:** As in 2016, Indian has only the Genetic Engineering Appraisal Committee, under M/o Environment. An independent and science focussed regulator is needed to make better food technology, an integral part of

India's food management plan. An independent regulator was proposed in the Biotechnology Regulatory Authority of India Bill that is yet to be passed.

33. **Big ticket scam money** whether it's 2G spectrum allocation or coal block allocation may have actually returned to India, partly via legal channels. "The scam money has already come back to India through foreign direct investment (FDI), foreign institutional investors (FIIs) and fake exports, among other routes. For example, between April 15 and September 15, 2015, India received \$16.6 billion (₹ 1.06 lakh crore) FDI out of which a whopping 62% came only from two small nations, Singapore and Mauritius. Another tax haven Cyprus figures in the top 10 nations contributing India's FDI

34. **Smart Cities**: The smart city initiative is making public private partnerships meaningful. Municipal corporations in 20 cities are moving to provide storage, surveillance and security infrastructure under PPP. Travel in the largest Indian cities is a major problem. What is the role that technology plays in the provision of better commute? Better, easier, convenient and more affordable public transport. Using technology platforms, cordiality and trust are of essence.

35. Mohandas Karamchand Gandhi believed everyone ought to share and care. "A person cannot do right in one department whilst attempting to do wrong in another department. Life is one indivisible whole'. He gave importance to right values and a **decent standard of life**. Standard of life suggests a flowering of **spiritual, cultural and material values** so that one is not afflicted by the seven deadly sins: wealth without work,



pleasure without conscience, knowledge without character, commerce (business) without morality (ethics), science without humanity, religion without sacrifice, and politics without principle (Editorial ET Delhi 29.01.2016)

36. JAM : the three phase plan that seeks to provide financial security and make life better for the disadvantaged. Phase one of the JAM ( Jan Dhan-Aadhaar Mobile) trinity, was about vision, the second was establishing a range of simple financial products, and the third was all about making sure it's easy for people to access them. Jan Dhan Yojana financial inclusion programme, the Aadhaar card and the mobile aimed at ensuring that **benefits go to those who deserve them without any leakages on the way**. The second phase is **creating an array of products, such as the RuPay debit card, along with a `5,000 overdraft, and `30,000 accident insurance**. In the third phase, the government wants to make sure that it's easy for people to access these financial products.


37. **Steps taken to curb black money**: Government has taken a number of steps including enacting of the black money law, introduction of RuPay debit cards (to discourage cash transactions), mandatory quoting of permanent account number (PAN) for any purchase or sale of goods or services exceeding `2 lakh to curb black money. Money launderers have plenty of alternatives, from tax havens that haven't signed treaties to real estate assets in global markets.

38. **Participatory notes (P-Notes)** where the individual identity of investors remains hidden behind several layers (P-Notes are

instruments issued by registered FIIs to overseas investors who wish to invest in Indian stocks without registering themselves with the market regulator). For such investors it was not possible to recover and repatriate the amount with the short notice under the scheme.

39. **Data integrity** is a term used in industry parlance, but in India, the data is often 'fudged' or compromised. This has become the single biggest bane for exporting Indian drug companies. Leading six drug makers, Sun Pharma, Torrent, Cipla, Lupin, Dr Reddy's and Cadila, are closely watched for quality compliance by the US Food and Drug Administration. The agency's concerns for the safety of medicines cannot be understated as every third pill consumed in the US is shipped from an Indian facility. The six have formed a 'Quality Forum' that aims to address the quality challenges for top Indian drug makers who see the US as their biggest market.

**The Soothing Balm**  
Top Indian pharma firms launch a Quality Forum and hire McKinsey to initiate quality overhaul. The forum seeks to:

<b>Help Indian pharmaceutical manufacturers</b> be the global benchmark in quality		<b>Ensure data integrity</b> guidelines are accurately interpreted and adopted
<b>Develop right quality metrics</b> to benchmark, diagnose and track improvements in quality performance		<b>Build capability and the right quality culture</b>

**Against the past where top executives were picked for updates on regulatory compliance, the focus has shifted to skilling staffers who directly handle manufacturing systems**

40. **Employment**: Creation of jobs is falling radically short of India's demographic demand. Economic policy must be indexed to job growth rather than GDP growth, reforms that grow jobs must be pushed through. These include radical labour reforms which incentivise the creation of more jobs,

facilitation of land acquisition by industry, as well as educational reforms which radically improve the quality of public sector institutions while uninhibitedly inviting the private sector to play a greater role.

41. [Section 66A of IT Act](#), was originally intended as an anti spam provision and approved by Parliament in 2008. While successive governments have argued that such a provision is needed to police harmful behaviour on the Internet, civil rights advocates have argued that the Indian Penal Code is good enough for such purposes.

Critics say Section 66A of the IT Act had been widely misused by police forces in states such as Uttar Pradesh and Maharashtra to arrest innocent people for posting critical comments on social media about political leaders. A government committee has recommended fresh provisions to be included in the IT law through an amendment, and it has already drafted the clause aimed at filling the vacuum left by Section 66A.

