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VEDHIK

DAILY NEWS **ANALYSIS**

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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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A new deal

Any delay in Iran deal will deepen security crisis in West Asia and inflate global oil prices

The Vienna talks aimed at reviving the Joint Comprehensive Plan of Action (JCPOA), also known as the Iran nuclear deal, have hit a wall after Russia sought sanctions exemptions for its future trade and defence ties with Iran. European negotiators say “a good deal” is on the table. But Russia, which has been slapped with a barrage of sanctions by the United States and its allies over the Ukraine invasion, seeks written guarantees that those curbs would not “in any way harm” its ties with Iran. The nuclear deal, reached in 2015, started unravelling in 2018 as the Trump administration unilaterally pulled the U.S. out of the agreement despite international certification that Iran was fully compliant with its terms. After the U.S.’s withdrawal, Iran started enriching uranium to a higher purity and installing advanced centrifuges at its nuclear plants. Now, nuclear experts believe Iran is just months away from having enough high purity uranium to make a nuclear bomb, though the Iranian leadership has repeatedly claimed that it has no plan to make one. Western officials say the growing nuclear capability of Iran demands urgent steps to conclude the deal and curb its nuclear programme. Removing sanctions on Iran and letting Iran’s oil enter the global market could also ease oil and gas prices, which shot up after the Russian attack on Ukraine.

The West’s push to conclude the deal gives Russia added leverage in the negotiations, at a time when relations between Moscow and western capitals are at their lowest point since the end of the Cold War. The U.S. and Europe are reportedly looking for alternatives to revive the deal without Russia. But it would not be easy. Russia, an original signatory of the JCPOA, is a member of the joint commission that supervises Iran’s compliance. Under the agreement, Russia is also required to take control of Iran’s excess enriched uranium and work with Tehran to turn its Fordow nuclear plant into a research facility. In theory, the deal can be revived if other signatories take up Russia’s responsibilities. But it is not clear whether Iran and China would be ready to go ahead without Russia. While the Iranians have publicly said they would not allow any “external factors” to impact their national interests, Tehran is unlikely to ignore the sensitivity of Russia, an ally, and reach an agreement with the U.S., whose exit scuttled the original deal. This leaves the future of the nuclear deal in Russian hands. Russia’s invasion of Ukraine and the West’s response to it have already sent commodity prices soaring and shaken the global economy, which is yet to come out of the COVID-19 shock. A further delay or a total collapse of the Iran deal would not only deepen the security crisis in West Asia but also add pressure on global oil and gas prices. The signatories should not hold the Iran deal to ransom. They should continue to push for a collective agreement that could curb Iran’s nuclear programme and take the country into the global economic mainstream.

Fragmenting world order, untied nations

The impact of the Ukraine war on global interconnectedness is a cause for worry in the post-World War order



SUHASINI HAIDAR

Nearly three weeks into the Russian war on Ukraine, the cost to India is still to be counted. While some are focusing on how India's refusal to criticise Russia's actions, and the string of abstentions at the United Nations, would affect its relations with the West and its Quad partners (the United States, Australia and Japan), others are watching the economic costs that the unprecedented sanctions of the U.S. and the European Union will have on Indian trade, energy and defence purchases. However, the outcome that should worry New Delhi and other like-minded countries the most, apart from the devastating consequences for the Ukrainian nation, is the impact the Ukraine crisis is having on the global world order, which is fragmenting in every respect of global interconnectedness – in terms of international cooperation, security, military use, economic order, and even cultural ties.

The UN and Security Council

To begin with, the global order has broken down and events in Ukraine have exposed the United Nations and the Security Council for their complete ineffectiveness. Russia's actions in Ukraine may, in terms of refusing to seek an international mandate, seem no different from the war by the United States in Iraq in 2003, Israel's bombing of Lebanon in 2006 and the Saudi-coalition's attacks of Yemen in 2015.

But Ukraine is in fact a bigger blow to the post-World War order than any other. The direct missile strikes and bombing of Ukrainian cities every day, exacting both military and civilian casualties, and the creation of millions of refugees, run counter to every line of the UN Charter preamble, i.e. "to save succeeding generations from the scourge of war...", "to practice tolerance and live together in peace with one another as good

neighbours", as well as Articles 1 and 2 of the 'Purposes and Principles' of the United Nations (Chapter 1) (<https://bit.ly/3w4BS5X>).

The fact that Russian President Vladimir Putin broadcast his decision to "launch military operations" on Ukraine at the same time the Russian envoy to the United Nations was presiding over a UN Security Council discussion on the Ukraine crisis, speaks volumes for the respect the P-5 member felt for the proceedings. A vote of the international commons, or the UN General Assembly (UNGA), that decried Moscow's actions, was brushed off in a way that was even easier than when the U.S. did when it lost the UNGA vote in 2017 over its decision to move the U.S. Embassy to Jerusalem.

