

## RBI HOLDS RATES, VOWS TO KEEP PRICE STABILITY

The Reserve Bank of India's Monetary Policy Committee (MPC) decided unanimously on Thursday to keep the policy repo rate unchanged at 6.50% for the second straight meeting, with Governor Shaktikanta Das stressing that the RBI "will remain watchful and proactive in dealing with emerging risks to price and financial stability".

Laying out the rationale for the MPC's decision, Mr. Das stressed that "the best contribution monetary policy could make in helping the economy realise its potential would be by ensuring price stability".

"Headline inflation, however, is still above the target as per the latest data and is expected to remain so according to our projections for 2023-24," he noted. "Therefore, close and continued vigil on the evolving inflation outlook is absolutely necessary, especially as the monsoon outlook and the impact of El Nino remain uncertain."

The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth.

"The rate action this time is obviously a pause. Future action will depend on the evolving situation," Mr. Das added.

The RBI forecast real GDP growth for 2023-24 at 6.5%, and projected CPI inflation for the current fiscal year to average 5.1%.

Mr. Das said the Indian economy presented a story of resilience with macro economic and financial stability. Prospects for growth were steadily improving and becoming broad-based.

He emphasised that the healthy twin balance sheets of banks and corporates also augured well for GDP growth.

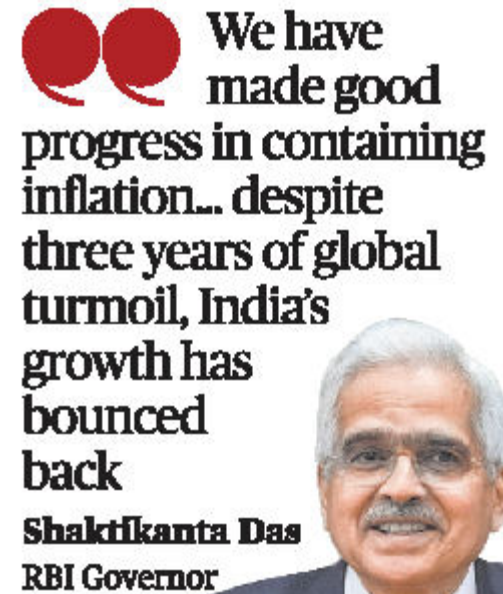
"The external sector is eminently viable as reflected in the current account deficit situation, stability of the Indian rupee and buildup of forex reserves," Mr. Das asserted.

"We have made good progress in containing inflation, supporting growth and maintaining financial and external sector stability," Mr. Das observed. "Despite three years of global turmoil, India's growth has bounced back and headline CPI inflation is easing."

"This confluence of factors gives us the confidence that our policies are on the right track. Nevertheless, we need to move towards our primary target of 4% inflation," he added.

"It is always the last leg of the journey, which is the toughest. I wish to emphasise that we will do whatever is necessary to ensure that long-term inflation expectations remain firmly anchored," the RBI Governor said.

To a question on the impact of the Centre's decision to increase the minimum support price (MSP) for farm produce, RBI Deputy Governor Michael Patra said: "We got the MSP data yesterday [Wednesday]. And we find that the average increase across all crops is about 7.5-8%. So, over and above our projections, part of the hike was already here, it's already built into our projections." He said the impact from the increase in MSP



*MPC keeps repo rate unchanged at 6.50%; RBI forecasts real GDP growth for 2023-24 at 6.5%, projects CPI inflation to average 5.1% this fiscal year*

on food prices would be "another about 10 or 12 basis points". The government on Wednesday announced the MSP for 14 Kharif crops for FY24.

## 'CHANDRAYAAN-3 TO BE LAUNCHED IN MID-JULY'

Indian Space Research Organisation (ISRO) chairman S. Somnath on Thursday said that the space agency was planning to launch the Chandrayaan-3 moon mission in mid-July.

