

News Analysis (05 Jul, 2021)



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Punjab Suba Movement

Why in News

Recently, the Shiromani Gurdwara Parbandhak Committee (SGPC) commemorated the first entry of a police force inside the Golden Temple on 4th July, 1955 during the Punjab Suba movement (Morcha).

Key Points

About:

• It started in Punjab soon after Independence. Shiromani Akali Dal (Political Party) was leading the movement for a **Punjabi speaking state**.

However, there was also opposition to this idea.

 Those in favour of the demand used to raise the slogan Punjabi Suba Amar Rahe and those opposing the demand were raising slogans in favour of 'Maha-Punjab'.

It was in April, 1955 that the government banned the slogans fearing law and order problems under section 144 of the Code of Criminal Procedure (CrPC).

 The demand for creation of Punjabi Suba automatically gave basis to the demand for having a separate state of Haryana.

Demand of the Movement:

- A Punjabi speaking state which will have Punjabi speaking areas' population.
- There should be no attempt to temper for increasing or decreasing its size artificially. The Punjabi speaking state will be under the Indian Constitution.

Formation of Punjab:

- With the passage of the Punjab Reorganization Act 1966 (and in accordance with the earlier recommendations of the States Reorganization Commission),
 Haryana was separated from Punjab in 1966 to become the 17th state of India.
- And the erstwhile state of East Punjab was now divided into two states that is Haryana and Punjab.
- Some territory was also transferred to Himachal Pradesh, then a Union territory.
- And the city of Chandigarh became a Union territory to serve as the provisional capital of both the Punjab and Haryana.

Constitutional Provisions for Creation of States:

Indian constitution empowers the Union government to create new states out
of existing states or two merge one state with another. This process is called
reorganisation of the states.

The basis of reorganisation could be **linguistic**, **religious**, **ethnic or administrative**.

- **Article 3** provides the following procedure:
 - Presidential reference is sent to the State Assembly.
 - After presidential reference, a resolution is tabled and passed in the Assembly.
 - The Assembly has to pass a Bill creating the new State/States.
 - A separate Bill has to be ratified by Parliament.

Advantages and Disadvantages of Creation of New States

Advantages	Disadvantages
Better management of economic resources	Possibility of increase in the inter-State water, power, and boundary disputes
More investment opportunities	The feeling of nationalism would diminish in the cries of regional autonomy
Faster economic growth	Small states depend to a substantial extent on the central government for financial aid
More people of the same small state and same province will have a say in their state affairs	Different statehood may lead to the hegemony of the dominant community

Current Statehood Demands in India

Vidarbha:

It comprises the Amravati and Nagpur divisions of eastern Maharashtra.

Delhi:

To gain the control of such substantive powers, Delhi government is aspiring for full statehood.

Harit Pradesh:

It consists of agriculturally dominated districts of Western Uttar Pradesh.

Purvanchal:

It is a geographic region of north-central India, which comprises the **eastern end** of Uttar Pradesh state.

Bodoland:

The Bodos are the largest ethnic and linguistic community in **northern Assam**.

Saurashtra:

Kathiawar Peninsula, also called Saurashtra Peninsula, peninsula in southwestern Gujarat state.

Gorkhaland:

It is a proposed state covering areas inhabited by the ethnic Gorkha (Nepali) people, namely **Darjeeling hills and Dooars in the northern part of West Bengal**.

Source: IE

Draft Anti-Trafficking Bill

Why in News

Recently the Ministry of Women and Child Development released Draft anti-trafficking Bill, the <u>Trafficking</u> in Persons (Prevention, Care and Rehabilitation) Bill, 2021.

- The bill once finalised will need the Cabinet approval and assent from both the houses of Parliament to become a Law.
- A <u>previous draft</u> had been introduced in 2018 but that could not be introduced in Rajya Sabha amid stiff opposition from Parliamentarians and experts.

• Criticism to the Old Bill:

- According to the <u>United Nations</u>' human rights experts, it was <u>not in</u> accordance with the <u>international human rights laws</u>.
- The Bill seemed to combine sex work and migration with trafficking.
- The Bill was criticised for addressing trafficking through a criminal law perspective instead of complementing it with a human-rights based and victim-centred approach.
- It was also criticised for promoting "rescue raids" by the police as well as institutionalisation of victims in the name of rehabilitation.
- It was pointed out that certain vague provisions would lead to blanket criminalisation of activities that do not necessarily relate to trafficking.

