

1) Opportunities and Challenges of Updating the National Register of Citizens (NRC) of Assam



Introduction

The first draft of the National Register of Citizens (NRC) for the State of Assam was published by the Registrar General of India at the stroke of midnight on 31 December 2017.

The main objective of this exercise is to identify illegal migrants, mostly from Bangladesh, in the State.

The first draft of the NRC that has been published, includes the names of 1.9 crore people, out of the total 3.29 crore applicants in Assam, recognizing them as legalized citizens of the State.

The application process for NRC commenced in May, 2015 the schedule to publish the next draft will be decided as per the guidelines enunciated by the Supreme Court in April 2018.

The Registrar General of India has assured that the entire process of updating the NRC by scrutinizing the 6.5 crore documents received from 68.27 lakh families across Assam will be completed within 2018.

What is National Register of Citizens (NRC)?

The National Register of Citizens (NRC) contains the names of Indian citizens across India and was prepared after the Census of 1951.

As per the directions of Government of India, this document was kept in the offices of Deputy Commissioners and Sub Divisional Officers and was later transferred to the custody of Police department in early 1960.

The updating of NRC will establish the citizenship rights of all Indian citizens. This process has commenced in Assam since May, 2015.

Reasons Leading up to NRC Updation in Assam

Assam, especially, the area north of Brahmaputra River is well endowed with natural resources like oil, natural gas and Assam tea. Right from the British era, the poor peasants from East Bengal, now Bangladesh started drifting for better opportunities to Assam and West Bengal.

However, the problem got aggravated when the Government of India decided to open the floodgates for refugees seeking asylum in India from East Pakistan (now Bangladesh), before its separation from Pakistan in 1971.

Moreover, originally Assam was a mega-State with Arunachal Pradesh, Nagaland, Meghalaya and Mizoram all a part of the State.

Nagaland was carved out of Assam in 1963 and Arunachal Pradesh and Mizoram became UTs in 1972 and assumed Statehood in 1987, Meghalaya was formed in 1972 to accommodate territorial aspirations of Nagas, Khasis, Mizos and Garos, respectively.

Consequently, Assam has seen a number of clashes between the original inhabitants and the outsiders on territorial issues.

The worst was the one that happened at Merapani, Golagahat, when 70 Assamese were killed in 1979 and 50 died during the clashes in 1985. Also, in July-August 2012 violent Bodo-Muslim clashes led to the death of 103 and displaced 4.85 lakh people belonging to both communities.

Hence, marginalization of the original inhabitants of the region due to the mass influx of many affluent and also, desperate outsiders to exploit the resources of Assam became the root cause of the 'Assam Movement' during the late 70s and early 80s.

Assam Agitation

The All Assam Students Union (AASU) and the All Assam Gana Sangram Parishad (AAGSP) spearheaded the 'Assam Agitation' against illegal immigrants in Assam.

The demand for updating the 1951 NRC was formally put forth by AASU-AAGSP in the form of a memorandum to the Centre on 18 January 1980. This request came in the wake of a two month long anti-illegal foreigners' Assam Movement.

Though it was agreed in principle in 1985, but it was only on 17 November 1999 that the Centre sanctioned 20 lakh for the purpose of NRC updation and released Rs 5 Lakh to commence the exercise.

The Dr Manmohan Singh's government created a Directorate for updating the NRC on 05 May 2005 and the process of computerization of 1951 NRC and voters list up to the year 1971 commenced.

Assam Accord - 1985

The agitation program that carried on from 1979 to 1985 compelled the government to sign the 'Assam Accord' with the leaders of AASU-AAGSP in 1985.

This peace accord amongst other things prescribed the cutoff date to accept legal citizens of Assam, as midnight of 24th March 1971. It means that all persons who have entered Assam after this date will become illegal migrants.

In other words, those persons (or their decedents), whose name appear in the NRC 1951, or in any of the Electoral Rolls up to the midnight of 24th March 1971, can be verified as legal citizens of Assam.

The NRC 1951 and the Electoral Rolls up to the midnight of 24th March 1971 together are collectively called 'Legacy Data'.

However, there is a provision available to submit other admissible documents in the ongoing verification for updating NRC in case someone's name is not found in the Legacy Data, like, land records, or permanent citizenship certificate issued by another Indian state, etc.

Government has setup 2500 NRC Sewa Kendras throughout the State for obtaining Legacy Data and to update personal records.

The updated NRC shall contain the names of persons eligible for inclusion in the updated NRC by virtue of being original inhabitants of Assam.

Petition against the Cutoff Date Prescribed in Assam Accord

The constitutionality of the cutoff date prescribed in the Assam Accord for the person to be declared an illegal migrant has been challenged in the Supreme Court.

Section 6 (A) was inserted as an amendment to the Citizenship Act 1955, which gave citizenship to all migrants from Bangladesh who came to Assam till the midnight of 24th March 1971, while the cut-off date for the rest of the country is 19th July 1948.

The reason for keeping the 1971 deadline was that it could accommodate all those who fled Bangladesh (East Pakistan) to save themselves from being prosecuted during the 1965 India-Pakistan conflict, but kept out all those who had entered India during the 1971 war that saw the liberation of Bangladesh from Pakistan.

However, the petitioner contends that Section 6 (A) of the Indian Citizenship Act 1955 was included as an amendment to the Citizenship Act after the Assam Accord of 1985 was signed and is hence unconstitutional.

Opportunities and Challenges of Updating the NRC of Assam Opportunities

- The updating of NRC will lead to identification of illegal migrants and the resources of the indigenous Assamese people will be rightfully secured.
- It will be possible for the state and centre government to carry out targeted Public Distribution of basic necessities and amenities to the deserving.
- A huge chunk of vote bank, especially Muslims from Bangladesh, will become invalid. This will help the ruling BJP government, to appease the existing Assamese voters by meeting their aspirations and also nullifying the negative Muslim votes.
- Implementation of a number of very ambitious development projects in Assam and other North East states that are in the pipeline will need workforce. Providing work-permits to these illegal migrants can assure a readily available unskilled workforce at cheaper rates.
- Assam will become violence-free as the question of illegal migrants would be resolved and work for development of the State can commence unhindered and without any fear of disruption.

Challenges

- The errors in exclusion and inclusion while the NRC is being updated owing to doubts over the credibility of 1951 census and the difficulties involved in proving an indigenous citizen could cause injustice to many people.
- The exercise is likely to result in a major upheaval and cause severe inconvenience to common people.
- Bangladesh is already struggling to accommodate a colossal influx of Rohingya Muslims from Myanmar; it is unlikely to accept any more illegal migrants from India.
- India's image in international arena could be tarnished as the status of these citizens would remain unsettled.
- There are already six detention centres for the D-Voters (Dubious Voters) in Assam located at Goalpara, Kokrajhar, Silchar, Dibrugarh, Jorhat and Tezpur. It will become a massive exercise for administration to accommodate a large number of illegal migrants after the NRC has been updated.

Conclusion

The updation of NRC is essentially required to ensure that the cultural and ethnic integrity of Assam is restored and the Assamese people can access and utilize the resources that are rightfully theirs.

However, it will also be important to find a via-media to safeguard the human rights of thousands of migrants who will become illegal citizens or perhaps stateless, in many cases because their ancestors had illegally migrated.

2) Implications of United States Move to Cut Aid to Pakistan

Introduction

The US President Donald Trump tweeted on 01 January 2018 that “United States has foolishly given Pakistan more than 33 billion dollars in aid over the last 15 years, and they have given us nothing but lies & deceit”. He also alleged that Pakistan harboured terrorists.

Consequently, on January 04th, the United States, State Department announced that it will suspend most of its security assistance to Pakistan, unless and until Pakistan takes "decisive action" against the Taliban and Haqqani network, militant groups blamed for stoking violence in Afghanistan and prolonging a conflict that has become America's longest war.

It is believed that the total impact of the visible aid suspension may fall in the range of more than \$900m.

Further, the State Department announced that it had placed Pakistan on a "watch list" of countries seen as failing to protect religious freedom. This action is being seen as an indicator of deteriorating US-Pakistan relations and waning US patience.

However, Pakistan's Prime Minister, Shahid Khaqan Abbasi, trying to display nonchalance, remarked on the recent development that, US financial assistance was “very, very insignificant” and that Pakistan was “on the forefront of the war on terror”.

US-Pakistan: a Transactional Relationship

Cold War Era: The heydays of US-Pakistan relationship dates back to the cold war era, when Pakistan was overtly aligned towards the US bloc of nations and India, though claimed to be non-aligned, had a leaning towards the Soviet bloc.

The relationship between US and Pakistan saw a dip during the Presidency of Jimmy Carter owing to Pakistan's nuclear program and the execution of PM Zulfikar Ali Bhutto in April 1979 by President, General Muhammad Zia-ul-Haq.

Meanwhile, Soviet Union had conveniently stepped-in to help stage a coup in Afghanistan, in which President Hafizullah Amin was killed and Soviet loyalist Babrak Karmal from a rival faction was installed as the President in December 1979.

President Carter envisaged that in the wake of an Islamic Revolution in Iran in 1979 and Soviet troop's deployment in Afghanistan, it was vital to "repair relationships with Pakistan."

President Carter became convinced by mid-1979 that the Soviets were going to invade Afghanistan and hence, despite the risk of unintended consequences, joined hands with Pakistan to support the mujahedeen that he felt could be an effective way to contain Soviet aspirations to gain control over Central Asia.

The Soviet-Afghan War lasted over nine years, from December 1979 to February 1989. United States and Pakistan provided tacit support to the insurgent groups that fought a guerrilla war against the Soviet Army and the Democratic Republic of Afghanistan.

It is estimated that between 562,000 and 2,000,000 civilians were killed and millions of Afghans fled the country as refugees, mostly to Pakistan and Iran.

Creation of Taliban: Taliban was a creation of the Pakistani intelligence agency (the ISI) but was funded by the US. The United States provided \$3 billion to build this Islamic group and provided them with arms and ammunition, which they forgot to keep track of after the Soviet war.

The exit of Soviet Union from Afghanistan created a political void in the country. The Taliban continued to grow stronger as it received military support from Pakistan and financial support from Saudi Arabia.

In 1996, the Taliban captured the Afghan capital Kabul and established the Islamic Emirate of Afghanistan under the leadership of Mullah Mohammed Omar. Al Qaeda provided close support to the Taliban with thousands of imported fighters from Pakistan, Arab countries, and Central Asia.

Though the Islamic State of Afghanistan government remained the internationally recognized government of Afghanistan under President Burhanuddin Rabbani, its physical jurisdiction was restricted to just 10% in the northern part of Afghanistan.

General Pervez Musharraf, later the President of Pakistan, when he was the Chairman of Joint Chiefs of Staff Committee from 1998 to 2001 and the Chief of Army Staff of Pakistan Army from 1998 to 2007, played an instrumental role in drafting Pakistan's role in the Afghan civil war.

He was responsible for sending thousands of Pakistani nationals to fight alongside the Taliban and Bin Laden against Ahmad Shah Massoud, who was the military commander of the United Islamic Front (Northern Alliance) that fought for democratic system in Afghanistan.

It is during this period that Pakistan had established an intricate nexus with the founding leader of Al Qaeda, Osama Bin Laden and his 'lieutenant' Ayman al-Zawahiri from 1996 to 2001, who had become a virtual state within the Taliban state. Bin Laden sent Arab fighters to join the fight against the United Front (Northern Alliance) in Afghanistan and called them 055 Brigade.

'War against Terror': The monster that the US had created started to snarl back and gave them a formidable blow in the form of 9/11 (11th September 2001) that brazenly jolted them from their false sense of being invincible.

The series of four coordinated terrorist attacks by the Islamic terrorist group al-Qaeda on the United States on the morning of Tuesday, September 11, 2001, killed 2,996 people, injured over 6,000 others, and caused at least \$10 billion in infrastructure and property damage.

This catastrophe taught them an unforgettable lesson that you can never "run with the hare and hunt with the hounds".

Hence, it brought the US back to Afghanistan, this time with a different agenda and they called it 'war against terror'.

Once again United States required Pakistan to provide them with the administrative backup and facilities from where the coalition forces could operate.

Foreign Aid to Pakistan

The United States began providing economic assistance and military aid to Pakistan shortly after the country's creation in 1947. In total, the United States obligated nearly \$67 billion to Pakistan between 1951 and 2011.

The period between 2002 and 2009, only 30 percent of US foreign assistance to Pakistan was appropriated for economic-related needs; the remaining 70 percent was allocated to security-related assistance.

Hence, to insulate the development agenda from unpredictable geopolitical and military events and facilitate longer-term planning for development, a bill called the Kerry-Lugar-Berman Bill was introduced into the US Congress.

Kerry-Lugar-Berman Bill: In 2009, the US Congress approved the Enhanced Partnership for Pakistan Act (commonly known as the Kerry-Lugar-Berman bill, or KLB) signaling a renewed commitment to their trusted ally, Pakistan.

The act authorized a tripling of US economic and development-related assistance to Pakistan, or \$7.5 billion over five years (FY2010 to FY2014), to improve Pakistan's governance, support its economic growth, and invest in its people.

Coalition Support Fund: The foreign aid to Pakistan, after the US headed coalition launched its 'war against terror' in Afghanistan, is mostly from the 'Coalition Support Fund' which is reimbursement to Pakistan for expenses already incurred and compensation for facilities made available to the coalition forces such as the Shamsi Airfield and Dalbandin air bases by Pakistan.

Pakistan is one of the largest recipients of the Coalition Support Fund (CSF), having received US\$ 14 Billion since 2002. Pakistan was authorized to receive up to the US \$900 million under CSF during the fiscal year 2016.

Cut on US Aid to Pakistan

The US-Pak relationship has always been transactional and can be best defined as marriage of convenience. The recent times have seen mutual mistrust brewing up and the two countries are beginning to drift apart.

Pakistan's continued support for resurgent militant groups that are hostile to the United States, coupled with continued improvement in US military and business relations with India, has resulted in Islamabad's diminished strategic importance as an ally to Washington.

American civilian and military aid to Pakistan, once the third-largest recipient of US foreign assistance, was less than \$1 billion in 2016, down from a recent peak of more than \$3.5 billion in 2011.

In March 2016, Republican Senator Bob Corker, Chairman of the Senate Foreign Relations Committee, sought to bar \$430 million in US funding for Islamabad's purchase of \$700 million of Lockheed Martin Corp F-16 fighter jets.

In August 2016, the then Secretary of Defense Ash Carter refused to authorize \$300 million in military reimbursements to Pakistan. Pakistan was reimbursed \$550 million of the \$900 million the country was authorized to receive in the fiscal year 2016.

The Trump administration proposed to convert the \$100 million in foreign military funding to Pakistan for the current financial year into a loan rather than an aid.

On 21 July 2017, the United States of America decided to block the disbursement of USD 350 million aid in 'Coalition Support Fund' to Pakistan.

In the most recent development, Trump administration is proposing to suspend \$255m due to Pakistan for military equipment and training under the Foreign Military Financing (FMF) fund, and \$700m under the Coalition Support Fund (CSF), which is paid to Pakistan for conducting operations against militant groups during 2018.

Also, the US state department has said that an unspecified amount of other security assistance managed by the department of defense could be cut as a punitive action against Pakistan.

Implications of United States Move to Cut Aid to Pakistan

In a report from the US Embassy in Islamabad, up to 70 percent of the funds given to the Pakistani military to support activities along the Afghanistan/Pakistan border have been misspent, and much has apparently been diverted to bolster Pakistan's arsenal against India.

Considering the above, cutting of aid to Pakistan is welcome news for India, as Pakistan will be economically restrained in its efforts to foment trouble in Kashmir.

It is unlikely, that Pakistan will retaliate very drastically to the US move by shutting overland access of US supplies to Kabul as it could lead to suspension of all ties with US. Besides, United States has other options for supplying its troops in Afghanistan, such as enhancing its military presence in Turkmenistan.

Moreover, US could block even the development funding to Pakistan and could remove Pakistan from its list of major non-Nato allies, designate it as a state sponsor of terrorism, or work with India and Afghanistan to more aggressively counter its interests in the region.

However, by squeezing military aid to Pakistan, US could lose its leverage to control what many call an "unruly" Pakistan. The growing radicalism and 'Wahhabism' in Pakistan can result in nuclear proliferation to the fundamentalist, which may be seen as a serious threat to the entire world.

Secondly, China is all poised to move in to replace the US where ever it can to define the new world order, e.g. Africa, Central Asia, etc. Though, its foreign aid budget is about 1/4 of that of the US, but for a country like Pakistan from whom multiple gains are expected, it can always make an exception to the rule.

China, in an effort to re-do Pakistan as Hong Kong west, has already made serious inroads into Pakistan. It has invested nearly \$ 50 billion to create ports, rail transportation, and energy generation as part of CPEC in Pakistan and more recently, a new development deal worth \$60 billion for infrastructure and energy projects till 2030 has been sealed between Pakistan and China.

In another noteworthy development, the State Bank of Pakistan on 02 January 2018 stated, that "Chinese Yuan (CNY) is an approved foreign currency for denominating foreign currency transactions in Pakistan." In other words, Pakistan and China would be able to replace the US dollar for transactions in China Pakistan Economic Corridor (CPEC) projects.

A closer China-Pakistan can have serious military ramifications for India. Beijing is currently waging a full scale psychological warfare against India by displaying aggression in the North East, especially Arunachal Pradesh. It is primarily testing the military gumption and political will of India.

It is closing in on India from multiple flanks, extending from the Northeast to J&K and further to the Indian Ocean.

India must be prepared for an increased Kashmir interference by China due to its investments in the 'One Belt One Road' project that cuts across Pakistan-held J&K.

Chinese military presence in this area has been slowly growing, including near the Line of Control. India now faces Chinese troops on both flanks of its portion of J&K and a deepening China-Pakistan nexus presents India with a two-front theatre in the event of a war with either country

3) Constitutional Validity of Section 377 to be Re-examined by Supreme Court

Introduction

Chapter XVI, Section 377 of the Indian Penal Code was introduced by the British in the year 1860. This Section criminalised all sexual activities that may be categorised as ‘against the order of nature’.

Section 377 has been elucidated in the Indian Penal Code (IPC) as thus:

Unnatural Offences: Whoever voluntarily has carnal intercourse against the order of nature with any man, woman or animal shall be punished with imprisonment for life, or with imprisonment of either description for term which may extend to ten years, and shall also be liable to fine.

Thus any form of sexual union involving penile insertion, including consensual heterosexual acts involving unnatural penetrations may be punishable under this law.

Chronology of Legislations on the Issue

Delhi High Court Order of 02 July 2009: The case for repealing Section 377 was first initiated by an organisation called the AIDS Bhedbhav Virodi Andolan in 1991. The case was revived by a social activist group, led by the Naz Foundation (India) Trust that works for AIDS awareness.

In its 105 page judgment in July 2009, the Chief Justice Ajit Prakash Shah and Justice S Muralidhar said that Section 377 of the IPC is violative of Article 21 (Right to Protection of Life and Personal Liberty), Article 14 (Right to Equality before Law) and Article 15 (Prohibition of Discrimination on Grounds of Religion, Race, Caste, Sex or Place of Birth) of the Constitution.

Hence, the 150-year-old Section 377 was declared unconstitutional with respect to sex between consenting adults by the High Court of Delhi on 02 July 2009.

HC Judgement Overturned by Supreme Court of India on 11 December 2013: The reason given by the Court, while passing this judgement was that amending or repealing Section 377 falls in the ambit of the Parliament, and cannot be decided by the judiciary.

Furthermore, on 28 January 2014 Supreme Court dismissed all the review Petitions against its verdict of December 11th on Section 377 of IPC.

Curative Petition by Gay Rights Activists A curative petition had been filed by Gay rights activists and NGO Naz Foundation against the apex court's 11 December 2013 judgment upholding validity of section 377 (unnatural sexual offences) of IPC and the January 2014 order, by which it had dismissed a number of review petitions.

(A curative petition is the last judicial resort available for redressal of grievances in court which is normally decided by judges’ in-chamber).

Supreme Court Order of April 2014: Supreme Court in its landmark April 2014 verdict had directed the government to declare transgender as a ‘third gender’ and include them in the OBC quota.

The verdict pronounced that the ‘third gender’ must be given equal rights under law, including marriage, adoption, divorce, succession and inheritance.

This verdict indirectly helped in protecting the LGBTs rights and provided an impetus to the move against Section 377.

02 February 2016: Curative Petition Referred to Five-Judge Bench: In a departure from the norms, the Supreme Court on 02 February 2016 referred the curative petition to a five-judge bench against Section 377 of the Indian Penal Code. The bench was headed by the then Chief Justice of India, TS Thakur.

Therefore, rather than outrightly dismissing the petition, which is usually the case with most curative petitions’, the Supreme Court decided to admit the petition, which is indicative of the importance that the apex court has accorded to this highly sensitive issue involving 2.5 million strong Gay community of India.

Right to Privacy Ruling of Supreme Court - 24 August 2017: A nine-judge Bench of the Supreme Court ruled on 24 August 2017 that the ‘Right to Privacy’ is protected as an intrinsic part of the right to life and

personal liberty under Article 21 and as a part of the freedoms guaranteed by Part III of the Constitution of India.

The declaration of Right to Privacy as a Fundamental Right and Recognition of transgender as a “third gender” by Supreme Court are being cited to seek constitutional protection of sexual minorities from harassment and persecution.

08th January 2018 - Constitutional Validity of Section 377 to be Re-examined by Supreme Court: In response to a fresh plea filed by some well-known persons who do not conform to the existing sexual acceptances of the society, on 08th January 2017, the Chief Justice of India Dipak Misra, decided to re-examine the constitutional validity of Section 377.

The CJI has now asked a larger bench to decide if sex in any form between consenting adults should be kept out of the ambit of Section 377, IPC, which criminalizes homosexual behavior.

Arguments for and Against Section 377

Arguments in Support of Section 377

All religious leaders voiced their unequivocal support to the SC judgment of December 2013 that overturned Delhi High Court Judgment on Section 377.

In fact Baba Ramdev went to the extent of suggesting cure of this ‘bad addiction’ through Yoga. Most churches of northern India and All India Muslim Personal Law Board are against decriminalizing homosexuality.

Those who supported the judgment argue that homosexuality was against Indian culture, against nature and against science and said that it was representative of a regressive animalistic behavior that may result in outbreak of deadly sexually transmitted diseases, like HIV/AIDS.

It is an established scientific truth that any sex other than natural can be a cause of many serious ills in the human beings. For example homosexuals are more prone to sexual transmitted diseases like AIDS etc than any normal person.

Decriminalizing Section 377 may result in the sex ratio becoming further adverse in the country.

Many child rights activists had criticized the Delhi HC verdict de-criminalizing homosexuality on the ground that Section 377 was needed to be used in child sexual abuse cases.

Arguments against Section 377

Those who support LGBT (Lesbian, Gay, Bi-sexual and Transgender) community vehemently oppose the Supreme Court judgment of 2013.

Section 377 of the IPC is violative of Article 21 (Right to Protection of Life and Personal Liberty), Article 14 (Right to Equality before Law) and Article 15 (Prohibition of Discrimination on Grounds of Religion, Race, Caste, Sex or Place of Birth) of the Constitution.

Many organizations, like The People’s Union for Civil Liberties published reports of the human rights violations faced by sexual minorities and, in particular, the transsexuals in India.

The Reports highlight that the police extorts money from the transsexuals and sex workers and also how they were being harassed and marginalized through moral policing.

Further, it was brought out by Human Rights Watch that implementation of this law restricts and impedes HIV/AIDS prevention efforts, and those who are most adversely affected are the sex workers and homosexuals, in whose cases the spread of such diseases are most rampant.

Already there are legislations for protection of children and minors, like ‘Protection of Children from Sexual Offences’ (POCSO) Act 2012. Therefore there is no need of section 377 in child sexual abuse cases.

Also, it is being argued that progressive countries like Ireland and US have even legalised same sex marriages since 2015. Closer home, Nepal had legalized homosexuality in 2007 and the new Constitution of the country too gives many rights to the LGBT community.

France, UK, Canada, United States, Australia and Brazil have de-criminalized homosexuality. Other countries like Belgium, Brazil, Canada, France, Iceland, Ireland, Luxembourg, Norway, Portugal, South Africa, Spain, Sweden and Uruguay allow either same sex marriage or a civil union.

4) What Triggered the Supreme Court Crisis?

Introduction

In a most unprecedented development on 12th January 2018, four senior most judges of the Supreme Court called for a press conference to bring out certain administrative improprieties of the Apex Court into the public domain.

They highlighted that, against the laid down norms of the Supreme Court functioning, sensitive cases that may have far reaching consequences for the nation and the institution were being arbitrarily and selectively assigned to certain 'benches of preference' by the Chief Justice of India.

There are mixed views on the issue. Many argue that the justices' of their eminence should have acted more maturely and instead of washing their dirty linen in public, should have settled the issue within the four walls of the institution.

However, some find that it was a highly courageous act to stand up for what is right and bring out such glaring irregularities before the nation.

The four judges brought out in the press conference that this unfortunate step by them was unavoidable because they had formally raised this issue with the Chief Justice of India, Dipak Misra two months ago, but their plea was not heeded to and they felt that it was their moral obligation to make the public.

How is Judicial Work Assigned to the Benches?

Supreme Court, in yesteryears had only seven judges and each case was collectively heard by all the judges of the court.

The expansion of the Supreme Court resulted in creation of multiple benches and matters are now being heard by benches of the court comprising of one, two, three, five, seven judges or more judges depending on the matter. Presently, the Supreme Court comprise of 25 judges against an authorized strength of 31.

The record of the allotment of cases to benches is called the 'roster' and the Chief Justice, who is the 'first amongst the equals' is the 'master of the roster'.

The CJI assigns the judges to various benches depending upon the case and the domain expertise in dealing with such cases.

This means that it is up to the Chief Justice to decide which set of judges hears which matters and this administrative power, like any other power, is something that needs to be exercised with utmost care and caution.

There are 12 courts that usually work in the Supreme Court. Court No. 1 is that of the Chief Justice, Court No. 2 is of Justice Chelameswar, being the next senior most, and so on.

There is a computer devised coding system that lists cases to a particular bench depending upon certain parameters, like subject matter, domain expertise, etc. Usually all important and sensitive cases are dealt by Court No. 1.

The primary issue raised by Justices Jasti Chelameswar, Ranjan Gogoi, Madan B Lokur and Kurian Joseph is that the Chief Justice of India Dipak Misra has not been following the laid down procedure and has been assigning important cases to relatively junior SC judges in an arbitrary manner.

Trigger for the Present Row

It is believed that there are basically two issues that instigated these four eminent jurists to take this unprecedented step:

Judge Loya Case: The CBI had alleged that Amit Shah, as Home Minister of Gujarat, ordered the extra-judicial killings of Sohrabuddin Sheikh, a petty criminal in Gujarat. His wife and their friend were a witness to Sheikh's killing in 2005.

The case was being handled in the CBI Court by the Mumbai Judge BH Loya. His family alleges that Judge Loya refused an offer of Rs 100 crores as a bribe to rule in favour of the BJP chief and a few days after that he mysteriously died of a cardiac arrest.

Interestingly, two weeks after Judge Loya death, the judge who replaced him in the Sohrabuddin case discharged Amit Shah and ruled out a trial.

The major reason that became the tipping point for the prevailing crisis situation in the SC is that the two petitions asking for investigation into the judge's death were assigned to a bench that these four judges disapproved of.

They feel that Justice Arun Misra, who was assigned for judge Loya death case had close relations with BJP and was said to be a 'henchman' of CJI Dipak Misra and hence he should not hear the case.

Similarly, they highlighted other high profile cases also, like the UP Medical College Scam petitions, which were selectively assigned to judges that may have an adverse impact on the outcome of the cases.

Revision of Memorandum of Procedures (MoP):The National Judicial Appointments Commission (NJAC) is a constitutional body, which was proposed to replace the present Collegiums' system of appointment and transfer of judges. The NJAC Act came into force with effect from 13 April 2015.

However, the validity of the NJAC Act was challenged on the basis of keeping the judiciary independent of the executive by certain lawyers, lawyer associations and groups before the Supreme Court of India through writ petitions.

On 16 October 2015 the Constitution Bench of the Supreme Court, after hearing the petitions, upheld the 'Collegiums System' and declared the NJAC Act unconstitutional by a 4:1 majority.

Further, the Constitutional Bench asked the government to prepare a new Memorandum of Procedure (MoP), laying down transparent procedure for the appointment of judges.

The MoP is a document which guides the appointment of judges to the Supreme Court and the 24 high courts. At present, there are two MoPs; one for the Supreme Court and the other for the High Courts.

The Supreme Court finalized the MoP and sent it to the government during the tenure of Chief Justice JS Khehar in March 2017.

The Government did not respond to the MoP sent by the Supreme Court in March of 2017, which meant that it was deemed that the government had accepted it. New judicial appointments had been made under the revised MoP since then.

However, during the tenure of the current Chief Justice Dipak Misra, on 27 October 2017, a petition was filed stating that the MoP be finalised at the earliest and that appointments for the Chief Justices of the High Courts should be initiated.