Speaking at the International Conference on Spacecraft Mission

Operations (SMOPS-2023), Mr. Somnath said, "Mission Chandrayaan-3 is nearing its launch. We have already moved the Chandrayaan-3 satellite from U.R. Rao Satellite Centre in Bengaluru to Satish Dhawan Space Centre in Sriharikota. The initial operations of checking the satellites are going on now."

## CANADA IS GIVING SPACE TO EXTREMISTS, SAYS JAISHANKAR

External Affairs Minister S. Jaishankar sharply rebuked Canada on Friday, lambasting its government for "giving space" to extremists, separatists and those who advocate violence. His remarks came after a float, "celebrating" Indira Gandhi's assassination by her Sikh bodyguards, was taken out as part of a parade in the Canadian city of Brampton.

Addressing a special briefing on the completion of nine years of the Modi government, Mr. Jaishankar appreciated the development of relationships between India and its immediate neighbours Bangladesh, Nepal and Myanmar over the last decade, but ruled out the normalisation of ties with Pakistan unless Islamabad stops cross-border terrorism. He said adequate progress on Sino-India relations could not be made, as China had sought to "coerce" India.

The Minister had sharp words for the Canadian government regarding a parade that was organised in the city of Brampton to commemorate the tragic anniversary of Operation Bluestar on June 5. One of the floats in the parade "celebrated" the assassination of Indira Gandhi, depicting an effigy of the then Prime Minister being shot and killed by her bodyguards.

Mr. Jaishankar said the Canadian government should learn from the history of Canada, and alleged that Ottawa has given space to Khalistani separatists because of "vote bank politics". "I think it is not about one incident, howsoever egregious it may be. I think there is a larger underlying issue about the space that is given to separatists, extremists and to people who advocate violence," he said.

The float had drawn condemnation from several quarters, including from Congress leader Jairam Ramesh, who urged Mr. Jaishankar to raise the matter with Canada's High Commissioner.

Responding to the Canadian National Security Adviser who had described India as one of the "top sources of foreign interference in Canada", Mr. Jaishankar said emphatically that if there was anyone who had a complaint, it was India. "We have a complaint about Canada," he added.

The Minister defended the withdrawal of special status granted to Jammu and Kashmir under Article 370 on August 5, 2019, as a necessary measure, saying that it had become a "vulnerability" for India as the "world took

advantage” of the provision. Removal of special status was, therefore, a domestic measure aimed at “remedying” the situation, he said. Mr. Jaishankar came down on Pakistan for its alleged role in promoting cross-border terrorism. “The challenge with Pakistan is not new. The difference is that we are not ready to put up with cross-border terrorism from Pakistan. Pakistan knows what it needs to do and the world knows that,” he said.

The Minister said that over the past nine years, India’s relationships with all neighbouring countries — barring Pakistan — has progressed. India’s current focus on Afghanistan is not so much political as it is to help the Afghan

people who have an age-old relationship with India.

### Ashokan Empire, not Akhand Bharat

Dismissing the controversy over a mural in the new Parliament building, which is being perceived as a map of Akhand Bharat or undivided India, and has drawn protest from Nepal, Pakistan and Bangladesh, Mr. Jaishankar said that the mural actually depicted the “Ashokan empire”.

The mural did not depict a political map and should not be regarded as a “political issue”, he said. “Our friendly neighbours will understand that,” he said explaining that he did not expect such understanding to come from Pakistan

