

VEDHIK
DAJLY NEWS
ANALYSIS

03 - JANUARY - 2022

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.

CONTENTS

- Editorials - From selective to universal engagement
GSP 02 A
- Editorials - This NSP cannot change Pakistan's direction
GSP 02 A
- Editorials - With recent overtures, India, China eye stability in ties after a year of tensions
GSP 02 A
- News - Malabar is the most complex naval exercise
GSP 02 C
- Editorials - Fair and safe
GSP 02 K
- News - Rs. 8 lakh income 'reasonable' cap for EWS quota, Centre tells SC Part I
GSP 02 M
- News - Rs. 8 lakh income 'reasonable' cap for EWS quota, Centre tells SC Part II
GSP 02M
- News - Census first phase, NPR data collection deferred till Sept. Part I
GSP 02 M
- News - Census first phase, NPR data collection deferred till Sept. Part I
GSP 02 M
- EWS income criterion worked well panel
GSP 02 M

CONTENTS

- Editorials - Draft national air sports policy pushes for safety standards
GSP 02 O
- News - Six lakh adolescents register for vaccination
GSP 02 T
- Editorials - The functioning of INSACOG
GSP 02 T
- Editorials - Patchwork policy
GSP 03 A
- Editorials - The importance of liquidity
GSP 03 A
- Editorials - Bridging the learning
GSP 03 L
- Editorials - The crypto assets conundrum
GSP 03 L
- News - The financial standing of the RBL Bank
GSP 03 L
- News - Kaziranga elevated road plan awaits nod
GSP 03 P
- News - Two plant species discovered in Kerala
GSP 03 P

From selective to universal engagement

In 2021, Indian diplomacy was characterised by a readiness to deal with friends and foes alike



T. P. SREENIVASAN

The remarkable hyper activism of Indian foreign policy will be the legacy of 2021, though the COVID-19 situation was not congenial for travel, high-level meetings on sensitive matters and protocol. Those who travelled ran the risk of falling sick in foreign lands. Every time I saw External Affairs Minister S. Jaishankar braving it all with a mask that covered much of his stern and unsmiling face, with the demeanor and stride of a determined crusader, I whispered a prayer for my former colleague's safety. At a time when diplomacy had retreated behind laptops, he unhesitatingly undertook extensive journeys, making him the most visible face of India last year.

The activism was inevitable with geopolitics having turned topsy-turvy not only by the pandemic, but also by the events before and after it through periodical elections, which brought new dramatis personae to the centre stage, and the volatility of the economic and political changes across the world. The pandemic turned the wind of change into a whirlwind and it became necessary for nations to move fast even to stay in their positions. The paradigm shift in foreign policy was palpable and the field was open to nimble-footed and decisive governments, not to hesitant, doubting, calculating ones. A decisive Prime Minister and a seasoned diplomat as the External Affairs Minister (EAM) rose to the challenges of the times for India.

Priorities in 2021

Coping with the change from President Donald Trump to President Joe Biden and the consequent changes in U.S. policy were big enough to keep the world leaders on tenterhooks. But even that appeared small against the increased onslaught of the pandemic. India suddenly became the epicentre of the tragedy after a relatively easy period which gave it the honor of being the pharmacy of the world. The exposure of the inefficiency of India's health system and the panic caused by pictures of unat-



tended funeral pyres put the country in the defensive and weakened its credibility as it tried to contribute to the resolution of global issues. Every global forum was compelled to find vaccines, medicines, masks and sanitisers when it met to deal with political and economic crises.

For India, the biggest preoccupation of 2021 was the effort to get China to disengage in areas in Ladakh. Dialogue, military preparedness and economic pressure met with limited success. The sooner we achieve disengagement in the remaining sectors, the better it will be for India to be more effective in the other areas of concern. Much of the time for dialogue with others must have been spent on establishing the rationale of our position on the border.

Afghanistan turned out to be a bigger crisis than expected, with the Taliban's walkover in Kabul. India appeared to be the sole defender of the Americans against Pakistan, China, Iran, Russia and others. Bringing some civility to the Taliban in Kabul became a high priority in the face of a Pakistan-China-Taliban axis with some support from Russia and Iran. Wherever the Prime Minister and EAM appeared either in person or on virtual platforms, priority was given to Afghanistan and anti-terrorism rather than Chinese expansionism.

Climate change, United Nations reform, and charges of India being only a part-democracy also demanded attention, but the Indian interest in these areas did not appear as urgent and crucial as in the other areas. India threatened to stand out of the line on the matter of net-zero emission target years, but succumbed to the pressure to commit more on promoting renewable energy and phas-

ing down of coal. UN reform was not going anywhere and there was no need to concede on our position on expansion of the Security Council. As for Indian democracy, the Prime Minister's assertion that India is the "mother of democracy" and the EAM's primacy of governance went uncontested at the political level.

What made Indian diplomacy hectic during the year was a distinct change of style of openness and readiness to deal with friends and foes alike. From selective alignment, India moved to universal engagement, even to the extent of convening meetings with antagonists. Engagements with the U.S. went beyond familiarisation with the new government to increased commitment to Quad and acceptance of AUKUS and formation of the 'western Quad', with the U.S., Israel and the UAE.

The engagement with China at the level of commanders and diplomats was intense, and ministerial interaction continued even when China tore up many fundamental agreements that sustained the dialogue for many years. Major agreements were signed with Russia, despite the American threat of CAATSA against S-400 missiles and the Russian inclination to align with China in the days to come. Patience, diligence and firmness rather than reaching conclusions through concessions were the ingredients of Indian strategy. India attended a Shanghai Cooperation Organisation meeting, where a sub-group led by China took its own decisions on Afghanistan. We also attended a meeting of Russia, China and India. Such an approach demanded high-level personal involvement at the senior levels.

Perhaps because of the unique ge-

opolitical situation, India gave particular importance to its presidency of the UN Security Council in August 2021. Unprecedented in the history of the UN, an event at the Security Council was chaired by the Prime Minister. India also brought global issues of particular importance to the agenda of the month. Significant inputs were provided during discussions on issues like maritime security, peacekeeping and anti-terrorism for active consideration in the future. Although it is illusory to believe that the way has been cleared for India's permanent membership of the Security Council, India's diplomatic capabilities and its commitment to the UN were demonstrated yet again.

The Foreign Secretary's visit to Myanmar to engage the military junta at a time when Aung San Suu Kyi and other opposition leaders are in prison may raise eyebrows in many countries, but this is another instance of India's readiness to engage those in power to explore possibilities of friendship and co-operation. The intention is to prevent China from having a field day in Myanmar.

Two major challenges

Sadly, the extraordinary efforts made by India have not been fruitful in the cases of China and Afghanistan. China has not shown willingness to disengage in Ladakh and withdraw to the previous positions behind the Line of Actual Control. But the expectation is that China will take a more reasonable approach once the current convulsions end with the beginning of another term for President Xi Jinping. He cannot afford to show any sign of weakness in his external and internal policies at this critical time.

As for Afghanistan, the haul may be longer, given the stubbornness of the Taliban and its proclivity to endanger its own people for the purity of faith. The international community is already moving in the direction of rescuing the regime by providing humanitarian assistance even without any change in the repressive regime. India has a formidable challenge in Afghanistan, regardless of its open and universal engagement with all concerned. But India's new style of diplomacy will have an impact in shaping the world of the future.

T.P. Sreenivasan is former Ambassador of India and Governor for India of the IAEA

This NSP cannot change Pakistan's direction

Without cooperative ties with India, the Pakistan people may not have human security or a successful economy



VIVEK KATJU

At its 36th meeting on December 27, 2021, Pakistan's National Security Committee (NSC) approved the country's "first ever" National Security Policy (NSP). Seven years in the making, the NSP is designed to be a "Comprehensive National Security Framework" and covers a five-year period from 2022-26. The NSP seeks to ensure the "safety, security and dignity of the citizen of Pakistan". To achieve this objective, it puts "economic security" at its "core". Apart from economic and military matters the NSP also covers issues relating to foreign policy, terrorism, water security and demographics. Pakistan Prime Minister Imran Khan, who chaired the NSC meeting, called the NSP's approval a "historic moment". Pakistan's cabinet endorsed the NSP on December 28.

