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MK Yadav Sir

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REGULATORY SANDBOX

(Syllabus: GS Paper 3 – Economy)



On the importance of regulatory sandboxes in artificial intelligence

Regulatory sandboxes have become a significant instrument in various countries, used to evaluate innovations within a defined and monitored time frame while being subject to regulatory oversight and controlled constraints

Sanhita Chaurihа

The advancement of Artificial Intelligence (AI) technologies has posed both unprecedented opportunities and complex challenges for societies worldwide. As AI applications continue to proliferate across industries such as healthcare, transportation, finance, and more, concerns have emerged regarding ethical implications, data privacy, and potential risks associated with their deployment. In response, many governments and regulatory bodies have turned to innovative approaches such as "AI regulatory sandboxes" to strike a balance between fostering AI innovation and ensuring responsible development.

To regulate but not restrict

Regulatory sandboxes have become a significant instrument in various countries, used to evaluate innovations within a defined and monitored time frame while being subject to regulatory oversight and controlled constraints. This approach serves as a valuable tool for policymakers, furnishing them with empirical evidence regarding the advantages and potential risks associated with emerging technologies. Moreover, an evidence-based approach empowers policymakers to adopt a well-informed stance in crafting legal and policy responses that foster beneficial innovation. For businesses engaged in these sandboxes, insights gleaned from a study on 'fintech regulatory sandboxes' indicate that this controlled environment enhances access to funding by mitigating information imbalances and reducing regulatory costs. Such multifaceted utility positions regulatory sandboxes as a catalyst for fostering innovation, supporting economic growth, and ensuring responsible governance in a rapidly evolving landscape of emerging technologies.

While the inception of the first formal regulatory sandbox is often attributed to the Financial Conduct Authority in the U.K., numerous other nations have subsequently introduced or announced similar initiatives to assess innovations spanning various industries. According to data from the World Bank, as of November 2020, there were approximately 73 regulatory sandboxes, both announced and operational, within the financial sector across 57 jurisdictions. In India, all financial sector regulators, including the Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India, Pension Fund Regulatory and Development Authority, and International Financial Services Centre Authority, have launched their respective regulatory sandboxes. Expanding beyond finance, Karnataka has enacted the Karnataka Innovation Authority Act, 2020, establishing an Innovation Authority dedicated to promoting and regulating innovative technologies through a regulatory sandbox model. Notably, the recently passed Telecommunications Act 2023 proposed a regulatory sandbox where the central Government has the authority to establish one or more regulatory sandboxes, as prescribed, to promote and facilitate innovation and technological development in the field of telecommunications, specifying the manner and duration for their implementation.

The benefits of regulatory sandboxes

In the discourse surrounding AI regulation, the concept of regulatory sandboxes emerges as a compelling avenue for exploration. When one considers the necessity of stringent, detailed regulation or favouring adaptable strategies like soft or self-regulation, the introduction of a regulatory sandbox remains a viable option. Firstly, such a sandbox provides a controlled environment for experimentation, offering invaluable insights into AI technologies capabilities and limitations while fostering collaboration between innovators and regulators. Additionally, it promotes transparency and accountability by requiring participants to disclose information about their AI models, addressing concerns about opacity and enabling tailored regulations. Furthermore, by mandating risk assessments and safeguards, the sandbox encourages responsible innovation, mitigating potential societal impacts of AI applications and nurturing a culture of ethical development within the industry.

Article 53 of the European Union's AI Act, has the provision of a regulatory sandbox to test technology before making it mainstream. Additionally, Spain became the first European country to have established the statute of the Spanish Agency for the Supervision of Artificial Intelligence (AESIA), ahead of the European regulation on artificial intelligence. This regulation will mandate member states to designate a 'national supervisory authority' responsible for overseeing the implementation of regulations related to AI.

Globally, there is a competitive race to regulate and harness AI's vast potential. The EU has come up with an AI Act, the U.S. has released a white paper on the AI bill of Rights, and the U.K. has a national AI Strategy. China is trying to regulate various aspects of AI like generative AI while Singapore is following an innovation-friendly approach.

India's approach to AI

In India, NITI Ayog released a discussion paper outlining a national strategy for AI, which led to the establishment of the national AI Portal. The Ministry of Electronics and Information Technology (MeitY), released a report on AI Innovation 2023 highlighting India's AI vision through seven working groups. The latest proposal of the Digital India Act, 2023 also talks about regulating AI by creating a separate set of laws and regulations.

India's interest in regulating AI is grounded in a multifaceted approach encompassing economic ambitions, ethical considerations, job creation, industrial transformation, and overall societal welfare. As a global technology hub, the chair of the Global Partnership on Artificial Intelligence and the Delhi Declaration, India aspires to foster innovation in alignment with its cultural and ethical values. A comprehensive regulatory sandbox can be envisioned to guide businesses, researchers, and policymakers, steering AI development towards sustainable growth.

A regulatory sandbox should not be viewed as an approach to directly govern AI, but rather as a progressive step preceding formal legislation. It serves as a preparatory measure tailored to India's specific circumstances, paving the way for future regulatory actions aligned with the country's needs and developments in the AI landscape. By providing a controlled environment for testing innovative AI applications, a regulatory sandbox enables stakeholders to assess risks, refine regulatory frameworks, and foster collaboration between regulators, industry players, and other stakeholders. This collaborative approach not only promotes responsible AI deployment but also positions India at the forefront of shaping effective and adaptive regulatory frameworks for emerging technologies. Given the distinct Indian context, it becomes pivotal to determine which approach is most viable and efficient in striking a balance between fostering AI innovation and ensuring ethical, transparent, and accountable AI implementations.