Meanwhile, in their responses, other P-5 members such as the United States, the United Kingdom and France did not seek to strengthen the global order either, imposing sanctions unilaterally rather than attempting to bring them to the UN. Clearly, Russia would have vetoed any punitive measures, but that should not have stopped the attempt. Nor are the surge in weapons transfers to Ukraine a vote of confidence in the UN's power to effect a truce.

Whither nuclear safeguards

The next point is Russian recklessness with regard to nuclear safety in a country that has suffered the worst impacts of poor safety and planning following the 1986 Chernobyl disaster (when Ukraine was part of the Soviet Union), which is a challenge to the global nuclear order. Russian military's moves to target areas near Chernobyl and shell buildings near the Zaporizhzhia nuclear power plant (also Europe's largest), show an alarming nonchalance towards safeguards in place over several decades, after the U.S.'s detonation of atomic bombs over Hiroshima and Nagasaki in 1945 led to the establishment of the International Atomic Energy Agency (IAEA) in 1956. The world must also consider the cost to the nuclear non-proliferation regime's credibility: Ukraine and Libya that willingly gave up nuclear programmes have been invaded, while regimes such as Iran and North Korea can defy the glo-



GETTY IMAGES/STOCKPHOTO

bal order because they have held on to their nuclear deterrents.

There are also the covenants agreed upon during the global war on terrorism, which have been degraded, with the use of non-state actors in the Ukraine crisis. For years, pro-Russia armed militia operated in the Donbas regions, challenging the writ of the government in Kyiv. With the arrival of Russian troops, the Ukrainian President, Volodymyr Zelensky, has invited all foreign fighters who are volunteering to support his forces to the country. This seeks to mirror the "International Brigades" in the Spanish Civil War of the 1930s, comprising foreign volunteers from about 50 countries against forces of Spanish military ruler Francisco Franco.

However, the role of foreign fighters has taken on a more sinister meaning after 2001 and al Qaeda, when western recruits joined the Islamic State to fight Syrian President Assad's forces. British Foreign Secretary Liz Truss's recent statement that she would "absolutely support" British veterans and volunteers joining the Ukraine war against Russia has since been reversed by the British Foreign Office, and it is hoped that other countries around the world, including India, make firm efforts towards preventing such "non-state actors" from joining a foreign war.

Economic actions

Economic sanctions by the U.S., the U.K. and the European Union (EU) also point to a fragmentation of the global financial order. While analysts have pointed out that the sanctions announced so far do not include some of Russia's biggest banks such as Sberbank and Gazprombank and energy agencies (in order to avoid the disruption of oil

and gas from Russia), the intent to cut Russia out of all monetary and financial systems remains. From the eviction of Russia from SWIFT payments, to the cancellation of Mastercard, Visa, American Express and Paypal, to the sanctioning of specific Russian businesses and oligarchs and pressure on Western businesses (McDonalds, Coca-Cola, Pepsi, etc.) operating in Russia to shut down, the arbitrary and unilateral nature of western sanctions rub against the international financial order set up under the World Trade Organization (that replaced the General Agreement on Tariffs and Trade, or GATT).

The obvious fallout of this "economic cancel culture" will, without doubt, be a reaction – a push-back from Russia and an exploration of alternative trading arrangements with countries such as China, India and much of the Eastern Hemisphere which continue to trade with Moscow. For the S-400 missile defence deal, for example, New Delhi used a rupee-rouble mechanism and banks that were immunised from the U.S.'s CAATSA sanctions (or Countering America's Adversaries Through Sanctions Act) for advance payments. Russian banks will now use the Chinese "UnionPay" for online transactions. Gradually, the world may see a "non-dollar" system emerge which would run banking, fintech and credit systems separately from the "dollar world".

Isolation by culture

Finally, there is the western objective, to "isolate" Russia, socially and culturally, that rails against the global liberal order. While several governments including the U.S., the U.K. and Germany have persistently said that their quarrel is not with Russian citizens but with their leadership, it is clear that most of their actions will hurt the average Russian citizen. The EU's ban of all Russian-owned, Russian-controlled or Russian-registered planes from EU airspace, and Aeroflot's cancellation of international routes, will ensure that travel to and from Russia is severely curtailed. Some of this isolation of its citizens will work to the favour of an increasingly authoritarian Kremlin. Mr. Putin's response

to the banning of Russian channels in Europe and its allies has been to use the western media ban as a pretext to ban opposition-friendly Russian channels as well. The "isolation" extends to art and music: in the past two weeks the Munich Philharmonic fired its chief conductor and New York's Metropolitan Opera let a Russian soprano, Anna Netrebko, go because they would not criticise the war. The Bolshoi Ballet's performances in London and Madrid were similarly cancelled.

