

ANDHRA'S GUARANTEED PENSION SCHEME

Why in news?

- At a time when the country is debating Old Pension Scheme (OPS) Vs. New Pension Scheme (NPS), a new model, proposed by the Andhra Pradesh government, has caught the attention of the Union Finance Ministry.

What is the Old Pension Scheme (OPS)?

- OPS offers pensions to government employees on the basis of their last drawn salary (**50% of the last drawn basic monthly salary**).
- The attraction of the Old Pension Scheme lay in its promise of an assured or 'defined' benefit to the retiree. It was hence described as a '**Defined Benefit Scheme**'.
- Also, like the salaries of government employees, the monthly pay-outs of pensioners also increased with hikes in dearness allowance or DA announced by the government for serving employees.
- The OPS was discontinued by the Central government in 2003 from April 1, 2004.

What were the concerns with the OPS?

- The main problem was that the pension liability remained unfunded — that is, **there was no corpus specifically for pension**, which would grow continuously
- The Government of India budget provided for pensions every year; there was no clear plan on how to pay year after year in the future.

What is New Pension Scheme (NPS)?

- As a substitute of OPS, the NPS was introduced by the Central government in **April, 2004**.
- This pension programme is open to employees from the **public, private** and even the **unorganised sectors** except those from the armed forces.
- The scheme encourages people to invest in a pension account at regular intervals during the course of their employment.
- After retirement, the subscribers can take out a certain percentage of the corpus.
 - The beneficiary receives the remaining amount as a monthly pension, post retirement.

- **Nodal agency:** Pension Fund Regulatory and Development Authority (PFRDA)

What is the Difference between NPS and OPS?

- The Old Pension Scheme is a pension-oriented scheme. It offers regular pensions to employees during retirement.
 - Thus, in OPS, **the pension amount is constant and guaranteed.**
- On the other hand, the National Pension Scheme is an investment cum pension scheme.
- Therefore, NPS doesn't guarantee fix returns as it is subjected to market volatility.
 - i.e., in NPS, contributions are defined, but benefits depend on the market.

PM-KUSUM

Recently, the deadline of the PM-KUSUM (Pradhan Mantri Kisan Urja Suraksha Evam Uttham Mahabhiyan) to install 30,000 MW solar power capacity in rural India by 2022, has been pushed to March 2026.

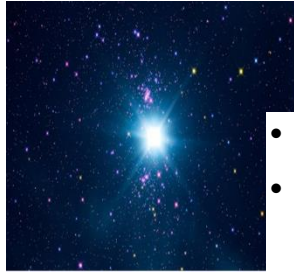


About PM-KUSUM:

- PM-KUSUM Scheme was launched in 2019.
- The scheme envisages **income generation for farmers** from their infertile land with the establishment of solar power plants.
- **Aim:** To help farmers access reliable daytime solar power for irrigation, reduce power subsidies, and decarbonise agriculture.
- The Scheme consists of three components
 - **Component A:** 10,000 MW of solar capacity through the installation of small Solar Power Plants of individual plants of capacity up to 2 MW.
 - **Component B:** Installation of 20 lakhs standalone Solar Powered Agriculture Pumps.
 - **Component C:** Solarisation of 15 Lakh Grid-connected Agriculture Pumps
- Nodal Ministry: **Ministry of New and Renewable Energy (MNRE)**

WHAT IS NORTH STAR?

Recently, the Vice President of India said Parliament is the “North Star” of democracy



About North Star:

- The North Star is also known as Pole Star.
- It is a very bright star — around 2,500 times **more luminous than the Sun.**
- It is part of the constellation **Ursa Minor** and is around 323 light years away from the Earth.
- The North star is less than 1° away from the north celestial pole, almost in direct line with the Earth’s rotational axis.
- It appears to sit motionless in the northern sky, with all the other stars appearing to rotate around it.
- Its position and brightness have allowed humans to **use it for navigation** since late antiquity.
- The elevation of the star above the horizon gives the **approximate latitude of the observer.**
- Upon crossing the equator to the south, however, the North Star is lost over the horizon and hence stops being a useful navigational aid.

What is Ursa Minor?

- It is one of the 48 constellations identified by the **Greek astronomer Ptolemy** in the second century.
- It is also called the Little Bear.

WORLD WETLANDS DAY

Recently, the State Governments and Union Territory administrations in India celebrated World Wetlands Day (WWD) at all 75 Ramsar.



About World Wetlands Day:

- World Wetlands Day is observed on 2nd February every year all over the world to **commemorate the signing of the Ramsar Convention on Wetlands of International Importance** in 1971.

- India is a **party to the Convention since 1982** and has so far declared 75 wetlands as Ramsar sites covering 23 states and Union Territories.
 - At present, the state of **Tamil Nadu** has a maximum number of Ramsar sites (14), followed by UP which has 10 numbers of Ramsar sites.
 - **The 2023 theme** for World Wetlands Day is **Wetland Restoration**.
 - The theme of 2023 highlights the urgent need to prioritize wetland restoration. It is a call on an entire generation to take proactive action for wetlands, by investing financial, human and political capital to save the wetlands from disappearing and to revive and restore those that have been degraded.
 - India has the **largest network of Ramsar Sites** in Asia, making these sites a critical ecological network for the conservation of global biological diversity and supporting human well-being.
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WHAT IS WOLF 1069 B?

