



DAILY CURRENT AFFAIRS

Time: 50 min

Date: 21-04-2022

Modern History

Alluri Sitaram Raju & Rampa Rebellion

Syllabus :GS 1/Personalities

In News

- Recently, the Vice President of India visited the **birthplace of noted freedom fighter and revolutionary, Shri Alluri Sitarama Raju** in Pandrangi village near Visakhapatnam, Andhra Pradesh.

About Alluri Sitaram Raju

- He was an **Indian revolutionary** involved in the Indian independence movement.
- **Birth and Early life:** Born on July 4, 1897, into a **humble middle-class family** in a small village near the Coastal city of Visakhapatnam
 - He was **strongly influenced** by **patriotic discourse** quite early in his life.

Contribution to freedom struggle and welfare of Adivasis

- Initially, Sitarama Raju, under the influence of Gandhi's Non-cooperation movement, inspired the **tribals to seek justice in the local panchayat courts and boycott the colonial courts.**
 - However, these steps did not alleviate their suffering.
- He made **Adivasi areas in the Eastern Ghats** (the forest area along the Visakhapatnam and Godavari district) his home and decided to work for the Adivasis, who were living in abject poverty and being fleeced by police, forest and revenue officials, in '**Manyam**' (**forest area**).
- He started working amongst them and **helped them by educating them and providing medical help**, using the vast knowledge he gained from his extensive travels. He decided to make this area the hub for his fight against the British.
- He learnt from the **Adivasis, the time-tested methods of war** and added his own tactics to put up a formidable fight against the British.
- In August 1922, he launched the **Rampa Rebellion against the British.**
 - He had plenty of local support and hence successfully evaded the British for a long time.

- Though his battle with the British lasted only for two years, he made an indelible mark in the history of the Indian Freedom Struggle and found a permanent place in the hearts of the countrymen.
- **Response of Britishers**
 - His two-year armed struggle (1922-24) against the British frustrated the authorities to such an extent that a reward of Rs.10,000/- was announced for anyone who could capture him dead or alive.
 - Meanwhile, the British continued inflicting misery on the tribals. In a bid to alleviate their suffering, and being the just man, Sitarama Raju surrendered, with the expectation that he would be given a fair trial in return.
 - However, on 07 May 1924, he was treacherously trapped, tied to a tree, and shot dead.
 - He was cremated on 08 May, thus marking the end of his glorious fight against the British Government.
- **Legacy**
 - He has left behind an inspiring legacy of anti-imperialist rebellion.
 - He was honoured for his valour and fiery spirit with the title, “Manyam Veerudu” (Hero of the Jungle). Every year, the Government of Andhra Pradesh commemorates his birth date, the 4th of July, as a state festival.

Rampa Rebellion

- The Rampa Rebellion of 1922, also known as the **Manyam Rebellion**.
 - It was a **tribal uprising**, led by **Alluri Sitarama Raju** in Godavari Agency of Madras Presidency, British India.
- The Rampa administrative area was home to about 28,000 tribes.
 - These tribes followed the ‘**Podu**’ **system of cultivation**, whereby every year some **amounts of forest tracts** were cleared for cultivation, as it was their **only source for food**.
 - While for the tribes, the **forests were essential for their survival**, the Britishers wanted to evict them so that they could plunder these areas for wood, which would eventually help in building their railways and ships.
 - To get the forests cleared, ‘**The Madras Forest Act, 1882**’ was passed, thereby restricting the **free movement of the tribal communities** and prohibiting them from engaging in their traditional Podu agricultural system.
 - This oppressive order was the beginning of the Manyam Rebellion.
- It began in **August 1922** and lasted until the capture and killing of Raju in May 1924.

Source: [PIB](#)

Polity & Governance

Draft Battery Swapping Policy

Syllabus: GS2/ Government Policies & Interventions

In News

- Recently, the NITI Aayog released **Draft Battery Swapping Policy** for Stakeholder Comments.

