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27th April 2024



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Prelims snippets

DIGITAL VIEW OF ALL LOAN OFFERS

RBI sets draft norms for web aggregators of loan products

ENS ECONOMIC BUREAU
MUMBAI, APRIL 26

THE RESERVE Bank of India (RBI) has proposed that banks and non-banking finance companies (NBFCs) should ensure that their loan service providers (LSPs) to provide a digital view of all the loan offers available to the borrower from all the willing lenders that the LSP has arrangements.

The digital view, the RBI said, should include the name of the bank of the NBFC extending the loan, the amount and tenor of loan, the annual percentage rate and other key terms and conditions in a way that enables the borrower to make a fair comparison between various offers.

The RBI set these terms in the draft guidelines for the regulatory framework for the aggregation of loan products by lending service providers (LSP) in order to enhance transparency and enable borrowers to have prior information about potential lenders. While the LSP can adopt any mechanism to ascertain the willingness of the lenders to offer a loan, the RBI said it should follow a "consistent approach" that must be disclosed suitably on their website.

A link to the key facts statement (KFS) must also be provided in respect of each of the



RBI said LSP should follow a consistent approach that must be disclosed suitably on their website. *File*

regulated entities, it said.

The content displayed by the LSP should be "unbiased" and should not directly or indirectly promote or push a product of a particular lender, including by use of any practices or deceptive patterns, to mislead borrowers into choosing a particular loan offer, the central bank said.

LSP is an agent of a regulated entity (banks and NBFCs) who carries out one or more of lender's functions or part thereof in customer acquisition, underwriting support, pricing support, servicing, monitoring, recovery of specific loan or loan portfolio on behalf of REs in conformity

EXPLAINED
E Loan service provider

LOAN SERVICE provider is an agent of a regulated entity who carries out lender's functions or part thereof in customer acquisition, underwriting support, pricing support, servicing, monitoring, recovery of specific loan or loan portfolio in conformity with extant outsourcing guidelines issued by the RBI.

with extant outsourcing guidelines issued by the Reserve Bank.

RBI said many of the LSPs offer aggregation services for loan products, wherein an LSP, or a regulated entity (banks and NBFCs) acting as an LSP, has outsourcing arrangements with several lenders and the Digital Lending App or Platform (DLA) of the LSP or regulated entities matches the borrower to one of the lenders. In such cases, particularly where an LSP has arrangements with multiple lenders, identity of the potential lender to the borrower may not be known upfront to the borrower, it said.

RBI Norms for Loan Products

Context

RBI sets draft norms to provide a digital view of all the loan offers available to the borrower

Syllabus

UPSC Prelims: Economic & Social Development

GS3: Indian Economy

RBI Norms for Loan Products



Loan Service Providers

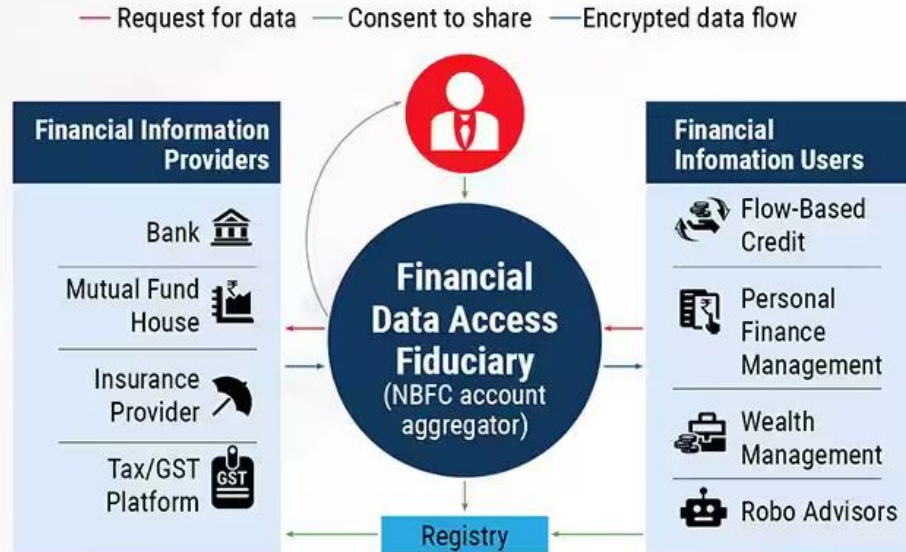
Types of Loan Service Providers(LSPs):

- **Non-Banking Financial Companies** (Bajaj Finserv, Mahindra Finance)
- **Microfinance Institutions**
- **Fintech Companies**

Functions of Loan Service Providers:

- **Loan Origination:** identify, gather applications, paperwork.
- **Credit Assessment**
- **Loan Processing**
- **Customer Service**
- **Loan Disbursement**

Web Lending Aggregators



RBI Norms for Loan Products



Financial Inclusion and LSPs

- **Jan Dhan Bank Accounts**
 - Only 8.2% have Zero Balances
 - 56% are women
- **Internet connectivity (46%)**
- **Digital Banking Units**
- **Doorstep Banking**
 - Bank Mitras
- **Video KYCs/ eSign**
- **PAN integration services**
 - GST
 - ITR

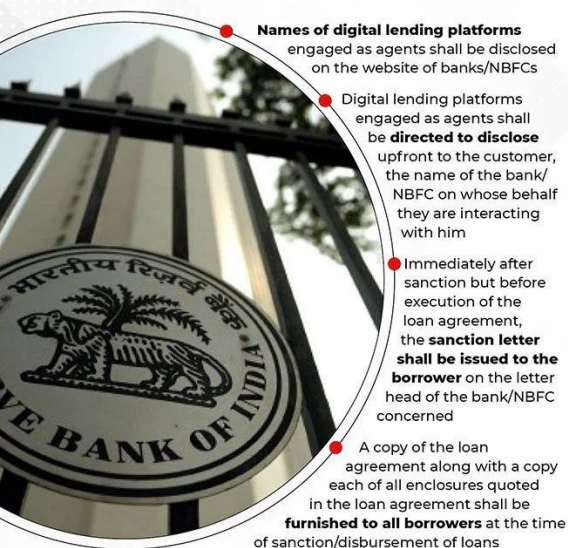


RBI Norms for Loan Products



RBI's Proposed Rules

RBI'S 6 COMMANDMENTS TO BANKS ON DIGITAL LENDING



- Effective **oversight and monitoring shall be ensured** over the digital lending platforms engaged by the banks/NBFCs
- Adequate efforts shall be made towards **creation of awareness about the grievance redressal mechanism**

moneycontrol

- LSPs to provide a digital view showcasing **all** loan offers
 - **Name** of the bank or NBFC offering the loan.
 - Loan **amount** and **tenor**
 - The **annual percentage rate**
 - Other important **terms and conditions** of the loan.
- Link to the "**key facts statement**" for each lender.
- Cannot **promote** any specific lender or use **misleading tactics** to influence the borrower's choice

Benefits for Borrowers:

- Easily **compare** loan offers on a single platform.
- **Informed decision** by understanding all the details upfront

Curative Jurisdiction

Context

Delhi Metro Rail Corporation Ltd. vs Delhi Airport Metro Express Pvt Ltd rekindles the question on this jurisdiction

Syllabus

UPSC Prelims: Indian Polity & Governance

GS2: Structure, organization and functioning of the Executive and the Judiciary

Sounding the gavel on curative jurisdiction

The certainty and guidance which men seek in the law stems from their yearning for security and safety, which is the legacy of childhood." – Prof. H.L.A. Hart.