The perils of this comprehensive boycott of Russia are not without historical precedent. Speaking to his Parliament this week, Mr. Zelensky invoked British Prime Minister Winston Churchill's "Fight to the End" speech, delivered at the House of Commons in June 1940, to speak about Ukraine's commitment to fight Russia. European onlookers would do well to also remember Churchill's other famous speech, "The Sinews of Peace", delivered in the United States in 1946, when he first referred to the "Iron curtain coming down" between Soviet Russia and Western Europe. "The safety of the world requires a new unity in Europe, from which no nation should be permanently outcast," Churchill had warned, although his words went in vain and the world suffered the consequences of the Cold War for the next four decades.

New Delhi needs to ponder

The events over the past two weeks, set in motion by Russia's declaration of war on Ukraine, have no doubt reversed many of the ideas of 1945 and 1990, fragmenting the international order established with the UN, ushering in an era of deglobalisation and bringing down another Iron Curtain. India's abstentionist responses and its desire not to be critical of any of the actions taken by the big powers might keep Indians safe in the short term. But in the long term, it is only those nations that move proactively to uphold, strengthen and reinvent the global order that will make the world a safer place, even as this war that promises few winners rages on.

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EXPLAINER

The surge in oil and natural gas prices

Why did international oil prices surge to a 14-year high last week? What will be the immediate effect of U.S. sanctions on Russia's energy exports?

SURESH SESHADRI

The story so far: On March 8, President Joe Biden announced that the U.S. was banning the import of Russian oil, liquefied natural gas, and coal to the country, a move aimed at depriving Russia of the economic resources needed to continue its war in Ukraine. In the run up to the U.S. announcement, international oil prices surged to a 14-year high on March 7, with Brent crude futures hitting \$139.13 intraday. However, following the U.S. decision, oil prices yo-yoed and Brent ended last week at \$112.67 a barrel, which was 4.8% lower than the preceding week's close.

Why did the U.S. target Russia's energy exports?

Russia is the world's third-largest oil producer, trailing only Saudi Arabia and the United States. In January 2022, Russia's total oil production was 11.3 million barrels per day (mb/d), of which 10 mb/d was crude oil, according to the Paris-based intergovernmental International Energy Agency (IEA). By comparison, total oil production by the U.S. in January was 17.6 mb/d, while Saudi Arabia produced 12 mb/d.

In terms of exports to the global markets, however, Russia is the world's largest exporter of crude and oil products, having shipped 7.8 mb/d in December 2021, and the second largest supplier of crude to the world with only Saudi Arabia exporting more crude than it.

Russia is also a major exporter of natural gas and supplied almost a third, or 32%, of the gas consumed in Europe (and the U.K.) in 2021.

The revenue it made from the sales of oil

and gas in 2021 accounted for 36% of Russia's total revenue of 25.29 trillion rouble (about \$330.7 billion as per the exchange rate prevailing in January, well before the invasion) last year. The energy exports, which at \$240.7 billion were almost half of Russia's total exports last year, helped Moscow achieve a record current account surplus of \$120.3 billion, which represented 7% of gross domestic product in 2021.

These figures clearly show the significance of oil and gas exports to Moscow and the potential impact any move to completely stop global purchases of these commodities from the country could have on Russia's economy.

What impact could Washington's move have on Russia and on global crude prices?

In a fact sheet accompanying the announcement, President Biden's administration stated that in 2021, the U.S. had imported almost 7,00,000 barrels per day of crude oil and refined petroleum products from Russia. Given that Russia exported substantially more than 7 million barrels per day of crude and oil products last year, the U.S. ban would impact about one-tenth of Russia's oil exports. And even as it acknowledged that not all of its allies and partners around the world were currently in a position to join in its import ban, Washington, however, said the longer-term goal was "to reduce our collective dependence on Russian energy".

Among its allies, the U.K. announced on March 8 that it would phase out the import of Russian oil and oil products by the end of 2022, a move that London said was aimed at giving the country's businesses enough time

to find alternatives to the supplies, which meet about 8% of demand.

Still, without the rest of Europe and China joining the import ban on Russian oil and gas, the impact would not be as severe on Russia's economy.

China, which is the world's largest importer of crude oil, is Russia's single-biggest buyer and purchased 1.6 mb/d of crude, or about 20% of Russian oil exports, on average in 2021. And OECD Europe (or European members of the Organisation for Economic Co-operation and Development) collectively accounted for 60% of Russia's oil exports, according to the IEA.

