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'Reaffirm 1991 Act on places of worship'

News: The Supreme Court notice to the government seeking a response on the PIL petition challenging the Places of Worship (Special Provision) Act, 1991, is "unfortunate".

Highlights:

1. The Act mandates that the character of all religious places of worship should be maintained as it was on August 15, 1947, and no suit or proceedings shall lie in a court of law with respect to the character of places of worship.
2. This effectively barred courts from entertaining cases which raise disputes over places of worship that existed as of August 15, 1947.
3. While invoking this exemption, the Supreme Court in the 2019 Ayodhya verdict reaffirmed that similar such cases cannot be entertained with respect to other sites in view of this Act.
4. This notice should not lead to "reopening of closed issues" and "scraping of old wounds".

Relooking the Mandal verdict and quota cap

The story so far:

1. The Supreme Court, while considering the validity of the reservation for the Maratha community in Maharashtra, decided that it will hear all the States on the 50% limit on total reservation imposed by the court in the Indra Sawhney case (1992).
2. This is because the 16% quota for Marathas would take the total reservation in Maharashtra beyond the limit of 50%. Over the years, several other States, including Tamil Nadu, have passed laws that allow reservation going beyond 60%.
3. The court is also keen on hearing the views of the States on the 102nd Amendment of the Constitution, by which the National Commission for Backward Classes was given constitutional status.

Relooking Mandal verdict

1. The five-member Constitution Bench headed wants to decide whether the judgment in Indra Sawhney vs Union of India, known as the Mandal verdict, needs to be referred to a larger Bench or "requires a relook in the light of



subsequent Constitutional amendments, judgments and changed social dynamics of society, etc.”

2. This is because the earlier judgment had declared that reservation cannot exceed 50% in total. As Indra Sawhney was a decision by a nine-member Bench, a Bench of at least 11 judges will be needed to reconsider the question.
3. Also, the court wants to consider whether the reservation for Marathas effected through a 2018 Act (the Socially Economically Backward Class Act), and amended in 2019, is covered by the “exceptional circumstances” mentioned in the Indra Sawhney judgment, which had said the 50% limit can be exceeded in “certain extraordinary situations” as a special case.
4. This relaxation, it said, was meant for people inhabiting remote and far-flung areas who are away from the mainstream of national life and who may have “conditions peculiar to and characteristic to them”.

The lists of backward classes: Issue on the rights of States

1. One of the issues that cropped up in the debate over the Maratha reservation is the effect of the 102nd Constitution Amendment introduced in 2018. This amendment grants constitutional status to the National Commission for Backward Classes and says the President would notify the lists of backward classes for all States in consultation with the Governors.
2. Further, the Bench is also likely to decide on the question of whether backward classes should also be classified and determined only by the Centre, just as the list of Scheduled Castes is made by the Union government.
3. This has raised apprehensions about whether the power of State governments to make inclusions and exclusions from the list of backward classes has been taken away.

Important Questions

1. Therefore, the court has framed important questions:
 - a. whether the 102nd Amendment deprives States of the power to make laws for socially and educationally backward classes and confer benefits on them,
 - b. whether the newly introduced Article 342A of the Constitution abridges the State legislatures’ power to enact laws under Articles 15(4) and 16(4), which respectively deal with special provisions for other backward classes and reservation in employment, and
 - c. whether all this affects the federal structure of the Constitution.



2. Any judgment on the Maratha reservation issue would inevitably have to deal with three issues — the 50% ceiling on the total reservation, the power of States to determine who its backward classes are and confer benefits on them, and the legislative competence of State legislatures regarding backward classes after the introduction of the 102nd Amendment.

Past judgments on a ceiling for quotas

1. In Indra Sawhney, even though most judges agreed that reservation was not an exception to the equality norm, the court ultimately laid down the 50% limit.
2. At the same time, it said the strict rule could be relaxed in extraordinary situations given the country's great diversity.

The probable impact of the judgement on the reservation

1. If the court, through a larger Bench, comes to the conclusion that the 50% ceiling is not a hard-and-fast rule and that it may be breached if a State's backward class population is considered high, it would be a big boost for the affirmative action policies of various State governments.
2. Not only would it enable the Maharashtra government to implement its quotas for Marathas to the extent of 16% reservation in education and jobs, but other States, such as Tamil Nadu, would also be able to preserve their present levels of reservations.
3. The decisions would also have relevance to the legal challenge to the introduction of the 10% quota for the economically weaker sections among those who do not fall under any reservation category.
4. By this move, the Centre has already exceeded the 50% limit, and at present, only 41% of seats or posts are meant for open competition in central employment and educational institutions.

China defying Hong Kong joint treaty: U.K.

