UPSC Mentorship
A Unit of Mentorship India

DAILY CURRENT AFFAIRS

7th MAY 2024

GS II

1. SC seeks report as T.N., ED spar over sand mining case
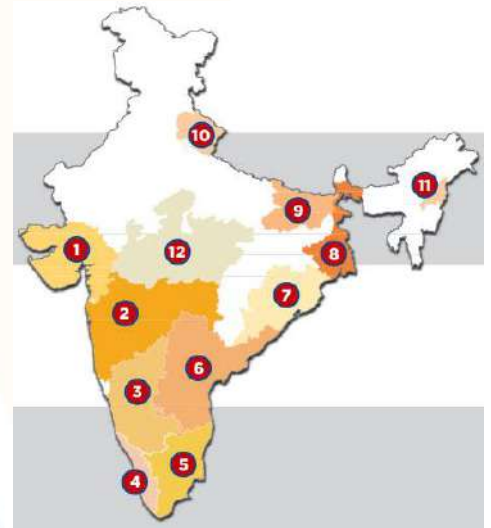
Source: The Hindu, Page 1

Prelims: Enforcement Directorate, Sand Mining.
Mains: Functions and Responsibilities of the Union and the States, Issues and Challenges Pertaining to the Federal Structure

News: The Supreme Court directed the Enforcement Directorate not to 'unnecessarily harass' the collectors of five Tamil Nadu districts after the state complained about the officials being made to sit at the central agency's offices till night in connection with a money laundering probe related to illegal sand mining.

About Enforcement Directorate
- Established in 1956 under the Foreign Exchange Regulation Act (FERA), ED is a multi-disciplinary organisation mandated with investigation of offences of money laundering and violations of foreign exchange laws.
- It functions under the Department of Revenue of the Ministry of Finance.
- It is headquartered in Delhi, headed by the Director of Enforcement.
- There are five regional offices at Mumbai, Chennai, Chandigarh, Kolkata and Delhi headed by Special Directors of Enforcement.
- It also has 10 Zonal offices, each headed by a Deputy Director.
- The statutory functions of the Directorate include enforcement of following Acts:
    1. Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA)
    2. Foreign Exchange Management Act, 1999 (FEMA)
    3. Prevention of Money Laundering Act, 2002 (PMLA)
    4. Fugitive Economic Offenders Act, 2018 (FEOA)

5. The Foreign Exchange Regulation Act, 1973 (FERA)

Enforcement Directorate – States Tussle
- Concerns regarding federal overreach and political misuse have been raised by ED's recent moves in some opposition-party-governed states, which have sparked a fight.
- **Background:**
    1. The issue started in 2023 when ED conducted searches at river sand mining sites in Tamil Nadu and observed discrepancies between observed and documented tax collection.
    2. Several damning papers, including forged invoices for the sale of sand and forged QR codes that indicated GST losses to the government, were discovered by the ED.
    3. The ED conducted a technical study on the amount of sand mined, utilising the expertise of the National Remote Sensing Centre, Indian Space Research Organization, and IIT-Kanpur.
    4. The study revealed that the total value of illegal sand mining in the last year or two could be as high as ₹4,730 crore, while the revenue recorded was only ₹36.45 crore.
    5. The ED attached assets of 209 sand excavators deployed in illicit sand mining under the provisions of the Prevention of Money Laundering Act, 2002, with continuous summons to District Collectors.
    6. Madras High Court in November 2023 stayed the summons issued to District Collectors for producing details regarding all sand quarry sites. The ED appealed against the order in the Supreme Court.
    7. The Supreme Court lifted the stay on summons and observed that District Collectors were bound to provide information to the ED.
- **Impact of Tussle:**
    1. **Distraction from Core Duties:** District Collectors may be diverted from their primary administrative tasks affecting day-to-day governance.
    2. **Resource Drain:** Allocation of resources, both human and financial, towards responding to ED inquiries can strain administrative capacities.
    3. **Legal Compliance Burden:** Collectors must ensure meticulous adherence to legal procedures, diverting attention from proactive governance initiatives.
    4. **Public Perception:** Frequent summons may lead to speculation and erode public trust in administrative integrity, impacting governance legitimacy.
    5. **Inter-agency Coordination:** It disrupts inter-agency coordination for routine administrative functions.
- **Way Forward:**
    1. Establish a dedicated team for smoother coordination with enforcement agencies.
    2. Ensuring district officials on legal compliance protocols.

3. Streamline documentation processes to expedite responses to ED inquiries.
4. Advocate for centralised information-sharing platforms to minimise redundant requests.
5. Enhance public awareness campaigns to mitigate negative perceptions and build trust in administrative processes.

