



**VEDHIK**  
**IAS ACADEMY**

*The New Learning Mantra*



# VEDHIK

## DAILY NEWS ANALYSIS

28 - JUNE - 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.

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# Mir's quick trial came ahead of U.S.-Pak. meet

Conviction aimed at FATF reprieve

## Who is Sajid Mir?

- Deputy chief of international operations of Lashkar-e-Taiba
- Recruited terrorists for Mumbai 26/11 attacks, guided attackers over telephone from the LeT "control room" in Karachi, directly ordered killings
- Wanted for involvement in terror recruitment and financing cases in France, Australia, Denmark and the United States
- Declared "dead" by Pakistani officials in December 2021, but arrested in April 2022, convicted and sentenced in May 2022



**Mir is on the FBI's most wanted list. He is No.14 on the wanted terrorists' list under India's UAPA**

**SUHASINI HAIDAR**  
NEW DELHI

Lashkar-e-Taiba deputy chief and 26/11 Mumbai terror attacks planner Sajid Mir was sentenced by a Pakistan anti-terrorism court in Lahore on terror-financing charges in May this year, in a speedy trial completed just three weeks after he was arrested, three days before a U.S.-Pakistan ministerial meeting and a month before the Financial Action Task Force (FATF) plenary that gave Pakistan a reprieve.

Mir had been declared "dead" by Pakistani officials as recently as in December 2021, but was then arrested by the police on April 21, 2022, convicted on May 16, 2022, and sent to prison to serve three consecutive sentences amounting to fifteen and a half years in prison.

According to a report in

*Pakistan Geo News*, officials said Mir was tried and convicted "quietly", given the sensitivities around the case. The Ministry of External Affairs in India has not commented on the case, given that the arrest, conviction and sentencing have not been formally announced by Pakistan. However, a government official said that the "timing" of Pakistan's actions were "clearly aimed at being granted leniency from western countries at the FATF".

The conviction of Mir came just three days before a meeting between U.S. Secretary of State Antony Blinken and Pakistan's Foreign Minister Bilawal Bhutto on May 19 in New York, where they discussed Pakistan's grey listing at the FATF.

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# Mir's quick trial came ahead of U.S.-Pak. meet

In December 2021, Mr. Blinken released the U.S. State Department's Country Reports on Terrorism that made a specific mention of Mir, saying that Pakistan had not taken sufficient steps against "JeM founder Masood Azhar and LeT's Sajid Mir, mastermind of the 2008 Mumbai attacks".

On June 17, the FATF grouping announced that Pakistan had completed its 34-point action list, and had demonstrated "a positive upwards trend" in the prosecution of individuals named for terror financing and money laundering.

As *The Hindu* had reported earlier, Pakistan won the reprieve after the U.S. and its "five eyes" western allies, including Canada, the U.K., Australia and New Zealand as well as European countries, formed a consensus about moving Pakistan off the grey list in the next few months, after "on-site" visits in August.

In the sentencing order,

details of which emerged on Monday, "Sajid Mir", also known as "Sajid Majeed Chaudhury", was sentenced to three terms under Pakistan's Anti-Terror Act, including six months for being a member of the proscribed organisation LeT; eight years for providing financing and property to the organisation; and another seven years for knowingly providing support to the organisations for terrorist activity.

Apart from Mir, who is wanted for planning and training LeT recruits for a number of international terror attacks, sources said Pakistan had now committed to pursuing the conviction of Jaish-e-Mohammed chief Masood Azhar and his brother Rauf Asghar, who have been taken into custody for "preventive detention" as well.

It is significant that Mir is yet to be tried or convicted for his planning of the 26/11 Mumbai attacks.

# Modi's two summits: UAE trumps G7

The UAE was a bigger investor in India in 2021 than Germany and France combined



MAHESH SACHDEV

Prime Minister Narendra Modi is attending two summits this week - he is a 'special invitee' at the 48th G7 Summit at Schloss Elmsau in Germany. After that, he has a bilateral summit in Abu Dhabi with the UAE President Sheikh Mohammed bin Zayed Al-Nahyan on June 28. Though the pundits may consider the second event as a sideshow, some statistics are enough to prove them wrong.

