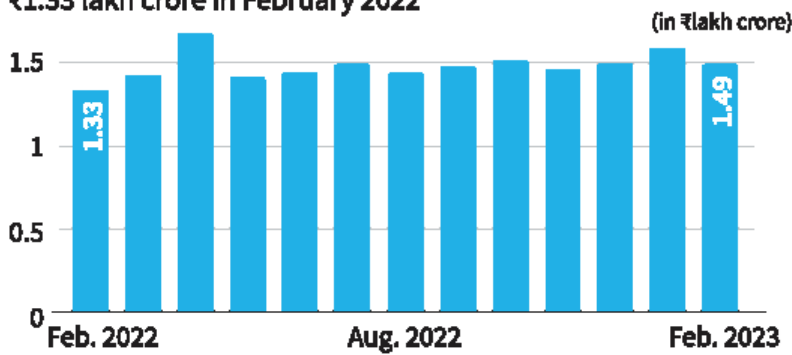


GST COLLECTIONS CROSS ₹1.49 LAKH CRORE; CESS INFLOWS HIT A RECORD

Revenue check

India's Goods and Services Tax (GST) revenues grew 12.4% in February 2023 to more than ₹1.49 lakh crore as against ₹1.33 lakh crore in February 2022



India's Goods and Services Tax (GST) revenues grew 12.4% in February to exceed ₹1.49 lakh crore, with tax receipts from goods imports rising 6% and domestic transactions along with services imports yielding 15% more from the figures of the corresponding month in 2022.

This is the 12th straight month that revenues have surpassed ₹1.4 lakh crore, though it was 5.06% lower than January's ₹1,57,554 crore.

Central GST (CGST) collections stood at ₹27,662 crore, while State GST accounted for ₹34,915 crore. Integrated GST (IGST) inflows stood at ₹75,069 crore (including ₹35,689 crore on import of goods), while GST Compensation Cess collections hit a record of ₹11,931 crore.

The cess collections included ₹792 crore on import of goods. "This month witnessed the highest cess collection... since implementation of GST," the Finance Ministry said about the February receipts that pertain to transactions done in January.

ICRA chief economist Aditi Nayar said the divergence in revenue growth from imports (6%) and that from domestic transactions (15%) was interesting. "GST revenues from imports of goods are likely to have been dampened by the sequential and YoY contraction in merchandise imports in January 2023," she averred.

Mixed trends in States

Among the States, the collection trends were very mixed, with 15 States reporting growth in line with or higher than the 15% growth in domestic revenue, and 14 States seeing slower upticks.

Meghalaya was the only State to report a contraction in revenues, slipping 6% compared with February 2022. Among the major States, Andhra Pradesh's revenues jumped 39%, followed by the erstwhile State of Jammu and Kashmir (33%), Bihar (24%), Haryana (23%), Tamil Nadu (19%) and Karnataka (18%). Revenue growth trailed the national average in Gujarat, Chhattisgarh and Telangana, all of which saw an 8% rise. Odisha's GST kitty rose 10% along with Assam, while West Bengal, Punjab and Kerala reported a 12% uptick.

INDIA ASKS G-20 TO EXTRADITE ECONOMIC OFFENDERS FAST



Union Minister of State Jitendra Singh with delegates at the G-20 working group meeting in Gurugram on Wednesday. PTI

New Delhi in favour of strengthening of mechanisms for speedy confiscation of proceeds of crime, both at home and abroad, which will force the offenders to return to their home countries

India on Wednesday called upon G-20 countries to adopt multilateral action for faster extradition of fugitive economic offenders and recovery of assets, both domestically and abroad.

Chairing the first anti-corruption working group in Gurugram with co-chair Italy, Union Minister of State Jitendra Singh said, "Economic offences have been a problem faced by many, especially when the offenders flee from the jurisdiction of the country. India has put in place specialised legislation in this regard, in the form of Fugitive Economic Offenders Act, 2018, the term wherein 'fugitive economic offender' [FEO] is defined as an individual against whom a warrant of arrest in relation to scheduled offence has been issued by any court in India and who has left the country to avoid criminal prosecution; or the FEO abroad refuses to return to face criminal prosecution."