This brings us to the present issue, where these four judges brought out during the press conference on 12 January 2018 that the MoP had been finalised in March 2017 itself, then how would this still be an open question?

They see this as a means by the executive to delay and derail the appointment of judges for some ulterior motives and CJI Dipak Misra in his capacity and the 'first amongst the equals' was not doing enough regarding the finalization of MoP.

Conclusion

The Supreme Court Bar Association held an executive committee meet on 13 January 2018 and has asked the full bench of Supreme Court comprising of 25 judges to sit down together and resolve the matter.

In case the democracy has to sustain it is cardinal that the judiciary remains independent and masked from every form of political influence and interference.

If the judiciary becomes 'hand in glove' with the political parties there will be total autocracy and jungle rule will prevail in which the common man will be at the receiving end.

Hope lessons are learnt at all levels from this unprecedented action, appropriate corrective measures are taken and confidence of the citizens is restored in the highest echelon of justice.

5) Logjam between the Judiciary and Executive Continues to Hurt Delivery of Justice

LAWMAKERS AND THE CONTENTIOUS LAW	
THE TWO SYSTEMS AT LOGGERHEADS	
Here's a look at the Collegium and the NJAC systems and a comparison between the two in relation to the powers vested with them and their functioning	
COLLEGIUM SYSTEM	NJAC SYSTEM
Original provision Under Article 124(2) and Article 217(1) of the Constitution, SC/HC judges have to be appointed by the President after "consultation" with the CJI. Govt was not bound by the CJI's recommendation.	Constitutional amendment NJAC was established by the Constitution (99th Amendment) Act, 2014, giving some say to executive in judges' appointment
Judicial takeover In 1993, SC introduced the collegium system taking over primacy in appointments of SC&HC judges.	NJAC Act Parliament also passed the National Judicial Appointments Commission Act, 2014 to regulate procedure to be followed by NJAC that replaced collegium system
CJI's primacy In 1998, a nine-judge Constitution bench ruled that "consultation" must be effective and the CJI's opinion shall have primacy	Implementation The 99th Constitutional Amendment Act and NJAC came into force from April 13, 2015. But it could not take off as the CJI refused to join until petitions against the new system were decided
Composition Under the collegium system, a panel of top five SC judges appointed judges in secrecy	Composition CJI, 2 seniormost SC judges, Union law minister, and two eminent persons
Veto power Government could return collegium's recommendation. But if a recommendation was sent again, government was bound by it.	Veto power NJAC not to recommend person if any two members did not agree.

Introduction

The judiciary and the executive/ legislature have been at loggerheads with respect to the method of appointment and transfer of judges in the country's higher judiciary.

The huge backlog of pending cases in the courts and inordinate delay in providing justice is increasingly reducing the faith of the citizen's on the judicial system. The same poses a serious threat to the democratic governance of the country.

At present, there are 12 judges per 10 lakh people in the country and at least three crore cases are pending in the courts. If the situation does not change, the figure of pending cases would cross five crore in the next 15-20 years, and crores of people would be deprived of justice.

The reasons ascribed to the pendency of cases in the courts, is that a large number of vacancies of judges are lying under subscribed because of the failure of the apex court to fill up the vacant vacancies of judges in the high court's and in trail courts.

The High Courts', as on date are reeling under a deficiency of 43% unfilled vacancies.

The judiciary-executive tussle over the procedure of appointment of judges became a flashpoint ever since a five-judge bench of Supreme Court struck down the National Judicial Appointments Commission, which was evolved through legislation enacted by the Parliament to replace the existing collegiums system of appointment/ transfer of higher judiciary.

Existing System of Appointment/ Transfer of Judges

At present the appointment of judges is made through a 'Collegiums' System', in which the Chief Justice of India (CJI) and a forum of four senior-most judges of the Supreme Court recommend appointments and transfers of judges.

The above said system was evolved through Supreme Court judgments in the 'Three Judges Cases'.

The First Judges Case: On 30 December 1981, or the First Judges Case, it was declared that the "primacy" of the CJI's recommendation on judicial appointments and transfers can be refused by the executive for "cogent reasons." The ruling gave the Executive (government) primacy over the Judiciary (Supreme Court) in judicial appointments for the next 12 years.

The Second Judges Case: On 06 October 1993, or the Second Judges Case, the majority verdict gave back CJI's power over judicial appointments and transfers. It ruled that the CJI, only need to consult two senior-most judges.

“The role of the CJI is primal in nature because this being a topic within the judicial family, the Executive cannot have an equal say in the matter,” the verdict reasoned.

Hence, the President is reduced to only an approver of the decision made by the CJI.

The Third Judges Case: On 28 October 1998 or, the Third Judges Case, on a reference from former President K.R. Narayanan, the Supreme Court laid down that the CJIs should consult with a plurality of four senior-most Supreme Court judges to form his opinion on judicial appointments and transfers, before sending it to the President for his assent.

The Supreme Court through its interpretation of the Constitution of India, took away the constitutional rights of the President of India to appoint judges in consultation with the Chief Justice of India by forming the “Collegiums’ System” for appointing judges.

In 1993, the Supreme Court created the “Collegiums’ System” in which the Chief Justice and a Collegiums’ of three or more senior judges would appoint other judges and the government could merely object to their nominations. But the Collegiums could still go ahead with its decision.

Institution of National Judicial Appointments Commission (NJAC)

The National Judicial Appointments Commission (NJAC) is a constitutional body, which was proposed to replace the present Collegiums’ system of appointment and transfer of judges.

The need for instituting the NJAC was felt as the higher judiciary is found lacking by way of, favouritism; by turning a blind eye to injudicious conduct of colleagues and masking their wrong deeds, distorting the norms of judicial independence, and transparency in the mechanism of the appointment and transfer of judges.

The Commission was established by amending the Constitution of India through the ninety-ninth constitution amendment vide the Constitution (Ninety-Ninth Amendment) Act, 2014 passed by the Lok Sabha on 13 August 2014 and by the Rajya Sabha on 14 August 2014.

The NJAC Bill and the Constitutional Amendment Bill, was ratified by 16 of the state legislatures in India, and subsequently assented by the President on 31 December 2014.

The NJAC Act and the Constitutional Amendment Act came into force from 13 April 2015.

The Proposed composition of the NJAC was as follows:

- Chairperson is the Chief Justice of India.
- Two senior judges of Supreme Court.
- Union Minister of Law and Justice.

Two eminent persons to be nominated for a period of three years (who cannot be re-nominated) by, Chief Justice of India, Prime Minister and Leader of the Opposition in Lok Sabha. In case no such Leader of opposition is available, as in the present case, then it will be the Leader of the single largest opposition party in Lok Sabha. One of the eminent persons would be from SC/ ST or OBC or Minority Communities or a woman.

Functions of NJAC:

- Recommend persons for appointment as Chief Justice of India, Judges of the Supreme Court, Chief Justices of High Courts and other Judges of High Courts.
- Recommend transfer of Chief Justices and other Judges of High Courts from one High Court to any other High Court.
- Ensure that the persons recommended are of ability, merit and other criteria mentioned in the regulations related to the act.

Proposed Procedure for Appointment of Judges Through NJAC:

Selection of Supreme Court judges

Chief Justice of India

The Commission shall recommend the senior-most judge of the Supreme Court for appointment as Chief Justice of India. This is provided he/she is considered fit to hold the office. However, this must be according to the knowledge one possess rather than the age.

Supreme Court Judges

The Commission shall recommend names of persons on the basis of their ability, merit and other criteria specified in the regulations.

The Commission shall not recommend a person for appointment if any two of its members do not agree to such recommendation.

Selection of High Courts judges

Chief Justices of High Courts

The Commission shall recommend a Judge of a High Court to be the Chief Justice of a High Court on the basis of seniority across High Court judges. The ability, merit and other criteria of suitability as specified in the regulations would also be considered.

High Court Judges

The Commission shall seek nominations from Chief Justice of the concerned High Court for appointments of High Court Judges or forward a list of such names to the Chief Justice of the concerned High Courts for his/her views.

In both the above mentioned cases, the Chief Justice of the High Court shall consult two senior most judges of that High Court and any other judges and advocates as specified in the regulations.

The Commission shall elicit the views of the Governor and Chief Minister of the state before making recommendations. The Commission shall not recommend a person for appointment if any two members of the Commission do not agree to such recommendation.

The NJAC Struck Down by Supreme Court

The validity of the constitutional amendment act and the NJAC Act were challenged by certain lawyers, lawyer associations and groups before the Supreme Court of India through writ petitions after it was notified in 2015.

The Supreme Court took cognisance of the petitions and a three judge bench of the Supreme Court referred the matter to a Constitutional Bench.

On 16 October 2015 the Constitution Bench of the Supreme Court, after hearing the petitions, upheld the 'Collegiums' System', while striking down the 99th Amendment and declared the NJAC Act unconstitutional by a 4:1 majority.

Further, the Constitutional Bench asked the government to prepare a new Memorandum of Procedure (MoP), laying down transparent procedure for the appointment of judges.

The MoP is a document which guides the appointment of judges to the Supreme Court and the 24 high courts. At present, there are two MoPs ; one for the Supreme Court and the other for the High Courts.

The Chief Justice of India and the SC collegium had objected to certain clauses in the Memorandum of Procedure, under which the government reserves the right to reject a recommendation if there are concerns about national interest.

The above mentioned controversial clause goes against the current practice, under which the government is bound to accept any recommendation by the collegium, which comprises four senior-most judges of the Supreme Court and the Chief Justice of India, if it reiterates (sends it back after reconsideration).

The Judges' lobby hailed the ruling passed by the Constitution Bench. However, the decision marked the beginning of an open tussle between the Judiciary and the legislature/executive.

Launching its first salvo on 19 November 2015, the Attorney General, Mukul Rohatgi informed the Supreme Court that the central government will not prepare a draft memorandum for judicial appointments contrary to committed earlier and suggested the same to be done through a judgement.

Objections of the Judiciary against Institution of NJAC

Clearly the NJAC will remove the unprecedented usurpation of power of the judiciary. However, the following objections emanated from the judiciary against the NJAC:

- Judiciary was not consulted and it is felt that the constitutional amendment and passing of NJAC was done in too much haste.
- NJAC diminishes the role of judiciary in the appointment process of judges.

- Judiciary feels that it is a wrong practice to give the politicians a voice in the judicial appointments as it may bring about bias in the process of passing judgements involving politicians, e.g. 2G scam or Commonwealth scam, etc.

The Logjam Over Appointment of Judges

The appointment of more than 480 judges in the Supreme Court and High Courts across the country has been caught in the tussle between the judiciary and the government with more than 30 million cases pending in high courts.

The government wants merit and seniority to be the criteria for appointing Judges, while the judiciary is opposed to it and wants the existing practice of seniority as the major criterion. Usually, the process of appointing judges takes between 60 to 75 days.

The major sticking points between the government and the judiciary are: rejection of candidates on grounds of national security, involvement of retired judges in appointment of judges and the participation of Attorney General and Advocate General of states in the selection process.

The government had sent the MoP after revision to the SC collegiums for approval in March. The CJI had returned the document in May raising objections to the various clauses.

The government wanted to put in place a committee of retired judges to evaluate the applications of candidates before forwarding them to the collegium to decide whether to recommend their names for elevation or appointment as judges. However, the Chief Justice of India has rejected the government's move.

On 03 August 2016 the government finally agreed to seniority being the main criteria for elevation rather than merit-cum-seniority, which it was insisting earlier. But, the government wanted to retain the power to reject any name recommended by the collegium on grounds of "national security" and "public interest" in the revised draft of the MoP.

However, the Collegium unanimously rejected the clause saying it amounted to interference in the functioning of the judiciary.

The Attorney General, Mr Rohatgi, pointed out that non-finalisation of the Memorandum of Procedure was coming in the way of the government in clearing the recommendations of names forwarded by the SC collegiums in February 2016.

However, Chief Justice Thakur argued that in the absence of a new Memorandum of Procedure, appointments could be made on the basis of the old MoP.

Recent Developments

The Attorney General, on 11 November 2016, told the Supreme Court that "Out of total 77 names, 34 names have been cleared for the appointment and rest 43 recommendations have been sent back to the apex court collegium for reconsideration."

However, a bench comprising Chief Justice TS Thakur and AR Dave said that "We have reiterated 43 names for the appointment of judges of high courts which were rejected by the government and have been sent back for reconsideration."

The reiteration of 43 names by the collegium has apparently put the government in a bind as under the prevailing Memorandum of Procedure (MoP), it is binding on the government to make the appointment of judges if the collegium reiterates its recommended names.

6) Major Highlights from Indian Perspective: World Economic Forum-2018

Introduction

The 48th World Economic Forum (WEF) Annual Meeting is underway at Davos, Switzerland with effect from 23rd January to 26th January 2018.

The Summit includes the participation of more than 3,000 delegates from across 100 countries of the world in over 400 interactive sessions with the view to engage business, political, academic, and other leaders of the society to shape global, regional, and industry agendas".

India participated with its largest ever delegation in the 48 year history of WEF with more than 130 Indian CEOs, along with over 2,000 business leaders. Besides, several other leaders from politics, business, academia, art, culture and civil society are also in attendance.

Prime Minister Narendra Modi became the first Indian prime minister in 20 years after former PM HD Deve Gowda in 1997 to join the world's top business leaders for this year's Summit.

PM Modi addressed the opening session of the World Economic Forum 2018 and highlighted, climate change, terrorism and protectionism as three global threats. He further went on to hard-shell India as one of the world's most favourable investment destination.

The theme of this year's Annual Meeting is "**Creating a Shared Future in a Fractured World**". The theme emphasises the express need for a renewed commitment to international collaboration as the only way to solve critical global challenges.

Some Interesting Facts about the World Economic Forum at Davos

Davos was known for its tuberculosis sanatoriums, where Europe's sickest and wealthiest gathered to breathe the cold, fresh air and take their "rest cure."

After the near eradication of tuberculosis, those sanatoriums were transformed into hotel resorts and became the venue for the World Economic Forum.

The **World Economic Forum (WEF)** is a Swiss non-profit foundation, based in Cologny, Geneva, Switzerland and is recognised by the Swiss authorities as an international body.

The first meeting of intelligentsias was convened in 1971, by a German professor, essentially as an academic and economic conference, where 44 European business executives participated to discuss nuances of business management.

The gathering started to be called as World Economic Forum as it drew more business leaders and its scope enlarged by 1987.

It started to provide a platform where emerging economies like India and China could connect with the established economies like USA and Europe.

The scope of the Forum further diversified and agreements on cooperation to negotiate socio-economic challenges faced by the world community, like spreading awareness and promoting immunization; fighting diseases such as AIDS and malaria.

The Forum also became a platform to forge political engagements, like 1988 Davos Declaration between Greece and Turkey that averted war between the two countries, historic meeting between eminent leaders, e.g. South African President F.W. de Klerk and the anti-apartheid leader Nelson Mandela in 1992 and Israeli Foreign Minister Shimon Peres and Palestinian Liberation Organization Chairman Yasser Arafat in 1994.

The invitation to attend the World Economic Forum is extended to heads of states', Nobel Prize winners, technology CEOs and media titans. The Forum's permanent membership includes the world's top 1,000 companies.

Major Highlights from Indian Perspective: World Economic Forum-2018

Finance Minister Arun Jaitley on 23rd January interacted with industry CEOs along with Commerce Minister Suresh Prabhu to set the Indian government's agenda and participation during various sessions of the World Economic Forum at Davos.

In an achievement of sorts, India was entrusted with the responsibility of hosting the welcome reception at the world leaders' event, and Indian foods and yoga marked the commencement the ceremony.

The itinerary for the India Prime Minister and the CEOs over these four days is jam packed with business meetings, like one-on-one interactions with 60 top Global chief executives from 26 different sectors, who have a cumulative market cap of \$3.3 trillion. Also, PM Modi had a scheduled meeting with the WEF's 120-member **International Business Council**.

Besides, seven more round table meetings are scheduled to be organized by 'Invest India' on finance, financial inclusion for promoting digital payments, clean energy solutions for a better future, development of railway industry in India, developing skills in a digital world and promoting design in India.

Conclusion

India's GDP growth has halved since 2009 and one of the key election promises by the Modi government in 2014 was to bring back double digit growth. With the silhouette of the 2019 assembly elections already visible over the horizon, PM Modi is doing everything in his power to reboot the India growth story.

The World Economic Forum provides an excellent platform for networking and clarifying positions on economic issues. It helps to set a tone for best practices in the business and development world, allowing financial leaders, politicians, and celebs to rally around similar causes.

Prime Minister Narendra Modi has the ability to say just the right things to catch the mood of the investors, who presently seem to be slightly sceptical, but with the series of economic and systemic reforms being ushered in, the foreign investments are further likely to pick in the near future.

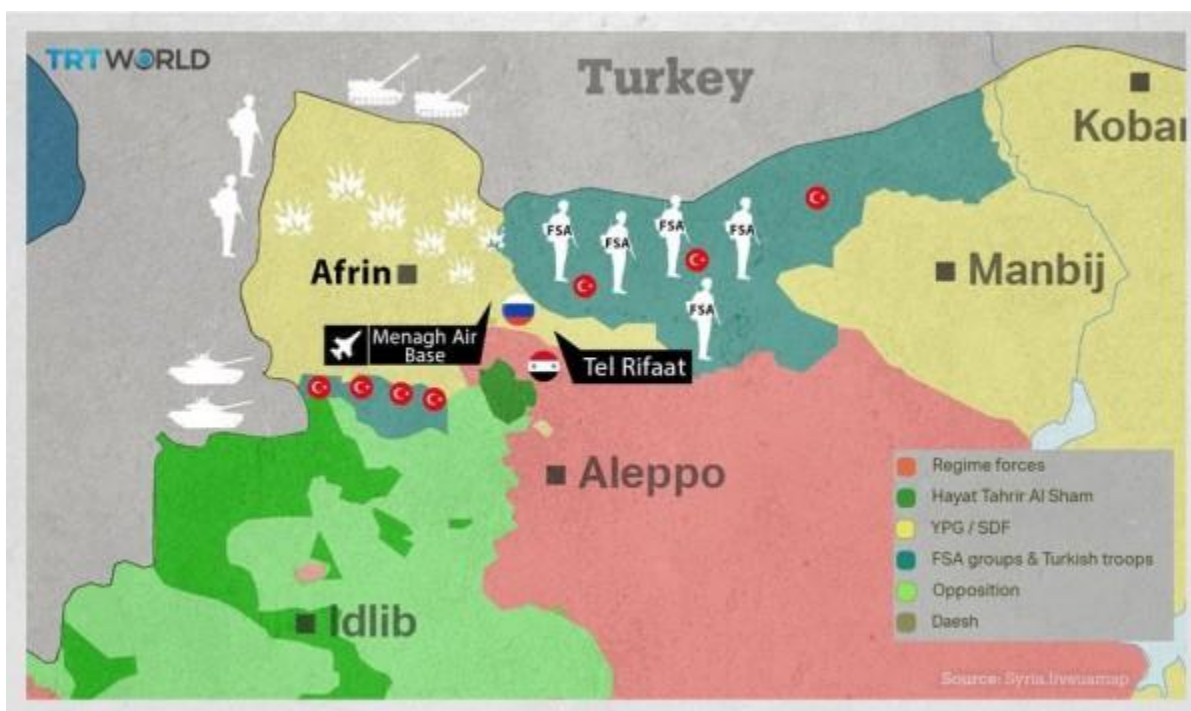
The growth projections put out by the International Monetary Fund (IMF) at the World Economic Forum would reassure foreign investors and provide an impetus to the Indian economic growth. IMF points out that "regions with the fastest economic growth are still in Asia, especially China and India".

In its World Economic Outlook update released on 22nd January, the International Monetary Fund has projected a 7.4 percent growth rate for India in 2018 as against 6.8 percent for China.

The IMF forecasts that India will be the fastest growing economy in 2018, but its Inclusive Development Index (IDI) still lags behind China.

The IDI takes into account the living standards, environmental sustainability and protection of future generations from further indebtedness. India was ranked at the 62nd place among the 74 emerging economies, much below China's 26th position and even Pakistan's 47th.

7) Reasons for Recent Military Incursion by Turkey into Syria



Introduction

Turkey, which happens to be one of the oldest allies of NATO, sent in ground troops and more than 70 bomber planes to Northwestern Syria to fight the US backed Kurdish militia.

The objective of this force is to wrest the control of the area from Syrian Kurds and establish a 19 mile long safe zone between the Kurdish controlled territory and the Turkish border.

The Syrian Kurds have played a pivotal role in assisting the US to fight ISIS. In fact, last October Syrian Kurdish fighters helped the US to recapture Raqqa in Syria, which the ISIS claimed to be the capital city of its so called Caliphate.

The military invasion by Turkey of the Syrian regions of Afrin in the northwest, Kobani in the north-central and Qamishli in the northeast, adds a new dimension to the ongoing ruckus seen in the Middle East.

Who are Kurds?

The Kurds are an ethnic group of about 40 million, who are culturally and linguistically said to be of Iranian origin. They are one of the major minorities in four Arab countries and occupy Southeastern Turkey, Northwestern Iran, Northern Iraq and Northern Syria.

The Northern part of Iraq has a majority of Kurds and is called the Autonomous region of Iraqi Kurdistan. Similarly, in all the other three countries mentioned above, the Kurds are continuing to pursue a nationalist movement for greater autonomy and cultural rights.

It may be noted that the aspirations for an independent Kurdish nation are not universal amongst the Kurds of these four countries. In fact, the leadership of the largely autonomous Kurdish region in Iraq has close economic ties with Turkey and is skeptical of the Syrian Kurds.

Reasons for Recent Military Incursion by Turkey into Syria

The Kurds form one-fifth of the total population in Turkey. The rulers of Turkey deliberately made laws to remove the traces of Kurdish identity from their history books, banned speaking of Kurdish in public and mercilessly put behind bars any violators with utter disregard to human rights.

A militant group founded in 1978 called the PKK, or the Kurdistan Workers' Party has been fighting for independence from Turkey. The organization's leader, Abdullah Ocalan aspires to establish a separate homeland for the country of 14 million Kurds.

The above said effort of PKK has already led to the death of 40,000 militant cadres and thousands of civilians. The Group's leader, Ocalan was caught and imprisoned by Turkey in 1999. Also, US State Department had declared PKK as a terrorist organization in 1997.

In Syria too, where 10% of the total population are Kurds, policies were framed to curb aspirations for Kurdish autonomy. The Syrian President, Bashar al- Asad and previously his father, Hafez, forbade Syrian Kurds for many years to get educated.

Thousands of Kurds fleeing the Islamic State massacre congregated in the far north of Syria in a place called Rojava or "land where the sun sets".

Since 2012, the Kurds have an effective control over Rojava, which has served as a firm base from where the Syrian Kurds have helped the NATO forces to invert the rule of the ISIS caliphate.

Rojava is contiguous to the other areas of northern Syria, like Afrin, Kobani, Manbij and Qamishli, which have been taken back from ISIS control.

Turkey feels that if Kurds are able to gain control over these contiguous areas with Rojava, they will be strongly entrenched and PKK will draw strength from the Syrian Kurds to forge its struggle for independence.

Complication of Alliances

The United States is an important supplier of arms and military aid to Turkey, and has used Turkey's Incirlik air base as part of its campaign against the Islamic State in neighboring Syria.

US-Turkey ties deteriorated after the failed coup attempt in 2016 against the present authoritarian ruler of Turkey, Recep Tayyip Erdogan, allegedly by the cleric Fethullah Gulen, a former US ally, now living in exile in Pennsylvania, United States.

The major complication of the alliances are marked by the fact that United States has armed a Syrian Kurdish militia, the 'People's Protection Units' or YPG that has played a crucial role in battling ISIS. This militia was founded as the armed wing of a leftist party that grew out of the PKK.

Turkey fear that as the fight against ISIS is nearing its end, the militia will turn its attention towards helping its Kurdish allies in Turkey.

It may be noted that Abdullah Ocalan, the Kurdistan Workers' Party leader, before his imprisonment was based in Kurdish Syria for nearly two decades, from where he sponsored terrorism into Turkey.

Aggravating the situation further, the US Secretary of State, Rex Tillerson announced last week that US would support a new 30,000 strong Kurdish led border force in northern Syria to precipitate the Turkish military assault.

The above statement raises skepticism of an attempt by the United States to help the Kurds to cement an autonomous Kurdish enclave. The same is being also seen as a hidden agenda of the US to continue to maintain its foothold in Syria even after the fall of ISIS.

Conclusion

Finally, the summary of the matrix of the ongoing imbroglio can be best described as thus:

- Turkey is fighting against the 'Kurdistan Workers' Party' or PKK on its soil who are demanding for an independent Kurd State.
- Syrian Kurds are putting in relentless efforts to carve out a self-declared autonomous region known as Rojava, which will include a sizable sliver of land in northern Syria including, Afrin, Kobani, Manbij and Qamishli.
- Meanwhile, 'People's Protection Units' or YPG has gained the trust of Turkey's international allies (USA & NATO) in the fight against ISIS.
- Turkey fears that YPG will align with PKK once ISIS is fully neutralized and must be immediately nipped in the bud.
- The United States seems to be creating grounds to continue to stay in Syria even after the threat of ISIS is removed by offering its support to YPG/ PKK

8) Key Highlights of Union Budget: 2018-19

Introduction

The Union Budget, referred to as the 'Annual Financial Statement' of Government of India, as per the provisions of Article 112 of Indian Constitution, is presented each year on the last working day of February by the finance minister of India in the Parliament.

The process of bill presentation is initiated by the means of the financial bill and the appropriation bill, which has to be passed by the house before it comes into effect from April 1st every year. The first day of April marks the beginning of India's financial year.

This is the fifth Union Budget, which was presented by the Modi government. The Finance Minister Arun Jaitley presented the Union Budget 2018-19, by introducing the Finance Bill in the Lok Sabha on the 01st of February 2018.

The Lok Sabha will now discuss the same and vote on the budget before it comes into effect on 01st of April 2018.

Some Interesting Facts about Budget

The word Budget has been derived from the French word "Bowgette", which means a "leather bag".

The first Budget was introduced in India by the East India Company to the British Crown on 07 April 1860.

The first Union Budget of Independent India was presented by R.K. Sanmukham Chetty, the then finance minister of India on November 26, 1947.

India has had 25 finance ministers since Independence. Mrs Indira Gandhi has been the only women Finance Minister of India to have presented the Union Budget.

Morarji Desai, the former finance minister and later the PM of India, presented the budget a record 10 times. This is the most by any finance minister in the history of India.

Indian Economy Fact Sheet -2018

- There has been a 50% increase in indirect tax payers under the GST regime and 1.8 million individual income tax filers since November 2016.
- Non-agriculture payroll has increased by 50%, as deduced through the GST net. Which means more population has drifted from agriculture based livelihood to non-agriculture employments.
- Latest Economic Survey has revealed that for the first time in India's history, five states, namely, Maharashtra, Gujarat, Karnataka, Tamil Nadu & Telangana account for 70% of India's exports.
- India is likely to clock 7-7.5 percent growth in 2018-19. The Service sector will continue to remain as India's mainstay, which is likely to grow at 8.3%.
- Consumer Price Index (CPI) based inflation averaged 3.3 per cent during 2017-18 which is the lowest in the last six financial years.
- The Current Account Deficit rose to 1.2% of the GDP from 0.3% in the previous financial year.
- Fiscal Deficit (gap between earnings and spending) for 2017-18 exceeded the targeted 3.2% to 3.5% of the GDP. The finance minister projected a fiscal deficit of 3.3% for the FY 2018-19.
- Government's revenue deficit shot up to 2.6% of GDP in 2017-18 from the budget estimate of 1.9% of GDP.
- Disinvestment target for 2017-18 was exceeded and reached Rs 1 lakh crore. Target of disinvestment for 2018-19 has been set as Rs 80,000 crore.
- The Foreign Direct Investment (FDI) inflow has risen to USD 62 billion.
- India's foreign exchange reserves increased to \$414.784 billion from \$361 billion breaching the 400 billion mark for the first time. Gold reserves remained unchanged at USD 20.421 billion.
- The government also marginally increased its borrowing programme to Rs 6.06 trillion for the next fiscal from Rs 6.05 trillion in the current fiscal year.

Key Highlights of Union Budget: 2018-19

The Finance Minister while presenting the Budget-2018-19 highlighted that it was guided by the mission to strengthen agriculture, rural development, health, education, employment, Micro, Small & Medium Enterprises (MSME) and infrastructure sectors.

The key highlights of the Union Budget 2018-19, which has been presented by Finance Minister Arun Jaitley are discussed below:

Personal Taxation

The FM announced a standard deduction of Rs 40,000 on the income tax of salaried taxpayers. This will be in lieu of the existing transport allowance and medical expense reimbursement.

The same will benefit each taxpayers by about Rs 10,000 and will extend to 2.5 crore people. The total revenue cost of this concession is pegged at Rs 8,000 crore.

