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1. Bharat Ratna to Karpoori Thakur



Why in news?

The Centre recently announced it would award the Bharat Ratna posthumously to Karpoori Thakur, former chief minister of Bihar. This is the birth centenary year of Thakur, also known as 'Jannayak', or the leader of the people.

Prominent political parties of Bihar, such as the RJD and the JD(U), have regularly demanded the Bharat Ratna for Thakur, known for his struggle to secure dignity, self-respect, and development for the most disadvantaged sections of society.

Thakur's (January 24, 1924-February 17, 1988) political life was one of contrasts — he managed to emerge as the tallest backward caste leader in Bihar despite belonging to

the minority nai (barber) caste himself, but the rise of the leaders he mentored, from numerically stronger castes (Lalu Prasad from the Yadavs, Ram Vilas Paswan among Dalits), took away his pole position. He was chief minister twice for short tenures, but his radical policy decisions had an outsized impact, and resonate even today.

Life and career

Thakur was born in village Pitaunjhia (now known as Karpoori Gram), in the Samastipur district of Bihar. He participated in the freedom struggle and was also jailed for it. In independent India, he was voted in as an MLA in 1952. He remained an MLA till his death in 1988, except when he became an MP in 1977 and when he lost an Assembly election in 1984, amid the sympathy wave for Congress after Indira Gandhi's assassination.

Tenure as Minister

Thakur was education minister of Bihar from March 5 1967 to January 28, 1968. He became the state's chief minister in December 1970 with the Samyukta Socialist Party, but his government fell after six months. He came to the post again in June 1977, but could not finish a full term, losing power in about two years. This happened due to a reservation policy he implemented, on which we'll elaborate later.

As a new crop of social justice leaders became more powerful in Bihar, Thakur slowly lost the pre-eminence he had enjoyed.

Clean image

While his policy decisions were polarising, he was respected personally for his clean image and his refusal to enrich himself on government funds.

A popular anecdote about him is that when he first became an MLA in 1952, he was selected for an official delegation to Austria. He did not own a coat, and had to borrow a torn one from a friend. When Josip Tito, the president of Yugoslavia, noticed the torn coat, he gifted Thakur a new one. When Thakur died in 1988, after three decades in public life, his home was little more than a hut.

Major policy decisions

Thakur is known for many of his decisions — removing English as compulsory subject for the matriculation examinations; prohibition of alcohol; preferential treatment for unemployed engineers in government contracts, through which around 8,000 of them got jobs (this was when unemployed engineers were staging regular protests for jobs; one such protester was Nitish Kumar); and a layered reservation system.

It was this last decision that went on to have the loudest impact for Bihar as well as the country. In June 1970, the Bihar government appointed the Mungeri Lal Commission, which in its report of February 1976 named 128 “backward” communities, 94 of which were identified as “most backward”. The Janata Party government of Thakur implemented the recommendations of the Commission. The ‘Karpooori Thakur Formula’ provided 26% reservation, of which OBCs got a 12% share, the economically backward classes among the OBCs got 8%, women got 3%, and the poor from the “upper castes” got 3%.

This was much before the central government came up with the EWS quota, and demands of layered reservation gained momentum amid caste census demands.

In the short term, however, The ‘Karpooori Thakur Formula’ cost him dearly. His government fell, and he witnessed major opposition from upper castes.

Relevance: GS Prelims & Mains Paper II; Governance

Source: The Indian Express & The Hindu

2. Collapse of mega Sony-Zee merger plan

Why in news?

More than two years after announcing a merger proposal, Japanese entertainment giant Sony Corporation said its Indian arm, Culver Max Entertainment Pvt. Ltd (formerly Sony Pictures Networks India Pvt Ltd (SPNI)), has called off the \$ 10 billion merger plan with Zee Entertainment Enterprises Ltd (ZEEL) that could have combined their linear networks, digital assets, production operations and programme libraries to create a mega entertainment firm.



Why did Sony terminate the agreement with Zee?

While the expected completion of the deal was December 21, 2023, Zee had sought a deadline extension, which was to expire on January 20. This 30-day grace period was included in the merger pact signed in December 2021. However, the deal couldn't be fructified by January 20, 2024 and Sony cited the delay in the merger for the termination.

What's the real reason behind the Sony move?