Marks a fundamental change

Significantly, a public version of the NSP has not been released as yet. According to a press release by the office of the Pakistan Prime Minister it will be done "in due course". However, Pakistan's National Security Adviser, Moeed W. Yusuf said on December 28 that it will be done within a week to 10 days. Should it be released soon, it would show that a kind of consensus has been achieved between the elected government and the Pakistan Army on the NSP. A delay, however, could be indicative of remaining difficulties.

But even if the army is ostensibly on board, the question is

whether it is willing to turn Pakistan away, in the true sense, from being a hard military security state into a state where the military competes for resources with other state institutions and the final decision is taken by the political leadership. The logic of giving primacy to the economy is that national policies will be directed through resource allocation towards development. That would mark a fundamental change in Pakistan's direction, for it would reduce the army's demand for resources.

It's the Army first

The Pakistan Army has always laid first claim on the country's revenues. It has never allowed light to fully shine on the defence expenditure. Nor, for that matter, does it allow scrutiny of its vast network of business enterprises and real estate for the benefit of its officers and men. From time to time, some officers have laid stress on the importance of "geo-economics" but seldom has the army shown any willingness to divert resources from defence to other areas. And, it has convinced the majority of the people that sacrifices have to be made for national defence because of enemies external, principally India, and internal.

More than 40 years ago during Pakistan President Zia-ul-Haq's period, a Pakistani comparing India to his own country told me that his country's army controlled everything in the name of defence, but "what is it really defending but itself"? Despite the passage of time and the geo-political global and regional transformation, the veracity of my interlocutor's assertion holds true today too. Thus, if the NSP is to mark a substantial change in Pakistan's systems and governance, the first step has to be transparency in actual military expenditures and the dismantling of



FILE PHOTO/AFIP

what the brave Pakistani scholar Ayesha Siddiqi terms as "Mil.Inc.". That does not seem to be on the horizon.

An 'India obsession'

In the NSP's context, the question that Pakistan also needs to ask itself is this: can it ever achieve human security for its people and put the country on the path of normalcy and growth without radically changing its India policy? As the product of the two-nation theory, Pakistan has defined its very identity – to put it crudely but bluntly – thus: it is what India is not. Almost 75 years since its creation, Pakistan continues its search for a positive identity which will allow it to give up its India obsession. Its so-called commitment to the 'Kashmir cause' is a sub-set of its overall negative approach to India. This deep-seated hostility has prevented it from adopting rational policies towards India. Rational approaches would have enabled it to 'legally' adhere to its positions but 'practically' have ties with India in areas that would be in its national interest.

An example of its irrational approach is the position it has taken on the Jammu and Kashmir (J&K) issue after the constitutional changes of August 5, 2019. Pakistan could have maintained its stand on J&K and yet traded with

India as that was in its interest to do so. Instead, it decided to suspend the abridged commercial relationship that existed. Countries can adopt selective approaches to register protests. A sacrifice of interests is especially futile where such sacrifice does not yield results as it obviously has not, from Pakistan's standpoint, on J&K developments, post 2019.

While Pakistan's ideology and mindset prevents it from developing realistic ties with India, it also has a bearing on its social development and the economic management of the country apart from draining resources from development to defence. Pakistan aspires to become a society imbued with moderate Islamic faith. However, its security apparatus has actively sought to use Islamism against India. This has led it to pander to violent sectarian groups and marginalise progressive elements of civil society. The culture of Islamism is illustrated by the veneration of the grave of Mumtaz Qadri, the killer of Punjab Governor Salman Taseer. It is astonishing that Qadri who was executed for the crime of murdering one he was duty bound to protect was lauded by millions for serving the cause of Islam by killing Taseer who was perceived to be sympathising with a blasphemous accused. There is another aspect. Islamist forces are also allies of feudal elements in the Pakistani political elite, and together they support inimical and irrational policies towards India, including in economic and commercial sectors.

China as anchor

The natural economic partner for a country such as Pakistan is a large neighbour. This is especially so in an era when economies are not barricaded as some were for several decades in the second half

of the previous century. Stoutly refusing to open up trade with India, Pakistan has looked to other economic and commercial partners among whom China is by far the most important. The security relationship was the anchor of the China-Pakistan ties. Now, Pakistan hopes that China will offer its assistance to transform its economy. It looks to the mechanisms under the China-Pakistan Economic Corridor (CPEC) to play a crucial role through connectivity, port development, power production and other investments. All this may be of some help but they cannot be a substitute to be integrated with a large neighbouring economy.

That can only come about with the opening of trade and connectivity with India. Over 25 years ago, Chinese President Jiang Zemin had, in an address to the Pakistani Senate, spoken of the need to temporarily shelve disputes so that they do not impact inter-state ties. He may have mentioned this in the context of Chinese-South Asian ties, but these comments applied to Pakistani approaches to its neighbours as well. But Jiang Zemin's words were simply ignored by the Pakistanis. Today, with the regional and international context entirely changed, it is unlikely that President Xi Jinping will give Pakistan the same advice. However, that does not erode the veracity of Jiang Zemin's views.

Thus, irrespective of what the NSP may state, the Pakistan people can neither have human security nor a successful economy without cooperative ties with India. That the Pakistan Army and the political elite are unwilling to have. The NSP, therefore, cannot change Pakistan's unhappy direction.

Vivek Katju is a retired Indian Foreign Service officer

With recent overtures, India, China eye stability in ties after a year of tensions

Exchange of sweets at border, Chinese Foreign Minister's talks with Indian envoy, and booming trade between the two sides raise hopes of a peaceful relationship

ANANTH KRISHNAN
SUHASINI HAIDAR
HONG KONG/NEW DELHI

The exchange of sweets at 10 posts along the India-China border on New Year's Day and recent talks between the two sides have indicated that New Delhi and Beijing are seeking greater stability in relations and haven't given up hopes of a breakthrough, despite the massive 1,00,000-strong troops still amassed on both sides after nearly 20 months of a stand-off and a continuing stalemate in disengagement.

The hopes of 2021, when the two sides agreed to disengage and withdraw troops from Pangong lake in February, including the heights on the Kalash range taken by the Indian army just months

prior, and at Gogra, were belied later in the year. According to officials, China's People's Liberation Army (PLA) has refused to budge on India's demand that they restore status quo ante by withdrawing from other areas like Demchok, Hot Springs and Depsang plains.

Unexpected talks

Even so, the exchanges on January 1, several rounds of talks between diplomats and military commanders, and an unexpectedly upbeat farewell video conference between Chinese Foreign Minister Wang Yi and the outgoing Indian Ambassador Vikram Misri last month, where both sides spoke of uninterrupted communication as the "silver lining" around the dark

clouds that engulf bilateral relations which are perhaps at their worst point since the 1980s, are indications of both sides seeking an improvement. It is particularly significant that the exchanges took place in areas such as Demchok and Depsang that saw PLA troops occupy land claimed by India, leading to criticisms that the Modi government may be looking to agree to a compromise in these areas.