News: It is imposing radical changes to the city's electoral system, clearly breaching the 1997 declaration

Highlights:

1. China is no longer compliant with Hong Kong's joint declaration after Beijing announced sweeping changes to the region's electoral system, Britain said on Saturday.
2. The treaty was signed before Britain handed Hong Kong back to China in 1997 and was designed to allay fears about its future under Beijing's rule.



3. It guarantees the financial hub special status, including a high degree of autonomy to manage its own affairs and the right to freedom of speech.
4. "This is part of a pattern designed to harass and stifle all voices critical of China's policies and is the third breach of the Joint Declaration in less than nine months," it said.
5. Beijing has acted decisively to dismantle Hong Kong's democratic pillars after massive protests there in 2019.
6. "The National People's Congress of the People's Republic of China adopted a decision that will have a significant impact on democratic accountability and political pluralism in Hong Kong," the EU foreign policy chief said.

Ayushman Bharat campaign picks up pace

News: The "Aap Ke Dwar Ayushman" campaign of the National Health Authority (NHA) recorded more than 4.7 lakh beneficiary verifications in a single day on March 10 for free healthcare services under the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) scheme.

Highlights:

1. The aim is to create large-scale awareness about the AB PM-JAY health insurance scheme, especially in rural and interior parts, which provides cashless healthcare benefits of up to ₹5 lakh per family per year.
2. The drive is being implemented in Bihar, Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Punjab, Uttarakhand, Haryana and J&K, among other States. So far, about 1,16,83,808 Ayushman cards have been issued in this calendar year.
3. The aim of the campaign is to verify beneficiaries residing in the remotest areas.

Framework for testing water launched

News: Citizens can now get the water quality in their taps tested at reasonable rates, as part of a monitoring framework rolled out by the Centre's flagship Jal Jeevan Mission.

Highlights: Water Quality Monitoring Under Jal Jeevan Mission

1. Using an information management system modelled on the COVID-19 testing framework, the samples tested by members of the public, as well as government officials, will create a nationwide database of water quality.



2. However, a major hurdle remains as only 66 of the 2,033 water testing laboratories have been certified by the National Accreditation Board for Testing and Calibration Laboratories (NABL).
3. The “drinking water quality testing, monitoring and surveillance framework and guidelines” released mandate a network of NABL accredited labs to be set up in every state, district and block over the next year.
4. At the panchayat level, teams of women in the village water and sanitation committees will be given field testing kits. Of the ₹3.6 lakh crore Jal Jeevan budget, 2% has been earmarked for quality monitoring.
5. Detailed testing protocols and standards have been laid out to check for chemical and biological contaminants, which are present in more than half of all blocks, according to a 2018 assessment by the Central Groundwater Board.
6. State governments can include private players as part of the network, but the Centre has capped tariffs to ensure that they remain within the reach of the common man.

Tariff level for Water Quality testing

7. The suggested tariffs would allow one to test a water sample’s pH level, turbidity, alkalinity and hardness for a package rate of ₹50. Testing the water for the presence of chloride, sulphate or iron would cost ₹50 each, while tests for the more dangerous arsenic, fluoride, nitrate or coliform bacteria would cost ₹100 each.
8. A package for all 16 water quality parameters would cost ₹600. Turnaround time for chemical tests should not be more than 24 hours, while testing for the biological contaminants will produce results within 48 hours, the guidelines said.
9. Apart from voluntary tests by members of the public, officials have been mandated to do regular inspections. All results of testing will be fed into the Water Quality Information Management System, a portal developed with the support of the Indian Council of Medical Research.
10. Similarly, the results of all tests will now be sent to the citizen who requested it, as well as the WQMIS database and a local official who will be deputed to take remedial action in case of contamination.



Gregarious bamboo flowering in Wayanad poses a threat

News: The “gregarious flowering of bamboo” inside the Wayanad Wildlife Sanctuary (WWS) and the nearby Mudumalai Tiger Reserve and Gudalur forest division in Tamil Nadu this year may pose a threat to wildlife in the Nilgiri biosphere, a major tiger and elephant habitat.

Highlights:

1. The bamboo groves in the Wayanad forest are the mainstay of herbivores in the Nilgiri biosphere during summer. With the advent of the season, the migration of wild animals starts from the adjacent sanctuaries in Karnataka and Tamil Nadu to Wayanad due to a shortage of fodder and water.
2. The gregarious flowering may adversely affect migration, especially by elephants, wild gaur, and other lower herbivores owing to the mass destruction of bamboo groves after the flowering.
3. Bamboo groves, which grow in more than 500 hectares of the 344.44 sq km of the sanctuary, have fully bloomed, a phenomenon said to occur once in the life cycle of bamboo plants.
4. Profuse natural regeneration occurs from seeds after gregarious flowering. Seeds have no dormancy, and it helps germination under favourable conditions soon after seed fall.