## ECONOMIC EMPHASIS

*The focus was on trade, development ties during the Nepal PM’s visit*

Few countries have more intimate relations than Nepal with India as they share an open border that allows their nationals to move freely. Their relationship is characterised by close economic, security and cultural ties. India remains a major trade and transit partner, where a number of Nepalis continue to earn a living or pursue higher education. Good ties with Nepal, meanwhile, help India address security and geopolitical issues in its neighbourhood more smoothly. Yet, their political relationship, in the near past, has gone through more ebbs than flows, largely due to a border dispute over the Kalapani area. A change of government in Nepal with the fall of the hawkish regime led by Khadga Prasad Sharma Oli and the restoration of the pre-2022 election Nepali Congress and Maoist alliance to power raised expectations of a thaw in this matter. During a four-day India visit by Nepal Prime Minister Pushpa Kamal Dahal last week, this irritant in ties was not delved upon, and that in itself could count as a positive measure to move towards relative bonhomie. More importantly, economic ties received a fillip with progress in expanding cooperation in power sector development and trade. The finalisation of an agreement to increase the export of power from Nepal to India to 10,000 MW within 10 years, development of new transmission lines, an MoU for the

construction of a petroleum supply pipeline between Siliguri and Jhapa, besides extensions to existing pipelines and construction of new terminals were positives. But the highlight of Mr. Dahal’s visit was an agreement to take forward the Indian proposal of the export of Nepal’s hydropower to Bangladesh through Indian territory.

The success of Mr. Dahal’s visit would be assessed when these agreements come to fruition, but the progress made in recent Indian ventures such as in rail connectivity and hydroelectric projects should be encouraging. New Delhi’s emphasis on expanding ties by taking a focused approach on development projects contrasts well with the high sounding but less viable Chinese forays into infrastructure projects in Nepal. Besides, it has suited the Indian government to take a less intrusive approach to the complicated internal political dynamics of Nepal in recent years, especially after the perceptions of Indian interference in the Madhesi agitations of the last decade, led to hyper-nationalists fanning anti-India rhetoric. While the emphasis on economic ties should keep the relationship in good stead, the governments cannot just put the border issue on the back burner and expect it to be sorted out. Modalities to discuss the issue and seek a lasting solution should be a priority, going forward.

## GETTING RAILWAY SAFETY BACK ON TRACK AFTER ODISHA

There have been innumerable television debates following the train accident involving the 12841 Shalimar-Chennai Coromandel Express, the 12864 Sir M. Visvesvaraya Terminal Bengaluru-Howrah Superfast Express and a goods train at Bahanaga Bazar station in Balasore district, Odisha, on the evening of June 2. But the key question that many panellists have failed to address convincingly, barring the familiar platitudes, is about how the Indian Railways can work to ensure that such catastrophes are never repeated.

### Possible causes

First, a recap of what happened. Broadly, the interlocking of signals and routes through a series of relays and logic gates, ensures that a train is guided by signals to a route amid a maze of railway tracks in a manner that would never cause it to encounter another train, ahead or in the rear. In this case, this interlocking was overridden by manual intervention. We also have two causes: in the first, it was most likely done by a signal maintainer who has access to the equipment hut or relay room, who may have been cutting corners to expedite his maintenance work so that the running train is not affected. Or, in the second instance, as the Indian Railways seems to believe, it is the handiwork of ‘a saboteur’ with criminal intention to cause an accident. The Odisha train accident is now a subject of double investigation; the first, the statutory probe by the Commissioner of Rail Safety, and the second by the Central Bureau of Investigation, which is an unprecedented move by the government. Whatever be the findings, it is not premature to examine the question that has been raised above.

In this specific case, the general public finds it quite bewildering that a callous and cavalier signal maintainer, or for that matter ‘a criminal’, can meddle with the system and cause havoc of this magnitude. The heart of the interlocking equipment is housed in a central relay room in the main station building and access to this room is similar to opening a bank locker; the station master and the maintainer have keys to a double lock. While tampering with equipment in this room is possible by the maintainer, in connivance or otherwise with the station master, the chances of a criminal acting this way are inconceivable. On the other hand, there are some pieces of remote equipment spread all over a railway station yard which are installed in huts and location boxes, access to which is possible only by the authorised maintainer. The possibilities of tampering are greater in such locations. Reportedly, in this case, it was the equipment in one such hut which was alleged to have been accessed and meddled with in this case. It is not out of place to mention that this system of

