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Stick to July 31 deadline for final NRC

Why in news?

The Supreme Court asked Assam National Register of Citizens (NRC) Coordinator Prateek Hajela to act with “wise discretion” while dealing with people who had failed to appear for scheduled hearings on their objections filed against exclusion from the draft NRC.

SC observations:

- Objections’ hearings have started. ‘Objectors’ are not appearing in most cases,” Mr. Hajela reported to a Special Bench of Chief Justice Ranjan Gogoi and Justice Rohinton F. Nariman.
 - If they are not appearing, the law will take its own course,” the Chief Justice replied.
 - The Chief Justice told Mr. Hajela to take whatever action was necessary in the cases of the absentee ‘objectors’.
 - The decisions taken should be free and fair, keeping the law in mind. “But whatever you do, do it by July 31. A day earlier than July 31 but not a day later,” he said before listing the case for July 3, after the summer vacations.
 - In the previous hearing, the court had urged the NRC authorities to make the hearing processes as hassle-free as possible.
 - Over **35 lakh people excluded from the draft** had filed claims for Indian citizenship. The court asked the NRC authorities to ensure “optimum convenience” for those seeking justice in the proceedings.
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Iran says it will not honour nuclear curbs

Why in news?

Iran said it had stopped respecting limits on its nuclear activities agreed under a 2015 deal with major powers until they find a way to bypass renewed U.S. sanctions.

Iran threats:

- The announcement came as Washington stepped up its rhetoric against Tehran, accusing it of planning “imminent” attacks and deploying an aircraft carrier strike group with several nuclear-capable B-52 bombers to the region.
- Iran said it was responding to the sweeping unilateral sanctions that Washington has reimposed since it quit the agreement one year ago, which have dealt a severe blow to the Iranian economy.
- Iran’s Supreme National Security Council said that it no longer considered itself bound by the agreed restrictions on stocks of enriched uranium and heavy water.
- It said after 60 days, it would also stop abiding by restrictions on the level to which Iran can enrich uranium and modifications to its **Arak heavy water reactor** that were designed to prevent the production of plutonium.
- Uranium enriched to much higher levels than Iran’s current stocks can be used as the fissile core of a nuclear weapon, while heavy water is a source of plutonium which can be used as an alternative way to produce a warhead.
- President Hassan Rouhani said the ultimatum was intended to rescue the nuclear deal from his U.S. counterpart Donald Trump who has repeatedly called for it to be scrapped since he pulled out on May 8, 2018.

U.S. threatens to impose more sanctions on Iran

Why in news?

The U.S. threatened to impose more sanctions on Iran “very soon” and warned Europe against doing business with Tehran via a system of non-dollar trade to circumvent U.S. sanctions.

US threats:

The Iranian government announced earlier that it was reducing curbs to its nuclear programme with steps that stopped short of violating its 2015 accord with world powers for now, but threatening more action if countries did not shield it from sanctions

- Tehran’s halt of compliance with some parts of the nuclear deal was “nothing less than nuclear blackmail of Europe”, Tim Morrison, Special Assistant to the President and Senior Director for Weapons of Mass Destruction, told a conference in Washington.
- Now is the time for the community of nations to strongly condemn Iran’s nuclear misconduct and increase pressure on the regime to comply with U.S. demands,” Mr. Morrison said, adding that Washington was not “done” with sanctions on Iran.

Special Purpose Vehicle:

- Mr. Morrison said the U.S. would move quickly against any attempt by European countries to undermine Washington’s sanctions pressure on Iran.
- He advised them against using the so-called Special Purpose Vehicle to facilitate non-dollar trade to get around U.S. sanctions.
- If you are a bank, an investor, an insurer or other business in Europe, you should know that getting involved in the Special Purpose Vehicle is a very poor business decision,” Mr. Morrison said.
- Iranian President Hassan Rouhani announced changes that experts said seemed tailored to ensure that Tehran avoids triggering the deal’s mechanism to punish it for violations, at least for now.

Opposition from European allies:

- Washington’s European allies opposed Mr. Trump’s decision to withdraw from the agreement and have failed so far to find ways to

blunt the economic impact of new U.S. sanctions, which include an all-out effort to block Iran's oil exports to starve its economy.