Provisions in the New Bill:

- o It extends to all citizens inside as well as outside India,
 - Persons on any ship or aircraft registered in India wherever it may be or carrying Indian citizens wherever they may be,
 - A foreign national or a stateless person who has his or her residence in India at the time of commission of offence under this Act, and
 - The law will apply to every offence of trafficking in persons with crossborder implications.

Victims Covered:

- It extends beyond the protection of women and children as victims to now include transgenders as well as any person who may be a victim of trafficking.
- It also does away with the provision that a victim necessarily needs to be transported from one place to another to be defined as a victim.

Defines 'Exploitation':

The exploitation of the prostitution of others or other forms of sexual exploitation including pornography, any act of physical exploitation, forced labour or services, slavery or practices similar to slavery, servitude or forced removal of organs, illegal clinical drug trials or illegal bio-medical research.

Government Officers as Offenders:

Offenders will also include defence personnel and government servants, doctors and paramedical staff or anyone in a position of authority.

Penalty:

- A minimum of seven years which can go up to an imprisonment of 10 years and a fine of Rs 5 lakh in most cases of child trafficking.
- In case of the trafficking of more than one child, the penalty is now life imprisonment.

Similarity to Money laundering Act:

Property bought via **such income as well as used for trafficking can now be forfeited** with provisions set in place, similar to that of the **money laundering Act**.

Investigation Agency:

The <u>National Investigation Agency (NIA)</u> shall act as the national investigating and coordinating agency responsible for prevention and combating of trafficking in persons.

National Anti-Human Trafficking Committee:

- Once the law is enacted, the Centre will notify and establish a National Anti-Human Trafficking Committee, for ensuring overall effective implementation of the provisions of this law.
- This committee will have representation from various ministries with the home secretary as the chairperson and secretary of the women and child development ministry as co-chair.
- State and district level anti-human trafficking committees will also be constituted.

• Significance:

- The transgender community, and any other person, has been included which will automatically bring under its scope activity such as organ harvesting.
- Also, cases such as forced labour, in which people lured with jobs end up in other countries where their passports and documentation is taken away and they are made to work, will also be covered by this new law.

• Legislations in India that Prohibits Human Trafficking:

- Article 23 (1) in the constitution of India prohibits trafficking in human beings and forced labour.
- The Immoral Traffic (Prevention) Act, 1956 (ITPA) penalizes trafficking for commercial sexual exploitation.
- India also prohibits bonded and forced labour through the Bonded Labour System (Abolition) Act 1976, Child Labour (Prohibition and Abolition) Act 1986, and Juvenile Justice Act.
- Sections 366(A) and 372 of the Indian Penal Code, prohibits kidnapping and selling minors into prostitution respectively.
- Apart from this, the Factories Act, 1948 guaranteed the protection of rights of workers.

- International Conventions, Protocols and Campaigns:
 - Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially
 Women and Children in 2000 as a part of the UN Convention Against
 Transnational Organised Crime. The <u>United Nations Office on Drugs and</u>
 <u>Crime (UNODC)</u> is responsible for implementing the protocol. It offers
 practical help to states with drafting laws, creating comprehensive national antitrafficking strategies, and assisting with resources to implement them.
 - Protocol against the Smuggling of Migrants by Land, Sea and Air. It entered into force on 28th January 2004. This also supplements the UN Convention Against Transnational Organised Crime. The Protocol is aimed at the protection of rights of migrants and the reduction of the power and influence of organized criminal groups that abuse migrants.
 - Universal Declaration of Human Rights (1948) is a non-binding declaration that establishes the right of every human to live with dignity and prohibits slavery.
 - **Blue Heart Campaign:** The Blue Heart Campaign is an international antitrafficking program started by the UNODC.
 - Sustainable Development Goals: Various SDGs aim to end trafficking by targeting its roots and means viz. Goal 5 (Achieve gender equality and empower all women and girls), Goal 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) and Goal 16 (Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels).

Source: IE

Road Ahead for Afghanistan after US Exit

Why in News

Recently, the **US troops departed from the biggest airbase in Afghanistan** after the 20-year-long war, effectively ending their military operations in the country.