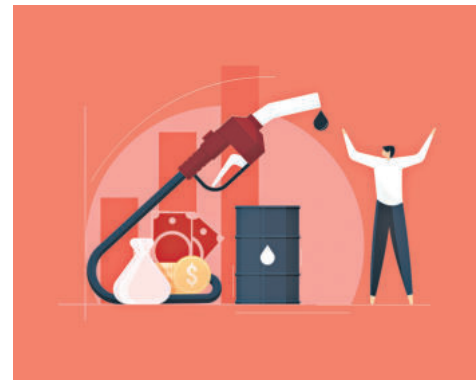
From the perspective of energy prices, Energy Intelligence reported on March 3 that an already tight oil market had been pushed over the edge with the loss of Russian supply of about 1.5 mb/d of its benchmark Urals crude and about 1 mb/d of refined products. It explained at the time that many international energy traders had been shunning Russian cargoes of oil to limit financial and reputational risks in the wake of the invasion and the sanctions.

Crude prices have, however, eased from the 14-year highs hit on the eve of the U.S. announcement as the market has realised that, at least for now, neither a majority of the European buyers nor China plan to stop imports of Russian oil.

What lies ahead?

Benchmark Brent crude prices fell as much as \$4 a barrel on Monday, extending last week's decline as traders bet that diplomatic efforts to end the war in Ukraine may help avert a supply shock.

Prices, however, are still about 40%



higher since the start of 2022 after having climbed sharply since Russia's February 24 invasion of Ukraine and are still well above \$100 a barrel.

Currently, oil prices are trading water as investors worldwide await the outcome of this week's meeting of the U.S. Federal Reserve, and energy traders keep an eye on demand in China, where a recent upsurge in COVID-19 cases has triggered targeted lockdowns in some parts of the country including the southern commercial and trade hub Shenzhen.

If the Fed raises interest rates, as is widely expected, the dollar is likely to strengthen, thereby making imports of oil costlier for net energy importers such as India.

THE GIST

■ Russia is the world's largest exporter of crude and oil products and the world's third-largest oil producer. It is also a major exporter of natural gas and supplies almost a third of the gas consumed in Europe.

■ On March 8, U.S. President Joe Biden announced that they were banning the import of Russian oil, liquefied natural gas, and coal to the country. The U.K. also announced that it would phase out the import of Russian oil products by the end of 2022. However, the rest of Europe and China are not joining this import ban.

■ Oil prices are about 40% higher since the start of 2022 after having climbed sharply since Russia's February 24 invasion of Ukraine and are still well above \$100 a barrel.

The war's cold facts and what India needs to glean

As hard power dictates terms in geo-politics, India's Atmanirbhar push needs to move to mission mode



MANMOHAN BAHADUR

“There is no finer teacher of war than war,” said Mao and as the Ukraine-Russia war nears the end of three weeks, it is time one takes stock of India's position in the real world of geopolitics.

In the real world, ‘power’ talks – as Greek historian Thucydides wrote in the Fifth Century BC, “Right, as the world goes, is only in question between equals in power – while the strong do what they can and the weak suffer what they must.” The dogged resistance of Ukraine notwithstanding, ‘power’ has spoken through Russian actions, with Russian President Vladimir Putin demanding that all Russian demands be met, including a call to surrender. This leads to two fundamental deductions at the macro-level.

Ukraine is alone

First, a nation's vital interests can be protected only by that nation itself. For all the pompous state-

ments coming from the West, promises of arms supply being made and intelligence inputs that must be getting transmitted, the fact is that it is the Ukrainians alone who are facing the brunt of the Russian military might. It has always been conjectured whether the United States would come to the aid of a North Atlantic Treaty Organization ally in Europe, following a Russian advance, and risk its own cities in turn. The answer is starkly visible. Good intentions and media statements have never stopped a bullet and surely, there would be soul searching that is ongoing in the minds of allies such as Japan, South Korea and Taiwan too, as the fallacy of a ‘friend’ coming to fight *with* you and *for* you has been exposed, yet again.

The Indian parallel

India's experience has been similar. During the 1962 India-China war, Moscow had no time for New Delhi (in fact, it sided with Beijing) and the Americans offered moral and logistic support, despite New Delhi's request for military help. The 1965 war was one of redemption as India re-armed itself in a big way, a drive that continued and gave us the outright victory in 1971. Then, in 1974, it is to the credit of the Indian leadership for demon-



strating India's scientific capability through a ‘peaceful’ nuclear explosion and the leadership in 1998 for going overtly nuclear. To the common man, this constitutes power, but between two nuclear-capable nations, an atomic weapon is a deterrent in the nuclear realm and not a determinant of ‘conventional’ power. As India faces two nuclear adversaries, the reality of India having lagged in true indigenous conventional capability must be accepted. This leads to the second deduction.

