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**VEDHIK**

**DAILY NEWS ANALYSIS**

**29 - SEP - 2022**

## **FOREWORD**

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

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

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

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# ASI finds Buddhist caves, temples in Bandhavgarh Tiger Reserve in M.P.

**Sreeparna Chakrabarty**  
NEW DELHI

The Archaeological Survey of India (ASI) earlier this year discovered Buddhist caves and stupas, and Brahmi inscriptions, dating back to the 2nd century, and Hindu temples from the 9th-11th centuries, and possibly the world's largest Varaha sculpture also dating to the same period, at the Bandhavgarh Tiger Reserve in Madhya Pradesh.

The Varaha sculpture is among the many monolithic sculptures of the 10 incarnations of Lord Vishnu



The ruins of temples at Bandhavgarh reserve in Madhya Pradesh.

discovered by the ASI at the national park earlier this year. The exploration took place 84 years after the last such effort in 1938.

“A total of 46 sculptures have come to light and have been reported,” Shivakant Bajpai, Superintending Archaeologist, Ja-

balpur Circle, who led the exploration team, said here on Wednesday.

The ASI team discovered 26 mostly Buddhist caves dating back to the 2nd and 5th centuries.

The caves and some of their remains had *Chaitya* [rounded] doors and stone beds typical of Mahayana Buddhism sites.

This discovery brings the total number of caves found in the Bandhavgarh reserve to 76, as 50 are already in the records since the last survey.

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# ASI finds Buddhist caves, temples in tiger reserve



A Buddhist cave in the Bandhavgarh Tiger Reserve in Madhya Pradesh. SPECIAL ARRANGEMENT

Apart from this, the ASI team found 24 inscriptions in Brahmi text, all dating back to the 2nd-5th centuries.

The inscriptions mention sites such as Mathura and Kaushambi, and Pavata, Vejabharada and Sapatanaairikaa. The kings they mention include Bhimsena, Pothasiri and Bhattadeva.

The remains of 26 temples date to the Kalachuri period between 9th and 11th centuries. In addition to this, two Saiva maths have also been documented. The Kalachuri dynasty, which spread over parts of Gujarat, Maharashtra and Madhya Pradesh, is also associated with the earliest Ellora and Elephanta cave monuments.

Some remains of the Gupta period, such as door jambs and carvings in caves, have also been found.

ASI Director and spokesperson Vasant Swarnkar said the discovery of these archaeological remains had added a new chapter to the history of the region also known as Baghelkhand.

# Rediscovering the Bay of Bengal

**T**he Bay of Bengal (the Bay) is experiencing an increase in geo-economic, geopolitical, and geo-cultural activity. It is poised to once again play a key role in shaping the maritime order in Asia. Therefore, it is noteworthy that at the fourth BIMSTEC summit, Prime Minister Narendra Modi announced the opening of the Centre for Bay of Bengal Studies (CBS) at Nalanda University. The official launch of the CBS has once again demonstrated India's commitment to advancing constructive agendas by forging connections and setting up platforms for all those with an interest in the Bay.

## Rethinking the Bay

CBS will offer collaborations in areas such as geo-economics and geopolitics, ecology, trade and connectivity, maritime security, maritime law, cultural heritage, and blue economy to generate opportunities for the Bay region. This will strengthen India's overall framework for maritime engagement, which aims to advance sustainable economic growth for all by fostering closer nautical ties.

The Bay has long been a major commerce hub for the Indian Ocean. It created a conduit between the East and the West in terms for trade and culture. An Indo-Pacific orientation and the realignment of global economic and military power towards Asia have had a considerable impact on the Bay region. The key sea lanes of communication in this area are lifelines for global economic security and are crucial to the energy security that powers the economies of many countries in the region. Further, non-traditional dangers including terrorism and climate change have become more prevalent. The Bay also provides an opportunity for greater regional cooperation in the environmentally friendly exploration of marine and energy resources. The Bay has a biodiverse marine environment. It



**Rajeev Ranjan Chaturvedy**

is Associate Professor at the School of Historical Studies and the School of International Relations, and Coordinator of the Centre for Bay of Bengal Studies at Nalanda International University, Rajgir

The Centre for Bay of Bengal Studies will strengthen India's overall framework for maritime engagement

receives water from some of the world's largest rivers. It is a partially enclosed sea that has given rise to several geological characteristics. It is home to many rare and endangered marine species and mangroves, which are essential to the survival of the ecology and the fishing sector.