Sanhita Chaurihа is a Data Privacy and Technology Lawyer.

Context: Recently, governments and regulatory bodies have embraced innovative approaches like "AI regulatory sandboxes" to navigate the dual landscape of unprecedented opportunities and complex challenges posed by the advancement of Artificial Intelligence (AI) technologies worldwide.

India's approach to AI

- **NITI Ayog's National Strategy:** In India, NITI Ayog released a discussion paper outlining a national strategy for AI, which led to the establishment of the national AI Portal.
- **MeitY's AI Innovation Report**: The Ministry of Electronics and Information Technology (MeitY) released a report on AI Innovation 2023, highlighting India's AI vision through seven working groups.
- **Proposal of the Digital India Act**: The latest proposal of the Digital India Act, 2023, also talks about regulating AI by creating a separate set of laws and regulations.
- **Multifaceted Approach to Regulation**: India's interest in regulating AI is grounded in a multifaceted approach encompassing economic ambitions, ethical considerations, job creation, industrial transformation, and overall societal welfare.

Regulatory Sandbox

- **About:** It refers to live testing of new products or services in a controlled regulatory environment, providing a "safe space" for businesses.
- **Participants and Processes**: The sandbox involves regulators, innovators, financial service providers, and customers conducting field tests to assess the benefits and risks of new financial innovations.
- **Duration of the Sandbox Testing:** The sandbox testing stage lasts for a maximum of twelve months and can be extended upon the applicant's request, subject to approval by the steering committee.
- **Stages of Sandbox Testing**
- **Stage – I**: Restricted access to the test environment will be granted, and there will be limitations on resource usage including processing power, memory, and storage.
- **Stage – II**: The restrictions on resource usage will be lifted, contingent upon the availability of resources at that specific moment.

Benefits

- Regulatory sandboxes offer a controlled setting for testing AI technologies.
- They facilitate collaboration between innovators and regulators, enhancing understanding and cooperation.
- Sandboxes mandate participants to disclose information about AI models, ensuring transparency and accountability.
- Mandating risk assessments and safeguards, sandboxes encourage responsible innovation in AI development.

GPT-4O

(Syllabus GS Paper 3 – Sci and Tech)



WHAT IS GPT-4o, OPENAI'S LATEST, MOST POWERFUL AI MODEL YET

BIJIN JOSE
BENGALURU, MAY 14

OPENAI on Monday introduced its latest large language model (LLM) called GPT-4o, billed as its fastest and most powerful AI model so far. The company claims that the model will improve its AI chatbot ChatGPT and make it easier to use.

Until now, OpenAI's most advanced LLM was GPT-4, which is only available to paid users. However, the GPT-4o will be freely available.

What is GPT-4o?

GPT-4o ('o' stands for 'Omni') has been developed to enhance human-computer interactions. It lets users input any combination of text, audio, and image, and receive responses in the same formats. This makes GPT-4o a multimodal AI model – a significant leap from previous models.

It could assist users with a variety of tasks, from real-time translations to having real-time spoken conversations. OpenAI said that the new updated version of ChatGPT will also have updated memory capabilities, and it will learn from its previous conversations with users.

GPT-4o will be made available to the public in stages.

What is the technology behind it?

LLMs are the backbone of AI chatbots. Large amounts of data are fed into these models to make them capable of learning things themselves.

Unlike its predecessors that required multiple models to handle different tasks, GPT-4o uses a single model trained end-to-end across various modalities – text, vision, and audio.

OpenAI CTO Mira Murati said the voice mode on previous models was a combination of three different models, transcription, intelligence, and text-to-speech, while GPT-4o is a single model that allows for a more holistic processing and understanding of inputs. For example, GPT-4o can understand tone, background noises, and emotional context in audio inputs at once. This was a big challenge for earlier models.

Another leap is in areas of speed and efficiency. GPT-4o responds to queries as fast as a human does in conversation, in around 232 to 320 milliseconds.

Why does all this matter?

The AI race is intensifying, with tech giants Meta and Google working towards building more powerful LLMs and bringing them to their products. GPT-4o could prove beneficial for Microsoft, which has invested billions into OpenAI, as it can now embed the model in existing services like its search engine.

The new model also came a day ahead of the Google I/O developer conference, where Google is expected to announce new updates to its Gemini AI model.

What are GPT-4o's limitations?

On its official blog, OpenAI said that GPT-4o is still in the early stages of exploring the potential of unified multimodal interaction, meaning certain features like audio outputs are initially accessible in a limited form only.

The company said further development is necessary to fully realise its potential in handling complex multimodal tasks seamlessly.

OpenAI said GPT-4o has safety measures including "filtered training data, and refined model behaviour post training". The new model has undergone safety evaluations and reviews focussed on risks like cybersecurity, misinformation, and bias.

Context: OpenAI introduced its latest large language model (LLM) called GPT-4o.

