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NATIONAL
INTERNATIONAL
INDIA & WORLD
ART AND CULTURE

BUSINESS & ECONOMY
SCIENCE & TECHNOLOGY
SPORTS



FROM 1 JUNE TO 30 JUNE
SUYOG EDUCATION



Sixteen men were killed in a massive fire at the Army's Central Ammunition Depot

- Sixteen men, including two Army officers, were killed in a massive fire at the Army's Central Ammunition Depot (CAD) in Pulgaon town of Maharashtra's Wardha district.
- CAD is the most crucial ammunition depot of the Army and among the largest in the world.
- Mr. Parrikar did not rule out sabotage. "But according to the Army officers and the experts, the possibility of sabotage seems less," he said.
- Residents of villages such as Agargaon, Pipary and Nagjhari, situated within 5 km of the depot, moved to safer locations. Some houses were damaged when the ammunition exploded but no one was injured.

PM increased the retirement age for doctors of central services to 65 years

- Prime Minister Narendra Modi approved the retirement age of 65 years for doctors of central services, in an aim to strengthen the healthcare sector in the country.
- It said the move would enable the government to retain experienced doctors for a longer period, and to provide better services in its public health facilities, particularly to the poorest, who are entirely dependent on public facilities.
- The decision comes after Prime Minister Modi's announcement at his Saharanpur rally recently that the retirement age of government doctors would be raised to 65 years.

The Indian Navy gets new chief and vice-chief

- The Indian Navy saw a major change of guard in its top leadership when it got a new Chief and Vice-Chief.
- Admiral Sunil Lanba assumed command as the 23rd Chief of the Naval Staff. Later in the day Vice-Admiral Karambir Singh assumed charge as Vice-Chief of Naval Staff.
- A Navigation and Direction specialist, Admiral Lanba has served as the Navigation and Operations Officer on board numerous ships in both the Eastern and Western Fleets in his nearly four decades-long career.
- Admiral Lanba served as the Flag Officer Commanding-in-Chief of the Southern and Western Naval Commands, when he provided impetus to skill development, synergising combat operations, coastal security and safety and infrastructure development.

Around 53% fail in 10th exam in Bihar

- The results of class 10 Bihar Board exams, showed only 46.66% students passed, a dip of 28% compared to last year when 75.17% had cleared the exam.

- Out of 15.47 lakh students, as many as 8.21 lakh (53%) have failed and 7.8 lakh have failed in mathematics alone.
- The pass percentage of boys at 54.44% was almost 17% more than that of girls at 37.61%. Only 10.86 per cent students were able to attain first division as compared to 21.45 per cent students of last year.
- Significantly, all top 10 students are from a government residential school, Simultala Awasia Vidyalaya of Jamui district, which was opened a few years back on the pattern of Jharkhand's famous Netarhat School.
- Last year, when the photograph went viral, the then Education Minister said: "Over 14 lakh students are taking the examination, what can the government do to prevent copying if parents and relatives are not ready to cooperate?"
- But this year, Govt had CCTV cameras installed and 70,000 officials and policemen deployed at the exam centres. The government also decided to slap a fine of up to Rs. 10,000 on those caught using unfair means.

Govt hiked MSP for pulses

- In a bid to boost the domestic production of pulses during the kharif season, the Centre announced a hike by up to Rs. 425 per quintal in the minimum support price (MSP) for pulses.
- The Cabinet Committee on Economic Affairs (CCEA), which met here gave approval to the MSP for kharif crops of the 2016-17 season.
- It increased the MSP for the common paddy (rice) variety by Rs. 60 to Rs. 1,470 per quintal and Grade A variety to Rs. 1,510 per quintal.
- The CCEA approved the MSP, inclusive of bonus, for tur (arhar) dal at Rs. 5,050 per quintal for this year as against Rs. 4,625 last year, moong dal at Rs. 5,225 against Rs. 4,850 and urad dal at Rs. 5,000 from Rs. 4,625.
- In the oilseeds category, the MSP for groundnut has been increased by Rs. 190 per quintal to Rs. 4,220, while for soyabean and nigerseed it has been hiked by Rs. 175 per quintal each to Rs. 2,775 and Rs. 3,825, respectively.

Govt would have consultation with seed companies for new policy

- The Agriculture Ministry would have a wider consultation with seed companies, seed technology companies and farmers before introducing a new policy for technology agreements between seed technology companies and private seed companies.
- On May 18, the Ministry issued — and retracted in less than a week — a new set of terms that would govern contracts between licensors and licensees of genetically modified cotton seeds.
- The short-lived notification, called the Licensing and Formats for GM Technology Agreement Guidelines, 2016, specified that companies that licensed GM technology could charge seed companies royalty no more than 10% of the government-specified maximum sale price of a packet of cotton for 5 years.
- Moreover, they would have to reduce this value by 10% every year from the sixth year and were it proved that the potency of the technology was waning, the company could no longer claim this royalty.
- Finally, technology firms also could not refuse any eligible seed company wanting genes and any request not followed upon within 30 days would be deemed to have been granted.
- Genetically modified seeds are only permitted in cotton and the dominant player in the business of licensing seed technology is Monsanto Mahyco Biotech Ltd (MMBL).

- It licenses technology to several seed companies and underlies at least 95% of commercially grown cotton in the country.
- Earlier this year, the Central government capped the sale price of cotton seeds and the royalty that companies like MMBL could charge.
- The government caps have been challenged in the courts and separately MMBL is also fighting a legal battle to recover royalty payments from the Andhra Pradesh-based Nuziveedu Seeds.
- Agriculture Minister Radha Mohan Singh said the government order was to ensure that cotton seeds were cheaply and readily available to farmers.

Thai authorities found 40 dead tiger cubs in a freezer at the Tiger Temple

- Thai wildlife authorities found 40 dead tiger cubs in a freezer at the Tiger Temple, a controversial tourist attraction in western Thailand.
- The discovery came as Thai wildlife rangers were removing adult tigers from the temple in an effort to shut down the attraction after receiving complaints that the temple was trafficking in endangered species.
- The temple, a Buddhist monastery that offered paying tourists close contact with tigers, has long been accused by conservationists and animal rights activists of exploiting and abusing the animals, accusations the temple has denied.
- Tiger parts, while illegal to sell, are in high demand in Asia, particularly China, for use in traditional medicine. There is even a market for frozen tiger cubs, as the arrest last month of a Vietnamese man carrying four of them attests.
- The wildlife agency has been trying for months to shut down the Tiger Temple's zoo.
- The temple has promoted itself as a spiritual centre where people and tigers lived in harmony, and it has charged tourists as much as \$140 apiece for the chance to bathe, hand-feed and play with the tigers.
- The temple was already under investigation on suspicion of illegally trading in tigers after a former veterinarian reported that three live adult tigers had vanished.
- While adult tigers have more value, particularly for their pelts, teeth and claws, the cubs can be sold for their meat and for their bones, which are said to have medicinal value.

More casualties reported in Central Ammunition Depot fire

- The Army recovered at least three more bodies from the debris in the Army's Central Ammunition Depot (CAD) at Pulgaon in Maharashtra taking the death toll in Tuesday's fire to 19
- The war preparedness of the Army could have been dramatically affected had the fire spread to other storage facilities in the vicinity.
- At least one more firefighter is suspected to be missing in the fire and blasts. About 130 tonnes of mines and other ammunition blew up in the fire, which luckily did not spread.
- In such explosions much of the ammunition usually goes down into the earth, while the shards fly in all directions. The unexploded bombs make the cleaning-up process particularly dangerous.
- The bigger task now is to sanitise the whole area, locate and defuse the ordnance.

Clashes in Mathura leads to big violence

- Five protesters and two policemen, including an SP-rank officer, were killed and over 40 injured in clashes during an eviction drive in Mathura district.
- The clashes broke out when the police were trying to evict illegal occupants of a land in Jawahar Bagh, believed to be activists of Azad Bharat Vidhik Vaicharik Kranti Satyagrahi, on the directions of the Allahabad High Court.
- SP (City) Mukul Dwivedi and SHO Farah police station Santosh Kumar were killed in firing by the encroachers.

MyGov.in asking peoples opinion regarding government

- Have an opinion about the NDA government that you would like to share with Prime Minister Narendra Modi himself?
- More than 15,000 people have already done so on MyGov.in, a portal run by the government of India, and much like your Friday matinee, ratings have been solicited by the PM on 15 of his pet projects.
- At the end of these responses, (and they are there for anyone who logs on to MyGov.in to see), the scores on just what and whose work makes the cut in the government is telling.
- Ranking right there at the top, with an average of 4.6 stars are the initiatives taken by the government on rail connectivity and modernisation, so hurray for Railway Minister Suresh Prabhu.
- Following closely in the list of above average work are the initiatives on roads and highways; they score an average of 4.55 stars.
- Number three is the work of a Minister who was conspicuous by her absence (due to ill-health) from the second anniversary: External Affairs Minister Sushma Swaraj. Her Ministry's work gets an average of 4.5 star rating.
- Make in India, and initiatives in the power sector are the next two popular areas of government work. Each scored an average of 4.2 stars.

In order to contain the spread of ballistic missiles, India joined The Hague Code

- Strengthening worldwide attempt to contain the spread of ballistic missiles, India has joined The Hague Code of Conduct against Ballistic Missile Proliferation (HCoC).
- It is a voluntary legally non-binding multilateral body aimed at preventing the spread of ballistic missiles that can deliver weapons of mass destruction.
- "India's joining the Code signals our readiness to further strengthen the global non-proliferation regimes," Vikas Swarup, Spokesperson of the Ministry told journalists.
- In recent years, the HCoC has been focused on West Asia, South Asia and the East Asia due to the rising missile and nuclear arms race among rival powers.
- In the latest meeting of the HCoC which concluded on May 29, a special mention was made of the increased number of missile launches by North Korea in 2015.

Home Ministry signed an agreement with Terrorist Screening Center of the U.S.

- Ahead of Prime Minister Narendra Modi's visit to the United States, the Home Ministry signed an agreement to join the global terror database maintained by the Terrorist Screening Center (TSC) of the U.S.

- An arrangement between the authorised governmental agencies of the Government of India and the Government of the United States of America for exchange of terrorist screening information was signed.
- The U.S. has already finalised such agreements with 30 countries and the Terrorist Screening Center has details of 11,000 terror suspects on its database, including nationality, date of birth, photos, finger prints (if any) and passport number.
- Under this arrangement, both sides will give each other access to terrorism screening information through designated contact points, subject to domestic laws and regulations.
- The proposal was initially made by the U.S. in 2012, but had made little progress due to objections raised by security agencies.
- The Research and Analysis Wing (R&AW) and Intelligence Bureau (IB) had opposed giving the United States unhindered access to the database of terror suspects in India.

In a verdict against police excesses, SC says it is against dignity

- Illegal use of state power to rob a person of her liberty is an assault on the citizen's identity and constitutional right to dignity, the Supreme Court held.
- In a scathing verdict against police excesses, the apex court details the conduct of a Madhya Pradesh police team which went from Bhopal to Pune to arrest a woman lawyer in her seventies and her doctor daughter.
- A Bench of Justices Dipak Misra and S.K. Singh narrated the women's story, in which they were denied food and water, medical help for the mother, who was made to sleep on the "cold floor" of an unreserved train compartment during their transit from Pune to Bhopal.
- Quashing the criminal case against the women, Justice Misra, who authored the judgment for the Bench, ordered Madhya Pradesh to pay Rs. 5 lakh each as compensation to the mother.
- "We are inclined to think that the dignity of the petitioners, a doctor and a practising advocate has been seriously jeopardised. Dignity is the quintessential quality of a personality for, it is a highly cherished value. It is also clear that liberty of the petitioner was curtailed in violation of law," the judgment observed.

Draft legislation says citizens have a right to safe water

- The government has for the first time said that citizens had a right to safe water and laid out stringent rules on how corporations and large entities can extract groundwater in two separate pieces of draft legislation.
- The Bills —in a first — also propose fines ranging from Rs.5,000 to Rs. 5,00,000 depending on the level of infraction and who the perpetrators were.
- Groundwater wouldn't also be a free resource and those who could pay for it ought to be doing so while ensuring that it was equitably available to all. The Bill doesn't detail a mechanism but lays down broad principles.
- To be sure, previous governments have also tried to enact legislation to ensure that groundwater—a fragile resource and 80% of India's irrigation supply—is used judiciously.
- However, these didn't account for the 73rd and 74th amendments to the Constitution vesting powers to panchayats and municipalities in the management of water that includes groundwater and was rarely adopted by States.
- The draft bills — the National Water Framework Bill and the Model Bill for the Conservation, Protection, Regulation and Management of Groundwater will be open for public comment until the month end.

- Bill aim to decentralise water management and give more power to panchayats and gram sabhas to decide how water can be better used.
- The most fundamental reform that the Bill sought to make was to do away with the “British Common Law” concept — as Mr. Shah described it — that he who owned the land could extract unlimited groundwater.
- According to the provisions of the proposed Bill, corporations and industries extracting groundwater now had to submit plans to ensure that water was used responsibly and that any possible contamination was remedied.
- The Bills also say that the top priority in the use of groundwater ought to be in meeting drinking, sanitation, food security, sustenance agriculture, the needs of women and only after that for industry.

ISRO looks for satellite system vendors

- National space agency ISRO has called a meeting of suppliers later this month to raise the levels of their contribution to the country’s satellite programme.
- The June 23 conference of spacecraft industry suppliers is aimed at helping them to evolve from suppliers of small components to providers of bigger and whole sub-systems and systems.
- ISRO Satellite Centre (ISAC) estimates a demand for 71 satellites in the next five years, including the exploratory ones to study Moon and Sun.
- The launch vehicle industry contributes in a much larger way, may be to around 90 percent. The conference will check the pulse of the industry and come out with some solutions.
- Currently 30-odd Indian spacecraft are in orbit. They belong to communication, Earth observation and navigation genres orbit in space and supporting uses such as broadcasting, communication, Internet, mapping, estimation of natural resources, search and rescue, crop and weather forecasting and location-based services.
- ISRO hopes to get entire systems supplied in areas such as telemetry, power systems and satellite control systems; currently vendors supply smaller components of each of these systems.

PM gets highest civilian honour of Afghanistan

- Prime Minister Narendra Modi was conferred with Amir Amanullah Khan Award, Afghanistan’s highest civilian honour.
- He was bestowed the honour by President Ashraf Ghani after the inauguration of the landmark Afghan-India Friendship Dam.
- During his speech, Mr. Modi invoked Chisht-born Sufi saint Khwaja Moinuddin Chishti who settled down in Ajmer and is venerated by thousands of people visiting his shrine.
- PM Modi inaugurated the Rs. 1,700-crore dam in the strategically vital Herat province.
- He said it had “not been built by bricks and mortar, but by the faith of our friendship and the valour of Afghans and Indians.”
- Resolving to stand by Afghanistan, the Prime Minister said India’s cooperation will extend to “every part” of the war-torn country and that the partnership will benefit every section of Afghan society.
- Unfazed by terror attacks on its missions, India will continue to extend cooperation in war-torn Afghanistan, Prime Minister Narendra Modi said

Above normal rainfall in pre-monsoon season

- Telangana and coastal Andhra received above normal rainfall during the pre-monsoon season from March to May, raising expectations that the states will receive bountiful monsoon rains.

- According to India Meteorological Department, Telangana received 7.6 cm rain averaged over the entire State during the three months, about 24 per cent more than the seasonal normal of 5.6 cm.
- Much of this rain was recorded during May with March and April recording lower than normal rainfall.
- Similarly, coastal Andhra recorded 13.3 cm against 9.7 cm normal. Rayalseema, like northern Karnataka, received normal rainfall.
- Telangana witnessed formation of a low pressure trough lasting nearly three weeks starting end of April.
- This upper air trough, according to weather observations made during end of April and May, extended from Vidarbha to coastal Tamil Nadu. Vidarbha, like Telangana, also received excess rainfall.

Gaumukh has retreated by over 3 kilometres since 1817

- Gaumukh, the snout of the Gangotri glacier, named after its shape like the mouth of a cow, has retreated by over 3 kilometres since 1817
- It was nearly two centuries ago that the retreat of the glacier was first documented by John Hodgson, a Survey of India geologist.
- With 10 Indian States reeling under drought and the country facing a severe water crisis after two weak monsoons, the story of retreating freshwater sources such as the Himalayan glaciers is worrying.
- And though a three-kilometre retreat over a period of two centuries might seem insignificant at first glance, data shows that the rate of retreat has increased sharply since 1971. The rate of retreat is 22 metres per year.
- The retreat points to lesser ice formation each year than its current rate of melting, a process that is continuing.
- Winter precipitation is when the glacier receives adequate snow and ice for maintaining itself. About 10-15 spells of winter snow as part of western disturbances feed the glacier.
- In summer, the melting of the glacier feeds the Bhagirathi River, the source stream of the Ganga. Dwindling snowfall levels have also affected the volume of water discharged during summer into the river, compared to peak levels.
- Earlier the Gangotri glacier appeared as a convex shape structure from atop Tapovan, the meadow at the base of Shivling peak beyond Gaumukh, but now the glacier appears to be caving in and is concave in shape.

Civil aviation ministry for better customer benefits

- Passengers who report on time before the scheduled departure of the flight and are denied boarding by airlines may get double the amount of the original ticket price or the cost of the ticket on that particular date, whichever is less.
- The compensation for flight delays and cancellations would also be enhanced.
- This is part of a slew of ‘passenger-centric’ measures likely to be announced soon by the Ministry.
- Aggrieved air passengers would also be able to register complaints with and redress grievances from the Directorate General of Civil Aviation (DGCA) via an online platform.
- discourses and messaging”.

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PM Modi signed seven agreements in Qatar

- India and Qatar agreed to share intelligence to combat ‘hawala’ transactions and terror financing as the two countries signed seven agreements.
- The two sides highlighted the need to “isolate” the sponsors and supporters of terrorism and agreed that urgent action against all such entities which support terrorism and use it as an instrument of policy, must be taken.
- Two sides decided to constitute an inter-ministerial high-level joint committee to regularly review all bilateral matters, as well as regional and global issues of mutual interest.
- An MoU was signed between the Finance Intelligence Unit-India (FIU) and Qatar Financial Information Unit to share intelligence on illegal movement of money, termed ‘hawala’
- There is a lot of money flow and investment from Qatar. A number of black money investigations have taken Indian authorities to Qatar’s shores and the MoU is seen as a move to help combat money offences.
- Under this pact, the two sides also agreed to exchange financial intelligence to combat terrorism financing and other economic offences.
- They asserted that acts of violence and extremism cannot be justified, regardless of their motivation.

Civil services topper advises to read newspaper regularly

- All India Civil Services topper Tina Dabi opines newspaper reading is a must for all the aspirants of all India services.
- Ms. Tina said that there were no short-cuts to the examination.
- A packed Hari Hara Kala Bhavan listened to her at the felicitation function for achieving the unique feat of first SC/ST candidate to secure first rank in first attempt in the Civil Services examination.
- Deputy Chief Minister K. Srihari and former judge Chandraiah said Ms. Tina’s achievement once again proved that given an opportunity anyone can come up trumps.

Swati Mahadik wife of Col. Yashwant Mahadik starts army training

- The death of Col. Santosh Yashwant Mahadik while battling militants in the forests of Kupwara in Kashmir instilled in his 32-year-old widow a single-minded determination to take forward his work by joining the Army.
- Swati Mahadik is set to don the olive green uniform after clearing the gruelling Service Selection Board (SSB) examination.
- She will undergo training at the Officers Training Academy in Chennai.
- To realise her aim stated so plainly with such a powerful directness at her husband's funeral, Ms. Mahadik displayed the rare quality of moral courage to sublimate her personal pain for an ideal her husband had passionately fought.
- "Her daughter Kartiki is in Std. VI and she has been sent to a boarding school at Dehradun and son Swarajya is studying in a boarding school at Panchgani.

EC wants amendment to Representation of the people act

- The Election Commission of India has written to the Centre seeking amendment to the Representation of the People Act to confer specific powers on the election watchdog to postpone or countermand polls based on evidence that money power was used to influence voters.
- In a letter to the Legislative Secretary in the Law Ministry, the Commission said a new clause '58 B' be inserted in the Act to allow adjournment or countermanding of election in the affected polling areas on the grounds of use of money power.
- The provision would also empower the Commission to re-schedule the elections in such areas.
- The Commission said in Clause 58 A and the proposed provision 58 B, the expression "countermand the election" would mean ab initio rescinding of the entire electoral process in the constituency.
- Clause 58 A empowers the Election Commission to cancel polls only if there is an evidence of booth-capturing or use of muscle power to influence the outcome of elections.

Switzerland supports India's bid to NSG

- In a major boost to its diplomatic push for Nuclear Suppliers Group (NSG) membership, India managed to win crucial support from Switzerland ahead of a key meeting of the 48-nation bloc.
- Two countries also agreed to step up cooperation in unearthing black money stashed by Indians in banks in that country.
- Swiss President announced his country's support for India's membership to the elite NSG after holding comprehensive talks with Prime Minister Narendra Modi on a range of bilateral and global issues.
- Switzerland is a key member of the NSG and its support for India's bid for membership is seen as crucial in the backdrop of China harping on the need for consensus as India was not a signatory to the Nuclear Non-Proliferation Treaty (NPT).
- In his remarks, the Prime Minister thanked the Swiss President for Switzerland's "understanding and support" for India's membership of the NSG.
- The U.S. and many other NSG member countries have supported India's inclusion, based on its non-proliferation track record.
- The NSG works under the principle of unanimity and even one country's vote against India will scuttle its bid.

Union government working on suite of Bt cotton genes

- The Union government is working to develop a suite of Bt cotton genes that can be integrated into traditional varieties and be made available to farmers as a viable alternative to the current technology.
- The Indian Council of Agricultural Research has for many years unsuccessfully tried to develop Bt cotton, which contains insecticidal genes sourced from a soil bacterium and targeted at key cotton pests.
- There were already several genes available in various labs and stages of development, but the aim was “that India not be dependent on foreign technology”, said a top official privy to the project but who did not want to be identified.
- Agriculture Ministry mooting a change in the way seed companies and seed-technology companies such as the MMB share royalty, technology and determine the price as which farmers buy cotton seed.
- Different arms of government are split over whether seed tech companies have the right to, or are obliged to license, their technology to seed companies on request.
- Cotton is the only genetically-modified seed that’s legally allowed in India.
- Gm food crops such as brinjal and mustard, which are in advanced stages of regulatory clearances, are yet to become available to farmers due to stringent opposition by anti-GM activist groups.
- Historically multinational companies’ research budgets far outweighed that of Indian research agencies.

US handed over Chola age Ganesha idol

- U.S. government handed over the Chola age Sripuranthan Ganesha idol and 200 other stolen Indian artefacts to Prime Minister Narendra Modi.
- It was in 2013 that, an accountant in the shipping sector, matched the photograph of the idol taken by the French Institute at Puducherry (IFP) with that of an idol housed in the Toledo Museum of Art (TMA) in Ohio, U.S.
- In an ongoing investigation by the U.S. Homeland Security department into art dealer Subhash Kapoor’s questionable dealings, the Ganesha idol was among the many object d’arts found to be stolen and housed in museums across the world.
- In the case of the Ganesha idol, Mr. Sundaresan’s tip off and painstaking matching of pictures (showing at least 19 similarities between the idol in Toledo and the picture kept by the IFP) were decisive in terms of establishing that the art work was stolen.

Govt wants to develop Sabarimala as international pilgrim centre

- The Union government is planning big for developing Sabarimala into an international pilgrim centre.
- The Centre will set up a joint committee comprising representatives of the Union Ministries of Forest, Environment and Climate Change, Water Resources, Tourism, Railways, Road Transport, and Highways and Shipping soon to study various aspects of the development,
- The sacred grove of Sabarimala is situated in the buffer zone of the Periyar Tiger Reserve and the Ministry will have to take a key role in initiating any development programme there.
- High security for the temple as well as the pilgrims, full insurance cover for pilgrims, and foolproof pilgrim facilities would be major attractions of the Centre’s proposal, he said.
- The administrative body of the temple is the Travancore Devaswom Board (TDB), a constitutional body headed by nominees of the State government.

- The Centre will have to constitute a statutory board chaired by a high-ranking civil servant for Sabarimala administration once it is declared a national pilgrim centre.
- Mr. Rajasekharan said Prime Minister Narendra Modi was keen on Sabarimala development and funds would never be a problem for it. Mr. Modi is likely to assign the task of Centre-State coordination on Sabarimala to a senior Union Minister.
- Railway Minister Suresh Prabhu expressed his willingness to make additional fund allocation for the Sabari Rail project if the State promised its active cooperation for the project.

Prime Minister Narendra Modi addressed joint session of the U.S. Congress

- Prime Minister Narendra Modi combined poetry, humour and rhetoric to outline his vision for India's partnership with the U.S in the 21st century, addressing a joint session of the U.S. Congress.
- This was Mr. Modi's first address and he became the fifth Indian Prime Minister to address a joint session of the Congress.
- Mr Modi called for deepening U.S.- India security cooperation to tackle global terrorism, based on a policy that "delinks religion from terrorism."
- Effusive in his enthusiasm for India's partnership with the U.S "in every sector of India's forward march, I see the U.S as an indispensable partner".
- "As we deepen our partnership, there would be times when we would have differing perspectives. But since our interests and concerns converge, the autonomy in decision-making and diversity in our perspectives can only add value to our partnership," Mr. Modi said even as a session in the U.S. capital.
- With Pakistan in mind, PM Modi said that terrorism was being "incubated in India's neighbourhood", and pressed for action without against groups like the Lashkar-e-Taiba who share the "same philosophy of hate, murder and killings".
- Mr. Modi said terrorism has to be fought with "one voice" as he commended the American lawmakers for sending out a clear message in refusing to "reward" those who preach and practice terrorism for political gains.
- Mr. Modi said India and the U.S. had overcome "the hesitations of history", and called for ever-stronger economic and defence ties between the two countries.

India has further liberalised the visa regime for Chinese citizens

- In line with the decision taken last year, India has further liberalised the visa regime for Chinese citizens.
- India has already rolled out electronic tourist visa-on-arrival facility for Chinese and more recently, removed the need for prior approval for conference visas.
- Conference visas are issued for seminars, workshops and conferences organised by government departments, Union ministries, public sector undertakings, central educational institutions or public funded universities.
- Earlier, China was bracketed with Afghanistan, Pakistan and Iraq, foreigners of Pakistani origin and stateless persons under the restricted category, requiring prior security clearance from the intelligence agencies for obtaining a visa.
- However, Beijing is yet to reciprocate to New Delhi demand for a similar arrangement for its citizens.

- The timing of the move is being seen as an attempt to soften the atmosphere in the run-up to the meetings of the NSG in Vienna.

Monsoon arrives in western coast

- The India Meteorological Department (IMD) declared that the monsoon had arrived over Kerala, a day later than its forecast date of June 7.
- Though it has been raining heavily in Kerala for well over a week — prompting private weather forecasters such as Skymet, to declare that the monsoon set in on May 30 — these rains have only qualified as ‘pre monsoon’ showers.
- The meteorological department has an elaborate set of criteria to be fulfilled before it declares the onset of the monsoon over Kerala.
- After May 10, at least eight of 14 stations across Kerala and Karnataka have to register at least 2.5 mm of rain, and monsoon-bearing winds have to be at least of 30-40 kmph velocity and below 600 hPa (approximately upto 4.5km) over the south Arabian Sea.
- Another key parameter, the Outgoing Longwave Radiation — an indicator of convection — has to be below 200 W/m².

More than one lakh people loose life in road accidents

- An official report, released by Union Road Transport and Highways Minister, said 1.46 lakh people were killed in road accidents in India in 2015 — an increase of five per cent from 2014.
- Road accidents as a whole rose 2.5 per cent during 2015 to 5.01 lakh or 1,374 accidents every day, claiming 400 lives, the report said.
- The report said a majority (54.1 per cent) of those killed in road accidents during 2015 were in the age group of 15-34.
- Thirteen States, including Tamil Nadu, Maharashtra, Madhya Pradesh, Karnataka, Kerala and Uttar Pradesh, accounted for the highest number of accidents.
- Among cities, while Mumbai had the highest number of accidents (23,468), Delhi saw the most number of deaths (1,622) in road accidents.
- Also, drivers’ fault was responsible for 77.1 per cent of the accidents, deaths and injuries, mainly because of over-speeding, the report noted.
- Alarmed by rising road accidents, the Union Road Transport and Highways Ministry has sent a Cabinet note for setting up a National Road Safety and Traffic Management Board to advise the government on road safety standards and guidelines.

Street view of Google denied permission

- A technical committee of the Defence Ministry, which comprises officials from Indian Air Force, Military Intelligence, Navy, Army and Intelligence Bureau, had unanimously opposed the service.
- The main concern was security of sensitive defence installations. The Defence Ministry said it was not possible to monitor the service once it was launched and it would be detrimental to national security.
- The proposal was rejected in February itself, primarily amid security concerns after the terror attack at the Pathankot airbase on January 1-2.
- Investigating agencies suspect that terrorists used Google maps as they were aware of the airbase’s topography.

- The Home Ministry recently uploaded the draft Geospatial Information Regulation Bill 2016 for comments from the public.
- The Bill proposes jail term of seven years and a fine upto Rs. 100 crore for wrongly depicting the map of India, a move that is likely to hit Google and Microsoft.
- In April 2015, Google representatives made a presentation on Street View for the MHA.
- They had told the officials then that the platform would be useful for tourism and disaster management.
- A formal proposal was submitted in July same year to shoot images through high-end cameras and upload them on 'Street View'.
- In 2011, Google launched Street View as a pilot project in some of the tourist sites like Qutub Minar, the Thanjavur temple, the Varanasi riverbank, the Taj Mahal, the Red Fort, Nalanda University etc. in partnership with the Tourism Ministry.\
- The service was launched in 2007 in the U.S. and has since expanded to other parts of the world.
- The Street View imagery has run into trouble in Germany, Greece, Switzerland, Poland and the United Kingdom amid privacy concerns and data protection issues.

India working hard to get support for NSG

- Given China's public opposition to India's entry into the elite Nuclear Suppliers Group (NSG), India has been working on garnering support of other countries in the group to isolate China.
- Ahead of the plenary session that began in Vienna to consider membership application Govt hopes for a domino effect, where countries that support India influence the ones still holding out.
- Though NSG negotiations are held behind closed doors and a final decision is expected by consensus at the plenary session in Seoul on June 24 and 25.
- Reports from Vienna say Austria, Ireland, New Zealand, South Africa and Austria are among countries still holding out on India.
- In particular, Pakistan's application for membership, which will also be taken up, is expected to queer the pitch.
- Pakistan, which had applied for membership a week after India did in May, said it was warning NSG members that India's entry would disturb "strategic stability in South Asia".

High Court of Bombay to give order on Udta Punjab Movie on 13th

- After hearing arguments for a day-and-half, the Bombay High Court reserved its order for June 13 on the censorship of Shahid Kapoor-starrer Udta Punjab .
- Among the many suggestions made by the review committee of the body are the removal of the "signboard of Punjab" in the beginning of the movie and the use of expletives.
- The court had asked how the integrity of the State would be hit by pulling down just one signboard.
- On the "constant" use of expletives in the film, the court told the producers that "you may not rely on expletives to show the frustration of your character."
- To which senior counsel Ravi Kadam, appearing for Phantom Films, producer of Udta Punjab , said 34 films made in the past had used expletives explicitly.
- The court then said that maybe the board felt that they had gone too far.
- Discussing a scene where a character is shown scratching a body part, the court said it need not be shown at all and could be deleted.

- After the court talked about a scene where actor Shahid Kapoor is shown urinating before a crowd, the producers agreed to remove it.
- When the board went on to justify all the 13 cuts saying that the film was meant for public exhibition, the court said that “if people don’t like something they have a remote” and that the CBFC should only certify a film and not censor it.
- The court also said if the movie was glorifying the use of drugs, then it should be banned.
- The film is scheduled for release on June 17 and deals with the drug abuse in Punjab and the review committee of the board said that ‘the theme, presentation, language and visuals of the film are not suitable for non-adults.’
- Bombay High Court to pass order on producers’ plea on June 13.

High court of Kerala stayed the directive of NGT

- Providing a respite to the Kerala State Road Transport Corporation, (KSRTC), private bus operators and owners of diesel vehicles of 2,000 cc and above, the Kerala High Court stayed the directive of the National Green Tribunal (NGT).
- Kochi Special Circuit Bench of the NGT banned diesel vehicles older than 10 years in six cities in the State.
- Justice P.B. Suresh Kumar had earlier stayed the tribunal’s directive restraining the State government from registering new diesel vehicles of 2000 cc and above except that of the public or local authorities.
- In M.C. Mehta vs. Union of India and others case had prohibited use of diesel vehicles of more than 15 years in Delhi after granting the bus operators reasonable time to replace their vehicles.
- The court observed that a perusal of the apex court judgment would indicate that the decision was rendered having regard to the air pollution level in the national capital region of Delhi.
- The court also referred to the arguments of the counsel that the air quality level in the State was far superior to that in Delhi.
- That apart, no data was available with the tribunal regarding the air quality level prevailing in the six cities.

India hopes to get the support of China for NSG membership

- As the two-day extraordinary session of the Nuclear Suppliers Group discussing membership applications came to a close, Indian negotiators are sensing a chance at working with China to convince it of New Delhi’s qualifications to enter the group.
- The final decision is expected at the NSG annual plenary in Seoul on June 24-25, when the 48 members must decide by consensus on applications by India and Pakistan.
- Sources said the two-day session saw several questions raised by diplomats that indicated which way the countries will stand, giving India a sense of whom they should target in the next two weeks.
- Among the other unconvinced countries are Turkey, Kazakhstan and Ireland, while Mexico and Switzerland have switched over to support India after Prime Minister Narendra Modi’s visit to these countries.