## Disorder at the Bay

The region's maritime environment has changed as a result of major powers expanding their economic and geopolitical influence. Political and cultural engagement, together with economic competition, have taken on new dimensions. More crucially, the Bay's ecosystem is going through an unprecedented crisis brought on by widespread environmental exploitation and geopolitical unrest. Species extinction is a result of careless exploitation of the maritime environment, which has severe consequences on biodiversity.

Problems such as population growth, altered land use, excessive resource exploitation, salinisation, sea level rise, and climate change are exerting significant strain on the Bay's environment. Operational discharge from small and medium feeder ships, shipping collisions, unintentional oil spills, industrial waste, pollution, and the accumulation of non-biodegradable plastic litter are all contributing to the deterioration of the Bay. A dead zone has formed as a result, and the mangrove trees that protect the shore from the fury of nature

are under more threat than ever.

For a better knowledge of challenges, and strategies to overcome them for the sustainable development of the region, more focused and interdisciplinary study is required on these issues. By founding the CBS, Nalanda University has already started its journey and given the nation a unique interdisciplinary research centre devoted to Bay-focused teaching, research, and capacity building. Additionally, scholars from many countries and academic streams are already participating in CBS's first certificate programme on the Bay.

It is essential that nautical neighbours develop a partnership and cooperate because of the maritime domain's interrelated and interdependent nature, transnational character, and cross-jurisdictional engagement of various governments and diverse organisations and enterprises. A few concerns that need immediate attention include expanding cooperation in maritime safety and security, enhancing cooperation on maritime connectivity and the ease of maritime transit, and boosting investment possibilities in the maritime connectivity sector. The latter subject involves addressing non-traditional threats and fostering group efforts to reduce illicit, unreported, and unregulated fishing. Standardising and harmonising data reporting remains a challenge. Furthermore, regional marine entities should strive to balance opportunities and goals on a national, regional, and international scale.

Littoral governments need to support and promote skill-building, research, and training. Countries in the region will need to mobilise incentives and investments, manage oceanic affairs more effectively, and support people as they switch to alternative lifestyles. Working together is important due to shared nautical concerns and the complexity of the marine environment.



SPECIAL ARRANGEMENT

# Globe-changing reverberations of the Ukraine war

The justification for Russia's invasion of Ukraine in February will long be debated. Every big power has fears of being surrounded. On its historically vulnerable western front, Russia had one supportive neighbour, six North Atlantic Treaty Organization (NATO) adversaries, and two who are ambiguously inclined, while Ukraine's relations with the European Union (EU) and NATO were always a matter of contention. After the Putin-Biden Geneva encounter in mid-2021, the high intensity of interactions between NATO members and Russia raised hopes of a detente, but Russian President Vladimir Putin chose invasion over negotiation, ignoring the degraded and inexperienced state of his armed forces, Ukraine's military being the biggest in Europe with 2,00,000 men, 6,00,000 reserves, 1,000 tanks and 130 aircraft, Ukraine's willingness to resist, and NATO's determination to punish Russia.

## The West's hypocritical sanctions

Ukraine has been massively assisted by NATO weaponry, training, communications, satellite and human intelligence, reconnaissance, information processing systems and total control over the global media. While the World Bank is slow to help devastated war-torn nations such as Yemen and Afghanistan, it rushed \$4.5 billion to Ukraine, while the International Monetary Fund came up with \$1.4 billion. The West fails to understand how hypocritical its sanctions appear. For example, the United States exerted much effort persuading India and others to boycott Iranian and Venezuelan oil, only to try to get those shipments back on the market after its opposition shifted to Russia.

