



# Daily current affairs

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## **Weight-loss drug Belviq safe for heart: study**

- For the first time, a study finds that a drug can help people lose weight and keep it off for several years without raising their risk for heart problems.
  - Doctors say the results may encourage wider use of the drug, Belviq, to help fight obesity.
  - Belviq has been sold in the U.S. since 2013 and is the first of several new weight-loss medicines to pass a heart safety study.
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## **U.K. to develop satellites to rival EU's Galileo**

- Britain is to start work on its own satellite navigation system to rival the European Union's Galileo project because the U.K.'s access to sensitive security information could be restricted after Brexit.
  - Galileo satellite programme is being developed by the EU as a rival to the U.S. Global Positioning System.
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## **Even a discarded contact lens can pollute waterways-Micro Plastic Pollution**

- Wipes, drugs among those that could contribute to microplastic pollution
- A thread of dental floss tossed in the toilet, a contact lens swirling down the drain of the bathroom sink. But even the tiniest items can contaminate waterways.
- The small fragments of plastic contact lenses are believed to be contributing to the growing problem of microplastic pollution. Pharmaceuticals, which are also frequently flushed down the drain, have been found in our drinking water, and the consequences are not fully known.
- Products like wipes and tampons are also clogging sewer systems, resulting in billions of dollars in maintenance and repair costs.
- While toilet paper will break down in anywhere from a minute to four minutes, wipes take at least six hours to disintegrate.
- Furthermore, the pumps at collection systems that move waste downstream to treatment

plants cannot tear them apart.

- When contact lenses are flushed down the toilet or washed down the sink, they do not biodegrade easily. As a result, they may make their way into surface water, causing environmental damage, new research has shown.
  - The lenses are also impervious to the bacteria that break down biological waste at treatment plants.
  - It is often assumed that tampons can be flushed down the toilet, in part because they are small.
  - But their absorbent materials, including the string, do not break down easily: They cannot be processed by waste water treatment centres, and can damage septic systems.
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### **What is share buyback?**

- A buyback is a mechanism through which a listed company buys back shares from the market.
- A buyback can be done either through open market purchases or through the tender offer route.
- Under the open market mechanism, the company buys back the shares from the secondary market while under tender offer, shareholders can tender their shares during the buyback offer.
- Historically, most companies had preferred the open market route.
- Buybacks are typically done when a company has a significant cash reserve and feels that the shares are not fairly valued at the current market price.
- Since the shares that are bought back are extinguished, the stake of the remaining shareholders rise.

### **Why?**

- Promoters also use this mechanism to tighten their grip on the firm.
- Since the bought back shares are extinguished, the earnings per share (EPS) rise by default.
- Also, since a buyback is usually done at a price higher than the then prevailing market price, shareholders get an attractive exit option, especially when the shares are thinly traded.
- It is also more tax-efficient than dividends as a way to reward shareholders.
- A company can use a maximum of 25% of the aggregate of its free reserves and paid-up capital for a buyback.
- A special resolution needs to be passed at a general meeting.
- However, if the company plans to use less than 10% of its reserves then only a board resolution is required.
- A company cannot do a second buyback offer within one year from the date of the closure of the last buyback.
- Also, there are time-bound limitations on further share issuances like preferential allotment or bonus issue post a buyback.
- These checks have been put in place so that companies do not misuse the buyback mechanism.



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