Draft Battery Swapping Policy

- **Vision:**
 - To catalyse the **large-scale adoption of Electric Vehicle (EVs)** by improving efficient and effective use of scarce resources (viz. public funds, land, and raw materials for advanced cell batteries) for the delivery of customer centric services.
 - This Policy would support the vision by promoting the **adoption of battery swapping** technology.
- **Objectives:**
 - **Promote swapping of batteries** with Advanced Chemistry Cell (ACC) batteries to decouple battery costs from the upfront costs of purchasing EVs, thereby driving EV adoption.
 - **Offer flexibility to EV users** by promoting the development of battery swapping as an alternative to charging facilities.
 - **Establish principles behind technical standards** that would enable the interoperability of components within a battery swapping ecosystem, without hindering market-led innovation
 - **Leverage policy and regulatory levers** to de-risk the battery swapping ecosystem, to unlock access to competitive financing.
 - **Encourage partnerships** among battery providers, battery OEMs and other relevant partners such as insurance/financing, thereby encouraging the formation of ecosystems capable of delivering integrated services to end users.
 - **Promote better lifecycle management** of batteries, including maximising the use of batteries during their usable lifetime, and end of life battery recycling.
- **Key Proposals:**
 - The draft policy has suggested that the GST Council consider **reducing the differential across the tax rates** on Lithium-ion batteries and electric vehicle supply equipment.
 - Currently, the tax rate on the former is 18 per cent, and 5 per cent on the latter.
 - Policy offers the **same incentives available to electric vehicles that come pre-equipped with a fixed battery to electric vehicles** with swappable batteries.

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- The size of the incentive could be determined based on the kWh (kilowatt hour) rating of the battery and compatible EV,” the draft policy states.
 - The government will also specify a **minimum contract duration** for a contract to be signed between EV users and battery providers to ensure they continue to provide battery swapping services after receiving the subsidy.
 - The policy also requires **state governments to ensure public battery charging stations** are eligible for EV power connections with concessional tariffs.
 - It also proposes to bring such stations under existing or future time-of-day (ToD) tariff regimes, so that the swappable batteries can be charged during off-peak periods when electricity tariffs are low.
 - The policy also proposes to **assign a unique identification number (UIN) to swappable batteries** at the manufacturing stage to help track and monitor them.
 - Similarly, a UIN number will be assigned to each battery swapping station. It also proposes to install battery swapping stations at several locations like retail fuel outlets, public parking areas, malls, kirana shops and general stores etc.

Significance

- **Time, space, and cost efficiency**, provided each swappable battery is actively used.
- Battery Swapping provides a **level playing field to innovative and sustainable business** models such as ‘Battery As a Service’ (BaaS).
- Battery as a Service business models which will ensure **lower upfront costs**, minimal downtime, and lower space requirements.
- The Policy addresses key **technical, regulatory, institutional, and financing** challenges that will help develop battery swapping ecosystems to unlock the large-scale adoption of battery swapping in India.

Battery Swapping

- It is an alternative which involves **exchanging discharged batteries for charged ones**.
- Battery Swapping de-links the vehicle and fuel (Battery in this case) and hence **reduces the upfront cost of the vehicles**.
- It is popularly used for smaller vehicles such as 2 and 3 wheelers which have smaller batteries that are easier to swap compared to other automotive segments wherein the same can be implemented mechanically.

Indian Initiatives in EV Technology

- The Faster Adoption and Manufacturing of Electric (Hybrid) Vehicles in India (FAME) I and II,

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- The Production Linked Incentive (PLI) for **National Programme on Advanced Cell (ACC) Battery Storage (NPACC)**, to boost indigenous battery manufacturing capacity.
 - State governments are developing **complementary policies** to promote Electric Vehicle adoption.
 - **E-mobility Revolution:** India's e-mobility revolution is led by the two-wheeler (2W) and three-wheeler (3W) vehicle segments.
 - 2Ws account for 70-80% of all private vehicles, whereas 3Ws play a critical role for last mile connectivity in cities.

Way Ahead

- The Government of India shall **expedite** the implementation of Battery Swapping policy and interoperability standards in order to **improve efficiency** in the EV Ecosystem.

