

### WHAT IS 'FOREIGN EXCHANGE RESERVES'?

India's Forex Reserves recently declined by \$1.9 billion to \$607.03 billion, its lowest level in nearly 3 months.



#### About Foreign Exchange Reserves:

- What is it? Foreign Exchange Reserves (also called Forex Reserves) are reserve assets held by a central bank in foreign currencies.
- These may include foreign currencies, bonds, treasury bills, and other government securities.
- Reserves are **denominated and expressed in the US dollar**, which is the international numeraire for the purpose.
- **RBI is the custodian** of the Foreign exchange reserves in India.

India's foreign exchange reserves comprise of;

- **Foreign currency assets (FCAs):** These are maintained in currencies like the US dollar, euro, pound sterling, Australian dollar and Japanese yen.
- **Gold**
- **SDR (Special Drawing Rights):** This is the **reserve currency with IMF**.
- **RTP (Reserve Tranche Position):** This is the **reserve capital with IMF**.
- The **biggest contributor** to India's Forex reserves is **foreign currency assets, followed by gold**.

**Purpose:**

- They are used to **back liabilities on their own issued currency, support the exchange rate and set monetary policy**.
- To ensure that **RBI has backup funds if their national currency rapidly devalues or becomes altogether insolvent**.

- **If the value of the Rupee decreases** due to an increase in the demand of the foreign currency, then **RBI sells the dollar** in the Indian money market so that **depreciation of the Indian currency can be checked**.
- **A country with a good stock of forex has a good image at the international level** because the trading countries can be sure about their payments.
- **A good forex reserve helps in attracting foreign trade** and earns a good reputation with trading partners.

## WORLD COIN PROJECT

Recently, OpenAI CEO formally re-introduced Worldcoin project of his that was eclipsed by the popularity of ChatGPT.



### About Worldcoin Project:

- It is an initiative to **create a digital network** in which **everyone can claim** some kind of stake, and join the digital economy.
- This venture runs on a simple model: allow **your eyes to be scanned** in order to prove your human uniqueness, and **receive some crypto and an ID** (called a World ID) in exchange.

Using a **device called “Orb,”** Worldcoin volunteers known as ‘Orb operators’ scan a person’s iris pattern to collect their biometric data and help them get a World ID through the World app.

- With the app, scanned participants can collect a cryptocurrency called Worldcoin [WLD] at **regular intervals or make transactions** with their World ID where possible.
- This process is called **“proof of personhood”** and makes sure that people do not sign themselves up multiple times in exchange for crypto.

Worldcoin claims it is building the “world’s largest identity and financial public network” open to people worldwide.

- Worldcoin lists 18 locations — **largely in Delhi, Noida, and Bangalore** — where Orb operators are scanning people’s eyes.

## WHAT IS VOYAGER 2 SPACECRAFT?

NASA's Voyager 2 spacecraft, currently in interstellar space, is facing communication difficulties caused by an antenna misalignment.



### About Voyager 2 Spacecraft:

- It is a space probe launched by NASA on August 20, 1977.
- It is part of the Voyager program, which also includes Voyager 1.
- **Primary mission:** To study the outer planets of our solar system and their moons, and then continue on an interstellar mission.
- It is the **second spacecraft to enter interstellar space**. On Dec. 10, 2018, the spacecraft **joined its twin—Voyager 1**—as the **only human-made objects to enter** the space between the stars.
- It carries a **Golden Record**, a **phonograph record** containing sounds and images from Earth, intended to be a message to any potential extraterrestrial civilizations it might encounter in the future.
- **Firsts:**
  - It is the **only spacecraft to study all four of the solar system's giant planets** at close range.
  - It **discovered a 14th moon at Jupiter**.
  - It was the **first human-made object to fly past Uranus**.
  - **At Uranus**, Voyager 2 **discovered 10 new moons and two new rings**.
  - It was the **first human-made object to fly by Neptune**.
  - **At Neptune**, Voyager 2 **discovered five moons, four rings, and a "Great Dark Spot."**

### What is the Interstellar Space?

- Interstellar space, also known as **interstellar medium or interstellar void**, is the vast expanse of space that exists between stars in a galaxy.
- It is the region of space **beyond the influence of any individual star's gravity and magnetic fields**.
- It is primarily **composed of very low-density gas, dust, cosmic rays, and magnetic fields**.

## NATIONAL DIGITAL NAGRIK FORUM



The Confederation of All India Traders (CAIT) Sunday announced the creation of a National Digital Nagrik Forum.

