



VEDHIK
IAS ACADEMY

The New Learning Mantra



VEDHIK

DAILY NEWS ANALYSIS

0 9 - A U G - 2 0 2 2

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

- GSP 02 A News - Don't disturb normal affairs with Sri Lanka China to India Part I
- GSP 02 A News - Don't disturb normal affairs with Sri Lanka China to India Part II
- GSP 02 E Editorials - A law, without a flaw
- GSP 02 E Editorials - Manipur's NRC exercise
- GSP 02 E News - No district-level minority groups, says SC
- GSP 02 E News - Panel bats for equality in child's guardianship
- GSP 03 A Editorials - The fight for fiscal autonomy
- GSP 03 A News - Rupee slides 39 paise on dollar demand

- 
- GSP 03 A News -Infra worth ₹ 1.62 lakh cr. to be monetised in FY23
 - GSP 03 P News - Bill to set up carbon markets passed in LS
 - GSP 03 S Editorials - PMLA verdict — due process will be bulldozed
 - GSP 03 S News - '80% decline in value of fake currency notes'
 - GSP 03 S News - Assets worth ₹47,099 cr. attached
- 

Don't disturb normal affairs with Sri Lanka: China to India

Beijing terms New Delhi's opposition to ship visit 'senseless'

ANANTH KRISHNAN
BEIJING

Reacting strongly to Sri Lanka's request to delay the visit of a tracking vessel that was due to arrive on August 11 and had aroused India's concerns, China on Monday described India's opposition to the visit as "senseless" and "urged" New Delhi to "not disturb normal exchanges" between the two countries.

The *Yuan Wang 5* had last month been given clearance by Sri Lanka to stop in the port of Hambantota from August 11 to 17 to carry out replenishment.

The visit of a space and satellite tracking vessel for close to a week had, however, aroused concerns in New Delhi, and last week, Sri Lanka's government conveyed to China that it wanted the visit deferred "until further consultations" were made. Chinese Ambassador Qi Zhenhong sought a meeting with President Ranil Wickremesinghe on Saturday, after receiving the note verbale from the Sri Lankan Foreign Ministry requesting a delay in the visit.

China's Foreign Ministry on Monday hit out at opposition to the visit, terming it "senseless". "We have noted the relevant report," spokesperson Wang Wenbin said in response to a question on Sri Lanka's deferral request.

 I would like to reiterate two points. Sri Lanka is a transportation hub in the Indian Ocean. Many scientific exploration ships, including from China, have stopped in the ports of Sri Lanka for supplies. China always exercised freedom of navigation in the high seas and fully respects jurisdiction of coastal states of scientific exploration activities within their jurisdiction waters

WANG WENBIN
China Foreign Ministry spokesperson

"I would like to reiterate two points. Sri Lanka is a transportation hub in the Indian Ocean. Many scientific exploration ships, including from China, have stopped in the ports of Sri Lanka for supplies," he said. "China always exercised freedom of navigation in the high seas and fully respects jurisdiction of coastal states of scientific exploration activities within their jurisdiction waters," he added.

He added that "Sri Lanka is a sovereign state" and "can develop relations with other countries in the light of its own development interests". "The cooperation of China and Sri Lanka is independently chosen by the two countries and does not target third parties," he said. "Citing the concept of security concerns is senseless to pressure Sri Lanka."

Without referring directly

to India, Mr. Wang said China "urges relevant parties to see China's scientific exploration in a reasonable and sensible way and stop disturbing normal exchanges between China and Sri Lanka".

'Diplomatic clearance'

Sri Lanka's Ministry of Foreign Affairs, in a statement late on Monday, said that on July 12 it had given "diplomatic clearance" for the Chinese vessel to make a port call at Hambantota for replenishment purposes.

"Subsequently in light of the need for further consultations, the Ministry has communicated to the Embassy of the People's Republic of China to defer the visit of the said vessel," the Ministry said, in its first official statement on the visit.

CONTINUED ON ► PAGE 10

‘Don’t disturb normal affairs with Sri Lanka’

The Ministry however did not comment on the outcome of its request. Further, Sri Lanka “reaffirms the enduring friendship and excellent relations between Sri Lanka and China which remain on a solid foundation”, the Ministry said, noting that the message was reiterated most recently by the two Foreign Ministers, Ali Sabry and Wang Yi, at a meeting on August 4.

“At this first meeting between the two Foreign Ministers, Minister Sabry referred to Sri Lanka’s firm commitment to the one-China policy which has been a consistent principle in the country’s foreign policy,”

the Ministry said.

