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**DAILY NEWS ANALYSIS**

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## **FOREWORD**

We, at Team Vedhik is happy to introduce a new initiative - "Daily Current Affairs\_The Hindu" compilations to help you with UPSC Civil Services Examination preparation. We believe this initiative - "Daily Current Affairs\_The Hindu" would help students, especially beginners save time and streamline their preparations with regard to Current Affairs. A content page and an Appendix has been added segregating and mapping the content to the syllabus.

It is an appreciable efforts by Vedhik IAS Academy helping aspirants of UPSC Civil Services Examinations. I would like to express my sincere gratitude to Dr. Babu Sebastian, former VC - MG University in extending all support to this endeavour. Finally I also extend my thanks to thank Ms. Shilpa Sasidharan and Mr. Shahul Hameed for their assistance in the preparing the compilations.

We welcome your valuable comments so that further improvement may be made in the forthcoming material. We look forward to feedback, comments and suggestions on how to improve and add value for students. Every care has been taken to avoid typing errors and if any reader comes across any such error, the authors shall feel obliged if they are informed at their Email ID.

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EXPLAINER

# Reinvigorating the Chabahar port

Why has interest in the Iran-based port suddenly spiked? How has the port construction progressed so far?

## THE GIST

■ The Union Minister of Ports, Shipping & Waterways Sarbananda Sonowal visited Chabahar on August 20. Mr. Sonowal reviewed the progress in the work on the terminal and handed over six mobile harbour cranes "to improve efficiency".

■ The Chabahar plan had three main objectives – to build India's first offshore port; to circumvent trade through Pakistan; and to find an alternative land route to Afghanistan. A fourth strategy has also emerged wherein the government hopes to provide Central Asia with an alternate route to the China-Pakistan Economic Corridor (CPEC).

■ The development of the Shahid Beheshti terminal in Chabahar has hit geopolitical road-block after road-block; the biggest issue being Iran's relationship with western countries, especially the U.S.

SUHASINI HAIDAR

**The story so far:** After months of what appeared to be a "go-slow", the Union government has revved up its interest in using Iran's Chabahar port to connect to Afghanistan and Central Asia for trade, with the visit of the Union Minister of Ports, Shipping & Waterways Sarbananda Sonowal to the port on August 20.

**Why is Chabahar back in the news?** Ahead of the visit to Iran, where Mr. Sonowal met with senior Ministers as well as officials connected to the Shahid Beheshti terminal project development, an official statement said that the visit would be a chance to "strengthen ties and the maritime relationship" between the two countries. "Due to [the] pandemic, there were less number of visits from India to Iran and vice-versa... This visit will also highlight the importance of Chabahar as a gateway for Indian trade with Europe, Russia and CIS [Commonwealth of Independent States] countries," the statement said. During the Chabahar visit, Mr. Sonowal reviewed the progress in the work on the terminal and handed over six mobile harbour cranes "to improve efficiency" and "invigorate the potential of Chabahar" in the loading and unloading operations at the port.

### What is India's strategic vision for Chabahar?

When the first agreement for Chabahar was signed by then Prime Minister Atal Bihari Vajpayee in 2003, the plan had a three-fold objective: to build India's first offshore port and to project Indian infrastructure prowess in the Gulf; to circumvent trade through Pakistan, given the tense ties with India's neighbour and build a long term, sustainable sea trade route; and to find an alternative land route to Afghanistan, which India had rebuilt ties with after the defeat of the Taliban in 2001.

Subsequently, Prime Minister Manmohan Singh's government constructed the Zaranj-Delaram Highway in Afghanistan's South, which would help connect the trade route from the border of Iran to the main trade routes to Herat and Kabul, handing it over to the Karzai government in 2009.

In 2016, Prime Minister Narendra Modi travelled to Tehran and signed the agreement to develop Chabahar port, as well as the trilateral agreement for trade through Chabahar with Afghanistan's President Ashraf Ghani. Since the India Ports Global Chabahar Free Zone (IPGCFZ) authority took over the operations of the port in 2018, it has handled 215 vessels, 16,000 TEUs (Twenty-foot Equivalent Units) and four million tons of bulk and general cargo, the government said in Parliament last month.

### Union Shipping Minister Sarbananda Sonowal said that it is India's vision to make the Shahid Beheshti port a "a transit hub" and link it to the International North South Trade Corridor (INSTC)

In the last few years, a fourth strategic objective for the Chabahar route has appeared, with China's Belt and Road Initiative making inroads in the region. The government hopes to provide Central Asia with an alternate route to the China-Pakistan Economic Corridor (CPEC) through Iran for future trade. Speaking a few days earlier on the occasion of a "Chabahar Day" function in Mumbai, Mr. Sonowal said that it is India's vision to make the Shahid Beheshti port a "a transit hub" and link it to the International North South Trade Corridor (INSTC), that also connects to Russia and Europe.