India's Commitments in Glasgow

- During the COP26 summit in Glasgow, India committed to:
 - reduce carbon emission intensity by 45%,
 - take our non-fossil energy capacity to 500 GW by 2030,
 - meet 50% of our energy requirements from renewable energy by 2030,
 - achieve the Net Zero target by 2070.
- **Road Transport Sector:**
 - It is one of the major contributors to CO2 emissions and accounts for one third of the particulate matter emissions.
 - To decarbonize the transport sector, transition to clean mobility, led by **electric vehicles**, is paramount.
 - **Electric mobility** represents a viable option to meet these commitments, while packed with innovative business solutions, appropriate technology, and support infrastructure.

Source: [PIB](#)

Polity & Governance

Protection and Enforcement of Interests in Aircraft Objects Bill, 2022

Syllabus: GS2/ Government Policies & Interventions; infrastructure

In News

- Recently, the Ministry of Civil Aviation has proposed a Draft law to enable aircraft lessors to repossess aircraft during dispute.

About

- Stakeholders' comments are sought on the draft **Protection and Enforcement of Interests in Aircraft Objects Bill, 2022**.
- The new law will **help international aircraft leasing companies** to repossess and transfer planes out of India incase of a financial dispute with an Indian airline.
- The Bill implements the provisions of the **Convention on International Interests in Mobile Equipment and Protocol on Matters Specific to Aircraft Equipment** which was adopted at a conference in **Cape Town** in 2001.
 - India acceded to the two instruments in 2008.
 - These provide **default remedies** for the creditor and create a legal regime for disputes.
- **Remedial measures provided by the draft law:**
 - Repossession of an aircraft object, or its sale or lease or collection of income from its use as well as de-registration and export of planes.
 - Pending final adjudication of a claim as well as safeguards a debtor's claim during insolvency proceedings against its Indian buyer.

Cape Town Convention

- The **Convention on International Interests in Mobile Equipment and the Protocol on Matters specific to Aircraft Equipment (the 'Protocol') (together the 'CTC'/ 'Convention')** came into effect on November 16, 2001 at a Diplomatic Conference in Cape Town, South Africa.
- **Members:** Initially adopted by about 20 states the number has since grown to 83 and includes both developing and developed economies.
- **Aim:** Making available a competitive credit facility by providing readily enforceable rights, in mobile equipment such as the aircraft object, in the hands of the creditors.
- CTC has consistently been able to **strengthen creditor confidence in providing secure and competitive financing** and has also been successful in –
 - Providing creditors with viable default remedies;
 - Creating the concept of 'international interest' which is recognized by the Contracting States;
 - Creation and recognition of International Registry ('IR') – which works as a public register and notice to third parties;
 - Creating and safeguarding priority of interests, etc.

- **India:**

- India acceded to the Convention and the Protocol on **March 31, 2008** which after a waiting period of three (3) months became effective on July 1, 2008.
- Whilst international conventions and treaties have the force of law in India, in the absence of a legislative enactment underpinning the said convention or treaty, in case of conflict, the **municipal laws prevail**.

Challenges

- Many smaller airlines **find it challenging to get leased aircraft as lessors** see a lot of exposure because the cost of recovery of assets is exorbitant and time consuming.
- **Problems** of International leasing companies in repossessing and exporting aircraft when Jet Airways shut down in 2019 and failed to pay its aircraft rentals.
- **Indian entities have also suffered** as international financial institutions demand an implementing legislation.

Way Ahead

- Legislation in this direction is **necessary** because several Indian laws such as the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016 **are in conflict** with the Cape Town Convention and Protocol.

International Institute for the Unification of Private Law (UNIDROIT)

- It is an **independent intergovernmental Organisation** with its seat in the Villa Aldobrandini in Rome.
- It was **established in 1926** as **part of the League of Nations**.
 - It was reestablished in 1940 following the League's dissolution through a multilateral agreement, the UNIDROIT Statute.
- Its **purpose** is to study needs and methods for modernising, harmonising and co-ordinating private and in particular commercial law as between States and groups of States and to formulate uniform law instruments, principles and rules to achieve those objectives.
- It has 63 member countries, with India as a partner.

