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06th December 2019

GENERAL STUDIES-02

1. Fugitive Economic Offenders (FEO) Act

Why in news?

- A special court here on Thursday declared diamond businessman Nirav Modi, the key accused in the \$2 billion Punjab National Bank (PNB) fraud case, a fugitive economic offender, on a plea of the Enforcement Directorate.

Key points:

- He is the second businessman, after liquor tycoon Vijay Mallya, to be declared a fugitive economic offender under provisions of the Fugitive Economic Offenders (FEO) Act, which came into existence in August last year.
- Nirav Modi was arrested in London in March this year and his extradition process is pending. In July 2018, the central agency filed an application under the newly-promulgated FEO Act to declare him a fugitive economic offender.
- Under the FEO Act, a person can be declared a fugitive economic offender if a warrant has been issued against him for an offence involving an amount of ₹100 crore or more and he has left the country and refuses to return.

2. Removal of reservation for Anglo-Indians

Why in news?

- Recently, the Union Cabinet has approved the removal of reservation for Anglo-Indians in legislative bodies.

Key points:

- Anglo-Indians were provided two nominated seats in the Lok Sabha and one nominated seat in the State Legislative Assemblies to ensure adequate representation of the community in elected legislative bodies.
- Anglo-Indians constitute a religious, social, as well as a linguistic minority. Being numerically an extremely small community, and being interspersed all over India, the Anglo-Indians were provided reservations in legislative bodies.
- The reservation for the Anglo-Indian community was extended till the year 2020 through the 95th Amendment, 2009. Originally, this provision was to operate till 1960.

3. Repo rate Unchanged:

Why in news?

- The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) has decided to keep the repo rate unchanged at 5.15% in the recent bimonthly policy review.

Key points:

- This is the first bi-monthly monetary meeting in the year 2019 in which the repo rate has been kept unchanged. Since February 2019, the RBI has cumulatively cut rates by 135 basis points (bps).



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- The market was expecting the central bank to cut the repo rate further owing to the weak economic growth rate.
- The repo rate has been kept unchanged owing to inflation pressure.
- The RBI has revised its inflation forecast for the second half of the 2019-20 to 4.7-5.1% from earlier 3.5-3.7%.
- The RBI has also slashed its GDP growth forecast for 2019-20 from 6.1% projected earlier to 5%

Monetary Policy Committee

- The Monetary Policy Committee is a statutory and institutionalized framework under the Reserve Bank of India Act, 1934, for maintaining price stability, while keeping in mind the objective of growth.
- The Governor of RBI is ex-officio Chairman of the committee.
- The MPC determines the policy interest rate (repo rate) required to achieve the inflation target (4%).
- An RBI-appointed committee led by the then deputy governor Urjit Patel in 2014 recommended the establishment of the Monetary Policy Committee.

Repo rate

- It is the rate at which the central bank of a country (Reserve Bank of India in case of India) lends money to commercial banks in the event of any shortfall of funds.
- It is used by monetary authorities to control inflation

4. Forex reserves

Why in News?

- India's Foreign Exchange (Forex) reserves have crossed the \$450-billion mark for the first time ever on the back of strong investment inflows which enabled the Reserve Bank of India (RBI) to buy dollars from the market.

Key points:

- India's forex reserves were at \$451.7 billion on 3rd December 2019, an increase of \$38.8 billion over end-March 2019.
- The rise in forex reserves will give the central bank the leeway to act against any sharp depreciation of the rupee.
- At \$451.7 billion, the country's import cover is now over 11 months.
- India's forex reserves fell to \$274.8 billion in September of 2013, prompting the Centre and RBI to unleash measures to attract inflows. It has been a steady rise for the reserves since then, with \$175 billion added in the last six years.

Foreign Exchange Reserves

- Foreign exchange reserves are assets held on reserve by a central bank in foreign currencies, which can include bonds, treasury bills and other government securities.
- It needs to be noted that most foreign exchange reserves are held in U.S. dollars.
- These assets serve many purposes but are most significantly held to ensure that the central bank has backup funds if the national currency rapidly devalues or becomes altogether



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insolvent.

India's Forex Reserve include:

- Foreign Currency Assets (such as dollar)
- Gold
- Special Drawing Rights
 - Special drawing rights, or SDR, are an artificial currency instrument created by the International Monetary Fund, which uses them for internal accounting purposes.
 - The value of the SDR is calculated from a weighted basket of major currencies, including the U.S. dollar, the euro, Japanese yen, Chinese yuan, and British pound.

GENERAL STUDIES-3

1. Extra Neutral Alcohol (ENA)

Why in news?