GS III

1. SC to urgently hear petitions on Uttarakhand forest fires
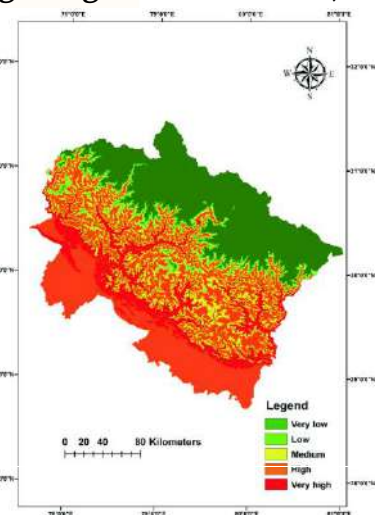
Source: The Hindu, Page 4

Prelims: Uttarakhand Map, Forest Fires.
Mains: Disaster and Disaster Management.

News: The Supreme Court agreed to urgently hear petitions on Uttarakhand forest fires where petitioners alleged that 90% of the fires are man-made.

About Forest Fires
- Forest Fires are uncontrolled burning of vegetation in a forest. These fires can be devastating to ecosystems, causing loss of wildlife habitat, soil erosion, and air pollution.
- **Vulnerability of India:**
    1. Approximately 36% of India's woods are prone to forest fires, according to the Forest Survey of India (FSI).
    2. According to ISFR 2019, 6% of forest cover is found to be very highly fire prone.
    3. Northeastern India showed the highest tendency for forest fires.
- **Causes:**
    1. Natural Causes: Lightning strikes are a common natural cause of forest fires.
    2. Human Activities: Accidental campfires, arson, burning of agricultural waste, and infrastructure development can all spark fires.
    3. Dry Conditions: Low humidity and lack of rainfall create dry tinder that fuels fires.
    4. Rising Temperatures: Climate change contributes to drier conditions and longer fire seasons.
    5. Fuel Buildup: Dead leaves, branches, and other debris accumulate over time, creating a highly flammable layer.
- **Why Uttarakhand is prone to more Forest Fires?**
    1. Steep Terrain: Rugged mountains make firefighting difficult and access limited.
    2. Pine-Rich Forests: Resinous pine trees are particularly prone to burning.

3. Dry Summers: The state experiences long summers with low moisture levels.
4. Human Activity: Activities like slash-and-burn agriculture and unregulated grazing increase fire risk.
5. Lack of Awareness: Limited public awareness about fire prevention measures.

- **To tackle Forest Fires:** The Ministry of Environment, Forest and Climate Change (MoEFCC) lists the following methods to prevent and control a forest fire:
    1. Construction of watch towers for early detection.
    2. Deployment of fire watchers.
    3. Involvement of local communities.
    4. Creation and maintenance of fire lines.
    5. Satellite Technology in Enhancing Fire Prevention

2. SC overturns NGT order, puts brakes on Silchar airport project

Source: IE, Page 12

Prelims: Silchar Airport, NGT..
Mains: Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

News: The Supreme Court put on hold all further work on the proposed greenfield airport at Doloo in Assam's Silchar noting that no environmental clearance had been obtained for the project. NGT has earlier dismissed the plea challenging the project on the ground that it was devoid of merits at that stage as the Environment Impact Assessment.

About Environment Impact Assessment:
- Environment Impact Assessment (EIA) is a process of evaluating the potential environmental consequences of a proposed project or development before it is undertaken, with the aim of mitigating harmful effects and promoting sustainable development.
- **Significance:**
    1. Sustainable Development: EIA ensures projects consider environmental factors for balanced growth.
    2. Informed Decision-Making: Provides data for authorities to assess environmental risks and benefits.
    3. Public Participation: Encourages public involvement in environmental decision-making.
    4. Pollution Prevention: Helps identify and mitigate potential pollution sources.

5. Resource Management: Promotes efficient use of natural resources for future generations.

- **Salient Features of EIA 2006:**
    1. Mandatory for Certain Projects: EIA is mandatory for projects listed under the EIA Notification, 2006, based on their size, capacity, and potential environmental impact.
    2. Categorization of Projects: Projects are categorised into Category A (requiring mandatory EIA) and Category B (requiring scrutiny based on size and capacity).
    3. Public Participation: Emphasises public consultation during the EIA process to ensure transparency and accountability.
    4. Expert Appraisal Committee (EAC): EIA reports are evaluated by expert committees comprising multidisciplinary experts to assess environmental impacts and mitigation measures.

Screening
To determine which projects need a full or partial assessment study.

Scoping
Decides which impacts are necessary to be assessed. This is done based on legal requirements, international conventions, expert knowledge and public engagement. This stage also finds out alternate solutions

Assessment & evaluation of impacts and development of alternatives
To predict and identifies the environmental impacts of the proposed project and also elaborates on the alternatives