Union to form committees for environmental fallout of vehicular pollution

- The Union government has agreed to form committees to suggest measures to mitigate the environmental fallout of vehicular pollution in the country.
- The committees will help the States and the Centre strike a balance between their transport and environmental requirements.
- The National Green Tribunal had banned diesel vehicles over 10 years from Kerala.
- The Tribunal had also banned the State from registering diesel powered vehicles having more than 2-litre engine capacity in Kerala. The Kerala High Court has since stayed the orders.
- As per the motor vehicles rules, the government had collected advance tax for 15 years on all diesel vehicles registered in the State since 2007.
- The implementation of the NGT order to ban those over 10 years would entail repaying the owners an estimated Rs. 300 crore.
- Moreover, the order would cripple the State's transport sector. More than 4,000 KSRTC buses and lakhs of private vehicles would go off the roads. Movement of people and goods would be negatively impacted.
- Travel would prove to be costlier for the common man. So would transport of goods.
- The Centre required Kerala to shift more to CNG, biofuel and electric hybrid powered motor vehicles in the long run.

Election for 27 seats of Upper house concluded

- For Rajya Sabha polls the Bahujan Samaj Party (BSP) help the Congress win two seats — one in Madhya Pradesh and another in Uttarakhand.
- In Uttar Pradesh, where elections were held for 11 seats, the BJP won just one seat.
- The victors in U.P. included party supremo Mulayam Singh Yadav's one time alter ego Amar Singh and Beni Prasad Verma, both of whom returned to the party recently, and senior leader Reoti Raman Singh.
- The Congress's Kapil Sibal also trounced the BJP-backed independent socialite Preeti Mahapatra with the help of the BSP.
- In Madhya Pradesh, the BJP's M.J. Akbar and Anil Dave sailed through.
- Earlier, 30 of the total 57 seats in the current round of biennial elections to the Upper House were decided without a contest.
- In Karnataka, the Congress won three seats. The fourth seat in the State was won by Union Minister of State for Commerce and Industry Nirmala Sitharaman.
- Rajasthan saw the BJP's Union Minister M. Venkaiah Naidu, party Vice President Om Prakash Mathur, former RBI official Ram Kumar Sharma and Harsh Vardhan Singh emerge victorious.

Raw footage of JNU found authentic

- The raw footage of the February 9 JNU event, on which a sedition case was registered against JNUSU president and two others, has been found to be authentic by the CBI forensic lab.
- The raw footage, obtained from a Hindi news channel, was sent to the CBI forensic lab here for examination along with camera, memory card, a CD containing the clip, wires and other equipment.
- Earlier, Delhi police had sent four clips to the Gandhinagar-based Central Forensic Science Laboratory which in its report, in May, had said that they were genuine.
- Police maintained that the FIR was registered on the basis of the raw video footage, obtained from a news channel on a CD, and not on the clippings that were aired on TV channels.

India seeking help from Russia for NSG

- Back from his visits to Washington, Geneva and Mexico City to lobby for India's entry into the Nuclear Suppliers Group, Prime Minister Narendra Modi is now asking Russia for help with the countries still holding out.
- He is scheduled to meet with President Vladimir Putin and Chinese President Xi Jinping at the SCO summit later this month.
- The outreach is particularly important as China continues to maintain that "NSG members remain divided" on the issue of membership, claiming that "many countries within the group share China's stance."
- Officials expect a final decision may not come till the eve of the NSG meeting in South Korea on June 24, when the Prime Minister is expected to meet Mr. Xi at the SCO in Tashkent.

At least 50 people were killed by a gunman at a gay night club in Florida

- At least 50 people were killed by a gunman at a gay night club in Orlando, Florida, in the worst mass shooting incident in the U.S.
- The shooter, Omar Mateen, an American citizen of Afghan origin, used to live in Ft. Pierce, Florida, and was killed in the police operation that followed.
- The 29-year-old may have been a radicalised Islamist and the investigation will probe that angle too, according to the Federal Bureau of Investigation.
- President Barack Obama termed the shooting an "act of terror" and an "act of hate." Speaking at the White House, Mr. Obama said it's a "sobering reminder" that an attack on any American is an attack "on all of us."
- According to a report quoting investigators, the shooter called the emergency helpline number 911 and pledged allegiance to Islamic State chief Abu Bakr Al-Baghdadi before starting the carnage.
- Islamic State claimed responsibility for the shooting, the Amaq news agency tied to the group reported. But thus far there is no indication of a direct connection with the IS in terms of training or instruction to carry out the attacks.
- Omar Mateen was earlier investigated by the FBI for suspected terror links. The targeted club being a known gathering place of the LGBT community, a homophobia angle too is suspected.

A renewed push for GST will be seen in this session

- The portends of a stormy monsoon session of Parliament and a renewed push from the government for the passage of the Goods and Services Tax (GST) Bill have become stronger after the BJP gained three extra seats.
- The treasury benches are still short of numbers in the Rajya Sabha, where the Opposition has managed to hold its own.
- The party had full numbers for only nine of the 12 seats that it won, but gained three seats (one each from Rajasthan, Jharkhand and Haryana) by working on Independents and non-Congress parties.
- Party leaders and union ministers in Allahabad for the BJP's national executive justified its aggressive poll strategy for these extra seats.
- Finance Minister Arun Jaitley has said on several public occasions, including a meeting with Japanese investors in Osaka this month, that he was "reasonably confident" of getting the

constitutional amendment on GST through, since “every political party, including the Congress, favours the GST.

- He had also said that “every other political party, from the Janata Dal (U) to the Trinamool to the Left in West Bengal and Kerala and the RJD in Bihar was in favour of the GST.”

HC of Bombay clears Udta Punjab Movie

- The Bombay High Court on Monday directed the Central Board of Film Certification (CBFC) to issue an ‘A’ certificate to the movie Udta Punjab (Punjab on a High) with the deletion of one scene and a modified disclaimer.
- The Court ordered the CBFC to certify the movie within 48 hours, enabling its release on schedule on June 17.
- A Division Bench of Justices said, “We do not find anything in the script that affects the sovereignty and integrity of the Nation.”
- While dictating the strongly-worded order, the court said, “The power to exercise deletions and cuts should be consistent and in consonance with provisions of the Constitution and directions of the Supreme Court.”
- The court said, “It is undisputed that the CBFC possesses powers to call for cuts, changes, deletions in a movie while certifying it. However, in the present case, the CBFC-imposed restrictions were not correct.
- The movie has to be seen as a whole and it is not permissible to take the characters, scenes and songs out of context.”
- After dictating the order, the Bench said, “There are so many litigants awaiting justice. This is hardly a cause to be brought before the court, let alone the highest court of the State.”

A fresh transgression by Chinese troops into Indian territory

- A fresh transgression by Chinese troops into Indian territory has come to light. The incident happened on June 9 at Yangtse which is located 25-30 km east of Bum La pass in western Arunachal Pradesh.
- According to official sources, about 250 Chinese troops had crossed into the Indian side on the Line of Actual Control (LAC) and went back in a few hours.
- This happens regularly due to differences in perception on the boundary and after claiming that the area belongs to China, troops tend to go back.
- The incident coincides with India’s efforts at securing membership of the Nuclear Suppliers Group (NSG) which China has openly opposed citing India’s non-accession to the Non-Proliferation Treaty.
- In March, Chinese troops had entered Indian territory in Ladakh, Jammu and Kashmir.
- On March 8, Chinese troops had entered almost 6 km deep inside Indian territory near the Pangong lake in Ladakh.

President refused to give assent to legislation that protects 21 AAP MLAs

- President Pranab Mukherjee has refused to give assent to a legislation that protects 21 party MLAs, who have been appointed Parliamentary Secretaries and face the prospect of disqualification.

- Petitions have been filed with the President seeking disqualification of these MLAs on the ground that they occupied office of profit, violating constitutional provisions.
- Acting as a quasi judicial body, the Election Commission, to whom the President referred the issue, had sought replies of the MLAs.
- The Delhi Government had sought an amendment to the Delhi Members of Legislative Assembly (Removal of Disqualification) Act, 1997.
- Through the Bill, the AAP government wanted “retrospective” exemption for the parliamentary secretaries from disqualification provisions.
- The Bill was forwarded by Lt. Governor Najeeb Jung to the Centre which, in turn, sent it to the President with its comments.

Pulses to be imported to keep prices in check

- To bridge the demand-supply gap and maintain stability in prices of pulses, the Union government is planning a government-to-government contract, said Union Minister for Food and Public Distribution.
- Addressing presspersons, Mr. Paswan said the Centre had worked out a strategy to import pulses to mitigate the shortage and maintain price stability.
- This year, there will be a demand supply gap of over 76 lakh tonnes.
- While private importers will be able to import only 60 lakh, the Centre is planning to have a government-to-government contract to procure the remaining quantity to meet the demand.

Finance minister says all states supporting the GST

- Barring the key producer State of Tamil Nadu, virtually all others have supported the Goods & Services Tax (GST), Union Finance Minister Arun Jaitley said.
- Virtually all the States have supported the idea of GST today barring Tamil Nadu which has expressed some reservations. Tamil Nadu has offered a few suggestions which have been noted by the committee.
- Mr. Jaitley also said that the States had rejected the provision for a constitutional cap on the GST rate, one of the three demands of the Congress for supporting, in the Rajya Sabha.
- As a constitutional body, it would “impinge” on the legislative sovereignty of both Parliament and the State Legislatures and jeopardise the fiscal autonomy of States.
- Mr. Jaitley also said that there was no deadline for the implementation of the GST.
- Earlier, after the passage of the Constitutional (122{+n}{+d}) Amendment Bill in May 2015 in the Lok Sabha, the Government had said that it was trying to roll out the single-tax regime from April 1, 2016.
- Tamil Nadu Chief Minister Jayalalithaa met Prime Minister Narendra Modi and submitted a 29-point memorandum, detailing several demands of the State.
- Among the demands of Ms. Jayalalithaa were the formation of a Cauvery Management Board and a Cauvery Water Regulation Committee, restoration of water level at Mullaperiyar to 152 feet and interlinking of rivers.

Amid the spiralling prices of pulses, the Centre decided to sell turvia mobile vans

- Amid the spiralling prices of pulses, the Centre decided to sell pigeon pea (tur) and black gram (urad) at Rs. 120 per kg through the National Cooperative Consumers Federation of India (NCCF) via mobile vans in Delhi.
- The decision to sell pulses through the NCCF was taken at an inter-ministerial review meeting held here that reviewed the prices of essential commodities and discussed measures to ensure availability of these commodities at reasonable prices.
- The government said that as on June 13, 2016, the procurement of Rabi pulses had reached 64,000 tonnes.
- Together with the earlier procurement of 51,000 tonnes of the Kharif season, the total domestic procurement by government agencies had reached 1,15,000 tonnes.
- The Centre has also ordered further import of 12,500 tonnes of pulses for buffer stocks, which include 10,000 tonnes of masur and 2,500 tonnes of urad.

What constitutes office of profit

- Delhi is not the only State where the post of Parliamentary Secretary has been challenged.
- Various High Court judgments in the past have deemed the appointment of Parliamentary Secretaries unconstitutional and have ruled against such appointments.
- Various petitions in the High Court have challenged the appointment of Parliament Secretary.
- Petition argue that the post is in contradiction to Article 164 (1A) of the Constitution which provides for limiting the number of Ministers in the State Cabinets to 15 per cent of the total number of members of the State Legislative Assembly.
- Because a Parliament Secretary often holds the rank of Minister of State, the Calcutta High Court, in June 2015, quashed the appointment of 24 Parliamentary Secretaries in West Bengal dubbing it unconstitutional.
- Similar action was taken by the Bombay High Court in 2009 for the appointment of two Parliamentary Secretaries in Goa and by the Himachal Pradesh High Court in 2005 for the appointment of eight Chief Parliamentary Secretaries and four Parliamentary Secretaries in the State.
- The number of Cabinet Ministers in Delhi cannot exceed 10 per cent of the total 70 seats — that is seven — as per Article 239(A) of Constitution. As of now, only one Parliamentary Secretary to the Chief Minister is authorised.
- ‘Office of profit’ is not defined in the Constitution. However, in past judgments, the Election Commission has noted “what constitutes an office of profit under the Government is now well established by a catena of judgments of the Supreme Court.”
- Five tests have been laid down: (i) whether the government makes the appointment; (ii) whether the government has the right to remove or dismiss the holder; (iii) whether the government pays remuneration; (iv) what the functions of the holder are; and (v) does the government exercise any control over the performance of these functions.

Govt clears countries first National civil Aviation policy

- In a big push to its reform agenda, government approved the country’s first National Civil Aviation Policy for increasing air connectivity, allowing new domestic airlines to fly abroad quickly.
- It also opened up the skies for European and South Asian Association for Regional Cooperation (Saarc) countries.

- New airlines, such as Vistara and AirAsia, will no longer have to wait for five years before starting operations on international routes.
- Start-up airlines can now fly abroad after operating at least 20 planes or 20 per cent of their total flying capacity, whichever is higher, on domestic routes.
- According to a 2004 norm, which is also known as the '5/20 rule', a domestic airline is allowed to go international only after flying for five years to domestic destinations and operating at least 20 aircraft.
- India will have an open-sky policy for countries beyond the 5,000-km radius from Delhi on a reciprocal basis.
- This means that airlines from European or Saarc countries will have unlimited access, in terms of number of flights and seats, to Indian airports, leading to increased flight frequencies with these countries.
- While India has a full open-sky arrangement with the U.S., it has a near open-sky agreement with the U.K. with a restriction on the frequency of flights to and from Mumbai and Delhi.
- As a part of its regional connectivity scheme, passengers will be charged Rs. 2,500 for an hour's flight on regional routes by the airlines.
- The government will provide support to fund airlines' losses on such unserved routes "by a small levy per departure" on all domestic routes, except in remote ones and in north-eastern States.
- It has grand plans to revive 50 airports in the next two years through the regional connectivity scheme.
- However, it is yet to ascertain how it will mop up funds for providing the viability gap funding.

Apex court to decide about declaring Nilgiri, monkey and wild boar as vermin

- A petition has been filed in the Supreme Court for quashing of three notifications of the Union government declaring nilgai, monkey and wild boar vermin for one year in Bihar, Himachal Pradesh and Uttarakhand.
- The application for urgent hearing was mentioned before the Vacation Bench of Justices Adarsh Kumar Goel and L. Nageswara Rao, which agreed to list it during the week.
- "The impugned notifications have been passed in absolute disregard of the human-wildlife conflict plaguing the country and without any scientific survey backing them," the petition said.

President make a case for reforms in UN

- President Pranab Mukherjee made out a strong case for a "concerted push" to make the United Nations more democratic and representative at the annual session of its general assembly scheduled for September..
- Mr. Mukherjee raised the issue of U.N. reforms at a meeting with President of Cote D'Ivoire Alassane Ouattara.
- In his talks, the President regretted that unlike the U.N., the Bretton Woods institutions that were created around the same time seven decades ago had become more inclusive bodies, reflecting the changing world order.
- Cote D'Ivoire (also known as Ivory Coast), a francophone country, is the biggest producer and exporter of cashew nuts to India which procures nearly 80 per cent of their total exports.
- Mr. Mukherjee was decorated with National Grand Croix, Cote D'Ivoire's highest honour.

RajasvaGyan Sangaminaugurated by PM

- Inaugurating the two-day RajasvaGyan Sangam, Prime Minister Narendra Modi asked senior tax officials to aim for widening the tax net from the present 5.4 crore households to 10 crore households.
- The PM's message was clear: the approach has to be to make it very easy to pay taxes and very difficult to avoid paying them.
- In his address, Mr. Modi gave a five-point charter to tax administrators embodied in the word 'RAPID.' These are: revenue, accountability, probity, information and digitisation.
- He pointed out that while nearly 92 per cent of India's tax revenue comes from self-assessments, advance tax payments and tax deducted at source, the 42,000 taxmen raise barely 8 per cent through assessments and scrutiny of returns.
- Prime Minister asked the officers to ensure their behaviour is "soft" and "sober" and change their attitude so that the "fear of harassment" is erased from the minds of taxpayers.
- Mr. Modi said the query "how to pay taxes in India" throws up seven crore responses on Google. Similarly, the search engine gives 12 crore responses to the query "how not to pay taxes in India."

The three women are set to create history as India's first women fighter pilots

- The three women, in their early 20s, are set to create history as India's first women fighter pilots when they will be commissioned.
- Flight Cadets Avani Chaturvedi from Madhya Pradesh, BhawanaKanth from Bihar and Mohana Singh from Rajasthan are currently undergoing Stage-II training on Kiran Intermediate Jet Trainers at Hakimpet Air Force station in Hyderabad.
- Once they pass out at the Combined Graduation Parade Spring Term 2016, the three will begin advanced training on advanced jet trainer Hawks.
- It will take another 145 hours on the Hawks for almost a year before they would actually get into the cockpit of a supersonic fighter.
- Last October, the government decided to open the fighter stream for women on an experimental basis for five years.

Basic trainer aircraft HTT-40 successfully flies

- It was a thumbs-up for local design and make of military aircraft as Defence Minister Manohar Parrikar watched HTT-40, the basic trainer aircraft for Air Force pilots, ceremonially touch the skies.
- It has to be certified over the next two years.
- It was victory for the design team of Hindustan Aeronautics Ltd., as its baby soared and turned.
- Mr. Parikkar had a special word of praise for Project Manager Prashant Singh Bhadoria for seeing it through its hurdles.
- The IAF, which will follow a two-aircraft, three-phase training, may need about 210 trainers against the earlier 181.
- It may top up its June 2015 plan to buy 70 HTT-40s with another 30 or 40, Mr. Parrikar said.
- The trainer could be up to 25 per cent cheaper than the imported trainer and may also generate business of Rs. 3,000-4,000 crore for vendors from Bengaluru and Hyderabad in future.

- The final decision on acquiring Rafale medium multi-role fighter aircraft for the IAF could be taken after six weeks, Mr. Parrikar said.

IIT-B moved from 46 to 35 in the Quacquarelli Symonds university rankings

- The Indian Institute of Technology, Bombay (IIT-B) has moved up in the Quacquarelli Symonds (QS) University Rankings: Asia, from last year's rank of 46 to 35 this year.
- The results were released by QS, a British company which is a leading global provider of specialist higher education and career information and solutions.
- IIT-B's overall score is 76 out of 100. The institute has a score of 87.8 in academic reputation, 98.8 in employer reputation, and 100 in staff with PhD.
- IITB ranks second in India, below the Indian Institute of Science (IISc) in Bangalore, which is at 33.

First official transit to India's north-east via the inland waterways of Bangladesh

- The India-Bangladesh waterways transit, carrying goods from Kolkata, was inaugurated in Dhaka.
- In a first for New Delhi-Dhaka relations, the vessel carrying Indian goods consigned for Tripura marked the official transit to India's north-east via the inland waterways of Bangladesh.
- The vessel from Kolkata, carrying a thousand tonnes of iron rods, was received at Ashuganj port in Bangladesh by Shahjahan Khan, the Bangladeshi Shipping Minister, and Dr. Mashiur Rahman, Adviser to the Prime Minister of Bangladesh.
- India will be investing in creating infrastructure (Port, Road and Rail) in Ashuganj and Akhaura, Bangladesh, to facilitate the smooth movement of goods. The projects would also create jobs for the local people of Bangladesh.
- The opening is part of the Indo-Bangladesh Protocol on Inland Water Transit and Trade signed by the Prime Ministers of the two nations last year.
- The transit would reduce the transportation cost substantially to carry goods from rest of India to country's north-east as the distance reduces from about 1,700 km via Siliguri in north Bengal to about 500 km via Bangladesh.

Governor of the Central bank announced that he would not seek second term

- In a surprise move that sent ripples across the financial sector, Governor of the Reserve Bank of India Raghuram Rajan announced that he would not continue to head the central bank after his term expires on September 4.
- Mr. Rajan announced his decision to RBI employees via an email which was published on the central bank's website for 'wider dissemination'.
- This is the first time during Dr Rajan's tenure that his communication to staffers has been made public.
- Speculation is rife on why Mr. Rajan decided not to continue and communicated his decision two and half months before his term ends.

- The government's decision to form a search panel, headed by a cabinet secretary to select financial sector regulators has not gone down well with the RBI governor as the governor's post is also cabinet secretary rank.
- In the past, the prime minister and the finance minister have held consultations to select the governor of the central bank.
- The Finance Ministry's proposal in last year's budget to hand over bond market regulation to the SEBI was criticised by Mr. Rajan following which the proposal was rolled back.
- More recently, Mr Rajan's comment that India is one eyed king in the land of blind has not gone well with ministers with Nirmala Sitaraman, minister of state for commerce criticised the comments in the media.

History was created when Defence Minister presented 'wings and brevets' to 3 women

- History was created at the Air Force Academy (AFA) at Dundigal when Defence Minister Manohar Parrikar presented 'wings and brevets' to three women — Avani Chaturvedi, Bhawana Kanth and Mohana Singh.
- After commissioning 129 cadets in all at an impressive Combined Graduation Parade in the AFA, including the trio, he said it was the endeavour of the Centre to bring gender parity in the Armed Forces.
- He would discuss the details with service chiefs before taking any step forward. "Any move towards ushering in gender parity has to be a smooth affair and not a forced operation," he told press-persons.
- He described it as a 'golden day' and one that should be open up for more women to join the armed forces".
- Hoping that more would volunteer for combat duties, he said it was a challenge when it came to having the required women-friendly infrastructure in place.
- Citing an example, he said the women would need separate hostels and washrooms and a host of related facilities.
- For now, the government was going ahead with a need-based approach, he said and pointed out that a completely different set of infrastructure was required to be put in place.

Draft report on the new national policy on education

- The draft report on the new national policy on education submitted by a panel headed by T.S.R. Subramanian wants reservation for disadvantaged children to be extended to unaided minority schools.
- While the Right of Children to Free and Compulsory Education Act, 2009, mandates that even private, unaided schools shall provide admission to children from disadvantaged groups and weaker sections in admission.
- But private, unaided minority institutions are exempt from this requirement of 25 percent quota for disadvantaged group.
- The Supreme Court, in April, 2012, held that the provision did not extend to institutions set by minorities, which are defined as religious and linguistic minorities in India.
- The panel report says that "it is now important to reconcile the rights of the economically weaker sections with the rights of the minorities under Article 30 (1), particularly when minority institutions appear to clutch at any prop to ensure that their obligations, met by other aided or unaided schools, are circumvented."
- The Right to Education Act includes the Scheduled Castes, the Scheduled Tribes and the Socially and Educationally Backward Classes in its definition of "disadvantaged group" and defines a

child belonging to “weaker sections” as one whose parent or guardian earns below a minimum level of income specified by the appropriate government.

T.S.R. Subramanian panel critical to higher education regulator (UGC)

- A high-power committee headed by former Cabinet Secretary T.S.R. Subramanian, tasked has recommended that the law that set up the higher education regulator University Grants Commission (UGC) be allowed to lapse.
- The committee's report, submitted recently to the Ministry of Human Resource Development, says the UGC has been unable over the years to effectively implement its regulations aimed at ensuring the quality of higher education in the country.
- The panel has instead suggested an alternative arrangement for a pruned UGC.
- “The UGC could be revamped, made considerably leaner and thinner, and could be the nodal point for administration of the proposed National Higher Education Fellowship Programme, without any other promotional or regulatory function,” it said.

Govt rein in on pulses hoarders

- About 1.30 lakh tonnes of pulses have been seized from hoarders in Haryana, Uttar Pradesh, New Delhi and other parts of northern India in the last few months.
- The crackdown is part of government efforts to rein in the spiralling prices of pulses, of which some varieties are selling in retail in large cities for Rs. 180-200 per kg.
- Finance Minister Arun Jaitley told a TV channel that action against hoarders last year helped the government bring the prices of pulses down by about Rs. 50 per kg in the retail market.
- This year, the Directorate of Revenue Intelligence, Income Tax department and local police have been conducting raids on people who are suspected to have been hoarding pulses to take advantage of the high prices, according to sources.
- The demand-supply gap could be even wider than five million tonnes.
- As against the average supply of 17 million tonnes of pulses, the national demand is about 24 million tonnes. India is largest producer of pulses but also largest consumer and a very large importer.

The model code of conduct (MCC) for polls is under review by a Parliamentary Committee

- The model code of conduct (MCC) for polls is under review by a Parliamentary Committee, which will suggest ways to check use of cash and other freebies to lure voters during the elections.
- The panel had, in an earlier report submitted three years ago, recommended reducing the time between enforcement of the model code and the day of polling.
- The panel had suggested that the MCC should come into force from the date of notification and not the announcement of poll schedule. The proposal is pending with the government.
- It is to be looked into quickly to avoid the frustration of people over non-implementation of the recommendation of the panel for three years.
- The panel has also decided to suggest ways to check distribution of cash and freebies ahead of the polls.

- The move comes after it took cognisance of the cancellation of polls in Aravakurichi and Thanjavur constituencies in Tamil Nadu recently following evidence of use of money and gifts to influence the voters.

After reforms PM says India is most open economy in the world

- The Modi government announced radical liberalisation of the FDI regime by easing norms for a host of important sectors, including defence, civil aviation and pharmaceuticals, opening them up for complete foreign ownership.
- The move assumes significance as it comes soon after Raghuram Rajan's announcement that he would not seek another term as the Reserve Bank of India Governor.
- The governor's announcement, days before Britain decides whether to stay in the European Union, had triggered fears that India's growth narrative could unravel.
- Commerce and Industry Minister stressed that the announcement had nothing to do with the RBI governor's decision. "We have been working on this for quite some time. We could not have done all this in one or two days," she said.
- The decision on FDI reforms was taken at a high-level meeting chaired by Prime Minister Narendra Modi.
- In November last, the government announced FDI reforms across several sectors, two days after the BJP-led NDA suffered a resounding defeat in the Assembly elections in Bihar.

ASI has unearthed structures resembling a Buddhist monastery in Gujarat

- The Archaeological Survey of India (ASI) has unearthed structures resembling a Buddhist monastery in Vadnagar city of Gujarat.
- The latest excavation revealed structures resembling monastic cells. However, only further excavation at the site would help establish whether the structures were part of a monastery or were secular in nature.
- To establish Vadnagar's claim as a thriving Buddhist centre, this could be an important discovery, but for that govt need to get land so it can carry out further excavation.
- The ASI carried out excavation at Vadnagar in two phases between January, 2015, and May, 2016.

Outgoing RBI Governor reiterates need to guard inflation

- Outgoing RBI Governor Raghuram Rajan warned policymakers against lowering the guard on inflation, amid expectations his successor will make sharp interest rate cuts.
- He said "We had got used to decades of moderate to high inflation, with industrialists and governments paying negative real interest rates and the burden of hidden inflation tax falling on the middle class and the poor,".
- Delivering a lecture at TIFR, he said a central bank serves the economy and cause of growth best by keeping inflation low and stable around the target given by govt.

China shifts its strategy on India's NSG membership

- China said the “door is always open for discussions” on NSG memberships, subtly shifting from its earlier stand that India's membership was not on the agenda for the nuclear group's plenary in Seoul this week.
- In sharp contrast to what China said earlier: “The upcoming NSG Plenary Meeting in Seoul will not cover this issue (of NSG memberships for non-signatories to the Non Proliferation Treaty (NPT)) either.
- Therefore there is no point talking about supporting or opposing the entry of a particular non-NPT country at this moment.
- Meanwhile, Pakistan Prime Minister's advisor on Foreign Affairs Sartaj Aziz told parliament that Islamabad has “successfully” blocked India's bid to gain membership of the NSG.

A high-power committee recommended changes to infrastructure along coast

- A high-power committee has recommended changes to laws governing infrastructure development along India's coast.
- The most significant being giving greater powers and responsibilities to coastal States to regulate development, maintain and conserve ecologically fragile zones.
- Also the committee has in several places recommended that local town planning regulations be preferred over the existing Coastal Regulation Zone (CRZ) restrictions.
- Last month, the Central Information Commission ordered that the Environment Ministry share the report with Mr. Kohli. The report can be viewed on the CPR website.
- According to a statement by the CPR analysing the report, the new Act proposes the devolution of powers to State and Union Territory governments along with local authorities for CRZ II (built up cities and towns), CRZ III (rural areas) and CRZ IV (12 nautical miles into the sea) areas.
- These are for activities not covered under the Environment Impact Assessment Notification, 2006.

The Environment Ministry has proposed a new policy for the management of forests

- The Environment Ministry has proposed a new policy for the management of forests that among other things proposes a green cess to promote “ecologically responsible behaviour” and called on the government to promote the sustainable use of wood.
- Promotion of wood use, obtained from sustainably-managed forests and trees, would play a positive role in mitigating climate change and ensuring sustainable living.
- Governments and stakeholders must shift from regulating to promoting cultivation, harvesting, transportation and marketing of wood,” the policy added.
- This even as the forest policy also emphasises that the government “must double tree cover, outside forests, within a decade.”
- It proposes a national implementation framework to be in place within six months of the notification, and exhorts States to draft their state forest policies and prepare an implementation framework.
- “Environmental cess, green tax, carbon tax etc. may be levied on certain products and services for facilitating ecologically responsible behaviour, garnering citizen's contribution and supplementing financial resources,” the policy adds.
- India has set an ambitious target of bringing a third of its geographical area under forest-and-tree cover within a decade, up from the current one-fourth.

- The policy acknowledges it but recommends that this be done by replenishing these lands with native species rather than “introducing exotic species.”
- In a nod to the Union government’s controversial decision to declare certain animals as “vermin” and implicitly sanctioning the slaughter of nilgai, wildpigs and monkeys in certain States.
- the forest policy recommends mitigating human-wildlife conflicts by taking up habitat enrichment, providing adequate and timely compensation in case of injury or loss of human life, property, crop damage or livestock casualties and developing teams of well-equipped and trained forest personnel.i

India looking towards Mozambique for pulse imports

- The Union government sent a delegation to Mozambique to explore the options of importing pulses on a government-to-government basis.
- The high-level delegation is led by Consumer Affairs Secretary Hem Pande, an official statement said.
- The delegation includes senior officials of the Ministries of Commerce and Agriculture and those from the Metals and Minerals Trading Corporation of India, a state trading body.
- Another team of senior officials is already in Myanmar on the same mission.
- India’s pulse output has been affected by two consecutive years of drought.
- Because of a gap of 7 million tonnes between demand and supply, the retail prices have soared, with urad dal costing Rs. 195 a kg last week. In most parts of the country, the average prices, primarily of tur dal and urad dal, are ruling high.
- Malawi is another African country with which India is having talks on buying pulses.
- During 2014-15, India produced 17.2 million tonnes of pulses, while during 2015-16 the output was 17.06 million tonnes against the demand of 23.66 million tonnes. The pulse prices increased by 29.6 per cent on an average during 2015-16.

India putting all efforts for NSG

- India’s efforts for membership of the Nuclear Suppliers Group will come to a head, with Prime Minister Narendra Modi’s meetings with Chinese President Xi Jinping in Tashkent, Uzbekistan, on the sidelines of the SCO summit.
- Meanwhile, Foreign Secretary S. Jaishankar rushed to Seoul for a last-mile push at the NSG plenary, as India received more support for its case from France.
- In public statements neither India nor China, that has opposed India’s bid on the ground that it is a non-signatory to the Non-Proliferation Treaty, indicated that they are any closer to a breakthrough in the next two days.
- Chinese Foreign Ministry spokesperson said for the third consecutive day that the issue of non-NPT state membership was not on the agenda at Seoul.
- Even so, China admitted for the first time that unofficial discussions on the applications from India and Pakistan had been taking place.

ISRO launched 20 satellites though a single rocket

- Expanding its horizons, the Indian Space Research Organisation (ISRO) launched 20 satellites through a single rocket, surpassing its 2008 record of launching 10 satellites in a single mission.
- Besides the primary Cartosat-2 Series satellite, the PSLV C-34 rocket launched two satellites from Indian universities and 17 foreign satellites, including one for a Google company.
- ISRO chairman A.S. Kiran Kumar announced the success of the launch.

- Satish Dhawan Space Centre Director termed the launch of the 20 satellites, weighing about 1,288 kg in total, a “major milestone” for the national space agency.
- ISRO also ignited the fourth stage of the PSLV rocket twice after the separation of satellites in an experiment, scientists said.
- Sathyabamasat, the satellite of Sathyabama University in Chennai, the Swayam satellite of the College of Engineering in Pune, LAPAN-A3 (Indonesia), BIROS (Germany), M3MSat (Canada), SkySat Gen2-1 (USA) of Terra Bella (Google company), GHGSat-D (Canada) and 12 Dove Satellites (USA) were the other satellites that were launched.
- The 725.5-kg Cartosat-2 series satellite would be for Earth observation and its imagery would be useful for cartographic applications, urban and rural applications, coastal land use and regulation, and utility management like road networking, ISRO said.
- In 2014, Russian Dnepr rocket launched a record 37 satellites in a single mission.

India to become a member of SCO

- A long-drawn process lies ahead for India to complete its entry into the Shanghai Cooperation Organisation (SCO) which will begin its annual summit on June 23-24 at Tashkent, confirmed the MEA.
- The Memorandum of Obligations, however, will begin a process of more intense engagement.
- The memorandum which India will sign on June 24 will also provide opportunity to intensify anti-terror cooperation between India and China.
- However, unlike the last SCO summit at Ufa, where the bilateral between PM and his Pakistan counterpart Nawaz Sharif was the highlight, this year Pakistan has not yet “formally communicated” to India about its representation at the SCO.

NSG agreed to hold a ‘Special Session’ with India’s membership on the agenda

- After a day of twists and turns, India’s hopes for membership of the Nuclear Suppliers Group (NSG) got stuck over the question of the nuclear Non-Proliferation Treaty (NPT) in Seoul.
- Even as the much-anticipated bilateral meeting between Prime Minister Narendra Modi and President Xi Jinping in Tashkent ended without a statement of support from China.
- Although India had scored a coup when the NSG agreed to hold a ‘Special Session’ on June 24th with India’s membership on the agenda.
- This was despite China’s repeated assertion that the membership of non-signatories to the NPT, or “non-NPT countries” was not on the table for the 26th Plenary session that got under way in Seoul.
- However, while India stated its case to China, there was no return statement from the Chinese government.

