



# PLUTUS ACADEMY

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## **1. World Bank approved a 200 million dollar loan for safe water & sanitation in Bangladesh.**

The World Bank (WB) has approved a 200 million dollar loan for Bangladesh in order to improve access to safe water and sanitation services in the rural areas of the country. The Bangladesh Rural Water, Sanitation and Hygiene (WASH) project will help 6 lakh people to get access to clean water through piped water schemes in rural areas.

### **Highlights of the Project**

- The project will provide sanitation services to over 3.6 million rural people in Bangladesh.
- The WB said that the project will help to prevent diseases.
- The project would also help people to protect them from pandemics like COVID 19 by providing access to Water, Sanitation and Hygiene (WASH) facilities at homes and in public places.
- The project would provide clean water and sanitation services. It will reduce diarrheal diseases, improve nutrition, health and also reduce stunting among children under five.
- The project will also help to set up more than 2500 handwashing stations in public places.
- It will also set up overhead tanks for running water and sanitation facilities.
- To ensure the quality and sustainability of piped water scheme and fecal sludge management, the project will train the local entrepreneurs.

The loan has been provided as 30 year concessional credit which has a grace period of five years. The credit comes from the World Bank's International Development Association (IDA). **Bangladesh currently has the largest ongoing IDA program worth over USD 13.5 billion.**

### **International Development Association (IDA)**

The International Development Association (IDA) is an international financial institution under the World Bank. It offers concessional loans and grants to the world's poorest developing countries. It has been headquartered in Washington, D.C. , United States. It was established in 1960. It was established with an objective to help the existing International Bank for Reconstruction and Development by lending to developing countries which suffer from the lowest gross national income. It is important to note that, The International Development Association and International Bank for Reconstruction and Development are collectively called as the World Bank.

## 2.DRDO commences Production of Pinaka Missiles

The Defense Research Development Organization (DRDO) began the mass production of Pinaka rockets on September 26, 2020. The Authority Holding Sealed Particulars (AHSP), which is responsible for collecting and analyzing defense items, has handed over the Pinaka weapon system production project to the Directorate-General of Quality Assurance.

### **Background**

The Indian government is currently working towards increasing the capacity of Defense forces. The mass production is being done to counter border issues created by Pakistan and China along line of control and line of actual control.

### **Pinaka Missiles**

- The Pinaka missile system has a range of 37.5 kilometers.
- These are launched from multi barrel rocket launchers which are capable of launching 12 Rockets in 44 seconds.
- The system was designed and developed by Armament Research and Development Establishment, a Pune based DRDO lab.
- India has been producing 5000 missiles every year currently.
- An advanced version of Pinaka is under development.
- Recently, an upgraded Pinaka system with a range of over 90 km was test fired.

### **History**

The Pinaka was developed by the Defense Research and Development Organization (DRDO) in the 1980s. The project was started as an alternative to the multi-barrel rocket launching systems of Russian make called Grad. The first successful test of the project was done in 1990 with the successful tests of Pinaka Mark-1. The missile was first used during the Kargil War of 1999.

### 3.ADB approved \$300 million loan to develop Rajasthan's secondary towns

The Asian Development Bank (ADB) has approved a 300 million dollar (about Rs 2,200 crore) loan to develop the inclusive water supply, sanitation infrastructure and services in secondary towns of Rajasthan.

#### **Key Facts**

- The project will improve water supply services for about 5.7 lakh people.
- It will enhance sanitation services for about 7.2 lakh people in at least 14 secondary towns.
- **Secondary towns means the localities have 20,000 to one lakh residents.**
- Water supply systems in at least eight project towns will improve by 2027 with the implementation of the project.
- One lakh households including the urban poor households will form 5 new or rehabilitated water treatment plants and 1,350 km of distribution networks.
- Under the project, Citywide sanitation systems will be developed which will be based on the most cost-effective solutions.
- The project will be built on three related projects which were started earlier and sector reforms funded by ADB in Rajasthan.

#### **Significance of the project**

1. The project will strengthen the institutional capacity of local governments and Rajasthan Urban Drinking Water and Sewerage.
2. It will set up a Infrastructure Corporation Ltd which is a corporate entity established with the support of ADB.
3. The project will provide support to women and vulnerable groups by providing them skills training, paid internships, community engagement and awareness activities.
4. Partnership with ADB will ensure a long term policy dialogue to deepen the financial sustainability and institutional strengthening in local government.

5. It will also introduce new good practices and technological support. It will further ensure that the project incorporates practical lessons, innovations, use of smart technologies and a cost-effective system.

The Rajasthan government has implemented two multi-sector urban investment projects supported by ADB since 2000. The project has benefited more than 70 lakh people in 21 cities. The current project is the third project under the “Rajasthan Urban Sector Development Programme” to implement the water supply and sanitation drives in six major cities.