For its confused objectives, poor strategy and weak logistics, Russia has paid a high price, militarily, economically and diplomatically. More human losses have already been sustained than during its 10-year intervention in Afghanistan. The war has also caused huge devastation in the



**Krishnan Srinivasan**

is a former Foreign Secretary

The vision of a multi-polar world could soon fade away with rivalries in a new Cold War becoming sharper and the gulf in mutual understanding widening

most industrial parts of Ukraine, with over 10 million persons crossing to neighbouring countries and over seven million internally displaced.

## Actions and counter-actions

The current Ukraine counter-offensive that claims to have retaken 6,500 square kilometres and driven Russian forces back to the Kharkiv border, led to the announcement by Mr. Putin of holding a referendum in the occupied provinces of Luhansk, Donetsk, Zaporizhzhia and Kherson (on joining Russia), mobilising 3,00,000 Russian reservists, and threatening to use nuclear weapons. Ukraine and NATO regard these actions as evidence of Russian weakness, noting that an army in retreat loses morale rapidly, and Russian public opinion is highly prone to mood swings.

Mobilisation is something the Kremlin wished to avoid, correctly fearing there was little Russian appetite to fight, especially against fellow Slavs. Experts believe the additional manpower will not offset the intrinsic weaknesses of the Russian forces. Mr. Putin's tactic through referenda to define parts of Ukraine as Russian – like Crimea – will remain unrecognised, though Russia controls most of Luhansk and Kherson, about 80% of Zaporizhzhia and 60% of Donetsk. Nearly 8,00,000 new Russian passports have been issued in Ukraine over the past two years.

In 2020, Russia declared it would use nuclear weapons in four instances: if alarmed by an incoming missile; subjected to attack by weapons of mass destruction; suffered damage to infrastructure that housed its nuclear arsenal, or when conventional war threatened the existence of Russia. Mr. Putin now interprets the current war as an existential struggle in which Russia would make use "of all weapon systems available to us". Russia has 5,977 nuclear warheads, of which 1,588 are deployed operationally. There has been vigorous western pushback to Mr. Putin's threat, pointing out that no such thing as a limited nuclear war could exist.

Washington has declared that it will accept no compromise, and is ready to continue the fight until the last Ukrainian if necessary. This disincentivises Mr. Putin, for whom any peace deal is acceptable only if it includes the lifting of all sanctions. Big powers, fearing loss of political legitimacy and strategic status, have always proved unwilling or incapable of ending wars even at great cost to themselves and the victims, even though they knew victory was beyond them.

What are the consequences of the first major armed conflict in Europe since the Second World War? A country devastated by Russia would remain hostile; resistance instigated by the West will continue, making life in the absorbed enclaves difficult. Mr. Putin's objective of ensuring Russia's security will remain elusive. If the war drags on, it will suit the West, just as prolonged American entanglement in Afghanistan suited its

adversaries. Under pressure from both domestic anti-war activists and ultra-nationalists, Mr. Putin will suffer reputational damage internationally and domestically. Therefore, even a Russian face-saving outcome could prove pyrrhic.

Today's world is "shaped by raw power politics, where everything is weaponised", as the EU Foreign Policy chief Josep Borrell put it, when major powers are divided, the international community polarised and protectionism rampant. Rivalries during the new Cold War would be sharper than its predecessor, particularly through the menace of nuclear arms because the Treaty on the Non-Proliferation of Nuclear Weapons will come under huge stress to stay relevant. Elements of western coercion on a massive scale, covering energy, sanctions, finance, banking, cyberspace, digital technologies and social media, signal the weapons of the future.

## Where China and India stand

The Russian invasion leaves China in a complicated predicament; Beijing could enlist Russia as a junior partner or buttress it even though China thereby risks confronting its major trade partners, the United States and the EU. As the only permanent member in the UN Security Council not directly involved in the war, China enjoys both leverage and self-interest in shaping the outcome of the conflict, considering the politico-strategic ramifications on its own future. But it has no history or experience of peacemaking or mediation.

