

## Companies CSR Performance Under New Rules to Come Under Scrutiny

### ❖ Context

- The Ministry of Corporate Affairs (MCA) had notified the **Companies (CSR Policy) Amendment Rules** in January 2021. The due date for their reporting is the end of March-21.

### ❖ Key Highlights

#### ❖ About Corporate Social Responsibility

- Under **section 135 of the Companies Act 2013**, companies need to spend at least **2% of their average net profits** made during three previous financial years in the current financial year.
- A **CSR committee** (of minimum three directors, one independent) of the board is to be set up which formulate and recommend to the company's board, CSR policy, amount of expenditure and monitor it.
- Companies eligibility criteria is:
  - **Net worth > 500 crore or Turnover > 1000 crore or Net profit before tax > 5 crore** (during preceding financial year)
  - **Schedule VII of the Act** specifies the **range of activities** that can be undertaken under CSR.
  - It does not include donation to political parties and activities that benefit only the employees of the company and their families.

#### ❖ About the New Rules

- Aimed to bring **more accountability and offer more flexibility** to companies.
- The **penalty provision in case of defaults** was introduced in place of imprisonment provision which was never given effect due to protest from industries.
- The **penalty under the new regime can go upto Rs. 1 crore** for companies and Rs. 2 lakh for each defaulting offence.
- Companies can **spend more than 2% obligation** which can be **adjusted** against future spending obligations.
- **Unspent amount** have to be **deposited in the designated bank accounts**.
- **CSR 2** - the electronic form - has been designed to capture details regarding performance and facilitate data mining for policy interventions.

## Democracy Report 2022

### ❖ Context

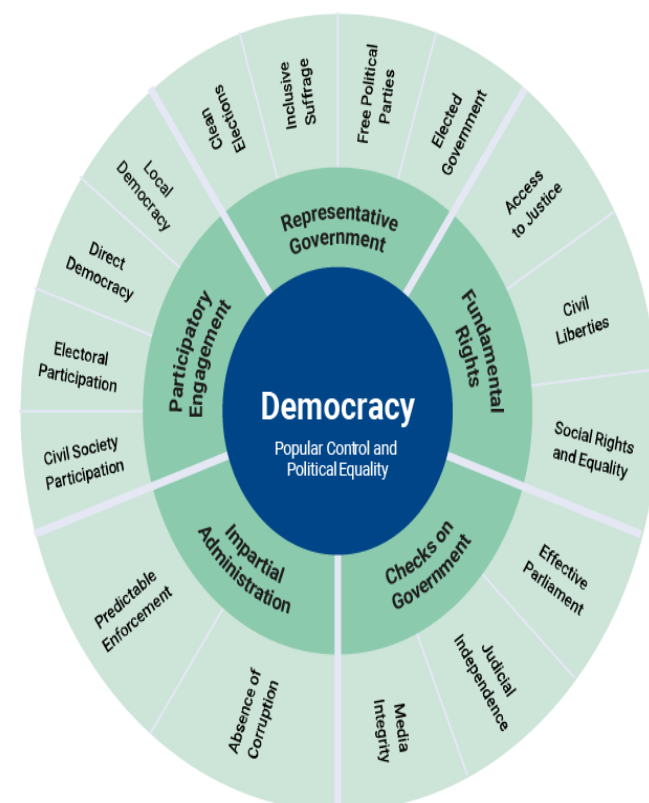
- Recently, the V-Dem Institute at Sweden's University of Gothenburg has come out with their **annual democracy report**.

### ❖ Key Highlights

- **Title-** Democracy Report 2022: Autocratisation Changing Nature?
- The report classifies countries into **four regime** types based on their score in the **Liberal Democratic Index (LDI)**:
  - Liberal Democracy.
  - Electoral Democracy.
  - Electoral Autocracy.
  - Closed Autocracy.
- **Methodology**
  - V-Dem uses **aggregate expert judgments** to produce estimates of critical concepts.
  - It **gathers data from a pool of over 3,700 country experts** who provide judgments on different concepts and cases.
  - The V-Dem's measurement model algorithmically estimates both the degree:
    - To which an **expert is** reliable relative to other experts.
    - To which their **perception differs from other experts** to come up with the most accurate values for every parameter.