EIA Report and Decision making
The decision on whether the project is to be given approval or not and if it is to be given, under what conditions
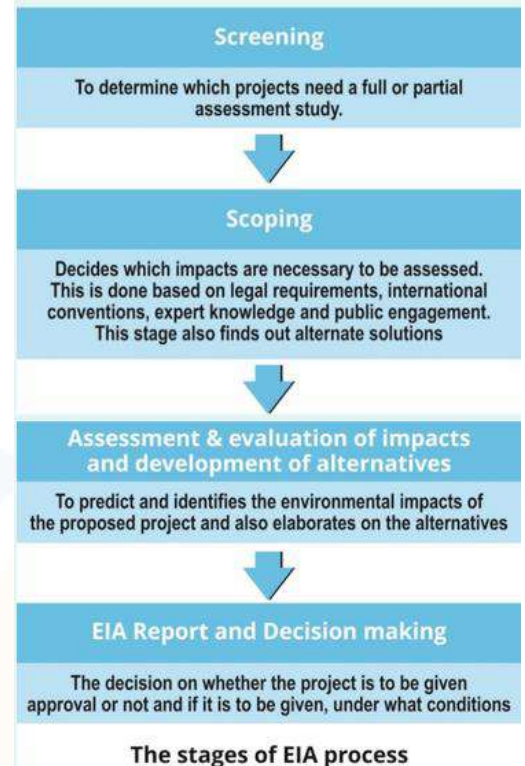
The stages of EIA process

5. Post-clearance Monitoring: Requires post-clearance monitoring of projects to ensure compliance with environmental safeguards and mitigation measures.

- **Drawbacks:**
    1. Certain projects with significant environmental impacts are exempted.
    2. Lack of Expertise in EIA teams in environmental science.
    3. Public opinions are not taken at the early stage.
    4. Weak compliance monitoring by the EIA team.
    5. Cases of Biassed EIA reports indicating corruption.
- **Way Forward:**
    1. Comprehensive Baseline Data: Ensure thorough and accurate collection of baseline environmental data to establish a clear understanding of existing conditions.
    2. Stakeholder Engagement: Foster meaningful and inclusive engagement with all stakeholders, including local communities, NGOs, and experts, throughout the EIA process.
    3. Independent Review Mechanism: Implement an independent review mechanism to scrutinise EIA reports, enhancing objectivity and credibility.
    4. Stringent Enforcement: Strengthen enforcement mechanisms to ensure strict adherence to environmental regulations and mitigation measures post-project clearance.

5. Periodic Review and Updates: Establish a system for periodic review and updates of EIA guidelines and regulations to keep pace with evolving environmental challenges and scientific advancements.

3. IndiGo's wide-body order: Why is low-cost, long-haul a difficult model?

Source: IE, Page 13

Prelims: Indian Airports Data
Mains: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

News: After placing the world's largest commercial aircraft order for 500 Airbus A320-family narrow-body aircraft last year, IndiGo has now ordered 30 wide-body Airbus A350-900 planes. Deliveries are set to begin in 2027; in addition, IndiGo has purchase options for an- other 70 aircraft of the A350 family.

Overview of India's Aviation Sector
- India has become the third-largest domestic aviation market in the world in 2024.
- The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years.
- It can be broadly classified into scheduled air transport service which includes domestic and international airlines, non-scheduled air transport service which consists of charter operators and air taxi operators, air cargo service, which includes air transportation of cargo and mail.
- The air traffic movement stood at 327.28 million in FY23 as compared to 188.89 million in FY22.
- Indigo is the largest airline company in India with the highest market share.

READY FOR TAKE-OFF

INDIA IS ON COURSE TO BECOME THE WORLD'S 3RD LARGEST AVIATION MARKET BY 2024

PASSENGERS (millions)

FY06: 73.35, FY07: 96.38, FY08: 116.89, FY09: 108.88, FY10: 123.73, FY11: 143.43, FY12: 162.3, FY13: 159.3, FY14: 169.03, FY15: 190.1, FY16: 223.62, FY17: 264.97, FY18: 308.75, FY19*: 316.51

No. of operational airports: 101

Total no. of airports owned by AAI: 129

Source: IBEF, Airports Authority of India *up to Feb 2019

Why Indigo's massive Aircraft Order raises a concern?

- **Problem of Costs:** Indian consumers are highly price-sensitive, often prioritising affordability over brand loyalty or service quality. Big aircraft may struggle to compete on pricing with existing budget carriers, impacting their ability to attract passengers.
- **Infrastructure Constraints:** Despite recent improvements, India still faces challenges in airport infrastructure, air traffic management, and ground handling services.
- **Regulatory Hurdles:** India's regulatory environment for aviation can be complex and bureaucratic, posing obstacles to new entrants in terms of route approvals, slot allocations, and compliance with safety and operational standards.
- **Market Dynamics:** The demand for air travel in India is subject to various economic, geopolitical, and social factors. Fluctuations in fuel prices, currency exchange rates, and government policies.
- **Network Planning:** Network designs are relatively successful long-haul, low-cost carriers. Companies might struggle with it on big aircrafts.

Way Forward

- **Market Research and Strategy Review:** Conduct comprehensive market research to assess the demand potential and profitability of operating large aircraft in the Indian market, and adjust fleet strategy accordingly.
- **Infrastructure Development:** Collaborate with airport authorities and government agencies to invest in infrastructure upgrades and expansion to accommodate the operations of wide-body aircraft.
- **Efficiency Measures:** Implement measures to optimise operational efficiency and reduce costs, including fleet utilisation strategies, fuel-efficient technologies, and maintenance optimization.
- **Strategic Partnerships:** Explore strategic partnerships or alliances with other airlines to share resources, routes, and operational synergies, thereby maximising the utilisation of large aircraft.
- **Customer Experience Enhancement:** Focus on enhancing the customer experience and offering value-added services to attract premium passengers and improve load factors on wide-body flights.