Mr. Singh said the Enforcement Directorate had transferred assets worth about \$180 billion to public sector banks that suffered losses of around \$272 billion from frauds committed by high net worth individuals.

He informed the delegates that India's view is that strengthening of mechanisms for speedy confiscation of the proceeds of crime, both at home and abroad, would force the offenders to return to home country. He said this would allow for an effective investigation and speedy trial. This would also help the banks and other financial institutions and tax authorities to achieve recovery from defaults committed by such offenders, restoring to some extent the health of these financial institutions, while eliminating the possibility of further misuse of these funds.

Mr. Singh said, as the primary forum for global economic cooperation, G-20 had to take responsibility to lead global efforts against corruption.

MESSAGE FOR MATURITY

Governors and Chief Ministers should respect constitutional boundaries

Constitutional functionaries cannot let rancour prevail over propriety. This is the substance and import of the Supreme Court's advice to the Governor and Chief Minister of Punjab that they should display mature statesmanship in handling their differences. Governor Banwarilal Purohit was indeed way out of line when he indicated that he would act on the Cabinet advice to convene the Budget session of the Punjab Assembly only after he obtained legal advice on the Chief Minister, Bhagwant Mann's response to some of his earlier queries. This stand forced the Aam Aadmi Party (AAP) government to approach the Court against the apparent refusal to call the Assembly session. However, the matter was resolved without judicial intervention, as the Court was informed that the Governor had summoned the House to meet as scheduled on March 3. The position regarding the Governor's power to summon the House under Article 174 of the Constitution is now well-known. Even though it says the Governor shall summon the House from time to time "to meet at such time and place as he thinks fit", a Constitution Bench had, in *Nabam Rebia* (2016), ruled that the Governor can summon, prorogue and dissolve the House only on the aid and advice of the Council of Ministers. It is hardly likely that Mr. Purohit was unaware

of this, but he must have taken such a position because of the state of relations between Raj Bhavan and the Chief Minister's office.

The Court's observations covered Mr. Mann's questionable position too. In response to the Governor questioning the sending of some school principals to Singapore for training, he had replied that he was responsible only to the people of Punjab and not to a Governor appointed by the Centre. He was obviously wrong, as it is laid down in Article 167 that it is the Chief Minister's duty "to furnish such information relating to the administration of the affairs of the State and proposals for legislation as the Governor may call for...". It is unfortunate that such instances of one-upmanship between Governors and Chief Ministers are becoming more frequent in various States. Both should be mindful of constitutional boundaries. Some Governors seem to believe that they can stretch their discretion to areas not specifically mentioned in the Constitution. The more germane reason for this is that incumbents in Raj Bhavan tend to take their role as the eyes and ears of the Union government too literally, and often get into the political domain. While they can indeed guide, caution or advise, they sometimes play the role of commentator, critic and even the opposition. This does not augur well for constitutional governance.

POLITICS AND IDEOLOGY WITHIN THE PORTALS OF THE JUDICIARY



Faizan Mustafa is Professor of Law, Aligarh Muslim University, Aligarh, former Vice-Chancellor, NALSAR, Hyderabad and National Law University, Odisha, and former President, Consortium of National Law Universities

That justice is blind is part of the myth system. "A judge is a lawyer who is a politician who has a friend," Judge Paul Leahy once told his clerk Floyd Abrams. In India, the episode of the collegium's recommendation of Justice L. Victoria Gowri's name and her appointment to the Madras High Court within weeks, has revived the debate on judicial appointments. A two-judge Bench which made a distinction between 'eligibility' and 'suitability', said that the material on her alleged hate speeches was before the collegium.

The Supreme Court of India is a political court in the sense that it is the final arbiter of political disputes. Accordingly, the political and ideological positions of judges may influence their judgments — at least on contentious political questions. Thus, concern about the ideological/political leanings of judges is perfectly justified. "It is a centre of political power because it can influence the agenda of political action, control over which is what power politics is in reality all about," wrote philosopher-jurist Upendra Baxi. The Court is routinely drawn into the politics of the establishment as well as the politics of the Opposition. In other words, "whether the justices of the Court like it or not, understand it or not, care about it or not, the plain fact remains that the court can be used for purely party political ends in certain situations beyond the control of the Court".