Source: [TH](#)

International Relations

21st Amendment to the Constitution by Sri Lanka

Syllabus: GS 2/ International Relations, Government Policies & Interventions

In News

- The PM of Sri Lanka has proposed a constitutional amendment repealing the 20th Amendment to the Constitution, and bringing back clauses of the 19th Amendment as the 21st Amendment to the Constitution.

Background

- **Economic turmoil:** Sri Lanka is grappling with unprecedented economic turmoil since its independence from Britain in 1948.
- **The crisis is caused in part by a lack of foreign currency:** which has meant that the country cannot afford to pay for imports of staple foods and fuel, leading to acute shortages and very high prices.
- **One of the demands of recent anti-government protests:** has also been the constitutional amendment that reduces the power of the executive.

What was the 19th Amendment?

- The enactment of the 19th Amendment was **done in 2015**.
- **It had removed the powers of the President** to sack the Prime Minister at his discretion.
- **By amending the Articles 46 (2) and 48 of the Sri Lankan constitution**, the cabinet ministers could have been dismissed only if the Prime Minister ceased to hold office by death, resignation or otherwise, or only if the Parliament reject a statement of government policy or the budget or if the parliament passes a vote of no confidence against the Government.
- **The amendment also restricted the President's powers to dismiss Cabinet ministers** as he was required to act on the advice of the Prime Minister.

What was the 20th Amendment?

- The 20th Amendment to the Constitution was passed in **2020**.
- **The 20th amendment (20A), which replaced the 19th Amendment (19A)**, had again enhanced the executive powers of the President in an unprecedented way besides abolishing the independent constitutional council for a Parliamentary Council.
- **It had passed a controversial clause** that gave electoral rights to **dual citizens**.
- **The criticisms on 20A were more severe** as it was observed as one that could derail the balance between the legislature, executive and judiciary by centralising maximum powers into the hands of one individual.
- **The 20th amendment had removed the checks and balances on the executive presidency.**
 - **It abolishes the binding limitations on presidential powers** in relation to key appointments to independent institutions through the pluralistic and deliberative process of the Constitutional Council.

21st Amendment

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- **It will remove several key powers of the President**, essentially reducing the Presidency to a ceremonial position, like in India.
 - **It is expected that the amendment might be retaining the powers of the President on all three armed forces** while handing over almost all other key powers including governance, and cabinet ministers to the Prime Minister.

Major issues/ Challenges faced by Sri Lanka

- **Organic agricultural policy:** It cut the government's tax revenue substantially and rushed into an 'organic only' agricultural policy that will likely slash this year's harvest by half.
- **Policy failure:** The weak and debt-ridden economy with the lingering strain of the pandemic and ill-advised policies accelerated the downward spiral.
- **COVID-19 hit Sri Lanka's key foreign revenue earning sectors hard.**
 - Earnings from tourism, exports, and worker remittances fell sharply in the last two years.
- **Country could not stop importing essentials** and its dollar account began dwindling.
- **Fast draining foreign reserves**, a glaring trade deficit, and a related Balance of Payments problem came as crucial signals.
- **Huge foreign loan obligations** and the drop in domestic production compounded the economic strain.
 - Without enough dollars to pay for the country's high import bill, Sri Lanka continued facing a severe shortage of essentials from fuel, cooking gas, and staple food grains to medicines.
- **Lack of essentials:** Consumers could not find the most basic things such as petrol, LPG cylinders, kerosene, or milk in the market.
- **The value of the Sri Lankan rupee has dropped to 300** against a U.S. dollar putting importers in a difficult spot.
- **For the average citizen contending with COVID-induced salary cuts and job losses**, the soaring living costs have brought more agony.

How does the Sri Lanka crisis affect India?

- **India has indicated it would meet the request for the new credit line**, to be used for importing essential items such as rice, wheat flour, pulses, sugar and medicines.
- **India extended a \$400-million currency swap** and a \$500-million credit line for fuel purchases to Sri Lanka.
- **India has also sent around four consignments of 40,000 metric tonnes of diesel** to mitigate the spike in power cuts in Sri Lanka.
 - India also sent 40,000 tonnes of rice in prompt shipments to Sri Lanka.
- **India is also dependent on the Colombo port:** for global trade as 60 per cent of India's trans-shipment is handled by the port.
- **Trade:** India has been one of the largest trading partners of Sri Lanka, and one of the top tourism sources.
 - India has annual exports of \$4.8 billion to Sri Lanka, which account for 1.3 per cent of its total exports.