The ship’s visit is another example of Indian and Chinese interests rubbing up against each other in Sri Lanka. Last year, a Chinese firm similarly hit out at what it called “interference” by a “third party” after India raised concerns about the awarding of a renewable energy project to a company from China, for installing energy systems in three islands off Jaffna. Amid the latest dispute over the visit of the ship, China and Sri Lanka have been continuing long negotiations on possible financial assistance.

(With inputs from Colombo)

A law, without a flaw

The SC has put unmarried women on an equal footing in availing abortion services

The most celebrated kind of court judgments are those that eliminate inherent bias vested in a law or rules framed by the government. The Supreme Court's move last week to set right a rule that was 'manifestly arbitrary and violative of women's right to bodily dignity' fits right into the concept of justice that is free, and without prejudice or favour to any person or group of people. Earlier, the apex court in its wisdom, facilitated the abortion (beyond 20 weeks) of a young unmarried woman whose partner parted ways after realising she was pregnant. Had the Court rested then, it might have meant relief for one woman who had to go all the way to the top court of the land in order to access what seven other categories of women would have been able to do without legal hassles. While the judgment could have been cited in support of other women in a similar situation, the law retained its flaw, and others would still have had to take the long legal route, and wait upon the discretion of individual judges. Utilising the full, expansive reach of its powers, the Supreme Court has decided to correct the anomaly. A Bench comprising Justices D.Y. Chandrachud and J.B. Pardiwala are considering pronouncing a judgment which would make access to medical abortion a level-playing field. The Medical Termination of Pregnancy Act, 1971 and its Rules, 2003, prohibit unmarried women who are between 20 weeks and 24 weeks pregnant to terminate the pregnancy. The Court's argument pierced at the heart of the iniquity in the law: if a married woman had access to abortion facilities during the same period, then why should an unmarried woman be prevented from using these services? Exhorting the Government to have a 'forward-looking interpretation of the law', the Bench pointed out that the rules mentioned 'partner' and not husband.

If the Supreme Court was feted for taking a liberal view of the law, its act of pushing the envelope further to set right existing anomalies in law is to be celebrated in full measure. At a time when the United States' Supreme Court's recent ruling overturning *Roe vs Wade* has drawn that nation back several decades on the abortion question, India's apex court's move stands out in sharp contrast. It is the surest example of the Court's willingness to be modern and progressive, in order to remove antediluvian inconsistencies in existing laws. It is also in the full spirit of Article 14 of the Constitution that guarantees to all persons equality before the law and equal protection of laws. The law cannot cherry-pick beneficiaries, and if there is to be any justice at all, the antiquated principles on which old Acts were built, cannot continue to frustrate young women who claim autonomy of their own body.

EXPLAINER

Manipur's NRC exercise

Which are the other northeastern States to undertake similar processes for separating indigenous communities from non-indigenous groups?

RAHUL KARMAKAR

The story so far: On July 5, the 60-member Manipur Assembly resolved to implement the National Register of Citizens (NRC) and establish a State Population Commission (SPC). The approval to a couple of private member resolutions moved by Janata Dal (United) MLA, Khumukcham Joykishan came after more than two dozen organisations, most of them tribal, demanded an Assam-like NRC to protect the indigenous people from a perceived demographic invasion by "non-local residents".

Why is Manipur pushing for NRC? The northeastern States have been paranoid about "outsiders", "foreigners" or "alien cultures" swamping out their numerically weaker indigenous communities. The Meiteis and the Nagas of Manipur claim that an NRC is necessary because the political crisis in neighbouring Myanmar has forced hundreds of people into the State from across its 398-km international border. A majority of those who fled belong to the Kuki-Chin communities, ethnically related to the Kuki-Zomi people.

Nagaland attempted a similar exercise called RIIN (Register of Indigenous Inhabitants of Nagaland) in 2019 to sift the indigenous Nagas from the non-indigenous Nagas

These ethnic groups are the non-tribal Meitei people concentrated in the Imphal Valley, the central part of Manipur, and the tribal Naga and Kuki-Zomi groups mostly inhabiting the hills around. There has been a history of conflict among these three groups, but the NRC issue has seemingly put the Meiteis and the Nagas on the same page. They claim that an NRC is necessary because the political crisis in neighbouring Myanmar, triggered by the military coup in February 2021, has forced hundreds of people into the State from across its 398-km international border. A majority of those who fled or are fleeing belong to the Kuki-Chin communities, ethnically related to the Kuki-Zomi people in Manipur as well as the Mizos of Mizoram. In July, seven Manipur students' organisations and 19 tribal and mixed groups – none of them representing the Kuki-Zomi people – submitted a

memorandum to Prime Minister Narendra Modi and Home Minister Amit Shah demanding the implementation of NRC and the establishment of an SPC to "check and balance the population growth". The State Assembly bowed to these demands and decided to go for NRC and SPC.