Evidence as judgments and appointments

Any number of examples can be cited: the Hindutva judgment (1996) was a big boost and legitimised the Bharatiya Janata Party (BJP)'s ideological position. So too ADM Jabalpur (1976) to the Indira Gandhi government. S.R. Bommai (1994) that had upheld the dismissal of the BJP governments in Madhya Pradesh, Rajasthan and Himachal Pradesh after the demolition of the Babri Masjid, on the ground of secularism as the basic structure, was a big victory for the Congress. The Rafale verdict in 2018 which came before the general election in 2019 was a big political boost for the Narendra Modi government. The final judgment in the Ayodhya case (2019) too had huge political significance. Similarly, though there was nothing much in the Pegasus order (2021) of the Chief Justice of India (CJI) N.V. Ramana, on constituting an independent probe, it was still presented as a big setback for the government and a huge political victory for the Opposition. The upholding of reservation for the economically weaker sections reservation (2022) amendment, and on demonetisation (2023) spelt major political victories for the BJP government. The ongoing Shiv Sena case too has political implications. At the same time, several politically sensitive cases have not yet been heard such as challenges to the electoral bonds scheme, the Citizenship (Amendment) Act, and the dilution of Article 370.

As a centre of power in national affairs, the Supreme Court is invariably drawn into politics. Some of the instances of Public Interest Litigation, on changing names of over a 1,000 places, a uniform divorce law, anti-conversion laws, love jihad, and women's entry in mosques are examples of the use of the court for political purposes.

Governments do take into account the ideological leanings of judges. On May 12, 1973, in a speech in Parliament, M. Kumaramangalam, Mrs. Gandhi's cabinet colleague, audaciously defended the appointment of the CJI (Justice A.N. Ray who had superseded three seniormost judges) when he said: "We had to take into account what was a judge's basic outlook on life... was it not right to take all these aspects into consideration? Was it not right to think in terms of [a] more suitable relationship between the court and the government?... In appointing a person as Chief Justice, I think we have to take into consideration his basic outlook, his attitude to life and his politics."

There were judges with left, centrist and right ideological leanings. The left-leading Justice V.R. Krishna Iyer was a Minister in the communist government in Kerala. Justice Baharul Islam was an elected member of the Rajya Sabha representing the Congress. He was first appointed as Guwahati High Court judge and in a rare decision after superannuation, was appointed as Supreme Court judge by the Indira Gandhi government. CJI Subba Rao was the Opposition candidate in a presidential election. Justice Guman Mal Lodha had rightist leanings and subsequently thrice won the Lok Sabha election on the BJP ticket. Justice K.S. Hegde even became Speaker in the Janata government. Justice Vijay Bahuguna was Chief Minister of Uttarakhand.

Every government would want judges who are likely to decide cases in its favour — this was very much the norm even under Congress rule. Justice

M.H. Beg, for instance, was appointed on the directions of Prime Minister Indira Gandhi overruling CJI Sikri's opposition. Justice D.G. Palekar was appointed because of his close proximity with then Law Minister H.R. Gokhale. Justice S.N. Dwivedi was related to H.N. Bahuguna. CJI Sikri had serious reservations about Justice Dwivedi's elevation, who told lawyers after his appointment that he was going to the top court to overrule Golaknath (1967). Still independent

But fortunately, and strangely, many government-appointed judges were able to assert their independence; barring a few exceptions, they have been quite impressive. Some even struck down major decisions taken by the Jawaharlal Nehru and Indira Gandhi governments. In Champakam Dorairajan (1951), the reservation policy of Madras was struck down by the majority of 7:0. In I.C. Golaknath (1967), the Supreme Court denied Parliament the power to amend the Constitution and held fundamental rights to be the primordial rights necessary for the development of the human personality. In R.C. Cooper (1970), the top court (10:1) struck down the historic bank nationalisation decision; in Maharajahdiraja Madhav Rao Scindia (1971), abolition of privy purses was also struck down by a 9:2 majority; in Kesavananda Bharati (1973), the basic structure theory was propounded to restrict and limit Parliament's power to amend the Constitution. And who can forget Raj Narain (1975), where

Justice Jagmohan Lal Sinha had struck down the Prime Minister's election. Even during the Emergency, as many as nine High Courts had upheld the right to habeas corpus against illegal detention. Such strong judgments are rarely delivered today.