Shailesh Nayak Committee report on Coastal Regulation Zone 2011

- Mangrove swathes dotting the coastal areas would be wiped out upsetting the coastal ecology and livelihood options of millions of fishermen if the Shailesh Nayak Committee report on Coastal Regulation Zone 2011 notification is accepted.

- The panel, which recommended that “developmental activities in private mangrove land can be taken up,” has also directed that no buffer zones would be required in private holdings.
- Construction of “walkways, interpretation centres, promenades, public facilities for developing parks, research facilities related to mangrove biodiversity, facilities for conservation and the like” can be set up in the 50-metre buffer suggested for vegetation extending more than 1,000 sq metres.
- The buffer could also be developed as a greenbelt to prevent “encroachment, illegal dumping, construction activity and slum redevelopment” and such “unauthorised and illegal activities which are harmful to mangroves,” it recommended.

BCCI appoints Kumble as head coach

- Anil Kumble has been named head coach of the Indian team for the next 12 months.
- He will take charge at the squad’s preparatory camp ahead of the upcoming tour of the West Indies next month.
- Announcing the decision, the Board of Control for Cricket in India (BCCI) chief Anurag Thakur said it was taken by “the president and secretary” after the Cricket Advisory Committee comprising Sachin Tendulkar, Sourav Ganguly and V.V.S. Laxman submitted “a few names”.
- “Kumble has been a match-winner, has a great record and now we expect him to have a great record as a coach,” he said.

Brexit is complete

- The United Kingdom opted for a momentous change of course by voting to leave the European Union in a closely-fought referendum held. The ‘Leave’ side won decisively with 52 per cent of the vote in the high-turnout vote, which overturned opinion polls that predicted a slender margin for ‘Remain’.
- This is the second referendum on Britain’s relationship with the European project.
- In 1975, in a referendum on whether the U.K. should stay or leave the European Community (Common Market) Area, the country voted for staying in with a resounding 67.2 per cent vote.
- Prime Minister David Cameron, the architect of the referendum, announced that as a measure of respect for the “will of the people” he would be stepping down as Prime Minister in October.
- The referendum saw a turnout of 72 per cent, the highest in any election since 1992, ‘Leave’ won 17,410,742 votes and ‘Remain’ 16,141,241, with all but the regions of London, Scotland and Northern Ireland voting to leave.
- The markets have predictably reacted sharply to the referendum result with the pound falling to its lowest since 1985. Other major currencies have also shown volatility especially the Euro that has seen its worst fall against the dollar.

Govt gives confidence after Brexit

- India is well-prepared to deal with the consequences of Britain's decision to exit the European Union, Finance Minister Arun Jaitley reassured investors after local stock indices slumped in the aftermath of the referendum.
- The BSE Sensex fell as much as 1,091 points, or 4 per cent, before recovering to close 2.2 per cent lower.
- Mr. Jaitley said. "Our macro-economic fundamentals are sound with a very comfortable external position, a rock-solid commitment to fiscal discipline, and declining inflation. Our immediate and medium-term firewalls are solid too in the form of a healthy reserve position."
- "This verdict will, obviously, further contribute to such volatility not least because its full implications for the U.K., Europe and the rest of the world are still uncertain," Mr. Jaitley said.
- In a separate conference call with the media from Switzerland, RBI Governor Raghuram Rajan said the country's fundamentals were healthy and money would return after the initial bout of volatility.

India did't get entry into NSG

- The annual plenary session of the Nuclear Suppliers Group ended without taking any decision on India's application for membership.
- While the 48-member grouping held two lengthy closed-door sessions on the subject of new memberships, several countries expressed concerns over the entry of members who are not signatories to the Non-Proliferation Treaty (NPT), that India has refused to sign.
- Eventually, though, say diplomats, between China's attempts to block any discussion, countries like Brazil and Turkey calling for a "criteria-based" process to be put in place first, and others like Austria, Ireland, New Zealand and Switzerland raising the NPT question, India's chances were scuttled.
- Government officials held that at least 32 countries had made positive interventions on India's behalf, but the NSG's actions are governed by consensus and not by majority.
- In a reference to the discussions, the NSG joint statement said they spoke of "Technical, Legal and Political Aspects of the Participation of non-NPT States in the NSG" and decided to continue its discussion".
- One of India's strongest backers during the session, Japan, however, said that while no agreement had been reached during the current session, their efforts will continue.

People of the cities have to decide about the development of their cities: PM

- "People of the cities have to decide about the development of their urban spaces and such decisions cannot be taken in Delhi," PM Narendra Modi said.
- "The spirit of participative governance is vital. Let us consider urbanisation as an opportunity. Gone are the days when it was seen as a challenge or obstacle," said Mr. Modi.
- Remarking that cities were not merely growth centres, Mr. Modi asserted that India's urban spaces had the strength and the capacity to mitigate poverty, noting that there was a positive atmosphere of competing on development works under the mission.
- Remarking on the robustness of the 'Smart City' project, he said the project in itself was "a mass movement" and that the "experiment had been successful."
- The Prime Minister flagged off 14 projects in the city while laying emphasis on the need to focus on solid waste management.

- “Smart cities are about modern facilities and becoming centres of development,” Mr Modi said, adding, “The people of India are the smartest. Once their skills are harnessed then see the wonders that will occur.”

Informal consultative process for India's entry into NSG

- Closed-door session of the NSG that ended its annual plenary in Seoul appointed Argentine Ambassador as the “Facilitator of the Chairperson to having informal consultations with the Participating Governments (PGs) in the group”.
- The decision indicates that despite opposition from China and other countries on the issue of the NPT that India has refused to sign, and the desire of several NSG countries to look for a “non-discriminatory” membership process.
- Members reportedly agreed to the informal arrangement after a special session where several countries raised India’s case.
- Eventually the NSG joint statement only recorded a bland account of the session, recording that “The NSG had discussions on the issue of “Technical, Legal and Political Aspects of the Participation of non-NPT States in the NSG.”
- Ambassador Grossi’s appointment to assist the new Chairperson from Switzerland with the “continued discussion” on India is significant, as Mr. Grossi is the outgoing Chairperson of the NSG, and was keenly involved in bringing India’s bid to the NSG table this year.
- Argentina has been very supportive of India’s bid, Mr. Grossi is an international expert on disarmament, and negotiated the accession of 197 members to the Chemical Warfare Convention (CWC) some years ago.
- News of Mr. Grossi’s appointment came even as a U.S. official reportedly said that the NSG session had ended with a “path forward” for India’s acceptance as a member.

Environment Ministry revokes draft forest policy

- The Ministry of Environment, Forests and Climate Change has repudiated a ‘Draft National Forest Policy’ that it uploaded on its website earlier this month calling it an “inadvertent” error.
- The ‘Draft National Forest Policy, 2016’, was uploaded on the Ministry’s website on June 16 along with an office memorandum calling for comments.
- The Environment Ministry had tasked the Bhopal-based Indian Institute of Forest Management, an affiliated organisation, with reviewing and revising the existing forest policy.
- This is the first time that the policy was being re-looked since 1988 as it wanted to update the several changes in forest laws and provide a forward-looking policy that talked about increasing India’s forest cover and tackling the effects of climate change.
- While the policy was a study prepared for the “consideration of the government” it was unusual for the government to so “vehemently” deny that it was a draft.
- The draft policy made several suggestions including promoting the commercial use of wood, a greater role for industry in forest management and time-bound reviews of the progress being made in effectively managing forests.

India hopes of NSG entry through special plenary

- Sounding hopeful of its inclusion in the Nuclear Suppliers Group (NSG), India on Sunday acknowledged that the Seoul plenary of the elite club did not yield the “expected results”.
- Confirming the report, an official source told the media that a “special plenary session of the NSG may be called at the year-end”.

- However, the Ministry focussed on the reason for the failure in Seoul, saying India's entry was scuttled by opposition from "one country", meaning China.
- It was the second time that India referred to opposition from one country which prevented it from becoming member of the NSG at the Seoul plenary.
- MEA said India had the right credentials for becoming a NSG member as it had met the conditions of the non-proliferation treaty.
- To the extent that the goalpost remains the implementation of the NPT, we believe we have met the criteria and have all credentials to be a NSG member.
- Our non-proliferation credentials are very well known, our record speaks for itself.
- As a step towards joining various technology regimes, India would join the Missile Technology Control Regime on Monday, he said.

80 per cent of companies had been victims of fraud in 2015-16

- An overwhelming 80 per cent of companies polled in India said they had been victims of fraud in 2015-16, up from 69 per cent in 2013-14, according to a survey report.
- The Global Fraud Report 2015-16 by risk mitigation consultancy Kroll found that the perceived prevalence of fraud in India is the third-highest among all countries and regions surveyed across six continents.
- Only Colombia (83 per cent) and Sub-Saharan Africa (84 per cent) surpass India.
- The report's authors observed that while the incidence of fraud was on the rise globally, a combination of a lack of preventive measures at Indian companies and a poor legal system had resulted in 92 per cent of the respondents saying they had witnessed an increase in exposure to fraud.
- The India-centric data in the report shows that the highest incidence of fraud as reported by Indian companies is due to what the report terms 'corruption and bribery'.

Ministry of Women and Child Development has instituted the National Child Award

- The government of India has sought nominations from all States for national awards for children with exceptional abilities in academics and other fields.
- The Ministry of Women and Child Development has instituted the National Child Award to give due recognition to children with exceptional abilities.
- Also recognise who have achieved outstanding status in various fields including academics, arts, culture, design and sports etc.

PM indicates of crackdown on tax evasion

- Signalling a crackdown on tax evasion, PM, in Mann ki Baat, said a tax amnesty scheme for disclosure of undisclosed income and property would be the last chance for people to join a "transparent system".
- Mr. Modi also spoke of the declaration of Emergency, 41 years ago this June, and how things had changed, with an open assessment of the government, and "open mocking" of even his radio address, a sign of democracy.
- "I have promised that there will be no inquiry into the source of the undisclosed income and assets if the declaration is made voluntarily. That is why I am saying it is a good chance for becoming a part of the transparent system." he said.
- "My plea is that by running away from rules, we lose our peace. Any small person can harass us. Why should we let it happen?"

- Why not ourselves give correct information to the government about our income, about our wealth? For once, dispose of the baggage of the past. I appeal to my countrymen to get free from this,” the Prime Minister said.
- At the same meeting, the Prime Minister said he was informed that only 1.5 lakh people had taxable income of over Rs. 50 lakh.
- “This cannot be digested by anybody. One can see lakhs of people with taxable income of over Rs. 50 lakh in big cities. Before taking any tough step, the government wants to give the people a chance.
- Therefore, my brothers and sisters, there is a golden chance to declare your undisclosed income.
- Referring to the Emergency, and comparing the freedom enjoyed by the people now, he said, the government can be openly criticised and even mocked.
- Recalling the imposition of the Emergency, Mr. Modi said: “All rights of the citizens were taken away. Along with Jayaprakash Narayan, lakhs of people and thousands of politicians were sent to jail.”

India joined the Missile Technology Control Regime

- In a boost to its non-proliferation credentials, India joined the Missile Technology Control Regime (MTCR).
- The Ministry of External Affairs said India’s MTCR membership would help in “furtherance of international non-proliferation objectives,”.
- MTCR chair at The Hague said India would enjoy “full participation in organisational activities, including the October 2016 plenary of the regime in South Korea.”
- India had intensified efforts at gaining membership of the MTCR, the NSG, the Australia Group and Wassenaar Arrangement since getting a waiver at the NSG in 2008.
- Membership of these groups would help India trade more effectively in critical high tech areas.

NITI Aayog is working on a strategy for a tracking system for health parameters

- The NITI Aayog is working on a strategy to put in place a tracking system for monitoring health parameters of target beneficiaries under the National Nutrition Mission on a real-time basis.
- The tracking system is likely to be Aadhaar-linked, NITI Aayog CEO Amitabh Kant told reporters after a meeting with States and Chairman, Tata Trusts, Ratan Tata, on the Mission.
- There are multiple programmes under various ministries aimed at addressing the multitude of the related issues of gender discrimination, infections, diseases, food fortification, education opportunities, sanitation etc, all of which affect stunting and under-nutrition in children below the age of five.
- The Centre’s effort has been to converge the schemes and now the Prime Minister wants that at the district, block and, if possible, at the village level, the healthcare parameters of target beneficiaries.
- The Centre was also working out policy measures and a strategy to converge the various schemes that impacted malnutrition.
- The outcomes at the grass root levels that should be monitored in the Ministry of Women and Child Welfare would also be finalised.
- NITI Aayog Member Bibek Debroy said the challenge was and the target should be to identify individual households or individuals for the purpose of monitoring the outcomes.

U.S. wants progress in investment pact talks with India

- The new model text on the basis of which India is negotiating its Bilateral Investment Treaties (BIT) is making it difficult for America to hold bilateral talks on the proposed India-U.S. BIT.
- This is mainly because India's model BIT text "substantially narrows the scope of investments" that can be covered by the proposed India-U.S. BIT, he said.
- The model text, he said, also "requires that disputes be exhausted in local Indian jurisdictions before alternative investor-state dispute mechanisms can be initiated."
- The objective of BITs is protection of the interests of investors but in the process these pacts aim to balance the obligations of the respective governments and the rights of investors.
- Investors from developed countries including the U.S. have been citing 'judicial delays' in India to demand that they be granted the flexibility in the BITs to take disputes to international arbitration tribunals without waiting to exhaust remedies available in India.
- The sources said these investors have also demanded that the BITs should ensure protection of even the investment commitments they make on the basis of existing policies in India.
- India had become very cautious about the Investor-State Dispute Settlement mechanism in its BITs following instances of governments being dragged by investors to international courts on the basis of the existing treaties.
- Foreign investors — seeking such international arbitration — usually claim huge compensation for "losses" they "suffered" owing to reasons including government policy changes.
- The first round negotiations on the India-U.S. BIT was held in August 2009. However, the negotiations were initially delayed as India and the U.S. had undertaken a review of their respective model BIT texts.

Panchayati Raj ministry could be closed soon

- After facing a massive budget cut last year, the future of the Panchayati Raj Ministry continues to look bleak.
- After the BJP government shuttered two of its key programmes — BRGF and the RGPSA it would soon be closed down and turned into a department under the Ministry of Rural Development.
- Last year's budget cut, from Rs. 7,000 crores to Rs. 96 crores, left such an impact on the Ministry that it lost confidence in empowering panchayats nationwide.
- Some elements of RGPSA were retained and renamed as Rashtriya Gram Swaraj Abhiyan (RGSA). This year, Finance Minister Arun Jaitley allotted Rs. 655 crores to RGSA.

Maharashtra creating its version of the Indian Computer Emergency Response Team

- Maharashtra has taken the first steps towards creating its version of the Indian Computer Emergency Response Team (CERT) to ward off external cyber threats.
- Chief Minister Devendra Fadnavis, heading a high-power committee on cyber security, appointed a consortium of M/s C-DAC (Centre for Development of Advanced Computing) and Railtel Corporation of India to set up a CERT.
- The consultancy report for the Rs. 838-crore project, for which the government has already released half the funds, will be submitted in eight days. The consultancy will cost around Rs 2 crore.

- Railtel meanwhile, has expertise in working out a complex multimedia network based on broadband.
- It has already put in place a network using modern transmission systems and high-end routers created for the Railways's seamless right-of-way along 63,000 km tracks across 7,000 stations.
- The state CERT will also work in coordination with the RBI to counter phishing websites. While banks will have authentication mechanisms in place, the CERT will work to mitigate further risks.

Govt to come up with recommended salary increase for employees

- The Finance Ministry is set to propose on Wednesday a 23.55 per cent overall increase in salaries and pensions for more than 1 crore government employees and pensioners, in line with the 7th Pay Commission's recommendations.
- The cost to the exchequer on this account is estimated at Rs.1.02 lakh crore.
- In November 2015, the pay panel had recommended increases of 16 per cent in pay and 24 per cent in pensions within the overall 23.55 per cent.
- Its estimate was that these recommendations could result in an additional outgo of almost 0.65 per cent of the GDP.
- The 6th Pay Commission had recommended a 20 per cent increase, which the UPA government doubled while implementing it in 2008.
- On the contentious issue of non-functional upgrade, on which the 7th Pay Commission had failed to reach consensus, the Ministry's note for the Cabinet's consideration recommends maintaining status quo, the source said.
- Of the total financial impact of Rs.1.02 lakh crore, the panel proposed that Rs.73,650 crore be borne by the General Budget and the remaining Rs.24,450 crore by the Railway Budget.
- It suggested raising entry level pay to Rs.18,000 per month from the current Rs.7,000. The recommended maximum pay for the Cabinet Secretary is Rs.2.5 lakh per month against the current Rs.90,000.
- Earlier, a panel headed Cabinet Secretary P.K. Sinha, vetted the pay panel's recommendations that will impact remunerations of almost 50 lakh Central Government employees and 58 lakh pensioners.

More than one crore government employees to get hike

- Govt announced an overall increase of 23.5 per cent for over one crore government employees and pensioners in line with the Seventh Pay Commission's recommendations.
- The hikes will come with the August paychecks and be paid with effect from January 1, 2016. The arrears for the six months will be disbursed during the current financial year (2016-17) itself.
- In November 2015, within the overall hike of 23.55-per cent, the pay panel had recommended increases of 16% in pay and 24 per cent in pensions.
- The starting salary for new recruits at the lowest level has been raised to Rs. 18,000 from Rs. 7,000 per month.
- Freshly recruited Class I officers will receive Rs. 56,100. This reflects a compression ratio of 1:3.12 signifying that the pay of a Class I officer on direct recruitment will be three times the pay of an entrant at the lowest level.
- The approved maximum pay, drawn by the Cabinet Secretary, is Rs. 2.5 lakh per month (against the current Rs. 90,000), higher than the salaries drawn by MPs.

- To examine the concerns employees have raised, the Union Cabinet decided to set up four committees: The first will look into the implementation issues anticipated and the second one will go into the likely anomalies.
- Another one will further examine the recommendations on allowances, which have largely been kept on hold. The fourth will suggest measures for streamlining the National Pension System.
- In a rationalisation exercise, the Commission suggested abolishing 51 and subsuming of 37 of the existing 196 allowances.

World bank President to meet PM

- World Bank President Dr. Jim Yong Kim visited an anganwadi centre to weigh India's intervention aimed at childhood stunting.
- Dr. Kim will meet Prime Minister Narendra Modi, to get a stronger commitment for scaling up investments to fight child malnutrition.
- "In just about every developing country, there is not enough appreciation of investing in health, education, social security and economic growth."
- "Most of the FDI is coming into India on the assumption that there will be a workforce able to take them into the next generation."
- The latest data from the fourth round of National Family Health Survey (NFHS), released earlier this year, showed that 37 per cent of children under the age of five are stunted.
- The data was released for 15 States and points to a slow reduction in malnourishment, with a fall of just five percentage points in a decade.
- While Delhi – one of the better performing States — has nearly 30% stunted children, States like Bihar and Madhya Pradesh are the worst off, with 48 and 42 per cent respectively of children stunted. "
- The World Bank is recommending that stunting figures from all countries be shared annually at the World Economic Forum, to keep Finance Ministers committed to ensuring that economic progress translated to countries achieving health targets.

U.S. says Chinese act in South China Sea is a madness

- Warning that China's motives to secure the South China Sea are "madness" and intended towards the Indian Ocean.
- He also said that the U.S. will work to ensure India remains the "natural power" in the Indian Ocean, even as he expressed the U.S.'s commitment to help India attain membership of the Nuclear Suppliers Group.
- The remarks, made during a question and answer session, are the strongest statements made against China by the U.S. in the recent past, and uncommon for a visiting diplomat to make in a third country.
- They also come amid rising tensions between India and China over the NSG meeting in Seoul which failed to induct India. To a specific question on whether India would be able to join the NSG by the year-end, so it could fulfil its commitment to ratify the Paris climate change agreement, Mr. Shannon said, "We have to see, this is our hope."
- He called for closer cooperation between Indian and American diplomats.

IS attacked Istanbul airport

- Turkey pointed the finger at Islamic State jihadists on after suicide bombers attacked Istanbul's main international airport, killing 41 people, including foreigners, and injuring 239.

- Witnesses described scenes of terror and panic as the attackers began shooting indiscriminately and then blew themselves up at the entrance to Ataturk airport, one of Europe’s busiest hubs.
- The assault , which comes at the start of Turkey’s crucial tourist season, was the latest in a wave of attacks in Istanbul and the capital Ankara blamed either on IS jihadists or Kurdish rebels.
- The carnage sparked global condemnation, with U.S. President Barack Obama calling up his counterpart RecepTayyip Erdogan to express condolences, according to Turkish sources.

INTERNATIONAL

About \$13 million in bitcoins will be auctioned in Australia

- About \$13 million in bitcoins will be auctioned in Sydney in June after Australian police confiscated the digital currency as proceeds of crime.
- Ernst & Young was running the process, which is only the second such bitcoin auction in the world after the U.S. Marshals Service sold 1,44,000 bitcoins over a two-year period that had been confiscated from Ross Ulbricht.
- Based on current bitcoin price of \$533.80, the cryptocurrency is valued at almost \$13.1 million.
- The Victoria State government has confirmed that is had seized about 24,500 bitcoins in late 2013 from a Melbourne drug dealer.
- Richard Pollard, 32, was sentenced in the Melbourne County Court in October to 11 years in prison after pleading guilty to drug trafficking on the Silk Road website
- Like the U.S. auction, the Australian bitcoins will be mostly sold in lots of 2,000. One lot will contain 2,518.
- Bitcoin is a digital currency that allows people to purchase goods and services and exchange money without involving banks, credit card issuers or other third parties.

Dalai Lama says refugees in Europe should eventually return to home countries

- The Dalai Lama said in an interview that Europe has accepted “too many” refugees, and that they should eventually return to help rebuild their home countries.
- “A human being who is a bit more fortunate has the duty to help them. On the other hand, there are too many now,” he said.
- He added that “from a moral point of view too, I think that the refugees should only be admitted temporarily”.

US says Euro 2016 soccer tournament will present “potential targets for terrorists”

- The United States warned its citizens that this summer’s Euro 2016 soccer tournament and related events across France and Europe will present “potential targets for terrorists”.
- The month-long European Championship finals start in Paris on June 10, drawing the best international teams from the continent and hundreds of thousands of fans.
- The French government has ruled out cancelling the prestigious tournament, which is expected to draw two million fans to cities across the country.

- To strengthen security at Euro 2016, France has extended a state of emergency put in place after attacks last November on a concert hall, cafes, police and a football crowd.
- The State Department travel warning also noted that huge crowds and extra security should be expected in Krakow, Poland, during the Catholic Church's World Youth Day event between July 26 and 31.

Pak army says U.S. drone strikes in Pakistani territory are regrettable and must stop

- U.S. drone strikes in Pakistan “must stop”, Pakistan’s Army chief General Raheel Sharif said, days after American special forces killed Taliban chief Mullah Akhtar Mansour in a drone attack in the country’s restive Balochistan province.
- Gen. Sharif said: “U.S. drone strikes in Pakistani territory are regrettable and must stop.”
- U.S. President Barack Obama, hailing Mansour’s death as an “important milestone” in efforts to bring peace to Afghanistan, had said American forces would continue to go after threats on Pakistani soil.
- Gen. Sharif added the border management with Afghanistan was improving and urged Kabul to take matching measures on its side of the border.
- He declared that the \$46-billion China-Pakistan Economic Corridor was a national project and it would be completed at any cost.
- The security situation in the country, especially in Karachi city and Balochistan province, is improving, he added.

The UN children’s fund issued warning to Iraqi troops and IS militants for children

- The UN children’s fund on Wednesday issued a stark warning to Iraqi troops and Islamic State (IS) militants in the battle for Fallujah to spare the children.
- Children are the most vulnerable among tens of thousands of civilians trapped in the city west of Baghdad.
- Iraqi forces, backed by U.S.-led air strikes and mainly Shia militias, launched an operation more than a week ago to recapture Fallujah, which has been held by the extremist group for more than two years.
- More than 50,000 people are believed to be trapped inside the Sunni majority city. Government forces have imposed a tight blockade on the city and IS militants are reportedly preventing residents from leaving.
- UNICEF estimated the number of the children trapped with their families inside the city at about 20,000, warning that they face a dire humanitarian situation, in addition to the risk of forced recruitment by IS.
- Iraqi special forces, meanwhile, continued their push into the city from its southern edge, said Brig. Haider al-Obeidi, who said “fierce” clashes were under way on Wednesday.
- The fight for Fallujah is expected to be protracted because IS has had more than two years to dig in. Hidden bombs are believed to be strewn throughout the city, and the presence of trapped civilians will limit the use of supporting airstrikes.

NIIT to provide training to 50000 Chinese students

- At a brand new industrial park in southwest China, where buildings still smell of fresh paint and masonry, the National Institute of Information Technology (NIIT) is gearing up to train 50,000 Chinese students over the next five years.
- The training contract was signed on the sidelines of China’s ‘Big Data’ conference and exhibition at Guiyang.
- Separately, the company sealed an agreement with the provincial government to establish a Big Data Talent Research Centre in Guiyang “to enhance innovation and research”.
- The once impoverished city of Guiyang, well known in history for its role during Mao Zedong’s Long March — is now fast emerging as one of the most prominent landmarks in China’s cyberspace.
- Chinese Prime Minister Li Keqiang, who addressed a conference last week, formally endorsed Guiyang as the country’s ‘Big Data’ hub.
- Analysts say this endorsement dovetails with China’s transition from a low-end manufacturing hub to an advanced digital economy based on high-end consumption and production.
- ‘Big Data’ refers to a massive accumulation of information, siphoned from multiple sources and domains, which can then be analysed to make informed decisions.
- Several factors have gone Guiyang’s way to emerge as China’s ‘Big Data’ core.
- The climate here is mild, power is plentiful and cost of establishing businesses lower than in China’s more developed parts along the coast. Besides, the local government has been relentless in pushing the hi-tech industry.

The committee on constitutional reforms come up with Bill of rights in Sri Lanka

- The official committee on constitutional reforms in Sri Lanka has not been able to arrive at a consensus while making recommendations on several contentious areas such as the nature of state, religion, merger of provinces and land powers.
- Despite this, the 20-member committee has come up with an exhaustive Bill of Rights and provisions for curtailment of powers of the office of Governor, a subject that has been of great interest to the Northern and Eastern Provinces.
- It covers 32 types of rights, ranging from right to life (not included in the 1978 Constitution) to freedom of religion to rights of people with diverse sexual and gender identities.
- In many ways, views of the committee also presented a microcosm of diversities of views and positions in society.
- On the issue of religion, the committee points out that despite the existing constitutional position of providing Buddhism “the foremost place”, the Supreme Court has called Sri Lanka a “secular State”.
- The committee is also for retaining the present national flag or designing one without any reference to ethnicity, while representing Sri Lankan collective life, or framing a new flag symbolising the equality of all ethnic groups.
- Terming the merger of the Northern and Eastern provinces as “the most controversial”, the committee makes six recommendations.
- One of them is for allowing the current structure of nine provinces with constitutional provisions for power- sharing.

Shangri-La Dialogue to start

- U.S. Defence Secretary Ashton Carter arrived in Singapore ahead of a regional security summit likely to be dominated by China’s continued military build up in the South China Sea.

- His attendance at this weekend's Shangri-La Dialogue is part of a broader U.S. diplomatic push to build and maintain alliances in the Asia-Pacific region, which America sees as key to its own long-term economic and security interests.
- In the year since the last summit, China has stepped up its maritime patrols across the South China Sea and built up a series of military bases on small islands it reclaimed from the ocean.
- Mr. Carter has spoken forcefully about China's military moves in the South China Sea and last week said Beijing risked building a "Great Wall of self-isolation".
- China has indicated it may soon declare an Air Defense Identification Zone (ADIZ) that would require civilian aircraft to identify themselves to military controllers in the region.

German passed resolution terming massacre of Armenians as genocide

- German lawmakers passed a resolution recognising the First World War massacre of Armenians by Ottoman forces as genocide, defying Turkey's warnings that the vote could hurt ties.
- Only one MP voted against and another abstained, as Parliament approved overwhelmingly by a show of hands the resolution titled "Remembrance and commemoration of the genocide of Armenians and other Christian minorities in 1915 and 1916".
- Turkey, however, recalled its envoy to Germany and summoned the German charge d'affaires to a meeting at the foreign ministry in Ankara.
- The resolution, put forward by the ruling left-right coalition and the opposition Greens, carries the contentious word throughout and also puts partial blame on the German Empire.
- The "genocide" recognition comes at a particularly awkward time as Germany and the European Union are relying on Turkey to help stem a record influx of migrants even as tensions are rising between both sides over human rights and other issues.
- Acknowledging Turkey's fury over the Bundestag move, political leaders argued, however, that a clear recognition of historical facts was a key step to healing old wounds.
- Berlin has until now not taken a clear position on the WWI massacre, and President Joachim Gauck had been the highest-ranking German official who has called the killings a "genocide".
- His speech last year during commemorations of the 100th anniversary of the killings had drawn fire from Turkey.
- The issue is particularly sensitive in Germany, as it has special ties with Ankara not least due to its three-million-strong ethnic Turkish population which settled following a massive "guest worker" programme in the 1960s and 1970s.

Nepali soldiers kicked off efforts to partially drain glacial lake

- Nepali soldiers have kicked off efforts to partially drain a giant glacial lake near Mount Everest, fearing possible flooding that could threaten the lives of thousands.
- Scientists say climate change is causing Himalayan glaciers to melt at an alarming rate, creating huge glacial lakes which could burst their banks and devastate mountain communities.
- ImjaTsho, located at an altitude of 16,437 feet, just 10 km south of the world's highest peak, is the fastest-growing glacial lake in Nepal.
- The surface area covered by the lake expanded from 0.4 to 1.01 square km between 1984 and 2009, triggering concerns that it may breach its banks and flood villages downstream.
- The work began in April and the army expects to complete the project by the end of the year.
- A flood would have a catastrophic impact on the lives of more than 56,000 people living in villages located as far away as Nepal's densely populated Terai plains.
- Dozens of villages located nearby and in the downstream Terai districts up to 50 kilometres away from the lake are vulnerable.

Committee on constitutional supports autonomous units for Muslims and Tamils

- An official committee on constitutional reforms has supported the idea of forming “internal autonomous units” for Muslims in the East and hill-country Tamils in the Central Province.
- Though three out of 20 members in the panel have proposed the idea, the panel has chosen to make this as one of its recommendations in the chapter dealing with devolution.
- The panel, which gave an account of the plight of the hill-country (Malayaha) Tamils, felt the proposed unit needed to be empowered to address economic, social, cultural and religious issues concerning the community.
- Autonomous units should enjoy legislative and executive powers over defined matters, having an impact on the lives of the community.
- While summarising the problems of the community whose members are living in 14 districts, the committee said the present system of local governments did not fully incorporate human settlements in the plantation sector.
- Considering the importance of the Muslims and the hill-country Tamils in the overall Sri Lankan society, the panel, in its suggestion on the proposed Constitution’s preamble, stated that the two be recognised as constituent parts.
- Also, it recommended that members of the two communities be included in the proposed National Land Commission.

The eighth edition of the U.S.-China Strategic and Economic Dialogue

- China has been a constant factor in the India-U.S. ties, but the delicate balancing act that both countries play in dealing with the Asian giant will be unmistakable when Prime Minister Narendra Modi meets U.S. President Barack Obama.
- When Mr. Modi takes off for the U.S., Secretary of State John Kerry will be headed to Beijing for interactions with Chinese State Councilor Yang Jiechi and Vice-Premier Wang Yang.
- The eighth edition of the U.S.-China Strategic and Economic Dialogue on June 5-7 will have representatives from 20 U.S. departments and agencies.
- The Obama administration is eager to ensure that the lingering tensions between the two countries do not crystallise into a new Cold War.
- While tensions repeatedly crop up — last month in Vietnam, Mr. Obama spoke of “big countries trying to bully small neighbours”
- The U.S. has roped in China in several international initiatives, the Paris climate conference and the Iranian nuclear deal being the most successful examples.
- This week in Beijing, on top of the agenda of the dialogue will be reining in North Korea’s nuclear adventurism.
- China and the U.S. cooperated in the UN for stricter sanctions against North Korea, but the U.S. believes China can do more on this front.
- Prime Minister Modi also said: “There was an age when the world was divided into two camps. That is not true anymore. Today, the whole world is interdependent.”
- “Even if you look at the relationship between China and the U.S., there are areas where they have substantial differences but there are also areas where they have worked closely. That’s the new way.”

U.S. Department of State released 2015 report on terrorism

- Sections of young Maldivians are at risk of becoming radicalised and some have already joined violent extremist groups, the U.S. Department of State said in its 2015 report on terrorism. The youth within the penal system and “otherwise marginalised” members of society have been identified in the report as those falling within this category of Maldivians.
- The new Prevention of Money Laundering and Financing of Terrorism Act (PMLFT) has set forth penalties of 7-25 years imprisonment for those convicted of terrorist acts or of inciting others to do so.
- At the end of 2015, President Abdulla Yameen had not yet published the mandatory list of terrorist entities, as required by the law. The State Department said the Maldives continued to recognise that “counter-radicalisation efforts are a critical component to long-term success against violent extremism”.
- A government-sponsored Islamic university in Male opened in 2015 and its key objective would be “to promote the academic study of religion and “moderate Islam” as a counterweight to extremist

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Kerry warned against provocative and destabilising act in South-China Sea

- U.S. Secretary of State John Kerry is on visit to Mongolia, sandwiched between undemocratic China and increasingly authoritarian Russia, the desire for deeper relations with US is mutual.
- Mr. Kerry’s stop in this nation of 3 million people included heaps of praise for its unlikely democratic story.
- But the top American diplomat also pushed for greater transparency in Mongolia, a sensitive issue given the foreign scramble for its rich resource deposits.
- He also reached Beijing for annual U.S.-China strategic and economic talks.
- Reports are suggesting China may establish an air defence zone in the contested South China Sea.
- Mr. Kerry warned against what he said would be a “provocative and destabilising act”.
- Such action would raise tension between China and its Asian neighbours, he said, and undermine China’s commitment to diplomatically resolve disputes over islands and maritime claims.
- The matter is likely to be a major focus of discussions in the next days.