### Why is the Chabahar dream taking so long to realise?

Since the beginning, the development of the Shahid Beheshti terminal in Chabahar as



well as surrounding infrastructure has hit geopolitical road-block after road-block; the biggest issue has been over Iran's relationship with western countries, especially the United States. In years when western sanctions against Iran increased, the Chabahar project has been put on the back-burner, while in the years when nuclear talks that resulted in the Joint Comprehensive Plan of Action (JCPOA) in 2015 came into being, the Chabahar port has been easier to work on. In 2018, the U.S. Trump administration put paid to India's plans by walking out of the JCPOA and slapping new sanctions on dealing with Iran. This led to the Modi government "zeroing out" all its oil imports from Iran, earlier a major supplier to India, causing a strain in ties. Despite the fact that the U.S. made a special "carve-out" on sanctions for Chabahar, on the ground, it has been

difficult to source equipment for the port construction from infrastructure companies that continue to fear secondary sanctions, as well as to engage shipping and insurance companies for trade through Chabahar.

The Modi government also snapped ties with Afghanistan after the Taliban takeover in August 2021, which put an end to the humanitarian aid of wheat and pulses that was being sent to Kabul via Chabahar. When India restarted wheat aid to Afghanistan this year, it negotiated with Pakistan to use the land route instead.

With the government now reopening the Indian Embassy in Kabul, and establishing ties with the Taliban government, it is possible that the Chabahar route will once again be employed, another reason for the recent flurry of activity at the Iranian port terminal that India has pinned so many hopes on.

**Under construction:** Union Shipping Minister Sarbananda Sonowal at Chabahar Port to review work progress on August 20 in Iran. •P11

# Sporting trouble

The Supreme Court did well to hand over the daily affairs of AIFF to its administration

The Supreme Court of India's order on Monday terminating the mandate of the Committee of Administrators (CoA) to temporarily manage the All India Football Federation (AIFF) is set to pave the way for ending India's international isolation. World football's governing body FIFA had suspended the AIFF on August 15 citing "undue interference from a third party" and made a decision reversal conditional on the full repeal of the CoA's mandate and the handing back of the AIFF's daily affairs to the AIFF administration. Both these conditions have been met, alongside key amendments to the draft constitution as desired by FIFA - limiting the electoral college to just State association nominees and instead giving players representation as nominated members in the Executive Committee. There are still points of friction over calculation of term limits and the 'one person, one post' principle in the draft constitution. But these are unlikely to foil India's rehabilitation and its attempts to win back U-17 Women's World Cup hosting rights. There are apprehensions that the disbanding of the CoA will have an impact on other sports such as hockey and table tennis, which are also functioning under court-appointed committees. But it is to be noted that the Court merely ended the CoA's tenure and did not nullify all of its actions. The AIFF will still be guided by the draft constitution the CoA helped finalise, albeit with a few amendments.

While the AIFF seems to have weathered the storm, the suspension, however brief it may turn out to be, has come at an enormous cost for the women of Gokulam Kerala FC, whose dreams of competing in their maiden AFC Asian Women's Club Championship were shattered. The Union Sports Ministry should play a more active role in ensuring that the athletes and the sport are protected. The whole saga has its roots in the erstwhile AIFF establishment's non-adherence to the National Sports Development Code for 18 months. The Sports Code is a government-mandated regulation, and the onus is on the Ministry to crack the whip on erring federations. But it seemingly did not act until the matter reached the highest court and it sensed that India would lose out on the World Cup. As in the case of the AIFF, the Indian Olympic Association has been in the dock and the Delhi High Court duly placed it under a CoA. The Supreme Court has since ordered status quo for at least four more weeks. It would be prudent for all stakeholders to use this time to put the house in order.

# Govt. amends SC Judges Rules

## Rent-free accommodation for 6 months for ret'd. Chief Justice

The government on Tuesday amended the Supreme Court Judges Rules to entitle a retired Chief Justice rent-free Type-VII accommodation in Delhi for six months from the date of superannuation.

A notification issued by the Ministry of Law and Justice said the accommodation would be other than the designated official residence.

The amended Rules added that a retired Chief Justice and Judges of the Su-

preme Court shall be entitled to a chauffeur, a secretarial assistant and round-the-clock security cover, in addition to his or her personal security guard for a period of a year from the date of retirement.

