



Mozambique, South Africa,  
Tanzania, Kenya on Modi's List



# CURRENT AFFAIRS MAGAZINE (VOL-6) AUGUST-2016

NATIONAL  
INTERNATIONAL  
INDIA & WORLD

BUSINESS & ECONOMY  
SCIENCE & TECHNOLOGY  
SPORTS

FROM 1 JULY TO 31 JULY



## **Najma Heptullah & G.M. Siddheshwara quits, Naqvi gets a promotion**

- The reshuffle in the Union Cabinet saw a postscript with Minister for Minority Affairs Najma Heptullah tendering her resignation.
- Mukhtar Abbas Naqvi being given independent charge of that Ministry.
- G.M. Siddheshwara, Davangere MP and Minister of State for Heavy Industries, also quit.

## **Khangchendzonga National Park listed in world heritage site**

- Khangchendzonga National Park (KNP) in Sikkim has been named a world heritage site by the World Heritage Committee (WHC) of UNESCO.
- The listing was announced at the 40<sup>th</sup> session of the WHC.
- The KNP is the first 'mixed' heritage site from India to make it to the list.
- A 'mixed site' exhibits qualities of both natural and cultural significance.

## **Hyderabad HC inaugurated as First e-court in India**

- the first paperless e-court in the Hyderabad High Court got inaugurated.
- The e-court will provide an electronic case list (e-case list) before the presiding judge for him/her to make digital notings on a computer that has electronic case records.
- The case records and notings would be synchronised in the database. Advocates, judges and all litigant parties can use the e-court facility to digitally file records.
- To make the e-court functional approximately 1,000 case files had to be digitised initially.

## **Numbers of doctors in India poor- WHO**

- A WHO study titled 'The Health Workforce in India', published in June 2016, revealed that the density of all doctors — allopathic, ayurvedic, homoeopathic and unani — at the national level was 80 doctors per lakh population compared to 130 in China.
- The number for India fell to 36 doctors per lakh population.

## **SIDHU IS NO MORE WITH BJP**

- BJP leader Navjot Singh Sidhu resigned from Rajya Sabha amid rising speculation that he could join the Aam Aadmi Party.
- There are talks of Sidhu joining the AAP ahead of Punjab Assembly elections and that he may be made the party's face in the state.

## **Nitish Kumar demands change in Centre's funding pattern**

- Anticipating an additional financial burden of Rs 12,000 crore in current FY 2016-17 due to reduction in central assistance in the centrally-sponsored schemes (CSS).
- Bihar CM Nitish Kumar has urged PM Narendra Modi to change the existing funding pattern and enhance the centre-state ratio upto 90:10 for Bihar and other similar backward states.

## **NIA to file chargesheet in the pan-India Islamic State module bust case**

- The National Investigation Agency (NIA) will today file a chargesheet in the case relating to the pan-India Islamic State module busted in January this year.
- TOI that as many as 18 persons, including Mumbai-based head of the module Muddabir Shaikh and IS handler Shafi Armar alias Yousuf al Hindi suspected to be in Syria, are likely to be named as accused in the chargesheet to be filed in NIA special court, Delhi.

## **CAG audit nails Centre's claim on LPG subsidy saving**

- The Centre claims it would end up saving almost Rs. 22,000 crore in the financial years of 2014-15 and 2015-16 since launching its two-pronged approach on cooking gas subsidy — introducing direct bank transfers of the subsidy and asking better off consumers to voluntarily give up theirs.
- CAG report to be tabled in Parliament during the ongoing session could seriously puncture the claim, according to reliable sources.
- The audit has found that the saving from people voluntarily giving up LPG subsidy and direct bank transfers adds up to less than Rs. 2,000 crore.

## **BPL families in cities may get extra LPG cylinder**

- Food and Civil Supplies Minister U.T. Khader has said that the department is urging the government to allot an additional LPG cylinder each to below poverty line families in the city.
- These families have been given LPG connection in lieu of kerosene. Those in the rural areas will be given the option of choosing either an additional cylinder or two solar lights.

## **Separatist leaders ask PDP MLAs to abandon Mehbooba**

- Separatist groups, which are spearheading the protests in the Kashmir valley, on Wednesday asked ruling PDP MLAs to "abandon" chief minister Mehbooba Mufti and "come back to be with your people" to "support the truth".
- "The red line of such brutal killings transcends political and ideological differences. Introspect and come back to be with your people. Forget about power and perks and take side of people," Syed Ali Shah Geelani, Mirwaiz Umar Farooq and Mohammad Yasin Malik said in a joint resolution circulated through email.

## **Govt appoints Ajay Bhushan Pandey UIDAI CEO**

- Government promoted DG and Mission Director of Unique Identification Authority of India Ajay Bhushan Pandey its chief executive officer.
- The Appointments Committee of the Cabinet has approved appointment of Dr A B Pandey, IAS, Director General and Mission Director, Unique Identification Authority of India, as Chief Executive Officer, UIDAI, with effect from July 12, 2016.

## **FM presents revised TN budget, blames closure of liquor shops and lower petrol prices for shortfall in revenue realisation**

- Finance minister O Panneerselvam, presenting his six consecutive budget, did not make any new announcements but allocated freely for welfare measures.
- The finance minister accepted that there is a shortfall in revenue realisation and blamed it on lowering of petrol prices and closure of 500 liquor shops across the state as part of implementing full prohibition.
- The fiscal deficit has increased compared to the interim budget and it is now pegged at Rs 40,533 crore and the state's fiscal deficit is almost at 3% of the GSDP (gross state domestic product). The finance minister estimates the percentage to be 2.96% and wants to amend the Tamil Nadu Fiscal Responsibility Act to provide some leverage for the government.

## **Centre is likely to announce Rs 25,000 crore capital infusion for public sector banks**

- Centre is likely to announce the first tranche of the Rs 25,000 crore capital infusion for public sector banks (PSBs), planned for this financial year (2016-17).
- The recapitalisation is aimed at shoring up the PSBs lending capacities that are restricted by poor asset quality and weak capitalisation.
- Gross bad loans, as a proportion of the total advances by these banks, rose to 7.6 per cent, a 12-year high in March 2016, according to the Reserve Bank of India's latest financial stability report released on June 28.
- On the rise since 2012, impaired assets in the banking system are negatively affecting credit supply and are a factor dampening India's growth outlook, global rating agency Moody's Investors Service recently said.
- PSBs account for about 70 per cent of the total banking system assets. The banks requisitioned infusions after the finalisation of their fourth quarter results, in which, cumulatively, they had reported losses of Rs 18,000 crore in 2015-16.
- The allocation is in line with the recapitalisation plan outlined in the Centre's seven-pronged plan, 'Indradhanush', launched in August 2015 for reforming PSBs.



- The Finance Ministry had estimated that the PSBs would need Rs 1.80 lakh crore by March 2019 to meet Basel III norms.
- Of this, it proposes to provide Rs 70,000 crore as equity over four years and expects the banks to raise the rest from the markets or through internal profits.

## **Kudankulam successfully operationalised the first two reactors**

- The first unit, after attaining criticality in July 13, 2013 was synchronised with the southern grid in October the same year. It has generated 5,777 million units of power till May 2016.
- Tamil Nadu is getting its share of 562.50 MWe from the first unit and neighbouring Andhra Pradesh, Karnataka and Kerala are getting 50 MWe, 221 MWe and 133 MWe respectively from the first reactor while the Union Territory of Puducherry's share stands at 33.50 MWe.
- Tamil Nadu is expected to get a minimum of 462.50 MWe from the second unit.
- Having successfully accomplished the mission by operationalising the first two reactors, the KKNPP will now pay more attention for commencing the work on the construction of the third and fourth reactors, each with a capacity of 1,000 MWe, at an outlay of Rs. 39,500 crore.

## **Kodaikanal town is facing acute water crisis**

- Kodaikanal town is facing acute water crisis owing to poor monsoon and rapidly depleting storage level in the dam near Kodaikanal Observatory, the main drinking water source for the town.
- Many streams on the upper and lower Kodaikanal hills are dry. At present, residents of the town get water once in eight days and others living in the upper ridge areas get water once in 10-12 days.
- The demand for drinking water has increased manyfold in the last few decades owing to rapid increase in population and quantum jump in arrival of tourists to the hill station.
- Leaders of various political parties promised implementation of Gundar scheme during every election. But their promises remained only on paper.

## **Hubble Telescope has imaged the supernova Crab Nebula's 'beating heart'**

- NASA's Hubble Space Telescope has imaged the supernova Crab Nebula's 'beating heart', an inner region that sends out pulses of radiation and tsunamis of charged particles.
- Crab Nebula is the most historic and intensively studied remnants of a supernova, an exploding star.
- The neutron star at the very centre of the Crab Nebula has about the same mass as the Sun but compressed into an incredibly dense sphere that is only a few miles across.
- Spinning 30 times a second, the neutron star shoots out detectable beams of energy that make it look like it's pulsating.
- Hubble's sharp view captures the intricate details of glowing gas, shown in red, that forms a swirling medley of cavities and filaments.

- Inside this shell is a ghostly blue glow that is radiation given off by electrons spiralling at nearly the speed of light in the powerful magnetic field around the crushed stellar core.
- The neutron star is a showcase for extreme physical processes and unimaginable cosmic violence.

## **Tension across the Kashmir valley**

- Eleven protesters were killed and over 120 persons, including 96 security personnel, were injured, as violent street protests erupted across the Kashmir valley.
- The Government clamped curfew in large parts of Kashmir and the Amarnath yatra has been suspended.
- The State has also requested for 30 paramilitary companies from the Centre to control the situation.
- While phone services were snapped in large parts of south Kashmir, internet services remained suspended across the Kashmir Valley. All examinations and interviews have been cancelled and railway services suspended.
- As Wani was laid to rest in his native Tral, violent mobs attacked police and paramilitary installations at various places in the Valley and set ablaze several buildings including three police stations.

## **Kerala says it is serious about IS**

- Kerala state has taken a serious note of the reports about a group of Muslims, including women from Kasaragod and Palakkad districts, joining the IS and investigate the issue with due seriousness.
- CM said the reports in this regard were needed to be investigated further. State Police Chief said no confirmation with regard to these missing persons joining the Islamic State were available thus far.
- A detailed investigation is on and more details could be known only after this, the DGP said.

## **Defence Ministry is considering a full review**

- Faced with an acute shortage of personnel in the Barracks and Store (B&S) cadre and a massive shortfall in the collection of dues, the Defence Ministry is considering a full review of this crucial arm of the Military Engineer Services.
- The B&S cadre refers to the Defence Ministry's civilian staff under the MES and are instrumental in recovering dues for utilities like rent, electricity, water and other allied charges.
- In response to the query Mr. Parrikar in a written reply in Rajya Sabha acknowledged the shortage of subordinate staff in the cadre.

## **NATO agreed to maintain troop numbers in Afghanistan**

- The North Atlantic Treaty Organization (NATO) agreed to maintain troop numbers in Afghanistan and reiterated a funding pledge for local security forces through 2020,

- About 13,000 NATO troops, of which nearly 10,000 are American, are currently stationed in Afghanistan under Operation Resolute Support, to train and assist Afghan security forces.
- The 28-nation U.S.-led alliance would look at the situation again next year before deciding future force commitments.
- The development comes on the heels of an announcement by U.S. President Barack Obama, who said he was slowing a planned drawdown of U.S. troops from Afghanistan.
- Mr. Obama had previously vowed to slash troop numbers from the current 9,800 to 5,500 by the end of this year, but on Wednesday said the U.S. would now keep 8,400 in the country.
- The NATO mission in Afghanistan costs about \$5 billion a year, with approximately \$3.5 billion coming from the U.S.

