



## Current Affairs of the Day

### PAPER 2:

#### Polity & Governance:

1. PM CARES: Court seeks govt. reply

#### International Relations:

1. Nepalese Army Chief visits Kalapani border

### PAPER 3:

#### Economy:

1. SEBI eases fund-raising norms for firms
2. Cut non-core expenditure: FinMin to banks
3. Delivery-based natural gas trading platform, Indian Gas Exchange (IGX), launched

#### Environment & Biodiversity:

1. Schizothorax Sikusirumensis: A new species of fish discovered



## Nepalese Army Chief visits Kalapani border

### Key Points:

- Nepal's Army Chief General Purna Chandra Thapa on Wednesday began a visit of the westernmost border outpost of the forces in the Sudurpaschim Pradesh near the disputed Kalapani region.
- This is the General's first visit to the area after the border dispute erupted with India in May.
- Nepal set up a new outpost at Chharung manned by the Nepal Armed Police Force last month after India inaugurated the Darchula-Lipulekh link road on May 8.

### Significance:

- The visit comes a day before the Upper House of Nepal's Parliament will pass the Second Constitution Amendment to legalise the new political map which depicts the Kalapani region as part of their territory.
- The region is known for the strategic Lipulekh pass that connects India with China's Tibet Autonomous Region and has special significance in view of the tension between Indian and Chinese forces at the Galwan Valley of Ladakh.

## PM CARES: Court seeks govt. reply

### Key Points:

- The Supreme Court on Wednesday sought a response from the government to a plea that contributions made to the **PM CARES Fund** to fight COVID-19 should be transferred entirely to the National Disaster Response Fund (NDRF).

### Need:

- **National Plan:** It also asked the court to direct the government to frame a National Plan to deal with pandemic.
- The latest National Plan uploaded on the website of the **National Disaster Management Authority** is of the year 2019. It does not comprehensively deal



with the situation arising out of the current pandemic and has no measures like lockdown, containment zones, social distancing, etc.

- The current National Plan which dealt with 'Biological and Public Health Emergencies' did not mention any of the measures that could be taken to control the pandemic.

### Value Added Information

#### About PM CARES Fund:

- The **Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)** was created on 28 March 2020 following the COVID-19 pandemic in India.
- The fund will be used for combating, containment and relief efforts against the coronavirus outbreak and similar pandemic like situations in the future.
- The Prime Minister is the chairman of the trust. Members will include the defence, home and finance ministers.
- The fund will also enable micro-donations. The minimum donation accepted for the PM CARES Fund is ₹10 (14¢ US).
- The donations will be tax exempt and fall under corporate social responsibility.
- The Prime Minister had said that the PMO had received many requests to help in the war against COVID-19.
- Accordingly, the fund was set up and will be used for disaster management and research.

## SEBI eases fund-raising norms for firms

### Key Points:

- As part of its attempts to make it easier for listed companies to raise funds in the current volatile scenario, the Securities and Exchange Board of India (SEBI) has allowed listed companies to raise funds at shorter intervals while



also giving promoters the go-ahead to increase their stakes by a higher quantum without triggering an open offer.

- As per a gazette notification, the capital markets regulator has allowed companies to make two qualified institutional placements (QIPs) with a gap of just two weeks between them.
- In another important amendment, the regulator has said that promoters can increase their stakes in their companies through preferential allotments by up to 10% without triggering an open offer. The cap was earlier set at 5%. The regulator has, however, allowed this relaxation only for the current financial year.

### Significance:

- This is a significant move as the earlier regulations mandated a minimum gap of six months between two such issuances.
- Analysts said the twin moves would help in enhancing liquidity in the market as companies would be able to better time fund-raising while promoters could also acquire shares at a time when valuations were quite low compared with the historic highs.

### Boosting liquidity:

- In April, the capital markets regulator had relaxed certain regulatory requirements related to rights issues and initial public offerings (IPOs) to make it easier for companies to raise funds at a time when the COVID-19 pandemic had made the secondary markets increasingly volatile.
- The watchdog said any listed entity with a market capitalisation of at least ₹100 crore could use the fast-track route for a rights issue. Earlier, the norm was ₹250 crore for such offerings.
- Further, any company that had been listed for 18 months was permitted to raise funds through a fast-track rights issue. The eligibility had earlier been set at three years.



- Also, the minimum subscription requirement to make an issue successful was lowered from the earlier 90% of the offer size to 75%.

## Value Added Information

### About SEBI:

- SEBI is a *statutory body* established on April 12, 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992.
- The basic functions of the Securities and Exchange Board of India is to protect the interests of investors in securities and to promote and regulate the securities market.

