

## Multi State Cooperative Societies (MSCS) Act, 2002

### ❖ Context

- Union Home and Cooperation Minister said that the **Centre has decided to amend the Multi State Cooperative Societies (MSCS) Act, 2002** to "plug the loopholes in the Act".

### ❖ Expected Amendments

- Central government will **increase their manpower**, first in Delhi and then in the states, **to ensure better governance of the societies.**
- **Technology will be used** to bring in transparency.
- **Administrative control** of such societies should be vested in the state commissioners. This way, **day-to-day control can be wielded** to ward off cases of fraud.

### ❖ About Act and Multistate Cooperative Societies

- Cooperatives are a **state subject.**
- However, there are many societies whose members and areas of operation are **spread across more than one state.** The Act was passed to govern such cooperatives. For example, most sugar mills along the districts on the Karnataka-Maharashtra border procure cane from both states. etc.
- They **draw their membership from both states**, and they are thus registered under the MSCS Act.
- Their **board of directors has representation from all states** they operate in.
- **Administrative and financial control** of these societies is with the **central registrar**, with the law making it clear that **no state government official can wield any control** on them.
- Since the law was enacted, **1,479 such societies have been registered**, of which 9 have been deregistered since.
- **Maharashtra (567) > Uttar Pradesh (147) > New Delhi (133)**
- **Credit societies (610) > agro-based ones (which include sugar mills, spinning mills etc) (244).**
- There are **96 multistate cooperative dairies** and **66 multistate cooperative banks.**

### ❖ Reasons for the government plan to amend the Act and Issues

- **Experts on cooperatives talk of loopholes** in the Act.
- The exclusive control of the central registrar, who is also the Central Cooperative Commissioner, was meant to allow **smooth functioning** of these societies.
- The central Act cushions them from the **interference of state authorities** so that these societies are able to function in multiple states. What was supposed to facilitate smooth functioning, however, has **created obstacles.**
- Experts pointed out for state-registered societies, **financial and administrative control rests with state registrars** who exercise it through district- and tehsil-level officers.
- In the case of multistate societies **no existence of transparency through Check and Balance** which is available for state registered societies.
- **lack of day-to-day government control** on such societies.
- The central registrar can only allow **inspection of the societies under special conditions** — a written request has to be sent to the office of the registrar by **not less than one-third of the members of the board, or not less than one-fifth of the number of members of the society.**
- Inspections can happen only after **prior intimation to societies.**

## Income criteria for determining EWS

### ❖ Context

- A **three member-committee** set up to examine the **income criteria for determining the economically weaker sections (EWS)** is expected to submit its report to the Centre within the next few days.
- It was set up after the **Supreme Court questioned the income criteria for defining EWS.**
- SC termed it "**arbitrary**", noting that the ceiling for determining EWS (Rs 8 lakh) is the same as the limit for determining the other backward classes (OBC) "creamy layer" for reservation.

### ❖ Key Highlights

- EWS reservation was granted based on the **recommendations of a commission headed by Major General (Retd) S R Sinho.**
- The Sinho Commission recommended that **all below poverty line (BPL) families within the general category** as notified from time to time, and also all families whose **annual family income from all sources is below the taxable limit**, should be identified as EBCs (economically backward classes).
- The present income ceiling of Rs 8 lakh fixed for EWS is the same as that for OBCs for quotas for people outside of government.

### Face to Face Centres



## ❖ Supreme Court Observed:

(a) The income criterion in respect of the OBC category is **aimed at exclusion from a class while in the case of the EWS category, it is aimed at inclusion**

(b) The OBC category is socially and educationally backward and, therefore, has **additional impediments to overcome** as compared to those belonging to the general category.

➤ In these circumstances, would it be arbitrary to provide the same income limit both for the OBC and EWS categories."

## ❖ About EWS Quota:

➤ The 10% EWS quota was introduced under the **103rd Constitution (Amendment) Act, 2019** by amending **Articles 15 and 16**.

➤ It inserted **Article 15 (6) and Article 16 (6)**.

➤ It is for economic reservation in jobs and admissions in education institutes for **Economically Weaker Sections (EWS)**.

