



VEDHIK
IAS ACADEMY

The New Learning Mantra

VEDHIK
DAILY NEWS ANALYSIS

14 - FEBRUARY 2022

FOREWORD

We, at Team Vedhik is happy to introduce a new initiative - "Daily Current Affairs_The Hindu" compilations to help you with UPSC Civil Services Examination preparation. We believe this initiative - "Daily Current Affairs_The Hindu" would help students, especially beginners save time and streamline their preparations with regard to Current Affairs. A content page and an Appendix has been added segregating and mapping the content to the syllabus.

It is an appreciable efforts by Vedhik IAS Academy helping aspirants of UPSC Civil Services Examinations. I would like to express my sincere gratitude to Dr. Babu Sebastian, former VC - MG University in extending all support to this endeavour. Finally I also extend my thanks to thank Ms. Shilpa Sasidharan and Mr. Shahul Hameed for their assistance in the preparing the compilations.

We welcome your valuable comments so that further improvement may be made in the forthcoming material. We look forward to feedback, comments and suggestions on how to improve and add value for students. Every care has been taken to avoid typing errors and if any reader comes across any such error, the authors shall feel obliged if they are informed at their Email ID.

CONTENTS

- News - Kovind unveils gold Ramanujacharya statue
GSP 01 A
- News - Chandernagore's French heritage
awaits facelift
GSP 01 B
- News - Sri Lankan MPs moot 'orderly renegotiation'
of foreign debt
GSP 02 A
- Editorials - For something
GSP 02 B
- News - Anti-CAA protesters push political boundaries
GSP 02 H
- Editorials - A dipping graph in occupational
safety and health
GSP 02 M
- Editorials - A faltering recovery
GSP 03 A
- News - Centre readies for LIC listing, to offload 5%
stake in insurer
GSP 03 B

CONTENTS

- Editorials - India's semiconductor dream
GSP 03 M
- News - Bird monitoring team records 203 species
GSP 03 P
- News - India non-committal on funding curbs
on U.K. NGOs Part I
GSP 03 S
- News - India non-committal on curbs on
U.K. NGOs Part II
GSP 03 S
- News - Investors don't dispute taxability of
profits from crypto assets
GSP 03 S
- News - SC examines allegations of rampant
misuse of PMLA
GSP 03 S
- News - Centre extends police modernisation scheme
GSP 03 T

Kovind unveils gold Ramanujacharya statue

‘Venue will become spiritual destination’



President Ramnath Kovind during Sriramanuja Sahasrabdi Samarohat in Muchintal, on the outskirts of Hyderabad. ■PTI

SPECIAL CORRESPONDENT HYDERABAD

President Ramnath Kovind has expressed confidence that Srirama Nagaram, the venue of the Statue of Equality – the 216-ft *pancha loha* statue of poet saint Sri Ramanujacharya – would become a renowned spiritual destination for people from across the country and abroad.

Srirama Nagaram, where 108 Vaishnavite shrines have been set up along with the Statue of Equality, was sure to be known as land of devotion and equality which is the corner-stone of our democracy. The President formally inaugurated the 120-kg statue of Sri Ramanujacharya made of gold as part of the Sriramanuja Sahasrabdi Samaroh, marking the 1,000 years of the birth of the saint poet at Muchintal in Telangana on Sunday.

Tridandi Chinna Jeeyar Swamy explained the high-

lights and significance of the Srirama Nagaram. The President visited the 108 shrines and the venue where Laxminarayana Yagam was conducted for 12 days. The President along with his wife was received by Chief Minister K. Chandrasekhar Rao. He was accompanied by Governor Tamilisai Soundararajan and Minister T. Srinivas Yadav during his visit to Muchintal.

Speaking after visiting the Srirama Nagaram, the President said Sri Ramanujacharya's '*Visishtadvait*' was not only his singular contribution to philosophy, but he also showed the relevance of philosophy in day-to-day life. What was being called philosophy in the West had been reduced to a subject of scholarly study, but what we call darshan was not a matter of dry analysis. "It is a way of looking at the world and also a way of life," he said.

Chandernagore's French heritage awaits facelift

The Registry Building was built in 1875

SHIV SAHAY SINGH
KOLKATA

The Registry Building, a two-storey structure at Chandernagore built in 1875 and a symbol of French settlement of the colonial town, has been awaiting restoration for a long time.

Architects, heritage enthusiasts, West Bengal government officials and diplomats, on several occasions in the past few years, visited the crumbling building located on the strand opposite the Rani Ghat jetty on the banks of the Hooghly and promised to restore the structure.

French Ambassador to India Emmanuel Lenain, who recently visited Kolkata, expressed hope that the restoration was “moving forward nicely”. Emphasising that the structure needed an urgent facelift, he said that the restoration of the building would be completed in two or three years.

There were plans for having a café, restaurant and a boutique hotel with the architectural principle that the original structure remained unchanged. Mr. Lenain said that officials of the French Institute in Delhi and those of the West Bengal government and experts were going to meet soon to decide on the restoration.

Architects from France and India were working on the project, and the French Embassy, the State



The two-storey structure in West Bengal's Chandernagore.

■ DEBASISH BHADURI

government and other stakeholders had identified a prominent hospitality group as a sponsor of the project.

Proposal extended

Officials of the French Consulate in Kolkata said that an agreement for the restoration project was drawn up in February 2019. After the memorandum of understanding lapsed in March 2021, as not much progress could be made because of the COVID-19 pandemic, the proposal was extended for another 30 months.

Chandernagore, or Chandannagar, was the first trading post on the eastern bank of the Hooghly, set up by the French in 1696. There are several buildings in the town that are a reflection of the rich architectural heritage of the town. Other than the buildings and structures that have been given the heritage tag, 99 Indo-French heritage structures have been identified to be restored.

Sri Lankan MPs moot 'orderly renegotiation' of foreign debt

They call for 'strong social welfare measures' for the poor

MEERA SRINIVASAN
COLOMBO

A group of senior parliamentarians in Sri Lanka, including some aligned to the government, have called for an "orderly negotiated postponement" of outstanding foreign debt, and corrective policy measures including a "strong social welfare scheme", to combat the island nation's economic crisis.

