

CURRENT AFFAIRS

1. ECONOMY GET'S MOODY'S THUMBS UP

Agency upgrades sovereign rating, expects high growth to continue as a result of ongoing reforms.

A shot in the arm
Moody's changing India's rating to Baa2 from Baa3 is the first such upgrade in more than 13 years

The Baa2 club
India's rating now: Baa2 with a stable outlook

India's rating earlier: Baa3 with a positive outlook

Other Baa2 countries: Bulgaria, Colombia, Italy (negative outlook), Oman, Panama, Philippines, Spain, Uruguay

- Moody's says India's long-term growth potential stronger than other Baa-rated countries
- Forecast 2017-18: GDP growth at 6.7%, set to quicken to 7.5% in the next financial year
- Economic growth to be bolstered by the recent government measures to support SMEs and exporters with GST compliance

The scorecard	
Rating	Description
Aaa	Prime investment-grade
Aa1, Aa2, Aa3	High grade
A1, A2, A3	Upper medium
Baa1, Baa2 (India's rating), Baa3	Lower medium

MOODY'S The decision to upgrade the ratings is underpinned by Moody's expectation that continued progress on economic and institutional reforms will, over time, enhance India's high growth potential

We welcome it and believe that it is a belated recognition of all the positive steps taken in India in the last few years
ARUN JAITLEY, Finance Minister

✚ Global credit rating agency Moody's Investors Services raised India's sovereign rating for the first time in 13 years citing the country's high growth potential in the years to come.

✚ "The decision to upgrade the ratings is underpinned by Moody's expectation that continued progress on economic and institutional reforms will, over time, enhance India's high growth potential and its large and

stable financing base for government debt, and will likely contribute to a gradual decline in the general government debt burden over the medium term," the agency said in a statement, upgrading the Indian government's rating as a local and foreign currency issuer from Baa3 with a positive outlook to Baa2 with a stable outlook.

✚ Borrowing obligations rated Baa2 are subject to moderate credit risk. They are considered medium grade and as such may possess certain speculative characteristics. Baa3, by contrast, was the lowest investment grade rating.

A rebuttal to critics

✚ For the government, the upgrade serves as a strong rebuttal for critics who have panned its handling of the economy — coming on the back of India's rise in the World Bank's ease of doing business index, and as a culmination of persistent efforts to get rating agencies to acknowledge India's improved macroeconomic situation.

✚ Acknowledging that some steps such as the GST and demonetisation have 'undermined' growth in the near term as reflected by the slower GDP growth of 5.7% in the first quarter of 2017-18, Moody's said it

expects real GDP growth in India to moderate to 6.7% in this fiscal year. But the agency believes that the disruption effect of these reforms will fade as the government helps small and medium enterprises and exporters with compliance issues under the new indirect tax regime and growth will rise to 7.5% in 2018-19, and remain robust, thereafter.

'Fiscal deficit may miss target; but consolidation commitment clear'

- ✦ Although the rating agency agreed that a lot remains to be done such as fixing the GST's implementation challenges, weak private sector investment and the slow resolution of banks' bad loans, Moody's said it expects at least some of these issues to be addressed over time and will help further improve the Indian government's effectiveness and overall institutional framework.
- ✦ Basing its upgrade on the sustainable growth that reforms will trigger and the greater stability in government debt going forward, the agency also flagged the need for acting on other important fronts 'which have yet to reach fruition' such as planned land and labour market reforms.

2.SC TO HEAR NRI PLEA FOR RELIEF FROM AADHAAR-BANK LINK

The Supreme Court gave liberty to a UAE-based professional to approach the Bench, expected to be set up shortly to hear the various petitions challenging the Aadhaar scheme, with his plea to exempt Non-Resident Indians from linking their bank accounts with Aadhaar.

