

₹2,000 NOTES REACH BANKS AMID HICCUPS

THE HINDU BUREAU
NEW DELHI

The four-month window to exchange or deposit ₹2,000 currency notes opened on Tuesday with small queues and confusion at some banks over the requirement of identity cards such as PAN or Aadhaar, and requisition slips. The Reserve Bank of India (RBI) on May 19 announced withdrawal of ₹2,000 notes from circulation in pursuance of its 'Clean Note Policy'. It advised the public to deposit such notes into their bank accounts or exchange them for notes of other denominations at any bank branch, up to a limit of ₹20,000 at a time, by September 30.

While the RBI has not made the presentation of a valid ID or filling of deposit forms mandatory, there were complaints from some places that banks were asking customers to submit identity cards as proof.

Scores of people lined up outside banks in Delhi as the temperature hovered around 43 degrees Celsius. Chaos and confusion prevailed over the process of exchange which left people, especially the elderly, disgruntled. Nearly 100 people turned up at a Union Bank branch in Connaught Place.

Manoj Kumar, a customer of HDFC bank, said though he wanted to exchange 20 notes, he was asked to give only 10 by the bank staff.

Most of the banks claimed that the process remained smooth on day one. "People had some confusion regarding how much currency they can exchange or should they deposit the same in bank or get them exchanged. We managed to solve their queries," said a customer care executive at a HDFC branch at ITO.

Chandra Sekhar Sharma, chief general manager of SBI, Bhubaneswar Circle, said the bank had ₹12,000 crore in ₹500 and ₹200 denomination notes in 64 chests. In the past two days, the SBI had seen estimated deposit of ₹2,000 notes to the tune of ₹50 crore daily at various branches and automated deposit-cum-withdrawal machines (ADWM), Mr. Sharma said.

Banks in Kerala also did not experience any unusual rush, officials said. "People visited our branches to get the notes exchanged, but no headlong rush was reported," a senior official of the State Bank of India in Thiruvananthapuram said.

Banks in Telangana said some branches saw more than usual footfall, chiefly customers who came to deposit ₹2,000 notes in their accounts. Most banks, anticipating a rush of customers, had drawn up plans, including



*Notes being exchanged at a bank in Bhopal on Tuesday. A.M. FARUQUI
Four-month window opens amid complaints that some bank branches sought identity proof; banks say there is ample cash to meet demand*

operating an additional cash counter, if required. Such measures were, however, not needed as the number of customers was manageable, according to sources in public, private and regional rural banks.

It was a bitter experience for the people at the branches of a few private banks in Andhra Pradesh as officials refused to exchange notes in places such as Rajahmundry and Kakinada.

"We do not have adequate staff to meet the demand from customers seeking exchange of ₹2,000 notes. We are flooded with too many deposits from the account holders," said a senior staff member of a private bank in Rajamahendravaram.

The situation at public sector banks was smoother. The rush was thin to moderate at many branches in Vijayawada.

(With inputs from The Hindu bureaus in Kolkata, Thiruvananthapuram, Bhubaneswar, Hyderabad, and Vijayawada, and PTI)

UPDATE NPR TO ENUMERATE SELF DURING NEXT CENSUS

VIJAITA SINGH
NEW DELHI

If citizens want to exercise the right to fill the Census form on their own rather than through government enumerators, they will have to first update their National Population Register (NPR) details online.

The NPR, first put together in 2010 and updated in 2015, already has the details of 119 crore people.

Census 2021, which has been postponed indefinitely, will be the first digital Census giving citizens an opportunity to "self-enumerate" as and when it is conducted.

The government has not announced when the next census will be held, with a January 2 notification ruling out the exercise at least till September.

The Census is conducted in two phases.

The first phase — the houselisting operations and housing census — is to be conducted with simultaneous updating of NPR. Population enumeration is

the second and the main phase, which collects details on key social and economic parameters.

According to a collection of reports released by Home Minister Amit Shah on May 21 at the inauguration of a new Census building, "self-enumeration for Census will be provided to only those households that have updated the NPR online". "During self-enumeration in NPR, Aadhaar / mobile number is mandatorily collected," the report said.