### About National Digital Nagrik Forum:

- It is an **online platform** that aims to **advance the rights of traders and consumers** and other sections of society, and **shape policy to boost the digital trade economy**.
- The forum aims to **raise awareness about digital regulations** and help **build the capacities of citizens** to engage with innovation via **expert sessions and instructional materials**.
- **Objective:** To **shape policy discourse around digital economy trade in India** with a view to contributing to the Government of India's vision of creating a **trillion-dollar digital economy** while maintaining an open, safe, trusted and accountable internet ecosystem.
- It will **conduct awareness camps, digital and physical dialogues and trainings**, as well as targeted outreach to stakeholders from government, private sector and civil society,
- It will focus on **five core themes**.
  - **The first pillar** consists of **consumer protection and online safety** with a core focus on **efficient grievance redressal**.
  - The **pitfalls of digital cartelisation** and how a **level-playing field is necessary to discourage discriminatory and anti-competitive practices** in the online world are part of the **second pillar**.
  - **Third**, the **potential of Indian digital technologies to not only transform retail and industrial trade** but also **boost employment** and expand the investment footprint.
  - **Fourth**, a **first principles-based taxation policy** that encourages certainty and productivity, especially for sectors with high growth potential, while **preventing illegal activities such as tax evasion and money laundering**.
  - **Finally**, the forum will **study emerging technologies**, such as blockchain and artificial intelligence, to **assess their impact on retail trade** and, at the same time, **safeguard consumers' interests**.

## FINANCIAL ACTION TASK FORCE (FATF)

### Why in News?

- The Delhi high court's ruling that US online gateway PayPal is a "reporting entity" under the anti-money laundering law may help India during the FATF review of its anti-black money regime.

### What is the Financial Action Task Force (FATF)?

**Financial Action Task Force (FATF)**

**What is FATF ?**  
The Financial Action Task Force is an intergovernmental organisation founded to develop policies to combat money laundering. The initiative to set up FATF was taken by G-7 group.

**Significance of FATF**  
The FATF blacklist itself acts as a benchmark for international sanctions. It prevents state sponsored terrorism as well as illegal money laundering. The organisation brings uniform standards for global transactions.

**What are its functions ?**  
Promote policies that can combat global money laundering. Promoting measures to tackle terror financing. It maintains a list of countries that are non-compliant to the rules of the organisation.

**Black List :**  
It is issued to list countries which are found to be non-cooperative in the global fight against money laundering and terrorist financing.

**Grey List :**  
It serves as a warning for countries to be compliant to the directions else face risk of blacklisting.

• It is an intergovernmental organisation founded in **1989** to develop policies to combat **money laundering** and its mandate was expanded to include **terror financing** in 2001.

- It operates from Organisation for Economic Cooperation and Development (OECD) headquarters in **Paris** and its plenary/ decision-making body meets three times per year.
- **It has 39 members including India** (became observer in 2006 and a full-time member in 2010) and two regional organisations - the EU and GCC (Gulf cooperation council).
- FATF's mandate -
  - **Recognises the need to continue to lead decisive, coordinated and effective global action** to counter the threats of the abuse of the financial system by criminals and terrorists, and
  - **Strengthens its capacity** to respond to these threats that all countries face.
- **The FATF conducts peer reviews** of each member on an ongoing basis to assess levels of implementation of the FATF Recommendations.
  - **It provides an in-depth description** and analysis of each country's system for preventing criminal abuse of the financial system.
  - **India is currently under the FATF review.** It last underwent a similar review in **2013** where it was found that India had reached a satisfactory level of compliance with all of the core and key recommendations of the watchdog.

## MONSOON AND FOOD INFLATION: A STATUS CHECK

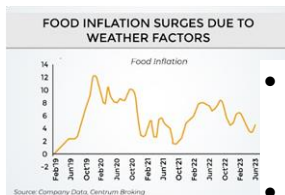
### Why in News?

- Retail inflation in June hit a three-month high at 4.81 per cent, due to soaring vegetable prices.
- Despite late arrival, the monsoon staged a recovery, leading to a surge in kharif crop plantings, which is likely impact food inflation positively.

### What is Inflation?

- Inflation is basically the general rise in the price of goods and services and the decline in purchasing power of people.
- This means that when inflation rises (without an equivalent rise in income), consumers are able to buy lesser things than they could buy previously, or have to pay more money for the same stuff now.

### Measuring Food Inflation in India:



- Any price index can in principle be calculated using producer, consumer, or wholesale prices, with each serving a different purpose.
- The **producer price index** measures the average selling prices received by domestic producers of goods and services.
- This contrasts with other inflation measures, such as the **consumer price index** (CPI) which measures average prices from the consumer's perspective.
- Seller and consumer prices may differ; for example, due to taxes, subsidies, and distribution costs.
- The **wholesale price index** (WPI) ideally measures average prices in the wholesale market; that is, where goods are sold in bulk.
- These price indices are used to measure the average change over time in selling prices received by producers (producer price index inflation), or prices paid by consumers (CPI inflation), or the average price change in the wholesale market (WPI inflation).