Coalition fighting in Yemen rejects UN report

- The Saudi-led coalition fighting Shia rebels in Yemen rejected a UN report that placed it on an annual blacklist over the deaths of hundreds of children in air strikes.
- The report, released on Thursday by the office of UN Secretary-General Ban Ki-moon, said 785 children had been killed and 1,168 injured in Yemen last year, blaming the Saudi-led coalition for 60 per cent of the toll.

Former Maldives President jailed for 10 years

- Former Maldives Vice-President Ahmed Adeeb was jailed for 10 years on a terrorism charge, weeks after ex-leader Mohamed Nasheed was granted asylum in Britain.
- With Adeeb’s sentencing, almost all of President Abdulla Yameen’s key rivals are either in jail or living in exile.
- A court official said the case record will not be released to the public as it was considered a matter affecting national security.
- Adeeb (34), once a close confidant of Mr. Yameen, had enjoyed a meteoric rise until he was dramatically impeached in November after being accused of trying to assassinate his boss by blowing up his speedboat.
- Mr. Yameen was unhurt in the explosion last September, but his wife and two others were injured. A trial related to those allegations is yet to conclude.
- He was jailed for 12 years after being tried under a controversial 1990 anti-terrorism law for allegedly inciting unrest during an anti-government rally in May 2015 on the capital island.

International Atomic Energy Agency worried about North Korea

- North Korea may have reactivated a plant for reprocessing plutonium for use in nuclear weapons, the UN atomic watchdog said, citing satellite imagery.
- North Korea mothballed the Yongbyon reactor in 2007 under an aid-for-disarmament accord, but began renovating it after its third nuclear test in 2013.
- The director of U.S. National Intelligence, James Clapper, warned in February that the North could begin recovering plutonium from the reactor's spent fuel "within a matter of weeks to months".

Chinese media criticises India's Chabahar deal

- The recent India-Iran deal to develop the strategic Chabahar Port is part of India's "larger geostrategic calculations" to gain access to West Asia and Central Asia and to counter the Pakistan-China plan to develop Gwadar port, a media report said.
- The sea-land route of Chabahar Port is designed to bypass Pakistan. Indian strategists suggest that India can take further advantage of its ties with Iran and Afghanistan and gain new leverage," the report said.
- It added that Indian also views the investment "as a counterweight against Pakistan's Gwadar Port".
- However, it said that "India may not be able to meet its generous offers and high-sounding rhetoric".
- The report said that if India expected too much from Iran, it is "bound for disappointment".

Another Communal attack in Bangladesh

- Unidentified assailants shot and hacked to death a Hindu priest in Jhenaidah in southwestern Bangladesh in an attack that bore the hallmarks of the recent murders of activists and writers in the country.
- Farmers discovered Mr. Ganguly's body in a rice field near his home in the village of Naldanga. The Islamic State terror group has claimed responsibility for the murder.
- In the last two days, two other people have been killed in a similar manner. The wife of a senior police officer, who was involved in counter-terrorism, was stabbed and shot in the head in the port city of Chittagong.
- Bangladesh has seen a rise in suspected Islamist attacks in the last two years targeting bloggers, online activists, secular intellectuals, and members of religious minorities.
- The IS and the al Qaeda have reportedly claimed responsibility for many of these attacks, though the government has kept denying any "organisational presence" of such terrorist groups in the country.
- Meanwhile, Bangladesh police launched a deadly crackdown on Islamist militants.
- Two "high-ranking" members of the Jamaat-ul-Mujahideen Bangladesh (JMB) were shot dead in a battle in Dhaka and another was killed in a northwestern district, police told AFP.
- Home Minister again linked the main opposition Bangladesh Nationalist Party to the attacks, saying they were part of a wider conspiracy that also involved Mossad.
- Amnesty International demanded "a prompt, thorough, impartial and transparent investigation" into the recent killings, adding that the government must "protect those still under threat".

Hillary Clinton officially secures Democratic nominations

- Americans voted in the last major State primaries of the 2016 White House race from New Jersey to California, after delegate counts showed Hillary Clinton clinching the Democratic nomination.
- Ms. Clinton declare victory as the first woman in U.S. history to secure the presidential nomination of a major party, putting her on course for a showdown with New York billionaire Donald Trump,
- Her challenger Bernie Sanders ignored media reports that she has already clinched the magic number of delegates.
- House Minority Leader Nancy Pelosi — who was the first woman speaker of the House of Representatives and is a California super-delegate this year — formally endorsed Ms. Clinton shortly before voting kicked off in her home State.
- The comments came on the heels of a weekend phone call with President Barack Obama, who has stayed out of the Democratic primary to date but is poised to endorse Ms. Clinton as early as this week.

Chinese media downplays Beijing-Washington strategic dialogue

- Chinese state media has called the Beijing-Washington strategic dialogue that concluded as being marginally helpful in easing tensions, which had spiralled on account of the growing discord between the two countries over South China Sea.
- The China-U.S. Strategic and Economic Dialogue (S&ED) dialogue took place following weeks of tensions that peaked when U.S. Secretary of State, John Kerry, responded harshly to a poser from the Chinese side that Beijing could impose an Air Defence Identification zone (ADIZ) in the South China Sea (SCS).
- The remarks had followed an article in South China Morning Post (SCMP), which, quoting sources close to the People’s Liberation Army (PLA), said that China is preparing an ADIZ in the SCS.
- The possibility that China may enforce an ADIZ, in turn, was fuelled by the U.S. conduct of “freedom of navigation” patrols in the SCS — moves which evoked a robust response from China.
- In May, the U.S. had launched its third “freedom of navigation” operation in the disputed Spratly Islands, followed by the flight of a U.S. EP-3 Aries surveillance aircraft, which was challenged by two Chinese fighter jets.
- The back and forth between the U.S. and China mirrored China’s vocal response in the SCS to President Barack Obama’s “Pivot to Asia” doctrine.

Syria’s President plans to take away every part from IS

- Syria’s President Bashar Al-Assad promised to retake “every inch” of the country from his foes in a defiant speech.
- The speech by Mr. Assad was his first major address since the effort to mediate an end to the civil war broke down in Geneva in April.
- It reflected his sense that Russian intervention in the war has bolstered his position — and his ability to remain in power for the foreseeable future — as the war enters its sixth year.
- The defiance was notable partly because of efforts in recent months by Secretary of State John Kerry and other leaders of a 17-nation collaboration, known as the International Syria Support Group, to set a series of deadlines and limits that Syria could not violate.
- Every one of the directives has been broken. A ceasefire devised in Munich in February collapsed.
- Mr. Kerry’s demand at that time — that humanitarian access had to begin within weeks — was briefly observed in a few towns before access was again largely blocked.
- Mr. Assad was clear that he had no intention of compromising with his adversaries, and seemed to reject the next deadline: an Aug. 1 target for developing a “transition plan” that President Barack

Obama and Mr. Kerry have said must ultimately result in someone else running what is left of Syria.

Hillary Clinton gets Obama's support

- U.S. President Barack Obama endorsed Hillary Clinton to succeed him, declaring in a video message "I'm with her."
- The endorsement comes after a hard fought Democratic primary season, in which Ms. Clinton struggled against her rival Bernie Sanders.
- "I don't think there's ever been someone so qualified to hold this office." "I have seen her judgment. I've seen her toughness. I've seen her commitment to our values up close," Mr. Obama said of Ms. Clinton.
- Looking forward to her presidential campaign, the first major decision Ms. Clinton will have to make ahead of the national convention in July is that of choosing a vice-presidential running mate.
- The selection of the V-P candidate is normally part of a wider agreement the nominee reaches with other sections of the party, and with an eye on reaching out to crucial constituencies or winning a swing State.
- The most talked about woman in this context is Elizabeth Warren, Senator from Massachusetts who has emerged as a leading liberal voice in the party.
- Ms. Warren, the only woman Senator who has not endorsed Ms. Clinton, shares most of the concerns with Mr. Sanders and could be attractive to his supporters who are now feeling dejected.

Pakistan accuses India of derailing talks

- Pakistan accused India of using the Pathankot terror attack as an "excuse" to derail the bilateral dialogue process and said talks are the best way forward to resolve outstanding issues, including "mutual concerns" related to terrorism.
- Pakistan and India had agreed to start the dialogue in December 2015 when Indian Foreign Minister Sushma Swaraj visited Islamabad, he said.
- "But before the Foreign Secretaries could meet and finalise a schedule for resuming the Comprehensive Dialogue, the Pathankot incident of January 2 gave India an excuse to postpone the resumption of the dialogue." He said
- India has accused Pakistan-based terror group Jaish-e-Mohammed for the Pathankot attack and has linked the resumption of the dialogue process to Pakistan taking action against the group.

Chinese President might visit Nepal this year

- Chinese President Xi Jinping is likely to visit Nepal in October following his participation in the Brazil-Russia-India-China-South Africa (BRICS) summit in Panaji, the South China Morning Post reported.
- The presidential visit will cap growing ties between Kathmandu and Beijing, which acquired a high profile after China became an energy supplier to Nepal, breaking India's monopoly in fuel exports, in the midst of a violent agitation over the adoption of Nepal's new Constitution.
- apart from an "assessment" of the possibility of Mr. Xi's visit, two other topics were prominently discussed during Admiral Sun's talks with Nepal's Defence Minister.
- First, the visiting Admiral discussed the extension of the Qinghai-Tibet railway to Kathmandu and further to Lumbini, close to the border with India.
- Last month an international freight train left for Nepal from Lanzhou in China's Gansu province, to cover a distance of 2,431 km to Xigaze in Tibet, the last railhead.

- The goods were then to be transported by road to the Geelong land port in Nepal, and further to Kathmandu, 160 km away.
- Second, the two sides discussed Nepal's integration in China's One Belt One Road, Eurasian connectivity project. China-Nepal ties acquired fresh momentum during the visit to China by Nepal's Prime Minister K.P. Sharma Oli in March.
- Nepal's Vice-President Nanda Bahadur Pun left for a week long visit to Kunming, which is hosting a China-South Asia expo, apart from a meeting of the China-South Asia think tank forum.

German Chancellor wants Britain to stay in EU

- German Chancellor Angela Merkel stressed she hoped that Britain would vote to remain in the European Union in a June 23 referendum that her Finance Minister labelled a "wakeup call."
- Britain and Germany have traditionally been allies in the EU on matters such as free trade.
- She added that "we have very close cooperation on many questions with Great Britain, and would of course like to continue this within the framework of the European Union."
- Germany has the biggest economy in the 28-nation bloc, and Finance Minister Wolfgang Schäuble told Der Spiegel magazine that a British exit, known as Brexit, would be bad for both Britain and the EU. "
- Mr. Schäuble said if it comes to a British exit, that the possibility of other countries following Britain's lead "cannot be ruled out."
- Even if Britain's voters choose to remain in the European Union, the referendum itself shows a dissatisfaction that EU leaders can't ignore, the Finance Minister added in his remarks.

U.S. has asked Pak to ensure that its territory is not used for planning attacks in India

- The U.S. has asked Pakistan to ensure that its territory is not used for planning attacks in India, after Prime Minister Narendra Modi said terrorism is being "incubated in India's neighbourhood."
- "We believe that Pakistan and India stand to benefit from practical cooperation and encourage direct dialogue aimed at increasing cooperation and reducing tensions," State Department Deputy Spokesman said.
- "And that includes steps by Pakistan to ensure that its territory is not used to plan attacks in India and that Pakistan takes steps to address or to go after, I think, all the terrorist groups that are currently using its territory.
- That continues to be an area of collaboration and cooperation that we pursue with Pakistan is its counterterrorism operations," Mr. Toner said.

Bangladesh Government started Nationwide crackdown on ultra's

- Bangladesh police have arrested more than 3,000 people in a sweeping nationwide crackdown following a spate of gruesome murders, as the Prime Minister vowed to catch "each and every killer".
- Those detained include 37 suspected Islamist militants and hundreds of potential criminals who previously had warrants out against them, as well as several hundred ordinary arrests, police said.
- Bangladesh is reeling from a wave of brutal killings that have spiked in recent weeks, with religious minorities, secular thinkers and liberal activists the chief targets.
- The Jamayetul Mujahideen Bangladesh (JMB) is one of the main domestic militant outfits blamed by the government, which rejects claims from Islamic State group that they are behind the killings.

- Prime Minister Sheikh Hasina told a meeting of her ruling Awami League party on Saturday that police would stamp out the violence.
- However, Bangladesh opposition parties immediately accused the police of using the crackdown to suppress political dissent.
- Police detained some 350 people in the country's second-largest city of Chittagong and its surrounding areas.
- In recent days an elderly Hindu priest was found nearly decapitated in a rice field, while a Christian grocer was hacked to death near a church, with Islamic State group claiming responsibility for the killings.
- A Hindu monastery worker was found hacked to death on Friday in the northwestern district of Pabna.

Thirteen top Britain scientists against Brexit

- Thirteen of Britain's top scientists signed a letter backing the campaign to remain in the EU after a dramatic new poll boosted the momentum behind the Brexit campaign less than two weeks before the June 23 referendum.
- Nobel Prize winners including Peter Higgs — after whom the Higgs Boson is named — and geneticist Paul Nurse said the loss of research funding would be one consequence of leaving the bloc.
- “Science thrives on permeability of ideas and people, and flourishes in environments that pool intelligence, minimise barriers, and are open to free exchange and collaboration.
- “The EU provides such an environment and scientists value it highly.”
- An online ORB poll for The Independent newspaper sent sterling falling after indicating that 55 per cent of Britons want to leave the EU, compared to 45 per cent who want to stay.
- An average of the last six opinion polls by academics at the What U.K. Thinks project indicates the race is tied, with each side on 50 per cent.
- Elsewhere on Saturday, Germany's top selling weekly magazine Der Spiegel urged British voters: “Please don't go!” in a special pre-referendum issue.

UN expresses concern over targeted killing in Bangladesh

- As Bangladesh reels under a spate of targeted killings, the United Nations has expressed concern at the “dramatic increase” in murders, including that of people belonging to religious minority groups.
- In a wide-ranging opening speech at the Human Rights Council, UN High Commissioner for Human Rights Zeid Ra'ad Al-Hussein called for investigation and prosecution of the perpetrators.
- Meanwhile, the government said categorically that Bangladesh does not need help from any foreign country or government to protect members of its minority communities.
- Press Trust of India (PTI) said that “two leaders from Bangladesh's Hindu community” had sought assistance from Indian Prime Minister Narendra Modi.
- The Minister claimed that the government's tough stance has already ensured the rights of religious minority groups.
- Since the beginning of a crackdown on terrorists and extremists, law enforcement officials have arrested a total of 5,287 people, of which 85 have suspected militant links.

Islamic state claims responsibility for Orlando shooting

- The Islamic State (IS) group claimed responsibility for the Orlando shooting that killed 50 people, saying in a radio bulletin that it was carried out by “one of the soldiers of the caliphate”.

- The jihadist group declared its “caliphate” in Syria and Iraq in 2014. The IS-linked news agency Amaq said on Sunday that the attack on the gay night club had been “carried out by an Islamic State fighter”.
- U.S. media reported that the gunman, identified as Omar Mateen, a 29-year old American citizen, had pledged allegiance to the Islamic State.

US appeals court upheld Open Internet regulations

- A U.S. appeals court panel upheld hotly contested “Open Internet” regulations that prohibit broadband carriers from playing favourites or blocking competing online services.
- The so-called “Net neutrality” rules, which aim to prevent a two-speed Internet, won court approval after two past efforts failed.
- The U.S. Appeals Court panel in Washington dealt a setback to major broadband firms like Verizon and AT&T, which claimed the rules unfairly restrict providers and discourage investment.
- Mr. Tatel wrote that “the role of broadband providers is analogous to that of telephone companies: they act as neutral, indiscriminate platforms for transmission of speech of any and all user”.
- The ruling is a victory for consumer groups and others who argued that a handful of Internet providers, without these rules, could effectively block or hamper big online services or smaller ones that compete with those backed by the broadband provider.
- The new rule also applies the concept to mobile Internet carriers. The cable and Internet providers, which contend the regulation limits their ability to invest and innovate, could appeal the ruling to the U.S. Supreme Court.

IS leader Abu Bakr al-Baghdadi has been killed in a raid in Syria says reports

- The Islamic State (IS) ’s leader Abu Bakr al-Baghdadi has been killed in an air raid in Syria by the U.S.-led coalition, reports said.
- Baghdadi died in an air strike on IS’s stronghold of Raqqa in northern Syria, Iranian state media and pro-government Turkish daily Yenisafak said, citing IS-affiliated Arabic news agency al-Amaq.
- The coalition did not immediately comment on the report. Iraqi TV channel ‘Al-Sumaria’ said that Baghdadi had been wounded on Sunday in a coalition air strike on a location 65 km west of IS-held Mosul.
- Baghdadi, who had a \$25 million bounty on his head, has moved around within the past six months and had travelled to Mosul.

US President hosts Tibetan spiritual leader

- U.S. President Barack Obama hosted the Dalai Lama at the White House, a now familiar ritual that takes place off-camera and out of the public eye to avoid irking China.
- Mr. Obama carried out what has become a political rite in Washington, spiriting the exiled Tibetan spiritual leader into the White House through the back door and prompting the usual Chinese denunciations.
- Since coming to office, Mr. Obama has hosted the Dalai Lama three previous times. Each time, He has tried to limit the fallout by holding the meeting behind closed doors.
- Even before the meeting, Beijing made its displeasure felt, warning it would “damage mutual trust and cooperation”.

France became first country to ratify Climate deal

- President Francois Hollande finalised ratification of the Paris climate accord reached in December 2015, making France the first industrialised country to do so.
- “Signing is good, ratifying is better,” Mr. Hollande quipped at the Elysee Palace ceremony.
- He noted that the deal will not come into force unless at least 55 countries responsible for at least 55 per cent of global greenhouse gas emissions ratify it.

Brexit dominates Eurozone ministers meeting

- Eurogroup head JeroenDijsselbloem said that the Eurozone was ready for any of the negative effects of a vote by Britain to leave the European Union.
- But, he added: “We have the capacity to deal with any shocks that might occur.”
- The 19 Eurozone ministers were meeting in Luxembourg for talks with IMF head Christine Lagarde, but the threat of a vote by Britain to leave the European Union dominated concerns.
- French Finance Minister Michel Sapin warned that a British exit from the EU would mainly affect the British people.
- The high-octave EU referendum campaign in the United Kingdom ground to a halt with news of the shocking murder of the charismatic Labour Member of Parliament, Jo Cox.
- Ms. Cox, a first-time MP, was a vocal supporter of Britain remaining in the European Union (EU).

China criticised U.S. President Barack Obama for hosting the Dalai Lama

- China criticised U.S. President Barack Obama for hosting the Dalai Lama at the White House, despite efforts to avoid irking Beijing by holding the meeting off-camera and out of the public eye.
- Mr. Obama carried out what has become a political rite in Washington, spiriting the exiled Tibetan religious leader into the White House through the back door— and prompting the usual Chinese denunciations.
- Since coming to office, Mr. Obama has hosted the Dalai Lama four times. Each time, Mr. Obama has tried to limit the fallout by holding the meeting behind closed doors. This latest confab took place in the Map Room, not the Oval Office.
- In a statement after the meeting, the White House said Mr. Obama had “encouraged meaningful and direct dialogue between the Dalai Lama and his representatives with Chinese authorities to lower tensions and resolve differences”.
- But some exiled Tibetans questioned the value of such meetings, urging bolder action from the U.S.

Strategically important Fallujah taken back from IS

- After weeks of fighting, Iraqi forces entered central areas of Fallujah, facing little resistance by the Islamic State (IS), as thousands of civilians fled in a new wave of displacement that has overwhelmed the ability of aid agencies to care for them.
- Counterterrorism forces raised the Iraqi flag over the main government building in central Fallujah, about 40 miles west of Baghdad, which was the first target of U.S. forces when they invaded the city in 2004.

- The rapid, and unexpected, gains suggested a shift in tactics by the Sunni extremists, or perhaps a sign of their weakness, as they abandoned their dug-in positions and regrouped in western neighbourhoods.
- That allowed thousands of civilians, which aid groups had said were being held as human shields, to flee across two bridges over the Euphrates river beginning.
- The U.S., which has led a coalition targeting the IS with airstrikes for almost two years in Iraq, has supported the battle for Fallujah with air power, even as it has raised concerns about the role of Shia militias backed by Iran in the fight.
- Fallujah has been in the hands of the IS since the end of 2013.
- The UN's humanitarian coordinator for Iraq, said she was receiving reports that perhaps 10,000 families, or 60,000 people, were on the move toward government-held areas of western Anbar province, where camps for the displaced are already overwhelmed and lack basic supplies.

U.S. diplomats demand action against Assad

- Dozens of U.S. State Department employees have endorsed an internal document that advocates U.S. military action to pressure Syria's government into accepting a cease-fire and engaging in peace talks.
- The "dissent channel cable" was signed by about 50 mostly mid-level department officials who deal with U.S. policy in Syria, according to officials who have seen the document.
- It expresses clear frustration with America's inability to halt a civil war that has killed perhaps a half-million people and contributed to a worldwide refugee crisis, and goes to the heart of U.S. President Barack Obama's reluctance to enter the fray.
- Mr. Obama called for regime change early on in the conflict and threatened military strikes against Syrian forces after blaming President Bashar Assad for using chemical weapons in 2013.
- But he only has authorised strikes against the Islamic State and other U.S.-designated terror groups in Syria.
- While Washington has provided military assistance to some anti-Assad rebels, it has favoured diplomacy over armed intervention as a means of ushering Syria's leader out of power.

Role of Saudi Arabia in 9/11 still unclear

- In February 2004, two U.S. investigators interrogated a man they believed might hold answers to one of the lingering mysteries of the Sept. 11, 2001, attacks: What role, if any, did officials in Saudi Arabia's government play in the plot?
- However, nearly, 15 years after the attacks, the question of a Saudi connection has arisen again amid new calls for the release of a long-classified section of a 2002 congressional inquiry into the attacks that discusses a possible Saudi role.
- At the FBI, the Sept. 11 plot officially remains an open case. While there is broad agreement on how it unfolded, there are aspects of the investigation that remain unresolved.
- And the mystery begins with the arrival at Los Angeles International Airport on Jan. 15, 2000, of two Saudi men who more than year and a half later would be among the hijackers who crashed American Airlines Flight 77 into the Pentagon.
- That circumstance would make it all the more critical for the FBI, after the attacks, to find out whether the two hijackers received help after reaching Los Angeles.
- An FBI document from 2012, cited last year by an independent review panel, concluded that al-Thumairy "immediately assigned an individual to take care of al-Hazmi and al-Mihdhar during their time in the Los Angeles area".
- Whether out of charitable instincts or at someone's direction, Bayoumi helped the two future hijackers settle in San Diego, in the apartment building where he himself lived.

Two amendments for cut in the U.S. aid to Pakistan have been defeated

- Two legislative amendments seeking a cut in the U.S. aid to Pakistan have been defeated in the House of Representatives with most lawmakers arguing that it is essential to maintain ties with a nuclear armed country.
- The first amendment moved by Congressman Ted Poe that sought to cut funding to Pakistan from \$900 million to \$700 million in coalition support fund (CSF) was defeated on the House floor by a recorded vote of 191 to 230.
- Another amendment moved by Congressman Dana Rohrabacher seeking to prohibit funds from being used to provide aid to Pakistan has been defeated by a recorded vote of 84 to 236.
- However, majority of the lawmakers did not support Poe and Rohrabacher in cutting aid to Pakistan.

Migrant crisis showing a light

- Contemporary writing on the ongoing “migrant crisis” has focused on the collapse of border-patrols and asylum bureaucracies; the erosion of political mandates in countries like Germany; and the rise of xenophobia, creating an impression of a world in chaos.
- The EU’s deployment of warships and intelligence assets against agents like Majid suggests a fundamental misunderstanding of the complex, and dispersed, networks of obligations and solidarities resulting from one of the largest migrations of humanity in recent memory.
- Many refugees and facilitators like Majid recall the past year-and-a-half as a moment of intense, frenetic freedom when the restrictive border apparatus across a vast geography, from the fringes of the Indian subcontinent to the heart of Europe, temporarily retreated.
- Its place was taken by a robust network of Afghans, Turks, Kurds, Syrians, Iranians, and Pakistanis, snapped in place to ferry migrants from across the world to the European border.
- So when a traveller from Lahore reaches Samos in Greece, he triggers off a wave of escrow payments — his family pays an agent in Pakistan, who maintains a running account with another agent in Tehran, who works with a Kurd in Van, who has people in Istanbul.

British PM says rise of India is one of the reason to go against Brexit

- British Prime Minister David Cameron invoked increasing trade with India as part of his plea to the public to vote to remain in the European Union (EU), saying cutting off from the main EU market would be “economic madness”.
- Mr. Cameron said, “The rise of countries like India and China... [means we have] big economies that we need to trade with more.”
- He said Britain could “do more with India” but not by cutting itself off from the EU.
- Mr. Cameron also said that about 80 per cent of Britain’s economy consists of services like insurance and banking and architecture and sales and advertising.
- About 45 per cent of the U.K.’s exports go to the EU at £227 billion, while imports accounts for £288 billion, according to 2014 data.
- The debate for Britain’s future with the 28-member economic bloc has entered its final stage with just three days to go before the crucial referendum.
- With opinion polls reflecting a very close contest between the ‘Remain’ and ‘Leave’ camps, some of the U.K.’s senior-most entrepreneurs and professionals spoke out in favour of the country remaining in the Union.

- Virgin Group boss Richard Branson, one of the country's most respected business tycoons, also warned that a British exit from the EU would be "devastating" for the U.K.'s long-term prosperity.

Virginia Raggi was elected as Rome's first woman Mayor

- Virginia Raggi was elected Rome's first woman Mayor, sweeping into city hall on the ticket of the populist Five Star movement (M5S) with the backing of over two-thirds of voters.
- Ms. Raggi (37), a Rome-born lawyer, started the campaign as a political novice.
- However, she won over voters with her programme for cleaning up the administration, presenting her ideas in the crisp and sober manner of a patient academic.

Panama inaugurate wider canal

- The Central American nation is to officially open its expansion work on the century-old Panama Canal after years of costly work with a ceremony featuring regional leaders and foreign dignitaries.
- The project ran hundreds of millions of dollars over budget and two years past deadline, taking nine years to complete at a cost of more than \$5.5 billion.
- It required the construction of new locks, enlarged access and a deepening of the canal bed. Enough metal was used over the nine years to build 20 Eiffel Towers.
- The pharaonic task of broadening the 80-kilometer canal, which is sometimes called the eighth modern wonder of the world, is a source of pride for Panama.
- With the expansion, the Panama Canal — through which five per cent of world maritime commercial traffic already passes — will be able to take ships carrying three times as much cargo as before, up to 14,000 containers.
- The government also hopes to wrest back "a good part" of the cargo traffic currently going through Egypt's Suez Canal.

End of Latin America's longest civil war

- Colombia's government and the FARC guerrilla group reached agreement on a definitive ceasefire in Latin America's longest civil war, they said in a joint statement.
- The national government and FARC delegations inform the public that we have successfully reached an agreement for a definitive bilateral ceasefire and end to hostilities.
- The announcement heralds an end to a half-century conflict that has seen hundreds of thousands of people getting killed.
- The deal would all but end the conflict by resolving one of the final points at peace talks between the government and the Revolutionary Armed Forces of Colombia (FARC), the country's biggest rebel group.
- The Colombian conflict started as a rural uprising in the 1960s. It has left 260,000 people dead, 45,000 missing and nearly seven million displaced, according to official figures.
- Peace talks have been under way in Havana since 2012. They got a boost when the FARC declared a unilateral ceasefire a year ago.

Indian govt more confident on NSG membership now

- Government remained optimistic of a positive outcome at the NSG meeting, given that India's membership is now firmly on the agenda, and the consensus is in India's favour.
- India's hopes of a place at the nuclear high table rest on that consensus being acknowledged in some form in the closing statement of the NSG, with a commitment to take forward India's membership application either on Friday or in the near future with a fixed timeline.
- As the special session began, and even though India had received vocal support in intervention from at least 32 countries during the day, including the United States, Japan, France and host South Korea.
- However it became clear that several countries were holding out on the question of how to proceed forward for all countries that have not signed the NPT, without making a special exception for India.

Pakistan asks for exception in NSG bid

- Any "exception" in granting membership to the NSG will "disturb" strategic stability in South Asia, Pakistan President Mamnoon Hussain told his Chinese counterpart.
- Making a strong case for Pakistan's bid to join the NSG, Mr. Hussain said that his country had made notable efforts over the years to strengthen its export controls, command and control and nuclear safety and security.
- Mr. Hussain met Mr. Xi on the sidelines of the Shanghai Cooperation Organisation (SCO) summit in Uzbekistan and discussed Pakistan's entry into the NSG, the Foreign Office said in a statement.
- Mr. Hussain said Pakistan was committed to the timely realisation of all the projects under China-Pakistan Economic Corridor and emphasised that it would not only benefit Pakistan and China but would be a game changer for the entire region.
- Mr. Xi expressed China's complete support to Pakistan's national security and territorial integrity.

EU wants transition to Britain exit should be smooth

- A stunned European Union (EU) urged Britain to leave as "soon as possible" amid fears the devastating blow to European unity could spark a chain reaction of further referendums.
- German Chancellor Angela Merkel and French President Francois Hollande led calls for the European Union to reform in order to survive a traumatic divorce with Britain.
- In a sign that the bloc wants to move on swiftly, EU chiefs told Britain in a strongly-worded joint statement to "give effect to this decision of the British people as soon as possible, however painful that process may be".
- The uncompromising stance came after Prime Minister David Cameron said he would resign and leave the negotiations on Britain's departure from the 28-nation club to a successor who will be named by October.
- Worried European leaders will hold a series of crisis talks in coming days, with Ms. Merkel saying she would host the leaders of France and Italy along with EU President Donald Tusk in Berlin to try to chart a reform plan.
- Mr. Hollande said the Brexit vote was a "grave test for Europe", adding that the bloc "must show solidity and strength in its response to the economic and financial risks".
- EU chief and former Polish premier Tusk — who had earlier warned that a 'Leave' vote could "end Western political civilisation" — put on a brave face, saying that "what does not kill you makes you stronger".
- The European Parliament will, meanwhile, pass a motion at an emergency meeting urging Mr. Cameron to trigger the exit process by invoking what is known as Article 50.

- The biggest fear was of contagion, with immediate calls by far-right leaders in France and the Netherlands for their countries to hold their own votes on EU membership.
- French far-right leader Marine Le Pen said the British result was a “victory for freedom”, while Dutch anti-Islam MP Geert Wilders said “the Dutch people deserve a referendum as well”.

Brexit has put the question of Scottish independence back into fore

- Britain’s vote to leave the European Union instantly put the question of Scottish independence back into play, with Scotland having voted heavily for the U.K. to remain in the bloc.
- Scottish First Minister Nicola Sturgeon said the result put an independence referendum “on the table”, adding that it was “highly likely” within two years.
- Wales and England — except London — voted for Britain to leave the EU, while Northern Ireland voted for it to stay in.
- The vote also raises questions about the future for Northern Ireland, which shares the U.K.’s only land border, with the Irish Republic.
- Northern Ireland voted 55.8 percent in favour of staying in the EU. Irish Prime Minister Enda Kenny tried to soothe concerns.

Brexit gives too many problems to Britain

- The Brexit referendum verdict continued to spread turmoil in the United Kingdom’s political and economic landscape on day two after the vote.
- While the long-term economic consequences of the break with the European Union remain unclear, its political fall out is more immediate.
- Scotland announced after a cabinet meeting that her government would begin work on legislation for the option of a second independence referendum.
- In Northern Ireland, which also voted by a majority to remain, similar rumblings are being heard.
- Brussels, meanwhile, is pressing hard for the U.K. to quickly initiate Article 50 of the Lisbon Treaty that triggers the process of disengaging from the EU.
- Statements issued by foreign ministers of the six founding countries of the EU, following an emergency meeting in Berlin, indicated the urgency with which the countries wish to insulate the EU and their own economies from the Brexit upheaval.

Brexit split the nation

- More than a million Britons pleaded for a second referendum as Britain’s seismic vote to abandon the EU split the nation after pounding world markets, toppling the Prime Minister and raising the threat of a breakup of the island nation.
- In a sign of the fissures exposed by the June 23 vote, 1.2 million people signed a petition on the official government website calling for a repeat vote.
- A parliamentary committee, which can put forward petitions for debate by lawmakers, will consider the proposal on 28th June.
- European powers called for Britain to be shown the door quickly as they grappled with the impending loss of one of the world’s top economies, the first defection in the bloc’s 60-year history.

China and Russia signed a raft of agreements to increase tie

- China and Russia signed a raft of agreements, that ranged from the areas of food and energy security to military, cementing the strategic core of a relationship that apprehends US growing military presence in their backyards.
- Over 30 agreements have been signed during Russian President Vladimir Putin's whirlwind visit to Beijing.
- The agreements covered joint development of a longrange civilian aircraft.
- Moscow was starting the development of the heavy aircraft engine with a thrust of 35 tonnes for the aircraft.
- The two countries are also developing a heavy-lift helicopter based on Chinese specifications.
- It would have a maximum take-of weight of 38.2 tonnes, and fly at maximum speed of 300 km per hour.

Pope spread message of peace for Turkey-Armenia

- Pope Francis on Sunday released peace doves on the Armenia-Turkey border in a gesture of reconciliation as Ankara slammed the pontiff for denouncing the mass killings of Armenians by Ottoman forces as "genocide".
- Standing on a terrace of the Khor Virap monastery, Pope Francis and the head of the Armenian Apostolic Church Kareki- II released the two white birds in the direction of Mount Ararat.
- The long-planned gesture at the end of a three-day visit to Armenia came in the face of fresh Turkish ire after Pope Francis used the word "genocide" to refer to the century-old slaughter that Ankara furiously rejects.
- Turkish Deputy Prime Minister labelled the Pope's declaration "very unfortunate" and said it bore traces of "the mentality of the Crusades". "It is not an objective statement that conforms with reality," he said.
- The Vatican rejected the allegations and said the Pope was trying to build "bridges not walls" and had nothing against Turkey.