Has Manipur had protective mechanisms?

In December 2019, Manipur became the fourth northeastern State to be brought under the inner-line permit (ILP) system after Arunachal Pradesh, Mizoram and Nagaland. A temporary official travel document to allow inward travel of an Indian citizen into a protected area, the ILP is implemented under the British-era Bengal Eastern Frontier Regulation. But less than two years later, an umbrella organisation that spearheaded the ILP movement said the system was flawed and that Manipur needed a stronger and more effective mechanism for protecting indigenous populations. The pro-NRC organisations said Manipur did have a robust pass or permit system that regulated the entry and settlement of outsiders. But it was abolished by the then chief commissioner Himmat Singh in November 1950, a tad more than a year after Manipur's merger with the Union of India. This, they said, led to the increase "beyond imagination" in the population of non-indigenous people.

They also recalled a movement in the 1980s for the detection and deportation of foreigners from Manipur, following which the State government had signed two agreements for using 1951 as the base year for identifying the non-residents and evicting them. In June this year, Nongthombam Biren Singh's BJP-led government approved 1961 as the base year for identifying the "natives" for the purpose of ILP. Most groups are not happy with this cut-off year and insist on 1951 as the cut-off year for the NRC exercise.

Are Myanmar nationals the only bugbears?

According to data presented in the Manipur

Assembly, the population growth rates in the hill districts of the State were 153.3% between 1971 and 2001 and 250.9% between 2001 and 2011 compared to the corresponding national growth rate of 87.67% and 120% respectively. In the case of the valley (Imphal and Jiribam, a small patch adjoining southern Assam's Barak Valley) districts, the growth rate was 94.8% and 125.4% during these periods. The abnormal population growth rates of the hill districts point to a strong possibility of a huge influx of non-Indians. The situation is such that smaller indigenous communities may face extinction, necessitating a study and action, the House was told. This indicated the government had Myanmar nationals, primarily the Kukis, on its radar.

They are not the only communities to be viewed as demographic invaders. The pro-NRC groups have identified "Bangladeshis" and Muslims from Myanmar who have "occupied the constituency of Jiribam and scattered in the valley areas", as well as Nepalis (Gurkhas) who have "risen in tremendous number". The Kukis have termed the threat perception irrational. The Kuki Inpi, the apex body of the community, said an NRC implemented with 1961 or 1951 as the cut-off year will not succeed and would affect some Meiteis and Nagas too. The major worry for the Kukis are community members who had to relocate from Senapati, Tamenglong and Ukhrul districts after an alleged ethnic cleansing by Naga extremist groups.

What is the status of the NRC elsewhere in the northeast?

Assam is the only State in the region that undertook an exercise to update the NRC of 1951 with March 24, 1971, as the cut-off date for citizenship of a person. This date, incorporated in the Assam Accord of 1985 that ended a six-year anti-foreigners movement, was chosen because a large number of people were believed to have crossed over from erstwhile East Pakistan from March 25, 1971, onwards after Pakistan launched an operation to effectively start the Bangladesh liberation war. The complete



GETTY IMAGES

draft of the Assam NRC was published in August 2019, excluding 19.06 lakh out of 3.3 crore applicants, which the BJP-led government in the State and some indigenous groups have refused to accept. Their petitions for re-verification of the NRC to weed out "Bangladeshis", allegedly included erroneously or fraudulently, are pending before the Supreme Court, which had monitored the exercise.

Nagaland attempted a similar exercise called RIIN (Register of Indigenous Inhabitants of Nagaland) in June 2019 to primarily sift the indigenous Nagas from the non-indigenous Nagas. The move, seen as directed particularly against the Nagas of adjoining Manipur, was shelved following opposition from several groups, including the extremist National Socialist Council of Nagalim or NSCN (I-M), the bulk of whose members are ironically from Manipur.

THE GIST

■ On July 5, the 60-member Manipur Assembly resolved to implement the National Register of Citizens (NRC) and establish a State Population Commission (SPC).