protecting sensitive signalling equipment is not unique to India; something similar, if not less stringent, is prevalent even in advanced rail systems abroad. How do you deal with a scenario in which the authorised maintainer himself (under pressure to clear a fault expeditiously or to execute in a quick manner regular maintenance so that the running of trains does not suffer) adopts shortcuts, thereby endangering the lives of thousands of passengers? Or, that there is a criminal out to cause mayhem? This is akin to a clever hacker accessing a computerised road traffic signalling system in a busy crossing and fiddling with the conflict resolution module, turning on all the lights in both directions to green and causing a massive crash of vehicles.

### Strengthen access to systems

Stronger safeguards against such misadventures, whether by the custodian himself or otherwise, may be difficult to build but it is something that must be pursued with great resolve. The provision of a double lock system even for remote huts in railway stations will certainly cause great inconvenience to implement, increasing the chances of train delays but is it a great price to pay given the Odisha train accident? This is an age of mobile phones and IT applications and it should be possible to think of a system of multiple digital authorisations to access such equipment without the physical movement of staff other than the maintainers. These are the things the inquiry should look into, going beyond merely identifying the culprits. Work towards devising a safer system should actually begin in earnest without waiting for any inquiry reports. I have come across some cases of the maintainer resorting to shortcuts, which came very close to creating an accident-like situation. If the inquiry into the Odisha train accident confirms that this was indeed a case of unsafe intrusion by a maintainer, it would be even more important to determine whether this was a one-off case in the zone or whether it was something detected in the normal course but not dealt with sternly. Even if this was done occasionally, the buck has to stop with the top management of the zone.

There is another issue — the larger question of the Indian Railways’ safety record and the way forward. Let us look at accident data. Till a decade ago, fatalities caused by railway accidents used to be in the range of 500-plus people every year; but in the last four years or so, the number is now less than 50. Although the Odisha accident has left its imprint on safety statistics, it is important to accept that the general reduction in the accident rate is a result of some positive actions such as the elimination of unmanned level crossings as well as improved track renewal and maintenance.

Funds are not an issue

Therein lies a lesson. It was William Shakespeare who said, "Strong reasons make strong actions." Yes, the rail network in India is largely saturated, the number of train services has gone up exponentially, and there is a need to fill all vacancies in the safety categories. All this makes it even more imperative to focus more on upgradation of track and signalling.

The provision of Kavach, the indigenous comprehensive signalling system, could not have prevented this accident. But other aspects of safety do

## BRIDGING THE GROWING TRUST DEFICIT IN MANIPUR

Manipur, with over 35 communities inhabiting its valleys and hills, has a history of violence and deadly clashes. Ethnic violence has been brewing in the State for sometime as mutual suspicion between ethnic groups in the Imphal valley and the hills turned into simmering conflict between the Meiteis and the Kukis, especially after the order of the Manipur High Court on March 27, asking the State to recommend Scheduled Tribe (ST) status to Meiteis. Before this, the Manipur government had begun a drive to evict tribal villages from reserved forests, which was perceived to be an anti-tribal move, in turn leading to discontent and suspicion among the Kukis and other tribals. Hundreds of Kuki tribals have been dislodged from their traditional settlement areas without rehabilitation. The Kukis, with 10 MLAs in the 60-member Legislative Assembly, and the Kuki People's Alliance being a part of the ruling coalition under the Bharatiya Janata Party government in the State, did not make any difference.

### Community dynamics and tensions

This is not to say that the claims made by the Meiteis have no merit. They form 52% of the State's population but are restricted to 10% of the geographical area, that is the Imphal valley. While relocating from hill to valley is legal, they cannot shift and relocate themselves (most are Vaishnav Hindus) because of their non-inclusion in the ST category to the hill area — 90% of which is occupied by Nagas and Kukis. There are some Meiteis who think that their Hindu identity has brought them no political and economic benefits; on the contrary, this has become a liability as they are not treated as STs, and are deprived of the right to occupy 90% of the territory of the State.