• Background:

On 11th September 2001, terrorist attacks in America killed nearly 3,000 people.

Osama Bin Laden, the head of Islamist terror group al-Qaeda, was quickly identified as the man responsible.

- The Taliban, radical Islamists who ran Afghanistan at that time, protected Bin Laden, and refused to hand him over. So, a month after 9/11, the US launched airstrikes against Afghanistan (Operation Enduring Freedom).
- After the attacks, the **NATO** coalition troops declared war on Afghanistan.
- The US dislodged the Taliban regime and established a transitional government in Afghanistan.

• Reason for US Pull Back:

- The US had reached the conclusion long ago that the war was unwinnable.
- The US administration had sent a representative to the first-ever meeting between the Taliban and the Afghan government that was hosted by Pakistan in Murree in 2015.

However, the **Murree talks did not progress.**

- <u>Doha Talk</u>: The US appointed a special envoy for Afghanistan with a mandate to directly negotiate with the Taliban. They held talks with Taliban representatives in Doha that led to the February 2020 agreement between the US and the insurgents.
 - Before the Doha talks started, the Taliban had maintained that they would hold direct talks only with the US, and not with the Kabul government, which they did not recognise.
 - The US effectively accepted this demand when they cut the Afghan government off the process and entered direct talks with the insurgents.

• Terms of Agreement between the US and the Taliban:

- It dealt with four aspects of the conflict violence, foreign troops, intra-Afghan peace talks and the use of Afghan soil by terrorist groups such as al-Qaeda and the Islamic State (the IS has an Afghan unit).
- In the agreement, the US administration promised that it would withdraw all American troops from Afghanistan by 1st May, 2021.

The deadline has been **pushed to 11th September 2021**.

 The Taliban promised to reduce violence, join intra-Afghan peace talks and cut all ties with foreign terrorist groups. India's reach out to the Taliban:



India made contacts with the Taliban in Doha.

This signals a late but realist acknowledgement from the Indian side that the Taliban would play a critical role in Afghanistan in the coming years.

- India has three critical areas in dealing with the Taliban.
 - Protecting its investments, which run into billions of rupees, in Afghanistan;
 - Preventing a future Taliban regime from being a pawn of Pakistan;
 - Making sure that the Pakistan-backed anti-India terrorist groups do not get support from the Taliban.
- In the past, India chose not to engage the Taliban (New Delhi had backed the Northern Alliance) and the costs were dear when the Taliban was in power.
 In November 2001, the Northern Alliance took control of the Afghanistan capital Kabul. The Northern Alliance fought a defensive war against the Taliban government and were being helped by the US and other countries that agreed with it, including the UK.

- Possible Scenarios for Afghanistan:
 - The American withdrawal has turned the balance of power in the battleground in favour of the Taliban.
 - They are already making rapid advances, and could launch a major offensive targeting the city centres and provincial capitals once the Americans are out.
 - There could be three scenarios:
 - There could be a political settlement in which the Taliban and the government agree to some power-sharing mechanism and jointly shape the future of Afghanistan. As of now, this looks like a remote possibility.
 - An all-out civil war may be possible, in which the government, economically backed and militarily trained by the West, holds on to its positions in key cities and the Taliban expand its reach in the countryside, while other ethnic militias fight for their fiefs. This is already unfolding.
 - The Taliban taking over the country.

Conclusion

• After the agreement was signed, the US put pressure on the Afghan government to release thousands of Taliban prisoners.

A key Taliban precondition for starting intra-Afghan talks.

- Talks between Taliban representatives and the Afghan government began in Doha in September 2020 but did not reach any breakthrough. At present, the peace process is frozen.
- The Taliban reduced hostilities against foreign troops but continued to attack Afghan forces even after the agreement was signed.
- Kabul maintains that the Pakistan support for the Taliban is allowing the insurgents to overcome military pressure and carry forward with their agenda.

Source: TH

Melting of Arctic's 'Last Ice Area'

Why in News

The 'Last Ice Area' (LIA), located in the Arctic's Ice north of Greenland, has started melting earlier than what the scientists had expected.