## **US President calms situation after shooting**

- U.S. President Barack Obama tried to unify a fractured nation, insisting the shock shootings in Dallas and simmering racial tensions would not derail a common sense of purpose.
- Mr. Obama lamented a “painful” week but he rejected comparisons with the civil unrest of the 1960s.
- While acknowledging the need to heal divisions, Mr. Obama played down talk of wider unrest.
- Mr. Obama said Dallas shooter Micah Johnson was “demented” and did not represent African-Americans.

## **Hizbul Mujahideen commander Burhan Wani dead**

- Hizbul Mujahideen commander Burhan Wani (22), the architect of the social-media driven psychological warfare in Kashmir, was killed along with two other militants in an encounter in Anantnag district.
- Described by security agencies as “the biggest-ever success” in recent times, Wani, who carried a reward of Rs 10 lakh on his head, was tracked after a tip-off that he was planning to come down from the Tral forest area for Eid celebrations.
- The militants hurled grenades and opened fire in a bid to escape, but the house where they were holed up was bombed killing all three.

## **Good rainfall increased Rice cultivation**

- The area under rice (paddy) has gone up from 77.31 lakh hectares during 2015-16 to 81.93 lakh hectares as Andhra Pradesh, Telangana, Tamil Nadu, Punjab and Haryana have received good rainfall.
- Monsoon has covered most parts of the country, and in the coming days, the planting of kharif crops such as rice, soybeans, pulses and cotton will be further boosted.
- In all, the kharif crops have been planted on 406.27 lakh hectares so far as against 431.82 lakh hectares in the corresponding period last year.

- The good monsoon, however, has not yet had a positive impact on the water level in major reservoirs, which has gone down because of the poor rainfall in the preceding years.
- The IMD is expecting the monsoon to gain momentum during July-August.

## **Apex court puts limitation on AFSPA**

- Every death caused by the armed forces in a disturbed area, whether the victim is a dreaded criminal or a militant or a terrorist or an insurgent, should be thoroughly enquired into.
- “It does not matter whether the victim was a common person or a militant or a terrorist, nor does it matter whether the aggressor was a common person or the state. The law is the same for both and is equally applicable to both.”
- The verdict tears down the cloak of secrecy about unaccounted deaths involving security forces in disturbed areas and serves as a judicial precedent to uphold civilian and human rights in sensitive areas under military control.
- Dealing a blow to the immunity enjoyed by security personnel under the Armed Forces (Special Powers) Act of 1958 (AFSPA) against criminal action for acts committed in disturbed areas.
- A thorough enquiry should be conducted into “encounter” killings in disturbed areas because the “alleged enemy is a citizen of our country entitled to all fundamental rights including under Article 21 of the Constitution.”

## **IUCN puts Bornean orangutan in critically endangered**

- A global conservation group says Borneo’s orangutans are now a critically endangered species due to hunting and destruction of forest habitat.
- The International Union for Conservation of Nature estimates the number of Bornean orangutans has dropped by nearly two-thirds since the early 1970s and will further decline to 47,000 animals by 2025.
- The assessment for the IUCN Red List of Threatened Species was carried out earlier this year and published this week. Previously the species was considered to be endangered.
- It said deforestation has dramatically shrunk the primate’s habitat, with about 40 percent of Borneo’s forests lost since the early 1970s and another swathe of forest expected to be converted to plantation agriculture in the next decade.
- On top of that, hunting is also a significant pressure because orangutans are slow breeders, producing only one offspring every six to eight years on average.
- IUCN estimates between 2,000 and 3,000 of Borneo’s orangutans have been killed every year for the past four decades, mainly for their meat.
- Orangutans only live in the wild on the Indonesian island of Sumatra and on Borneo in the Malaysian states of Sarawak and Sabah and Kalimantan, which is the Indonesian part of Borneo.



## **China wants India to engage with China directly**

- India should engage China directly for better coordination on multilateral platforms like the Nuclear Suppliers Group and avoid blaming China as an obstacle for accessing high technology from the global market,
- India had been pointing out since its failed attempt to join the Nuclear Suppliers Group (NSG) on June 24 that “only one country” opposed its membership bid at the plenary of NSG held in Seoul.
- The strong defence on the South China Sea issue was part of China’s ongoing attempts to convey its position in the run-up to the scheduled session of the Permanent Court of Arbitration in The Hague where the Tribunal will issue its Award for the case started by the Philippines.

## **Nuclear security group membership is focus of PM's Africa visit**

- Prime Minister Narendra Modi arrived in Pretoria, on a visit that will see both economic ties and an address to the Indian diaspora as highlights, it will also be a chance for India to kick-start of talks in its campaign for NSG membership.
- South Africa is the first NSG country that Mr. Modi is visiting since India failed to have its membership decided at the plenary session in Seoul.
- Just prior to that session, Mr. Modi had personally discussed the issue in Switzerland, U.S., and Mexico, winning from each visit an assurance of support.
- However in Seoul, many countries, including Switzerland and South Africa are believed to have raised procedural concerns over the Non-Proliferation Treaty (NPT).
- India has now pinned its hopes on an informal process initiated by the NSG to evolve a consensus on its membership to a possible NSG session later this year.
- The issue would be taken up when Mr. Modi meets the South African President. In a pre-departure media briefing the MEA also rejected reports that South Africa had opposed India’s membership at any point.

## **PM focuses on terror in his Africa's visit**

- Prime Minister Narendra Modi said terrorism was the “gravest threat” to the world, “equally impacting” India and Mozambique which agreed to strengthen security and defence ties and bolster cooperation in food security.
- After Mr. Modi’s wide-ranging talks with Mozambique President, the two countries signed three pacts, including a significant long-term agreement under which India will buy pulses from this African nation to meet its shortfall.
- Declaring India as a “trusted friend” and a “reliable partner” of Mozambique, the Prime Minister also announced that essential medicines, including those for treating AIDS, would be donated to this country as part of efforts to strengthen its public health system.

- India will also help build capacities of Mozambique's security forces, Mr. Modi said with a vow to "walk every step" with this country on its path of development and progress.
- While talking about the challenges, Mr. Modi said "President Nyusi and I recognise that terrorism is the gravest security threat facing the world today. Mozambique and India are no exceptions. Terrorism impacts India and Mozambique equally."
- India and Mozambique agreed to cooperate to meet "strategic and security challenges" emerging in mainland Africa and the Indian Ocean region.
- The declaration of this new generation of partnership was made by the Prime Minister at the Mozambique capital Maputo which is the first stop in his four-nation Africa visit.

## **Volcanic eruptions in India and asteroid in Mexico brought end to dinosaurs**

- Combined impacts of volcanic eruptions in India and the impact of an asteroid in Mexico brought about one of the Earth's biggest mass extinctions of dinosaurs 66 million years ago, a new study has confirmed.
- Researchers used a recently developed technique called the carbonate clumped isotope paleothermometer to analyse the chemical composition of fossil shells in the Antarctic Ocean.
- This analysis shows that ocean temperatures rose approximately 14 degrees Fahrenheit, and links these findings to two previously documented warming events that occurred near the end of the Cretaceous Period, researchers said.
- One event was related to volcanic eruptions in India, and the other, tied to the impact of an asteroid or comet on the Yucatan Peninsula in Mexico, they said.
- The Cretaceous-Paleogene (K-Pg) boundary is widely associated with the mass extinction of dinosaurs.
- It is actually a physical boundary usually marked by a thin band of rock found in geological structures all around the world, researchers said.

## **Upgraded Soyuz spacecraft starts journey for ISS**

- Three astronauts blasted off in an upgraded Soyuz spacecraft from Russia's Baikonur cosmodrom, heading towards the International Space Station.
- Features of the new Soyuz series include upgraded boosters, an improved navigation system, strengthened shielding from debris and more cells on the craft's solar panels.
- The trio's launch was delayed by two weeks as Russian space officials carried out further software tests on the modified vehicle.
- The craft's journey to dock at the ISS will take two days — longer than the usual six-hour flight — to give ground control more time to monitor the tweaked system's performance.
- NASA's Kate Rubins will be the first woman aboard the ISS since Italian Samantha Cristoforetti returned to earth with the record for the longest single spaceflight by a woman (199 days) in June last year.

- The molecular biologist-turned astronaut will also become the first person to sequence DNA in space during her mission.
- The ISS space laboratory has been orbiting Earth at about 28,000 kilometres per hour since 1998.

## **Joseph E. Stiglitz says crackdown on NGO's hurting India's image**

- The crackdown on non-government organisations (NGOs) as well as the harassment of students in universities has adversely affected India's image on the international stage, says economist and Nobel laureate Joseph E. Stiglitz.
- Responding to a question of his evaluation of the Narendra Modi-led government, the economist said there were two big concerns that had got public attention abroad.
- One was the "conditions" being imposed on NGOs – Ford Foundation in particular – to make them difficult to operate in India and the other was the "harassment" of students in universities such as Jawaharlal Nehru University.
- Mr. Stiglitz delivered a talk on "Global inequality: Causes and Consequences" along with economist Branko Milanovic.

## **Apex court cautions Judges of judicial activism**

- Cautioning the judiciary against judicial activism, the Supreme Court said judges must remain within the limits of the law and not peddle individual perceptions and notions of justice.
- The judgment provides a sharp mix of caution and rebuke to judges who cross the fine line between judicial functions and judicial activism.
- The apex court said if a judge considered himself or herself a "candle of hope" and took decisions under the influence of such a notion, it might do more harm than good to the society.
- While using the power Judge has to bear in mind that 'discipline' and 'restriction' are the two basic golden virtues within which a judge functions," Justice Misra wrote.
- The verdict was passed on a petition by the Gujarat government challenging an August 2012 order by the Punjab and Haryana High Court that said the State's refusal to prematurely release a TADA convict, Lal Singh, was "illegal."
- The judgment, setting aside the High Court order, also noted that authorities' report on the convict showed that he was "involved in disruptive activities, criminal conspiracy, smuggling of arms, ammunitions and explosives."

## **Process to select new CBI director started**

- The Narendra Modi government has started the process to select the next Director of the CBI, with almost five months left for the tenure of the incumbent Anil Sinha to end in December.
- The CBI Director has a fixed tenure of two years. Last week, the Department of Personnel and Training sought the names of eligible officers of the Indian Police Service from the Home Ministry.

- Under the Lokpal Act, a selection committee, headed by the Prime Minister and comprising the leader of the single largest Opposition party and the Chief Justice of India or a Supreme Court judge nominated by him as a member, appoints the CBI Director.
- The DoPT will shortlist officers on the basis of their experience and integrity in investigating anti-corruption cases.

## **Govt increases pace for cleaning Ganga**

- Union Water Resources Minister said 231 projects would be simultaneously inaugurated at various locations in Uttarakhand, Uttar Pradesh, Bihar, Jharkhand, West Bengal, Haryana and Delhi.
- This would be the first sign of Prime Minister Narendra Modi's Rs. 20,000-crore promise to clean up the Ganga by 2020 sputtering to life.
- The projects — several of them technology demonstration initiatives sourced from abroad and India too — deal with commissioning and improving sewage treatment plants, re-developing ghats and crematoriums, afforestation, tree plantation (herbs) and conservation of biodiversity.
- Ms. Bharti added that 400 villages along the river Ganga would be developed as Ganga Gram in phase-I with some IITs roped in for their development.