The Supreme Court of India is a rather extraordinary court. In addition to its being the highest court of appeal, a federal court, as well as a court of advisory jurisdiction, it also possesses the power to appoint and transfer judges of the High Courts and the Court itself.

In 2002, the Court took on a new power called the "Curative Jurisdiction". It is a power to correct its judgments, after they have become final. This is distinct from the power of review under Indian law, which enables all courts to rectify errors which are apparent from their records.

The Court has a constitutional role to declare the law. The law must, and often does, progress with the growth in human knowledge and with societal change. The judgments of courts must reflect and sometimes trigger the changes in law. It is for this reason that courts modify their views. Examples of changes in the Court's views include the right of privacy, decriminalisation of homosexuality and so on. Curative Jurisdiction is different. This is not merely the Court changing its view on a position of law but a reversal of the Court's own view in a specific case, above and beyond even the power of review.

The Delhi Metro Rail judgment

In this article, we argue that the Supreme Court does more harm than good in the exercise of this jurisdiction, and we propose to demonstrate this through the analysis of a judgment rendered on April 10, 2024. This was a decision of a three-judge Bench of the Court in a curative petition in *Delhi Metro Rail Corporation Ltd.*

("DMRC" vs *Delhi Airport Metro Express Pvt Ltd* ("DAMEPL"), which is discussed below.

DAMEPL succeeded before an Arbitral Tribunal in a high value claim. The award was predicated on a plea that the termination, by DAMEPL, of a long-term contract relating to a stretch of the Delhi metro rail, was valid. Such termination was based on a termination clause which permitted DAMEPL to terminate the contract based on issuance of a notice to cure defects in the event that DMRC "failed to cure such breach or take effective steps for curing such breach". The breach, according to DAMEPL, as



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A top court which swings back and forth based on changing trends lacks the constancy and gravitas that is fundamental to a court of last resort

upheld by the Arbitral Tribunal) was the existence of defects in the metro construction. According to DAMEPL and the Arbitral Tribunal, the failure to cure such defects had triggered DAMEPL's right to terminate.

Prior to the termination, DAMEPL had stopped rail operations on the basis that the line was unsafe to operate. Shortly after the termination, both parties had made a joint request to the Commissioner of Metro Rail Safety to reopen operations. The CMRS sanctioned this subject to certain conditions including speed restrictions. While reliance had been placed on the CMRS sanction by DMRC, the AT, after examining the CMRS sanction, held that it would not be material in deciding the issues.

The challenge to the award moved to the Supreme Court which upheld the award after setting out the limited scope to challenge an award under Indian law. A review petition was also dismissed. However, for the first time ever, the Court, in a curative petition, set aside an arbitral award.

Exercise of curative Jurisdiction

The interference by the Court was on two grounds. First, that interpretation of the termination clause was perverse since the Arbitral Tribunal had failed to recognise that it was sufficient for the DMRC to take effective steps to cure the breach – curing the breach in its entirety was not necessary. Second, that the CMRS sanction was vital evidence which had been ignored.

This is significant for two reasons. First, the Court had hitherto supported a position of minimal interference in arbitral awards. And second, that the Court held that its own verdict in 2019, which was in line with this pre-existing position, was wrong.

It settled law that a court, while setting aside an award does not sit as a court of appeal. The Court is supposed to accept a potentially incorrect, though plausible, view on the interpretation of a contract and does not have the power to reappreciate evidence. While the Court no doubt has the power to interfere with a "perverse" interpretation, the subjective slope between a "perverse" interpretation and a "plausible but incorrect" interpretation is slippery.

Further, had the Arbitral Tribunal ignored vital evidence, a ground for interference would have been made out; but not when the Arbitral

Tribunal, being the sole judge of weight of any evidence, had considered the evidence and held it to be of little significance.

Thus, the Court exercising its Curative Jurisdiction, reversed its own judgment which had upheld the arbitral award.

The problems

Imagine if you went to a dentist to have your wisdom tooth removed. The procedure is carried out. You then go to a board of senior dentists who tell you that the dentist did the right thing. Four years later, they call you back for a review, and then tell you that they are doing a "curative procedure" and putting your wisdom tooth back in.

Curative Jurisdiction is effectively the Supreme Court seeking to correct its mistakes.

While there is merit in correcting one's mistakes, an institution which underpins the country's judiciary and which is the final interpreter of the Constitution must look beyond errors in individual cases. The Supreme Court declares the law for the nation and posterity, and not for one-off cases.

While it is no doubt true that the interpretation set out by the Supreme Court in *DMRC vs DAMEPL* is the correct interpretation and would have been justified had it been an exercise of appellate jurisdiction, the exercise itself could be said to be beyond the contours of permissible interference with an arbitral award. There are many such instances when awards based on incorrect interpretations are upheld owing to the principle of minimum judicial interference.

Courts have, by and large, adopted a hands-off approach, at least post 2015, to further the policy of lawmakers as reflected in the 2015 amendments to the arbitration legislation.

One looks to the Supreme Court for guidance and strength. It is the beacon of law. We expect it to be a pole star. The exercise of revisiting one's own decisions is good in an individual, but is not good for an institution that declares the law. Our perceptions of right and wrong are often influenced by the immediacy of the trend of current thought. A Supreme Court which swings back and forth based on changing trends lacks the constancy and gravitas which we believe to be fundamental to a court of last resort.

To borrow Justice Jackson's words, the Supreme Court is not final because it is infallible but infallible because it is final.

Curative Jurisdiction



What is it?

- **Rupa Ashok Hurra Vs. Ashok Hurra (2002)**
 - *'whether an aggrieved person is entitled to any relief against the final judgment/order of the Supreme Court, after the dismissal of a review petition?'*
- Address rectify a **grave miscarriage of justice** (*Union of India v Union Carbide Case*)
 - *Navneet Kaur v State of NCT of Delhi Case, 2014*
- **Criteria**
 - Bias of Judge(s)
 - Uphold natural justice
- **Guidelines**
 - **Certification** from Senior Advocate
 - **Review** by 3 senior most Judges + Judges from original
 - **Final hearing** by same bench mostly
- **Amicus Curiae; Discretion of SC and Penalty (if any)**

LAST REMEDY

What is curative petition?

A curative petition is the last option available after exhausting all the appeals and dismissal of review petition. It can be used by an aggrieved person who was not a party to the proceedings or was not heard. It can also be used where the judge failed to disclose his connection in any manner with the subject matter before him.

How effective it is?

The dismissal rate of curative petitions is very high though there are no official figures available in this regard.

Who hears curative petition?

A curative petition is heard by the top three judges, including the Chief Justice of India plus the judges who dismissed the review petition.

