

INDIAN SPACE POLICY 2023

Why in News?

- Three years after opening up the space sector to private players, the Union Cabinet on Security (chaired by the PM) approved the **Indian Space Policy 2023**.
- The Cabinet also approved setting up of LIGO (Laser Interferometer Gravitational-Wave Observatory) at Maharashtra's Hingoli.

What is the Background in which the Policy Came?

- A consolidated space policy has been **long anticipated to clarify roles and ways of participation** of the government space agency, start-ups and industries.
- Although the **Indian National Space Promotion and Authorisation Centre** set up in 2020 provided a **single window** for all approvals and resource sharing, these came on a **case-to-case basis**.
- Since the space sector was opened up to private players in 2020, **over 200 space start-ups have come up in the country** and many of them are also working towards providing launch services.
- Private company **Skyroot Aerospace** has already conducted a sub-orbital flight with its solid fuel based single-stage **Vikram S rocket**.

What are the Key Highlights of the Indian Space Policy 2023?

- It lays down the **roles and responsibilities of organisations** such as Indian Space Research Organisation (ISRO), NewSpace India Limited (NSIL) and private sector entities.
- It aims **to enhance the role of the Department of Space**, boost activities of ISRO missions and give a larger participation of **research, academia, startups and industry**.
- It will pave the way forward with much required clarity in **space reforms and augment private industry participation to drive the space economy** opportunity for the country.

What are the Key Concerns?

- Although a move in the right direction, **the policy is still short of a Bill that can provide a legal framework** for commercial use of space.

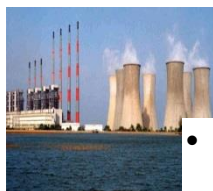
- Such a legal framework **should create mechanisms for insurance** against damage in space, something that comes at an extremely high cost to private players at the moment.

What is LIGO (Laser Interferometer Gravitational-Wave Observatory) - India?

- It is a planned **advanced gravitational-wave observatory** (meant to detect and track cosmic gravitational waves) as part of the worldwide network, which received the Indian Government's in-principle approval in **2016**.
- It will be built by the Department of Atomic Energy (DAE), Department of Science and Technology (DST), **Government of India**, with a MoU with the **National Science Foundation (NSF), USA**, etc.
- LIGO-India is a **multidisciplinary mega-science project** that requires expertise from a variety of fields (laser, vacuum, optics, computer, etc.) and provides cutting edge research opportunities - giving a global role to India.
- There were **only two LIGO observatories in the world**, both of them in the US and the Indian observatory is scheduled to be completed by **2030**.

WHAT IS THE NEYVELI LIGNITE CORPORATION INDIA LIMITED (NLCIL)?

NLC India Limited (NLCIL) has generated 3,008 crore units of power in the financial year 2022-23, which is the highest for any financial year since its inception.



About Neyveli Lignite Corporation India Limited (NLCIL):

- **What is it?** It is a **Central Public Sector Enterprise with Navratna status** under the **administrative control of the Ministry of Coal**.
- It was incorporated in the **year 1956 under the Companies Act, 1956**.
- It is involved in the **fossil fuel mining sector in India and thermal power generation**.
- It currently **operates four lignite mines, one coal mine, and six thermal power plants**, as well as solar and wind power plants.
- **Headquarters: Neyveli, Tamil Nadu**

HYBRID SOLAR ECLIPSE

A 'hybrid' solar eclipse called the Ningaloo Eclipse is set to happen on April 20, 2023.



About Hybrid solar eclipse:

- A hybrid eclipse is a type of **solar eclipse that looks like an annular solar eclipse or a total solar eclipse**, depending on the observer's location along the central eclipse path.
- During a hybrid solar eclipse, the Earth's curvature brings some sections of the eclipse path into the **Moon's umbra**, the darkest part of its shadow that creates total solar eclipses, while other areas remain outside the umbra's reach, causing an annular eclipse.

What is a total solar eclipse?

- It happens when **the Moon passes between the Earth and Sun** while completely blocking the face of the Sun.
- It will be visible to the people located in the centre of the Moon's shadow when it hits Earth.
- If the weather conditions are right, people in the path of the solar eclipse will be able to see the Sun's corona (outer atmosphere).

What is an annular eclipse?