- **India has also invested in areas** of tourism, real estate, manufacturing, communications, petroleum retail etc in the country.
- **Economic Aspects:** India was one of the biggest sources of foreign direct investment (FDI) in Sri Lanka.
 - Some of the biggest companies in the country have invested in Sri Lanka.
- **Threat of Chinese Influence:** Sri Lankan government has asked for a 2.5 Bn USD emergency aid from China, there is a threat that China may gain its influence in the island country.
- **Refugee Crisis:** India witnessed that whenever there is a political or social crisis in Sri Lanka, a large number of refugees come from the Sinhala Land to India through Palk strait & Gulf of Munnar.
- **Rise of Rebel Groups in Sri Lanka:** This economic crisis may give a new life to already redundant rebels who are trying to find a cause to fuel up the issue.
- **Humanitarian Crisis:** India is the only immediate neighbour of Sri Lanka and as we see, there is a bigger threat of large-scale humanitarian crisis looming over the country.

Way Forward

- **The government cannot crackdown** it as they are well disciplined and peacefully protesting.
- **It is inspiring and giving a morale boost** to many sections outside Sri Lanka to replicate a similar model.
- **But even with all this help, Sri Lanka can barely manage.** Recovery will neither be fast nor easy.

Source: [IE](#)

Indian Economy

Digital Banking Units

Syllabus: GS 3/ Indian Economy & related issues

In News

- The Finance Minister in her Budget announcement envisaged setting up **75 digital banking units in 75 districts** of the country.

Digital Banking Units

- **History:**
 - In India, **digital banking** started taking shape in the late **1990s with ICICI Bank being the first one** to bring the service to their retail clients.
- **Meaning:**
 - **It is a business unit or hub with some digital infrastructure** that helps in delivering banking products and services, in a digital form, in self-service mode.
 - **In simpler language**, all the traditional bank work like depositing cheques, pay-in slips etc., will happen digitally in these units.
- **Players:**

- **Commercial banks** (other than regional rural banks, payment banks and local area banks) with **past digital banking experience** are permitted to open DBUs in tier 1 to tier 6 centres.
- **They are not required to take permission from the Reserve Bank of India (RBI)** in each case.
- **Need:**
 - This is being done to give a push to **financial inclusion in the country**.
 - It was announced in order to **ensure that digital banking reaches every nook and corner** of the country and **increases the speed of payments**.
- **Services:**
 - **Helping in opening saving accounts** to receive money under **government schemes**.
 - Helping the customers in making **Fixed deposits (FDs) and Recurring Deposits (RDs) along with internet banking**.
 - **Providing digital kits** for merchants as well as customers.
 - **Providing UPI QR Code** and Point of Sale (PoS) mechanism.
 - **Supply of Debit and credit cards**, allowing ATM transactions.
 - Helping customers with the **application for MSME loans**.
- **Other functions:**
 - **Other services include** making applications for and onboarding of customers for identified retail, **MSME or schematic loans**.
 - **This may also include end-to-end digital processing of such loans**, starting from online application to disbursement and identified government sponsored schemes that are covered under the national portal.
- **Global Scenario:**
 - **Digital banks have been around since 2014-15** in markets such as Hong Kong, Singapore, Malaysia, China, the UK and the US.

DBUs VS Fintechs

- **Fintechs operating as neobanks offer digital banking services** but they do so **in partnership with non-banking financial companies (NBFCs)**.
 - Some of the Neo-banks offering services in India are **Jupiter, Fi Money, Niyo, Razorpay X**.
- **Compared to conventional banks** with online and mobile banking facilities, neobanks or digital banks excel at **product innovation and offer far better digital solutions**.
- **Digital banks** can be pegged as glorified **digital distribution companies**.

Disadvantages of Digital Banking

- **The limitations of DBU include** low public awareness and internet penetration in lower-tier cities.
- **Digital banking forums are prone to vulnerabilities and hacks** such as phishing, pharming, identity theft, and keylogging.
- **Huge investment needed:** Banking institutions are investing a lot in their security systems.

