KSG:NEWSPAPER CRUX

1ST OCTOBER 2021

NEWSPAPER HIGHLIGHT

The revamped versions of the Swachh Bharat Mission Urban (SBM-U) and the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) that Prime Minister Narendra Modi will launch on Friday would include convergence with the corresponding missions for rural areas and outcome based funding for cities, top Ministry of Housing and Urban Affairs (MHUA) officials said. The SBMU 2.0 and AMRUT 2.0 aim at "saturation", while the first five year iterations of the schemes launched in 2014 and 2015 respectively focused on "transformation".While SBMU focused on construction of toilets and making cities open defecation-free (ODF), SBMU 2.0 would aim to make the facilities better, reclaim all landfills and take processing of municipal solid waste to 100% from the present 70%, the official said. Similarly, AMRUT 2.0 would aim to provide universal coverage of water supply to all 4,378 statutory towns, an increase from the goal of covering 500 cities under AMRUT.

The government's fiscal deficit stood at ₹4.68 lakh crore or 31.1% of Budget estimates at the end of August, as per data released by the Controller General of Accounts (CGA) on Thursday. The deficit figure in the current fiscal stands lower than it did a year earlier, when it had soared to 109.3% of the estimates, mainly on account of a jump in expenditure to deal with the COVID-19 pandemic. In absolute terms, the fiscal deficit or gap between expenditure and revenue was ₹4,68,009 crore at end of August, the CGA said.

India and Australia agreed on Thursday to conclude a Free Trade Agreement (FTA) by end 2022, with an interim agreement that will be finalised by this Christmas, said Australian Minister for Trade, Tourism and Investment Dan Tehan after meeting Commerce and Industry Minister Piyush Goyal. "The economic partnership will cover trade in services and goods, investments and we will begin discussing government procurement, energy and resources, logistics and transport, standards, rules of origin.

Developments along the Line of Actual Control (LAC) in Eastern Ladakh have added to the ongoing legacy challenges on India's active and disputed borders on the western

MEKEDATU ISSUE

1.Facing strong objection from Tamil Nadu, Kerala, and Puducherry, the Cauvery Water Management Authority's (CWMA) had urged Karnataka to promptly deliver the balance quantum of water owed to Tamil Nadu, whilst dropping debate on the Mekedatu project. The release should be as per the Cauvery Water Disputes Tribunal's decision of 2007, which was modified by the Supreme Court in 2018.

2.What was the issue? Tamil Nadu noted that Karnataka had only provided 85.8 TMC water instead of 119.5 TMC water until September 26. Tamil Nadu contended that Karnataka should indeed be ordered to deliver the surplus as well as the quota for the month of October promptly so that paddy planting in the Delta region may be protected.

3.About CWMA: **It has been created as per the Cauvery Management Scheme earlier framed by Centre and approved by Supreme Court.** Composition and Powers of CMA: The authority will comprise a chairman, a secretary and eight members. Out of the eight members, two will be full time, while two will be part time members from centre's side. Rest four will be part time members from states.

4.About the Mekedatu Project: **Mekedatu is a multipurpose (drinking and power) project. It involves building a balancing reservoir, near Kanakapura in Ramanagara district in Karnataka.** The project once completed is aimed at ensuring drinking water to Bengaluru and neighboring areas (4.75 TMC) and also can generate 400 MW power. The estimated cost of the project is Rs 9,000 crore.

PLI SCHEME FOR TEXTILE WORKERS

1.The Government has launched the Production-Linked Incentive (PLI) scheme for the textiles sector worth Rs 10,683 crore. This is part of a larger PLI scheme for 13 sectors, with a total budgetary outlay of 1.97 lakh crore.Focus areas? The PLI scheme for textiles aims to promote the production of high value Man-Made Fibre (MMF) fabrics, garments and technical textiles.

2.Eligibility: Any person or company willing to invest a minimum of Rs 300 crore in plant, machinery, equipment and civil works (excluding land and administrative building cost) to produce products of MMF fabrics, garments and products of technical textiles will be eligible to participate in the first part of the scheme. Investors willing to spend a minimum of Rs 100 crore under the same conditions shall be eligible to apply in the second part of the scheme.

3.Incentives: Under PLI, the Centre will subsidise eligible manufacturers by paying incentives on incremental production. Companies investing over Rs 300 crore in plant, machinery, equipment and civil works to produce the identified products will get an incentive of 15 percent of their turnover, which needs to be Rs 600 crore in the third year. The companies investing between Rs 100 crore and Rs 300 crore will also be eligible to receive duty refunds and incentives (lower than 15 percent of their turnover). The government expects to achieve "fresh investment of over Rs 19,000 crore and a cumulative turnover of more than Rs 3 lakh crore".

4.Significance: **The PLI scheme will provide an immense boost to domestic manufacturing, and prepare the industry for making a big impact in global markets in sync with the spirit of Atmanirbhar Bharat.** It will also help attract more investment into this sector. Need for: Two-thirds of international trade in textiles is of man-made and technical textiles. This scheme has been approved so India can also contribute to the ecosystem of fabrics and garments made of MMF.

ANTIMALARIAL DRUG RESISTANCE

1.In recent years there is increasing evidence for the failure of artemisinin-based combination therapy for falciparum malaria either alone or with partner drugs. A recent study has described the presence of two mutations responsible for artemisinin resistance in Northern Uganda. The current report of artemisinin resistance in East Africa is a matter of great concern as this is the only drug that has saved several lives across the globe.

and eastern front, Chief of the Army Staff General Manoj Naravane said on Thursday. According to him, such incidents will continue till a long-term solution is reached, which is to have a boundary agreement. "The unprecedented developments necessitated largescale resource mobilisation, orchestration of forces and immediate response, all this in a COVID19 environment," he said, referring to the standoff with China last May.

