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The Hindu News Analysis – 23rd October 2019 – Shankar IAS Academy

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*C – Chennai; B – Bengaluru; D – Delhi; H – Hyderabad; T – Thiruvananthapuram;
News

• Offences against the state → 30% increase
  ▪ Crime in India report by NCRB
  ▪ Move no. of cases in states → Haryana, Uttar Pradesh and Tamil Nadu

Offences against the state

• Crime against ‘State’
• Criminal activities directed against the existence of State (121, 121A, 122, 123 and 124 A IPC)
  ▪ Treason, Sedition (Sec 124 A IPC), Rebellion
  + Offences promoting enmity between different groups (153 A and 153 B IPC)

• Section 153 A IPC
  ▪ Promoting enmity between groups on grounds of religion, place of birth, residence, language, etc.
  ▪ Acts prejudicial to maintenance of harmony
  ▪ Offences committed in place of worship

• Section 153 B IPC
  ▪ Imputations and assertions prejudicial to national integration

• SLL’s
  ▪ The Prevention of Damage to Public Property Act, 1984
  ▪ The Unlawful Activities (Prevention) Act, 1967
  ▪ The Official Secrets Act, 1923
New categories

- Sexual harassment of women at workplace or public transport,
- Offences relating to elections,
- Cases under POCA, 1988, etc.
- Crime committed by Anti National Elements
  - North-East Insurgents
  - Naxalites or LWE
  - Terrorists (Jihadi Terrorists also)

Cyber Crime

- 80% cases against women
- New category — cyber stalking and bullying of women

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Enforcement Directorate to probe FEMA violations by ‘Kalki’ Ashram

Move follows seizure of foreign currency worth ₹20 crore

By YIFAT KUMAR

The Enforcement Directorate will step in to probe suspected violations of provisions of the Foreign Exchange Management Act, 1999, by 'Kalki' Ashram and Oonness University, founded by self-styled godman 'Kalki Bhagwan'.

The move follows the seizure of about ₹20 crore worth of foreign currency during simultaneous searches conducted by the Income Tax Department on the premises of the spiritual guru in Andhra Pradesh, Tamil Nadu and Karnataka on October 16. Official sources in the ED said the possession of such a huge volume of foreign currency was a clear violation of FEMA, unless customs declarations and receipts were produced.

If the investigation points to a regular flow of such unaccounted foreign currency,

the agency would consider the assets as proceeds of crime and invoke provisions under the PMLA.

"There are certain restrictions on the possession of foreign currency by a local resident or foreigner, as per FEMA regulations. If such a seizure of asserted foreign currency gives room for suspicion," an investigator told The Hindu on Tuesday.

After the surprise searches at 40 locations, the IT Department said the ashram and its centres had been regularly suppressing receipts. It said the evidence was found with key employees, who maintained a record of cash collections that were unaccounted for and were used to make investments elsewhere, and also to pay for the purchase of immovable assets over and above the document values. A preliminary estimate put the value of such unaccounted cash receipts at ₹409 crore since 2014-15. The seizures also included substantial quantities of undisclosed gold — about 80 kg, valued at ₹26 crore — and diamonds worth ₹35 crore, taking the total to ₹50 crore.

Meanwhile, "Kalki" appeared in a video clip, saying he had not fled the country and was operating from the Nemmangunta campus near Chennais. He said the IT Department had not accused him of fleeing the country, but the media had done so.

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Part A—Preliminary Examination

Paper I — (200 marks)

- Current events of national and international importance.

Part B — Main Examination

PAPER-III

General Studies-II: Governance, Constitution, Polity, Social Justice and International relations.

- Statutory, regulatory and various quasi-judicial bodies.
- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

PAPER-IV


- Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security; money-laundering and its prevention.
• Violation of Foreign Exchange Management Act (FEMA, 1999)
  
  To facilitate external trade and payments
  
  ★ Objectives
  
  Development of foreign exchange market
  
  ★ Replaced FERA, 1973

• Section 3: Dealing in foreign exchange
  
  ★ Transactions with an authorised person
  
  ★ Authorised by RBI

• Section 4: Restriction on holding foreign exchange

• Section 5: Restrictions on current account transactions
  
  ★ Restrictions: in public interest by Centre + RBI

• Section 13: Penalties for non-compliance
  
  ★ Penalty
    - Amount quantifiable - thrice the sum
    - Non-quantifiable - upto Rs. 2 Lakhs

• Section 14: Civil imprisonment
  
  ★ Arrest and detention only after adjudication
  
  ★ Adjudicating authority → by central Govt.
    - powers of a civil court
    - no suo motu power

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• Enforcement Directorate
  
  ★ Enforces FEMA, 1999 and PMLA, 2002
  
  ★ Processing cases of fugitive/s from India under Fugitive Economic Offenders Act, 2018
  
  ★ Origin: 1956 - Enforcement Unit
  
  ★ Under Department of Revenue, Ministry of Finance

• Simultaneous searches by IT Dept
  
  - foreign currency worth Rs. 20 Crores

  ★ Violates FEMA ➔ 'proceeds of crime' under PMLA
Power firm takes Water Ministry to court over Ganga notification

The order regulates hydropower companies situated on the river’s tributaries to release more water than previous years.

