

VEDHIK
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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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Vying for influence over Kabul

The Arab Gulf is poised to become an important player once again in a Taliban-ruled Afghanistan



KABIR TANEJA

On December 19, Pakistan hosted a special session of the Organisation of Islamic Cooperation (OIC) to address the crisis in Afghanistan. The Taliban, which took over Kabul in August after a 20-year-long war with the U.S., also attended. Saudi Arabia added weight to Pakistan's call for the meeting. The humanitarian crisis in Afghanistan is peaking with no basic amenities available for its population and a harsh winter ahead. While Pakistan hosted the OIC, India played host to foreign ministers of Central Asian states where Afghanistan topped the agenda as well. All the attending countries – Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan, and Kyrgyzstan – also OIC members, chose to prioritise deliberations with New Delhi. Within the OIC, there have been other fissures at play too, specifically among the Gulf states, that are now spilling over on the issue of Afghanistan and determining influence over the country's new regime led by the Taliban.

Qatar's growing clout

The centrality of Saudi Arabia's presence during the OIC session comes after Riyadh maintained a certain distance over the developments involving the U.S., the Taliban and the erstwhile Afghan government of President Ashraf Ghani. Saudi Arabia, the UAE, and Pakistan were the only three countries that had officially recognised the previous Taliban government in 1996, until its fall in 2001. However, that was a different era, and 20 years is a long time in geopolitics. Fast forward to the 2010s, and it was the small but rich state of Qatar which became the mediating force on Afghanistan. Doha hosted the official Taliban political office from 2013 to allow negotiations with the U.S. In the early 2010s, Saudi funding found its way into Afghanistan, as Salafist and Wahhabi ecosystems attempted to anchor themselves, although, many argue, unsuccessfully.

Qatar's new role on Afghanistan gave it significant diplomatic and political visibility the world over. India's first point of official public diplomatic contact with the Taliban took place in Doha when Ambassador Deepak Mittal met Sher Mohammed Abbas Stanikzai, head of Taliban's political office, there in August 2021. However, this was not the only geopolitical flashpoint Doha was getting deeply involved in. In West Asia, Qa-

tar's growing clout and ambition alike was causing unease in the traditional power centres in Abu Dhabi and Riyadh, specifically on issues such as the Qatari leadership's support for political Islam and organisations such as the Muslim Brotherhood.

Fundamental changes

In 2017, these fissures broke the levee within the Gulf Cooperation Council, as the UAE and Saudi Arabia initiated an economic blockade against Doha in the hope of reining the Kingdom in and disallowing it from pursuing its geopolitical designs that were challenging the long-held power status quos. This four-year long impasse ended in 2021.

However, these four years created fundamental changes within the larger Arab Gulf construct. Qatar mitigated risk and moved closer towards Turkey and Iran. In 2017, Turkey moved troops to Qatar, to make sure that the monarchy of the Al Thani family survives any attempt against it, before protecting the state itself. Today, both Qatar and Turkey are bidding to operate a landlocked Afghanistan's airports under the Taliban regime.

For the Gulf specifically, Qatar's punching-above-its-weight approach in geopolitics was also making it more powerful and influential with Washington D.C. To mitigate this, the Saudis played a central role during the recent OIC special session. They repaired their broken relationship with Pakistan, where Riyadh had repeatedly cold-shouldered the government of Prime Minister Imran Khan. During this period as well, Doha played its cards, and in 2019, at the height of Islamabad-Riyadh tensions, offered an economically ailing Pakistan a \$3 billion bailout. However, Pakistan's dubious 'kingmaker' status in Afghanistan and influence over the Taliban has now made Rawalpindi's agency on the issue inexorable. This is highlighted by the UAE's recent decision to allow former Afghan government officials find sanctuary in the country, but reportedly curb their participation in political activities, including on social media.

The Arab Gulf is poised to become an important player once again in an Afghanistan under the shadow of the Taliban. In 2015, Narendra Modi became the first Indian Prime Minister to visit the UAE in 34 years. Abu Dhabi is expected to be his first foreign visit in January 2022. Over the past decade, India has recognised the importance of middle powers in the Arab Gulf to a fast-evolving global order, from fighting against terrorism to newer diplomacy challenges such as Afghanistan.

Kabir Taneja is Fellow, Strategic Studies Programme, Observer Research Foundation

‘Indianising’ the legal system and SC’s views

Judgments show conscious effort at getting rid of the ‘crutches’ of colonial influence

KRISHNADAS RAJAGOPAL
NEW DELHI

At least two Supreme Court judges have in the past few months openly expressed the need to “Indianise” the legal system.

