

NEWSPAPER HIGHLIGHT

In 2020, astronomers led by the European Southern Observatory reported the discovery of the black hole closest to Earth at a distance of 1,000 light years, but their results were contested by a Belgium based group. Now, the two groups have jointly published in Astronomy and Astrophysics that what they saw was not a black hole but a “vampire” twostar system in a rare, shortlived stage.

Analysing the bones and dental remains of 37 Tyrannosaurus specimens, research published in Evolutionary Biology finds significant differences in the robustness of the femur or thigh bone and diameter of base of teeth. Researchers guess that the specimens belonged to three different groups (or species) of Tyrannosaurus. Variation was seen in specimens recovered from different layers of sediment.

Deepak Dhar, physicist, from the Indian Institute of Science Education and Research, Pune, has been selected for the Boltzmann medal, awarded by the Commission on Statistical Physics (C3) of the International Union of Pure and Applied Physics. He becomes the first Indian to win this award, which was initiated in 1975, with Nobel laureate (1982) K.G. Wilson being the first recipient.

World food prices hit a record high in February, led by a surge in vegetable oils and dairy products, to post a 20.7% increase year on year, the U.N. food agency said. The Food and Agriculture Organization’s food price index, which tracks the most traded food commodities, averaged 140.7 points last month against a downwardly revised 135.4 in January. Higher food prices have contributed to a broader surge in inflation as economies recover from the COVID19 crisis and the FAO has warned that the higher costs are putting poorer populations at risk in countries reliant on imports.

President Vladimir Putin warned on Saturday that Russia would consider any third party declaration of a no fly zone over Ukraine as participation in the war there, while Ukrainian officials blamed Russian shelling for breaching a ceasefire arranged in two cities to evacuate civilians. The struggle to enforce the

SECOND PART OF THE IPCC’S SIXTH ASSESSMENT REPORT

1. Recently, the latest report of the Intergovernmental Panel on Climate Change (IPCC) was released. The second and latest part of the report has warned of multiple Climate Change-induced disasters in the next two decades even if strong actions are taken to reduce the greenhouse gas emissions.

2. These strong actions would substantially reduce the threats, and the projected damages, but they would not eliminate them all. The ability of human beings, and natural systems, to cope with the changing climate was already being tested, and further rise in global warming would make it even more difficult to adapt.

3. The gaps in adaptation were a result of lack of funds and political commitment, and also the absence of reliable information and a sense of urgency. If the temperature rise crossed the threshold of 1.5°C from pre-industrial times, then many changes could be irreversible. The need to take adaptation measures is therefore very important.

4. The report has said, “Adaptation is essential to reduce harm, but if it is to be effective, it must go hand in hand with the reductions in greenhouse gas emissions because with increased warming, the effectiveness of many adaptation options declines.” Over 3.5 billion people, over 45% of the global population, were living in areas highly vulnerable to climate change.

5. **India - The report identifies India as one of the vulnerable hotspots, with several regions and important cities facing very high risk of climate disasters such as flooding, sea-level rise and heat-waves.** In India, rice production may decrease 30% instead of 10% if global warming over pre-industrial levels rises to 4°C from 1°C. Maize production will decrease 70% instead of 25% in this scenario.

DOLLAR-RUPEE SWAP ACTION

1. The Reserve Bank of India has announced a two-year sell/buy swap auction of \$5 billion. Dollar-Rupee Swap Auction is a forex tool whereby the central bank uses its currency to buy another currency or vice versa. There are two types of Dollar-Rupee Swap Auction Dollar-Rupee buy/sell swap - The RBI buys US dollars (USD) from banks in exchange for Indian Rupees (INR) and immediately gets into an opposite deal with banks promising to sell dollars at a later date.

2. **Dollar-rupee sell/buy swap - The RBI sells the USD in exchange for INR and promises to buy dollar from banks after some years. Benefits - Forex swaps help in liquidity management. In a limited way, it also helps in keeping the currency rates in check.** A dolla-rupee buy/sell swap injects INR into the banking system while sucking out the USD, while the reverse happens in a sell/buy swap. Reasons why RBI is resorting to Swap Auction - Presently, the surplus liquidity of Rs 7.5 lakh crore in the banking system needs to be curbed to keep a tab on inflation.