Their grouse is not about the deprivation of jobs and political clout as they are disproportionately ahead of the hill people in these matters. The land issue is more crucial for them. It is worth recalling that the Meiteis have had a chequered history of violence and struggles before integration with India and acquiring the Hindu tag. They had sought to project a pan-Mongoloid identity, rejected the Bengali script and even tried to revive an old Meitei religion called Sanamahism. They formed several insurgent groups such as the People's Liberation Army, with bases in Bangladesh and Myanmar. They also protested against the presence of Mayangs (outsiders), which included Manipur Muslims called Pangals. Predictably, the Pangals formed the radical North East Minority Front.

While steps such as protracted military operations, peace talks and political negotiations, improved means of communication in the region, development and the granting of Statehood, almost brought about a total integration with mainstream India, it is the trust deficit propelled by the hasty

demand faster implementation of Kavach; this would not only enhance rail safety but also improve the sectional capacity to run more trains. While the government having its share of the limelight following the introduction of more Vande Bharat trains and creating a hype around railway station modernisation cannot be grudged, faster execution of track and signalling work is exclusive to this. There is no dearth of funds as the capex investment by the central government in the Indian Railways is at an extraordinary high. Therefore, the least one can ask for is to make the Indian Railways much safer than it is today.

implementation of the Land Act and the High Court order that has resulted in it going back to square one and the old days of the insurgency. The only difference now is that the mindless violence is between the two ethnic groups, and not against the government or agencies representing the government.

### Restoring peace

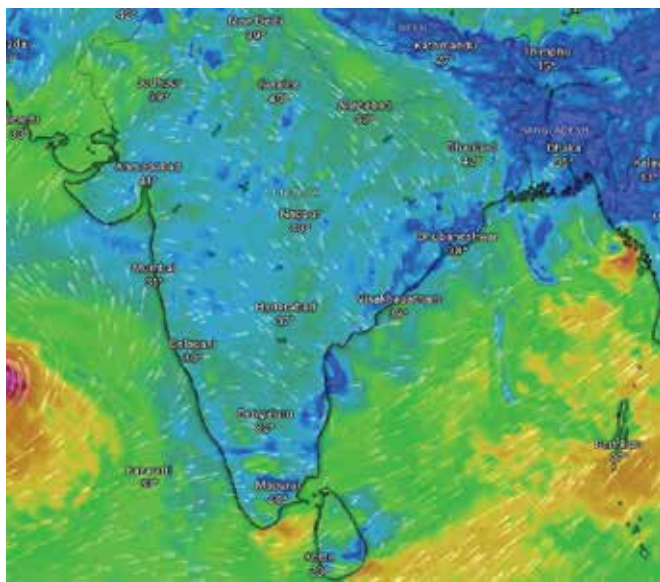
Once again, the solution lies in military operations, at least till the intensity and the spread of the violence is controlled. The Indian Army, the Central Reserve Police Force (CRPF), the Border Security Force and even the Indian Air Force have been deployed. The Union Home Minister has returned to Delhi after camping in Manipur and presiding over the peace process. A former Director-General of the CRPF has been sent to Imphal as security adviser. An officer of the Tripura cadre, now serving as Inspector General, CRPF, is tipped to take over as Director-General, Manipur. Combing operations are on and relief camps are in place. The perpetrators of the violence are facing strict action. But hundreds have died and property worth crores has been destroyed. The panic continues. There are rumours that thousands of weapons which include AK-47s have been looted by Meities and Kukis have also looted weapons from the police in their area of influence. The views expressed by the Union Home Minister, the Indian Army chief and the Security Adviser that the violence is the result of ethnic clashes between two groups have not succeeded in undoing the impact of the statement of the Chief Minister 'that 40 Kuki terrorists' have been killed in operations. The Centre's stand and the presence of the Army and central forces are restoring the confidence of the Kukis.