GPT-4o

- **About:** GPT-4o, short for "Omni," is hailed as a revolutionary AI model designed to revolutionize human-computer interactions.
- **Capabilities**: This model allows users to input text, audio, and images, and it responds in the same formats, marking a significant advancement in AI technology.
- **Digital Personal Assistant:** GPT-4o functions as a digital personal assistant, capable of aiding users in various tasks, including real-time translations and engaging in spoken conversations.
- **Advanced Features**: It possesses the ability to analyze and interpret visual data, enabling it to view and discuss screenshots, photos, documents, and charts uploaded by users.
- **LLMs**: A large language model is a type of artificial intelligence algorithm that uses deep learning techniques and massively large data sets to understand, summarize, generate and predict new content.

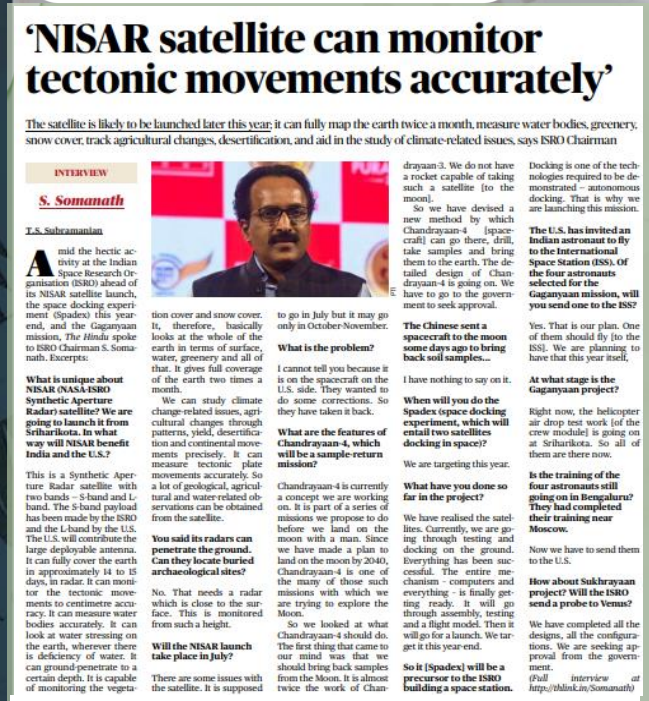
Technology behind GPT-4o

- **AI Chatbot Backbone**: LLMs (Large Language Models) serve as the foundational technology behind AI chatbots, providing the capability for natural language understanding and generation.
- **Data Feeding for Learning**: These models are trained by feeding them large amounts of data, enabling them to learn and improve their capabilities autonomously over time.
- **Architecture of GPT-4o**: GPT-4o adopts a unified model architecture, unlike its predecessors that required multiple models for different tasks.
- **End-to-End Training**: GPT-4o is trained end-to-end across various modalities, including text, vision, and audio, allowing it to seamlessly handle diverse inputs.
    - Unlike previous models, GPT-4o integrates different modalities natively, eliminating the need for separate models for tasks like transcription, intelligence, and text-to-speech.
- **Capabilities**: The integration in GPT-4o enables it to process and understand inputs more holistically, encompassing factors like tone, background noises, and emotional context simultaneously in audio inputs.

THE HINDU Page 5

NISAR MISSION

(Syllabus: GS Paper 3 – Sci and Tech)



'NISAR satellite can monitor tectonic movements accurately'

The satellite is likely to be launched later this year; it can fully map the earth twice a month, measure water bodies, greenery, snow cover, track agricultural changes, desertification, and aid in the study of climate-related issues, says ISRO Chairman

INTERVIEW

S. Somanath

T.S. Subramanian

Amid the hectic activity at the Indian Space Research Organisation (ISRO) ahead of its NISAR satellite launch, the space docking experiment (Spadex) this year-end, and the Gaganyaan mission, *The Hindu* spoke to ISRO Chairman S. Somanath. Excerpts:

What is unique about NISAR (NASA-ISRO Synthetic Aperture Radar) satellite? We are going to launch it from Sriharikota. In what way will NISAR benefit India and the U.S.?

This is a Synthetic Aperture Radar satellite with two bands – S-band and L-band. The S-band payload has been made by the ISRO and the L-band by the U.S. The U.S. will contribute the large deployable antenna. It can fully cover the earth in approximately 14 to 15 days, in radar. It can monitor the tectonic movements to centimetre accuracy. It can measure water bodies accurately. It can look at water stressing on the earth, wherever there is deficiency of water. It can ground-penetrate to a certain depth. It is capable of monitoring the vegetation cover and snow cover. It, therefore, basically looks at the whole of the earth in terms of surface, water, greenery and all of that. It gives full coverage of the earth two times a month.

We can study climate change-related issues, agricultural changes through patterns, yield, desertification and continental movements precisely. It can measure tectonic plate movements accurately. So a lot of geological, agricultural and water-related observations can be obtained from the satellite.

You said its radars can penetrate the ground. Can they locate buried archaeological sites?

No. That needs a radar which is close to the surface. This is monitored from such a height.

Will the NISAR launch take place in July?

There are some issues with the satellite. It is supposed to go in July but it may go only in October-November.

What is the problem?

I cannot tell you because it is on the spacecraft on the U.S. side. They wanted to do some corrections. So they have taken it back.

What are the features of Chandrayaan-4, which will be a sample-return mission?

Chandrayaan-4 is currently a concept we are working on. It is part of a series of missions we propose to do before we land on the moon with a man. Since we have made a plan to land on the moon by 2040, Chandrayaan-4 is one of the many of those such missions with which we are trying to explore the Moon.