- The Kremlin said that Russia remained committed to the Iran nuclear deal and denounced "unreasonable pressure" that led Tehran to suspend some of its commitments under the agreement.
 - Reiterating Moscow's "commitment" to the agreement, Kremlin spokesman Dmitry Peskov denounced "**ill-conceived and arbitrary decisions that put unreasonable pressure on Iran.**"
 - China called on all parties to uphold the nuclear pact. "Maintaining and implementing the comprehensive agreement is the shared responsibility of all parties," said Foreign Ministry spokesman Geng Shuang at a press briefing in Beijing.
 - We call on all relevant parties to exercise restraint, strengthen dialogue, and avoid escalating tensions, he said, adding that China "**resolutely opposes**" unilateral U.S. sanctions against Iran.
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Opposition can demand slip counting

Why in news?

Though the Supreme Court and the Election Commission have not agreed to the Opposition parties' demand for **50% random physical verification** of the Electronic Voting Machine (EVM) results with Voter-Verified Paper Audit Trail (VVPAT) slips, they can still take recourse to Section 56-D of the Conduct of Election Rules to request for **slip counting**.

Slip counting:

- **Section 56-C of the Rules** provides for the procedure of vote counting.
- In case a candidate or election agent disputes the announced results of any polling station(s), they can seek **scrutiny of VVPAT slips under the Section**.
- The provision states that after the entries made in the **result sheet are announced**, any candidate or in his absence, his election agent

or any of his counting agents may apply in writing to the returning officer to count the printed paper slips in the drop box of the printer in respect of any polling station or polling stations.

- Explaining the procedure, the Section says: “On such application being made, the returning officer shall, subject to such general or special guidelines, as may be issued by the Election Commission, decide the matter and may allow the application in whole or in part or may reject in whole, if it appears to him to be frivolous or unreasonable.”
- The returning officer’s decision has to be in writing and must contain the reasons for accepting or rejecting the request.
- In case the officer allows the counting of slips, either whole or in part, he has to do the counting according to EC directions.
- If any discrepancy between the votes displayed on the control unit and the counting of the paper slips is detected, the slip count prevails and accordingly, the results are amended and announced after following the set procedures.
- There have been 16 such instances of slip counting since 2017. In all cases, it was a 100% match of EVM results and VVPAT slips,” said an Election Commission official.
- On Tuesday, **the Supreme Court dismissed a plea of 21 Opposition parties to review its judgment rejecting the request for 50% matching**, but increasing the physical counting of slips from one to five randomly selected EVMs in each Assembly segment or constituency.
- Subsequently, the parties, led by Andhra Pradesh Chief Minister N. Chandrababu Naidu, again approached the Commission on the same issue.

Firms missing from database will not affect GDP calculation

Why in news?

The deficiencies found in the **MCA-21 database** of the corporate sector, where more than a third of the sample companies were either

untraceable, out of coverage, or closed, will not have a major impact on the calculation of GDP and GVA, according to prominent statisticians closely associated with the subject.

Technical Report on Service Sector Enterprises in India:

- A recent report by the National Sample Survey Organisation titled 'Technical Report on Service Sector Enterprises in India' found that **nearly 38% of the companies it surveyed using the MCA-21 database were unusable for data collection purposes.**
- About 21% were designated "out of coverage", 12% as untraceable, and 4.5% as closed.
- The government has started using the **MCA-21 database to calculate the Gross Domestic Product and the Gross Value Added.**
- The deficiencies in the database have alarmed a section of economists, who pointed out that this weakens the integrity of the national accounts data. However, noted statisticians said this was not the case.

Doesn't affect integrity of data:

- In the sample we took from the MCA-21 database, about 36% of the firms don't exist," Pronab Sen, former Chief Statistician of India said.
- That doesn't surprise me one bit. The reason is we know that the MCA-21 contains shell companies. But, when you have shell companies in the MCA-21, and they are submitting their balance sheets regularly, they are very much a part of what I am measuring.
- The question is whether this is wrong, and the answer is no," Mr. Sen added. "Because, if I don't measure their output, I am not capturing a part of GDP.
- **Shell companies are benami companies where you have a legitimate company doing a legitimate business, but for tax purposes is routing a lot of transactions through the shell company.**
- The value creation is happening. If I ignore that, I am saying value creation is not happening, which is wrong." "Not being able to reach a company at a particular address means that the address is wrong, not that the production is not happening," a senior government

official associated with the Ministry of Statistics explained.

- Also, as growth rates are measured over a period of time, the major factor that would affect them is the regularity with which the companies being measured file their returns, the official added.