The Office of the Registrar of General of India (ORGI), which conducts the Census, has developed a "self-enumeration (SE)" portal which is presently available in English only. The yet-to-be-launched mobile-friendly portal will allow users to register the mobile number in the NPR database, self-enumerate and fill the details under houselisting operations. Respondents can update the details of their family members online without the help of an enumerator for "privacy" and to reduce financial and administrative burden incurred in collection of field data.

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INDIA-AUSTRALIA TIES BUILT ON TRUST: MODI



Strong bond: Prime Minister Narendra Modi with his Australian counterpart Anthony Albanese in Sydney. Getty Images

PRESS TRUST OF INDIA SYDNEY

Prime Minister Narendra Modi on Tuesday said the foundation of India-Australia relations lies in mutual trust and respect, as he along with his Australian counterpart Anthony Albanese addressed the Indian diaspora at a mega event here.

During the event, a suburb in Australia — Harris Park — was renamed “Little India”, reflecting the strong bond between the two strategic partners.

Mr. Modi also announced that India would open a consulate in Brisbane to fulfil a long-pending demand by the diaspora. The Prime Minister

was given a rousing welcome by thousands of Indians who thronged the Qudos Bank Arena.

Mr. Albanese described India as a “force of global good” and a “bright spot” in the world economy.

“Today India is being called a force of global good. Wherever there is a disaster, India stands ready to help. Recently, when the earthquake caused devastation in Turkey, India extended a helping hand through ‘Operation Dost’,” Mr. Modi said.

Asserting that the strategic partnership between India and Australia is constantly deepening, Mr. Modi said, “We hope the bilateral trade between the two sides will more than double in the next five years”. The two countries signed the Economic Cooperation and Trade Agreement last year. “We are building resilient and reliable supply chains. This will provide momentum to the business of both sides,” he said.

There is a geographical distance between India and Australia, but the Indian Ocean connects us, Mr. Modi said and added that no matter how different the two countries are, they are connected at various levels. “Yoga connects us. Cricket is something which has kept us connected for ages...,” he said amid loud cheering from the crowd.

The Prime Minister also said the two countries have moved forward in recognising degrees issued by each other and this will benefit students of both sides.

Mr. Modi thanked his Australian counterpart for renaming Harris Park ‘Little India’. Harris Park is a hub in Western Sydney where the Indian community celebrates festivals and events such as Deepavali and Australia Day.

Addressing the gathering earlier, Mr. Albanese said Mr. Modi gets a “rock star reception” wherever he goes. “The last time I saw someone on this stage was [American singer] Bruce Springsteen and he did not get the welcome that Prime Minister Modi has got. Prime Minister Modi is the boss,” Mr. Albanese said. Springsteen was nicknamed ‘boss’ by his fans.

THE TELANGANA- A.P. WATER DISPUTE

B. CHANDRASHEKHAR EXPLAINER

The story so far:

The nagging dispute over the water share of the Krishna river between Andhra Pradesh (A.P.) and Telangana remains unresolved, even nine years after the bifurcation of the combined State.

What is the origin of the Krishna water dispute?

The dispute dates back to the formation of Andhra Pradesh in November, 1956. Before the formation of Andhra Pradesh, four senior leaders each from different regions of Andhra, including the Rayalaseema Region and the Telangana region, signed a Gentlemen’s Agreement on February 20, 1956. Among others, one of the provisions of the agreement was the protection of Telangana’s interests and needs with respect to the utilisation of water resources with equitable distribution based on treaties followed globally. However, the focus of the combined dispensation with respect to irrigation facilities was on Andhra, which already had systems developed by the British at the cost of in-basin drought-prone areas in Telangana — a fact which was argued by the leaders of the latter region from the beginning.