So we looked at what Chandrayaan-4 should do. The first thing that came to our mind was that we should bring back samples from the Moon. It is almost twice the work of Chandrayaan-3. We do not have a rocket capable of taking such a satellite [to the moon].

So we have devised a new method by which Chandrayaan-4 [spacecraft] can go there, drill, take samples and bring them to the earth. The detailed design of Chandrayaan-4 is going on. We have to go to the government to seek approval.

The Chinese sent a spacecraft to the moon some days ago to bring back soil samples...

I have nothing to say on it.

When will you do the Spadex (space docking experiment, which will entail two satellites docking in space)?

We are targeting this year.

What have you done so far in the project?

We have realised the satellites. Currently, we are going through testing and docking on the ground. Everything has been successful. The entire mechanism - computers and everything - is finally getting ready. It will go through assembly, testing and a flight model. Then it will go for a launch. We target it this year-end.

So it [Spadex] will be a precursor to the ISRO building a space station.

Docking is one of the technologies required to be demonstrated – autonomous docking. That is why we are launching this mission.

The U.S. has invited an Indian astronaut to fly to the International Space Station (ISS). Of the four astronauts selected for the Gaganyaan mission, will you send one to the ISS?

Yes. That is our plan. One of them should fly [to the ISS]. We are planning to have that this year itself,

At what stage is the Gaganyaan project?

Right now, the helicopter air drop test work [of the crew module] is going on at Sriharikota. So all of them are there now.

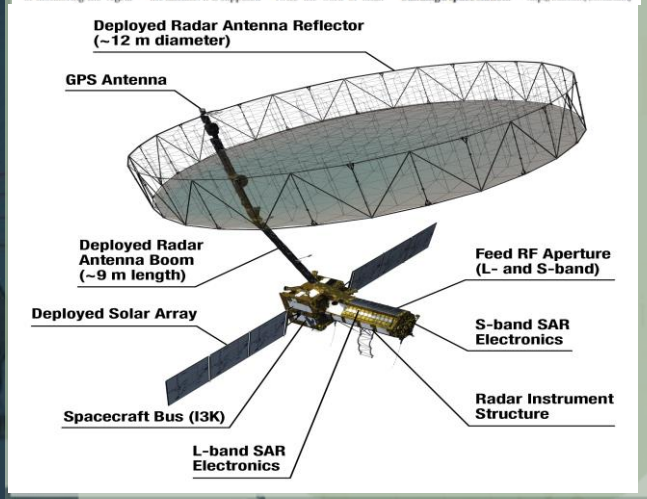
Is the training of the four astronauts still going on in Bengaluru? They had completed their training near Moscow.

Now we have to send them to the U.S.

How about Sukhrayaan project? Will the ISRO send a probe to Venus?

We have completed all the designs, all the configurations. We are seeking approval from the government.

(Full interview at https://thlink.in/Somanath)



Context: Recently, the Chairman of ISRO provided insights into the latest developments regarding the Nisar satellite project.

NISAR Mission

- **Full form:** 'NASA-ISRO Synthetic Aperture Radar' (NISAR)
- **Joint Development**: NISAR, the Low Earth Orbit (LEO) observatory, is a collaborative effort **between NASA and ISRO**.
- **Size and Weight**: This SUV-sized satellite boasts a weight of 2,800 kilograms.
- **Unique feature**: NISAR features **both L-band and S-band synthetic aperture** radar (SAR) instruments, making it a unique dual-frequency imaging radar satellite.
- The S-band payload has been made by the ISRO and the L-band payload by the U.S.
- **Capabilities**: To utilize two different radar frequencies (L-band and S-band) for monitoring and measuring changes in the Earth's surface.
    - It can monitor the tectonic movements to centimetre accuracy. It can do measurement of water bodies accurately. It can look at water stressing on the earth, wherever there is deficiency of water. It can ground-penetrate to a certain depth.
- **All-Weather Observations**: The SAR instruments on NISAR are adept at penetrating clouds and can gather data day and night, regardless of prevailing weather conditions.
- **Contributions**: In the collaborative project, **NASA has contributed the L-band radar**, **GPS, a high-capacity solid-state recorder**, and a payload data subsystem. Meanwhile, **ISRO has provided the S-band radar,** the GSLV launch system, and the spacecraft.
- **Gold-Plated Reflector**: NISAR incorporates a substantial 39-foot stationary antenna reflector constructed from gold-plated wire mesh.
- This reflector plays a **crucial role in focusing the radar signals** emitted and received by the upward-facing feed on the instrument structure.

PIB May 14

EXERCISE SHAKTI
(Syllabus: GS Paper 2 – IR)

INDIA- FRANCE JOINT MILITARY EXERCISE SHAKTI COMMENCES IN MEGHALAYA

Context: The 7th edition of India-France Joint Military Exercise SHAKTI commenced at the Joint Training Node in Umroi, Meghalaya recently.

Exercise Shakti

- **About:** It is a biennial training event conducted alternatively in India and France.
- **Aim**: To enhance the joint military capability of both sides to undertake multi-domain operations in a Sub-Conventional scenario under Chapter VII of the United Nations Mandate.
    - The joint exercise will focus on operations in the semi-urban and mountainous terrain.
- **Objectives:** To be achieved from the joint training are a high degree of physical fitness, rehearsing and refining drills for operations at the tactical level, and sharing of best practices.
    - It will enable the two sides to share their best practices in Tactics, Techniques and Procedures for conducting joint operations.
- **Indian contingent:** Comprising 90 personnel is being represented primarily by a Battalion of the RAJPUT Regiment besides personnel from other arms and services. Observers from the **Indian Navy and the Indian Air Force will also form part** of the exercise.
- **French contingent**: Comprising 90 personnel will be represented mainly by personnel from the 13th Foreign Legion Half- Brigade (13th DBLE).