Key Points

Last Ice Area:

- This region is located north of Greenland and Ellesmere Island in the Canadian territory of Nunavut.
- This area was believed to be strong enough to withstand global warming.
 The total disappearance of summer ice in the Arctic was estimated by the year 2040, however the 'Last Ice Area' was the exception.
- World Wildlife Fund (WWF)-Canada was believed to be the first to call this area the 'Last Ice Area'.

Importance:

- It was thought to be able to help ice-dependent species as ice in the surrounding areas melted away.
- It is used by polar bears to hunt for seals who use ice to build dens for their offspring. Walruses too, use the surface of the ice for foraging (to search for food).
- Sea ice is a highway for inuit, who use it to travel and hunt.
 The term Inuit refers broadly to the Arctic indigenous population of Alaska, Canada, and Greenland.

Reasons for Melting:

- About 80% of thinning can be attributed to weather-related factors such as winds that break up and move the ice around.
- The remaining 20% can be attributed to longer-term thinning of the ice due to global warming.

About Arctic:

- The Arctic is a polar region located at the northernmost part of Earth.
- The Arctic consists of the Arctic Ocean, adjacent seas, and parts of Alaska (United States), Canada, Finland, Greenland (Denmark), Iceland, Norway, Russia, and Sweden.
- Land within the Arctic region has seasonally varying snow and ice cover.
- Since 2013, India has had observer status in the <u>Arctic Council</u>, which is the predominant inter-governmental forum for cooperation on the environmental and development aspects of the Arctic.

• Impact of Melting Arctic Ice:

- Global Climate: The Arctic and Antarctic act like the world's refrigerator. Since
 they are covered in white snow and ice that reflect heat back into space (Albedo
 effect), they balance out other parts of the world that absorb heat.
- Coastal Communities: Global average sea level has risen by about 7-8 inches since 1900, and it's getting worse. Rising seas endanger coastal cities and small island nations by exacerbating coastal flooding and storm surge.
- Food Security: <u>Polar vortexes</u>, increased <u>heat waves</u>, and unpredictability of weather caused by ice loss are already causing significant damage to crops on which global food systems depend.
- Permafrost & Global Warming: <u>Permafrost</u> in the Arctic region (ground that is permanently frozen) stores large amounts of methane, which is a greenhouse gas that contributes to climate change.
- **Biodiversity Threat:** Melting of the Arctic ice puts the Arctic region's vibrant **biodiversity** under serious threat.

India's interests in Arctic:

Recently, **India participated in the 3rd <u>Arctic Science Ministerial (ASM)</u> and shared plans for research and long-term cooperation in the Arctic Region.**

Source: IE			

Why in News

Fly Ash

<u>National Thermal Power Corporation (NTPC)</u> Limited has invited Expression of Interest (EOI) for sale of fly ash, in its endeavour to achieve 100% utilization of fly ash, from the designated plants of the Middle East and other regions.

Fly Ash is a byproduct from burning of coal in the thermal power generation.

• Fly Ash:

About:

- It is called fly ash because it is transported from the combustion chamber by exhaust gases.
- It is collected from the exhaust gases by electrostatic precipitators or bag filters.
 - An electrostatic precipitator (ESP) is defined as a filtration device that is used to remove fine particles like smoke and fine dust from the flowing gas.
 - It is the commonly used device for air pollution control.

Composition:

Fly ash includes substantial amounts of silicon dioxide (SiO₂), aluminium oxide (Al2O₃), ferric oxide (Fe2O₃) and calcium oxide (CaO).

Properties:

- Resemble Portland cement but is chemically different.
 - Portland cement is a binding material in the form of a finely ground powder that is manufactured by burning and grinding a mixture of limestone and clay.
 - Its chemical composition includes calcium silicates, calcium aluminate and calcium aluminoferrite.
- Exhibit cementitious properties.

A cementitious material is one that hardens when mixed with water.

Uses:

It is used in concrete and cement products, road base, metal recovery, and mineral filler among others.

Harmful Effects:

- Fly ash particles are toxic air pollutants. They can trigger heart disease, cancer, respiratory diseases and stroke.
- When combined with water they cause leaching of heavy metals in ground water.
- It also pollutes the soil, and affects the root development system of trees.