Regularity in returns:

- Growth rates are influenced more by the regularity with which people file returns, the official, a statistician himself, said.
- So, if a large part of your growth is essentially determined by a set of companies that file regularly, then the growth profile will be unaffected by the fact that there are a number of companies not being measured. But the level of the economy will be affected.
- In other words, if 62 out of 100 companies have been regularly filing their returns, then the growth rate will be determined by the change in the revenue reported in these 62 companies' returns. The growth rate will not be affected by the 38 companies not filing returns.
- The other factor to be kept in mind with the MCA-21 database is that it is a compilation of the audited financial returns filed by companies and this is reconciled with the corporate tax collected by the Income Tax Department.
- If the database was unusable, then they would not match up with the tax collections," the government official said. "But they do. What is filed in the company accounts is reconciled with taxes paid."

Audited data:

- The MCA-21 is giving me audited data, whereas the data collected from the field is not audited," Mr. Sen said. One would imagine that audited data would always be better than unaudited data.
- The MCA data is capturing value creation by an entity that is a registered corporate. Now where that value is coming from whether from the company itself or it is merely a book entry from some other company, doesn't matter as far as GVA is concerned, Mr. Sen said.
- However, existence of shell firms does create some lower-level problems, Mr. Sen acknowledged, especially with regard to growth rates and levels of different sectors.
- If I have a manufacturing company that has set up a shell company that is shown as a trading company, then what will end up happening is that the GVA that would have been counted in manufacturing would

actually get counted in trade,” Mr. Sen said. “But the total remains correct. My ultimate objective is to capture the total.”

Mechanisms in place:

- Companies change addresses but not in the official database, or the way it is registered, if it is registered for one activity but is doing another.
- But the National Accounts people make some adjustments to make sure that the data they are using is for factories that are there and operating.
- In addition to this, the government is in the process of strengthening its various databases by sharing data.
- The Income Tax Department recently announced an MoU signed with the Goods and Services Tax (GST) Network that would allow the sharing of information to pin down irregularities.
- The Ministry of Statistics is also looking to use the GST data to further bolster its own data collection activities.
- On-ground verification is something that GST is now trying to do by integrating with e-way bills so that everything is traced from the point of production to the destination.
- There is a lot of agitation happening around that because companies are saying it is very intrusive.
- Mr. Sen is also now chairing a committee that is looking to integrate GST data for the next services survey because companies have to provide their current addresses while registering for GST.

Income support, UDAY driving fiscal slippages

Why in news?

The Reserve Bank of India (RBI) has voiced its concern over government schemes such as income support, revival package for power distribution companies and farm loan waivers as such schemes led to fiscal slippages.

RBI's Concerns:

- In a presentation to the 15th Finance Commission, the RBI said the UDAY scheme, recent income support schemes of the government and farm loan waivers could drive fiscal slippage in the revised estimate for 2018-19.
- In the Interim Budget presented in February, the government announced a cash transfer scheme, for small and marginal farmers with landholdings of up to two hectares, of ₹6,000. The government had allocated ₹75,000 crore towards the scheme for financial year 2020.
- The RBI made a detailed presentation to the Finance Commission on State government finances for 2019-20.

Significant deviation:

- Fiscal deficit of States is budgeted to be lower in 2019-20 BE (budgeted estimates), but RE (revised estimates) and actuals deviate significantly reflecting **poor fiscal marksmanship**," a statement issued by the government after the meeting said.
- The central bank noted that outstanding debt as percentage of GDP had been rising despite moderation in interest payment as percentage of revenue receipts.

Expenditure codes:

- Some of the other issues that were discussed during the meeting include public sector borrowing requirements and continuity of the Finance Commission and development of expenditure codes, especially given that expenditure norms vary from State to State.
 - On the continuity of the Finance Commission, the government statement said "felt that this was required more in view of the fiscal management requirements of the States, especially given the absence of mid-term reviews of awards granted by the Finance Commission, as it used to happen earlier with the awards granted by the Planning Commission."
 - During its two-day visit to Mumbai, the Finance Commission is also meeting banks, financial institutions and economists.
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ASI identifies rare Indian artefacts seized from smuggler

Why in news?

From idols dating back to the Gupta period (5th-6th Century AD) to terracotta objects of the Harappan culture, a range of Indian antiquities and artefacts that were smuggled by Subhash Kapoor have been identified by the Archaeological Survey of India (ASI) during a team's recent visit to the United States.