Curative Jurisdiction



Curative Petition vs Review Petition

Feature	Review Petition	Curative Petition
Basis in Indian Law	Article 137 of the Indian Constitution	Not explicitly mentioned in the Constitution, established by Supreme Court
Purpose	To correct a "patent mistake" in a previous Supreme Court judgement	To address a violation of fundamental rights or natural justice in a case where a review petition was rejected
Likelihood of Success	Relatively higher	Extremely low; only for exceptional cases
Time to File	Within 30 days of the judgement	After the review petition has been rejected

- Laws must be **progressive**
- *Delhi Metro Rail Corporation Ltd. vs Delhi Airport Metro Express Pvt Ltd (2024)*

Curative Jurisdiction



Other special powers of Supreme Court

- **Article 131:** Original Jurisdiction in disputes (Centre, State(s))
- **Article 136:** Special Leave to appeal (not applicable: military tribunals and court-martials)
- **Article 143:** Advisory Jurisdiction
- **Article(s) 129 and 142:** Contempt of court, suo motu/ petition by AGI/ SGI/ other individual
- **Article 145:** make rules for the functioning of the court (practise, procedure, rules, etc)





How ISRO used satellite remote-sensing to analyse glacial lakes in Himalayas

NIKHIL GHANEKAR
NEW DELHI, APRIL 26

EARLIER THIS week, the Indian Space Research Organisation (ISRO) released satellite-data-based analysis on expansion of glacial lakes in the catchments of Indian Himalayan river basins. This is the latest among a clutch of studies on glacial lakes that have highlighted the risks of glacial lake outburst floods (GLOFs), and their impact on infrastructure and settlements downstream of such lakes.

What did ISRO's analysis reveal?

ISRO's analysis looked at satellite data archives spanning the past four decades to assess changes in the glaciated environment. Long-term satellite imagery covering the catchments of Indian Himalayan river basins — spread over India, Nepal, Tibet, and Bhutan — is available from 1984 onwards, till 2023. ISRO's data has indicated significant expansion in the size of glacial lakes.

Of the 2,431 lakes larger than 10 hectares (identified during 2016-17), 676 glacial lakes had expanded significantly since 1984. Of these 676 lakes, 801 lakes had more than doubled in size, 10 lakes had grown between 1.5 to 2 times, and 65 lakes had grown 1.5 times.

ISRO said that 130 of the 676 lakes are situated in India, in the Indus (65), Ganga (7), and Brahmaputra (58) river basins. These lakes have expanded as glaciers are retreating at an ever faster rate due to global warming.

How are glacial lakes formed?

The movement of glaciers causes erosion and creates depressions in the surrounding topography. When they retreat, meltwater starts to accumulate in such depressions, giving birth to glacier lakes.

ISRO categorised glacial lakes into four broad categories based on how they were formed — moraine-dammed, ice-dammed, erosion-based, and others. Moraine and ice-dammed lakes are formed when water is dammed by moraine — debris such as rocks

and soil left during the movement of glaciers — and ice respectively. Erosion-based lakes are formed when water is dammed by erosion-created depressions.

While glacial lakes are crucial sources of freshwater for rivers, they also pose significant risks, specifically of GLOFs, which can have devastating consequences on communities downstream.

"GLOFs occur when glacial lakes release

large volumes of meltwater due to the failure of natural dams...resulting in sudden and severe flooding downstream. These dam failures can be triggered by various factors, including avalanches of ice or rock," ISRO said.

How is satellite remote-sensing technology used to monitor glacial lakes?

The monitoring of glacial lakes and their expansion in the Himalayan region is challenging

due to the rugged terrain. This is where, according to ISRO, satellite remote-sensing technology "proves to be an excellent tool for...monitoring due to its wide coverage and revisit capability".

"Satellite-derived long-term change analysis provide valuable insights for understanding glacial lake dynamics, which are essential for assessing environmental impacts and developing strategies for GLOM risk management and climate change adaptation in glacial environments," ISRO said.

Glaciologist Ashim Sattar, Assistant Professor, Indian Institute of Technology, Bhubaneswar, said: "Most of the glacial lake sites are not accessible by motorable roads. In this scenario, remote sensing tools, which are highly advanced now, can help us monitor the growth of glacial lakes and understand their dynamics".

He also said fieldwork can be carried out at lake sites which have been identified as potentially critical. "Fieldwork is crucial to set up instrumentation for early warning systems. These can include installing motion detection

cameras, water level sensors, discharge meters etc. that can capture anomalous activity in and around glacial lakes," Sattar said.

How can the risks posed by glacial lakes be mitigated?

In 2023, a study published in the Journal of Geophysical Research examined the risks posed by Ghepan Gath lake — located at an elevation of 4,068 m in Himachal Pradesh — to Sissu in Lahaul valley, and modelled the impacts of lowering the water levels in the lake.

It found that lowering of the lake levels by 10 to 30 m significantly reduces the impacts on Sissu town, though not completely eliminating the risks posed by a GLOM event.

One way to siphon off lake water is by using long High Density Polyethylene (HDPE) pipes. In 2016, members of the Sikkim State Disaster Management Authority and Sikkim's Department of Science and Technology and Climate Change, among others, used this method to reduce water levels in Sikkim's South Lhonak Lake.



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जूडिशियरी फाउंडेशन कोर्स

डिजिटल + ऑनलाइन (हाइब्रिड मोड) | राष्ट्रीय अखिलभारत वृत्ति लॉन्गिनि वेब प्लेटफॉर्म

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Glacial Lakes & Remote Sensing

Context

ISRO released satellite-data-based analysis on expansion of glacial lakes in the catchments of Indian Himalayan river basins

Syllabus

UPSC Prelims: Indian & World Geography

GS1: Changes in critical geographical features

Glacial Lakes & Remote Sensing



Glacial Lakes

- **Bodies of water formed by the melting of glaciers.**

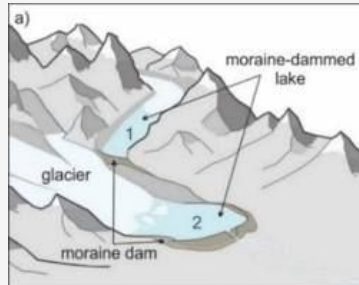
1. Cirque lakes:

bowl-shaped depressions.
typically small, deep lakes
found high in mountains



2. Moraine-dammed

lakes: pile of debris left
behind by a glacier, dams
a valley



3. Ice-dammed lakes:

when glacier dams a valley
with ice. can suddenly
collapse, releasing GLOFs



4. Proglacial lakes:

form in front of a
retreating glacier;
leaves behind a
depression that fills
with water

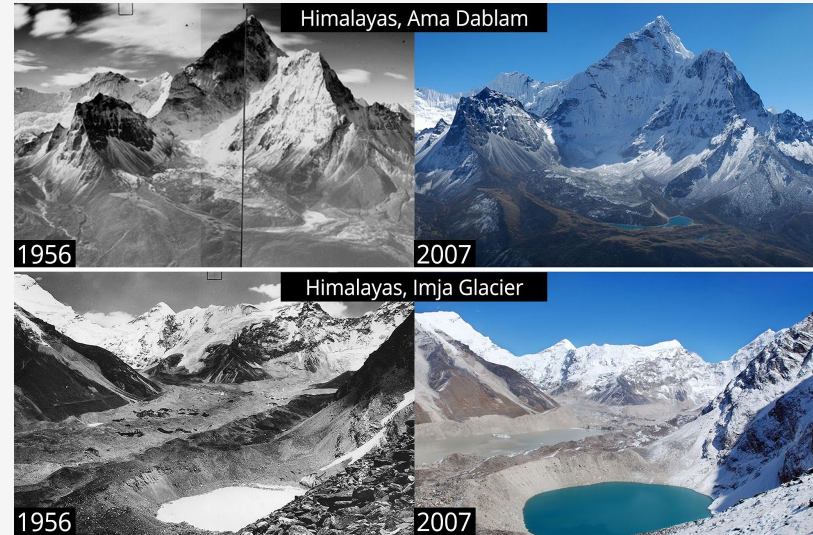


Glacial Lakes & Remote Sensing



What did ISRO's analysis reveal?