## **Govt redraws its team**

- Prime Minister Narendra Modi's expansion of his Council of Ministers turned out to be a redrawing of his entire team, with major changes in portfolios held by senior members.
- This seems to be a consequence of a very thorough performance appraisal done by Mr. Modi of his Ministers over the last three months, during his monthly meetings with his entire Council.
- Prakash Javadekar, promoted to Cabinet rank, was one of the biggest gainers in the reshuffle, bagging the prestigious Human Resource Development portfolio.
- He replaces Smriti Irani, who has been handed the Textiles portfolio. This brings to an end Ms. Irani's controversy-ridden tenure, which saw unrest break out in campuses across the country.
- Finance Minister Arun Jaitley opted out of handling the I&B Ministry, with the charge now being handled by Urban Development Minister M. Venkaiah Naidu. Mr. Jaitley will handle Corporate Affairs as well, as before.
- It was also promotion time for Information and Technology Minister Ravi Shankar Prasad, who got back the Law portfolio after losing it in November 2015.
- His Communications portfolio has been given to Manoj Sinha, who has been promoted to Minister of State with independent charge.
- Another big gainer was Minister of State for Power Piyush Goel, who gets Coal and Mines as well.
- This major rejig, with the induction of 19 new faces, is significant with regard to the upcoming Parliament session, with Ananth Kumar, known for networking across party lines, being given additional charge of Parliamentary Affairs.

- According to a list of portfolio allocations released by the government Anil Madhav Dave, sworn in as Minister of State, has been given independent charge of Environment and Forests and Climate Change.
- While Vijay Goel has been allocated the portfolio of Sports and Youth Affairs, again as independent charge.

## **Madras High Court provides guidelines for freedom of expression**

- The Madras High Court has said it is the State's responsibility to maintain law and order, and that it should not permit any compulsion on artists concerned to withdraw from their stand.
- It is important for the authorities to follow certain guidelines so that necessary precautions are taken to nip in the bud attempts to bring pressure on them so that it does not assume the proportion of a law and order scenario.
- Elaborating on the freedom of speech enshrined in Article 19(1)(a) of the Constitution, Bench said: "The presumption is bound to be in favour of free speech and expression as envisaged, unless a court of law finds it otherwise as falling within the domain of a reasonable restriction under Article 19(2) of the Constitution of India.
- Observing that it was time for the government to constitute an expert body to deal with situations arising from such conflicts of views
- Such an expert body or panel of experts would obviate the kind of situations the court has discussed in the present case.
- In such matters of art and culture, the issue could not be left to the police authorities or the local administration alone, especially when there was a spurt in such conflicts, the judges added.

## **High proportion of freshwater biodiversity in the Kerala moving towards extinction**

- More than half of the endemic freshwater biodiversity in the Kerala region of the Western Ghats could be inching towards extinction in habitats outside protected areas, a recent study by an expert group has revealed.
- More than half of the 130 species were not represented in the Protected Area (PA) network of the State.
- Odonates and freshwater shrimps had the fewest endemic species represented inside the protected areas of the State.
- The scientists who are part of the study team feel that Kerala will have to nearly double the area of the current PA network by widening the extent of existing PAs or creating new ones, especially targeting areas that are significant for biodiversity.
- The paper points out that conservation efforts by the government had failed to address the issue despite the drastic impact of human activities and natural disturbances on freshwater ecosystems of the Western Ghats.



- The paper notes that native freshwater biodiversity inside protected areas was exposed to multiple threats like invasive alien species, damming of rivers and infectious diseases.
- Although 62 endemic freshwater species occur inside the PA network, they are rarely subject to species-specific management or monitoring plans, it observes.

## **Cabinet to be expanded**

- Govt will be undertaking an expansion of his Council of Ministers with a nod to the upcoming Assembly polls in Uttar Pradesh and Uttarakhand and bolstering the talent pool with “doers”, albeit mostly with junior Ministers.
- The expansion is being made keeping in view the need to bring in doers, and performers who would deliver on Prime Minister Modi’s promise of good governance.
- Almora MP Ajay Tamta, finds a berth, and is a Dalit. Mahendranath Pandey and Krishna Raj, both from poll-bound Uttar Pradesh, have also got ministerial berths.
- Among NDA allies, apart from Apna Dal, the Republican Party of India’s Ramdas Athawale will be included.
- Rajasthan MP P.P. Choudhary, who is a Supreme Court advocate, had been chosen for his professional expertise; Subhash Rao Bhamre, first time MP from Dhule, Maharashtra, is a well known oncological surgeon, while M.J. Akbar is an acclaimed journalist.

## **Big and high-end diesel cars pollute less says Govt.**

- Big and high-end diesel cars have better emission norms and pollute less than the commoner’s small cars, the Centre told the Supreme Court.
- Govt. challenged the court’s blanket ban on fresh registration of diesel luxury cars and SUVs with over 2000 CC engine capacity in the national capital.
- Besides, the government warned the highest judiciary that if the continued, global car makers would opt to leave India for greener pastures, rendering lakhs of youths without jobs and FDI in a shambles.

## **Sensitive electronic nose with metal-organic frameworks built**

- Researchers from the University of Leuven (KU Leuven) in Belgium have built a sensitive electronic nose with metal-organic frameworks (MOFs) that can detect pesticides and nerve gas in very low concentrations.
- MOFs are like microscopic sponges. They can absorb quite a lot of gas into their minuscule pores. The chemical sensor can easily be integrated into existing electronic devices.
- The best-known electronic nose is the breathalyser. As drivers breathe into the device, a chemical sensor measures the amount of alcohol in their breath.
- This chemical reaction is then converted into an electronic signal, allowing a police officer to read the result.

- The new MOF is the most sensitive gas sensor to date for dangerous substances.

## **Pacific Ocean radiation nears pre-Fukushima level**

- Radiation levels across the Pacific Ocean are rapidly returning to normal five years after a meltdown at the Fukushima nuclear plant spewed gases and liquids into the sea.
- Japan shut down dozens of reactors after a 9.0-magnitude earthquake-generated tsunami on March 11, 2011 triggered one of the largest ever dumps of nuclear material into the world's oceans.
- In the days following the quake and explosions at Fukushima, seawater meant to cool the nuclear reactors instead carried radioactive elements back into the Pacific.
- Five years on, a review by the Scientific Committee on Oceanic Research, which brings together ocean experts from across the world, said radioactive material had been carried as far as the United States.
- But after analysing data from 20 studies of radioactivity associated with the plant, it found radiation levels in the Pacific were rapidly returning to normal after being tens of millions of times higher than usual following the disaster.
- The research examined radioactive caesium levels measured off Japan's coast across the Pacific to North America.
- Caesium is a by-product of nuclear power and is highly soluble in water, making it ideal for measuring the release of radioactive material into the ocean, it said.
- Cleaning up Fukushima and making the area habitable again is a crucial plank of government policy in Japan, with Tokyo keen to prove nuclear power is a viable form of energy production for the resource-poor nation.

## **Apex courts asks reasons for less disabled people in govt services**

- Supreme Court asked government to investigate the “barriers” preventing disabled persons from entering government service, especially into the higher ranks.
- “The intent is to turn persons with disability (PWD) into ‘agents of their own destiny’.
- The Persons with Disabilities Act, 1995 was enacted to fulfill India's obligations under the ‘Proclamation on the Full Participation and Equality of the People with Disabilities in the Asia and Pacific Region’.
- It is disheartening to note that (admittedly) low numbers of PWD (much below three per cent) are in government employment long years after the 1995 Act,” a Supreme Court judgment by a Bench observed.
- The apex court said the government must scrutinise the barriers to their entry by rigorous standards within the legal framework of the 1995 Act.
- The apex court observed that there is hardly any representation of disabled persons in higher governmental hierarchy despite certain posts having been identified as suitable for them.
- SC dismissed the government's argument that “providing for reservation (for disabled persons) in higher level posts is constitutionally impermissible,”

- Supreme Court observed the basis for providing them preferential treatment is solely their physical disability and not factors banned by the Constitution like caste and religion.

## **Another terrorist attack in Baghdad**

- A suicide car bombing claimed by the Islamic State (IS) ripped through a busy Baghdad shopping district, killing at least 119 people in the deadliest attack this year in Iraq's capital.
- The blast hit the Karrada district early in the day as the area was packed with shoppers ahead of this week's holiday, marking the end of the Muslim fasting month of Ramadan.
- The attack came a week after Iraqi security forces recaptured Fallujah from the IS, leaving Mosul as the only Iraqi city under the jihadist group's control.
- IS issued a statement claiming responsibility for the suicide bombing, saying it was carried out by an Iraqi as part of the group's "ongoing security operations".
- The jihadist group said the blast targeted members of Iraq's Shia Muslim majority, whom the Sunni extremists consider heretics and frequently attack in Baghdad and elsewhere.
- Bombings in the capital have decreased since the IS overran large areas north and west of Baghdad in June 2014, with the jihadists apparently occupied with operations elsewhere.

## **Kiribati's survival in danger**

- For years, scientists have been predicting that much of Kiribati may become uninhabitable within decades because of an onslaught of environmental problems linked to climate change.
- And for just as long, many here have paid little heed. But while scientists are reluctant to attribute any specific weather or tidal event to rising sea levels, the tidal surge last winter, known as a king tide, was a chilling wake-up call.
- Pacific island nations are among the world's most physically and economically vulnerable to climate change and extreme weather events like floods, earthquakes and tropical cyclones, the World Bank said in a 2013 report.
- While world powers have summit meetings to negotiate treaties on how to reduce and mitigate carbon emissions, residents of tiny Kiribati, a former British colony with 110,000 people, are debating how to respond before it is too late.
- Much of Kiribati, a collection of 33 coral atolls and reef islands scattered across a swath of the Pacific Ocean about twice the size of Alaska, lies no higher than 6 feet above sea level.
- The latest climate models predict the world's oceans could rise 5 to 6 feet by 2100.
- The prospects of rising seas and intensifying storms "threaten the very existence and livelihoods of large segments of the population," the government told the UN in a report last year.

## **Terrorists attack in Bangladesh**

- A group of hostage-takers killed 20 people, hacking many of them to death, in an upmarket café in Dhaka before Bangladesh commandos stormed the restaurant, killing six gunmen and capturing one alive.
- Thirteen hostages, including one Japanese and two Sri Lankans, were rescued, army officials said.
- The Islamic State has claimed responsibility for the carnage at Holey Artisan Bakery in Dhaka's high security diplomatic zone.
- The siege of the café lasted nearly 10 hours. AFP reported that all 20 victims were foreigners, including Japanese and Italians. An Indian was also among the dead.
- The IS claimed responsibility through its Amaq news agency. Five hours into the crisis, the agency said 24 people were killed in the attack and 40 others injured.
- Reuters reported that Amaq posted photos supposedly provided by the IS, which showed bodies of the victims soaked in blood. Some reports said al-Qaeda in the Indian Sub-continent had also claimed responsibility.

## **Loss-making PSU's to be considered for closure and strategic disinvestment**

- An inter-ministerial meeting of secretaries will shortlist loss-making and sick government companies to be considered for closure and strategic disinvestment from a list the NITI Aayog submitted to PMO.
- The meeting will recommend strategic disinvestment only in non-contentious government companies.
- Air-India, which is now reporting operating profits, and BSNL, among the top three loss-making public sector units, will not be considered.
- The plan is to start with the low-hanging fruit, where least resistance is expected from the Opposition and the employees, and gradually build momentum.
- Candidates are likely to be picked from among the state-owned companies in the cement, salt, textiles, paper and antibiotics sectors, since there was no reason for government presence in these businesses.