That Mr. Wang chose to speak with Mr. Misri, and moreover, that the Chinese Foreign Ministry sought to publicise the meeting despite the state of relations and the recently shrill rhetoric from the state media in China, was also seen by observers as significant. Mr. Misri has now taken over as



Flash point: Chinese PLA began the stand-off by entering several places along the LAC in April 2020. *FILE PHOTO

Deputy National Security Adviser. "Even though certain challenges since last year had overpowered the vast opportunities in the relationship, he was hopeful that with continued communication at all levels, the two

sides would be able to resolve the current difficulties", a readout from the Indian Embassy said. Another positive sign came in December after Russian President Vladimir Putin's talks with Prime Mi-

nister Narendra Modi in Delhi, and Mr. Putin's virtual conference with Chinese President Xi Jinping later in the same month. A senior Kremlin aide said the leaders had discussed holding a Russia-India-China trilateral in the "near future", a possibility the Ministry of External Affairs has neither confirmed nor denied.

Regardless of the possibilities, the situation at the LAC remains fraught with risk, given the likelihood of a recurrence of violence with both disengagement and de-escalation nowhere near completed, and an official said that the most they can hope for is that ties "stabilise" in the coming year as the Indian army attempts to hold off Beijing's territorial aggressions. As of Sunday

evening, Beijing's official media was yet to mention the New Year's Day exchange, and instead, state media outlets shared a video from Galwan Valley showing PLA troops there pledging to protect "every inch" of Chinese territory.

New border law

Beijing is also pushing ahead with bolstering its infrastructure in border areas and has passed a new border law that came into effect on January 1. The law calls on government agencies in China to take steps to "safeguard sovereignty".

Beijing has also accelerated plans to build civilian "frontier" villages, including in disputed areas, while the Chinese government on December 30 issued new

"standardised" names for 15 places in Arunachal Pradesh, to be used on Chinese maps, ahead of the law coming into effect.

With the boundary stalemate, ties in other areas have come to a standstill. Curbs on Chinese investment have seen Chinese FDI to India plummet.

Trade ties

Bilateral trade has, however, continued to boom, and in 2021 reached the highest ever. After 11 months of the year, two-way trade reached \$114.26 billion, with Chinese exports to India touching a whopping \$57.9 billion and Indian exports accounting for \$26.35 billion, both record figures, according to China's General Administration of Customs.

₹8 lakh income 'reasonable' cap for EWS quota, Centre tells SC

The criterion is 'more stringent' than the one for OBC creamy layer, the govt. says

KRISHNADAS RAJAGOPAL
NEW DELHI

A government committee report in the Supreme Court has said that "income" is a "feasible criterion" for defining the "Economically Weaker Sections" (EWS) in society, and the annual family income of ₹8 lakh is a "reasonable" threshold to determine EWS in order to extend reservation in admissions and jobs.

"A feasible criterion for defining EWS can be based on income [family income]. A threshold of ₹8 lakh of annual family income, in the current situation, seems rea-

Panel's prescription

A look at some of the recommendations of the committee

- The current gross annual family income limit of ₹8 lakh or less for Economically Weaker Sections (EWS) may be retained
- EWS may exclude, irrespective of income, a person whose family has 5 acres of agricultural land and above

- The residential asset criteria may altogether be removed
- Sudden adoption of a new criteria in the committee report would delay and have a cascading effect on admissions, exams, etc. Existing system followed from 2019 may be continued this year as well



sonable for determining EWS," the report of the committee, submitted as part of a government affidavit, concluded.

The committee did not agree with the notion that the Union government had "mechanically adopted" ₹8 lakh as a number because it

was also used for the OBC creamy layer cut-off.

Not same

It said the income criterion for EWS was "more stringent" than the one for the OBC creamy layer.

"Firstly, EWS's criteria relates to the financial year prior to the year of application whereas the income criterion for the creamy layer in OBC category is applicable to gross annual income for three consecutive years," the committee said.

CONTINUED ON ► PAGE 10
IT WORKED WELL ► PAGE 10

Fair and safe

The ECI must ensure a fair election process that also limits public health risks

All indications are that elections to five State Assemblies – Goa, Manipur, Uttar Pradesh, Uttarakhand and Punjab – will be held on time, regardless of the rising new wave of COVID-19. The three-member Election Commission of India (ECI) has visited four States over the past weeks to assess the preparedness, which is usually one of the last steps before the announcement of the poll schedule. Its visit to Manipur is expected soon. Conducting an election in normal times is one thing, but doing so in the midst of a pandemic is quite another. On the ECI's visit to U.P. last week, Chief Election Commissioner (CEC) Sushil Chandra said that all parties wanted the polls to be on schedule. He said the ECI would look into the enforcement of COVID-appropriate behaviour in campaigning and voting after the schedule is announced. Once the Model Code of Conduct (MCC) is in force, the ECI's COVID-related restrictions, first drawn up in August 2020 ahead of the Bihar Assembly elections, will also be in play. The rules include mandatory wearing of masks during the whole election process, from campaigning to casting of votes, holding rallies in identified grounds with social distancing measures in place, and reducing the number of people allowed in roadshows. In the wake of the second wave of the pandemic in April 2021, the ECI put in place more measures such as a longer silence period before polling, reducing the time for campaigning.

Going by the spree of inaugurations and groundbreaking ceremonies for government projects by the Prime Minister, Chief Ministers and Ministers, the election season has already begun. On January 2, the Prime Minister laid the foundation for the Major Dhyan Chand Sports University in Meerut, with a large, mostly maskless crowd in attendance. Huge gatherings organised by all parties are taking place in the poll-bound States. Official events are being turned into campaign opportunities by those in power, raising a different question of propriety. The MCC imposes special restrictions on the party in power, which, it says, "shall ensure that no cause is given for any complaint that it has used its official position for the purposes of its election campaign". Till the announcement of polls, however, it is only a question of decency and propriety of those in power. The lines between a political party's rally and a government function continue to blur, to the advantage of the BJP in most cases. Once the poll schedule is announced, the burden will be on the ECI to be fair, and seen to be fair. In the last round of elections, its conduct was questioned on various valid grounds. The ECI must take political parties into confidence and ensure an environment conducive to a fair election process that also limits public health risks.



'Malabar is the most complex naval exercise'

DINAKAR PERI
NEW DELHI

While the Navy gears up to hold its largest multilateral exercise 'Milan' at the end of February, there are requests from several countries for various formats of exercises, defence officials said, pointing out that Malabar is the most complex naval exercise India does with any other country.

Meanwhile, China continues to expand its presence and assistance in the region, the latest being the delivery of Ming class diesel-electric submarine to Myanmar, its second submarine after the first one given by India.

"The tempo of exercises has been very high last few years and more and more countries want to exercise with us," one defence official said. This could see some consolidation with expansion of existing bilateral or trilateral exercises into larger formats, which could bring down the overall number while increasing the engagements, an official stated.

These engagements are further amplified by the bilateral logistics agreements, Navy to Navy agreements and information sharing agreements that India has concluded with several countries. Some countries require a Navy to Navy agreement for their bureaucratic process, the official explained.

India also exchanges maritime Information bilaterally with friendly foreign countries to create Maritime Domain Awareness (MDA) in the Indian Ocean Region.

₹8 lakh 'reasonable' cap for EWS quota: Centre

The report is the result of the Supreme Court's repeated grilling of the government, since October, to explain how it zeroed in on the figure of '₹8 lakh' as the annual income criterion to identify EWS among forward classes of society for grant of 10% reservation in National Eligibility-cum-Entrance Test (NEET) medical admissions under the All India Quota (AIQ) category.

The court was hearing a batch of petitions filed by NEET aspirants challenging July 29 notification of the Centre announcing 27% quota to OBCs and 10% reservation to EWS in AIQ.

The Supreme Court's query was significant as the one Hundred and Third Constitutional Amendment of 2019, which introduced the 10% EWS quota, is itself under challenge before a larger Bench. The Amendment is under question for making economic criterion

as the sole ground for grant of reservation benefits.

On November 25, the Centre had informed the court that it had taken a considered decision to revisit the criteria for determining EWS.