The strength of nationalism, based on ethnicity, culture, religion, history and language, will grow. The Ukraine war will lead to major economic shifts. States suffering from western sanctions or affected collaterally will seek alternative financial and monetary platforms beyond the control of Washington and Brussels in order to bypass current transnational financial arteries and challenge the dollar as a reserve currency. Fragmentation of the monetary and financial order should be anticipated, including increased protectionism and a retreat from globalisation which will severely depress the growth of world trade. Clashing self-perceptions by both the West and Russia that are messianic and self-righteous, make the gulf in mutual understanding unbridgeable. Russia declares an intention to shift to an eastward orientation advocated by ideologues of Eurasianism such as Aleksandr Dugin, but rebalancing would be difficult in view of Russia's major security concerns and the cultural preferences of its élite.

As for India, the diminution of Russia as a partner will set back its longed-for multi-polar world and its security in terms of political support and collaborative projects in defence, space and nuclear energy. However, the expected turn to the U.S. would come at the cost of greater expense and greater conditionality.



AFP

# Jaishankar, U.S. NSA discuss strategic ties and Ukraine war

**Sriram Lakshman**

WASHINGTON DC

External Affairs Minister S. Jaishankar and White House National Security Advisor (NSA) Jack Sullivan met on Wednesday and discussed issues related to U.S.-India strategic partnership, the Ukraine war and a free and open Indo-Pacific.

The White House said the meeting comprised a review of the strategic relationship and an exchange of views of regional and global priorities. Mr. Jaishankar specifically mentioned that “the Indo-Pacific situation, South Asia and the Gulf” were discussed. Their meeting also included a discussion of Russia’s invasion of Ukraine and its impact on food and energy insecurity, according to the White House and a tweet from Mr. Jaishankar.

In the context of the forthcoming G20 Indian presidency, Mr. Jaishankar and Mr. Sullivan discussed approaches to debt sustainability and promoting “a free, open, secure, and prosperous Indo-Pacific”, according to the White House. The Minister is also meeting industry bodies and advocacy groups on his visit.

On Tuesday, he participated in a roundtable with executives organised by the U.S. India Business Council, and on Wednesday, he is scheduled to meet with the U.S.-India Strategic Partnership Forum. Neither event was



S. Jaishankar (right) and Jack Sullivan.

open to the press.

The Minister met U.S. Democrat lawmakers on Tuesday at India House, the Indian Ambassador’s official residence. These meetings were not accessible to the press but Mr. Jaishankar’s Twitter handle suggested he had met with Representative Ami Bera, Senator Jon Ossoff, Senator Mark Warner, Senator Chris Coons and Representative Jerry McNerney. Press access to Indian media organisations for some of the events in the Washington DC leg of Mr. Jaishankar’s visit was uneven or precluded. At a joint press conference with U.S. Secretary of State Antony Blinken on Tuesday, the government had allocated both question slots available to the Indian press corps to Indian news agencies. The allocation of the two slots on the U.S. side, however, was decided by resident correspondents at the State Department themselves.

Mr. Jaishankar’s visit to Washington concludes on Wednesday.

# ‘Demand for PVs will remain strong in festival season’

**Lalatendu Mishra**

MUMBAI

The demand for passenger vehicles will remain strong during the ongoing and upcoming festival season despite the thinning of the demand-supply gap due to COVID and supply-side disruptions, said Shailesh Chandra, MD, Tata Motors Passengers Vehicles & Tata Passenger Electric Mobility.

“Till FY22, the journey had been more of demand less supply,” he said. “There was more pent-up demand and the industry was struggling to supply.



The volumes went down to 6,50,000 units last year,” Mr. Chandra said. “But for the last 4 quarters things have been more stable,” he said. “There has been a strong supply of nearly 3.3 million units in the last 4

quarters,” the MD said.

“In this quarter, the industry will hopefully touch one million units which has not happened in the past,” Mr. Chandra said.

In the EV industry, the Tata Motors official said the struggle had been more on the supply side.

The company on Wednesday introduced the Tiago EV at an introductory price starting at ₹8.49 lakh (all India, ex-showroom).

Despite the sharp growth in electric vehicles in the country, the demand for ICE vehicles would still remain strong, Mr. Chandra added.