### ❖ Key Finding of the Report About India

- India is part of a broader global trend of an **anti-plural political party driving a country's autocratisation**.
- **Ranked 93rd** in the LDI, India figures in the **"bottom 50%"** of countries.
- It has **slipped further down in the Electoral Democracy Index**, to 100, and even lower in the Deliberative Component Index, at 102.
- In South Asia, India is ranked below Sri Lanka (88), Nepal (71), and Bhutan (65) and above Pakistan (117) in the LDI.



### Face to Face Centres

## ❖ Key Findings of the Report

- **Sweden** topped the LDI index.
- Other Scandinavian countries such as **Denmark** and **Norway**, along with **Costa Rica** and **New Zealand** make up the top five in **liberal democracy rankings**.
- **Autocratisation is spreading rapidly**, with a record of 33 countries autocratising.
- Signaling a sharp break from an **average of 1.2 coups per year**, 2021 saw a record 6 coups, resulting in 4 new autocracies: Chad, Guinea, Mali and Myanmar.
- While the number of **liberal democracies stood at 42 in 2012**, their number has shrunk to their lowest level (34 Countries) in over 25 years,
- **13% of the world population living in liberal democracies.**
- **Closed autocracies, or dictatorships**, rose from 25 to 30 between 2020 and 2021.
- While the world today has **89 democracies and 90 autocracies**, **electoral autocracy remains the most common regime type**, accounting for 60 countries and 44% of the world population or 3.4 billion people.
- **Electoral democracies were the second most common regime**, accounting for 55 countries and 16% of the world population.

## Three New Species Recorded from Visakhapatnam

### ❖ Context

- For the first time, three new species of migratory birds have been recorded from Visakhapatnam at the recently-concluded **Asian Waterbird Census**.

### ❖ Key Highlights

- They spotted two **Great Knots**, Six **Sanderlings** and **Billed Sandpipers** while exploring the area.
- During earlier years, all the data was compiled State-wise and India data was consolidated by BNHS (Bombay Natural History Society) which in turn is consolidated internationally.
- Now, the **online portal eBird** has brought birders of the world on to a common platform to consolidate the data collected at one place.

### ❖ About Great Knots

- The great knot (*Calidris tenuirostris*) is a **small wader**.
- It is the largest of the **calidrid species**.
- These birds forage (search for food) on mudflats and beaches, probing or picking up food by sight.
- They mainly **eat molluscs and insects**.
- It is one of the species to which the **Agreement on the Conservation of African-Eurasian Migratory Waterbirds (AEWA)** applies.
- Their breeding **habitat is tundra** in northeast Siberia.
- They are **strongly migratory wintering on coasts in southern Asia through to Australia**.
- They are mainly migratory birds visiting the coasts in southern Asia.
- Earlier they were recorded in Kakinada in good numbers
- **IUCN status: Endangered.**



### ❖ About Sanderlings

- Sanderling, a small wading bird, is a circumpolar Arctic breeder.
- It is a **long-distance migrant**, migrating in winter to South America, South Europe, Africa, and Australia.
- Sanderling was **earlier recorded** in a few numbers from **Kakinada and Srikakulam**.
- **IUCN Status- Least Concern.**



### ❖ About Billed Sandpipers

- The spoon-billed sandpiper (*Calidris pygmaea*) is a small wader which **breeds in northeastern Russia and winters in Southeast Asia**.
- This species is **highly threatened**, and it is said that since the 1970s the breeding population has decreased significantly.
- By 2000, the estimated breeding population of the species was **350-500**.
- It **migrates down the Pacific coast through Japan, Korea and China**, to its main wintering grounds in **south and southeast Asia**, where it has been recorded from India, Bangladesh, Sri Lanka etc.
- **IUCN Status- Critically Endangered**



## Face to Face Centres



## News in Between the Lines

### Boltzmann Medal



#### ❖ Context

- Recently, Deepak Dhar, physicist, from the **Indian Institute of Science Education and Research, Pune**, has been selected for the Boltzmann medal.