## **India revived proposal for Comprehensive Convention on International Terrorism**

- India has revived its two decade old proposal for the adoption of the Comprehensive Convention on International Terrorism at the UN General Assembly, given the recent spate of terror attacks across the globe.
- India has been trying to build convergence around the CCIT, pending since 1996, so that we can plug an important legal lacuna in the fight against terror.
- India has been able to complete a draft which effectively counters the opposition from the three main blocs that have raised objections: the U.S., the Organisation of Islamic Countries and the Latin American countries.

- The original draft that was tabled in 1996 and discussed until April 2013 includes amongst key objectives: to have a universal definition of terrorism that all 193-members of the UNGA will adopt into their own criminal law, to ban all terror groups and shut down terror camps regardless of their stated objectives, to prosecute all terrorists under special laws, and to make cross-border terrorism an extraditable offence worldwide.
- The most powerful objector, the U.S. has been worried about the application of the CCIT to its own military forces especially with regard to interventions in Afghanistan and Iraq.
- Significantly, despite the current impasse over the NSG, China, that recently blocked India's moves for a UN ban on Jaish-e-Mohammad chief Masood Azhar, is not expected to pose hurdles for the CCIT.
- Officials however, warned that Pakistan and a few other countries would most probably oppose India's move to the hilt.

## **Union govt sought law commission's views UCC**

- The Union Law Ministry has asked the Law Commission to examine in detail all issues pertaining to the Uniform Civil Code and submit a report to the government.
- Through an office memorandum, the Legislative Department has made a reference to the Law Commission for an in-depth examination of "matters in relation to Uniform Civil Code".
- Law Minister D.V. Sadananda Gowda confirmed the Law Ministry initiative. "The issue has been discussed in and outside Parliament.
- It has also been on the BJP's agenda. Therefore, the Law Commission has been asked to conduct a detailed study and file a report. It may take six months to a year," he said.
- The Minister said a decision on the future course of action would be taken on the basis of the Law Commission report. "If it is required in the larger interest of the country, we will hold consultations [with stakeholders]..." he said.
- Even the Preamble of our Constitution and Article 44 of the Constitution do say that there should be a Uniform Civil Code. it needs to have a wider consultation," he had said.
- Implementation of a common code is part of the BJP's election manifesto.

## **India successfully tested surface-to-air missile**

- Scoring a hat-trick, India successfully test fired the new surface-to-air missile developed jointly with Israel from a defence base off Odisha coast in a third consecutive trial of the air defence system.
- The missile with a strike range of 70 km was launched at 1020 hours from the Integrated Test Range (ITR) at Chandipur.
- With a third consecutive successful test firing today, the Medium Range Surface to Air Missile (MRSAM) air defence system has achieved a hat-trick
- With this, MRSAM system has proved the air defence capability for three different boundary envelopes of the target, it said.



- Defence Research and Development Organisation created history by conducting three consecutive successful trials of the missile for Indian Air Force, a DRDO official said.

## **India adds various new species**

- Four species of reptiles, six species of amphibians, 26 species of fishes, three species of wild ginger and three of figs are among the 445 species new to science identified in India in 2015. The figure includes 262 animal species and 183 plant species.
- Some of the notable additions to the list of animals include a rock gecko ( *Hemidactylus yajurvedi* ) found in Kanker Chhattishgarh, a new frog species ( *Fejervarya gomantaki* ) from the Western Ghats, and a shiny new species of fish ( *Barilius ardens* ), also from the Western Ghats.
- Among the plants, a new species of ginger *Zingiber bipinianum* has been found in the South Garo hills of Meghalaya, and a species of mushroom ( *Bondarzewia zonata* ) has been collected from north Sikkim at an altitude of 2,829 m.
- Scientists of the Botanical Survey of India (BSI) are delighted that all regions in the country have recorded new species while those from the Zoological Society of India (ZSI) are excited that more than 15 per cent of the new species are higher vertebrates.
- The most discoveries were made in the Eastern Himalaya region, which accounts for 19 per cent of the total discoveries followed by the Western Ghats (18 per cent) and Andaman and Nicobar Islands at about 15 per cent, BSI director Paramjit Singh said.

## **India gets huge help from WB for solar project**

- The World Bank announced \$ 1 billion in support of India's ambitious solar generation plans, its largest financing of solar projects for any country in the world.
- The projects now under preparation include solar rooftop technology, infrastructure for solar parks, bringing innovative solar and hybrid technologies to the market, and transmission lines for solar-rich States.
- The commitment includes an agreement for a \$ 625 million grid-connected rooftop solar programme for financing the installation of at least 40 megawatts of solar photovoltaic installations.
- Prime Minister Narendra Modi and World Bank Group president Jim Yong Kim, who is on two-day trip to India, discussed the emphasis the multilateral institution is laying on accelerating India's renewable energy push.
- "India's plans to virtually triple the share of renewable energy by 2030 will both transform the country's energy supply and have far-reaching global implications in the fight against climate change," he said.
- According to him, India had become a leader in implementing the promises made in Paris for COP21 and the efforts against global warming.

## **MHA against proposal of business visitors to get visa-free entry**

- Ministry of Home Affairs has informed the Prime Minister's Office (PMO) that they were against a proposal to allow "visa-free" entry to business visitors and tourists from eighteen key countries, including China.
- Electronic tourist visa on arrival (eTV), it said, was granted within 48 hours of an application being received in almost 87 per cent of the cases.
- Normal tourist visas, which were valid for six months, were issued within three days in 90 per cent of the cases.
- The PMO had, a few days ago, held an inter-ministerial meeting to review a Cabinet note from the Commerce Ministry on dispensing with the visa requirement for business visitors and tourists from countries belonging to the BRICS and the proposed Regional Comprehensive Economic Partnership (RCEP) countries.
- MHA was also liberalising the visa regime and was expected to increase the duration of long-term visa from one year to five years, said the official.
- The demand was increasing by the day and 4.5 lakh eTVs were issued in the last one year.
- At present, foreigners were granted tourist visa on arrival for 30 days, while a normal tourist visa can be obtained for 6 months.

## **'State of the World's Children' report for 2016 released by UNICEF**

- The success of the newly-introduced transformative education programme, which has led to the establishment of an integrated school and an elementary one in each village panchayat of Rajasthan was highlighted in report.
- 'State of the World's Children' report for 2016 released by the United Nations Children's Fund (UNICEF).
- The preliminary results of the schools are encouraging, with a six per cent increase registered in enrolment in comparison with the last year. Moreover, vacancies for teachers have reduced from 60 per cent to 33 per cent in the same period.
- The two categories of schools, promoted by the State government's Education Department, are Adarsh Vidyalayas for classes I to XII and Utkrishta Vidyalayas for classes I to VIII.
- The existing senior secondary and middle schools have also been converted into schools under the new category.

# INTERNATIONL

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## **In first Brexit move, Britain gives up 2017 EU presidency**

- Britain will no longer take on the rotating EU presidency as planned next year, relinquishing the role in the wake of the Brexit vote, PM Theresa May's office.
- "The PM suggested that the UK should relinquish the rotating Presidency of the Council, currently scheduled for the second half of 2017, noting that we would be prioritizing the negotiations to leave the European Union.

## **Bangladesh bans controversial preachers TV**

- The government of Bangladesh has banned broadcast of Peace TV, a channel run by controversial Indian preacher Dr. Zakir Naik on allegations that it inspired terrorism.
- The announcement came at his meeting with the owners of private television stations, hours after the official decision to ban the channel.
- Home Minister had earlier said that intelligence agencies were investigating Dr. Naik as his activities appeared provocative.
- Dr. Naik is the founding president of Mumbai-based charity, Islamic Research Foundation (IRF), which owns Peace TV.
- Dr. Naik, in a video response after the deadly Dhaka cafe attack, had said that he was not surprised that one of the gunmen knew him since he “inspires millions across the world”.

## **Japanese Prime Minister Shinzo Abe's coalition on track for a decisive victory**

- Japanese Prime Minister Shinzo Abe's ruling coalition was on track for a decisive victory in parliamentary elections, media projections showed.
- Mr. Abe's Liberal Democratic Party (LDP) and the Buddhist-backed Komeito would take at least 63 of the 121 seats in Parliament's upper house available in the election — half the chamber's total — up from 59 previously.
- The two parties control 77 seats from the other half of the chamber meaning that they are set to increase their majority in the 242-seat body.

## **Bangladesh says terrorist attack was conducted by homegrown terrorism**

- Home Minister Asaduzzaman Khan has reiterated that radicalised home-grown elements were behind the recent terror attacks in the country, not the West Asia-based terror group.

- After the July 1 attack on an upmarket café in Dhaka where militants killed 20 visitors, the IS had claimed responsibility. In another video, the group said that the café attack was only a “glimpse” of what’s to come.
- “Police have done a remarkable job. They stopped the militants at least a kilometre before the historic Eidgah Maidan [field] of Sholakia, where lakhs of people assembled for prayer,” Mr. Khan said.
- He added that the attackers are “not real Muslims who have engaged in un-Islamic act on Eid” targeting innocent civilians. “They do not have a religion.”

## **The Prime Minister to lead Britain out of the EU will be a women**

- The Prime Minister to lead Britain out of the EU will be either Cabinet veteran Theresa May or political newcomer Andrea Leadsom after Conservative MPs voted for a two-woman shortlist.
- One of the two will become Britain’s second woman Prime Minister after Margaret Thatcher.
- The third challenger, Justice Minister Michael Gove, who announced his surprise bid last week after initially supporting former mayor of London Boris Johnson for the post, was rejected after winning just 46 votes.
- The party’s 150,000 members will now choose between Ms. May and Ms. Leadsom in a postal ballot and the winner, who becomes Prime Minister without need for a general election, is due to be announced on September 9.

## **U.K’s Iraq War Inquiry report came**

- Sir John Chilcot, who chaired the U.K’s Iraq War Inquiry, has concluded in his much-awaited report that the legal basis of then Prime Minister Tony Blair’s decision to go to war in Iraq was “far from satisfactory”.
- Sir Chilcot, in his time-line of the run-up to the declaration of the 2003 war and thereafter came to several important conclusions that have contested many of the claims made by Mr. Blair before the invasion.
- The first is that the judgments of the severity of the threat posed by Iraq’s weapons of mass destruction were “presented to the British Parliament with a certainty that was not justified”.
- Second, the outcome of the invasion was underestimated by Mr. Blair, “despite explicit warnings”.
- Third, planning for an Iraq after Saddam was “wholly inadequate”, and finally, the government “failed to realise its stated objectives”.
- Mr. Blair faced particular criticism for pledging to support U.S. President George W. Bush the year before the invasion, writing: “I will be with you, whatever”.
- In the report, Mr. Blair emerges as not just an obedient junior ally of the then U.S. President George W. Bush, but as a powerful backer and, sometimes, a step ahead of the U.S. President, first in pushing for regime-change in Iraq, and then endorsing military invasion as a means to carry it out.