INDIA VOLATILITY INDEX

(Syllabus: GS Paper 3 – Economy)



India volatility index rallies: What does it mean for investors?

HITESH VYAS
MUMBAI, MAY 14

INDIA VIX, which is an indicator of the market's expectation of volatility over the near term, has surged past the 21 mark. The rise in the India VIX shows that fear among traders or market participants on the expected volatility is more now as compared to 15 days earlier. Currently, the fear among the market players is coming from the outcome of the ongoing Lok Sabha elections.

What is the Volatility Index?

The Volatility Index, VIX or the Fear Index, is a measure of the market's expectation of volatility over the near term. Volatility is often described as the 'rate and magnitude of changes in prices' and in finance often referred to as risk. Usually, during periods of market volatility the market moves steeply up or down and the volatility index tends to rise. As volatility subsides, the Volatility Index declines. The Volatility Index is a measure of the amount by which an underlying index is expected to fluctuate, in the near term, (calculated as annualised volatility, denoted in percentage e.g. 20 per cent) based on the order book of the underlying index options.

The Chicago Board of Options Exchange (CBOE) was the first to introduce the volatility index for the US markets in 1993 based on S&P 100 Index option prices. In 2003, the methodology was revised and the new volatility index was based on S&P 500 Index options. Since its inception, it has become an indicator of how market practitioners think about volatility. Investors use it to gauge market volatility and base their investment decisions accordingly.

What is India VIX?

India VIX is a volatility index computed by the NSE based on the order book of NIFTY Options. For this, the best bid-ask quotes of near and next-month NIFTY options contracts which are traded on the F&O segment of NSE are used. India VIX indicates the investor's perception of the market's volatility in the near term i.e. it depicts the expected market volatility over the next 30 calendar days. The higher the India VIX values, the higher the expected volatility and vice versa, as per NSE.

INDIA VIX

- India VIX is a volatility index computed by the NSE based on the order book of NIFTY Options
- For this, the best bid-ask quotes of near and next-month NIFTY options contracts which are traded on the F&O segment of NSE are used

'VIX' is a trademark of the CBOE, and Standard & Poor's has granted a license to NSE, with permission from the CBOE, to use such a mark in the name of the India VIX and for purposes relating to the India VIX.

Why has India VIX surged?

In May so far, the India VIX has risen by around 53 per cent to above 20. On Tuesday, the index touched a high of 21.88 in afternoon trades. On Monday, India VIX soared 16 per cent to touch the 21.48 mark during the intraday trades, before ending at 20.6. On Monday, after rising 988 points from the intraday lows, the BSE Sensex ended 112 points up at 72,776.13. The NSE's Nifty also ended 48.85 points up at 22,104.05; it declined nearly 1 per cent during the day.

The volatility seen in the benchmark equity indices was amid concerns over the results of the ongoing elections, which will be declared on June 4. The market participants said a lower voter turnout ratio in this election may have some impact on the BJP's seat count. Heavy selling by foreign portfolio investors, who have dumped Rs 18,375 crore (till May 13) of Indian equities, have also led to the fall in the domestic market.

"A critical domestic event like the Lok Sabha elections does command a certain level of uncertainty for its outcome. Just like earlier elections in 2014 and 2019 – similar fear, or I would say uncertainty with respect to the outcome remains," said Sahaj Agarwal, Senior Vice President – Derivatives Research, Kotak Securities. A high number indicates participants are getting more cautious and expect volatility as the event unfolds.

India VIX reflects the expected volatility and typically rises ahead of events like elections that could have a major impact on the market's trajectory. As expectations of outcome keep changing, VIX also keeps rising, said Deepak Jasani, Head of Retail Research, HDFC securities Ltd. "However this time around though the VIX has risen, it has risen at a pace slower than in the previous elections as there was lower uncertainty about the outcome when the elections began," he said.

What is the outlook on India VIX?

According to Geojit Financial Services Chief Market Strategist Anand James the behavior of India VIX now has a lot of similarities to the period shortly before the 2019 electoral results announcement. Then too, markets had come off peaks in March, and VIX shot up to 28.6. The main difference in that prior to this, VIX was in a 20-34 range during the previous 6 months, pointing to volatility expectations being reasonably high for an extended period.

In stark contrast, VIX's rise from record lows to above 20 now has unfolded in just a fortnight's time, James said. "So, while recent history points to more room for upside in VIX and thereby volatility, the abruptness in the rate of change of VIX may lead to a cool-off, perhaps even before the electoral results," he said.

HDFC Securities Jasani said VIX could keep rising and peak out before the 6th or 7th phase of the elections and once the results are out, VIX can fall quite sharply.

What should investors do?

Kotak Securities' Agarwal said that in isolation, the India VIX does not give a view on the market. "But considering all the parameters, we believe the markets are in a corrective/consolidation phase. Only across above 23,000 changes the undertone to buying on dips for higher targets – till the same does not happen, I would be passive on broader markets and selectively positive," Agarwal added.

Context: India Volatility Index recently surpassed the 21 mark, indicating heightened fear among traders or market participants regarding expected volatility.