Astronomers have recently discovered Wolf 1069 b, an Earth-mass exoplanet that could potentially be habitable.



About Wolf 1069 b:

- It is a potentially habitable **exoplanet 31 light-years away from Earth**.
- It orbits a **red dwarf star, Wolf 1069**.
- Wolf 1069 b lies **within its star's habitable zone**.
- Wolf 1069 b receives **approximately 65% of the solar radiance** that Earth receives.
- Wolf 1069 b is **potentially a rocky world**, at about **26 the mass of Earth** and **1.08 the size**.
- **Its surface is cool**, which makes it **appear orange**.
- Wolf 1069 b is **tidally locked to its parent star**, meaning one side is always in daylight, and the opposite side is always in darkness.
- It **orbits the star within 15.6 days** at a distance equivalent to one-15th of the separation between the Earth and the sun.

What is a dwarf star?

- A dwarf star is any star of average or low luminosity, mass, and size.
- The colour of dwarf stars can range from blue to red, the corresponding temperature varying from high (above 10,000 K) to low (a few thousand K).

WHAT IS DEARNESS ALLOWANCE (DA)?

The Central government is likely to increase the dearness allowance (DA) for its over one crore employees and pensioners by four percentage points to 42% from the existing 38%.



About Dearness Allowance (DA):

- What is it? DA is a cost of living adjustment that the Government pays to public sector employees and pensioners.
- Why is DA paid? To curb the effect of inflation.
- How is DA calculated?
- It is calculated as a percentage of the basic salary.
- DA for Central Government employees is calculated differently than that of public sector employees.
- The formula to calculate the DA was changed in 2006 by the Government.
- DA % for Central Govt Employees = $\{(All\text{-}India\ Consumer\ Price\ Index\ average\ (Base\ year\ 2001 = 100)\ for\ the\ last\ 12\ months - 115.76) / 115.76\} \times 100$
- DA % for Public Sector Employees = $\{(All\text{-}India\ Consumer\ Price\ Index\ Average\ (Base\ year\ 2001 = 100)\ for\ the\ last\ 3\ months - 126.33) / 126.33\} \times 100$
- Since DA is based on the cost of living, this salary component is not fixed. DA varies from employee to employee based on their presence in the urban, semi-urban, or rural sectors.
- Taxability:
 - DA is fully taxable for individuals who are salaried employees.
 - It is compulsory to declare the tax liability concerning DA when filing an ITR.
- Types of DA:
 - Variable Dearness Allowance (VDA):

- VDA applies to Central government employees.
 - It undergoes revision every six months based on the changes in the Consumer Price Index (CPI).
 - Industrial Dearness Allowance (IDA):
 - IDA applies to the Public sector employees of the Central Government.
 - IDA is revised every quarter based on the changes in CPI.
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WHAT IS FOLLOW ON PUBLIC OFFER (FPO)?

Adani Enterprises recently decided to call off its ₹20,000 crore follow-on public offer and return the money it had collected from investors.



About Follow on Public Offer (FPO):

- What is it? FPO is a process wherein a company already listed on a stock exchange issues new shares to existing investors or shareholders.
- It is also known as a secondary offering.
- Purpose:
 - FPO allows a company to raise additional funds through the issuance of new shares.
 - Companies use FPOs to diversify their equity base and raise capital for business.
 - This capital can be used for multiple purposes, such as to meet the company's expenses, business expansion, debt reduction, etc.
- Types of FPO:
 - Dilutive FPO:
 - It is when a company issues additional shares and offers them to the public.
 - It increases the number of outstanding shares of the company.
 - As the number of shares increase, the earnings per share (EPS) decrease.
 - Funds raised from such an FPO are allocated for expansion activities or to pay debts.
 - Non-dilutive FPO:
 - It is when shares that are already in existence are issued to the public.

- It is when existing **shareholders**, like directors or founders, **sell their shares and offer them to the public.**
- Non-dilutive FPOs are **used to change the shareholding ownership.**
- **At-the-market offering:**
- It is a type of FPO in which a **company offers secondary public shares on any given day** to raise capital, mostly **depending on the prevailing market price.**
- An at-the-market (ATM) offering gives the issuing company the **ability to raise capital as needed.**

What is Initial Public Offer (IPO)?

- When a **private company first sells shares of stock to the public**, this process is known as an initial public offering (IPO).
- An IPO means that a **company's ownership is transitioning from private ownership to public ownership.**

WINDFALL TAX INCREASED

Why in news?