Further, the amended Rules mandated that a retired Chief Justice and judges should be extended, as per protocol, courtesies at ceremonial lounges at airports.

The government has amended the original Supreme Court Judges Rules of 1959 in exercise of powers

conferred on it under the Supreme Court Judges (Salaries and Conditions of Service) Act, 1958.

A 2013 decision of the Supreme Court had taken a serious view of former Ministers, MPs and even retired Judges and government servants overstaying in bungalows beyond the allotted period.

“Judges of any forum shall vacate the official residence within one month from the date of superannuation/retirement,” the Supreme Court had ordered.

# 'All on one side, everybody wants freebies'

We thought we could look into the issue and make some suggestions... not a law, CJI Ramana says

**KRISHNADAS RAJAGOPAL**  
NEW DELHI

During the hearing in the Supreme Court on a petition challenging "irrational freebies" offered by political parties, Chief Justice of India (CJI) N.V. Ramana, heading a three-judge Bench, observed on Tuesday that the parties were "all on one side and everybody wants freebies" to continue.

The court's intervention has been met with a backlash from across the political spectrum in the States, many saying that welfare measures undertaken for the people are being misinterpreted in court as "freebies".

Chief Justice Ramana said the court's primary concern is that largesse dressed as freebies should not bleed the national economy dry and put more and more burden on the taxpayer.

"But we find that in this is-

 **Don't think you are the only wise party. The way you are talking, giving statements... Don't think we are ignoring all that is being said**  
CHIEF JUSTICE OF INDIA **N.V. RAMANA**  
TO DMK COUNSEL



sue, all political parties are on one side... Everybody wants freebies, everybody! That was exactly why we wanted a neutral body to look into the issue," Chief Justice Ramana explained.

At one point, the CJI turned the court's ire on Dravida Munnetra Kazhagam (DMK) counsel, senior advocate P. Wilson, saying, "Don't think you are the only wise party. The way you are talking, giving statements... Don't think we are ignoring all that is being said."

Senior advocate Vijay Hansaria, for petitioner Ashwini Kumar Upadhyay, said,

"Political parties cannot say 'who is the Supreme Court' when freebies they offer may disturb the fiscal discipline of the country."

But senior advocate Kapil Sibal, who was called on to assist the court in his capacity as a parliamentarian, said a committee, if formed, would be embarking on an "unmanageable exercise". He cautioned that the court's intervention should avoid giving itself a "political colour". He said the issue should be tackled purely as a financial one. He referred to the Fiscal Responsibility Management Act passed by

the Union and the States by which the deficit cannot go beyond 3%. He said the Financial Commission could look into the problem.

## No judicial law

Chief Justice Ramana said the court had never intended to make a judicial law on freebies. "Ultimately, this is a democracy. Parliament has to debate and discuss and take a decision... But to have this discussion in the Parliament. There must be some background paper. It is for that purpose that I had initiated this debate to form a committee... The opposition is such that nobody wants to even look into the issue of forming of a committee," Chief Justice Ramana observed.

Solicitor-General Tushar Mehta, for the Centre, submitted that the court cannot remain a "mute spectator" to outlandish promises of

free saris, TVs, electricity or water. Senior advocate Gopal Sankaranarayanan, for the petitioner, said "freebies" would be "easier to define by what they are not".

But Chief Justice Ramana said freebies cannot be classified into such "water-tight compartments". What may seem like freebies to the urban population may provide for the welfare of the rural poor. "A shaving kit for a barber, a bicycle for a student, equipment for a toddy tapper or an iron for a washerman change their lifestyle and uplift them... That is why, sorry to say, you elite lawyers cannot understand. These are issues which have to be studied nationwide, across people. We have to learn and experience these things through their knowledge and wisdom. That is the reason for proposing a broad-based committee," CJI Ramana explained.

# Overseas investments can top limit with nod

## Facility for strategic sectors: Centre

**PRESS TRUST OF INDIA**  
NEW DELHI

The government on Tuesday said an Indian corporate entity can make overseas investments beyond the prescribed limit in 'strategic sectors' such as energy and natural resources after obtaining necessary permissions.

Releasing an explanatory note on Overseas Direct Investment Rules and Regulations 2022, the Finance Ministry said a non-financial sector entity can make a direct investment under the automatic route into a foreign entity engaged in financial services activity (except banking and insurance). "An Indian entity not engaged in the insurance sector may make

Overseas Direct Investment in general and health insurance where such insurance business is supporting the core activity undertaken overseas by such an Indian entity," it said.

The government on Monday issued two gazette notifications in which Overseas Direct Investment and Overseas Portfolio Investment have been demarcated.