Further on, in 1969, the Bachawat Tribunal (KWDT-I) was constituted to settle the dispute around water share among the riparian States of Maharashtra, Karnataka and Andhra Pradesh (before bifurcation). The Tribunal allocated 811 tmcft dependable water to Andhra Pradesh. The A.P. government later apportioned it in the 512:299 tmcft ratio between Andhra (including parts of Rayalaseema which comprise the Krishna Basin) and Telangana, respectively, based on the command area developed or utilisation mechanism established by then. The Tribunal had also recommended taking the Tungabhadra Dam (a part of the Krishna Basin) water to the drought-prone Mahabubnagar area of Telangana. However, this was not followed through, giving birth to discontent among the people. Telangana had time and again reiterated how it had been meted out with injustice in Andhra Pradesh when it came to the matter of distributing water resources.

What was the arrangement for water sharing after the bifurcation?

There is no mention of water shares in the Andhra Pradesh Reorganisation Act, 2014, since the KWDT-I Award, which was still in force, had



No agreement: The surplus water being discharged from the Prakasam Barrage across river Krishna in Vijayawada. RAO G. N.

How did the Bachawat Tribunal allocate water resources to the three riparian States? What did the Andhra Pradesh Reorganisation Act, 2014, state about water shares? Has the Union government intervened in the issue? Why is Telangana asking for a larger share?

not made any region-wise allocation. At a meeting convened by the then Ministry of Water Resources in 2015, the two States had agreed for sharing water in the 34:66 (Telangana:A.P.) ratio as an ad hoc arrangement with the minutes clearly specifying that it has to be reviewed every year. The arrangement in the Act was only for the management of water resources by setting up two Boards, the Krishna River Management Board (KRMB) and the Godavari River Management Board (GRMB).

The KRMB, however, continued the same ratio year after year in spite of the opposition by Telangana. In October 2020, Telangana raised its voice for an equal share, till water shares are finalised. At a Board meeting held earlier this

month, Telangana put its foot down for an equal share and refused to continue the existing arrangement. Unable to convince the member States, the river Board has referred the matter to the Ministry of Jal Shakti (MoJS).

What does each State claim?

Telangana has been asking the Centre to finalise water shares from day one of its formation. Citing treaties and agreements followed globally in sharing river waters, Telangana has been arguing that as per the basin parameters, it is entitled for at least a 70% share in the allocation of the 811 tmcft. Besides, it has been highlighting how A.P. has been diverting about 300 tmcft water to the areas outside the basin from fluoride-affected and drought-prone areas within the basin in Telangana.

On the other hand, A.P. has also been staking claim for a higher share of water to protect the interests of command areas already developed. What is the stand of the Centre?

The Centre has convened two meetings of the Apex Council comprising the Union Minister and Chief Ministers of Telangana and A.P. in 2016 and 2020 without making any attempt to deal with the issue. Following a suggestion made by the MoJS in 2020, Telangana has withdrawn its petition over the issue in the Supreme Court as the Ministry had assured to refer the matter of water shares to a Tribunal. However, the Centre has been sitting over the issue for over two years now even as the two States continue to spar over the matter day in and day out.

WHAT IS THE EU'S CARBON BORDER ADJUSTMENT MECHANISM?

What is carbon leakage? How will the new policy affect trade between India and the EU?

SAPTAPARNO GHOSH

The story so far:

On May 10, co-legislators at the European Commission signed the Carbon Border Adjustment Mechanism (CBAM). It has been described as a "landmark tool" to put a "fair price on the carbon emitted during the production of carbon intensive goods that are entering the EU, and to encourage cleaner industrial production in non-EU countries."

What is the CBAM?

The primary objective of the Carbon Border Adjustment Mechanism (CBAM) is to avert 'carbon leakage'. It refers to a phenomenon where a EU manufacturer moves carbon-intensive production to countries outside the region with less stringent climate policies. In other words, replace EU-manufactured products with more carbon-intensive imports.

From 2026, once the CBAM is fully implemented, importers in the EU would have to buy carbon certificates corresponding to the payable carbon price of the import had the product been produced in the continent, under its carbon pricing rules. Conversely, if a non-EU producer is paying a price (or tax) for carbon used to produce the imported goods, back home or in some other country, the corresponding cost would be deducted for the EU importer. The Commission, in coordination with relevant authorities of the member states, would be responsible for reviewing and verifying declarations as well as managing the central platform for the sale of CBAM certificates. Importers would have to annually declare by May-end the quantity and embedded emissions in the goods imported into the region in the preceding year.