■ The northeastern States have been paranoid about "outsiders", swamping out their numerically weaker indigenous communities. The Meiteis and the Nagas of Manipur claim that an NRC is necessary because the political crisis in neighbouring Myanmar has forced hundreds of people into the State from across its 398-km international border. A majority of those who fled belong to the Kuki-Chin communities, ethnically related to the Kuki-Zomi people.

■ Apart from the Kuki-Chin groups, pro-NRC groups have identified "Bangladeshis" and Muslims from Myanmar who have "occupied the constituency of Jiribam and scattered in the valley areas" as well as Nepalis (Gurkhas) who have "risen in tremendous number" as "outsiders".

No district-level minority groups, says SC

Supreme Court cites 11-judge Bench judgment, says such identification can be done only at State level

KRISHNADAS RAJAGOPAL
NEW DELHI

The Supreme Court on Monday orally observed that it is “contrary to law” to identify religious and linguistic minority communities district-wise. A Bench of Justices U.U. Lalit and S. Ravindra Bhat remarked that minority status of linguistic and religious communities have to be considered State-wise.

The court was hearing a petition filed by Devkinandan Thakur Ji, a Mathura resident, claiming that Hindus do not get minority status in States where they are “socially, economically and politically non-dominant and numerically inferior”. The petition had also sought a declaration from the court to identify minorities district-wise.

“Your prayer to recognise minorities at the district level

 You want to somehow bring out a case when there is none. We can look into concrete case of denial, the court cannot pass general orders

JUSTICE RAVINDRA BHAT
Supreme Court



is contrary to law. There is a 11-judge Bench judgment which holds that it should be done at the State level,” Justice Bhat addressed the petitioner side.

The judge was referring to the majority verdict given by the 11-judge Bench in the T.M.A Pai versus State of Karnataka case in 2002. The Bench said the court cannot pass “general” directions to States to bestow certain communities with minority sta-

tus. “If you bring a concrete case, we can look into it... This has to be done on a case-to-case basis,” Justice Lalit told the petitioner side.

“You want to somehow bring out a case when there is none. We can look into concrete case of denial, the court cannot pass general orders,” Justice Bhat said.

At this point, advocate Ashwini Upadhyay intervened to point out that a similar petition was pending

before another Bench of the apex court. He urged the Bench to tag this petition along with the other one which has been pending since 2020. Mr. Upadhyay is himself the petitioner in the 2020 case.

The court tagged Mr. Thakur’s case with the earlier case and scheduled a hearing in the first week of September before the appropriate Bench.

In the previous hearing before Justice Lalit’s Bench, Mr. Thakur had complained that followers of Judaism, Bahaism and Hinduism, who were the real minorities in Ladakh, Mizoram, Lakshadweep, Kashmir, Nagaland, Meghalaya, Arunachal Pradesh, Punjab and Manipur, could not establish and administer educational institutions of their choice, thus jeopardising their basic rights

guaranteed under Articles 29 and 30.

But the court had indicated that a religious or linguistic community which were a minority in a particular State could inherently claim protection and the right to administer and run their own education institutions under Articles 29 and 30 of the Constitution.

The court had asked whether a specific notification, declaring such non-dominant communities as a ‘minority’ in the particular State, was required to be issued at all.

The court had made it clear that it would not entertain petitions devised in “thin air”.

It had challenged the petitioner to bring a “concrete case” in which Hindus were denied rights in States where they were a minority.

Panel bats for equality in child's guardianship

The parliamentary panel has also called for a relook at child custody in case of marital disputes and suggested empowering courts to award joint custody to both parents when conducive for the welfare of the child, or award sole custody to one parent with visitation rights to the other. "As the society is rapidly evolving, conjugal and familial relationships are becoming more and more complex. The basis for ending marriage has shifted from fault-finding divorce to mutual consent divorce. There is a need to lay down a framework within the legislation within which the divorcing

parents and children can decide what custodial arrangement works the best for them," the panel has said. It has also proposed guardianship rights of those differently abled and suffering from autism or cerebral palsy, people suffering from mental health problems as well as senior citizens. In such cases where guardianship of minors is concerned, the panel says the law should consider "supported decision making" as an alternative to guardianship where a person appoints trusted advisers such as friends, family or professionals to serve as supporters.