Significance of Digital Banking

- **The flow of credit** will improve in the rural areas.
- **Poor will get easier access** to money and loans.
- The establishment of these units will be **cheaper than the conventional brick and mortar units.**
- They will provide **better technical support to customers.**
- Digital Units will **decrease the manpower requirement.**
- For the scheduled banks, **they will ensure steady profits.**
- DBUs will help the government **enhance digital literacy.**

Source: [IE](#)

Facts In News

Geography

Solar Flare

Syllabus :GS1/ Physical Geography, GS 3/ Science & Technology

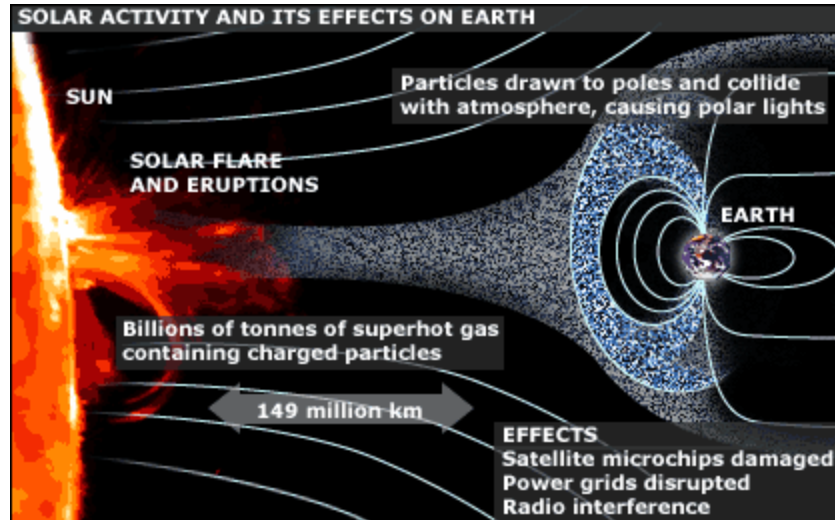
In News

- Recently, the Sun unleashed a **massive 'X-Class' solar flare**, causing major fluctuations in the ionosphere above India.

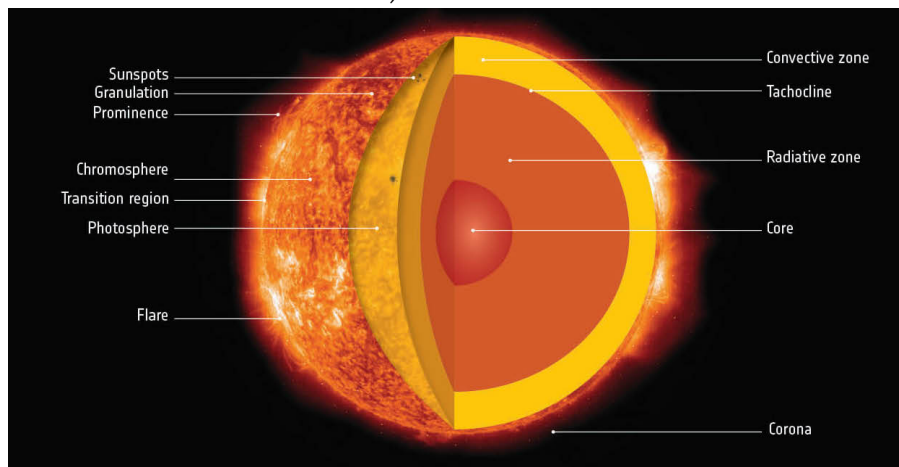
About

- **X-Class denotes the most intense flares**, while the number provides more **information about its strength.**
- It has been caused because of the **ionospheric impact** localised over the **Pacific region**
- It can impact **satellite communication and global positioning systems.**

About Solar Flares



- They are **massive bursts of electromagnetic radiation emerging** from the Sun's surface.
- The **sudden outburst of electromagnetic energy** travels at the speed of light, therefore **any effect upon the sunlit side of Earth's exposed outer atmosphere occurs at the same time the event is observed.**
- They usually take place in active regions, which are areas on the Sun marked by the presence of strong magnetic fields; typically associated with sunspot groups.
- They are usually **associated with the Sun's active regions**, like sunspots (the darker areas on the solar surface).