- **Study:** 1984 till 2023
- **Satellite imagery** covering the catchments of Indian Himalayan river basins
- **Glaciers are retreating at an ever faster rate due to global warming**
- 676 glacial lakes had expanded significantly since 1984
 - 601 lakes had more than doubled in size
 - 10 lakes had grown between 1.5 to 2 times
 - 65 lakes had grown 1.5 times
- **Consequences**
 - GLOFs
 - Rise in sea level
 - Salinity and cyclones

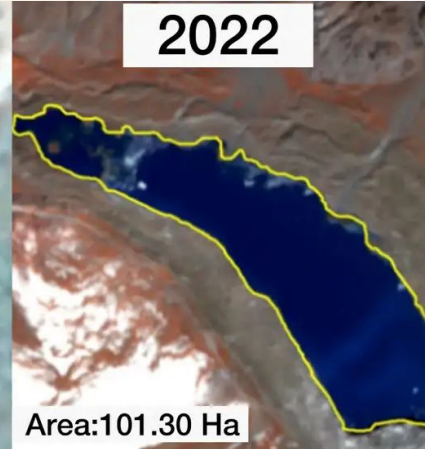
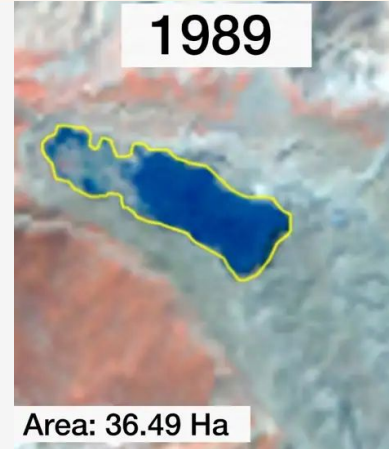


Glacial Lakes & Remote Sensing



Remote Sensing: A Boon

- **Benefits of Remote Sensing**
 - **Manual** monitoring challenging
 - Wide **coverage** and **revisit** capability
 - **Assessing** environmental impacts and **developing** strategies
 - **Early warning systems**
- **How can the risks posed by glacial lakes be mitigated?**
 - **2023 study of Ghepan Lake** (Sissu): impacts of lowering the water levels by 10-30m
 - **Syphon lake water**: High Density Polyethylene pipes (success @ Sikkim's South Lhonak Lake)



SLU, 'matchbox' that feeds EVM candidate info

Symbol Loading Units ensure EVMs can be used for voting. Underlining the sanctity of the election process, the SC has tightened norms for their use

DAMINI NATH & RITIKA CHOPRA
NEW DELHI, APRIL 25

WHILE REJECTING the plea for 100% verification of Voter Verifiable Paper Audit Trail (VVPAT) slips against the Electronic Voting Machine (EVM) count, the Supreme Court on Friday directed the Election Commission of India (EC) to "seal and secure" the Symbol Loading Unit (SLU) for 45 days after the declaration of election results.

Currently, only the three components of the EVM – the ballot unit, control unit, and VVPAT – are stored for 45 days after the results. This is the first time that SLUs, used to load candidate symbols onto the VVPATs, will also be available for examination along with the EVMs if a candidate challenges the results by filing an election petition in court.

What is a Symbol Loading Unit (SLU) and how does it work?

Symbol Loading Units (SLUs) were introduced around the same time as VVPATs – albeit over a decade ago. VVPATs help voters verify their votes – they see a slip with a printed image of the party symbol they voted for.

But for the VVPAT to print a symbol correctly, information pertaining to the list of candidates and their symbols must be loaded on the VVPAT machine in the correct order. This is where the Symbol Loading Unit, or SLU, comes in. In fact, the introduction of VVPATs necessitated the use of SLUs.

The SLU is used to load the symbols of the candidates onto the VVPAT. It is a matchbox-sized device that is first connected to a laptop or personal computer, from where a symbol loading application is used to load a bitmap file containing the candidates' names, serial numbers, and symbols.

The SLU is then connected to the VVPAT to transfer that file on to the paper audit machine. This is done under the supervision of a district election officer.

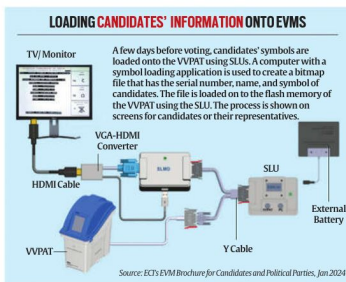
At which point in the election process are SLUs used?

The SLUs come into the picture only a few days before polling in a particular seat, when the EVMs are being commissioned and the list order of contesting candidates is decided and set on the ballot unit (the machine where you press the button to vote) and the VVPAT (which produces the paper audit trail of your vote).

Candidate-setting can happen at any time from five to two days before voting at a seat. Once the SLU is used to load symbols onto the VVPAT, the EVM is ready for use. After this, the SLU is of no relevance to the actual voting process.

What happens to an SLU after symbols are loaded?

Typically, a small number of SLUs are enough to load symbols onto all VVPATs for a seat. According to EC officials, it takes an SLU two to three minutes to load each VVPAT. Once the symbol-loading is complete, the



SLUs are handed over to the concerned district election officer for safekeeping. They remain in the officer's custody until the day after voting. Afterward, the SLUs are released to the engineers of the two EVM manufacturers, Bharat Electronics Ltd (BEL) or Electronics Corporation of India Ltd (ECIL), so they can be used to load symbols onto VVPATs for other seats in subsequent phases. Thus, in a multi-phase election like the ongoing one for the 18th Lok Sabha, an SLU is typically reused after one phase of polling to load symbols onto VVPATs meant for other seats in subsequent phases.

What has the SC said about the SLUs?

The court has said that the SLUs should be sealed and stored immediately after the symbol-loading process for a seat is complete. It must be stored for a period of 45 days after the declaration of results, so that it can be opened and examined like EVMs in case of an election petition.

This effectively means that an SLU used for loading symbols onto VVPATs for one seat can no longer be reused for other seats. Consequently, the EC will need more SLUs. Sources said the Commission currently has about 5,000 SLUs, and will need an additional 2,000 to implement the SC's direction.

And what has the top court said about microcontrollers?

