

**27 FEBRUARY 2019**

## 1. India bombs Jaish camp in Pakistan's Balakot

### In News:

12 IAF Mirage-2000 fighter jets unleash five one-tonne payloads since, 200-325 militants had moved there from the LoC after the Pulwama attack.

Government calls it “non-military, pre-emptive” operation.

### Explained:

Twelve days after the Pulwama attack, the Indian Air Force bombed the Jaish-e-Mohammad's biggest terror-training camp in Pakistan's Balakot.

The operation was carried out by 12 Mirage-2000 fighter jets, which unleashed five one-tonne bombs on the camp, based 70 km inside the LoC, in the Pakistani province of Khyber Pakhtunkhwa.

The JeM facility was particularly crowded with 200-325 militants as many had abandoned launch pads and training camps closer to the LoC after the Pulwama attack in the expectation that India would not target Balakot.

The aerial attack on a target inside Pakistani territory marks a major shift in India's counter-terror responses, which have thus far been restricted to ground operations across the LoC in Pakistan-occupied Kashmir.

Credible intelligence was received that JeM would attempt another suicide terror attack, and jihadis were being trained for this purpose.

In the face of imminent danger, a pre-emptive strike became absolutely necessary, since a very large number of JeM terrorists, trainers, senior commanders and groups of jihadis, who were being trained for fidayeen action, were eliminated in the operation.

### Line of Control:

When Pakistani Army intruded Princely state of Jammu and Kashmir in October 1947, it led to First Kashmir War (1947-49).

Due to UN intervention, ceasefire (de facto) was demarcated between Indian and Pakistani Military in Jammu and Kashmir, which resulted in ending the war

This line divides the Princely States of Jammu and Kashmir into- Jammu, Kashmir Valley, Ladakh (Indian Controlled) & Azad Kashmir and Gilgit-Baltistan (Pakistan Occupied Kashmir)

This line, after the Shimla Agreement(1972) between Indian PM Ms. Indira Gandhi and her Pakistani counterpart Zulfikar Ali Bhutto, came to be known as Line of Control (LOC)

LOC runs from Akhnoor Region of Jammu Valley to Point NJ9842.

This border is one of most dangerous border in the world.

### Note



## 2. Punjab border districts put on high alert

### In News:

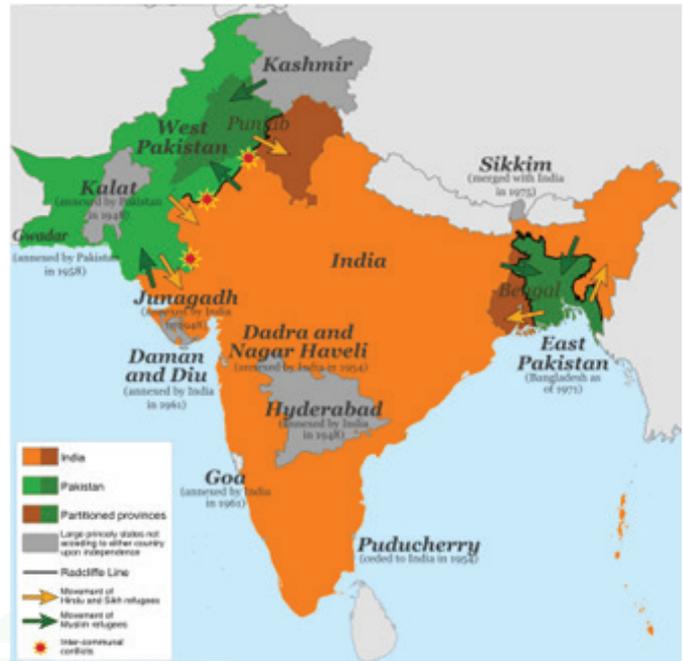
Punjab has put six of its border districts Ferozpur, Tarn Taran, Amritsar, Gurdaspur, Pathankot and Fazilka on high alert following the Indian Air Force's strikes on a Jaish-e-Mohammed terror camp in Pakistan.