Fly Ash Utilisation:

- NTPC has collaborated with Cement manufacturers around the country to supply Fly Ash.
- To promote the use of Fly Ash bricks in building construction, NTPC has set up
 Fly Ash brick manufacturing Plants at its Coal based Thermal Power Plants.
 - These bricks are being utilized in Plants as well as township construction activities exclusively.
 - On average, 60 million Fly Ash bricks are being manufactured annually by NTPCs own Fly Ash brick Plants.
- As per the MoEF&CC directives, NTPC stations must keep at least 20% of total
 Fly Ash produced in reserve for the issue to Fly Ash brick/blocks/tiles
 manufacturers and issuing Fly Ash free of cost to them.

About 9% of the total Fly Ash produced in NTPCs stations, is being utilized by Fly Ash bricks/blocks and tiles manufacturing units annually.

- During the year 2020-21, almost 15 NTPC stations supplied Fly Ash to various Road projects and Ash utilization crossed by nearly 20 million tonnes.
- Over the last five years the fly ash utilisation has grown up by 80% in the country.
- <u>Pradhan Mantri Awas Yojana (Urban)</u> has focused on new construction technologies such as using fly ash bricks that are innovative, and environmentally friendly.
- Even state governments have come out with their Fly ash utilization policies, e.g.
 Maharashtra was the first state to adopt the policy.
- A web portal for monitoring of fly ash generation and utilization and a mobile based application titled <u>"ASHTRACK"</u> has been launched by the Government.
- **GST** rates on fly ash and its products have been reduced to 5%.

NTPC

- NTPC Ltd. is a central Public Sector Undertaking (PSU) under the Ministry of Power.
- **Aim:** To provide reliable power and related solutions in an economical, efficient and environment-friendly manner, driven by innovation and agility.
- It became a Maharatna company in May 2010.
- India's largest power generating company.

Source:PIB

UDISE+ 2019-20 Report

Why in News

Recently, the Union Education Minister released the **Report on United Information System for Education Plus (UDISE+) 2019-20** for School Education in India.

United Information System for Education Plus

- It is one of the largest Management Information Systems on school education. It was launched in 2018-2019 to speed up data entry, reduce errors, improve data quality and ease its verification.
- It is an application to collect the school details about factors related to a school and its resources.

It is an **updated and improved version of UDISE**, which was initiated in 2012-13 by the Ministry of Education.

- It covers more than 1.5 million schools, 8.5 million teachers and 250 million children.
- It helps **measure the education parameters from classes 1 to 12** in government and private schools across India.

Key Points

Total Students:

In 2019-20, total students in school education from pre-primary to higher secondary have crossed 26.45 crore. This is higher by 42.3 lakh compared to 2018-19.

- Gross Enrolment Ratio:
 - Gross Enrolment Ratio (GER) at all levels of school education has improved in 2019-20 compared to 2018-19.
 - Upper Primary Level increased to 89.7% from 87.7%.
 - **Elementary Level** increased to **97.8%** from 96.1%.
 - Secondary Level increased to 77.9% from 76.9%.
 - Higher Secondary Level increased to 51.4% from 50.1%.
 - GER is the number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education.
- Pupil Teacher Ratio:
 - In 2019-20, 96.87 lakh teachers were engaged in school education. This is higher by about 2.57 lakh compared to 2018-19.
 - The Pupil Teacher Ratio (PTR) has improved at all levels of school education.
- Enrolment of Divyang Students:

Enrolment of Divyang students has increased by 6.52% over 2018-19.

Enrolment of Girls:

In 2019-20, **enrolment of girls from primary to higher secondary is more** than 12.08 crore. This is an increase by 14.08 lakh compared to 2018-19.

Gender Parity Index:

Between 2012-13 and 2019-20, the <u>Gender Parity Index (GPI)</u> at both
 Secondary and Higher Secondary levels have improved.

GPI in primary, secondary and tertiary education is the **ratio of the number of female students** enrolled at primary, secondary and tertiary levels of education **to the number of male students in each level.**

 Improvement of GPI has been most pronounced at the higher secondary level, which has gone up to 1.04 in 2019-20 from 0.97 in 2012-13.