After Brexit domestic turmoil is new challenge for Britain

- British leaders battled to calm markets and the country after its shock vote to leave the EU, while insisting London would be not rushed into a quick divorce.
- Despite governments soothing words, shares in banks, airlines and property companies plunged on the London stock exchange as investors singled out those three sectors as the most vulnerable.
- The reassurance halted the fall of sterling, which collapsed by 10 per cent on the day of results, but only temporarily as it then plunged again to its lowest level against the dollar in almost 31 years.
- EU leaders have urged a swift divorce amid fears a drawn-out process could imperil the integrity of the alliance.
- But Prime Minister David Cameron has said negotiations on Britain's departure must wait until a successor is chosen from his Conservative party, which could be as late as October.

China defends its move of blocking India's NSG bid

- An editorial in China’s state-run Global Times asserted that at least 10 countries opposed India’s bid to join the Nuclear Suppliers Group (NSG).
- The daily stressed that lack of India’s membership to the Nuclear Non-Proliferation Treaty (NPT) — the cornerstone of NSG membership — was the chief obstacle in New Delhi’s path to become a member of the club.
- The write-up attributed India’s sharp reaction to the rejection of application at Seoul to the sustained “adulation” of India by the Western powers.
- “Recent years have seen the Western world giving too many thumbs up to India, but thumbs down to China. India is spoiled.
- Although the South Asian country’s GDP accounts for only 20 per cent of that of China, it is still a golden boy in the eyes of the West.”
- The editorial made two additional points. First it stressed that “nationalists” in India are yet to develop a mindset befitting the citizenry of a “major power”.
- It also contrasted the response by a section of people in India to the reaction in China to Beijing’s inability to become a member of the Missile Technology Control Regime (MTCR)
- Meanwhile, Han Hua, the director of Arms Control and Disarmament at Peking University, pointed out that the strong structural linkage between NPT and the NSG is likely to undermine India’s efforts to become a member.

EU meet first time without Britain

- Britain got its first taste of a future outside the EU as Europe’s leaders met without Prime Minister David Cameron and warned London must accept EU migrants to win access to the bloc's free trade zone.
- European leaders gathering without a British representative for the first time in 40 years poured cold water on the chance of Britain gaining no-strings-attached access to the huge EU single market of 500 million people.
- The statement was a blow to “Brexit” campaigners, who promised to restrict large-scale EU migration to Britain while assuring British companies would still be able to easily sell goods and services to the continent.
- “If Britain wants to have common market access, like Norway for example, then the U.K. will have to respect the free movement of goods, capital, people and services,” he said.
- German Chancellor Angela Merkel has also warned that London cannot not “cherry-pick” the terms of the exit negotiations.
- Mr. Cameron has resisted pressure to immediately activate the Article 50 mechanism to leave the EU, saying he is leaving it to his successor, who will not be named until September 9.
- EU leaders say that until this notification is made, no talks can begin—formally or informally—on resetting Britain’s ties with the EU, a process meant to last two years.

Over one-third face starvation in South Sudan

- Over a third of South Sudanese face starvation as the war-torn nation runs the risk of a full-blown famine, the UN and government said.
- Despite a peace deal to end civil war, nearly five million people — more than ever before in the world’s youngest nation — need food aid to survive.
- Civil war erupted in South Sudan in December 2013 but rebel chief RiekMachar returned to the capital in April as part of a peace deal which saw him become vice president, forging a unity government with President SalvaKiir.
- Aid workers have been able to access some of the hardest hit areas since then, but violence continues between multiple militia forces.

India and Singapore held the inaugural Singapore-India Defence Ministers' Dialogue

- Taking forward the Prime Minister's commitment in Singapore for furthering defence cooperation during his visit to Singapore last year, India and Singapore held the inaugural Singapore-India Defence Ministers' Dialogue (DMD).
- Mr. Parrikar and Dr. Ng commended the long-standing defence ties between Singapore and India, and noted the DMD would take the relationship to new heights.
- Last month, the two countries convened the first meeting of their Defence Industry Working Group in which both sides agreed to set up industry level working mechanisms to foster cooperation in aerospace, electronics and other areas of mutual interest.
- Both ministers noted that new opportunities for industrial collaboration, including through Joint Ventures, have opened up due to India's Make in India initiative.
- Both countries significantly scaled up their military to military engagement with bilateral visits and joint exercises.
- India and Singapore signed a Defence Cooperation Agreement (DCA) in 2003 which was revised in 2015.
- Defence cooperation had been identified as a key sector under the India-Singapore Joint Declaration on Strategic Partnership signed during the visit of Prime Minister Narendra Modi to Singapore in November 2015.

India looking for port facility in Paira, Bangladesh

- After bagging the strategically important Chabahar Port in Iran, the government is looking eastwards and is in discussions with Bangladesh to develop a similar facility in Paira.
- India Ports Global, the joint venture between the state-run JNPT and Kandla Port for overseas ports, is interested in the expressions of interest which have been invited for construction of Paira/Payra port in Bangladesh.
- A media report said China had evinced keen interest in building the Paira port. In what was taken as a reflection of the growing Indo-Bangladeshi ties,
- Dhaka had cancelled the deal and was about to award it to New Delhi. The Narendra Modi government has been talking about an 'Act East' policy, as against the previous regime's 'Look East' policy.
- The moves to build maritime infrastructure in Iran in the West and Bangladesh in the East seem to be part of that approach.

India and Switzerland agreed to tackle the problem of black money

- Prime Minister Narendra Modi and Swiss President agreed to expand cooperation in tackling the problem of Indians stashing black money in Swiss banks besides resolving to step up ties in areas of trade, investment and vocational training.

- Speaking after talks between the two leaders, Mr. Modi said both the sides had also agreed to support each other for their respective bids for the non-permanent membership of the UN Security Council.
- Indian tax authorities are probing cases of tax evasion and black money stashed abroad.
- Referring to energy security, Mr. Modi said reliance on renewable energy, rather than on fossil fuels would be India's "guiding motto".
- "I invite the Swiss companies to avail of this great opportunity to be a key partner in India's economic growth. Ultimately, the economic prosperity of 1.25 billion plus would also benefit the entire world," Mr. Modi said.

PM on three day US visit

- "Advancing the ambitious climate change and clean energy agenda" and "further enhancing our security and diplomatic cooperation across the Indo-Pacific region," would be focus of the discussions between India and the U.S.
- PM is scheduled to arrive in Washington for a three-day tour. Mr. Modi will have a bilateral meeting with President Barack Obama, to be followed by a lunch, at the White House.
- Mr. Modi will address a joint session of the U.S. Congress, which will be a demonstration of the bipartisan support that the India-U.S. relationship has acquired.
- Mr. Modi will interact with U.S. CEOs and investors at the annual meeting of the U.S-India Business Council. Mr. Modi is visiting the U.S — the fourth time since he took over as Prime Minister in 2014 — at Mr. Obama's behest.
- USIBC president Mukesh Aghi said the USIBC event would have CEOs of 25 Fortune 500 companies attending it.
- The event would also honour Amazon Founder and CEO Jeff Bezos, and Founder and Managing Director of Sun Pharmaceuticals Dilip Shanghvi with the Global Leadership Awards.
- The USIBC is also lobbying with the U.S and Indian governments to restart the negotiations for a bilateral investment treaty.
- Mr. Modi is facing protests from groups in India on the intellectual property rights policy that his government announced recently.
- The government has claimed the new policy does not compromise the country's ability to ensure affordable drugs, but several campaign groups believe the Modi government is coming under U.S. pressure on the issue.

India- Japan nuclear deal facing difficulties

- It may take more than a year for the India-Japan civil nuclear agreement to fructify.
- This is because the National Diet, the Japanese legislature, failed to take up the agreement in the summer legislative session that ended on June 1, even the "technical details" were yet to be finalised.
- The pact, firmed up during the visit of Prime Minister Shinzo Abe in December 2015, needs the legislative approval as the Japanese government wants to convince parties in the Diet.
- Bilateral discussion on the nuclear deal is likely to take place during the visit of External Affairs Minister Sushma Swaraj to Tokyo. However, the visit has not been finalised so far.

Modi, Obama discusses important Paris climate deal, missile treaty

- U.S. President Barack Obama held discussions with Prime Minister Narendra Modi on measures to bring the landmark Paris climate change agreement into force as quickly as possible.

- They also discussed financing for India’s ambitious plans to expand solar power and clean energy.
- Mr. Modi said the U.S. and India were cooperating on issues of global concern, including nuclear security, climate change and terrorism.
- The two leaders also welcomed the start of preparatory work on six nuclear reactors in India, a key step in closing the first deal stemming from a U.S.-India civil nuclear accord, which was struck over a decade ago.
- A joint statement said that India and the U.S. Export-Import Bank intend to work together toward a competitive financing package for the project and would work to finalize agreements by June 2017.
- Once completed, the project would be among the largest of its kind, fulfilling the promise of the U.S.-India civil nuclear agreement and demonstrating a commitment to meet India’s growing energy needs while reducing reliance on fossil fuels.
- India and the U.S. agreed to initiate domestic processes to ratify the Paris Agreement on climate change — negotiated by over 190 countries in December 2015 — and complete the process within this year.
- Nuclear Power Corporation of India Ltd. (NPCL) and nuclear reactor builders, Westinghouse, will immediately start the engineering and site design work on six reactors to be set up in Gujarat under an early work agreement; all commercial agreements will be completed by June 2017.
- The Obama administration has already made a public commitment that it would seek to ratify the Paris agreement. India’s ratifying the deal — which will be a decision of the Union Cabinet — will take it closer to coming into force.
- At 6.96 per cent of the total global emissions, India ranks fourth after China, the U.S. and the EU on the list of polluters.
- India came closer to the first of four nuclear regimes it is trying to gain entry into, with countries belonging to the 34-member Missile Technology Control Regime (MTCR) raising no objection to India’s membership later this year.
- Meanwhile, the MTCR chair has now begun the next stage of formalities for India, which require each of the 34 member countries to send a “diplomatic note” stating formally that they accept India’s membership.
- India’s membership had been blocked in 2015 by Italy that seemed to link it to the standoff over the detention of the Italian marines. With the return of the second marine to Rome, Italy is no longer blocking the consensus.
- India is also hopeful of building on the MTCR entry with membership to the Nuclear Suppliers Group.
- Meanwhile, China has insisted on consensus among the NSG members over India's admission. “Members still differ on the accession of countries which are not party states to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

On defence and cooperation US and India have made great strides

- India and the U.S. have different interpretations of what they agreed upon at the talks on the Paris Agreement on climate change when Prime Minister Narendra Modi and President Barack Obama met.
- But on defence and cooperation in Asia-Pacific, both sides agree that they made great strides.
- The U.S. has recognised India as ‘major defence partner,’ a classification that will allow India to buy more advanced and sensitive technologies from the U.S.
- This move will be complemented by India’s entry into the Missile Technology Control Regime, an exclusive club that restricts trade in sensitive defence technologies.
- The U.S. has also declared that it will be its “strong objective to have India voted as a member “of the Nuclear Suppliers Group (NSG), another export control regime, later this month.

- The joint statement said, “The leaders reached an understanding under which India would receive licence-free access to a wide range of dual-use technologies...”
- While India is enthusiastic about the prospects of technology cooperation, the U.S is more focussed on the progress on climate change.
- U.S officials, speaking before and after the release of the joint statement, said India has agreed to complete the ratification process within the year 2016.
- In a curious addition to the set of shared objectives, the joint statement called for the promotion of yoga.

India is likely to ask African countries to relax commitment to the Pelindaba Treaty

- On the sidelines of its campaign for membership in the Nuclear Suppliers Group (NSG), India is likely to ask African countries to relax commitment to the Pelindaba Treaty which controls supply of uranium from key mineral hubs of Africa to the rest of the world.
- President Pranab Mukherjee would begin the process by trying to convince Namibia next week, during his June 15-18 trip, to implement a bilateral treaty with India and supply uranium to Indian nuclear energy projects.
- The Pelindaba Treaty signed in 1996, also known as the African Nuclear Weapon Free Zone Treaty, aims at preventing nuclear proliferation and preventing strategic minerals of Africa from being exported freely.
- India and Namibia signed two MoUs on Cooperation in the field of geology and mineral resources and Cooperation in peaceful uses of nuclear energy during the visit of President Hifikepunye Lucas Pohamba to India in 2009.
- The visit by Mr. Mukherjee will give India a chance to persuade Namibia to ratify the MoUs of 2009.
- A major focus of Mr. Mukherjee’s three-nation visit will be on energising India’s existing business ties with Ghana, Namibia and Cote d’Ivoire.

UNGA meet set the world on course to end HIV by 2030

- At a high-level meeting on HIV/AIDS at the United Nations General Assembly, Health Minister reinforced India’s commitment to fast-track progress on ending the AIDS epidemic by 2030.
- At the meeting member states have adopted a new political declaration, including time-bound global targets, to be reached over the next five years and end the epidemic as a public health threat by 2030.
- The UNGA meeting brings together heads of state and government, people living with HIV , and donor organisations, to reiterate commitments made in the Political Declaration on HIV and AIDS and to set the world on course to end the epidemic by 2030 within the framework of the Sustainable Development Goals
- India proposed a five-point strategy — the ‘global family’ — to end AIDS. He stated that India was committed to enforcing TRIPS flexibilities to make drugs affordable.
- “India is proud of being one of the leading partners in the global fight against AIDS epidemic.”
- These remarkable successes would not have been possible without access to affordable medicines.
- The low cost generic medicines produced by the Indian pharmaceutical industry have been instrumental in scaling up access to HIV treatment not only in India but in other parts of the world.
- More than 80 per cent of the antiretroviral drugs, used globally, are supplied by the Indian pharmaceutical industry,” he said.

- The five point strategy includes adoption of the fast-track target; reaching 90 per cent of all people in need with HIV treatment; commitment to maintain the TRIPS flexibilities; creating an inclusive society with programmes that work towards restoring the respect and dignity of individuals, and lastly, global solidarity.

India gets more support for its bid to NSG

- As the extraordinary two-day plenary of the Nuclear Suppliers Group began in Vienna to discuss membership applications, India's chances received a boost from Mexico, considered a "non-proliferation hardliner" thus far.
- Mr. Modi was in Mexico on the last leg of his five-nation tour, and his visits to both Mexico and Switzerland, which also announced its support, were aimed at garnering backing for entry to the NSG.
- Italy, which had earlier blocked India's entry over issue of the arrest of Marines accused of killing Indian fishermen, has indicated that it will support India's case
- India's biggest concern from the 48-nation group comes from China, which has argued that NSG members must be signatories to the non-proliferation treaty (NPT).
- India, Pakistan, North Korea and Israel are among countries that have not signed the NPT, which India believes is discriminatory.

Obama administration named Indo-US ties as "Modi Doctrine"

- Describing the visit of PM Modi as "historic", the Obama Administration has named his vision of Indo-U.S. ties as "Modi Doctrine" that has overcome the "hesitations of history" and working for the betterment of the global good.
- "The most important outcome in my mind of the visit this week and of the years of effort that preceded it is the clear and compelling vision that was laid out by Prime Minister Modi before joint session of the U.S. Congress,".
- Mr. Modi in his speech furthered his bold vision of India-U.S. partnership that could anchor peace, prosperity and stability from Asia to Africa, from the Indian Ocean to the Pacific and help ensure the security of the sea lanes of commerce.

India, Japan and US started Malabar exercise

- The navies of India, Japan and the U.S. started the annual Malabar naval exercises in Japan, close to islands contested by China.
- This also comes just after PM Modi's visit to the U.S. during which India was declared a major defence partner of the U.S.
- The location of the war games, which will be conducted over hundreds of miles, is of particular interest as they are not very far from the Air Defence Identification Zone imposed by China over the East China Sea in November 2013.
- It includes the Senkaku Islands, controlled by Japan but claimed by Beijing, and the nine dash line.
- The exercise also comes at a time of increased sighting of Chinese submarines in India's own backyard, close to Sri Lanka.
- The harbour phase is conducted from June 10 to 13 at Sasebo, and the sea phase will take place from June 14 to 17 off the Okinawa prefecture in the Philippine Sea.
- The major emphasis will be on anti-submarine drills and protecting aircraft carriers from hostile assets lurking under water. Additionally, the special forces of the three navies will interact during the exercise.

Shanghai Cooperation Agreement may provide route to NSG

- The Shanghai Cooperation Agreement is a six-member Central Asian grouping seen as a counterpoint to the U.S.-European military bloc NATO.
- Significantly, Mr. Modi called President Putin wishing him on Russia's national day and confirming the meeting at the SCO.
- In a statement, the Kremlin said: "The discussion focused on practical issues of the two countries' cooperation, including preparations for the top-level contacts to be held shortly."
- While refusing to confirm whether "the practical issues" included India's NSG membership, MEA sources said Russia has always been "very supportive" of India's NSG aspirations.
- But analysts say Mr. Modi may be hopeful of more: that Russia will use its influence with countries like Kazakhstan and Turkey, who are not yet convinced to back India, and most importantly, as a bridge with China, that has taken a tough position.
- Since the Russia-India-China meet which External Affairs Minister Sushma Swaraj attended in Moscow in April, where the three hammered out an acceptable formulation on the contentious South China Sea.
- Since then, India omitted the explicit reference to the South China Sea in the joint statement with the U.S. last week as well.

India wants NSG membership based on credentials and not on the basis of process

- An international consensus is building around India's bid for membership to the Nuclear Suppliers Group (NSG), External Affairs Minister said.
- She also said that she is confident of a favourable outcome when the issue comes up for discussion at the NSG plenary in Seoul on June 23.
- According to Ms. Swaraj, the government is "hopeful of success in convincing China" by then, indicating that Beijing would not wish to go against the consensus built.
- "I think a consensus is being made, and I don't think any country will break that consensus, and this time we will get the NSG membership," Ms. Swaraj told reporters at the MEA's annual press conference.
- By rule, decisions on memberships and other issues in the body that regulates nuclear trade have to be taken by consensus among all members.
- "All major issues, including India's NSG membership, were discussed," the MEA spokesperson said about the visit on June 16-17.
- China has said that it wants the NSG to agree on a process or "criteria" for members, indicating that Pakistan must benefit from any flexibility given to India.
- "Instead of speaking about criteria, one should speak about our credentials. Our track record should be discussed. Whatever commitments and undertakings we gave prior to receiving the [NSG] waiver in 2008, we have kept," Ms. Swaraj said.

China cools down India's NSG entry talks

- India's membership of the Nuclear Suppliers Group (NSG) is not yet on the agenda of the Seoul Plenary this week, China said.

- “We understand that non-NPT countries are very concerned about their entry into the NSG but since the NSG is still divided on this issue it is still not mature to talk about it at the annual conference in Seoul,” China said.
- The statement from Beijing came a day after External Affairs Minister Sushma Swaraj said India hoped to convince China to support its application.
- China and a few other NSG countries have called for a criteria-based process for entry of countries like India and Pakistan, who are not signatories to the NPT, into the 48-member nuclear club.

DAC gave approval Ultra-Light Howitzer from the U.S.

- The Army’s efforts to induct new artillery guns made progress with the Defence Acquisition Council giving advanced approvals for the procurement of M-777 Ultra-Light Howitzer from the U.S. and Dhanush developed by the OFB.
- The DAC meeting chaired by Defence Minister considered 19 projects. New proposals worth Rs. 28,000 crore were discussed and a large number of existing schemes were reviewed.
- In the M-777 deal for 145 ULH worth around \$750 million, the DAC approved the case under the Foreign Military Sales (FMS) route from the U.S.
- BAE systems, which manufactures the guns, will set up an Assembly, Integration and Test (AIT) facility in India for which it has already selected Mahindra group.
- Of the 145 guns, 25 will be imported while the remaining 120 will be assembled in India.
- However the number is expected to go up further given the Army’s need for guns to equip the mountain strike corps on the Eastern front.

BUSINESS AND ECONOMY

India maintains its position of fastest growing major economy

- India’s gross domestic product (GDP) grew 7.9 per cent in the fourth quarter of 2015-16, increasing overall growth for the entire year to 7.6 per cent and help maintain its position as the fastest-growing major economy.
- India’s gross value added (GVA) for the year grew by 7.2 per cent in what economists termed a consumption-led recovery.
- Any movement in investment is due to the public sector. This is being reflected in higher private consumption which is a good thing up to a point.
- But it does pose a danger of the re-emergence of inflation unless the monsoon is spot on this time.
- The agriculture sector grew 1.2 per cent compared to the advance estimate of 1.1 per cent. The sector contracted 0.2 per cent in the previous year.
- Manufacturing grew 9.3 per cent, slower than the 9.5 per cent forecast in the advance estimates. But this is much higher than the 5.5 per cent seen in 2014-15.
- The consolidated services sector grew 8.8 per cent in 2015-16 compared to 9.05 per cent mentioned in the advance estimates.
- Private final consumption expenditure, a proxy for private demand, grew at 7.4 per cent in 2015-16 compared to 6.4 per cent in the previous year.
- Growth in gross fixed capital formation, a measure of private sector investment, slowed down to 3.9 per cent from 4.9 per cent in 2014-15.
- Construction sector grew 3.9 per cent in 2015-16 compared to 4.4 per cent in the year-earlier period. However, the sector grew at 4.5 per cent in the fourth quarter of FY16 compared to 2.6 per cent in the year earlier period.

- Real GDP or GDP at constant (2011-12) prices for the year 2015-16 is now estimated at Rs.113.50 lakh crore, showing a growth rate of 7.6 per cent over the First Revised Estimates of GDP for the year 2014-15 of Rs.105.52 lakh crore
- The statistics office also revised downwards the GDP growth rate for the previous quarters of 2015-16. The first quarter grew at 7.5 per cent, slightly lower than the 7.6 per cent as per the advance estimates.
- The second quarter witnessed a growth rate of 7.6 per cent compared to the 7.7 per cent in the advance estimates. The third quarter grew at 7.2 per cent compared to the previous estimate of 7.3 per cent.

Core sector growth remained positive for the fifth consecutive month

- Core sector output remained in the positive territory for the fifth consecutive month with an 8.5 per cent year-on-year growth in April due better performance by petroleum refinery, fertiliser, steel, cement and electricity sectors.
- This is the highest since the 8.54 per cent growth recorded in November 2014.
- The eight core industries comprise nearly 38 per cent of the weight of items included in the Index of Industrial Production (IIP). The core sector growth had contracted 0.2 per cent in April 2015.
- A number of core sector industries such as petroleum refinery products and cement have shown excellent growth (in April) due to extremely low base.
- However, growth in electricity output remains the bright spot. Even growth in cement output is encouraging and appears to be benefiting from the revival of road sector.
- Petroleum refinery production rose 17.9 per cent in April 2016 (as against -2.9 per cent in April 2015) while fertiliser output increased by 7.8 per cent (-0.04 per cent in April 2015) and steel production jumped 6.1 per cent (0.01 per cent in April 2015).
- Cement output went up by 4.4 per cent (-1.4 per cent in April 2015) while electricity generation increased by 14.7 per cent (-0.5 per cent in April 2015).
- The areas of concern included coal production that shrank 0.9 per cent (8.1 per cent in April 2015) and crude oil production that contracted by 2.3 per cent (-2.5 per cent in April 2015).
- Natural gas production also decreased by 6.8 per cent (-3.6 per cent in April 2015).
- The core sector output had slipped into the negative territory in November 2015 when it shrank by 1.3 per cent.

Credit rating agency Fitch says public sector banks credit profile worrisome

- The credit profiles of state-run banks are under pressure following huge losses in the past two consecutive quarters, which have weakened their core capital adequacy, says international ratings agency Fitch.
- Following the asset quality review by the RBI, the banks, have reported close to Rs.2 trillion worth of fresh NPAs in the last two quarters taking the total stressed accounts to Rs.8 trillion or over 13 per cent of the system.
- The 45 listed banks have identified as much as Rs.5.81 trillion worth of loans as NPAs alone as of March 2016.
- “State-run banks’ inability to strengthen their capital in a timely manner could have a potentially negative impact on their ability to achieve balance-sheet stability, pursue credit growth and defend market share in the long-term.
- Noting that core capital ratios for many public sector banks are close to or below the Basel-III 2019 minimum regulatory requirement of 8 per cent.

- It said the domestic banking sector was unlikely to build capital through internal capital generation in the light of the dim earnings outlook, at least for the next two years due to provisioning pressure.
- Fitch ratings said cumulative losses at Indian public-sector banks in second half of the past fiscal year were more than double the government's capital injection in the financial year 2015-16.
- They had eroded nearly 15 per cent of capital as of financial year 2014-15. This has heightened the sector's need for additional external capital.
- Though the recent RBI steps to allow part of the revaluation reserves into core equity has helped counter some of the pressure, but it is not enough, keeping in mind the higher capital requirements.
- The report also notes that there are few options for the private sector capital to flow in now and their ability to approach the capital markets is likely to remain weak.
- The state-run banks face higher capital risks with their average net NPL to equity ratio at around 70 per cent against 8 per cent for private banks.
- The note said the new Insolvency and Bankruptcy Code may significantly improve resolution timeframe in a timely and effective manner.
- So is the recent RBI move to cap banks' exposure to large corporate borrowers, as it can further reduce systemic risk by limiting concentration risk to large corporates.

The Cabinet approved amending public sector recruitment rules

- The Cabinet gave an 'ex-post facto' approval for amending public sector recruitment rules to allow the selection of candidates from the private sector and state public sector enterprises.
- The nod is for the selection of candidates from state public sector enterprises and the private sector as "non-internal candidates for a period of five years for appointment in Central Public Sector Enterprises (CPSEs).
- The move is expected to bring in greater efficiency but there are some concerns that need to be addressed.
- Those who do well in the private sector will get better returns there than in the public sector while the public sector offers greater job security.
- The good talent at the top of the private sector will not migrate. Those not in the top rungs may see an advantage in PSUs.
- The Cabinet also approved the decision that the chairperson and members of the public enterprises selection board (PESB) should hold office for a period of three years from the assumption of charge or until they turn 65 years of age, whichever is earlier.
- The Cabinet Committee on Economic Affairs (CCEA) gave its nod to develop a new 51 kilometer broad-gauge line in Uttar Pradesh between Mau station of North Eastern Railway and Tarighat terminal station of East Central Railway.
- The CCEA also approved the Telecom Ministry's proposal for the continuation of 30 per cent quota reserved for Indian Telephone Industries (ITI) on procurement orders by state-owned BSNL, MTNL and BBNL.
- Also, 20 per cent of the network roll-out orders for turnkey projects such as GSM network roll-out of BSNL and MTNL, and National Optical Fibre Network (NOFN) of BBNL will be reserved for ITI.
- The Cabinet approved the signing of three memoranda of understanding (MoU) between India and Qatar for cooperation in skill development and 'recognition of qualifications.'
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- Another MoU approved by the Cabinet was one between the United States of America and India to enhance cooperation in wildlife conservation and combating wildlife trafficking.

The government is considering an ‘outcome-linked’ payment package for NIIF CEO

- The government is considering an ‘outcome-linked’ payment package as part of incentives for the recruitment of a chief executive of India’s first sovereign wealth fund, the National Investment and Infrastructure Fund (NIIF).
- Negotiations on the incentive payment, which will be paid for every \$10 billion the fund succeeds in raising, are still on. But an official source said that it could be as high as Rs.10 crore.
- Another source privy to the details of the negotiations said that efforts are on to have it pegged closer to Rs.2 crore.
- The government is expected to announce the appointment of the executive soon.
- After much delay, the search committee has finalised a candidate, Sujoy Bose, global co-head of infrastructure and natural resources of the International Finance Corporation, from about 70 applicants for the post.
- The Rs.40,000 crore NIIF will act as the nodal agency for the development of greenfield and brownfield infrastructure projects and help revive stalled projects. The Centre will invest Rs 20,000 crore in the fund.
- The remaining is expected to come from private investors. The government’s share in the corpus will not exceed 49 per cent.
- Sovereign funds and pension funds from a number of countries, including the U.K., UAE, Russia and Singapore, have already expressed interest in investing in NIIF.

Government to come out with MSME policy

- The national policy for the micro, small and medium enterprises (MSMEs), which seeks to boost the overall growth of the sector, is expected to be released by the end of this year.
- MSME Minister Kalraj Mishra said a committee headed by Former Cabinet Secretary Prabhat Kumar is drafting the policy and govt is expecting the report by October 31.
- He said the committee would meet some more stakeholders for the proposed policy and they are also looking at policies of other countries.
- A committee will be set up by the end of this month to look after the revival and rehabilitation of sick MSME units, he added.

Central Bank focuses on cyber security policy

- The Reserve Bank of India (RBI) has told commercial banks to ‘immediately’ put in place a cyber security policy, duly approved by the board, in the wake of increasing cyber attacks in the financial system.
- The policy would also include setting up an adaptive incident response, management and recovery framework to deal with adverse incidents/disruptions, if and when they occur, according to the central bank.
- “There is an urgent need to bring the board of directors and top management in banks up to speed on cyber-security related aspects, where necessary and hence banks are advised to take immediate steps in this direction,” according to the statement.
- Banks have been asked to formulate a Cyber Crisis Management Plan (CCMP) which should be a part of the overall board-approved strategy.
- “CCMP should address the following four aspects—Detection, Response, Recovery and Containment.”

- The central bank has observed that with the use of technology by banks gaining momentum, the number, frequency and impact of cyber incidents/attacks had increased manifold in the recent past.
- The regulator has emphasised that the cyber security policy should be distinct and separate from the broader IT policy/IS Security policy so that it can highlight the risks from cyber threats and the measures to address or mitigate these risks.
- The Reserve Bank of India said it had observed banks were hesitant to share information on cyber security-related incidents.

Government plans to set up 250 small agro-processing cluster

- Government plans to set up 250 small agro-processing clusters at an estimated cost of over Rs.5,000 crore, Food Processing Minister Harsimrat Kaur Badal said.
- After getting required approvals, the Food Processing Ministry will invite expressions of interest from public and private players.

OPEC did not change production after recovery

- OPEC decided to keep oil gushing after a moderate recovery in the crude eased the pressure to limit output, with Saudi Arabia saying the cartel is “very satisfied” with the oil market.
- A final statement from the Organization of the Petroleum Exporting Countries, after a meeting in Vienna, made clear that the 13-nation group had not set a new output target.
- It said that since its last meeting in December, “crude oil prices have risen by more than 80 per cent, supply and demand is converging and oil and producer stock levels in the OECD have recently shown moderation.”
- Traditionally OPEC, which pumps around a third of the world's oil, has cut production to boost falling prices.
- But in the most recent drop, tumbling from over \$100 in 2014 to close to \$25 in January, OPEC — driven by Riyadh — has changed tack, keeping oil flowing to maintain market share and squeeze competitors.
- It has taken some time — straining even Saudi Arabia's finances, to say nothing of on-the-brink OPEC member Venezuela — but the tactic now appears to be working at last.
- Non-OPEC output is falling and prices last week briefly rose above \$50 for the first time in six months, although they have softened slightly since.

National Aviation policy to come soon

- The National Civil Aviation Policy is ready and will be taken up by the Cabinet for approval after the Prime Minister’s return from his five-nation foreign tour.
- Through the past week, and after seven months of consultations, the Civil Aviation Ministry had been giving its final touches to the policy, which seeks to boost regional connectivity and ease norms for new airlines to fly on international routes.
- However, since the policy wasn’t in final shape it couldn’t be taken up for consideration at the Cabinet meeting this week.
- The ministry had considered seeking the prime minister's permission to announce the policy and seek an ex-post-facto approval from the Cabinet later this month.

Govt gets in-principle approval for Farzad-B gas project of Iran

- A tentative deadline of October for the completion of talks with Iran regarding the development of that country's Farzad-B gas project by a consortium of Indian companies has been announced by Govt.
- "Iran has given an in-principle approval for the deal," Govt said.
- The price is yet to be settled. While they need a viable royalty amount, our companies also need a suitable economic incentive. We are trying to complete the talks by October."
- The Farzad-B field, discovered in 2012, is estimated to have 21.68 trillion cubic feet (tcf) of gas reserves.
- The deal with Iran would see development of the field by a consortium of Indian companies led by ONGC Videsh, the overseas arm of state-run Oil and Natural Gas Corporation.
- A license to sell fuel in India is subject to a company investing Rs 2,000 crore in oil and gas infrastructure, whether it is in refineries, exploration and production, pipelines or terminals.
- The Minister also unveiled the unified guidelines for the awarding of LPG distributorship.
- Under the new system, there will be four broad types of distributorships with varying refill ceiling limits – Sheheri (Urban), Rurban (a combination of rural and urban), Gramin (rural) and Durgam Vitrak (for hilly and difficult to reach locations).
- The new guidelines also provide for a 33 per cent reservation of the licenses for women across all categories.
- The minister highlighted some achievements of his Ministry over the last two years such as the Rs 30,000 crore of LPG subsidies directly transferred to beneficiaries' accounts between January and May of this year.
- While India currently has an LPG consumption of 19 million metric tonnes, this is set to increase substantially.

Govt to provide 17000 crores for grid connected solar rooftop systems

- The government has lined up almost \$2.5 billion (about Rs.16,800 crore) for providing low cost finance to achieve the target of installing 40 GW grid-connected solar rooftop systems.
- The ministry is in negotiation with the KfW Development Bank to secure soft loans of 1 billion euro. They have already provided \$100 million funding," The Ministry of New and Renewable Energy (MNRE) Secretary Upendra Tripathy told reporters here.
- The World Bank has committed a loan of \$620 million, with the Asian Development Bank and the New Development Bank pledging \$500 million and \$250 million, respectively.
- The power generated from solar rooftop plants installed even today is almost at par with the commercial tariff for consumers in many states. The cost of solar power is declining, while that of electricity from fossil fuels is rising.
- Today, it is possible to generate solar power from rooftop systems at about Rs.6.5 per kilo watt hour, which is cheaper than power generated from diesel gensets and also cheaper than the cost at which most discoms make power available to industries and high-end domestic consumers.