➤ It was enacted to promote the welfare of the poor not covered by the 50% reservation policy for Scheduled Castes (SCs), Scheduled Tribes (STs) and Socially and Educationally Backward Classes (SEBC).

➤ It enables both Centre and the states to provide reservation to the EWS of society.

## ❖ Income Criteria for EWS

### EWS, AS DEFINED

■ Persons who are not covered under the scheme of reservation for SCs, STs and OBCs and whose family has gross annual income below Rs 8 lakh are to be identified as EWSs for benefit of reservation

■ Income shall also include income from all sources i.e. salary, agriculture, business, profession, etc. for the financial year prior to the year of application

■ Persons whose family owns or possesses any of the following assets shall be excluded from being identified as EWS, irrespective of the family income: 5 acres of agricultural land and above; Residential at of 1000 sq ft and above; residential plot of 100 sq yards and



The next hearing in the Supreme Court is on January 6. *Express Archive*

above in notified municipalities; residential plot of 200 sq yards and above in areas other than the notified municipalities

—DoPT, JAN 31, 2019

## La-Nina Effect

### ❖ Context

➤ Central and Northern India are experiencing cold wave conditions causing significant drop in temperatures owing to La-Nina effect.

### ❖ Key Highlights

➤ During normal conditions, trade winds in Pacific ocean blow eastwards along the equator causing warm surface water from South America to Asia and upwelling of deep cold waters along western coast of Americas

➤ El Niño and La Niña are two opposing climate patterns that break these normal conditions. Scientists call these phenomena the **El Niño-Southern Oscillation (ENSO) cycle**.

➤ **El Niño** means **Little Boy**, or **Christ Child** in Spanish. South American fishermen first noticed periods of unusually warm water in the Pacific Ocean in the 1600s. The full name they used was El Niño de Navidad, because El Niño typically peaks around December. During El Niño, **trade winds weaken. Warm water is pushed back east, toward the west coast of the Americas. Upwelling weakens** or stops altogether

➤ **La Niña** means **Little Girl** in Spanish. La Niña is also sometimes called El Viejo, anti-El Niño, or simply "a cold event." La Niña has the opposite effect of El Niño. During La Niña events, **trade winds are even stronger** than usual, **pushing more warm water toward Asia**. Off the west coast of the Americas, upwelling increases, **bringing cold, nutrient-rich water to the surface**.

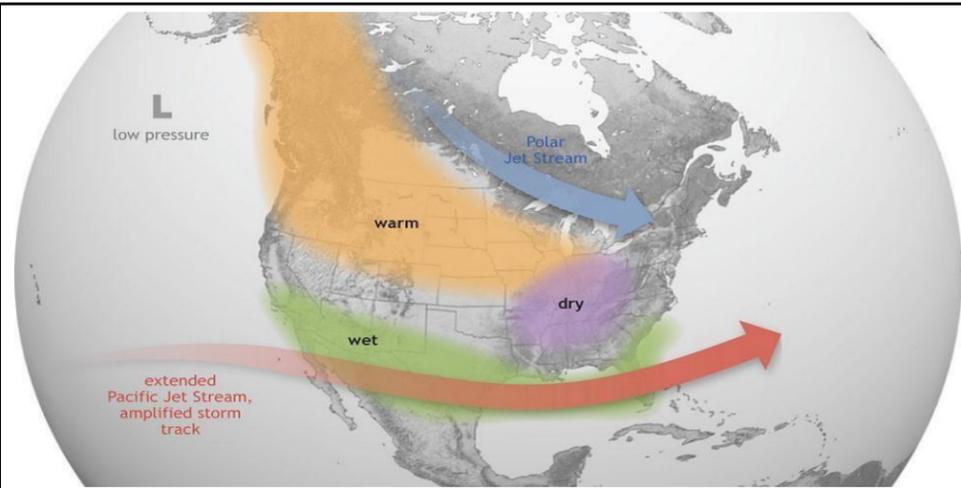
### ❖ Effect of El-Nino and La-Nina on Global climate

➤ **El-Nino:-** A large part along the equator experiences above-normal ocean temperature. The heat dissipating from the ocean rises into the atmosphere and **causes warmer air temperatures in the Pacific**, thereby leading to **warmer global air temperatures**. The warmer air causes the **Pacific Jet stream to move south** of its neutral position. With this shift, areas in the **northern U.S. and Canada are dryer and warmer** than usual. But in the **U.S. Gulf Coast and Southeast**, these periods are **wetter** than usual and have increased **flooding**.