- ✦ A bench took note of the plea by Famin Panikkassery Subramaniyan since the law allows only resident Indians to enrol for Aadhaar. There is no provision in the Aadhaar Act on NRIs.
- ✦ The petitioner referred to provisions in Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017 to submit that non-linking would lead to indefinite blocking of his bank accounts and he would be robbed of his hard-earned money for no fault of his.
- ✦ The Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 defines 'resident' as an individual "who has resided in India for a period or periods amounting in all to one hundred and eighty-two days or more in the twelve months immediately preceding the date of application for enrolment".
- ✦ Thus the Aadhaar Act as it stands today does not permit Aadhaar enrolment of an NRI, PIO or any other class of Indian expatriates. The present amendment has created untold miseries to the millions of

expatriates including the petitioner. His financial base has been wrecked owing to the whims or vagaries of some Thuglakian administrators.

3.CHHATTISGARH FAKED MAOIST SURRENDERS

Panel finds 90% cadre not genuine



In what amounts to a rap on the knuckles of the Chhattisgarh government, the Home Ministry has asked it to ensure that only genuine Maoist cadre surrenders before the police, and to avoid spiking the numbers through surrender of 'fake Maoists.'

surrenders were from Chhattisgarh alone. The total number of surrenders there in 2015 had been 323.

- ✚ A screening committee found that more than 90% of the people who had surrendered did not conform to the definition of "Maoist cadre."
- ✚ The LWE-affected States and the Home Ministry have framed policies for surrender and rehabilitation of Maoist cadres who want to join the mainstream. A screening-cum-rehabilitation committee comprising officials of the State government and central armed police force (CAPF) officials examines the cases before enrolling them for the rehabilitation scheme.
- ✚ During an assessment, it was found that most people who had surrendered were not active Maoist cadres. They had no cases registered against them or were not involved in any encounter.

4. NGT HEARINGS ON AMARAVATI OVER

- ✚ The arguments before the National Green Tribunal (NGT) on environmental clearances given for the construction of capital city Amaravati on the banks of the Krishna concluded and the NGT had reserved its judgment.
- ✚ The NGT's principal bench heard the arguments of the Government of Andhra Pradesh (GoAP) and the petitioners, who demanded that the State Environment Impact Assessment Authority's nod should be revoked on various grounds.
- ✚ The petitioners contended that the capital city was sought to be constructed in an ecologically sensitive area and the violations allegedly committed by the GoAP posed environmental hazards besides causing permanent damage to multi-cropped lands. The NGT concluded arguments on petitions.

Amaravati

- ✚ Amaravati is projected as a city that would be rich in greenery, industrialisation and energy-efficient buildings.
- ✚ Hoary past: In Indian mythology, Amaravati is the capital of the celestial beings. Historically, it was the capital of Satavahanas, the first great Andhra kings who ruled from the 2nd century BCE to the 3rd century CE after the downfall of the Maurya Empire. Located in Guntur district on the banks of Krishna river, it is also known as Punyakshetra or Amareswaram
- ✚ Rich in Culture: The city's heritage includes the famous Amareswara temple (dedicated to Lord Siva, present in the form of a 15-foot-tall, white-marble Siva lingam), Mahachaitya (The Great Stupa, built around the 2nd century, with intricate carvings that depict the life and teachings of Lord Buddha) and Buddhist sculptures and slabs with Buddhist inscriptions.
- ✚ Heritage development: Amaravati is among 12 cities selected for implementation of the Heritage Development and Augmentation Yojana in the first phase.
- ✚ Tourism: With Amaravati being a key constituent in the Buddhist circuit, a 250-km religious tourism circuit has been incorporated into the core capital region.