India Post gets the nod for starting payments bank

- The government's objective of achieving 100 per cent financial inclusion got a shot in the arm with the India Post getting the nod for starting payments bank.
- The main challenge banks today face in financial inclusion is the lack of last mile connectivity.
- With the government's focus on financial inclusion, it is quite logical to convert India Post to a bank given its strong network pan-India and the huge franchise built over the years.
- The move can further aid the financial inclusion objective of the government and the RBI as more people can now potentially have access to a bank.

- With more people getting access to a bank, it could improve the efficiency of passing on the government-sponsored benefits to the beneficiary directly through their bank accounts.
- It can potentially improve financial literacy levels and also the country's financial savings.
- However, lack of technological upgradation and training of its personnel are likely to slow down the ambitious plans of the government to create the largest bank in the world in terms of accessibility.
- The new entity would be known as India Post Payments Bank (IPPB), a public limited company under the Department of Posts, with 100 per cent Government of India equity.
- As per the guidelines issued by the Reserve Bank of India (RBI), payments banks can accept deposits of up to Rs.1 lakh and sell insurance and mutual fund products.
- Many multinational financial institutions had already evinced interest to join hands with India Post, which shows its acceptance worldwide.
- The business correspondents model has not worked well and banks simply do not have the kind of presence required to target the vast unbanked population in the rural areas and even urban poor.
- However, India Post with its vast network of more than 1.5 lakh offices, 90 per cent of which are in rural areas, can aid in financial inclusion.
- This should be compared with about 1.05 lakh branches of all the banks in the country.
- Further India Post is a significant player in the domestic remittance business with experience in managing small savings deposits.
- However, the staff need extensive training in handling these products - especially insurance and pension products - as they are different from the current financial products in India Post's portfolio.
- The government may spend Rs. 400 crore on the proposal with Rs. 400 crore more coming from equity.

IMF clears bailout package for Sri Lanka

- The International Monetary Fund (IMF)'s Executive Board has approved a bailout package of about \$1.5 billion (SDR 1.1 billion) for Sri Lanka.
- The package will be in the form of a 36-month extended arrangement under the Extended Fund Facility (EFF) to support Sri Lanka's economic reform agenda. The island nation's balance of payments widened last year.
- The Executive Board's decision will enable an immediate disbursement of SDR 119.894 million (about \$168.1 million), and the rest will be available in six instalments subject to quarterly reviews.
- The IMF arrangement aims to meet balance of payments needs arising from a deteriorating external environment and pressures that may persist until macroeconomic policies can be adjusted.
- A return to fiscal consolidation, targeting a reduction in the overall fiscal deficit to 3.5 percent of GDP by 2020, would be the "linchpin" of the reform programme.

India Post gets the nod for starting payments bank

- The government's objective of achieving 100 per cent financial inclusion got a shot in the arm with the India Post getting the nod for starting payments bank.
- The main challenge banks today face in financial inclusion is the lack of last mile connectivity.
- With the government's focus on financial inclusion, it is quite logical to convert India Post to a bank given its strong network pan-India and the huge franchise built over the years.
- The move can further aid the financial inclusion objective of the government and the RBI as more people can now potentially have access to a bank.

- With more people getting access to a bank, it could improve the efficiency of passing on the government-sponsored benefits to the beneficiary directly through their bank accounts.
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New base year for IIP and WPI by year end

- Government will come out with revised IIP and WPI indices by the end of this year with a new base year of 2011-12 in order to make them more representative of the changing economic scenario.
- The present indices of IIP and WPI have base year of 2004-05.
- As part of the revision, the basket of items and weightage assigned to different entries on the basis of which indices is computed will be updated, he said.
- With the new series in place, both the Index of Industrial Production (IIP) and Wholesale Price Index (WPI) will become more comparable with the GDP numbers than it is currently, he said.

- The National Statistical Commission has recommended to revise the base year of all economic indices every five years.
- Government had last revised these indices in 2011 with the base year of 2004-05.
- In addition to this, the Chief Statistician also informed that the Ministry of Statistics and Programme Implementation (MoSPI) is working on bringing out an index for the services sector.

Study shows that India's black economy contracting

- Pegging India's 'black economy' at over Rs.30 lakh crore or about 20 per cent of total GDP, a new study said it has been contracting gradually over the years but still remains large.
- Besides, a crackdown on black money has made the cost of capital costlier in the black economy with the lending rates having risen to as high as 34 per cent, from about 24 per cent a year ago, as per the study by Ambit Capital Research.
- The study said that the crackdown has had some "unintended consequences" in form of an increase in preference for cash in its physical form and a notable decline in the usage of formal banking channels with record low deposit growth
- It said the size of the India's black economy expanded rapidly over the 1970s and 1980s, but since then had been contracting at a gradual pace and is now estimated at USD around 20 per cent of the country's GDP.
- The term 'black economy' typically refers to the economic activities outside formal banking channels and include cash transactions in high-value assets like gold and real estate.
- A majority of black money is locked up in physical assets such as real estate and gold, it added.
- Physical savings instruments have been historically preferred to financial savings instruments in India because purchase of physical assets can be funded using black money, while the purchase of financial assets can not be funded in such a manner due to a strong paper trail.
- The report said that since the NDA government assumed power, there had been a clear step-up in checks around gold transactions and it has become increasingly difficult to park unaccounted cash in the form of jewellery or bullion.
- Due to various measures taken by the government to tighten the noose around black money, there has been a clear drop in the prices of land and real estate and a decline in the appetite in gold, it said.
- The crackdown has, however, resulted in an increase in the preference for cash in physical form and a notable decline in the usage of formal banking channels as evinced by the decline in bank deposits as well as usage of debit cards.

Institutional framework for better collection and analysis of services data

- The Centre will soon establish an institutional framework for better collection and analysis of data on India's services export and import.
- The framework is likely to include setting up of a nodal agency for international trade data in services, creation of an international services trade business directory.
- It will also include provisions mandating enterprises to report their international services trade to the proposed nodal agency, according to sources working on the proposed framework.
- As a deterrent, there could be stringent penalties for misreporting and for failing to report.
- To ensure legal certainty to the framework, there is a proposal to incorporate the above said provisions as amendments to the Collection of Statistics Act, 2008.
- Besides, a few explicit additions on services export and import will be made to the questionnaires already being sent out regularly to enterprises by regulators of service sectors for collection of general data pertaining to these sectors.

- The nodal agency on services trade data could be the Directorate General of Commercial Intelligence and Statistics (DGCI&S, which currently compiles and analyses only goods trade data) or an entirely new one.
- The objective of having the framework is to improve targeting of incentives based on services exports, besides firm up a superior strategy for the country to be used in negotiations on bilateral free trade agreements as well as on regional and multilateral trade pacts.
- The services sector accounts for over half of India's GDP and its foreign investment inflows as well as more than a quarter of its total trade.
- India has also found a place in the top ten World Trade Organisation-member countries in services exports and imports.
- Despite services being such a crucial part of the country's economy, there has so far been no institutional framework on services trade data collection and analysis.
- The government has been relying on the Reserve Bank of India for services trade data.
- India has had a positive trade balance in services sector, with exports being more than imports.
- The commerce ministry had said the net export of services for FY'16 was \$69.6 billion. It was lower than net export of services of \$76.6 billion during FY'15.
- Though India's goods trade deficit in FY'16 was \$118.46 billion, the country's overall trade deficit (goods and services trade) came down to \$48.86 billion thanks to the net export of services worth \$69.6 billion.

Public sector banks will be empowered and protected from witch-hunting says FM

- Public sector banks will be empowered and protected from witch-hunting so that they can close commercially prudent settlements of stressed assets and bad loans, according to Union Finance Minister.
- The proposals will be fine-tuned after taking into consideration suggestions from the Indian Banks' Association (IBA).
- The new provisions being mooted are aimed at encouraging bankers to enter into 'reasonable and fair settlements' with regard to stressed accounts, "without fears of fishing expeditions of investigative agencies later on."
- This is expected to quicken the pace of recovery and cleaning up of banks' balance sheets.
- The Finance Minister also said cumulatively the state-owned banks had reported losses of Rs.18,000 crore in 2015-16.
- Although the reported operating profits were "substantial" at Rs.1.40 lakh crore, losses were due to higher provisioning for bad loans made in the previous two quarters, he said.
- Mr. Jaitley said the Reserve Bank of India was expected to report the cumulative level of non-performing assets (NPA) for public sector banks. It was expected to be higher than the previous year's level.
- The feedback from banks was that the steel and infrastructure sectors were slowly recovering, leading to an improvement in the NPA levels arising out of outstanding loans to companies in these industries.
- Reiterating that the government had earmarked Rs.25,000 crore for recapitalisation of these banks in the Budget, he said that would commit to more funds if needed.

TRAI seeks views on in-building access for telecom operators

- The Telecom Regulatory Authority of India (TRAI) issued a consultation paper seeking stakeholders' views on evolving a framework for in-building facilities to enable telecom operators obtain efficient access on reasonable terms and conditions.

- While many infrastructure related issues have been dealt with by the authority in the past, there are issues related to in-building access that are still faced by the telecom service providers and therefore, remain to be addressed, it added.
- In-building deployment is currently done through commercial agreements between incumbent mobile operators and building owners, building developers or Resident Welfare Associations (RWA).
- As such, the speed of deployment is often hindered by building owners/developers delaying the negotiations or requesting exorbitant rents.
- TRAI said telecom operators are often forced to enter into agreement at the terms set by the other party, as they cannot leave places like malls uncovered from their mobile network.
- Also due to restricted access to premises, the resident of the building cannot avail services of the operator of his own choice and his preference is limited to the TSP(s) who could get access to the building after entering into a commercial settlement with the builder.
- It added that competition not only helps in controlling prices but also forces the service providers to offer/maintain good quality of service.

Foreign investment banks are fast losing turf to their Indian counterparts

- Foreign investment banks are fast losing turf to their Indian counterparts, in managing initial public offers (IPOs) in the domestic market given - the latter's consistent performance and efficient handling of pre and post-listing functions.
- This is in sharp contrast to the trend visible earlier when global banking entities were the preferred choice for Indian companies looking to list.
- It was perceived that foreign bankers were better placed to rope in foreign investors to subscribe to a public issue.
- ICICI Securities, Edelweiss, Axis Bank, Kotak Mahindra Capital and IIFL Securities, rank at the top among investment banks winning IPO mandates so far in 2016, according to data compiled by Bloomberg.
- The list of top 10 investment banks includes only one foreign entity — HSBC — which was one of the investment bank that managed the IPO of Equitas Holdings.
- Companies mulling an IPO need to appoint investment bankers to do the mandatory due diligence process as laid down by the Securities and Exchange Board of India (SEBI).
- For the current calendar year, IDFC Bank, State Bank of India, JM Financial and Elara Capital also feature in the top 10 list.
- Many foreign investment banking entities such as Standard Chartered, RBS, Barclays, UBS and Citi have either shut or downsized their India equity operations in the last couple of years.
- In most cases, the business decision has been in line with their respective global strategy of either moving out of or reducing operations in certain geographies to rationalise costs.

RBI keeps rates unchanged

- Reserve Bank of India (RBI) Governor Raghuram Rajan cited the April retail inflation “surprise” as the key factor that prompted the central bank to leave interest rates unchanged.
- The central bank chief said the RBI was also committed to providing liquidity as required by the banking system and observed that the Centre could also aid credit flows through a timely infusion of capital into “constrained” public sector banks.
- On growth, the central bank said some high frequency indicators for April point to a firming recovery, although it is still uneven.

- The central bank said the transmission of the monetary policy as well as timely capital infusion in the banks remained critical for growth to revive.
- Banks have been reluctant to cut lending rates which prompted the central bank to ask banks to shift to a new loan pricing mechanism — Marginal Cost of funds based Lending Rate (MCLR) from April.
- Mr. Rajan said the RBI will review the implementation of the new framework .
- The RBI also said there could be outflows of about \$20 billion once the foreign currency non-resident (bank) deposits, which were garnered during the 2013 currency crisis, mature.
- While the RBI has covered those requirements in the forward markets, Mr. Rajan said there could still be a shortage of dollars and assured market participants of dollar supply in case of extreme volatility.
- On the issue of cleaning up of banks' balance sheets, Mr. Rajan reiterated that the central bank will not reconsider any kind of regulatory forbearance.
- He said the RBI is in discussion with the government to facilitate flow of credit to projects with appropriate capital structures.

India will submit proposal on Trade facilitation in services to WTO

- India will soon submit a formal proposal before the World Trade Organisation (WTO) on a Trade Facilitation Agreement (TFA) in services.
- The objective of the proposed TFA in Services is to ease the flow of global services trade, including temporary movement of software, accounting, medical and consulting professionals as well as similar skilled workers.
- The WTO DG and most of the trade ministers welcomed the idea. The DG wanted India to formally submit a proposal.
- Once India will have a TFA in services at the WTO-level, it will even pave the way for better negotiations on services at the bilateral and regional Free Trade Agreement negotiations.
- In the formal proposal, India is likely to push for a clear distinction between temporary movement of professionals and (permanent) migration.
- This is important because India is strong in terms of skilled white-collared workers and professionals from streams like IT, medical and para-medical services, and architecture.
- Therefore, their easier movement to other countries for short-term projects has been high on its agenda.
- A global pact on services trade facilitation will also help in providing greater clarity in case of disputes arising out of visa-related restrictions, the Minister said.
- India and the US are currently engaged in a dispute at the WTO level after Washington increased visa fees for H-1B and L-1 categories which are extensively used by Indian IT companies.
- Meanwhile, countries including China are pushing for a 'TFA in Investment' at the WTO level, but that proposal has not received much support, sources said, adding that several developed countries also wanted discussions at the WTO level on e-commerce and global value chains.
- India and several other countries have already ratified a 'TFA in Goods' for easier movement (including release and clearance) of goods across borders.

Real Estate Investment Trusts to be made more attractive

- With an aim to make Real Estate Investment Trusts (REITs) more attractive to investors, markets regulator SEBI plans to relax its norms to allow these trusts to invest more in under-construction assets and have a larger number of sponsors.

- SEBI had put in place its regulations for REITs in September 2014 but these trusts have not generated enough interest among investors and industry players who have been seeking further measures to make them attractive.
- While the government has already announced various tax-related and other sops for REITs, SEBI has now decided to further amend its regulations by taking into account representations received from various quarters.
- A proposal to amend REIT Regulations would be placed before SEBI's Board next week, after which a consultation paper would be floated for seeking further comments from various stakeholders before making the final changes to the norms.
- A consultation process is already underway for making the InViT (Infrastructure Investment Trusts) Regulations.
- India's real estate sector has grown rapidly in recent years and the growing scale of operations of corporate sector has increased the demand for commercial buildings, office spaces, shopping centres, warehouses and conference centres.
- Among the proposed changes, SEBI plans to remove the restriction on the SPV (Special Purpose Vehicle) to invest in other SPVs holding the assets, which in turn would allow REITs to invest in a holding company owning stake in SPVs.
- It is being proposed that the REIT would hold controlling interest and at least 50 per cent equity in the Holding Company. The Holding Company can in turn hold controlling interest and at least 50 per cent equity in underlying SPV.
- A large proportion of real estate projects in India are financed by financial institutions on project-finance basis where lenders require a pledge on shares of the SPV.
- In such cases, if the SPV is held directly by the SPV, the lenders would want pledge of the SPV shares held by the REIT and this might not be attractive for REIT investors with the existing restriction.
- Currently, an SPV is required to hold at least 80 per cent of its assets directly and cannot invest in other SPVs.
- Another proposed move is to allow the REITs to have up to five sponsors.

India has surpassed Japan in oil-consumption

- India has surpassed Japan to become the world's third-largest oil consumer, with its oil demand galloping 8.1 per cent in 2015, according to BP Statistical Review of World Energy released.
- With demand of 4.1 million barrels a day, India is the third-largest consumer behind the U.S. (19.39 million bpd) and China (11.96 million bpd). India accounted for 4.5 per cent of world oil consumption in 2015.
- India's demand growth surpassed China's 6.3 per cent expansion. The U.S. oil consumption grew 1.6 per cent, which accounts for 19.7 per cent of the total world pie of 95 million bpd in 2015.
- Japan slipped to the fourth spot after its oil usage contracted 3.9 per cent to 4.15 million bpd in 2015. In 2014, it used 4.3 million bpd, ahead of India's 3.84 million bpd.
- The review shows that global demand for primary energy grew only 1 per cent in 2015, which is significantly slower than the 10-year average.
- Oil remained the world's leading fuel, accounting for 32.9 per cent of global energy consumption and is gaining market share for the first time since 1999. Coal came in as the second-largest fuel by market share (29.2 per cent).
- Natural gas' market share of primary energy consumption stood at 23.8 per cent.

Inflation to average 5 % in 2016-17

- A normal monsoon this year will help reign in food inflation and offset rising pressures from crude oil prices and 'sticky services inflation,' according to rating agency Crisil.

- The Reserve Bank of India (RBI) kept the repo rate unchanged at 6.5 per cent due to a “sharper-than-anticipated upsurge in inflationary pressures emanating from a number of food items (beyond seasonal effects), as well as a reversal in commodity prices.”
- A large part of the country is witnessing drought, declining ground-water levels, and shortage in reservoirs, following two consecutive sub-normal monsoons.
- Rainfall deficiency in 2014 and 2015 stood at 12 per cent and 14 per cent of normal, respectively.
- In 2015 rainfall received by Haryana, Chandigarh, Delhi, Punjab and West Uttar Pradesh was more than 50 per cent below normal.
- As per the third advance estimates for 2015, rice output was down two per cent, coarse cereals fell 12 per cent, pulses declined by 0.5 per cent along with sugarcane (0.5 per cent) and oilseeds, (six per cent) exacerbating rural distress.
- Agriculture GDP growth averaged 0.4 per cent in the last two fiscals, much below the long-term trend of 3 per cent.
- An above-normal monsoon this year will augment groundwater and reservoir levels and in turn increase crop production, according to the report.
- The Indian Meteorological Department (IMD) reiterated its April forecast of a good south-west monsoon — at 106 per cent of the long period average (LPA).
- However, the report said that the sensitivity of crops to rainfall signals the need for improvement in irrigation facilities, change in cropping patterns, harnessing of rainwater, adoption of water conservation techniques and availability of stable electricity.
- Also, efficiency of water usage needs to improve. India currently uses 2,800 cubic metre of water to produce 1 tonne of rice, compared with half that – or 1,321 cubic metre – in China.
- An important source of irrigation in India is groundwater, which accounts for as much as 60 per cent of water used for irrigation. Also, irrigation accounts for close to 90 per cent of the total groundwater consumed in the country — the proportion is 98 per cent and 94 per cent for in Punjab and Haryana, respectively.
- During the green revolution, the report said, with excessive use of inputs to pump up farm output, farmers increasingly moved towards using groundwater compared with surface water for irrigation.
- This was supported by government subsidies for electricity supply and irrigation equipment.
- Excessive use of groundwater has led to depletion of the water table.
- Between 1993-94 and 2014-15, the share of wells with groundwater less than 10 metre has fallen by 6 percentage points, while that of wells with groundwater more than 60 metre has risen to 6 per cent from 4 per cent, making it increasingly difficult to access ground water.

RBI Governor asks for better coordination among countries

- RBI Governor Raghuram Rajan has urged greater co-ordination among countries to tackle spill-over effects – the impact that economic policies in some countries may have on other economies.
- “How do we take cognizance of the fact that the world is quite integrated and therefore, policies across countries have spill-over effects and today we don’t have a system to coordinate these spill-overs; each country does what it has to and other countries have to accept that and the consequences,” he said.
- The former IMF chief economist has been critical of ‘ultra-low’ monetary policies adopted among some countries in the developed world.
- Their decisions to keep interest rates low to support growth and re-inflate their economies have impacted emerging market economies.
- He cited the example of Brexit, which is the possibility that Britain will withdraw from the European Union. The country will hold an in-out referendum on its EU membership on June 23.

Food Ministry proposes 25 % duty on sugar export

- The Food Ministry has proposed to impose 25 per cent duty on export of sugar to ensure sufficient supply of the sweetener in the domestic market, Union Minister Ram Vilas Paswan said.
- The international prices of sugar are rising and therefore traders may increase the export of sugar to make profit, Mr.Paswan said.
- He added that this move will keep sufficient availability of sugar in domestic market and the price will be under control.
- According to trade sources, sugar exports have become viable now as global prices have increased by 50 per cent in last three months due to disruption in supply from Brazil.
- As demand and supply of sugar in India are at par, the government does not want any export from the country.
- The country had exported 1.4 million tonnes of sugar so far in the 2015-16 marketing year (October—September).
- Retail sugar prices last month had crossed Rs.40 per kg due to 11 per cent fall in domestic sugar output in the ongoing 2015-16 season.
- Sugar production in India, the world's second largest producer is estimated to be about 25 million tonnes in 2015-16, as against 28.3 million tonnes last year.
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Renewable energy sector has for the first time surpassed hydro power generation

- Helped by policy initiatives and early stage private investments in solar and wind power, the renewable energy sector has for the first time surpassed hydro power generation.
- According to the Central Electricity Authority data, the total capacity of renewable energy sector increased to 42,849.38 MW, surpassing the total capacity of hydro power sector at 42,783.42 MW.
- The total capacity of the thermal sector stood at 2,11,420.40 MW, the data showed.
- The renewable energy investments in solar and wind have benefited from a strong central policy and several years of early-stage private sector investment, respectively.
- In contrast, hydro power suffered from multiple challenges, including non-availability of long-term financing; the cost imposed by royalty power to be offered free to the state government; and limited opportunities for the private sector.
- The government has ambitious plans for deployment of 175 GW renewable power capacities by 2022, including 100 GW of solar and 60 GW of wind, which may require investment of around \$150 billion in the next seven years.

Manufacturing contracted 3.1 percent

- A contraction in manufacturing output dragged industrial production growth back in to the negative zone in April, rekindling concerns if a turnaround has indeed taken place and also raising fresh worries over the quality of the data.
- Factory output shrank 0.8 per cent in April, its first decline in three months, official data showed. It had expanded three per cent in April last year.
- Manufacturing sector, which constitutes over three-fourths of the IIP, contracted 3.1 per cent in April compared to a growth of 3.9 per cent in same month last year.
- Capital goods output declined nearly 25 per cent in April, indicating that the investment climate continues to remain subdued. It had grown 5.5 per cent during the same month last year.

- The contraction in the consumer non-durable segment's output, of 9.7 per cent, pulled down the overall consumer goods sector. It dipped 1.2 per cent against growth of 2.8 per cent in April 2015.
- Consumer durables production, however, continued to do well. It grew 11.8 per cent, faster than 1.3 per cent a year ago, showing a revival in demand.
- The sectoral break-up shows that electricity generation growth quickened to a one year high of 14.6 per cent against the marginal decline of 0.5 per cent a year ago.
- The mining sector improved with its output growing 1.4 per cent against the contraction of 0.6 per cent a year ago.
- IIP data has been inconsistent with GDP data: While the CSO data put real manufacturing growth at 9.3 per cent in the January-March period, it was at odds with the IIP data for the same quarter, which showed a mere increase of 0.2 per cent.

Remittances take a hit due to falling oil prices

- Remittances by non-resident Indians (NRIs) fell 87 per cent in April due to a slide in oil prices, data released by the Reserve Bank of India (RBI) showed.
- Total NRI deposits fell to \$302 million in April this year. The deposits stood at \$2,406 million in the year-ago period, according to the data.
- The biggest fall was registered in the Non-Resident (External) Rupee Account (NR(E)RA) category, which saw inflows decreasing to \$203 million in April. It was \$2,200 million in the year-ago period.
- Introduced in 1970, NR(E)RA is a rupee account and the NRIs can remit money to India from their funds abroad.
- For 2015-16, NRI deposits had recorded a growth of 13.5 per cent to \$15,977 million, the data showed.
- Sixty per cent of the India's remittances come from Gulf countries, which suffered the most due to decline in crude oil prices.
- Crude oil prices in April were about \$48 per barrel compared with \$67 per barrel in the same period of the previous year. While crude oil prices have hardened to \$50 recently, on a year-on-year basis it is still lower.
- The country's current account deficit (CAD) narrowed to 1.3 per cent of GDP in the third quarter of the current financial year as against 1.5 per cent in the same period last year, mainly due to lower trade deficit.
- The CAD was at \$7.1 billion in the third quarter of 2015-16 compared with \$7.7 billion in the third quarter of 2014-15 and \$8.7 billion in the second quarter.

The government is signing long term crude deals at discounted prices

- The government is leveraging its position as world's fastest growing economy and one of the world's biggest energy consumers to secure sweetened energy deals globally by renegotiating gas contracts, signing long term crude deals at discounted prices and buying oil equity.
- Petronet LNG Limited, India's largest gas importer would have at least saved \$8 billion or Rs 50,000 crore over the life of the contract at current oil prices by re-negotiating a gas deal with Qatar's RasGas.

- “Our Prime Minister visited Qatar recently, and we all know that we have to honour long-term contracts and it’s very difficult to renegotiate such contracts.”
- “We were buying gas \$14 per mmBtu from Qatar, after negotiations we are now getting gas at \$6 per mmBtu. India’s energy security is now considered with prime importance in the international markets,” said petroleum minister.
- India’s growing geopolitical influence globally and tumbling oil prices and a global gas glut are compelling exporters to offer better deals to retain their share in the global energy trade, benefiting Indian energy firms.

Among the 12 Major Ports, Mormugao Port occupied the top slot

- Mormugao Port Trust, V.O. Chidambaranar Port Trust and Jawaharlal Nehru Port Trust have been labelled as best performers for 2015-16 by the Shipping Ministry for achieving the Results Framework Document targets for 2015-16.
- Among the 12 Major Ports, Mormugao Port occupied the top slot after posting 41.23 per cent growth in cargo volume for 2015-16 over the corresponding year-ago period.
- V.O. Chidambaranar Port recorded 13.68 per cent higher growth compared to last year, while Kolkata Port Trust showed a variation of 8.43 per cent.
- They were ranked second and third respectively in handling consignments, according to a Shipping Ministry statement.
- Paradip Port Trust scored over others in efficiency parameters. It reduced the vessel turnaround time by 36 per cent from 7.01 days in 2014-15 to 4.50 days during 2015-16.

Public sector banks have increased their presence across the country

- Public sector banks have increased their presence across the country—in terms of ATMs and points of sale devices—far faster than private sector banks have, recent data released by the Reserve Bank of India shows.
- The data—comparing private sector and public sector banks shows that public sector banks have steadily increased their share in most of these parameters over the last four years.
- There are 27 public sector banks and 19 private sector banks in operation currently.
- The data shows that there were 142,500 public sector banks (PSB) ATMs as of March 2016, which amounts to 72 per cent of the total number of ATMs in the country.
- This is a vast improvement over the 58,000 PSB ATMs at the end of March 2012.
- Private banks, on the other hand, only increased their number of ATMs from 30,300 in March 2012 to 55,600 at the end of March 2016, effectively seeing their share in the total fall 10 percentage points over the period.
- One common view is that this increase in the number of ATMs by PSBs is due to the government-mandated rural financial inclusion programme.
- The data supports this, with PSB ATMs making up 86 per cent of all rural ATMs at the end of March 2016, up from 77 per cent in March 2012.
- Urban non-metro ATMs for PSBs grew from 62 per cent share in March 2012 to 72 per cent by end of 2015, while the share of private ATMs fell from 37 per cent to 27 per cent. Semi-urban India saw almost the same trend.
- Private banks were the first-movers in POS devices (that allow card transactions), having issued 85 per cent of these as of March 2012.
- This proportion saw a significant change over four years. PSBs added nearly four lakh POS devices to the market in that time, compared to an addition of about three lakh by the private banks.

- This saw the share of public sector POS machines grow from 8 per cent in March 2012 to 34 per cent in March 2016. Private banks' share fell to 62 per cent.
- The issuance of credit cards and the share in credit card transactions are two areas where the private sector outshines the public sector.
- There were 195 lakh credit cards in the country as of March 2012, 55 per cent of which were from private banks.
- The PSBs increased the number of credit card they issued in this time, but the growth in their market share was only three percentage points, to 20.6 per cent.
- Similarly, the private sector accounted for 45 per cent of credit card transactions as of March 2012, which grew to 55 per cent by March 2016.

Real Estate Investment Trusts

- REITs are similar to mutual funds. While mutual funds provide for an opportunity to invest in equity stocks, REITs allow one to invest in income-generating real estate assets.
- REITs raise funds from a large number of investors and directly invest that sum in income-generating real estate properties (which could be offices, residential apartments, shopping centres, hotels and warehouses).
- The trusts are listed in stock exchanges so that investors can buy units in the trust. REITs are structured as trusts. Thus, the assets of an REIT are held by an independent trustee on behalf of unit holders.
- The trustee has duties as laid out in the trust deed for the REIT. These typically include ensuring compliance with applicable laws and protecting the rights of unit holders as well.
- The investment objective of REITs is to provide unit holders with dividends, usually generated from rental income and capital gains from the profitable sale of real estate assets.
- Typically, the trust distributes 90 per cent of its income among its investors by issuing dividends.
- REITs originated in the U.S. to give investors an opportunity to invest in income-generating real estate assets. After its introduction in the U.S., several countries such as Singapore, Australia and Hong Kong have implemented REITs.
- REITs, as a concept, have been on the horizon for a while now. India's regulations in 2014 for the sector have not been able to attract investor interest. REITs obtained exemption from dividend distribution tax in the Budget, a step towards making them attractive for the investors.
- A report by real estate consultancy firm Cushman and Wakefield estimates that Indian commercial real estate (like office, retail assets) offers investment opportunities for REITs worth \$43 billion – \$54 billion (Rs. 2.88 lakh crore – Rs. 3.60 lakh crore) across top cities.
- The current SEBI guidelines for REITs permit investments only in rent-yielding assets.
- For investors who are averse to investing in physical purchase of property due to the risks involved, REIT is an alternative. Investors purchase units of REITs which are traded on the stock exchange, as against physical purchase of property.
- Therefore, investors can buy and sell units of REIT on the stock exchange as and when required, making investment easier to liquidate compared to physical property transaction.
- The minimum required to be put into an REIT is Rs.2 lakh. It could provide an opportunity for investors who, otherwise, do not get the opportunity to invest in commercial real estate because of high capital values.
- Since 90 per cent of the profit generated needs to be distributed as dividend in REIT, it could provide a stable income for unit holders.
- Short-term capital gain tax is applicable for unit holders at the rate of 15 per cent. While interest is tax-exempt for REITs, it is taxable for unit holders.
- The registration charges for every purchase and sale of property is still applicable. Saraf says such factors can impact the profitability and attractiveness of REITs in India.

- REITs units are listed on, and are subject to the vagaries of the stock exchanges, resulting in negative or lower returns than expected.
- As in mutual funds, retail investors in REITs have no control over investments and exits being made by the trust.

Exim Bank looking to disburse \$10 billion to Africa in the next three years

- The country's premier export finance institution Exim Bank, which is looking to disburse \$10 billion to Africa in the next three years.
- This is a shift from Exim Bank's credit disbursal strategy to Africa — which was mainly to help build infrastructure and industrial projects.
- India's strength is in services, especially in sectors such as healthcare, information technology, education and even agriculture-related services. So we want to help in increasing India's services exports to Africa.”
- The change in approach follows the government giving a greater say to Exim Bank in identifying India's best interests while it promotes economic diplomacy.
- Exim Bank has been extending credit to Africa through concessional Lines of Credit, Buyer's Credit (meant to finance imports of overseas buyers, in this case African buyers, from India) and through other lending mechanisms.
- Exim Bank's new office in Ivory Coast is to service West Africa. It has an office in Addis Ababa (Ethiopia) for the Eastern and Central African region, in addition to the one in Johannesburg to take care of the needs in Southern Africa.
- Exim Bank has set up Kukuza Project Development Company (KPDC) in Nairobi (Kenya), along with IL&FS Group, African Development Bank and State Bank of India, to ensure greater Indian participation in infrastructure projects in Africa.
- The aim now is to kick-start KPDC's operations by the time Prime Minister Narendra Modi undertakes his African visit in July covering Kenya, South Africa, Mozambique and Tanzania, Mr. Mathur said.
- Exim Bank has extended around \$300 million to finance the setting up of electric transmission lines in West Africa and is ready to give another \$200 million for the same, he said.
- India-Africa goods trade in 2014 was around \$75 billion with Africa exporting \$40 billion to India and India exporting around \$35 billion to that continent, according to International Trade Centre data.
- This had fallen to about \$60 billion in 2015 with Africa exporting \$34 billion and India exporting \$26 billion, data showed.

Consumer Price Index accelerated to 5.76 per cent in May

- Retail inflation, as measured by the Consumer Price Index (CPI), accelerated to 5.76 per cent in May, its highest level in 21 months.
- CPI acceleration is driven primarily by rising food prices, making it more unlikely for the central bank to cut rates in the near future
- The index came in at 5.47 per cent in April 2016. It was 5 per cent in May last year. The last time the retail inflation was higher was in August 2014 when it crossed 7 per cent.
- Shortage in the sugar market has also moved up prices and could move up further during the festival season.
- Efficient management of the food basket is likely to become crucial for any monetary easing in the future. Expect easing to commence only when the RBI is sure of hitting the 5 per cent target in March next year.

- The data, released by the Ministry of Statistics and Programme Implementation on Monday, shows that inflation in the ‘food and beverages’ segment accelerated to 7.2 per cent in May.
- Overall, only food inflation witnessed acceleration while the other major segments in the index recorded marginal slowdown.
- The housing segment saw a marginal easing of inflation to 5.35 per cent in May, down from 5.37 per cent in April.
- Core inflation moved down imparting a downward bias to the overall print. However, this decline could possibly be short lived as the seventh pay commission is implemented and the base effect in certain categories wears off.