In September, Chief Justice of India N.V. Ramana called for the “Indianisation” of the legal system to provide greater access to justice to the poor as the “need of the hour”. “When I say ‘Indianisation’, I mean the need to adapt to the practical realities of our society and localise our justice delivery systems... For example, parties from a rural place fighting a family dispute are usually made to feel out of place in the court,” the CJI clarified.

On December 26, Justice S. Abdul Nazeer went a step further to underscore the need to embrace the “great legal traditions as per Manu, Kautilya, Katyayana, Brihaspati, Narada, Parashara, Yajnavalkya and other legal giants of ancient India”.

Justice Nazeer, speaking on the “Decolonisation of the Indian legal system” at the National Council meeting of the Akhil Bharatiya Adhivakta Parishad in Hyderabad, wondered what the



“future model of our legal system ought to be”. He concluded that “there can be no doubt that this colonial legal system is not suitable for the Indian population. The need of the hour is the Indianisation of the legal system... to decolonise the Indian legal system”.

“Great lawyers and judges are not born but are made by proper education and great legal traditions as were Manu, Kautilya, Katyayana, Brihaspati, Narada, Parashara, Yajnavalkya and other legal giants of ancient India... continued neglect of their great knowledge and adherence to alien colonial legal system is detrimental to the goals of our Constitution and against our national interests,” Justice Nazeer said.

However, Supreme Court judgments themselves show that the Indian legal system had made an early start at

consciously getting rid of the “crutches” of colonial influence. The evolution of laws in India has been through legislation and the binding precedents of the Supreme Court under Article 141 of the Constitution. The public interest litigation mechanism is truly Indian.

“We cannot allow our judicial thinking to be constricted by reference to the law as it prevails in England or for the matter of that in any other foreign country. We no longer need the crutches of a foreign legal order. We are certainly prepared to receive light from whatever source it comes from, but we have to build up our own jurisprudence,” the Supreme Court, speaking through then Chief Justice of India P.N. Bhagwati, had said with confidence in the *M.C. Mehta* case way back in 1986.

Manu, Kautilya

Again, the highest judiciary has far from indulged in a “continued neglect” of the legal greats of ancient India. Several judgments since the 1980s refer to the works of Manu and Kautilya.

In the privacy judgment, Justice S.A. Bobde (retired), referred to how “even in the

ancient and religious texts of India, a well-developed sense of privacy is evident”. He mentions that Kautilya’s “*Arthashastra* prohibits entry into another’s house, without the owner’s consent”. But the court has also differed from the views of these ancient texts.

In its *Joseph Shine* judgment decriminalising adultery, the court refers to how “the *Manusmriti*, Chapters 4.1346 and 8.3527 prescribes punishment for those who are addicted to intercourse with wives of other men by punishments which cause terror, followed by banishment”.

In the *Sabarimala* case, the court points to the *Manusmriti* to observe that in these “ancient religious texts and customs, menstruating women have been considered as polluting the surroundings”. It went on to hold that “practices which legitimise menstrual taboos, due to notions of ‘purity and pollution’, limit the ability of menstruating women to attain the freedom of movement, the right to education and the right of entry to places of worship and, eventually, their access to the public sphere”.

Put out the data, boost the dose of transparency

The Government must make COVID-19 data including that for vaccine regulatory approvals and policy available



CHANDRAKANT LAHARIYA

On December 25, the Prime Minister of India announced two key decisions. First, all children in the 15-17 age bracket will be eligible to receive COVID-19 vaccines from January 3, 2022. Second, all health-care workers, frontline workers and the people aged 60 years and above (with co-morbidities and on the advice of a medical doctor) can get a third shot, or 'precaution dose'. The policy decision was followed by a note that was released on December 27, outlining operational details. The eligibility for the precaution dose will be on the completion of nine months or 39 weeks after the second dose. The note did not mention which vaccine would be administered as the precaution dose. Teenage children whose birth year is 2007 or before will be eligible for COVID-19 vaccines. Children will receive Covaxin, the reason being (according to the note) it is the only emergency use listed (EUL) World Health Organization vaccine available for use in this age group in India.

Opinion or evidence

The decision is said to be based on 'advice of the scientific community'. However, it was not clear whether that advice was based on opinion or 'the scientific evidence'. If media reports are to be believed, in the fourth week of December, the COVID-19 vaccine subgroup of the National Technical Advisory Group on Immunisation (NTAGI) in India, which was supposed to review the data on the scientific evidence on the booster shot and vaccination of children, had postponed the meeting for a later date. A few members of NTAGI have written or spoken publicly about not having enough scientific evidence to administer booster doses and vaccinate children in India. The term 'precaution dose' is

being considered as tacit acknowledgement of insufficient evidence. What else explains not calling it a 'booster dose'?