If the U.S. is exempted, no G7 country comes close to the UAE as India's trading partner, exports market, Indian diaspora base and their inward remittances. According to our official Foreign Direct Investment data, the UAE invested more in India in 2021 than Germany and France combined. Unlike the UAE, none of the G7 countries has yet signed a bilateral Comprehensive Economic Partnership Agreement (CEPA) with India.

Both summits are important to India, but unlike the interlocutors in the Bavarian Alps, our Prime Minister is unlikely to be hectoring in Abu Dhabi about where not to buy oil from or how much Indian wheat and sugar must be sold. The agenda is likely to be more constructive and benign.

## India-UAE synergy

The current India-UAE synergy and amity are largely due to Prime Minister Modi's tending. This would be his fourth visit to Abu Dhabi and sixth summit with Sheikh Mohammed over the past seven years. These have re-energised this historic, but long-dormant, relationship. The visits have plenty to show - from Emirati investments in Jammu and Kashmir to a CEPA. After a COVID-19-induced three-year hiatus, a Modi-Sheikh Mohammed summit was desirable to infuse a fresh momentum.

In protocol terms, Mr. Modi would commiserate the passing away of UAE President Sheikh Khalifa bin Zayed on May 13 and the appointment of Sheikh Mohammed, 61, as his successor. As Sheikh Mohammed has been the de facto President since Sheikh Khalifa suffered a stroke in 2014, the change at the helms means little in the practical term. However, this being the only second



PTI

transition at the top since the formation of the UAE in 1971, it is significant. It symbolises political stability and continuity in a turbulence-prone region. Mr. Modi would probably be the first non-Arab leader to be received in Abu Dhabi after the 40-day State mourning ended on June 22. Thus, the Abu Dhabi summit would be a useful opportunity to recalibrate the bilateral ties and open new vistas following the operationalisation of the bilateral CEPA from May 1.

## Changes since the pandemic

Significant changes in the bilateral, regional and global context have taken place since the two leaders last met in August 2019. Both countries have successfully contained the COVID-19 pandemic and can pool their experiences. Their bilateral trade grew by 68% in 2021-22 to \$72.9 billion, a new record. While both exports and imports grew, the trade deficit reached \$16.8 billion, also a new record. Thanks to the CEPA, the robust economic revival, higher oil prices and larger Indian imports, trade is likely to grow even higher in 2022-23. The corrective mechanism built into CEPA would, hopefully, prevent the deficit from going out of hand. As the UAE collects petrodollars, India, the world's fastest-growing major economy, could be a lucrative market for investments in areas such as petrochemicals, pharmaceuticals, renewables, infrastructure, manufacturing, logistics, start-ups, etc. A lot has already been done to streamline the manpower sector, including skilling the young Indian labour force to suit the Emirati requirements, but more can be done. The two sides can collaborate for the eventual reconstruction of

the war-ravaged regional countries such as Yemen, Syria, Somalia, Iraq, Libya and Afghanistan. In the bilateral political domain, the two sides have cooperated efficiently on security and anti-terrorism, but they need to do more to fight money laundering and the flow of illicit narcotics.

## A complex area

The South West Asian region is a complex and evolving area. The UAE has disrupted the longstanding Arab Israeli stalemate by normalising relations with Israel in 2020. The two sides have recently signed a bilateral CEPA. After pursuing a muscular regional foreign policy against political Islam and in regional hotspots such as Syria, Yemen, Libya, Sudan, and Somalia, Abu Dhabi seems to have decided to stage a phased withdrawal and improve ties with Syria, Qatar and Turkey. The ties with Saudi Arabia remain somewhat edgy, due to policy divergences and economic competition. Similarly, Abu Dhabi has developed some ruction with the Biden presidency in the U.S. and is diversifying its strategic options with Russia and China. It has conspicuously ignored the plea by the U.S. and other Western countries to raise its oil production. India, the UAE's second-largest trading partner, and largest source of tourists and manpower, can be a useful ally.

Against this ongoing regional and global flux, the India-UAE summit is both topical and opportune and can have an impact beyond the bilateral context.

*Mahesh Sachdev, a former Indian Ambassador, is President, Eco-Diplomacy and Strategies, New Delhi*

# India, EU resume FTA negotiations

**PRESS TRUST OF INDIA**

**NEW DELHI**

India and the European Union (EU) on Monday resumed negotiations, after a gap of over eight years, for a comprehensive free trade agreement, a move aimed at strengthening economic ties between the two regions.

