

1. RBI Liquidity Infusion

Topic: Economy



In News: The Reserve Bank of India (RBI) has injected Rs 72,860.7 crore of liquidity into the banking system.

More on the Topic:

- The reasons for reduction in the liquidity are,
- **Improvement in demand for credit** is one reason. The recent advance tax outflow has further aggravated the situation.
- Besides, there is the **continuous intervention of the RBI to counter the fall in the rupee against the US dollar.**
- The advance tax payments by corporates and also incremental deposit growth not keeping pace with credit demand has also led to the situation.

About Liquidity in the Banking System:

- Liquidity in the banking system **refers to readily available cash that banks need to meet short-term business and financial needs.**
- On a given day, if the banking system is a net borrower from the RBI under Liquidity Adjustment Facility (LAF), the system liquidity can be said to be in deficit and if the banking system is a net lender to the RBI, the system liquidity can be said to be in surplus.
- The LAF refers to the RBI's operations through which it injects or absorbs liquidity into or from the banking system.

- RBI also uses the **Marginal Standing Facility, in which banks can borrow overnight money** from RBI by offering government securities as collateral at the MSF rate. The RBI also uses the Standing Deposit Facility to absorb liquidity from banks without collateral.

Other ways to infuse Liquidity in the market:

- There are two other ways in which the RBI infuses liquidity into the system.
- The first method is called **the Open Market Operations (OMO)**. When the RBI wants to infuse liquidity, it will buy bonds to that extent and when it pays for these bonds, the liquidity gets infused in the system.
- OMOs work both ways. **RBI buys bonds to infuse liquidity and sells bonds to suck out liquidity.**
- The other method is **through dollar swap auctions**. RBI buys bonds to infuse liquidity and sells bonds to suck out liquidity. The second method is through dollar swap auctions.
- In this method, the RBI absorbs the dollar deposits with the banks and gives them rupee funds instead.

Source: Indian Express

2. Foreign Contribution Regulation Act (FCRA)

Topic: Economy



In News: The Rajiv Gandhi Foundation (RGF), a non-governmental organisation linked with the Gandhi family, had its Foreign Contribution Regulation Act (FCRA) licence revoked by the Centre for alleged violation of the foreign funding law.

More on the Topic:

- The FCRA law sought to regulate foreign donations to individuals and associations so that they functioned “in a manner consistent with the values of a sovereign democratic republic”.
- Foreign funding in India is regulated under FCRA act. Individuals are permitted to accept foreign contributions without permission of MHA.



- However, the monetary limit for acceptance of such foreign contributions shall be less than Rs. 25,000.
- The FCRA was enacted during the Emergency in 1976 amid apprehensions that foreign powers were interfering in India's affairs by pumping money into the country through independent organisations.

India and Palm Oil:

- India is the **largest importer of palm oil in Asia, accounting for 15% of global imports, followed by China (9%), Pakistan (4%) and Bangladesh (2%).**
- India's annual imports of edible oil is around 13-14 million tonne (MT). Around 8 MT of palm oil is imported from Indonesia and Malaysia, while other oils, such as soya and sunflower, come from Argentina, Brazil, Ukraine and Russia.
- Asia accounts for around 40% of the global palm oil consumption while Europe accounts for 12% of palm oil trade. Indonesia and Malaysia are the biggest palm oil exporters in the world.

Foreign Contribution (Regulation) Amendment Act, 2020:

- **Prohibition to accept foreign Contributions:** Certain persons are prohibited to accept any foreign contribution. These include:
 - Election candidates, editors or publishers of a newspaper, judges, government servants, members of any legislature, and political parties, among others.
- **The Bill adds public servants (as defined under the Indian Penal Code) to this list.** A public servant includes any person who is in service or paid by the government or remunerated by the government for the performance of any public duty.
- **Transfer of foreign Contributions:** Foreign contributions cannot be transferred to any other person unless such person is also registered to accept foreign contributions (or has obtained prior permission under the Act to obtain foreign contributions).
- The Act prohibited the transfer of foreign contributions to any other person. The term 'person' under the Act includes an individual, an association, or a registered company.
- **Aadhar for registration:** Any person seeking registration (or renewal of such registration) or prior permission for receiving a foreign contribution must make an application to the central government in the prescribed manner.
- The Act adds that any person seeking prior permission, registration or renewal of registration must provide the Aadhar number of all its office bearers, directors or key functionaries, as an identification document.
- In the case of a foreigner, they must provide a copy of their passport or the Overseas Citizen of India card for identification.
- **Specific Account: Foreign contributions must be received only in an account designated by the bank as an "FCRA account"** in such a branch of the State Bank of India, New Delhi, as notified by the central government.
- A person who receives a foreign contribution **must use it only for the purpose for which the contribution is received.**

- They must not use more than 20% of the contribution for meeting administrative expenses (earlier it was 50%).