Pollution linked to virus spread: Vardhan

News: There is emerging evidence to suggest that exposure to ambient air pollutants, especially PM2.5 and NO2, contribute to the spread and virulence of SARS-CoV-2 infections, Union Health Minister said.

Highlights:

1. Furthermore, ambient air pollution is a known risk factor for multiple adverse health outcomes, including chronic cardio-respiratory morbidities, and the presence of the said morbidities renders the affected population more vulnerable to COVID-19.
2. To worsen matters, he added, closed indoor spaces provide ideal environments for viral transmission due to the lack of ventilation preventing the dilution of viral particles, and the absence of ultraviolet rays which can potentially inactivate the virus.



3. The World Health Organization (WHO) had reported in 2018 that over 91% of the global population reside in areas where ambient air pollution levels exceed the normal limits prescribed by the WHO, resulting in around 4.2 million annual deaths.

Water pollution

1. The Lancet Commission on Pollution and Health estimated that 1.8 million deaths worldwide are related to “water” (mainly microbiological contamination) and 0.5 million deaths occur due to chemical pollution of water and soil by heavy metals and other man-made chemicals.
2. Another major source of water pollution that is yet to be appropriately quantified is plastic debris. It has become an important environmental problem because of its ubiquitous prevalence, persistence, accumulation in aquatic food chains, and adverse effects on aquatic organisms and potentially on human health.

Move to phase out the older govt. Vehicles

News: Government departments will not be able to renew the registration of their vehicles older than 15 years from April 1, 2022, if a proposal issued by the Ministry of Road Transport and Highways is finalised.

Highlights:

1. The Ministry has sought stakeholders’ comments to amend related rules in this regard by issuing a notification. Once approved, this will be applicable to all government vehicles.
2. From April 1, 2022, government departments will not be able to renew the certificate of registration of their vehicles after 15 years the Ministry of Road, Transport and Highways said in a tweet.
3. The development comes close on the heels of the voluntary vehicle scrapping policy announced in the Union Budget for 2021-22

Retrospective laws and the Cairn tax dispute

The story so far: In December last year, a three-member tribunal at the Permanent Court of Arbitration in the Netherlands ruled against India in its long-running tax dispute with the U.K.-based oil and gas company Cairn Energy Plc



and a subsidiary, Cairn UK Holdings Ltd. The tribunal ordered India to pay about \$1.4 billion to the company.

What is the dispute about?

1. The dispute started in early 2014 when Indian tax authorities started questioning Cairn Energy requesting information on the group's reorganisation in the financial year 2006-07.
2. This escalated, and by 2015, the authorities had sent the company a draft assessment order, assessing in the process that there was a principal tax amount of \$1.6 billion that was due.
3. The year in reference, 2006-07, was one in which big corporate changes and developments took place in Cairn Energy. It was the year in which it not only undertook a corporate reorganisation but also floated an Indian subsidiary, Cairn India, which in early 2007 got listed on the Indian bourses.
4. Through the corporate reorganisation process, Cairn Energy had transferred all of its India assets, which were until then held by nine subsidiaries in various countries, to the newly-formed Cairn India.
5. But the tax authorities claimed that in the process of this reorganisation, Cairn Energy had made capital gains worth ₹24,500 crores. This, the department asserted, was the basis of the tax demand.
6. In 2011, the U.K.-based Vedanta Resources bought a nearly 60% stake in Cairn India. In fact, four years after this, Cairn India received a tax notice for not withholding tax for the gains ascribed to its former parent company.

Is this case similar to Vodafone's battle with the government of India?

1. The Vodafone case in 2007 was triggered by Hong Kong's Hutchinson Telecommunications' sale of its stake in India's Hutchinson Essar to Vodafone International Holdings, based out of the Netherlands.
2. The Hong Kong firm made a capital gain on this, which the Indian tax authorities deemed fit to tax. They held that Vodafone should have withheld the tax, and therefore imposed liability on it.
3. The Supreme Court quashed the taxman's demand, concluding that it did not agree that the sale of shares in this case "would amount to transfer of a capital asset within the meaning of Section 2(14) of the Indian Income Tax Act".

The Income Tax Act, 1961

1. In the Union Budget of 2012, the Income Tax Act, 1961 was amended to make sure that even if a transfer of shares takes place outside India, such a transfer



can be taxed if the value of those shares is based on assets in India. And this was applied retrospectively.

2. The action against Cairn Energy was based on this move. India lost its arbitration case against Vodafone as well, with the government being asked to fork out around ₹80 crores.

What happened after the tax claims in the Cairn Energy dispute?

1. After receiving a draft assessment order from the tax authorities, Cairn UK Holdings Ltd. appealed before the Income Tax Appellate Tribunal. The tribunal, while providing the company relief from back-dated interest demands, however, upheld the main tax demand.
2. The company had initiated proceedings of arbitration under the U.K.-India bilateral investment treaty.
3. But during this time, according to a PTI report, “the government sold Cairn’s almost 5% holding in Vedanta Ltd” (the residual stake the firm owned after selling Cairn India), “seized dividends totalling ₹1,140 crore due to it from those shareholdings”, and “set off a ₹1,590-crore tax refund against the demand”.