#### ❖ Key Highlights

- It is awarded by the **Commission on Statistical Physics (C3) of the International Union of Pure and Applied Physics**.
- This award was initiated in **1975**, with Nobel laureate (1982) K.G. Wilson being the first recipient.
- Deepak Dhar became the **first Indian to win this award**.
- The medal, which honours outstanding achievements in the field of **statistical physics**, has been given to one or two persons, **once in three years, in the last 47 years**.
- It is given only once to a person and on the **condition that person has not won the Nobel prize so far**.
- **Dhar shares the platform with American scientist John J. Hopfield** who is known for his invention of an associative neural network, now named after him. The award consists of the gilded **Boltzmann medal with the inscription of Ludwig Boltzmann**, and the chosen two scientists will be presented the medals at the StatPhys28 conference to be held in Tokyo, 7-11 August, 2023.

### HANSA-NG



#### ❖ Context

- Recently, a first-of-its-kind indigenous **aircraft trainer, HANSA-NG**, has completed sea-level trials in **Puducherry**.
- This trial was a necessary condition before evaluation by the Directorate General of Civil Aviation (DGCA).

#### ❖ Key Highlights

- **Developed by** - CSIR-National Aerospace Laboratories (**CSIR-NAL**).
- HANSA-New Generation is reportedly one of the **most advanced flying trainers**.
- **Features:**
  - Powered by a Rotax digital control engine.
  - Composite lightweight airframe.
  - A glass cockpit.
  - A bubble canopy with a wide panoramic view.
  - Electrically operated flaps.
- **Significance:**
  - This Aircraft is designed to **meet the need of flying clubs in India for trainer aircraft**. It is an **ideal aircraft for commercial pilot licensing** due to its **low cost and low fuel consumption**.
  - It is also a revamped version of the original Hansa developed three decades ago.

### Exercise Vayu Shakti 2022



#### ❖ Context

- The Indian Air Force (IAF) has decided to **postpone Exercise Vayu Shakti 2022** which was scheduled to take place in the Pokhran range of Jaisalmer, Rajasthan on March 7.
- The reason for deferring the exercise has not been told.

#### ❖ About Vayu Shakti 2022

- The Indian Air Force (IAF) conducts Exercise Vayu Shakti at the Pokhran range **every three years to demonstrate its readiness to conduct full-spectrum operations**.
- The exercise had **started in 1953**.
- The **last edition was conducted in 2019**.

## Face to Face Centres



## Revenue Neutral Rate



- The Indian Air Force showcases **repower capability of indigenously developed aircrafts and its missile arsenal in this exercise.**
- Fighter aircraft including Jaguar, Rafale, Sukhoi-30, MIG-29, light combat aircraft Tejas, MIG-21 Bison, Hawk 32, M200 participates in the exercise.

### ❖ Context

- GST council may raise the lowest tax slab from 5% to 8% and prune the exemption list in their next meet.

### ❖ Key Highlights

- Currently, **unpackaged and unbranded food and dairy items** are exempted from GST.
- The increase may yield an additional **Rs. 1.5 TN annual revenues.**
- It will help in making states self-sufficient in the wake of compensation regime coming to end in June 2022.
- Due to reduction in GST on several items, the **revenue neutral rate has come down from 15.3% to 11.6%.**

### ❖ About the rate

- **Revenue Neutral Rate** is the ratio of all centre and state tax collection to the **GST tax base (total taxable GDP)** expressed in percentage.
- The rate was centrepiece of debates and discussion over implementation of GST as it is the single indirect tax that will be levied in lieu of multiple indirect taxes.
- This is also rate of GST at which there will be no loss of collective revenue to the centre and states.
- **Difference between Nil Rated, Exempt, Zero Rated and Non-GST supplies (w.r.t GST tax base).**

Zero rated	Exports Supplies made to SEZ or SEZ Developers.
Nil rated	Supplies that have a declared rate of 0% GST. Example: Salt, grains, jaggery etc.
Exempt	Supplies are taxable but do not attract GST and for which ITC cannot be claimed. Example: Fresh milk, Fresh fruits, Curd, Bread etc.
Non-GST	These supplies do not come under the purview of GST law. Example: Alcohol for human consumption, Petrol etc.