The Centre had then formed an expert committee comprising Ajay Bhushan Pandey, former Finance Secretary; professor V.K. Malhotra, Member Secretary, ICSSR; and Sanjeev Sanyal, Principal Economic Adviser to the Government of India. The committee had submitted its report on December 31. "The figure ensures that most low-income people who are not required to pay income tax are not excluded and are covered in EWS and at the same time it should not be so high that it becomes over-inclusive by including many income tax-paying middle-and high-income families into EWS," the report reasoned.

Census first phase, NPR data collection deferred

"Subsequent to the postponement of census activities, requests were received from several State/Union Territory governments seeking clarifications/permission for creation/extension/up-gradation of different administrative units. Hence, it was decided to extend the date of freezing of boundaries up to December 31, 2020," an RGI order said. It said if any changes in the administrative boundaries are to be made, it may be effected latest by December 31, 2020.

However, it was extended again till December 31, 2021. The fresh date is June 30, 2022.

Finalisation of administrative units entails covering all jurisdictional changes in an administrative area between two consecutive censuses. According to provisional data compiled by the RGI till June 2021 and ac-

cessed by *The Hindu*, the number of districts has gone up from 640 in 2011 to 736.

The sub-districts are up from 5,925 to 6,754, statutory towns from 4,041 to 4,657, census towns from 3,892 to 5,050, but villages have decreased from 6,40,934 in 2011 to 6,39,083 in 2021.

For Census 2021, all the changes between January 1, 2010 i.e. after the date of freezing of boundaries for Census 2011 up to the date of freezing of boundaries for forthcoming exercise (presently up to June 30, 2022) are to be considered for finalising the administrative units.

The preparation of an unambiguous list of administrative units is termed as "Census Frame" covering the entire area but without omission or duplication of any administrative unit at any level.

Census first phase, NPR data collection deferred till Sept.

The exercise was scheduled to begin in April 2020

VIJAITA SINGH

NEW DELHI

The first phase of census and the collection of details to update the National Population Register (NPR) have been postponed at least till September.

The Registrar-General of India (RGI) had in December informed the States that the freezing of boundaries of districts, sub-districts, tehsils, talukas and police stations had been postponed till June 2022, a senior official said on Sunday.

Freezing of boundary limits of administrative units, at least three months prior to the exercise, is a pre-re-



Specific details: Officials collecting details for Census 2011 at Tirupur in Tamil Nadu, in this file photo.

quisite for conducting the census. Even if the RGI issues an order in June to freeze the boundaries again, the exercise can take place only in September.

The first phase of Census 2021 – the Houselisting and

Housing Census along with updating the NPR – was scheduled to be held between April and September 2020 but was postponed due to the pandemic.

CONTINUED ON ► PAGE 10

EWS income criterion worked well: panel

‘Quota to benefit only the deserving’

KRISHNADAS RAJAGOPAL

NEW DELHI

The ₹8 lakh income criterion has worked smoothly to identify and provide Economically Weaker Section (EWS) quota benefits to deserving candidates in UPSC exams, NEET-UG and JEE (Mains), separately since 2019, an expert committee report in the Supreme Court has said.

The report, which is part of a government report in the court, said the committee examined the actual outcome of the EWS income criteria as applied in the past two years as “the proof of the pudding is not in the recipe but in eating”.

The committee said it found that for UPSC selections (2019 and 2020), there was no obvious bunching at the top of the income criteria that would suggest exclusion of deserving lower income candidates. Further, the annual household income distribution of qualified EWS candidates for NEET-UG and JEE (Mains) for 2020 reveals that a mere 9% and 8.2% of EWS candidates were found to be in the income bracket of ₹5 lakh-8 lakh respectively.

“The committee has come to the conclusion that

the existing annual income criteria of ₹8 lakh is not over-inclusive,” the report said. The report said there is no evidence to show that the ₹8 lakh limit has led to the inclusion of undeserving candidates for the EWS quota.

Proper cut-off

“There is no evidence of the bunching of EWS candidates at the highest income bracket of ₹5 lakh -8 lakh, the current cut-off of ₹8 lakh is not leading to a major problem of the inclusion of undeserving candidates. Despite the fact that the bulk of the qualifying candidates is below ₹5 lakh, a somewhat higher threshold is needed which ensures that deserving beneficiaries affected by various factors such as income volatility, size of family, high cost of living in certain locations are not excluded,” the report said.

The committee also deliberated how the process of review of EWS criteria could be managed in future. It said the traditional approach of ever more detailed multi-dimensional surveys or studies at a frequent interval alone would not be especially useful for the operation of the EWS reservation.

Draft national air sports policy pushes for safety standards

It will cover activities like aerobatics, ballooning, paragliding and microlighting

JAGRITI CHANDRA
NEW DELHI

The government on Sunday released a draft national policy for air sports in the country that will require entities providing these services and their equipment to be registered, as well as be liable for penalties.

The policy proposes a two-tier governance structure for air sports in the country, which will include an apex governing body called the Air Sports Federation of India (ASFI) and associations for each air sport. It will cover activities like aerobatics, aeromodelling, amateur-built and experimental aircraft, ballooning, drones, gliding, hang gliding, paragliding, microlighting, paramotoring, skydiving, and vintage aircraft.

The ASFI will be an autonomous body under the Ministry of Civil Aviation and will represent India at the Lausanne-headquartered Fédération Aéronautique



Sky dance: The policy suggests that popular spots such as Bir Billing in Himachal Pradesh can be declared as air sports control zones. ■ FILE PHOTO

Internationale (FAI) and other global platforms related to air sports. It will provide governance over various aspects of air sports, including regulation, certification, competitions, awards and penalties.

Each air sports association will lay down its safety standards for equipment, infrastructure, personnel and

training, and specify the disciplinary actions to be taken in case of non-compliance. Inability to do so may lead to penal action by the ASFI.

Registration required

All persons and entities providing air sports services will be required to register as members of the respective air sports associations. Key

equipment used will also have to be registered.

It is proposed that popular air sports attractions in the country such as Bir Billing in Himachal Pradesh, Gangtok in Sikkim, Hadapsar in Maharashtra and Vagamon in Kerala can be declared as a “control zone” for air sports in order to ensure the safety of other manned aircraft.

Schools and colleges will be encouraged to include air sports in their curriculum and their students will have the opportunity to participate in the FAI’s international competitions.

The draft policy also aims to promote domestic design, development and manufacturing of air sports equipment under the Atmanirbhar Bharat Abhiyan; waive import duty on equipment for a few years; as well as request the GST Council to consider rationalising the GST rate on air sports equipment to 5% or less.

Six lakh adolescents register for vaccination

India's daily caseload rises to 27,553, while Omicron cases surge to 1,525

SPECIAL CORRESPONDENT
NEW DELHI

Ahead of the expanded vaccination drive for 15-17-year-olds that commences on Monday, nearly 6,00,000 adolescents have registered for their Covaxin shots according to data on the CoWIN platform. India's estimated population in the 14-17 category is around three crore.

The expansion comes even as India's daily caseload increased to 27,553 and the total number of Omicron cases surged to 1,525. Delhi, Maharashtra, Gujarat, Tamil Nadu and Kerala reported the maximum number of people with Omicron and accounted for close to two-thirds of the national count.

Later this week, the Health Ministry is expected to issue guidelines on "precaution doses" and whether this third dose will be a re-

peat of the previous two or a different kind.

Delhi reported 3,194 fresh COVID-19 cases on Sunday with one death. This is the highest single-day rise since May 2020. The positivity rate rose to 4.59%. There are currently 8,397 active cases.

Maharashtra tops list

In its highest single-day jump in COVID-19 cases in the past six months, Maharashtra reported 11,877 new cases on Sunday as the active case tally climbed to 42,024. Fifty Omicron infections were reported on Sunday, of which 46 are from Pune district, taking the State's total Omicron tally to 510. However, the number of fatalities remained low, with nine deaths being reported as opposed to the daily average of 20 deaths last week.