4. What is carbon farming?

Source: The Hindu, Page 10

Prelims: Carbon Farming.
Mains: Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

What is Carbon Farming?
- Carbon farming is a sustainable agricultural approach that involves implementing regenerative practices aimed at enhancing carbon storage in agricultural landscapes, reducing greenhouse gas emissions, and improving soil health while maintaining or increasing agricultural productivity.
- Includes:
  1. Rotational Grazing: Rotating livestock across different pasture areas to prevent overgrazing and enhance soil health.
  2. Agroforestry: Integrating trees and shrubs into agricultural landscapes to sequester carbon and diversify farm income.
  3. Conservation Agriculture: Implementing techniques like zero tillage, crop rotation, cover cropping, and crop residue management to minimise soil disturbance and enhance organic content.
  4. Integrated Nutrient Management: Using organic fertilisers and compost to promote soil fertility and reduce emissions.
  5. Agro-ecology: Employing practices such as crop diversification and intercropping to enhance ecosystem resilience.
  6. Livestock Management: Utilising strategies like rotational grazing, optimising feed quality, and managing animal waste to reduce methane emissions and enhance carbon storage.

Advantages of Carbon Farming
- Carbon Sequestration: Enhances carbon storage in agricultural landscapes, mitigating climate change by reducing greenhouse gas emissions.
- Soil Health Improvement: Increases soil organic content and fertility, leading to improved soil structure, water retention, and nutrient cycling.
- Diversified Income Streams: Practices like agroforestry can diversify farm income while sequestering carbon in trees and shrubs.
- Ecosystem Resilience: Agro-ecological approaches promote biodiversity and ecosystem health, enhancing resilience to climate variability and pests.

- Reduced Emissions: Techniques such as conservation agriculture and integrated nutrient management help minimise emissions associated with conventional agricultural practices.
- Livelihood Support: Improves livelihoods of farmers by enhancing agricultural productivity, reducing input costs, and mitigating risks associated with climate change.

Challenges in Carbon Farming

- Variability in Effectiveness: Effectiveness varies based on geographical location, soil type, water availability, and biodiversity.
- Dependence on Land Management: Success depends on land management practices, policy support, and community engagement.
- Geographic Suitability: Regions with long growing seasons and adequate water are more suitable, while hot and dry areas face challenges.
- Water Availability: Limited water availability restricts plant growth and hinders carbon sequestration potential.
- Species Selection: Selecting appropriate plants is crucial, as not all species trap and store carbon effectively.
- Financial Constraints: Small-scale farmers, especially in developing countries like India, may lack resources for adopting carbon farming practices.

Best Practices Worldwide
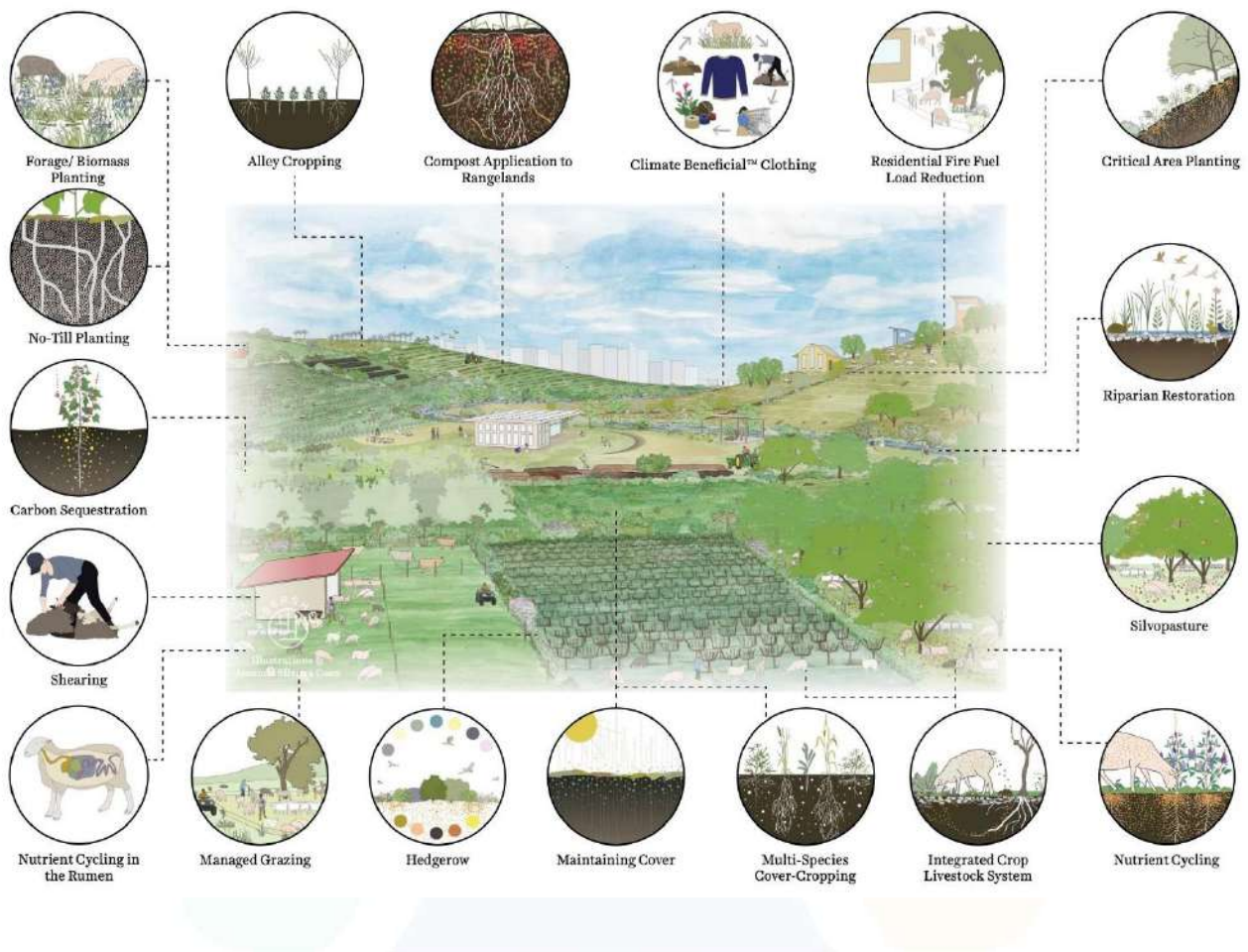
- No-till Farming (USA, Australia, New Zealand, Canada): Voluntary carbon markets have emerged e.g. Chicago Climate Exchange and the Carbon Farming Initiative in Australia.
- Improved Land Management Practices (Kenya): With World Bank's support, using carbon farming to address climate mitigation.
- '4 per 1000' initiative: An innovative model for mitigating climate change, through the annual increase in soil organic carbon by 0.4 per cent in the top 30-40 cm of agricultural soils.