In an unprecedented move, the court has allowed candidates to seek verification of EVM software. This effectively means that a candidate can ask EC officials to check the one-time programmable software in the BU (Ballot Unit), CU (Control Unit), and VVPAT for tampering, in case of any doubts regarding the result.

This verification involves inspecting the burnt memory microcontrollers of these three components. The court has proposed a formula for doing this: engineers from the EVM manufacturers will conduct checks on 5% of the EVMs per Assembly constituency or Assembly segment of a parliamentary constituency. Candidates must submit a written request within seven days of the announcement of results, and will have to bear the ex-

pense of the process. This right to seek verification, however, is limited to those candidates who come in second or third. Engineers from the manufacturing companies will certify the authenticity and intactness of the memory microcontroller.

What happens if the microcontrollers, upon verification, are found tampered?

The court has only said that if any tampering is found, the candidate will be refunded the cost of verification. It has not said how the election result will be impacted.

What changes on the ground?

Nothing changes for the voter. However, a lot changes in the way the EC organises polling. The EC will now have to store SLUs for 45 days after voting. To reserve one SLU exclusively for one seat, it will need to order more SLUs. It will also have to ensure the verification of EVMs upon request from candidates who finish second or third, which may require additional manpower.

Also, the EC will have to examine whether the Representation of the People Act of 1951 has to be amended. The election law currently states that an election petition challenging a result can be filed in court by a candidate within 45 days of the declaration of results. During this period, the EC machinery does not touch the EVMs. If these machines now need to be unsealed for verification purposes, the poll panel will have to determine how this can be accomplished.



System Loading Units

Context

Supreme Court on Friday directed the Election Commission of India to "seal and secure" the Symbol Loading Unit for 45 days after the declaration of election results

Syllabus

UPSC Prelims: General Science

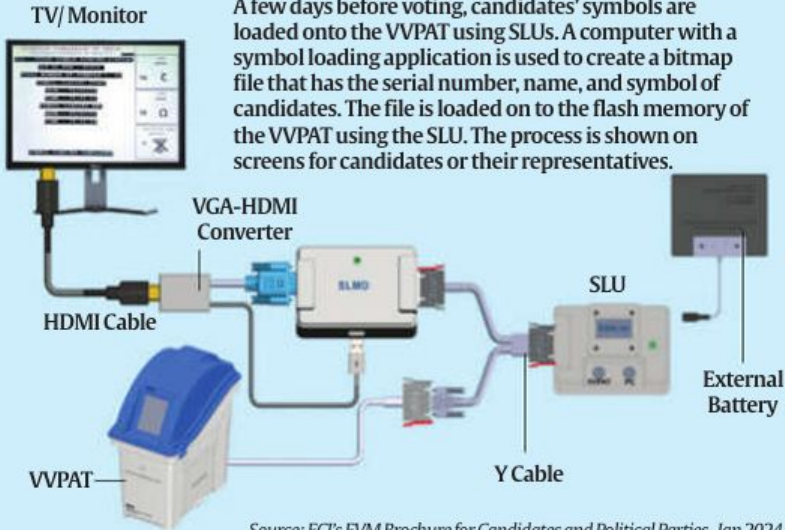
System Loading Units



How it works?

LOADING CANDIDATES' INFORMATION ONTO EVMS

A few days before voting, candidates' symbols are loaded onto the VVPAT using SLUs. A computer with a symbol loading application is used to create a bitmap file that has the serial number, name, and symbol of candidates. The file is loaded on to the flash memory of the VVPAT using the SLU. The process is shown on screens for candidates or their representatives.



- SLU is used to load the symbols of the candidates onto the VVPAT
 - 1. Connected to laptop/ PC
 - 2. Symbol loading application is used to load a **bitmap file**
 - candidates' names, serial numbers, and symbols
 - 3. SLU connected to VVPAT to transfer **bitmap** on to the paper audit machine
- **SLU is of no relevance to the actual voting process**
 - Handed to district election officer for safekeeping



System Loading Units

SC Ruling

- **Currently**, only 3 components of EVM — the ballot unit, control unit, and VVPAT — are stored for 45 days after the results.
- **SLUs** should be **sealed and stored immediately** after the symbol-loading process for a seat is complete
 - stored for a period of **45 days** after the declaration of results
- **What changes on the ground?**
 - Nothing changes for the **voter**
 - **ECI** will now have to store SLUs for 45 days after voting

PROJECT HOPES TO CREATE BANK OF CORALS THAT COULD BE USED TO REPOPULATE WILD REEFS

Corals bred in a zoo join Europe's largest reef, giving scientists hope

MOLLY QUELL
ARNHEM (NETHERLANDS)
APRIL 26

JUST LIKE the animals on Noah's Ark, the corals arrived in a pair. On Monday, divers with gloved hands gently nestled the self-bred corals from the World Coral Conservatory project among their cousins in Europe's largest coral reef at the Burgers' Zoo in the Netherlands.

"This is the first project where we started to keep these corals with a known origin. As we know exactly where they're coming from, they have the po-

tential to be placed back into the wild. So it is very important to keep these corals, as it's going not very well in the wild," Nienke Klerks, a biologist at the Royal Burgers' Zoo in Arnhem, told *The Associated Press*.

It's among several projects worldwide seeking to address the decline of coral reef populations, which are suffering from bleaching caused by rising sea temperatures. Corals are central to marine ecosystems, and while these projects won't stem the tide of damage from human-caused climate change, they are seen as part of broader solutions.

The World Coral



A diver with a self-bred coral in Burgers' Ocean in Arnhem, Netherlands. *Reuters file*

Conservatory hopes to create a bank of corals in aquariums across Europe that could be used to repopulate wild coral reefs if they succumb to the stress of climate change or pollution. Along with two zoos in France and the originator of the project — the Monaco Scientific Center — the zoo in the east of the Netherlands took in more than a dozen coral fragments from off the coast of Seychelles in east Africa. The Dutch zoo has been propagating the corals since 2022, allowing them to grow in a highly regulated environment before they were large enough to join the rest of the reef.

"We test it behind the scenes... what works for these corals. In that way, we know where to place them and how to keep them," zookeeper Pascal Kik said. Each diver held up a coral — one that resembled a large mushroom, the other a decorative cookie — to be photographed by reporters before placing them on a ledge near the center of the 8-million-litre tank. Few of the other corals at the zoo come from the wild. They are either shared by other zoos or turned over by Dutch customs officers after being confiscated. Coral poaching is a major threat to coral reefs in parts of Asia. That

would make it difficult to return the corals to the wild. But the team knows exactly where their 14 corals came from, making it more likely they could be successfully reintroduced if needed. Corals are a keystone marine species, according to Mark Eakin, executive secretary for the International Coral Reef Society.

Eakin, retired coral monitoring chief at the US National Oceanic and Atmospheric Administration, says that around 25% of marine animals spend some part of their lives dependent on coral reefs. That makes projects such as the one in Arnhem all the more important, he said.

