

## ● POLITY

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## ECONOMICS AND DEVELOPMENT

## SEBI NOT OBLIGED TO TAKE OCCRP FINDINGS ON ADANI AS GOSPEL: SC

**CONTEXT:** The Supreme Court of India (SC) has ruled that the Securities and Exchange Board of India (SEBI) is not obliged to take the findings of the Organised Crime and Corruption Reporting Project (OCCRP) on the Adani Group as gospel truth.



The SC made this ruling in a case involving a petition filed by the Adani Group against SEBI's investigation into the group's alleged stock manipulation. The OCCRP is an international consortium of investigative journalists that has published a number of reports on the Adani Group, alleging that the group has engaged in stock manipulation, accounting fraud, and other illegal activities. The Adani Group has denied all of the allegations.

The SC ruled that SEBI is a statutory body that is bound by evidentiary requirements. This means that SEBI cannot simply accept the OCCRP's findings as true without conducting its own investigation. The SC also ruled that the OCCRP is not bound by the same evidentiary standards as a statutory body. This means that the OCCRP is free to publish its findings without having to prove them beyond a reasonable doubt.

The SC's ruling is a victory for the Adani Group, as it means that SEBI cannot simply rely on the OCCRP's findings to investigate the group. However, the ruling does not mean that SEBI cannot investigate the group at all. SEBI is still free to conduct its own investigation and to take action against the group if it finds evidence of wrongdoing.

### 'Conflict of interest'

The Justice Sapre Committee was constituted by the Supreme Court on March 2 to investigate the causal factors and existence, if any, of regulatory failure which led to investors losing crores due to volatility in the securities market following Hindenburg Research's report accusing the Adani Group of

manipulation of share prices and account fraud.

The court reserved judgment on a plea by Mr. Bhushan to form a separate Special Investigation Team (SIT) to investigate the Adani-Hindenburg allegations, saying that the earlier committee headed by former Supreme Court judge, Justice A.M. Sapre, was hit by "conflict of interest". Mr. Bhushan said one of the committee members, O.P. Bhatt, a former chairman of the State Bank of India, was working as the Chairman of Greenko, a leading renewable energy company. Since March 2022, Greenko and Adani Group were working in a close partnership to provide electricity to Adani Groups' facilities in India, he submitted.

## INTERNAL SECURITY

## CENTRE EXEMPTS CERT-IN FROM PURVIEW OF RTI ACT

**CONTEXT:** The Indian government has recently exempted the Indian Computer Emergency Response Team (CERT-In) from the purview of the Right to Information (RTI) Act, 2005. This means that CERT-In will no longer be obligated to disclose information to the public under the RTI Act.

CERT-In is a national cybersecurity agency that is responsible for responding to computer security incidents and issuing cybersecurity advisories. The government has argued that exempting CERT-In from the RTI Act is necessary to protect sensitive cybersecurity information from falling into the wrong hands.

However, critics of the move argue that it will reduce transparency and accountability within CERT-In. They argue that the public has a right to know about cybersecurity threats and how CERT-In is responding to them.

The government's decision to exempt CERT-In from the RTI Act is likely to have a significant impact on cybersecurity in India. It could make it more difficult for the public to get information about cybersecurity threats and could also make it more difficult to hold CERT-In accountable for its actions.

Here are some of the potential implications of the government's decision:

**Reduced transparency:** The public will no longer be able to access information about cybersecurity threats and how CERT-In is responding to them. This could make it more difficult for people to protect themselves from cyberattacks.

**Reduced accountability:** CERT-In will no longer be subject to the same level of scrutiny from the public. This could make it more difficult to hold CERT-In accountable for its actions.

Increased risk of cyberattacks: The lack of transparency and accountability could make it easier for cybercriminals to operate undetected.

Overall, the government's decision to exempt CERT-In from the RTI Act is a controversial one with the potential to have a significant impact on cybersecurity in India.