The fight for fiscal autonomy

The erosion of fiscal autonomy does not bode well for our federal structure and will thwart the growth of developed States



SALEM DHARANIDHARAN

In a recent debate between Union Finance Minister Nirmala Sitharaman and Opposition MPs on price rise, Ms. Sitharaman said the States should do more, ignoring the fact that the reduced fiscal autonomy of the States gives them little leeway to do much. Similarly, the increasing reliance of the Union government on indirect taxes such as the GST has directly contributed to price rise and inequality. But despite reduced fiscal autonomy, States such as Tamil Nadu and Kerala have contained price rise and inflation through targeted interventions.

Growing inequality

Adam Smith had argued that taxation per se is not bad, but should follow the principles of fairness. Fairness, in taxation, should be compatible with taxpayers' conditions, including their ability to pay in line with their personal and family needs. However, the Union government's increasing dependence on indirect taxes has removed any 'fairness' in taxation. The share of indirect taxes of the gross tax revenue in FY2019 increased by up to 50% compared to 43% in FY2011. Compare this with the OECD countries, where indirect taxes on average do not contribute to more than 33% of their tax revenue. Indirect taxes are regressive because they tax both the rich and the poor equally.

The poor get taxed a higher proportion of their income compared to the rich. For example, Indians on average spend 22% of their income on fuel, the highest in the world. Also, Union tax on diesel has increased by 800% since 2014, which, after recent reductions, stands at 300%. While indirect taxes have increased, direct taxes such as corporate tax have been reduced from 35% to 22%, leading to a loss of about ₹2 lakh crore to the exchequer. This over-reliance on indirect taxes not only hinders growth by thwarting demand, but can also lead to high inflation and high inequality, which again inhibit growth.

The reason for high inflation in India lies in the extremely high CPI index for food (over 15% in the recent past). Instead of making efforts to lower food prices, the Union government, via GST, increased taxation on basic food items such as rice and milk.

It is not a mere coincidence that India's increasing reliance on indirect taxes has coin-

ceded with rising inequality and lower growth. Over recent years, wealth has remained concentrated in the top echelons of society. According to the World Inequality Report 2022 report, the top 1% of India's richest held 22% of the total national income as of 2021 and the top 10% owned 57% of the income. The report also showed that India is one of the most unequal countries in the world. Furthermore, the World Poverty Clock identifies India as home to the second highest number of extremely poor people.

Tamil Nadu's performance

Inflation, and predominantly rural inflation, has touched double digits in some States. Tamil Nadu and Kerala have been able to buck the trend of high inequality and inflation. To understand the low inflation rates in Tamil Nadu, one has to look at how inflation is calculated. Inflation is based on weighted average of components such as transport and food, which are given a weightage ranging from 6% to 10% basis points. Due to Tamil Nadu's efficient Public Distribution System and welfare schemes such as free bus travel for women, inflation or price rise has been negated to a greater extent. Apart from low inflation, Tamil Nadu and Kerala also occupy a leading position on several socio-economic indicators such as graduate enrolment ratio and female participation in the labour force. This was possible because these States had a head start in launching socio-economic programmes. It is the state that mostly implements schemes and provides basic necessities to the citizens. It is therefore the state which can improve the lives of citizens.

But States require fiscal autonomy to implement these programmes. There has been a substantial erosion in Tamil Nadu's fiscal autonomy in the last few years. While a developed State such as Tamil Nadu gets only 30 paise in return for every rupee it contributes to the Union, States such as Uttar Pradesh and Bihar get ₹2 to ₹3 for every rupee contributed. Arbitrary increases on cess and surcharge, which are non-divisible with States, have further reduced the individual States' fiscal resources. The share of cesses and surcharges in the gross tax revenue of the Union government has nearly doubled between 2011-12 and 2020-21. Such continuous erosion of fiscal autonomy does not bode well for India's federal structure and will only thwart the growth of developed States. The Union government should urgently initiate a course correction on its taxation policy and fiscal autonomy.

Salem Dharanidharan is the spokesperson of the DMK and executive coordinator of the Dravidian Professional Forum

Rupee slides 39 paise on dollar demand

PRESS TRUST OF INDIA

MUMBAI

The rupee depreciated by 39 paise to close at 79.63 against the U.S. currency on Monday, pressured by dollar demand and waning risk appetite among investors.

Lower crude oil prices and a rally in domestic equities restricted the losses to some extent, forex dealers said.

“The rupee started the new week on the weaker side after impressive U.S. July jobs figures on Friday augured well for the dollar. After the past few days’ of high volatility, it has been a lacklustre trade ahead of Tuesday’s holiday,” said Dilip Parmar, research analyst, HDFC Securities.