In a collective statement dated February 11, the legislators said: "The best way forward for Sri Lanka is to immediately initiate a multistep process towards an orderly negotiated postponement and restructure the repayment of its sovereign debts. Sri Lanka can then correct its policies towards a path of sustainable economic growth and debt management, while also ensuring access to essential needs and goods for the Sri Lankan people and its economy."

The initiative was led by the Tamil National Alliance (TNA)'s Jaffna MP M.A. Sumanthiran. Senior politicians including TNA Leader R. Sampanthan, government MP Tissa Vitharana, former Speaker Karu Jayasuriya, Leader of Opposition and the Samagi Jana Balawegaya (SJB) Sajith Premadasa, along with a group of other prominent legislators across political parties have signed the statement.

Further, the MPs underscored the need for urgent and "strong social welfare" measures so that the poor and vulnerable communities are protected from the adverse impact of the economic crisis.

Sri Lanka's economic situation steadily deteriorated since the pandemic struck, with its key foreign revenue



Bad shape: The export sector has been hit hard by the COVID-19 pandemic. • FILE PHOTO

earning sectors - exports, tourism, and worker remittances - badly hit. The import-reliant country is facing a severe dollar crunch for months, fanning fears of a sovereign default and a severe food shortage for citizens.

According to local media reports, Sri Lanka's gross foreign reserves dropped to \$ 2.3 billion in January 2022, down by 24% since December. Sri Lanka must service debt totalling nearly \$7 billion this year.

Usable reserves down

"Repaying U.S. dollar debt in this context means that the usable foreign reserves are down to below one month of imports - the lowest on record since independence," the MPs said in their statement.

Sri Lanka has sought Indian assistance of over \$2 billion - New Delhi has cleared \$ 1.4 billion - while tapping other sources including China, for further assistance and debt restructure.

The government is divided on seeking support from the International Monetary Fund (IMF), as are economists, some of whom warn that the international lender's stringent conditions may further erode social welfare schemes that are crucial to prevent starvation

at such a critical time.

The recent spotlight on welfare schemes for Sri Lanka's poor comes more than four decades after Sri Lanka liberalised its economy. With the opening up, programmes including the near-universal rice distribution (ration) scheme in operation since the 1940s were halted.

Sri Lanka's current economic meltdown is marked not only by draining foreign reserves, but also by increasing instances of poor families rationing their meals in order to cope with frequent food shortages and soaring costs of essentials.

Official data showed inflation increased to 14.2% in January, while the year-on-year (YoY) food inflation went up to 25%, from 22.1% in December. The price food products began surging in September 2021 hit a record high in January 2022, according to a recent update from the Food and Agriculture Organization of the UN. "As rice, wheat and sugar products account for about 40, 12 and 10%, respectively, of the average calories intake, vulnerable households have likely reduced their food consumption and/or switched to comparatively cheaper but less nutritious foods, with an overall negative effect on their food security, health and nutrition status," the FAO said.

For something

The Quad remains a group of friends who share many things, but not a common enemy

The Quad Ministerial meeting in Melbourne, meant to set the stage for a meeting by the leaders of Australia, India, Japan and the U.S. later this year in Tokyo, ended with outcomes that showcased its “positive agenda” in the Indo-Pacific region. From plans to deliver more than a billion vaccine doses – India-made with U.S. funding and distributed through Japanese and Australian networks – and donate another 1.3 billion doses around the world; to prepare for an Indo-Pacific Clean Energy Supply Chain Forum to tackle climate change; to further a “Quad vision” for technology governances and safe and transparent 5G systems, and to launch humanitarian assistance and disaster relief operations, the Quad is, in the words of the joint statement issued, “more effective in delivering practical support to the region”. India was even able to insert a reference to fighting “cross-border” terrorism. The bonhomie between the Ministers shows a growing level of comfort with the principles behind the grouping of democratic countries, to support regional countries’ efforts to advance a “free and open Indo-Pacific”. That Quad members have thus far avoided institutionalising their grouping, and that they have not “militarised” it, is to their credit. In addition, despite Beijing’s sharp criticism of the grouping, Quad members chose not to name China directly as the joint statement spoke of ensuring a rules-based order and respect for sovereignty and building a region “free from coercion”.

However, while the grouping is strong on all these precepts, there are obvious differences in the practice of their vision for the Indo-Pacific region and the world in general. The situation in Myanmar was mentioned, but External Affairs Minister S. Jaishankar made it clear that while India supports a restoration of democracy, it does not support western “national” sanctions. The meeting took place in the shadow of the growing Russia-NATO tensions over Ukraine, but it seemed evident that Mr. Jaishankar did not share U.S. Secretary of State Antony Blinken’s assessment of an imminent “invasion”. New Delhi chose not to join the decision by the U.S., Japan and Australia to tell their citizens to evacuate immediately from Ukraine; nor was any mention of the situation allowed into the joint statement. Mr. Jaishankar’s strong tone the next day at a press conference (dominated by questions on Russia), on China’s amassing of troops at the border with India was also a subtle reminder to Quad partners that while they may have similar concerns and share many core values, they do not have an identical world view, and the Quad remains very much a grouping that is “for something, not against somebody”.

Anti-CAA protesters push political boundaries

Iram and Fouzia, faces of the protests in Deoband, have chosen different paths but their concerns coincide

ANUJ KUMAR

DEOBAND (SAHARANPUR)

Every movement gives birth to new political faces. In Deoband, it is Iram Usmani, one of the five women who led the protests against the Citizenship (Amendment) Act (CAA) in January 2020, under the banner of the Mutahida Khwatin Committee (MKC).

Two years later, Ms. Usmani, a housewife, is busy canvassing for SP candidate Kartikeya Rana in the narrow lanes of the town where women in hijab are ubiquitous. “The BJP is flogging a dead horse. Their Hindu-Muslim agenda has been rejected by the people in this election. So, their affiliate groups are finding newer ways to fragment people and demonise Muslims,” Ms. Usmani said.

Article 25 of the Constitution, she said, provided them the right to practise their religion and uphold their religious identity. “Covering your head has been described as *wajib* (duty) in Islam and it doesn’t hurt anybody. In fact, many Hindu sisters also like to cover their heads,” she added.