# Automation has impacted lower-level jobs in banks

ATM usage, mobile and online transactions, and fewer new bank branches have led to reduced recruitment

## DATA POINT

**Rebecca Rose Varghese & Vignesh Radhakrishnan**

On Wednesday, *Business Standard* reported that the Union Finance Ministry had asked the heads of public sector banks (PSBs) for a plan to improve employee count. A week ago, *BusinessLine* had reported that vacancies announced for clerical posts had significantly decreased this year. The report also showed a declining interest in bank jobs, with increasingly fewer candidates registering for the recruitment/selection programmes. Earlier this year, on March 28-29, the All India Bank Employees' Association carried out a strike insisting that recruitment of workers be increased, among other demands.

The strike and the recent news reports together show that the problem of declining manpower has reached an inflection point. In fact, the cutback on hirings is more pronounced among clerks and sub-staff, while the number of officers has remained constant. This trend was observed in both PSBs and private sector banks (PVBs). However, it is worth noting that the number of officers in PVBs is three times higher than in the PSBs.

### Reasons for decline in strength

Data show increased ATM usage, surging online and mobile transactions, and a reduction in the number of new bank branches have reduced footfalls in banks and led to the rapid decline in the strength of clerical staff.

**Chart 1A** shows the total staff in PSBs and PVBs. It brings out the contrast in recruitment patterns. While the staff in PVBs went up from over 92,000 in FY05 to 5.7 lakh in FY21, the corresponding numbers for PSBs have remained stagnant – 7.48 lakh in FY05 and 7.83 lakh in FY21.

**Chart 1B** shows the number of officers, clerks, and sub-staff work-

ing in each functioning office of a PSB. In FY06, each working office had 6.6 clerical staff on average, which more than halved to 3 in FY21. Similarly, the number of sub-staff per office reduced from 3.3 to 1.1 in the observed period.

**Chart 1C** also shows a similar declining trend among clerks and sub-staff in PVBs. However, it is important to note that there were considerably fewer clerks and sub-staff even in the earlier years in PVBs compared to their counterparts in PSBs.

Both Charts 1B and 1C show that the number of officers has remained mostly stagnant. Interestingly, in FY21 there were 14.7 officers for every functioning office of PVBs compared to just 4.3 per office in PSBs. Such a high officer ratio in PVBs meant the disparity between clerical and officer positions was much wider than in PSBs.

**Chart 2A** shows that the number of ATM withdrawals using debit cards in PSBs had more than doubled – from over 31 crore to 64 crore between 2012 and 2019. A similar but muted increase was recorded in PVBs. A sharp reduction in ATM withdrawals was observed in PSBs after the pandemic outbreak in 2020. Interestingly, the withdrawals did not reach the pre-pandemic levels even in the later years.

**Chart 2B** explains the reason behind this trend. It shows that both the volume and value of UPI transactions skyrocketed in the pandemic period. This, along with a similar surge in other online transactions, led to a sharp fall in ATM usage post-2020.

**Chart 2C** shows the number of new bank branches opened. In both PSBs and PVBs, this number declined rapidly post-2016.

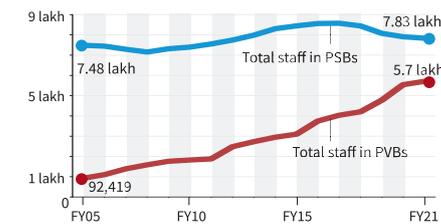
The disruption of clerical recruitments due to the advent of machines and core banking solutions is here to stay. And so, it will be interesting to see the response of banks to the Finance Ministry's latest push for more hirings.

## Man versus machine

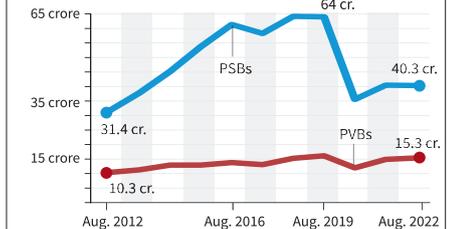
Data show increased ATM usage, surging online and mobile transactions, and a reduction in the number of new bank branches have reduced footfalls in banks and led to the rapid decline in the strength of clerical staff



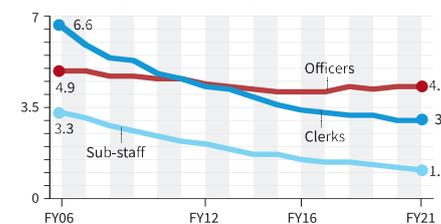
**Chart 1A** | The chart shows the total number of staff in public sector banks (PSBs) and private sector banks (PVBs)



