

# UPSC CURRENT AFFAIRS NOTES 07-02-2024

## One-day Variable Rate Reverse Repo (VRRR)



The Reserve Bank of India (RBI) conducted two one-day variable rate reverse repo (VRRR) auctions to drain out liquidity from the banking system and re-anchor overnight money market rates at a higher level.

### One-day Variable Rate Reverse Repo (VRRR)

The one-day Variable Rate Reverse Repo (VRRR) auctions are a monetary policy tool utilized by central banks, including the Reserve Bank of India (RBI), to manage liquidity in the financial system.

This mechanism plays a vital role in influencing short-term interest rates and controlling inflationary pressures.

### Understanding VRRR Auctions:

- **Reverse Repo Operations:** In a VRRR auction, the central bank conducts reverse repo operations, wherein it borrows funds from commercial banks and financial institutions for a short duration, typically one day.
- **Variable Interest Rates:** Unlike traditional reverse repo operations with fixed interest rates, VRRR auctions involve variable interest rates. The central bank determines the interest rate based on prevailing market conditions, liquidity requirements, and monetary policy objectives.
- **Short-Term Liquidity Management:** VRRR auctions serve as a tool for short-term liquidity management. By conducting these auctions, the central



bank can absorb excess liquidity from the banking system, thereby influencing short-term interest rates and ensuring price stability.

### Process of VRRR Auctions:

- **Announcement:** The central bank announces the schedule and terms of the VRRR auction, including the date, time, and indicative size.
- **Submission of Bids:** Commercial banks and financial institutions submit bids specifying the amount they are willing to lend to the central bank and the interest rate they expect to receive.
- **Auction Conduct:** The central bank reviews the bids and determines the cutoff interest rate based on market demand and prevailing liquidity conditions.
- **Acceptance of Bids:** Bids submitted at or below the cutoff interest rate are accepted, and funds are borrowed from successful bidders for the specified duration.
- **Execution:** The central bank borrows funds from participating institutions at the determined interest rate, injecting liquidity into the banking system.

### Objectives of VR Auctions:

- **Liquidity Management:** VRRR auctions help the central bank manage short-term liquidity fluctuations in the financial system, ensuring stability and efficiency.
- **Interest Rate Control:** By adjusting the interest rate in VRRR auctions, the central bank can influence short-term interest rates, aligning them with its monetary policy goals.
- **Inflation Control:** Effective liquidity management through VRRR auctions contributes to controlling inflationary pressures by influencing overall monetary conditions in the economy.
- In summary, one-day Variable Rate Reverse Repo (VRRR) auctions are a crucial monetary policy tool employed by central banks to manage short-term liquidity and interest rates in the financial system. By conducting these auctions, central banks can effectively achieve their monetary policy objectives, ensuring price stability and sustainable economic growth.

## Rights Issue

India bulls Housing Finance plans to raise ₹3,693 crore through rights issue.



### About Rights Issue:

- A rights issue is an **offering of rights to the existing shareholders** of a company that gives them an opportunity **to buy additional shares directly from the company at a discounted price** rather than buying them in the secondary market.
- It gives preferential treatment to existing shareholders, where they are **given the right (not obligation) to purchase shares** at a lower price **on or before a specified date**.
- **The number of additional shares** that can be bought **depends on the existing holdings** of the shareowners.
- **Until the date** at which the new shares can be purchased, **shareholders may trade the rights on the market the same way** that they would trade ordinary shares.
- Existing shareholders **can also choose to ignore the rights**; however, if they do not purchase additional shares, **then their existing shareholding will be diluted post-issue of additional shares**.

- **Dilution occurs because a rights offering spreads a company's net profit over a larger number of shares.** Thus, the company's **earnings per share, or EPS, decreases** as the allocated earnings result in share dilution.
- Companies most commonly issue a rights offering to **raise additional capital.** A company may need extra capital to meet its current financial obligations.
- Troubled companies typically use rights issues **to pay down debt,** especially when they are unable to borrow more money.

### Earnings per share

Earnings per share or EPS is an important financial measure, which indicates the profitability of a company. It is calculated by dividing the company's net income with its total number of outstanding shares. It is a tool that market participants use frequently to gauge the profitability of a company before buying its shares.