On SP president Akhilesh

Yadav maintaining a distance from the hijab controversy, Ms. Usmani said it was the right thing because the issue has been raised only to polarise elections. She said the BJP talked about providing security to sisters and mothers as if women were some “sweetmeat that anybody could gulp”.

“We can protect ourselves and we have seen when the crime against women actually happened, the government was found wanting. We saw it in Hathras and Unnao. In Deoband, an eight-year-old was assaulted,” she said.

Best chance

Ms. Usmani said she was offered ticket by the Congress but she refused because the party had no base in western Uttar Pradesh. Similarly, she considered Asaduddin Owaisi as the best Muslim leader but his party also did not stand a chance in the electoral politics of the region. “One should ride the horse that can at least compete and hence SP is the only choice,” she said.

Ms. Usmani refrained from speaking about the CAA, as it is “not an issue any



Iram Usmani ■ ANUJ KUMAR

more”. “We found the BJP leadership took its word back on the NRC. Even the NPR was postponed because of COVID. The BJP’s attitude seems diluted on the issue. If it comes up again, I am ready to stand for the community,” she added.

'Apolitical movement'

However, Fouzia Usmani, the vice-president of the MKC does not agree with Ms. Iram. She said the CAA/ NRC would remain a factor influencing Muslim voters.

“It is like the government has repealed the farm laws, but the farmers know that if the BJP government returned with a majority, it would like to push them

through,” she said. Ms. Fouzia and her sister, Aamna Roshi, were among those who led the protests against the Act.

“It was an apolitical movement and it should remain so. We didn’t withdraw the movement. We only suspended it,” she said. She added that both siblings were offered tickets to contest the Assembly election but they refused.

A postgraduate in political science, Ms. Fouzia said the BJP government failed to live up to its credo of *sabka saath, sabka vishwas*. “Had that been the case, this government would not have faced so many protests from diverse groups. The government worked to protect the interests of only a few,” she said.

Instead, she said, the government tried to create a divide in communities by interfering in their personal issues. “The triple talaq law was a personal matter of Muslims but by bringing the law, the government had tried to tap the 20% Muslim women who think differently.”

Similarly, in the case of hi-

jab, she said, an attempt was being made by vested interests to divide people. “The government is itself saying mask your face during the pandemic. What else does the hijab do? It protects you from harm. It could be micro-organisms or unwanted attention. In small towns, many girls, irrespective of their faith, do it.”

The government, she said, should focus on providing quality education in schools and colleges rather than on who is covering her nose and what is in her lunch box. “Deoband lacks educational facilities for women,” she said.

In the supposedly conservative town, known for the Islamic seminary Darul Uloom, the anti-CAA movement has empowered women. “Earlier, we were questioned even for going out for shopping, not any more,” said Rizwana. However, concerns like allowing women entry to pray in mosques have yet to touch them. “Mosques are for men. We can pray at home. It is convenient otherwise who will take care of the kids,” she said.

A dipping graph in occupational safety and health

There is a need for a comprehensive review of labour inspection and the labour statistical system in India



K.R. SHYAM SUNDAR

It is a fact that while industrial accidents occur often, only major accidents – say in construction or in a hazardous industry – are reported (<https://bit.ly/3glPATg>). Recently, the CRUSHED Report 2021 released by Safe in India (SI), reported in this daily (<https://bit.ly/3BgbK8W>), portrays a dismal picture concerning occupational safety and health in the auto sector. However, occupational safety and health (OSH) has not received due attention from lawmakers and even trade unions in India. OSH is an existential human and labour right.

There are two primary requirements to ensure safe workplaces, viz. a strong monitoring (inspections) and comprehensive database to frame corrective actions and policies. It becomes important then to understand the statistical profile relating to industrial accidents in India and the quality of inspections.

Many shortcomings

Statistics concerning industrial accidents are produced by the Labour Bureau. It compiles and publishes data on industrial injuries relating only to a few sectors, viz. factories, mines, railways, docks and ports. But the data suffer from several shortcomings. It is inexplicable why the Labour Bureau has not considered expanding the scope of statistics on injuries by adding sectors such as plantations, construction, the service sector, etc.

Even the data it produces is not representative of the situation in India as several major States default in the provision of data to the Labour Bureau. For example, during 2013-14, several major States such as Delhi, Gujarat, Kerala, Odisha, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal defaulted; then the all-India statistics was reduced to that extent. It is not surprising that the number of non-fatal injuries declined from an average of 21,370 during 2010-2015 to 5,811 during 2016-2019. Hence, we get a ridiculous statistic of average total injuries per factory at 0.02 (5,562/353,226) during 2017-2019 (<https://bit.ly/3oKlJhs>). However, it may be added here that the drop is far higher in the case of nonfatal injuries than for fatal ones.

Data on States

Since data reporting is volatile, we may get some idea of the shares of some of these States by looking at their shares in some years. In this article, data on industrial injuries published in the Indian Labour Statistics, by the Labour Bureau (various issues) has been used. Gujarat's share for 2006 was 14.98% of total fatal and 25.70% of total nonfatal injuries; Kerala's shares for 2005, respectively, were 2.94% and 6.73%; Tamil Nadu's for 2005 shares, respectively, were 8.16% and 11.11%; Maharashtra's shares for 2004 were 25.65% and 36.78% and for 2014, respectively, were 12.62% and 57%; Odisha's shares for 2006 were 37.73% and 21.99%. Thus, considering the fact of fluctuations in injuries' incidence, we can make a guarded statement that the reported figures for fatal injuries for all-India would be less by around 40%-50% and that for non-fatal injuries by at least 50%.



S.S. KUMAR

There is under-reporting

Even if States sent their data to the Labour Bureau, the States' data are more likely to suffer from under-reporting. As is well-known, under-reporting is more likely to be in case of non-fatal injuries than fatal ones for obvious reasons. The SSI's report, among others, shows massive under-reporting of industrial injuries occurring in Haryana. Its report covering a segment of the auto sector in Gurugram and Faridabad showed that since 2017, on average 500 workers have received nonfatal injuries. The under-reporting of industrial injuries, unlike for strikes and lockouts, is a far more serious issue and cause for grave concern.