- While military action in Iraq “might have been necessary at some point”, the report notes that in March 2003, when the U.S.-U.K.-led coalition entered Iraq, “there was no imminent threat from Saddam Hussein.”
- More than 1,50,000 Iraqis had died by the time most of the British troops withdrew in 2009, while 179 British soldiers also lost their lives.
- Seven years later, the country remains badly plagued by sectarian violence, as shown notably by Baghdad suicide bombing claimed by the Islamic State (IS) militant group which killed at least 250 people.

## **US announced that 8,400 troops will remain in Afghanistan into 2017**

- President Barack Obama announced that 8,400 U.S. troops will remain in Afghanistan into 2017 in light of the still “precarious” security situation in the war-ravaged country.
- “Instead of going down to 5,500 troops by the end of this year, the United States will maintain approximately 8,400 troops in Afghanistan into next year through the end of my administration,” Mr. Obama told a news conference.
- The current number of U.S. troops in Afghanistan is 9,800.

## **Bangladesh hopes that the global community will support in fighting terrorism**

- Bangladesh has hoped that the international community will support the country in fighting terrorism.
- Seven militants killed 20 visitors at an upmarket café in Dhaka in an overnight siege. The Islamic State (IS) has claimed responsibility.
- Mr. Ali said terrorism was a global challenge and that Dhaka would continue to work “closely” with other countries, regional bodies and the UN to fight the menace.
- Around 50 diplomats, most of them Ambassadors and High Commissioners from countries such as the U.S., U.K. Japan, Italy, Turkey, India and Pakistan, attended the briefing.
- Meanwhile, the police have started interrogating more suspects besides two North South University teachers — Hasanat Reza Karim and Tahmid Hasib Khan.
- The police declined to disclose the identities of the others who are under interrogation “in the interest of the investigation”.

## **Beijing and Tokyo at loggerheads**

- Beijing and Tokyo were at loggerheads on Tuesday over accusations that Japanese warplanes locked their fire control radar onto Chinese aircraft.
- Beijing also accuses Tokyo of interfering in the South China Sea, where it is not a claimant but has strengthened ties with some of the rivals, including the Philippines.



- China bases its maritime claims on a vaguely defined “nine-dash line” dating back to maps it produced in the 1940s.
- Manila lodged its suit against Beijing at the Permanent Court of Arbitration in early 2013, saying that after 17 years of negotiations it had exhausted all political and diplomatic avenues.
- The tribunal will issue its ruling on July 12, though China has consistently rejected its right to hear the case and has taken no part in the proceedings.

## **Chinese media says India needs to move away from historical burdens**

- Criticising the strong reactions from India over China blocking its bid to enter NSG, a state-run daily said India is “still stuck” in the 1962 war mindset as it called for a more objective evaluation of Beijing’s stand.
- “The Indian public seems to be having a hard time accepting the outcome of the Seoul plenary meeting of Nuclear Suppliers Group (NSG) late last month after India failed to gain entry into NSG,” an article in Global Times said.
- The country seems to be “still stuck” in the shadow of the war with China in the 1960s and many still hold on to the “obsolete geopolitical view” that China does not want to see India’s rise, it said.
- Continuing to justify China’s stand to block New Delhi’s bid, the article harped on the often repeated argument of signing the NPT being a must for India to join the NSG and that consensus is required for entry of new members.
- Quoting Political scientist Zheng Yongnian who stated that that, “China’s bilateral relationship with India is second only to the Sino-U.S. relationship,” it said ties with China are of great significance to India as well.

## **Afghanistan is seeing calm after some time**

- For three days Kabul, like much of the Muslim world, will come to a celebratory halt.
- The sense of anticipation is a welcome if brief relief from Afghanistan’s worsening conflict, with a resurgent Taliban stepping up attacks across the country nearly 15 years after launching their insurgency.
- Just last week more than 30 police cadets were killed in Kabul as a double suicide blast ripped through the bus that was taking them home for Eid.
- While the years of fighting have not destroyed the customs surrounding Eid, they have left their mark, with the economy brought to its knees by the insurgency.
- For just a few days, the girl — who, for her part, defies tradition by wearing a baseball cap instead of the veil — does not want to think about war.

## **China to hold military drills in the disputed South China Sea**

- China will hold military drills in the disputed South China Sea ahead of an international tribunal ruling over Beijing's maritime claims in the resource-rich area.
- The drills will be held in waters around the Paracel Islands from July 5 to 11, with other ships prohibited from entering the waters during that time.
- The military exercises come as an international tribunal in The Hague prepares to rule on a case brought by the Philippines challenging China's claims in the strategic waterway.
- Manila lodged the suit against Beijing in early 2013, saying that after 17 years of negotiations it had exhausted all political and diplomatic avenues to settle the dispute.

## **IS retains ability to strike amid losses**

- The Baghdad bombings demonstrated the extremists' ability to mount significant attacks despite major battlefield losses, including the city of Fallujah, which was declared "fully liberated" from IS just over a week ago.
- The deadliest attack took place in the central Karrada district of Baghdad, where a suicide bomber blew up his explosives-laden pickup truck outside a crowded shopping centre.
- Within hours, IS claimed responsibility for the bombing in a statement posted online, saying they had deliberately targeted Shia Muslims.
- Until the government launched its Fallujah operation, the Prime Minister had faced growing social unrest and anti-government protests sparked, in part, by popular anger at the lack of security in the capital.
- In one month, Baghdad's highly-fortified Green Zone which houses government buildings and diplomatic missions was stormed twice by anti-government protesters.

## **Bangladesh says it will remove the terrorists**

- Bangladesh Prime Minister Sheikh Hasina said on Saturday that her government was determined to "root out terrorism and militancy" from the country.
- The Prime Minister also thanked all security personnel involved in the "successful" raid at the Holey Artisan Bakery in Dhaka's high-security diplomatic enclave.
- The siege began on Friday when seven gunmen stormed into the Holey Artisan Bakery. They shouted 'Allahu Akbar' on their way in and started firing blanks, according to the police and the restaurant's supervisor.
- Meanwhile, the U.S. State Department said it "cannot yet confirm" whether the IS was behind the siege.
- The Department, however, confirmed that one American citizen was among those killed.

- Italian Foreign Minister Paolo Gentiloni released a statement saying that nine Italians were killed in the attack and a 10th was missing, while the Japanese government confirmed seven of its citizens had died.
- The attack follows a series of killings targeting religious minorities, foreigners, secularists and liberal activists.
- The café attack is by far the deadliest of the recent wave of killings claimed by the IS or a local Al-Qaeda offshoot.
- But the government of Ms. Hasina has always rejected IS or Qaeda presence in the country and has blamed local groups for jihadist violence.
- Last month authorities launched a nationwide crackdown on local jihadist groups, arresting more than 11,000 people, under pressure to act on the spate of killings.

## **Democrats will continue to invest in a long-term strategic partnership with India**

- Reiterating America's leadership role in the world, and rebuking Republican presidential candidate Donald Trump's statements, the Democratic Party said it would be "a dangerous mistake for America to abandon our responsibilities."
- We cannot, as Donald Trump suggests, cede the mantle of leadership for global peace and security to others who will not have our best interests in mind.
- Senator Bernie Sanders, who is pushing for radical changes on issues such as trade and universal health care, has said he is only partially satisfied with the draft.
- Discussing India in the context of Asia-Pacific, the document acknowledged India as the "the world's largest democracy, a nation of great diversity, and an important Pacific power."
- "We will work with our allies and partners to fortify regional institutions and norms as well as protect freedom of the seas in the South China Sea. We will push back against North Korean aggression and press China to play by the rules.
- Among other things, the platform also reiterates its support for Israel and Jerusalem as its capital, and calls for a two-state solution.
- Haibatullah Akhundzada called on the USA to end its "occupation" of Afghanistan
- New Taliban leader Haibatullah Akhundzada called on the United States on Saturday to end its "occupation" of Afghanistan in his first message since being appointed the militant group's chief.
- The message was released to mark the upcoming festival of Eid and comes two days after Taliban-claimed suicide blasts, targeting a convoy of buses transporting Afghan police cadets in Kabul, killed over 30 people and wounded more than 70.
- "Admit the realities instead of useless use of force and muscle... and put an end to the occupation," Akhundzada said.

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“Admit the realities instead of useless use of force and muscle... and put an end to the occupation,” Akhundzada said.

## **Another shocking death of Hindu priest in Bangladesh**

- A Hindu priest has been hacked to death in Bangladesh’s Jhenaidah, the latest in a series of attacks on religious minorities by suspected Islamists.
- Three weeks ago, another Hindu priest was killed in similar way in the same western district.
- The attack bears similarities to the killing of Ananda Gopal Ganguly, a 69-year-old priest, on June 7 in Jhenaidah Sadar’s Mahishdanga village.
- Bangladesh Home Minister Asaduzzaman Khan Kamal told reporters on Friday that the law enforcers will be able to catch the killers “soon”.
- Several Bangladesh analysts say the killing of Hindu religious leaders in the country is a focused attempt by the Islamists to create misunderstanding between India and Bangladesh at a time when bilateral relations are at its peak.

## **Many people in Britain now regret voting for Brexit**

- Nearly 2.3 million people in the U.K. regret voting for Brexit from the European Union (EU) in last week’s historic referendum, a trend which has come to be referred to as “Bregret”, a new survey said
- According to the “Opinium survey,” 7 per cent of the people who voted to leave the EU now regretted their choice and may vote for remain instead if they had a choice.
- When the survey’s findings are projected on to the statistics of the June 23 referendum, it cuts the Leave vote-share by 2.3 million, wiping out its majority and reversing the shock result in favour of Brexit, the survey said.
- Remain voters want the government to prioritise staying part of the EU’s single market while Leave voters are keen to end free movement between the U.K. and the EU and both priorities are likely to be mutually exclusive.
- The survey also found that 3 per cent of ‘Remain’ voters also regretted their choice.

- More than 4 million people have now signed a petition calling for a second referendum but the government has ruled out another vote on the issue to avoid what outgoing Prime Minister David Cameron termed “neverendum.”

## **Countries urged Sri Lanka to do much more for reconciliation**

- In their response to the comments made by the UN High Commissioner for Human Rights at the UN Human Rights Council, the countries urged the island nation to see to it that the commitments made last October were carried out.
- The U.K., one of those which sponsored the resolution, underscored the importance of “a comprehensive approach” in dealing with the past, restoring confidence in state institutions, and developing a just political settlement for all people.
- The United States, another sponsor of the motion, wanted Sri Lanka to make “continued tangible steps” towards setting up “credible justice, accountability, and reconciliation mechanisms.”
- The government should “continue taking steps” to build the confidence of communities and normalise life in the Northern and Eastern provinces.
- Expressing hope that the ongoing process of constitutional reforms would result in the crucial basis for “a nation that acknowledges its ethnic and cultural diversity and for achieving reconciliation,” the Scandinavian country also wanted the Sri Lankan government to work hard to “keep the tight time schedule” for the process.

## **China blames US for trying to drive wedge between regional countries**

- China slammed the US for trying to drive a wedge among regional countries in response to remarks by a U.S. official in New Delhi on India’s unsuccessful bid for membership in the Nuclear Suppliers Group (NSG) and the South China Sea issue.
- Reacting to comments in New Delhi by U.S. Undersecretary of State for Political Affairs, Thomas Shannon, Chinese Foreign Ministry spokesperson said: “In the plenary meeting in Seoul, India’s accession was not on the agenda”.
- He added that the Seoul conference, instead, discussed “technical, political and legal” issues concerning the accession of countries, which had not signed the Non-Proliferation Treaty (NPT).
- Mr. Shannon had said in an apparent reference to China’s role that, “We understand that in a consensus-based organisation, one country can break consensus. But in order to do so it must feel comfortable that it will not be isolated.”
- Regarding the South China Sea, Mr. Hong pointed out that China was “strongly dissatisfied” with the assertions by the U.S. official, who had said that Beijing was indulging in “madness” through its behaviour in these waters.
- Mr. Hong countered: “The remarks made by the U.S. official tries to drive a wedge between regional countries, confuse right from wrong and are extremely irresponsible.”