The idea here is to avert the possibility of carbon leakage alongside encouraging producers in non-EU countries to green their manufacturing processes. Moreover, it will ensure a level playing field between imports and EU products. This would also form part of the continent's broader European Green Deal which endeavours to achieve 55% reduction in carbon emissions compared to 1990 levels by 2030 and become a climate neutral continent by 2050.

Why are countries worried?

CBAM would initially apply to imports of certain goods and selected precursors, whose production is carbon-intensive and are at risk of 'leakage' such as the cement, iron and steel, aluminium, fertilizers, electricity and hydrogen sectors.

In 2021, the United Nations Conference on Trade and Development (UNCTAD) had concluded that Russia, China and Turkey were most exposed to the mechanism. Considering the level of exports to the union in these sectors, it stated India, Brazil and South Africa would be most affected among the developing countries. Mozambique would be the most exposed least-developing country. Important to note, countries in the EU combined represent about 14% of India's export mix for all products, steel and aluminium included.

Mannat Jaspal, Associate Fellow at the Observer Research Foundation (ORF) notes that India's exports in the five segments represented less than 2% of the total exports to the EU between 2019 and 2021. However, according to Ms. Jaspal, while the impact of the regulation may appear limiting, its long-term effects can be severe for multiple factors. First, EU being India's third largest trade partner and given the latter's projected growth trajectories, the size of exports (including in the CBAM sectors) will invariably rise. Secondly, CBAM's scope would expand beyond its current ambit to include other sectors as well. "Given India's products have a higher carbon intensity than its European counterparts, the carbon tariffs imposed will be proportionally higher making Indian exports substantially uncompetitive," she told The Hindu. And finally, international climate policies (including CBAM) will compel other countries to impose similar regulation eventually translating to "a significant impact" on India's trading relationships and balance of payments.

It was informed, earlier this month, in a joint statement during the inaugural EU-India Trade and Technology Council, that "the two sides have also agreed to intensify their engagement on carbon border measures."

ESTABLISH LINKS WITH 168 UNCONNECTED BORDER VILLAGES: SHAH

THE HINDU BUREAU NEW DELHI

Union Home Minister Amit Shah said on Tuesday that special efforts should be made to establish connectivity with 168 "unconnected" border villages. The villages are located along the Chinese border in Arunachal Pradesh, Himachal Pradesh, Sikkim, Uttarakhand and Ladakh.

Mr. Shah was speaking at the inauguration of a workshop on the Vibrant Villages Programme (VVP) approved on February 15. The VVP will cover 2,967 villages in 46 border blocks of 19 districts in four States and one Union Territory

along the Chinese border. The workshop was organised by the Ministry of Home Affairs (MHA) and was attended by State and Central government officials.

Mr. Shah said the government has taken several initiatives to improve the border infrastructure and the VVP has been launched to "stop migration from border villages". He added that District Collectors in border districts should take at least five initiatives to give impetus to VVP such as promotion of tourism, agriculture, handicrafts and cooperatives and encouraging home-stays. The meeting was attended by Director General, Indo Tibetan Border Police (ITBP) force.

IMF ASKS SRI LANKA TO REACH TIMELY RESTRUCTURING DEALS WITH CREDITORS

MEERA SRINIVASAN COLOMBO

Sri Lanka is showing "tentative signs of improvement", the International Monetary Fund has said, while urging the island nation to reach timely restructuring agreements with its creditors, before the Fund's first scheduled review in September.

An IMF mission conducted a staff visit to Sri Lanka from May 11 to 23, to review the implementation of the Fund's programme aimed at helping the country achieve debt sustainability and revive its economy after last year's economic crash, the worst the country has seen since Independence. In March, the IMF cleared a nearly \$3-billion package for Sri Lanka, asking the country to "step up structural reforms".