These two decisions make nearly 7.5 crore children eligible for the primary vaccination and three crore health-care and frontline workers and 10 crore of the elderly suitable for the precaution shot. The individuals will become eligible for the precaution dose on the rolling basis, and on day one of the roll-out (January 10, 2022) approximately one crore health-care and frontline workers and 14 lakh of the 60-plus population will be eligible. Thereafter, every subsequent day, approximately 3,00,000 to 4,00,000 individuals will be added for the precaution dose.

Vaccinating children

Successive national and State-level sero-surveys have reported that a majority of children in India had got natural infection, while staying at home and thus developed antibodies. The studies have shown that children rarely develop moderate to severe COVID-19 disease. The emergence of the Omicron variant of COVID-19 has not altered the risk in children. It is in this backdrop that the benefits of vaccinating children are limited, and they are considered lower in the order of priority for COVID-19 vaccination.

Most public health and vaccine experts favour a 'targeted vaccination approach' by prioritising high-risk children for COVID-19 vaccination. However, such an approach is likely to face an operational challenge in the identification of the eligible children. The alternative is 'vaccinating all children in a small age-subgroup' with the advantage of administrative simplicity. The Government has opted for the second approach.

As per a note released on December 27, persons aged 60 years and above with comorbidities, on doctor's advice, will be provided with the precaution dose. This makes vaccination a two-step process: first seeking consultation and then getting vaccinated. This additional step could prove an access barrier and people may defer the



vaccination decision. For COVID-19, all the elderly are at higher risk. Therefore, it does not make practical sense in picking specific health conditions for precaution dose.

There is another key concern. A majority of the elderly have one or other comorbidities. Of the 14 crore elderly population in India, an estimated 7 to 10 crore people could have co-morbidities. If they have to seek advice from a physician, in order to get vaccinated, this essentially means that there would be up to 10 crore of medical consultations, which would come at a cost – indirect (travel time and opportunity cost for individuals) and an avoidable burden on the health-care system) and direct cost (if attended in the private sector), all of which is avoidable.

Making it work

Now that a policy decision has been made, there need to be a few considerations taken into account in order to make its implementation effective. First, the conditionality of comorbidities and the need for advice/prescription by a doctor for 'the precaution shot' in the elderly should be done away with. If the conditionality of comorbidity needs to be retained due to any scientific evidence – which the Government has used in decision making – then it should be a self-declaration only, without the need for a doctor's advice.

Second, there is scientific evidence and consensus on administering the third dose for immunocompromised adults. The Indian government should urgently consider administering a third dose for all immunocompromised adults, irrespective of age.

Third, studies have found that a

heterologous prime-boost approach – third shot on a different vaccine platform – is a better approach. Among all the options, while mRNA-based vaccines have the best boosting effect, the drawback is that they are not available in India. However, Covovax (as Novovax's recombinant protein nanoparticle-based vaccine is called in India) has received EUL from the World Health Organization and is being produced in India. Another protein-based vaccine, Corbevax, is being developed by Biological E Ltd. in India. The manufacturer of Corbevax has submitted trial data on a rolling basis to the Central Drugs Standard Control Organisation (CDSCO) in India. The Indian government has already made an 'advance purchase agreement' with the manufacturer for Corbevax. On December 28, Covovax and Corbevax were approved in India for restricted use in an emergency situation (<https://bit.ly/3Hhb055>). A recent study in *The Lancet* has reported that the use of a protein-based vaccine as third dose, would have a better boosting effect than the third shot of the same vaccine on viral-vectored or inactivated vaccine platforms. With approval for emergency use of two additional vaccines, India should consider administering an approved protein-based vaccine as the precaution dose.

Fourth, various pending policy questions on COVID-19 vaccine need to be identified urgently. The technical expert should be given complete access to COVID-19 data for analysis and to find answers to those scientific and policy questions. Additional studies with primary data collection should be urgently commissioned for those policy issues which can not be answered by existing data. This is the only way to ensure that future COVID-19 vaccination decisions are based upon scientific evidence and not just the 'assumptions', 'opinion' or 'advice'.

Fifth, vaccination for teenage children, exclusively with Covaxin (which means 15 crore doses for this sub-group) has other implications. Covaxin will also be needed

for people coming for their first shot, returning for their second shot, and then for their 'precaution dose' if a third shot of the same vaccine is allowed. This should be an urgent reminder for a review of vaccine supply and better vaccine stock management.

Finally, the precaution dose and vaccination for children should not divert attention from the task of primary vaccination, which continues to be an unfinished task in India; 46 crore doses are still needed for the first and second shots.

