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Foreign Portfolio Investors

News: Recently, SEBI proposed **additional disclosures** from Foreign Portfolio Investors (FPIs).

Who are Foreign Portfolio investors?

- Foreign portfolio investors (FPIs) in India are non-residents or NRIs who invest in Indian securities such as shares, bonds, mutual funds, convertible securities, etc. They do not have direct or active ownership or control of these assets, but rather passive ownership.
- According to **Arvind Mayaram Committee** (2014), FPI results in an investor **controlling less than 10% of the shares** of the company.

FPI regulations in India:

- FPIs are registered with SEBI and can invest in Indian securities as per the regulations prescribed by SEBI.
- The Foreign Exchange Management Act 1999 (FEMA) is the primary legislation governing FPI in India and has been amended several times to liberalize FPI regulations in India.

What are SEBI's new proposals?

- It categorizes FPIs into low risk, moderate risk and high risk.
- The **low risk** would cover government and government-related entities such as central banks or sovereign wealth funds.
- **Moderate risk** refers to pension funds or public retail funds with widespread and dispersed investors.
- All other FPIs are categorised as **high-risk**.
- Additional disclosure requirements for high-risk FPIs holding more than 50% of their equity asset under management (AUM) in a single corporate group.
- The existing high-risk FPIs with an overall holding in the Indian equity market of over Rs 25,000 crore comply with the disclosure mandate within six months. Failing this, they would have to bring down their holding within the threshold.

FDI	FPI
1. It is long-term investment	1. It is generally short-term investment
2. Investment in physical assets	2. Investment in financial assets
3. Aim is to increase enterprise capacity or productivity or change management control	3. Aim is to increase capital availability
4. Leads to technology transfer, access to markets and management inputs	4. FPI results in only capital inflows
5. FDI flows into the primary market	5. FPI flows into the secondary market
6. Entry and exit is relatively difficult	6. Entry and exist is relatively easy
7. FDI is eligible for profits of the company	7. FPI is eligible for capital gain
8. Does not tend be speculative	8. Tends to be speculative
9. Direct impact on employment of labour and wages	9. No direct impact on employment of labour and wages
	10. Fleeting interest in mgt.

What was the need for the proposed regulations?

- **Potential misuse** of the FPI route for circumventing Press Note 3 stipulations (2020) which required an entity sharing a land border with India to involve in FPI only via the government route.
- **Concentrated group investments** by FPIs to bypass regulatory requirements (such as that for minimum public shareholding).

Significance:

- It will help identify tangible ownership and curtail incidences of multiple routes.
- It will enhance transparency and help avert regulatory requirements, and keep up with the minimum (25%) public shareholding norms.

Are there any exceptions?

- **New FPIs** that have just begun investments would be allowed to breach the threshold criteria for up to a period of six months.
- **'Moderate risk'** FPIs, whose India-oriented holdings are relatively small in comparison to their global portfolio, are not subjected to additional disclosure requirements.

Ram Prasad Bismil

News: Recently, the birth anniversary of Ram Prasad Bismil was celebrated.

Who was Ram Prasad Bismil?

- Born on 11th June 1897, Ram Prasad Bismil was an Indian poet, writer, revolutionary and freedom fighter who participated in the **Mainpuri Conspiracy of 1918** and the **Kakori Conspiracy of 1925** against the British Raj.
- He was **one of the founding members** of the **Hindustan Republican Association**, which aimed to **overthrow** colonial rule by armed rebellion.
- He joined the **Arya Samaj** and became a prolific writer and poet, penning patriotic verses in Hindi and Urdu under pen names like '**Agyat**', '**Ram**', and the one that is most known - '**Bismil**' (meaning 'wounded', 'restless')
- He started a revolutionary organisation called **Matrivedi** (The Altar of the Motherland).



What are some of his works?

- At the age of only 18, he penned the poem **Mera Janm** (My Birth), venting out his anger over the death sentence handed out to Arya Samaj missionary Bhai Parmanand.
- **Mainpuri ki Pratigya, Mera rang de Basanti Chola.**
- Translated works such as **Bolshevikon ki Kartoot** (from Bengali)
- Autobiography - **Kakori ke Shaheed**
- **Man ki Lahar** - Collection of poems

What was the manifesto of HRA?

- Their manifesto, largely penned down by Bismil, was officially released on January 1, 1925, and titled **Krantikari** (Revolutionary)
- It proclaimed, "The immediate object of the revolutionary party in the domain of politics is to establish a **federal Republic of United States of India** by an organized and armed revolution."
- Their envisioned republic would be based on **universal suffrage** and **socialist principles**, importantly, the "abolition of all systems which make the exploitation of man by man possible."

Death:

- After an eighteen-month long trial (**Kakori Train Action**), Bismil, Ashfaquallah and Rajendranath Lahiri were sentenced to death. The sentence was carried out on December 19, 1927. Ram Prasad Bismil was just 30 years old when he died.