### Explained:

- Jammu and Kashmir Border with Pakistan – 1222 Km
- Length of international border of Rajasthan – 1170 Km
- Length of international border of Gujarat shared with Pakistan – 506 Km
- Length of Punjab international border – 425 Km.

As for as the Pakistan's border with the Indian states of Rajasthan and Gujarat, the swampy and marshy wetland in the Rann of Kutch, Gujarat and the sandy desert of Rajasthan prevents the infiltration.

Since because Punjab has open borders with Pakistan, extra protection to prevent infiltration is mandatory.



## 3. When 12 warplanes locked on to the target

### In News:

In the early hours of Tuesday, 12 Mirage-2000 combat jets of the Indian Air Force (IAF) armed with Israeli Precision Guided Munitions (PGM) took off from their Gwalior airbase on a crucial mission, cloaked in secrecy.

### Explained:

The terror launch pads of Jaish-e-Mohammad (JeM) along the LoC were moved deep inside after the Pulwama attack.

The camp in Balakot, which was targeted, is JeM's major training camp. It's in proper Pakistan itself, close to Abbottabad infamous because of Osama bin Laden.

### Balakot:

Balakot is about 60 km aerial distance from the LoC, in the Manshehra district of Pakistan's Khyber Pakhtunkhwa province, and is about two hours' drive from Abbottabad.

### The Battle Plan:

The multirole fighter aircraft flew over Himachal Pradesh and Kashmir

### Note





before crossing into Pakistani airspace and striking.

Twelve Mirage-2000 jets from Gwalior were involved in the strike and they carried SPICE 2000 and Crystal Maze Mk2, also called AGM 142 Popeye PGMs.

SPICE stands for 'Smart, Precise Impact and Cost-Effective' a kit which converts a conventional bomb into a smart munition and is manufactured by Rafael of Israel. The '2000' refers to a bomb of 2,000 pounds (about 1,000 kg).

The PGMs enable the aircraft to release them from stand-off distances while staying away from harm's way and the munitions glide to the target once launched. Defence sources said five 1,000 kg PGMs were dropped in the strike, which occurred at about 3:40 a.m. on Tuesday.

The IAF also deployed the Israeli Phalcon and indigenous Neutra early warning aircraft to monitor the mission to direct the aircraft as well as to keep an eye out for Pakistani F-16s that might be deployed to counter them and a Heron long range UAV that was used for monitoring and assessment. Sukhoi Su-30MKIs fighter jets were also airborne and standing by, as a precautionary move.

To avoid preparations from leaking out, the Mirages flew directly from their home base in Gwalior at the time of the mission to the target area and back. Everything was carried on as usual in the run up to it to maintain secrecy.

The Mirages used the Israeli Litening targeting pods to mark the targets and the PGMs were launched from a safe distance.

### 4. Declaring 5 year I-T returns a must for poll candidates

#### In News:

The Central government issued a notification making it mandatory for candidates to declare total income as shown in their Income-Tax Returns (ITR) for the last five years, and that of their spouses, dependents and the Hindu Undivided Family (HUF), as recommended by the Election Commission.

**Note**



### Explained:

The notification states that changes have been made to the Form-26 affidavit, which is submitted with the nomination paper, in consultation with the Election Commission. From now on, candidates will also have to provide their Permanent Account Number (PAN).

### Details to be shared should also include

- The interest in or ownership of offshore assets,
- Including all deposits or investments in foreign banks and any other body or institution
- Abroad, Details of all assets and liabilities in foreign countries, held by the candidates, their spouses, dependents and HUFs.

The Commission had suggested the changes following a recent meeting with the Central Board of Direct Taxes (CBDT) on various issues, including the recommendation for making public the income verification report of the candidates. After the ITR papers become part of the affidavit, the information will be in the public domain.

### Need for Declaration:

Since the political executives are responsible for the people's money, it should be ensured that it is spent only for the welfare of the people and the development of the nation.