3. With two sell auctions at play, nearly Rs 75,000 crore of surplus liquidity could be sucked out of the system. Usually, the RBI will resort to traditional tools such as increasing the repo rate or increasing the cash reserve ratio (CRR), but this can have a negative implication on the economy. Therefore, the RBI used a different toolkit - variable rate reverse repo auction (VRRR) last year.

4. However, the recent VRRR auctions were undersubscribed by banks, as the cash market offered instant and better yields, forcing the RBI to consider a longer-term liquidity adjustment tool such as forex auctions. Impact on the rupee - Forex swaps are intended for liquidity management. So, their impact on currency is only incidental. The RBI resorting to selling USD in two tranches will keep a check on Rupee’s volatility and help curb its depreciation to some extent.

5. **Impact on the bonds - Liquidity intervention through swaps indicates the RBI’s plan to use a different toolkit rather than the traditional ones. This leaves room for the central bank to buy bonds when needed.** Consequently, the

ceasefire in Mariupol, a strategic port in the southeast, and the eastern city of Volnovakha showed the fragility of efforts to stop fighting across Ukraine as the number of people fleeing the country reached 1.4 million.

The IMF warned that the already “serious” global economic impacts of the war in Ukraine would be “all the more devastating” should the conflict escalate. Even as forecasts remain subject to “extraordinary uncertainty, the economic consequences” of the invasion launched by Russia “are already very serious”, the IMF said. A surge in energy and commodity prices have piled on the inflationary hike that the world was already experiencing as economies recover from the pandemic.

The global money laundering and terrorist financing watchdog FATF has retained Pakistan on its terrorism financing “grey list” and asked Islamabad to address at the earliest the remaining deficiencies in its financial system, according to a media report on Saturday. Pakistan has been on the grey list of the Paris based Financial Action Task Force (FATF) since June 2018 for failing to check money laundering, leading to terror financing, and was given a plan of action to complete it by October 2019. Since then, the country continues to be on that list due to its failure to comply with the FATF mandates.

Animals know no international boundaries and this has come as some sort of a surprise and challenge to experts and forest officials who installed GPS transmitters on the northern river terrapin in the Indian Sundarbans. In just six weeks after the release, at least three of the 10 turtles of the critically endangered Batagur baska species have travelled hundreds of kilometres and are now in Bangladesh.

India called upon Sri Lanka to take “necessary steps” to address the “legitimate aspirations” of the Tamil community, while reiterating its earlier stance that it is in Sri Lanka’s “own interest that the expectations of Tamils in Sri Lanka for equality, justice, peace and dignity, within a united Sri Lanka, are fulfilled”.

China announced a 7.1% hike in its defence spending as well as an annual GDP growth target of “around 5.5%” for the coming year.

Indian Navy’s largest multilateral exercise MILAN 2022, which saw the participation of over 40 countries,

strategy will contain bond yields. Dollar assets - Recently, the LIC’s initial public offering is attracting the forex inflow into the Indian capital markets.

6.This foreign money could hit Indian equities, possibly having a near-term bearing on INR. So, the two USD sell auctions scheduled could likely take care of this temporary rupee volatility. Government’s gain from the swaps - Just like how companies gain or lose from forex swaps, RBI’s may benefit or otherwise too. With the sale of USD, the government will gain significantly.

KUKI

1.Kuki tribes are an ethnic group including multiple tribes originally inhabiting, The North-Eastern states of India such as Manipur, Mizoram and Assam, especially Manipur; Parts of Burma (now Myanmar), and Sylhet district and Chittagong hill tracts of Bangladesh. While Kuki is not a term coined by the ethnic group itself, the tribes associated with it came to be generically called Kuki under colonial rule.