‘Infra worth ₹1.62 lakh cr. to be monetised in FY23’

₹97,000 cr. realised last year: Minister

PRESS TRUST OF INDIA

NEW DELHI

Infrastructure assets worth more than ₹1.62 lakh crore are expected to be monetised during the current fiscal, Parliament was informed on Monday.

The Centre had last year announced a ₹6 lakh-crore National Monetisation Pipeline (NMP) to unlock value in infrastructure assets across sectors such as power to road and railways in four years till 2025.

In a written reply to the Lok Sabha, Minister of State for Finance Pankaj Chaudhary said about ₹97,000 crore worth of public assets were monetised in FY22.

Key transactions include highway toll-operate-transfer-based PPP concessions, NHAI’s Infrastructure Investment Trust (InvIT), Po-



werGrid InvIT, annual accruals from mineral and coal blocks auctioned in FY22 and receipts from six airports leased on PPP mode.

“Indicative value of assets envisaged to be monetised under NMP during FY22-23 is ₹1,62,422 crore,” he said.

The indicative value refers to the value expected to be realised via the monetisation process, either in the form of accruals or by way of private sector investment.

Bill to set up carbon markets passed in LS

It mandates use of non-fossil sources

SPECIAL CORRESPONDENT
NEW DELHI

The Lok Sabha on Monday passed the Energy Conservation (Amendment) Bill, 2022, which provides for the establishment of carbon credit markets and brings large residential buildings under the energy conservation regime.

The Bill mandates the use of non-fossil sources, including green hydrogen, green ammonia, biomass and ethanol, for energy and feedstock, according to the statement of objects and reasons. The Bill amended the Energy Conservation Act, 2001, to establish carbon markets, enhance the scope of the Energy Conservation Building Code, amend penalty provisions and increase number of members in the governing council of the Bureau of Energy Efficiency.

While replying to the discussion on the Bill, Power and New and Renewable Energy Minister R.K. Singh clarified that the carbon credit would not be exported and would have to be used domestically. He said till India met the commitments made at COP21 and COP26, it would not allow export of credits. Responding to concerns of some MPs, Mr. Singh said India had not missed targets for reduction of emissions and increase in share of non-fossil energy sources. "We are ahead of the target," he said.

Speaking on the Bill, Congress member Adhir Ranjan Chowdhury said States, and not just Central agencies, should also be allowed to issue certificates of carbon credit in the "spirit of federalism". He said he was not against the Bill, but expressed concerns that the carbon markets would lead to a "revolving door" between the government, businesses and NGOs. "The government had failed to strengthen its capacity to produce domestic solar panels," he said, adding that cheaper panels from China



R.K. Singh

were flooding the market.

Nationalist Congress Party member Supriya Sule supported the Bill, but asked what the government's policy regarding coal versus renewable sources was, given that the Coal Ministry had informed Parliament of increased mining and generation.

National Conference member Hasnain Masoodi said while he supported the Bill, it was "depressing that the government has not taken adequate steps to encourage use of renewable energy".

Arbitration Centre Bill

After the Bill was passed by a voice vote, the Lok Sabha took up and passed the New Delhi International Arbitration Centre (Amendment) Bill, 2022, which changed the name of the arbitration centre to the India International Arbitration Centre.

Ms. Sule said the Bill was "colossal waste of time" as it just changed the name of the centre.

In his response, Union Law Minister Kiren Rijju said the change of name was necessary to prevent confusion as there was a Delhi centre for arbitration where the Delhi High Court referred arbitration matters.

Replying to concerns that Indian companies preferred to seek arbitration in Singapore or London, Mr. Rijju said that after the Bill was passed, the Union government would include a clause in all its "big contracts" that any dispute would be sent to the arbitration centre in question.

PMLA verdict — due process will be bulldozed

The problem of the process being the punishment, which is present in the criminal justice system, can be aggravated



SHADAN FARASAT

Outcomes in matters of constitutional law disputes depend on the values that the constitutional court choose to emphasise over those it chooses to discount. The recent decision of the Supreme Court of India in *Vijay Madanlal Choudhary vs Union Of India*, where it found all the provisions of the Prevention of Money Laundering Act, 2002 as amended from time to time (“PMLA”) as constitutional, is a case where the Supreme Court repeatedly relies on the legislative intent behind the PMLA to fight the menace of money laundering to trump all other considerations – in particular due process.