### Undo the damage

Until Independence, much of northeast India was little explored and little understood. It was perceived to be 'another world', affected by years of insurgency and violence. But, of late, while other parts of the country have seen episodes of terror and violence, it is this region that has been peaceful. Its people have discovered their essential unity with the rest of the country. And, they are beginning to realise that they have vital contributions to make to the rest of India.

The administrative and judicial interventions of the immediate past have proved to be very costly whatever the justification be. The changes should be a natural evolution from the civilisation of the past, absorbing the sensitivities of the tribals, their susceptibilities, including a propensity to resort to violence when provoked. While military and administrative steps seem to be the only and immediate options, enough care should be taken to undo the damaging steps that have created the trust deficit, which is the root cause for the turmoil now.

## CYCLONE'S EFFECT ON MONSOON ONSET



*The winds over the Arabian Sea and the Bay of Bengal at 3.15 p.m. on Thursday. Previously reliable, the monsoon trough is now being kicked around in a game of climate-change football. Windy.com*

*Global warming's effects on cyclogenesis over the Pacific and North Indian Oceans, the warming over the North Indian Ocean and the late pre-monsoon cyclones and typhoons are another monkey wrench in the monsoons' dynamics – and in the predictions of the monsoon's onset and its evolution through the season*

The impact of global warming on the monsoons are manifest in its onset, withdrawal, seasonal total rainfall, and extremes. Global warming also affects the cyclones over the Indian Ocean and the typhoons over the northwestern Pacific Ocean.

We are seeing cyclone formations in the pre-monsoon cyclone season, closer to the monsoon onset, arguably due to the influence of a warmer Arctic Ocean on the winds over the Arabian Sea. The monsoon is of course also affected by the three tropical oceans — Indian, Atlantic, and Pacific; the 'atmospheric bridge' from the Arctic; and the oceanic tunnel as well as the atmospheric bridge from the Southern Ocean (a.k.a. the Antarctic Ocean).

A 'bridge' refers to two faraway regions interacting in the atmosphere while a 'tunnel' refers to two remote oceanic regions connecting within the ocean.

### Why does a cyclone's position matter?

Some cyclones in the North Indian Ocean have had both positive and negative impacts on the onset of the monsoon. Since the circulation of winds around the cyclones is in the anticlockwise

direction, the location of the cyclone is critical as far as the cyclone's impact on the transition of the monsoon trough is concerned. (The monsoon trough is a low-pressure region that is a characteristic feature of the monsoons.) For example, if a cyclone lies further north in the Bay of Bengal, the back-winds blowing from the southwest to the northeast can pull the monsoon trough forward, and assist in the monsoon's onset.

Earlier this year, the Bay of Bengal had Cyclone Mocha develop in the first half of May and intensify briefly into a 'super cyclonic storm', before weakening rapidly upon landfall. Mocha's northwest to east trajectory over the Bay was the result of unusual anticyclones (which rotate clockwise) that have been parked over the Arabian Sea and the Bay of Bengal since March. Mocha dissipated on May 15 and the back-winds helped the monsoon set in on time over the Andaman and Nicobar Islands.

One severe consequence of the anomalous anticyclones since March is that both the Arabian Sea and the Bay of Bengal have warmed by more than 1° C in the pre-monsoon season. The late-season cyclone Biparjoy is still chugging along in the warm Arabian Sea and may well rapidly intensify — i.e., have its wind speeds increase by 55 kmph within 24 hours — before making landfall.

#### Mawar, Biparjoy, and Guchol

Cyclone Biparjoy is not interacting much with the monsoon trough at this time. However, its late birth as well as the late onset of the monsoon are both closely related to typhoons in the northwestern Pacific Ocean. On May 19, Typhoon Mawar was born and dissipated by June 3. Mawar qualified as a 'super typhoon' and is thus far the strongest typhoon to have taken shape in May. It is also the strongest cyclone of 2023 so far. Tropical storm Guchol is now active just to the east of the Philippines and is likely to continue northwest before veering off to the northeast. These powerful typhoons are thirsty beasts and demand moisture from far and wide.