Source: Hindu

3. Launch Vehicle Mark-III

Topic: Science and Technology



In News: The Indian Space Research Organisation (ISRO) has renamed the Geosynchronous Satellite Launch Vehicle (GSLV) Mark -III as Launch Vehicle Mark-III, mainly to identify its task of placing satellites into a variety of orbits.

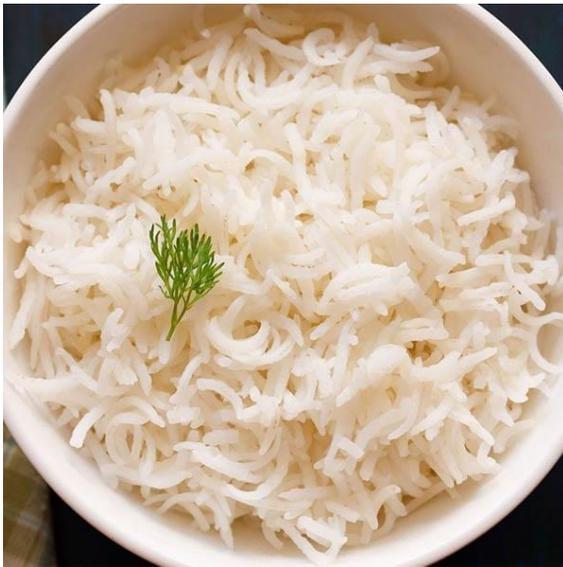
More on the Topic:

- The Launch Vehicle Mark 3 (LVM3) is **ISRO's newest medium-heavy lift launch vehicle**, the heaviest rocket currently in use by the space agency.
- Formerly called the Geosynchronous Satellite Launch Vehicle Mark III (GSLV Mk III), the rocket is designed to **mainly launch satellites into geostationary orbit at 35,000km**.
- The LVM3 is capable of lifting much heavier satellites than the GSLV Mk II with a bigger cryogenic upper stage and a larger first stage.
- Both GSLV Mk II and LVM3 are **three-stage vehicles**, while the PSLV, which launches to **low earth polar orbits**, is a **four-stage vehicle**.
- The GSLV Mk-II can **place up to 2,500kg in geosynchronous orbits and up to 5,000kg to low earth orbit**.
- By comparison, **the LVM3 can lift 4,000kg to GTO and up to 8,000 kg to LEO**. Currently, America's **SpaceX's non-human rated Falcon Heavy**, a super-heavy lift vehicle, is the heaviest rocket that is operational.

- **The LVM3 also has the human-rated variant** which will be used for Gaganyaan missions.
Source: PIB
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4. Basmati Rice

Topic: Agriculture



In News: Five new varieties of seeds of Basmati rice was developed by a group of scientists led by the Indian Agriculture Research Institute (IARI).

More on the Topic:

- Three of the five varieties can **resist two common diseases of paddy (one bacterial and one fungal)**.
- The other two varieties can save 35% of water as the method of Direct Sowing of Rice (DSR) can be used to raise them.
- Researchers developed genetically resistant varieties- **Pusa Basmati 1885; Pusa Basmati 1847; Pusa Basmati 1886**. All these varieties have two genes to resist BLB and two genes to resist blast disease.
- In the next three years, **all of the five seeds will have the combined qualities of disease and herbicide resistance**.
- This will help in **increasing farmers' income by reducing the cost of cultivation**, by improving production and by realising price of their labour and input cost. It will reduce the use of pesticides and water.
- If the production is free from residue, it will get better prices.

- This is set to bring revolutionary changes in the way Basmati rice is cultivated in the country.

About Basmati Rice:

- It is long grain rice which has its origin from India and some parts of Pakistan.
- Basmati rice has a **unique fragrance and flavour caused due to the presence of a chemical called 2-acetyl-1-pyrroline.**
- This chemical is found in basmati rice at about 90 parts per million (ppm) which is 12 times more than non-basmati rice varieties.
- **Basmati rice needs specific climatic conditions to grow which is why it is cultivated in selected regions of India.**
- India is the largest producer of Basmati rice with about 70 per cent share in global production.