AP

Zoo Coral

Context

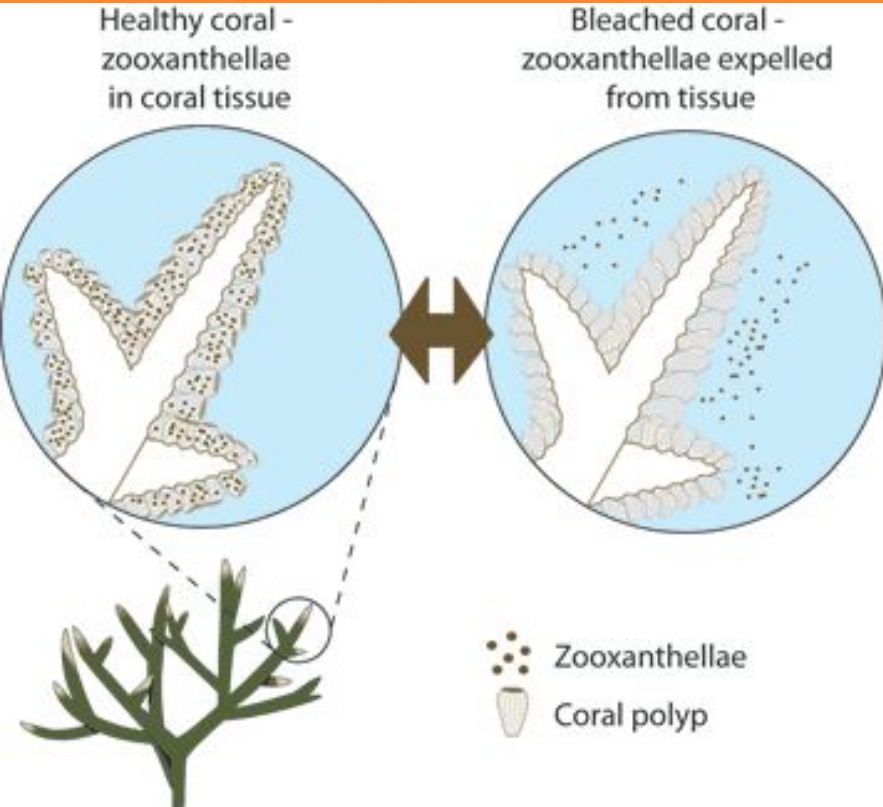
Corals bred in a zoo have joined Europe's largest reef

Syllabus

UPSC Prelims: General issues on Environmental ecology, Bio-diversity & climate change

Zoo Coral

Conservation efforts



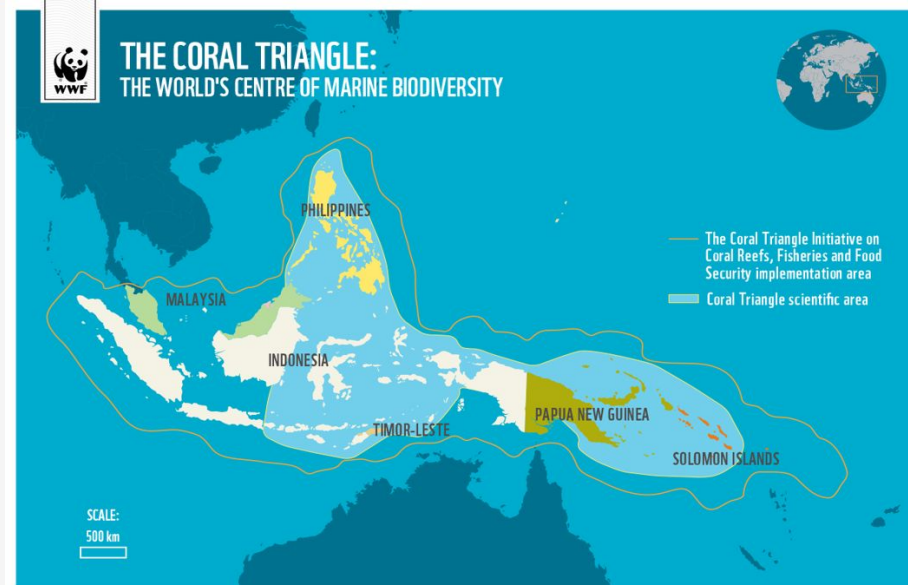
- **World Coral Conservatory project**
 - create a bank of corals in aquariums across Europe
 - could be used to repopulate wild coral reefs
- **25% of marine animals spend some part of their lives dependent on coral reefs**

Zoo Coral



Other efforts

- **Aichi Target 10**
- **Coral Reef Breakthrough**
 - International Coral Reef Initiative + Global Fund for Coral Reefs + High-Level Climate Champions
 - **Secure** 125,000 sq km; \$12 billion by 2030
- **Coral triangle initiative**
- **Global Coral Reef Monitoring Network**
- **Biorock Technology**





Zoo Coral

2022 UPSC PYQ (Prelims)

"Biorock technology" is talked about in which one of the following situations?

- (a) Restoration of damaged coral reefs
- (b) Development of building materials using plant residue
- (c) Identification of areas for exploration/extraction of shale gas
- (d) Providing salt licks for wild animals in forests/protected areas

Prelims snipnets



Adopt zero-tolerance towards terrorism: India at SCO meet

Defence Secretary Giridhar Aramane led the Indian delegation at the Shanghai Cooperation Organisation (SCO) Defence Ministers' meeting in Asthana, Kazakhstan, on Friday where he emphasised the need to adopt a zero-tolerance approach towards terrorism in all its forms for prosperity and development of the SCO member states. "A Joint Communique was issued after the meeting, in which the SCO Defence Ministers agreed, amongst other initiatives, to developing the idea of 'One Earth, One Family, One Future', which is rooted in the ancient Indian philosophy of 'Vasudhaiva Kutumbakam'," said a statement from the Ministry of Defence.

SFBs should be worth ₹1,000 cr to become universal banks, says RBI

ENS ECONOMIC BUREAU
MUMBAI, APRIL 26

THE RESERVE Bank of India (RBI) has said small finance banks (SFBs) should have a minimum net worth of Rs 1,000 crore to become universal banks in accordance with the on-tap licensing norms.

According to the central bank, SFBs aspiring to become a universal bank need to have scheduled status with a satisfactory track record of performance for a minimum period of five years. Also, the shares of the bank should have been listed on a recognised stock exchange. The RBI said in a circular.

Further, these SFBs also need to have a net profit in the last two financial years besides having gross non-performing assets (GNPA) and net non-performing assets (NNPA) of less

TO TURN INTO A REGULAR BANK

■ Need to have scheduled status with a satisfactory track record of performance for a minimum period of five years

■ The shares of the bank should have been listed on a recognised stock exchange

than or equal to three per cent and one per cent, respectively in the last two financial years," the RBI said.

On April 12, the RBI rejected applications received from Dvara Kshettriya Gramin Financial Services Pvt Ltd to start Financial Services Pvt Ltd and SFBs in the private sector. The two entities had applied to be

RBI for setting up a SFB in 2021 under the guidelines for on-tap licensing.

The RBI circular said there is no mandatory requirement for an eligible SFB to have an identified promoter. However, the existing promoters of the eligible SFB, if any, should continue as the promoters on transition to a universal bank. "Addition of new promoters or change in promoters will not be permitted for an eligible SFB while transitioning to the universal bank," it said. There should be no new mandatory lock-in requirement of minimum shareholding for existing promoters in the transitioned universal bank.