Even in the pre-collegium days, governments generally used to go by the CJI's recommendations. Of the 547 appointments made between January 1, 1983 and April 10, 1993, the CJI's views were ignored only in seven. Finally, who can assert that the collegium is entirely independent and always recommends ideologically neutral judges? The collegium system has not drastically improved the situation as the government continues to have the final word in the judicial appointments. Since the government does have a veto power in practice in spite of the Memorandum of Procedure laying down that the government would be bound to appoint a judge if his/her name is reiterated by the collegium, it is better to include the Union Law Minister in the collegium (just as in several other countries) so that his views are heard and his reservations discussed threadbare. Let his views too become a part of the minutes. If the other five judges (CJI plus four judges) are not convinced, decisions can be made by the majority, and the government being party to the deliberations and recommendations would have to accept collegium's recommendations. The goal should be to end the supersession, cherry picking of judges and making process more transparent.

SEARING CHANGES

Health systems should be responsive to challenges from heatwaves

February 2023, the India Meteorological Department (IMD) recently said, had been the warmest since 1901 with the average maximum temperature at nearly 29.54°C. While February — considered 'spring' and a 'winter month' by the IMD — usually posts temperatures in the low 20s, it is also apparent that there has been a gradual rise, with even minimum temperatures scaling new heights. Average maximum temperatures were 1.73°C above normal and minimum, 0.81°C above what is usual. In its latest assessment, the IMD has said that these trends are likely to spill over into summer. Most of the north-east, eastern, central and northwest India are expected to post "above normal" temperatures. Heatwaves during March-May are likely over most parts of India, except for the north-east, Jammu and Kashmir, Uttarakhand, Himachal Pradesh, Kerala and coastal Karnataka. A 'heat wave' is when actual maximum temperatures are over 45°C or if temperatures are 4.5°C over what is normal for the region. Climate change, studies have reported, has exacerbated the impact of heatwaves in India. A Lancet study reported a 55% rise in deaths due to extreme heat and that excessive heat also led to a loss of 167.2 billion potential labour hours among Indians in 2021.

The searing temperatures over the years have impacted the yield of wheat. India produced 106.84 million tonnes of wheat in the 2021-22 crop season, less than the 109.59 million tonnes in 2020-21 season, due to a hotter than usual March that impacted the crop during its growth phase. What these temperatures mean for this year's monsoon are yet unclear as it is only after March that global forecast models are better able to analyse sea-surface conditions and credibly extrapolate. Three of the last four years saw above normal rainfall in India primarily due to a La Niña, or cooler than usual temperatures in the Equatorial Pacific. While this is expected to subside, whether it will eventually swing to an El Niño and draw moisture away from India's coasts remains to be seen. The interplay between local weather and climate is complex and while it is tempting to blame rising heatwave intensity as 'climate change,' the science continues to be uncertain. This, however, should be a wake-up call to buttress public health systems and make them more responsive to the challenges from rising temperatures. Several States have action plans and early warning initiatives but inadequate outreach, particularly in rural India. Along with promoting newer crop varieties that mature early, there should be greater stress on aiding farmers to tweak soil and water management practices to adapt to these changes.

PM PITCHES FOR FASTER PLANNED URBANISATION

Prime Minister Narendra Modi on Wednesday said that the two main aspects of urban development in India were the development of new cities and modernisation of old urban systems.

He lamented that few planned cities had been built in the country since Independence.

Mr. Modi said that India was developing at a rapid pace and several new cities were going to be essential for the future.

The Budgetary allocation of ₹15,000 crore for this year will mark a new beginning of planned and systematic urbanisation in the country and it will gain momentum, he said.

ANTI-DEFECTION LAW APPLIES EVEN IF A FACTION SPLITS FROM A PARTY: SC AT SENA HEARING

The anti-defection law applies even if a faction splits from a political party and manages to cobble up a majority within the party itself, the Supreme Court observed in a hearing in the political dispute between former Maharashtra Chief Minister Uddhav Thackeray and incumbent Eknath Shinde.