- It happens when **the moon is farthest from the Earth**, which is why it seems smaller.
- In this type of eclipse, the **moon does not block the sun completely** but looks like a "dark disk on top of a larger sun-coloured disk" forming a "ring of fire."

What is an eclipse?

- It happens when the **moon while orbiting the Earth, comes in between the sun and the Earth**, due to which the moon blocks the sun's light from reaching the Earth, causing an eclipse of the sun or a solar eclipse.

RBI'S LATEST MONETARY POLICY

Why in news?

- After raising repo rate in six consecutive policies, recently, the Reserve Bank of India (RBI) announced that it would pause raising interest rates.
- This decision was taken even as inflation continues to remain above the tolerance band of 2-6%.
- It kept the repo rate unchanged at 6.5 per cent amid concerns over the global banking crisis.
- Repo rate is the rate at which the Reserve Bank of India lends money to commercial banks in the event of any shortfall of funds.

What is Monetary Policy Committee (MPC)?

- **Overview**
 - Monetary policy refers to the policy of the central bank with regard to the use of monetary instruments under its control to achieve the goals specified in the RBI Act.
 - The primary objective of the RBI's monetary policy is to maintain price stability while keeping in mind the objective of growth.
 - In May 2016, the RBI Act was amended to provide a legislative mandate to the central bank to operate the country's monetary policy framework.
 - This amendment lays down that
 - Monetary Policy Committee shall determine the Policy Rate required to achieve the inflation target", and
 - that the decision of the Monetary Policy Committee shall be binding on the Bank.
- **The Committee**
 - Under Section 45ZB of the amended RBI Act, 1934, the central government is empowered to constitute a six-member Monetary Policy Committee (MPC).
 - MPC will determine the policy interest rate required to achieve the inflation target.
 - The first such MPC was constituted in September, 2016.
- **Members of MPC**
 - As per the amended RBI act, the MPC shall consist of
 - RBI Governor as its ex officio chairperson,
 - Deputy Governor in charge of monetary policy,
 - an officer of the Bank to be nominated by the Central Board, and

- three persons to be appointed by the central government.

News Summary: RBI's latest monetary policy

- In a surprise move, the Monetary Policy Committee (MPC) of the RBI unanimously decided to keep the repo rate unchanged at 6.50%.

What were the other key highlights of the RBI's latest monetary policy release?

- **Focus on the withdrawal of accommodation**

- MPC also decided to remain focused on the withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth.

- **Growth projection**

- The RBI has projected real GDP growth for 2023-24 at 6.5 per cent.
- This is higher than the forecast of 6.4 per cent made in the February 2023 policy.

- **Inflation forecast**

- The RBI has projected CPI inflation to be at 5.2 per cent for 2023-24, lower than the expectation of 5.3 per cent announced in the February 2023 policy.
- This was based on the assumptions of an annual average crude oil price (Indian basket) of \$ 85 per barrel and a normal monsoon.

What will be the impact of this decision?

- **Relief to borrowers**

- This decision will give relief to borrowers as the **external benchmark-based lending rate (EBLR)**, which are linked to repo rate, will not increase.
- EBLR is a new benchmark for **floating-rate loans**, introduced by the RBI in 2019.
- Under this system, banks have to link the interest rates charged on various loans, to one of four external benchmarks.
- These benchmarks are the RBI's repo rate, the 3-month (91 days) or 6-month(182 days) Treasury Bill yield, or any other benchmark published by the Financial Benchmarks India Private Ltd. (FBIL).

- **Growth favoured**

- The pause by the RBI will help favour the growth-inflation trade-off towards the former.

- This comes in the backdrop of many global agencies lowering India's growth forecasts for this financial year amid expectations of global economic slowdown and monetary tightening by other countries.
- **Decoupling of interest rate action by the RBI from global central banks**
- The current pause is being seen as a move by RBI to decouple from the global tightening cycle.
- Central banks of developed countries are raising its interest rates currently.
- Many industry leaders predictably welcomed the decoupling of interest rate action by the RBI from global central banks.
- This move will ring-fence domestic financial stability and protect economic growth.
- At the same time, it will also keep the door open to resume the fight against inflation in a few months' time.

INTERNATIONAL FINANCE CORPORATION (IFC)



Creating Markets, Creating Opportunities

Recently, the International Finance Corporation (IFC) issued an update to its Green Equity Approach (GEA) policy saying that it will no longer allow financial intermediary clients to support new coal

projects.