Volatility Index

- **About:** It is a measure of the market's expectation of volatility over the near term.
  - Volatility is often described as the 'rate and magnitude of changes in prices' and in finance often referred to as risk.
- **Market Behavior**: In periods of heightened market volatility, significant movements occur in either direction, leading to an uptick in the volatility index.
- **Correlation with Market Stability**: Conversely, as market volatility diminishes, the Volatility Index experiences a decline, reflecting a return to stability.
- **Method of Calculation:** It is calculated based on the order book of options linked to the underlying index, providing a snapshot of market sentiment and expectations.

India Volatility Index

- **About:** India VIX is a volatility index computed by the NSE based on the order book of NIFTY Options.
  - The computation of India VIX involves using the best bid-ask quotes of near and next-month NIFTY options contracts, which are traded on the F&O segment of NSE.
- **Time Frame**: India VIX indicates the investor's perception of the market's volatility in the near term, depicting the expected market volatility over the next 30 calendar days.
  - According to NSE, higher India VIX values suggest higher expected volatility, and lower values indicate lower expected volatility.
- **Trademark and License:** 'VIX' is a trademark of the CBOE. Standard & Poor's has granted a license to NSE, with permission from the CBOE, to use such a mark in the name of the India VIX and for purposes relating to the India VIX.

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ALICE MUNRO

(Syllabus: GS Paper 1 – Personalities in News)

Nobel-winning author Alice Munro dead

Agence France-Presse
OTTAWA



Alice Munro

Alice Munro, the Nobel Prize-winning author known as "Canada's Chekhov" for her mastery of the short story, has died at 92, her editor Deborah Treisman said on Tuesday.

Munro set her taut, acutely observed stories in the rural Ontario countryside where she grew up, focusing a stark lens on the frailties of the human condition.

Awarded the Nobel Prize in Literature in 2013 and the International Booker Prize for her body of work in 2009, Munro had suffered from dementia in recent years.

Despite her vast success and an impressive list of literary prizes, however, Munro long remained as unassuming and modest as the characters in her fiction.

That shy public profile contrasted with another Canadian contemporary literary giant, Margaret Atwood.

Context: Alice Munro, the Nobel Prize-winning author known for her mastery of the short story, has died at 92.

Alice Munro

- **About:** She was a Canadian short story writer.
- **Early Life**: Munro was born Alice Ann Laidlaw in Wingham, Ontario. She began writing as a teenager, with her first story, "The Dimensions of a Shadow", being published in 1950.
- **Career:** Alice Munro's first collection of stories, 'Dance of the Happy Shades' in 1968, clinched the prestigious Governor General's Award, marking a triumphant start to her literary career.
- **Famous Stories:** Lives of Girls and Women, Open Secrets, The Love of a Good Woman, Runaway, The View from Castle Rock, and Too Much Happiness.
- **Honors:** Awarded the Nobel Prize in Literature in 2013 and the International Booker Prize for her body of work in 2009.
    - Munro continued to captivate readers with works like 'Lives of Girls and Women' in 1971, which not only garnered her a second Governor General's Literary Award but also propelled her onto the shortlist for the Booker Prize for Fiction.
- **Global Impact:** Munro's profound storytelling transcended borders, with her works being translated into 13 languages, reflecting the universal appeal of her narratives.

Nobel Prize

- **Established by**: Alfred Nobel (inventor of Dynamite).
- Awarded to those who have conferred the greatest benefit to humankind, during the preceding year.
- First awards were handed out in 1901
- **Field:** Physics, Chemistry, Physiology or Medicine, Literature, Economics, and Peace.

HINDUSTAN TIMES
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CONSUMER PROTECTION ACT 1986

(Syllabus: GS Paper 3– Economy)

Lawyers can't be sued in consumer courts: SC

Utkarsh Anand
letters@hindustantimes.com

NEW DELHI: The Supreme Court on Tuesday ruled that lawyers cannot be sued in consumer courts for poor service, clarifying the extent of their liability under the Consumer Protection Act (CPA). The ruling is expected to have far-reaching implications for the legal profession, providing clarity and protection for lawyers regarding their professional responsibilities and client relationships.

A bench comprising justices Bela M Trivedi and Pankaj Mithal held that legal representation for a fee does not constitute a service under law, noting the legislature did not intend to include professions or professionals within the purview of the Act, which aims at addressing consumers' grievances against services rendered by a businessman or a trader in regard to goods or products.

In the same verdict, the Supreme Court also proposed a review of its 1995 ruling in the Indian Medical Association vs VP Shantha & Ors case, which held that health care services are covered under CPA, allowing doctors to be sued for deficiency in service and negligence.

The bench on Tuesday referred the previous ruling to a larger bench for reconsideration, signalling a potential re-evaluation of the application of consumer protection laws to other professional services, including doctors.

"The said decision deserves to be revisited having regard to the history, object, purpose and the scheme of the CPA and in view of the opinion expressed by us that neither the 'profession' could be treated as 'business' or 'trade' nor the services provided by the 'professionals' could be treated at par with the services provided by businessmen or traders, so as to bring them within the purview of the CPA," said the bench.

The ruling came in response to a clutch of petitions challenging a 2009 decision by the National Consumer Disputes Redressal Commission. The commission had held that services rendered by lawyers fall within the definition of "service" under Section 2(o) of the CPA, 1986, which was re-enacted in 2019.