- Flares can last from a few minutes to some hours.
- **Impact:**
 - They can impact radio communications, electric power grids, navigation signals, and pose risks to spacecraft and astronauts.

Source: [DTE](#)

Biodiversity & Environment

Species in News: *Ariosoma Indicum*

Syllabus :GS 3/Species In News

In News

- Recently, Scientists discovered **new eel species named Ariosoma indicum** from Kerala and West Bengal respectively .
 - Their study was published in the Journal of Fish Biology March 30, 2022.



About Ariosoma indicum

- Scientists confirmed Ariosoma indicum as a new species after two years of through research, taxonomic studies and molecular analysis.
- The newly discovered **eel belongs to the Congrid eels group** and has been named Ariosoma indicum.
 - The **Ariosoma genus** has seven species, including the newly identified eel that have been documented in Indian waters.
 - Globally, there are **223 species in the genus**.
- The term **Indicum means** that it was found in India
- The total length of the new species is 362 millimetres.
- **Features:**
 - A **greenish-brown body**, with faint dark bands on the dorsal portion of the head
 - **Minute dark pigmentation patches** on the extremities of the lower jaw
 - Bicoloured pectoral fin
 - A **short wedge-shaped pointed vomerine teeth patch**, with three or four rows in the anterior portion
- **Distribution :**
 - It is possibly distributed along the Indian coast, including the coastal waters of **Kerala and West Bengal**.
- **Economic value:**
 - Most eel groups possess **less economic value** and sampling of these groups has been rare in Indian waters.
- **Protection status :**
 - The new eel species is not listed as 'Threatened' or 'Endangered' by the International Union for Conservation of Nature's Red List or the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

- Further study of the new species is needed to find out its nutritional status

Source: [DTE](#)

Polity and Governance

National Civil Services Day

Syllabus :GS 2/Government Policies and Interventions

In News

- Every year 21st of April is celebrated as **National Civil Services Day**.
 - Civil Service in our country comprises Indian Administrative Service, Indian Police Service, Indian Foreign Service, and a comprehensive list of All India Services and Central Services Group A and B.

National Civil Service Day

- **About:**
 - The day is solely dedicated to India's civil servants in various departments.
 - It acknowledges the contribution of these officials in public administration.
- **History:**
 - On this day in **1947**, **India's first Home Minister Vallabhbhai Patel** had **addressed the probationers of Administrative Services Officers** at the **Metcalf House** in **New Delhi**.
 - Sardar Patel also laid out the rules and principles of good governance for the civil servants in his address.
 - He referred to **administrative officers** as the "**Steel Frame of India**".
 - First such function was held at **Vigyan Bhawan**, New Delhi in **2006**.
- **Objective:**
 - To **motivate** and **appreciate** the work and efforts of Civil Service officers.
 - To **evaluate** the work of various departments under the civil services.
 - To **felicitate** and **award** the best working individuals and groups.
 - **PM's Awards for Excellence in Public Administration** are presented on the day.
- **Significance:**
 - It is an occasion for the civil servants to **rededicate themselves to cause of citizens** and **renew their commitments** to public service and excellence in work.
 - It is also an occasion for all civil servants to **transform governance and constantly try to implement public policies** that will make the country '**Atmanirbhar**' (self-reliant).

Related Constitutional Articles

- **Article 309:** Recruitment & conditions of service of persons serving Union or States.
- **Article 310:** Pleasure exercised by President of India on appointment & dismissal of Civil servants.

- **Article 311:** Dismissal, removal or reduction in rank of persons employed in civil capacities under the Union or a State.
- **Article 312:** Creation of one or more All India Services common to Union & States.
- **Article 315:** Public Service Commissions for the Union and for the States.