Contrary to the expectations, the FM did not increase the slabs for personal income tax. Moreover, he increased the Health and Education Cess by 1% to 4%. This move will help the government to collect an additional amount of Rs 11,000 crore.

Senior Citizens

The tax exemption of interest income from bank deposits has been raised to Rs 50,000 from the current Rs 10,000.

The deduction under health insurance premium, which falls under Section 80 D of the Income Tax Act, has been increased to Rs 50,000 from the present Rs 30,000. Those senior citizens who are critically ill, this deduction will be rupees one lakh.

Fixed Deposit/Post office interest up to Rs 50,000 will also be exempt from taxation.

The limit of investment under the existing Pradhan Mantri Vaya Vandana Yojana of LIC, which gives an assured return of 8%, has been increased from 7.5 lakhs to 15 lakhs.

Corporate Taxation

The FM announced that companies with a turnover of up to Rs 250 crore will now be taxed at 25%. Eventually, out of the total of about seven lakh companies filing returns, only about 7,000 companies will remain in 30% tax slab.

This move will benefit 99% of companies and the revenue foregone is pegged at Rs 7,000 crore in 2018-19.

Tax on Long Term Capital Gains

FM has proposed to tax, at the rate of 10%, all long term capital gains that exceed Rs 1 lakh on the sale of equity shares/units of Equity oriented Fund.

The cut off date given for taxing the capital gains is 31st January 2018. Hence, all existing investors will be exempted from capital gains tax.

This move is likely to generate revenue of Rs 20,000 crore in the first year, which will increase substantially in the subsequent years.

Fuel Prices

The union government has cut the basic excise duty on petrol and diesel by Rs 2 and has also abolished additional excise duty on fuel by Rs 6.

However, living up to its reputation of giving with one hand and taking it back with the other, the Modi government has introduced a new Road Cess of Rs 8 per litre, which will not allow the petrol and diesel prices to come down.

Agriculture Sector

The minimum support price (MSP) of kharif crops and all rabi crops has been increased at one and a half times the production cost of the crops.

In order to promote 'cooperative farming', the FM announced that 100% tax deduction will be given for the first five years to companies registered as farmer producer companies with a turnover of Rs 100 crore and above.

An Agri-Market Infrastructure Fund of Rs 2000 crore will be set up for developing agricultural markets. In order to address price volatility of perishable commodities and to promote Farmer Producers Organizations (FPOs), agro-logistics, processing facilities, etc, the FM further allotted Rs 500 crore under 'Operation Greens'. A sum of Rs 200 crore have been allocated to support organized cultivation of highly specialized medicinal and aromatic plants and aid small and cottage industries that manufacture perfumes, essential oils and other associated products.

The government will also set up two new funds for the fisheries sector and animal husbandry sector with a total corpus of Rs 10,000 crore and a restructured National Bamboo Mission with an allocation of Rs 1,290 crore.

'National Health Protection Scheme' for Underprivileged

The greatest highlight of the 2018 budget was the announcement of the new National Health Protection Scheme under which annual health coverage of up to Rs 5 lakh per family will be offered for secondary and tertiary care hospitalization.

This health scheme, also being referred to as 'Namocare', will be the world's largest government funded health care programme and is expected to benefit over 10 crore vulnerable and under-privileged families.

The government will also establish 1.5 lakh Health and Wellness Centres under the Ayushman Bharat programme to provide comprehensive health care.

The Budget for this flagship programme has been earmarked at Rs 1200 crore.

Railways

The FM announced the highest ever capital expenditure allocation of Rs 1.48 lakh crore for capacity expansion, maintenance of tracks, transforming almost the entire network into broad gauge, redevelopment of railway stations, producing upend coaches, the bullet train project, safety policies, etc.

Wi-Fi and CCTVs will be provided in every station. Also, escalators will be provided in stations with more than 25,000 footfalls.

The FM informed that 600 railway stations across the country have been picked for modernisation and 4,000 km of railway network is set to be commissioned for electrification.

A railway institute is proposed to be set up in Vadodara to train the workforce behind high speed railway projects. The FM highlighted the express need for the same, as the coming year, he said, will be dedicated to building world-class trains.

Miscellaneous Issues

PAN mandatory will be mandatory for any entity entering into a financial transaction of Rs 2.5 lakh or more.

Electronic IT assessment will be rolled out across the country, leading to greater efficiency and transparency.

Custom duty on mobile phones has been increased by a sharp 20%. Hence, the mobiles will become costlier.

The emolument of Parliamentarians is proposed to be increased every five years, indexed to inflation.

Five lakh WiFi hotspots will be set up in rural areas to provide easy internet access.

Government will take all measures to eliminate use of crypto currencies which are funding illegitimate transactions.

NITI Aayog will establish a national programme to direct our efforts in the area of Artificial Intelligence towards national development.

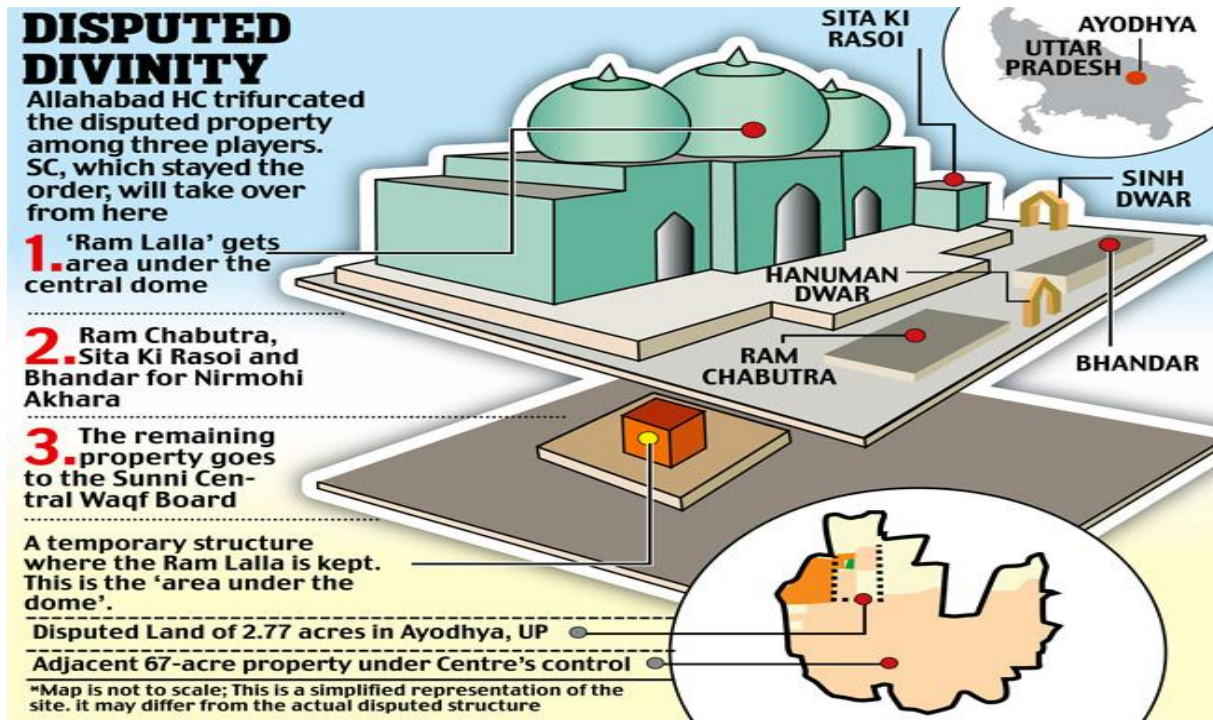
In order to tackle the problem of brain drain, FM announced a new scheme, under which bright students pursuing B Tech in premiere engineering institutes will be identified and provided with higher-education opportunities in the IITs and IISc. These students will be expected to dedicate a few hours to teach in higher education institutions weekly.

Government is proposing to contribute 12 per cent of Employee Provident Fund contribution for new employees in all sectors.

A target of 3 lakh crore has been set for lending under PM Mudra Yojana.

Government aims to bring 60 crore bank accounts under the Jan Dhan Yojana.

9) The Ramjanmabhoomi-Babri Masjid Dispute



Introduction

Allahabad High Court had pronounced a verdict on 30th September 2010, in which it had ruled that the disputed 2.77 acres of Ayodhya land be divided into three parts between the Nirmohi Akhara, Lord Ram deity and the Sunni Waqf Board.

However, the decision was unacceptable to all the stake holders and 13 appeals had been filed against the High Court judgment.

The Supreme Court, had once again stroked this highly controversial issue last year on 08th of March, when it remarked that it will examine the issue of reviving the conspiracy charges against L K Advani and Murli Manohar Joshi, Uma Bharati and Kalyan Singh for the demolition of the Babri masjid.

In another important development last year, the honorable Supreme Court on 21 March 2017 had also called upon all the stake holders to look for an amicable, out-of-court settlement for the ongoing dispute over the Ram Temple rather than on insisting for a judicial pronouncement.

Notwithstanding, the Supreme Court had fixed the date of 08th February 2018 for hearing of cross petitions filed against the Allahabad High Court's 2010 verdict in the politically-sensitive Ram Janmabhoomi-Babri Masjid title dispute case.

However, the Supreme Court had to adjourn the hearing of the case to March 14th as the documentation and translations were not yet fully completed.

In order to have a clear understanding of the present noise being created about the Mandir-Masjid debate, let us first comprehend, as to what this issue is all about.

The Ramjanmabhoomi-Babri Masjid Dispute in a Nut Shell

The crux of the said dispute is hinged to the land title-ship rights of a plot of 2.77 acres of land in the city of Ayodhya, located in Faizabad district of Uttar Pradesh.

The Hindus believe that this very spot was the birth place of lord Ram and a mosque was built by Babur after destroying their most holy temple that existed at that location in 1528.

The contention of the Muslims on the other hand is that the Babri Mosque was one of the largest and the most sacred mosques in Uttar Pradesh, which has a sizable Muslim population, was illegally destroyed by the workers of the Vishva Hindu Parishad (VHP) and its associates, including the BJP on 06 December 1992.

Subsequent to the destruction of the mosque, a land title case was lodged in the Allahabad High Court, the verdict of which was pronounced on 30 September 2010.

The three judges of The Allahabad High Court ruled that the 2.77 acres of Ayodhya land be divided into three parts:

The first part was allotted to the site of the Ramlala idol (birthplace of lord Ram), which was assigned to the party representing 'Ram Lalla Virajman' who could install Infant Ram deity in that location.

The second part was allocated to the Nirmohi Akhara, who as per mythological belief, stand for the construction of Sita Rasoi and Ram Chabutara at that location.

The third part was given to the Sunni Wakf Board for the construction of the mosque.

Although, the above stated landmark judgment of the High Court was an important step towards the resolution of the long outstanding dispute, but all the three parties were not satisfied with the ruling to split the land and appealed against it in the Supreme Court.

The Supreme Court on 09 May 2011 stayed the High Court order that had ruled splitting the disputed site into three parts and said that status quo will remain.

Important Timelines of the Case

1528 - Babur invaded India in 1527 and built a mosque at Ayodhya, allegedly after demolishing a Hindu temple. It was popularly called 'Babri Masjid'.

1853 - First ever recorded communal clash over the site, which forced the British to put a fence around the site. They demarcated separate areas of worship for Hindus and Muslims in 1859. The site existed in this form for the next 90 years.

1949 - The workers of the Hindu right wing organization forced its way and placed Ram Idols inside the mosque. Both sides to the dispute filed civil suits for ownership of the Plot no 583. The administration locked the gates and declared the area disputed.

1984 - The movement to build a temple at the disputed site gathered momentum and Hindu groups formed a committee to spearhead the construction of a temple at the Ramjanmabhoomi site.

1986 - A district judge ordered the gates of the mosque to be opened after almost five decades to allow Hindus to worship inside the "disputed structure." Consequently, a Babri Mosque Action Committee was formed as Muslims protested the move to allow Hindu prayers at the site.

1989 - In November, the Vishwa Hindu Parishad laid foundations of a temple on land adjacent to the "disputed structure" in the presence of Home Minister Sh Boota Singh and then Chief Minister Sh ND Tiwari.

1990 - A coalition government under PM VP Singh was formed at the centre with a major support from BJP. In order to consolidate its political position better, the then BJP president Lal Krishna Advani took out a cross-country rathayatra to garner support for the move to build a Ram temple at the site. He was arrested in Bihar during the rathayatra and as a consequence, BJP withdrew its support from the centre government, bringing the government down.

1991 - Congress came to power at the centre after elections, while BJP became the major opposition party at the centre. The BJP at that time had power in many states such as Madhya Pradesh, Rajasthan, Himachal Pradesh and Uttar Pradesh. Kalyan Singh became the Chief Minister of Uttar Pradesh.

1992 - Kalyan Singh took steps to support the Ram janambhoomi movement such as making entry into area easier, promising no firing on Karsevaks, opposing decision of central government to send Central Police force in the area, etc. Meanwhile, several rounds of not so meaningful meetings were held between Babri Masjid Action Committee and VHP leaders in presence of the home minister.

06 December 1992 - The VHP and its associates, including the BJP, organized a rally involving 150,000 VHP and BJP kar sevaks at the site of the mosque. Fiery speeches were delivered by the BJP leaders such as Advani, Murli Manohar Joshi and Uma Bharti. Despite a commitment from the state government to the Supreme Court that the mosque would not be harmed, the mob demolished the mosque. More than 2000 people were killed in the riots that followed the demolition. The Congress government at the Centre, headed by PV Narasimha Rao, set up a commission of inquiry under Justice Liberhan.

2002 - Communal tension continued over the years. At least 58 people were killed in Godhra, Gujarat, in an attack on a train believed to be carrying Hindu volunteers from Ayodhya. The communal riots that followed the Godhra incident in Gujarat led to over 2000 people dead.

2003 - The court ordered the Geological Survey of India to find out whether a temple of Lord Ram existed on the site. In August, the survey presented evidence of a temple under the mosque. Muslim groups disputed the findings.

2005 - A group of five terrorists attacked the makeshift temple on 05 July 2005. All five were shot dead in the ensuing gunfight with the Central Reserve Police Force personnel and one civilian was killed by a grenade thrown by a terrorist to breach the cordoned wall.

Conclusion

The BJP's manifesto for the Uttar Pradesh elections last year prominently included, “exploring possibilities for construction of Ram Temple in Ayodhya within the constitutional framework”.

The selection of Yogi Adityanath, the Mahant of Gorakhnath Math, as the Chief Minister of Uttar Pradesh, further added credence to the fact that the agenda of Hindutva is likely to be followed by the ruling party with greater vigour.

However, while in power Yogi Adityanath has maintained a more reconciliatory approach and has often echoed to deliver on the Modi's mantra of 'sabka saath, sabka vikas'.

Notwithstanding, the 25 year old issue regarding the construction of Ram Temple at Ayodhya, which was also one of the major 2014 election manifestos of BJP, has already started prominently emerging above the horizon as a perceptible election issue for 2019 Lok Sabha elections.

I personally feel that in order to amicably resolve the dispute, it is essential that the historical facts and religious sentiments of all are suitably addressed.

The Supreme Court must not exert its jurisdiction over aspects pertaining to faith (Aastha) and the solution for this long outstanding issue can only be found through cogent wisdom of all stake holders.

In a very significant development recently, the Ayodhya Sadbhavna Samnvyay Maha Samiti has made a proposal regarding the dispute to the All India Muslim Personal Law Board (AIMPLB) that the disputed site be handed over to the Hindu parties, while a mosque can be built on the land “that will be made available by the Nirmohi Akhara”.

Also, the Samiti President, Amarnath Mishra is a close aide of Sri Sri Ravi Shankar, who has been meeting and constantly urging all the parties to the dispute over the last few months to resolve the matter “out of court” as suggested by the Supreme Court.

A lot of costly human lives have already been mindlessly lost in the name of faith. I sincerely hope that for once, “faith gets a fighting chance” and religion is consciously separated from politics to resolve the matter amicably.

10) Salient Aspects of SC Verdict of 16 February 2018 on Cauvery Water Sharing



Introduction

The Cauvery basin covers a large expanse of land including major chunks in Karnataka and Tamil Nadu and also smaller areas in Kerala and Puducherry.

The 802 kilometers long Cauvery River has 44,000 km² basin area in Tamil Nadu and 32,000 km² basin area in Karnataka.

Tamil Nadu is very heavily dependent on the existing pattern of usage of the River water as it has already developed almost 3,000,000 acres (12,000 km²) of land and any change in this pattern will adversely affect the livelihood of millions of farmers in the state.

Karnataka has been suffering from an acute water shortage. In fact complete Bengaluru is being supplied with drinking water from Cauvery. Karnataka had demanded for a renegotiated settlement based on "equitable sharing of the waters."

In order to look into the matter, the Government of India had constituted a Tribunal in 1990, which after hearing of arguments of all the parties involved over the next 16 years, delivered its final verdict on 05 February 2007. However, all the four affected states decided to file a review petitions seeking clarifications and possible renegotiation of the order.

The Supreme Court set aside the review petitions and issued directions to the Government of India on 20 February 2013, to notify the final award of the Cauvery Water Disputes Tribunal.

On 05 September 2016, Supreme Court directed the Karnataka government to release 15,000 cusecs of water per day to Tamil Nadu for the next ten days.

The above said order lead to large scale agitations and incidents of arson and vandalism, especially in Bengaluru and life came to a standstill. It is estimated that the financial losses accruing due to these agitations were around Rs 500 crore per day.

Finally, on 16 February 2018, the Supreme Court issued an irrevocable verdict binding on all states concerned for the next 15 years with respect to a renegotiated water sharing plan.

The latest verdict has provided some relief to Karnataka and allocated 14.75 tmcft (thousand million cubic feet) of Cauvery water from Tamil Nadu's share.

Genesis of the Cauvery River Water Sharing Dispute

The dispute with respect to sharing of Cauvery water between Kerala, and erstwhile princely states of Madras and Mysore dates back to pre-independence era.

The States Reorganization Act of 1956, which changed the boundaries and configuration of the states made the issue even more complex.

The State of Kerala strove hard to assert its claims on the Cauvery waters for developing the basin resources, mainly for two Hydro-electric projects in Kabini and Bhavani basins. However, Tamil Nadu and Karnataka vigorously opposed the proposal.

Similarly, Pondicherry projected its traditional requirement of water for the Karaikal area, mainly for agricultural purposes as its principal demand. Besides, also demanding water for Industrial and drinking purposes.

Setting up of Cauvery Water Disputes Tribunal

The inter-state negotiations could not arrive at an amicable consensus on the issue, and hence, a Cauvery Fact Finding Committee (CFFC), was constituted by the Central Government.

The party states were taken onboard by the Committee to collect data on aspects such as, yield of the river, adequacy of supplies, excessive use of water for irrigation purposes, etc. The Committee submitted its interim report in June 1972 and final report in 1973.

A series of inter-state meetings based on CFFC's reports were held from 1974 to 1976. In 1976, a draft agreement prepared by the Union was found acceptable by all the states.

However, in the very next meeting of chief ministers', Tamil Nadu and Karnataka backed out of the agreement. In response to the plea of a Farmer's Association of Tanjavur, Kerala, the Supreme Court on 24 April 1990 directed the Central Government to constitute a Tribunal under the Inter-State Water Disputes Act, 1956.

Thus, in June 1990, the Cauvery Water Disputes Tribunal was constituted.

Interim Order by the Cauvery Water Disputes Tribunal

The Tribunal gave an interim award on 25 June 1991, favoring Tamil Nadu and enjoining upon Karnataka to release waters to Mettur reservoir as per a stipulated pattern. Karnataka was also directed, not to increase its area of irrigation utilising Cauvery waters.

As per the interim order, Karnataka was required to release 205 tmcft of water each year to Tamil Nadu. Of this quantum, Tamil Nadu was to release 06 tmcft to Puducherry.

Karnataka's reaction to this order was extremely adverse and led to widespread demonstrations in Karnataka and Tamil Nadu.

In December 1995, Tamil Nadu moved the Supreme Court, seeking an order for 30 TMC to be released by Karnataka from their reservoirs as decided by the Tribunal.

The apex court ordered 11TMC to be released by Karnataka. The State of Karnataka indicated its helplessness, and pleaded that its reservoirs too were short of enough water to cater to the needs of farmers in Karnataka.

Prime Minister convened a meeting of the concerned chief ministers and based on his discussions, gave his decision that Karnataka should make an immediate release of 6TMC for saving the standing crops in Tamil Nadu.

Karnataka abided by the Prime Minister's decision by releasing water to Tamil Nadu, but also in March 1996, approached the Cauvery Tribunal with a Civil Miscellaneous Petition. However, the other parties were quite opposed to the move and the petition was dismissed.

The Cauvery River Authority was constituted in 1998 to ensure proper implementation of the interim award.

Final Order by the Cauvery Water Disputes Tribunal

The Cauvery Water Disputes Tribunal held sittings for more than 500 days, over 17 years, and gave its final award in February 2007.

On 20 February 2013, based on the directions of the Supreme Court, the Indian Government notified the final award of the Cauvery Water Disputes Tribunal (CWDT) on sharing the waters of the Cauvery system among the basin States of Karnataka, Tamil Nadu, and Kerala and Union territory of Puducherry.

The final award, as recommended by the Tribunal in February 2007, made an annual allocation of 419 tmcft to Tamil Nadu in the entire Cauvery basin, 270 tmcft to Karnataka, 30 tmcft to Kerala and 7 tmcft to Puducherry.

Establishment of Temporary Supervisory Committee

In response to the Special Leave Petition (SLP) lodged by Tamil Nadu, the Supreme Court on 10 May 2013 issued an interim direction to the Government of India to establish a temporary Supervisory Committee to implement the Cauvery tribunal order till the constitution of “Cauvery Management Board” as stated in the Tribunal order.

GoI issued the gazette notification on 22 May 2013 establishing the said Supervisory Committee.

Reaction of States to Final Award

The people of Tamil Nadu, Kerala and also that of Puducherry hailed the final order of the Tribunal, calling it fair and equitable.

Karnataka, on the other hand felt that it had got a raw deal, especially, as its water needs had grown over the years. The announcement of the final order led to massive protests in the state.

Unprecedented Violence against the SC Directive of 05 September 2016

On 05 September 2016, Supreme Court directed the Karnataka government to release 15,000 cusecs of water per day to Tamil Nadu for the next ten days.

Soon after the above directive was passed there were massive protests all across Karnataka. Arson and vandalism was seen on the streets of Bengaluru and on a highway to Mysuru. Vehicle with Tamil Nadu number plates were targeted by the mob.

Nearly 40 trucks parked in a depot just 21 km from Bengaluru were gutted by angry mobs. Similarly, Woodlands hotel in Chennai owned by a Karnataka company was attacked and five tourist vehicles from Karnataka, including two buses, were vandalised in Tamil Nadu's Rameswaram, allegedly by a fringe Tamil group.

Around 15,000 policemen were deployed across the IT city. The centre also rushed ten companies comprising of 1,000 personnel of the special anti-riot paramilitary force RAF to Karnataka.

Karnataka expressed its inability to release 15,000 cusecs of water to Tamil Nadu, owing to water shortage with the state for farming and even drinking due to poor rain and filed a plea to seek a reduction in the quantum of release and restrict the release of water to six days instead of 10 days as ordered by the SC earlier.

On 12th September, the Supreme Court modified its order, and instead asked the state administration in Karnataka to release 12,000 cusecs of water on a daily basis till 20 September 2016.

Salient Aspects of SC Verdict of 16 February 2018 on Cauvery Water Sharing

The Supreme Court verdict has reallocated the water (in tmcft) to states as follows:

Karnataka (original demand 465):- Awarded by Tribunal: 270; Awarded by Supreme Court now: 270 + 14.75 = 284.75.

Tamil Nadu (original demand 562):- Awarded by Tribunal: 419; Awarded by Supreme Court now: 419 - 14.75 = 404.25.

Kerala (original demand 99.8):- Awarded by Tribunal: 30; Awarded by Supreme Court now: 30.

Puducherry (original demand 9.3):- Awarded by Tribunal: 07; Awarded by Supreme Court now: 07.

In order to effectively monitor the implementation of the Supreme Court verdict, it has given the Centre six weeks to set up a Cauvery Management Board (CMB), assisted by a Cauvery Regulation Committee (CRC).

The CMB will be an inter-State forum of technical experts with three permanent members appointed by the Centre and will include representatives of the riparian States.

Court has asked Tamil Nadu to draw out, at least 10 tmc groundwater from its available 20 tmc, instead of banking on Cauvery waters from Karnataka.

The Court ordered that the additional 14.75 tmc being allocated for Karnataka will be taken from the 192 tmc Cauvery water supplied by Karnataka to Mettur Dam in Tamil Nadu.

SC further instructed Karnataka to divert 4.75 tmc of the 14.75 being additionally allocated to it, to cater to the domestic and drinking needs of the people of Bengaluru.

Supreme Court affirmed in its verdict that, water of inter-state rivers constitute national asset and cannot be said to be located in any one state. Hence, no state can claim exclusive ownership of such waters.

Conclusion

Considering the constraints, the Supreme Court verdict appears to be fairly balanced and equitable. It will help the farmers as well as abate the critical problem of drinking water in both Tamil Nadu and Karnataka.

The Supreme Court's verdict has a distinct message for the Centre government that it must immediately get down to create a viable legal and technical framework to implement the Tribunal's award.

A major reason for non-materialization and amicable resolution of inter-state water disputes is the adhoc manner in which the dispute is handled by states mostly to appease the voters.

In case, the Cauvery Management Board (CMB) and Cauvery Regulation Committee (CRC) is able to enforce the SC verdict in letter and spirit, such institutions can become a guiding beacon for managing the other inter-state water disputes also.

11) The Contours of the “Rafale Deal” Controversy

Introduction

The decision taken by PM Narendra Modi, during his visit to France in April 2016, to buy 36 French-manufactured Rafale fighter jets off-the-shelf from Dassault, the French aircraft builder at a cost of Rs. 58,000 crore or 7.8 billion Euros has stirred up a controversy.

The Congress Party has alleged that the cost of each aircraft is three times more than what the previous UPA government had negotiated with France in 2012. Rahul Gandhi has asked the government to disclose the exact cost of each aircraft along with the price of all accessories/ armaments being procured with the aircraft.

However, the Defence Minister Nirmala Sitharaman told the Parliament, that the details of the deal with France for the Rafale fighter jets cannot be disclosed because of national security reasons.

In the succeeding paragraphs we will try and understand the specific reasons that are at the heart of this controversy.

The Contours of the “Rafale Deal”

The Indian Air Force has an express need to phase out its aging fleet of MIG-21s and MIG-27s and to upgrade India’s air warfare capabilities in keeping with the modernization plans and air combat capability of Pakistan and China.

It is a known fact that India’s indigenously manufactured Tejas Mark-II is likely to be inducted into service only by 2021-22. Therefore, the UPA government took the decision to procure a top-of-the-end combat aircraft to fill the void.

In August, 2007, the UPA government floated a tender to purchase 126 Medium Multi Role Combat Aircraft (MMRCA) for the IAF. Finally, Rafale was chosen in 2012 over rival offers from the United States, Europe and Russia.

Rafale is a twin-engine, multi-role, nuclear-capable fighter jet, which is designed for air-to-air and air-to-ground combat and its on-board Electronic Warfare (EW) systems can also perform reconnaissance and radar jamming roles.

The estimated cost of the deal for 126 aircrafts was initially \$12 billion, but the cost increased to about \$20 billion, primarily because of an Indian requirement that 108 of these jets be built in the country by Hindustan Aeronautical Limited (HAL).

However, it may be understood that the above cost was exclusively for the Rafale aircrafts and did not include any weaponry, guarantee for maintenance, supplies and availability or sharing of any technology with India.

The UPA government continued to engage with France on the deal and negotiations were still underway when Modi-led BJP government came into power in 2014.

The Modi government found the Rafale twin-engine planes too expensive and the deal fell through after nearly decade-long negotiations between India and France.

However, faced with the dipping number of fighters and a pressing need to upgrade the Indian Air Force, Prime Minister Narendra Modi decided to buy 36 "ready-to-fly" fighters instead of trying to acquire technology from Dassault and make it in India.

Finally, in September 2016, India signed an inter-governmental agreement with France, dubbed as the "Rafale deal" for the procurement of 36 Rafale jets. The delivery of these jets is scheduled to commence from September, 2019.

Accusations Pertaining to the Deal as Highlighted by Congress

The Congress Party accused the government of the following with respect to the Rafale Deal:

- The Congress has accused the government of causing "insurmountable loss" of taxpayers' money by signing the deal worth 58,000 crores, which is allegedly at three times the original cost negotiated by UPA Government with France in 2012.
- Congress has asked the government to come clean on the deal and give out the detailed breakdown of the said cost.
- Congress also claims that Anil Ambani’s company, Reliance Defence Limited has been unfairly picked up by the Modi government to be the French firm's Indian partner.

- Lastly, Congress accused the ruling BJP that by going through this multi-billion dollar deal in a non-transparent manner it has also exposed “one of the biggest failures” of Modi’s pet project, i.e. 'Make-in-India'.