Senior officials from both the sides will hold discussions till July 1.

“India and the EU today kick-start 1st round of trade negotiations in #NewDelhi,” Ugo Astuto, Ambassador of the EU to India and Bhutan, said in a tweet.

India had started negotiations for a trade pact with the EU in 2007, but the talks stalled in 2013 as both sides failed to reach an agreement on key issues.

# PM invites G7 nations to invest in clean energy

**KALLOL BHATTACHERJEE**  
NEW DELHI

Access to energy should not be a privilege of the rich and the poor also should have equal right to energy, Prime Minister Narendra Modi said on Monday.

At a special session of the G7 summit in Germany, he said the clean energy sector had emerged as a major domain in India and developed economies should invest in this arena.

“All of you will agree that energy access should not be the privilege of the rich only. A poor family also has the same rights. And today, when energy costs are sky-high due to geopolitical tensions, it is more important to remember this,” Mr. Modi said at a session, ‘Investing in a better future: Climate, Energy, Health’.

India, along with South Africa, Indonesia, Argentina and Senegal, is a guest at this year’s G7 summit.

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# PM invites G7 nations to invest in clean energy

Mr. Modi's remarks on the alternative energy scene in India showed India's efforts to blend in with the dominant agenda of the G7 that's aimed at severing links between the Russian energy sector and major buyers like China and India. Western economies have been championing "clean energy" as an alternative to the oil and gas mix.

"Today, a huge market for clean energy technologies is emerging in India. G7 coun-

tries can invest in research, innovation, and manufacturing in this field. The scale that India can provide for every new technology can make that technology affordable for the whole world," Mr. Modi said at the meet.

The Indian Prime Minister said that India's commitment to environmental protection had remained unaffected despite setbacks that the country suffered during its long civilisational history.



**In and out:** A sign from a protest by the Assam Congress against the alleged trading of Maharashtra MLAs, in Guwahati on June 23. •PTI

FROM THE ARCHIVES

# When defection is a mere detour for an MLA

It is possible to avoid Karnataka-like incidents if MLAs jumping ship are disqualified for six years

## THE GIST

■ The most prominent case of political defection was that of Haryana's Gaya Lal, originally an independent MLA who, in 1967, juggled between the Congress and Janata Party for two weeks. The recurrence of this phenomenon led to the 1985 Anti-Defection Law.

■ The Anti-Defection Law provided a safeguard for defections made on genuine ideological differences. It accepted "split" within a party if at least one-third of the members of the legislative party defect, and allowed the formation of a new party or "merger" with other political party if not less than two-thirds of the party's members commit to it.

■ Defections like these can only be stopped by extending the disqualification period from re-contesting to at least six years.

S.Y. QURAISHI

*The Supreme Court, after hearing rebel MLA faction leader Eknath Shinde's petition challenging the disqualification notices issued to him and 15 other rebel MLAs, extended the deadline given to the concerned MLAs to file their responses to the disqualification notices. In this article dated January 3, 2020, S.Y. Quraishi explains how defecting MLAs need to be barred for at least six years before they can contest elections again.*

They defected, re-contested, and became members again, all in six months. Some are even likely to become Ministers soon.

The Karnataka byelection results have widely put to display the ineffectiveness of the Anti-Defection Law. Of the 17 defecting Congress-Janata Dal (Secular) MLAs, 11 were re-elected on a Bharatiya Janata Party (BJP) ticket. Not only did this set of events lay down a well-structured framework to sidestep the law, it even set a dangerous precedent for neutralising the consequences of the law altogether.

The phenomenon of defections is not new to Indian politics. It has been plaguing the political landscape for over five decades. The most prominent case was that of Haryana's Gaya Lal, originally an independent MLA who, in 1967, juggled between the Congress and Janata Party for two weeks, during which he switched his loyalty thrice. The recurrence of this evil phenomenon led to the 1985 Anti-Defection Law, which defined three grounds of disqualification of MLAs – giving up party membership; going against party whip; and abstaining from voting.