State authorities said more than 65% of the new



Wait ends: Staff decorating a vaccination centre at the General Hospital, Thiruvananthapuram, ahead of the launch of job for the 15-17 group on Monday. ■ S. MAHINSHA

cases were either asymptomatic or mild. Hospitals, too, have reported no significant rise in admissions, said health authorities Deputy Chief Minister Ajit Pawar, warned that restrictions could get stricter if the uptick in cases continued.

Odisha on Sunday registered a sharp rise, prompting

the State government to postpone re-opening primary schools from January 3. As many as 424 persons tested positive for SARS-CoV-2 on Sunday, from the 298 cases on Saturday, indicating a 42% rise in infections in 24 hours. The State's cumulative Omicron tally increased to 37.

Kerala reported 2,802 new cases of COVID-19 on Sunday. Its Omicron tally rose to 152 as on Sunday, with 45 cases newly testing positive for Omicron. Health Minister Veena George said that community transmission of Omicron was yet to happen in Kerala as none of the general indicators – hospitalisations,

ICU occupancy, oxygen bed requirement – were rising.

Andhra Pradesh reported 165 cases and two deaths in the 24 hours ending Sunday morning.

Gujarat recorded 968 cases and one death on Sunday. Active cases increased to 4,753, of which six patients were on ventilator support. Ahmedabad and Surat are emerging as major hotspots for the third wave. In Ahmedabad, active cases have gone up to 2,500.

In Telangana, five more people were confirmed with the Omicron variant on Sunday, bringing the State's total cases with the variant to 84.

Karnataka on Sunday reported 1,187 new cases of COVID-19, taking the total to 30,09,557. The positivity rate for the day touched 1.08%.

Tamil Nadu added another 1,594 fresh infections on Sunday. As on date, 9,304 persons are undergoing treatment, and 23 are being treated for Omicron.

(With bureau inputs)

EXPLAINER

The functioning of INSACOG

What has been INSACOG's role through the pandemic? What are the challenges the forum faces?

JACOB KOSHY

The story so far: The Delhi-based National Centre for Disease Control (NCDC), a Union Health Ministry laboratory and a key INSACOG lab, has asked States to temporarily pause sending COVID-19 positive samples to it. Labs have been sending samples to check for the possible presence of the Omicron variant. This is because of the surge of Omicron in Delhi and the highly infectious nature of the variant.

What is INSACOG?

INSACOG is a consortium of 10 labs and 18 satellite labs across India tasked with scanning coronavirus samples from swatches of patients and flagging the presence of variants that were known to have spiked transmission internationally. As of early December, the INSACOG had sequenced about 1,00,000 samples.

The INSACOG is mainly involved in genomic sequencing which is done by isolating the genetic material of the coronavirus samples. The purpose of genome sequencing is to understand the role of certain mutations in increasing the virus's infectivity. Some mutations have been linked to immune escape which has consequences for vaccines. Studies such as this have shown that Omicron has evolved to evade antibodies much better than the Delta variant.

INSACOG faces many challenges such as shortage of funds, insufficient reagents and tools necessary to scale up.

What has it found so far?

The INSACOG sequenced about 1,00,000 samples as of early December 2021 when this data was last made publicly available. The bulk of its effort has been focussed on identifying international 'variants of concern' (VoC) that are marked out by the World Health Organization as being particularly infectious or pathogenic. International travellers who arrive in India and test positive are the ones whose samples usually get sent to INSACOG for determining the genomic variant.

The 'foreign' variants identified were primarily the U.K. (B.1.1.7) and South Africa variant (B.1.351) and a small number of Brazil (P2) variants. However, some labs flagged the growing presence of variants that were clubbed into a family of inter-related variants called B.1.617 known as the 'Indian variant' or the 'double mutant' variant, primarily due to two mutations – E484Q and L452R – on the spike protein. These have been



individually identified elsewhere but not together. There are many more mutations that contribute in different measures, in ways not fully understood, to the virus being able to adapt to human hosts. The B.1.617 family was marked as an international VoC after it was linked to a spike in cases in the U.K. Following the sharp rise in cases that began in February 2020 and culminated in the deadly second wave that saw cases touch four lakh in May, the INSACOG confirmed that the wave was largely due to the Delta variant (B.1.617.2). After India, the variant went on to become the dominant variant globally and is now being rapidly displaced by the Omicron variant (B.1.1.529). After being labelled by the WHO as a VoC, Omicron is being tracked by INSACOG labs.

Beyond identifying patterns, why is genome sequencing useful?

The purpose of genome sequencing is to understand the role of certain mutations in increasing the virus's infectivity. Some mutations have also been linked to immune escape, or the virus's ability to evade antibodies, and this has consequences for

vaccines. Labs across the world, including many in India, have been studying if the vaccines developed so far are effective against such mutant strains of the virus. They do this by extracting viruses from coronavirus positive samples and growing enough of them. Then blood serum from those vaccinated, and thereby containing antibodies, is drawn and using different probes, scientists determine how much of the antibodies thus extracted were required to kill a portion of the cultured viruses. Studies such as this have shown that Omicron, for instance, has evolved to evade antibodies much better than the Alpha or Delta variant. This prompted the push towards booster doses.

Genomic sequencing is done by isolating the genetic material (RNA) of the coronavirus samples. RNA consists of millions of nucleotide bases and genomic sequencing is about identifying and comparing the sequences in a given sample to a reference sample. Changes in the sequence are clues that mutations that show that the virus may have undergone distinct changes at some key locations. Genomic sequencing has now

evolved to a stage where large sequencers can process even thousands of samples simultaneously. Genome sequencing is a technically demanding job where experts must purify the samples appropriately and get them ready to be used in sequencers. There are several approaches to genome sequencing – whole genome sequencing, next generation sequencing – that have different advantages.

What are INSACOG's challenges?

Given that COVID-19 is spreading, mutating and showing geographical variations, the original aim of the group was to sequence at least 5% of COVID-19 samples. But only 1% has been achieved yet, primarily due to a shortage of funds, insufficient reagents and tools necessary to rapidly scale up. While some of these are teething troubles, the INSACOG, in spite of being peopled by expert scientists, is ultimately within the Central government's communication structure.

Not all INSACOG labs have the same quality of equipment and manpower and therefore a surge or spike in some cities can mean difficulties in processing.

Detecting the variant: A machine that prepares the samples that tested positive for COVID-19 for automated genome sequencing.

AP

Patchwork policy

The temporary rollback of tax hikes on textiles is a harbinger of challenges before GST regime

On New Year's eve, nine hours before a new GST rate of 12% was to kick in for readymade garments and fabrics, Finance Minister Nirmala Sitharaman announced that the plan is off and the existing 5% rate will continue into 2022, or at least for its first quarter. The decision was made at an emergency meeting of the GST Council, which had approved the higher tax on textiles at its last meeting in September 2021 to correct the anomaly of an inverted duty structure. While the GST rate on manmade fibre is 18% and yarn made from the same is taxed at 12%, the rate on the final fabric was 5%, ostensibly creating a headache for textile producers which the Council had sought to alleviate. The move to raise that rate to 12%, along with that on footwear costing less than ₹1,000 a pair, had been on the Council's agenda for over a year but had been kept on hold due to the COVID-19 pandemic's adverse effects on households. Explaining the rethink to hold off the rate hikes that were to become effective January 1, the Finance Minister indicated that the original decision was arrived at after several parleys that explored, among other things, the likely impact on consumers. Yet, a letter from the Gujarat Finance Minister she had received on December 29, along with representations from industry, prompted a review.