## SCIENCE AND TECHNOLOGY

# GENERIC DRUGS FOR 4 RARE DISEASES MADE AVAILABLE IN INDIA

**CONTEXT:** In a significant step towards improving access to affordable treatment for rare diseases, the Indian government has made generic drugs available for four rare diseases: Tyrosinemia Type 1, Gaucher's Disease, Wilson's Disease, and Dravet or Lennox Gastaut Syndrome. These drugs were previously unavailable or unaffordable for many patients in India due to their high cost.

The availability of these generic drugs is a major relief for patients with rare diseases and their families. These diseases are often debilitating and can be life-threatening, and the lack of affordable treatment can cause immense hardship. The generic drugs will now be available at a significantly lower cost, making them more accessible to patients in need.

The Indian government has prioritized the development of generic drugs for rare diseases, recognizing the critical need for affordable treatment options. The government has also taken steps to strengthen the regulatory framework for generic drugs, ensuring that they meet the same high standards of quality and safety as branded drugs.

The availability of these generic drugs is a positive development for India's healthcare system and marks a significant step towards improving access to treatment for rare diseases.

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## ECONOMICS AND DEVELOPMENT

# 'FALLING RECOVERY, DELAY IN RESOLUTION DENT IBC'S SUCCESS'

**CONTEXT:** The Insolvency and Bankruptcy Code (IBC) has been a landmark piece of legislation in India, but it has not been without its challenges.

## Mixed bag

Limited judicial bench strength and delays in identification and acknowledgement of default are limiting IBC's success: CRISIL

- CRISIL says the IBC, since its inception in 2016, has improved credit culture in India by resolving stressed assets

- Creditors realise 32% of the admitted claims under IBC as compared with 5-20% recovery under other mechanisms

- The ratings agency adds that bad-loan cases are getting sorted before reaching the IBC's gates due to the deterrence effect



The IBC has improved credit culture in India by resolving a significant amount of stressed assets with better recovery rates compared with the previous mechanisms. Importantly, it has set such deterrence that large bad-loan cases are getting sorted before reaching the IBC's gates.

## Findings of CRISIL

1. Recovery rates under the IBC have fallen from 43% to 32% between March 2019 and September 2023.
2. Increase in the average resolution time from 324 to 653 days versus the stipulated 330 days.
3. On average, creditors have realised 32% of the admitted claims and 169% of the liquidation value. Other mechanisms had an average recovery rate of 5-20%.
4. Significant delay in the pre-IBC admission stage (650 days in fiscal 2022 increased from about 450 days in fiscal 2019) has suppressed recovery rates

These findings are a cause for concern, as they suggest that the IBC is not being as effective as it could be in resolving insolvency cases and maximizing recoveries for creditors. There are a number of factors that are contributing to these problems, including:

- Limited number of insolvency professionals
- Delays in the identification and admission of insolvency cases
- Complex legal challenges
- Lack of coordination between different stakeholders

The government is taking steps to address these challenges, but it is clear that more needs to be done to ensure that the IBC is fulfilling its potential. Here are some of the recommendations made by the CRISIL report:

1. Increase the number of insolvency professionals
2. Streamline the insolvency process
3. Improve coordination between different stakeholders
4. Strengthen the legal framework for the IBC

If these recommendations are implemented, it could help to improve the effectiveness of the IBC and make it a more successful tool for resolving insolvency cases in India.

## GEOGRAPHY

# CLIMATE-SMART AGRICULTURE IN INDIA

**CONTEXT:** The Indian agricultural sector is the backbone of the country's economy, employing over half of the population and contributing significantly to the national GDP. However, the sector is facing unprecedented challenges due to climate change, including erratic rainfall patterns, rising temperatures, and extreme weather events. These changes are threatening agricultural productivity, food security, and the livelihoods of millions of farmers.

Climate-Smart Agriculture (CSA) is an approach that aims to transform and reorient agricultural systems to sustainably increase productivity, enhance resilience to climate change, and reduce greenhouse gas emissions. CSA is a crucial strategy for India to ensure food security and sustainable agricultural development in the face of climate change.