Counter Arguments by the Government

The reasons given by the government regarding the increased price of the ‘Rafale Deal’ is that the negotiated cost includes the following, which did not form a part of the deal negotiated by UPA:

- India will be provided with spares and weaponry, including the Meteor missile, considered among the most advanced in the world.
- An “offset” clause has been negotiated in the deal, as per which, France will invest 30 per cent of the 7.8 billion Euros of the Rafale Deal in India's military aeronautics-related research programmes and 20 per cent into local production of Rafale components.
- Dassault and its main partners, “Safran” (engine maker) and “Thales” (maker of electronic systems) will share some technology with DRDO (Defense Research and Development Organization) and some private sector companies and HAL under the offsets clause.

The Defense Minister Nirmala Sitharaman further argues that giving out the details of the cost will enable India’s enemy countries to ascertain the specifications and exact capabilities of the aircraft.

Secondly, there is a confidentiality clause in the Rafale deal which bars the buyer and seller from talking about the pricing, making it impossible for any government to reveal any detail about the defence deals.

Lastly, Reliance Defence Limited has pointed out that its subsidiary Reliance Aero structure and Dassault Aviation has formed a joint venture, called “Dassault Reliance Aerospace”, after a bilateral agreement between two private companies and the Indian government has no role to play in this.

Conclusion

One does not know if there is any foul play in the Rafale Deal, but what is for sure is that, thanks to murky politics, India’s credibility as a nation has taken a serious beating owing to this unwarranted controversy.

The most significant fallout of such controversies is that the modernization plan of the India Armed Forces is thrown out of gear, procurement of essentials gets unduly stalled and it becomes increasingly frustrating for the troops on the ground to fight the odds without the requisite wherewithal.

12) The Punjab National Bank Scam – How it worked?

Introduction

Punjab National Bank has revealed, as what can be called the largest scam ever to hit the Indian banking system, in which fraudulent transactions worth more than Rs 11,380 crore were detected in one of its branches in Mumbai.

The scam appears to be an outcome of collusion between a famous jewellery designer Nirav Modi, who is a billionaire, and is known to have ultra-rich clients including Hollywood and Bollywood stars and junior level PNB Mumbai branch officials, who fraudulently issued a total of 150 Letters of Undertakings (LoUs) on behalf of companies connected to the Nirav Modi group.

A **Letters of Undertaking (LoU)** is essentially a letter of credit, where one bank tells another bank that it will fulfill a customer's liability, e.g. if a company wants to import some goods from overseas, a LoU can be given by the company's bank in India to another bank abroad, stating that the company in question is of a sound financial capacity and necessary funds be released as credit for import of such goods.

The Indian bank that issues such LoU is responsible to make good any losses that may accrue due to a default on the part of that company.

In this particular case, two employees of the PNB, who had an access to the Society for Worldwide Interbank Financial Telecommunication (SWIFT) system, which is a messaging system used for overseas transaction for verification of guarantees given on LoUs, moved millions of dollars abroad without taking necessary sanctions. Consequently, the overseas branches of many Indian banks gave foreign exchange credit to the company of Nirav Modi.

The bank's corrupt officials were able to bypass the Core Banking System (CBS), which allows a customer to access his account of that particular bank from anywhere in the world and is used by the bank to process daily banking transactions and posts updates.

Hence, PNB could not detect the fraud earlier, because the PNB official responsible for the scam did not route the transactions through CBS, which would have given real-time data on the transacted business.

Furthermore, companies like, Gili India and Nakshatra and Gitanjali Gems, which were promoted by Mehul Choksi, Nirav Modi's maternal uncle, also had accounts with the same branch and was also involved in the said scam.

Once, these defaulters got the wind of scrutiny by Punjab National Bank, Nirav Modi, his wife Ami Modi and Mehul Choksi left India in the beginning of January 2018.

What is truly intriguing is that all such scamsters, like Lalit Modi, Vijay Mallya, etc, always manage to leave the country making a mockery of the country's law enforcement machinery and noting on earth can bring them back to justice.

The details and extent of the fraud are still being ascertained. However, it has clearly highlighted the loopholes and slippages in the monitoring process, due diligence and audit procedures at all levels of our financial institutions.

How did the Scam Work?

The scam can be explained with the help of an example:

Nirav Modi's company asks Punjab National Bank for a LoU to import jewels from an overseas destination, let's say Hong Kong.

Punjab National Bank gives the LoU in favour of, say, Allahabad Bank's Hong Kong branch. Access to SWIFT allow the scamsters to verify the guarantees mentioned in the LoU without informing or obtaining legal sanctions from higher headquarters.

The Hong Kong branch of Allahabad Bank does not carry out any due diligence after it receives the LoU and trusts that any money it extends to Nirav Modi's Company will be paid back by Punjab National Bank.

Allahabad Bank's Hong Kong branch puts the money into a Nostro account, which is the account an Indian bank (here, PNB) has with an overseas bank (here, Allahabad Bank).

Nirav Modi's Company now has access to this money to pay for the imports. Once the imports have actually been shipped into India, Nirav Modi has to pay back Punjab National Bank, which will in turn pay Allahabad Bank.

In other words, Punjab National Bank is lending money to Allahabad Bank, which is subsequently lending foreign exchange to Nirav Modi to import material.

Therefore, while Allahabad Bank thought that it was lending money to Nirav Modi for imports on behalf of Punjab National Bank, the latter was not even officially aware that this was happening at all.

Consequently, Punjab National Bank is at the receiving end now and has to pay up for the loans it did not officially lend to Nirav Modi.

How was the Scam Detected and Actions Thereafter?

The bank officials who had colluded with Nirav Modi retired in due course of time and his companies once again approached the same branch asking for LoUs.

The bank, as per its laid down procedure asked Nirav Modi to provide a 110% cash margin so that the facility of LoU could be extended to his companies.

Nirav Modi's representative informed the bank branch that they had been availing LoUs without providing cash margins for several years now, which is when the alarm bells were sounded.

The bank then went through the SWIFT trails to examine what actually had been going on in the branch, and that is when the scam emerged.

In its preliminary investigation PNB admits that there is distinct criminal connivance between group of companies of Nirav Modi and Gitanjali Gems with PNB branch official and also apparently, with officials of overseas branches of other Indian banks.

On 29 January 2018, PNB lodged the first complaint with CBI and on 13 February it filed a complaint with the Enforcement Directorate of a fraud worth Rs 11,500 crore.

CBI has issued a look out circulars against Nirav Modi and others and their passports have been revoked by the government.

Enforcement Directorate carried out searches across five states and has recovered assets worth Rs 5100 crores belonging to Nirav Modi.

Conclusion

The BJP government has been blaming the UPA government for piling up of Non Performing Asset (NPA), which are basically bad loans given by banks to defaulters like Vijay Mallya.

Bad debts, primarily due to crony capitalism, have created large NPAs, which have further resulted in a severe capital crunch in the Public Sector Banks.

The government very recently has unveiled its plans of infusing Rs 1 lakh crore into 21 such public sector banks this year. The share of PNB is said to be Rs 5473 crores.

Hence, the loss incurred by PNB will be barely paid off through the planned recapitalization and hence, its capital adequacy ratio will be once again back to square one.

It may be noted that repayment of such bad debts, writing off NPAs of banks and recapitalization of banks is being done from the tax payer's money.

I wonder for how long is the common man going to feed crony capitalism and continue to remain slaves long after gaining independence from the British.

13) Ramifications of Pakistan's Name being Put on "Grey List" of FATF

Introduction

The Financial Action Task Force (FATF) held its Plenary Meeting in Paris from 21 February to 23 February 2018. This 37 member organization serves as a watchdog against money laundering for terrorist financing and other related threats to the integrity of the international financial system.

In a dramatic chain of events, the United States was able to persuade the other member states of the FATF to place Pakistan back on the “grey list” of nations with inadequate terrorist financing or money laundering controls. Pakistan, earlier on also was on the list for three years, until 2015.

This new development has far reaching ramifications, especially for India. We shall discuss the same in the subsequent paragraphs.

Details about the Organization – FATF

The Financial Action Task Force (FATF) is an inter-governmental body that was established in 1989 by a Group of Seven (G-7) Summit in Paris, initially to examine and develop measures to combat money laundering.

In October 2001, the FATF expanded its mandate to incorporate efforts to combat terrorist financing, in addition to money laundering.

The FATF currently comprises 35 member jurisdictions and 2 regional organisations, representing most major financial centres in all parts of the globe. Israel and Saudi Arabia are observer countries.

Mr Santiago Otamendi, who is the Secretary of Justice at the National Ministry of Justice and Human Rights of the Republic of Argentina, assumed the position of President of the FATF on 1 July 2017. Ms Jennifer Fowler of the United States assumed the position of Vice-President of the FATF.

The decision making body of FATF is the Plenary, which holds meetings three times in a year to monitor progress on implementation of its recommendations and also to issue new recommendations, if and when required.

Objectives of FATE

The Financial Action Task Force (FATF) is in effect a “policy-making body” which works to generate the necessary political will to bring about national legislative and regulatory reforms in combating terror financing.

The key objectives of the organization are:

- Set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing, proliferation of weapons of mass destruction and other related threats to the integrity of the international financial system.
- Issue internationally accepted recommendations from time to time which form the basis for a co-ordinated response to these threats to the integrity of the financial system. FATF Recommendations were first issued in 1990 and revised in 1996, 2001, 2003 and most recently in 2012 to ensure that they remain up to date and relevant for universal application.
- In collaboration with other international stakeholders, the FATF works to identify national-level vulnerabilities with the aim of protecting the international financial system from misuse.
- Review new techniques of money laundering and terrorist financing being adopted by rouge nations/ organisations and put into place appropriate counter-measures.
- The FATF monitors the progress of its members in implementing necessary measures, reviews money laundering and terrorist financing techniques and counter-measures, and promotes the adoption and implementation of appropriate measures globally.

The Decision of Putting Pakistan on “Grey List” of FATF

The move to put Pakistan on the “Grey List” was pushed by four member countries, the U.S., the U.K., Germany and France, who, in mid-January had written to the FATF stating that even though Pakistan had an anti-money laundering/anti-terror funding regime in place, effectiveness of the implementation was inadequate.

The initial discussions during the said Plenary meet failed to build a consensus on putting Pakistan again on the watch list, after China, Turkey, Saudi Arabia and Gulf Cooperation Council (GCC) countries objected to Pakistan's nomination.

FATF rules state that if a minimum of three members vote against the proposal, then it cannot go through. It is believed that a lot of behind the scenes talks and persuasions led to revising the initial decision. Informed sources reveal that the United States worked hard to bring Saudi Arabia around, Germany worked on the GCC, while India was able to speak to Russia.

Furthermore, China appears to have consented because it was offered the Vice-Chair of the FATF committee, where it can be seen to play a responsible role at the international grouping.

Lastly, the ill-timed rally by LeT Chief Hafiz Saeed, and the Khyber Pukhtunkhwa state's decision to raise funds for Haqqani group-linked seminaries over the week didn't help Pakistan's case, at the Plenary Meet.

The other countries on this list include North Korea, Iran and Uganda.

Ramifications of Pakistan's Name being Put on Grey List of FATF

Stress of being placed on "Black-List":

Pakistan, under a "Compliance Document," will now be required to furnish a fresh report to the International Co-operation Review Group (ICRG).

Accordingly, the country will undergo a review at the next Plenary in June 2018, when it would be presented a full action plan on how it is expected to crack down on terror groups banned by the UN Security Council.

In case Islamabad's compliance report is unsatisfactory, the FATF can put it on a "black list".

Adverse Economic Implications:

Pakistan will be put on regular monitoring; all banking transactions in the country will come under closer global watch, thus pulling down Pakistan's credibility in global financial transactions.

The economic and commercial consequences of such grey-listing can be quite debilitating. If it remains on the "grey list" for a longer period of time, Pakistan's already struggling economy will make the country's survival unsustainable.

Global Isolation Including by Former Allies:

Trump administration has been exerting a lot of diplomatic and economic pressure on Pakistan, like it withheld security aid worth \$1.3 billion last year. While the US signalled a change in its Pakistan policy by employing more sticks than carrots, Islamabad found it convenient to stave off US pressure by playing out its growing dependence on China.

However, China's eventual decision to withdraw its support at FATF may be seen as a clear reflection of its frustration with its long term ally and happens to be the most severe blow to Pakistan in the recent times.

Beijing remains apprehensive of Pakistan's efforts to establish peace in Balochistan, where \$60 billion worth of infrastructure projects it is financing as part of the China-Pakistan Economic Corridor (CPEC).

It has been reliably learnt that last week China held direct talks with Baloch militants without officially informing Pakistan authorities, owing to the latter's inaction against terror groups operating in the country.

Hence, China's decision at FATF may be seen as a warning given to Pakistan that if Islamabad continued to stick with its policy of inaction, the country will not only face significant isolation internationally but should also expect China's opposition.

Conflict of Interests in Pakistan to Comply with FATF Recommendations:

The spread of fundamentalism and so called "Talibanisation of Pakistan" is being majorly supported by drug money from Afghanistan and the lawless areas of FATA (Federally Administered Tribal Areas) of Pakistan. The treacherous mountainous regions of Waziristan and Baluchistan have become the hotbed for nurturing terrorism.

Secondly, a lot of funding is being carried out by Saudi Arabia for the spread of Wahhabism, which is the most stringent form of Islam and whose mistaken beliefs are being propagated through the inhumane acts of the al-Qaida, the Talibans and ISIS.

Talibanisation of Pakistan has resulted in an internal strife for dominance. The military and the political rulers who mostly hail from the state of Punjab in Pakistan, controls balance three-fourth of the country and had created the monsters like the Talibans and Haqqani network to run their writ in the FATA region and Afghanistan.

The struggle for dominance between the military and political elites of Punjab, the terrorist infested areas of West Pakistan and the economic hub of the coastal areas of Sind are pushing Pakistan down the dark ally of self-destruction.

The actions expected to be taken by Pakistan on the “Compliance Document,” of the International Co-operation Review Group (ICRG) will put additional pressure on the administration and will result in major conflicts of interests between various stake holders.

Advantage India:

Pakistan military that has always ruled the roost does not want peace in the region otherwise its own existence will be at stake.

The decision to place Pakistan on the “grey list” will provide India with a major relief, as follows:

- Reduced terror funding and funding for purchase of military hardware is likely to abate cross border firing and terrorism related incidents in the state of J&K.
- Stable Pakistan, where the spread of fundamentalism and Wahhabism is being checked will provide innate security to India’s interests.
- Economic strain and major efforts required from the military and civil administration to carry out decisive actions will take the heat off India and Pakistan will get busy for a while at least to get down to setting their own house in order.
- A snub from China to Pakistan will caution Islamabad that there are no permanent friends/ enemies and over reliance on China can be detrimental. On this account it was India’s diplomatic victory.
- The Trump administration has now trained its guns on Pakistan and will see it through that it leads to credible actions by Pakistan to rein in terrorism.
- It will further isolate Pakistan globally and assist in India’s existing policy to “name and shame” Pakistan. Also, it lends credence to India’s voice on the issue at international forums like the UNO.
- Improved security situation in the region will serve Indian economic interests, like ongoing infrastructure development projects in Afghanistan, proposed gas pipeline from Turkmenistan through Afghanistan and Pakistan to India, etc.

Conclusion

The whip has finally cracked very heavily on Pakistan and the world is now looking towards it for credible and decisive actions to rein-in the terror organizations that it has unleashed.

Actually speaking, it should be seen by Pakistan military and political leaders as an opportunity to get their act together and redeem themselves for the sake of their nation.

However, it is easier said than done. It is always very difficult to “run with the hare and hunt with the hounds”. The albatross will not let go so easily, it amounts to severing a limb, but then it will have to be done, when it becomes cancerous.

14) Supreme Court Verdict on Passive Euthanasia: 09 March 2018

Introduction

The Supreme Court of India, on 09 March 2018 passed a historic judgment to declare 'passive euthanasia' permissible and also legalized 'living will'.

A 'living will' is a concept where a patient can give consent that allows withdrawal of life support systems if the individual is reduced to a permanent vegetative state with no real chance of survival.

It is a type of advance directive that may be used by a person before incapacitation to outline a full range of treatment preferences or, most often, to reject treatment.

Furthermore, a person may 'will' his/her preferences for tube-feeding, artificial hydration, and pain medication when an individual cannot communicate his/her choices.

The verdict was issued by a constitution bench of five judges. The case had been earlier referred by a three judge bench in 25 February 2014 to a five judge bench for consideration.

The word Euthanasia is derived from a Greek word, which means, "good death". It may be termed as the practice of intentionally ending the life of a terminally ill patient to relieve him/her from a life of pain and suffering. It is popularly known as "Mercy Killing".

Classification of Euthanasia

Voluntary Euthanasia: Euthanasia conducted with the consent of the patient is called voluntary euthanasia.

However, when the patient brings about his or her own death with the assistance of a physician, the term assisted suicide is often used instead. Assisted suicide is legal in Switzerland and the U.S. states of California, Oregon, Washington, Montana and Vermont.

Voluntary euthanasia can be categorized into Active and Passive Euthanasia.

Active Euthanasia: Active euthanasia entails the use of lethal substances or forces, such as administering a lethal injection or administration of increasingly necessary, but toxic doses of painkillers. Active euthanasia is considered more controversial and is legal in Belgium, Luxembourg and the Netherlands.

Passive Euthanasia: Passive euthanasia entails the withholding of treatment or life support systems necessary for the continuance of life.

Non-Voluntary Euthanasia:

Non-voluntary euthanasia is conducted when the consent of the patient is unavailable. Examples include child euthanasia, which is illegal worldwide but decriminalized under certain specific circumstances in the Netherlands.

Involuntary Euthanasia:

Involuntary euthanasia is conducted against the will of the patient.

Events Leading up to SC Verdict on Passive Euthanasia

Aruna Shanbaug was a nurse working at the King Edward Memorial Hospital in Mumbai. She was strangled and sodomized by Sohanlal Walmiki, a sweeper on 27 November 1973.

Strangulation with chain had caused deprivation of oxygen to her brain, which left her in a vegetative state for 42 years before she eventually died from pneumonia on 18 May 2015.

She was being treated at KEM hospital, since the incident, and was kept alive by feeding tube.

On behalf of Aruna, her friend Pinki Virani, a social activist, filed a petition in the Supreme Court arguing that the "continued existence of Aruna is in violation of her right to live in dignity".

Considering Pinki Virani's plea, the Supreme Court of India, on 07 March 2011 passed a historic judgment, which permitted 'Passive Euthanasia' in the country?

However, on 25 February 2014, the three-judge bench of Supreme Court of India terming the judgment in the Aruna Shanbaug case to be 'inconsistent in itself' and referred the issue of euthanasia to its five-judge Constitution bench.

Though the Supreme Court rejected Pinki Virani's plea for Aruna Shanbaug's euthanasia, but the court laid out guidelines for 'passive euthanasia'.

The following guidelines were laid down:

A decision has to be taken to discontinue life support either by the parents or the spouse or other close relatives, or in the absence of any of them, such a decision can be taken even by a person or a body of persons acting as a next friend. It can also be taken by the doctors attending the patient. However, the decision should be taken bona fide in the best interest of the patient.

Even if a decision is taken by the near relatives or doctors or next friend to withdraw life support, such a decision requires approval from the High Court concerned.

When such an application is filed the Chief Justice of the High Court should forthwith constitute a Bench of at least two Judges who should decide to grant approval or not.

A committee of three reputed doctors to be nominated by the Bench, who will give report regarding the condition of the patient. Before giving the verdict a notice regarding the report should be given to the close relatives and the State. After hearing the parties, the High Court can give its verdict.

Government's Stand on the Issue of Euthanasia

On December 23, 2014, Government of India endorsed and re-validated the Passive Euthanasia judgement and the matter of mercy killing was examined in consultation with the Ministry of Law and Justice and it has been decided that since the Hon'ble Supreme Court has already laid down the guidelines, these should be followed and treated as law in such cases.

The Centre government informed the Supreme Court on 10 October 2017, that it proposed to draft a law allowing 'Passive Euthanasia', but was opposed to permitting people to make a "living will" (which means to make a 'will' while being alive/ in their senses, that they should not be put on life-support in case of terminal illness), as it could be misused.

Supreme Court Verdict on Passive Euthanasia: 09 March 2018

The Supreme Court on 09 March 2018 passed a landmark judgment on euthanasia and recognized that a terminally ill patient can write a "living will" that permits doctors to withdraw life support, saying a person with no will to live shouldn't suffer in a comatose state.

The five-judge Constitution Bench headed by Chief Justice of India (CJI) Dipak Misra said passive euthanasia and advance living will are "permissible".

The five-judge bench also issued guidelines in recognition of "living will" made by terminally-ill patients. These guidelines include who can execute the will and under what conditions can the medical board endorse passive euthanasia.

The apex court further stated that its guidelines and directives shall remain in force till legislation is brought to deal with the issue.

Conclusion

Though the government is keen on drafting legislation on euthanasia, but it is opposed to the "living will" aspect.

A major concern that the government foresees is the misuse of the law. If it is legal to passively allow or actively hasten death, there could be instances where an aged parent may be hastened to meet an end in favor of an inheritance, or a spouse have treatment withdrawn for the sake of a hefty insurance payout, etc.

15) Modus Operandi of Cambridge Analytica

Introduction

The latest issue to rock the political boat worldwide and in India is the reported unethical personal data collection from facebook, without the permission of the users, by a private company called Cambridge Analytica (CA) to advertise and influence elections.

The issue came to light when a number of undercover investigative videos, released in March 2018, showed Cambridge Analytica's Chief Executive Officer, Alexander Nix, boasting about using prostitutes, bribery sting operations, and honey traps to discredit politicians on whom it conducted opposition research.

The Indian affiliate of Cambridge Analytica is a company called Ovleno Business Intelligence (OBI), which is being run by Mr Amrish Tyagi, the son of Janata Dal (United) leader KC Tyagi. The website of Ovleno mentions that BJP, Congress and the Janata Dal (United) of Nitish Kumar are its clients.

Though, Ovleno's website has now been suspended, but its publicly available LinkedIn page of one of the Directors, Himanshu Sharma, states that he "managed four election campaigns successfully for the ruling party BJP" and "achieved the target of mission 272".

Moreover, Mr Tyagi, in a recent interview to NDTV, said that his firm had worked for the BJP in the 2012 Uttar Pradesh Assembly elections, and had done work for the Youth Congress in Jharkhand between 2010 and 2011. The website of Cambridge Analytica also boasts of providing its services during the Bihar election in 2010 that resulted in a landslide victory, with over 90 per cent of the total seats targeted by CA for the Janata Dal United-BJP alliance.

However, none of the political party's has accepted that it has any association with CA or its Indian affiliate or used its services to influence the election process.

How Cambridge Analytica came into Existence?

A private British company dealing with behavioural research and strategic communication, called the Strategic Communication Laboratories (SCL) was founded in 1993 by Nigel Oakes, who had a background in TV production and advertising.

Oakes was of the opinion that in order to shift mass opinion, academic insights as gained through psychologists and anthropologists could be applied, and would be more successful than traditional advertising methods.

The initial commercial success gained by SCL, encouraged it to expand into military and political arenas. The services of SCL have been used by the military and politicians to study and 'manipulate public opinion' and 'political will'.

It uses what have been called "psy ops" to provide insight into the thinking of the target audience. According to its website, SCL has influenced elections in Italy, Latvia, Ukraine, Albania, Romania, South Africa, Nigeria, Kenya, Mauritius, **India**, Indonesia, Thailand, Taiwan, Colombia, Antigua, St. Vincent & the Grenadines, St. Kitts & Nevis, and Trinidad & Tobago.

Cambridge Analytica was formed by SCL in 2012, with the primary motive of influencing the election process in the United States. It is said to have been involved in US Senate and state-level elections, since then.

Cambridge Analytica is believed to have entered the Republican Party Presidential Primaries for 2016 elections and was heavily funded by hedge-fund billionaire Robert Mercer, a major supporter of Ted Cruz and then Donald Trump. Consequently, CA is now under investigation by the US governments.

Modus Operandi of Cambridge Analytica

The \$500 billion business model of Facebook provides enormous opportunities to intimately know, influence and manipulate its 2.2 billion users.

The platform holds basic and personal information about the world's three billion internet users, or if you like, intelligence on 30% of the global population.

The Cambridge Analytica whistleblower, Chris Wylie, a 28-year old former employee of the company, claims that the company acquired data of 50 million Facebook profiles in 2014 via personality profiling app 'thisisyourdigitallife', built by Aleksandr Kogan, a Cambridge psychologist.

While the app was downloaded by just 2, 70,000 Facebook users, it pulled in data from the “Facebook friends” of these users, allowing CA to harvest the data of 50 million users, without their consent.

In other words, hundreds of thousands of people gave access to their entire profiles so they could take personality tests. The modus operandi of CA was to use data from Facebook to profile individuals and it claimed that with just 90 odd posts, it could predict with a fairly high degree of accuracy the voting preferences for individuals.

Information campaigns were then micro-targeted at these users based on their preferences and vulnerabilities, for instance, posting slogans, hard hitting messages and videos that could influence the mind of fence-sitter voters. In many cases, sting operations were organized to be conducted on politicians to discredit them after their weakness for money and honey was identified through personality profiling.

Conclusion

The latest revelations bring to the fore, as to how billions of people are volunteering to share photos of their children, details about their sexuality and relationships, their political interests, and their deepest thoughts and feelings to a global data exploitation company.

And if you’re worried about what Cambridge Analytica can do with merely 2% of Facebook’s profile data, just consider what larger companies, including Facebook itself, powered by all 2.2 billion profiles can do.

Thus, the adage that “nothing comes for free” is justified. Sooner or later we do have to pay for what we use and sometimes it may cost us our future.

16) Communication Satellite for Indian Armed Forces: GSAT -6A

Introduction

Indian Space Research Organisation (ISRO) added another feather to its cap by successfully placing the high-power S-band communication satellite GSAT-6A, precisely into the designated orbit on 29 March 2018.

Indigenously built, GSLV Mk II (F08) carried GSAT-6A that took off from the second launch pad in Satish Dhawan Space Centre, Sriharikota, at 4.56pm. Today's launch marked the 12th flight of Geosynchronous Satellite Launch Vehicle GSLV-F08 and sixth flight with indigenous Cryogenic upper stage.

Though, GSAT-6A will complement its predecessor GSAT-6, it is different from the usual communication satellites, as it will exclusively provide services for defense purposes and will not add any transponder capacity for general uses. The mission life of the satellite is about ten years.

GSAT-6 has been in orbit providing communication services since its launch on August 27, 2015.

Satellite

- GSAT-6A, which cost around Rs 270 crore, weighs 2,140kg, is a high powered S-band communication satellite built on I-2K satellite bus (I-2K developed by ISRO, is a standard bus for 2,000 kg class satellites; the 'I' in I-2K stands for INSAT, a group of communication satellites developed and launched by ISRO. I-2K spacecraft bus platform can supply DC power up to 3000 watts and is targeted towards satellites in liftoff mass in range of 1500–2500 kg).
- The satellite will provide mobile communication through 'multi beam coverage facility'. The satellite generates a network of spot beam coverage areas on the earth. A hub and at least one ground terminal are located in each of at least two spot beams. Multi beam coverage facility enables asynchronous communications between each hub and the satellite to maximize frequency re-use and the overall capacity of the system.
- The satellite will also provide a platform for developing technologies such as demonstration of 6 m S-Band Unfurlable Antenna, handheld ground terminals and network management techniques. The 6m diameter antenna, gives it more power, which ensures that a two-way exchange of data, voice or video, can be carried out through small hand-held devices from any corner of the country.
- Besides the cryogenic engine of GSLV, for the first time, a second indigenously developed engine, called Vikas was installed for validation purposes. The high thrust Vikas engine works on liquid propellants. The improved engine, which will power the second stage of the launch vehicle, will enhance its payload capability by additional 70kg. Vikas engine may be used after validation during the launch of Chandrayaan-2 mission planned in October 2018.
- Lastly, the successful launch of GSAT -6A will give a short in the arm for the Indian Armed Forces. The security forces stationed in remote corners of the country will be able to send and receive signals from hand-held devices. The handheld devices have been already fine-tuned by the Defense Research and Development Organisation. The DRDO hopes to deploy a large number of these, especially for security personnel in Maoist-hit areas.

Conclusion

The launch of GSAT -6A is a highly commendable feat by ISRO of which every Indian is highly proud.

17) **Reasons for Dalit Agitation: Dilution of Scheduled Castes and Tribes (Prevention of Atrocities) Act 1989**

Introduction

The Scheduled Castes and Tribes (Prevention of Atrocities) Act, was enacted on 09 September 1989. The Act has stringent provisions (which extends to whole of India except the State of Jammu & Kashmir) to prevent atrocities against scheduled castes and scheduled tribes.

The Act is popularly known as POA, the SC/ST Act, the Prevention of Atrocities Act, or simply the Atrocities Act.

It was found that the provisions of this Act were being often misused, by lodging false and fabricated complaints and served as a deterrent for the Public servants to take disciplinary action against defaulters of the Dalit community.