2.The main festival of the Kuki tribe is the ‘Mim Kut’. In Manipur, the various Kuki tribes, living mainly in the hills, currently make up 30% of the total population of the State. The Naga tribes, historically at loggerheads with the Kukis, also live in the hilly areas of the State. Kuki insurgencies in Manipur Resentment over the forceful inclusion into India and delay in granting statehood to Manipur led to the rise of various insurgent movements.

3.The problem was intensified after Manipur was declared a ‘disturbed area’ in 1980, under the Armed Forces Special Powers Act (AFSPA), which gives sweeping powers to the military and has led to excesses. But, the roots of Kuki militancy lie in conflicts of ethnic identity. The reasons are, Demand for self-determination solely for groups belonging to their ethnic fabric, meaning the dream to form a Kukiland (Kuki inhabited regions of Myanmar, Manipur, Assam and Mizoram.) Insurgency lies in the inter-community conflicts between the Kukis and the Nagas in Manipur.

4.Kuki insurgent groups have been under Suspension of Operation (SoO) since 2005, when they signed an agreement for the same with the Indian Army. Later, in 2008, the groups entered a tripartite agreement with the State government of Manipur and the Central government to temporarily suspend their operations and give political dialogue a chance.

e-BILL FACILITY

1.Finance Minister unveiled a new e-bill facility for government suppliers. The e-Bill facility is the new ‘faceless’ and ‘paperless’ bill submission and processing system. It has been developed by the Public Financial Management System (PFMS) Division in the office of the Controller General of Accounts in the Department of Expenditure, Ministry of Finance.

2.The objectives of the e-Bill facility are to Provide convenience to all vendors/suppliers of the government to submit their bills/claims online digitally, Eliminate physical interface between suppliers and government officers, Enhance efficiency in processing of bills/claims, Reduce discretion in processing of bills through “First-In-First-Out”(FIFO) method.

3.Implementation - Ministry of Finance E-bill system is part of the ‘Ease of Doing Business and Digital India eco-system’ to bring in broader transparency and expedite the payment process.

MONETARY POLICY COMMITTEE

1.Under Section 45ZB of the amended RBI Act, 1934, the central government is empowered to constitute a six-member Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI). **The first such MPC was constituted in 2016. Section 45ZB says “the MPC shall determine the Policy Interest Rate required to achieve the inflation target”, and that “the decision of the Monetary Policy Committee shall be binding on the Bank”.**

2.The MPC fixes the benchmark interest rate - or the base or reference rate that is used to set other interest rates - in India. An accommodative stance of the RBI indicates the willingness on the part of the central bank to expand money supply and cut interest rates. Members of MPC - Section 45ZB says the MPC shall consist of, The RBI Governor (ex officio chairperson), The Deputy Governor in charge of monetary policy, An officer of the Bank to be nominated by the Central Board, and Three persons to be appointed by the central government.

3.The last category of appointments must be from “persons of

ended on Friday.

“To explore the use of AI in judicial domain, the Supreme Court of India has constituted the Artificial Intelligence Committee which has mainly identified application of AI technology in translation of judicial documents, legal research assistance and process automation,” Law Minister Kiren Rijju said. Several law firms are now keen on trying out new technologies for a quick reference on judicial precedents and pronouncements on cases with similar legal issues at stake.

ability, integrity and standing, having knowledge and experience in the field of economics or banking or finance or monetary policy”. (Section 45ZC) Monetary Policy The primary objective of the RBI’s monetary policy is to maintain price stability while keeping in mind the objective of growth. In 2016, the RBI Act was amended to provide a legislative mandate to the central bank to operate the country’s monetary policy framework.

4.The framework aims at setting the policy (repo) rate based on Assessment of the current and evolving macroeconomic situation; and Modulation of liquidity conditions to anchor money market rates at or around the repo rate. Repo rate changes transmit through the money market to the entire financial system, which, in turn, influences aggregate demand – a key determinant of inflation and growth.

5. Other Monetary Policy instruments - Reverse Repo Rate, Liquidity Adjustment Facility, Marginal Standing Facility, Corridor, Bank Rate, Cash Reserve Ratio, Statutory Liquidity Ratio, Open Market Operations, Market Stabilisation Scheme.