For a nation to have strategic autonomy in matters of national security, self-sufficiency in defence research and development and manufacturing is an inescapable imperative. This would afford the required deterrence to prevent war, and to prosecute it (war) if deterrence fails. The sessions at the United Nations on Ukraine, where

India abstained, saw New Delhi as a tightrope walker as it is heavily dependent on Russia *and* the U.S., for political reasons as well as for arms.

Arms from the West too

After the Cold War ended, India diversified its purchases to dilute its dependence on Russia for arms. While the narrative has been on the MiGs, Antonovs, Sukhois, S-400, T-90 tanks, Grad rocket launchers, Kilo-class submarines, *et. al.*, one overlooks the fact that India has become heavily dependent on the West too for a multitude of frontline armament systems. For example, the heavylift transport fleet of the Indian Air Force (IAF) relies heavily on the American C-17 and C-130J Super Hercules aircraft, while the helicopter fleet has the Chinook and Apache attack helicopters. Similarly, the Indian Navy has the Boeing P-8I long range aircraft for maritime surveillance and is acquiring MH-60 helicopters for anti-submarine warfare and Sea Guardian drones for reconnaissance. The Indian Army's M777 artillery guns are from the West, the IAF's Rafale and Mirage fighters from France, Jaguars from Britain and a multitude of drones from Israel; even the basic infantry rifle is being im-

ported. And, India has signed three ‘foundational’ agreements with the U.S.; the sword of Damocles, through the Countering America's Adversaries Through Sanctions Act (CAATSA) is ever present. The list is very long and encompasses both ‘camps,’ as it were. Are there any doubts now about why, besides political reasons, we abstained in the UN Security Council vote? So, what is the way out?

The writing is on the wall. A nation's standing in the pecking order based only on soft power is ephemeral. As the West twiddles its thumbs, ‘Ukraine’ proves that hard power dictates terms in geopolitics. Thucydides understood it in Fifth Century BC and we are in for a rough time if we do not get it even now. The *Atmanirbhar* thrust of the Government in matters of defence research and development and manufacturing, though gathering pace, has to become a national endeavour in mission mode, bridging differences across the political aisle and providing a political continuum to underwrite it. There is no other way out.

—
Air Vice Marshal Manmohan Bahadur VM (retired) is former Additional Director General, Centre for Air Power Studies, New Delhi

Census should not be just data-oriented: House committee

It should portray culture and society, says Committee on Home Affairs

SPECIAL CORRESPONDENT
NEW DELHI

The Parliamentary Committee on Home Affairs has said that the coming census exercise “should not merely be data-oriented; rather it should portray the perspec-

tive of culture and society.”

Members of the panel felt that since the current census has not commenced yet, an effort should be made on the part of the Ministry of Home Affairs (MHA) through the Registrar General of India (RGI) to obtain data on such parameters as well as was being collected or reflected in the census reports in the pre-Independence era.

“The Committee was given to understand by the Ministry that the method of ob-

taining census data through questionnaire still continues and the number of questions in the census have actually been increased since Independence. However, the annual reports regarding the census process, etc., have not been written for few censuses,” the report tabled in the Rajya Sabha on Monday said.

The panel sought to know about the reasons for the decrease in allocation for the census budget in from

₹3,768.28 crore in BE [budget estimate] 2021-22 to ₹3,676.00 crore in BE 2022-23.

“The MHA replied that some of the tasks related to preparation towards the upcoming Census like upgradation of data centres and development of digital platform for conducting Census digitally have been carried out and hence provision of ₹3676 crores has been made for 2022-23 so that the remaining tasks and

the first phase of Census could be conducted in this financial year,” the report stated.

Expenditure

The Ministry informed the panel that expenditure would be incurred towards various census preparatory activities such as training for field functionaries, printing census and National Population Register (NPR) material, upgrading 18 data capture centres and the National Da-

ta Centre in terms of hardware, software and civil works, publicity for census and NPR and technical assistance to States

The Ministry explained that due to the outbreak of COVID-19, census 2021 and other related field activities have been postponed until further orders.

It was also informed that the data collection in the coming census would be done digitally, the report noted.

Government seeks law on rights of foreigners

SC to look into visa norm violations

LEGAL CORRESPONDENT
NEW DELHI

The Union government on Monday urged the Supreme Court to help lay down a law with a “long-lasting” implication for the country on the subject of foreigners’ right to approach local courts for relief after violating their visa conditions.

The government’s request to a Bench of Justices A.M. Khanwilkar and C.T. Ravikumar came during the hearing of petitions filed by foreign nationals who were charged with violating COVID-19 guidelines by participating in a Tablighi Jamaat congregation in Delhi’s Nizamuddin area.

They were later exonerat-

ed of the charges.