## Pradhan Mantri Bhartiya Jan Aushadhi Kendras

Primary Agricultural Credit Societies (PACS) have been allowed by the Government to operate Pradhan Mantri Bhartiya Jan Aushadhi Kendras (PMBJK) under the Pradhan Mantri Bhartiya Jan Aushadhi Pariyojana



### About Pradhan Mantri Bhartiya Jan Aushadhi Kendras:

These are set up under Pradhan Mantri Bhartiya Janaushadhi Pariyojana, which was launched by the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers in November 2008.



**Objective:** To provide quality medicines at affordable prices for all, particularly the poor, so as to reduce out-of-pocket expenses in healthcare.

These Kendra's provide generic drugs, which are available at lesser prices but are equivalent in quality and efficacy as expensive branded drugs.

All therapeutic medicines are made available from Jan Aushadhi Stores.

Jan Aushadhi stores also sell allied medical products commonly sold in chemist shops so as to improve the viability of running the Jan Aushadhi store.

Pharmaceutical & Medical Devices Bureau of India (PMBI) has been established under the Department of Pharmaceuticals, Govt. of India, with the support of all the CPSUs for co-coordinating procurement, supply, and marketing of generic drugs through the PMBKs.

### **Who is eligible to open a Jan Aushadhi Kendra?**

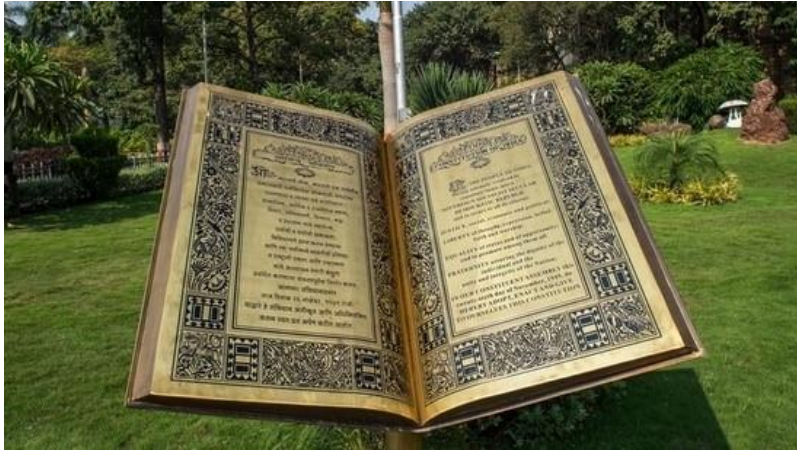
State Governments or any organization / reputed NGOs / Trusts / Private hospitals / charitable institutions / Doctors / Unemployed pharmacists/ individual entrepreneurs are eligible to apply for the new Jan Aushadhi Kendra.

The applicants shall have to employ one B Pharma / D Pharma degree holder as Pharmacist in their proposed store.

What is the Pharmaceuticals & Medical Devices Bureau of India?

Pharmaceuticals & Medical Devices Bureau of India (PMBI) is the implementing agency of Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP). PMBI [earlier called Bureau of Pharma PSUs of India (BPPI)] was established in December, 2008 under the Department of Pharmaceuticals, Government of India.

## Uttarakhand's Uniform Civil Code Bill



Uttarakhand Chief Minister tabled the state's proposed Uniform Civil Code Bill in the Legislative Assembly.

### Provisions under Uttarakhand's Uniform Civil Code Bill

#### Exclusion of Tribal Communities from UCC Bill

**Complexity of Personal Laws:** In India, personal laws are intricate, with each religion adhering to its distinct regulations governing marriage, inheritance, and divorce.

**Objective of UCC:** The Uniform Civil Code (UCC) aims to establish uniform laws applicable to all Indian communities concerning personal matters like marriage and inheritance.

**Exemption for Tribal Communities:** However, the UCC Bill exempts tribal communities from its provisions. As per the Bill, Scheduled Tribes and individuals with protected customary rights under Part XXI of the Constitution are excluded.

**Criticism Over Tribal Customary Practices:** This exemption acknowledges the unique customs of tribal communities, addressing concerns raised regarding the imposition of uniform laws on culturally diverse groups.

#### Regulation of Live-In Relationships

**Mandatory Declaration:** The UCC Bill mandates partners in live-in relationships within Uttarakhand to submit a statement to the Registrar, irrespective of their residency status.

**Submission Procedure:** Partners cohabitating must submit a "statement of live-in relationship" to the Registrar, who then conducts a summary inquiry to ascertain the relationship's legality.