About International Finance Corporation:

- It was founded in 1956 with Washington, DC as its headquarters.
- It is a member of the **World Bank Group**.
- **Mandate:** Advance economic development and improve the lives of people by encouraging the growth of the private sector in developing countries.
- **Functions:** It helps countries develop their private sectors in a variety of ways
 - Investing in companies **through loans, equity investments, debt securities** and guarantees.
 - Mobilizing capital from other lenders and investors through loan participations, parallel loans and other means.

- Advising businesses and governments to encourage private investment and improve the investment climate.
- **Governance:** The IFC is owned and governed by its member countries. It is a corporation whose shareholders are member governments that provide paid-in capital and have the right to vote on its matters.
- **The President of the World Bank Group is also the President of the IFC.**

What is the World Bank Group?

- The World Bank Group is a vital **source of financial and technical assistance** to developing countries.
- It was established in 1944 through the **Bretton Woods Agreement** its mission is to fight poverty with passion and professionalism, for lasting results.
- The World Bank is the collective name for the International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA), two of five international organisations owned by the WB Group.
- The World Bank Group consists of five distinct yet complementary organizations:
 - **International Bank for Reconstruction and Development (IBRD):** It provides loans, credits and grants
 - **International Development Association (IDA):** It provides low or no-interest loans to low-income countries.
 - **International Finance Corporation (IFC):** It provides investment, advice and asset management to private companies and governments.
 - **Multilateral Investment Guarantee Agency (MIGA):** It ensures lenders and investors against political risks such as war.
 - **International Centre for Settlement of Investment Disputes (ICSID):** It settles investment disputes between investors and countries.
- India is not a member of the International Centre for Settlement of Investment Disputes (ICSID).

Why in News?

- The Ministry of Electronics and Information Technology (MeitY) released an amendment to the IT Rules 2021, to regulate **online real money games** where users have to risk money to play.

What's in the IT Amendment Rules 2023?

- **For intermediaries, it is obligatory,**
 - To avoid hosting, publishing, and sharing any online game that might be harmful to users and has not been approved by an **online gaming self-regulatory authority**.
 - To make sure that no non-authorized online game's **advertisement** is hosted on its platform.
 - To refrain from publishing, disseminating or hosting fabricated, inaccurate or misleading information (as identified by the Fact Checking unit of the govt) about any **Central Government business**.
- **Responsibilities of intermediaries in relation to online games involving real money:**
 - Displaying of a mark of verification by the self-regulatory body;
 - Informing users of the policy for withdrawal or refund of deposit;
 - Obtaining the KYC details of the users;
 - Not giving credit or enabling financing by third parties to the users, etc.
- **Multiple self-regulatory bodies** that represent the online gambling sector and operate independently of their members may be notified by the government.
- **These self-regulatory bodies -**
 - Check and confirm that there are no bets or gambling elements to the online game.
 - Make sure the online game complies with legal requirements and standards, including safety precautions like parental controls.
- **The obligations take effect** when there are enough self-regulatory bodies established, so that the online gaming sector has enough time to comply.

What are the Objectives behind these Amendments?

- To make social media and online gaming intermediaries exercise more **caution**.
- To safeguard the security and confidence of the **Digital Nagriks** and offer them every chance to start businesses and develop.

- To ensure that India achieves its aim of having a **\$1 trillion digital economy by 2025–2026** by enabling the Indian online gaming industry to thrive and expand.
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INTERNATIONAL SEABED AUTHORITY

Recently, the International Seabed Authority has decided that it will start taking permit applications from companies that want to mine the ocean floor.



About International Seabed Authority:

It is an autonomous international organization established under the **1982 United Nations Convention on the Law of the Sea (UNCLOS)**.

- **Mandate:** It has the mandate to ensure the effective protection of the marine environment from harmful effects that may arise from deep-seabed-related activities.
- It has its headquarters in Kingston, **Jamaica**
- Its primary function is to **regulate the exploration of poly-metallic nodules**.

What are poly-metallic nodules?

- Polymetallic nodules are rounded **accretions of manganese and iron hydroxides** that cover vast areas of the seafloor.
 - These are most abundant on **abyssal plains** at water depths of 4000-6500 metres.
 - They are mainly found in the **north-central Pacific Ocean, the southeastern Pacific Ocean, and the northern Indian Ocean**.
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