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FASTags

Why in news?

To ensure easier availability of FASTags, Indian Highways Management Company Ltd. (IHMCL), a company promoted by NHAI, is signing MoUs with state-run Oil Marketing Companies (IOCL, BPC, and HPC) on 7th January 2019.

It will ensure availability of FASTags at petroleum outlets across India.

About the FASTags:

- **FASTag** is an [electronic toll collection](#) system in [India](#), operated by the [National Highway Authority of India](#) (NHAI).
- It employs Radio Frequency Identification (RFID) technology for making toll payments directly from the prepaid or savings account linked to it.
- It is affixed on the windscreen of the vehicle and enables to drive through toll plazas without stopping for transactions.
- IHMCL has been mandated to implement the National Electronic Toll Collection Program (NETC) in the country.
- In the current NETC program, FASTags are being issued by certified banks only through limited channels such as Point-of-Sale at NH toll plazas, online, and selected bank branches, etc.

Need of MoU:

- Recent government measures like proposed FASTag – GST integration and FASTag acceptance at all Toll Plazas in India, have led to an urgent need of scaling up the FASTag marketing channels.
- These MoUs will help IHMCL to cater to the evolving market expectations.

Benefits of FASTags:

- To further supplement the strategy, IHMCL is also planning the launch of two mobile applications – MyFASTag and IHMCLPOS.



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- These apps will enable customers to link the FASTags with their preferred bank account, recharge the FASTag via UPI platform, and also ensure that the tags are bank neutral.
- IHMCL is also striving for the vision of **One Nation – One Tag** by aligning with various State Authorities/SPV to ensure that FASTag becomes the preferred digital payment instrument at State/Municipal Plazas.
- These measures will eventually help NHAI cater to its commitment of providing a safe, smooth and seamless journey to commuters on National Highways.
- The enhanced adoption of FASTag program will increase user convenience by offering seamless toll-fee payments at Plazas and thus help save time, money and fuel.
- The online payments will improve transparency of toll transactions, reduce revenue leakages, and improve overall efficiency and commercial competitiveness

High Level committee for implementation of Clause 6 of Assam Accord

Government has notified the High Level Committee (HLC) for implementation of Clause 6 of Assam Accord. Committee has been given a broad mandate.

About the Committee:

- It is headed by Shri M.P. Bezbaruah and includes eminent Assamese persons from different fields.
- The Committee will submit its report within 6 months from the date of notification. The State Government of Assam will provide necessary administrative and logistic support to the Committee.
- The HLC has been constituted as per Clause 6 of the Memorandum of Settlement, known as the Assam Accord, signed on 15th August, 1985.
- The HLC will be serviced by the NE Division of MHA, Government of India.

Clause 6 of Assam Accord:

Clause 6 of the Accord states that:



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“Constitutional, legislative and administrative safeguards, as may be appropriate, shall be provided to protect, preserve and promote the cultural, social, linguistic identity and heritage of the Assamese people.”

Terms of Reference for the Committee:

(a) Examine the effectiveness of actions taken since 1985 to implement Clause 6 of the Assam Accord.

(b) Hold discussions with various stakeholders including social organizations, legal and constitutional experts, eminent persons from the field of art, culture and literature, conservationists, economists, linguists and sociologists.

(c) The Committee will assess the appropriate level of reservation of seats in Assam Legislative Assembly and local bodies for the Assamese people.

(d) The Committee will also suggest measures to be taken to protect Assamese and other indigenous languages of Assam.

(e) The Committee will recommend the appropriate level of reservations in employment under the Government of Assam for the Assamese people.

(f) The Committee may suggest any other measures as may be necessary to protect, preserve and promote cultural, social, linguistic identity and heritage of the Assamese people.

Constitutional Amendment Bill

Why in News?

The Union Cabinet has approved 10 % reservation in jobs and educational institutions for the economically backward section in the general category.

Details of Proposal:

- The section did not enjoy reservation as of now.
- This would be over and above the existing 50 % reservation.
- The government is likely to bring a Constitutional Amendment Bill in Parliament on Tuesday.



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- "The reservation will be given to those economically backward poor people who are not availing the benefit of reservation as of now.
- The reservation benefit is likely to be availed by those whose annual income is below Rs 8 lakh and have up to five acres of land, he said.
- Articles 15 and 16 of the Constitution will have to be amended for implementation of the decision.

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Bad loan crisis:

Why in News?

The Reserve Bank of India's (RBI's) half-yearly Financial Stability Reports, which take stock of the strength and stability of Indian banks, had turned into chronicles of gloom tracing the steady worsening of the crisis.

But the RBI's latest report for December 2018 breaks away from the trend to offer glimmers of hope to these stakeholders. Here are the takeaways from this report.