Source: Indian Express

5. Governor

Topic: Polity and Governance



In News: The Governor of Kerala said that the Finance Minister of the state has ceased to enjoy the Governor's pleasure in continuing in office as he had "stoked regionalism and challenged national unity".

More on the Topic:

- Part VI of the Constitution of India deals with the state executive. The state executive consists of the governor, the chief minister, the council of ministers and the advocate-general of the state
- Governor is the nominal head at the state level.
- The governor is appointed by **the president under his hand and seal**
- The SC in 1979 said that the office of governor is not an employment under the central government. It is an independent constitutional office and is not under the control of or subordinate to the central government

The Pleasure of the Governor:



- Article 164 of the Constitution says the Chief Minister shall be appointed by the Governor and other Ministers shall be appointed by the Governor on the Chief Minister's advice.
- It also adds that "the Ministers shall hold office during the pleasure of the Governor".
- There have been instances of Governors dismissing Chief Ministers, but those were related to constitutional situations in which the legislative majority of the incumbent ministry was in doubt.
- It is also now judicially determined that the question of majority can be answered only on the floor of the legislature through a confidence vote.
- Nothing in the Article means that the Governor may independently dismiss a Minister.

Concerns Related to Governor's Office:

- **Misuse of discretionary powers:** States allege that the Governor acts on behalf of the Union government for political gains.
- **Appointment by Centre:** The post has become a retirement package for politicians.
- **Arbitrary removal before the expiration of their tenure:** Even after the Supreme Court Judgement in B.P. Singhal v/s Union of India, a fixed tenure for Governors to encourage neutrality and fairness in the discharge of their duties, is not being implemented on the ground.
- **Appointment of Governor:** Article 155 says that governor should be appointed (not elected) from amongst persons of high status with eminence in public. The elected government at the state is not even consulted while making appointment of the Governors. Further successive governments have reduced this important constitutional office to a sinecure and resting place for loyal and retired / about to retired / about to retire politicians apart from docile bureaucrats.

Recommendations to improve Governor's Office:

- **SR Bommai vs. Union of India, 1994:** The floor of the Assembly is the only forum that should test the majority of the government of the day, and not the subjective opinion of the Governor.
- **Rameshwar Prasad Case, 2006:** The SC held that the Governor could not decide based on his subjective assessments.
- **Sarkaria Commission Report (1988):** Governor should be a detached figure without intense political links or should not have taken part in politics in recent past, Governors must not be removed before completion of their five-year tenure, except in rare and compelling circumstances
- **Venkatachaliah Commission (2002):** Governor's appointment should be entrusted to a committee comprising the prime minister, the home minister, the speaker of the Lok Sabha and the chief minister of the concerned state, if governor to be removed before completion of term, the central government should do so only after consultation with the Chief Minister.
- **Punchhi Commission (2010):** The phrase "during the pleasure of the President" should be deleted from the Constitution; Governor should be removed only by a resolution of the state legislature.

Source: Hindu

6. GM Mustard

Topic: Science and Technology



In News: Genetic Engineering Appraisal Committee (GEAC) under the Union Ministry of Environment, Forest and Climate Change recommended the “environmental release” of the transgenic hybrid mustard DMH-11 for seed production and conduct of field demonstration studies with respect to its effects, on honey bees and other pollinating insects.

More on the Topic:

- Hybridisation involves **crossing two genetically dissimilar plant varieties that can even be from the same species.**
- The first-generation (F1) offspring from such crosses tend to have higher yields than what either parent can individually give.
- Such hybridisation isn't easy in mustard, as its flowers have both female (pistil) and male (stamen) reproductive organs, making the plants largely self-pollinating.
- Since the eggs of one plant cannot be fertilised by the pollen grains from another, it limits the scope for developing hybrids — unlike in cotton, maize or tomato, where this can be done through simple emasculation or physical removal of anthers.

How has hybridisation been achieved in mustard?

- By genetic modification (GM). Scientists have developed the hybrid mustard DMH-11 containing two alien genes isolated from **a soil bacterium called Bacillus amyloliquefaciens.**
- The first gene (‘barnase’) codes for a protein that impairs pollen production and renders the plant into which it is incorporated male-sterile.



- This plant is then crossed with a fertile parental line containing, in turn, the second 'barstar' gene that blocks the action of the barnase gene.
- **The resultant F1 progeny is both high-yielding and also capable of producing seed/grain, thanks to the barstar gene in the second fertile line.**

Source: Hindu