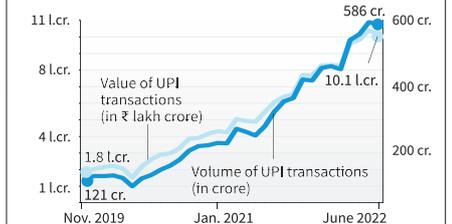
**Chart 2A** | The chart shows the number of ATM withdrawals using debit cards in PSBs and PVBs



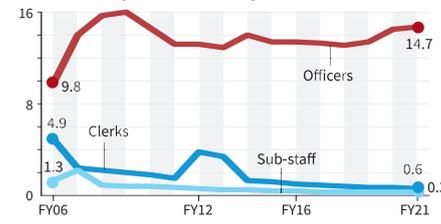
**Chart 1B** | The chart shows the number of officers, clerks, and sub-staff working in each functioning office of a PSB



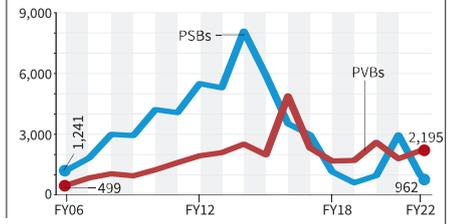
**Chart 2B** | The chart shows the value (left axis) and volume (right axis) of UPI transactions



**Chart 1C** | The chart shows the number of officers, clerks, and sub-staff working in each functioning office of a PVB



**Chart 2C** | The chart shows the number of new PSB branches and PVB branches opened in the country



rebecca.varghese@thehindu.co.in; vignesh.r@thehindu.co.in | Source: RBI

# India doesn't need so many PSBs, says ex-SBI chief

**Press Trust of India**

NEW DELHI

India needs 'fewer' but stronger Public Sector Banks (PSBs), and the smaller ones could be privatised or merged, former SBI chief Arundhati Bhattacharya said.

Ms. Bhattacharya added that most goals that are expected to be achieved via the privatisation of PSBs could also actually be achieved by enabling state-owned banks and by levelling the playing field.

"Privatisation has never been the answer to all the ills," she told PTI while responding to a question on former RBI governor D. Subbarao's suggestion that the Centre should come up with a 10-year road map for privatisation of all PSBs.

# Stocks extend slide, rupee hits a new low

**The Hindu Bureau**

MUMBAI

Key equity indices extended their slide on Wednesday, dropping almost 1% as a global flight to safety saw FIIs dump local stocks.

The S&P BSE Sensex fell 509.29 points, or 0.89%, to 56,598.28. Sensex stocks which lost the most include ITC (2.9%), Axis Bank (2.8%), Reliance (2.6%), Tata Steel (2.4%) and State Bank (2.0%).

The NSE Nifty 50 too declined 0.87% to 16,858.60.

“Investors continue to be sceptical of the domestic market’s higher premium amid the global deceleration; foreign investors are fleeing emerging eco-



nomies,” said Vinod Nair, head of Research, Geojit Financial Services.

The rupee slid 40 paise to a new low of 81.93 against the dollar. “I think rupee will take support of 82 and remain in the range of 82-80,” said Megh Mody, Commodities and Currencies Research Analyst, Prabhudas Lilladher.

# Bench to check if greater curbs can be imposed on Ministers' speeches

**Krishnadas Rajagopal**

NEW DELHI

To frame general guidelines in “thin air” to restrict Government Ministers, MPs, MLAs or public leaders, including political party presidents, from making unguarded, derogatory and hurtful statements in public may prove “difficult”, a Constitution Bench *prima facie* said on Wednesday.

The oral observation came from a Constitution Bench led by Justice S. Abdul Nazeer while hearing a reference on the question whether the right to free speech and expression of high public functionaries require “greater restrictions”.



Justice B.V. Nagarathna said “reasonable restrictions” on the right to free speech under Article 19(1) (a) were already there under Article 19(2) of the Constitution. The judge asked whether it was right on the part of the court to impose a further law on free speech over and above the restrictions already imposed under Article 19(2).