Data for decision making

It was not that the booster dose or vaccination of children might have never been required. The discourse before the policy announcement on December 25 was more nuanced, was about the right time (when to start), the right interval (between second dose and the booster) and selecting the right vaccine (with proven benefit as booster). This was getting delayed partly due to the unavailability of COVID-19 related data to synthesise evidence and arrive at an informed decision.

It is time the Union and State governments in India make COVID-19 data – this includes clinical outcomes, testing, genomic sequencing as well as vaccination – available in the public domain. This would help in formulating and updating COVID-19 policy and strategies and also assess the impact of 'precaution dose' as well as vaccination of children.

It is also time that once technical and regulatory decisions are made, the relevant scientific evidences should be made available in the public domain. The Indian government urgently needs to make COVID-19 data available, including the one used for regulatory approvals of vaccines and for vaccine policy decisions. This will bring transparency in decision making and increase the trust of the citizen in the process.

Dr. Chandrakant Lahariya, a physician-epidemiologist, is a public policy and health systems specialist based in New Delhi

'Omicron can disrupt health systems'

As WHO issues warning, Europe and China impose measures to check spread of COVID-19 variant

AGENCE FRANCE-PRESSE
BERLIN

The WHO warned on Tuesday that the Omicron coronavirus variant could lead to overwhelmed healthcare systems even though early studies suggest it leads to milder disease, as China and Germany brought back tough restrictions to stamp out new infection surges.

China put hundreds of thousands more people under lockdown, while infections hit new highs in multiple U.S. states and European countries.

COVID-19 surges have wreaked havoc around the world, with many nations trying to strike a balance between economically punishing restrictions and controlling the spread of the virus.

The United States has halved the isolation period for asymptomatic cases to try and blunt the disruption, while France has ordered



Static street: Closed bars and restaurants are reflected in a puddle in Frankfurt, Germany on Monday. ■ AP

firms to have employees work from home at least three days a week.

Contact restrictions were in place in Germany for the second year in a row heading into the New Year, as Europe's biggest economy shuttered nightclubs and forced sports competitions behind

closed doors due to COVID.

Despite facing a much smaller outbreak compared with global virus hotspots, China has not relaxed its "zero COVID" strategy, imposing stay-at-home orders in many parts of the city of Yan'an.

The hundreds of thou-

sands of affected residents there joined the 13 million people in the city of Xi'an, who entered a sixth day of home confinement as China battled its highest daily case numbers in 21 months.

Highly transmissible

The surges in many countries have been propelled by the highly transmissible Omicron variant.

The WHO warned against complacency even though preliminary findings suggest that Omicron could lead to milder disease.

"A rapid growth of Omicron... even if combined with a slightly milder disease, will still result in large numbers of hospitalisations, and cause widespread disruption to health systems and other critical services," warned WHO Europe's Covid Incident Manager Catherine Smallwood.

To hold back the tide, Eu-

ropean nations brought back curbs with painful economic and social consequences.

Sweden and Finland required negative tests for incoming non-resident travellers from Tuesday.

In Germany, private gatherings are now limited to 10 vaccinated people and nightclubs have been closed.

But not all accepted the measures.

Thousands of protesters went on the march across Germany late on Monday against the curbs, with some hurling fireworks or bottles at police and leaving at least 12 officers injured.

President Joe Biden said on Monday that some U.S. hospitals could be "overrun" but that the country was generally well prepared. He stressed that Omicron would not have the same impact as the initial COVID outbreak or the Delta variant surge this year.

'Expect inflation-indexed annuities soon'

Talking to IRDAI for options with returns linked to pace of price rise: PFRDA chief

VIKAS DHOOT
NEW DELHI

Savers concerned about the deleterious impact of inflation on their fixed retirement income may soon be able to buy indexed annuity products with returns linked to the pace of price rise, the Pension Fund Regulatory and Development Authority (PFRDA) chief signalled on Tuesday.

The pension regulator, which oversees the National Pension System (NPS) with retirement savings of ₹6.76 lakh crore, is working with the Insurance Regulatory Development Authority of India (IRDAI) to provide such an option to its more than 4.7 crore members that in-



clude government and private sector employees as well as self-employed and informal sector workers.

"For a lot of people, once the annuity income starts, it remains constant over their lifetime," said PFRDA chairman Supratim Bandopadhyay. "While there is one product that offers a simple

3% annual increase in annuity income, it will not take care of the inflation risk," he added. "We have been talking to the insurance regulator... and annuity providers, whether they can think of such a variable annuity which gives some cushion against the rise of inflation," he said in response to a query on inflation reducing the value of annuity incomes mandated under the NPS.