Opportunities in India

- Sustainable Strategy: Carbon farming offers a sustainable strategy to mitigate climate change, improve soil health, enhance biodiversity, and bolster food security in India.
- Viability of Organic Farming: Grassroots initiatives and agrarian research demonstrate the viability of organic farming to sequester carbon.
- Economic Benefits: Agro-ecological practices could generate $63 billion in value from approximately 170 million hectares of arable land in India.
- Financial Incentives: Farmers could receive annual payments of ₹5,000-6,000 per acre for providing climate services through sustainable agricultural practices.

- Regional Suitability: Regions like the Indo-Gangetic plains and the Deccan Plateau are well-suited for carbon farming, while the Himalayan region poses challenges.
- Carbon Credit Systems: Implementation of carbon credit systems can incentivize farmers by providing additional income through environmental services.
- Climate Mitigation: Agricultural soils have the potential to absorb 3-8 billion tonnes of CO2-equivalent annually, bridging the gap between emissions reductions and climate stabilisation.

Editorials

1. Getting to a new level in India's online gaming sector
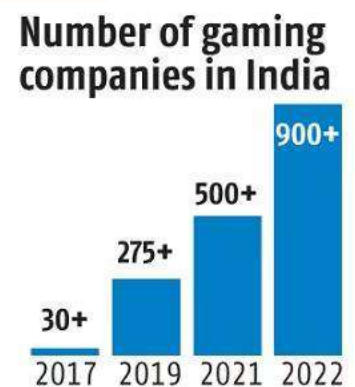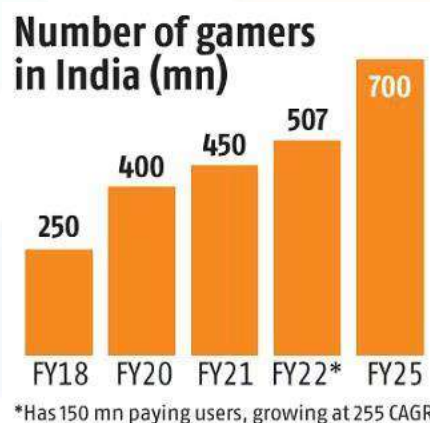
Source: The Hindu, Page 8

The article highlighted Prime Minister's vision to establish India as a prominent global gaming hub when he engaged with seven of the top gamers in the country.

Key Takeaways
- The distinction between skill gaming and gambling (game of chance) — paving the way for a more conducive and forward-looking regulatory environment.
- The online gaming industry forms a critical part of the Digital India vision and initiative.
- Increasing the number of games based on Indian mythology.
- To encourage the participation of women, besides fostering innovation.
- The issue around the perception of gaming as a career in India.

Rapid Growth of the Gaming Industry
- The online gaming industry in India expanded 28% CAGR between FY20 and FY23.
- Projections indicate further growth to ₹33,243 crore by FY28, with a sustained 15% CAGR.
- This sector attracts significant foreign and domestic investments
- It also generates substantial direct and indirect employment.