Although the rate hike was aimed at helping producers get easier credit for taxes paid on inputs, that is not how it was seen by several players in an industry that has historically been one of India's largest employment creators and contributes around 2% to the overall economy. Last month, many lathes in the textile industry were left idling for a day, in what may be the first ever strike that has not been triggered by industrial unrest in the sector that last witnessed debilitating strikes from labour unions in the 1980s. Those protests, along with some States' missives to the Centre, warning of significant factory closures and job losses, had failed to move the needle and the industry had resigned itself to the new rates. Perhaps, it was fortuitous that most State Finance Ministers, who are members of the Council, were already expected in the capital for a consultation on the Union Budget for 2022-23. A ministerial group already tasked with rationalising inverted duty structures across products and reviewing the multiple rate slabs of the GST regime, has now been assigned the additional task to suggest an appropriate structure for textile products; it has two more months to finalise its report. It is unlikely that these broader corrections will take place before the coming State Assembly polls conclude and this time could be used for wider consultations with industry, consumers and States before pencilling in new rates and avoiding such about-turns. The course correction needs to be navigated more deftly and with greater purpose, if India hopes to revive private investments.

The importance of liquidity

Being able to quickly liquidate investments when needed is as important as being wealthy in terms of assets

GAURAV MASHRUWALA

Take a glass full of water. Take another glass and fill it up with tomato ketchup.

Now, take two more empty glasses. Pour water from one glass into an empty glass. All the water will get transferred and immediately. Here both words, 'all' and 'immediately', are of essence.

In another empty glass, pour ketchup. Firstly, the ketchup will not get transferred completely. Some will remain stuck on the sides. There will be waste. Also, whatever is transferred will take time to make the shift. Liquid investments are those which can be encashed at the earliest with least impact of tax, brokerage or any other incidental cost.

Lower the impact of incidental cost and faster the ability to get encashed, the more liquid the investment.

In June 2015, I received a call from Dr. Sharma from a town on the outskirts of Mumbai. Both his wife and he were medical practitioners. They had established their name as respected doctors; their 16-bed nursing home had the latest equipment and their earnings were good. Their yearly income ran into seven digits. They had total assets worth more than ₹12 crore. These were over and above the house they lived in, their nursing home and other assets of personal consumption. In common

man's parlance, they were 'doing very well for themselves.'

Dr. Sharma needed a piece of advice. Their younger daughter was about to go to the U.S. to pursue higher education in September 2015. They needed about ₹75 lakh to fund her education. Considering their income and the assets they owned, this should not have been a concern.

However, the problem was with the composition of assets.

Of the total investment-oriented assets of ₹12 crore, about ₹10 crore was in the form various real estate properties such as land, office space given out on rent, a large warehouse near Navi Mumbai and the like. Another ₹1.5 crore was in bonds and other

Many a time, to get good returns, we have to lock our funds in investments. On the other hand, if we need money on an urgent basis, such investments turn out to be futile

products, which had a lock-in period. Only ₹50 lakh was liquid. "I have two options: either liquidate one of my real estate properties, which is worth ₹1 crore or go in for an education loan," said Dr. Sharma. He was right. He was stuck.

'Tax saving' - the culprit

While Dr. Sharma was a wealthy person, even the common man faces this dilemma several times in his life. For the last three years, Priyesh Nath has been investing ₹1.50 lakh in bank fixed deposits (FDs) with five-year lock-in periods to get benefits under section 80C of the Income Tax Act.

He knew that he would need funds to make a down payment for the purchase of his house, yet he kept investing in bank FDs that had a definite lock-in period. "The moment March comes along, I suddenly realise that I have not invested enough to get the complete tax benefit available under Section 80C and then a five-year bank FD is the easiest option," said Mr. Nath.

Both the above situations arose due to shortage of liquid investments. Liquid investments are those that can be encashed easily. They don't have any lock-in periods; selling or redeeming them is very easy.

For example, to sell any real estate property is a tedious process and most of the time, the cost of getting our money back is very high. To get our money back from a real estate investment, we may have to pay brokerage and capital gains tax may also apply.

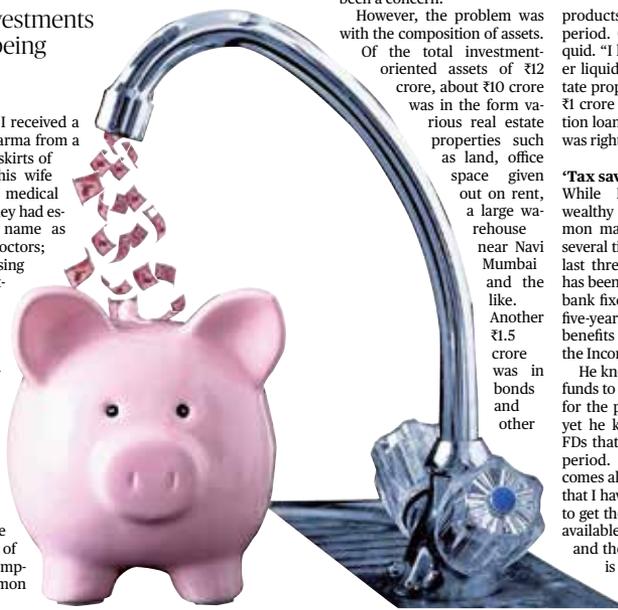
Once we decide to sell the property, it will usually take a fairly long time before the entire transaction is complete. On the other hand, the cost of selling shares is comparatively very low and the money gets credited into our bank account quickly. A bank FD is also very liquid.

Maximum vs optimum

While investing, we have to keep in mind the risk-return trade-off. Many a time, to get good returns, we have to lock our funds in investments. On the other hand, if we need money on an urgent basis, such investments turn out to be futile.

While making investments, keep in mind your financial goals and ensure that money is available when it is needed. Don't always go for maximum returns; targeting optimum returns is a better approach.

(The writer is a financial planner and author of Yogic Wealth)





Low cost tech: Raspberry Pis help students in learning experientially and in developing an interest in computing. •FILE PHOTO

CACHE

Bridging the learning gap with a Pi

A low-cost piece of tech to bolster Information and Communication Technology learning

THE GIST

■ On December 21, NASA launched a SpaceX Falcon 9 rocket, which carried the Dragon 2 spacecraft loaded with various equipment for astronauts on board the ISS. Among the various equipment were SBC computers which are built on single circuit boards, house a microprocessor, memory unit and other features required for a functional computer. They are known as Astro Pi, built by the Raspberry Pi Foundation, in collaboration with the ESA.

■ The foundation and the space agency aim to attract young people to experiment with computing and run their programmes in space. In seven years, over 50,000 young people from 26 countries have written codes that has run on these specially augmented Raspberry Pi computers.

■ Raspberry Pis could be an effective tool for learning in schools and colleges in India as is evident by the work of Pune-based Pi Jam Foundation. They provide schools access and training to open-source low-cost tech to foster digital making, problem solving and design thinking skills.

JOHN XAVIER

On December 21, NASA launched into space a SpaceX Falcon 9 rocket, which carried the Dragon 2 spacecraft loaded with various equipment for astronauts on board the International Space Station (ISS). The launch marked the 24th cargo mission of billionaire Elon Musk's rocket company to the ISS for the space agency. Food, equipment to study how detergents work in microgravity, and bioprinters to help probe wound healing in space were part of the consignment.

Nestled among these devices were a pair of computers about the size of a set top box. They aren't the usual laptops or desktops we use every day. The two single board computers (SBC) don't have a monitor attached to them.

An SBC is built on a single circuit board, which houses a microprocessor, memory unit, input/output channels, and other features required for a functional computer. The duo part of the Dragon 2 consignment, called Astro Pi, were built by the non-profit Raspberry Pi Foundation, in collaboration with the European Space Agency (ESA).

The mini-computers are equipped with an 8GB RAM, high-quality camera, Google Coral machine learning accelerator, colour and luminosity sensor, and passive infrared sensor. All of these sensors are packed inside a space-ready aluminium case that makes the hardware suitable for running codes on the ISS.