'Panel submitted report'

"They have had some working committee on the issue and a report has also been submitted. We are in discussions with the IRDAI to make sure that such products can be launched as soon as possi-

ble," he said at a webinar hosted by Assocham on NPS benefits for corporates.

Mr. Bandopadhyay has been flagging the poor returns offered in annuity products where NPS members are required to put 40% of their retirement corpus in return for a monthly income till their demise.

"Suppose somebody reached ₹2.1 lakh at retirement, he will get an annuity of ₹84,000 which today will give an income of ₹400 or ₹450 a month, which is a pittance... Since annuities are taxable, deducting tax and factoring in inflation means annuities are yielding negative returns," he had pointed out earlier this year.

GDP to grow 9% in FY22 and FY23: ICRA

'Net loss to economy from pandemic estimated at ₹39.3 trillion during 2021-23'

SPECIAL CORRESPONDENT
MUMBAI

The Indian economy is expected to maintain real GDP growth of 9% both in FY22 and in FY23, amid the uncertainty triggered by the Omicron variant of the Covid-19-causing virus, ICRA said in a report.

It said that available data for the third quarter of the current fiscal did not offer convincing evidence that the Reserve Bank Monetary Policy Committee's criteria of durable and sustainable growth recovery had been met, to confirm a change in the policy stance to 'neutral' when the panel meets next in February 2022.

"The data for October-November 2021 does not point to a broad-basing of the growth recovery in India," said Aditi Nayar, chief economist, ICRA Ltd. "After the



Unequal gains: There is a clear K-shaped divergence seen in economic recovery, says ICRA's Nayar. ■ K. BHAGYA PRAKASH

higher-than-expected net cash outgo sought under the second supplementary demand for grants, the pace of actual government spending is likely to determine whether the pace of GDP growth meaningfully exceeds 6.0-6.5% in Q3 FY22," she added.

Similar to the trend seen in the second quarter, volumes for seven of the 13

high-frequency indicators rose above their pre-Covid levels in October-November 2021. However, volumes for the remaining six contracted in the period relative to October-November 2019, suggesting that the recovery was yet to be broad-based, she added.

Fresh restrictions being introduced by several States

to curb the spread of COVID-19 may temporarily interrupt economic recovery, especially in the contact-intensive sectors in the fourth quarter ending March 31, Ms. Nayar said.

There is a 'clear K-shaped divergence amongst the formal and informal parts of the economy' with the large gaining at the cost of the small, she added.

"The expansion in FY23 is expected to be more meaningful and tangible than the base effect-led rise in FY22. Based on our assumptions of GDP growth if the COVID-19 pandemic had not emerged vs. the actual shrinkage that occurred in FY21 and the expected recovery in the next two years, the net loss to the Indian economy from the pandemic during FY2021-23 is estimated at ₹39.3 trillion, in real terms," she added.

SEBI tweaks share sale norms for IPOs

'Rating agencies to track use of funds'

SPECIAL CORRESPONDENT
MUMBAI

The Securities & Exchange Board of India (SEBI) on Tuesday approved amendments to a slew of regulations to tighten the Initial Public Offering (IPO) process and norms governing utilisation of IPO proceeds by promoters.

In its board meeting, SEBI approved conditions for sale of shares by significant shareholders in the Offer-For-Sale (OFS) process via an IPO and has extended the lock-in period for anchor investors to 90 days.

Shares offered for sale by shareholders with more than 20% of pre-issue shareholding of the issuer, should not exceed 50% of their holding. If they hold less than 20%, then the offer for sale should not exceed 10% of their holding of the issue.

SEBI said the existing lock-in of 30 days for anchor investors would continue for 50% of the portion allocated to such investors. For the remaining portion, lock-in of 90 days from the date of allotment will be applicable for all issues opening on or after April 1, 2022.

These changes are as per proposals recommended by SEBI's Primary Market Advisory Committee.

The regulator also approved a cap on IPO proceeds earmarked for acquisitions of unspecified targets and from now, funds reserved for general corporate purposes will be monitored by credit rating agencies.

If the issuer company sets out an object for future inorganic growth but has not identified any acquisition target in its offer documents, the amount for such objects and the amount for general corporate purpose shall not exceed 35% of the



total amount being raised, SEBI said. The limit will not apply if the acquisition object has been identified and disclosures are made in the offer documents.

The regulations come amid several new-age technology firms lining up with IPO applications, several intending to allow an exit to private equity investors through the OFS route.

Credit rating agencies registered with the SEBI will be permitted to act as monitoring agencies instead of scheduled commercial banks and public financial institutions, SEBI said.

"Such monitoring shall continue till 100% instead of 95% utilisation of issue proceeds as at present," it said.

Winding up MF schemes

Winding up of mutual fund schemes would now be possible only after the consent of majority unitholders.