**Penalty for Non-Compliance:** Couples failing to submit the statement within a month face penalties, including imprisonment for up to three months or a fine of Rs 10,000, or both.

**Termination Notification:** Furthermore, termination of the relationship requires informing the registrar by submitting a "statement of termination of relationship".

### **Prohibition of Bigamy**

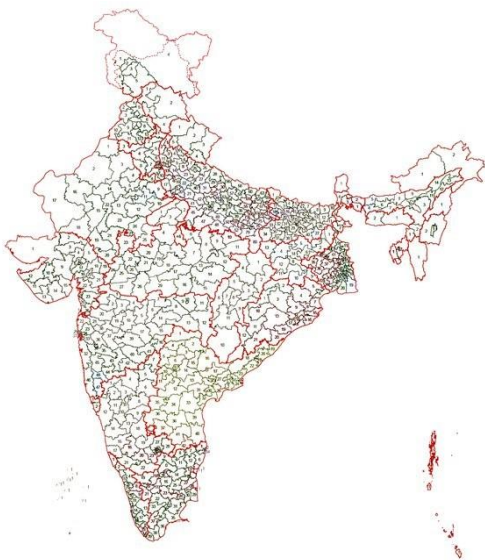
**Marriage Conditions:** Section 4 of the Bill outlines five conditions for marriage, prohibiting bigamy by stipulating that neither party should have a living spouse at the time of marriage.

### **Marriage Age and Custom Exceptions**

**Minimum Marriage Age:** The Bill maintains the minimum marriageable age at 21 for men and 18 for women, as per the third condition under Section 4.

**Customary Exception:** Under the fourth condition, the Bill retains the provision allowing marriage within "degrees of prohibited relationships" based on established customs, primarily in Hindu communities.

## **DELIMITATION EXERCISE**





The delimitation of constituencies for the Lok Sabha and State Legislative Assemblies is to be carried out on the basis of the first Census after 2026.

The 2021 Census was originally postponed due to the COVID-19 pandemic and subsequently due to delays on the part of the Central government.

### What is Delimitation?

- Delimitation refers to fixing the number of seats and boundaries of territorial constituencies for the Lok Sabha and Legislative assemblies.
- It includes determining seats reserved for Scheduled Castes (SC) and Scheduled Tribes (ST).
- **Article 82 and 170** of the Constitution mandate readjustment of seats after each Census, performed by the Delimitation Commission.
- Delimitation involves establishing boundaries for electoral constituencies based on population changes within a country.
- The process aims to ensure fair representation by dividing geographical areas into constituencies.

### Constitutional Requirement:

- Democracy necessitates representation based on the principle of '**one citizen-one vote-one value**'.
- The number of Lok Sabha seats **was frozen as per the 1971 Census** to promote population control measures.
- Seats were redistributed after the 2001 Census, and will be readjusted post-2026 Census.

### Independence of the Delimitation Commission

- The Delimitation Commission operates autonomously, free from executive influence.
- Its decisions are final and cannot be challenged in court, preventing delays in elections.
- Once presented, the orders of the Commission to the Lok Sabha or State Legislative Assembly remain unalterable.





## Objectives of Delimitation

- Equitable representation for all segments of the population, adhering to the principle of "One Vote One Value."
- Preventing any single political party from gaining an unfair advantage through constituency delineation.

## Composition of the Delimitation Commission

- Appointed by the President of India in collaboration with the Election Commission of India.
- Members include retired Supreme Court judges, the Chief Election Commissioner, and State Election Commissioners.

## Process of Delimitation

- Initiated through the enactment of a Delimitation Act by Parliament after each Census.
- States also undergo division into territorial constituencies according to this Act.
- The Union government establishes a Delimitation Commission to carry out the delineation.

## Historical Context

- Delimitation exercises have occurred in various years, notably in 1950-51, 1952, 1963, 1973, and 2002.
- Exceptions exist, such as after the Censuses of 1981 and 1991.

## Issues Surrounding Delimitation

- Concerns arise regarding states with lax population control policies potentially gaining an undue number of parliamentary seats.
- Discrepancies occur when delimitation is based on a recent census while the total number of seats remains determined by an older census.
- Constitutional limits on the number of Lok Sabha and Rajya Sabha seats may result in increasing populations being represented by a single representative.
- Uneven population growth across states poses challenges in delimitation.