- The government has hiked **windfall profit tax** levied on domestically-produced crude oil as well as on the export of diesel and ATF.
- Crude oil pumped out of the ground and from below the seabed is refined and converted into fuels such as petrol, diesel and ATF.
- According to the notice, the levy on crude oil produced by companies such as Oil and Natural Gas Corporation (ONGC) has been hiked to ₹5,050 per tonne from ₹1,900 per tonne.

Background:

- India first imposed windfall profit taxes on July 1, joining a growing number of nations that tax super normal profits of energy companies.
- At that time, **export duties** of ₹6 per litre (\$12 per barrel) each were levied on petrol and ATF and ₹13 a litre (\$26 a barrel) on diesel.

- The export tax on petrol was scrapped after first review.
- A ₹23,250 per tonne (\$40 per barrel) windfall profit tax on domestic crude production was also levied.
- The tax rates are reviewed every fortnight based on average oil prices in the previous two weeks.

Windfall tax

- It is designed to tax the profits a company derives from an external, sometimes unprecedented event— for instance, the energy price-rise as a result of the Russia-Ukraine conflict.
- The United States Congressional Research Service defines a windfall as an unearned, unanticipated gain in income through no additional effort or expense.
- These are profits that cannot be attributed to something the firm actively did, like an investment strategy or an expansion of business.
- Governments typically levy a one-off tax retrospectively over and above the normal rates of tax on such profits, called windfall tax.

BUDGET 2023 CUTS MGNREGS FUNDS: THE DEBATE AROUND THE RURAL EMPLOYMENT SCHEME

Why in News?

- In the Union Budget 2022-23, the Central government has **cut the allocation for the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) by 21.66 per cent for 2023-24**, attracting criticism from some quarters.

About Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS):

- The National Rural Employment Guarantee Act (NREGA) was notified in September, 2005.
- In 2009, an amendment was made in the Act to change the name to Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).
- **Mandate:** To provide **at least 100 days of guaranteed wage employment in a financial year** to every rural household whose adult members volunteer to do unskilled manual work.

- The Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) was created as directed in Mahatma Gandhi NREGA and the means to implement the Act so that the guarantee comes into effect.
- MGNREGS is a **Centrally-Sponsored Scheme** i.e. the scheme is jointly funded by the Central government and the State governments.
- **Concerned Ministry:** Ministry of Rural Development

Salient Features of the Scheme:

- **Legal Right to Work –**
 - The MGNREGA provides a legal guarantee for wage employment.
 - Every rural household has the right to register under MGNREGA.
 - Also, at least one-third of the beneficiaries of the scheme have to be women.
 - There are legal provisions for allowances and compensation both in cases of failure to provide work on demand and delays in payment of wages for work undertaken.
- **Demand-Driven –**
 - It is a demand-driven programme where provision of work is triggered by the demand for work by wage-seekers.
- **Decentralized mode of implementation –**
 - The State governments have powers to make rules and amend the concerned State scheme.
 - Gram Panchayats (GPs) are to implement at least 50 per cent of the works in terms of cost.
 - Plans and decisions regarding the nature and choice of works to be undertaken, the order in which each work is to be triggered, site selection etc. are all to be made in open assemblies of the Gram Sabha and ratified by the GP.
- **Annual Report tabled in the Parliament –**
 - An Annual Report prepared by the Central Employment Guarantee Council (CEGC), on the outcomes of MGNREGA is required to be presented annually by the Central Government to Parliament.
 - CEGS is a **statutory body** set up under Section 10 of the MGNREGA.
 - It is chaired by the Union Minister for Rural Development.

- The MGNREGA covers the entire country with the exception of districts that have a hundred percent urban population.
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E-COURTS PROJECT: INCREASED BUDGET ALLOCATION WILL ENSURE ACCESSIBILITY, EFFICIENCY OF JUDICIAL SYSTEMS HIGHLIGHTS CJI

Why in News?

- The Chief Justice of India (CJI) recently said that the budgetary allocation of **₹7,000 crore for the third phase** of the e-courts project will ensure that courts reach every citizen.
- The Budget 2023 outlay for the third phase of the project is a **mighty jump** from the ₹639.411 crore and ₹1,670 crore spent in the first two phases.

What is the e-Courts Integrated Mission Mode Project?

- As part of the **National eGovernance Plan**, the Project has been under implementation (under the aegis of the e-Committee SC) since **2007** for ICT development of the Indian Judiciary.
 - It is a **Pan-India Project**, monitored and funded by the **Department of Justice**, Ministry of Law and Justice **for the District Courts** across the country.
 - It is based on the **National Policy and Action Plan** for Implementation of Information and Communication Technology (ICT) in the Indian Judiciary-2005.
 - **The Project envisages:**
 - To provide **efficient and time-bound citizen centric services delivery**.
 - To develop, install and implement decision support systems in courts.
 - To automate the processes to provide **transparency in accessibility of information**.
 - **To enhance judicial productivity**, to make the **justice delivery system affordable, accessible, cost effective, predictable, reliable and transparent**.
 - The Phase I of e-Courts was concluded in **2015** in which 14,249 Court sites were computerised. Under Phase II, 18,735 District and Subordinate courts have been computerised so far.
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