"Trustees will have to obtain consent of the unitholders by simple majority of the unitholders present and voting on the basis of one vote per unit held and publish the results of voting within 45 days of the publication of notice of circumstances leading to winding up," it said.

If trustees fail to obtain consent, the scheme should be open for business from the second business day after publication of results of voting, it added.

Govt. to accept textile PLI applications from Jan. 1

₹10,683-cr. plan was unveiled in Sept.

SPECIAL CORRESPONDENT
COIMBATORE

The Ministry of Textiles will accept applications from January 1 for the Production Linked Scheme for Textiles announced in September this year.

Announcing the finalised operational guidelines for the scheme on Tuesday, the Ministry said applications will be accepted on <https://pli.texmin.gov.in/mainapp/Default> till the end of January.

According to an official press statement, the government approved the PLI Scheme for Textiles with an outlay of ₹10,683 crore over a five-year period to promote production of man-made fibre apparel, man-made fibre fabrics, and technical textile products.



Textiles Secretary Upen-dra Prasad Singh told *The Hindu* the window to accept applications will open on January 1. The scheme is operational from September 24, 2021 (date of notification) to March 31, 2030.

The first performance year is 2024-2025 and the units have 2022-2024 to invest and start operations.

The detailed guidelines are available on the Ministry's website.

RBI flags banks' capital buffer needs

'Credit growth is muted, indicative of pandemic scarring; asset quality may get dented going forward'

SPECIAL CORRESPONDENT
MUMBAI

Scheduled commercial banks would need a higher capital cushion to deal with challenges on account of the ongoing stress experienced by borrowers as well as to meet the economy's potential credit requirements, the Reserve Bank of India (RBI) said in its Report on Trend and Progress of Banking in India 2020-21.

"Concerted strategies for timely capital infusion need to be carried forward by the banks," it said in the report released on Tuesday.

However, it said based on the capital position as on September 30, all Public Sector Banks (PSBs) and Private Sector Banks (PVBs) maintained the capital conservation buffer well over 2.5%.

Emphasising that in India, most pandemic measures had a well-specified sunset clause – some having run



Bumpy road: As support measures unwind, some restructured accounts may require higher provisions. ■ NAGARA GOPAL

their course during the year – it said the impact of these measures on banks' financial health was not immediately clear and could be fully gauged only after a period.

It said as a fallout of the pandemic and the slowdown in economic activity, the credit growth of scheduled commercial banks (SCBs) re-

mained subdued in FY21 but that non-banking financial companies (NBFCs) had stepped up to fill this space.

"In [the first half of FY22], although credit growth of SCBs has shown some uptick, concerns have emerged about NBFCs' asset quality," it added. The RBI said in the wake of pandemic-related

lockdowns in FY21, supply chains had frozen, and demand had declined, with economic agents conserving cash with a precautionary motive. This had resulted in a sharp dip in credit growth even as deposits increased.

'Bank stocks hit'

"The fall in yields provided a silver lining, as banks booked profits on their trading accounts. Banking stocks were affected particularly adversely as markets priced in future asset quality deterioration, affecting shareholders' wealth and confidence," it said.

Data for FY22 so far showed banks' gross as well as net non-performing assets had moderated while provision coverage ratios, capital buffers as well as profitability indicators had improved relative to pre-pandemic levels, the RBI said. "A closer look at granular data, howev-

er, reveals a more nuanced picture. Credit growth is muted, indicative of pandemic scarring on aggregate demand as also risk aversion of banks. Banks' asset quality may get dented, going forward," it said.

"Most of the regulatory accommodations announced by the Reserve Bank, including deferment of implementation of net stable funding ratio, restrictions on dividend payouts by banks, deferment of implementation of the last tranche of capital conservation buffer have already expired," it said.

Stating that it had announced Resolution Frameworks 1.0 and 2.0 to provide relief to borrowers and lending institutions, it said as support measures start unwinding, some of the restructured accounts might require higher provisioning by banks over the coming months.