Microsoft CEO Satya Nadella outlined his thoughts on the LinkedIn buy

- In an email to company staff, Microsoft CEO Satya Nadella has outlined his thoughts on the LinkedIn buy, the biggest for the software giant.
- The key questions that weighed on his were: Does it expand the total addressable market of Microsoft? Is this asset riding secular usage and technology trends?
- “The answer to all of those questions with LinkedIn is squarely yes,” he said.
- “This deal brings together the world’s leading professional cloud with the world’s leading professional network,” he said.
- As these experiences got more intelligent, the LinkedIn and Office 365 engagement would grow, he opined.
- This would help create new opportunities for monetisation through individual and organisation subscriptions and targeted advertising, he added.

Central Bank revised the norms for banks to undertake debt restructuring

- The Reserve Bank of India (RBI) revised the norms for banks to undertake debt restructuring if they feel the project is viable in the long run
- Under the scheme titled ‘Sustainable Structuring of Stressed Assets (S4A),’ at least 50 per cent of the debt should be serviced in the same period as that of the existing loan.
- The balance can be converted into equity or quasi-equity instruments.
- Where malfeasance on the part of the promoter has been established, through a forensic audit or otherwise, this scheme shall not be applicable if there is no change in promoter or the management is vested in the delinquent promoter.
- The scheme is applicable to projects that have commenced commercial operation and where the banks’ exposure is over Rs.500 crore.
- According to the norms, an advisory body called Overseeing Committee (OC) will be constituted by the Indian Banks Association (IBA) in consultation with the RBI.
- Banks have to submit the resolution plan to the OC. The OC will review the processes involved in preparation of the plan, etc. for reasonableness and adherence to the guidelines and give an opinion , RBI said.

WPI rose to 0.8 per cent in May from (-) 2.20 per cent

- Wholesale price inflation rose to 0.8 per cent in May from (-) 2.20 per cent a year ago, driven by higher food prices, making it difficult for the central bank to reduce interest rates in the short-term.

- This is the second month in succession that the WPI is remaining in positive territory. Last month, inflation as measured by the wholesale price index (WPI) was at 0.34 per cent, its first gain in 18 months, according to data released by the Centre.
- The acceleration in WPI, coming as it does after a quickening of retail inflation in the same month, makes it even more unlikely that the Reserve Bank of India will cut interest rates shortly, according to economists.
- The WPI rose due to food inflation which shot up to 7.9 per cent from 4.2 per cent in April. The same trend could be seen in retail inflation as well where only the food category accelerated inflation.
- Food continued to push the headline print higher while the effect of rising global commodity prices was also larger in the index due to its close correlation with domestic prices.
- The fuel and power segment in the WPI contracted 6.1 per cent in May compared to a contraction of 4.8 per cent in April.
- This was led by the mineral oil segment, which contracted 9.6 per cent in May compared to a contraction of 7.9 per cent in the earlier month.
- Inflation in manufactured goods rose marginally to 0.9 per cent in May from 0.7 per cent in April.
- Overall, the view is that rising inflation coupled with poor industrial growth is a worrying trend.

The model GST law brings all e-commerce transactions under GST

- The model Goods and Services Tax (GST) law, made public by the Centre, has clarified that all e-commerce transactions will attract GST and that the tax will be collected by the service operator as soon as the supplier receives payment.
- While this has cleared the confusion surrounding the levy of the tax on e-commerce transactions spanning different states, it will also make operations more complicated for the e-commerce platform.
- The model GST law — with 162 clauses and four schedules — will be applicable for all those with an annual turnover of Rs.10 lakh or more. This limit is Rs. five lakh in the north-eastern states.
- The provisions of the model GST law that prescribes a GST threshold limit which is so low as Rs.10 lakh (Rs.5 lakh for north east), may be a zero sum game as the administrative cost of compliance on both ends would equal the tax collected.
- The model law also provides for an Authority for Advance Ruling to be located in every state, comprising one Central GST member and one State GST member to be appointed respectively by the Central Government and the State government.
- In addition, the law provides for the creation of an Appellate Authority in each state.
- The GST model law also includes a ‘composition levy’, wherein a person with an annual turnover of less than Rs.50 lakh on the sale of goods and services in a single state will have to pay a tax of “not less than one per cent.

Govt to review prize rise

- Concerned over food inflation, Finance Minister Arun Jaitley will review the situation and discuss steps to keep prices of essential commodities in check.
- Retail prices of pulses are still ruling high at over Rs.170 per kg even as the government is making efforts to boost supply. Even tomato prices have doubled to Rs.80 a kg due to the crop damage. Potato rates have also been on the rise.
- As per the WPI data vegetable inflation rose sharply to 12.94 per cent from 2.21 per cent a month ago.

- The Finance Minister has called tomorrow a meeting with ministers and secretaries concerned to discuss prices of essential commodities.

SBI and associate banks merger approved by Govt.

- The Union Cabinet has approved the merger of State Bank of India (SBI), the country's largest lender, and its associate banks — a move which is expected to bring the state-owned entity on a par with global lenders.
- The merged entity will have an asset base of about Rs.37 lakh crore, with nearly 24,000 branches and about 58,700 ATMs across the country as of March 2016-end . SBI and its associates employed 2.85 lakh people in 2014-15.
- The merger of SBI with its associates began eight years ago when SBI merged State Bank of Saurashtra with itself in 2008. In 2010, State Bank of Indore was also merged with the larger bank.
- SBI has since made repeated attempts to merge its units but none came to fruition due to a shortage of capital.
- The shares of SBI associate banks rose sharply after the cabinet approval. Those of the three listed associate banks that, State Bank of Mysore, State Bank of Travancore and State Bank of Bikaner and Jaipur were up 20 per cent each.
- SBI shares were up 3.9 per cent to close the day at Rs. 214.65 while the benchmark Sensex rose 1.25 per cent or 330 points to reach 26,726.

RBI Governor asked bankers to judiciously apply the latest loan restructuring norms

- Reserve Bank of India (RBI) Governor Raghuram Rajan has asked bankers to judiciously apply the latest loan restructuring norms and not use them as a tool to delay identification of bad loans.
- The top brass of RBI met the chief executive of several banks in which the director of Central Bureau of Investigation, Chief Vigilance Commissioner, and the Chairman of Bank Board Bureau, Vinod Rai, were present.
- RBI announced a revised scheme for debt recast, namely, Scheme for Sustainable Structuring of Stressed Assets (S4A).
- The new norms are only applicable for projects that have commenced operations and where bank loans amount to more than Rs.500 crore.
- According to the norms, at least 50 per cent of the debt should be serviced over the same period as that of the existing loans and the remaining debt could be converted into equity or quasi-equity instruments.
- The meeting was convened by the Banks Board Bureau following lenders' complaints of over activism by investigative agencies probing bad debts.
- Banks are wary to offer one-time settlement of loans to borrowers, which would need them to take substantial haircut in many cases, as they fear being hounded by investigative agencies in case of such deals.
- Earlier, the RBI Governor had also cautioned about the increasing interference from investigative agencies by saying it could 'chill' lending.
- Stressed loan in the Indian banking system has increased sharply since 2012.
- According to RBI data, the stressed assets ratio (which is the total of that gross NPA, restructured standard assets and Written Off Accounts) for the banking system as a whole, which stood at 9.8 per cent at the end of March 2012, rose to 14.5 per cent at the end of December 2015.
- Public sector banks have a disproportionate share of the stress, as during the same period, the stressed assets for government-owned banks increased from 11.0 per cent to 17.7 per cent.

Domestic IT spending is expected to reach \$7 billion

- Domestic information technology (IT) spending in the government sector is expected to grow 3.1 per cent in the year 2016, fuelled by a 'Digital India' initiative.
- According to a report released by global IT research and advisory firm Gartner the government will spend about Rs.4,700 crore (\$7 billion) for various IT products and services.
- The forecast by the firm includes expected spending by various governments including State, Centre and local governments in the country.
- The IT spending for the year includes internal services, software, IT services, data centres, devices and telecom services.
- Gartner predicted that the growth of the software market will be led by growth in the infrastructure.

Regional connectivity subsidy subject to passenger loads

- The subsidy provided by the Centre to airlines under the regional connectivity scheme (RCS) may be tapered if the passenger load factor increases to a decent level, according to the new civil aviation policy.
- Continuance of VGF [viability gap funding] for a particular route will be subject to appropriate passenger load factor continuously for a prescribed period.
- The Centre will subsidise the losses incurred by airlines by flying on the regional routes in a bid to allow them to charge Rs.2,500 to passenger for an hour's flight.
- The Centre will create a regional connectivity fund through a small levy on departure of each flight, as per the policy. While Centre will contribute 80 per cent for the viability gap funding, the rest 20 per cent will come from the states.
- In a bid to boost the cargo volumes the freight industry has also been offered a slew of incentives such as zero airport charges and waiving off terminal navigation landing charges.
- However, the cargo industry will not be entitled to viability gap funding from the government.
- The aviation policy gives a level of comfort to the states by allowing them to charge service tax on 10 per cent of the ticket costs to passengers flying in and out of the airports falling under the scheme.
- The draft policy had said that service tax on tickets will be exempted from the RCS.

The government's draft policy for wind and solar hybrid plants

- The government's draft policy for wind and solar hybrid plants, released for public comments recently, is a good step, but restrictive as it puts a cap on the size of such units.
- The policy, which is available on the Ministry of New and Renewable Energy's website and is open for public comments till June 30, lacks in details relating to tariffs, according to experts.
- The draft policy aims to facilitate hybridisation of existing solar or wind systems, besides new hybrid projects. However, it is restrictive in suggesting that hybrid capacity addition, for existing plants.
- In wind farms with low turbine density, a significant solar potential could be tapped (even of the order of 500 kW to 1 MW, depending upon plant area), which would require additional transmission capacity.
- The main aim of the policy is to lay a framework for promoting large grid connected wind-solar photovoltaic system.

- This will be helpful for creating optimal and efficient transmission infrastructure and land, reducing the variability in renewable power generation to achieve better grid stability.
- The goal of the policy is to reach a wind-solar hybrid capacity of 10 GW by 2022.
- While hybrid systems are viewed as a good step forward for the renewable energy sector as they stand to facilitate the efficient use of both land and transmission infrastructure, the draft policy is not detailed enough when it comes to tariff structures and financial incentives.
- The draft policy is not clear about the financial incentives for hybrid systems and merely refers to the existing incentives for solar and wind projects.
- The superimposition of wind and solar resource maps shows that there are large areas where both wind and solar have high to moderate potential, according to the policy.

The current account deficit (CAD) for the January-March period narrowed to \$ 0.3 billion

- The current account deficit (CAD) for the January-March period narrowed to \$ 0.3 billion, which is 0.1 per cent of the GDP as compared to \$7.1 billion in the preceding quarter and \$0.7 billion during the same period of the previous year.
- The balance of payments surplus in January-March was \$3.3 billion, compared to a surplus of \$4.1 billion in October-December. The lower current account deficit is mainly due to contraction in trade deficit.
- The contraction in CAD was primarily on account of a lower trade deficit (\$ 24.8 billion) than in Q4 of last year (\$ 31.6 billion) and \$ 34.0 billion in the preceding quarter.
- Net services receipts had declined on a year-on-year basis largely due to fall in exports of transport, financial services and telecommunication, computer and information services.
- However, net foreign direct investment moderated to \$ 8.8 billion in Q4'16 from \$ 9.3 billion during the same period of the previous year.
- Non-resident Indian (NRI) deposits, though, increased in Q4 of 2015-16 over their level in Q4 last year as well as the preceding quarter.
- Portfolio investment recorded a net outflow of \$1.5 billion in Q4 of 2015-16, as against a net inflow of \$12.5 billion in the corresponding period of last year, primarily reflecting net outflow in the debt segment.
- For the full financial year 2015-16, CAD narrowed to 1.1 per cent of GDP as compared to 1.3 per cent a year earlier.
- For the full year, trade deficit narrowed to \$ 130.1 billion in 2015-16 from \$ 144.9 billion.
- According to credit rating agency ICRA, the current account deficit could widen modestly from \$ 22 billion in FY2016 to \$25-30 billion in FY2017, though it will remain about 1.2-1.3 per cent of GDP.

Portfolio managers and REITs to be made more attractive

- The Securities and Exchange Board of India (SEBI) plans to relax norms for portfolio managers to enable more offshore fund managers to relocate to India.
- The regulator is also looking to change the norms for Real Estate Investment Trusts (REITs) to attract more real estate companies in the sector.
- The board of SEBI decided to release consultation papers on regulations for portfolio managers and REITs so that the current norms could be amended based on public feedback.

- Earlier, there have been issues related to the manner in which such entities would be taxed. In the Union Budget 2015-16, the Income Tax Act, 1961 was amended by inserting Section 9A - popularly known as ‘Safe Harbour Norms.’
- The clause laid down that such fund management activities would not constitute as business in India subject to certain criteria, including the Eligible Fund Manager getting registered with SEBI.
- The capital market regulator intends to review the procedure for registration of overseas fund managers who want to relocate to India and also their obligations and responsibilities.
- Such fund managers would not be required to comply with certain provisions related to audit of overseas fund, minimum investment requirement of Rs.25 lakh and reporting requirements with respect to the overseas fund.
- For REITs, the regulator is of the view that restriction on special purpose vehicles (SPVs) on investing in other SPVs should be removed and REITs should be allowed to invest up to 20 per cent in under-construction assets.
- The regulator will also review the norms related to the number of sponsors in each REITs and align the minimum public holding requirement with SCRR - (Securities Contract (Regulation) Rules. SEBI will also clarify on the roles and responsibilities of trustee and its associates of REITs.

India and South Korea will look to boost trade and investment ties

- India and South Korea will jointly review their Free Trade Agreement (FTA) to boost trade and investment ties.
- The FTA, officially called the Comprehensive Economic Partnership Agreement (CEPA), had come into effect in 2010.
- The FTA review will involve, among other things, fresh negotiations on elimination/reduction of duties on various products.
- Indian steel makers want steel products to be excluded from the scope of FTA as a surge in cheaper steel imports was hurting them.

Fall in export is getting arrested says Govt

- Commerce Minister said the Centre was looking into reasons for decline in merchandise exports since December 2014 and plans to ‘arrest the fall’ by extending interest subsidy and other incentives.
- “I can see that the fall (in goods exports) is getting arrested and pick-up is slowly showing up. The pick-up may be slow but the bottoming out has happened. From now, it (exports) will show a slow but steady rise.”
- Merchandise exports have been shrinking for 18 consecutive months since December 2014 but the contraction in May 2016 at (-) 0.79 per cent was at the slowest pace since then.
- The Minister said the government was studying sector-wise contraction in exports in a bid to extend help through interest subsidy and other incentives.
- On the 20 per cent duty imposed on sugar exports, Ms. Sitharaman said it was done to ensure greater availability of the commodity in the domestic market.

Ministries to study adding labour rules in trade talks

- The Labour Ministry will initiate a dialogue with external affairs and commerce ministries to explore the possibility of inserting labour provisions in trade negotiations, Labour Minister Bandaru Dattatreya said.

- This comes on the back of Bharatiya Mazdoor Sangh (BMS) move opposing India's stand at the recently concluded International Labour Organisation conference in Geneva.
- He said that adding labour as a condition in trade agreements will become a "trade barrier and impede the growth of the country."
- "The net importing country would say that your labour laws are not in conformity with our laws and this will affect our own production and economic growth."
- The issue was taken up at the ILO where India had objected to bringing labour conditions as a part of trade agreements and BMS had issued a statement earlier this week saying their "condemn the stand" taken by the government.
- The Centre had introduced a system-generated inspection system in 2014 under various labour law Acts wherein inspectors were not allowed to inspect a factory on his own will, unless he receives a complaint or gets an instruction from a Central Analysis and Intelligence Unit.

Tatkal window for patents set a limit on applications that it will consider

- The government, which opened a 'tatkal' window to expedite examination of patent applications in the backdrop of 2.37 lakh pending patent applications, has now set a limit on applications that it will consider under the fast-track clearance mechanism.
- The number of requests for expedited examination to be received by the Patent Office on or before December 31, 2016 has been limited to 1,000 requests.
- The 'tatkal' window was opened after the amendments to the patent rules came into effect from May 16.
- Under the 'tatkal'-like system, applicants can opt for the 'expedited examination'- route on the grounds that they have chosen India as the competent International Searching Authority or International Preliminary Examining Authority in the corresponding international application, and file their applications first in India.
- The 'expedited examination'-route is also available to all entities that qualify as a start-up as per the definition for start-up provided in the Patent Rules. The applications for this route have to be filed only electronically.
- There is a need to have more patent examiners with technical skills because the top ten filers of patent applications belong to the hi-tech category, namely telecom, semi-conductors and consumer electronics.
- The 'tatkal' window was aimed at popularising India as a patent filing hub to ensure more companies file applications in India.
- Currently, several applications for the initial examination are filed abroad, in places like Europe, the US or Japan.
- Under the 'expedited examination' route, the fees for individuals and start-ups have been fixed at Rs.8,000, while for small firms it is Rs.25,000 and for large companies, the fee is Rs.60,000.
- The Centre is aiming to bring down the time period for clearing applications from the present 5-7 years to two-and-a-half years.

India's Tea output made new record

- India's tea output rose three per cent to 1,233.1 million kgs in the last fiscal year — a record for the commodity, according to the Tea Board of India.
- Tea exports gained 17 per cent by volume and value during this period, according to official statistics. Exports, breached the 230-million-kg mark for the first time since 1980-81, touching 232.9 million kgs in 2015-16 and valued at Rs.4,493.1 crore.

- Auction prices of tea rose as did the volume sold through auctions. Bought Leaf Factory sector (which buys teas produced by the small tea growers) increased its share by 5.8 per cent.
- About 33.9 per cent of total tea production is now coming from small growers.
- In a statement, the industry regulator said that north Indian tea estates led by Assam were able to increase their output, offsetting the reverses suffered by South India which accounts for a quarter of India's tea crop.
- The Tea Board statement said that Russia, Iran, Germany and Pakistan accounted for most of the increase.
- Russia, India's single largest market, and one which is showing increased preference for high value teas, bought 22.4 per cent more teas.

Members of MPC and Next RBI Governor to be announced

- The government is expected to soon announce both, members of the monetary policy committee, as well as the successor to RBI Governor Raghuram Rajan, according to sources.
- The government is working overtime to counter the fallout arising from sudden exit announcement of Reserve Bank of India (RBI) Governor, Raghuram Rajan.
- Both the prime minister's office and the finance ministry have gone on a war footing to search for a successor.
- The new Governor would be announced well before the next monetary policy announcement scheduled on August 9.
- What is also certain is that the government will announce the formation of the monetary policy committee shortly.
- The Finance Bill, passed by the Parliament, has paved the way for the formation of such a panel.
- The monetary policy committee is to have six members — three of them, including RBI Governor, who will head the panel, will be from the RBI while the remaining three will be external members.
- RBI Governor will have the casting vote in case of an undecided vote.
- The formation of the monetary policy committee was mooted by the Urjit Patel committee which was set up by Mr. Rajan shortly after he took charge as Governor.
- The committee suggested that monetary policy be rule-based and not discretion-based.
- Targeting inflation is to be the core objective of the central bank, and it will be answerable to lawmakers if it failed to achieve the target, the Patel committee had suggested.
- RBI has already moved to an inflation-targeting framework following an agreement signed with the government in 2015.

Despite good policy some shortcomings in civil aviation policy

- India's first-ever National Civil Aviation Policy (NCAP) formulated by the NDA government is no doubt well-intentioned and aimed at achieving overall growth of the sector in a structured manner.
- However, several shortcomings, as pointed out by analysts, could derail the projected growth and objective.
- Though measures have been announced to strengthen both these entities and bridge the deficit, the policy is silent on how to radically transform these organisations to meet modern-day challenges and to be process-driven to deliver world-class service.
- With around 20 per cent growth in the number of air passengers, what India needs is strong air safety and security regulators.

- The expected upside in helicopter operations, private flying and regional airlines will add to the pressure.
- Airports Authority of India (AAI) is another entity that needs complete transformation, yet NCAP falls short of addressing that.
- There is little clarity on the way forward for the AAI or about its listing in the stock exchanges.
- NCAP is silent on long-term plans for airport development. Industry observers expected directions on the hiving off Air Navigation Services (ANS) from the AAI and making it an independent, professional body.
- Moving to 0/20 from the 5/20 rule in international flying is a compromise following hectic lobbying by incumbent airlines which struggled to fulfil the criteria of five years of domestic experience and 20 aircraft to fly abroad.
- The relaxation to just 20 aircraft without any domestic flying criteria will not help new carriers like Vistara and AirAsia India significantly as they cannot fast track expansion owing to a resource crunch.
- Both these airlines, in which the Tatas are shareholders, have exhausted the initial capitalisation and their operations are continuing to make losses. Fast-tracking expansion would mean more cash burn.
- Analysts say that the airlines would take about three to four years before building a capacity of 20 aircraft, while they need to have enough capital to run the operations in the meanwhile.
- The NCAP gives no direction on removing the negative fiscal regime on Indian airlines which includes sales tax on ATF and other taxation measures. These have not been effectively addressed.
- There has been no direction on improving institutional capability in the Ministry of Civil Aviation.
- The helicopter industry will structurally change with the announced measures, but its success is dependent almost entirely on DGCA, BCAS and infrastructure development.
- Environmental clearances will pose a big challenge for helipad development. Moving to a hybrid till in airport development will end uncertainty and promote investment.
- The regional aviation policy is well-intentioned, but private capital is unlikely to flow to loss-making projects.

PM discusses rupee management

- PM held meetings with his key officials to assess the possible impact on the rupee and macro-economic stability following the announcement by RBI Governor that he would not seek another term.
- In the immediate term, the most effective strategy will be for the Reserve Bank of India (RBI) to signal that it intends to defend the rupee.
- The RBI has accumulated foreign currency reserves in excess of \$350 billion, which will be used.
- The government wants to make sure that the bond and currency markets remain calm after Mr. Rajan's departure, especially when a foreign currency non-resident deposit scheme's redemptions begin, starting September. T
- here could be outflows of about \$20 billion due to the imminent maturity of the scheme, which the RBI unveiled in October 2013, weeks after Mr. Rajan joined, to tide over the worst rupee crisis in decades.
- India had mobilised \$26 billion through foreign currency non-resident bank account (FCNR-B) deposits by offering a special swap window for banks after the U.S. Federal Reserve 'taper tantrums' in the summer of 2013.
- Several alternatives are on the table for mitigating the impact of the redemptions, including the option of rolling over the bonds, the source said.

- One option is to mobilise funds from NRI's through a fresh dollar-denominated instrument along the lines of the 'India Millennium Deposit', the State Bank of India's foreign currency denominated deposits (IMD) issued in 2010.
- The handling of the situation has become more important because India is up for a ratings upgrade this year.
- Last October, global ratings agency Standard & Poor's affirmed its 'BBB-' long-term and 'A-3' short-term sovereign credit ratings for India, with a stable outlook.

The World Bank expects India's economy to expand 7.6 per cent in 2016-2017

- The World Bank expects India's economy to expand 7.6 per cent in 2016-2017, followed by a modest acceleration in the rate of growth to 7.7 per cent in 2017-2018 and 7.8 per cent in 2018-2019.
- GDP accelerated to 7.6 per cent in 2015-16 from an average of 6.5 per cent during the three-year period 2012-13 — 2014-15, the World Bank's India Development Update released said.
- India's economy expanded at a faster pace even as several growth engines stalled.
- Agriculture faced a second consecutive year of drought, rural households were under stress, private investments remained flat and exports plummeted, the report said.
- Despite these drags, the working engines — demand from urban households and public investments — propelled the economy to a higher growth path.
- To remain on this growth path and sustain the 7.6 per cent growth rate in 2016-17, India will need to re-start dormant growth drivers while ensuring that the working engines do not run out of fuel, according to the report.
- The bi-annual report on the economy and its prospects said that India's sources of growth had been few, with many segments of the economy facing challenges.
- External demand has been tepid and GDP growth has relied exclusively on domestic demand, which itself has been running on just a few engines. Private investment stagnated and likely contracted in the January-March quarter.
- Private consumption, which accelerated to 7.4 per cent in 2015-16 from 6.2 per cent in 2014-15, is puzzling, given that over two-thirds of Indian households are in rural areas, which suffered a second year of sub-par monsoons in 2015-16.
- Growth in agriculture output remained muted at 1.2 per cent. Urban households appear to have been the main drivers of growth in 2015-2016.
- The manufacturing and services sectors, which expanded 7.4 and 8.9 per cent respectively, are likely to have created urban jobs. Inflation abated, primarily because of lower food prices.

The Centre has kept interest rates unchanged for various small savings schemes

- The Centre has kept interest rates unchanged for various small savings schemes for the July-October period of the 2016-17 fiscal.
- The Finance Ministry in a statement on Monday said that the interest rate on one-year deposits for the July-October period of this fiscal had been kept unchanged at 7.1 per cent.
- The interest rate on two-year, three-year and five-year time deposits were kept at 7.2 per cent, 7.4 per cent and 7.9 per cent, respectively. The interest rate on Public Provident Fund remained at 8.1 per cent, the Ministry said.

Visakhapatnam Port has been declared as the second gateway port for Nepal

- Visakhapatnam Port has been declared as the second gateway port for Nepal after Kolkata-Haldia.
- The movement of traffic-in-transit between Port of Visakhapatnam and Nepal will be in sealed containers and in full rake only and the cost of transshipment will be borne by the consignor/consignee.
- Visakhapatnam Port has the deepest container terminal among major ports with permissible draft of 15 metres and LOA up to 320 metres. Most of the transit cargo of Nepal will be from China.
- The terminal can act as an ideal gateway for east-bound cargo. Handling of cargo will be advantageous in terms of ocean freight and liner detention.
- India and Nepal signed the agreement recently to provide the additional transit facility to Nepal through the Visakhapatnam Port as second gateway port.
- The agreement provides for transport of the cargo through the rail route connecting Visakhapatnam-Jogbani or/and Visakhapatnam-Birgunj. In addition to the rail route, four road routes have been identified.
- The agreement facilitating transport of EXIM cargo through the Visakhapatnam Port is a historic milestone.

Small businesses, which contribute 45 per cent to India's GDP, transact primarily in cash

- Small businesses, which contribute 45 per cent to India's GDP, transact primarily in cash despite the Centre's push towards digital transactions, according to a study.
- A study by MasterCard and the Confederation of All India Traders (CAIT) estimates that there are 10 crore micro-merchants — defined as primarily business-to-consumer (B2C) enterprises, with an employee strength of 2-20 workers each and who deal only in cash — constituting about 95 per cent of the MSME sector.
- The government's push towards digital transactions has barely made a dent in this category because providing access in itself is not enough.
- Currently, even the government's Jan Dhan Yojana and RuPay debit cards are focussed on rural India bypassing most of the small merchants who reside in towns.
- Where people have cards, they do not use them for transactions.
- There are three main deterrents in going for digital transactions. The first is the rule that transactions of more than Rs.2 lakh will draw the attention of the Income Tax Department since they require a PAN card to be provided.
- The second hindrance is that banks charge an additional fee for card transactions, which the merchants, who already survive on small margins, have to pass on to the customer. This, in effect, makes cash a cheaper option for the consumer.
- The third deterrent is there is lack of awareness about the benefits of using cards for payments and higher costs in conducting cash transactions.

Govt approved extension of deadline for UDAY

- The Cabinet approved an extension in the deadline for implementing the Ujjwal Discom Assurance Yojana (UDAY) by a year to March 31, 2017.
- The UDAY scheme is aimed at bringing ailing power distribution companies (discoms) to a state of operational efficiency, with state governments taking over up to 75 per cent of their respective discoms' debt and issuing sovereign bonds to pay back the lenders.

- The Cabinet decision extends this provision from the earlier deadline of March 31, 2016.
- The extension of the timeline is also to give states that have given their in-principle approval a little more time to order their finances before signing the official document, according to experts.
- UDAY envisages a permanent resolution of past as well as potential future issues of the sector. It empowers discoms with the opportunity to break even in the next 2-3 years.
- The scheme seeks to achieve this through several simultaneous steps including reducing the interest burden on the discoms by allowing the states to take over the bulk of their debt, reducing the cost of power, and increasing the operational efficiencies of the discoms by providing capital and infrastructure like coal linkages.
- So far, 19 States have given in-principle approval to join the scheme, out of which 10 states—Rajasthan, Uttar Pradesh, Chhattisgarh, Jharkhand, Punjab, Bihar, Haryana, Gujarat, Uttarakhand and Jammu & Kashmir—have signed MoUs with the Centre.

Rs. 10000 crores fund to support the start-Ups

- The Cabinet approved the setting up of a Rs.10,000 crore fund to support start-ups in becoming full fledged business entities.
- The fund is expected to generate employment for 18 lakh persons.
- The approval will pave the way for setting up “Fund of Funds for Startups” at the Small Industries Development Bank of India for contributions to various Alternative Investment Funds registered with the Securities and Exchange Board of India.
- The Rs.10,000 crore-corpus will be built up over the 14th and 15th Finance Commission cycles subject to progress of the scheme and availability of funds. Already Rs.500 crore has been provided.

Govt paved the way for largest-ever spectrum auction

- Paving the way for the largest-ever spectrum auction in the country, the Union Cabinet chaired by Prime Minister Narendra Modi approved the sale of all available spectrum.
- This move could potentially fetch the exchequer about Rs.5.5 lakh crore going by the reserve price.
- The auction in which about 2000 MHz of airwaves will be put up for sale is likely to be conducted in September. The government had earned revenues of Rs 1.1 lakh crore from the auctions held last year.
- This is the first time that the 700 MHz band that is preferred for offering high-speed broadband services will be put on offer at a reserve price of Rs11,485 crore per MHz pan-India.
- However, the operators had asked the sale to be held back till the device ecosystem was put in place. The cost of delivering mobile services in the 700 MHz band is also approximately 70 per cent cheaper than in the 2100 MHz band.
- For 2016-17, the Centre has estimated revenues from communication services at Rs 98,995 crore, of which Rs 55,000 crore is expected from the auction of spectrum.
- Companies winning spectrum above 1GHz will need to pay 50 per cent upfront against the 33 per cent earlier.
- For the remaining spectrum, 25 per cent would be upfront payment. The balance for both categories will be paid in 10 years after a two-year moratorium.

Mobile banking transactions rapidly increasing in India

- With more banks offering mobile banking services, transactions through mobile apps has increased seven-fold in three years, between 2013 and 2016, the Reserve Bank of India said.

- The central bank, which has released the payments and settlement vision document 2018, said all segments of electronic payments, particularly retail, had shown healthy growth since 2012-13.
- At the same time, the usage of cheques had come down, indicating shift in customer preference towards electronic mode of payments.

Govt wants to improve the quality of imported goods

- Commerce Minister said there is a “desperate need” for India to ensure high quality standards for goods, since increasing tariffs or imposing quantitative restrictions alone cannot completely prevent “poor quality and undesirable imports.”
- “Unless we have set standards, it is not going to be possible for us to stop unwanted and undesirable imports. There is no way in which just tariff measures are going to be sufficient to stop such imports which we do not desire,” Ms. Sitharaman said
- Ms. Sitharaman said that the Bureau of Indian Standards (BIS) had a lot of “catching up” to do in terms of setting up technical regulations (or mandatory standards) to ensure that Indian consumers get good quality products.
- The minister’s observation assumes significance as it comes in the backdrop of allegations of a surge in imports of sub-standard goods from countries like China.
- She said BIS needed to speed up its work with the ministries concerned to ensure matching high standards for locally-made and imported items.

Brexit will see renegotiation in BTIA

- Britain’s exit from the European Union will not have any immediate impact on India’s trade and investment with the U.K. and the EU.
- However the proposed India-EU Free Trade Agreement (FTA) will see some “modifications and moderations,” Commerce Secretary said.
- The Centre does not see any immediate impact of Brexit on ties with the U.K. and the EU as trade and investment with the two are currently happening not on the basis of an FTA but on a bilateral basis.
- The implications of Brexit will happen only after 2018 when the terms and conditions regarding Britain’s exit from the EU are likely to be finalised.
- India was not in favour of restarting the FTA talks from scratch, owing to the impending separation of the U.K. and the EU.
- India will undertake a study of those Britain-related tariff lines that are part of India-EU FTA talks.
- The India-EU FTA negotiations have been deadlocked since 2013 after 16 rounds of talks due to several differences. Both sides are yet to fix dates to resume negotiations.
- Commerce Minister said that there will be some impact on trade in the short-term due to the currency volatility, adding that the government was closely monitoring the situation to assess the short, medium and long-term impact on India’s trade and investment with the U.K. and the EU.
- Currency volatility may put pressure on India’s exports as both British Pound and Euro will depreciate giving greater competitiveness to their products particularly in third countries.
- With currency depreciation, the domestic manufacturer in EU and Britain may get some competitiveness as imports becoming costlier having its effect on India’s and other countries exports.

Share market plunge after Brexit

- World stocks saw more than \$2 trillion wiped off their value as Britain's vote to leave the European Union triggered 5-10 per cent falls across Europe's biggest bourses and a record plunge for sterling.
- Such a body blow to global confidence could prevent the Federal Reserve from raising interest rates as planned this year, and might even provoke a new round of emergency policy easing from all the major central banks.
- Almost \$1 trillion had been lost from European share prices ahead of what is expected to be a nearly 4 per cent fall on Wall Street when it opens later.
- London's FTSE dropped almost 5 per cent while Frankfurt's DAX and the CAC 40 index in Paris fell 6 to 8 per cent. The Italian FTSE MIB, Spanish IBEX and European bank stocks all headed for their sharpest one-day drops ever.
- Britain's big banks took a \$100 billion battering, with Lloyds, Barclays and RBS plunging as much as 30 per cent at one point.
- The British pound dived by 18 U.S. cents at one point, easily the biggest fall in living memory, to hit its lowest since 1985. The euro in turn slid 3 per cent to \$1.1050 as investors feared for its very future.
- That message was being broadcast loud and clear. The Bank of England, European Central Bank and the People's Bank of China all said they were ready to provide liquidity if needed to ensure global market stability.