Is it right to impose a further law on free speech over and above the restrictions already imposed under Article 19(2)?

**JUSTICE B.V. NAGARATHNA**  
Judge of Supreme Court of India

There are other remedies already available like civil/criminal injunctions, torts, general laws, etc.

Advocate Kaleeswaram Raj, for petitioner Joseph Shine who has moved against comments made by Kerala Minister M.M. Mani, agreed that such a judicially-imposed restriction over and above Article 19(2) may not be impermissible.

“But when there are horizontal and repeated violations by a public functionary, what can be done?” he asked. Mr. Raj said foreign jurisdictions practice “self-regulation” guidelines for public functionaries, conscious of the fact that their words have a far greater impact than that of an ordinary person. India could borrow that model and set guidelines on how “a public functionary should behave publicly”, he suggested.

Solicitor General Tushar Mehta accepted that a public functionary should be more guarded in speech than an ordinary person.

The court decided to examine the question on November 15.

# 'Budget to reset tax laws to decriminalise sections in I-T, GST'

No compounding under GST yet due to steep penalties, may slash them to curb tax disputes, says Additional Secretary Revenue Vivek Aggarwal

**Vikas Dhoot**  
NEW DELHI

**T**he Union Budget 2023-24 will include steps to decriminalise taxation laws, remove provisions in the Income Tax, Goods and Services Tax (GST) and Customs laws that are similar to sections that can be invoked under the Indian Penal Code (IPC), and reduce 'prohibitive' compounding charges under GST, a senior finance ministry official said.

The compounding provisions in GST, which entail penalties from 50% to 150% of the tax amount involved, make it "impossible for anybody to pay", said Vivek Aggarwal, Additional Secretary in the Department of Revenue. As a result, "there has been zero compounding in India till now for all cases filed under the GST Act," the official added.

#### 'Becomes affordable'

"That is being relooked at so that it becomes affordable and compounding becomes a better or a first choice for a taxpayer," Mr. Aggarwal explained. "We are looking at raising the threshold limits (for deeming offences as criminal) in GST, and removing provisions that are overlapping with the IPC so that they



**Simpler to settle:** Aim is to slash penalties so that compounding becomes a better or a first choice for a taxpayer, says official. PTI

become simpler as the GST gets streamlined," he said.

#### 'Reviewing thresholds'

While the thresholds for considering tax evasion a criminal offence were also being reviewed under the Income Tax and Customs laws, sections of the IPC that deal with obstructing officers performing their duty and failing to respond to summons for documents, for instance, need not be replicated in tax laws, he indicated.

"As we come to the Finance Bill of 2023, you will see major changes for ease of doing business as well as decriminalisation of tax laws," Mr. Aggarwal said at an international tax conference hosted by Assocham on Wednesday, noting that this had been identified as a priority area by Prime

Minister Narendra Modi and Finance Minister Nirmala Sitharaman.

#### 'Aim to cut discretion'

While some criminal provisions in the tax laws were compoundable, the government was examining the level of compounding that was happening and the extent of discretion being exercised by officers so as to make the process more objective.

"After examining this, we have come to a conclusion that the compounding regime had to be made simpler and discretion had to be reduced. We can increase the thresholds for declaring a particular act as a crime and we can look at removing those sections in those Acts which are actually a duplication," Mr. Aggarwal said.

# Centre gives 4% hike in DA to employees ahead of Deepavali

**Press Trust of India**

NEW DELHI

Ahead of Deepavali, the Union Cabinet on Wednesday increased the dearness allowance (DA) and dearness relief (DR) by 4% effective July 1, 2022, benefiting 41.85 lakh Central government employees and 69.76 lakh pensioners.

The additional instalment of DA and DR is an increase of 4% over the existing rate of 34% of basic pay/pension.

The combined impact on the exchequer on account of both DA and DR would be ₹12,852.5 crore per annum, said Information and Broadcasting Mi-

nister Anurag Thakur while briefing reporters about the decisions of the Union Cabinet.

The increase in the DA and DR is based on the rise in percentage in 12 monthly average of All India Consumer Price Index for the period ending June, 2022.