“Following strong policy efforts, the macroeconomic situation in Sri Lanka is showing tentative signs of improvement, with inflation moderating, the exchange rate stabilising, and the Central Bank rebuilding reserves buffers. However, the overall macroeconomic and policy environment remains challenging,” the visiting delegation said in a statement.

Referring to discussions on progress in debt restructuring, the visiting officials noted: “Achieving timely restructuring agreements with creditors in line with the programme targets by the time of the first review is essential to restoring debt sustainability.”

‘Sharing the burden’

Earlier this month, a 17-member “creditor committee” for Sri Lanka, co-chaired by India, Japan and France, met to discuss Sri Lanka’s formal request for debt treatment. China, which is Sri Lanka’s top bilateral creditor —

followed by Japan and India — attended the meeting as an observer.

In a statement following the meeting, the committee stressed the need for Sri Lanka’s private creditors and other official bilateral creditors to provide a debt treatment plan on terms “at least as favourable as the ones agreed by this creditor committee, in line with the comparability of treatment principle.”

While India and the Paris Club have repeatedly underlined creditor parity, China has demanded that private creditors — who hold the largest share of Sri Lanka’s debt — as well as multilateral lenders “share the burden” of a possible haircut.

Economic challenges

Sri Lanka’s own economic challenges began manifesting starkly from the beginning of last year, in a balance of payments problem, before rapidly escalating into a meltdown that left citizens without essential supplies for months.

DRAFT OF DIGITAL INDIA BILL TO BE RELEASED IN JUNE: MINISTER

Digital reboot

Centre intends to enact a new law in 2023, aimed at comprehensively revamping oversight of Internet usage in India

- Government aims to pass the law by the winter session of Parliament

- Law built as a framework on foundational principles, with the Act to be ‘regulated through rules’

- Regulation of AI to be via prism of user harm with a clear demarcation of ‘no go areas’



Bill may significantly undo safe harbour, the principle protecting social media firms from legal liability for content posted by users; law set to overhaul rules governing Internet usage in India

THE HINDU BUREAU

NEW DELHI

A full-fledged draft of the Digital India Bill, set to be the biggest revamp of laws governing the Internet in India since the Information Technology Act, 2000, and subsequent amendments, will be published in the first week of June, Minister of State for Electronics and Information Technology Rajeev Chandrasekhar said in Mumbai on Tuesday.

“The idea is certainly to have this done in this calendar year,” Mr. Chandrasekhar said, indicating that the government aims to pass the law by the winter session of Parliament. He noted that much of the law will be a ‘framework’ based on foundational principles, following which the Act would be “regulated through rules”.

The minister pointed favourably to OpenAI CEO Sam Altman’s testimony to U.S. Congress, where the executive behind ChatGPT pushed for limits on use of artificial intelligence (AI).

Regulating AI

“Our approach right now in the draft is about regulating [AI] through the prism of user harm,” the minister noted.

“So we will say these are the ‘no go areas’ for these technologies. That is our thinking at the moment,” Mr. Chandrasekhar said. The approach would be to create “guardrails” for high risk AI systems, he added.

JUSTICE THAT ALSO MAKES SPACE FOR ANIMAL WELFARE

Consider this example, from the philosopher Martha Nussbaum’s book, *Justice for Animals: Our Collective Responsibility*. An animal, Susan, goes about her life, doing all the things that an animal of Susan’s sort would. But while pursuing her goals, she runs into various hurdles, a few frivolous, and unimportant to her life, and a few that are more serious — an illness, a storm that wrecks her home, and so forth. So far, it is clear that while Susan has met with problems, she has not suffered injustice. But, say, just as Susan is going about her business, another creature encroaches on her space, stops her from reaching her goals. We might still not have entered the realm of injustice. What, though, if Susan’s home was destroyed deliberately by a creature that ought to have known better? Suppose Susan was kept captive in unsanitary conditions, was not allowed to walk about, and suffered violence at the hands of the other creature. Nussbaum says, if Susan were a human being, it would be apparent to us that she had suffered injustice. Should the fact that she is a non-human animal matter? Should not our conception of justice make space for Susan?