Source - The Indian Express

Arctic Sea Ice

News: According to a recent study published in the Nature Journal, the loss of Arctic Sea ice is expected to continue in the coming decades, even if carbon emissions are significantly reduced.

Key Findings:

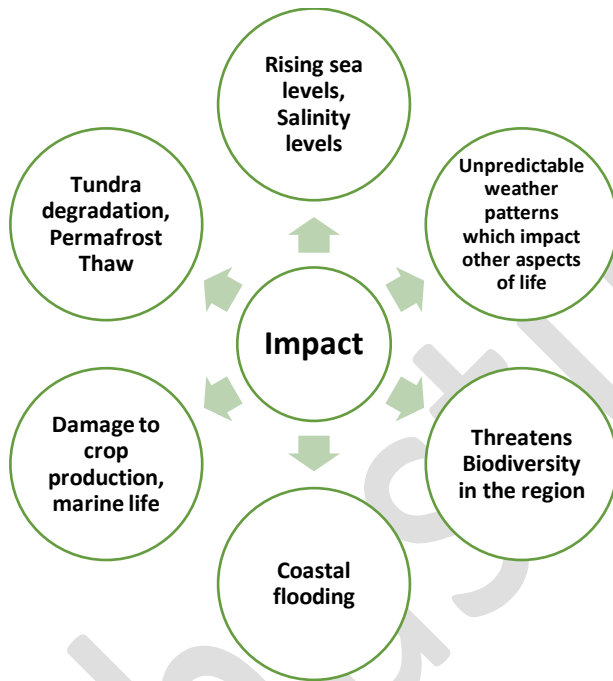
- Intergovernmental Panel on Climate Change (IPCC) reports confirm the decline of Arctic Sea ice. The first "**sea-ice-free summer**" is projected to **occur before 2050**, due to global emissions driving temperatures beyond 4.5°C.
- The study says that no emission scenario can prevent the loss of Arctic Sea ice in summer. If significant emission reductions are not undertaken, an ice-free summer could occur as early as the 2030s.

- Human-induced factors contribute to approximately 90% of ice melting, while natural variability accounts for the rest.
- Climate models, including those used by the IPCC, underestimated the speed of melting.

Which factors are responsible for the rapid melting of Ice?

- Arctic Amplification – Phenomenon where the Arctic region experiences more rapid warming compared to other parts of the planet.
- Ice has high reflectivity (albedo) compared to land or water surfaces. This, decreased ice cover reduces Earth’s surface reflectivity.
- Changes in atmospheric circulation patterns can transport warm air into the Arctic, further raising temperatures and melting ice.
- Permafrost thaws releases stored greenhouse gases which additionally contribute to warming.

What is the impact of Melting Arctic Ice?



What can India do?

- Aim to better understand the dynamics of Arctic demography and governance, acting beyond scientific exploration.
- Raise the alarming issue at Global Forums.
- Several studies have noted how the melting of Arctic Sea ice impacts India. For example, the changes in the atmospheric circulation due to diminishing sea ice combined with the warm temperatures in the Arabian Sea contribute to enhanced moisture and drive extreme rainfall events.

Dimethyl Ether Fueled Tractor

News: Recently, India's first 100% Dimethyl Ether (DME) fuelled tractor/ vehicle for on- and off-road applications has been developed by IIT Kanpur.

Background:

- It is part of the '**Methanol Economy**' program of NITI Aayog, aiming to reduce India's oil import bill and greenhouse gas emissions.
- The project showcased **higher thermal efficiency** and **lower emissions** than the baseline diesel engine.

What is Dimethyl Ether Fuel?

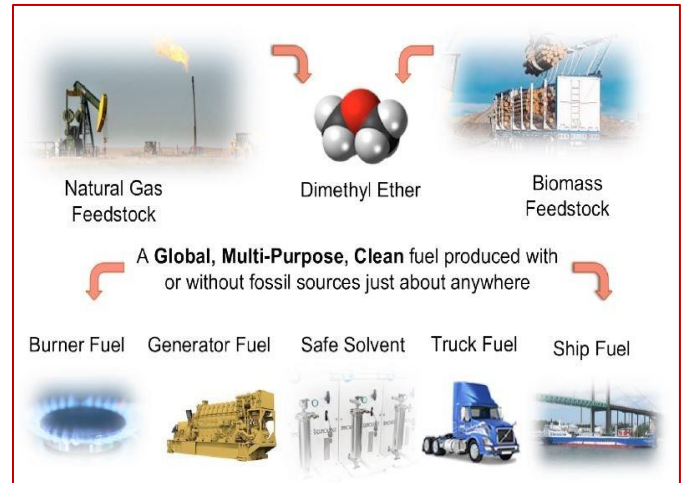
- It is a **synthetically produced alternative fuel** that can be directly used in specially designed compression ignition diesel engines for various purposes.
- DME is a **renewable alternative** to crude oil.
- It is already put to use in countries such as the USA, Japan etc.
- Under normal atmospheric conditions, DME is a **colourless gas**.
- It is a **clean-burning fuel** with low emission and low particulate matter.