This provision defines "service" under the Act and includes any service rendered for consideration, including but not limited to, the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, board or lodging or both, housing construction, entertainment, amusement, or the purveying of news or other information.

"Undisputedly, lawyers are rendering service. They are charging fees. It is not a contract of personal service. Therefore, there is no reason to hold that they are not covered by the provisions of the Consumer Protection Act,1986," the consumer commission held in its 2007 judgment that was stayed by the top court in April 2009.



The top court's ruling is expected to have far-reaching implications for the legal profession.

The Tuesday verdict overturned the commission's stance, asserting that the nature of the lawyer-client relationship is distinct and should not be equated with typical service provider-consumer interactions. "The legal profession cannot be equated with any other traditional professions. It is not commercial in nature but is essentially a service oriented, noble profession... Being a responsible officer of the court and an important adjunct of the administration of justice, an advocate owes his duty not only to his client but also to the court as well as to the opposite side," said the bench, adding lawyers affect the administration of justice.

Considering the "sui generis (unique)" nature of services lawyers provide in making the judicial system efficient, effective and credible, their services could not be compared with the services rendered by other professionals, the court said.

The arrangement between a client and her lawyer is in the nature of a "contract of personal service" and not "for service" because a considerable amount of direct control is exercised by the client over the manner in which an advocate renders his services during the course of his employment, it added.

While a service provider can be made liable for deficiency for a contract for service, no such liability would arise in cases of contract of personal services. Such professionals, the court said, can be sued either in ordinary courts or be dragged to their governing bodies such as the Bar Council of India and the Medical Council for negligence and professional misconduct. There are at least 1.3 million lawyers in India, according to the Bar Council of India, the apex body that regulates legal education and profession in the country.

Various lawyers' bodies, including the Bar Council of India, assailed the commission's judgment in the top court, emphasising that lawyers stand on a completely different footing from any other professionals, such as doctors or other service providers.

Context: The Supreme Court on Tuesday ruled that lawyers cannot be sued in consumer courts for poor service, clarifying the extent of lawyers' liability under the Consumer Protection Act.

Supreme Court Verdict on Consumer Protection Act

- The Supreme Court made a significant ruling regarding legal representation and its classification under the Consumer Protection Act, 1986.
- **Lawyers Not Classified:** The court asserted that legal representation for a fee cannot be categorized as a "service" under the Consumer Protection Act.
- **Unique Nature of Legal Services**: The court highlighted the unique nature of legal services, indicating that the legislature did not intend to include professionals within the scope of the 1986 Act.
- **Previous Judgment:** The Supreme Court overturned a 2007 judgment by the consumer commission, which had brought advocates under the purview of the Consumer Protection Act.
- **Legal Services Definition:** The judgment clarified that legal services provided by lawyers fall within the definition of "service" as outlined in Section 2(1)(o) of the 1986 Act.
- **Lawyer's Responsibility**: The 2007 judgment by the national consumer commission clarified that lawyers cannot be solely held responsible for case outcomes, as they depend on various factors beyond legal representation.

Consumer Protection Act 1986

- **About:** In this act, a consumer is defined as any person who purchases, hires, or avails of any goods or services for a consideration, which includes payment or promise of payment.
- **Applicability:** Initially, the Act applied to the entire nation except for Jammu and Kashmir.
- Amendments in 2002 were enforced from 15 March 2003, refining its provisions.
- **Jurisdiction:**
  - District Forum: Up to ₹20 Lakhs
  - State Commission: ₹20 Lakhs to ₹1 Crore
  - National Commission: Above ₹1 Crore
- **Regulator**: No explicit provision for a regulator was outlined during this period.
- **E-Commerce:** There was no specific mention of E-Commerce within the provisions of the Act.
- **Authority:** Three main authorities operated under this Act: District Forum, State Commission, and National Commission.
- **Composition of State Commission:** The State Commission was composed of one president and two other members according to the Consumer Protection Act 1986.

KENYA
(Syllabus: GS Paper 1 – Geography)

India gives $1m aid to flood-hit Kenya

New Delhi: India has extended $1 million-worth humanitarian assistance to Kenya in the wake of devastation caused by floods that have hit the country. An estimated 267 people have died, 188 injured and over 2,80,000 displaced.

"A relief consignment is being airlifted on an IA F plane that comprises of 22 tonne HADR including tents, sleeping bags/mats, blankets, power generation sets, ready to eat meals, basic sanitary utilities and hygiene kits to provide immediate succour to the people of Kenya," read a statement. TNN



Context: India has extended $1 million in humanitarian assistance to Kenya in the wake of devastation caused by floods that have hit the country.

Kenya

- **About**: Kenya is a country in East Africa with coastline on the Indian Ocean.
  - The **Equator passes through in Kenya**
- **Location**: Kenya is bordered to the north by South Sudan and Ethiopia, to the east by Somalia and the Indian Ocean, to the south by Tanzania, and to the west by Lake Victoria and Uganda.
- **Capital:** Nairobi.
- **Geographic features**:
  - It encompasses **savannah**, Lakelands, the dramatic **Great Rift Valley** and mountain highlands.
  - **The "Big Five" game animals** of Africa, that is the lion, leopard, buffalo, rhinoceros, and elephant, can be found in Kenya and in the Masai Mara in particular.
- **River**: Tana River
- **Mountain**: Mount Kenya, is the second-highest mountain in Africa.
- **Headquarters:** United Nations Environmental Programme (UNEP) and the United Nations Human Settlements Programme (UN-Habitat).