## **Core sector grew by 2.8 percent**

- Eight core sectors of the economy posted a 2.8 per cent year-on-year growth in May, the slowest pace since 2.9 per cent in January, due to a decline in output of refinery and steel products.
- These eight sectors — comprising almost 38 per cent of the weight of items included in the Index of Industrial Production (IIP) — had recorded an 8.5 per cent growth in April, which was the highest since 8.54 per cent in November 2014.
- The low growth in May was on account of a contraction in output of crude oil (- 3.3 per cent versus 0.8 per cent growth in May 2015) and natural gas (- 6.9 per cent, versus - 3 per cent in May 2015) in addition to a very marginal expansion registered by refinery products (1.2 per cent versus 7.8 per cent in May 2015).
- The core sector output had gone to the negative growth territory in November 2015 when it shrank by (-) 1.3 per cent.
- When core sector recorded an 8.5 per cent growth in April, the highest since 8.54 per cent in November 2014, experts had pointed out that it was becoming difficult to expect a one-to-one correspondence between core sector growth and overall IIP.
- The IIP for April shrank (-) 0.8% — the first IIP contraction in three months.
- The cumulative growth of the core sector during April to May in FY'17 was 5.5 per cent as against 2.1 per cent during the same period in the previous fiscal.

## **Money held by Indians in Swiss banks has fallen by nearly one-third**

- Money held by Indians in Swiss banks has fallen by nearly one-third to a record low of 1.2 billion franc (about Rs.8,392 crore) amid a continuing global clampdown on the famed secrecy wall of Switzerland's banking system.
- The funds held by Indians with banks in Switzerland fell by CHF 596.42 million to CHF 1,217.6 million at the end of 2015, as per the latest data released on Thursday by the country's central banking authority SNB (Swiss National Bank).
- This is the lowest amount of funds held by Indians in the Swiss banks ever since the Alpine nation began making the data public in 1997 and marks the second straight year of decline.
- The funds held by Indians with Swiss banks stood at a record high of CHF 6.5 billion (Rs.23,000 crore) at 2006-end.
- However, the quantum of these funds has been falling since then, except for in 2011 and in 2013 when Indians' money had risen by over 12 per cent and 42 per cent, respectively.
- The total "amounts due to customers' savings and deposit accounts" fell to CHF 425.8 million (from 1,378 million a year ago), while the money held through other banks incidentally more than doubled to CHF 270.4 million (from CHF 100.6 million).
- The 'other liabilities' of Swiss banks towards Indian clients, which include funds held through securities etc, rose from CHF 297 million to CHF 510.4 million.

## **IMF says Brexit is topmost global risk**

- The International Monetary Fund said that Britain's shock vote to leave the European Union a week ago has created uncertainty that poses a major threat to the global economy.
- "We see the uncertainty right now as probably the biggest risk to the global economy," said IMF spokesman, calling on European leaders and other policymakers to take "decisive" actions that could lower the threat.
- The European Union and Britain face negotiations on the Brexit that are expected to be difficult and protracted.

European Union leaders say that until Britain formally begins exit proceedings, no talks can begin — formally or informally — on resetting Britain's ties with the EU, a process meant to last two years.

## **INDIA & WORLD**

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### **PM will take his first visit to African mainland**

- In a bid to strengthen India-Africa ties, Prime Minister Narendra Modi, will undertake his first visit to the "African mainland" between July 7 and 11, covering four countries.
- The Prime Minister's visit reflects India's desire to further strengthen and reinvigorate bilateral ties with our African partners which were renewed at the successful IAFS-III in October last year.
- Since taking charge in May 2014, Prime Minister Modi has visited Seychelles and Mauritius that are members of the African Union.
- Mr Modi will address two major meetings with members of Indian diaspora in Johannesburg and Nairobi on July 8 and 10.

### **India did not take any position on LGBT at HRC**

- India avoided taking a position on the need to end discrimination based on sexual orientation at the Human Rights Council of the UN, as the Supreme Court is yet to "pronounce" on the issue of rights of LGBT persons.
- MEA's clarification came a day after India abstained during a voting at the UNHRC to set up the office of Independent Expert to end discrimination against LGBT (Lesbian, Gay, Bisexual and Transexual) persons.
- The issue of LGBT rights in India is a matter being considered by the Supreme Court under a batch of curative petitions.
- As such, we had to take this into account in terms of our vote on the third UN resolution to institutionalise the office of an Independent Expert to prevent discrimination against LGBT persons.

## **India to press for a global pact to expedite the services trade flow**

- India will press for endorsement by more nations for its proposal on a global pact to expedite the services trade flow, during the forthcoming Nairobi meet of the United Nations (UN) body for development issues including on trade.
- The proposed pact, among other things, is aimed at making it easier for services professionals and skilled workers to move across borders for ‘short-term’ projects.
- It will officially be known as the ‘Trade Facilitation Agreement (TFA) for Services’ at the World Trade Organisation (WTO)-level.
- Its objectives include streamlining procedures for global services trade, besides ensuring recognition at the WTO-level for services as a tradable item by establishing a framework.
- The ‘Ministerial Conference’ is the Geneva-headquartered UNCTAD’s highest decision-making body, and is held every four years ever since UNCTAD was set up in 1964.
- UNCTAD has 194 member States and is the UN subsidiary looking at measures to boost trade and investment in developing countries.
- The idea of a ‘TFA for Services’ – similar to the WTO’s ‘TFA for Goods’ -- was mooted by India soon after the WTO’s tenth Ministerial Conference in Nairobi in December 2015.
- According to UNCTAD, the ‘Global Services Forum’, will discuss various topics including “facilitating trade in services – with a focus on reducing transaction costs and explore if the lessons resulting from the WTO TFA (for Goods) could be applied to trade in services.”

## **Russia has offered Indian oil companies a stake in the second phase of Yamal LNG**

- Russia has offered Indian oil companies a stake in the second phase of Yamal LNG, the biggest project to produce liquefied natural gas in the Arctic.
- Petronet LNG, India’s biggest natural gas importer, is studying the offer, they said adding other state-owned firms like Indian Oil Corp (IOC) may join in later.
- Novatek OJSC, Russia’s second-biggest natural gas producer, had in 2013 offered a 9 per cent stake in the \$27 billion Phase-I of Yamal LNG project to a consortium of Petronet, IOC and ONGC Videsh Ltd.
- But later, OVL, the overseas arm of state-owned Oil and Natural Gas Corp (ONGC), did not find the offer attractive and the Indian consortium backed off.
- Now the company is planning a second phase and is offering a stake to Indian firms. OVL was previously interested in getting into the upstream part of the project, i.e gas field development. Petronet was keen to offtake LNG.

## **Survey says that website should be proactive with content**

- Amid debates on the role of social media networks in censoring inflammatory content on their platforms, a new survey has found that nearly 90 per cent of citizens want these firms proactively removing offensive content.
- Over 14,000 people participated in the survey by online community network LocalCircles.
- Recently, the European Commission, together with IT companies such as Facebook, Twitter, YouTube and Microsoft, announced a code of conduct to combat the spread of illegal hate speech online in Europe.
- Among other things, these companies have committed to proactively monitor social media and remove any hate or offensive content within 24 hours of posting.
- On the question if social media companies in India should follow a similar code of conduct, 89 per cent answered in the affirmative.
- Women and Child Development Minister Maneka Gandhi held meeting with a team from Twitter India to iron out details of how harassment & hateful conduct on social media platform can be handled.
- Ms Maneka Gandhi also announced that women being harassed on Twitter can reach out to her by using the hashtag which was #IamTrolledHelp.
- It was also suggested that a Central Government ministry should become the owner of the subject and should keep a close watch on different groups and forums in social media.
- Currently, online content is usually taken off by companies such as YouTube, Facebook and Twitter in India after law enforcement agencies flag something off as “anti-religious and hate speech” that could cause unrest and disharmony within India.
- LocalCircles enables citizens to connect and engage with communities for most aspects of urban daily life like government, causes, interests and needs, neighbourhood etc.

## **After Brexit talks between India and UK**

- A fortnight after Britain voted to exit the European Union (EU), U.K. Business Secretary held talks with Commerce & Industry Minister on the possibility of inking a separate U.K.-India Free Trade Agreement (FTA).
- On the nature of future talks with the EU on the proposed India-EU, Ms. Sitharaman said: “With the EU of course, it shall continue but it will be recalibrated now that U.K. is out of EU, so we shall be doing both.”
- Trade with U.K. is substantial. Indian investments in UK are one of the biggest. A lot of jobs created in the U.K. are by Indian investors. Similarly on services, we have great potential.
- The Tata group wanted to sell its steel business in U.K. owing to fall in steel prices, cheap imports of the commodity from China and rising energy costs. Tatas move would have hit around 11,000 jobs.
- Mr. Javid met Tata Steel senior management chairman Cyrus Mistry ahead of the company’s board meeting and held discussions regarding fate of Tata Steel’s UK assets, put on sale.
- In FY’16, India’s exports to the EU were \$35.35 billion, while India’s exports to Britain were \$9.35 billion.
- The U.K. government statement said the U.K. is the largest G20 investor in India, while India invests more in the U.K. than the rest of the European Union combined.
- India has also emerged as the third largest source of FDI for the U.K. Commerce.

## **Centre begins stake sale in 51 firms**

- The government has invited merchant bankers to help it sell minority stakes in 51 companies, including RIL, ICICI Bank, Axis Bank and L&T, and is looking at exiting them within three years.
- The Specified Undertaking of UTI (SUUTI) has investments in these 51 listed as well as unlisted companies, like Hindustan Unilever, ITC Ltd, Jaiprakash Associates and a host of Tata Group firms.
- Government holds minority stake in these companies through SUUTI, which was formed in 2003 as an offshoot of erstwhile UTI, and is looking at selling them either through an OFS, block deal, bulk deal or regular sale through stock exchanges.
- The bankers would have to put in a single consolidated bid for the entire SUUTI Holdings. However, the sale process of each of the 51 companies would be carried out individually.
- The government has set up an ambitious disinvestment target of Rs.56,500 crore for 2016-17.
- Of the budgeted target, Rs.36,000 crore is to come from minority stake sale in PSUs and the remaining Rs 20.500 crore is estimated to come from strategic sale in both profit and loss-making companies.

## **The Ministry of NRE to make BIS compulsory for all solar water heaters**

- The Ministry of New and Renewable Energy is working on a 'quality order' to make it compulsory for all solar water heaters installed in buildings to be certified by the Bureau of Indian Standards (BIS).
- This follows a BIS announcement on the quality standards for evacuated tube collector-based solar water heaters, which have rapidly become the design of choice for such water heaters.
- The Indian government used to subsidise solar water heaters, but stopped the practice in September 2014, leading to an increase in imports from China, which offered products up to 50 per cent cheaper than Indian alternatives.
- While it depends on the level of chlorides and nitrates in the water in different regions, this low level of thickness is such that the walls will corrode anywhere in the country within a year. Even 0.5 mm does not last more than a year in some regions.
- Another factor is that the Chinese products are being used to bypass the intention of rules set by states.