### Resignation not a condition

Resignation as MLA was not one of the conditions. Exploiting this loophole, the 17 rebel MLAs in Karnataka resigned, their act aimed at ending the

majority of the ruling coalition and, at the same time, avoiding disqualification. However, the Speaker refused to accept the resignations and declared them disqualified. This was possible as the legislation empowers the presiding officer of the House (i.e. the Speaker) to decide on complaints of defection under no time constraint.

### The main issue is that defectors treat disqualification as a mere detour, before they return to the House or government by re-contesting

The law originally protected the Speaker's decision from judicial review. However, this safeguard was struck down in *Kihoto Hollohan v. Zachillu and Others* (1992). While the SC upheld the Speaker's discretionary power, it underscored that the Speaker functioned as a tribunal under the anti-defection law, thereby making her/his decisions subject to judicial review. This judgment enabled judiciary to become the watchdog of the anti-defection law, instead of the Speaker, who increasingly had become a political character contrary to the expected neutral constitutional role. The same could be witnessed in *Shrinanth Balasaheb Patel & Ors vs Speaker Karnataka Legislative Assembly & Ors* (2019), where the three-judge SC bench upheld the then Karnataka Speaker's decision of disqualification of the 17 rebel MLAs. However, it struck down his ban on the MLAs from contesting elections till 2023, negating the only possible permanent solution to the problem. The Supreme Court played the role of a neutral umpire in this political slugfest. But, the spectacle of MLAs hoarded in a bus, and being sent to a resort, openly exposed not just the absence of ideological ties between a leader and his party, but also her/his weak moral character. It was also upsetting to see public acceptance of

such malpractices as part of politics, with some even calling it Chanakya niti!

### Exit, and swift return

The Anti-Defection Law provided a safeguard for defections made on genuine ideological differences. It accepted "split" within a party if at least one-third of the members of the legislative party defect, and allowed the formation of a new party or "merger" with other political party if not less than two-thirds of the party's members commit to it. The 91st Constitutional Amendment introduced in 2003 deleted the provision allowing split.

The 91st Amendment also barred the appointment of defectors as Ministers until their disqualification period is over or they are re-elected, whichever is earlier. But, obviously, such laws have not put to rest the trend of defections.

The main issue, as witnessed in Karnataka, is that the defectors treat disqualification as a mere detour, before they return to the House or government by re-contesting. This can only be stopped by extending the disqualification period from re-contesting and appointment to Chairmanships/Ministries to at least six years. The minimum period limit of six years is needed to ensure that the defectors are not allowed to enter the election fray for at least one election cycle, which is five years.

Of course, MLAs can still be bought from the ruling dispensation to bring it to a minority by being paid hefty sums, simply to stay at home for six years. Almost every political outfit has been party to such devious games, with hardly any political will to find a solution.

*The writer is former Chief Election Commissioner of India and the author of An Undocumented Wonder – The Making of the Great Indian Election*

# States, freebies and the costs of fiscal profligacy

The need for instituting more effective checks that can make wayward States fall in line is compelling



DUVVURI SUBBARAO

During the planning last year and the campaign ahead of the Punjab Assembly election, the Aam Aadmi Party (AAP) promised a sum of ₹1,000 per month to every woman in the State. To drive home the generosity of the promise, the AAP leader and Delhi Chief Minister, Arvind Kejriwal, emphasised that under AAP's 'Mission Punjab' for the Punjab polls 2022, if there were three adult women in a household (daughter-in-law, daughter, mother-in-law), each of them would get ₹1,000. When questioned how Punjab, already reeling under heavy debt, could afford this, Mr. Kejriwal said something to the effect that if there is good political management, money would not be a problem.

## Growing freebie culture

Electoral promises of this kind raise several questions. Is borrowing and spending on freebies sustainable? Is this the best possible use of public money? What is their opportunity cost – what is it that the public are collectively giving up so that the government can fund these payments? Should not there be some checks on how much can be spent on them?

I am using Punjab to illustrate a point and by no means to suggest that it is unique. In fact, many States are pursuing the freebie culture, some even more aggressively than Punjab.

Ideally, governments should use borrowed money to invest in physical and social infrastructure that will generate higher growth,

and thereby higher revenues in the future so that the debt pays for itself. On the other hand, if governments spend the loan money on populist giveaways that generate no additional revenue, the growing debt burden will eventually implode and end in tears.