"There should be no change to the promoter shareholding dilution plan already approved by the Reserve Bank," it said. "The eligible SFBs having diversified loan portfolio will be preferred," the RBI said.

IUCN representative to be an observer in Nilgiri Tahr survey

Geetha Srinath
CHENNAI

With a resolve to remove the Nilgiri Tahr (*Nilgiritragus hylocrius*) from the endangered status, the Tamil Nadu government will conduct a synchronised survey of the State animal from April 29.

The three-day exercise is being done to estimate the population of the Tahrs, which once roamed the length and breadth of the Anamalai and Nilgiris landscape. The animal is listed as an endangered species by the International Union for Conservation of Nature (IUCN) and protected under Schedule I of the Wild Life (Protection) Act, 1972.

There are around 3,000 Tahrs in the Western Ghats, according to a report released by the World Wildlife Fund India in 2015, and conservation workers of them is concentrat-



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ed in the Anamalai Tiger Reserve (ATR).

In 2020, the Nature Conservation Foundation found around 510 individuals in the ATR, which houses the second-largest population of the species after the Eravikulam National Park in Kerala. "We have roped in WWF and the Wildlife Institute of India for the population estimation. The third is IUCN, whose country director will be an observer in the

exercise," said Supriya Sahu, Additional Chief Secretary to the Department of Environment, Climate Change and Forest. For the purpose of the survey, being done in coordination with Kerala's Forest Department, the habitats in Tamil Nadu have been divided into 13 forest divisions, 100 forest beats, and 140 feasible blocks. Emphasis has been given to areas along the Kerala border, Ms. Sahu said.

BASIC COVER OF ₹2 LAKH FOR LIFE, HEALTH, ACCIDENT & PROPERTY

All-in-one insurance product: Irdai prices Bima Vistaar at ₹1,500/policy

GEORGE MATHW
MUMBAI, APRIL 26

THE INSURANCE Regulatory Board of India (IRDAI) has approved the Bima Vistaar, an all-in-one insurance product, effective from April 26, 2022.

The regulator made an announcement regarding the launch of Bima Vistaar and its terms and conditions on its website, addressed to IRDAI chairman Pankaj Ghosh on Thursday. The product is designed to provide a comprehensive cover with combined insurance of health, personal accident and property insurance. The total sum assured cover with premium of ₹3,000 monthly over a 100-year period, is Rs 1.50 crore.

The sum assured for life, personal accident and property covers is Rs 1 lakh each, while health cover, known as Super Cover, offers sum assured of Rs 500 crore for 10 days, with a



Agents selling Bima Vistaar policies stand to earn a commission of 10%.

maximum amount of Rs 5,000 available without producing any documents. Agents selling Bima Vistaar policies stand to earn a commission of 10 per cent, according to wider industry sources. The product is being introduced by the regulator's first insurance bank, the policy will cost ₹8,240 with an additional ₹900 charged for the rest of the term by members.

The sum assured for life, personal accident and property covers is Rs 1 lakh each, while health cover, known as Super Cover, offers sum assured of Rs 500 crore for 10 days, with a

limit by providing them with a reliable insurance solution at a reasonable cost. In addition to applying IRDAI's commendable initiative with Bima Vistaar, we also encourage the inclusion of provisions that enable intermediaries to effectively generate and sell these all-in-one insurance products. Insurers said the claim settlement for the property part of the combo solution will be on an automatic basis, which means any payout is based on the magnitude of the losses. With 25 per cent of claims for the property part of the insurance, the policy holder and with more than 75 per cent of claims for the personal accident and property part of the ₹2 lakh will be set aside for the health cover, according to the General Insurance Council (GIC) and Life Insurance Council (LIC), two working towards creating a life insurance ecosystem.

Panda called the IRP-like moment in the insurance industry. Panda, which will include Bima Sagar, the digital platform, Bima Vistaar and Bima Vahak, a women-centric distribution channel to focus on reaching unorganised rural India, increased from \$91 billion to \$92 billion.

"The competitive pricing of Bima Vistaar is expected to benefit many individuals and fam-

ilies by providing them with a reliable insurance solution at a reasonable cost. In addition to applying IRDAI's commendable initiative with Bima Vistaar, we also encourage the inclusion of provisions that enable intermediaries to effectively generate and sell these all-in-one insurance products. Insurers said the claim settlement for the property part of the combo solution will be on an automatic basis, which means any payout is based on the magnitude of the losses. With 25 per cent of claims for the property part of the insurance, the policy holder and with more than 75 per cent of claims for the personal accident and property part of the ₹2 lakh will be set aside for the health cover, according to the General Insurance Council (GIC) and Life Insurance Council (LIC), two working towards creating a life insurance ecosystem.

By leveraging the expertise of intermediaries, such as brokers, agents, and insurance advisors, we ensure that Bima Vistaar reaches to full potential in reaching and serving the diverse needs of our population." Shareholders said.

As Bima Vistaar is considered a mass product for increasing insurance penetration in the country, it is expected that unlike micro insurance products, it will generate large sales volume. Now that the premium has been fixed, it will be possible to do a cost-benefit analysis of the product for long-term sustainability.

1. Shanghai Cooperation Organisation
2. Nilgiri Tahr Survey
3. Small Finance Banks
4. Bima Vistaar

Shanghai Cooperation Organisation



Adopt zero-tolerance towards terrorism: India at SCO meet

Defence Secretary Giridhar Aramane led the Indian delegation at the Shanghai Cooperation Organisation (SCO) Defence Ministers' meeting in Asthana, Kazakhstan, on Friday where he emphasised the need to adopt a zero-tolerance approach towards terrorism in all its forms for prosperity and development of the SCO member states. "A Joint Communique was issued after the meeting, in which the SCO Defence Ministers agreed, amongst other initiatives, to developing the idea of 'One Earth, One Family, One Future', which is rooted in the ancient Indian philosophy of 'Vasudhaiva Kutumbakam'," said a statement from the Ministry of Defence.

- **Founded** in 2001 by Kazakhstan, China, Kyrgyzstan, Russia, Uzbekistan, and Tajikistan
- **Cooperation and mutual support:** trade, investment, energy, transportation, and security
- **Official language of SCO Secretariat:** Russian and Chinese
- **India:** 2015 (Ufa) and **2017 (Astana)**
- **Members**
 - China, India, Kazakhstan, Kyrgyzstan, Russia, Pakistan, Tajikistan, Iran, and Uzbekistan
 - **2021:** Iran joined as full member



Nilgiri Tahr Survey



IUCN representative to be an observer in Nilgiri Tahr survey

Geetha Srimathi
CHENNAI

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The three-day exercise is being done to estimate the population of the Tahrs, which once roamed the length and breadth of the Anamalai and Nilgiris landscape. The animal is listed as an endangered species by the International Union for Conservation of Nature (IUCN) and protected under Schedule-I of the Wild Life (Protection)



There are around 3,000 Tahrs in the Western Ghats, according to a report released by the World Wildlife Fund India in 2015.