"A split does not postulate that people who are party to the split leave the party... The Tenth Schedule (anti-defection law) also operates when a group of persons, whether minority or majority, claim they belong to the same party," Chief Justice of India D.Y. Chandrachud, heading a Constitution Bench, addressed Mr. Shinde's counsel, senior advocate Neeraj Kishan Kaul.

Whether a faction was the majority or minority makes no difference under the Tenth Schedule, the Chief Justice said.

Mr. Shinde's faction had rebelled from the Thackeray government, managed to take a majority of the party's legislators to their side, leading to the fall of the government.

Question of authority

Mr. Kaul, however, asked whether Mr. Thackeray, without a majority on his side, had any moral or political authority to continue as Chief Minister. To this,

the Chief Justice Chandrachud, later on in the hearing, drew attention to the intervention of the Supreme Court and its order on June 27, giving Mr. Shinde and his camp of MLAs 12 days' leeway to respond to the then Deputy Speaker Narhari Zariwal's notice on the disqualification petitions against them.

The Chief Justice said the situation would have been very different if the court had not intervened and the Speaker had disqualified them.

"Assume for a moment this court had not passed the order, the Speaker would have disqualified these people. If they were disqualified, the Governor would have then called for a trust vote with the one change that Mr. Shinde would not have been called upon to be the Chief Minister. Then the Governor would have called upon, perhaps the BJP, to form the government," the Chief Justice said.

Mr. Kaul said it was the Supreme Court's own judgment in Nabam Rebia which prevented the Speaker from taking action. Under the Rebia judgment, Mr. Zariwal had to clear his name before proceeding with the disqualification process against the Shinde camp. However, the court agreed that the Speaker had acted in "post-haste" in dealing with the disqualification process.

UNDERSTANDING THE WINDSOR FRAMEWORK

A new deal to cool off trade disruptions

On February 27, the United Kingdom and the European Union struck a landmark agreement – the Windsor Framework – to replace the contentious Northern Ireland Protocol and end a bitter post-Brexit trade dispute

Lowering trade barriers

NORTHERN IRELAND
Green lane for U.K. goods – traders to complete single certificate per truck, rather than multiple forms per load

IRELAND
EU-destined goods go via red lane with full customs procedures

European Court of Justice
The ECJ will continue to be the final arbiter on matters of EU law affecting Northern Ireland

Stormont Brake
A "veto" which decides whether amended EU laws will apply in Northern Ireland. It requires 30 members of the 90-member Northern Ireland Assembly to stop any new EU single market rules

European Commission:
Insists ECJ will remain sole, ultimate arbiter of EU law and single market disputes

Taxation and state aid
The U.K. government is to set rules in areas such as value-added tax and state aid in Northern Ireland – rules rejected by the Commission in previous negotiations with the U.K.

Ending Protocol restrictions

Medicines: To be available throughout the U.K. – not possible under old Protocol

Plants: Previously banned plants like seed potatoes and other plant products will now ship to Northern Ireland

Pets: Barriers removed for owners, who can now take their pets into Northern Ireland

Sources: Bloomberg, Financial Times, Reuters, Politico © GRAPHIC NEWS

What is the Northern Ireland Protocol and how did it lead to disruptions in trade between Northern Ireland and the United Kingdom? What is the source of tension between the Unionists and Republicans of Northern Ireland? Will the new framework come into effect immediately?

The story so far:

The United Kingdom and the European Union struck a deal on February 27 regarding post-Brexit trade rules for Northern Ireland, with a view to remove the border between Britain and Northern Ireland running through the Irish Sea. The fact that the Republic of Ireland remained with the EU after Brexit led to complications on the trade front, a wrinkle that the U. K.'s conservative government ironed out with the Northern Ireland Protocol. However, the Protocol, which allowed EU customs rules to apply across Northern Ireland, led to tensions in the province. The Windsor framework is the latest attempt at a remedy to the political complexities that have impacted trade and sentiments in the area.

What is the backdrop?