According to the Directorate General, Factory Advice and Labour Institutes (DGFASLI)'s *Standard Reference Note* for 2020 in 2019, the proportion of working in sanctioned posts for factory inspectors (employment rate) for India was 70.60% (<https://bit.ly/3JqtHnW>). But major States such as Maharashtra (38.93%), Gujarat (57.52%), Tamil Nadu (58.33%), and Bihar (47.62%) had poor employment rates of inspectors. In 2019, there was an inspector for every 487 registered factories: this reveals the heavy workload of inspectors. The inspector per 1,000 workers employed in factories is a meagre 0.04; put differently, there is an in-

pector for every 25,415 workers. The sheer inadequacy of the inspectorate system is telling.

Inspections, convictions

The proportion of registered factories inspected (inspection rates) for all-India declined from 36.23% during 2008-11 to 34.65% during 2012-2015 (*Standard Reference Notes*; for various years; <https://bit.ly/3GFyv7i>) and further to 24.76%. While Kerala and Tamil Nadu had higher inspection rates at 63%-66%, Gujarat and Kerala had lower rates at 26%-30% and Haryana the lowest at 11.09% during 2008-2019. However, inspection rates declined in all five States. The decline over the three sub-periods noted above for Maharashtra (31% to 12%) and Haryana (14% to 7%) was much higher (50% and over) than for others. So, the factory inspectorates were inadequately equipped and worse, the inspection rates fell in almost all the States over the last 12 years.

While the pejorative term 'inspector-raj' is a crude exaggeration, there is some merit in the criticisms against the inspection system. Inspectors cannot feasibly inspect every factory, so they used their "discretion" to target the "easy" factories to demand compromising payments. Many of them belong to the powerful industry groups which have successfully lobbied against the inspection system. Otherwise, inspector-raj is a cultivated myth.

For all India, the conviction rates (percentage of convictions in total cases decided) for 2015-2019 stood at 61.39% and the average fine per conviction was ₹12,231 (not good enough to be a deterrent). However, the efficiency of the penal system is low as the percentage of decided cases out of total (cases pending at the beginning

of the year plus those raised during the year) cases is a poor 15.74% during 2015-19. The SII's findings are similar to these. Contrary to popular (even academic) opinion, during the four of five years of 2015-19, some imprisonments took place primarily in Tamil Nadu (an astonishing figure of 11,215 in 2017 and 45 in other three years; still higher rates), Chhattisgarh (17 in two years), Telangana (3 in 2016) and one each in Kerala and Punjab. But in Haryana or in other States, there were no imprisonments.

Points to note

Given the above statistical facts, two major issues are pertinent to legal and labour policy aspects. First, mindless liberalisation of the inspection system as has been effected during the last 20 years will not promote sound labour market governance. Second, simplifying the annual returns and self-certification systems weakens the already poorly placed labour statistical system regarding all variables – especially industrial injuries – thanks to low reporting by firms to State labour departments and the latter to the Labour Bureau. India has ratified International Labour Organization (ILO) conventions, the Labour Inspection Convention, 1947 (C081) and Labour Statistics Convention, 1985 (C160); and thus these defects violate the conventions. So against these tenets, the labour codes, especially the OSH Code, the inspection and the labour statistical systems should be reviewed as the Government is in the process of framing the Vision@2047 document for the Labour Ministry.

K.R. Shyam Sundar is Professor, HRM Area, XLRI, Xavier School of Management, Jamshedpur, Jharkhand

A faltering recovery

Flailing factory output trends suggest the rebound in the economy is slow

Production levels in India's industries appear to be hitting a roadblock amid what the Government has described in the Union Budget as an 'overall, sharp rebound and recovery of the economy' reflecting the 'country's strong resilience'. Factory output, as measured by the IIP, fell for the fourth straight month in December 2021 to a 10-month low of 0.4%, compared to the same month in 2020. While the Omicron variant had become a worry by then, its impact was limited to contact-intensive services sectors. From a nearly 13% year-on-year growth in August 2021, thanks to a low COVID-19 lockdown-hit base, the IIP growth has tapered off every passing month. By September 2020, most of the lockdown restrictions had been eased, so perhaps some labour force gaps and the shock to confidence and demand were the only hiccups for production managers. It was believed that those hiccups had been largely overcome after the deadly second wave receded in 2021. If that were indeed the case, industrial output should have seen a sharper pick-up in the last four months of 2021 than the mere 2.5% monthly average, particularly with festive season demand in play. That January's GST collections hit a fresh record may suggest all is well, but tax revenues also get bumped up by inflation and quarterly filing options for smaller taxpayers. Moreover, GST revenues from imports of goods have been persistently rising faster than revenues from domestic transactions that include services imports. What makes the trend even harder to decipher is the volatility in month-on-month IIP numbers.

The Economic Survey for 2021-22 seemed to be describing a different landscape when it stated that a nascent private investment recovery is expected to accelerate as private consumption will increase and raise capacity utilisation levels. The RBI pegged capacity utilisation in the second quarter of 2021-22 at 68% and this may not have inched up much in the third quarter. Economists believe the IIP prints suggest that the Budget's bet on a consumption- and investment-led recovery, is on a weak footing. Manufacturing actually shrank in December, with capital goods (reflecting investment activity) contracting by a sharp 4.6% from 2020 levels. Consumer durables saw a fourth consecutive month of contraction, while even non-durables tanked after a few months of insipid growth. With high commodity costs cramping producers, consumers still in cautious mode and the threat of a steep fuel price hike looming after March 10's election results, the going is not likely to get smoother any time soon. That the central bank remains in growth-accommodative mode while the world is changing gears to tackle inflation, indicates its concern about the durability and quality of India's recovery. The Government must reboot its rose-tinted assessment of the economy so that the 'on-paper' optimism is reflected in billowing factory chimneys.

Centre readies for LIC listing, to offload 5% stake in insurer

Union government files draft red herring prospectus with the regulator

VIKAS DHOOT
NEW DELHI

The Union government has filed a draft red herring prospectus with the stock market regulator for selling 5% of its shares in the Life Insurance Corporation (LIC) of India, Tuhin Kanta Pandey, Secretary, Department of Investment and Public Asset Management (DIPAM), said on Sunday evening.