If we were to see the law as a way of achieving justice, one would think that our ideation of constitutional rights will partake a commitment to welfare not just of human beings, but of other animals too. No doubt the text of the Constitution, the rights that it guarantees, are aimed at “persons”. To confer personhood on animals will unquestionably bring with it various vexing quandaries. Should this, though, stop us from seeing the Constitution as a tool for ensuring justice for animals? Is there not enough room available within the abstract guarantees of the Constitution for a more enlightened approach to animal welfare?

The jallikattu case

These were some of the questions that were at stake before the Supreme Court of India in *The Animal Welfare Board of India vs Union of India*, where, among other things, the validity of a Tamil Nadu law permitting the practice of jallikattu was put to challenge. The case offered a signal opportunity



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for the Court to usher India’s animal welfare code onto a fairer path. But, regrettably, the judgment delivered by a five-judge Constitution Bench on Thursday, May 18, 2023, not only falls short on delivering a robust jurisprudence for the future but also represents a retrograde effort at resolving the conflict. The sport of jallikattu involves men competing against each other by holding on to

the humps of agitated bulls that are released into an open arena. The Supreme Court, in 2014, had previously declared the practice illegal. There, in A. Nagaraja, a two-judge Bench held that bulls could never be performing animals, that they were anatomically ill-suited for competition, and were effectively being forced into participating in a practice that caused them unnecessary pain and suffering. Therefore, in the Court's belief, any conduct of jallikattu breached the Prevention of Cruelty to Animals Act, 1960.

To overcome the judgment, the Government of Tamil Nadu, in 2017, introduced a series of amendments to the 1960 Union law. Through these changes, the State ensured that jallikattu was altogether exempted from the protections that the statute offered. The government said the law (which later received the President of India's assent) was made with a view to preserving the State's tradition and culture. A raft of arguments was made in assailing the amendment. First, petitioners claimed that the law had failed to overcome the verdict in A. Nagaraja, where jallikattu had categorically been found unlawful. Second, they argued that the Government of Tamil Nadu lacked the legislative competence to amend the Prevention of Cruelty to Animals Act in a manner that diluted its safeguards. Third, they asserted that animals too must be treated as persons, and to that end, jallikattu must be seen as impinging on the right to life, guaranteed by Article 21 of the Constitution.

A dissatisfactory and contradictory response

The Court's response to these arguments is not only deeply dissatisfactory but is also often contradictory. This is especially true in its approach to claims of personhood. The Court begins by holding that there is no precedent bestowing fundamental rights on animals in India. It would, it says, be an act of judicial adventurism to confer rights on animals that have otherwise been bestowed on human beings. But having said this, the Court then claims that the amending law can still be tested on an anvil of reasonableness that is contained in Article 14 of the Constitution. But that right too, it says, cannot be invoked by any animal as a person, but only "at the instance of a human being or a juridical person who may espouse the cause of animal welfare".

It is difficult to understand the rationale for this distinction. The right to equality guaranteed in Article 14 too, much like Article 21, is conferred only on persons. It reads as follows: "The State shall not deny to any person equality

before the law or the equal protection of the laws." Now, if animals are not persons, as the Court holds, then surely the law cannot at the same time be tested on Article 14, since the right to equality can only be asserted by juristic entities. In any event, as it happens, despite these assertions, the judgment contains no ensuing analysis on whether the Tamil Nadu amendments infringe upon the various requirements of equal treatment.

To be sure, on a reading of the Constitution, the view that animals are not persons and therefore do not enjoy fundamental rights is not implausible. But should such an interpretation mean that a law, which fails to foster animal welfare, or encourages cruelty to animals, be treated as beyond judicial review? Envisage the following: should the Union government repeal the 1960 law, leaving us with no statute governing animal welfare, would the courts hold the repeal to be a fair exercise of power? If fundamental rights are not invoked, our courts might have no option but to hold so.