Concerned by an increasing number of States that are embarking on this financially ruinous path, senior bureaucrats reportedly flagged the issue at a meeting with the Prime Minister, telling him that 'some States might go down the Sri Lankan way'.

There is an argument that this concern is being exaggerated. After all, if you look at any analysis of State Budgets by the Reserve Bank of India or any think tank, the inference you will draw is that State finances are in good, if indeed robust, health, and that all of them are scrupulously conforming to the Fiscal Responsibility and Budget Management (FRBM) targets.

This is a misleading picture. Much of the borrowing that funds these freebies happens off budget, beyond the pale of FRBM tracking. The typical *modus operandi* for States has been to borrow on the books of their public enterprises, in some cases by pledging future revenues of the State as guarantee. Effectively, the burden of debt is on the State exchequer, albeit well concealed. The Comptroller and Auditor General of India (CAG) had in fact pointed out that in respect of some States 'if extra-budgetary borrowings are taken into account, the liabilities of the government are way above what is acknowledged in the official books'.

How big is the problem? There is no comprehensive information in the public domain to assess the size of this off-budget debt, but anecdotal evidence suggests that it is comparable in size to the debt admitted in the Budget books.



GETTY IMAGES/ISTOCKPHOTO

The obvious motivation for States in expanding freebies is to use the exchequer to build vote banks. A certain amount of spending on transfer payments to provide safety nets to the most vulnerable segments of the population is not only desirable but even necessary. The problem arises when such transfer payments become the main plank of discretionary expenditure, the spending is financed by debt, and the debt is concealed to circumvent the FRBM targets.

The more States spend on transfer payments, the less they have for spending on physical infrastructure such as, for example, power and roads, and on social infrastructure such as education and health, which can potentially improve growth and generate jobs. The truth of the Chinese saying, 'give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime' is self-evident to everyone, including politicians. But electoral calculations tempt them to place short-term gains ahead of long-term sustainability.

## Institutional checks, balances

What about the institutional checks and balances that should prevent this downward spiral? Unfortunately, all of them have become ineffective. In theory, the first line of defence has to be the legislature, in particular the Opposition, whose responsibility it is to keep the Government in line. But given the perils of our vigorous de-

mocracy, the Opposition does not dare speak up for fear of forfeiting vote banks that are at the end of these freebies.

Another constitutional check is the CAG audit which should enforce transparency and accountability. In practice, it has lost its teeth since audit reports necessarily come with a lag, by when political interest has typically shifted to other hot button issues. Besides, our bureaucracy has mastered the fine art of turning audit paras into 'files' which run their course and die a quiet death.

The market is another potential check. It can signal the health or otherwise of State finances by pricing the loans floated by different State governments differently, reflecting their debt sustainability. But in practice this too fails since the market perceives all State borrowing as implicitly guaranteed by the Centre, never mind that there is no such guarantee in reality.

## The costs can be huge

The costs of fiscal profligacy at the State level can be huge. The amount States borrow collectively every year is comparable in size to the Centre's borrowing which implies that their fiscal stance has as much impact on our macroeconomic stability as does that of the Centre. The need, therefore, for instituting more effective checks that can make wayward States fall in line is compelling.

Here are two suggestions towards that end.

First, the FRBM Acts of the Centre as well as States need to be amended to enforce a more complete disclosure of the liabilities on their exchequers. Even under the current FRBM provisions, governments are mandated to disclose their contingent liabilities, but that disclosure is restricted to liabilities for which they have extended an explicit guarantee. The provision

should be expanded to cover all liabilities whose servicing obligation falls on the Budget, or could potentially fall on the Budget, regardless of any guarantee.

Second, under the Constitution, States are required to take the Centre's permission when they borrow. The Centre should not hesitate to impose conditionalities on wayward States when it accords such a permission. States slapped with conditionalities will of course balk and allege political motives. The challenge for the Centre will be to act transparently and in accordance with well-defined, objective and contestable criteria.

Finally, there is the draconian provision in the Constitution of India which allows the President to declare financial emergency in any State if s/he is satisfied that financial stability is threatened. This Brahmastra has never been invoked so far for fear that this will turn into a political weapon of mass destruction. But the provision is there in the Constitution for a reason. After all, the root cause of fiscal irresponsibility is the lure of electoral nirvana. It will stop only if the political leadership fears punishment. It is therefore important to ensure that the prospect of a financial emergency in case of gross and continuing fiscal irresponsibility is not just an abstract threat but a realistic one.