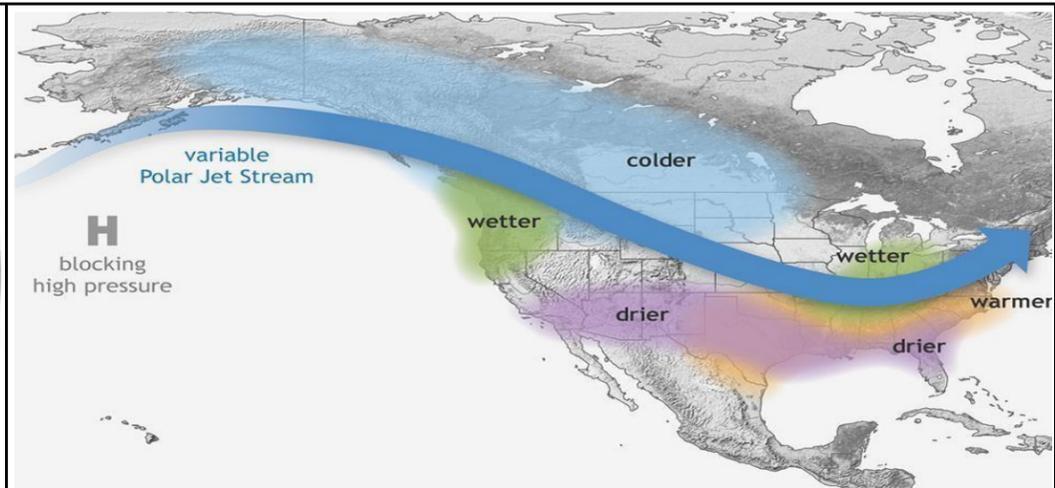
➤ **La-Nina:-** The cold waters in the Pacific push the **jet stream northward**. This tends to lead to **drought** in the **southern U.S.** and **heavy rains** and flooding in the **Pacific Northwest and Canada**. During a La Niña year, winter temperatures are warmer than normal in the South and cooler than normal in the North. La Niña can also lead to **a more severe hurricane season**.

## Face to Face Centres





El-Nina



La-Nina

### ❖ Effect of La-nina on India's winter season

- La Niña is responsible for bringing cold air from Siberia and South China to the Indian subcontinent, which results in a north-south low-pressure system when it interacts with the tropical heating conditions here. The cold conditions associated with these troughs can envelope the southern parts of India as well and can extend till Tamil Nadu. However, they do not affect Northeast India.
- In the winter months, the La Niña causes a very cold wave-like jet stream to flow across Afghanistan, Iran and the Hindu Kush mountains. These strong and cold winds impact the degree of cold in India.
- A study published by the International Journal of Climatology says that an *El Niño* leads to enhanced winter precipitation over North-West India and vice-versa (during La Niña).

## ➤ Asset Reconstruction Companies

### ❖ Context

IT Department recent raids on 4 ARCs revealed that they had adopted unfair and fraudulent trade practices in acquiring these loans

### ❖ Key Highlights

- An unholy nexus was uncovered between ARCs and borrowers.
- The amount at which ARCs acquired NPAs (Non performing Assets) has been found to be far less than the real value of the collateral securities covering the said asset/NPA. A loan becomes an NPA for the bank if dues (interest or principal) are not repaid within 90 days of their repayment date. The Minimum cash required to be paid by ARC to banks for acquiring the asset had been paid by using the borrowers funds
- Such funds were routed through several layers of dummy companies or hawala channels
- ARCs concealed the profits on disposal of underlying assets by diverting the actual profits to their related concerns under the garb of consultancy services or unsecured loan/investments
- This may even lead the investigating agencies to inquire into the roles of bankers in such sale of NPAs to ARCs
- Thus banks may also resort to other channels of disposal of assets like IBC or bank led NARCL, causing a severe blow to ARCs
- RBI's report on Working of ARCs, released on Sep-21, had also found that the performance of ARCs has been lackluster. They have been able to recover only 14.30 % of the amount owed by the borrowers in respect of assets sold to ARCs between 2002-2013.