“I did not oppose then. They [foreign nationals] are out and have reached their respective destinations... But I want the court to address certain questions which keep on arising,” Solicitor-General Tushar Mehta, for the government, submitted.

“When a country issues a visa and there is a violation of visa conditions... When Article 19 is not applicable to foreigners, what would be the scope of their right to approach the local court?” Mr. Mehta asked.

The Supreme court agreed to examine the issue and scheduled a hearing for April 8.

Maternal mortality ratio declines by 10 points: Registrar General

India is on verge of achieving National Health Policy target

BINDU SHAJAN PERAPPADAN
NEW DELHI

The maternal mortality ratio (MMR) of India has declined by 10 points, says a special bulletin released by the Registrar-General of India. It has declined from 113 in 2016-18 to 103 in 2017-19, an 8.8% decline.

The country has been witnessing a progressive reduction in the MMR from 130 in 2014-16, 122 in 2015-17 and 113 in 2016-18 to 103 in 2017-19, said the release issued on Monday.

With this persistent decline, India is on the verge of achieving the National Health Policy (NHP) target of 100 per lakh live births by 2020 and certainly on the track to achieve the Sustainable Development Goal

(SDG) target of 70 per lakh live births by 2030, the release noted.

The number of States that have achieved the Sustainable Development Goal target has now risen from five to seven – Kerala (30), Maharashtra (38), Telangana (56), Tamil Nadu (58), Andhra Pradesh (58), Jharkhand (61), and Gujarat (70).

There are now nine States that have achieved the MMR target set by the National Health Policy, which includes the above seven States and Karnataka (83) and Haryana (96).

Uttarakhand (101), West Bengal (109), Punjab (114), Bihar (130), Odisha (136) and Rajasthan (141) have MMR between 100 and 150, while Chhattisgarh (160),

Madhya Pradesh (163), Uttar Pradesh (167) and Assam (205) have the ratio above 150.

U.P.'s achievement

Encouraging achievement has been reported by Uttar Pradesh, which has shown the highest decline of 30 points, Rajasthan (23), Bihar (19), Punjab (15) and Odisha (14), the release stated.

Kerala, Maharashtra and Uttar Pradesh have shown more than 15% decline in the MMR, while Jharkhand, Rajasthan, Bihar, Punjab, Telangana and Andhra Pradesh have shown a decline between 10% and 15% and Madhya Pradesh, Gujarat, Odisha and Karnataka witnessed a decline between 5% and 10%.

February wholesale price inflation quickens to 13.11%

Inflation in manufactured products picks up pace

SPECIAL CORRESPONDENT

NEW DELHI

Inflation in wholesale prices resurged to 13.11% in February after two months of mild cooling off, staying above the 10% mark for the eleventh month in a row, as per official data released on Monday.

Inflation measured by the Wholesale Price Index (WPI) was at 12.96% in January after hitting a record high of 14.9% in November 2021.

Data revised upwards

The index for December has been revised, raising the inflation for that month to 14.27% from an earlier estimate of 13.56%.

Fuel and power inflation



touched 31.5% this February, the lowest in five months and only slightly lower than January's 32.3%. Manufactured products inflation picked up from 9.42% to 9.84%, signalling that producers have begun passing part of their rising input costs to end-users even as

the pace of price rise in basic metals shot up to almost 20%, from 16.3% in January.

Primary articles continued to record elevated inflation at 13.39%, the fourth successive month above 10%. The Food Index, however, moderated from a 24-month high of 9.55% in January to 8.47% in February, and helped limit the overall rise in inflation.

“The easing in primary food inflation was driven by a sharp drop in vegetable prices, as well as some correction in eggs and certain pulses, amidst rises in... other food groups,” said ICRA chief economist Aditi Nayar, stressing that the WPI print was higher than expected.

Merchandise exports rose 25%, imports surged 36% in February

‘Trade deficit widens to \$20.9 billion on sharper growth in non-gold imports’

SPECIAL CORRESPONDENT
NEW DELHI

India exported merchandise worth \$34.57 billion in February, about 25% higher than a year earlier, while imports grew 36% to \$55.45 billion, as per fresh estimates released on Monday by the Commerce Ministry.

Trade deficit widened to \$20.9 billion in February from the five-month low of \$17.4 billion recorded in January and is expected to stay elevated in coming months in view of high commodity and oil prices. Total merchandise exports in the first 11 months of FY22 stood at \$374.81 billion, close to the \$400-billion target set by the



X factor: Oil imports will play a key role in determining the size of the trade deficit, says Ms. Nayar. ■ K.K. MUSTAFAH

government for the full year. This marks a 28.4% increase from pre-COVID exports. Imports for the full year have crossed \$550 billion in the same period, 24.2% higher than pre-pandemic levels.