Mawar pulled winds across the equator into the North Indian Ocean, setting up southwesterly winds over parts of the Arabian Sea and the Bay of Bengal. 'Southwesterly' means blowing from the southwest.

Southwesterly winds over the Arabian Sea are welcome news: they

bring large quantities of moisture onto the Indian subcontinent. On the other hand, southwesterly winds over the Bay of Bengal are bad news for the monsoon. The monsoon winds over the southern Bay of Bengal sweep in from the southwest and west, but they turn around and head northwest towards India from the southeast.

Winds were southwesterly over the entire Bay when Mawar was active. This continues to be the case now due to Guchol, which has become a 'severe tropical storm' now. Winds have been blowing strongly towards the northeastward over the Bay, a key reason why the monsoon trough has been struggling to reach Kerala.

#### Little car on a highway

The strong southwesterly winds over the Bay of Bengal can be imagined to be a very large highway with heavy traffic heading from the southwest, over southern peninsular India and Sri Lanka, towards the South China Sea and the northwestern Pacific Ocean, feeding the monstrous typhoons there. The monsoon trough in the meantime is like a little car trying to cross this busy and wide highway from the Andaman Nicobar Islands to India across the Bay of Bengal.

This complicated dance of global warming affecting cyclogenesis over the Pacific and North Indian Oceans, the warming over the North Indian Ocean and the late pre-monsoon cyclones and typhoons together is just another monkey wrench in the monsoons' dynamics — and in the predictions of the monsoon's onset and its evolution through the season. Once seen as a very reliable system, with its annual migration northwestward and the withdrawal southeastward, the monsoon trough is now being kicked around in the game of climate-change football.

Fortunately, a late monsoon onset does not necessarily indicate a monsoon deficit. Then again, this year is unique, with an impending El Niño. So the nation waits and watches for the arrival of the monsoon — as always hoping for the best and preparing for the worst.

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## WHAT WAS THE REQUIREMENT FOR LIMITS ON UPI TRANSACTIONS?

*As transactions breach record highs, banks have opted to impose daily limits. The idea is to sustain the smoother functioning of the payments interface as it continues to acquire wider popularity in our daily lives*

#### The story so far:

As transactions facilitated by the Unified Payments Interface (UPI) breach record highs, banks have opted for daily limits. These are over and above the already imposed ceilings mandated by the facilitator, the National Payments Corporation of India (NPCI), in 2021. The idea is to sustain the smoother functioning of the payments interface as it continues to acquire popularity.

#### What is the conversation about daily limits?

At present, users can make up to 20 transactions or ₹1 lakh in a single day — either all at once or through the day. For certain specific categories of transactions such as the capital markets, collections (such as bills, among others), insurance and forward inward remittances, the limit is ₹2 lakh. In December 2021, the limit for the UPI-based ASBA (Application Supported by Blocked Amount) IPO and retail direct schemes was increased to ₹5 lakh for each transaction.

The conversation now revolves around banks and apps coming up with their own guidelines for transactions. For example, state-run lenders Punjab National Bank (PNB) and Bank of Baroda has set its transaction limit at a much lower ₹25,000. PNB's daily limit is ₹50,000. As for apps, among others, Google Pay users breach the daily limit if they try to send money more than ten times in a single day across all UPI apps.

As the payments interface looks to expand its footprint (recall the boarding of non-resident accounts having international numbers into the ecosystem) and its growing utility in daily lives, limits would help maintain an essential security infrastructure and its seamless functioning. This is also important as the interface looks to expand its use-case, as also called for in the proposed pilot project for coin-vending machines with UPI as the facilitator.