Ever since the Anglo-Irish Treaty of 1921 established the Irish Free State, the island's counties comprising Northern Ireland, remained a part of the

U.K. The political split on the island was exacerbated by growing tensions, especially from the 1960s onwards, with spiralling violence between Unionists, who were set on Northern Ireland remaining within the U.K., and the Republicans, who favoured unification with the Republic of Ireland. Over the following three decades of attacks that came to be known as "The Troubles", more than 3,500 people died and many hundreds of thousands were injured. This dark saga on the island ended only after the Good Friday Agreement was hammered out in 1998 between Prime Ministers Tony Blair and Bertie Ahern of the U.K. and the Republic of Ireland respectively. A key takeaway from the Agreement was that, respecting the wishes of the majority of the people of Northern Ireland, the province would remain a part of the U.K. The people of the province would continue to be governed by blended political institutions, based on power-sharing between the Republic of Ireland and Northern Ireland.

Why were there trade tensions?

These carefully constructed arrangements faced an imminent challenge with the prospect of Brexit, and that led, in 2019, to the Northern Ireland Protocol, which allowed EU customs rules to apply in Northern Ireland. This was to avoid a hard customs border between Northern Ireland and the Republic of Ireland. Specifically, under the Protocol, Northern Ireland would formally be outside the EU single market, yet EU rules on the free movement of goods and customs union would continue to apply. While the Protocol promoted peace and harmony on the island, it de facto cut Northern Ireland off from the UK in terms of trade by imposing, in effect, a hard customs border in the Irish Sea. This aggravated Northern Ireland unionists who argued that it was unfair that goods could not flow freely between the province and the rest of the UK. How does the Windsor framework attempt to resolve trade issues?

The Windsor framework seeks to address the aforementioned disruptions to trade between Northern Ireland and the rest of the U.K. caused by the Northern Ireland Protocol. It does so by permitting free trade between Great Britain and Northern Ireland through the use of green and red lanes for goods flowing into Northern Ireland. Green lane goods will have fewer checks and controls, including no customs checks or rules of origin. Red lane goods under the framework will be subject to full checks and controls to preserve the EU's single market. In a bid to ease the impact on farmers, agri-food goods such as meat and dairy will have reduced checks and controls, and food retailers, including supermarkets, wholesalers, and caterers, will be able to move agri-food via the green lane. The prohibition on certain chilled meats from Great Britain being sold in Northern Ireland will be removed. The U.K. and EU leaders are hoping that this would lead to greater availability of British goods in Northern Ireland markets, including both foods and medicines.

Will the framework resolve all outstanding trade issues in the area?

While the Windsor arrangement is aimed at protecting Northern Ireland's position within the U.K., and restoring its people's sovereignty, it is by no means an established working arrangement yet. For one, British Prime Minister Rishi Sunak might be anticipating political blowback from hard-line Tory Brexiteers, who might be incensed at the continuing applicability of some EU customs rules in Northern Ireland. Objections to the new arrangement might also be centred on the 'Stormont brake', an emergency measure that permits Northern Ireland's devolved government to quickly halt new EU laws from being imposed on the province — a measure that London retains the right to veto. Second, the U.K. and the EU will have to pass new legislation to implement some parts of the framework, especially the proposed regulations in areas such as regulation of trade in medicines, and checks on animals and plants. Ultimately, which EU rules will be accepted in Northern Ireland and which will not, depends on the balance of power between the Unionists and Republicans in the province. However, the Windsor framework certainly scores points as a pragmatic compromise with the EU.

*I didn't fail the test,
I just found Hundred ways to do it wrong.*

- BENJAMIN FRANKLIN

COMBINING SOCIAL WELFARE AND CAPITAL MARKETS THROUGH SSE

How does Social Stock Exchange function? How will NPOs and FPOs raise funds through this exchange?

On February 22, the National Stock Exchange of India received the final approval from the Securities and Exchange Board of India (SEBI) to set up a Social Stock Exchange (SSE).

What is a Social Stock Exchange?

The SSE would function as a separate segment within the existing stock exchange and help social enterprises raise funds from the public through its mechanism. It would serve as a medium for enterprises to seek finance for their social initiatives, acquire visibility and provide increased transparency about fund mobilisation and utilisation. Retail investors can only invest in securities offered by for-profit social enterprises (SEs) under the Main Board. In all other cases, only institutional investors and non-institutional investors can invest in securities issued by SEs.