Number of gamers in India (mn)
FY18: 250, FY20: 400, FY21: 450, FY22*: 507, FY25: 700
*Has 150 mn paying users, growing at 255 CAGR

Number of gaming companies in India
2017: 30+, 2019: 275+, 2021: 500+, 2022: 900+

- The size of the global gaming industry crossed $300 billion in 2021 — more than the combined markets for the movie and music industry.
- However, The online gaming segment in India constitutes 1.1% of the global online gaming revenue. Thus, the potential for growth is enormous.

Opportunity for Indian Start-ups
- A multi-billion opportunity for Indian start-ups.
- Can also form an important part of 'India Techade' and the goal of a $1 trillion digital economy.
- **Support by Government:**
    1. Establishment of the Animation, Visual Effects, Gaming, Comic and Extended Reality taskforce by the Ministry of Information and Broadcasting.
    2. The identification of the Ministry of Electronics and Information Technology as the nodal ministry.
    3. The introduction of a series of regulations through the IT (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.
    4. Clarification around the ambiguity concerning tax deduction at source on winnings.

Issues to Look After
- The effective implementation of IT Rules of 2021 intended to regulate the industry is pending, thus nullifying their intended impact.
- Further, recent revisions in taxation have placed the industry, particularly startups, in a precarious position.
- During the Goods and Services Tax Council meeting in July 2023, the Council decided to enforce a tax rate of 28% on the total face value of bets (effective October 1, 2023) regardless of whether the activity is classified as a game of skill or chance.

India's Soft power
- By remedying these deficiencies, India stands at a distinctive juncture to emerge as a prominent global gaming hub.
- Tapping India's rich cultural heritage (stories, legends, and folklore). With an increasing number of games inspired by Indian mythology, there is a unique opportunity to cater to domestic and international audiences.
- A concerted effort to encourage the participation of women in the gaming industry is required.

By fostering an enabling environment for skill gaming, promoting diversity and inclusion, and capitalising on its rich cultural narratives, India can not only realize its vision of a $1-trillion digital economy but also shape the future of gaming on a global scale.

News in Short

1. Boeing Starliner

Source: IE, Page 13

News: An Atlas V rocket is set to lift off with a team of two veteran astronauts sitting inside a crew capsule called Starliner, built by Boeing, on the capsule's third test flight and the first with astronauts on board.

About Boeing Starliner
- On September 16, 2014, NASA announced it had awarded contracts to SpaceX and Boeing to fly astronauts to the International Space Station (ISS).
- Starliner is a spacecraft that transports astronauts into space after being launched there by a rocket.
- It consists of a crew capsule (houses the astronauts) and a service module (consists of the equipment and systems).
- The service module won't be reusable.
- Starliner is fitted atop an Atlas V rocket, operated by United Launch Alliance, a joint venture between Boeing and Lockheed Martin.
- If the Starliner mission succeeds, the U.S. will, for the first time in its history, have two spacecraft to launch astronauts to space (Other one being SpaceX Dragon crew capsule).

2. Participatory Note investment 6-year high

Source: IE, Page 15

News: Investments through participatory notes in the capital markets reached Rs 1.5 lakh crore at the end of February, making it the highest level in nearly six years, driven by a strong performance of the economy.

About Participatory Notes
- Participatory Notes or P-notes are Offshore Derivative Instruments (ODIs) issued by registered Foreign Portfolio Investors (FPIs) to overseas investors who wish to be a part of the Indian stock markets without registering themselves directly.
- While the FIIs have to report all such investments each quarter to SEBI, they need not disclose the identity of the actual investors.

- **Advantages of Participatory Notes in India:**
  1. Foreign Investment: Facilitates foreign investment in the Indian securities market without direct registration.
  2. Flexibility: Offers flexibility to investors, allowing them to invest in Indian markets through registered foreign institutional investors (FIIs).
  3. Enhanced Liquidity: Contributes to enhanced liquidity and depth in the Indian capital markets.
  4. Portfolio Diversification: Provides opportunities for portfolio diversification for foreign investors.
  5. Cost-Efficiency: Reduces transaction costs and administrative burdens associated with direct investment.

3. Hezbollah strikes Israel after attack on east Lebanon

Source: The Hindu, Page 14

News: Hezbollah launched "dozens of Katyusha rockets" at an Israeli base in retaliation for the former's attack on Eastern Lebanon at Sifri.

About Hezbollah

- The name Hezbollah, which translates to "Army of God," refers to a Shiite political organisation with a military component in Lebanon.
- Hezbollah originated primarily as a result of the dissatisfaction brought about by the Palestinian Liberation Organization's (PLO) substantial armed presence in Lebanon during the civil war that raged there from 1975 until 1990.
- It was established by Lebanese Shiites with funding from Iran's Revolutionary Guard following the Iranian revolution of 1979 in order to stave off Israel's invasion of Lebanon in 1982.
- The US, the UK, Israel, and Germany have designated Hezbollah as a terrorist organisation.