42. [The Economic Survey 2016](#), says India will hopefully grow at 7-7.75% next year. But it must also prepare for a possible crisis from major devaluations or capital controls in China and other major emerging markets, causing panicky global investors to pull billions out of India. Better quality cannot be assumed, though the Survey says it is badly needed, and suggests required reforms. A novel suggestion is that RBI must divest its equity holdings, which constitute 32% of its assets against the global median of 16%. The Survey breaks new ground in arguing for a very different approach to global trade negotiations, offering deep cuts in bound agricultural tariffs. This would be a major reform. The Survey suggests reforming the fertiliser subsidy. It favours the Andhra Pradesh

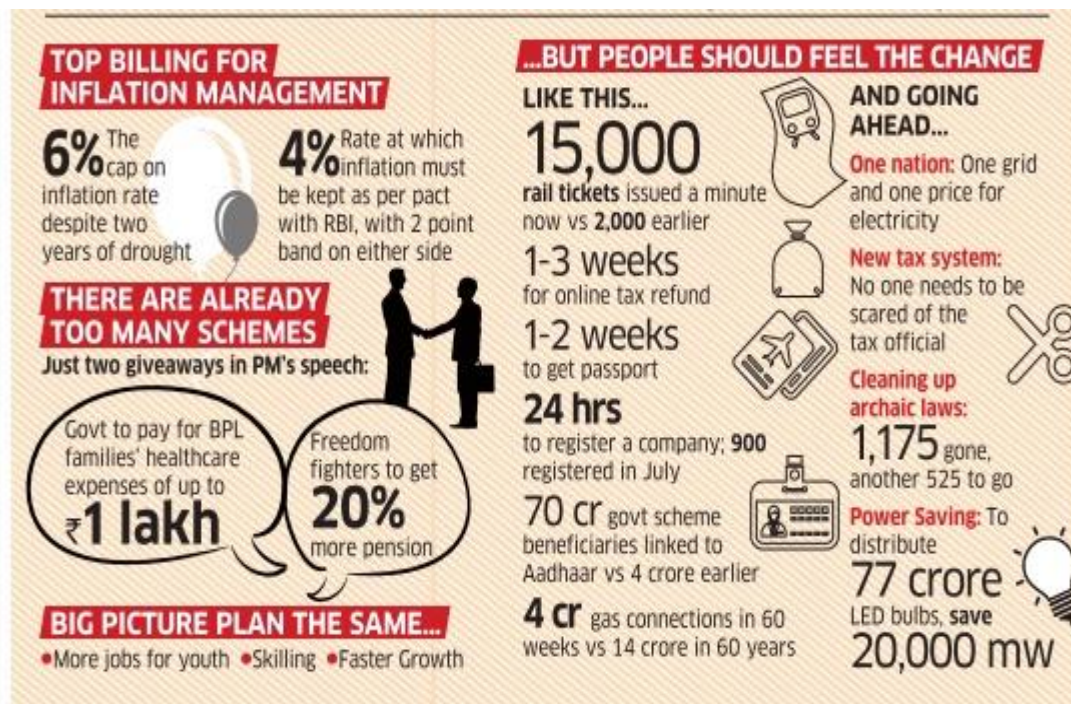
model of giving a limited number of subsidised bags of urea to all farmers, letting big ones purchase additional needs at unsubsidised prices.

43. The Centre has decided to introduce a new category in the Prime Minister's Awards given to bureaucrats each year on Civil Services Day in April for 'Excellence in Public Administration'.

This new category will be PM's Awards for 'Excellence in Implementation of Priority Programme', such as Swachh Bharat Abhiyan, Pradhan Mantri Jan-Dhan Yojana or Soil Health Card scheme. Bureaucrats who have ensured reduction in zero balance accounts under the Jan-Dhan Yojana or whose districts saw improvement in attendance of girls due to construction of toilets under Swachh schools programme could be the front runners for bagging such awards, as per the criteria spelt out by the government.

44. EET: A switch to an exempt-exempt-tax (EET) regime across savings schemes will be acceptable only if the tax base is widened and the tax rate lowered, significantly. The government must swiftly adopt the goods and services tax that provides a built in incentive to pay tax and widens the tax base, so that the maximum marginal tax rate is lower and kicks in at a much higher threshold. It must also lower the maximum marginal income tax rate to 20% from 30%. A uniform tax treatment across all categories of tax savers should be the ultimate goal.