#### 4. World Environmental Health Day on 26 September

World Environmental Health Day is being observed globally today on 26th September. The day is celebrated to throw the light on important works being done on the environmental health around the world. **Theme for the 2020 edition of the day is : Environmental health, a key public health intervention in disease pandemic prevention.** It has been targeted towards preventing the disease and creating health-supportive environments.

#### **Background**

- The World Environmental Health Day was launched by the International Federation of Environmental Health (IFEH) council.
- The observance of the day was inaugurated in 2011 in Indonesia. On this occasion Indonesian students-activists composed a special hymn and performed it in order to celebrate the launch of this event.
- In 2012 the event was observed in Africa and Europe.
- In 2013 the event was further supported by Canadian, British, American, Australian and Asian activists.
- Theme for 2019 was- ‘Climate change challenges, time for global Environmental Health to act in unison’ in order to tackle climate changes.

#### **Significance**

According to a 2020 report by the world health organization (WHO), 24% of global deaths that is 13.7 million deaths per year are related to the environment. So the day plays a significant role in educating the public about methods of reducing environmental health issues and taking precautions in order to avoid diseases.

#### **International Federation of Environmental Health (IFEH)**

The International Federation of Environmental Health was established in 1986. It is based in London, England. The IFEH spreads knowledge about environmental health among

people and promotes cooperation between countries to improve the environmental situation of our planet. Every year it announces a special theme and organizes various activities in order to draw public attention to the problems of our environment.

## 5. Highlights of September 26 meeting of the Quad Grouping

Senior officials from the Foreign Ministries of the Quad group of countries met virtually on September 26, 2020. This meeting was held during the United Nations high level week. This was a part of their periodic consultations on the Indo-Pacific region.

### **Key Facts**

- In the virtual meet, ongoing and proposed practical cooperation in the areas of connectivity and infrastructure development were discussed by the officials.
- Citing the importance of digital connectivity and secure networks, they discussed the ways to promote the use of trusted vendors. This was specifically meant for the fifth generation (5G) networks.
- U.S. Secretary of State Michael Pompeo has been promoting clean telcos in order to stop Chinese G5 giant Huawei from setting up shop networks in other countries.
- A list of companies has been considered by the U.S. administration in order to be free from security risks and the risk of surveillance by the Chinese government.
- The Quad officials also discussed counter-terrorism, cyber security, maritime security and quality infrastructure in the region.

### **ASEAN inclusiveness**

The officials also committed to support the concept of ASEAN-centrality in the Indo-Pacific Region. They also agree to recognize ASEAN's leadership in the architecture of the region. The grouping explored the ways to work together in the Mekong sub-region, in the South China Sea and across the Indo-Pacific in order to support international law, promote regional stability and post-pandemic recovery efforts. The ASEAN as well as other countries would towards realizing "a common and promising vision for the Indo-Pacific".

### **Bone of contention**

The USA though mentioned and forced upon "free and open Indo-Pacific" but the grouping has been hesitant for the Quad to be seen as a framework to exclude or contain China. Earlier, Prime Minister Narendra Modi had also articulated an inclusive vision for the Indo Pacific in 2018 at the Shangri La Dialogue in Singapore. But then, India-China relations were on a high level and there were no tensions and clashes along the Line of Actual Control (LAC).

## **QUAD grouping**

The Quadrilateral Security Dialogue (QSD) is also known as the Quad. It is an informal strategic forum that includes the United States, Japan, Australia and India. The forum was initiated in 2007 by Prime Minister of Japan Shinzo Abe. They maintain semi-regular summits, information exchanges and military drills between member countries.

## **ASEAN Nations**

The Association of Southeast Asian Nations (ASEAN) is a regional intergovernmental organization that comprises ten countries of Southeast Asia- Brunei Darussalam, Indonesia, Cambodia, Laos, Malaysia, Myanmar, Singapore, Philippines, Thailand, and Vietnam and one Observer – Papua New Guinea. The organization promotes intergovernmental cooperation and facilitates economic, military, political, security, educational and sociocultural integration among the members and other countries in Asia region.

## **6.India-Japan Maritime Bilateral Exercise- JIMEX 2020 Commenced today**

Fourth edition of India-Japan Maritime bilateral exercise (JIMEX) began in North Arabian Sea from September 26, 2020. It will be conducted for three days. In the light of COVID-19 restrictions, the exercise is being conducted in a ‘non-contact at-sea-only format’ this year.

## **JIMEX- 2020**

- JIMEX 2020 will showcase a high degree of interoperability and joint operational skills.
- The Navies will conduct several advanced exercises, across the spectrum of maritime operations.
- The two navies will conduct multi-faceted tactical exercises that will involve weapon firings, cross deck helicopter operations, anti-submarine and air warfare drills.
- The Indian navy will be represented by:
  1. Indigenously built stealth destroyer Chennai.
  2. Teg Class stealth frigate Tarkash.
  3. Fleet Tanker.
- The Japanese Maritime Self-Defense Force will be represented by:
  1. JMSDF Ships Kaga, an Izumo Class Helicopter Destroyer.
  2. Ikazuchi, a Guided Missile Destroyer.