Make it intrinsic

The answer to the debate lies not necessarily in seeing animals as persons with standing, or in bestowing on them a set of justiciable rights. Instead, what we can do is to see how best to mend our conception of rights to partake basic requirements of animal welfare as intrinsic to our constitutional arrangement. The Supreme Court has routinely engaged in analyses of this kind on previous occasions. For example, it has held that a human being's right to life includes within its ambit a right to live in a healthy environment, and a right to clean air and water. Therefore, it is surely not far-fetched to argue that our own right to lead a meaningful life includes within it a right to live in a society that respects and treats animals with equal concern, to live in a world free of animal cruelty.

When we see things this way, the Prevention of Cruelty to Animals Act, 1960, turns into a legislation that is effectively a means to enlivening our fundamental rights. Deciding on issues of personhood might well be Parliament's prerogative. But our present juridical structure scarcely makes it impossible to treat the advancement of animal welfare as a project worth pursuing. Indeed, we must see it as our collective obligation to extend our commitment to justice not only to human beings but to animals too.

AN UNCLEAN CHIT

Court-appointed panel's report raises fresh questions on SEBI's functioning

Last Wednesday, the Supreme Court granted the Securities and Exchange Board of India (SEBI) more time to complete its investigation into Hindenburg Research's allegations of malfeasance, stock price manipulations and violations of minimum public shareholding requirements in Adani Group firms. Ahead of the Court's original May 2 limit, SEBI had sought at least six more months, citing complexities and the need to unravel layered deals it deemed "suspicious". The market watchdog has now got a three-month reprieve. But the findings of a six-member expert panel, tasked by the Court to review Indian securities market's overall regulatory and investor protection framework in the wake of the dizzying volatility in Adani Group stocks' prices, do not inspire much hope for an expedient closure. On its most vital term of reference — regulatory failure in dealing with the alleged contravention of securities market laws in relation to the Adani Group or other companies — the committee's findings are far from emphatic.

On the question of stock price manipulation, for instance, SEBI told the Justice A.M. Sapre-led panel that 849 automated "alerts" were thrown up by stock exchanges in the 57 months up to December 2022, resulting in four reports. The first of these reports, in September 2020, attracted SEBI's attention to some common foreign portfolio investors (FPIs) holding shares across the Adani

Group. Juxtaposing this with earlier complaints, SEBI commenced a formal probe on potential violation of the 25% public shareholding norms in October 2020. SEBI cited Adani Enterprises' trading data to the panel and said no manipulation was found. But such analyses were still underway for other group stocks, compelling the panel to conclude that "...prima facie", it won't be possible to say there has been a "regulatory failure", even as it stressed that such investigations must be time-bound. Even on the probe into the public share-holding and related party transactions flagged by Hindenburg, the panel's inference is cautiously worded and hints at its own time constraints. "In these circumstances, it would not be possible to return a finding of regulatory failure... There indeed has to be a coherent enforcement policy." The key reason for SEBI drawing a blank in attempts (that began in 2020 and revived after the Hindenburg report) to identify the 42 ultimate beneficiaries behind 13 FPIs with sizeable stakes in Adani Group firms is that the regulator had itself tweaked the FPI norms in 2019 to make this obfuscation possible. Such a self-inflicted 'chicken and egg' situation, with capricious legislation diverging from enforcement, is rare and must trigger a closer look at SEBI's approach to its key mandate of protecting investors.

THE PARADOX OF BRICS, ITS NEW PATHWAY

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Mysterious are the ways in which multilateral groupings prosper and wither away. The Non-Aligned Movement (NAM) and G-77 had their heyday in the Cold War era. Later they lost their relevance, but they still exist. The South Asian Association for Regional Cooperation (SAARC) summits ended in 2014, but the Secretariat somehow keeps itself busy. Despite serious policy divergences on China and Myanmar, the Association of Southeast Asian Nations (ASEAN) continues to function, consuming reams of paper to issue long communiqués.