Precious Treasure:

- In a statement here on Wednesday, the ASI said a team of two officials, Dr. Urmila Sant and P.S. Sriraman, visited the U.S. after receiving communication from the office of the Consulate General of India in New York about the seizure of artifacts by the Immigration and Customs Enforcement of U.S. Department of Homeland Security from the storage of Kapoor.
- The ASI said the team identified close to 100 objects in total, including 17 objects that had been seized by the Department.
- The antiquities comprise beautiful bronzes from the **Suttamalli and Sripurantan temples** of Tamil Nadu and also a very significant image of **Mahakoka Devata**.
- Of these, four antiquities were stolen from protected monuments at Karitalai, district Katni in Madhya Pradesh on August 16 and 17, 2006," the ASI said.
- Apart from that, 56 terracotta objects that were returned **by Toledo Museum** in Ohio to the Indian Consulate were declared to be antiquities by the team.
- These objects, a majority of which were from Chandraketugarh in West Bengal, had been gifted to the museum by Kapoor.
- Further, 232 objects comprising brass and copper alloys, gold with enamel work, silver, stone and terracotta in possession of the Indian consulate were also inspected by the ASI officials.
- Among them, a few were identified as antiquities, like the stone image of the Buddha of Mathura School, a terracotta image of the Buddha belonging to the Gupta period and a set of 10 copper plates engraved with Quranic verses of the late Mughal Period," the ASI said.

Kapoor's arrest:

- The statement added that after Kapoor's arrest in Germany in 2011, many museums in the world had shared information about the antiquities procured from him.
 - Many museums in the U.S. have also deposited various valuable antiquities with Homeland Security officials that they had purchased from Kapoor, saying they were not aware that the items had been smuggled into the country," the ASI said, adding that the Indian consulate in New York would be working on transporting the objects back to India.
 - The smuggler was extradited to India and is currently in the custody of Tamil Nadu police, the ASI said.
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India's newest pit viper found in Arunachal

Why in news?

India now has a **fifth brown pit viper** but with a reddish tinge. A team of herpetologists led by Ashok Captain have described a new species of reddish-brown pit viper a **venomous snake with a unique heat-sensing system** from a forest in West Kameng district of Arunachal Pradesh.

Rich in ecology:

- The discovery, published in the March-April volume of the Russian Journal of Herpetology, makes the Arunachal pit viper (*Trimeresurus arunachalensis*) the second serpent to have been discovered after the **non-venomous crying keelback** in the State's Lepa-Rada district in 2018.
- The new species also makes Arunachal Pradesh the only Indian state to have a pit viper named after it
- Mr. Captain, who made the discovery said India had four brown pit vipers before the Arunachal Pradesh discovery.
- The other four **Malabar, horseshoe, hump-nosed and Himalayan**

were discovered 70 years ago.

- We don't know anything of the Arunachal pit viper's natural history as only one male has been found so far. More surveys and sightings of this species would gradually give us an idea of its habits, diet and breeding, whether it lays eggs or bears live young," he told.
- A research team from the Indian Institute of Science Education and Research, Pune, had encountered the snake while conducting biodiversity surveys in Arunachal Pradesh's Eaglenest region.

DNA analysed:

- Comparative analyses of DNA sequences and examination of morphological features suggested that the **snake belonged to a species not described before**.
 - Mr. Bhatt, a scientist of the Arunachal Pradesh forest department, said that the single known specimen of this species makes it currently the **rarest pit viper in the world**.
 - The specimen was donated to the museum of the State Forest Research Institute in Itanagar.
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WHO for eliminating industrially produced trans fats by 2023

Why in news?

Trans fat, also called the worst form of fat in food, responsible for over 5,00,000 deaths globally from coronary heart disease each year, could be eliminated from the industrially produced global food supply by 2023 if the World Health Organization (WHO) has its way.

Who Target:

- The WHO has welcomed its partnership with the International Food and Beverage Alliance (IFBA) to achieve this target. It said: "Eliminating industrially produced trans-fat is one of the simplest and most effective ways to save lives and create a healthier food supply."

- WHO Director-General Dr. Tedros Adhanom Ghebreyesus, in a statement, said they had met the IFBA representatives, including chief executive officers from several of the 12 companies comprising the alliance on May 2 to discuss actions to eliminate industrial trans fats, and reduce salt, sugar and saturated fats in processed foods.

Regulatory action:

- The meeting also stressed the value of regulatory action on labelling, marketing and urged industry for full adherence to the **WHO code of marketing of breast milk substitutes**.
 - Dr. Ghebreyesus said, "The commitment made by the IFBA is in line with the WHO's target to eliminate industrial trans-fat from the global food supply by 2023. Of particular note was the decision by IFBA members to ensure that the **amount of industrial trans-fat in their products does not exceed two grams per 100 grams fat/oil globally by 2023**."
 - Speaking about the relevance of this meeting and deadline for India, Medanta Hospital founder and heart surgeon Naresh Trehan said, "India has among the highest number of coronary heart disease cases in the world and we must try to beat this deadline."
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