3. Commander Escort Flotilla – 2 (CCF – 2).
4. P8I Long Range Maritime Patrol Aircraft, integral helicopters and fighter aircraft.

### **About JIMEX**

The exercise commenced in 2012. It is conducted biennially between the Indian Navy and Japanese Maritime Self-Defense Force (JMSDF). It emphasizes maritime security cooperation. The last edition of JIMEX was conducted in October 2018 along the Visakhapatnam coast.

### **Significance**

Advanced level of operations and exercises indicates the upswing in Indo-Japanese defence relations. The regular exercise shows a continued effort by both Governments in order to work closely for a more secure, open and inclusive global commons. JIMEX 2020 would further enhance the cooperation and mutual confidence between the two navies. It would also enhance the bond of friendship between the two countries

### **7.What is a Positive Pay System for Cheques Payments?**

The Reserve Bank of India has introduced a “Positive Pay System” that will come into effect from January 2021. The system has been launched to make the cheque payment more secure. The system will make it mandatory to reconfirm key details of cheques for the payments beyond Rs 50,000.

### **Key facts**

- As per the new system, the issuer of the cheque will now have to submit details of the cheque including the name of the beneficiary, date, amount of the drawee bank through a
- Issuers can also submit the details through internet banking, mobile app or ATM.
- These details will be cross-checked by the banks before the cheque is presented for payment.
- If there are discrepancies in the Cheque Truncation System, redressal measures would be followed.
- This mechanism would be applicable only to those account holders who are issuing cheques for amounts beyond Rs 50,000.

### **History**

The positive Pay system is not the new phenomenon in India. The ICICI bank has been using this system since 2016.

### **Who has developed the system?**

“Positive Pay” in the Cheque Truncation System is being developed by the National Payments Corporation of India. RBI would also set up an innovation hub to ease the usage of the system. An Online Dispute Mechanism would also be developed. Under the Dispute Resolution Mechanism at Cheque Truncation System (CTS) only those cheques would be accepted that are compliant with the Positive Pay System.

### **What is the Cheque Truncation System (CTS)?**

CTS is an image-based clearing system that was launched in 2010. Under this, Cheques are cleared digitally by matching and verifying the data.

8. Vodafone Vs India Case: Vodafone won tax case against India at International Arbitration Tribunal.

Vodafone Group has won the tax case against India at the international arbitration Tribunal over retrospective tax demand of ₹20,000 crore including the capital gains tax and withholding tax. The Permanent Court of Arbitration has ruled that conduct of the Income Tax Department is breach of fair and equitable treatment.

### **Key Facts**

- DMD Advocates represented Vodafone at The Hague by DMD Advocates.
- The tribunal said that the imposition of a tax liability on Vodafone by the Indian government is breaching the investment treaty agreement signed between India and the Netherlands.
- The tribunal further said the government must avoid seeking the dues from Vodafone. The government should also pay a partial compensation of \$5.47 million to Vodafone as legal costs.

### **What was the Issue?**

- The tax dispute started after Vodafone acquired 67% of the assets from Hutchison Whampoa of India in 2007.
- The Indian government then said that Vodafone was liable to pay for tax deduction at source (TDS) on the acquisition as per the Income Tax (IT) Act and demanded capital gains tax and withholding tax from Vodafone.
- So in that context, the government has made a tax demand of ₹20,000 crore related to Vodafone’s \$11 billion acquisition of Hutchison Telecom stake since Vodafone had not deducted the tax at the source.
- However, the Supreme Court of India had ruled down the government demand on January 20, 2012.



- But later, the government amended the finance act and gave power to the Income tax department to retrospectively tax similar deals. Thus, it put the liability back on Vodafone Group.
- In April 2014, Vodafone filed an arbitration proceedings against India in the International Arbitration Tribunal.

### **Retrospective tax**

Retrospective tax is the tax that the government charges from the back date, before some particular law is passed.

### **Capital Gains Tax**

Capital gains tax is levied on the positive difference between the sale price and original purchase price of an asset. Basically, It is charged on the profit.

### **Withholding Tax**

Amount that an employer withholds from employees' wages and pays directly to the government is called a withholding tax.

### **International Arbitration Tribunal**

The tribunal is an independent non-governmental panel consisting of independent and impartial experts. It generally comprises three members nominated by the Parties or appointed by the International Arbitration Institution, or by a National Court based on their legal expertise and knowledge. It is a Permanent Court of Arbitration established in 1899. It is headquartered in Hague, Netherlands. The organization is dedicated to resolve the dispute and facilitate arbitration between States.