As per records, nearly 16 per cent of such cases ended with filing of closure reports and over 75 per cent ended either in acquittal or withdrawal of the case.

Hence, in an attempt to curb the misuse of SC/ST (Prevention of Atrocities Act, 1989) and protect honest public servants from discharging their genuine duties, the Supreme Court on 20th March 2018 diluted some of its stringent provisions under the law.

However, several Dalit groups like, the Prakash Ambedkar-led Bharip Bahujan Mahasangh, the Peasants and Workers Party and the Centre of Indian Trade Unions, Rashtriya Seva Dal, the Jati Aant Sangharsh Samiti and National Dalit Movement for Justice, among others, called for a Bharat Bandh against this revision of the SC/ST Act on 02nd April 2018.

The protests turned violent in the states of Madhya Pradesh, Uttar Pradesh and Rajasthan and nine people died in clashes with the authorities.

The Supreme Court on April 2nd declined governments request regarding urgent hearing on a plea which sought a stay and review of its recent verdict on SC/ST Act by which certain safeguards were put in place on automatic arrest of individuals.

Provisions of the SC/ST Prevention of Atrocities Act 1989

The primary objective of the Act was to help the social inclusion of Dalits into Indian society and emphasizes the need and intention of the GoI to deliver justice to these communities through proactive efforts and enable them to live in the society with dignity and self-esteem and without the fear or violence or suppression from the dominant castes.

The provisions to deliver justice include:

- Punish crimes against people belonging to Scheduled Castes and Tribes.
- Provide special protections and rights to victims.
- Set up courts for fast completion of cases.

Misuse of the Provisions of the Act

The provisions of the Act were being misused by filing false cases, e.g. in 2016-17, a total of 5,347 cases reported under the Act were found to be false.

Similarly, the data compiled by the Department of Social Justice and Empowerment shows that in the year 2015, a total of 15,638 cases under the Act were decided by courts across the country of which 11,024 cases resulted in acquittal or discharge and only 4,119 cases resulted in a conviction.

Furthermore, certain clauses of the law such as Section 18 (which bars the grant of anticipatory bail to person booked under the law) and immediate arrest of public servants against whom any such complaint is lodged, while performing their official duties, were also being misused.

Supreme Court Guidelines to Prevent Misuse: 20 March 2018

The bench of justices Adarsh K Goel and Uday U Lalit who issued the amendments to the Act said that the provisions of the SC/ST Act "should not result in perpetuating casteism which can have an adverse impact on the integration of society and constitutional values".

Supreme Court directed that an arrest is not mandatory under the SC/ST Act, and the provision of automatic arrest has been scrapped.

Henceforth, written permission will be required from the appointing authorities for the arrest of the Public servant on a complaint filed against him under the Act.

The accused person will be entitled to anticipatory bail, and a preliminary inquiry must be conducted by police within seven days before taking any action against the public servant.

In case, such a complaint is filed against a private employee, the Supreme Court instructed that the Senior Superintendent of Police concerned may allow the arrest of the person after carrying out preliminary investigation on the complaint filed against him.

Repercussions of the SC Amendments' to the Act

Political parties across the political spectrum and Dalit organizations have demanded for a review of the Supreme Court order.

Consequently, the violence and disruption caused by the Dalit organizations during Bharat Bandh on 02nd April brought many state in North India to a complete stand still. Nine lives were lost and many were injured. Besides, a lot of public and private property was damaged during the clashes.

However, the Supreme Court has refused to change its stance on the subject and has stood firm on its decision.

Conclusion

The pre-election year will see many such latent dramatic plots unfolding. Petty politics is consuming the only thing that comes cheap.....human life!!

18) Implications of US - China Trade War

Introduction

A possible trade war between the United States and China has rattled businesses across the globe, including in India where the stock market responded quite adversely to a perceived global trade war.

The US President Donald Trump, living up to his election promises of ‘America first’ and preventing China from indulging in unfair trade practices imposed heavy tariffs on the import of Chinese goods in the end of March 2018, thereby inviting a retaliatory action from China.

What is a ‘Trade War’?

Simplistically put, a trade war may be called a dispute between trading nations arising out of clash of interests, wherein a country imposes tariffs on certain imports in order to restrict trade and in response, the country or countries affected by those tariffs impose their own fees on imports.

‘Tariffs’ are basically fees or taxes assessed on certain products when imported into a country.

Trump’s Reasons for Imposing Tariff on Chinese Goods

At present, the United States has a trade deficit of \$500 Billion a year. A trade deficit occurs when a country is importing more goods than it is exporting. In other words, trade deficit represents an outflow of domestic currency to foreign markets.

Besides, China has been indulging in cyber and intellectual property theft of US technologies, which is being assessed by Trump’s administration at another \$300 billion of loss to US economy.

President Trump blames China for unfair trade practices that drive the trade deficit, along with barriers to market access, forced technology transfers and intellectual property theft.

The main objective of the move by President Trump to slap 25% tariffs on \$50 billion to \$60 billion in Chinese exports to the US, including aerospace, information and communication technology, and machinery is apparently to restrict China from demanding technology transfers from US companies in return for access to China’s market.

Retaliatory Action by China

China was quick to retaliate by matching Trump's proposed tariffs, with tariffs worth \$50 billion on wide range of US products, including scrap aluminum, small aircraft, soybeans, pork, sparkling wine and apples.

The escalation matrix kept climbing as Trump promised tariffs on about 1,300 Chinese products, China, within hours responded with more tariffs, this time taking aim at Boeing planes, cars and chemicals.

Action by US on Chinese Retaliation

President Trump called the Chinese retaliation as ‘unfair’ and on 05 April 2018, said that “I have instructed the US Trade Representative Robert Lighthizer to consider whether \$100 billion of additional tariffs would be appropriate under section 301 of the Trade Act of 1974 and, if so, to identify the products upon which to impose such tariffs.”

The above said direction of President Trump sets into motion the process of instituting sanctions, which begins with a 30-day review period in which the White House will seek public comments on the proposal.

“Made in China 2025” Program

The “Made in China 2025” program, calls for Chinese government assistance of \$300 billion to 10 important industries that have been identified so as to achieve self sufficiency by 2025.

The plan’s mechanism is simple: It would provide large, low-interest loans from state-owned investment funds and development banks; assistance in buying foreign competitors; and extensive research subsidies, all with the goal of making China largely self-sufficient in the targeted industries.

The plan envisages accelerating R & D on artificial intelligence, integrated circuits, bio-pharmacy, 5G mobile communications and other technologies by developing industrial clusters in these fields.

The “Made in China 2025” program also covers the manufacturing of aircraft, robots, electric cars, rail equipment, ships and agricultural machinery. China seeks to wean itself off imports from companies like Boeing, Airbus, General Electric, Siemens, Nissan, Renault, Samsung and Intel.

Chinese government’s plan says that these selected Chinese industries should own as much as 80 percent of their home market in the next eight years.

The global players in these fields, especially from the United States feel the threat of being forced out from abroad and Chinese government-subsidized global players would compete unfairly with private competitors.

Implications of US - China Trade War

Implications for USA

US economists and senators are criticizing Trump's actions, which have raised fears of a wide-ranging trade war that could impact the American agriculture, manufacturing and technology sectors.

In a hard hitting remark, US Senator Ben Sasse, said that "Hopefully the President is just blowing off steam again but, if he's even half-serious, this is nuts. China is guilty of many things, but the President has no actual plan to win right now. He's threatening to light American agriculture on fire. Let's absolutely take on Chinese bad behavior, but with a plan that punishes them instead of us. This is the dumbest possible way to do this."

The United States has placed levies on Chinese products that American households routinely purchase. Hence, American consumers are likely to face higher prices on furniture, televisions, shoes, clothes and possibly even iPhones.

The Chinese have tools other than tariffs at their disposal, including limiting the operations of American banks and other service providers in China.

When we consider all the products that China has threatened to put tariffs on so far, it is likely to affect about 2.1 million jobs in US. Hence, the actions taken by Trump administration with the view to put America first seem to be counterproductive when looked upon in its entirety.

A trade war could derail the current global economic expansion and cripple American businesses that depend on business with China, e.g. cars like Chevrolets and Fords, even though those are built almost entirely from Chinese-made parts and assembled in factories in China.

Furthermore, it could also further complicate geopolitical priorities given the Trump administration has enlisted the help of the Chinese in scheduling historic talks with North Korea next month.

China could try to raise the temperature in the South China Sea dispute by installing more military equipment on the artificial islands that it has recently built in close proximity to the shores of Indonesia, Malaysia and the Philippines.

Lastly, Chinese President Xi Jinping runs a communist country, where he has absolute control over the media in his country and can shape the opinion of Chinese people to withstand US sanctions.

Moreover, at present, China has trade surplus cash of about \$3 trillion that he can use to aid Chinese companies that get hurt in the coming months and subsidize soybean prices so Chinese consumers don't face massive sticker shock at the store.

Implications for China

China would have trouble finding enough American goods to penalize if it sought to impose a proportional retaliation. China bought only \$130.4 billion worth of American goods last year, while the United States bought \$505.6 billion worth of Chinese goods.

In the overall analysis, China has more to lose economically in an all-out trade war. The Chinese economy is dependent on exports, and nearly 20 percent of its exports go to the United States.

However, in the midterm, China can withstand much more than what the US can withstand because China is not constrained by the rule of law or a representative democracy.

In the coming months, China can make life harder for US companies operating in China, such as Nike, Disney or Apple, while the Trump administration, does not even have the corresponding moves on the table, as the US government does not have as much direct control over companies operating within its borders.

US may use coercive diplomacy to apply pressure on China. President Trump has mentioned that, if China does not agree on economy and trade reforms that are conducive to American interests, then US will reconsider its stance on issues that affect China, including the South China Sea and Taiwan.

Implications for India

A diminished US-China trade engagement could have a positive result for emerging economy's like India and Brazil, at least in the short run.

The void created due to disruption in trade ties between US and China can serve as an opening for India to enter the market, for instance, if import of Soybean by China from US is hit by tariff, the exports of soybean oil and soya meals could be dented. The space so created can be filled by India to meet the demands of other countries. However, a long term full-fledged trade war is a bad news for India, as it will slow down global growth and increase inflation. High inflation will have a negative impact on currency and rupee may further fall in comparison to dollar. It will also adversely affect some sectors in the equity market.

Conclusion

There are three basic issues between the US and China trade relations that have resulted in the ongoing impasse:

- High US trade deficit accruing out of unfair trade practices by China.
- Cyber and intellectual property theft of US technologies by China.
- “Made in China 2025” program that will provide unfair advantage in China’s home court.

A number of foreign companies are caught between China’s industrial ambitions and Washington’s efforts to stop them, including major aerospace companies and carmakers. Tariffs could hurt such companies if the United States and China follow through on their plans.

Moreover, if Beijing succeeds in subsidizing the creation of large Chinese rivals in the industries targeted under Made in China 2025 program, these foreign companies will be at a risk of losing their competitiveness.

19) MAKE IN INDIA - KICK STARTING DEFENCE MANUFACTURE

Introduction

“We hope to put India among the top five defence hardware producers in the world by 2025 by incentivising local manufacturing” - announced Dr Ajay Kumar, Secretary, Defence Production, Government of India. In January 2018, the Government released a list of Make-II projects aimed at boosting private sector participation by offering 50 projects where private industries can come up with solutions the MOD guarantees it will buy. This is meant to allay a key industry fear- 'that the government does not buy products the industry spends time and money to develop'. The MOD also created a 'Defence Investor Cell' under the department of Defence Production as a single- point interface with investors.

DEFEXPO 2018

The significant event unfolds near the Chennai- Bengaluru Defence industry corridor proposed in this year's budget. This corridor links up the giant L&T shipyard in Kattupalli, north of Chennai with the SME hub in Coimbatore, the six state- owned ordnance factories in Tamil Nadu and Hindustan Aeronautics Limited in Bengaluru.

On 23 March 2018, the MoD released a draft defence industrial manufacturing policy, providing a framework to its goal of making weapons indigenously and reversing India's dependence on imports, as high as 70%. The policy, to be notified later this year, hopes to make India self- sufficient in military hardware by 2025. Dr Ajay Kumar points towards the turnaround in 'mobile manufacturing' where India went from being a net importer to become self-sufficient over the past 4 years, to indicate why this is possible.” In 2014, our turnover of manufacturing mobile phones was Rs 19000 crore. Today it stands over Rs 90,000 crore.”- says Dr Ajay Kumar. At the 10th edition of the biennials **DefExpo**, a land, naval and homeland security exhibition which begins near Chennai on 15 April 2018, MoD intends to make it a grand splash of 'Make in India'. MoD intends to conduct a live fire demonstration of a prototype Indian howitzer Gun at the venue, shooting into Bay of Bengal. The proposal was nixed after sensible advice prevailed. It's tag- line showcases India as an 'emerging defence and manufacturing hub' and comes after a three- month policy barrage from Union Minister for Defence, Nirmala Sitharaman aimed at reviving a comatose 'Make in India' defense policy.

Proposed Defence Manufacture policy

India procures around Rs 1.25 lakh crore worth of defence products while the public sector manufacturers, Ordnance Factories and private industries manufacture around 40%. The rest of the demand, is met through imports. Reversing this trend is a real challenge. This is what our present government set out to do through 'Make in India' project. The force- multiplier effect of creating a military- industrial complex capable of meeting its requirements are laid out in the draft policy for defence manufacturing - a turnover of approx. \$25 billion(Rs 1.6 lakh crore) and two- three million jobs.

Make in India- Is it a non- starter?

Four years later, after all the fanfare, 'Make in India' is virtually a non- starter if we do a performance appraisal. This has reflected in the abysmal FDI intake for the defence sector despite the government policy initiatives. In 2016, the government relaxed foreign participation restrictions in Indian companies from 26 to 49%. Government permission would be needed only for ownership above that. Despite this policy thrust, only Rs 1.17 crore worth of FDI has come in till December 2017. Other sectors have attracted Rs 3.86 lakh crore in the same period. Meanwhile, embarrassingly for the government, the only substantial Make in India defence project has been a Rs 4,600 crore contract to manufacture 100 K-9 "Vajra" self- propelled Howitzers at the L&T facility in Hazira, Gujarat. This delay comes at an alarming tri-junction- the collusive threat from China- Pakistan, a bulk of the armed forces' Soviet- era fighter jets, tanks and submarines reaching metal fatigue and the end of their service lives. The budget to buy their replacements are also shrinking, not being catered in the defence budgets. Adding to this dismal state of affairs, is the leadership uncertainty. The present government already has had four defence ministers in four years depriving an already lethargic system of continuous political oversight. We all are aware weapon acquisition is a slow, painful process. It takes years to draft armed forces' requirements, float global tenders, test the weapons, negotiate prices and sign the purchase contract. Defense hardware is only

manufactured after a contract is signed since it is custom made. Hence in India it takes anything from 6 - 10 years to induct military hardware to our armed forces inventory. The K-9 Vajra deal signed with South Korean firm Hanwha - Techwin took 6 years to complete its first delivery of guns.

Conclusion

A realistic approach towards defense acquisitions needs to be adopted by MoD. A Parliamentary Standing Committee on Defense has blasted the government for inadequate budgetary support, on 13 March, pointing out that the Rs 21, 388 crore allotted for buying new weapons was grossly inadequate to pay for the 125 'ongoing purchase deals' worth Rs 29,033 crore.

Lt Gen PR Shankar, former Director General, Artillery and currently, Professor, Department of Aerospace Engineering , IIT Madras, rightly quipped-“ Countries will buy our arms only once they are proven in the Indian Armed Forces. Hence procurement processes must be refined. If the system is crippled by multiple and diffused structures with no single point accountability, multiple decision heads, duplication of processes, delayed execution, no real- time monitoring, no project- based approach, and a tendency to fault- find than facilitate, leaving loop-holes for corruption, our target of exporting minimum \$ 5 Billion worth of arms will remain a 'pipe dream'.

20) **Suggested Measures to Prevent Dastardly Crimes against Humanity: Kathua and Unnao Rape Cases**

Introduction

The heinous crime committed against humanity in the rape cases of Kathua and Unnao, and the subsequent political patronage provided to shield the criminals, reveals the extent of degradation of our souls as a community. Every Indians must hang his head in shame.

The level of lawlessness prevalent in the country is a direct consequence of poor character building, insensitive and self-oriented social upbringing and eroding human values.

The country is being pushed into an abyss of 'jungle rule' that has ushered in an era of 'Babhu Bali's', who can act with utter impunity to laws and regulations at the behest of their political masters and at the receiving end is the 'Aam Aadmi'.

The Kathua Case

The gory details of the Kathua case are so chilling that it can shake the conscience of even the most hardened criminal:

In January this year, an eight year old girl, Asifa Bano belonging to the Bakherwal community at the Rassana area of Kathua was gang-raped repeatedly inside a village 'temple' and kept sedated for hours before being killed by six men by brutally hitting her with a stone. Imagine one of the culprits was 'invited' all the way from Meerut to "satisfy his lust".

It is believed that the kidnapping, rape and killing of the girl of the Bakherwal community was part of a planned, chilling strategy to instill fear and drive the nomadic tribe out of the region.

The most appalling and unjustified act was that of Jammu High Court Bar Association, who passed a resolution to protest and not to attend the court in order to save the culprits. Shamelessly, the lawyers heckled the police team and prevented from submitting the charge sheet before the Chief Judicial Magistrate court in Kathua.

Furthermore, the politicians (two BJP ministers) leading the charge, gave it a communal colour and allegedly threatened the police to not make any arrests in the case.

It is completely unimaginable and incomprehensible that in the name of religion there are people trying to support a crime, which I would say falls in the 'rarest of the rare' category.

The Unnao Case

The Unnao case is no less audaciously dreadful, where a BJP MLA, Kuldeep Singh Sengar, intoxicated on power, raped a minor dalit girl, assaulted and beat her father to death.

The girl in her statement said that she had gone to meet the MLA along with a neighbour to seek his help in getting employment. The following week the girl went missing and was recovered by police after 10 days from a village in Auraiya.

Police recorded her statement, and as per her, the police did not allow her to name the MLA in the statement.

The girl's father, who had come down to Unnao with family for hearing in the case was allegedly assaulted by MLA's brother Atul Singh and his aides in Makhi. The man was then handed over to the police, which lodged a case under Section 25 (illegal possession of firearm).

The girl's father continued to be beaten up and eventually died in district hospital where he was taken for medical examination by the jail authorities.

The girl and her family were threatened with dire consequences and she was left with no recourse but to attempt a suicide outside the Chief Minister's residence.

The law and order machinery and the government officials were directly in league with Kuldeep Singh Sengar and he was only arrested after the case was handed over to the CBI for further investigation.

Measures to Prevent Dastardly Crimes against Humanity

In order to address the roots cause of such dastardly crimes against humanity, the following measures will be necessary:

Executing Police Reforms:

The perception of a common person about the police force is that it is partisan, politicised, and generally not very competent.

‘Police’ is an exclusive subject under the ‘State List’ of the Indian Constitution and hence, states can enact any law on the subject of police. This is the major reason for a high degree of its politicization and allegiance towards ruling party.

It may be surprising to learn that India still follows the Police Act, 1861, framed by the British, largely with an aim to crush dissent.

In 1979, in order to address the problems faced by the police department, the National Police Commission (NPC) was set up to report on policing and give recommendations for reform.

The Commission produced eight reports, dozens of topic specific recommendations and also a Model Police Act that did not see the light of the day.

A PIL was filed by two former DGPs in 1998 regarding the implementation of the recommendations of NPC. Eventually, in 2006, the Supreme Court passed its verdict on the subject.

Thereafter, the Central government formed a committee under the Chairpersonship of Soli Sorabjee to create a Model Police law in line with the Court’s directions that could replace the colonial 1861 Police Act.

The directions included:

- a. Establishing a State Security Commission (SSC) as a watchdog with members from the government, judiciary and the civil society. The commission was supposed to frame policies which make sure that “state government does not exercise unwarranted influence or pressure on the state police”.
- b. The order asked for tenure of DGP and field officers to be fixed at two years.
- c. A Police Establishment Board (PEB), instead of the government, would deal with transfers of policemen.
- d. It also asked for separation of investigation and law and order units for speedy probe.
- e. Though, 17 states have passed new Acts on the subject, while 12 have issued executive orders as per SC directions. However, the states have blatantly violated the SC directions while enacting their Act, for instance, the state governments have given themselves the sole discretion to appoint police chiefs instead of choosing from a panel recommended by the UPSC.
- f. Another Police Act drafting committee was also formed in 2013 to make revisions to the 2006 model. However, the recommendations of this committee have not been pursued any further.

Special Fast Track Courts for Heinous Crimes:

- The award of punishments for heinous crimes must be exemplary and justice must be meted out swiftly.
- The present law and order machinery is slow and tardy and allows the criminals to breach the system using muscle and money power.
- There must be no further provision of re-appeal, mercy or Presidential clemency once such a court has promulgated its verdict.

Harsher Punishments for Crimes against Juveniles:

- As has been suggested by Maneka Gandhi that Protection of Children from Sexual Offences Act, 2012 (POCSO) must be amended to serve death penalty for the rape of children below 12 years of age.
- The same will upscale the degree of deterrence in the minds of such criminals.

Implementing the 2013 Lokpal Legislation:

- In case the legislation is implemented, the Lokpal would have the powers to oversee the CBI’s work.
- The same would not only ease the burden of the courts, but also remove the tag of “caged parrot” from the CBI, which will allow it the much desired freedom to operate without political influence and interference.

Legislation against Paid Media:

Paid and biased media reporting is doing the greatest disservice to our national integration. The politician and political parties must be barred from owing or sponsoring any media houses.

Missing the “Wood for the Trees”:

The classes and divisions being created for vote bank politics is eroding our homogeneity. We are Indians later, first we are a class, a community or from so and so state/ region.

The sense of preserving our heritage and culture and the need to maintain our core values is being extrapolated by Godmen and politicians to create a society of narrow minded fanatics.

Rather than focusing on human values (as should have been in Asifa’s case), people were found standing up for criminals, just because they belonged to their community.

‘Unity in diversity’ needs to be drummed in at every level.

Educational institutions and media must come forward to play a vital role in integrating our society.

Instilling Core Indian Morals, Values and Ethics:

Character building is an important responsibility of parents and teachers during the formative years of a child.

An eco system conducive to propagating every citizen’s moral responsibilities, sensitivities and sensibilities is cardinal for nurturing a mature, tolerant and confident society.

Compulsory Military Service for Administrators’ and Politicians:

This may be a moot point for discussion, but I honestly feel that two years of compulsory military service should be mandatory for all candidates aspiring to administer the country.

They must be attached with units deployed in hostile areas, so that our administrators learn to respect and value human life and possess adequate discipline, morality and humbleness while taking decisions on the future of the nation.

21) **Major Takeaways from India-Nordic Meet and Commonwealth Heads of Governments Meeting (CHOGM): 16-20 April 2018**

Introduction

Prime Minister Narendra Modi proceeded for a five day official visit to Sweden and UK on 16 April 2018. He attended the first ever India-Nordic Meet at Sweden on 17th - 18th April and then during the second leg of his trip he participated in the 25th Commonwealth Heads of Governments Meeting (CHOGM) at London on April 19th - 20th.

He arrived in Stockholm, Sweden on the evening of April 16 and was received by the Prime Minister of Sweden, Stefan Lofven.

He held bilateral talks with his Swedish counterpart and also had an audience with King Carl XVI Gustaf, King of Sweden on April 17th.

Sweden is an important trading partner of India. The annual bilateral trade between the two countries stands at around \$1.8 billion. Over 170 Swedish companies have invested \$1.4 billion in India, since 2000 and around 70 Indian companies have invested in Sweden.

PM Modi addressed a gathering of select Swedish business leaders, where future roadmap of cooperation in sectors such as trade and investment, science and technology, clean energy and smart cities was discussed. He also had a meet with the Indian community in Sweden.

Major Takeaways from India-Nordic Meet: 18 April 2018

Nordic countries include Sweden, Denmark, Finland, Iceland and Norway.

India's trade with the Nordic countries totaled around \$5.3 billion in 2016-17, with cumulative Foreign Direct Investment (FDI) to India estimated at \$2.5 billion.

Hence, this initiative by PM Modi to bolster ties with these highly progressive and resource rich countries is being considered highly significant.

The following five MoUs were signed with the Nordic countries on the occasion:

- Cooperation in the field of sustainable and smart urban development.
- Animal husbandry and dairying.
- Food safety cooperation.
- Agricultural research and education with Denmark.
- Establishment of an ICCR Chair for Hindi Language with Iceland.

The following were the major takeaways from the India-Nordic Meet:

- PM Modi had one-on-one bilateral talks with the heads of each of the Nordic country to discuss the areas of congruency in trade and commerce.
- India and the Nordic countries broadly focused their discussions on key issues related to global security, economic growth, innovation and climate change.
- It was discussed as to how India's rich pool of talent and skills can be utilized in the Nordic approach to innovation and growth, which professes a strong collaboration between public sector, private sector and academia.
- Nordic solutions in clean technologies, maritime solutions, port modernization, food processing, health, life-sciences and agriculture that are essential to catapult Indian economic growth were discussed.
- The leaders also discussed global security, including cyber security, based on their shared values of human rights, democracy and the rule of law, and their commitment to uphold the rules-based international system.
- The Nordic countries reaffirmed their commitment to work constructively within the Group with the aim of helping India to acquire membership of the Nuclear Suppliers Group.
- Furthermore, the Nordic countries and India reaffirmed the need for reform of the UN Security Council, including its expansion in both permanent and non-permanent seats to make it more representative, accountable, effective and responsive to the realities of the 21st century.
- Lastly, the leaders reaffirmed their commitment to implementing the 2030 Agenda for sustainable development as well as the ambitious implementation of the Paris Agreement.

PM Modi's Visit to the UK

PM Modi headed for London from Sweden, where he had a bilateral meeting with the British Prime Minister Theresa May on 19th April.

The major focus of the discussion was to synergies British and Indian core strengths such as education, skill development, healthcare, cyber security, maritime security and innovation.

The interdependence of Indo-UK relations stems from the fact that India is the third largest investor and the second largest international job creator in the UK.

Besides, UK is India's fourth largest inward investor and the Indian diasporas in the UK of around 1.5 million, is not only one of the largest ethnic minority communities, but also one of the most productive, contributing around 06 percent to the country's GDP.

Indo-UK bilateral trade stands at \$12 billion.

In 2017, the International Monetary Fund (IMF) put the GDP of Britain at \$2.56 trillion and that of India at \$ 2.43 trillion. The IMF has forecasted that, India is likely to overtake the aggregate GDP of Britain in the next two years.

Hence, India and Indians can no longer be ignored as a global entity.

Commonwealth Heads of Governments Meeting (CHOGM): 19th- 20th April 2018

The theme of the Commonwealth Summit was "Towards a Common Future". The British hosts set out the following four main goals for the Summit:

- **Prosperity:** boosting intra-Commonwealth trade and investment.
- **Security:** increasing cooperation across security challenges including global terrorism, organized crime and cyber attacks.
- **Fairness:** promoting democracy, fundamental freedoms and good governance across the Commonwealth.
- **Sustainability:** building the resilience of small and vulnerable states to deal with the effects of climate change and other global crises.

Significant Takeaways from the CHOGM for India

The Commonwealth Heads of Governments Meeting (CHOGM) has assumed greater significance post Brexit, where Britain is seeking a new global identity and is looking for trade partners outside the European Union.

The Commonwealth constitutes one third of the world's population. These English-speaking democracies that span multiple ethnic and religious fault lines could emerge as a significant international platform.

India, which is one of the most powerful emerging global powers, is appropriately poised to take the lead and reimagine the future of the Commonwealth.

The British government reportedly hoped to use the CHOGM to open negotiations for expanded trade with Commonwealth nations to replace lost trade with the EU.

India is likely to be a major beneficiary from this push by the UK. British Prime Minister Theresa May has announced that commercial deals worth £1billion in free trade agreements will be signed with India post Brexit.

Important Decisions Taken during the Meet

The leaders committed their countries to ratifying and implementing the Convention on the Elimination of All Forms of Discrimination Against Women.

The Revised Commonwealth Guidelines on Election Observation in Member Countries was adopted.

A Declaration on the Commonwealth Connectivity Agenda for Trade and Investment was adopted. The Commonwealth Secretariat has been asked to develop an accompanying action plan that considers capacity building and hard and soft connectivity.

The Commonwealth Blue Charter on sustainable development and protection of the world's oceans was adopted. The UK committed £61m to combat the pollution of the world's oceans. Five countries have joined the Commonwealth Clean Oceans Alliance: the UK, New Zealand, Sri Lanka, Vanuatu and Ghana.

A Commonwealth Cyber Declaration was adopted that "reflects Commonwealth values, and sets out a common commitment to an open, democratic peaceful and secure internet, respecting human rights and freedom of expression.

The member nations called for a strengthening of the implementation of the Chemical Weapons Convention.

The Commonwealth leaders agreed on 20th April that Prince Charles would succeed Queen Elizabeth II as Head of the Commonwealth.