Rather, nowadays a bulky number of cases are pending in the courts regarding the disproportionate asset that has been accumulated by the political executives.

Therefore a vigilant watch is needed, so that the value of wealth of the political executives checked periodically.

### Election Commission of India:

Election Commission of India is a Constitutional body provided in Article 324 of the Constitution of India, entrusted for the conduct of free and fair elections.

### Composition of the body:

Currently has three members including Chief Election Commissioner (CEC).

**Appointment:** By the President for a term which is fixed by the President.

**Tenure:** The service conditions and tenure of office of CEC and Election Commissioners are determined by Act of parliament titled The Chief Election Commissioner and Other Election Commissioners (Conditions of Service) Act, 1991. This act has fixed their term for 6 years or till age of 65 years, whichever is earlier.

**Power/salary:** The CEC and election commissioners have equal power and receive equal salary, allowances and other perquisites, which are similar to judge of Supreme Court. In case of difference of opinion amongst the Chief Election Commissioner and Election Commissioner, the matter is decided by the Commission by majority.

### Functions:

- To prepare an up-to-date list of all the persons who are entitled to vote at the elections.

### Note



- Election of President;
- Election of Vice-President;
- Election of Lok Sabha as well as Rajya Sabha;
- Elections to State Legislatures as well as Legislative Councils;
- Reservation of Seats in Lok Sabha and State Legislatures;
- Qualifications of the MPs and MLAs;
- Determination of population for purposes of the election.

## 5. Cautious China urges India, Pak. to improve ties

### In News:

China has responded cautiously to Indian air strikes across the Line of Control (LoC), criticising India for taking unilateral action but urging both India and Pakistan to improve ties.

### Explained:

China being the close ally of Pakistan is now unable to openly condemn the retaliation that was given by India for the Pulwama attack.

This is because most of the countries around the world are against the terror attack on India and even supported for the balancing action.

Though China is the close ally of Pakistan, it cannot neglect India on the other side because for its unmatched trade.

### India – China Trade Relations:

Despite of tensions the bilateral trade has touched historic high despite bilateral tensions over number of bilateral issues including

- China-Pakistan Economic Corridor (CPEC),
- China blocking India's efforts to bring about UN ban on Jaish-e-Mohammad leader Masood Azhar and
- Blocking India's entry into Nuclear Suppliers Group (NSG)

Military standoff at Doklam plateau near Sikkim and Bhutan.

### China's call for dialogue:

India should have avoided unilateral action, and instead dealt with the situation through "international cooperation".

As for India's claims on taking action against terrorism, fighting terrorism is a global practice. It needs to be dealt with by international cooperation. And India needs to create a favourable condition internationally for that.

### Note



Finally China called upon India and Pakistan to ease tensions arising from the Pulwama attack through dialogue as soon as possible and avoid an escalation of the situation. It also urged both sides to collaborate on fighting terrorism and jointly safeguard the security and stability of South Asia.

China is expected to further elaborate on its stance on the sidelines of the Foreign Ministerial meeting of Russia-India-China (RIC) in Wuzhen in East China.

## 6. Organised retail in India may double by 2021

### In News:

Strong macroeconomic factors coupled with robust demographics and Internet penetration will fuel the growth of the retail market in India, which is third largest in Asia and fourth-largest globally after U.S., China and Japan.

### Explained:

According to the joint report by Deloitte and the Retailers Association of India (RAI), as Internet penetration increases in the country and more international retailers start operating in India, the share of organised retail market would increase from about 12% in 2017 to about 22-25% by 2021,



which would partly also be driven by the growth of e-commerce market from \$24 billion in 2017 to \$84 billion in 2021.

The report pegs the growth in e-commerce market to factors like growing Internet penetration and increased usage of smartphones among others.

### M-commerce sales

The number of online shoppers would increase from the current 15% of the online population to 50% by 2026, stated the report while adding that smartphone users are expected to increase from 260 million in 2016 to around 450 million by 2021 that is also likely to drive the m-commerce sales from \$10.5 billion in 2016 to \$38 billion in 2020.