While the uptick in exports was driven by petroleum and engineering products, a sharper growth in non-gold imports spurred merchandise trade deficit from the \$13.1 billion seen in

February 2021, said Aditi Nayar, chief economist at ICRA. Gold worth \$4.77 billion was imported in February, 9.65% lower than a year earlier, but almost double the imports in January.

“While higher commodity prices will inflame imports in March, oil imports will play a key role in determining the size of the trade deficit. We expect the trade deficit to remain above \$20 billion in March,” Ms. Nayar said, adding exports should clock \$410 billion in FY22.

Engineering goods exporters are also concerned about the impact of high input costs and anticipated fuel price increases.

‘Microfinance firms can fix interest’

Central bank sets caveat that rates should not be usurious

SPECIAL CORRESPONDENT
MUMBAI

The Reserve Bank of India (RBI) on Monday allowed microfinance institutions to fix interest rates on loans, with a caveat that the rates should not be usurious.

In revised guidelines that will take effect on April 1, the RBI tweaked the definition of a microfinance loan to indicate a collateral-free loan given to a household with annual income of up to ₹3 lakh.

Earlier, the upper limits were ₹1.2 lakh for rural borrowers and ₹2 lakh for urban borrowers.



Interest rates will be subject to RBI's supervisory scrutiny.

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As per the revised norms, regulated entities (REs) should put in place a Board-approved policy regarding pricing of microfinance loans, a ceiling on interest

rate and all other charges applicable to microfinance loans.

“The revision of the income cap to ₹3 lakh will expand the market opportunity and interest rate cap removal will promote risk-based underwriting, said Udaya Kumar Hebbar, MD and CEO at CreditAccess Grameen Ltd.

“This reflects the confidence shown by the central bank in the ability of MFIs to responsibly cater to the bottom of the pyramid,” he said.

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Microfinance firms can fix interest, says RBI

“Interest rates and other charges/ fees on microfinance loans should not be usurious. These shall be subjected to supervisory scrutiny by the Reserve Bank,” the RBI said in its master direction. Earlier, the cap on the interest rate was the lower of average cost of borrowing multiplied by 2.75; or cost of funds plus 10%, according to industry executives.

Each RE shall disclose pricing-related information to a prospective borrower in a standardised, simplified factsheet, the RBI said.

“Any fees to be charged to the microfinance borrower by the RE and/ or its partner/ agent shall be explicitly disclosed in the factsheet. The borrower shall not be charged any amount which is not explicitly mentioned in the factsheet,” it added.

There shall be no pre-payment penalty on microfinance loans. Penalty, if any, for delayed payment shall be applied on the overdue amount and not on the entire loan amount, the regu-

lator said. Any change in interest rate or any other charge shall be informed to the borrower well in advance and these changes shall be effective only prospectively, it said.

The RBI said each RE would have to put in place a mechanism for identification of the borrowers facing repayment-related difficulties, engagement with such borrowers and providing them necessary guidance about the recourse available.

“The REs shall have a due diligence process in place for engagement of recovery agents, which shall, inter alia, cover individuals involved in the recovery process,” it said.

To ensure due notice and appropriate authorisation, the RE will provide the details of recovery agents to the borrower while initiating the process of recovery.

As per the new norms the minimum requirement of microfinance loans for NBFC-MFIs stands revised to 75% of the total assets.

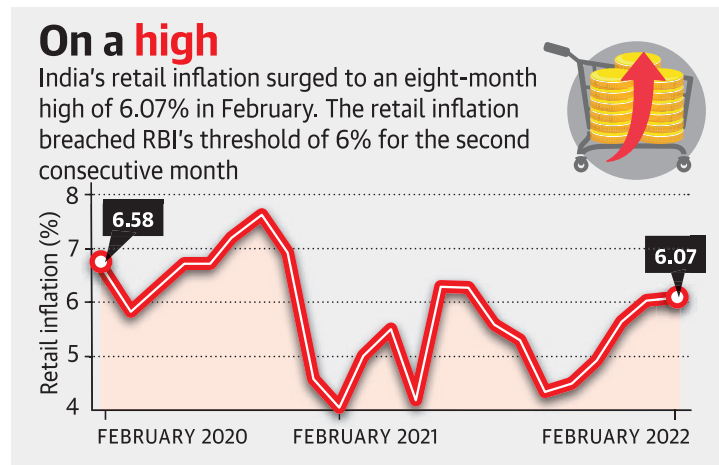
Retail inflation climbs to 6.07%

Touches an eight-month high in February

SPECIAL CORRESPONDENT
NEW DELHI

India's retail inflation inched up to an eight-month high of 6.07% in February from 6.01% in January, with rural India experiencing a sharper price rise at 6.38%. For urban consumers, the inflation rate, in fact, fell from 5.91% in January to 5.75% in February.