### ❖ NARCL

- National Asset Reconstruction Company Ltd. incorporated under the Companies Act and set up by the banks to aggregate and consolidate stressed assets for their subsequent resolution. Public sector banks will maintain 51% ownership in NARCL.
- NARCL is intended to resolve stressed loan assets above 500 crore rupees each.

### ❖ ARCs

- An asset reconstruction company is a special type of financial institution that buys the debtors of the bank at a mutually agreed value and attempts to recover the debts or associated securities by itself
- The Committee on Banking Sector Reforms of 1991 (Narasimham Committee I) had envisaged an asset management company (AMC) like structure, namely an Asset Reconstruction Fund (ARF) to address the NPA crisis of that time.
- The current form of the ARC Model finds its root in one of the recommendations of the Committee on Banking Sector Reforms of 1998 (Narasimham Committee II).

## Face to Face Centres



- **The Andhyarujina Committee** (1999-2000) had **recommended a legal framework for securitisation**. The Committee recognised that securitisation as a product provides many benefits to the originator, the investor and the financial system in general.
- The Government of India enacted the **SARFAESI Act** in **2002** and paved the way for **setting up ARCs** in India. The Act envisaged that **ARCs would be registered and regulated by RBI**. Accordingly, **initial guidelines** were issued by RBI in **April 2003**.
- As on date, there are 28 ARCs in operation. **As on March 31, 2021**, the cumulative AUM (asset under management) of the Sector stood at approximately **Rs.5.2 lakh crore** in terms of book value acquired.

## News in Between the Lines

### Human in Space Policies



#### ❖ Context

- The government is likely to tweak its **draft Humans in Space Policy 2021** document to **include private space tech startups** in the programme.
- The **first trial of Gaganyaan**, India's manned space mission, is likely to take place **early in the second half of 2022**.

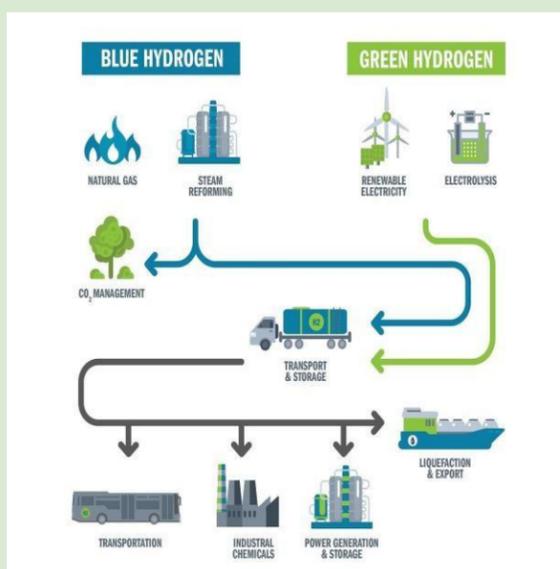
#### ❖ Key Highlights

- The space policies expected in 2022 include **space transportation, humans in space policy, remote sensing, satellite communications** and much more.
- The humans in space policy will **apply to private players** as well and most of the upcoming **regulations will be focused on catering to private entities in the space ecosystem**
- **Skyroot and Agnikul cosmos** space startups are set to launch their first rockets into space in 2022.

#### ❖ Humans in Space Policy for India, 2021

- Prepared by the **Department of Space (DoS)**
- It seeks to **collaborate with international partners** in human space missions and provide opportunities in this field for domestic players.
- The short-term plan includes the launch of human spaceflight to **low-earth orbit (LEO)**.
- It eventually seeks to **ensure sustained space presence in LEO and beyond**.
- The policy **encompasses capacity-building programmes, collaborations, infrastructure development, tech promotion etc.**

### Green Hydrogen



#### ❖ Context

- The union government is planning to **use the green hydrogen fuel from wastewater by using solar energy** and it is possible by using **electrolyzers**.