Sardar Vallabhbhai Patel (1875-1950)

- Also known as the **Iron Man of India**.
- Referred to **administrative officers** as "**Steel Frame of India**".
- Indian **barrister & part of Congress** during the independence struggle.
- **First Deputy PM**, Minister of Home Affairs, Minister of Information & Minister of States.
- Played a significant role in **the integration & political unification** of India.
- **Statue of Unity**, the tallest statue in the world (182m), is a tribute to him.

Source:[PIB](#)

Governance

National Financial Reporting Authority (NFRA)

Syllabus: GS2/ Transparency & Accountability

In News

- The National Financial Reporting Authority (NFRA) to get more powers to act against auditors and company executives.

About

- **Constitution:**
 - The NFRA was constituted as a **statutory body** in 2018 by the Government of India under **Sub Section (1) of section 132 of the Companies Act, 2013**.
- **Functions and Duties:**
 - **Recommend accounting and auditing policies** and standards to be adopted by companies for approval by the Central Government;
 - **Monitor and enforce compliance** with accounting standards and auditing standards;
 - **Oversee the quality of service** of the professions associated with ensuring compliance with such standards and suggest measures for improvement in the quality of service;
 - **Perform such other functions** and duties as may be necessary or incidental to the aforesaid functions and duties.
 - **Protect the public interest** and the interests of investors, creditors and others associated
- **Jurisdiction of NFRA:**
 - The jurisdiction of NFRA for investigation of Chartered Accountants and their firms would extend to **listed companies and large unlisted** public companies
 - The NFRA is tasked to **investigate audit** of **Listed Companies and Unlisted companies** with net worth not less than Rs 500 crore or paid-up

capital of not less than Rs 500 crore or annual turnover not less than Rs 1,000 crore as on March 31 of immediately preceding financial year, and companies having securities listed outside India.

- The Centre further has the **power to refer the entities for investigation** where public interest would be involved. The rest are regulated by ICAI.
- The **inherent regulatory role of ICAI as provided for in the Chartered Accountants Act, 1949** shall continue in respect of its members in general and specifically with respect to audits pertaining to private limited companies, and public unlisted companies .
- **Significance:**
 - India is now eligible to become a member of the International Forum of Independent Audit Regulators (IFIAR), due to an independent audit oversight body in the country.
 - It will attract foreign/domestic investments and enhance economic growth.

Source: [LM](#)

Indian Economy

Nidhi Companies

Syllabus: GS 3/ Indian Economy & related issues

In News

- The Ministry of Corporate Affairs (MCA) has tightened the rules for **Nidhi Companies**.

About Nidhi companies

- **Meaning:**
 - Nidhi Company is a type of **Non-Banking Financial Company (NBFC)**.
 - It is formed to **borrow and lend money to its members**.
 - It inculcates the habit of saving among its members and works on the **principle of mutual benefit**.
- **Licence:**
 - Nidhi Company **isn't required to receive the licence from the Reserve Bank of India (RBI)**.
 - Nidhi Company is **registered under the Companies Act**.
- **Prohibited activities:**
 - Nidhi Company **can't deal with chit funds, hire-purchase finance, leasing finance, insurance or securities business**.
 - **It is strictly prohibited** from accepting deposits from or lending funds to, any other person except members.
- **Members:**
 - **Minimum of seven members is required** to start a Nidhi Company out of which three members must be the directors of the company.

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- **Significance:**
 - **Nidhi companies are very popular in South India** and are key players in the financial system as they mobilise funds from their members and give loans to them at a **lower interest than commercial banks**.
 - **New Changes introduced:**
 - **Registration:** To become a Nidhi company, the entity has to first register as a public limited company, which has more disclosure requirements than a private limited company.
 - **Declaration:** a public company set up as a Nidhi with share capital of 1 million needs to first get itself declared as a Nidhi from the Union government.
 - **Membership:** This can be done by submitting an application showing a minimum membership of 200 and net owned funds of 2 million within 120 days of its incorporation.
 - **The promoters and directors of the company have to meet the criteria** of fit and proper person as laid down in the rules.
 - **Concept of deemed approval:** That is, if no decision on the application is conveyed to the company within 45 days of filing the application, approval would be deemed as granted.
 - **No Loan to companies:** Only individual members are allowed in Nidhi companies and it cannot give loans to companies.

Source: [TH](#)

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