Trade defence

A reflexive resort to the anti-dumping duty risks skewing market dynamics

The Central Board of Indirect Taxes and Customs (CBIC) recently notified the imposition of anti-dumping duty on five products manufactured in China in order to safeguard domestic producers from lower-priced imports that the Directorate General of Trade Remedies (DGTR) had found as being 'dumped' in the Indian market. The items range from specific flat-rolled aluminium products for solar modules, and silicone sealants used in the manufacture of solar photovoltaic modules to some chemicals, including a component of the refrigerant hydrofluorocarbon. In almost all the five products, the Commerce Ministry agency initiated its anti-dumping investigations in September 2020 and reached its final findings about 12 months later. CBIC's imposition of the anti-dumping levy for five years on these Chinese products is based on the DGTR's findings that their import constituted 'dumping', which was causing injury to local producers, and an ensuing recommendation that a protective duty was warranted. A remedy sanctioned by the WTO to protect a member country's domestic industry from imports that have been priced at levels below those prevailing in the exporting nation's home market, the anti-dumping duty has become one of India's most widely used trade weapons, especially against a flood of cheaper Chinese imports. As of February 2020, India had imposed anti-dumping measures on 90 Chinese products, with another 24 China-specific anti-dumping investigations in progress at the time, according to a reply made in Parliament by Commerce Minister Piyush Goyal.

The use of the specific trade remedy, howsoever warranted, does, however, raise questions. A reflexive resort to the anti-dumping duty, especially if the domestic applicant is a significantly large and relatively resilient manufacturer of the product, risks skewing the market dynamics in the Indian company's favour, with both downstream industries, in the case of intermediate goods, and consumers likely to face the consequences of reduced competition on final prices. Also, efforts to narrow the sizeable trade deficit with China by targeted recourse to the levy have made little headway in addressing the widening gap as imports have continued to largely outpace India's exports. The effectiveness of the measure in providing timely relief to smaller domestic manufacturers facing an existential crisis on account of suspected dumping has also been undermined in the past by a less than 'swift' process with the DGTR hamstrung by a personnel crunch. With companies worldwide now seeking to de-risk their businesses from an excessive reliance on China in the wake of the COVID-19 pandemic, the prospect of more capacity in that country turning surplus and being used to produce goods for dumping overseas increases. Indian policymakers have their task cut out to bolster trade defences in time.

Biological E to ramp up Corbevax output

Aims 100 mn doses a month from Feb.

SPECIAL CORRESPONDENT
HYDERABAD

Close on the heels of getting emergency use authorisation for its COVID-19 vaccine, Corbevax, from the Drugs Controller General of India, Biological E has announced plans to ramp up production. The vaccine maker said it plans to complete production of the vaccine at a rate of 75 million doses a month and anticipates to touch more than 100 million doses per month from February.

"These capacities will enable delivery of 300 million doses as promised to the Government of India," the Hyderabad-based company said in a release on Tuesday. It, however, did not specify from when the vaccine would become part of the national vaccination programme nor the price of a dose.

Biological E said there are also plans to soon deliver more than one billion additional doses globally of the

vaccine, it said. India's first indigenously developed protein sub-unit COVID-19 vaccine, Corbevax, is a "recombinant protein sub-unit" vaccine developed from a component of the spike protein on the virus's surface, which helps the body build the immune response against the virus.

Mahima Datla, managing director of Biological E, said, "Over the years, we have worked to make quality vaccines and pharmaceutical products accessible to families around the world. With this as our backdrop, we resolved to develop an affordable and effective COVID-19 vaccine." The vaccine will be effective both in scale and affordability, providing sustainable access to low-and middle-income countries, she said.

The firm said it had completed two Phase 3 clinical trials involving more than 3,000 subjects in the 18-80 age group at 33 study sites across India.

Chinese space station has close shave with Elon Musk's satellites

Beijing complains to UN over 'irresponsible' conduct

AGENCE FRANCE PRESSE
BEIJING

Beijing on Tuesday accused the U.S. of irresponsible and unsafe conduct in space over two "close encounters" between the Chinese space station and satellites operated by Elon Musk's SpaceX.

Tiangong, China's new space station, had to manoeuvre to avoid colliding with one Starlink satellite in July and with another in October, according to a note submitted by Beijing to the UN space agency.

The note said the incidents "constituted dangers to the life or health of astro-



Shenzhou-8 spacecraft docked with the orbiting Tiangong-1 space station.

nauts aboard the China Space Station".

Starlink, a division of SpaceX, operates a constellation

of close to 2,000 satellites. SpaceX is a private American company, independent of the U.S. military and civilian space agency NASA.

But China said in its note to the UN that members of the Outer Space Treaty – the foundation of international space law – are also responsible for actions by their non-government entities.

Evasive manoeuvres to reduce the risk of collisions in space are becoming more frequent as more objects enter Earth's orbit, said Jonathan McDowell of the Harvard-Smithsonian Center for Astrophysics.

Two more vaccines and a drug join India's fight against COVID

Corbevax, Covovax shots and Molnupiravir get emergency use authorisation

JACOB KOSHY
NEW DELHI

India has approved two more COVID-19 vaccines and the antiviral drug Molnupiravir under emergency use authorisation, Union Health Minister Mansukh Mandavija tweeted on Tuesday. Currently, India uses Covishield, Covaxin and Sputnik V for vaccination.