- Options for delimitation **based on projected 2026 population are debated**, with implications on representation and federal principles.

### International Practices:

- In the U.S., seats in the House of Representatives are capped and redistributed after each Census.
- The EU Parliament follows 'degressive proportionality', increasing seats with population growth.

### Ideal Solution:

- Reconciling democratic and federal principles is crucial.
- Maintaining the current number of Lok Sabha seats while adjusting state-level representation ensures continuity and upholds federalism.
- Strengthening local governance through empowerment of panchayats and municipalities is essential for grassroots democracy.

## National Mission on Cultural Mapping (NMCM) and Mera Gaon, Meri Dharohar (MGMD)



The Government of India has decided to map and document all villages under Mera Gaon, Meri Dharohar (MGMD) of National Mission on Cultural Mapping

### National Mission on Cultural Mapping (NMCM)

In 2017, the Ministry of Culture sanctioned the NMCM to construct a comprehensive database encompassing artists, various art forms, and additional resources from organizations falling under its purview.



This National Mission on Cultural Mapping is conducted in coordination with Indira Gandhi National Centre for the Arts (IGNCA) under the Ministry of Culture.

### **Vision:**

Establishment of the National Mission on Cultural Mapping (NMCM) by the Ministry of Culture, Government of India.

Aim to identify and document India's cultural heritage to regenerate rural economies and promote self-reliance in Village India.

Focus on creating National Directories of artists and living human treasures, Digital Inventories of art expression, and policies for preservation and welfare schemes.

### **Mission Mandate:**

- Preserve rich Indian Art and Cultural Heritage.
- Create a national database through Cultural Mapping via ground surveys and documentation.
- Address the aspirations of the artist community.
- Safeguard and disseminate cultural heritage for future generations.
- Enhance cultural vibrancy via digital platforms and outreach activities.

### **Objectives:**

- Cultural mapping of art traditions and practices.
- Raise awareness about cultural strengths and develop an interface between culture and identity.
- Provide a platform for knowledge dissemination and welfare schemes.
- Carried out through three interlinked programs.

### **Three Interlinked Programmes:**

- **Sanskritik Pratibha Khoj:** Awareness campaign, talent hunt, and revitalization of folk and tribal heritage.



- **Hamari Sanskriti Hamari Pahchan Abhiyan:** Cultural mapping and identification of artists and craftspeople.
- **National Cultural Workplace (NCWP):** Interactive portal for artists, craftspeople, and cultural service providers.

### **Mera Gaon Meri Dharohar (MGMD):**

- Mera Gaon Meri Dharohar (MGMD) is a nationwide initiative led by the Ministry of Culture as part of the National Mission on Cultural Mapping, inaugurated on July 27th, 2023.
- **Objective:** The primary aim of this endeavour is to culturally map all 6.5 lakh villages across 29 States and 7 Union Territories of India onto a comprehensive virtual platform. Through MGMD, individuals will have the opportunity to immerse themselves in India's rich and diverse cultural heritage. The fundamental concept behind this initiative is to foster appreciation for the country's culture and traditions, thereby fostering economic growth, social cohesion, and artistic advancement within rural communities.
- **MGMD Portal:** The cultural mapping of India's 6.5 lakh villages is accessible through a dedicated virtual platform - <https://mgmd.gov.in/>. This inclusive portal presents vital information about each village, including its geographic location, demographic details, and descriptions of traditional attire, ornaments, arts, crafts, temples, festivals, and much more. It acts as a centralized hub for discovering, exploring, researching, and virtually visiting every village in the nation. Furthermore, users have the opportunity to earn incentives and takeaways as they embark on their digital village explorations.

### **Under MGMD, information is gathered across seven broad categories, encompassing:**

- Arts and Crafts Village
- Ecologically Oriented Village
- Scholastic Village linked with Textual and Scriptural Traditions of India
- Epic Village associated with Ramayana, Mahabharata, and/or Puranic legends and oral epics
- Historical Village connected with Local and National History



- Architectural Heritage Village
- Any other distinctive characteristic warranting attention, such as fishing villages, horticultural villages, shepherding villages, etc.

### **Sanskritik Pratibha Khoj:**

- Aims to launch an awareness campaign and talent hunt.
- Organizes competitions, seminars, workshops, exhibitions.
- Prepares National Registers of Artists and Art Forms.
- Branding and ranking of artists with a Unique Identification Code.