5.U.P. GETS A BOOSTER SHOT FROM GATES

Bill and Melinda Gates Foundation to help State intensify vaccination programmes

- ✚ The foundation run by Microsoft co-founder Bill Gates and wife Melinda will support the Uttar Pradesh government in intensifying vaccination programmes for diseases like Japanese Encephalitis and cerebral fever.
- ✚ An MoU will soon be signed between the two sides for collaboration and support on the issues of maternal and child health, vaccination, agricultural productivity and sanitation, among others.
- ✚ The MoU will be signed for five years.
- ✚ The Gates Foundation informed the State government that it was eager to collaborate with it on techniques to bring under control vector-borne and water-borne diseases, drinking water supply, sanitation, mother and child nutrition and enhance agricultural productivity.

Anganwadi centres

Mr. Gates expressed his willingness to work on the issue of “strengthening anganwadi centres to tackle the issue of child malnutrition and fortify their diets through existing government programmes.” The government wants the Foundation to develop a software so that the health of children and women at these centres can be tracked accurately.

6.SC FOR NATIONWIDE BAN ON FURNACE OIL, PET COKE

The Supreme Court requested all States and Union Territories to move forward towards a nationwide ban on the



use of pet coke and furnace oil to power up industries, in a bid to fight pollution.

- ✚ The Environment Bench of the Supreme Court had already ordered a ban on the industrial use of pet coke and furnace oil in the States of Uttar Pradesh, Haryana and Rajasthan .
- ✚ This ban specifically came after an Environment Pollution Control Authority Report recommended the ban on sale, distribution and use of furnace oil and pet coke in the National Capital Region (NCR). Their use is already prohibited in Delhi.

7. 'PSLV BUILT BY DOMESTIC INDUSTRY BY 2020'

ISRO to outsource launch vehicle production

The Indian Space Research Organisation (ISRO) is preparing to hand over the entire gamut of launch vehicle manufacture to domestic industry by 2020.

- ✦ Until now, public and private industries have only supplied devices, components and sub-systems for ISRO's launch vehicles, including the PSLV and the GSLV. The effort is to give a push to industry for production of end-to-end systems by 2020.
- ✦ ISRO already has a partnership with private industry to produce satellites. The IRNSS-1H communication satellite aboard the ill-fated PSLV C-39 was the first to be produced by a consortium of six companies. ISRO had a partnership with about 500 domestic industries for the supply of various components and devices. "About 80% of the cost of launch vehicles and 40% of satellites are handled by these industries".
- ✦ ISRO stressed on the need for industry to reduce the manufacturing and material cost without compromising on quality to bring down the launch cost. ISRO had tightened tolerance to error following the failure of the PSLV- C39 mission.
- ✦ The industry partnership for satellite production had paved the way for the transition to industry-made launch vehicles. Automation and the increased use of composites and additives were turning the conventional manufacturing process on its head.
- ✦ Reusable launch vehicles promise to bring down launch cost but pose a problem for industry due to lower demand. The solution is to create a market for more missions.

8. INDIA, FRANCE TO ENHANCE COUNTER-TERROR TIES

Comes after Sushma Swaraj's talks with her French counterpart Le Drian

- ✦ Gravely concerned over growing terrorism, India and France_ decided to enhance counter- terror cooperation, and asked the international community to oppose those financing, sheltering and providing safe havens to terrorists.
- ✦ This was announced by External Affairs Minister Sushma Swaraj after her talks with her French counterpart Jean-Yves Le Drian, during which key bilateral, regional and international issues were discussed.

Grave concern

They expressed grave concern on growing terrorism and decided that there is need to fight the evil together and appealed to all countries to oppose those financing, sheltering and providing safe havens to terrorists. On maritime security, the two sides discussed growing cooperation in the Indian Ocean Region.

9.WHY HAVEN'T SOLAR, BATTERY CARS CAUGHT ON IN INDIA, ASKS SC



✚ The Supreme Court wondered why big automobile companies are not investing in solar-powered and battery-operated cars in India as much as they do abroad.