It was agreed that Rwanda would host the next CHOGM in 2020 and that Samoa would host the 2022 CHOGM.

PM Modi's Stopover Visit to Germany

PM Modi wrapped up his three nation tour to Sweden, UK and Germany, by briefly stopping over at Berlin, Germany on 20th April.

He held talks with German Chancellor Angela Merkel and discussed ways to further strengthen strategic partnership between the two countries.

Germany is India's largest trade partner in the European Union bloc and this meeting comes in the wake of German President Frank-Walter Steinmeier's trip to India last month, which focused on boosting economic and strategic ties between the two countries.

Thus, there is a visible mutual desire to cement the Indo-German strategic partnership

22) Demand for Impeachment of Chief Justice of India - an Alarming Precedence

Introduction

The Supreme Court, which is the highest seat of justice in India, has been the centre of controversial debates lately.

It may be recalled that four senior most judges of the Supreme Court had called for a press conference on 12 January 2018 to bring out certain administrative improprieties of the Apex Court into the public domain.

It was highlighted by these judges that sensitive cases that may have far reaching consequences for the nation and the institution were being arbitrarily and selectively assigned to certain 'benches of preference' by the Chief Justice of India.

The primary reason that led to the above said crisis situation the SC was that the two petitions asking for investigation into the death of justice Loya had been assigned to a bench that these four judges disapproved of.

It is highlighted that the investigations of the CBI had revealed that the present BJP National President, Amit Shah, as Home Minister of Gujarat, had ordered the extra-judicial killing of Sohrabuddin Sheikh, a petty criminal in Gujarat in 2005. His wife and other friends were a witness to Sheikh's killing.

The said case was being handled in the Mumbai CBI Court by Judge, BH Loya. His family had alleged (later refuted this claim) that Judge Loya refused an offer of Rs 100 crores as a bribe to rule in favour of the BJP chief and a few days after that he mysteriously died of a cardiac arrest.

These four judges had argued that Justice Arun Misra, who was assigned for Judge Loya's death case had close relations with BJP and was said to be a 'henchman' of CJI Dipak Misra and hence, he should not hear the case.

Reasons for the Latest Judicial Crisis

On 19 April 2018, the Supreme Court dismissed the petition for a probe into Justice Loya's death case stating that there was no merit in the petition and remarked that it was a serious attempt to scandalize the court and the judicial system of the country.

Consequently, on April 20th leaders of seven opposition parties met with the vice-president and Rajya Sabha Chairman Venkaiah Naidu to hand over a notice for the impeachment of the Chief Justice of India, Dipak Misra.

However, even before the Supreme Court could assemble on the next working day, i.e. April 23rd, Mr Naidu rejected the motion of impeachment.

It may be noted that rejection of the impeachment motion at the admission stage has no previous precedence and it can be challenged in the Supreme Court.

Procedure for Impeachment of Chief Justice of India

The Chief Justice of India remains in the office until the age of 65 years, unless he or she is impeached on grounds of misbehavior or incapacity. The present incumbent, CJI Dipak Misra is left with five more months in office.

The Constitution, along with the Judges (Inquiry) Act, 1968 and the Judges (Inquiry) Rules, 1969, provides for the entire process of Impeachment.

The impeachment procedure entails the following steps:

- The motion to remove the CJI can be moved in either House of the Parliament with the consent of minimum 100 MPs from the Lok Sabha or 50 MPs from the Rajya Sabha.
- The Speaker/Chairman of the House can either accept or reject the motion.
- In case the motion is admitted, a three-member committee comprising of a senior judge of the Supreme Court, a judge of the High Court and a distinguished jurist is formed to investigate the charges levelled against the Chief Justice of India.
- In case the three-member committee decides to support the motion, it is taken up for discussion in the House, where it had been introduced.
- The motion, after due deliberation in the House that it was introduced, can be passed only with a 'special majority', i.e. supported by not less than two-thirds of the members of that House present and voting.
- The above mentioned procedure is once again repeated in the other House of the Parliament, where again it needs to be passed by a special majority.

- Finally, once the motion is passed through both the Houses with two-third majority, the President of India is approached for his consent to remove the Chief Justice of India.

Fear of the Overreach of Legislative into the Domain of the Judiciary

The Memorandum of Procedure (MoP), which was required to be finalized by the government after the National Judicial Appointments Commission (NJAC) verdict of 2015, is still lying pending with the government.

The MoP is envisaged as a set of guidelines dictating the government's interaction with the Supreme Court for judicial appointments.

The logjam between the legislative and the judiciary over the mechanism for appointments and transfers of judges has resulted in the Centre Government sitting over the recommendations forwarded by the High Courts and Supreme Court. Naturally, the delivery of justice to the citizens of the country is severely suffering.

At present, the High Courts' nationwide are facing a shortfall of 37% of their approved strength. Consequently, there is a pendency of 4.2 million cases in the High Courts and 55259 cases in the Supreme Court, which is functioning with 24 judges as against the authorized strength of 31.

Justice Kurian Joseph in his official letter written to the CJI and all judges of the Supreme Court on April 9th, demanded the CJI to set up a seven-judge bench to take up the issue of the government not responding to the Collegiums' recommendations for appointment of Justice K M Joseph and Indu Malhotra to the apex court. However, the CJI did not respond on the subject.

On April 22nd after seven Opposition parties gave notice for impeachment of Chief Justice of India Dipak Misra, two senior judges of the Supreme Court, Justices Ranjan Gogoi and Madan Lokur wrote to the CJI asking him to call for a "full court" to discuss "institutional issues" and "future" of the apex court.

A full court meeting of the apex court is usually convened by the CJI in situations when a matter of public importance relating to the judiciary comes up. Such meetings involve all the judges of the SC.

However, CJI Misra was non-committal on the matter.

Conclusion

The government's inactions and CJI's reluctance to press the issue of judicial appointments with the government, has resulted in consternation among the higher judiciary which is concerned about preserving institutional integrity.

Moreover, the interference and influence of the government over the judiciary is being felt more and more, which is a very serious cause of concern for every Indian.

I feel the blow to Indian democracy will be the final one if the sanctity of the judicial system is eroded. The country will then be reduced to a 'banana republic' and we will become a joke in the international arena rather than being considered as an emerging regional power.

Typically, a 'banana republic' is defined as the one, in which the society has been extensively stratified into classes (we have been further stratified on ethnic and religious lines), usually a massive poor working class and a ruling-class composed of privately owned business houses and affluent politician. And where, the economic model of the country is operated as a private commercial enterprise, mainly for the exclusive profit of the ruling class. Does it ring a bell.....

23) Reasons for the United States to Back out from the Iran Nuclear Agreement and its Implications for India

Introduction

President Donald Trump announced on 08 May 2018 that United States will be withdrawing from the hard won Nuclear Agreement with Iran and plans to re-impose sanctions.

In July 2015, a landmark 'Nuclear Agreement' was signed between Iran and six world powers (US, Germany, France, UK, China and Russia), as per which, Iran agreed to limit its sensitive nuclear activities for more than a decade in return for the lifting of sanctions.

On 16 January 2016, the International Atomic Energy Agency (IAEA) after due verification, announced that Iran had restricted its sensitive nuclear activities, as required by the Agreement.

Consequently, the Barack Obama administration lifted most of the sanctions on Iran, and on the same day, a prisoner swap deal was executed, in which four American-Iranians in Iran and seven Iranians in the US were also freed.

Reasons for the United States to Back out from the Iran Nuclear Agreement

There appears to be two major reasons for the United States to pull out of the Nuclear Agreement:

Trump Administration has decided to clearly take sides in the Middle East contest:

The arena of the Middle East, which has a strong sectarian divide, comprises of two primary players, i.e. Iran, which conforms to the Shiite sect and Saudi Arabia a country with Sunni sect orientation.

The Arab world, which has a majority Sunni's, perceive that strengthening of Iran's position in the region, may result in an Iranian Shiite expansionism.

Iran is already supporting the Houthi movement by the Shia's in Yemen and is assisting the Assad regime to fight the Sunni rebels that are fighting to depose him in Syria.

Iran has been supportive of the Shiite government in Iraq and has vigorously abetted the ethnic divide and marginalisation of the Sunni's in Iraq.

Sunni-ruled Gulf states have been viewing the Nuclear Agreement and the lifting of sanctions as a threat and a sign that the West is getting closer to Tehran, which actually fans their fears about Iran becoming even more daring in its interventions in the conflicts in Iraq, Syria and Yemen.

The pro-Iranian camp that is comprised of the Syrian government, the Iraqi government, Hezbollah and a range of non-state actors are being backed by Russia and the anti-Iranian camp, comprised primarily of Saudi Arabia, Israel, Egypt, Bahrain and the UAE are being supported by the United States.

Therefore, both these camps are seizing opportunities to recalibrate the regional order in the Middle East and are trying to set and push boundaries in their favour.

Now that the battle lines are clearly defined, both the United States and Russia have come out openly to support their respective camp.

The scrapping of the Nuclear Agreement by the US is a strong signal to the pro-Iranian camp, including Russia about the delineation of the opposing sides in this battle space.

Core Issue: Oil Trade

Iran is a major supplier of global oil and offers a stiff competition to Saudi Arabia, who has traditionally been the biggest ally of US in the Middle East.

Sanctions on Iran will restrict its ability to sell oil, which will create a global artificial scarcity and hence push the oil prices up, thus helping pro-US lobby.

Moreover, with sanctions on Russian oil already in place, it will break the growth momentum of emerging economies, especially China will get restrained and United States will win another card in its ongoing trade war with China.

Besides, USA has the largest reserves of Shale oil in the world. Shale oil as a substitute for conventional crude oil was discovered many decades ago. However, the cost of extracting Shale oil from oil Shale was prohibitive.

In 2006, by the application of a new 'hydraulic fracturing' technology and horizontal drilling method, it became relatively cost effective to extract Shale oil. Incidentally, the same year sanctions were imposed on Iran.

Hence, an artificial deficiency of crude oil, if created by keeping Iranian oil out of the global market, introduction of Shale oil as a substitute into the global market may be the biggest game-changer for the United States.

Reading Through the Fine Print of the US Game Plan

Interestingly, if we look at the bigger picture, the reasons for imposition of sanctions on Iran earlier, then lifting it in 2015 and now again sanctions are being re-imposed, reeks of queer coincidences and a much bigger game plan of the US:

- Saudi Arabia, the Syrian rebels and ISIS are all Sunni's and hence, Saudi Arabia's earnestness to fight ISIS was a suspect right from the time go. Hence, it may be seen that Shiite Iran was brought in as a major player to fight the ISIS by lifting its sanctions momentarily.
- Iran also acted as a counterweight for Saudi Arabia, lest it grew too big for its shoes for the US to handle.
- Meanwhile Saudi Arabia continued to support sectarian violence in Iraq and has been assisting the rebels to oust Assad. Thus, keeping Russia at bay and Iran on its toes.
- In this whole process, the war waging machinery required by all the above parties kept the defence arms and equipment manufactures back home working overtime, creating jobs and filling up their coffers.
- Finally, now when the job is near completion and ISIS is almost defunct and ineffective, Iran is being once again caged to suit the US and its allies.

Implications for India of Imposition of Sanction on Iran

India will have to do some tight rope walking to maintain its balance while it faces up to the challenge of not antagonizing US and simultaneously ensure that the functionality of all the contracts/ associations mentioned below are not affected.

Source of Oil and Gas: India imports 80% of its oil demand. Saudi Arabia is one of the largest suppliers of oil to India, followed by Iraq, Nigeria, Venezuela and then Iran.

Nigeria replaced Saudi Arabia as the largest crude oil supplier to India after its oil exports to India last year surged by nearly 200 percent, supplying some 745,000 barrels per day.

The shift occurred, as most of the Indian refiners switched out their long-term contracts with Middle East suppliers, owing to the prevalent turbulent environment, in favour of African oil spot purchases.

Nonetheless, fresh sanctions on Iran will definitely affect the growing energy needs of India quite adversely. Moreover, once the Chabahar Port becomes completely operational, the availability and movement of oil to India from Iran will become highly cost effective.

Besides the above, India's largest offshore drilling services provider Aban Offshore gets 35 per cent of its revenues from Iran.

Iran and India have also agreed to sign a contract to develop the Farzad B gas field, which is a natural gas field in the Persian Gulf by October this year.

Farzad B, has an estimated reserve of 12.8 trillion cubic feet of gas, and was opened in 2008 by a consortium of three Indian companies: ONGC Videsh, Oil India and Indian Oil.

Infrastructure Development: India had earlier constructed the Zaranj-Delaram road in 2009 which can give access to Afghanistan's Garland Highway, setting up road access to four major cities in Afghanistan - Herat, Kandahar, Kabul and Mazar-e-Sharif.

The following deals for infrastructure development in Iran have already been signed by PM Modi during his visit to Iran:

- India has signed a commercial contract for ten years (extendable) to build and operate the strategic Chabahar Port on Iran's southern coast.
- India is planning to invest billions of dollars in setting up industries, ranging from aluminum smelter to urea plants in Iran's Chabahar Free Trade Zone.
- Indian Public Sector Undertaking (PSU) Nalco will set up the aluminum smelter while private and co-operative fertilizer firms are keen to build urea plants provided they get gas at less than \$2 per mmBtu.

- At present, we spend Rs. 45,000 crore annually on urea subsidy, and if we can manufacture it in the Chabahar Free Trade Zone and move it through the port to Kandla and onward to hinterland, we can save that amount.
- Indian railways PSU, IRCON will build a rail line at Chabahar to move goods right up to Afghanistan.
- India Ports Global Pvt, a joint venture of the Jawaharlal Nehru Port Trust and the Kandla Port Trust, will invest \$85 million in developing two container berths with a length of 640 meters and three multi cargo berths. The Indian consortium has signed the port pact with Aria Banader Iranian.
- India, Afghanistan and Iran, also separately signed an agreement to set up a trade and transport corridor, with Chabahar as the hub.
- India is planning to finance another road network inside Afghanistan to enable Iran access to as far as Tajikistan through a shorter route.

Improving Connectivity through access to Chabahar Port and International North South Transportation Corridor (INSTC):

At present India does not have a direct land access to Afghanistan and beyond to Central Asia, Russia and Europe, excepting, through Pakistan.

The distance between Kandla Port in Gujarat and Iran's Chabahar Port is less than the distance between New Delhi and Mumbai.

Hence, the access to Chabahar Port will help India gain a foothold in Iran which will enable quick movement of goods first to Iran and then onwards to Afghanistan and Russia through a new rail and road link called the International North South Transportation Corridor (INSTC).

Thus, it will now be possible to go to Afghanistan and further to Russia and Europe without going through Pakistan.

India's move to build and operate the Chabahar Port is also being viewed as a significant counterweight to China's influence in Pakistan and its Road and Belt initiative.

Conclusion

President Trump's decision to effectively scrap the Nuclear Agreement with Iran literally amounts to playing into the hands of Saudi Arabia and Israel. Israel has always viewed the Islamic Republic of Iran with skepticism and feels threatened because of its nuclear aspirations.

In case the deal breaks down in full, tensions across the Middle East could escalate to a dangerous level, as players on all sides rush to recalibrate their positions.

24) Reasons for the Free Fall of Rupee against Dollar Gaining Momentum

Introduction

The previous six months have witnessed a significant fall of Indian currency against the dollar. The value of rupee has fallen as much as 5% since the beginning of 2018 and is one of the worst performing Asian currency this year.

The rupee has touched a 15-month closing low of 67.32 against the dollar in May 2018. This free fall of rupee is a serious cause for concern for the economists and the businesses.

Indian economy, as we all know, is imports driven rather than being exports driven. Consequently, with the purchasing power of rupee going down, the current account deficit will become unmanageable.

The current account deficit is a measurement of a country's trade, where the value of the goods and services it imports exceeds the value of the goods and services it exports.

The current account deficit has increased in comparison to the previous year from \$8 billion to \$13.5 billion, which is about 2% of the gross domestic product (GDP), mainly on account of increasing global oil prices and weakening of rupee for the import of other merchandises like electronics.

The Rupee-Dollar Equation

The value of currency is like all other traded goods in the market and is largely dependent upon its demand and supply, e.g. if the demand of dollar is higher in the currency market than the supply matched by the rupee, naturally, the value of rupee will depreciate and vice-a-versa.

In the Indian context, more goods and services are being imported and the payment to the foreign exporters is being made in dollars and hence, the demand of dollars increases, with the result rupee depreciates against the dollar.

Furthermore, in case the foreign investors in India find the foreign markets, let's say, United States more lucrative, they are likely to pull out their investments from India and reverse flow of capital (dollars) takes place, thereby creating further deficiency of dollars and rupee depreciates.

Reasons for Depreciation of Currency

- Creation of actual, as well as speculative demand of dollars, which may happen due to ambiguity in monetary policies, like unpredictability of policy makers, e.g. demonetization or hurried implementation of GST, etc may deter investors.
- In case the foreign exchange reserves are low, as in the case of India, the RBI cannot aggressively intervene in the currency market. RBI data shows that the reserves have shrunk over \$7 billion in just the last three weeks.
- A drop in investor confidence due to continuously declining growth rate can make the Indian market unattractive leading to currency depreciation.
- US President Trump's policy of America first has resulted in easing out of financial stimulus packages being doled out to emerging economies which has also resulted in depreciation of their currencies.
- RBI has recently imposed temporary restriction on the outward flow of capital, which has restricted the investments of Indian firms abroad. The profits earned by such companies in dollars are also adding up to India's earning of foreign exchange.

Explicit Reasons for Recent Plunge of Rupee against Dollar

The explicit reasons that are being ascribed to the value of rupee falling against the dollar in the recent times are:

- The decision of US Federal Reserve to tighten the monetary policy by slowing down the supply of currency has caused the depreciation of the value of currency, not only India, but also in other emerging economies like Indonesia, Argentina, Mexico and Turkey.
- The depreciation of rupee is due to the restricted supply and availability of dollars in the global market and hence trading in dollars has become more expensive.
- Furthermore, due to restricted supply of currency, the interest rates in the US will begin to rise as the demand for various other assets will begin to drop, e.g. the yield of 10 year US Treasury Bonds has already risen to 3% from 2% last year.

- Consequently, investors world over are in a rush to sell their assets in other countries and invest in US causing a reverse flow of capital.
- Secondly, an increase in the cost of commodities like oil, which is trading around \$77.50 a barrel (highest since 2014) and also electronics, which collectively constitutes 40% of the total imports made by India, has resulted in the rupee further depreciating. India imports 80% of its requirements of oil.

Consequences of Rupee Depreciation

The depreciation of rupee means that the import of all items will become costlier. Higher cost of oil will directly affects the cost of every other commodity and the cost of living goes higher.

The goods that use imported components such as computers, smart-phones and cars will become more expensive. Also, education and holidays in foreign countries will cost more.

The silver-lining to this dark cloud is that it will be good for all export based companies, e.g. information technology and Pharma Company's benefit from a weak rupee since most of their revenues come from foreign countries.

Conclusion

India's foreign exchange reserves dipped by \$1.4 billion in the week ending May 4 to \$418.9 billion and the trade deficit widened to a four-year high of 6.4 per cent of GDP in FY19, from 6 per cent in Fy18, on account of a rise in oil and gold imports.

Thus, widening trade deficit, escalation in commodity prices, particularly oil, coupled with the expectation of the US Federal Reserve raising its rate further, is exerting pressure on the rupee.

The Reserve Bank of India will have to take proactive actions to prevent the rupee from further sliding. The actions suggested by economists include:

Regulate (controlled increase) the supply of rupee into the market, keeping in mind the danger of inflation due to excessive supply of currency.

Increase domestic interest rates to make investments more attractive.

Financial policies and initiatives to make investments in India more attractive.

25) IRAN NUCLEAR DEAL- EMERGING NEW CRISIS SITUATION IN WEST ASIA

Introduction

The dramatic, unpredictable decision of US President Donald Trump to pull out of the 'Joint Comprehensive Plan of Action'(JCPOA), better known as the Iran Nuclear deal, has thrown the region into a tail spin. The European countries who were participants of the Treaty cried foul and condemned the breach of trust by the United States. The region is once again in a turmoil. The recent Israeli barrage against 50 Iranian targets in Syria in response to an alleged Iranian rocket attack on the Golan Heights came less than two days after Trump's decision to take a U- turn regarding the Iran Nuclear Treaty. The US pullout from the JCPOA has given regional tensions a huge shot in the arm. It may escalate into a major regional war in the near future. The most likely scenario would be a multi-pronged conflict limited to the Syrian theatre with possible spillovers to Lebanon.

Strategy behind JCPOA & Emerging Political Scenario.

The Obama regime's logic in negotiating the JCPOA was not to normalize US ties with Iran, but to manage the most perceived threat: Tehran's nuclear weapon programme. The JCPOA separates the nuclear issue from non-nuclear disputes such as Iran's missile programme and its financial and military support for the Lebanese militia- Hezbollah.

In the last two decades Iran has consolidated its foot hold in the West Asia. The disastrous 2003 US invasion of Iraq, the armed Rebellion in 2011 against Assad's rule in Syria, and the rise of Daesh(the deadly ISIS) in 2014, provided Iran with a golden opportunity to greatly expand its foot print across the region. Iran decisively intervened in these armed conflicts by providing military might to Shi'a militias and deploying its own military units. The Moscow-Tehran alliance supported by Russian air power finally broke the back of ISIS and aided Assad in effectively winning the civil war.

Tremors after US Pull Out From JCPOA

The political and strategic gains usurped by Iran in the region has set alarm bells in the US, Israel and Gulf countries such as Saudi Arabia, which are Sunni dominated Islam nations. It has set the stage for a renewed attempt by the US to reverse Iranian gains. But rather than patiently adopting diplomatic measures with backing from America's European allies, Trump has chosen a confronting action by walking out of the JCPOA, without any provocation from Iran., giving Iran all the excuses to resume its earlier suspended nuclear programme. Even if Iran somehow stays within the JCPOA parameters, the abandonment of engagement leaves Washington with only two policy choices to curb Tehran's regional influence- militarised containment by force or a full- blown war aimed at regime change.

Both options are risky and can turn ugly and counter- productive. Militarised containment could see periodic spikes in direct clashes with Iran in Syria. It could even escalate to US and Israeli air strikes on nuclear and military targets in Iran. The war effort may spill over to Lebanon too, since Hizbollah is in the Israel's crosshairs. Russia could be a game spoiler for US since Russia has substantial military presence in the region and has stakes in Syrian and Iranian political governance. However European countries can act as a brake to accelerating tensions over Iran. Though France and Germany have opposed Trump's withdrawal from the JCPOA they will struggle to resist the coming slew of US sanctions directed against European corporations that trade with Tehran. These so called secondary sanctions are likely to be defined by China and Russia, pushing Tehran closer to Moscow and Beijing.

India's Dilemma.

As a great Power in the region, India has certain serious responsibilities. With the fast emerging situations India can be in a tight spot. It values its growing relations with the Gulf Arab Countries and Israel. The Indian economy may face many hurdles when it comes to secondary sanctions. Major Indian Corporations and financial institutions are deeply tied to US market. Moreover, New Delhi has made its strategic partnership with Washington the cornerstone of its foreign policy in order to aid India's global rise. It's worth remembering that last time the US brandished a series of sanctions, India fell in line and drastically reduced Iranian oil imports.

The situations may repeat. The emerging conflicting zone may create some bad nightmares to the policy makers of India since both the sides lack any clear-cut strategy to de-escalate the volatile situation.

Conclusion

It's heartening to note that some sense prevailed among European Union countries. On May 1918, EU's Energy Chief Miguel Arias Canete, reassured Tehran that EU bloc remains committed to the nuclear deal and further conveyed that the 28 nation EU, once the biggest importer of Iranian oil, hoped to strengthen trade with Iran. Iranian Nuclear Chief Ali Akbar Salehi responded by stating that it would be disastrous if EU efforts fail to preserve the 2025 nuclear treaty in which Tehran agreed to curb its nuclear programme in return for the lifting of most western economic sanctions. A collapse of the accord could tip the balance of power in Iran in favour of President Hassan Rouhani's hard-line rivals, who have fiercely criticized the President's failure to deliver greater economic prosperity.

26) UNIFICATION OF COMMUNIST PARTIES IN NEPAL -FLY IN INDIAN SOUP

Introduction

Nepal, after its separation from Monarchy, had a rickety and bumpy journey on the road of democracy. Parliamentary democracy and governance in Nepal had been a sham more or less, in the last decade. The All party rule in Nepal was an exercise in futility. The proclamation of Nepali Constitution had seen wide protest from the hilly people- Madesis, who felt that they have been given a raw deal in the Constitution by the majority valley population, who are in control of the Nepalese power centre. A national blockade of goods and services followed allegedly with the silent support of India, which further alienated the communist parties who had a major representation in Nepalese parliament. This opportunity was cleverly exploited by China. Beijing extended unconditional financial and strategic support to Kathmandu, thereby emboldening Nepal to widen the gap between India and Nepal. In this scenario, the new development in the Nepalese political arena is significant to Indo- Nepal diplomatic relationship and could be disastrous in the long run.

Unification of Communist Parties

In the 68 years since the birth of the first Communist Party, the communist movement in Nepal has prospered with times. The party suffered much ideological indifference creating numerous splits fragmenting the communist movement. However the party think tanks always romanticized the idea of unification for a single communist party.

On 17 May,2018 the dream nearly came true, as the two largest communist parties - the Communist Party of Nepal- Unified Marxist Leninist and the Communist Party of Nepal(Maoist Centre) - announce the dissolution of their individual existence and formed the “Communist Party of Nepal(CPN).The newly unified CPN will have an almost two third majority in Parliament and governments in the six of the seven provinces.

Communist Party merger was a dream nurtured by the Prime Minister and UML Chief KP Oli and Maoist Chief Puspa Kamal Dhahal(Prachanda) since October last year. While announcing their pre-poll alliance. Both the parties swept the polls, both at the Centre and in the provinces and subsequently formed the government. However the merger of the parties got postponed as the leaderships debated the Maoist’s claim for a fair share in the party committees, over the election symbol, the recognition of insurgency as ‘people’s war ‘, general amnesty to Maoists accused in 'human rights violation' cases. The two communist parties had a troubled history of love and hate. They were not just political rivals but have been sworn enemies during the insurgency years. The CPN- UML had demanded deployment of the Army against the rebels and the Maoists had targeted and killed a large number of UML cadres and supporters accusing them of being “class enemies”. Even after the peace process began in 2006, with India playing a major role in bringing the Maoists to the Centre of Power politics in Nepal, the UML remained consistent in its demand for investigating human rights violation cases and punishing the guilty. Subhash Nembang, deputy leader of the UML in parliament, had ordered the government as the House Speaker 10 years ago, to sign the ‘Rome Statuette’ and have the rights violation cases tried by the “ International Criminal Court”. The order got shelved because of objections from the Nepali Congress, Nepal Army and the Maoists.

Rallying Points between Parties

Politics makes for strange bed partners. The most favorable concession made by UML to accommodate Maoist was the abolishing of 'Truth and Reconciliation Commission' in existence for the past three years and dismissal of all criminal cases filed by the Commission against Maoists cadre. The reunification followed by the formation of the 441- member central committee, 43- member standing committee and the 9 member Central Secretariat on 55:45 (UML/ Maoist) ratio, with Oli and Dhahal continuing as “Chairman” with equal powers and status till the party congress get summoned. PM Oli states-“ Nepal’s journey towards prosperity and stability begins now”. He sarcastically consoled the seemingly upset opposition parties-“It happens in politics and we also have suffered set- backs in the past”. The main opposition Nepali Congress is in jitters. They fear that the united communists enjoying two- thirds majority in parliament is not a good sign for democracy in Nepal. The fears are not unfounded. Along with a weak and demoralized opposition, the judiciary is neither free nor

fair. It has demonstrated total servility towards the legislature and execute in the recent past. The absence of accountability in governance has become the norm and a demoralized civil administration provides conducive environment for the growth of authoritarianism and totalitarianism. However the unification enhanced the political credibility of the rulers and gives them a great opportunity to govern effectively. The favored ethos of the new communist party is the principles of democratic centralism, though the Constitution promulgated two years ago favours radical federalism and decentralization. This contrast philosophy may push the new party to change or amend the Constitution and its fundamental character.

Reactions from International Community.

The unification generated mixed feeling. It creates a situation of hope and fear for Nepal. The unification took place a week after Indian PM Modi visited Kathmandu. Naturally India despised this grand unification idea because a stronger and better organized Communist Party can be a threat to India's diplomatic policies towards Nepal. New Delhi knows very well that this move may benefit China with a powerful and trust worthy communist government in Nepal. Few Indian critics are skeptical about the merger. Oli , being the PM could emerge as the most powerful and king maker and Prachanda's (Dahal) grip over his cadre may wane off, creating a rift between both leaders. International Community including China will be happy to deal with Oli as the tallest leader of Nepal.