#### What does the industry think?

Digital payments app PhonePe's spokesperson told The Hindu, "The

limits are set balancing out customer convenience and potential fraud/risk concerns. The NPCI has also increased the value limit in specific categories where the average transaction value is higher such as Capital Markets or Credit Card Bill payments." As for the moves impacting the future growth, "All the ecosystem participants, the NPCI and the regulator regularly review the transaction and value limits on UPI and implement the requisite changes where the need exists", the official said referring to the higher limits for IPOs, Broking, Mutual Funds, Loan repayment etc.

#### What are the most recent trends observed with respect to UPI?

In May this year, the total number of transactions facilitated using UPI increased to 9,415.19 million. The combined value of such transactions also increased at a largely similar ₹14.89 lakh crore. The segregation in terms of P2P (peer-to-peer) and P2M (peer-to-merchant) is particularly interesting. In terms of volume, whilst P2P accounted for about 43% at 4,045.48 million, in terms of value its share scaled up to ₹11.45 lakh crore.

In the P2P category, the majority of the transactions were in the below ₹500 bracket (54.2%) whilst in the P2M category, the share in the same amount bracket stood at 84.3%. This gives an indication of its lower-down utility. Important to note that considering the varied nature of merchants and business, the nature of transactions can be categorised in favour of one whilst it should be on the other side.

However, important to note in this context, until February in the financial year 2022-23, the total number of reported UPI frauds had also increased about 13% in comparison to the previous financial year to 95,402. However, this was alongside a decline in the fraud to sales ratio at 0.0015%.

Thus, to combat the growing incidences, there is the imperative need to have safeguard infrastructure in a growing ecosystem.

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## ANOTHER LOW

*Canada is doing very little to address India's concerns on Sikh extremism*

A tableau, in Brampton, Canada, glorifying the assassination of former Prime Minister Indira Gandhi, has expectedly caused outrage across the polity in India. The tableau was part of an annual parade by Canadian Sikh separatist or "Khalistani" groups to mark their protest against Operation Bluestar, in 1984. An accompanying poster termed the killing as an act of "revenge". Political leaders in India have called for Canada to apologise and to acknowledge the dangers of the rise of anti-Indian separatist and extremist forces. External Affairs Minister S. Jaishankar said the incident was part of a broader pattern, indicating that these forces pose a real challenge not only to the India-Canadian relationship but also to Canada itself. He suggested that the failure to act against these groups was due to a desire to cater to Canadian "vote-banks" that the much broader community of about 8,00,000 Sikhs constitute. He added that the culture of validating violence as an acceptable form of protest was one that should concern Canada's leadership as well, given past incidents such as the bombing of an Air India flight in 1985. India-Canada relations have been fraught over similar issues, as India has been protesting incidents of vandalism and anti-India and anti-Modi graffiti on temples and community centres there, as well as over Canadian Prime Minister Justin Trudeau's remarks criticising the Narendra Modi government's treatment of Punjab farmers who were protesting the 2020 agriculture Bill. As a

result, India had called off high-level engagements and virtually snapped communications between New Delhi and Ottawa for several months, before they were restored.

The latest provocation could well lead to another such spiral, and both governments need to resolve the issues diplomatically if they want to avoid another nadir in bilateral ties. While the Canadian government is within its rights to protect free speech and expression in its country, it must understand India's concern that tableaus that glorify the assassination of a Prime Minister constitute inflammatory hate speech, and could fuel radicalism. Meanwhile, instead of seeking to shut down protests which are legal, or issuing démarche over every act of vandalism, it would be more productive if New Delhi is able to cooperate and share evidence of the extremist activity and terrorist acts such groups are conspiring on. Given that Khalistani protests have been seen in Australia, the United Kingdom, the United States and parts of Europe, the Modi government must now chalk out a broader diplomatic strategy to ensure a more effective way of dealing with the problem, which could even be discussed with the leaders of all these countries, who are expected to visit India in September for the G-20 summit.



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