Other terms such as control, disinvestment, step-down subsidiary and financial services activity have also been defined. "Strategic sectors shall include energy, natural resources and such other sectors as may be decided by the Government from time to time in view of the evolving business requirements," it added.

# Trade gap to taper, goods may hit \$480-bn exports: Secretary

Will freeze year's target soon, export numbers are on track, says Minister

VIKAS DHOOT  
NEW DELHI

India's goods exports are likely to touch \$470-480 billion this year from \$422 billion last year and the trade deficit is expected to moderate in coming months, the country's top trade official said on Tuesday.

While the country's official export target for 2022-23 is likely to be announced formally by Prime Minister Narendra Modi, Commerce and Industry Minister Piyush Goyal said the target was almost finalised but policy-makers were waiting for the geopolitical situation to stabilise, which does not seem to be happening yet.



**Benign times:** Oil, commodity prices have dipped; the govt. is giving renewed thrust to exports, says the Secretary. ■PTI

“Right now, it doesn't seem to be stabilising soon,” Mr. Goyal said. “So we may have to freeze the target and let you know very soon... But I can tell you, we are on track as of August 15, to the target

we had set at the beginning of the year. But since the geopolitical situation, recessionary conditions in developed countries are surfacing every day, we want to be sure that we don't over-

state our expectations.”

Commerce Secretary BVR Subrahmanyam asserted that India's trade deficit won't cross the 'discomfort level' and that he expected exports to touch \$750 billion this year, with goods exports of \$470-480 billion.

Expressing confidence about exports this year, he said: “If you look at services, they are growing jolly good at \$25 billion a month.”

“There is going to be a moderation in the trade deficit from current levels. One month was pretty bad, but... there has been a moderation in oil and commodity prices and we are giving a renewed thrust to exports.”

# DRDO, Indian Navy test indigenous missile

## VL-SRSAM can target aerial threats

**SPECIAL CORRESPONDENT**

NEW DELHI

The Defence Research and Development Organisation (DRDO) and the Indian Navy on Tuesday successfully flight-tested the indigenously developed Vertical Launch Short Range Surface-to-Air Missile (VL-SRSAM) from the Integrated Test Range (ITR) at Chandipur off the coast of Odisha.

The VL-SRSAM, a ship-borne weapon system, is meant for neutralising various aerial threats at close ranges, including sea-skimming targets, and was last test-fired in June.

“The flight test was carried out from an Indian naval ship against a high-speed unmanned aerial target for demonstration of vertical launch capability. The missiles, equipped with indigenous Radio Frequency (RF) seeker, intercepted the tar-



VL-SRSAM, a ship-borne weapon system, will be used for close-range targets.

get with high accuracy,” a Defence Ministry statement said.

During the test launch, flight path and vehicle performance parameters were monitored using flight data captured by various range instruments, the statement said.

The launch was monitored by senior scientists from various DRDO labs involved in the design and development of the system.

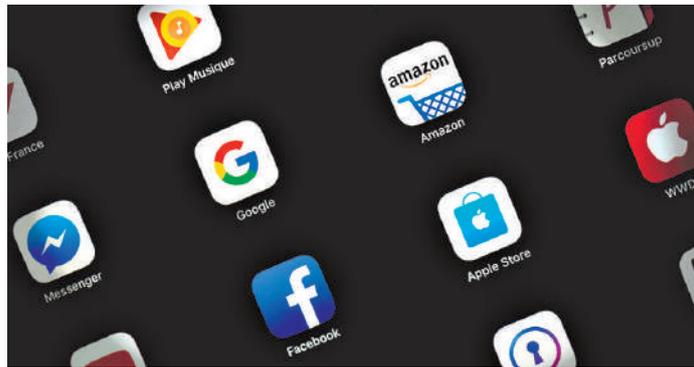
# Technology companies wary of law on digital competition

Standing panel holds meet, to submit report on how legislation needs to evolve

**SPECIAL CORRESPONDENT**  
NEW DELHI

To tackle unfair and predatory practices in the digital market space, the parliamentary Standing Committee on Finance in the first week of September will submit a report on how the competition law needs to evolve for the digital market. The majority of the tech companies which were invited to a meeting on Tuesday, however, expressed reservations about the necessity of any additional framework or law.

“In the first week of September, the Standing Committee on Finance will be submitting a report on the evolution of competition law for the digital market. We will take into account India’s unique circumstances; at the same time, we also examine



Representatives of Amazon, Google, Netflix, Apple, Facebook Meta, Uber and Twitter appeared before the committee. ■ AFP

competition laws associated with digital markets around the world,” panel chairperson Jayant Sinha said.