## **Airlines not happy with passenger centric rules**

- India's leading airlines including IndiGo, SpiceJet and Jet Airways have termed the Directorate General of Civil Aviation (DGCA)'s rule to reduce fee for carrying five-kg baggage on flights as "illegal."
- The airlines have also opposed most of the other proposed 'passenger-centric' norms such as enhanced compensation for denying boarding and flight delays and demanded a higher cap on ticket cancellation fee.
- Additionally, the airlines have requested the government to allow them to charge a fee for providing equipment such as wheelchair for people with reduced mobility.
- The airlines also threatened to increase the airfares as the move may impact their operating viability due to consumption of more fuel by carrying excess baggage, they said.

- A DGCA directive had allowed passengers to carry five kilos extra baggage over the free allowance of 15 kg on a flight, by paying Rs.100 a kg to the airline. Private airlines presently charge passengers Rs.250-Rs.350 for each extra kg.
- Airlines claimed the DGCA didn't consider the objections raised by airlines during its discussion with the government via exchange of e-mail letters.
- The airlines said the proposed multi-fold increase in compensation for denial of boarding, flight delays and cancellations lacked "quantitative analysis that assesses impact on the airline industry" and "unfairly penalise airlines."

## **ILO's Director General concerned over the widening gender gap in Indian workforce**

- International Labour Organisation (ILO) Director General Guy Ryder has expressed concerns over the widening gender gap in workforce in India.
- "One of the issues which have come to my attention since I have been in India is gender and the question of women participation," Mr. Ryder, who is on a three-day India visit.
- In international comparison, the gap in India is very big and the level of women's participation is going down which is a source of concern.
- While there is a difference of 25 per cent in workforce participation rate of men and women worldwide, in India it is up to 40 per cent, Mr. Ryder said.
- He said the ILO will work with the government in its labour reform process by bringing in international experience and setting international labour standards.
- India will ratify two core ILO conventions soon by amending the Child Labour Act. There were some issues related to ratifying the other two conventions related to right of forming unions and collective bargaining.

## **India Sri Lanka wants to expedite ETCA**

- Sri Lanka's Minister of Development Strategies and India's Minister of State for Commerce and Industry have urged to expedite negotiations on the proposed Economic and Technology Cooperation Agreement (ETCA).
- India, accounting for 23 per cent (\$ 4,268 million in 2015) of Sri Lanka's total imports, has been negotiating with the island nation on the ETCA, an extension over the existing Free Trade Agreement (FTA).
- Last year, exports to India accounted for a little over six per cent of Sri Lanka's overall exports with \$ 643 million. Of this, 63 per cent was under the FTA.
- The first round of bilateral talks on the ETCA began in December last. Even as certain sections in Sri Lanka nurse reservations, the government in recent months had organised a campaign to counter the anti-ETCA drive.
- Though Colombo depends upon Beijing for 20 per cent of its imports, there is no bilateral FTA. The two are yet to finalise the rules of origin and the product list.
- Under the FTA with Pakistan, signed in July 2002, Sri Lanka exported goods worth \$ 59 million to the former last year, which was about 81 per cent of the total exports to that country.

## India will extend concessional loans to African nations during PM's visit

- India will extend concessional loans to African nations during Prime Minister Narendra Modi's visit to the region starting July 7.
- The PM's delegation will also hold talks to host the African Development Bank's annual meeting in Gujarat next year.
- Mr. Modi is slated to visit South Africa, Kenya, Mozambique and Tanzania, perceived to be the gateway to several landlocked African countries, during his five-day trip aimed at boosting economic and diplomatic ties.
- India's premier export finance institution Exim Bank will extend Lines of Credit (LoC — or concessional loans) worth \$240 million to Kenya and Tanzania.
- These LoCs are part of India's plan to disburse \$10 billion to Africa within the next three years.
- The objective is also to enhance India's cooperation with Africa in food security as well as to boost exports from India's Small & Medium Enterprises (SME) to Africa especially to promote rural development.
- Besides, India — having become a member of the African Development Fund (ADF) in 1982 and of AfDB in 1983 — will be looking to host the AfDB annual meet in 2017.
- Of the \$240 million, \$92 million will be for a water supply project in Zanzibar (a semi-autonomous region of Tanzania in East Africa), while \$30 million will be for the Kenyan government to upgrade and modernise a textile factory.
- Another \$15 million will be for Kenya's IDB Capital Limited for supporting small and medium enterprises in that country.
- The remaining over \$100 million will be to boost agricultural projects in Kenya through export of agricultural equipments, machinery and tractors from India to improve Kenya's farm productivity.
- LoCs already extended to Kenya include \$51 million for power transmission and \$50 million for IDB Capital.

- India's currently active LoCs to Africa are worth around \$18.65 billion. Mathur said this includes agreements already been signed and contracts awarded for around \$15 billion to African nations under as many as 203 LoCs.

## **States could have worsening financials in FY17: Yes Bank**

- The State Governments saw worsening financials in the revised estimates for FY16 compared to the budget estimates for the year due to slowing revenue, which could become worse in FY17, according to a study by Yes Bank.
- The study finds that the worsening financials are mainly due to declining revenue receipts by the states and the Centre. Factors like the Uday bonds to bail out ailing discoms have worsened the situation.
- Other near-terms risks to state financials include the Uttar Pradesh and Punjab elections in the first half of 2017 and the implementation of the Seventh Pay Commission recommendations.
- Due to the unavailability of consolidated state finance numbers, the report analysed the budgets of 15 states accounting for about 78 per cent of India's GDP to draw inferences about their fiscal positions in FY16 and FY17.
- The fiscal deficit ratios for some states shot up significantly due to the issuance of Uday bonds, some states—Bihar, Madhya Pradesh, Rajasthan and UP have fiscal deficit higher than the 3 per cent even after excluding the Uday bonds.
- Madhya Pradesh and Odisha will see higher-than-mandated fiscal deficit ratios in FY17 as well, according to the report.
- Another factor that is likely to affect state finances are the upcoming elections in Punjab and Uttar Pradesh in the first half of 2017.
- Similarly for Punjab, the report notes that the effect of elections seems to be more pronounced during the election year itself rather than in the year prior to elections.
- If the expenditure in these two states grow at the historical rate observed during past elections, then the fiscal deficit ratio in Punjab could potentially rise to 4.4 per cent from the 2.9 per cent budgeted for FY17, and that in Uttar Pradesh could rise to 5.6 per cent from 3 per cent budgeted, according to the report.
- The report finds that Gujarat and Jharkhand are most favourably placed in terms of the Seventh Pay Commission recommendations due to their relatively smaller share of public sector employees and lower liability on pension, wages and salaries.

## **Indian financial markets will experience limited impact from Brexit: Moody's**

- Indian financial markets will experience limited impact from Britain exiting the European Union (EU), according to Moody's Investors Service.
- Factors such as subdued global demand, weak rural incomes, higher food inflation and high leverage for some large corporates are likely to have a more immediate effect on the economy.
- "Exports to the U.K. and the rest of the European Union account for 0.4 per cent and 1.7 per cent of India's GDP respectively. Only a very large and prolonged slump in imports from these regions, which is not our baseline assumption, would markedly dent India's exports," it said.



- There are reasons for less growth in India. First, lacklustre global demand constrains exports, which account for around 20 per cent of GDP,” the note said.
- “Second, two years of drought have dampened consumption with weak rural incomes and higher food inflation lowering purchasing power.
- Lastly, high leverage for some large corporates weighs on credit demand while impaired assets in the banking system negatively affect credit supply.”
- Continued high corporate leverage, low nominal domestic growth and a lack of corporate pricing power will hold back investment activity for at least several quarters with poor asset quality and weak capitalisation likely to restrict public sector bank lending capacity, Moody’s said.

## **Banks need \$90 bn to meet Basel-III norms: Fitch**

- Domestic banks will need a whopping \$90 billion capital to meet the Basel-III norms which will be fully implemented by the March 2016, rating agency Fitch said.
- Public sector banks will need 80 per cent of the estimated capital, Fitch said.
- “The capital needs have come down due to weak loan growth, but they are onerous for the banks, given weak asset quality and internal capital generation,” it said in a statement."
- Out of the total capital requirement, more than 50 per cent has to be met via core equity and the rest largely via Additional Tier-1 (AT1) debt capital instruments.
- Public sector banks have seen sharp rise in bad loans in the second half of 2015-16 and many of them reported heavy losses.
- Fitch said the viability ratings of these banks will be under more pressure if capital levels are not addressed, either by the government or the market.

## **The Centre approved an outlay of Rs.10,000 crore to provide apprenticeship**

- The Centre approved an outlay of Rs.10,000 crore towards a scheme to provide apprenticeship training to 50 lakh youth by 2020.
- The approved National Apprenticeship Promotion Scheme will provide financial incentives to employers to engage apprentices.
- Under the scheme, the Ministry of Skill Development and Entrepreneurship will share 25 per cent of the total stipend payable to an apprentice with employers.
- The government will also fund 50 per cent of the total expenditure incurred by the employer in providing basic training to apprentices.
- Some analysts felt financial incentives were only a miniscule component of the entire scheme of things that needed to be addressed to encourage apprenticeship training.

## **Sensex continues its rally despite BREXIT**

- Nearly 200 stocks hit their one-year high level on the BSE supported by a rally in the broader market where the Sensex rose by about 134 points, registering gains for the sixth session.
- A total of 192 firms surged to their 52-week high mark, including BPCL, DLF, GAIL, Godrej Consumer Products, Hero MotoCorp, IOC, M&M, NHPC, NTPC, Power Grid Corporation, and Yes Bank.

- The 30-share Sensex ended higher by 133.85 points, or 0.49 per cent, at 27,278.76 — its highest closing since October 26 last year.
- It had added 747.20 points in the past five sessions.

## **Companies taking highest ammount from IPO's**

- Companies raised as much as Rs.5,855 crore through initial public offers (IPO) in the first three months of the current financial year, the highest quarterly mobilisation in nine years.
- According to Prime Database, a primary market tracker, the three-month period between April and June saw six main board IPOs and as many as 13 offers in the segment for small and medium enterprises (SMEs).
- Main board IPOs are listed on the main platform of BSE and NSE while there is a separate segment for listing of SME companies. Both, BSE and NSE have such dedicated platforms.
- Despite a volatile secondary market, six main-board IPOs hit the market collectively raising Rs.5,728 crore in the quarter (corresponding period of FY16 saw five IPOs collecting Rs.2,280 crore).
- The previous highest-ever mobilisation through IPOs (April-June) was in 2007-08 at Rs.13,083 crore.
- The domestic institutional investors played a significant role as anchor investors with their subscription amounting to 21 per cent of the amount compared to 12 per cent from foreign investors.