What about eligibility?

Any non-profit organisation (NPO) or for-profit social enterprise (FPSEs) that establishes the primacy of social intent would be recognised as a social enterprise (SE), which will make it eligible to be registered or listed on the SSE.

The seventeen plausible criteria as listed under Regulations 292E of SEBI's ICDR (Issue of Capital and Disclosure Requirements) Regulations, 2018 entail that enterprises must be serving to eradicate either hunger, poverty, malnutrition and inequality; promoting education, employability, equality, empowerment of women and LGBTQIA+ communities; working towards environmental sustainability; protection of national heritage and art or bridging the digital divide, among other things. At least 67% of their activities must be directed towards attaining the stated objective. Corporate foundations, political or religious organisations or activities, professional or trade associations, infrastructure and housing companies (except affordable housing) would not be identified as an SE.

How do NPOs raise money?

NPOs can raise money either through issuance of Zero Coupon Zero Principal (ZCZP) Instruments from private placement or public issue, or donations from mutual funds. SEBI had earlier recognised that NPOs by their very nature have primacy of social impact and are non-revenue generating. Thus, there was a need to provide NPOs a direct access to securities market for raising funds. ZCZP bonds differ from conventional bonds in the sense that it entails zero coupon and no principal payment at maturity. The latter provisions a fixed interest (or repayment) on the funds raised through varied contractual agreement, whereas ZCZP would not provision any such return instead promising a social return.

It is mandatory that the NPO is registered with the SSE for facilitating the issuance. The instrument must have a specific tenure and can only be issued for a specific project or activity that is to be completed within a specified duration as mentioned in the fund-raising document (to be submitted to the SSE).

How do FPOs raise money?

For-Profit Enterprises (FPEs) need not register with social stock exchanges before it raises funds through SSE. However, it must comply with all provisions of the ICDR Regulations when raising through the SSE. It can raise money through issue of equity shares (on main board, SME platform or innovators growth platform of the stock exchange) or issuing equity shares to an Alternative Investment Fund including Social Impact Fund or issue of debt instruments.

What disclosures need to be made?

SEBI's regulations state that a social enterprise should submit an annual impact report in a prescribed format. The report must be audited by a social audit firm and has to be submitted within 90 days from the end of the financial year.

ALL FIVE S-400 REGIMENTS EXPECTED TO BE DELIVERED BY EARLY 2024



Solid barrier: The Russian S-400 anti-aircraft missile launching system being displayed at the exposition field outside Moscow. AFP

Insurance, reinsurance, and delayed payments remain major stumbling blocks in defence deals with Russia; after it was shut out of the global SWIFT system, India, Russia agree to conduct payments through the rupee-rouble arrangement

Deliveries of five regiments of S-400 air defence systems under a \$5.43-billion deal with Russia are expected to be completed by year-end or early 2024, according to official sources. However, issues of delayed payments as well as insurance and reinsurance remain major stumbling blocks delaying deals in the pipeline, an issue that would be in focus during

Russian Foreign Minister Sergey Lavrov's talks with his Indian counterpart, S. Jaishankar, on the sidelines of the G-20 Foreign Ministers' meeting taking place just after the first anniversary of the ongoing war in Ukraine.

Delivery of the third S-400 regiment has been completed, as acknowledged by Russia's Ambassador to India Denis Alipov earlier this month, which leaves the deliveries of two more regiments. The second and third regiments saw delays of a few months. There have been delays in "milestone payments". The three regiments are deployed along the Northern, Eastern and western borders, sources said.

In July 2019, the Union government said in a written reply in Parliament that S-400 deliveries were "likely to be made by April 2023". In August 2022, speaking at the Army Expo in Moscow, the CEO of Russia's Rosoboronexport, Alexander Mikheyev, had said that they would deliver all five S-400 regiments to India by late 2023.

Meanwhile, the Indian Navy's Kilo class submarine, INS Sindhuratna, which just secured an extension of life in Russia, could not be brought back due to transportation issues. The initial plan was to move it by a transport dock ship directly from Russia, which didn't materialise, following which the Navy tried to transport the submarine by sea to Norway and then via a transport dock to India, which also did not materialise, sources said. It will now sail on its own, making port calls along the way, it has been learnt.