Disappointingly, the Centre itself has not been a beacon of virtue when it comes to fiscal responsibility and transparency. To its credit, it has embarked on course correction over the last few years. It should complete that task in order to command the moral authority to enforce good fiscal behaviour on the part of States.

Duvvuri Subbarao was Finance Secretary to the Government of India and Governor, Reserve Bank of India

# 'India's gig workforce to reach 2.35 cr. by 2030'

Social security, work accident insurance among NITI Aayog recommendations

**YUTHIKA BHARGAVA**  
NEW DELHI

The Centre's policy think tank NITI Aayog has recommended steps to provide social security, including paid leave, occupational disease and accident insurance, support during irregularity of work and pension plans for the country's gig workforce, which is expected to grow to 2.35 crore by 2029-30.

According to a study released by NITI Aayog on Monday, the number of gig workers is estimated to be 77 lakh in 2020-21. "India re-

quires a framework that balances the flexibility offered by platforms while also ensuring social security of workers. The consequent platformisation of work has given rise to a new classification of labour – platform labour – falling outside of the purview of the traditional dichotomy of formal and informal labour," the study said.

It added that platform workers are termed "independent contractors" and as a result, they cannot access many aspects of workplace protection and entitlements.

The report broadly classifies gig workers into platform and non-platform-based workers. While platform workers are those whose work is based on online software applications or digital platforms, non-platform gig workers are generally casual wage workers and own-account workers in the conventional sectors, working part-time or full time.

## **More medium-skilled jobs**

The report noted that at present, about 47% of gig work is in medium-skilled jobs,

about 22% in high-skilled, and about 31% in low-skilled jobs, and the trend shows the concentration of workers in medium-skilled jobs is declining and that of the low-skilled and high-skilled is increasing. By 2029-30, gig workers are expected to form 6.7% of the non-agricultural workforce or 4.1% of the total livelihood workforce in India, the study said.

The think tank has also recommended introducing a 'Platform India initiative' on the lines of the 'Startup India initiative'.

# ‘Centre may raise small savings rates’

Economists cite rising G-Sec yields — to which such rates are linked — as reason for optimism

VIKAS DHOOT  
NEW DELHI

Households could get some relief this week as economists expect the Centre to raise the interest rates paid on small savings schemes for the July to September 2022 quarter, with the yields on 10-year government securities hitting a four-year high of 7.6% earlier this month.

The rates of interest on instruments like the Public Provident Fund and the National Savings Certificate, currently at 7.1% and 6.8%, respectively, have not been changed for eight quarters since a reduction was effected in the first quarter of FY21. Retail inflation too had hovered above 7% in April and May, squeezing household budgets. Raising rates on small savings could also



**Eager anticipation:** The Centre will announce rates for small savings instruments for the next quarter on June 30. ■PTI

help the government reduce its reliance on market borrowings this year.

## ‘Deposit rates rising’

“There are chances of small savings rate being increased in upcoming review for July-September, in line with the

higher policy repo rate,” CARE Ratings chief economist Rajani Sinha told *The Hindu*, noting that banks had also started revising deposit rates upwards. The government will announce the rates for the next quarter on June 30. “While the Reserve

Bank of India (RBI) has hiked the policy interest rate by 90 basis points (bps) in the last two meetings, we expect further increase of at least 100 bps increase in FY23. This implies that yields on government securities (G-Secs) will continue to increase in the next few months,” Ms. Sinha said. One basis point is equal to 0.01%.

Aditi Nayar, chief economist, ICRA, said she too expected interest rates on small savings instruments to be raised, given the sharp rise in the G-Sec yields of various maturities, to which such rates are linked.

“In view of the increase in the G-Sec yields in recent months, the excess of the announced interest rates on SSIs over the respective formula-based rates moderated

to 9-118 bps for Q1: 2022-23 from 42-168 bps in Q4 2021-22,” the RBI had noted in April. The average G-Sec yield, based on which the quarterly rate on the 15-year PPF is pegged, was 6.76% between December 2021 and February 2022, resulting in a formula-based rate of 7.01% for the April to June quarter.

The 7.10% for the quarter was thus nine bps higher than the formula then.