## Impact of Monsoon on Sowing this Season:

- The bulk of kharif sowings happen from mid-June to mid-August. Rainfall in June-July decides how much area is covered.
- August-September rain matters for yields of the crops already sown.
- The same rain helps fill up reservoirs and ponds and recharge groundwater tables, which provide moisture for the subsequent rabi winter-spring crops.
- For now, the monsoon and kharif sowings have both been good. The initial worries, over whether there would be adequate rain to enable farmers to plant, are over.

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## CONSTITUTION BENCHES PENDENCY: 29 CASES, OLDEST ONE ON FOR 31 YEARS

### Why in News?

- At last count, the Supreme Court had 69,766 cases pending before it for adjudication.
- Amongst these cases, there are 29 cases which are pending before the Supreme Court's Constitution Benches and the oldest case before a five-judge constitution bench has been pending for 31 years now.

### What is a Constitution Bench of the SC?

- A Supreme Court bench with a **strength of minimum five judges** is called as Constitution Bench.
- **It is set up when a significant question of law arises**, necessitating interpretation of a provision or provision of the Constitution.

### How a Constitution Bench is Formed?

- **Article 145(3)** of the Indian Constitution says –
  - A **minimum of five judges** need to sit for deciding a case involving a “substantial question of law as to the interpretation of the Constitution”, or
  - For hearing any reference under Article 143, which deals with the power of the President to consult the SC.

- **The Chief Justice of India**, who is also the master of the roster, decides which cases will be heard by a Constitution Bench, the number of judges on the bench and even its composition.

### **Pending Cases before Constitution Benches:**

- There are **29 Constitution Bench** matters pending in the Supreme Court.
- Out of these 29 cases, 18 cases are pending before 5-Judge Bench, 6 cases pending before 7-judge Bench and 5 cases pending before 9-judge Bench for adjudication.

### **Pendency of cases in the Judiciary:**

- As of December 31, 2022, the total pending cases in district and subordinate courts were pegged at over **4.32 crore**.
- Amongst this, **over 69,000 cases are pending in the Supreme Court**, while there is a backlog of more than 59 lakh cases in the country's 25 high courts.
  - Out of these, 10.30 lakh cases were pending in the Allahabad High Court -- the biggest high court of the country.

### **What are the Causes & Solutions for this Backlog of Cases?**

- **Judicial Vacancies & Productivity** –
  - Many experts have suggested that the Indian government should tackle the challenge of increasing pendency in Indian courts by appointing more judges to the bench.
  - The current strength is around **20 judges per 10 lakh population which is quite low**.
  - The Law Commission in its 120<sup>th</sup> report in 1987 had recommended 50 judges per 10 lakh population.
  - While this reasoning seems intuitive, it is also important to consider the productivity of the country's judges.
  - To this end, judicial productivity is calculated as the ratio of judges to case disposals per year.
  - While empirical evidence on this metric is sparse, one 2008 study suggests that **judicial productivity in Delhi district courts is about half of that in Australian courts**.
  - Increasing the number of judges without finding ways to improve their productivity is, at best, a half measure.



- **Budgetary Allocations for the Judiciary –**

- According to the India Justice Report 2019, of the twenty-seven states and two union territories included in the study, twenty-one of them had judicial spending growth rates that were slower than the growth rates of their total expenditures.

- **Government being the Largest Litigant –**

- Intra and inter departmental disputes of branches of governments, states vs centre matters and issues arising and among government and public sector undertakings end up in courts.
- This adds to workload of judiciary and thereby adds to pendency of cases.
- The government, being the largest litigant should self-motivate itself to use alternate dispute redressal system and approach the courts only as a matter of last resort.

### **Steps Taken to Reduce Pendency of Cases:**

- The burden to reduce pendency is not only on the judiciary but also on the central government as **40% of the litigation is of the government.**
- **At the government level:**
  - The Centre has introduced a mobile application - **Justice App** - meant exclusively for judges across the country to help them track how many cases are pending before them.
  - The government has also upgraded the judicial infrastructure by introducing **Information Communication Technology** (e-Court Mission Mode Project) to more and more courts in the country.
- **At the SC level:** The appointment of judges to the higher courts is frequently recommended by the SC Collegium. **For example**, in 2021 it recommended the appointment of 129 High Court judges, soon after the appointment of 7 judges to the SC.