About Katyusha Rockets

- Origin and Design: Katyusha rockets are Soviet-era, unguided artillery rockets initially developed during World War II. They were named after a popular wartime song and were designed for simplicity and mass production.
- Size and Range: These rockets typically range from 57 to 300 millimetres in diameter and can travel distances ranging from a few kilometres to over 40 kilometres, depending on the variant and modifications.
- Hezbollah's Use: Hezbollah, a Lebanese militant group, has employed Katyusha rockets in conflicts with Israel, notably during the 2006 Lebanon War. They are often used for indiscriminate firing into civilian areas, causing widespread fear and damage.
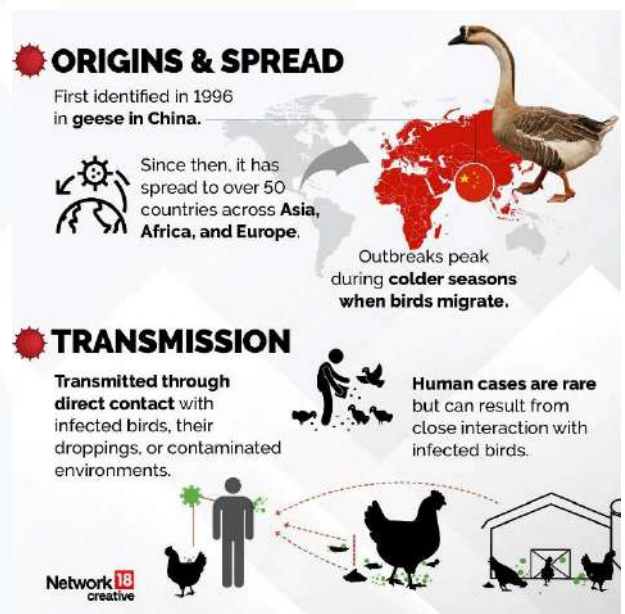
4. Alappuzha reports more bird deaths

Source: The Hindu, Page 3

News: Many bird deaths have been reported from Ambalappuzha in Alappuzha, suspecting of avian influenza (H5N1).

About H5N1 Bird Flu
- Avian influenza A(H5N1) or H5B1 Bird Flu is a highly pathogenic virus that primarily circulates among birds but can infect mammals.
- First virus outbreak in China in 1996, India experienced the first H5N1 outbreak in the State of Maharashtra and Gujarat in 2015.
- While rare, humans can contract bird flu, primarily through contact with infected birds.
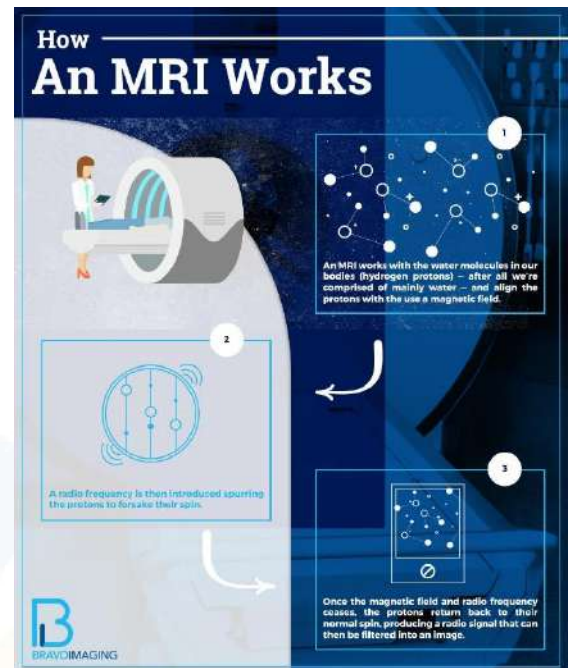- Human-to-human transmission remains rare.

ORIGINS & SPREAD
First identified in 1996 in geese in China.
Since then, it has spread to over 50 countries across Asia, Africa, and Europe.
Outbreaks peak during colder seasons when birds migrate.

TRANSMISSION
Transmitted through direct contact with infected birds, their droppings, or contaminated environments.
Human cases are rare but can result from close interaction with infected birds.

5. Science behind Magnetic Resonance Imaging

Source: The Hindu, Page 11

About Magnetic Resonance Imaging (MRI)
- Magnetic Resonance Imaging (MRI) is used to obtain images of soft tissues within the body.
- It is a non-invasive diagnostic procedure widely used to image the brain, the cardiovascular system, the spinal cord and joints, various muscles, the liver, arteries, etc.
- Benefits:
  - Accurate Diagnosis: MRI provides precise imaging for diagnosing various medical conditions.
  - Non-Invasive: MRI is safe as it doesn't use ionizing radiation.
  - Versatile Imaging: MRI scans cover multiple body parts with different imaging sequences.
  - High Resolution: MRI offers detailed images for precise treatment planning.

6. Sanjaya Kumar Mishra sworn in as GSTAT Tribunal President

Source: The Hindu, Page 12

News: Finance Minister Nirmala Sitharaman administered the oath of integrity and sincerity to the tribunal's first President, Justice (Retd.) Sanjaya Kumar Mishra.