Part A—Preliminary Examination
Paper I - (200 marks)
- Current events of national and international importance.
- Indian and World Geography-Physical, Social, Economic Geography of India and the World.

Part B—Main Examination
PAPER-II
General Studies-I : Indian Heritage and Culture, History and Geography of the World and Society.
- Important Geophysical phenomena such as earthquakes, Tsunami, Volcanic activity, cyclone etc., geographical features and their location changes in critical geographical features (including water-bodies and ice-caps) and in flora and fauna and the effects of such changes.

PAPER-III
General Studies-II: Governance, Constitution, Politics, Social Justice and International relations.
- Statutory, regulatory and various quasi-judicial bodies.
- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

PAPER-IV
General Studies-III: Technology, Economic Development, Biodiversity, Environment, Security and Disaster Management
- Conservation, environmental pollution and degradation, environmental impact assessment.

2018: e-flow notification by NMCG
(National Mission for Clean Ganga)
- Minimum ecological flow
  1. Dry season - November to March - 20%
  2. Lean season - October, April, May - 25%
  3. Monsoon season - June to September - 30% 
   (% of monthly average flow of the preceding 10 days)
- Advanced deadline: October 2021 to December 2019
- Change in design
- Release more water
- Reduction in power generation

Alaknanda river
- Ganga → Origin: Gangotri glacier as Bhagirathi
  - Alaknanda + Bhagirathi → Devprayag → Ganga

National Mission for Clean Ganga (NMCG)
- 2011: registered as society - 'Societies Registration Act, 1860'
- Implementation arm of NGRBA (not now)
  - National Ganga River Basin Authority
- 2016: River Ganga (Rejuvenation, Protection, Management) Authorities Order
  - Created National Ganga Council
    - replaced NGRBA
  - declared NMCG as an authority under EPA, 1986
5 Tier Structure: Under EPA, 1986

1. National Ganga Council
2. Empowered Task Force on River Ganga
3. National Mission for Clean Ganga
4. State Ganga Committees
5. District Ganga Committees

Preparing for disruptions induced by policies

The temporary slowdown in some sectors may carry lessons that will help India prepare for future disruptions.

- Often, reforms and policies which aim to provide solutions to long-standing issues in a sector are necessary to ensure the continuity of supply chains and services. Trends and changes in the industry landscape can also indicate the need for adaptation. For instance, the automotive sector has seen a shift towards electric vehicles. While this trend has implications for the manufacturing sector, it also requires policymakers to consider the upstream and downstream implications of such changes.

- The government should consider the potential risks associated with such changes. For example, the shift to electric vehicles can have implications for the automotive sector, which may need to invest in new infrastructure and training programs for skilled labor.

Part A—Preliminary Examination

Paper 1—(200 marks)

- Indian Polity and Governance—Constitution, Political System, Panchayati Raj, Public Policy, Rights Issues, etc.
- Economic and Social Development—Sustainable Development, Poverty, Inclusion, Demographics, Social Sector Initiatives, etc.
- General issues on Environmental ecology, Bio-diversity and Climate Change, that do not require subject specialization.

Part B—Main Examination

PAPER-III

General Studies II: Governance, Constitution, Polity, Social Justice and International relations.

- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

PAPER-IV

General Studies III: Technology, Economic Development, Bio diversity, Environment, Security and Disaster Management

- Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.
- Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.
- Conservation, environmental pollution and degradation, environmental impact assessment.
• New policies and reforms → causes disruptions
  ➔ catches off-guard
  ➔ reflects lack of preparedness and unwillingness to accept reality
• Slowdown in sectors → lessons to prepare for future disruptions

Automobile sector
• Demand slowdown → fall in vehicle sales
• Reasons:
  1. More people using public transport and paratransit in major cities
     ➔ Solution to pollution, congestion, etc. → shift from owner-driven to mass transport system
  2. Cost of owning vehicle → 'high'
     ➔ Rising petrol/diesel cost, service change, etc.
  ➔ people prefer taxi more → same trend in developed economies

3. Decline in demand for new trucks
  ➔ Trips per truck increased → due to removal of inter-state check posts
  ➔ ICRA study → 2018 → Turnaround time for long-haul trucks reduced by 1/5th
• Expected result → fall in sales of vehicles

• Productivity improvement in one sector imply catastrophe for another
  ➔ Ex: wheeled luggage replaced porters in railway stations
• Decline in coal and petroleum sector → due to India moving towards renewable energy

Way forward
• 'Changes' → 'disruption'
• Stay prepared for disruptions
IRDAI imposes ₹1.01 crore fine on insurer

SPECIAL CORRESPONDENT HYDERABAD

The Insurance Regulatory and Development Authority of India (IRDAI) has imposed penalties totalling ₹1.01 crore on Cholamandalam MS GIC.