What was the main argument of Cairn Energy during the arbitration?

1. The claimants, Cairn Energy and Cairn UK Holdings argued that till the amendment was made to tax retrospectively in 2012, there was no tax on indirect transfers (transfer by a non-resident of shares in non-Indian companies which indirectly held assets in India).
2. They also said the government had approved the 2006 reorganisation. The application of the 2012 amendments, they alleged, constituted “manifest breaches” of the U.K.-India bilateral investment treaty.

What was India’s defence during the arbitration?

1. India’s counter to the main charge of Cairn Energy was that its 2006 transactions were taxable irrespective of the 2012 amendments.
2. It argued that “Indian law has long permitted taxation where a transaction has a strong economic nexus with India”. It said even if it is retrospective, it is “valid and binding applying the longstanding constitutional, legislative and legal framework in which the claimants have invested”.

What did the arbitration tribunal rule?



1. The tribunal said the tax demand violated the U.K.-India bilateral investment treaty. The tribunal said India “failed to accord Cairn Energy’s investments fair and equitable treatment” under the bilateral protection pact it had with the United Kingdom.
2. It also ordered India to compensate Cairn Energy and its subsidiary for “the total harm suffered” as a result of the breaches of the treaty.

What next?

It has been reported in the media that India will appeal against the tribunal’s decision.

The electoral overhaul in Hong Kong

The story so far:

1. The National People’s Congress (NPC) of China, the ceremonial legislature in Beijing approved what it called “a decision on improving Hong Kong’s electoral system”.
2. This paves the way for sweeping changes in how Hong Kong, the Special Administrative Region (SAR) that has been ruled under the “one country, two systems” model since its return to China in 1997, chooses its leaders.

How does the new NPC amendment change Hong Kong’s political system?

1. The NPC amendment essentially gives Beijing-appointed politicians greater power in running the HKSAR’s politics.
2. Currently, 35 of the 70 members of Hong Kong’s Legislative Council are directly elected through “geographical constituencies”, while 35 are nominated from “functional constituencies” (referring to a range of special interest groups that are broadly pro-establishment).
3. Now, the size of the Legislative Council will be expanded to 90, with the additional 20 members joining the 35 others who are nominated, thus reducing the share of directly elected representatives.
4. The amendment also bestows greater power on a newly expanded Election Committee of 1,500 nominated members, up from 1,200 previously. The 300 new members will include Hong Kong’s representatives to the NPC (the legislature) and the Chinese People’s Political Consultative Conference (the upper house), who are chosen by Beijing.



5. The committee, which has in the past been responsible for choosing Hong Kong's Chief Executive, will now also choose the additional Legislative Council members.
6. Perhaps the most controversial change is the setting up of a new "candidate qualification review committee", which, the NPC said, "shall be responsible for reviewing and confirming" the qualifications of candidates for Election Committee members, the Chief Executive, and Legislative Council members.
7. This committee can vet any candidate and disqualify them if it deems they are not "patriots", as part of a new push by Beijing to ensure "the administration of Hong Kong by Hong Kong people with patriots as the main body", an evolution of the post-1997 "administration of Hong Kong by Hong Kong people" idea.

How will the "one country, two systems" model be impacted?

1. Under the Basic Law — the Constitution that has governed Hong Kong since 1997 — the SAR is a part of China but enjoys "a high degree of autonomy" and "executive, legislative and independent judicial power", except in foreign policy and defence. It also says "the socialist system and policies shall not be practised" in Hong Kong for 50 years.
2. The amendment is the second major recent legislative change that has been seen by the opposition in Hong Kong as undermining this autonomy.
3. In 2020, as a response to the 2019 protests, China passed a new national security law that lists penalties for "subversion". Earlier this year, as many as 47 pro-democracy leaders were arrested under the new law after organising an informal primary election among pro-democracy parties.
4. If Hong Kong's pro-democracy parties are concerned about the "two systems" part of the formula, Beijing is now emphasising the importance of "one country".

What lies ahead?

1. With the national security law and the new electoral changes, the space for the pro-democracy opposition in Hong Kong has been drastically reduced.
2. Hong Kong without a noisy opposition will mean a very different Hong Kong from what the past 24 years have seen. The city became a key gateway for foreign companies particularly because of its independent judicial system that distinguished it from the mainland.



3. It still remains a key gateway for investment, even though in 2018 its GDP was surpassed by Shenzhen.

Beijing's bet is that China's market may remain a big enough draw to allay broader concerns about the changes sweeping through the SAR. If the direction of its politics seems clear, its economic future appears less so.