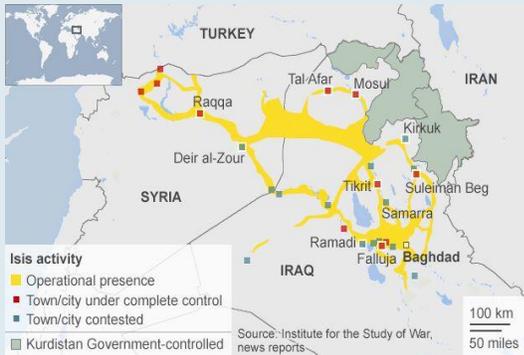
✚ A Bench orally pointed out that solar and battery cars have become popular across the world for their clean energy. The court said efforts should be made to drive the market up for such cars in public interest and for a clean

environment.

Emission norms

- ✚ The car manufacturers, meanwhile, said they would meet the April 2020 deadline for achieving BS-VI emission norms.
- ✚ The court directed the Union to respond to an application filed to ensure sufficient supply of gas in the National Capital Region so that it can be used as the principal fuel. The court asked the Centre to respond to application to “direct the Union to oversee measures to strengthen the distribution of electricity in the NCR to ensure that there is no shortfall in the availability of electricity”.
- ✚ The Centre has sought some time to take instructions and respond to the court.

10. IRAQI FORCES CLOSE IN ON IS-HELD TOWN WEST OF MOSUL



✚ The U.S.-led coalition says Iraqi forces have made significant progress as they close in on the Islamic State-held town of Tal Afar, west of Mosul.

✚ The operation to retake Tal Afar was launched, a month after Iraq declared victory against IS in Mosul, the country's second largest city.

✚ Tal Afar, about 150 km (93 miles) east of the Syrian border, is in one of the last pockets of IS-held territory in Iraq.

11. RBI CANCELS OMO SALES

The Reserve Bank of India has cancelled the open market operation of bond sales of Rs.10,000 crore scheduled citing the 'evolving liquidity condition'.

'Open Market Operations - OMO'

Open market operations (OMO) refers to the buying and selling of government securities in the open market in order to expand or contract the amount of money in the banking system.

13. INDIA'S HERITAGE CITY RACES TO SAVE ICONS FROM POLLUTED RUIN



Conservation experts warn Ahmedabad, one of the world's most polluted cities, faces a mammoth task defending its newly won UNESCO status as its fragile cultural icons decay under neglect, traffic and trash.

The 600-year-old enclave was named **India's first 'World Heritage City'** in July -- despite warnings from some of UNESCO's own experts that it lacked a convincing plan for protecting its ancient citadels, mosques and tombs.

- ✚ Ahmedabad hosts the towering Bhadra fort, the legendary stone latticework of the 16th-century Sidi Saiyyed mosque, and countless relics fusing the unique Hindu and Muslim architectural styles of its conquerors. Authorities hope the global recognition from the UN's cultural body will restore community pride in the crumbling, garbage-strewn old city.
- ✚ But it is the pressures of modern Ahmedabad -- the chronic air pollution, crushing traffic and chaotic urban sprawl -- that experts say are also rapidly eroding its cultural capital. The cramped heritage district was never built for cars, yet today thousands of trucks and rickshaws are diverted through its narrow lanes and alleys.
- ✚ The grinding congestion tears apart roads and fouls the air with fumes, streaking stone-carved monuments with black exhaust stains. Long-flouted laws banning construction near heritage sites have also hampered efforts to save Ahmedabad's treasures from ruin. In the heart of the old quarter, just the dome of a medieval mosque is visible behind a tangle of shops, electricity wires and flats illegally erected around the sultanate-era relic.

- Challenge starts now -

Some long-neglected quarters, sealed off from the outside world by labyrinthine alleys, are well beyond restoration. Many traditional 'pols' -- clusters of settlements identified by UNESCO as bearing "enormous" historical value -- are all but abandoned, the iconic wooden homes collapsing from neglect. Once grand havelis -- beautiful multi-level wooden mansions -- are being rented to poor migrants and businesses looking for warehouse space.