Major hurdle

Officials had acknowledged that transportation and finding cargo carriers outside the purview of sanctions and their insurance has been a major issue. Insurance and reinsurance is under discussion, also to avoid cargo ships under sanctions, as reported by The Hindu earlier.

India has contracted five S-400 regiments under a \$5.43 billion or ₹40,291 crore deal as per a conversation rate of ₹74.2 against the dollar at the time, signed in October 2018. The deal has been delayed from the start over payment issues. With the looming threat of U.S. sanctions under CAATSA (Countering America's Adversaries Through Sanctions Act), the two sides had

worked out payments through the rupee-rouble exchange.

The payments troubles compounded after Russia was shut out of the global SWIFT system for money transfers. India and Russia have agreed to conduct payments through the rupee-rouble arrangement after trying payments in euros as well.

DRONE SHOT DOWN IN PUNJAB HAD FLOWN IN CHINA AND PAKISTAN: BSF



Eagle eye: Members of the BSF displaying a drone gunned down near Rajatal border in Amritsar on December 25, 2022. File Photo

The Border Security Force (BSF) said on Wednesday that the forensic analysis of a quadcopter drone shot down near the Pakistan border in Punjab last year showed its footprint in China and Pakistan.

The BSF said the drone was flown once in Feng Xian district in China's Shanghai on June 11, 2022, and thereafter it had flown 28 times in Pakistan's

Khanewal from September 24 to December 25 in 2022, before it was shot down.

The border guarding force said that a Pakistan quadcopter drone intruded into the Indian territory in Amritsar's Rajatal at about 7.45 p.m. on December 25, 2022.

"BSF troops fired at the drone and it fell down before it could retreat. The drone was seized and sent to the BSF headquarters for forensic analysis," the BSF said. As per the drill, the troops tried to intercept the flying object by firing and the whole area was cordoned and police and other agencies were informed. An FIR was registered at the Garinda police station in Amritsar.

The use of drones from across the border to smuggle arms, ammunition and narcotics has increased in the past three years. The BSF, the Punjab Police and the Union Home Ministry have on several occasions flagged the issue of smuggling of drugs from Pakistan through drones. The BSF has deployed anti-drone technology in a few locations.

According to data compiled by the BSF, since 2020, as many as 30 drones have been intercepted along the Pakistan border. Barring three recoveries in Jammu (Indreshwar Nagar) and Rajasthan (Sri Ganganagar), 27 drones were shot down in Ferozepur, Amritsar, Abohar and Gurdaspur sectors in Punjab. This year alone, six drones have been shot down in Punjab and Rajasthan.

The Punjab government had informed a parliamentary committee on Home Affairs in 2022 that drones have been sighted over 133 times near the Pakistan border in the last two years.

SC TO RULE ON SELECTION TO POLL PANEL TODAY

A Constitution Bench on Thursday is scheduled to pronounce its judgment on petitions seeking an "independent mechanism for appointment of Election Commissioners" outside the exclusive power of the government.

On the last day of the hearing, the court had observed that the appointment of Arun Goel as Election Commissioner had been carried out with "lightning speed", the procedure taking less than 24 hours on November 18 from start to finish.

The five-judge Bench led by Justice K.M. Joseph had heard separate petitions filed by advocates who had all argued that the selection process should be carried out by a high-level committee comprising the Prime Minister, the Leader of the Opposition, and the CJI.

Meanwhile, the Centre had argued that the appointment was "consciously and deliberately" a part of the executive function of the State.

VEDHIK DAILY QUIZ

1. Amidst the bilateral tensions between India and China, the latter has announced its first high level visit to India for the G20 Summit since 2020. In this context, discuss the bilateral issues between India and China.
2. On what grounds can a member of the Parliament be disqualified according to the Indian Constitution?
3. Discuss the importance of Public Private Partnership in maintaining the monuments of national importance and heritage sites in India.
4. Which are the types of minorities that are recognised by the Indian Constitution. Enumerate the provisions that are available for the safeguard of the interests of these minorities in the Indian Constitution.

SPACE FOR ROUGH WORK