About GST Appellate Tribunal (GSTAT)
- The Union Government is authorised to establish a GSTAT and its Benches under Section 109) of the Goods and Service Tax Act, 2017 (CGST Act).
- It is a specialised authority to resolve disputes related to GST laws at the appellate level.
- Its president is selected by a Search-cum-Selection Committee headed by the Hon'ble Chief Justice of India.
- It consists of a Principal Bench and various State Benches. As per the approval of the GST Council, the Government has notified the Principal Bench at New Delhi, and 31 State Benches at various locations across the country.
- The Tribunal will ensure swift, fair, judicious and effective resolution to GST disputes, besides significantly reducing the burden on higher courts.

1. Consider the following statements with reference to the Participatory Notes (PN):
   1. It is a derivative instrument issued in a foreign jurisdiction by a SEBI-registered Foreign Institutional Investor.
   2. PNs track the underlying Indian shares and offer investors similar returns, but without directly holding the shares.

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

Answer: C
Solution:
Explanation:
Statement 1 is correct: In the Indian context, a Participatory Note (PN or P-Note) is essentially a derivative instrument issued in a foreign jurisdiction by a Securities and Exchange Board of India (SEBI) registered Foreign Institutional Investors (FIIs) against an Indian security, which could be equity, debt, derivatives, or even an index. PNs are also known as equity-linked notes, capped return notes, participating return notes, overseas derivative instruments, and other names.

Statement 2 is correct: Participatory Notes are linked to underlying Indian shares held by the Registered Foreign Portfolio Investors (RFPIs). The value and returns of the PNs reflect the performance of the underlying shares.

Hence, Option C is correct.

2. Recently, the GST Appellate Tribunal (GSTAT) got its first president. Consider the following statements regarding GSTAT:
   1. The GSTAT is established under the Central Goods and Services Tax Act, 2017.
   2. Its president is selected by a Search Committee headed by the Chief Justice of India.
   3. The oath to its president is administered by the Chief Justice of India.
   4. Its principal bench is located in New Delhi.

How many of the above statements are correct?

   A. Only 1
   B. Only 2

C. Only 3
D. All are correct.

Answer: C
Solution:
- Statement 1 is correct: GST Appellate Tribunal (GSTAT) is established under the Central Goods and Services Tax Act, 2017.
- Statement 2 is correct: Its president is selected by a Search-cum-Selection Committee headed by the Hon'ble Chief Justice of India.
- Statement 3 is incorrect: The oath to its president is administered by the Minister of Finance
- Statement 4 is correct: The Government has notified the Principal Bench, to be located at New Delhi, and 31 State Benches at various locations across the country.

Hence, option C is correct.

3. With reference to the Enforcement Directorate (ED) recently in news, consider the following statements:
1. **Enforcement Directorate is the nodal agency for conducting financial investigations on cases involving money laundering and bank fraud.**
2. **The Directorate comes under the control of the Department of Revenue under the Ministry of Finance.**

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

Answer: C
Solution:
- Statement 1 is correct: Enforcement Directorate is the nodal agency for conducting financial investigations on cases involving money laundering and bank fraud.
- Statement 2 is correct: Enforcement Directorate comes under the control of the Department of Revenue under the Ministry of Finance.

Hence, Option C is correct.

4. Which of the following statements correctly defines the term "Environment Impact Assessment"?

A. A method of assessing a development's possible environmental implications before it is started.

B. An evaluation conducted after a project or development has been completed to assess its environmental impact and determine any necessary remedial actions.

C. A procedure used to promote environmental degradation and disregard sustainability principles in project planning and implementation.

D. A process aimed at maximising the negative environmental impacts of a project or development to ensure its feasibility and profitability.

Answer: A
Explanation:

- Environment Impact Assessment (EIA) is a process of evaluating the potential environmental consequences of a proposed project or development before it is undertaken, with the aim of mitigating harmful effects and promoting sustainable development.
- The Environmental Impact Assessment (EIA) process ensures that projects prioritise sustainable development by considering environmental factors, facilitating informed decision-making by providing authorities with data to assess risks and benefits, while also encouraging public participation in environmental decision-making.
- Additionally, EIA aids in pollution prevention by identifying and mitigating potential pollution sources and promotes efficient resource management, contributing to the sustainable use of natural resources for future generations.

Hence, Option A is correct.

5. With reference to the recent conflicts in Middle East, consider the following statements:
   1. Rafah is a city located in the southern Syrian Region.
   2. Sifri is a city located in the western Lebanon region.

Which of the above given statements is/are correct?

A. Only 1

B. Only 2

C. Both 1 and 2

D. Neither 1 nor 2

Answer: D
Explanation:

- Statement 1 is incorrect: Rafah is a Palestinian city in the southern Gaza Strip. It is the capital of the Rafah Governorate of the State of Palestine. Recently, the Israeli army took control of Rafah crossing in Gaza.
- Statement 2 is incorrect: Sifri is in Lebanon's eastern Bekaa Valley in the Baalbek area. Recently, the Israeli air force targeted Hezbollah Air Defence Units in this region.

Hence, Option D is correct.

GET IN TOUCH

+919999057869

www.upscmentorship.com

@mentorship.india

C – 103, Second Floor, Sector-2
Noida – 201301

contact@mentorshipindia.com