“The average month-end G-Sec yields for one-year, two-year and five-year bonds have increased substantially to 5.26%, 5.65% and 6.79%, respectively, between March and May 2022, from 3.88%, 4.72% and 6%, respectively, in the previous three months,” Ms. Nayar pointed out. On June 24, yields on 10-year G-Secs stood at 7.44%.

# GST panel may discuss States' compensation, e-com norms

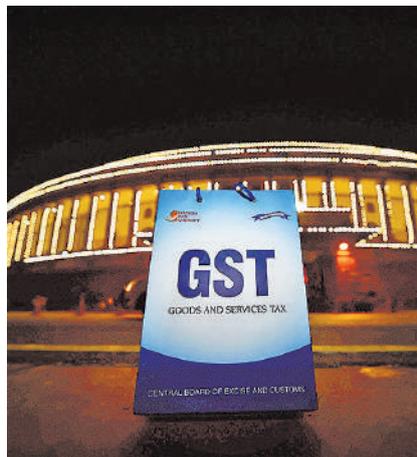
28% tax for online games, casinos, horse racing may get nod

**PRESS TRUST OF INDIA**  
NEW DELHI

The GST Council in its two-day meeting starting Tuesday is slated to discuss an array of issues, including a mechanism for compensating States for revenue loss, tax rate tweaks in some items and relaxed registration norms for small online suppliers.

Further, the Council, chaired by the Union Finance Minister and comprising State counterparts, will also clear levying the highest tax rate of 28% on online games, casinos and horse racing.

The GST Council will also consider a report of the panel of State ministers on



making the e-way bill mandatory for intra-State movement of gold/ precious stones worth ₹2 lakh and above and e-invoicing mandatory for all taxpayers supplying gold/precious stones and having annual aggregate turnover above ₹20 crore.

Besides, an interim report of a group of Ministers on

rate rationalisation, which is likely to recommend correcting the inverted duty structure and removing some items from the exempted list, would also be taken up. The Council may see a stormy discussion around compensation to States with opposition-ruled States aggressively pushing for its continuation beyond the five-year period which ends in June.

The panel is also likely to relax compulsory registration norms for small businesses with annual turnover of up to ₹40 lakh and ₹20 lakh for goods and services respectively, using e-commerce platforms to sell products.

# Rupee tests fresh low on outflow of foreign funds

BSE Sensex, NSE Nifty 50 rise 0.8%

**SPECIAL CORRESPONDENT**  
MUMBAI

The rupee on Monday tested a fresh record low of 78.43 amid outflow of foreign funds and other factors, according to analysts.

The rupee finally closed at 78.37 against the dollar on Monday. “The currency has drifted on the downward trajectory despite the softness seen in the greenback, as domestic equity indices erased much of the early session gains,” said Sugandha Sachdeva, VP, Commodity & Currency Research, Religare Broking.

“Besides, India’s forex reserves have witnessed a fall for the third consecutive week to \$590.59 billion as the RBI is stepping up its intervention in the forex mar-

 **Currency may see support at 78.50. A breach may pave the way for rupee to slip to 79.20**

kets to curb the steep decline in the Indian rupee.”

“We reckon that the 78.50 mark will provide near-term support to the rupee-dollar exchange rate, while a decisive breach of the same shall pave the way for further depreciation towards the 79.20 mark in the coming days,” she said.

However, key equity benchmark indices surged almost 1%, led by IT stocks. The S&P BSE Sensex gained 433.30 points, or 0.82%, to 53,161.28. The NSE Nifty 50 index gained 132.80 points, or 0.85%, to 15,832.05.

# Simranjit Mann's win sets stage for return of Akali politics

To counter radicalism, AAP govt. needs to make development and governance its main agenda, say political observers

VIKAS VASUDEVA  
CHANDIGARH

Seventy-seven-year-old Shiromani Akali Dal (Amritsar) president Simranjit Singh Mann's hard-fought win over the Aam Aadmi Party candidate in the bypoll to the Sangrur Lok Sabha seat on Sunday is likely to spark a resurgence of Akali politics in Punjab.

A known hard-line Sikh leader who has frequently raised the bogey of Khalistan, a sovereign state for Sikhs, Mr. Mann's first electoral victory in 23 years is expected to embolden radical elements in the State.