The European Union has recently passed the Digital Markets Act and Digital Services Act; there are several Bills pending in the British Parliament and the U.S. Congress associated with digital

markets, he added.

On Tuesday, representatives of Amazon, Google, Netflix, Apple, Facebook Meta, Uber, and Twitter appeared before the panel.

A lot of questions were directed at Google and Apple’s practice of restricting developers and companies which put out their apps on their

stores from working with the other players. According to a source, Apple representatives argued that they hold a minuscule proportion of the Indian smartphone market, at 1.5% in total, and only 17 developers in India pay them a commission.

“Giving out the numbers, they claimed that since their share in the digital space in India is so low that the question of anti-competitive practices doesn’t arise,” one of the members said. The members made note of the “exclusionary” search engine used by Amazon, which pushes for certain brands that may be partially owned by Amazon parent company over that of local manufacturers. All tech firms have been asked to submit their responses by August 29.

# UGC Chairman bats for machine-based admission test

It's the best way to ensure transparent and bias-free admission process for students: Jagadesh Kumar

JAGRITI CHANDRA  
NEW DELHI

Machine-based evaluation for admission to undergraduate (UG) and postgraduate (PG) courses offered by colleges and universities is the “best” way to ensure “justice and objectivity” for students as it eliminates human bias, said University Grants Commission (UGC) Chairman M. Jagadesh Kumar in response to criticism over the centralised examination format, which has been riddled with technical glitches.

On concerns being raised

over delay in admissions to UG courses at various Central universities due to the schedule of the Central University Entrance Test (CUET) and the new dates for slots that were cancelled on technical grounds, Mr. Kumar said the result will be announced between September 7 and 10.

The CUET-UG has been rescheduled for 1 lakh students of the total 14.9 lakh who registered for it. The cancellations were primarily due to computer and server-related issues at test centres and other logistical problems

such as students not being informed about the venue of the exam on time.

“I believe, for a country like ours, a machine-driven multiple-choice question (MCQ) type of examination will provide justice to students in creating a transparent, bias-free admission process,” Mr. Kumar told *The Hindu* in an interview.

Human involvement during an admission process could introduce discrimination. Fatigue while assessing essay-type answers was another factor that could

lead to “differential” marking, Mr. Kumar explained.

Recently, JNU Vice-Chancellor Santishree Dhulipudi Pandit had said that it was not possible to admit students to PG programmes on the basis of MCQ tests, which could impact the intake of students in the absence of a qualitative examination. Other Vice-Chancellors, too, have spoken about the technical problems faced during CUET-UG. The UGC Chairman said that problems have primarily been logistical in nature, which can be “re-

solved through proper planning” next time.

Though a prestigious college like St. Stephen's in Delhi has said that it will give 85% weightage to CUET score and 15% to interviews conducted by the college, Mr. Kumar said that won't be permissible.

“We have told all the Central universities that admissions to UG and PG courses should be based solely on the CUET scores. It is compulsory for everyone.”

FULL INTERVIEW ► PAGE 12

INTERVIEW | M. JAGADESH KUMAR

# 'If you want a bias-free process, it should be based on the CUET score'

All Central universities have been told that admissions to UG and PG courses should be based solely on the score, and it is compulsory, says UGC Chairman

JAGRITI CHANDRA

*The Common University Entrance Test to Central universities has been riddled with technical glitches, leading to criticism from students and universities about the format and the delay in the admission process. University Grants Commission Chairman M. Jagadesh Kumar says these were logistical issues that will be handled better next time. Excerpts:*

Universities are concerned about the delay in the admission process due to the CUET schedule as well as technical glitches and cancellations during the examination conducted for undergraduate courses. How are you addressing those issues?

■ The academic sessions are delayed because of COVID, and we are trying to go back to the original academic session slowly. As far as CUET [Common University Entrance Test] is concerned, if I was a student, I would expect the centre to be glitch-

free so that I can focus on the exam and no other factors that pop up, which happened in several cases. But look at the scale of the exam: it is one of the largest entrance tests with 14.9 lakh students, which is next only to NEET. But NEET and JEE are conducted over a three-day window and the number of subjects are also limited. But here we have 27 domain and 20 language subjects, 12 Indian language subjects also and one general paper.

The main challenge is identifying centres with working computers and Internet connection. Based on

the experience and lessons we have learnt, we are confident that in the coming year there would be no glitches. Though we assign test centres to students only after checking the computer system during a mock drill, in some cases the computers failed on the day of the exam.

That is why we gave students a window between August 25 and 30. We sent information to students through SMS, voice mail and email if we were cancelling an exam at a centre, but some students might have not seen those messages and found the centre closed on the day of the exam. These are logistical issues, which can be resolved through proper planning and the lessons we are learning from the experience.