The retail market is expected to grow from \$795 billion in 2017 to \$1.2 trillion by 2021, as per the report.

Meanwhile, a joint report by RAI and the Boston Consulting Group (BCG) highlighted the fact that India's consumption has been growing at a steady pace of 13% over the last decade to Rs. 110 trillion in 2018, accounting for 59.3% share of GDP of India, higher than the emerging market average.

India's consumption has grown at 13% in the last decade and is likely to continue to grow at 12% over the next 10 years — from Rs. 33 trillion in

### Note



2008 to Rs. 330 trillion in 2028.

## 7. RBI takes 3 banks off prompt corrective action framework

### In News:

Three banks - Allahabad Bank and Corporation Bank, from the public sector, and Dhanlaxmi Bank from the private sector are now out of the Reserve Bank of India's (RBI) prompt and corrective action (PCA) framework.

Earlier, such restrictions were taken off Bank of India, Oriental Bank of Commerce and Bank of Maharashtra.

### Explained:

#### **Prompt Corrective Action (PCA)**

PCA is a process or mechanism to ensure that banks don't go bust.

Under it, RBI has put in place some trigger points to assess, monitor, control and take corrective actions on banks which are weak and troubled.

It was first introduced after global economy incurred huge losses due to failure of financial institutions during 1980s-90s.

According to latest PCA framework, banks to be placed under it are assessed on three parameters viz.

- Capital ratios,
- Asset Quality and
- Profitability.

Indicators to be tracked for these three parameters are

CRAR (Capital to Risk weighted Assets Ratio)/Common Equity Tier I ratio,

Net NPA (non-performing assets) ratio and

Return on Assets (RoA) respectively.

If banks breach of any risk threshold mentioned above, it results in invocation of PCA against them.

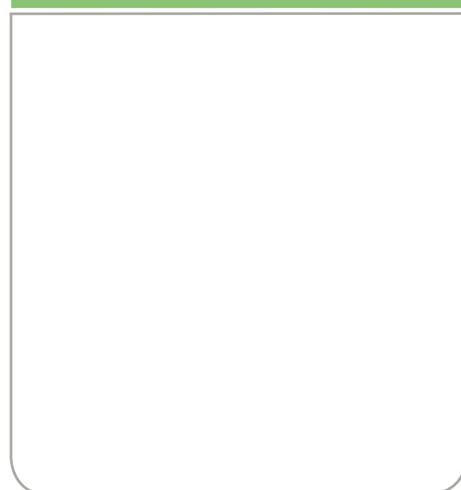
RBI enforces these guidelines to ensure banks do not go bust and follow prompt measures to put their house in order.

It had tightened its PCA framework in April 2017 to turn around lenders with weak operational and financial metrics,

Depending on the risk thresholds set in PCA rules, banks placed under it are restricted from expanding number of branches, staff recruitment and

Area	Risk threshold 1	Risk threshold 2	Risk threshold 3
Capital (Breach of either CRAR or CET 1 ratio)	up to 250 bps below Indicator <10.25% but >=7.75% upto 162.50 bps below Indicator <6.75% but >= 5.125%	more than 250 bps but not exceeding 400 bps below Indicator <7.75% but >=6.25% more than 162.50 bps below but not exceeding 312.50 bps below Indicator <5.125% but >=3.625%	In excess of 312.50 bps below Indicator <3.625%
Asset Quality (Net non-performing advances ratio)	>=6.0% but <9.0%	>=9.0% but <12.0%	>=12.0%
Profitability return on assets	Negative ROA for two consecutive years	Negative ROA for three consecutive years	Negative ROA for four consecutive years
Leverag Tier 1 Leverage ratio	<=4.0% but >= 3.5% (leverage is over 25 times the Tier 1 capital)	< 3.5% (leverage is over 28.6 times the Tier 1 capital)	

### Note



increasing size of their loan book.

Other restrictions include higher provisions for bad loans and disbursal only to those companies whose borrowing is above investment grades.