Assuaging worries

“The IPO is an 100% OFS [offer for sale] by the Government of India and entails no fresh issue of shares by LIC,” Mr. Pandey said, adding that 31.6 crore shares are on offer representing 5% of the government’s equity in the firm. As much as 10% of the offer could be reserved for LIC policy holders, as per the regulatory filing, and another 5% of the shares may be reserved for employees. Assuaging policy holders’ worries, Mr. Pandey told *The Hindu* that the sovereign guarantee enshrined in LIC’s policies will continue after its shares are listed.

The insurance behemoth,



Cash cow: LIC’s share sale by March 31 is critical for the Centre to achieve its disinvestment target for this year. ■REUTERS

which held investments worth over ₹39.55 lakh crore as on September 30, 2021, has been assigned an embedded value of almost ₹5.40 lakh crore.

The conclusion of the LIC’s share sale through an initial public offer (IPO) by March 31 is critical for the government to achieve its disinvestment target for this year, even after it was pared down from ₹1.75 lakh crore to ₹78,000 crore.

The filing of the draft red herring prospectus (DRHP) with the Securities Exchange Board of India (SEBI), with all the critical information about LIC’s business operations, is the first regulatory step towards the IPO. SEBI is required to vet the facts stated in the DRHP and recommend changes if required, before giving the share sale a green signal.

“The LIC has a 66% market share in new business

premiums with 283 million policies and 1.35 million agents as of March 31, 21,” noted the DIPAM Secretary, who had earlier said that listing was expected to be completed this year.

Key risk factor

Listing the COVID-19 pandemic as a key risk factor for the insurer’s business, the DRHP said that LIC’s death claims had increased during the pandemic and were particularly high in the first six months of 2021-22, coinciding with the second wave.

Net benefits paid out on insurance claims for death stood at ₹17,527 crore or 6.86% of total claims in 2019-20, but the onset of the pandemic pushed those numbers up to ₹23,926 crore and 8.3% in 2020-21. The first six months of 2021-22 alone, however, recorded a net death benefits outgo of ₹21,734 crore, accounting for 14.5% of LIC’s total claims.

LIC said it had created a separate mortality reserve for COVID-19, amounting to ₹2,344 crore in 2020-21 and ₹7,419 crore in 2021-22.

India's semiconductor dream

While the government has already provided incentives for manufacturing, more needs to be done to make India self-reliant



GUNJAN KRISHN

The pandemic has brought to the fore the fragility of the global supply chain of semiconductor manufacturing. The situation is exacerbated by the overdependence of the world on East Asia for fab manufacturing, the rising price of silicon, and the China-U.S. trade war. No wonder, countries are scrambling to safeguard their interests by introducing attractive packages to attract more chip manufacturing. The U.S. has announced a \$50 billion package to create foundries there. Intel is adding two more foundries to its Arizona campus and also developing its own foundry business to compete with chip-makers such as TSMC and UMC. TSMC, which controls 24% of the semiconductor supply chain, is setting up a \$12 billion facility in Arizona. Japan and Germany have got TSMC to start specialty technology fabs in their respective countries.

It is timely, therefore, that India has approved a \$10 billion package to incentivise the manufacturing of semiconductors in the country. The government has drawn out a list of incentives to get leading international manufacturers to set up their manufacturing unit in India either by themselves or with the help of a local partner. Considering the current geopolitical dynamics and the fact that semiconductors are at the core of fourth industrial revolution technologies, this is a welcome first step.

Fab manufacturing

Getting fab manufacturing will also build on India's strength in design. We have the largest number of chip designers outside of the U.S. who are working on state-of-the-art systems and technologies. For example, Karnataka boasts of over 85 fabless chip design houses of various global companies. The strong expertise of our semiconductor design professionals in EDA (Electronic Design Automation) tools provides solid ground to move towards manufacturing. To create the ecosystem for fab manufacturing, it is important to lock in the demand for semiconductors produced within the country. The total demand for semiconductors stands at \$24 billion. This is expected to grow to \$80-90 billion by 2030. However, this demand is for different categories of semiconductors used in various electronic devices and applications. Considering that initial manufacturing would be in mature tech, it would be ideal to

enter into an agreement with the consumers of such semiconductors like automotive manufacturers to ensure that whatever is produced is consumed. Better still is to get established fab companies to come on their own as they bring with them their demand base.

Similar work needs to be done to develop raw material supply capabilities. The India Electronics and Semiconductor Association is exploring the opportunity to start supplying processed raw materials like minerals and gases to the fab and ATMP (Assembly, Testing, Marking, and Packaging) industry. This will give a fillip to the Indian gas, materials, and mines industry and also expand opportunities for semiconductor equipment, spares, and service industry.

Fab clustering, where key semiconductor supply chains and related businesses are in one place to create backward and forward linkages, would also play a key role in creating an ecosystem for the semiconductor industry. Such a site should be chosen purely on the ability of the location to act as a force multiplier for the development of such an ecosystem. It needs to ensure high-quality infrastructure along with uninterrupted power availability with more than 99.7% uptime, connected to two different grids to ensure redundancy. The availability of semiconductor grade Ultra Pure Water to the extent of 10 MLD per fab is also a key requirement. Additionally, a conducive environment needs to be created for women to work night shifts along with zero labour disputes.

Apart from incentivising more FDI in electronics to deepen our supply chains through incentive schemes, we need to focus on encouraging Indian manufacturers and startups to enter and master complex R&D and manufacturing verticals. We can then ensure that valuable Intellectual Property is created and owned by Indian companies. The semiconductor industry is changing fast as new-age technologies require innovation at the design, material, and process levels. Indian engineers have contributed immensely to this area in multinational companies. We must encourage them to set up their design start-ups with handsome government grants and tax incentives. Premier research institutions such as the Indian Institute of Science should also be asked to work aggressively on R&D in chip designing and manufacturing. Further, the government must focus on emerging technologies like LiDAR and Phased Array in which incumbents do not have a disproportionate advantage and the entry barrier is low. By working aggressively in new cutting-edge technologies, India can ensure that it becomes *atmanirbhar*.