How many students were affected by cancellations



Based on the experience and lessons we have learnt, we are confident that in the coming year there would be no glitches

and other issues out of the total 14.9 lakh. When is the result for CUET-UG likely?

■ During the last window [for students affected due to cancellations] we expect nearly 1 lakh students to appear. This includes all students who faced cancella-

tions due to glitches or genuinely could not reach the exam centre on time. All genuine cases are being handled. Our goal is to announce the CUET-UG result between September 7 and 10.

There is also criticism from certain Vice-Chancellors such as the JNU's that a multiple-choice question-based exam is not appropriate for PG admissions. How would you respond to that criticism?

■ This debate about entrance exam is there for a long time. There is no ideal entrance examination. What we need to see is the scale at which we are admitting students. We are one of the largest education systems in the world. When we carry out admissions, they have to be bias-free. Bias comes from human involvement. For ex-

ample, if I am correcting the same essay type answers, fatigue sets in and I may give marks differentially to other students. Therefore, from the point of providing justice to students in terms of objectivity of the admission process, machine-driven test is the best. All over the world, it is agreed. Can we use machine-driven MCQ questions across disciplines? Of course, there can never be a single answer to that. You will have both sides arguing either way. But we have to have a middle path.

There are also four types of MCQs – recall-type based on numbers and formulae, concept-based, those based on application of concept and fourth is synthesis of info that is closer to essay-type answers. We can't undermine the importance of MCQ format. In future, we will have artificial intelligence

driven software which can actually read text-based answers too.

A prestigious college like St. Stephen's has said that it will give 85% weightage to CUET core and 15% to interviews. Is that permissible?

■ At the UG and PG level, the issue of discrimination is an issue. If I am coming from a rural background and I am not able to communicate well in English, it can be quite intimidating. So, if you want to have a bias-free process, it should be based on the CUET score. We have told all the Central Universities that admissions to UG and PG courses should be based solely on the CUET score. It is compulsory for everyone.

What is the goal of CUET?

■ The advantage of having

one national test is that students from across the country will have an opportunity to attempt CUET and try to join some of the best universities across the country. It provides a level-playing field even when they are coming from a university in a rural background. 45% of our universities and 60% of colleges are in rural areas and if these students face a national-level examination it will also provide feedback on how they have to improve. We also have so many State Boards that give higher scores as compared to others in the Class XII exam and this will remove that disparity among States. Even if I didn't do well in my Board exam, I can do well in CUET. Students who earlier had to write multiple exams for admission to various universities will now have to appear only for one exam.

EXPLAINER

# Chinese tech firms under wider scrutiny in India

Why have the offices of Chinese companies Vivo, Xiaomi and Oppo been searched? Will these companies exit the Indian market?

SAPTAPARNO GHOSH

**The story so far:** Having experienced income tax searches, exclusion from 5G telecom trials and increasing restriction on research collaborations, *The Hindu* learnt from sources that Chinese telecom major Huawei may downsize its research and development (R&D) facilities in India – indicative of an endgame for its Indian operations. Other than Huawei, sector peers ZTE, Vivo, Xiaomi and Oppo too have had their offices searched in the past few months. This is believed to be part of a series of government measures aimed at checking Chinese corporate influence in the country.

### What are the allegations against various Chinese companies?

In India, Vivo, Xiaomi and Oppo have been broadly accused of tax evasions, discharging illegal remittances, forged identifications and incorrect disclosures.

In April this year, the Enforcement Directorate (ED) seized ₹5,551.27 crore from the Xiaomi's India unit. It alleged that the company had remitted foreign currency equivalent to the mentioned amount to three foreign-based entities, including one Xiaomi group entity, under the guise of 'royalty'. The company was alleged to have not availed any service from either of the entities and that the remittances ultimately benefited its group entities. This was seen to be in violation of certain provisions of the Foreign Exchange Management Act (1999). Xiaomi denied the allegations and said that the payments were made for

in-licensed technologies and IPs used in their Indian products under the purview of a legitimate commercial arrangement.

Continuing this trend, in July, the ED carried out searches at 48 Vivo locations in the country. The ED was acting on an FIR by the Ministry of Corporate Affairs that the Grand Prospect International Communication Pvt Ltd (GPICPL), one of Vivo's associated companies, had used forged identification documents and falsified addresses at the time of incorporation. As per the ED, the company's registered address was that of a government building and the house of a senior bureaucrat. This pointed to the presence of a shell company carved to sidestep taxation. The companies were said to have transferred "huge amount of funds to Vivo India". Moreover, Vivo India allegedly remitted about 50% of its total sale proceeds to China to disclose huge losses in Indian-incorporated companies to avoid paying taxes. This was in violation of the Prevention of Money Laundering Act (2002).