### Background

- Before SEBI came into existence, Controller of Capital Issues was the regulatory authority; it derived authority from the Capital Issues (Control) Act, 1947.
- In April, 1988 the SEBI was constituted as the regulator of capital markets in India under a resolution of the Government of India.
- Initially SEBI was a non statutory body without any statutory power.
- It became autonomous and given statutory powers by SEBI Act 1992.
- The headquarters of SEBI is situated in Mumbai. The regional offices of SEBI are located in Ahmedabad, Kolkata, Chennai and Delhi.

### Structure

- SEBI Board consists of a Chairman and several other whole time and part time members.
- SEBI also appoints various committees, whenever required to look into the pressing issues of that time.
- Further, a **Securities Appellate Tribunal (SAT)** has been constituted to protect the interest of entities that feel aggrieved by SEBI's decision.
- SAT consists of a Presiding Officer and two other Members.



- It has the same **powers as vested in a civil court**. Further, if any person feels aggrieved by SAT's decision or order can **appeal to the Supreme Court**.

## **Powers and Functions of SEBI**

- SEBI is a **quasi-legislative and quasi-judicial body** which can draft regulations, conduct inquiries, pass rulings and impose penalties.
- Its functions to fulfill the requirements of three categories –
  - 1) **Issuers** – By providing a marketplace in which the issuers can increase their finance.
  - 2) **Investors** – By ensuring safety and supply of precise and accurate information.
  - 3) **Intermediaries** – By enabling a competitive professional market for intermediaries.
- By **Securities Laws (Amendment) Act, 2014**, SEBI is now able to regulate any money pooling scheme worth Rs. 100 cr. or more and attach assets in cases of non-compliance.
- SEBI Chairman has the authority to order "**search and seizure operations**". SEBI board can also seek information, such as telephone call data records, from any persons or entities in respect to any securities transaction being investigated by it.
- SEBI perform the function of registration and regulation of the working of venture capital funds and collective investment schemes including mutual funds.
- It also works for promoting and regulating self-regulatory organizations and prohibiting fraudulent and unfair trade practices relating to securities markets.

## **Cut non-core expenditure: FinMin to banks**

### **Key Points:**

- The Finance Ministry has asked public sector banks (PSBs) to cut non-core expenditure by at least 20% this year so that they can ensure productive use of their financial resources for core business activities.



“Effect significant reduction in expenditure on activities other than those pertaining to core business activities,” the ministry said in a communication to PSBs. “Economy in expenditure to the tune of 20% year-on-year or more may be effected on activities such as entertainment, publicity... travel.”

- These banks have also been asked to effect cost-cutting measures by deferring avoidable expenditure like purchase of vehicles for staff, spending on decorative items, refurbishment of guest houses, among others.

### Functional imperatives:

- It also directed bank boards’ executive committees to review the composition of existing vehicles on hire, “while taking into account functional imperatives and profitability and the cost to income ratio of bank’s operations.”
- The public sector lenders have also been asked to defer perquisites such as entitlements to fixed assets like vehicles and furniture and lease/rent amounts admissible for hired residential accommodation.

## Delivery-based natural gas trading platform, Indian Gas Exchange (IGX), launched

- Union Petroleum and Natural Gas Minister launched the Indian Gas Exchange (IGX) recently.

### Key Points:

- It is the **first nationwide online delivery-based natural gas** trading platform.
- It is **fully automated** with a web-based interface.
- It has been **incorporated** as a **wholly owned** subsidiary of the Indian Energy Exchange, which is India’s energy market platform.
- The trading platform will **enable** market participants to trade in **standardised gas contracts**.
- It is expected to facilitate **transparent price discovery** in natural gas.
- It shall also facilitate the **growth** of the share of natural gas in India’s energy basket.



- It provides **hassle-free trading experience** to the customers.
- It will allow buyers and sellers of natural gas to trade both in the **spot market** (financial instruments, such as currencies are traded for immediate delivery) and in the **forward market** (an over-the-counter marketplace that sets the price of a financial instrument for future delivery).
- The trading of natural gas will be for **imported natural gas** across three hubs — **Dahej** and **Hazira** in Gujarat, and **Kakinada** in Andhra Pradesh.
- **Imported Liquefied Natural Gas (LNG)** will be **regassified** and **sold** to buyers through the exchange.
- The need for buyers and sellers to find each other shall be removed.
- The price of **domestically produced natural gas** is decided by the government which will **not be sold** on the gas exchange.

## Schizothorax Sikusirumensis: A new species of fish discovered

### Key Points:

- A new species of fish has been discovered in **Arunachal Pradesh**.
- The fish species is named as **Schizothorax sikusirumensis**.
- The fish species belongs to genus **Schizothorax**.
- It was named after the rivers – Siku and Sirum in East Siang District at the junction, from where it was found.
- The fish inhabits the water logged area of torrential river drainage.