Kindle curiosity

The foundation and the space agency aim to attract young people, under 19 years of age, to experiment with computing and run their programmes in space. Their project has drawn a lot of interest from students, mostly in Europe and Canada. The U.K.-based foundation seeks to bridge the learning gap in computer science education, and create a platform for young learners and tech enthusiasts to write codes and build electronic gadgets and robots. The Astro Pi initiative is one of the few ways to pull talent towards the world of computing.

This is the second time the non-profit has sent its SBCs to the ISS. In 2015, British ESA astronaut Tim Peake took the first two Astro Pis as part of

the Principia mission. The ones that reached the ISS recently were upgraded for more advanced computing projects.

In seven years, over 50,000 young people from 26 countries have written codes that has run on these specially augmented Raspberry Pi computers. With the latest hardware students can take sharper, more detailed images from space.

The smallest Raspberry Pi in the range can perform simple computing tasks, and versions upward of the Model B, or the middle one in the range, can perform more powerful computing, like controlling electrical signals.

They are also capable of helping teams investigate plant health from space, thanks to the higher-quality optical filter in conjunction with the IR-sensitive camera. Using Google's Coral machine learning accelerator, learners will be able to develop machine learning models that allow high-speed, real-time processing.

A DIY toolkit

The Raspberry Pi computers aren't limited to running experiments in space. They have been deployed widely to build robots and other Internet of Things (IoT) devices.

Since its launch in 2012, the mini-computer has grown through four generations and has become an important fixture among Do It Yourself (DIY) tech enthusiasts. The boards range in size with the largest about the size of a deck of cards to the smallest about the size of a stick of chewing gum.

While they don't look anything like a computer we know, the Pis are a treat for tinkerers, developers, and younger learners. They just have to simply plug the microprocessor to their TV or any other LED display, and run software programmes on the Linux operating system.

The foundation provides a large ecosystem of hardware additions and software support to help coders collaborate with each other and build projects together.

The smallest Raspberry Pi in the range can perform simple computing tasks, and versions

upward of the Model B, or the middle one in the range, can perform more powerful computing, like controlling electrical signals. That means, a student running experiments with a Model B Pi can run programmes to communicate with an LED light, build smart-home tech and even make guts of a synthesizer.

In the last nine years, the Raspberry Pi has spawned an entire industry of developer boards. Some of them can beat the decade-old Pi on specs, but none could challenge it on the price, which range from \$5-55 apiece.

As of December 2020, over 34 million units of Raspberry Pi computers have been shipped, from just 7,00,000 units sold a year after its launch. Roughly, 500K-600K units are sold every month, according to co-founder Eban Upton.

Embedding Pis in curriculum

The Raspberry Pi could be an effective tool for learning in schools and colleges in India as they create an avenue for experiential learning in Information and Communication Technology (ICT) education.

Pune-based Pi Jam Foundation is an example of how low-cost tech and experiential learning can bridge the learning gap in young learners. The non-profit provides students in schools access and training to open-source low-cost tech to foster digital making, problem solving and design thinking skills. They use the Raspberry Pi computer to enable students to learn experientially.

They have developed a database of ready-to-use APIs for complex electronic devices that allows young learners to build devices without getting bogged down by the technical details.

Recognising their work, Nasscom Social Innovation Forum (NSIF), a part of Nasscom Foundation, named the Pi Jam Foundation as one of the 10 winners of the 2018 NSIF awards in the education category.

Allowing students to build their own robots, IoTs and to write codes using low-cost bare-bone computers would bridge the learning gap and shift the pedagogy from theory-based to a practical one. India is slowly waking up to the learning gap challenge, but it has a long way to go from here.

The crypto assets conundrum

Why legalising crypto assets is dangerous



PARMINDER JEET SINGH

The Indian Government appears convinced that cryptocurrency is a dangerous proposition. Cryptocurrency enables relatively invisible transactions, with serious implications for crime, terrorism, money laundering, tax evasion, etc. Another worry is that a crypto mania is getting built of purely speculative investments. The eventual bursting of such bubbles will badly hurt people. Further, crypto threatens the state's macro-economic role. On the other hand, the Government wants to avoid any tech-unfriendly image. Caught in this dilemma, it proposes that cryptocurrencies be banned but crypto assets be legalised and strongly regulated. This way, the problem of invisible value transactions gets taken care of, the interests of investors are protected, and the tech industry's demand is met halfway.

This 'solution', however, is based on a flawed premise, rendering it unworkable in the medium to long term. The distinction between an asset and currency may not be so much legal as it is about the inherent characteristic of what is considered an asset or currency. Land, gold and stocks do not lend themselves to becoming common mediums of exchange because these assets are not easily divisible and portable. On the other hand, crypto is more divisible and portable than even physical currency. Once legalised, a crypto asset's creep towards becoming a medium of exchange would be unstoppable.

Underlying value

The same argument can also be made in another manner. Crypto assets are either 'purely speculative assets' or they have some underlying value, in which case such 'value' can consist only in their future as a medium of exchange. Both ways they are very problematic. A purely speculative asset has zero underlying value (unlike assets like land and gold). Regulators watch out for the purely speculative elements of any assets market, considering them dangerous. The 2008 financial crash happened largely because some 'assets' lost all connection to any kind of underlying value. When this happens, it is just a bubble waiting to burst, gravely hurting people. If the Government legalises a purely speculative asset, it provides a green signal to investors to invest in it and blow into the bubble. When the bubble bursts, there may be a heavy political price to pay for the ruling dispensation.

Or crypto does have some 'underlying va-

lue'. This value can only be in terms of the expectation that crypto assets will eventually gain widespread acceptance as currency. Such an expectation indeed has a good basis in the fact that crypto is preferred as a currency by many powerful groups because it is very private and less amenable to regulatory oversight. It basically removes the state from its existing status at the heart of currency systems. The question then is: by legalising crypto assets, is the Government trying to promote this 'underlying value' of crypto as a future currency with these 'unique characteristics'? Evidently not, since it wants to ban crypto as a medium of exchange precisely because of these characteristics. So, in legally recognising crypto assets, the Government is either promoting a dangerous 'purely speculative asset', which, when the bubble bursts, will lead to all-around harm; or it is itself promoting the 'underlying value' of crypto assets in terms of their unstoppable eventual conversion to a currency.

Not a tech decision

The argument that crypto assets need be legalised for promoting blockchain technologies and being pro-future is weak, if not bogus. Legalising crypto assets primarily to support blockchain technology is like signing on to the use of space as a new frontier of war just because it would promote India's space industry. Blockchain has thousands of applications other than crypto. Various innovations and services, including using blockchains and those in the realm of decentralised finance, are indeed possible over the top of a monopoly platform of a Central Bank Digital Currency, as an alternative to private cryptocurrencies.

The real decision that the Government faces is not about supporting a new technology. Certain groups and people want the state to mostly be out of currency systems because that serves their interests. Since the society is now at a fork to decide whether the future of currency will be public or private, what the Government has to decide is the side it would throw its weight behind.

The argument to let both public and private currencies co-exist, leaving it to 'people's choice', is also deceptive. The powerful resent the distributive potential contained in public currency systems. They will all immediately lap up and push private currencies. Their combined economic heft itself would ensure an overwhelming dominance of private currencies over the public currency.

It is true that India's decision alone would not determine this issue. But with China having already banned crypto, what India decides at this stage would count for a lot.

Parminder Jeet Singh works with the Bangalore-based NGO IT for Change

The financial standing of the RBL Bank

Why did the bank's stock suddenly plummet? Why are investors still vary despite the RBI's assurance?