Conclusion

For the European Union(EU) The unification of the two communist parties guarantees 'secularism', implying the right to religious conversion being enshrined in the statute. The recent visit of Modi, a common pledge by the two PMs to promote culture and religion, initially by linking the Buddhist and Ramayan circuits , is being seen as Nepal pursuing a Hindu agenda. It's breather for the EU and neighbouring countries that Nepal is finding new political orientation which could bring them closer to China, but continuing as a "secular republic" nation.

27) Reasons and Implications of Rising Oil Prices for India

Introduction

The rates of petrol and diesel were raised for the eleventh straight day on 24 May 2018 across the country and the situation is becoming untenable for the survival of a common man, as the fuel prices directly or indirectly affects every sphere of our lives.

The petrol and diesel prices in Delhi from Rs 56.49 per litre and Rs 46.01 a litre, respectively in February 2015, have now touched Rs 76.87 per litre and Rs 68.08 per litre. The global crude oil prices rose from \$60.00 per barrel to \$80 per barrel during the same period.

It is being argued that the benefits that had accrued due to low global oil prices between 2014 and 2016 were not proportionately passed on to the consumers. In fact, the crude oil prices during 2016 were at its lowest, i.e. in the bracket of \$30-40 per barrel.

The government had raised the excise duty on petrol and diesel nine times between November 2014 and January 2016 to shore up finances as global oil prices fell. The same accrued profits of Rs 11.77 per litre on petrol and Rs 13.47 per litre on diesel during that period.

However, the government had slashed excise duty on petrol and diesel by Rs 02/litre last year and again after 2018 Union Budget by Rs 06/litre, but introduced a new Road Cess of Rs 08/litre. Hence, effectively there was no change in the tax imposed on per litre of petrol and diesel.

The global oil prices are believed to continue to follow the current trend of an upwards trajectory during 2018 and the fiscal situation in our country is not conducive enough to provide the common man with any relief.

Factors Affecting Global Oil Prices

Demand and Supply: The price of crude oil, like any other commodity is highly volatile and is largely determined by the equation of demand and supply.

The 14 OPEC countries from the Middle East hold the largest proven reserves of oil in the world. The Organization of Petroleum Exporting Countries (OPEC) regulates the oil production and it's pricing.

The global economic growth slowdown has resulted in the reduction of demand of crude oil, especially from emerging economies like China and India that are the major importers of crude oil.

Consequently, OPEC decided to cut down its production with effect from January 2017, which forced the oil prices to rise.

However, excessive increases in crude oil prices brought by production cuts would end up further dampening the demand. The OPEC will be meeting on 22 June 2018 to discuss and possibly revise their earlier decision.

Political and Economic Instability in the Oil Producing Countries: Geopolitical crisis, as is prevailing in the Middle East, is also one of the major factors that determine the fluctuation in oil prices.

The disruption in oil production that was being globally contributed by major oil producing countries of the world due to various reasons like, ongoing conflict in the Middle East, crippling economic sanctions on Russia, re-imposition of sanctions on Iran by US and political instability in Venezuela have begun to create an artificial scarcity of oil in the global market.

In order to counter this threat, oil from countries like, US, Nigeria and Libya is now reaching the global market.

Increased Production of US Shale Oil: Availability of cheap funds and advanced directional drilling technologies has enabled US to extract crude oil from Shale wells.

US has huge Shale oil reserves and by way of perfecting its oil extraction technology, US has managed to extract more oil per well and reduced the break-even for conventional oil by nearly 50%.

President Trump has lifted a 40 year old ban on the export of American oil and hence, surplus oil is likely to flood the global markets.

Thus, by increasing its oil production exponentially, it's only a matter of time before US starts determining the global oil prices rather than the OPEC.

Increased Interest Rate of US Bonds: The higher rate of interest of dollar denominated bonds is becoming more attractive for investors, thereby increasing the exchange value of dollars against other currencies.

Since, mainly the oil sales worldwide are denominated in dollars, a rise in the dollar means it costs more in other currencies to buy a barrel of oil.

The gradually weakening rupee against the dollar is considered to be a major reason for the continuous rise in oil prices in India.

Implications of Rising Oil Prices for India

Adversely Affect India's Economic Growth: India imports 82% of its oil requirements and is the third largest consumer of oil after US and China.

Economic Survey- 2018 estimates that for every increase of cost of oil by \$10/barrel the corresponding reduction in the GDP is 0.2 to 0.3% points.

The survey has further forecasted that during the FY 2018-19, the price of crude oil is likely to grow at an average of 12%. Hence, the GDP predictions for the 2018-19 may remain difficult to achieve.

Wholesale Price Index (WPI) Inflation will Increase: The cost of fuel is inbuilt into all goods and services purchased. An increase in the global oil price will automatically push the WPI and the Consumer Price Index (CPI) inflation higher.

Hence, the price of every commodity is expected to further rise as the global price of crude oil increases and the cost of living and sustenance is likely to go through the roof.

Current Account Deficit will Rise: The current account deficit (CAD) is a measurement of a country's trade, where the value of the goods and services it imports, exceeds the value of the goods and services it exports.

India's FY19 current account deficit (CAD) could be \$75 billion or 2.7% of the GDP with oil at \$80 a barrel average. It is considered that CAD above 2.5% is not considered sustainable.

Lose the Advantage of Reducing Fiscal Deficit: The gross fiscal deficit (total revenue minus total expenditure), which includes interest payments, stands at 3.2%, of the GDP, has been brought down from 4.5% of the GDP, ever since BJP government came into power in 2014.

In case the Modi government is able to further reduce the fiscal deficit, it will be in a position to provide liberal tax cuts, offer populist schemes and distribute freebies to the common man just before 2019 elections.

However, if the oil prices continue to follow the current trend, this major advantage with the BJP may be lost.

Calculation of Oil Prices for Consumer

The cost of fuel has not been included in the framework of GST by the GoI and tax is levied on it as per the previous taxation regime of excise duty at the centre and VAT at the state level.

The calculation of cost that the end user or the consumer has to pay is explained as follows:

- Cost of crude oil assuming @ \$72.5/barrel = **Rs 31.5/litre.**
- Cost of fuel after refining (landing, processing, freight charges, etc) = **Rs 36.93/litre.**
- Cost charged to dealer before VAT including Excise Duty @ Rs 19.48/litre and Road Cess @ Rs 08/litre = **Rs 56.41/litre.**
- Cost after commission of Rs 3.62/litre is given to the petrol pump owner = **Rs 60.03/litre.**
- Final retail cost after paying VAT which varies from state to state (about 27% on petrol and 16.75% on diesel) = **Rs 76.24/litre.**

Note: As per the directions of the government with effect from end 2017, it is mandatory to mix 10% Ethanol with petrol. Ethanol is a natural Fuel, made from Sugar and starch, which mixes well with petrol and also has no PM (Particulate Material) Pollution. The cost of Ethanol is just Rs 40.85/litre. However, the consumer is paying the cost of petrol for the Ethanol mixed in it.

Conclusion

The variables that determine the final cost of fuel include international oil price, currency exchange rate, central taxation, state taxation and the dealer's commission.

The only variable, which is within the control of the government, is the taxation. The central government levies Rs 19.48 a litre of excise duty on petrol and Rs 15.33 per litre on diesel. VAT is imposed state wise, let's say, Delhi levies VAT on petrol @ Rs 15.84 and Rs 9.68 a litre on diesel. Taxation accounts for one quarter of the total cost of the petrol/diesel that the consumer has to pay.

Just imagine the revenue that the centre and state governments would have collected when the oil prices remained around \$40 per barrel for more than three consecutive years. It should have been prudent to create a corpus during that period from which the common man could have been provided relief at this stage.

However, now if the centre government reduces excise duty, it will not be able to meet its target of reducing the fiscal deficit from 3.5% to 3.3% of the GDP in the current fiscal.

Hence, the Centre had asked states to lower VAT, but just four states, namely Maharashtra, Gujarat, Madhya Pradesh and Himachal Pradesh have reduced the rates, while others including BJP ruled states have ignored the call.

28) INTERNAL SECURITY THREAT - WAR AGAINST MAOISTS

Introduction

When we talk about 'Internal Security threats', in India, Naxalism/ Maoism ranks first in our list. The armed rebellion unleashed by the extreme Communist ideology finds its root from China. The word 'Naxalism' was coined from the first armed, organized rebellion led by a group of common people against the police in a village called "*Naxalbari*" spear-headed by the revolutionary leader, Charu Mazumdar. The terminology - Maoism took its name from Mao Zi Tung, the charismatic communist leader of China, who led the "people's revolution" and established Communist Party rule in China. He famously quoted- "*Ultimate freedom of oppressed people can only be achieved through the barrel of the gun*".

India naturally became a breeding ground of Maoist ideology basically because of the following reasons:-

- Zamindari System prevalent in most part of rural India, where the labour class was exploited and treated like slaves.
- The humiliation, untouchability and ill-treatment of scheduled caste / tribals by upper caste and powerful land lords.
- Lack of infrastructure and development in rural areas of central India.
- Government apathy and contempt met by poor and down-trodden lower caste/ tribal people.
- Lack of education and extreme unemployment and poverty.
- Covert financial and arm support to fan an armed rebellion against India by China using sympathizers in these parts of our country.

The Red Corridor of India

At present the heart land of Maoist - affected zone is Gadchiroli, Maharashtra, though the whole belt is affected, mainly because of its tribal population and lop-sided development in the area. Maoists rule the roost in the area virtually running a parallel government, since Gadchiroli is among the most underdeveloped districts. Gadchiroli, twice the size of Sikkim state, is the strong hold of Maoists and is synonymous with bombs, bullets. The government officials and police fear to get posted in the district.

However the table has now tilted in favour of government forces. Over the past decade, over 700 Maoists have been killed in Gadchiroli and some 180 rebels have been surrendered since 2015. The latest encounters eliminated two 'dalams' (groups of 10-15 armed men) ridding Bhamragad taluka of the guerrillas.

C- 60 (Gadchiroli Police's special counter- Maoist Force)

This Police Commando Force was specially formed with 60 troopers hand-picked from the best of the same rural population in 1990, hence called C-60. Now the force has 750 tough troopers and forms a formidable fighting machine against the trained Maoists. Most of them are tribal youth, conversant with the forests where the rebels hide and know the local language and villagers who could be reliable informers. C-60 involves 25 parties with 30 troopers each equipped with sophisticated hand held GPS systems, night vision goggles, Binoculars, Grenades and AK- 47 assault rifles. On the night of 23 April 2018, two parties of C-60 Force converged on an isolated riverine island in Gadchiroli and ambushed a large gathering of Maoists converged for a meeting. 32 Maoists were killed in the shoot-out and it was a remarkable victory for the government forces. A day later another C-60 party killed 8 Maoists in the Rajaram Khandala forests. Setting up the sort of traps the Maoists usually do to shoot the police, C-60 retaliated in the same coin and had turned the hunters into hunted. As expected, CPI (M) politburo member Brinda Karat questioned the police action saying that not all Maoists were armed and hinted that at least 8 missing villagers could be among dead.

Winning Strategy of Maharashtra State

The 'clear hold and build' strategy of the government is gaining momentum against the Maoists. On 15 April 2018, the Union Home Ministry took 44 districts off the list of 126 districts worst affected by left-wing extremism, marking the sharpest decline in the Maoist insurgency since the CPI(Maoist) came up in Chhattisgarh in 2004.

It's a well known fact that Maoist ideology thrives on depreciation and lack of governance. Hence the State is building a counter-narrative. On 14 April 2018, a week before the encounters Chief Minister Devendra Fadnavis inaugurated a 100 bed hospital for women and children in Gadchiroli. The government has roles out

other initiatives too, like the widening of the Nagbhid - Gadchiroli road, a sub district hospital at Aheri, increasing the band width of mobile phone towers and enhancing rural electrification.

On 1st May, Jyoti Pudyami, a deputy Commander of the Mangi 'dalam' in Telangana who carried a Reward of Rs 4 lakh, surrendered before the Gadchiroli police following a police appeal. A kin of the surrendered Maoist demanded a bore-well outside her house as compensation. The C-60 Chief Rajesh Khodve obliged. As part of the outreach to these deprived people, the police have taken initiatives to win over the locals by building schools, water resources, dispensaries, and holding peaceful elections to gram panchayats. Three big government hospitals have been set up in the area and a record 66 schools up to tenth standards have been set up. As a result, Maoists are losing ground and also losing public sympathy. Though the locals are still scared of Maoist revenge, slowly the tide is turning in favour of security forces.

Conclusion

However, the bigger challenge for the government security forces is to contain the spread of Maoist ideology through urban areas. The urban Maoists are working to create a divide among people by exploiting the caste fissures to undermine the state. Smita Gaikwad a former Army officer and researcher with NGO Forum for Integrated National Security(FINS) says" the Koregaon- Bhima riots(in January) are an example of the conspiracy hatched by ultra-Left organisations."However, the most effective way to reduce the influence of Maoists on locals, is through welfare schemes only. The state government is directly sending Rs 200 crore to Zilla parishads and Dist Collector Shekhar Singh plans to open more centres offering integrated health, hygiene and communication services across the district. Police is now planning to conduct police recruitment tests in tribal languages like Gondi and Madia to give further advantage to local youth to join police forces.

The war against Maoist rebels is gaining momentum.

29) Defense Budget Allocation Inadequate for Modernization and Sustenance of Forces

Introduction

The Latin adage, “If you want peace, prepare for war” is very aptly applicable to the present scenario that India finds itself in.

Pakistan has grossly upped the ante with respect to cross border terrorism in the recent times and China too has made colossal investments in its ‘road and belt’ initiative that is compelling it to unabashedly nibble at Indian sovereign territory.

A two front war is staring right in the face of India today and the best deterrent to such a war will be capacity building of the Indian Armed Forces.

In the succeeding paragraphs let us look at the defense preparedness of our forces.

Present Status of Equipment Profile

Vintage Equipment (more than 30-40 years old) - 68%

Current Category - 24%

State-of-Art Equipment - 08%

Defence Budget Allocation for 2018-19

The Defense budget for the financial year 2018-19 was increased by 7.81 per cent to Rs 2.95 lakh crore over last year’s Rs 2.74 lakh crore allocations.

The above figure accounts for 12.10% of the total central government expenditure for the year 2018-19.

The Defence Budget allocation is just about 1.58% of the GDP for 2018-19, i.e. lowest figure since the 1962 war with China wherein it was 1.65%.

The minimum inescapable requirement of the Indian Armed Forces to keep up with its envisaged modernization plan is 2.5% to 3% of the GDP. China and Pakistan, India’s adversary and enemy, spend 3% and 3.5%, respectively of their GDP on defence.

The further budgetary allocation of the above said Rs 2.95 lakh crore defence budget is as follows:

Revenue Expenditure (spent on pay, pension, maintenance of existing equipment and weapon systems, sustenance of manpower, etc): Rs 1,95,947.55 i.e. 67.3% of the budget.

Capital Expenditure (spent on building infrastructure, replacing obsolete equipment, acquisition of new equipment): Rs 99,563.86 crore, i.e. 33.7% of the budget.

The revenue to capital expenditure (meant for modernization, besides other things) is 83:17.

Defence Budget Allocation Inadequate for Modernization and Sustenance of Forces

The Standing Committee on Defense, led by Major General BC Khanduri (Retd), while presenting its forty-first report to Parliament on 13 March 2018, highlighted two very important points:

1. Allocation of Rs 21,338 crore specifically for modernisation was grossly insufficient even to cater to previously committed payments of Rs 29,033 crore, which has been earmarked for 125 ongoing schemes, emergency procurement of armaments and weaponry for 10 days of intense war, and other Director General Ordnance Factories requirements.
2. An increase of 4.5% in revenue component would get totally consumed during the implementation of the Seventh Pay Commission. Hence, funds for operations and maintenance, which can seriously affect combat preparedness was not really catered for in this year’s budget.

Critical Deficiencies Ailing Defence Preparedness

The Defence Planning Committee (DPC), headed by the national security adviser Ajit Doval and comprising of the three service chiefs and the defence, foreign and expenditure secretaries as members, met on 03 May 2018.

It was decided during this meeting that the priority of the military should be to have adequate ammunition inventory for a 30-day war rather than acquiring hi-tech, high value weapons platforms from foreign arms makers. Presently, the armed forces just about have adequate ammunition for a short 10-day war.

Since, ammunition deficiency is a major cause of concern, it was also decided during the above said meeting that before the Indian armed forces commit to acquiring any new platform in the future, the manufacturer will have to set up an ammunition factory through the joint venture route in India.

The critical deficiencies that are inescapably required by the forces are given below:

Indian Army

- The army soldiers on the ground need infantry weapons like, modern rifles, machine guns, bullet proof jackets, light helmets, night vision devices, Mine Protected Vehicles (MPV), especially to fight terrorists.
- Artillery requires Howitzers/ guns to replace its obsolete equipment and the equipment of the Army Air Defence (AAD) is mostly vintage, bereft of spare support for maintenance and upkeep.
- Most of the tanks held with the Armoured Corps are night blind. Besides, to increase the capacity for a two front war, especially to equip the Mountain Strike Corps being raised against China in NE India, new tanks will have to be procured.
- Army desperately needs to replace its aging Chetak and Cheetah helicopters. Besides, the combat capability of its Aviation Corps is also fairly down.

Indian Air Force

- The Indian Air Force is down to 31 squadrons, whereas, the requirement is of 45 combat squadrons.
- IAF urgently needs force multipliers to enhance its capability, like, mid-air refuellers, more AWACS, at least two squadrons of transport aircrafts, basic and advanced jet trainers and helicopters.
- Both, Army and AF are seeking to upgrade its missiles as well as surveillance capabilities to keep vigil over the mountainous terrain.

Indian Navy

- Navy faces significant shortfalls of ships and submarines as well as modernization of naval bases and facilities.
- Accidents on board the Kilo class submarines and slow progress of the programme to build six Scorpene submarines has been a cause for concern.
- Considering that China is increasingly expanding its footprint in the Indian Ocean region, Indian Navy wants to take a giant leap in modernisation to ensure its dominance by acquiring 200 ships by 2027 from its present fleet of 145 ships.

Conclusion

Not with standing the rhetoric that we will teach our adversaries a lesson, it clearly emerges from the above that our defence forces are far from being fully combat ready to face all contingencies. Besides, India can only aspire to be a regional power if it focuses on the cardinal aspect of capacity building of its defence forces.

Therefore, the government must judiciously increase the defence outlay, especially for modernization, cut teeth-to-tail ratio in the defence forces to reduce revenue expenditure and streamline defence procurement for prompt plugging of security gaps.

I hope that the military is not left in the lurch once again by the bureaucrats and politicians when the need arises, and I further sincerely hope that we don't have to resort to hiring of stone-pelters after 10 days of war.

30) Reasons for Farmers' Agitation and Suggested Measures to Safeguard their Interests

Introduction

Farmers from across the country, united under the banner of Kisan Ekta Manch and Rashtriya Kisan Maha Sangh, which claim to be representing 172 farmer outfits have called for a 10 day strike by stopping all supplies to cities/towns from 01-10 June 2018. This 'Gaon Band' stir is being observed across 22 states.

Farmer organisations also called for boycott of mandis or wholesale markets in Punjab, Haryana, Rajasthan, Uttar Pradesh, Madhya Pradesh and Maharashtra, leading to fears of shortage and price rise.

Demands of Agitating Farmers

- Grant of complete loan waiver for all loans taken by farmers.
- Increase of Minimum Support Price, which is fixed by government annually, to 50% more than the comprehensive cost of inputs for production of crops.
- Provision of a Minimum Income Guarantee Scheme, with an assurance of a minimum basic income for small and marginal farmers, who may not be able to sustain themselves, especially while facing the vagaries of weather.
- Implementation of Swaminathan Commission Report recommendations.

Key Recommendations of Swaminathan Commission Report

The government of India constituted the National Commission on Farmers (NCF) on November 18, 2004. The NCF was chaired by Professor M.S. Swaminathan.

The NCF submitted five reports to the government. The first was submitted in December 2004 and the fifth and final report was submitted on 04 October 2006.

The key recommendations of the Commission include:

- **Minimum Support Price:** Government must fix the MSP at more than 50% of the comprehensive cost of production of the crops.
- **Land Reforms:** Ceiling-surplus and wasteland to be distributed to farmers, prevention of diversion of prime agriculture land and forests to corporate sector for non-agriculture purposes and provide grazing rights and seasonal access of forests to tribals and pastoralists.
- **Irrigation Reforms:** Provide farmers with "sustained and equitable" access to water for irrigation. Government must take measures to boost water supply by rainwater harvesting, water level recharging with the help of mandatory aquifers.
- **Investments in Agro-infrastructure:** The NCF recommended a substantial increase in public investment in agriculture-related infrastructure particularly in irrigation, drainage, land development, water conservation, research development, road connectivity, etc. It also recommended a national network of advanced soil testing labs with an aim to test areas for apt micronutrient levels.
- **Credit and Insurance:** The NCF recommended to enhance and improve the existing mechanism of extending formal credit to the farmers; reduce crop loan interest rates to 4%; provide moratorium on debt recovery; creation of agricultural risk fund; Kisan Credit Cards for women farmers; integrated credit-cum-crop-livestock human health insurance package; crop insurance across country for all crops with reduced premiums; sustainable livelihoods for the poor, investment in human development; institutional development services, etc
- **Suggestions for Inclusive Growth of Farmers and Agriculture Sector:** The suggestions of the Commission included, ensuring food and nutrient security for farmers, making farming sector sustainable by enhancing quality and cost competitiveness of farm commodities, technology enabled marketing strategies, etc.
- **Prevention of Farmer Suicides:** Providing affordable health insurance at primary healthcare centers' in villages; national rural health mission to be extended to suicide hotspots on priority basis; state level farmers' commissions with representatives of farmers, restructuring of microfinance policies that may serve as a sort of livelihood finance; covering all crops by crop insurance; village to be the assessor and not the

block, social security net that gives old age support with health insurance and aquifer recharge and rain water conservation; plans for decentralised water usage etc.

Reasons for Distressful Plight of Indian Farmers

It may be noted that 65% of the total workforce in India belongs to the agriculture sector, which contributes about 15% to the country's \$2 trillion economy.

The most important reason for such a distressful plight of the Indian farmers is that 80% of them are small and marginal farmers, who are dependent for their survival on less than five acres of land. Nearly, 50% of rural households and 36% of the total households in India belong to this category.

India with its diverse land mass is also subjected to diverse furies of nature. It is estimated that 70% of the country's arable land is prone to drought, 12% to floods, and 8% to cyclones.

The employment of outdated agriculture practices on limited land holdings, which inhibits experimentation for progressive and revolutionary farming, has resulted in agriculture productivity levels to become stagnant over the previous few decades.

Furthermore, the workforce employed in the farming sector, constitutes of uneducated, unskilled labour, who have not empowered themselves with any other alternative skill set. Hence, they have very restricted options to earn their livelihood.

NITI Aayog had highlighted last year that the agricultural sector in India is 28 years behind its time. However, no concrete steps have been taken to address the issue, even after acknowledging the problem and accepting in principle the recommendations of the Swaminathan Commission a decade ago.

Historical Perspective

Farmers in India have been at the receiving end from times immemorial. Please refer my previous blog to see how the farmers were exploited right from the British

Major Reasons for Farmer Suicides

According to the National Crime Records Bureau, as many as 5,650 cases of farmers' suicide are recorded in India annually. Out of the said figure, more than half are recorded from Maharashtra alone.

The states of Madhya Pradesh, Telangana, Chattisgarh and Karnataka also record large number of farmer suicides. In India, farmer suicides account for 11.2% of the overall suicides committed.

Please refer my previous blog to look at the major reasons that push the farmers to take this extreme

Desired Measures to Safeguard the Interests of the Farmers

Re-examining the National Policy for Farmers (NPF): The government had set up an expert committee to scrutinise the functioning of the NPF (which was established nine years ago) and address the specific reasons for farmer's suicides.

However, so far this action, like many others of this government, has turned out to be more of a 'lip-service' and an appeasement act.

It is very essential that the government take up this matter in the correct earnest and addresses the issue on a war footing.

Re-examining the basis of working out MSP: At present the Minimum Support Price (MSP) is decided every year by the 'Commission on Agricultural Costs and Prices'.

The union government had announced last year that it would re-examine the basis of working out the MSP, so that it allows risk free farming and cuts losses.

Also, PM Modi had promised during his electoral campaign in Karnataka last month that farmers' income will be doubled by 2022. However, the actions on ground are definitely not speaking for those very reassuring words.

Increasing MSP happens to be the primary demand of the agitating farmers and government must ensure that a fair compensation is given to the farmers for their toil and grueling hard work.

Disaster relief: A total of Rs 61,291 crore has been earmarked for 2015-20 to provide relief to the states which may be hit by various natural and manmade disasters. One can only sincerely hope that the compensation does not get dissipated and reaches the needed, who may be otherwise pushed to the limit of their existence.

Introduction of National Agricultural Insurance Schemes: On 13 January 2016, the Cabinet had approved the 'Prime Minister Crop Insurance Scheme'.

This insurance scheme for farmers provides insurance coverage and financial support to farmers in the event of failure of any of the notified crops as a result of natural calamities, pests and diseases and protects them against crop failures owing to successive droughts.

However, this scheme has not found much favour with the farmers. The procedure for claiming the insurance money is highly tardy, complicated, time consuming and hidden clauses provide ample leeway to the insurance companies' to exploit the simple farmers.

It is essential that the mechanism of claiming damage is streamlined so that the farmers feel encouraged to subscribe to the scheme.

Promoting crop rotation and low cost organic farming: The advantages of crop rotation will be that the vulnerability of crops to the vagaries of weather and market fluctuations will be significantly reduced. Besides, it will play a major role in maintaining biodiversity and soil fertility.

Government/ NGOs with a vision of eco-friendly sustainable development should guide the farmers to make the efficient use of water, electricity, pesticide and other inputs.

Government could provide community implements and machinery at panchayat / block level so that small and marginal farmers can also use mechanised techniques of farming at lesser cost to improve productivity.

Institutionalized Credit System e.g. Jan Dhan Yojana and MUDRA banks must be simplified and farmers be made aware of their rights and governments' initiatives in this regard.

Moneylenders charging the farmer's exorbitant rate of interest must be identified and punished for running such a racket.

The role of commission agents, traders and intermediaries should be minimized to facilitate the farmers to fetch maximum price of their produce. Governments' initiative pertaining to e-Mandi must be effectively implemented on ground.

Strongest punitive action should be taken against suppliers of spurious seeds and manufactures of spurious pesticides.

Gram Panchayats should evolve a mechanism to identify the indebted and suicide prone farmers and help them to overcome the crisis.

Personal Accident Insurance Scheme covers Kisan Credit Card Holders, to provide relief in an eventuality of an accident.

To sustain the family of the deceased, all the financial help should be provided as 'Fixed Deposit' in the bank, with quarterly payment of interest.

Conclusion

The dismal state in which the Indian farmers find themselves today may be attributed to the shift of focus of the successive governments from the agriculture sector, since the green revolution of 1960s, to the higher revenue generating and thus more lucrative service and industrial sectors.

It is high time that the government adopts policies that are in the long term interest of farmers, e.g. interlinking of rivers for irrigation and mitigating flood disasters, skill development of the workforce, better regulated marketing system and employment of technology and private players to qualitatively boost the output and make the Indian agriculture sector globally competitive.

31) NIPAH – BATTLING THE DEADLY VIRUS

Introduction

After the out break of Ebola, now the world, especially India, is being terrorised by the emergence of another deadly virus, originated from the animal world. After it was first detected in Malaysia in a place called Nipah, (named after its origin) where hundreds died mysteriously, in 1998, the origin of the virus was traced to pigs. There after, Nipah struck in Bangladesh in 2001 killing hundreds of victims.

However, in 2001 Nipah made its first appearance in Siliguri town , in the plains of North Bengal. It started as a mysterious fever taking away scores of lives, triggering panic. Laboratory investigations those days, couldn't identify the infectious agent and doctors named it "*Siliguri Fever*". One year later it would strike another West Bengal District, Nadia. The Siliguri fever claimed 49 deaths including the doctors and nurses who treated the patients. The panic created an exodus from Siliguri. 25% of the population fled in fear. It was not until 2006, that it was identified as Nipah virus. To decipher the disease a team of epidemiologists and virologists were summoned from National Institute of Virology, Pune and World Health Organisation. In May 2018, the deadly virus revisited India, this time in Malappuram and Kozhikode districts, Kerala, spreading terror and utter panic.

Known facts about Nipah

Though the source of the Nipah virus was thought to be Mosquitoes in Malaysia, later it was tracked down to pigs, a popular domestic animal in Malaysia. There after lacs of pigs were culled in the country and soon, the virus bowed down. However this time, in Kerala the source of the virus was detected to be '*Fruit Bats*' and later infected humans become the carriers of contamination. In the subsequent investigations,, few broiler chicken brought from Tamil Nadu, also were found to be infected by Nipah virus.

Symptoms and Treatment

The virus creates severe fever and head ache which may last from 3 days to 14 days. The fever will be followed by periodical drowsiness, disorientation and mental confusion. The symptoms of Acute encephalitis may mislead the best of medical specialists. Soon the patient slips into a coma in 24-48 hours and may never wake up.