Facilities at Schools:

- Electricity: More than 80% of schools in India in 2019-20 had functional electricity. This is an improvement of more than 6% over the previous year 2018-19.
- Computers: The number of schools having functional computers increased to
 5.2 lakh in 2019-20 from 4.7 lakh in 2018-19.
- Internet: The number of schools having internet facilities increased to 3.36 lakh in 2019-20 from 2.9 lakh in 2018-19.
- Hand Wash Facility: More than 90% of schools in India had hand wash facilities in 2019-20. This is a major improvement as this percentage was only 36.3% in 2012-13.
- Medical Check-Ups: More than 82% of schools conducted medical checkups of students in 2019-20, an increase of more than 4% compared to the previous year 2018-19.
- Some Important Government Initiatives:

Source: PIB

Anti-Methanogenic Feed Supplement: Harit Dhara

Why in News

<u>Indian Council of Agricultural Research (ICAR)</u> has developed an **anti-methanogenic feed** supplement 'Harit Dhara' (HD), which can cut down cattle methane emissions by 17-20% and can also result in higher milk production.

About:

- HD decreases the population of protozoa microbes in the rumen, responsible for hydrogen production and making it available to the archaea (structure similar to bacteria) for reduction of CO2 to methane.
- It has been made from tannin-rich plant-based sources. Tropical plants containing tannins, bitter and astringent chemical compounds, are known to suppress or remove protozoa from the rumen.
- Fermentation after using HD will help produce more propionic acid, which provides more energy for lactose (milk sugar) production and body weight gain.

This leads to **economic benefits for farmers.**

Methane Production in Cattle:

- Rumen, the first of the four stomachs where they eat plant material, cellulose, fibre, starch and sugars. These get fermented or broken down by microorganisms prior to further digestion and nutrient absorption.
- Carbohydrate fermentation leads to production of CO₂ and hydrogen. These are used by microbes (Archaea) present in the rumen to produce methane.

Methane Emissions from Cattle:

- Belching cattle, buffaloes, sheep and goats in India emit an estimated 9.25
 million tonnes (mt) to 14.2 mt of methane annually, out of a global total of 90
 mt-plus from livestock.
- The 2019 Livestock Census showed India's cattle population at 193.46 million, along with 109.85 million buffaloes, 148.88 million goats and 74.26 million sheep. Being largely fed on agricultural residues wheat/paddy straw and maize, sorghum or bajra stover ruminants in India tend to produce 50-100% higher methane than their industrialised country counterparts that are given more easily fermentable/digestible concentrates, silages and green fodder.
- Methane's global warming potential 25 times of carbon dioxide (CO2) over 100 years, makes it a more potent greenhouse gas.

- Government Initiatives related to Livestock:
 - Animal Husbandry Infrastructure Development Fund (AHIDF): It was set up to support private investment in Dairy Processing, value addition and cattle feed infrastructure.
 - Rashtriya Gokul Mission: It is aimed at developing and conserving indegenous breeds of bovine population, also to enhance milk production and to make it more remunerative to the farmers.
 - National Livestock Mission: It was launched in the year 2014-15 to ensure quantitative and qualitative improvement in livestock production systems and capacity building of all stakeholders.
 - <u>National Artificial Insemination Programme</u>: It was started to prevent the spread of certain diseases which are genital in nature, thereby enhancing the efficiency of the breed.

Source: IE

New Norms for Independent Directors

Why in News

The <u>Securities and Exchange Board of India (Sebi)</u> has approved stricter norms related to appointment of **independent directors** and decided to introduce **a framework for** <u>accredited investors</u> along with other measures.

Sebi is a statutory body established in accordance with the provisions of the **Securities** and **Exchange Board of India Act, 1992.** The basic functions of the Sebi is to protect the interests of investors in securities and to **promote and regulate the securities** market.

Independent Directors:

- Independent directors can be appointed only through a special resolution passed by shareholders. A special resolution requires 75% of votes in favour to be passed.
- The regulator has also elaborated and strengthened the disclosure requirements for the skills required to be an independent director.
- The nomination and remuneration committee of the board of directors, which
 decides on appointments and compensation, and the audit committee should
 have two-thirds independent directors compared to a simple majority now.

All **related party transactions** (between a company and its related entities) **shall be approved by only independent directors** on the audit committee.

 Also, a listed company will be required to disclose the resignation letter of an independent director.

Also, there will be a one-year cooling period for an independent director transitioning to a whole-time director in the same company/holding/subsidiary/associate company or any company belonging to the <u>promoter group</u>.