PRASHANTH PERUMAL

The story so far: The Reserve Bank of India (RBI) on Saturday appointed Rajeev Ahuja as the interim managing director and chief executive officer of RBL Bank while the bank's long-time MD and CEO Vishwvair Ahuja left the post opting for medical leave. Last Monday, the bank's stock plummeted, losing as much as 23% of its market cap at its lowest price during the day before closing down about 18%.

Why did the RBI intervene?

The RBI in a statement released last Monday said that it intervened to appoint an interim CEO under Section 36AB of the Banking Regulation Act, 1949, since it "felt that the board needs closer support in regulatory / supervisory matters." The central bank also clarified that RBL Bank is well capitalised and that it is in a satisfactory financial position. "The RBI's long-term discomfort with [RBL Bank's] asset quality risks as seen during COVID, and poor compliance with its directives could have possibly led to its swift intervention," noted Anand Dama of Emkay Global. There has also been speculation that the RBI may have been unhappy with the bank's write-off of



certain loans.

As of September 30, 2021, RBL Bank's capital adequacy ratio, which is an indicator of how much percentage loss a bank can incur on its risky assets before it becomes insolvent, was at 16.33% as against the minimum Basel norm of around 10%. The bank's liquidity coverage ratio, which is a measure of how much liquid assets a bank has to cover cash demands over a certain number of days in case of a crisis, was at over 150%

as against the regulatory requirement of 100%. The bank has also provisioned for over 76% of its gross NPAs, or it has recognised over three-fourths of its gross NPAs as losses, thus reducing the chances of any future negative earnings surprise.

Is RBL Bank in trouble?

Even though the financial metrics mentioned above paint the picture of a bank that is not in any immediate trouble, the market has been spooked by

the RBI's action on Saturday. The bank's new interim CEO and the RBI have assured investors that all is fine with the bank. But investors are still wary of hidden risks that may be known only to insiders within the bank and authorities in the RBI. "Current developments have raised concerns about the bank's ability to sustain a turnaround in its operating performance," noted Nitin Agarwal in a Motilal Oswal research report.

Asset quality issues can certainly be hidden by bank officials through accounting tricks and other means. Plus, RBI intervention in a financial institution has generally been followed by more unpalatable facts about the institution coming out in the open gradually. This was certainly the case during the Yes Bank crisis.

It should be noted that the balance sheet of RBL Bank came under stress in recent years and the pandemic has contributed to a significant increase in the size of the bank's non-performing assets. While RBL Bank's loan book has doubled since 2017, the size of its bad loans has grown by more than seven times during the same period. The bank has expanded its loan book mainly through aggressive lending to retail

borrowers. It has particularly focused on extending unsecured credit card loans which are highly prone to default and low recovery rates. In fact, credit card and microfinance loans constituted well over half of the bank's retail loan book. All this has led to an increase in defaults.

What lies ahead?

Many consider the RBI's intervention to be a matter of serious concern and believe that trouble may be brewing in RBL Bank behind closed doors. The RBI's intervention, despite words of comfort spoken by RBI officials to allay investor fears, is generally seen as an indication that something may be wrong. So, analysts caution investors from going long on shares of RBL Bank.

For now, it seems like the RBI has managed to avoid any run on RBL Bank by depositors. As a matter of policy, the RBI and the government generally do not allow bank depositors to lose money in order to protect public confidence in the banking system.

If asset quality issues prop up in the coming days and RBL Bank's solvency comes into question, the bank may be merged with a larger bank which will be forced to accept losses.

THE GIST

■ The step down of the RBL Bank's CEO caused the bank's stock to plummet. The RBI appointed an interim CEO as it felt that the board needs closer support in regulatory matters.

■ As of September 30, 2021, RBL Bank's capital adequacy ratio was at 16.33% as against the minimum Basel norm of around 10%. The bank's liquidity coverage ratio was at over 150% as against the regulatory requirement of 100%.

■ Many consider the RBI's intervention to be a matter of serious concern and believe that trouble may be brewing in the RBL Bank behind closed doors.

Kaziranga elevated road plan awaits nod

The 35-km stretch will run over nine corridors used by animals of the park

SPECIAL CORRESPONDENT
GUWAHATI

The Assam government is awaiting the Centre's clearance for an elevated road over nine corridors used by the animals of the Kaziranga National Park and Tiger Reserve usually during high floods.

The 35-km elevated road will run along an existing arterial highway.

Assam Chief Minister Himanta Biswa Sarma on Saturday said the Centre had virtually cleared the 35-km project worth ₹6,000 crore. But officials of the Public Works Department said they were awaiting clearance from the Ministry of Road Transport and Highways

(MoRTH). "But we expect the clearance in a fortnight or so," a senior official said.

One of the reasons why the MoRTH took longer to process the project was the State government's alignment report for a two-lane road that was deemed to be short-sighted. The Ministry sought a revised report, advising the State authorities to think "100 years ahead" and go for a four-lane project.

"We will have to prepare a detailed project report to the Ministry after receiving its go-ahead. The next stage entails obtaining clearance from the Environment Ministry and the National Board for Wildlife," the official said.



An elephant and a calf waiting to cross a road at the Kaziranga park ■ FILE PHOTO

According to the blueprint, the "Kaziranga project" will have two tunnels – one with an estimated length of 1.5 km and the other of 600 metres.

"The alignment was fixed in coordination with the Wildlife Institute of India. Apart from the engineering aspect, the designing was done to ensure minimum harm to

the wildlife and human settlements along the highway," the official said.

'Clear encroachments'

Kaziranga's field director P. Sivakumar said the project would not benefit the park known as the best address of the one-horned rhino if the settlements and encroachment on the animal corridors were not cleared. "People settled on or near the corridors need to be relocated and compensated," he said.

The highway along the southern edge of Kaziranga has often proved fatal for animals fleeing the park during floods for the safety of the hills of the Karbi Anglong district further south. Speed restrictions during the monsoon often fail to prevent the animals from being run over.

Two plant species discovered in Kerala

They were found in Western Ghats region of Thiruvananthapuram and Wayanad

SPECIAL CORRESPONDENT
THIRUVANANTHAPURAM

Researchers from SNM College Maliankara, the M.S. Swaminathan Research Foundation, and the Payyanur College have reported two new plant species from the biodiversity-rich Western Ghats regions in Thiruvananthapuram and Wayanad districts of Kerala.

They have been christened *Fimbristylis sunilii* and *Neanotis prabhuii*, and the findings by the research teams have been detailed in the plant taxonomy journal *Phytotaxa*.

Collected from the grasslands of Ponnudi hills, Thiruvananthapuram, *Fimbristylis sunilii* has been named after plant taxonomist C.N. Sunil, retired professor and



Fimbristylis sunilii and *Neanotis prabhuii*

research guide of Botany, SNM College.

Data deficient

A perennial plant of the Cyperaceae family, it stands 20-59 cm tall and was collected from an elevation of 1,100 metres. *Fimbristylis sunilii* has been provisionally as-

sessed as data deficient (DD) under the IUCN Red List categories, according to the authors M.G. Sanilkumar., E.C. Baiju, Nitya Madanan and Divya P.V., affiliated to the Research Department of Botany, SNM College.

Neanotis prabhuii is a prostrate perennial herb

named after K.M. Prabhukumar, Senior Scientist at CSIR-NBRI, Lucknow, in recognition of his research on flowering plants of the Western Ghats. Discovered in the Chembra Peak grasslands of Wayanad, it hails from the family *Rubiaceae* and grows on high-altitude grasslands.

Neanotis prabhuii grows up to 70 cm in length and is many-flowered with the petals pale pink in colour, according to authors C.N. Sunil, M.G. Sanilkumar, and Nitya Madanan from the Research Department of Botany, SNM College; Anilkumar and Salim Pichan from M.S. Swaminathan Research Foundation; and Ratheesh Narayanan, from the Department of Botany, Payyanur College.

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-drawal 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.