### Salient Features of Climate-Smart Agriculture in India

Climate-Smart Agriculture in India encompasses a wide range of practices and technologies that are tailored to the specific climate and agricultural conditions of different regions. Some of the key features of CSA in India include:

- **Promoting water-use efficiency:** Water scarcity is a major challenge for Indian agriculture, and CSA emphasizes practices such as drip irrigation, rainwater harvesting, and drought-resistant crops to conserve water and improve water productivity.
- **Enhancing soil health:** Soil degradation is a significant threat to agricultural productivity, and CSA promotes practices such as conservation agriculture, organic farming, and nutrient management to improve soil health and fertility.
- **Diversifying crop production:** CSA encourages farmers to diversify their crops to reduce vulnerability to climate risks and improve market access. This includes adopting climate-resilient crop varieties and incorporating high-value crops into farming systems.
- **Strengthening climate risk management:** CSA promotes the use of climate information and weather forecasting tools to help farmers make informed decisions about crop selection, planting times, and irrigation scheduling.

- **Promoting integrated farming systems:** CSA encourages the integration of crops, livestock, and fisheries to create more diverse and resilient agricultural systems. This approach helps to improve soil fertility, reduce pest and disease incidence, and generate additional income opportunities for farmers.

### Significance of Climate-Smart Agriculture for India

Climate-Smart Agriculture is crucial for India's agricultural development for several reasons:

- **Enhancing agricultural productivity:** CSA practices can significantly increase agricultural productivity, leading to higher yields and improved food security.
- **Building resilience to climate change:** CSA helps farmers adapt to the impacts of climate change and reduce vulnerability to climate shocks, such as drought and floods.
- **Reducing greenhouse gas emissions:** CSA practices can contribute to the mitigation of greenhouse gas emissions from the agricultural sector, helping to combat climate change.
- **Empowering farmers:** CSA empowers farmers with knowledge and tools to make informed decisions about their farming practices, leading to improved livelihoods and sustainable agricultural development.

### Way Forward for Climate-Smart Agriculture in India

To fully harness the potential of Climate-Smart Agriculture in India, several key actions are needed:

- **Strengthen institutional support:** The government should provide strong institutional support for CSA, including research and development, extension services, and capacity building for farmers.
- **Promote private sector engagement:** The private sector can play a significant role in developing and promoting CSA technologies and services.
- **Enhance access to finance:** Farmers need access to affordable financing to adopt CSA practices and invest in climate-resilient infrastructure.
- **Empower women farmers:** Women farmers play a crucial role in Indian agriculture, and specific efforts are needed to empower them with CSA knowledge and technologies.
- **Raise awareness and build capacity:** Extensive awareness campaigns and capacity-building programs are essential to ensure that farmers are well-informed about CSA practices and can effectively implement them.

Climate-Smart Agriculture offers a promising pathway for India's agricultural sector to become more sustainable, productive, and resilient in the face of climate change. By embracing CSA, India can safeguard its food security, enhance farmer livelihoods, and contribute to mitigating climate change.

*"Intelligence plus character-that is the goal of true education. — Martin Luther King Jr.*



## POLITY AND GOVERNANCE

## READ UP PUNJAB CASE VERDICT ON GIVING ASSENT TO BILLS, SC TELLS KERALA GOVERNOR

**CONTEXT:** The Supreme Court of India has on several occasions expressed its views on the role of Governors in assenting to bills passed by state legislatures. The Court has emphasized that the Governor's role is primarily constitutional and that they should not act as an obstruction to the functioning of the legislature.