Observers of the State's politics and law and order fear this "dangerous trend" could pose a stiff challenge to the three-month-old AAP government if it does not make

development and governance its main agenda to counter the emergence of hard-line leaders.

The Khalistan movement had lost popular support following the traumatic phase of militancy in the mid-1980s and early 1990s. However, recent sporadic incidents over the demand for Khalistan in Punjab, Haryana and Himachal Pradesh have reignited

## NEWS ANALYSIS

the debate over the movement's revival.

Mr. Mann, a third-time MP, founded his party in 1994. He quit from the IPS in June 1984 as a mark of protest against Operation Bluestar. In the same year, he was arrested on various charges, including involvement in a conspiracy



Supporters of SAD (Amritsar) candidate Simranjit Mann celebrating after his bypoll victory, in Sangrur on Sunday. •PTI

to murder the then Prime Minister Indira Gandhi, and jailed for five years.

A key plank of the SAD (Amritsar) president's campaign for the bypoll was to secure the release of Sikh prisoners lodged in jails even after the completion of their sentences.

In May, Mr. Mann had raised the demand for Khalistan at a meeting convened by the Shiromani Gurdwara Parbandhak Committee (SGPC) to deliberate the release of Sikh prisoners.

He had urged the SGPC to support the pro-Khalistan resolution that he claimed was

unanimously passed by it in 1946.

"The victory of Simranjit Singh Mann shows the resurgence of Akali politics with the dominance of the radical faction. Akali politics mainly involves Panthic (Sikhs), peasantry and provincial (anti-centrism approach) components. The result shows that the SAD (Amritsar) has secured support from all three constituents," said Pramod Kumar, director of the Institute for Development and Communication in Chandigarh.

### 'A dangerous signal'

Dr. Kumar said the undercurrent of radicalism in the run-up to the bypoll could have been countered had the AAP government delivered on its promise of good governance

and development. "AAP failed to take off on the development and governance front. To counter and weaken radicalism, the government needs to make development and governance its main agenda. Secondly, the discourse of Punjabi identity has to be reinforced. The Shiromani Akali Dal's moderate politics has weakened and radical politics has become dominant, which is a dangerous signal," he said.

Shashi Kant, former State DGP, said Mr. Mann's win sends out the message that hardliners are becoming strong and the narrative around the demand for Khalistan could get stronger.

He said drones, drugs, money and explosives from Pakistan have entered the State in the recent past.

# CSG team goes the extra mile to save elderly Lankan couple

They fainted after arriving on the shores of Rameswaram

**SUNDAR S**  
RAMESWARAM

A team of Coastal Security Group (CSG) personnel, who have been securing Sri Lankan nationals who clandestinely land on the shores of Rameswaram island, had a different challenge on Monday - saving the lives of two elderly persons.

During a regular patrol of the seashore, the team, led by Sub-Inspector of Police S. Kalidoss, found two aged persons - a man and a woman - lying unconscious on the beach near Kothandaram temple.

"Since they had been dropped in neck-deep water on a pitch-dark night, the couple, who did not eat properly the previous night, became tired and fainted after arriving on the shore," the SI said.

Since the stretchers in the 108 ambulance could not be used to carry unconscious people across the shallow backwaters for nearly two km, the CSG team had to



An elderly Sri Lankan man being rescued by a team from the Coastal Security Group in Rameswaram. ■ BALACHANDAR L

wait for the arrival of a hovercraft of the Indian Coast Guard.

Till then, the personnel kept the man hydrated by giving him glucose. They also used a saree as a temporary shade for the couple, who were lying on the sand.

Later, the Sri Lankan nationals were shifted to the government hospital in Rameswaram, where they were provided first aid.

While the man showed

signs of improvement, the woman remained unconscious. They were identified as Sivam, 82, and his wife, Parameswari, 70, of Mannar. They were subsequently admitted to the Ramanathapuram Government Medical College Hospital.

With the new arrivals, the number of Sri Lankan nationals who have reached Rameswaram after fleeing the crisis-hit island nation has risen to 92.

| 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 <sup>th</sup> century such as industrial revolution, world wars, re-drawing 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;   |

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|---------------------------------|--|
| 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.  |
|                                 |  |
| <b>General Studies Paper IV</b> |  |
| 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.  |