Recent Observations:

Dip in proportion

- For the first time since the bad loan saga began to play out six years ago, Indian banks have reported a decline in the proportion of [loans](#) gone bad for the half-year ended September 2018.
- Their aggregate Gross Non-Performing Asset (GNPA) ratio dipped from 11.5% in March 2018 to 10.8% in September 2018.
- The GNPA ratio captures the proportion of loans in a bank's books on which borrowers haven't repaid dues for more than 90 days.
- The bulk of bad loans remains concentrated with public sector banks (GNPA ratio of 14.8%), while private sector banks are much better off (3.8%).



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- Of the 55 banks, 23 had ratios below 5% as of September 2018, 10 featured GNPA's in the 5-10% bracket and 21 banks sat on over-the-top GNPA's of 10% to 30%.

Better accounting:

- If the peaking of GNPA's is good news, even better news is the proportion of restructured advances lurking in bank books falling to 0.5% by September 2018.
- This shows that most of the doubtful loans in bank books are now accounted for.
- One of the most disturbing aspects of the ongoing bad loan saga was that GNPA's officially recognised by the banks were only the tip of the iceberg.

Background:

- In 2013, for every bad loan that banks had recognised as NPA, there was another dicey one hidden from public view because of a cosy arrangement with the borrower to restructure the loan.
- In March 2015, while banks reported a GNPA ratio of 4.6%, their restructured advances were far larger at 6.5%.
- Today, the GNPA ratio is at 10.8%, but restructured loans are down to 0.5%.
- Again, it is RBI's asset quality reviews and its February 2018 circular asking banks to wind up all their restructuring schemes that have hastened this recognition.
- The total proportion of 'stressed' loans on bank books (NPAs plus restructured loans) peaked at 12.3% in September 2016 and has steadily declined to 11.3% now.

Goods and Services Tax:

Why in News?



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The fact that the government is increasingly dependent on tax revenue, especially indirect taxes, to meet its fiscal requirements is not a cause for worry, according to tax analysts, who say that the real benefits of the Goods and Services Tax (GST) have not yet taken effect.

Once they do, government revenue from both direct and indirect taxes will grow significantly.

Analysis of Tax Revenue:

- An analysis by *The Hindu* of the budget documents of the last five years has shown that the government's dependence on tax revenue has steadily increased, with tax revenue making up a little more than 70% of its total receipts in 2018-19, up from 65% in 2014-15.
- Correspondingly, the share of revenue from non-tax sources (such as dividends from PSUs and the RBI) and capital receipts (such as disinvestment proceeds) has been declining.
- Within tax revenue, the analysis shows that the share of indirect tax has been growing over the years, increasing to nearly 50% in 2018-19 from a little less than 45% in 2014-15.

What does it Mean?

- This increased dependence on tax revenue to meet its fiscal needs has meant that the government has had to push quite hard to increase its tax base at both the direct and indirect tax levels.
- The view among tax analysts is that the government cannot take the risk of increasing tax rates, whether direct or indirect, for fear of a backlash from the public.

So, the only option it has to boost tax revenues is to increase the tax base and stop evasion, both of which the government has been trying to do.

Detecting tax evasion



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- The expansion of the GST taxpayer base, improving the return filings compliance and using the large amount of data available to detect tax evasion would become the cornerstone of the government's measures to enhance tax revenues.
- The other trend the government would be banking on is that increased economic activity and a higher GDP growth rate will boost consumption and hence, indirect tax collections.
- The indirect tax rate is fixed, so if there is price inflation, then the government receives a tax on that as well because product prices go up and so the tax component also goes up.
- The second aspect is that when the GDP grows, consumption also grows, and so you get more indirect taxes from that."

International Space Station:

Why in News?

After cultivating lettuce in space three years ago, crew members aboard the International Space Station could be growing beans in 2021.

The beans could be planted in high-tech planters developed at the Norwegian University of [Science and Technology](#) (NTNU).

The planters can regulate all the water, nutrients, gas and air the plants need.

Benefits Expected:

- NTNU said it was collaborating with Italian and French researchers in their quest to cultivate plant-based food for long space journeys.
- The food grown in space could be crucial to sustain the crew in future deep space missions.
- The longest stays at the International Space Station have been six months, while people travelling to Mars will need to be prepared to stay in space for at least a year.
- The European Space Agency plans to build a lunar base in 2030 as a stopover on the way to Mars.



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- NASA plans to fly directly to the planet with a target landing date of 2030.

Effect of gravity

- The next step is to grow beans in space to observe the effect of no gravity on plants' ability to transport water and absorb nutrients.
- Simulating the absence of gravity cannot be done on Earth.
- The beans would be placed in a centrifuge to sprout and grow in the space station. The centrifuge would be rotated to create different amounts of gravity.
- The art of getting something to grow in space can be transferred to our planet.
- The dream of every astronaut is to be able to eat fresh food — like strawberries, cherry tomatoes or anything that's really flavorful.