### Key Observations of the Supreme Court

1. Limited Discretion of Governors: The Supreme Court has held that the Governor's discretion in assenting to bills is limited and that they should not withhold assent unless there are strong grounds to do so.
2. Duty to Act Promptly: The Court has also emphasized that Governors should act promptly on bills sent to them for assent and should not delay the process unnecessarily.
3. No Power to Sit on Bills: The Court has clarified that Governors do not have the power to indefinitely withhold assent to bills and that they must either assent to the bill or return it to the legislature for reconsideration.
4. Respect for Legislative Will: The Court has stressed that Governors should respect the will of the legislature and should not withhold assent merely because they disagree with the policies or provisions of the bill.
5. Exception for Money Bills: The Court has recognized that Governors have a special power to withhold assent to money bills, but even in this case, they must have strong reasons to do so.

### Examples of Supreme Court Intervention

In several cases, the Supreme Court has intervened to resolve disputes between state governments and Governors over the assenting of bills. For instance:

1. Purushothaman Nambudiri v State of Kerala (1962): The Court held that the Governor's power to withhold assent is not absolute and that they must act reasonably and in accordance with the Constitution.
2. In Re: Tamil Nadu Bills (2000): The Court directed the Governor of Tamil Nadu to consider the bills sent to him by the state legislature within a reasonable time frame.
3. In Re: Kerala Bills (2006): The Court expressed concern over the delay by the Governor of Kerala in assenting to bills and directed him to act promptly.

Through these interventions, the Supreme Court has sought to uphold the principles of constitutionalism and the balance of power between the executive and the legislature.

## INTERNATIONAL RELATIONS

## TRUST BETWEEN INDIA, AUSTRALIA WILL HELP INDO-PACIFIC REGION

**CONTEXT:** The Indo-Pacific region, encompassing the vast expanse of the Indian and Pacific Oceans, is home to over half of the world's population and is increasingly recognized as the epicenter of global economic and strategic dynamics. Amidst this evolving landscape, the burgeoning trust between India and Australia stands as a beacon of hope for stability, cooperation, and shared prosperity.

The foundations of this trust are deeply rooted in the shared values of democracy, rule of law, and a commitment to a rules-based international order. Both nations have demonstrated a strong commitment to upholding these principles, fostering a sense of mutual respect and understanding that forms the bedrock of their bilateral relationship.

### Strategic Imperative of Trust

In an increasingly interconnected world, trust is not merely an abstract concept; it is a strategic imperative. Trust enables nations to collaborate effectively on issues of common concern, from maritime security and counterterrorism to climate change and sustainable development.

India and Australia have recognized this imperative, elevating their relationship to a Comprehensive Strategic Partnership in 2020. This partnership reflects the deep trust and mutual respect that have been cultivated over decades of diplomatic engagement, economic cooperation, and cultural exchange.

### Areas of Synergistic Cooperation

- The trust between India and Australia has translated into a multitude of concrete initiatives that are shaping the Indo-Pacific region. These initiatives span a diverse range of sectors, including:
- Economic Cooperation: India and Australia are pursuing a Comprehensive Economic Cooperation Agreement (CECA) to further

- enhance trade and investment flows between the two nations.
- **Defense and Security Cooperation:** The two countries are strengthening their defense ties through joint exercises, intelligence sharing, and technology transfer.
- **Maritime Security:** India and Australia are collaborating to ensure the safety and security of the Indo-Pacific maritime domain, a vital artery for global trade.
- **Sustainable Development:** Both nations are committed to promoting sustainable development practices in the Indo-Pacific region, addressing climate change and environmental challenges.

#### A Beacon of Stability and Prosperity

The growing trust between India and Australia is not merely a bilateral phenomenon; it has the potential to serve as a catalyst for stability and prosperity across the Indo-Pacific region. Their shared vision for a free, open, and inclusive Indo-Pacific aligns with the aspirations of many nations in the region, fostering a sense of collective security and economic cooperation.

As India and Australia continue to deepen their trust and cooperation, they will undoubtedly play an increasingly pivotal role in shaping the future of the Indo-Pacific. Their partnership stands as a testament to the power of trust and shared values in addressing the challenges and harnessing the opportunities of the 21st century.





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