In the same month, Oppo was issued a show-cause notice after the Directorate of Revenue Intelligence (DRI) detected customs duty evasion of ₹4,389 crore. The DRI's searches placed evidence that alleged Oppo had wilfully declared incorrect descriptions of certain imported items for manufacturing their mobile phones in India. This resulted in the company wrongfully availing duty exemption benefits of ₹2,981 crore. Further, the import of intellectual rights acquired from outside the Indian



territory was not accounted in their balance sheets for imported products. This is in violation of various provisions of the Customs Act (1962) and Customs Valuation (Determination of Value of Imported Goods) Rules, 2007.

### Why is China's 'cyber-image' under constant scrutiny?

Across the world Chinese companies have been disfavoured for providing critical infrastructure for essential telecommunication services. The list includes the U.S., U.K., Australia and New Zealand among other countries. This is despite the fact that Huawei and other Chinese companies offering significantly lower prices than domestic competitors. In a separate context, Senior Fellow at the Observer Research Foundation (ORF) Sameer Patil stated in April, "Not just

cyberattacks, China has even utilised overseas business contracts and activities to pursue its cyber-espionage campaign. A crucial part of this campaign is the telecom network and fibre optic communications infrastructure provided by Chinese companies like China Telecom, Huawei, and ZTE."

In a recent example of this concern, *Reuters* reported in July that the Biden administration is investigating Huawei over concerns that cell towers in the country were fitted with gear that could capture sensitive information from military bases and missile silos, that could be transmitted to China.

### Are we also looking at cyber-attacks?

On multiple occasions, China has been accused of cyberattacks aimed at collecting information of a sovereign's critical infrastructure. North American cybersecurity firm Recorded Future stated that the October 2020 Mumbai blackout was carried out by China-linked hacker group 'RedEcho' as a follow-up act to the Galwan Valley clash between the armies of the two countries.

Not just sovereigns, companies such as Vodafone and Microsoft too have spoken about such attacks by "state-sponsored" actors. Moreover, in March last year, another cyber-intelligence firm Cyfirma reported that Chinese state-backed groups had targeted the IT systems of Indian vaccine makers Bharat Biotech and Serum Institute of India. The two companies were believed to be prominent participants in India's

ambition for fostering vaccine diplomacy.

### What happens to the market in the face of a potential exit?

What has helped the growth of Chinese telecom companies in India is its price-competitiveness in a price sensitive market. According to Counterpoint Research, Chinese players have a 75-80% share in the sub-\$150 segment that contributes to 31% of the overall smartphone market. There has therefore, emerged an urgency to find a perfect competitive replacement for Chinese products.

Associate Fellow at the ORF, Soumya Bhowmick told *The Hindu*, "Not just India but several other countries are so dependent on Chinese products. This is primarily because China has mainly monopolised the lower ends of the global value chains." The latter refers to the basic components required for a product, such as a pen cap for a pen. He added that 'Make in India' does possess the bandwidth to provide an alternative but it would be a "plan for many years".

Counterpoint Research opines that an outright ban for Chinese smartphone players is unlikely. As for an overall replacement, it stated, "They need a strong portfolio, distribution, and after-sales services mix, which is currently missing from Indian brands."

Notwithstanding the recent regulatory scrutiny, and the presence of alternate markets in Bangladesh, Thailand and Vietnam, Mr. Bhowmick believes it is unlikely that Chinese firms would want to exit the Indian market so soon.

## THE GIST

■ In India, Vivo, Xiaomi and Oppo have been broadly accused of tax evasions, discharging illegal remittances, forged identifications and incorrect disclosures.

■ Across the world Chinese companies have been disfavoured for providing critical infrastructure for essential telecommunication services. *Reuters* reported that the Biden administration was investigating Huawei over concerns that cell towers in the country were fitted with gear that could capture sensitive information from military bases.

■ However, an outright ban for Chinese smartphone players is unlikely.

# The implications of the 5G roll-out for law enforcement

With a shaky cyber security foundation, the impact on crime and criminals could be serious



K. JAYANTH MURALI

Prime Minister Narendra Modi recently announced that 5G deployment in India will commence sooner than expected. Reports suggest that the government will launch 5G at the inauguration of the India Mobile Congress on September 29. The long-awaited upgrade from 4G to 5G will allow ultra-fast Internet speeds and seamless connectivity across the country compared to 4G. The implications of the 5G roll-out could be significant, particularly for law enforcement in India.