Gunjan Krishna, IAS, is Commissioner, Industrial Development, Government of Karnataka. Views are personal

Bird monitoring team records 203 species

Winter Bird Monitoring Programme for 2021-22 in Karnataka has covered 147 locations

R. KRISHNA KUMAR
MYSURU

The Winter Bird Monitoring Programme for 2021-22 has recorded the presence of 203 bird species, including 53 non-resident species, in the districts of Mysuru, Mandya, and Chamarajanagar.

The teams have collected data from 147 locations spread across Mysuru-Mandya-Chamarajanagar belt between January 14 and February 13. "Due to COVID-19 restrictions, the census could not be completed in a single day and had to be stretched,"

said A. Shivaprakash, who led the bird census and is involved in the monitoring



Safe haven: The Hadinaru lake in Mysuru district plays host to bar-headed geese in great numbers. ■ M.A. SRIRAM

programme since the last three decades.

In all, 20 teams comprising 63 birders took part in the bird enumeration and each team was given a diffe-

rent route to cover, monitor and enumerate the birds, according to Mr. Shivaprakash.

He said the data indicates that the number of species found in the region this year

is almost identical to what were recorded in the past. While 203 species were recorded this year, 204 species were recorded last year. The bird count too was healthy this year and the team recorded 34,361 birds of all species underlining the sheer diversity of birds that is supported in the region. This is against 32,304 birds counted in last year's exercise. The data has also generated interesting insights and of the 203 species of birds the most abundant - total counts from all locations - was Cattle Egret (2,064) followed by Eurasian Coot (1,111), Bar-headed Goose (995), Barn Swallow (974),

and Little Cormorant (900).

The most abundant species in any single location was Northern Shoveler and 650 of these birds was found in Lingambudhi Lake in Mysuru. There were 530 Spot-billed Pelicans at Ranganathittu apart from 480 Asian Openbills and 410 Indian Cormorants, also at Ranganathittu. Hadinaru lake in Nanjangud taluk played host to 400 Bar-headed Goose, as per the data generated by the bird monitoring teams.

Among the most birds counted in any waterbody across the region, Ranganathittu had the highest numbers with 2,366 birds of various species.

India non-committal on curbs on U.K. NGOs

However, sources said the U.K. had not raised the issues “formally” or in writing yet. At the meeting, India expressed concern regarding “anti-India activities of certain extremists and radical elements in the U.K.,” a statement by the MHA had said.

According to diplomatic sources, the delegation had also raised the denial of FCRA registration to UK-NGO Freedom Fund, which was one of 10 American, Australian, British and European NGOs dealing with environmental, climate change and child labour issues, which had lost their licences due to what the government called “adverse inputs” on their partnerships in India.

Oxfam India is one the country’s largest NGOs that works on food, clothing, shelter and medical projects. On January 1, 2022, the MHA issued a list of about 6,000 NGOs whose FCRA registration or licence to receive foreign funds had ceased to operate as the Ministry refused to renew their application or the NGOs did not apply for one. The MHA had not given specific reasons for the non-renewal of Oxfam India, Oxfam India Trust and others, but said the decision had been taken in “public interest”, without further details.

Protesting the MHA’s denial of its application on January 2, Oxfam India’s CEO Amit Behar had said it would “severely affect the ongoing humanitarian and social work in 16 States across the country” and would also affect the COVID response programme distributing medical equipment and support initiatives.

The non-renewal also meant that the NGO lost access to over ₹62 crore in its designated bank accounts, that came from international donors including Oxfam-UK (₹ 7 crore), Oxfam-Australia (₹3.1 crore), Oxfam-Germany (₹2.8 crore), and Stichting Oxfam International-Netherlands (₹7 crore).

Oxfam subsequently filed a review petition with the government on January 14, but while the MHA acknowledged receipt, it has not communicated any decision in the matter.

Significantly, Mr. Rycroft is understood to be well-versed with NGO funding issues as prior to being appointed Home Secretary, he was the Permanent Secretary at the Department for International Development (DfID), the British government’s aid arm, which was closed and merged with the British Foreign, Commonwealth and Development Office (FCDO) in September 2020.

India non-committal on funding curbs on U.K. NGOs

British officials raise issue at meeting of Home Secretaries

SUHASINI HAIDAR
VIJAITA SINGH
NEW DELHI

U.K. officials discussed foreign funding restrictions placed on Oxfam and other British NGOs with India last week, requesting the Union Home Ministry to reconsider its decision to deny Oxfam India's registration renewal application under the Foreign Contribution Regulation Act (FCRA).

The request came during a virtual meeting British Permanent Home Secretary Matthew Rycroft had with Union Home Secretary Ajay



Oxfam India had said the restrictions would affect its humanitarian and social work in 16 States. ■ AP

Kumar Bhalla, one of a number of high-level exchanges ahead of a possible visit by British Prime Minister Boris Johnson later this year.

“The issue was raised by

United Kingdom [officials], and they were explained the process [of FCRA renewals],” a government source told *The Hindu*.

The source confirmed that the request had been made, but adding that India had given the British side no assurances on whether the cases would be reviewed, as the Home Ministry had decided to do with the Missionaries of Charity, whose registration request was denied around the same time, but subsequently restored.

CONTINUED ON ▶ PAGE 8

INTERVIEW | J.B. MOHAPATRA

'Investors don't dispute taxability of profits from crypto assets'

CBDT Chairperson says some investors showed crypto asset surpluses as capital gains, some as income from business or from other sources

VIKAS DHOOT

The new taxation regime for virtual digital assets introduces greater clarity for their investors, and will help the larger ecosystem, J.B. Mohapatra, Chairperson, Central Board of Direct Taxes (CBDT), says. He also urged people to read the tax rules and fine print before investing in such assets. Edited excerpts:

The tax on crypto assets without granting them full legitimacy is unusual. Will it kick in with retrospective effect?

■ That the legislation will kick in from April 1 doesn't mean transactions before that will be tax-free. Nobody, no investor who we have seen or investigated, has any dispute with regard to the 'taxability' of the surplus coming from digital assets' trade. We all agree it has to be taxed, but there was some confusion in what way it will be taxed as there is no guidance or legislation availa-

ble. Sometimes, it is shown as capital gains, sometimes as income from business, sometimes as income from other sources.