A necessary precondition

The PMLA is an Act that is meant to deal with prosecution and punishment for the offence of “money laundering”, which an accused commits when he has relation with any process or activity with the “proceeds of crime” and has projected or claimed such proceeds as untainted property. Thus, for the PMLA to come into action, there must have been another crime – independent of the PMLA

– from which monies were derived. This other crime, which is a necessary precondition for an offence under the PMLA is described as the predicate offence.

Affecting fair legal process

The substratum of the challenge before the Court was that when the predicate offences (these can be various offences under regular penal law such as the Indian Penal Code 1860, the Prevention of Corruption Act, etc.) are governed by the regular criminal process, the major deviations from this procedure in the PMLA, which is only a consequential act, are manifestly arbitrary and in any event violative of various fundamental rights, *inter alia* Articles 14, 20 and 21.

The major deviations in the PMLA scheme, all of which operate to the detriment of the accused that were challenged were: non-supply of the Enforcement Case Information Report (ECIR) to the accused/arrested person; power to make any person (including existing or future accused) state the truth on oath even though it may amount to self-incrimination (Section 50); if the Public Prosecutor opposes bail, then the court can grant anticipatory/regular bail, only if the court has reason to believe that the accused is not guilty (Section 45); once a person is accused of committing the offence of money laundering, the burden of proving that proceeds of the crime are untainted property shall be on

GETTY IMAGES/ISTOCKPHOTO



the accused (Section 24); blanket common and non-graded punishment for anyone associated with money laundering (Section 4).

It is not too difficult to imagine that these deviations from regular criminal law are capable of great mischief, and strike at the very core of what the Constitution envisages: a fair legal process to determine the criminal culpability of a person. A person under arrest, without knowing what is the primary case against him, being made to give self-incriminating statements under oath and then required to prove his own innocence at trial is hardly a criminal procedure that appears either just or fair. All this, when the Act which brings taint to the money, i.e. the original crime, continues to be governed by regular criminal law, where none of these draconian provisions applies.

And yet, the Supreme Court in finding these provisions as constitutional has repeatedly relied upon the legislative intent of the

PMLA, which it describes as “a special mechanism to deal with the scourge of money laundering recognised the world over and with the need to deal with it sternly.” The Court even compared the intensity of money laundering with terrorism, while disagreeing with its earlier judgment, where the Court had made a distinction between the two.

The errors

This is a fundamental error for multiple reasons. One, legislative intent can be a beginning point of a constitutional analysis, i.e., whether the state has legitimate purpose in making a law. However, faced with a specific fundamental rights challenge to specific provisions of such a law, the use of legislative intent to sanctify the provisions as constitutional means that the Court has also treated legislative intent as the end point of its analysis.

Second, the overemphasis on the seriousness of money laundering is not borne out by the PMLA itself. The maximum punishment under the PMLA is 10 years imprisonment (Section 4). There are so many offences under regular penal law that are punishable with life imprisonment or even death, where none of these draconian provisions applies. Clearly, if in the eyes of the legislature, money laundering was as serious as these offences, the punishment prescribed would have been as sev-

ere. The incongruous situation is that a person who is accused of murdering for money, will have his murder trial (where he is punishable with death) with all the constitutional protections available, while in his trial for the money proceeds from the murder (where he can be imprisoned for maximum 10 years), he will be stripped of these constitutional protections.

Third, legislative intent is reflected by Parliament as part of its normal law-making power, whereas constitutional due process is incorporated in the Constitution itself and is meant to define the limits of parliamentary law, irrespective of its intent. The net effect of elevating legislative intent to such a high pedestal that it can bulldoze any constitutional argument/reasoning is that due process has been completely compromised in PMLA cases. The problem of the process being the punishment, which is anyway omnipresent in our criminal justice system, is likely to be aggravated in PMLA cases. The likelihood that many would face long incarceration as PMLA accused, even though eventually found innocent has just increased manifold. One can only hope that sometime in the not distant future the Court corrects the error.

Shadan Farasat is an advocate practicing in the Supreme Court of India. The views expressed are personal

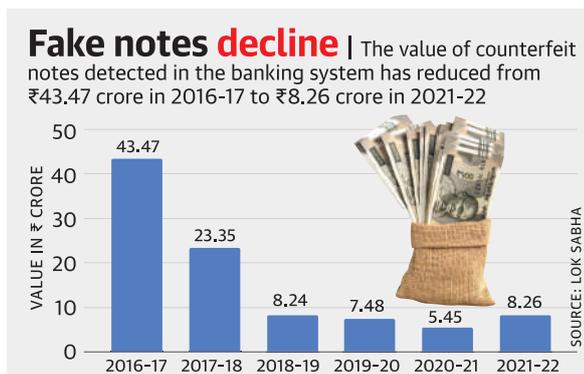
'80% decline in value of fake currency notes'

Discernible trend of reduction in number of counterfeit notes detected in banking system: Minister

SPECIAL CORRESPONDENT
NEW DELHI

The value of the counterfeit currency in the banking system reduced from ₹43.47 crore in 2016-17 to about ₹8.26 crore in 2021-22, amounting to a sharp decline of more than 80%, according to a Finance Ministry reply in the Lok Sabha on Monday.