## Ensuring security

On the one hand, the 5G roll-out is set to enhance efficiency, productivity, and security by helping the police access critical information in real-time and nab criminals. 5G has high bandwidth and low latency, so its adoption would ensure the best performance of police devices such as body cams, facial recognition technology, automatic number-plate recognition, drones, and CCTVs. 5G promises to transmit clearer images. This will simplify the task of the police who, at present, often look at hazy images from devices and attempt to decipher them while working on cases. The increased storage capacity promised by 5G will allow the police

to streamline their investigation methods. 5G will also allow rapid and secure communication within the organisation as well as between civilians and emergency responders. With 5G, the police can remotely access and analyse crime data and information from other infrastructure such as traffic lights.

But there are challenges in adopting 5G. The government and telecommunication companies must first ensure that law enforcement agencies have the necessary infrastructure to take full advantage of all that 5G can offer. Even if law enforcement agencies get access to secure data from telecom operators, they will still need tools to access this data. Also, most police systems are outdated and may not be compatible with 5G. To bridge this technology gap, the police must invest in modern tools, software and infrastructure. They require funds to do this.

## Cyber security concerns

As many have pointed out, there are many concerns about 5G too. The first is, of course, cyber security. Deploying 5G when we have a shaky cyber security foundation is like erecting a structure on soft sand. As the previous networks were hardware-based, India could practise cyber hygiene. But 5G is a software-defined digital routing. This makes it susceptible to cyber threats such as botnet attacks, man-in-the-middle attacks, and distributed denial-of-service (DDoS) overloads. Besides, as 5G lacks end-to-end encryption, hack-



KAMAL NARANG

ers can plot their attacks more precisely and perpetrate cybercrimes by hacking into systems or disseminating illegal content. The bandwidth expansion due to 5G will enable criminals to embezzle data bases easily. With time, as 5G connects with additional devices, the frequency of attacks could increase.

The impact that the roll-out of 5G in India could have on crime and criminals is pretty obvious and should be taken seriously. For example, a person could set up a fake 5G tower on top of a public building and manipulate it to intercept private phone calls or send fake messages. Or he could steal a person's phone, sign in to his 5G connection with an existing account, gain access to the person's data or make purchases using the person's credit card. Criminals could use 5G to conceal their activities or mask their location. They could use 5G to locate their victims quickly and track their movements and coordinate onslaughts through real-time communication with each other. There could be a lower probability of criminals getting caught when they commit

identity theft or credit card fraud or steal information from computers, smartphones and tablets.

5G may also make it easier for criminals to perpetrate cyber bullying. Criminal groups may be able to easily coordinate DDoS onslaughts because of the real-time communication capabilities between multiple criminal groups. They could also hack into Internet-of-Things (IoT) devices and remotely commit crimes. For example, they could hack into a victim's vehicle and cause an accident in order to collect insurance money, or hack into smart homes and smart cars to loot personal information, or inflict physical crimes. Security patching of all IoT devices may eventually become necessary.

Terrorists, too, could benefit from 5G as the high speed would allow them to execute attacks more rapidly and precisely. With 5G, terrorists can plan attacks without having to travel physically or use telephones, which could leave a trail for law enforcement agencies to act on.

## Fighting new-age crimes

Therefore, authorities will have to adopt measures to hinder crimes facilitated by 5G technology. First, the police will need to be trained so that they recognise new 5G-enabled crimes. Second, training programmes focusing on such crimes must be developed. This includes identifying potential scenarios for new types of crimes and their prevention. Third, the government and telecom companies could think of setting up a 5G crime

monitoring task force to monitor and identify new crimes and develop countermeasures. Fourth, it is imperative to create regulations that make it a crime for people to use 5G technology to commit crimes. Such a regulation could help prevent criminals from using stolen or counterfeit equipment since telecom companies will be able to track the location of the equipment and shut it down remotely. Fifth, regulations may also require telecom companies to allow police officers access to their equipment to track the location of victims and perpetrators of 5G-facilitated crimes for countermeasures. These countermeasures may not only safeguard critical infrastructure but also defend private citizens from cyber-attacks using 5G technology. Finally, law enforcement agencies will have to evolve strategies to identify victims of 5G-facilitated crimes, locate them and take action against the perpetrators of such crimes.

The 5G roll-out will be a game-changer for law enforcement agencies. It will enable the police fight crime effectively. At the same time, criminal use of 5G is inevitable. In this context, the recent recommendation of the Telecom Regulatory Authority of India to the government to develop a national road map for India to implement 5G in the best possible manner should encompass law enforcement requirements.

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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 <sup>th</sup> 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;
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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.
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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.