Corbevax, to be made by Hyderabad-based Biological E, is a protein subunit vaccine, and Covovax, to be manufactured by the Serum Institute of India, Pune, is a nanoparticle-based vaccine.

Corbevax has been co-developed by Biological E, the Baylor College of Medicine in Houston, U.S., and the U.S. company Dynavax Technologies.

Covovax is produced by the Serum Institute of India under licence from Novavax, a U.S.-based biotechnology company. The vaccine has been approved by the World Health Organization (WHO) under its Emergency Use Listing and, therefore, will be available globally as part of the COVAX initiative to ensure that at least 40% of world is vaccinated on priority.

Molnupiravir, which was approved this month by the U.S. Food and Drugs Administration (USFDA), close on



Battle ready: A vaccination drive under way at a market in New Delhi on Tuesday. ■PTI

the heels of Paxlovid by Pfizer Inc, is said to be a promising drug for those with mild and moderate disease and also easily administered as a pill.

Thirteen companies in India are set to manufacture it. It has been approved under emergency use authorisation for treating adults with COVID-19 “who have high risk of progression to disease”.

USFDA urges caution

The USFDA, in a recent statement, said that because molnupiravir worked by introducing genetic errors into the virus, it ought to be prescribed with caution and was not recommended as a preventive and only in “certain adults” for whom alter-

native COVID-19 treatment options authorised by the FDA were not accessible or clinically appropriate. Paxlovid is yet to be approved in India.

Cipla, one of the licensees, said in a statement that it planned to launch Molnupiravir under the brand name Cipmolnu.

There were no details available on when these vaccines would be included in India's vaccination programme. There are no studies so far to show how effective the new vaccines will be in giving protection against symptomatic infection when employed as a third dose.

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GI tag sought for Apatani textile product

SANGEETHA KANDAVEL
CHENNAI

An application seeking Geographical Indication (GI) tag for the Arunachal Pradesh Apatani textile product has been filed by a firm, Zeet Zeero Producer Company Ltd. The Apatani weave comes from the Apatani tribe living at Ziro, the headquarters of Lower Subansiri district. The woven fabric of this tribe is known for its geometric and zigzag patterns and for its angular designs.

According to the application filed with the Geographical Indications registry in Chennai, the Apatani community weaves its own textiles for various occasions, including rituals and cultural festivals. The tribe predominantly weaves shawls known as *jig-jiro*, and *jilan* or jackets called *supuntarii*. The people use leaves and plant resources for organic dyeing of the cotton yarns in their traditional ways. And only women folk are engaged in weaving.

‘Audit irregularities’ led to FCRA denial, says official

Missionaries of Charity has not requested a review

VIJAITA SINGH
NEW DELHI

The Foreigners Contribution (Regulation) Act (FCRA) registration of Missionaries of Charity (MoC), a Catholic religious congregation set up by Nobel laureate Mother Teresa in 1950, was not renewed because of “audit irregularities”, a senior government official said on Tuesday.

The comment comes a day after the Union Home Ministry said it refused to renew the registration as “some adverse inputs were noticed”. In a statement on Monday, the Ministry said the decision was taken on December 25 as the congregation did not meet the eligibility conditions. It has not requested a review of the refusal.

FCRA registration is mandatory for any NGO or association to receive foreign funds or donations. The Home Ministry is the controlling authority of the FCRA and it conducts inspections and audits of NGOs to establish if their books are in order.

The latest annual financial returns filed by the congregation on December 13, running into 76 pages, had details of donations and expenditures.



Service is on: A nun from the Missionaries of Charity handing over food at its headquarters in Kolkata on Tuesday. ■ AP

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‘Audit irregularities’ led to FCRA denial: official

In 2015, the Ministry amended the FCRA rules that mandated NGOs to file returns quarterly and give an undertaking that the acceptance of foreign funds is not likely to prejudicially affect the “sovereignty and integrity of India or impact friendly relations with a foreign state and does not disrupt communal harmony.”

According to the returns filed by the congregation, it had received over ₹75 crore as donation from 347 foreign individuals and 59 institutional donors and the total balance stood at ₹103.76 crore. The NGO registered in Kolkata has more than 250 bank accounts

across the country to utilise the foreign funds.

While filing the returns, the NGOs have to fill a column comprising 15 questions on whether it has transferred the donation to any other NGO or if the functionary has been prosecuted or convicted for indulging in activities aimed at religious conversion and others. The MoC stated that it had inadvertently received a ₹3.5 lakh domestic contribution in its FCRA account. It declared that it had sold vehicles and demolished building material – fixed assets borne out of foreign funds in the said financial year.

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.