So, this legislation will clear all doubts that it will be under a special chapter with a special rate of tax for the virtual digital asset defined in Section 247A.

The TDS (tax deduction at source) provisions (to pay 0.1% as tax for every transaction) are amply clear. If there are any reservations or issues on which we agree that the legislation need to be straightened out, of course, we will work on that. But the

virtual digital asset tax brought in would help the larger ecosystem also remain unaffected by the supposed opacity of that particular sector. So it will open up that market for regulatory compliances.

Crypto exchanges now say the rates may be a little high compared to other countries. Also, a lot of young people are buying them in smaller amounts, without necessarily having taxable incomes?

■ If the 'taxability' is there, whether it is a businessman or a student, 'taxability' does not discriminate between classes, gender or age. The TDS provisions might be in the mind of people that we may get into unwieldy compliance requirements. But there are exclusions which will not require TDS in cer-



tain situations. Before you make an investment, my advice is that read the fine print and rules around that investment, at least about taxation. One cannot jump into a pool without understanding the depth.

If and when we go towards a regulatory regime for these assets, could they be treated on a par with other assets with similar tax rates?

■ Only time will tell. As of

The virtual digital asset tax brought in will help the larger ecosystem remain unaffected by the supposed opacity of that particular sector. So it will open up that market for regulatory compliances

now, I will keep my lips sealed.

In the changes to the faceless assessment scheme, the omission of Section 144(B)9 that held proceedings as void if the procedure was not followed, has raised some concerns. Does this mean that taxpayers cannot have legal recourse if stated procedures are bypassed?

■ No, the point is very sim-

ple. Section 144B, when it was drafted, had some issues which have been raised by the courts and the judiciary and by the people at large. There have been voices on it from within the department as well. Section 144(B)9 is expressing something which is always the idea of the department.

It's implicit in our workday that without going through the right processes, you can't work... The sanctity of the process is as much as rendering of substantive justice to somebody.

Whether or not 144(B)9 is there, the fact remains that if you have violated the process, somebody, mostly the judiciary, will step in and say this is *non est*. It may not be expressed in so many words. What we have done is re-drafted the whole 144B while keeping its entire spirit, but straightened out the process-

es and taken out the rough edges. For example, the right of personal hearing. Now, it is mandated that if a request is made, without going through the process of obtaining permission of the Chief Commissioner, the Assessing Officer on his own will allow it without seeking anybody's approval. We have also streamlined the review process.

Previously, after the review, the cases were going to some other assessing officer. Now, it is coming back to the same Assessing Officer who has made the reference for the review. So, we have straightened the rough edges. The essence and character of the faceless assessment remains as before, with no disturbance in this Finance Bill. This is a welcome step for everybody, including the Department, the taxpayer and the judiciary.

SC examines allegations of rampant misuse of PMLA

Government, ED subverting the Act, allege petitioners

KRISHNADAS RAJAGOPAL
NEW DELHI

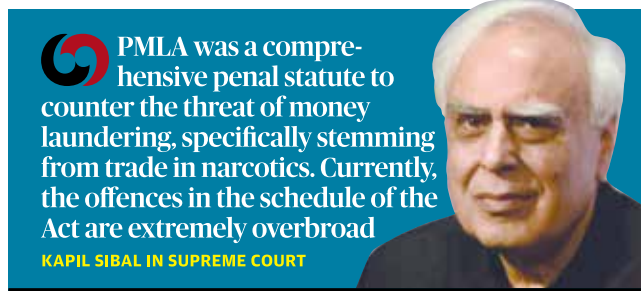
The Supreme Court is looking into allegations of metamorphosis of an anti-money laundering law, brought to sniff out drug money, into a potent weapon to raid rivals and deny rights.

A three-judge Bench is holding back-to-back hearings on petitions filed by people from all walks of life and across the country complaining of the alleged subversion of the Prevention of Money Laundering Act (PMLA) by the government and the Enforcement Directorate (ED).

Lawyers, including senior advocate Kapil Sibal for Karti Chidambaram, allege that the PMLA is pulled into the investigation of even “ordinary” crimes.

Senior advocate Amit Desai said assets of genuine victims have been attached. The ED could just walk into anybody’s house. In all this, the fundamental purpose of the PMLA to investigate conversion of “illegitimate money into legitimate money” was lost.

Mr. Sibal reminded that the PMLA was enacted in response to India’s global commitment (including the Vienna Convention) to combat the menace of money laundering. Instead, he said, rights have been “cribbed,



cabined and confined”.

“PMLA was a comprehensive penal statute to counter the threat of money laundering, specifically stemming from trade in narcotics. Currently, the offences in the schedule of the Act are extremely overbroad, and in several cases, have absolutely no relation to either narcotics or organised crime,” Mr. Sibal argued in the court.

Petitioners pointed out that even the Enforcement Case Information Report (ECIR) – an equivalent of the FIR – is considered an “internal document” and not given to the accused. “The ED treats itself as an exception to these principles and practices [of criminal procedure law] and chooses to register an ECIR on its own whims and fancies on its own file,” they argued.

Pursuant to the registration of the ECIR, the ED begins to summon accused persons and seeks details of all their financial transac-

tions and of their family members. The accused is called upon to make statements which are treated as admissible in evidence.

“Throughout this procedure, the accused does not even know the allegation against him, as the only document which contains the allegation is the ECIR, which is not supplied to the accused persons,” Mr. Sibal pointed out.

The court is also examining submissions that the PMLA does not distinguish between an accused and a witness while summoning them. “Procedure under criminal law makes a distinction between the accused and a witness,” Mr. Sibal, who led the petitioner side, argued. The petitioners noted the lack of clarity about the ED’s selection of cases to investigate. Petitioners have submitted that discretion exercised under the PMLA should be guided by rule of law. It must not be “arbitrary, vague and fanciful”.

Centre extends police modernisation scheme

To focus on security, law and order

SPECIAL CORRESPONDENT
NEW DELHI

The Union government has approved the continuation of a police modernisation scheme for five years up to 2025-26 with a financial outlay of ₹26,275 crore.

The Union Home Ministry said the scheme included security-related expenditure in J&K, northeastern States and Maoist-affected areas, for raising new battalions, developing high-tech forensic laboratories and other investigation tools. A central outlay of ₹18,839 crore has been earmarked for security-related expenditure.