The Quad is a partnership among "likeminded" countries and is not 'designed' to be a security alliance, said Australian Prime Minister Scott Morrison who argued that even China is welcome to contribute to the objective of ensuring a free and open Indo-Pacific. Addressing journalists after his return from the U.S. where a security alliance consisting of the U.S., the U.K. and Australia — AUKUS — was launched, Mr. Morrison said members of the Quad are not in the business of containing China.

Negotiating China's rise in the world was largely a bilateral matter, External Affairs Minister (EAM) S. Jaishankar said on Friday, in the context of Quad countries' handling of China's ascent. The Minister was responding to a question from former U.S. Ambassador to India, Frank Wisner, with whom he was in a discussion organised by the U.S. India Strategic Partnership Forum, an advocacy group.

The Press Council of India (PCI) has constituted a threemember fact-finding committee to look into the alleged cases of intimidation and harassment of journalists in Jammu and Kashmir. It has asked the authorities in the Union Territory (UT) "to extend full cooperation and assistance to this committee for the discharge of its function".

The Ministry of Home Affairs (MHA) has extended the deadline till December 31 for NGOs to apply for renewal of their Foreign Contribution (Regulation) Act (FCRA) registration certifi cates. The registration is mandatory for associations and NGOs to receive foreign funds. Registered NGOs can receive foreign contribution for fi ve purposes — social, educational, religious, economic and cultural.

India's core sector output accelerated for a second straight month in August, rising 11.6%, buoyed in part by the year earlier month's 6.9% contraction. Four of the eight sectors registered strong double digit growth, even as output

2.Why is there an increase in Antimalarial drug resistance? **In most malaria-endemic countries including India, Artemisinin-based antimalarial drugs are the first-line choice for malaria treatment especially against Plasmodium falciparum parasite** which is responsible for almost all malaria-related deaths in the world. Overuse has led to mutations in P. falciparum cases treated with artemisinin.
3.What needs to be done? The time has come to carry out Molecular Malaria Surveillance to find out the drug-resistant variants so that corrective measures can be undertaken in time to avert any consequences. Some experts even advocate using triple artemisinin-based combination therapies where the partner drug is less effective.

SAFE HARBOUR

1.The Central Board of Direct Taxes has extended the applicability of the Safe Harbour Rates further for 2020-21 for calculating transfer pricing by foreign firms in India. Safe harbour is defined as circumstances in which the tax authority shall accept the transfer price declared by the taxpayer to be at arm's length. Generally, a safe harbour is a legal provision to sidestep or eliminate legal or regulatory liability in certain situations, provided that certain conditions are met.
2.The phrase safe harbour also has uses in the finance, real estate, and legal industries. The term safe harbour may also be used to refer to a "shark repellent" tactic used by companies who want to avert a hostile takeover.
3.The company may purposefully acquire a heavily-regulated company to make themselves look less attractive to the entity that is considering taking them over. Safe harbor can also refer to an accounting method that avoids legal or tax regulations.

RENEWABLE ENERGY CERTIFICATE

1.Ministry of Power has redesigned the existing Renewable Energy Certificate (REC) mechanism, which was introduced in 2010. The proposed changes will provide some flexibility to the players, additional avenues, rationalization and also addressing the RECs validity period uncertainty issues. Features of changes proposed in revamped REC mechanism are, Validity of REC would be perpetual i.e., till it is sold.
2.Floor and forbearance prices are not required to be specified. Central Electricity Regulatory Commission (CERC) to have monitoring and the surveillance mechanism ensures that there is no hoarding of RECs. RE generator who is eligible for REC, will be eligible for issuance of RECs for the period of PPA as per the prevailing guidelines.
3.The existing RE projects that are eligible for REC would continue to get RECs for 25 years. Technology multiplier can be introduced to promote new and high priced RE technologies. Issuance - RECs can be issued to obligated entities (including DISCOMs and open access consumers) which purchase RE Power beyond their RPO compliance notified by the Central Government.
4.No REC to be issued to the beneficiary of subsidies/concessions or waiver of any other charges. The FOR to define concessional charges uniformly for denying the RECs. The changes proposed in revamped REC mechanism will be implemented by CERC through regulatory process.

NATIONAL EXPORT INSURANCE ACCOUNT SCHEME

1.The Government will infuse a capital of Rs. 1,650 Crore (Grant-in-aid) to National Export Insurance Account (NEIA) for 5 years (FY 2021-22 to FY 2025-2026). The capital infusion in NEIA Trust will help the Indian Project Exporters (IPE) to tap the huge potential of project exports in focus market. Support to project exports with Indian content sourced from across the country will enhance the manufacturing in India.
2.It will enhance the underwriting capacity of the NEIA Trust. It will enable NEIA to support project exports worth Rs. 33,000 Crore at full capacity utilization that in turn will translate into an estimated output of Rs. 25,000 Crore worth domestically manufactured goods.
3.NEIA Trust NEIA Trust was established in 2006 to promote Medium and Long-Term (MLT) or project exports from India. It supports projects which are commercially viable and are strategically and nationally important by enabling credit and political insurance.
4.It promotes exports by extending risk covers to the credit issued by Export Credit Guarantee Corporation of India Ltd.

of fertilizers and crude oil declined. The output was also 3.9% higher than the pre COVID August 2019 level, quicker than July's 1.6% increase from the comparable prepandemic month of 2019.

(ECGC) and the Exim Bank for Buyer's Credit (BC-NEIA) tied to project exports from India. Since inception, NEIA has extended 213 covers, with a consolidated project value of Rs. 53,000 crores, to 52 countries as of 31st August 2021.