There was apparently a dispute about the leadership of the combined entity by Zee's MD & CEO Punit Goenka.

In June 2023, market regulator Sebi issued an interim order which restrained Zee group patriarch Subhash Chandra and Punit Goenka from holding any key positions in any listed company but Goenka got a reprieve from the Securities Appellate Tribunal (SAT), which overturned a ban on him by the Sebi to hold directorships in Zee group even as a regulatory probe over allegations of fund diversion still remained.

Sony has been uncomfortable with this regulatory overhang in view of its corporate governance policies, market sources said. It was pushing the name of its India MD & CEO NP Singh for the top job, which Goenka opposed.

What was the original merger plan?

The merger plan of ZEEL into SPNI, which would have possibly created the biggest entertainment entity in India, was finalised on December 22, 2021. As part of the scheme, both entities would combine their linear networks, digital assets, production operations and program libraries.

What's the Sebi case against Punit Goenka?

Last year, the Securities and Exchange Board of India had barred Goenka along with Essel Group's Chairman Subash Chandra from holding directorial or key management personnel positions in ZEEL and its group companies. The action was taken after the regulator found that both had allegedly diverted funds from Essel Group companies for their own benefit.

SEBI started investigating the matter related to the appropriation of certain fixed deposits (FD) of ZEEL by Yes Bank for squaring off loans of related entities of Essel Group. The regulator found that Chandra had provided a Letter of Comfort (LoC) in September 2018, towards credit facilities amounting to Rs 200 crore availed by certain group companies from Yes Bank. The LoC was issued without the knowledge of the board of ZEEL, which was a violation of SEBI's Listing Obligations and Disclosure Requirements (LODR) norms.

However, in October last year, the Securities Appellate Tribunal (SAT) had set aside Sebi's order against Punit Goenka, which barred him from holding key management personnel positions in any listed entity. This paved the way for Goenka to become the managing director of the company formed due to the merger of ZEEL and Culver Max Entertainment.

Relevance: GS Prelims & Mains Paper III; Economics

Source: The Indian Express

3. Centre enhancing jurisdiction of BSF in Punjab

Why in news?

Litigation concerning the territorial jurisdiction of the Border Security Force (BSF) in Punjab seems to be the result of the lack of effective consultation between the central and State governments on the issue. Punjab has filed a suit against the Union government under Article 131 of the Constitution, challenging the decision to increase the operational jurisdiction of the BSF from 15 km to 50 km.

Rationale

The border State sees the Centre's move as a breach of federal principles and an encroachment into the law and order powers of the Punjab police. West Bengal has a similar view, and both States have got resolutions passed in their Assemblies against the expansion.

In this backdrop, the Supreme Court's decision to examine the questions that arise from the expansion of the BSF's area of operations acquires significance.

Centre's notification

In October 2021, the Centre had issued a notification under the provisions of the BSF Act, standardising the area over which the BSF would have jurisdiction to operate. In Punjab, West Bengal and Assam, the distance was raised from within 15 km from the border to 50 km, while it was reduced from 80 km to 50 km in Gujarat. For Rajasthan, it was kept unchanged at 50 km. The Union government said in a reply in the Rajya Sabha in December 2021 that the extension of the BSF's jurisdiction will help it discharge its border patrol duty more effectively.

Analysis

While the Union government may have valid reasons for its move, it should not be seen as encroaching into the domain of the State governments, which have the constitutional responsibility to maintain public order and exercise police powers. The BSF mainly focuses on preventing trans-border crimes, especially unauthorised entry into or exit from Indian territory. It does not have the power to investigate or prosecute offenders, but has to hand over those arrested and the contraband seized from them to the local police. In practice, BSF personnel

usually work in close coordination with the police and there ought to be no clash of jurisdiction.

It is possible to argue that the expanded jurisdiction merely authorises the BSF to conduct more searches and seizures, especially in cases in which the offenders manage to enter deep into the country's territory. However, it goes without saying that there ought to be strong reasons for the expansion of the jurisdiction of any central force. In this regard, the most relevant questions among those framed by the Supreme Court are whether the Centre's notification encroaches upon the State government's domain; and what factors ought to be taken into account while determining the "local limits of areas adjoining the borders of India".

Relevance: GS Prelims & Mains Paper II; Governance

Source: The Hindu

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