Alcohol manufacturers want import duty reduced

Key points:

- Extra Neutral Alcohol (ENA) is the primary raw material for making alcoholic beverages. It is a colourless food-grade alcohol that does not have any impurities. It has a neutral smell and taste, and typically contains over 95 per cent alcohol by volume.
- It is derived from different sources — sugarcane molasses and grains — and is used in the production of alcoholic beverages such as whisky, vodka, gin, cane, liqueurs, and alcoholic fruit beverages.
- ENA also serves as an essential ingredient in the manufacture of cosmetics and personal care products such as perfumes, toiletries, hair spray, etc. Given its properties as a good solvent,
- ENA also finds industrial use and is utilised in the production of some lacquers, paints and ink for the printing industry, as well as in pharmaceutical products such as antiseptics, drugs, syrups, medicated sprays.
- In its letter to NITI Aayog anticipating lower supplies, the Confederation of Indian Alcoholic Beverage Companies has cited the diversion of ethanol for bio-fuel blending by oil marketing companies, and recent floods in Maharashtra and Karnataka that have adversely affected sugarcane crop in the region

2. India's first HAM project in sewerage sector

Why in news?

The Sarai 14 MLD Sewage Treatment Plant is the first STP to be completed under the Hybrid Annuity (HAM) Based Public Private Partnership Model, involving a cost of Rs. 41.40 crores, and the Plant has been completed before its scheduled timeline.

Key points:

- This Plant is based on advanced aerobic biological process, Sequential Batch Reactor (SBR) process, capable of removing the nutrients during treatment and is a 100% eco-friendly project. The plant will meet the highest standards of output parameter
- Another unique feature of this HAM project is that after its commissioning, this plant will also be maintained and operated for a period of 15 years by the same developer for efficient



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performance and for meeting output parameters.

- The vision of the National Mission for Clean Ganga (NMCG) is long term and hence the capability being created would fully take care of the requirements up to 2035.

Prelims Facts:

Women Help Desks

- Ministry of Home Affairs has sanctioned a sum Rs. 100 crores from Nirbhaya Fund for setting up/strengthening of Women Help Desks in Police Stations. This scheme would be implemented by the States and Union Territories.
- Women Help Desks would focus on making the Police Stations more women friendly and approachable, as they would be the first and single point of contact for any woman walking into a police station. Essentially, lady police officers would be deployed at these help desks.
- The officials of Women Help Desk would be trained to be sensitive towards women. These help desks would have enlisted panel of experts like lawyers, psychologists and NGOs to facilitate legal aid, counseling, shelter, rehabilitation and training etc.

Dr.B.R. Ambedkar

- MahaparinirvanDiwas is observed every year on December 6 to commemorate death anniversary of Dr. B R Ambedkar.
- He is known as the Father of the Indian Constitution and was independent India's first law minister.
- Dr.Ambedkar was a social reformer, jurist, economist, author, polyglot orator, a scholar and thinker of comparative religions.
- Dr. B.R. Ambedkar was born on 14 April 1891 in Mhow, Central Province (now Madhya Pradesh).
- He founded BahishkritHitkarniSabha (1923).
- He led the Mahad Satyagraha in March 1927 to challenge the regressive customs of the Hindus.
- He participated in all three round-table conferences.

Exercise INDRA 2019

- a joint, tri services exercise between India and Russia will be conducted in India from 10 — 19 December 2019 simultaneously at Babina (near Jhansi), Pune, and Goa. The INDRA series of exercise began in 2003 and the First joint Tri Services Exercise was conducted in 2017
- The contingents of both the countries will share expertise and their professional experience. The esprit-de-corps and goodwill shall be the key areas during the exercise which will facilitate further strengthening of bonds between the defence forces of India and Russia.

Small Finance Banks

- RBI has recently released the final guidelines on on-tap licensing for small finance banks.
- The guidelines say that Payments banks willing to convert themselves into small finance banks (SFBs) can apply for such a licence only after five years of operations.
- Such payments banks which are eligible to set up an SFB have to come under the non-



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- operating financial holding company (NOFHC) structure.
- SFB undertakes basic banking activities of accepting deposits and lending to unserved and underserved sections, including small business units, small and marginal farmers, micro and small industries and unorganised sector entities.
- The SFB will be given scheduled bank status once they commence their operations.
- The minimum capital for setting up an SFB has been mandated at Rs. 200 crore.
- For primary (urban) co-operative banks (UCBs) to become SFB's, the initial net worth requirement will be Rs.100 crore and to be increased to Rs.200 crore within 5 years.
- Any individual or professional having at least 10 years of experience in banking and finance at a senior level can also set up an SFB either singly or jointly.
- Promoters of SFB's shall always hold a minimum of 40% of the paid-up voting equity capital of the bank during the first five years from the date of commencement of business.
- RBI has also decided to bring UCBs with assets of ₹500 crore and above, under the reporting framework of the Central Repository of Information on Large Credits (CRILC).

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