In response to a query by Sanjeev Kumar Singari, MP, Minister of State for the Finance Pankaj Chaudhary said: "The number of counterfeit banknotes has come down from 7.62 lakh pieces in 2016-17 to 2.09 lakh pieces in 2020-21 post-decision of the Government of India to cancel the legal tender status of ₹1,000 and ₹500 denomi-



nation currency notes on November 8, 2016. The decision of demonetisation had several objectives including curbing of circulation of Fake Indian Currency Notes (FICN)."

By National Crime Records Bureau (NCRB) data,

the value of fake currency seized by various enforcement agencies in 2017 was ₹28 crore. However, it shot up to ₹92.18 crore in 2020.

According to the report of the agencies, "there have been instances where it has been found that the fake cur-

rency has been smuggled from the neighbouring countries. While notes seized by different law enforcement agencies have gone up, there is a discernible trend of reduction in the number of counterfeit notes detected in the banking system," he said in the written reply.

The Terror Funding and Fake Currency Cell has been formed in the National Investigation Agency (NIA) to conduct a focused investigation of terror funding and fake currency cases. The government has also set up the FICN Coordination Group to share intelligence and information with the security agencies in the States and the Centre.

"Further, a joint task force

is functioning between India and Bangladesh for building trust and cooperation for exchange of information and analysis of smugglers of FICN. A Memorandum of Understanding (MoU) has been signed between India and Bangladesh to prevent and counter smuggling and circulation of fake currency notes," the Minister said.

The government conducts capacity-building programmes for various law enforcement agencies at the Centre and State levels.

Training programmes are held for the police officers of Nepal and Bangladesh to sensitise them to the problems arising from smuggling and counterfeiting of Indian currency.

Assets worth ₹47,099 cr. attached

Since 2014, 515 money laundering cases related to bank frauds recorded by ED

DEVESH K PANDEY
NEW DELHI

The Enforcement Directorate has attached properties worth about ₹47,099 crore in 515 money laundering cases related to frauds in public and private sector banks during 2014-2022, according to the Finance Ministry.

In response to a query from Lok Sabha Member Ritesh Pandey, Minister of State for Finance Bhagwat K. Karad said the ED has filed chargesheets before special courts in 115 cases. It said: "Also, out of the aforementioned 515 cases, 137 cases pertain to the bank frauds wherein amount involved is more than ₹100 crore in each case. In certain cases of



Ritesh Pandey

loan fugitives, the ED has also attached assets worth ₹19,312 crore up to July 29, 2022" under the provisions of the Prevention of Money Laundering Act. The figure is 85.5% of the defrauded amount of ₹22,586 crore in these cases.

According to the Reserve

Bank of India, the public and private banks recovered ₹8,39,452 crore from 2014-15 to 2021-22 in the Non-Performing Asset (NPA) accounts, including those reported as frauds.

The aggregate amounts involved in frauds in respect of top 100 accounts, based on the date of occurrence of frauds, were ₹38,722 crore (public banks) and ₹10,729 crore (private banks) in 2014-15. The next financial year, it peaked to ₹51,625 crore for public banks, while the amount was ₹10,484 crore in the case of private banks.

The figure for private banks spiked to ₹17,571 crore in 2018-19. However, the amount gradually reduced

and it was ₹7,022 crore for public banks and ₹3,496 crore in 2020-21, whereas in 2021-22 the figure was ₹3,161 crore and ₹406 crore, respectively.

The gross NPA of the borrowing companies, with an outstanding of ₹100 crore and above, was ₹81,921 crore (public banks) and ₹11,370 crore (private banks) as on March 31, 2015; the amount peaked to ₹5,71,676 crore for public banks as on March 31, 2018, and ₹1,23,661 crore for private banks as on March 31, 2020. The figures stood at ₹2,16,206 crore (public banks) and ₹79,638 crore (private banks) as on March 31, 2022, according to the RBI data.

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.