Independent Director

- An Independent Director (also sometimes known as an outside director) is a director on a board of directors representing <u>minority shareholders</u> and who does not have a pecuniary relationship with the company or related persons, except for sitting fees.
- Their role is to take a stand unambiguously and independently to have a check and balance on the whims of majority shareholders that may expose the company to unwarranted risks.
- The Companies Act, 2013 has mandated all listed public companies to have at least one-third of the total Directors to be independent.
- Their role requires them to be clinical while businesses expect them to be practical, that's the tight rope they walk on.

Accredited Investors:

- Sebi has approved this new category of wealthy, well-informed investors who will be allowed to invest in riskier products, not usually allowed to individuals.
- These entities (accredited investors) could be individuals, family trusts, proprietorships, etc.
- They will be given the **flexibility to invest** the less than minimum amount mandated in Sebi rules and also to some extent get relaxation from regulatory requirements.
- They will enhance the attractiveness of <u>alternative investment funds (AIFs)</u>.
 AIF means any fund established in India which is a <u>privately pooled</u> investment vehicle which collects funds from sophisticated investors, whether <u>Indian or foreign</u>, <u>for investing</u> it in accordance with a defined investment policy for the benefit of its investors.

• Other Important Changes Undertaken:

 To provide easy access to investors to participate in <u>public and rights issues</u> by using various payment avenues, Sebi has also decided to permit banks, other than scheduled banks, to act as a banker to such issues.

Unlike initial and follow-up public offering, the rights issue is not open for the general public but only to existing shareholders of the company.

- Sebi also increased the maximum reward amount for an informant who
 <u>blows the whistle</u> on insider trading to Rs 10 crore from Rs 1 crore now.
 <u>Insider trading</u> involves trading in a public company's stock by someone
 who has non-public, material information about that stock for any reason.
- The regulator has also approved amendments to its mutual fund regulations which requires <u>asset management companies (AMCs)</u> to use more funds in riskier schemes (New funds).

Currently, AMCs have to invest only 1% of the amount raised in a new fund offer, or Rs 50 lakh, whichever is lower.

The new norms will be effective from 1st January, 2022.

• Significance:

- The changes seek to strengthen the <u>corporate governance</u> practices as well as attract more investors.
- It will help **maintain the interest of minority shareholders** in the corporate boardroom where their representation is minimal.
- This should hopefully result in truly 'independent' independent directors and not those with merely a semblance of independence.

Source: IE

Project BOLD: KVIC

Why in News

Recently, the <u>Khadi and Village Industries Commission (KVIC)</u> launched a project named **Bamboo Oasis on Lands in Drought (BOLD)** from the village **NichlaMandwa in Udaipur, Rajasthan.**

Khadi and Village Industries Commission (KVIC)

- It is a statutory body established under the Khadi and Village Industries Commission Act, 1956.
- It is charged with the planning, promotion, organisation and implementation of programmes for the development of Khadi and other village industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary.
- It functions under the Ministry of Micro, Small and Medium Enterprises.

Key Points

About:

 Under the project 5000 saplings of special bamboo species – BambusaTulda and BambusaPolymorpha from Assam – have been planted over 16 acres of vacant arid Gram Panchayat land of village NichlaMandwa.

KVIC has thus created a world record of planting the highest number of bamboo saplings on a single day at one location.

- It is the first of its kind exercise in India. It seeks to create bamboo-based green patches in arid and semi-arid land zones.
- It has been launched as part of KVIC's "Khadi Bamboo Festival" to celebrate
 75 years of independence "Azadi ka Amrit Mahotsav".

Reason for Selecting Bamboo:

- It grows very fast and in about three years' time, they could be harvested.
- It is also known for conserving water and reducing evaporation of water from the land surface, which is an important feature in arid and drought-prone regions.

Significance:

- It will reduce <u>desertification</u> and provide livelihood and multi-disciplinary rural industry support.
- It will also act as havens of sustainable development and food security.

• Extension:

KVIC is set to replicate the Project at Village **Dholera in Ahmedabad district in Gujarat and Leh-Ladakh region** by August this year.

Total 15,000 bamboo saplings will be planted before August 2021.

Source: PIB