## The Limited Liability Partnership (Second Amendment) Rules 2022

Limited Liability Partnership



### ❖ Context

- The **Ministry of Corporate Affairs** has amended the limited liability partnership (LLP) rules to address the concerns of entities facing bankruptcy proceedings.

### ❖ Key Highlights

- The rules, effective 4 March, modified **reporting requirements of LLPs** in financial distress.
- It primarily **deals with solvency statements and certificates of truthfulness**, which are part of the annual returns.
- Hence, an **LLP's statement of solvency**, which is required to be signed by a designated partner in charge of compliance, can be **signed off by a resolution professional in case of a bankrupt entity.**
- The rules outline the administrative changes LLPs undergo once bankruptcy proceedings are underway and the turnaround professional hired by lenders to take charge of the affairs of an LLP.
- Partners or shareholders will remain in control of a business so long as debt is serviced, but **after a default, lenders get the upper hand in taking decisions under the Insolvency and Bankruptcy Code**, including the right to take over the management and restructure the business.



## SAMARTH



### ❖ Limited Liability Partnership

- LLP is an **alternative corporate business form** that gives the benefits of limited liability of a company and the flexibility of a partnership.
- It can **continue its existence irrespective of changes in partners**.
- It is a separate legal entity, liable to the full extent of its assets but liability of the partners is limited to their agreed contribution in the LLP.
- It is different from traditional partnership form of business:
  - Under “traditional partnership firm”, every partner is liable, jointly with all the other partners and also severally for all acts of the firm done while he is a partner.
  - Under LLP, **no partner is liable on account of the independent or unauthorised acts of other partners**, thus allowing individual partners to be shielded from joint liability created by another partner’s wrongful acts or misconduct.

### ❖ Context

- On the occasion of **International Women’s Day 2022**, **Ministry of MSME** launched a Special Entrepreneurship Promotion Drive for Women - "SAMARTH".

### ❖ Key Highlights

- Under the Samarth initiative of the Ministry, following benefits will be available to aspiring and existing women entrepreneurs:
  - **20% Seats in free Skill Development Programs** organised under skill development schemes of the Ministry will be allocated for Women. More than 7500 women will be benefitted.
  - **20% of MSME Business Delegations** sent to domestic & international exhibitions under the schemes for Marketing Assistance implemented by the Ministry will be dedicated to women owned MSMEs.
  - **20% Discount on annual processing fee on National Small Industrial Corporation (NSIC)’s Commercial Schemes** to enhance the participation of women entrepreneurs in Public Procurement
  - Special Drive for registration of women-owned MSMEs under Udyam Registration.

## New Species of Orchid Discovered in Ecuador



### ❖ Context

- Scientists have discovered a new species of the Neotropical orchid genus *Maxillaria* from cloud rainforests of northern Ecuador.

### ❖ Key Highlights

- The genus *Maxillaria*, abbreviated as Max in the horticultural trade, belongs to one of the most diverse and species-rich groups of orchids.
- The new species is known only from the location of **Maldonado** in the Ecuadorian province of Carchi.
- Scientifically named ***Maxillaria anacatalinaportillae***, it grows as an **epiphyte** in cloud rainforests at altitude of **1,700 m** above sea level.
- It is presumed to be classified as **critically endangered** due to its smaller population known and restricted area of distribution.

## Monolithic Microwave Integrated Circuits



### ❖ Context

- **Monolithic Microwave Integrated Circuits** developed by the **DRDO** are on board the **EOS04 satellite** launched by the **Indian Space Research Organisation**.

### ❖ Key Highlights

- The use of **Indigenously designed and developed** Monolithic Microwave Integrated Circuits is an important step **towards Atmanibhar Bharat**.
- The satellite is designed to provide high-quality images for applications such as forestry, agriculture, hydrology, soil moisture and flood mapping.

## Face to Face Centres