The case of BRICS is truly remarkable. Despite several achievements, it began to lose its sparkle. COVID-19, the Galwan clash, and the Ukraine conflict

resulted in increased global economic stress, damaged India-China ties, and turned Russia into a diminishing power. The group may have lost its mojo, but numerous nations want to be admitted, thus showing the paradox of BRICS.

The balance sheet

Jim O'Neil's conception of BRIC, a grouping of four emerging economies (Brazil, Russia, India, and China), may not have gone far but it was a popular acronym over two decades ago. However, two of its components joined hands with South Africa to form IBSA (India, Brazil, South Africa) in 2003. China was keen to join it in the century's first decade and managed to enlist South Africa's support. But Brazil and India would not go along, maintaining that

the forum was open to democracies only. Rebuffed, China played a trump card, and decided to bring South Africa into BRIC, thus turning it into BRICS. Soon, the new club overshadowed the old one. IBSA has been unable to hold its summit since 2011. But BRICS has held 14 summits in the past 13 years.

BRICS focused its attention on both geopolitical and economic dimensions. By articulating a common view on key global and regional issues, it projected a non-western view. This strengthened the world's march towards multipolarity, thus helping to curb the dominating influence of the West. On the economic front, it launched new initiatives: the New Development Bank which has committed \$32.8 billion in 96 projects; the Contingent Reserve Arrangement (CRA), a financial mechanism to protect against global liquidity pressures; and a comprehensive programme to expand trade and investment cooperation among the five-member countries. However, negative tendencies soon asserted themselves. If the IBSA trio within the BRICS expected that China and Russia would fully back their bid to secure membership of the UN Security Council, they were disappointed. A formulation, frozen in time, patronisingly supporting 'the aspiration' of Brazil, India and South Africa to play a greater role in the UN, figures in every BRICS communiqué, showing the grouping's utter diplomatic bankruptcy.

The century's second decade was also the era of China's dramatic economic rise and, more importantly, military assertiveness. This disturbed the group's inner balance. The post-Ukraine consolidation of Russia-China cooperation, economic malaise in South Africa that accelerates dependence on China, and Brazil's long fling with rightist policies followed by the return of a tired Lula da Silva as the President, have generated new tensions. Beijing's push for a common currency for intra-BRICS trade is also symptomatic of the group's inner troubles.

An admission rush

Yet, 19 countries now stand in line, eager to join BRICS. The regional breakup is as follows: Latin America (four) – Argentina, Nicaragua, Mexico and

Uruguay; Africa (five) – Nigeria, Algeria, Egypt, Senegal and Morocco; and Asia (10) – Saudi Arabia, the United Arab Emirates (UAE), Türkiye, Syria, Iran, Afghanistan, Indonesia, Thailand, Kazakhstan and Bangladesh.

Several explanations may be offered. First, China is pushing the expansion as a strategic device to extend its global influence. Second, the demand to join BRICS stems from FOMO or 'fear of missing out' on the membership of a club that has some visibility. Third, many realize that the doors of other groupings are closed to them. Finally, the clamour reflects prevailing anti-western sentiments and a pervasive desire to create a sizeable forum of the Global South.

The next BRICS summit will be hosted by South Africa on August 23-24. It could take decisions on expansion and its criteria. Preparatory meetings of the Foreign Ministers and the National Security Advisers are certain to deliberate on this subject. Three options are available: a mega expansion that raises the membership from five to 21, thus surpassing the G-20; limited admission of 10 new members, two each supported by an existing member; and admission of only five new members, one each supported by an existing member, with none of the other four using their veto. India favours expansion if it is based on agreed criteria and moves gradually. Should the third option win consensus, Argentina, Egypt, Indonesia, UAE and Bangladesh are the most likely states to make the cut.

Will the BRICS leaders meet physically? Fairly unlikely. Because of its legal obligations relating to the ICC, South Africa as the host may be compelled to arrest an honoured guest — the President of Russia. Therefore, chances are that a digital summit will take place. When the leaders talk, they should reflect on strengthening BRICS and redressing the internal imbalance. They should also know that once new members are admitted, they will certainly seek to change the group's name. Perhaps then the grouping's future will be better than its past.

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