45. Main points in speech of 15.08.2016



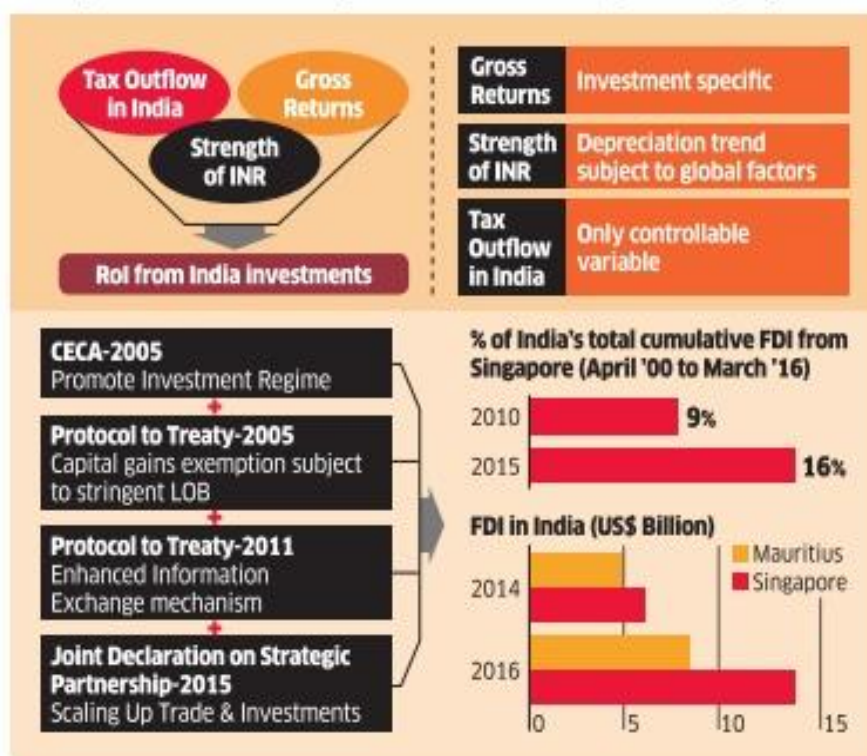
46. Swachh Bharat Mission: Access to sanitation has increased from 42% to about 54% in August 2016. The SBM is different from earlier government programmes on sanitation.

The first and foremost game-changing difference is: this is the first time the chief executive of the nation has fully invested his political capital in such a challenging programme. Second, a bold, sunset clause in the form of an October 2, 2019, deadline fittingly, the 150th birth anniversary of the Mahatma -has been set for achieving a Swachh Bharat.

Third, the SBM focuses on behaviour change and emphasises the usage, not construction of toilets. Fourth, the SBM has been put at the forefront of the national policy agenda, while appealing to and resonating with ordinary citizens. a World Bank study estimated that the economic cost of inadequate sanitation was equivalent to 6.4% of GDP in 2006. Perhaps the most powerful reason for eliminating open defecation, however, is to uphold the dignity and security of

women and girls, most of whom are condemned to the fate of having to go out to defecate at odd hours. The SBM has major developmental spin offs. One is the enormous positive health impact of safe sanitation, especially on children below the age of five. Harnessing the widespread reach of mass media as well as localising personal communication with villagers are both required to take the SBM forward. Strategies are being developed including using `virtual classrooms' technology to carry out training and capacity-building simultaneously at multiple locations across the country. Plans are also afoot to invite corporations, trusts and other organisations to sponsor young and committed `SBM Fellows' to be placed in districts.

## 47. [Treaty with Singapore](#) that needs to be modified



48. **70 years of India's Independence:** Despite the shortcomings, India has made much progress in raising the quality of lives of its people, in (a) dispensing with charity and patronage from abroad as survival ingredients, (b) in conquering the science of the cosmos and of the atom (c) in acquiring strategic autonomy in the comity of nations. (d) Becoming the fastest growing economy. The need now is to deploy this progress it for empowerment of the multitudes.

49. The monsoon session of Parliament in 2016 was the shortest for 20 days only, and yet it achieved 110% output of 16 Bills passed in Lok Sabha, and 98 % output in Rajya Sabha. The point is not just about the laws passed. Parliament's job is not just to make laws.

It is **the forum for holding the government to account**. The Opposition **raises issues, demands discussion and asks questions** to which the government gives answers. The Question Hour was put to good use this last session.

**Lively discussions** took place on many pressing problems: Kashmir, Dalits price rise and, the Goods and Services Tax.

The discourse inside Parliament reflects and influences the debate outside Parliament. The prime minister's welcome condemnation of vigilantism in the name of cow protection took place outside Parliament, but nevertheless took in the concern raised by People's representatives inside the House.

The laws passed covered property registered in the name of third parties by anonymous owners, compensatory afforestation (whose rules, yet to be framed, would be crucial to protect tribal rights), debt recovery and labour rights. **The challenge now is implementation.**

50. What can be done to make **India a hub of innovation**? Improve the quality of education across all levels. **A technology policy** that incentivises genuine R&D is required. **Ease of entry and exit of firms**, competition, a **vibrant financial sector** that allocates capital to new profit potential, a culture of **entrepreneurship** and **an end to failure shaming** would help.

The least obvious requirement is political **empowerment of the common man**. To unleash Indian innovation, we need Indians to **shed their fascination for imitation**, develop a culture of questioning established wisdom and a culture of confidence in their own original ideas without waiting for validation by a foreign investor.

Close on the heels of the release of the ranking comes the news that India has got one more unicorn, a start up with a valuation in excess of \$1 billion, with fresh investment in Hike, a messenger app from the Bharti stable, valuing the company at \$1.4 billion. This is a welcome development, and testimony to innovation at work in India.