Effective preventive drugs or drugs to fight the virus, are yet to be invented. Presently treatment is symptomatic and supportive. Severely ill individuals need to be hospitalised and may require intensive care. The Nipah virus play havoc with the immunity system of the victim and contaminate fast to other human beings. Hence strict quarantine procedures are a must to contain the epidemic. Usually the doctors and nurses and medical supporting staff fall prey to the deadly virus. Culling of the carrier animals and creatures/ birds, in the locality also, is an effective action to control the spread of the virus.

The aftermath of virus break out in Kerala

The tragic death of Nurse Lini Sajeesh after treating a Nipah patient in Puthussery , on 21 May had shaken the conscious of all Keralites. Lini just before dying wrote to her husband to take care of their son and embraced death as a brave warrior. The state went into an overdrive and high alert mode. The streets and schools and the entire towns of the affected localities of Kozhikode district, remained deserted for weeks after the break out of the virus.

As per WHO reports Nipah has a fatality rate of 70%. However, in Kerala with 16 confirmed victims out of 18 reported cases of Nipah, the mortality rate went up to 88.8 %.

However, with the dedicated and self-less service of the entire medical community, Kerala may be over the hump. As on 09 Jun, all the other 291 samples tested for Nipah had turned out negative. The no of suspected cases, hovering around two dozen last week, was down to 10 by this week. The Nipah virus succumbed to submission by the meticulous battle launched by the Kerala Health Department. After a detailed survey, 2400 people who were suspected to be exposed to the Nipah patients, were identified and all arrangements were made to strictly quarantine them for 21 days. A Nipah Cell was established and it calls up those who are being monitored twice a day. A 24X7 helpline in Kozhikode offers all kinds of advice to general public.

Kerala government announced medical reimbursement of all medical bills of all Nipah patients. The families of these patients were given free ration kits.

Conclusion

Dr Arun Kumar from the Virology Lab in Manipal says-” the major challenge is identifying the Nipah virus and the Lab was ready to do the tests with the collaboration with the Centers for Disease Control and Prevention, Atlanta, USA.”

Kerala tourism industry is severely hit by the government travel advisory to avoid Kozhikode and nearby hill station Wayanad. Let us hope that the worst fears about this deadly virus are put to rest, and this horrible chapter is over now for Kerala.

32) Major Takeaways from the 18th Shanghai Cooperation Organization (SCO) Meet: 09-10 June 2018

Introduction

The Shanghai Cooperation Organization (SCO) Summit was held at Qingdao, in China on 09-10 June 2018. Prime Minister Narendra Modi led the Indian delegation for the organization's first ever meeting with India as a full member.

The SCO is a Eurasian political, economic and security organization comprising of eight member states, namely, China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan; India and Pakistan joined SCO as full members on 09 June 2017 at a Summit in Astana, Kazakhstan. Apart from the member nations, Iran, Afghanistan, Belarus and Mongolia are observer states.

The SCO is emerging as one of the world's most powerful and influential organizations, which represents around 42% of the world's population, covering 60% of the Eurasian landmass and 20% of the global GDP.

The Shanghai Cooperation Organization is being seen as a means by the Eurasian bloc to establish "balance of power" through the expansion of this regional organizations in a West-dominated world order. This "alliance of Asia", is often being dubbed as the counter for NATO.

This year's SCO meet assumed greater significance due to the following reasons:

- Regional unity against US hegemony was displayed by Russia, China and India while showing preference for a more inclusive and multi-polar world order by principally opposing United States decision to impose unilateral sanctions against Iran.
- Besides, the developments in Syria, Iran, Afghanistan and North Korea necessitate a resetting of strategic posturing and partnerships, so that multi-polarity is maintained in the world order.
- The ongoing trade war between US and China and crippling economic sanctions imposed by US and European nations on Russia, compels these countries to realign their economic partnership with regional nations.

About Shanghai Cooperation Organization (SCO)

The Shanghai Cooperation Organization (SCO), or the Shanghai Pact, emerged from the organization, 'Shanghai Five' (China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan), which was founded in 1996 after demarcation of China's borders with the four newly formed breakaway states of erstwhile USSR to peacefully resolve the boundary disputes.

This conglomeration was transformed into the today's Shanghai Cooperation Organization (SCO) after the induction of Uzbekistan as a new member at the Shanghai Summit in 2001.

Initially, the role of SCO was predominantly to look at the security concerns of the member states, often describing the main threats it confronts as being terrorism, separatism and extremism.

Later the scope of SCO was enlarged to encompass political, cultural, economic, and military cooperation, intelligence sharing and counterterrorism. There have been a number of SCO joint military exercises.

A major joint military exercise called the Peace Mission 2010 was conducted from 09–25 September at Kazakhstan's Matybulak training area, where, over 5,000 personnel from China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan participated in joint planning and operational manoeuvres.

The official working languages of the Shanghai Cooperation Organization are Chinese and Russian.

Reasons for the Organisation to Come into Being

Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan are all landlocked states. After the collapse of Soviet Union, these states had to fend for themselves as independent entities.

The Central Asian region is richly endowed with natural resources and vital minerals. Since, the region became landlocked after independence, movement and accessing these resources became difficult.

Trade with these states became dependent on passage through adjoining countries and also on the political dispensation of the regimes in power in those countries.

Consequently, major powers, both regional and farther away, came to compete to secure and possibly control access to these resources. Besides this, many endeavors are also going on to identify and create credible transport routes that pass through friendly countries to improve accessibility.

Hence, in the present regional geo-political context of growing fundamentalism, protectionism and need for projection of joint military power, SCO has assumed a much greater political, economic and military significance.

Implications of Inclusion of India in SCO

Central Asia is truly an extended neighborhood for India. India's relations with countries in the region, however, have failed to realize the enormous potential for enhancing ties in areas such as security, policy, economy, trade, investment, energy, connectivity, and capacity development.

A major reason for India's inability to exploit this resource rich neighborhood is that India does not share common land-borders with the region. Moreover, Pakistan has flatly refused India land access to Central Asia through its territory.

In order to circumvent this challenge, India signed an agreement with Iran and Afghanistan last year to develop Chabahar Port facility and an associated rail-network at a cost of \$500 million. Besides, India has also prioritized the construction of the International North-South Transport Corridor to connect with Eurasia.

Hence, joining the SCO will give a welcome diplomatic boost to India's efforts to connect with Central Asia.

Another reason for lack of communication with Central Asia has been the infrequent visit of Indian dignitaries to these countries.

India's membership in the SCO will provide renewed opportunities for India's leadership, including prime ministers, to meet with their counterparts from Central Asia, Russia, China, Afghanistan, and others regularly and frequently. India's potential participation in the Eurasian Economic Union (EEU) will be an added advantage to make this partnership more fruitful.

India being the third largest economy (\$8 trillion) in PPP terms and seventh largest (\$2.3 trillion) in nominal dollar terms, its rapidly expanding energy needs will provide a stable and assured market for these countries.

In addition, stalled processes like the agreement on Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, signed in December 2015 will get a cogent attention.

India's development experience, particularly in promoting agriculture, small and medium enterprises, pharmaceuticals, and information technology, can be of immense benefit to Central Asian countries.

In terms of tackling terrorism and issues relating to security, which is one of the greatest challenges of the present times, India will have a greater say and can build consensus for effective action in combating terrorism in the region.

Lastly, India's membership in the SCO will further add to the military muscle of the organization and is likely to give a boost to the 'Make in India' campaign, especially in the defence sector, as the breakaway provinces of USSR were a hub for manufacture of defence equipment and weaponry.

Areas of Ambiguity

India and Pakistan as permanent members, will be participating along with the other six countries, in joint exercises against terrorism under the Tashkent-based RATS (Regional Anti-Terrorist Structure) of SCO.

The same will also include sharing of data about terrorists and terror organisations. The terror outfits like the Jamat ud Dawah (JuD), which happens to be the political wing of the dreaded militant outfit, Lashkar-e-Taiba, is called a charitable organization by Pakistan.

Hence, the efficacy of counter-terrorism cooperation is likely to be coloured by individual perceptions.

Further, after the Bombay attack mastermind and JuD's chief Hafiz Saeed was put under house arrest and a crackdown launched on the organization's activities within Pakistan, it emerged with a new name of 'Tehreek Azadi Jammu and Kashmir.'

Pakistan claims that the organization is supporting the aspirations of Kashmiri people, while India calls it interference in the internal affairs of the country. Pakistan is similarly accusing India for its covert role in Baloch militancy.

Another challenge that can be foreseen within SCO is the endorsement of China's OBOR, which India argues impinges upon its sovereignty in the form of China Pakistan Economic Corridor (CPEC).

This corridor is being further linked with Central Asia and will be used by all member states, except India. This tricky matter is being simply brushed under the carpet as of now by all the stake holders.

Major Takeaways from the 18th SCO Meet: 09-10 June 2018

The SCO, via its Regional Anti-Terrorist Structure (RATS) based in Tashkent envisages to facilitate cooperation among the members to exchange information and counter-terrorism and related security challenges. Ratification of a five-year outline for the implementation of the Treaty on Long-term Good Neighborliness, Friendship and Cooperation was done during the SCO summit.

Ten cooperation deals covering areas including security, economy, and people-to-people exchanges were signed.

India and Pakistan have decided to participate in 'Peace Mission 2018', which is a military exercise to be held in Russia's Ural mountain region, tentatively in August-September 2018.

PM Narendra Modi and Chinese President Xi Jinping, carrying forward the spirit of Wuhan informal meet, concluded two key pacts on hydrological data sharing and agricultural exports.

The above said MoU will enable the Chinese side to provide hydrological data on cross-border Rivers, like Brahmaputra and Sutlej, if the water level exceeds mutually agreed level from 15th May to 15th October every year, so as to get an early warning regarding flood like situations.

As per the second MoU referred above, India will export non-Basmati varieties of rice to China. The same will contribute towards reducing the huge trade deficit that India has with China.

PM Modi also held bilateral talks with the President's of Kazakhstan, Kyrgyzstan, Mongolia, Uzbekistan and Tajikistan on the sidelines of the SCO summit to further strengthen India's ties with the resource-rich Central Asian countries.

Conclusion

India's association with the Shanghai Cooperation Organization will immensely help the country to enhance the much desired connectivity with Eurasia and provide a fillip to trade and commerce.

Moreover, the ambit of SCO also very importantly covers counter-terrorism cooperation and will provide India with a regional platform to strongly air its views and expose Pakistan's dubious designs.

Lastly, a strong Shanghai Cooperation Organization will ensure global balance of power and maintenance of a multi-polar world order, so that the West is restrained from acting against the economic, political and security interests of the developing nations.

33) INDIA-SEYCHELLES NAVAL BASE: CONSOLIDATING FOOT-HOLD IN INDIAN OCEAN

Introduction

India always prided to be the unquestioned controller of 'Indian Ocean' and commandeered the maritime movements of all vessels in the Indian Ocean, from the ancient times. However the 'Red Dragon' started flexing its muscles in the region in the new millennium. The People's Republic Of China under the stewardship of Xi Jing ping, launched its mega project ' Belt and Road Initiative' aimed at extending its trade supremacy across the seas to the western world, an attempt to revive its ancient silk trade route. In pursuit of its ambitious futuristic plan, China started wooing the island nations of Indian Ocean along with its side kick project of China Pakistan Economic Corridor(CPEC) with its newly developed port complex at Gwadar in Balochistan, opening a new sea trade route. Last decade saw China aggressively pursuing economic and infrastructure development projects in Sri Lanka and, of late, in Maldives. These overt and covert initiatives of China had made a significant dent in the influence of India over Indian Ocean island nations. Chinese Navy increased its maritime presence manifold in the last few years in the region. The declaration of emergency in Maldives and the arbitrary arrests of its Chief Justice and opposition leaders by its President, are attributable to the formidable support of China, with a view to win over the island nation and develop its naval bases in the Indian Ocean. In this prevailing scenario, it's pertinent for India to checkmate China, playing the same game.

Strategic Partnership for Naval Base at Seychelles

India and Seychelles made a historic agreement on 25 Jun 2018, to work together on a project to develop a naval base at the 'Assumption Island' keeping each other's concerns in mind after talks between Indian Prime Minister Narendra Modi and visiting Seychelles President Danny Faure. Besides India also announced a USD 100- million credit to Seychelles for augmenting its defense capabilities.

"With this credit, Seychelles will be able to buy defense equipment to boost its maritime capacity"- PM Modi said in a joint media statement with Faure. The proposed naval base at Assumption Island would give a strategic advantage to India in the Indian Ocean region.

President Faure stated-"In the context of maritime security, the 'Assumption Island' was discussed. We are equally engaged and will continue to work together bearing each other's interests in mind."

India views this partnership as a foot hold in the region and is keen on developing the Assumption Island in the Indian Ocean as a naval base to expand its growing influence in the strategically key region, where China has been trying to enhance its military presence. An agreement to develop the Island was inked in 2015, between the two nations. However, amid growing political opposition to the move in Seychelles, Faure was quoted as saying by local media last week that the country would develop military facilities at the island on its own and that the project with India "will not move forward".

It's a matter of concern for India to get through the hurdles placed by opposition parties in the Island nation. Last week a top Seychelles foreign affairs ministry official was also quoted as saying by local media that its parliament would not ratify a pact allowing India to build naval facilities on one of the archipelago's islands and that the issue will not be discussed during Faure's visit in India.

Prime Minister Modi expressed hope in the long term partnership between the two nation. He said-" Both India and Seychelles are key strategic partners for each other. Both countries respect the core values of democracy. We share the geo-strategic vision of maintaining peace, security and stability."

To further extend India's friendship India would also hand over the second Dornier aircraft to Seychelles, as promised by him during his visit there in 2015. The Aircraft would reach Seychelles before its National Day on 29 June. The DO-228 model aircraft, manufactured by Hindustan Aeronautics Ltd(HAL),is equipped with a 360 -degree Surveillance Radar a forward-looking infra-red system, satellite communication, a traffic collision and avoidance system, and an enhanced ground proximity warning system, among others. The DO-228 can be used for the Island's Extensive Economic Zone(EEZ) monitoring and control, search and rescue operations and commuter services.

PM Modi also emphasized the significance of our strategic partnership since the Island nation is straddled between Sea Lanes of Communication and hence vulnerable to sea piracy. He stated-" We face dangers of

international crimes such as piracy, drugs, human trafficking and illegal exploitation of oceanic resources.” India assured its commitments to augment the island nation’s defence capabilities, maritime infrastructure and increase the capabilities of its defense personnel. The two nations also signed six Memoranda of Understanding including in the area of infrastructure development, cyber security and white- shipping arrangement that would enable the two countries to exchange data regarding identity and movement of non military commercial vessels in the Indian Ocean.

Conclusion

The proposed Naval Base in Seychelles, at Assumption Island is a feather in the cap of our government, if it can be established without further delay. It also will open a lucrative market for our ‘Make in India Defense products and military hardware in Seychelles. With a strong strategic alliance with Japan, India may be able to rein-in the Red Dragon in the Indian Ocean region in future.

34) Pakistan again on the Grey-List of the Financial Action Task Force (FATF)

Introduction

The Paris based watchdog on terror funding, called the Financial Action Task Force (FATF) on 26 June 2018 placed Pakistan once again on its “Grey List” for continuing to support terror activities from its soil.

Pakistan was earlier on also was on this list for three years, until 2015 and was placed back on the list during the previous plenary meet of FATF in February 2018.

During the current FATF meet, Pakistan was able to save itself from graver consequences of being Black-listed by agreeing to comply with a 26-point action plan formulated by the International Cooperation Review Group (ICRG) of the Asia Pacific Group over the next 15 months.

The 26-point plan to which Pakistan has agreed to includes, erasing of all sources of financing to terror groups operating within its borders, including the India-focused Lashkar-e-Toiba (LeT) and the Jaish-e-Mohammed (JeM).

The ICRG has also included all other entities associated with these two parent groups, like the Jamaat-ud-Dawa (JuD), which is led by Hafiz Saeed who masterminded the 26/11 terror attacks in Mumbai in 2008.

Besides, the funding of organizations like, the Daesh, the Haqqani Network, the Pakistani Taliban and al Qaida will also be targeted by the watchdog.

Pakistan is the ninth country to be placed on the notorious FATF's grey list, the other eight being Ethiopia, Serbia, Sri Lanka, Syria, Trinidad and Tobago, Tunisia and Yemen.

Details about the Organization – FATF

The Financial Action Task Force (FATF) is an inter-governmental body that was established in 1989 by a Group of Seven (G-7) Summit in Paris, initially to examine and develop measures to combat money laundering.

In October 2001, the FATF expanded its mandate to incorporate efforts to combat terrorist financing, in addition to money laundering.

The FATF currently comprises 35 member jurisdictions and 2 regional organizations, representing most major financial centres in all parts of the globe. Israel and Saudi Arabia are observer countries.

Mr Santiago Otamendi, who is the Secretary of Justice at the National Ministry of Justice and Human Rights of the Republic of Argentina, assumed the position of President of the FATF on 01 July 2017. Ms Jennifer Fowler of the United States assumed the position of Vice-President of the FATF.

The decision making body of FATF is the ‘Plenary’, which holds meetings three times in a year to monitor progress on implementation of its recommendations and also to issue new recommendations, if and when required.

Objectives of FATF

The Financial Action Task Force (FATF) is in effect a “policy-making body” which works to generate the necessary political will to bring about national legislative and regulatory reforms in combating terror financing.

The key objectives of the organization are:

- Set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing, proliferation of weapons of mass destruction and other related threats to the integrity of the international financial system.
- Issue internationally accepted recommendations from time to time which form the basis for a coordinated response to these threats to the integrity of the financial system. FATF Recommendations were first issued in 1990 and revised in 1996, 2001, 2003 and most recently in 2012 to ensure that they remain up to date and relevant for universal application.
- In collaboration with other international stakeholders, the FATF works to identify national-level vulnerabilities with the aim of protecting the international financial system from misuse.
- Review new techniques of money laundering and terrorist financing being adopted by rouge nations/ organizations and put into place appropriate counter-measures.

- The FATF monitors the progress of its members in implementing necessary measures, reviews money laundering and terrorist financing techniques and counter-measures, and promotes the adoption and implementation of appropriate measures globally.

The Decision of Putting Pakistan on “Grey List” of FATF

The move to put Pakistan on the “Grey List” was pushed by four member countries, the U.S., the U.K., Germany and France, who, in mid-January 2018 had written to the FATF stating that even though Pakistan had an anti-money laundering/anti-terror funding regime in place, effectiveness of the implementation was inadequate.

Though, initially China, Turkey, Saudi Arabia and Gulf Cooperation Council (GCC) countries objected to Pakistan’s nomination, the decision to place Pakistan on the grey list was endorsed on the insistence of the United States in the previous plenary meet of FATF held in February 2018.

However, this time around other than Turkey no other member country, including Pakistan’s closest ally, China had any serious reservations on putting Pakistan back on the grey list owing to its dubious track record on the subject.

Ramifications of Pakistan’s Name being Put on Grey List of FATF

Stress of being placed on “Black-List”:

Pakistan, under this 26-point “Compliance Document,” will now be required to furnish a fresh report to the International Co-operation Review Group (ICRG).

Accordingly, the country will undergo a review at the next Plenary in end 2018, when it would be presented a full action plan on how it is expected to crack down on terror groups banned by the UN Security Council.

In case Islamabad’s compliance report is unsatisfactory, the FATF can put it on a “black list”.

Adverse Economic Implications:

Pakistan will be put on regular monitoring; all banking transactions in the country will come under closer global watch, thus pulling down Pakistan’s credibility in global financial transactions.

Pakistan may suffer a risk of downgrade by multilateral lenders like IMF, World Bank, ADB, EU and also a reduction in risk rating by Moodys, S&P and Fitch. Hence, accessing funds from international markets will become difficult for Pakistan.

Therefore, on the whole the economic and commercial consequences of such grey-listing can be quite debilitating. If it remains on the “grey list” for a longer period of time, Pakistan’s already struggling economy will make the country’s survival unsustainable.

Global Isolation Including by Former Allies:

Trump administration has been exerting a lot of diplomatic and economic pressure on Pakistan, like it withheld security aid worth \$1.3 billion last year. While the US signaled a change in its Pakistan policy by employing more sticks than carrots, Islamabad found it convenient to stave off US pressure by playing out its growing dependence on China.

However, China’s eventual decision to withdraw its support at FATF may be seen as a clear reflection of its frustration with its long term ally and happens to be the most severe blow to Pakistan in the recent times.

Beijing remains apprehensive of Pakistan’s efforts to establish peace in Balochistan, where \$60 billion worth of infrastructure projects it is financing as part of the China-Pakistan Economic Corridor (CPEC).

China is said to be holding direct talks with Baloch militants without officially informing Pakistan authorities, owing to the latter’s inaction against terror groups operating in the country.

Hence, China’s decision at FATF may be seen as a warning given to Pakistan that if Islamabad continued to stick with its policy of inaction, the country will not only face significant isolation internationally but should also expect China’s opposition.

Conflict of Interests in Pakistan to Comply with FATF Recommendations:

The spread of fundamentalism and so called “Talibanisation of Pakistan” is being majorly supported by drug money from Afghanistan and the lawless areas of FATA (Federally Administered Tribal Areas) of Pakistan. The treacherous mountainous regions of Waziristan and Baluchistan have become the hotbed for nurturing terrorism.

Secondly, a lot of funding is being carried out by Saudi Arabia for the spread of Wahhabism, which is the most stringent form of Islam and whose mistaken beliefs are being propagated through the inhumane acts of the al-Qaida, the Talibans and ISIS.

Talibanisation of Pakistan has resulted in an internal strife for dominance. The military and the political rulers who mostly hail from the state of Punjab in Pakistan, controls balance three-fourth of the country and had created the monsters like the Talibans and Haqqani network to run their writ in the FATA region and Afghanistan.

The struggle for dominance between the military and political elites of Punjab, the terrorist infested areas of West Pakistan and the economic hub of the coastal areas of Sind are pushing Pakistan down the dark ally of self-destruction.

The actions expected to be taken by Pakistan on the “Compliance Document,” of the International Co-operation Review Group (ICRG) will put additional pressure on the administration and will result in major conflicts of interests between various stake holders.

Advantage India:

Pakistan military that has always ruled the roost does not want peace in the region otherwise its own existence will be at stake.

The decision to place Pakistan on the “grey list” will provide India with a major relief, as follows:

- Reduced terror funding and funding for purchase of military hardware is likely to abate cross border firing and terrorism related incidents in the state of J&K.
- Stable Pakistan, where the spread of fundamentalism and Wahhabism is being checked will provide innate security to India’s interests.
- Economic strain and major efforts required from the military and civil administration to carry out decisive actions will take the heat off India and Pakistan will get busy for a while at least to get down to setting their own house in order.
- A snub from China to Pakistan will caution Islamabad that there are no permanent friends/ enemies and over reliance on China can be detrimental. On this account it was India’s diplomatic victory.
- The Trump administration has now trained its guns on Pakistan and will see it through that it leads to credible actions by Pakistan to rein in terrorism.
- It will further isolate Pakistan globally and assist in India’s existing policy to “name and shame” Pakistan. Also, it lends credence to India’s voice on the issue at international forums like the UNO.
- Improved security situation in the region will serve Indian economic interests, like ongoing infrastructure development projects in Afghanistan, proposed gas pipeline from Turkmenistan through Afghanistan and Pakistan to India, etc.

Conclusion

The timing of the above said decision of FATF, unfortunately for Pakistan coincides with the general elections in that country.

The 26/11 mastermind and designated terrorist on a UN list, Hafeez Saeed made a mockery of the of the amendments to the Anti-Terrorism Act by announcing that he would field at least 256 candidates in the upcoming Pakistan elections and formally opened a party office in Islamabad. Although, his nomination papers were rejected, he has decided to field his candidates as independents.

A “catch 22” situation prevails in Pakistan now, as it is always very difficult to “run with the hare and hunt with the hounds”. The monster that Pakistan created to project its might is now threatening to consume the master.

Meeting the demands of the ICRG Compliance Document and managing the conflicting requirements of various stake holders like, the homegrown fundamentalists/jihadists, military leadership and political elite will be tight-rope walk for Pakistan and only time will tell if it can accomplish this arduous feat.

35) Reasons for Surge in Deposits of Indians in Swiss Banks by 50% in 2017

Introduction

The latest data released by the Zurich-based Swiss National Bank (SNB) has revealed that the money parked by Indians in the Swiss banks has increased by 50% to Rs 7000 crores in 2017 as compared to the previous year.

The above said data has been shared after a new framework has been put into place for automatic exchange of information between Switzerland and India in November 2017 to help check the black money menace.

PM Narendra Modi had promised the citizens of the country during his election campaign in 2014 that he will get the black money back from the safe-havens abroad and put Rs 15 lakh into the account of every Indian.

It is important to highlight here, that a lot of regulatory mechanisms and legislations have been framed by the government to crack down on black money, like:

- Amendment of the Double Taxation Avoidance Agreement (DTAA), which allowed for routing of Indian money, back into Indian market through Mauritius. Please read details in my previous
- Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 under which it provided a one-time compliance window to taxpayers to make declarations of their undisclosed foreign assets through the Income Declaration Scheme (IDS) in 2016.
- Pradhan Mantri Garib Kalyan Yojana (PMGKY), which was valid from December 16, 2016 to March 31, 2017 and provided an opportunity to declare unaccounted wealth and black money in a confidential manner and avoid prosecution after paying a fine of 50% on the undisclosed income. An additional 25% of the undisclosed income is invested in the scheme which can be refunded after four years, without any interest.
- Securities Exchange Board of India (SEBI) imposed restrictions on 162 listed entities in August 2017 as shell companies, as part of its broader crackdown on illegal offshore transfers and tax evasions and nearly 200,000 shell companies have been shut down.
- The IT department has put into action an aggressive plan, in end 2017, to nab evaders and is probing high-profile cases of undisclosed foreign assets. Several big corporate, businessmen and film stars are under the scanner after they were named in the list exposed by the International Consortium of Investigative Journalists in 2013.

Indian Money Parked in Swiss Banks

India was ranked highest at 37th place in the year 2004 and is presently ranked at 73rd place in terms of money parked by its citizens and companies with Swiss banks, while the UK remains on the top. Incidentally, Pakistan is placed one notch higher than India at 72nd place and China is ranked 20th.

In the era when Swiss banks strictly maintained the confidentiality clause, there was a substantial amount of Rs 44500 crore parked by Indians in the Swiss bank in the year 2006.

There was a sharp drop in the money parked by Indians in Swiss banks from Rs 14,000 crore in 2013 to Rs 4,660 crore in 2016. This dip clearly coincides with the above said crackdown by the government on black money and tax evaders.

However, as revealed by the Swiss National Bank recently, the money parked by Indians in the Swiss banks showed a 50% increase during the year 2017 to reach the level of Rs 7000 crore.

Reasons for Monumental Rise of Indian Deposits in Swiss Banks

Government's Views

- Nearly 39% increase in foreign remittances (total of Rs 77,939 crore in 2017-18) is under the RBI's Liberalized Remittance Scheme, under which any resident Indian can remit \$250,000 per year in foreign investments.
- The crackdown on black money has resulted in more disclosures by the depositors in foreign banks, especially Swiss banks.
- Since 2014, the Swiss Parliament has tightened the country's money-laundering rules stating that there would be a cap of CHF 100,000 (\$104,000) on cash transactions and all individuals including foreign politicians and high-profile officials will be watched more closely.

Layman's Perspective

It is being argued that Switzerland, with its new regulatory mechanism and framework to automatically share bank information with India is no longer a safe-haven for black money.

In view of the foregoing, it brings us to an important point of debate that, why are Indian individuals and companies depositing their money in Swiss banks in that case?

- **Investors are losing Faith.** It can be deduced from the above that both Indian and foreign investors prefer to invest abroad. This also explains the recent plunge in the foreign investments coming into India.
- **Falling Rupee against the Dollar.** The rupee is at an all time low at 69 against the dollar. The profitability of businesses importing goods from abroad increases in case they had deposited money in Swiss banks earlier.
- **Increasing Interest Rates in the West.** The reason for businesses pulling out of India and investing abroad is that the rates of interests on deposits in the West have improved.
- **Extremely High Rates of Taxation in India.** The taxation system in India, especially after the hurried introduction of GST, is not only cumbersome, but is very high in comparison to the civic amenities and social security's being provided to the tax payers.
- **Stagnation in the Real Estate and Infrastructure Sector.** The avenues for investment in India significantly reduced after demonetization killed the real estate sector and investors preferred to park their money abroad.
- **Demonetization and Voluntary Disclosure Schemes provided an Opportunity to Convert Black Money into White.** The excess of legitimate wealth so generated has found its way to legitimate accounts in Swiss banks.

Conclusion

It may be concluded that all money stashed in Swiss banks may not be black money. However, the unprecedented increase in the deposits of Indians in Swiss bank accounts, red flags the current status of India economy and the urgent need to incentivize investments in India.

Hence, the government of the day has to take tangible steps on the ground to improve the investment climate in the country so that we do not continue to lose business.