Food prices saw an upward trajectory, with inflation measured by the Consumer Food Price Index rising to 5.85% in February from 5.43% in January. This



trend was divergent for rural and urban India, with the latter seeing a slight moderation in food inflation, while rural food inflation shot up by 0.7 percentage points to 5.87%. Food and beverages inflation hit a 15-month high,

and the rising prices of edible oils are likely to pose a challenge in coming months, ICRA chief economist Aditi Nayar pointed out.

“Inflation appears to have become generalised and we believe it will be 5.5% to 6%

through 2022-23, so the Reserve Bank of India [RBI] may consider a change in its forecast too,” Bank of Baroda chief economist Madan Sabnavis said, warning of vegetable prices shooting up further with the onset of summer and the anticipated fuel price hikes this month.

The RBI has projected an average retail inflation of 4.5% for the coming year.

Most economists don't expect the RBI to shift from its accommodative growth-focused policy stance yet, despite the retail inflation crossing its tolerance threshold of 6% for the second month.

WHOLESALE PRICE INFLATION QUICKENS TO 13.11% ▶ PAGE 12

₹19,000-crore afforestation plan launched

JACOB KOSHY

NEW DELHI

The Centre envisages a ₹19,000-crore project to rejuvenate 13 major rivers by planting trees, officials in the Environment and the Jal Shakti Ministries said at a joint press conference on Monday.

These 'forestry' interventions are expected to increase the cumulative forest cover by 7,417.36 sq. km. in the vicinity of these 13 rivers and would prevent 50.21 million tonnes of CO₂-equivalent in 10-year-old plantations and 74.76 million tonnes CO₂-equivalent in 20-year-old plantations.

They would help recharge groundwater, reduce sedimentation, generate ₹449.01 crore from non-timber and other forest produce as well as provide employment of 344 million man-days.

The rivers are the Jhelum, Chenab, Ravi, Beas, Sutlej, Yamuna, Brahmaputra, Luni, Narmada, Godavari, Mahanadi, Krishna and Cauvery funded by the National Afforestation & Eco-development Board, (MoEF&CC). The two Ministries made public multiple voluminous Detailed Project Reports, for each of these rivers, prepared by the Indian Council of Forestry Research & Education, Dehradun, (ICFRE).

'32 new roads along China border'

Post-Galwan, government gave approval for these projects: Rajya Sabha report

VIJAITA SINGH
NEW DELHI

Post-Galwan incident, the Government of India sanctioned 32 roads along the China border, of which work has started on eight roads, a report tabled in the Rajya Sabha on Monday said.

The Ministry of Home Affairs (MHA) informed a parliamentary panel that 32 helipads were being constructed and upgraded along the China border.

The report on Demands for Grants (2022-23) of the MHA by the parliamentary standing committee headed by Congress leader Anand Sharma said the Ministry had demanded ₹3,637.92 crore for border infrastructure in the coming fiscal



Work has started on eight roads while 32 helipads will come up along all stretches.

though it was able to spend only 50% of the allocated budget till December 2021.

“The committee is surprised to note that only 50% amount of the RE [revised estimate] 2021-22 [₹1481.10

crore] has been expended up to December 31, 2021. The Ministry has sought an amount of ₹3637.92 crore from the Ministry of Finance for the border infrastructure scheme in BE [Budget Estimate] 2022-23 [projected]. The Committee fails to understand the reasons for seeking such high allocation in spite of the under-utilisation of the funds allocated at RE 2021-22,” the report said.

The Ministry informed the panel that to improve the existing infrastructure and to enhance the operational capabilities of security forces, the government had undertaken various projects and schemes in the past few years along the China border.

It stated that under the Indo-China Border Roads Phase-I (ICBR-I), the construction of 25 roads, measuring 751.58 km, at an estimated cost of ₹3482.52 crore was taken up. Out of this, 18 roads measuring 475.29 km were in operational use while the work on the remaining seven roads was on.

The first phase was initiated in 2005 when it was decided that the MHA would construct 27 priority roads totaling 608 km along China border.

The second phase (ICBR-II) was approved on September 21, 2020, months after 20 Indian soldiers were killed in clashes with the Chinese People's Liberation Army in eastern Ladakh.

General Studies Paper I	
A	History of Indian culture will cover the salient aspects of art forms, literature and architecture from ancient to modern times;
B	Modern Indian history from about the middle of the eighteenth century until the present-significant events, personalities, issues;
C	Freedom struggle-its various stages and important contributors / contributions from different parts of the country;
D	Post-independence consolidation and reorganization within the country;
E	History of the world will include events from 18 th century such as industrial revolution, world wars, re-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;

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