TIMES OF INDIA

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SC & ST ACT, 1989

(Syllabus: GS Paper 2 – Polity)



Death sentence clause in SC/ST Act valid? Top court to examine

Dhananjay.Mahapatra
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New Delhi: Supreme Court Tuesday agreed to examine the validity of a provision of SC & ST (Prevention of Atrocities) Act, 1989, that mandates imposition of capital punishment on a person if false and fabricated evidence given by him leads to conviction, imposition of death penalty and execution of a SC/ST community member.

A bench of Justices Surya Kant and K V Viswanathan was hearing a challenge to the rarely-used provision on the ground that it is not consistent with "rarest-of-rare" benchmark set by the SC for awarding capital punishment.

A five-judge Supreme Court bench in the Bachan Singh case on May 9, 1980, had ruled that death penalty could be imposed by courts on persons convicted only in 'rarest of rare' murder cases involving extreme brutality.

SC had said, "... for persons convicted of murder, life imprisonment is the rule and death sentence an exception... concern for the dignity of human life postulates resistance to taking a life through law's instrumentality. That ought not to be done save in rarest of rare cases when the alternative option is unquestionably foreclosed."

PIL petitioner & advocate Rishi Malhotra pointed out to

FALSE EVIDENCE

a bench of Justices Kant and Viswanathan that Section 3(2)(i) of SC/ST Act provided that if an innocent member of a SC or ST community was "convicted and executed in consequence of such false or fabricated evidence, the person who gives or fabricates such false evidence, shall be punished with death".

AG R Venkataramani told SC he would consult the govt. SC posted the matter for July.

SC/ST Prevention of Atrocities (Amendment) Act, 2018

- **Introduced Section 18A:** To overturn safeguards introduced by the Supreme Court.
  - According to Section 18A, under the Prevention of Atrocities Act, there is no need for a preliminary inquiry to register a First Information Report against any individual.
- **Preliminary inquiry:** Not be required for registration of a FIR against any person.
- **Arrest:** No approval is required under this act.
- **Anticipatory bail:** It rules out for anticipatory bail for the accused.

Context: The Supreme Court recently decided to scrutinize the legality of a provision within the SC & ST (Prevention of Atrocities) Act, 1989, requiring capital punishment if false evidence provided by a person leads to the execution of a member of the SC/ST community.

SC & ST (Prevention of Atrocities) Act, 1989

- **Enactment:** The government enacted the Act in 1989.
- **Aim:** Furtherance of the provisions for abolition of **untouchability (Article 17)** and equality **(Articles 14, 15)** in the Constitution.
- **Offender:** Any person who is not a member of a scheduled caste or a scheduled tribe and **commits an offence listed in the Act** against a member of a scheduled caste or a scheduled tribe is an offender.
- **Anticipatory Bail:** Under section 18 of the act, provision for anticipatory bail is **not available** to the offenders.
- **Punishments:** The police can arrest the offender without a warrant and start an investigation into the case without taking any orders from the court.
  - The accused can be punished between six months to five years sentence and with a fine to life imprisonment or even death sentence in some cases.
- **Punishment to a public servant denying his duties to perform:** Not being a member of a Scheduled Caste or a Scheduled Tribe, he/she will be punishable with imprisonment for a term which shall not be less than six months, but which may extend to one year.

SC/ST Prevention of Atrocities (Amendment) Act, 2015

- **Expanded Definitions**: The amendment recognized more instances of "atrocities" as crimes against SCs and STs, broadening the scope of protection.
- **Wilful Negligence:** The Act defined the term 'wilful negligence' for public servants at all levels, delineating responsibilities from the registration of complaints to preventing dereliction of duty under this Act.
- **Presumption Clause**: If the accused was acquainted with the victim or the victim's family, the court would presume that the accused was aware of the caste or tribal identity of the victim unless proven otherwise, reinforcing accountability.

PIB

May 14

FAKHRUDDIN ALI AHMED

(Syllabus: GS Paper 1– Personalities in News)

PRESIDENT OF INDIA PAYS FLORAL TRIBUTES TO FAKHRUDDIN ALI AHMED ON HIS BIRTH ANNIVERSARY

Context: The President of India paid floral tributes to Shri Fakhruddin Ali Ahmed, former President of India on his birth anniversary.

Fakhruddin Ali Ahmed

- **About**: He served as the fifth President of India from August 24, 1974, until his untimely death on February 11, 1977.
- **Contribution to Freedom Struggle**: A loyal follower of Mahatma Gandhi, he actively participated in the individual Satyagraha and Quit India Movement, facing arrest in 1942.
- **Political Career**: From his initial election to the Rajya Sabha in 1952 to subsequent roles in the Lok Sabha, he held portfolios ranging from Food and Agriculture to Company Laws.
- **Presidential Decisions**: Notably, during his presidency, he declared a state of emergency in 1975 on the advice of Prime Minister Indira Gandhi, emphasizing his commitment to upholding the Constitution.
- **Fakhruddin Ali Ahmed Award**: for Outstanding Research in Tribal Farming Systems.
    - To provide recognition to outstanding research done aimed at improving the biological resources and livelihoods in tribal areas.
- **Legacy**: Fakhruddin Ali Ahmed passed away in office on February 11, 1977, making him the first Indian President to die while serving.



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