One of them, for ₹1 crore, is for violation of norms related to payment of commission.

"The authority imposes a penalty of ₹1 crore for violation of Clause 15 of schedule I of IRDAI (Health Insurance) Regulations, 2015 which clearly specifies that no commission shall be payable to any intermediary on the acceptance of a ported policy," the order issued by IRDAI chairman Subhash C. Khuntia said. The other penalty of ₹1 lakh pertain to motor insurance.

Part A—Preliminary Examination

Paper I - (200 marks)

- Current events of national and international importance.
- Economic and Social Development-Sustainable Development, Poverty, Inclusion, Demographics, Social Sector Initiatives, etc.

Part B—Main Examination

PAPER-III

General Studies- II: Governance, Constitution, Polity, Social Justice and International relations.

- Statutory, regulatory and various quasi-judicial bodies.

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**IRDAI**

- Insurance Regulatory and Development Authority of India
- Statutory body (Insurance Regulatory and Development Authority of India Act, 1999)
- Composition: (Section 4, IRDAI Act, 1999)
  - Ten member team
    - Chairman
    - 5 whole-time members
    - 4 part-time members
- Important duties, powers and functions
  - Regulate, promote and ensure orderly growth of the insurance business and re-insurance business
  - protection of the interests of policy-holders
  - calls for information and conducts enquiries and investigations including audit of all the organisations connected with the insurance business
  - promoting and regulating professional organizations connected with insurance and re-insurance business
  - regulating investment of funds by insurance companies
  - adjudication of disputes
  - supervising the functions of Tariff Advisory Committee.
  - impose penalties
India is ranked 52nd among 129 nations in the Global Innovation Index 2019. It has been consistently improving its rank. According to NITI Aayog’s India Innovation Index report 2019, the country’s human capital is high, but it has been unable to produce corresponding outcomes. By Varun K. Krishnan

Innovative India

Global picture | India stands third in innovation among BRICS nations, but it is still far behind China, according to the Global Innovation Index (Scores from 0-100).

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<thead>
<tr>
<th>Country</th>
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<td>China</td>
<td>14</td>
<td>45.74</td>
</tr>
<tr>
<td>S. Africa</td>
<td>2</td>
<td>32.58</td>
</tr>
<tr>
<td>India</td>
<td>11</td>
<td>25.36</td>
</tr>
<tr>
<td>Brazil</td>
<td>10</td>
<td>24.13</td>
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<tr>
<td>Pakistan</td>
<td>10</td>
<td>22.58</td>
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Creative south | In India, three of the five innovators among the major States were in the south. Sikkim topped among the northeastern States.

Innovation Index (0-100)

6.2 24.6 43

Input-output gap | In 29 out of 36 States and UTs, the scores of the enabler metrics are higher than the performance scores (ranges 0-100) indicating an outcome gap relative to inputs.

Gap between scores is highest for Punjab and Gujarat (major States).

PRACTICE QUESTIONS
Practice Question – Prelims
Q1. Consider the following statements with reference to Enforcement Directorate.

1. ED has the authority to process cases of fugitive/s from India under Fugitive Economic Offenders Act, 2018.
2. It functions under the Ministry of Home Affairs.

Which of the statements given above is/are correct?

a) 1 only  
b) 2 only  
c) Both 1 and 2  
d) Neither 1 nor 2

Practice Question – Prelims
Q2. Consider the following statements regarding the National Ganga Council.

1. It has the overall responsibility for superintendence of pollution prevention and rejuvenation of river Ganga Basin.
2. It is headed by the Union Minister for Jal Shakti.

Which of the statements given above is/are correct?

a) 1 only  
b) 2 only  
c) Both 1 and 2  
d) Neither 1 nor 2

Practice Question – Prelims
Q3. Consider the following statements about Insurance Regulatory Development Authority of India (IRDAI).

1. One of the functions of IRDAI is the adjudication of disputes between insurers and intermediaries or insurance intermediaries.
2. It is a non-statutory body.

Which of the above statements is/are correct?

a) 1 only  
b) 2 only  
c) Both 1 and 2  
d) Neither 1 nor 2

Practice Question – Mains
GS - III
Q1. “Economic slowdown is being witnessed by many sectors of our country and it is caused by reforms and new policies which leads to disruptions.” Explain with suitable examples.