#### ❖ Key Highlights

- By **segregation of solid waste management using rooftop solar green hydrogen can be formed** with the help of electrolyzers. The power and water **cost of producing it would be negligible**. This fuel can even be **used in railway engines** along with cement and chemical companies instead of coal.
- The path for green hydrogen in the country is not clear and at the moment, **production of green hydrogen is slightly more expensive than grey hydrogen**.

#### ❖ About Green Hydrogen

- Hydrogen is one of the most **abundant elements** on earth for a cleaner alternative fuel option.
- Green hydrogen is **produced by splitting water into hydrogen and oxygen using an electrolyzer** powered by electricity from green energy sources such as wind and solar.
- When burnt, it gives out water vapour, with **no residue or climate-harming impact**.

### Face to Face Centres





➤ Hydrogen and fuel cells can provide energy for use in diverse applications, including distributed or combined-heat-and-power; backup power; systems for storing and enabling renewable energy; portable power etc.

## People's Plan campaign



### ❖ Context

➤ The Ministry of Panchayati Raj is undertaking the People's Plan campaign - "Sabki Yojana Sabka Vikas" from Oct-21 to Jan-22.

### ❖ Key Highlights

- Article 243G of the Constitution provides that the Legislature of State may by law provide for devolution of power & responsibilities upon Panchayats w.r.t preparation and implementation of plans for economic development and social justice
- Under the same mandate, Gram Panchayats have been preparing **Gram Panchaya Development Plan (GPDP)**
- Under the campaign, States are also being advised to integrate **Village Poverty Reduction Plan with GPDP.**

## Convention on Conventional Weapons, 1983



### ❖ Context

➤ A UN conclave in Geneva last week failed to bring the use of killer robots under the ambit of the convention

### ❖ Key Highlights

- Convention aka **Inhumane Weapons convention** is an international agreement under UN **in effect since 1983**
- Seek to prevent the use of certain weapons deemed to be "excessively injurious" or have "indiscriminate effects"
- **LAWS (Lethal Automated Weapons System, aka Killer robots)** include machines that can make their own decisions with little or no human involvement on the battlefield
- A March report from a UN panel said the **first autonomous drone attack** may have already happened in **Libya**
- It **does not include drones which are manned remotely by pilots**
- Right groups strongly oppose their use as allowing robots to make **life-death decisions is inhumane**. Also, **algorithmic decisions are not dependable** as they may be subjected to **algorithmic bias**.
- Militaries want to use because of their added advantages like efficiency, cost savings and endurance in harsh climatic conditions

## Non-fungible Tokens



### ❖ Context

➤ According to market tracker DappRadar, global usage of NFTs surged seven times in 2021 with sales crossing \$23 BN Various celebrities and cricketers have resorted to selling NFTs

### ❖ Key Highlights

- NFTs are unique and non-interchangeable data or digital files stored on a blockchain
- Anything that exists online - from tweets and videoclips - to gifs and musicals can be traded as NFTs
- Buyer not only has access to the file but also the ownership of it. It is very much like buying a painting in real life
- Critics are perplexed why consumers are ready to pay huge sums of money.
- Some are arguing it may lead to an asset bubble.

## Partner in NASA-ISRO research programme



### ❖ Context

➤ The **Kerala University of Fisheries & Ocean Studies (KUFOS)** has been chosen to join a research project under a **NASA-ISRO collaborative programme.**

### ❖ Key Highlights

- **KUFOS** will join the research programme by **Space Application Centre of ISRO.**
- NASA and ISRO have been jointly developing a space-borne synthetic aperture radar (NISAR). It will be launched in January 2023. **NISAR** will provide a high-resolution data for large areas with capability for systematic observation of earth resources. It will also provide time-series data for eco-systems applications. **NISAR satellite** will be launched from India on January 29, 2023, aboard a **GSLV Mk II**. The orbit will be a Sun-synchronous.

## Face to Face Centres