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In 2020, the Nature Conservation Foundation found around 510 individuals in the ATR, which houses the second-largest population of the species

exercise," said Supriya Sahu, Additional Chief Secretary to the Department of Environment, Climate Change and Forest.

For the purpose of the survey, being done in coordination with Kerala's For-

- **Nilgiri Tahr (*Nilgiritragus hylocrius*)**



- **Schedule-I of the Wildlife (Protection) Act, 1972**
- **World Wildlife Fund India (2015): around 3,000**

Tahrs in the Western Ghats

- concentrated in the **Anamalai Tiger Reserve**
- **Eravikulam National Park in Kerala**
- **Behaviour:** Cold, wet climate; thick fur, hooves, not nocturnal



Distribution of Nilgiri tahr

Small Finance Banks



SFBs should be worth ₹1,000 cr to become universal banks, says RBI

ENS ECONOMIC BUREAU
MUMBAI, APRIL 26

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According to the central bank, SFBs aspiring to become a universal bank need to have scheduled status with a satisfactory track record of performance for a minimum period of five years. Also, the shares of the bank should have been listed on a recognised stock exchange, the RBI said in a circular.

Further, these SFBs also need to have a net profit in the last two financial years besides having gross non-performing assets (GNPA) and net non-performing assets (NNPA) of less

TO TURN INTO A REGULAR BANK

- Need to have scheduled status with a satisfactory track record of performance for a minimum period of five years

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than or equal to three per cent and one per cent, respectively in the last two financial years, the RBI said.

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The RBI circular said there is no mandatory requirement for an eligible SFB to have an identified promoter. However, the existing promoters of the eligible SFB, if any, should continue as the promoters on transition to a universal bank. "Addition of new promoters or change in promoters will not be permitted for an eligible SFB while transitioning to the universal bank," it said. There should be no new mandatory lock-in requirement of minimum shareholding for existing promoters in the transitioned universal bank.

"There should be no change to the promoter shareholding dilution plan already approved by the Reserve Bank," it said. "The eligible SFBs having diversified loan portfolio will be preferred," the RBI said.

- **Provide basic banking services**

- Deposits and Loans (Loan Portfolio)
- Priority Sector Lending
- Branch Network

- **OnTap Licensing: RBI latest revision wrt universal banks for SFBs**

- **minimum net worth** of Rs 1,000 crore
- **shares listed** on a recognised stock exchange
- **net profit** in the last 2 FYs
- **gross non-performing assets** of less than or equal to 3% in last 2 FYs



Bima Vistaar



BASIC COVER OF ₹2 LAKH FOR LIFE, HEALTH, ACCIDENT & PROPERTY

All-in-one insurance product: Irdai prices Bima Vistaar at ₹1,500/policy

GEORGE MATHEW

MUMBAI, APRIL 22

THE INSURANCE Regulatory and Development Authority of India (Irdai) has proposed to price Bima Vistaar, an ambitious all-in-one affordable mass product aimed at the rural areas of the country, at Rs 1,500 per policy.

The regulator made an announcement regarding the launch of Bima Vistaar and its prices at a summit of insurance CEOs addressed by IRDAI chairman Debashish Panda on Thursday. The product is designed to provide a basic social safety net cover with combined

features of life, health, personal accident and property insurance. The product includes life cover with a premium of Rs 820, health cover of Rs 500, personal accident cover at Rs 100 and property cover of Rs 100. Taken for the entire family on a flatter basis, the policy will cost Rs 2,420, with an additional Rs 900 charged for the rest of the family members.

The sum assured for life, personal accident and property covers is Rs 2 lakh each, while the health cover, known as hospi cash, offers a sum assured of Rs 500 for 10 days, with a



Agents selling Bima Vistaar policies stand to earn a commission of 10%, it.

maximum amount of Rs 5,000 available without producing bills or documents. Agents selling Bima Vistaar policies stand to earn a commission of 10 per cent, incentivising wider distribution and adoption of the product.

Narendra Bhartiwal, Vice President at Insurance Brokers Association of India (IBA), said the comprehensive coverage offered by the Bima Vistaar policy underscores its importance in safeguarding individuals and families against various risks and uncertainties. "This initiative not only encourages more

people to invest in insurance for their protection but also promotes financial inclusion," he said.

In the financial year 2022-23 (FY23), India's overall insurance penetration was down at 4.2 per cent from the level of 4.2 per cent in FY22, according to a Swiss Re Sigma report. This is much below the global insurance penetration of 6.6 per cent.

In FY23, the insurance density in India increased from \$11 in FY22 to \$92.

"The competitive pricing of Bima Vistaar is expected to benefit many individuals and fam-

ilies by providing them with a reliable insurance solution at a reasonable cost. In addition to applauding IRDAI's commendable initiative with Bima Vistaar, we also encourage the inclusion of provisions that enable intermediaries to effectively promote and sell these products," Bhartiwal said.

Insurers said the claim settlement for the property part of the combo solution will be on parametric basis, which means any payout is based on the magnitude of the event, rather than the magnitude of the losses. With 25 per cent of damage, 50 per cent of the sum assured will automatically be paid to the policy holder and with more than 40 per cent damages 100 per cent or Rs 2 lakh will be settled as claims. Ibaa, along with the General Insurance Council (GIC) and Life Insurance Council (LIC), was working towards creating a UPX-like event-based insurance.

Panda called the UPX-like moment in the insurance as Bima Trinity, which will include Bima Sugam, the digital platform, Bima Vistaar and Bima Vahak, a women-centric distribution channel to focus on reaching unorganised masses.

"Bima Sugam will be the protocol or the platform, Bima Vistaar is a product where we are trying to design it in a manner which will be accessible to the common man. It will be a bundled product of life, health, casualty and property," Panda had said. In October 2022, IRDAI had set up a committee to explore and recommend on how to bring about synergies in the working and operations of Bima Vahak, Bima Vistaar and the digital platform - Bima Sugam.

These products will be distributed by Bima Vahak. Initially, every gram sabha will have at least one Bima Vahak, who will visit every house in their area and convince them about the product.

"By leveraging the expertise and reach of intermediaries, such as brokers, agents, and insurance advisers, we ensure that Bima Vistaar reaches its full potential in reaching and serving the diverse needs of our population," Bhartiwal said.

As Bima Vistaar is considered as a mass product for increasing insurance penetration in the country, it is expected that unlike other insurance products, it will generate a large sum volume. Now that the premium has been decided, it will be possible to do a cost-benefit analysis of the product for its long-term sustainability.

- **2022-23:** India's insurance penetration was down at 4% from the level of 4.2% in FY22 (Swiss Re Sigma)
 - Global insurance penetration of 6.8%.
 - In FY23, insurance density in India increased from \$91 in FY22 to \$92.
- **Affordable Pricing:** Priced at Rs 1,500 per policy
- **Comprehensive Coverage:** Offers life, health, personal accident, and property insurance
- **Sum Assured:** Provides Rs 2 lakh each for life, personal accident, and property covers.
- **Health Cover:** Known as hospi cash, it offers Rs 500 for 10 days, up to Rs 5,000 without needing bills or documents.





Thank you!

FEEL FREE TO APPROACH US
IF YOU HAVE ANY QUESTIONS.