Indian economy could suffer a significant knock in the short term after Brexit

- Indian economy could suffer a significant knock on effect in the short term with the United Kingdom voting for exiting the European Union (EU), according to market analysts and rating agencies.
- The company predicts that Brexit will mean India's GDP will now grow at 7.3 per cent this year, down from the 7.6 per cent predicted earlier.
- If at the end of that process, the U.K. exits the single market, EU countries will start imposing tariffs on British products, making it far less attractive for Indian businesses – like Tata Motors – to have a manufacturing base in the U.K.
- However, despite U.K. Prime Minister David Cameron announcing his resignation, the legal road ahead to cement the exit from the EU is a long one with provisions for the process to be extended.
- Under Article 50 of the Lisbon Treaty, the formal negotiation process for withdrawal should take place within a two-year period.
- However, this process will only start once the U.K. formally notifies the European Commission of its desire to leave and the two-year period can be extended if all member states agree.
- The subsequent levy of tariffs by the EU on British products will make doing business in the U.K. less attractive for foreign companies, including Indian organisations.
- The 30-stock BSE Sensex tumbled by more than 1,000 points. It subsequently recovered and pared the losses to a little over 600 points. Oil prices also fell though experts believe this will be short-lived.

India looking for projects to be funded by AIIB

- India is identifying projects worth \$2-3 billion that could be funded by the Asian Infrastructure Investment Bank (AIIB), Finance Minister Arun Jaitley said.
- Mr. Jaitley signalled India's full support for the China-led lender by calling upon it to open a regional office in New Delhi — a move that could help support South Asia's burgeoning demand for infrastructure.

- The projects in India, which were being identified, were in the areas of urban development, including smart cities, urban transport, energy, inland waterways and water supply.
- The Beijing-based AIIB is headed by former Assistant Chinese Finance Minister, while India's DJ Pandian is its Vice President and Chief Investment Officer.
- Mr. Jaitley said that India had continued to maintain a high growth rate of 7.6 per cent in 2015-16, despite the overall "very modest" recovery of the global economy.
- Mr. Jaitley said Britain's decision to leave the European Union would have only a temporary impact on India.

The Centre to make it mandatory for companies to give appointment letters

- The Centre will soon make it mandatory for companies with more than ten workers to give appointment letters to employees at the time of joining — a move that would benefit millions of workers in the informal sector.
- An absence of legislation on the issue makes it difficult for workers, including those who are employed informally or via contractors in the organised sector, to establish proof of employment and gives companies room to violate labour laws and not ensure any social security benefits for such employees.
- A proposal to make appointment letters mandatory is part of the draft labour code on working conditions finalised by the Union Labour and Employment Ministry.
- Companies in the manufacturing, construction, plantation, mining and a few other sectors will have to issue a letter of appointment within days of hiring, even if this involves contractual or migrant short-term workers.
- The Centre may prescribe a format for appointment letters which would include details such as designation of the worker, the time period for which she is employed and other working conditions and benefits.

Britain faces credit rating risk

- Ratings agency Moody's said Britain's creditworthiness was now at greater risk after voting to leave the European Union, as the country would face substantial challenges to successfully negotiate its exit from the bloc.
- Moody's assigned a negative outlook to its 'Aa1' rating for British government debt after referendum showed that a clear majority of Britons wanted to leave the EU, prompting Prime Minister David Cameron to announce he would resign.
- Britain's finance ministry and central bank had warned voters the country would face a major economic hit if it left the EU after more than 40 years as a member, and sterling fell to its lowest against the dollar since 1985.
- Standard & Poor's - the only major one to still assign Britain a top-notch triple-A.
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Japanese messaging app company Line Corp. IPO

- In delaying its IPO by two years, Japanese messaging app company Line Corp. bought time to correct weak financial reporting controls, work on its business plan, bolster staffing.

- Line's initial public offering in the next three weeks is set to raise about \$1 billion, which given a global drought of such deals could make it the biggest tech listing this year.
- The bulk of Line's revenue comes from games and sales of emojis and electronic stickers, including Brown the bear and Cony, his flatulent rabbit girlfriend.

Monetary policy committee notified

- The Centre brought the Monetary Policy Committee (MPC) one step closer to reality by notifying the changes made to the Reserve Bank of India (RBI) Act.
- Economic Affairs Secretary Shaktikanta Das tweeted: “Amendments to RBI Act for Monetary Policy Committee (MPC) and connected rules notified. One step closer to its formation and operationalisation”.
- The six-member Committee — tasked with bringing “value and transparency to monetary policy decisions” — will comprise three members from RBI, including the Governor, who will be the ex-officio chairperson, a Deputy Governor and one officer of the central bank.
- The other three members will be appointed by the Centre on the recommendations of a search-cum-selection committee to be headed by the Cabinet Secretary.
- The Committee is to meet four times a year and make public its decisions following each meeting.

No tax will be collected at source when cash component is less than Rs.2 lakh

- No tax will be collected at source when cash component of the payment for goods and services is less than Rs.2 lakh even if the total consideration is more than this amount.
- CBDT has issued a new circular on Tax Collected at Source (TCS) clarifying that the levy will not be applicable when cash part of the payment for certain goods or services is less than Rs.2 lakh, even when the total payment is more than this amount.
- It illustrated this statement by an example that in a case where a good worth Rs.5 lakh is sold for which the consideration amounting to Rs.4 lakh has been received in cheque and Rs.1 lakh has been received in cash.

NPA's saw a big jump

- Gross bad loans at commercial banks could increase to 8.5 per cent of total advances by March 2017, from 7.6 per cent in March 2016, according to RBI's Financial Stability Report.
- The central bank has been pushing lenders to review the classification of loans given by them as part of an Asset Quality Review (AQR).
- The resultant sharp surge in provisions for bad debts has eroded profitability, especially at state-owned banks, in recent quarters.
- The gross bad loans of public sector banks increased to 9.6 per cent as of March 2016, from about 6 per cent a year earlier, RBI data showed.
- There was an almost 80 per cent jump in gross bad loans in 2015-16, according to the report. Gross bad loans of Indian banks widened to 7.6 per cent from 5.1 per cent in September and from 4.6 per cent in March 2015.

- In 2004, gross bad loans in the Indian banking sector touched 7.8 per cent, while the ratio was 11.1 per cent in 2002.
- The rise in gross NPA is mainly because of the AQR, RBI said in the report. The AQR conducted by the banking regulator found several restructured advances, which were standard in the banks' books,
- The net NPA of the banks also increased sharply to 4.6 per cent in March 2016, from 2.8 per cent in September 2015. Public sector banks' net NPA was 6.1 per cent, while the ratio for private sector banks was 4.6 per cent.
- On the business side, the report noted that credit and deposit growth remained in single digits for the previous financial year. While credit growth was 8.8 per cent, deposit growth was 8.1 per cent.
- There was a stark difference in the credit and deposit growth of public sector banks as compared with their private sector counterparts.
- According to RBI data, for public sector banks, loans grew at 4 per cent while it was 24.6 per cent for private banks. Deposits of state-run banks grew by 5.2 per cent, while for private banks it was 17.3 per cent.
- The only silver lining is the housing sector, according to the financial stability report, which said with gross NPAs of the retail housing segment at 1.3 per cent, it does not pose any significant systemic risks in the Indian context.

Shifting from five year Plans to be discussed soon

- The Centre will discuss with state CM's strategy to shift from the five-year plan approach to a new system that would consist of an overarching 15-year vision document supplemented by a seven-year strategy and three-year action plans.
- Besides the new planning process, the Council is also expected to discuss the model law on land leasing developed by the Aayog.
- The target enunciated by the Centre to double agricultural incomes in five years is also likely to come up for discussion.
- The Prime Minister had in February this year urged all state governments to give priority to boosting the agriculture sector with a target of doubling the income of farmers by 2022.
- The Aayog's vice chairman Arvind Panagariya is expected to table an appraisal of the XIIth Five Year Plan at the meeting and is also like to apprise the council of the activities under taken over the past year by the Aayog.
- The practice of five-year plans, being followed for over six decades, will end after the ongoing XIIth Plan that concludes in 2016-17.
- The 15-year vision document to be prepared by the Aayog will also cover internal security and defence that have traditionally not been part of the planning process.
- The Council is also likely to review the action taken on the three reports submitted by groups of chief ministers – on Swachh Bharat Abhiyaan, Skill Development and rationalization of centrally-sponsored schemes.

Declaration under Income Declaration Scheme wont be shared with authorities

- The government has sought to assure industry that it would not harass those who came forward with their undeclared income.
- Finance Minister Arun Jaitley held a meeting with industry leaders and chambers of commerce regarding the Income Declaration Scheme where he sought to assuage these concerns.
- The compliance window is open for people with undisclosed income to legitimise it by paying 45 per cent tax between June 1 to September 30.

- Any declaration made under this law (the Income Declaration Scheme 2016) is protected, (and) that information won't be shared with any other authority.”
- This comes a couple of days after Prime Minister Narendra Modi also spoke about the Income Declaration Scheme in his Mann Ki Baat radio address.
- “I have also promised that for those who voluntarily declare to the government their assets and their undisclosed income, the government will not conduct any kind of enquiry,” the Prime Minister added.

Centre is planning a special package for leather sector

- The Centre is planning a special package, incorporating labour reforms, subsidies and duty incentives, for the leather sector to boost investment, jobs and exports.
- The move comes after a similar package was unveiled for the textile industry on June 23 to enable it to compete globally. About 2.5 million people are employed in the \$12 billion leather industry.
- The sector, like textiles, predominantly employs women. To increase productivity, the leather sector package may include labour reforms similar to those introduced in the textiles package.
- India accounts for about 10 per cent of the world's leather production, and is the world's second largest producer of leather garments and footwear.
- The current ILDP scheme would be in place till March-end 2017 and any changes to ILDP or a new package is likely to be implemented only in the next fiscal.
- The ILDP, introduced in January 2014, was aimed at “augmenting raw material base through modernisation and technology upgradation of leather units, addressing environmental concerns, human resource development, supporting traditional leather artisans, addressing infrastructure constraints and establishing institutional facilities.”
- The leather industry package may include higher incentives under the Duty Free Import Scheme (DFIS).
- Under DFIS, a manufacturer-exporter or a merchant exporter having a tie-up with a supporting manufacturer is currently allowed duty-free import of inputs up to three per cent of the value of exports realised in the previous year.
- The package may also include greater sops under the ILDP. Currently, ILDP provides up to 30 per cent subsidy on the cost of plant and machinery for micro and small enterprises and 20 per cent subsidy to other units.
- The subsidy has a ceiling of Rs.2 crore for each product line. In the new package, this ceiling could either be done away with or enhanced.
- The package may include higher subsidy for setting up of mega leather clusters to create world-class infrastructure, and for upgradation or installation of Common Effluent Treatment Plants.

UDAY will not effect fiscal health

- The Ujwal Discom Assurance Yojana (UDAY), meant for revival of debt-ridden discoms, is unlikely to have a destabilising effect on fiscal consolidation at an aggregate level, says India Ratings and Research (Ind-Ra).
- Ind-Ra's estimate shows that the aggregate fiscal deficit of states at 3.2 per cent of GDP in 2016-17 is expected to be marginally better than the 3.4 per cent in FY16 (revised estimates), the credit rating agency said in a release.
- According to a study, the aggregate impact of UDAY on fiscal deficit of 13 States, that have joined UDAY till date, will be 0.47 per cent of the GDP in 2016-17.
- Five States incurring high distribution losses that have not yet joined the UDAY scheme are Telangana, Madhya Pradesh, Maharashtra, Tamil Nadu and West Bengal, it said.
- Ind-Ra's analysis shows that once they go ahead, State finances of even Telangana, Madhya Pradesh and Tamil Nadu will be under strain.

- The agency predicted that despite marginally better fiscal performance, states at the aggregate level are likely to miss the fiscal deficit target of 2.8 per cent in 2016-17 by a wide margin.
- Only 12 out of 23 States will be able to take advantage of the window for additional borrowings in 2016-17 provided by the 14th Finance Commission.
- Among these 12 States, 2 fulfilled the criterion of interest or revenue being below 10 per cent in the preceding year while 4 met the debt/GSDP metrics less than 25 per cent in the preceding year and six complied with both in the preceding year itself.

SCIENCE AND TECHNOLOGY

3D printing technology getting better

- Scientists have developed a new interactive 3D printing system that can allow designers to make changes to the model while it is still in the printer.
- WirePrint aimed to speed prototyping by creating a model of the shape of an object instead of printing the entire solid.

Using satellite based method NASA came up with new pollution source

- Using a new satellite-based method, NASA scientists have located 39 unreported and major human-made sources of toxic sulphur dioxide emissions.
- The unreported emission sources, found in the analysis of satellite data from 2005 to 2014, are clusters of coal-burning power plants, smelters, oil and gas operations – found notably in West Asia, but also in Mexico and parts of Russia.
- In addition, reported emissions from known sources in these regions were, in some cases, two to three times lower than satellite-based estimates.
- Altogether, unreported and under-reported sources account for about 12 per cent of all human-made emissions of sulphur dioxide — a discrepancy that can have a large impact on regional air quality.
- Sulphur dioxide is a known health hazard and cause of acid rain. Currently, sulphur dioxide-monitoring activities include the use of emission inventories that are derived from ground-based measurements and factors, such as fuel usage.

A revolutionary new way of tackling climate change developed

- Scientists have turned carbon dioxide into stone in a matter of months by pumping it deep underground, offering a revolutionary new way of storing the greenhouse gas to tackle climate change.
- The pioneering experiment in Iceland mixed CO₂ emissions with water and pumped it hundreds of metres underground into volcanic basalt rock — where it rapidly turned into a solid.
- Previous attempts to inject CO₂ into sandstone soils or deep saline aquifers have struggled, as they relied on capping rocks to hold the gas down — triggering fears it could eventually leak.
- In contrast, the Carbfix project at Iceland's Hellisheidi plant — the world's largest geothermal facility, which powers Reykjavik — sought to solidify the CO₂.
- The plant produces 40,000 tons of CO₂ a year — just five percent of the emissions of a similarly sized coal plant, but still significant. In 2012, they began pumping 250 tons of CO₂ mixed with water underground.

- Encouraged by the success, the company has scaled up the project and from this summer will be burying some 10,000 tonnes of CO₂ each year.
- A 2014 report by the Intergovernmental Panel on Climate Change warned that without carbon sequestration technology, adequately limiting global warming could prove impossible.
- Basalt makes up most of the world's seafloors and approximately 10 per cent of continental rocks, according to the study's researchers.
- A porous, blackish rock, basalt is rich in calcium, iron and magnesium, minerals researchers said are needed to solidify carbon for storage.

Study suggests France flood are related to Global warning

- Torrential rains which caused flooding in France recently bore the unmistakable fingerprint of climate change.
- Global warming, especially in the last 50 years, had almost doubled the likelihood of the kind of three-day downpour that burst the banks of the Seine and Loire rivers, they calculated.
- At the very least, the probability of such an extreme rainfall event had increased by more than 40 percent.
- The Seine hit its highest water mark in three decades, while overflowing tributaries forced evacuations and left tens of thousands of people without power in nearby towns.
- In southern Germany, heavy rains also caused flash flooding that swept away houses and cars. At least 18 people were killed in four European countries.
- Unlike for France, the evidence was not strong enough to establish a direct link between warming and the destructive rainfall in Germany, the researchers said.
- This does not mean that climate change did not play a key role, only that observations failed to line up with the models well enough to draw similarly robust conclusions.
- Part of the explanation lies in basic physics. A warmer atmosphere can hold — and discharge — more water. So far, man-made warming has increased Earth's average surface temperature by about one degree Celsius.
- On current trends, that temperature is set to rise by another 2.0 degree Celsius, even taking into account national pledges made by virtually all the world's nations last year to slash carbon pollution.

Mars Orbiters have for the first time found a seasonal dust storm pattern

- NASA's Mars Orbiters have for the first time found a seasonal dust storm pattern on the Red Planet — paving the way to improve scientists' ability to predict hazards there.
- Temperature records from Mars orbiters reveal a pattern of three types of large regional dust storms occurring in sequence at about the same time each year during the southern hemisphere spring and summer.

Australian Great Barrier Reef rodent, the first mammal lost due to climate change

- Climate change appears to have driven to extinction an Australian Great Barrier Reef rodent, according to a new study, which suggests the species may be the first mammal lost to the global phenomenon.
- Extensive searches for the Bramble Cay melomys, a small rat-like animal, have failed to find a single specimen from its only known habitat on a sandy island in far northern Australia.

- Researchers said the key factor behind the extinction was “almost certainly” ocean inundation of the low-lying cay, likely on several occasions, over the last decade which resulted in dramatic habitat loss.
- The *Melomys rubicola*, considered the Great Barrier Reef’s only endemic (found nowhere else) mammal species, was first discovered on the cay in 1845 by Europeans who shot the “large rats” for sport.
- But the last known sighting, by a professional fisherman, was in 2009. When a 2014 study found no sign of the species, researchers decided to conduct the most extensive survey possible in the hope of conserving the species.

LIGO announced witnessing the merging of a second black hole pair

- Even before the excitement over the discovery of the first binary black hole merger can ring down, LIGO scientists have announced witnessing the merging of a second black hole pair.
- They infer this from the observation of a gravitational wave (GW151226) detected on December 26, 2015.
- Being a much weaker signal than the first, the detection of this merger required the use of sophisticated noise filtering and mathematical analyses, some of which has been developed by Indian scientists.
- The LIGO Scientific Collaboration (LSC) and Virgo Collaboration have made public the set of observations. The entire signal, coming from 1.4 billion light years away, lasted just one second.
- Having approximately 14 and 8 times the mass of the sun, the two black holes, during their cataclysmic merging, released approximately one solar mass within this short interval.
- The signal-to-noise ratio of the second merger was much lower than its massive predecessor, causing the detection to be more challenging.
- A special technique called matched filtering invented in 1949 by Wiener had to be adapted for gravitational wave data analysis.
- In developing this technique and other important areas, such as theoretical modelling of the expected signals, the Indian contribution is significant.
- The adaptation of matched filtering to detect gravitational waves was developed at IUCAA, Pune.

WHO says drinking very hot coffee can cause cancer

- Drinking very hot coffee and other drinks “probably” causes cancer of the oesophagus, an agency of the UN’s World Health Organisation said, but lifted suspicion from a cup of joe at “normal serving temperatures”.
- There were hints that coffee may even lower the risk of liver, breast and uterine cancer, said the International Agency for Research on Cancer (IARC) — but not if consumed hotter than 65 degrees Celsius.
- The IARC looked at the full complement of published scientific literature considering if there was a cancer link to coffee or mate, a South American herbal infusion that is also popular in the Middle East.
- Only when drunk hotter than 65 degrees Celsius did any association arise with cancer of the gullet.
- In lab studies, very hot water at 65-70 degrees Celsius boosted oesophageal tumours in mice, said the agency.

PSLV-C34 to take highest number of satellites

- The Polar Satellite Launch Vehicle (PSLV-C34), which will lift off at 9.25 a.m. on June 22 from Sriharikota, is an important mission for the Indian Space Research Organisation (ISRO).
- The vehicle will not only put 20 satellites into the same orbit — the highest number of satellites to be put into orbit by a PSLV — but it will perform two tricky experiments of the same nature.
- Fifty minutes after the satellites are injected into the orbit from the fourth stage of the vehicle, its engine will be re-ignited for five seconds.
- The ISRO wants to master this complex manoeuvre so that it can put multiple satellites into different orbits using the same rocket.
- A forthcoming PSLV launch will put the ISRO's SCATSAT-1, meant for forecasting weather and cyclone detection, and a foreign satellite in two different orbits.
- On December 16, 2015, after the PSLV-C29's fourth stage put six Singapore satellites into the same orbit, the ISRO re-started the fourth-stage engine for four seconds.
- On June 22, eight minutes after the PSLV-C34 lifts off, the fourth stage engine will sizzle into life, taking the stage to an altitude of 514 km.
- The fourth stage engine will be cut off 16 minutes and 30 seconds after the lift-off. Over the next 10 minutes, 20 satellites will be injected into the same orbit from the fourth stage, one after another.
- In 2008, the PSLV-C9 deployed 10 satellites, but in the same orbit.

Carbon dioxide levels surpassed 400 ppm in South Pole

- Carbon dioxide levels have surpassed 400 parts per million (ppm) at the South Pole for the first time in four million years, according to U.S. scientists.
- The South Pole remote location means it is the last to register the impacts of increasing emissions from fossil fuel consumption, the primary driver of greenhouse gas pollution, researchers said.
- The far southern hemisphere was the last place on Earth where CO₂ had not yet reached this mark.
- Over the course of the year, CO₂ levels rise during fall and winter and decline during summer in the Northern Hemisphere, as terrestrial plants consume CO₂ during photosynthesis.
- However, plants only capture a fraction of annual CO₂ emissions. For every year since observations began in 1958, there has been more CO₂ in the atmosphere than the year before.
- Last year's global CO₂ average reached 399 ppm, meaning that the global average in 2016 will almost certainly surpass 400 ppm.
- The only question is whether the lowest month for 2016 will also remain above 400 ppm, researchers said. The annual rate of increase appears to be accelerating.
- The annual growth rate of atmospheric carbon dioxide measured at NOAA's Mauna Loa Observatory in Hawaii jumped 3.05 ppm during 2015, the largest year-to-year increase in 56 years of monitoring.
- Part of last year's jump was attributable to El Nino, the cyclical Pacific Ocean warming that produces extreme weather across the globe, causing terrestrial ecosystems to lose stored CO₂ through wildfire, drought and heat waves.

Study shows Cretaceous period asteroid wiped out 90% mammals

- The same asteroid that killed the dinosaurs in the Cretaceous period 66 million years ago also wiped out over 90 per cent of mammal species, significantly more than previously thought, new research has found.
- Following the asteroid hit, most of the plants and animals would have died, so the survivors probably fed on insects eating dead plants and animals.
- With so little food, only small species survived. The biggest animals to survive on land would have been no larger than a cat, the study said.

- For the study, the researchers reviewed all mammal species known from the end of the Cretaceous period in North America.

Scramjet engines now on ISRO's agenda

- Flush with the success of the technology demonstration flight of its Reusable Launch Vehicle last month, ISRO is gearing up to test a scramjet engine based on air-breathing propulsion.
- The test flight of the indigenously developed scramjet engine is scheduled to take place from the Satish Dhawan Space Centre at Sriharikota sometime in July.
- Named Advanced Technology Vehicle (ATV), the test platform will comprise a scramjet engine hitched to a two-stage sounding rocket (RH- 560).
- The air-breathing engine will be released at a height of 70 km and ignited during the coasting phase. Apart from the hypersonic ignition at Mach 6, ISRO hopes to sustain the combustion for 5 seconds.

Third satellite in cartosat-2 series to be launched

- The PSLV-C34 is set to lift the third satellite in the Cartosat-2 series and an Indian record-making 19 small satellites into space. It will be the 36th PSLV launcher to fly from the Satish Dhawan Space Centre, Sriharikota.
- The current Cartosat-2 spacecraft is an Earth observation spacecraft and will be put into a pole-to-pole orbit 515 km from surface.
- The spacecraft is said to offer the best resolution of less than a metre on an Indian satellite, going as sharp as 60 cm. That is a measure of the smallest size of objects it can pick up on Earth.
- This is the highest number of deployments by an Indian launcher.

Desert telescope looks into Milkyway Galaxies Black hole

- A desert telescope has focussed with unprecedented sharpness on a star circling a supermassive black hole thought to lurk at the centre of our Milky Way galaxy, excited astronomers announced.
- This means they will be able to observe the star's movements in more detail than ever before, in an important test for Albert Einstein's theory of general relativity.
- Dubbed S2, the star lies about 25,000 light years from our Solar System. It is the celestial body known to make the closest approach to our galaxy's central black hole, named Sagittarius A, on a 16-year elliptical orbit.
- S2 is a relative youngster in astronomical terms — no more than 100 million years old.
- It has been studied before, but in much less detail than can now be observed by the European Southern Observatory's Gravity instrument in Chile's Atacama desert.
- Gravity combines the light from Europe's four largest telescopes to create a combined 130-metre (427-foot) diameter lense with “much sharper” imaging.
- It will seek out miniscule but telltale deviations in the movement of gas and stars swirling around Sagittarius A — ultimately proving its existence.
- Sagittarius A is thought to be four million times more massive than our Sun.
- Black holes are regions in space-time where mass is collapsed into such a small area that gravity takes over completely, and nothing, not even light, can escape — making them invisible.
- If Einstein was right, the Gravity team would expect to see minute changes in S2's orbit in the extreme gravity environment nearest Sagittarius A. And they managed to set up their instrument just in time.
- In 2018, S2 will make its closest approach to the black hole on its egg-shaped orbit — “just” 17 light hours or 18 billion km away.

NASA and ISRO are developing satellite to observe ecosystem disturbances

- NASA and ISRO are working together to develop a synthetic aperture radar satellite to observe and measure ecosystem disturbances, ice-sheet collapses and natural hazards.
- The data gathered from this mission will help build climate resilience and potentially save lives, said U.S. Ambassador to India Richard Rahul Verma.
- The Indian Institute of Tropical Meteorology, Pune, is also working with the U.S. National Oceanographic and Atmospheric Administration (NOAA) to develop high resolution seasonal and long-term climate forecasts to prepare for the monsoons.

Scientists have developed a new stem cell-containing bio-ink

- Scientists have developed a new stem cell-containing bio-ink that allows 3D printing of complex living tissues that may be used for surgical implants.
- The bio-ink contains two different polymer components: a natural polymer extracted from seaweed, and a sacrificial synthetic polymer used in the medical industry, and both had a role to play.
- The synthetic polymer causes the bio-ink to change from liquid to solid when the temperature is raised, and the seaweed polymer provides structural support when the cell nutrients are introduced.
- The special bio-ink formulation was extruded from a retrofitted benchtop 3D printer, as a liquid that transformed to a gel at 37 degrees Celsius, which allowed construction of complex living 3D architectures.
- The team was able to differentiate the stem cells into osteoblasts - a cell that secretes the substance of bone - and chondrocytes, cells that have secreted the matrix of cartilage and become embedded in it, to engineer 3D printed tissue structures over five weeks, including a full-size tracheal cartilage ring.

Scientists have decoded the long-standing mystery behind mitochondria

- Scientists have decoded the long-standing mystery behind how and why mitochondria are only passed to offspring through a mother's egg — and not the father's sperm.
- Experiments from the study show that when paternal mitochondria persist for longer than they should during development, the embryo is at greater risk of lethality.
- Harboured inside the cells of nearly all multi-cellular animals, plants and fungi are mitochondria, organelles that play an important role in generating the energy that cells need to survive.
- Shortly after a sperm penetrates an egg during fertilisation, the sperm's mitochondria are degraded while the egg's mitochondria persist, researchers said
- The paternal mitochondria were found to partially self-destruct before the mitochondria were surrounded by autophagosomes, which target components within a cell and facilitate their degradation.
- This suggests that another mechanism, something within the paternal mitochondrion itself, initiates the degradation process.

NASA tested the Space Launch System (SLS)

- NASA performed its second and last test-fire of a rocket booster for the Space Launch System (SLS), a powerful engine that may one day launch astronauts to Mars.
- NASA has described the SLS as the “world’s most powerful rocket,” and said the test aims to see how the propellant performs at the colder end of its temperature range.
- The first full-scale booster test in March 2015 showed the booster performed adequately at 90 degrees Fahrenheit (32 C) — the highest end of the booster’s accepted propellant temperature range.
- The SLS will also carry 13 tiny satellites to test innovative ideas. These small satellite secondary payloads or ‘CubeSats’ will carry science and technology investigations to help pave the way for future human exploration in deep space.
- SLS’ first flight, referred to as Exploration Mission-1 (EM-1), provides the rare opportunity for these small experiments to reach deep space destinations, as most launch opportunities for CubeSats are limited to low-Earth orbit.
- The CubeSats will be deployed following Orion separation from the upper stage and once Orion is a safe distance away.

SPORTS

Greatest boxer Muhammad Ali passes away

- Muhammad Ali — who died on Friday in Arizona at age 74 — was one of the iconic sporting heroes of the 20th century, the three-time heavyweight champion of the world who said he could “float like a butterfly, sting like a bee.”
- Ali, who came of age amid the turmoil of the civil rights movement and the Vietnam War, dazzled the boxing world as a youngster with his speed, never before seen in his weight class.
- He also rattled the established order with an equally quick wit and colourful personality that lifted him into the realm of super-stardom and ushered in the age of globally televised multi-million-dollar fights.
- The legendary fighter spent his last years ravaged by Parkinson’s disease but never retreated from public view. Instead he added a crusade against the illness to the list of battles of his extraordinary life.

Paes-Hingis won French Open

- Leander Paes achieved his ‘career Slam’ in mixed doubles, winning the Roland Garros title with Martina Hingis , with a hard-fought win over Sania Mirza and Ivan Dodig.
- The unseeded Indo-Swiss pair eked out a 4-6, 6-4, [10-8] win over the second seeds in the summit clash that lasted one hour and 28 minutes.
- Having won the Australian Open, Wimbledon and the US Open titles in 2015 with Hingis, this win completes their ‘career Slam’ as a pair too.
- It was Paes’s 18th Grand Slam title overall, and 10th in the mixed doubles while Hingis took her tally of Major titles to 22, with her fifth mixed doubles trophy.
- After dropping the first set, Hingis and Paes roared back into the match by winning the second.
- In the match tie-break, they squandered an 8-6 lead but Hingis hit a backhand cross court winner to set up match-point, and the title was sealed when Dodig drove one into the net at 8-9.

Novak Djokovic completes career slam

- Novak Djokovic lauded French Open final victory over Andy Murray as ‘the biggest moment’ of his career.
- Murray suffered an eighth Major final defeat in 10 appearances, five of which have been inflicted by Djokovic, but the Briton was quick to lavish praise on his opponent.
- In all, eight men have completed the career Grand Slam but even Roger Federer, Rafael Nadal, Andre Agassi, Roy Emerson and Fred Perry were unable to claim all four at the same time.

India beaten South Korea in Champions Trophy hockey tournament

- India muffed chances galore before a deft deflection from NikkinThimmaiah enabled it to pip South Korea 2-1 in the 36th Hero Champions Trophy hockey tournament.
- India found the lead through S.V. Sunil in the 39th minute. South Korea equalised in the 57th minute through Kim Jun-hu, only for Thimmaiah to reclaim the lead within 30 seconds with a fine deflection of a Talwinder cross.
- The narrow victory ensured India stayed in the hunt for a medal.

Indian fate out of their own hands

- India’s hopes of qualifying for the title clash hung in the balance after a 4-2 loss to world champion Australia in their last league outing of the Champions Trophy.
- India’s goals came from V.R. Raghunath and Mandeep Singh, but it was too late to threaten Australia, which had gained a stranglehold through strikes from Trent Mitton, Aran Zalewski, Flynn Ogilvie and Tristian White.
- Australia topped the league standings with 13 points from five matches, while India finished on seven points, and now awaits the result of the Great Britain-Belgium encounter to know if it will feature in the final or in the bronze-medal match.
- Britain, on five points, will bag second spot if it beats Belgium while a victory for the latter will see it draw level with India on points. Then the goal difference will come into play.
- A draw will leave the Indians in second place, giving them a place in the final.

India gets champions Trophy silver medal

- The Indian hockey team settled for a silver medal in its best ever Champions Trophy performance after the spirited side went down 1-3 to world champion Australia in a controversy-marred summit clash penalty shootout here.
- Only Harmanpreet Singh was able to score in the shootout, while S.K. Uthappa, S.V. Sunil and Surender Kumar all missed the target. Just four attempts were required from the two teams as Australia had gained a winning 3-1 lead.
- India thus improved on its bronze medal show in the 1982 edition.
- There was plenty of drama in the shootout as Beale’s shot was re-taken after he failed to score and sought a video review. The video umpire asked the shot to be taken again, leaving Indian coach RoelantOltmans fuming on the sidelines.
- At the end of the match, India protested against the second successful attempt awarded to Beale, delaying the final announcement on the result of the match.

- After discussing the appeal for more than an hour, the jury declared that there was unintentional obstruction on part of Indian goalkeeper Sreejesh in the seventh second thus the re-take of the shot was justified.

Ranchi to host 2017 Asian meet

- The 22nd Asian athletics championship will be held in India after a gap of four years. The Birsa Munda Stadium at Ranchi will host the event from July 1 to 4, 2017.
- Recently, the Athletics Federation of India (AFI) officials visited the venue before finalising it.
- The Jharkhand government has come forward to support the event which will be staged in India for the third time, the early editions in New Delhi (1989) and Pune (2013).
- Nearly 800 athletes from 45 countries are expected to take part. The winners of the Asian meet will get a direct berth for the World championship in London from August 4 to 13.

ART AND CULTURE

New details of cities hidden near Angkor Wat have been revealed

- Unprecedented new details of medieval cities hidden under jungle in Cambodia near Angkor Wat have been revealed using lasers, shedding new light on the civilisation behind the world's largest religious complex.
- While the research has been going on for several years, the new findings uncover the sheer scale of the Khmer Empire's urban sprawl and temple complexes to be significantly bigger than was previously thought.
- Angkor Wat, a UNESCO World Heritage site seen as among the most important in south-east Asia, is considered one of the ancient wonders of the world.
- It was constructed from the early to mid 1100s by King Suryavarman II at the height of the Khmer Empire's political and military power and was among the largest pre-industrial cities in the world.
- But scholars had long believed there was far more to the empire than just the Angkor complex.
- The huge tranche of new data builds on scans that were made in 2012 that confirmed the existence of Mahendraparvata, an ancient temple city near Angkor Wat.
- Much of the cities surrounding the famed stone temples of the Khmer Empire, Evans explained, were made of wood and thatch which has long rotted away.
- The new data also maps out the full extent of Mahendraparvata, information that will make future digs much more accurate and less time consuming.
- While the Khmer Empire was initially Hindu, it increasingly adopted Buddhism and both religions can be seen on display at the complex.