## **Various challenges awaits new RBI governor**

- With Reserve Bank of India (RBI) Governor Raghuram Rajan deciding not to seek a second term, the government is in the process of finalising Mr Rajan's successor, and an announcement is expected shortly.
- While the names of several economists and bureaucrats are doing rounds one thing certain is that the new governor will face number of challenges ranging from reining in inflation to managing currency volatility.
- One of the immediate challenge is the redemption pressure of the Foreign Currency Non-Resident (bank) deposits, or the FCNR(B) deposits, as outflows will start from September.
- These deposits were raised in 2013 when the rupee was depreciating sharply and went on to hit its lowest against the dollar in August 2013. While Mr. Rajan said the outflows, estimated at about \$20 billion, was a non-event, there are concerns of foreign inflows slowing down.
- The new governor will be also the first one to make his policy stance under the new framework of the Monetary Policy Committee. The Centre has already laid down the rules for the selection of its nominees to the panel.
- MPC is a departure from the present practice where the entire onus rests on the governor for any rate decision.
- While the governor will have the casting vote if there is a tie, the responsibility will be shared by the committee. The governor has to ensure that he does not opt for the casting vote frequently. .
- The new governor will take charge amid expectation of sharp cuts in interest rates – something which Mr. Rajan resisted. RBI had reduced the policy rate by 150 bps to 6.5 per cent between January 2015 and now.

- The burden of expectation now will fall on the new governor at a time when retail inflation accelerated to a near two-year high of 5.76 per cent in May, driven by surging prices of food products such as pulses and sugar.
- The outgoing governor has cautioned against dropping the guard against inflation.
- The new governor may find it challenging to manage rate cut expectation of the government and the industry at a time when inflation is on the rise, said a former central banker.
- The new governor also has to complete the task of cleaning up of Indian banks that was started by Mr. Rajan, who had set a deadline of March 2017 to complete the exercise.
- There are requests from banks to extend regulatory forbearance that Mr. Rajan has resisted. These requests will resurface again with the new governor taking charge. Also, saddled with bad loans, banks, particularly public sector ones, have squeezed lending.

## **India's biggest oil refinery to cost \$30 billion**

- India's biggest oil refinery that state-run IOC, BPCL, HPCL and EIL plan to set up on the west coast will cost \$30 billion or Rs.2 lakh crore.
- The 60 million tonnes a year refinery and a mega petrochemical complex will be set up in two phases. Phase-1 will be 40 million tons together with an aromatic complex, naphtha cracker and polymer complex.
- Phase-1 will cost Rs 1.2-1.5 lakh crore and will come up in 5-6 years from the date of land acquisition.
- IOC has been looking at west coast for a refinery as catering to customers in West and South was difficult with its refineries mostly in the North.
- HPCL and BPCL have also been looking at a bigger refinery because of constraints they face at their Mumbai units.
- Fifteen million tonnes a year is the biggest refinery any public sector unit has set up in one stage. IOC recently started its 15 million tonnes unit at Paradip in Odisha.
- Reliance Industries holds the distinction of building the biggest refinery in India till now. It built its first refinery at Jamnagar in Gujarat with a capacity of 27 million tonnes (mt) , which was subsequently expanded to 33 million tonnes.
- Being on the west coast will provide the unit a natural advantage of easily sourcing crude oil from the Middle-East, Africa and South America.

## **Brexit likely to keep gold price high**

- Gold prices likely to move up further in the current calendar year owing to uncertainties in the global markets as U.K. voted to exit from the European Union.
- Gold prices shot up to its highest level in three years, in the aftermath of the Brexit referendum, as investors rushed to grab safer assets, leaving equities and other risk assets, which were already facing selling pressure.
- The prices of gold hit a three-year peak at around \$1,355 per ounce on June 23, and hovering between \$1310 and 1,320 per ounce in the international market currently.
- The risk to reward ratio currently is not favourable for long trades. However in the short term there is possibility for higher levels but soon the gold price will try to catch up with the lower end of the trading band.

- In a statement issued last Friday, the World Gold Council (WGC) said that it expects to see strong and sustained inflows into the gold market driven by the staggering level of protracted uncertainty that investors are facing.
- WGC predicted that purchases of gold coins by small retail investors, which were already up sharply in the months running up to the vote (Brexit), should accelerate further.

## **571 budding entrepreneurs wants tax breaks for start-ups**

- As many as 571 budding entrepreneurs have filed applications as on June 24 with the Department of Industrial Policy and Promotion (DIPP) for recognition as innovative startups to avail tax breaks and other benefits.
- Out of these, only 12 are eligible for consideration by the inter-ministerial board for tax benefits. Startup India is an initiative of the DIPP.
- Seven have submitted all documents and are eligible for Startup India benefits and tax exemption and 106 have submitted all documents but are not eligible for tax exemptions, it said.
- The inter-ministerial board validates the innovative nature of the business for granting tax related benefits.
- In January, PM unveiled a slew of incentives to boost start-up businesses, offering them a tax holiday and inspector raj-free regime for three years, capital gains tax exemption and Rs.10,000 crore corpus to fund them.
- India has the third-largest number of start-ups globally.
- To boost financing, a 20 per cent tax on capital gains made on investments by entrepreneurs after selling own assets as well as government-recognised venture capitalists is also exempted.

## **PMI shows good jump**

- Manufacturing activity saw a pick up in June after two months of sluggish growth, according to a private survey.
- The Nikkei India Manufacturing Purchasing Managers' Index (PMI) rose to 51.7 in June from 50.7 per cent in May. The index was at 51.3 in June 2015.
- "The favourable operating environment encouraged businesses to purchase additional inputs but was insufficient to generate jobs," it said.
- "The upturn is significant when compared to the average 0.5 point decline between
- The new orders index rose to 52.9 from 51.3 in May, mainly led by an improvement in domestic demand.
- "The PMI data suggest that external demand remains lacklustre even as domestic demand continues to support growth, led by consumption," the note said.

## **Draft regional connectivity scheme released**

- The civil aviation ministry released the draft regional connectivity scheme in a bid to make flying affordable and to revive dormant airports.

- Once the scheme is implemented, passengers will be able to fly an hour's journey (of about 500 km) for an all-inclusive fare of Rs 2,500. The passenger service fee and user development fee will not be applicable on this fare.
- However, the cap on the airfares will be applicable only to a limited number of seats in an aircraft and the passengers will be eligible for subsidised fare on a first-come-first served basis.
- Only routes covering a distance of 200-800 km connecting a 'less connected or unconnected' airport will qualify for the regional connectivity scheme and the airfare cap will be proportional to the air distance travelled.
- Airfares will be capped in the range of Rs.1,700-Rs.4,070 and will be revised every quarter based on the prevailing inflation rate.
- While the scheme will be applicable to airports with no flight connections in the previous two flying seasons, the government has identified 16 airports, receiving seven flights a week, which will also fall under the scheme.
- Some of them are: Agra, Allahabad, Pantnagar, Diu, Shillong, Jamnagar, Bhavnagar, Kullu, Tezpur, among others.
- While the Centre will provide 80 per cent subsidy to airlines for three years to fund the losses they incur, to enable them to charge lower airfares to passengers, the remaining 20 per cent will come from the states.
- The Centre will set up a regional connectivity fund, to be financed by a cess charged to airlines flying on metro or trunk routes for each departure.
- The cess, which will likely be levied beginning August 1, may marginally increase airfares on such routes.
- The government may provide higher subsidy to the airlines if the cost of aviation turbine fuel goes up in future, Civil Aviation Secretary RN Choubey said.
- The airlines will be mandated to fly at least three flights every week on such regional routes and the subsidy will be provided for maximum seven flights per week.

## SCIENCE AND TECHNOLOGY

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### **Better diagnosis of disease-causing mitochondrial genetic mutations is possible**

- Fast and accurate diagnosis of disease-causing mitochondrial genetic mutations is now possible thanks to automation of the entire process of data analysis and interpretation by a team of researchers at the Delhi-based CSIR Institute.
- Mitochondria, the powerhouses of the cell, are unique in several ways. A cell can have multiple mitochondriae, with each mitochondriae differing from one another by a few variations. This phenomenon is known as heteroplasmy.
- Heteroplasmy can vary between cells of the same tissue, organ, individual or even between individuals of the same family.
- Though heteroplasmic mutations implicated in mitochondrial diseases are seen even in healthy individuals, the reason why they do not manifest as disease is due to low frequency of heteroplasmy.

- A person does not manifest the disease when the heteroplasmy frequencies are low, usually less than 10 per cent.
- The mutations could also be acquired during cell division. While all cells will carry the mutations associated with disease when it is inherited, cells in different tissues may have different mutations when it is acquired.

## **The Indian summer monsoon rainfall is influenced by Indian ocean dipole**

- The Indian summer monsoon rainfall is influenced by a system of oscillating sea surface temperatures known as the Indian Ocean Dipole (IOD) in which the western Indian Ocean becomes alternately warmer and then colder than the eastern part of the ocean.
- While the existence of three types of IOD is well known, a recent study published in the journal Natural Hazards attempts to determine the effects on monsoon rainfall of each of the three types.
- A positive IOD occurs when the sea surface temperatures are greater than normal in the Arabian Sea and less than normal in the tropical eastern Indian Ocean.
- A positive IOD leads to greater monsoon rainfall and more active (above normal rainfall) monsoon days while negative IOD leads to less rainfall and more monsoon break days (no rainfall).

## **NASA's solar-powered Juno spacecraft successfully entered Jupiter's orbit**

- NASA's solar-powered Juno spacecraft successfully entered Jupiter's orbit after a five-year journey from the Earth, in a giant step to understand the origin and evolution of the king of planets and the solar system.
- Juno will study the existence of a solid planetary core, map Jupiter's intense magnetic field, measure the amount of water and ammonia in the deep atmosphere and observe auroras on our solar system's largest planet.
- The mission also will let us take a big step forward in our understanding of how giant planets form, NASA said. Juno's name comes from Greek and Roman mythology.
- The mythical god Jupiter drew a veil of clouds around himself to hide his mischief, and his wife — the goddess Juno — was able to peer through the clouds and unveil his true nature.

## **Juno spacecraft is barreling toward Jupiter**

- Juno, an unmanned NASA spacecraft, is barreling toward Jupiter on a \$1.1 billion mission to circle the biggest planet in the solar system and shed new light on the origin of our planetary neighbourhood.
- Jupiter is the fifth planet from the sun. Its atmosphere is made up of hydrogen and helium and packed with so much radiation that it would be more than 1,000 times the lethal level for a human.
- The gas giant is enshrouded in the strongest magnetic field in the solar system.
- Jupiter is perhaps best known for its Great Red Spot, which is actually a massive storm, bigger than the Earth, that has been roiling for hundreds of years.
- The planet is marked by cold, windy clouds of ammonia and water that appear as reddish, brown and beige stripes and swirls.
- Getting close, and surviving, is no easy feat. Even though the spacecraft is entirely robotic and controllers on Earth can do nothing at this stage.

## **Sam Querrey beats Djokovic**

- Novak Djokovic was sent crashing out of Wimbledon by big-serving Sam Querrey on Saturday, shattering the World No.1's hopes of securing the first calendar Grand Slam in 47 years.
- The 7-6(6), 6-1, 3-6, 7-6(5) defeat ended Djokovic's Open era record run of 30 successive wins at the Majors, and his streak of having reached 28 consecutive Grand Slam quarterfinals.
- It was his first loss before the quarterfinal of a Grand Slam tournament since 2009 when he bowed out in the third round at Roland Garros.

## **The shooting World Cup Finals has been allotted to India for 2017**

- The shooting World Cup Finals in pistol, rifle and shotgun has been allotted to India for 2017 by the International Shooting Sport Federation.
- In a release issued, the National Rifle Association of India said that the allotment was made in the ISSF Executive Committee meeting in Moscow.

India has already been allotted a World Cup which will be staged at the Dr. Karni Singh Range, Tughlakabad, here in February. The World Cup Finals will also be hosted at the same venue in October.