Application of DME:

- Chemical industry, used as a solvent, refrigerant
- Ozone-friendly aerosol propellant

Why DME?

- Low particulate and soot emissions
- Alternative fuel option compared to crude oil imports
- Converting domestic coal reserves, low-value agricultural biomass waste, and municipal solid waste into methanol and DME can contribute to achieving these goals.



Bagh Print

News: MP Tourism Board in association with district administration Dhar recently launched a training camp on manufacturing sustainable bags based on Bagh Print.

Background:

- The training was aimed at providing livelihood skills to participating women and promoting eco-friendly substitutes for plastic bags.

What is Bagh Print?

- Bagh printing in Madhya Pradesh is a specialized form of **wooden hand-block printing**, originally practised across the regions in the Indus Valley.
- The Khatri community of dyers of cloth lived along the Sindhu, or the Indus, because of their need for plenty of clear water to wash and prepare their textiles.



- A branch of the Khatriis became settlers in the village of **Bagh in the Dhar district** of Madhya Pradesh and started practising Bagh prints. The craft, as well as the village, derive their names from the **river 'Baghini'** that flows through the village.

Features:

- Weaving and hand block printing process associated with the geometric designs, imaginative use of red and black natural colours. They also take advantage of the chemical properties of the river and the effective use of colours results in Bagh Prints in a unique art form.
- In this printing technique, the cloth used is cotton and silk cloth. The designs are patterned by skilled artisans. They are created using natural dyes, which are eco-friendly and non-hazardous.
- On completion of the Bagh printing process, the printed fabric is subject to repeated washing in the flowing waters of the river and then dried in the sun for a specific period to obtain a fine lustre.

Facts for Prelims

Cyclone Biparjoy

News: Cyclone "Biparjoy" is a severe cyclonic storm that is likely to make landfall between Kutch, Gujarat and Karachi in Pakistan.

About:

- Biparjoy is the only third '**extremely severe**' cyclone to develop in the Arabian Sea in June in 58 years, IMD suggested.
- The '**Extremely Severe**' Cyclone Biparjoy (wind speed 90 – 119 km/hr) is expected to cross Saurashtra-Kutch and Pakistan between Mandvi, Gujarat and Karachi, Pakistan near **Jakhau Port in Gujarat** by Thursday afternoon as a 'Very Severe' cyclone with a maximum wind speed of 125 – 135 km/hr, the IMD has predicted."
- **Bangladesh** gave a tropical cyclone the name "Biparjoy," which is Bengali for "calamity" or "disaster"

Impact of Cyclone Biparjoy:

- The storm may further postpone the beginning of the monsoon by diverting precipitation away from India.
- Climate experts draw attention to the possible effects of long-term warming of the Indian Ocean and the forming of El Nino, both of which have the potential to decrease the monsoon.

Taurine

News: A recent study has shown that Taurine – a nutrient found in meat, and fish and sold as a supplement – extends life and boosts health in a range of animal species.

About:

- Taurine is an **amino acid** that has a few important roles in your body, including supporting **immune health** and **nervous system function**.
- The scientific report suggests taurine plays a role in **reducing cellular senescence** – where cells in the body stop dividing – a hallmark of ageing.
- The nutrient also appeared to keep mitochondria – the power stations in the body's cells – functioning.

What is Taurine?



Taurine is a sulfur-containing amino acid required for bile formation. It is normally made by the body from cysteine, the conversion requiring B6. It serves to control neurotransmitters and metabolic function. Taurine is important for proper heart function, healthy sleep and promoting calmness. Taurine is an antioxidant that also plays a role in brain chemistry. It can improve symptoms of depression, stimulate insulin release, and enhance cholesterol excretion.

Reference Range:

(29 - 136 µmol/L.)



- Taurine is virtually **non-existent in plants**. So the nutrient either comes from the animal protein in the diet or is manufactured by the body.

Exercise Ekuverin

News: The 12th edition of the joint military exercise "Ekuverin" between the **Indian Army** and the **Maldives** National Defence Force commenced at Chaubatia, Uttarakhand from 11 to 24 June 2023.

About:

- This exercise aims to enhance interoperability in Counter Insurgency/Counter Terrorism Operations under the UN mandate and conduct joint Humanitarian Assistance and Disaster Relief operations.
- The Maldives is an archipelago located in the Indian Ocean, southwest of Sri Lanka. It consists of a chain of almost 1200 small coral islands that are grouped into clusters of atolls. The capital and largest city of the Maldives is Malé.
- The official language of the Maldives is **Dhivehi**.

Celt

News: A celt, belonging to the **Neolithic period**, was discovered in Poothinatham by Tamil Nadu's Department of Archaeology.

About:

- A celt is a **prehistoric tool** made of **stone or metal**, typically used as a cutting or shaping implement. It can serve as an axe, chisel, or adze and was commonly used for **woodworking, farming, and construction**.
- The celt that was found was used as either a **plough or an axe** and was made of **Doloraid stone**.