“This scheme comprises all relevant sub-schemes that contribute to the modernisation and improvement with a total central financial outlay of ₹26,275 crore,” a statement by the Ministry said.

It said provision has been made under the scheme for

internal security, law and order and adoption of modern technology by the police. Assistance will be given to the States for narcotics control and strengthening the criminal justice system by developing a robust forensic set-up in the country, the statement said.

According to the statement, ₹4,846 will be given by the Centre for the modernisation of State police forces. To develop operationally independent high-quality forensic facilities in States for scientific and timely investigation, ₹2,080.50 crore will be given.

With the implementation of the ‘National Policy and Action Plan’ for combating Maoists or left-wing extremism (LWE), incidents of violence have come down drastically, it said. To further pursue this, six LWE-related schemes with a outlay of ₹8,689 crore have been approved.

General Studies Paper I	
A	History of Indian culture will cover the salient aspects of art forms, literature and architecture from ancient to modern times;
B	Modern Indian history from about the middle of the eighteenth century until the present-significant events, personalities, issues;
C	Freedom struggle-its various stages and important contributors / contributions from different parts of the country;
D	Post-independence consolidation and reorganization within the country;
E	History of the world will include events from 18 th century such as industrial revolution, world wars, re-drawal of national boundaries, colonization, decolonization,
F	Political philosophies like communism, capitalism, socialism etc.-their forms and effect on the society
G	Salient features of Indian Society, Diversity of India;
H	Effects of globalization on Indian society;
I	Role of women and women's organization;
J	Social empowerment, communalism, regionalism & secularism
K	Salient features of world's physical geography;
L	Geographical features and their location- changes in critical geographical features (including water bodies and ice-caps) and in flora and fauna and the effects of such changes;
M	Important Geophysical phenomena such as earthquakes, Tsunami, Volcanic activity, cyclone etc.
N	Distribution of key natural resources across the world (including South Asia and the Indian subcontinent);
O	Factors responsible for the location of primary, secondary, and tertiary sector industries in various parts of the world (including India);
P	Population and associated issues;
Q	Urbanization, their problems and their remedies
General Studies Paper II	
A	India and its neighbourhood- relations;
B	Important International institutions, agencies and fora- their structure, mandate;
C	Effect of policies and politics of developed and developing countries on India's interests;
D	Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.
E	Indian Constitution, historical underpinnings, evolution, features, amendments, significant provisions and basic structure;
F	Comparison of the Indian Constitutional scheme with other countries;
G	Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein; Inclusive growth and issues arising from it;
H	Parliament and State Legislatures - structure, functioning, conduct of business, powers & privileges and issues arising out of these;
I	Structure, organization and functioning of the executive and the judiciary, Ministries and Departments;

J	Separation of powers between various organs dispute redressal mechanisms and institutions;
K	Appointment to various Constitutional posts, powers, functions and responsibilities of various Constitutional bodies;
L	Statutory, regulatory and various quasi-judicial bodies;
M	Mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections;
N	Salient features of the Representation of People's Act;
O	Important aspects of governance, transparency and accountability, e-governance- applications, models, successes, limitations, and potential;
P	Citizens charters, transparency & accountability and institutional and other measures;
Q	Issues relating to poverty and hunger,
R	Welfare schemes for vulnerable sections of the population by the Centre and States, Performance of these schemes;
S	Issues relating to development and management of social sector / services relating to education and human resources;
T	Issues relating to development and management of social sector / services relating to health
General Studies Paper III	
A	Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment;
B	Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth;
C	Inclusive growth and issues arising from it;
D	Infrastructure Energy, Ports, Roads, Airports, Railways etc. Government budgeting;
E	Land reforms in India
F	Major crops, cropping patterns in various parts of the country, different types of irrigation and irrigation systems;
G	Storage, transport and marketing of agricultural produce and issues and related constraints;
H	e-technology in the aid of farmers; Technology Missions; Economics of Animal-Rearing.
I	Issues of buffer stocks and food security, Public Distribution System- objectives, functioning, limitations, revamping;
J	Food processing and related industries in India – scope and significance, location, upstream and downstream requirements, supply chain management;
K	Issues related to direct and indirect farm subsidies and minimum support prices
L	Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology;
M	Indigenization of technology and developing new technology;
N	Developments and their applications and effects in everyday life;
O	Issues relating to intellectual property rights
P	Conservation, environmental pollution and degradation, environmental impact assessment
Q	Disaster and disaster management
R	Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security;
S	Money-laundering and its prevention;

T	Various forces and their mandate;
U	Security challenges and their management in border areas;
V	Linkages of organized crime with terrorism;
W	Role of external state and non-state actors in creating challenges to internal security;
X	Linkages between development and spread of extremism.
General Studies Paper IV	
A	Ethics and Human Interface: Essence, determinants and consequences of Ethics in human actions;
B	Dimensions of ethics;
C	Ethics in private and public relationships. Human Values - lessons from the lives and teachings of great leaders, reformers and administrators;
D	Role of family, society and educational institutions in inculcating values.
E	Attitude: Content, structure, function; its influence and relation with thought and behaviour;
F	Moral and political attitudes;
G	Social influence and persuasion.
H	Aptitude and foundational values for Civil Service , integrity, impartiality and non-partisanship, objectivity, dedication to public service, empathy, tolerance and compassion towards the weaker sections.
I	Emotional intelligence-concepts, and their utilities and application in administration and governance.
J	Contributions of moral thinkers and philosophers from India and world.
K	Public/Civil service values and Ethics in Public administration: Status and problems;
L	Ethical concerns and dilemmas in government and private institutions;
M	Laws, rules, regulations and conscience as
N	sources of ethical guidance;
O	Accountability and ethical governance; strengthening of ethical and moral values in governance; ethical issues in international relations and funding;
P	Corporate governance.
Q	Probity in Governance: Concept of public service;
R	Philosophical basis of governance and probity;
S	Information sharing and transparency in government, Right to Information, Codes of Ethics, Codes of Conduct, Citizen's Charters, Work culture, Quality of service delivery, Utilization of public funds, challenges of corruption.
T	Case Studies on above issues.