The impact of enhanced dearness allowance to the employees on the exchequer is estimated at ₹6,591.36 crore per annum and ₹4,394.24 crore in 2022-23 (eight months from July 2022 to February 2023). In case of dearness relief, the impact would be ₹6,261.20 crore per annum and ₹4,174.12 crore in the current fiscal.

# ‘Forex reserves to dip by \$23 billion by Dec.’

**Reuters**

BENGALURU

India’s depleted foreign exchange reserves are likely to drop further, falling to their lowest level in more than two years by end-2022, as the Reserve Bank of India continues to defend the rupee from the dollar’s rise, a Reuters poll of economists found.

In a battle that has so far failed to staunch the rupee’s fall to a record low against the greenback, the RBI has drawn down its foreign exchange reserves by close to \$100 billion, to \$545 billion. Those reserves are forecast to fall

**As per the forecast, RBI will likely run down reserves at a rate last seen in the 2008 financial crisis**

another \$23 billion to \$523 billion by the end of this year, according to the median forecast from a September 26-27 Reuters poll of 16 economists.

If realised, that would be the lowest level in more than two years, suggesting the RBI will run down reserves at a rate last seen during the global financial crisis of 2008, when they fell more than 20%.

# In nature's warning signs, a nudge to riparian states

There has been an increase in the magnitude, the frequency and the intensity of floods in many parts of the world. As an example, nearly a third of Pakistan is experiencing devastation, with a spread of diseases and severe shortage of potable water after intense flooding. In June this year Assam experienced one of its worst floods in living memory which affected over 30 districts. In some districts in Assam and Bihar, flooding is a recurrent feature, and thus a major impediment in ensuring poverty alleviation and meeting Millennium Development Goals.

Flooding is still considered to be a natural phenomenon that cannot be entirely prevented. But it is compounded by the lack of transparency in the sharing of hydrological information and also information relating to activities (such as by one riparian state) that are transboundary in their effect (affecting other riparian states), thus serving as an obstacle in understanding the magnitude of flooding.

## On customary international law

In accordance with customary international law, no state has to use its territory in a manner that causes harm to another state while using a shared natural resource; this amounts to saying that there is a binding obligation on all states not to release water to cause floods in another co-sharer of the river water. This obligation gives rise to other procedural norms that support the management of floods, which include notification of planned measures, the exchange of data and information, and also public participation.

The International Court of Justice (ICJ), in the Pulp Mills on the River Uruguay (Argentina vs Uruguay) case (2010), upheld that conducting a transboundary environmental impact assessment (TEIA) of a planned measure or projects on the shared water course is part of customary international law. In fact, the ICJ noted that the acting state must notify the affected party of the



**Anwar Sadat**

is Senior Assistant Professor in International Law, specialising in environmental law, at the Indian Society of International Law, New Delhi

With the devastating effects of climate change visible, riparian states across the world must comply with all the procedural duties pursuant to the 'no harm rule'

results of TEIA to "enable the notified party to participate in the process of ensuring that the assessment is complete, so that it can then consider the plan and its effects with a full knowledge of the facts".

## The Brahmaputra and India's concerns

Closer home, there is the case of China being the upper riparian in the Brahmaputra, which spans India and Bangladesh, enjoying apparent leverage *vis-à-vis* lower riparian India. During the monsoon, flooding has been the recurrent feature in the last several decades in Assam.

India faces other woes in the form of the construction of dams by China. China's excessive water release, as a "dam controller", in violation of customary international law has the potential to exacerbate flooding in Assam in future. India's main concern is that there is no comprehensive sub-basin or all basin-level mechanism to deal with water management of Brahmaputra. Neither India or China are party to the United Nations Convention on the Law of the Non-Navigational Uses of International Watercourses (UNWC) 1997 or the United Nations Economic Commission for Europe (UNECE) on the Protection and Use of Transboundary Watercourses and International Lakes 1992 (Water Convention).

The UNWC contains a direct reference to floods, which covers harmful conditions and emergency situations. Article 27 of the Convention says: "Watercourse States shall, individually and, where appropriate, jointly, take all appropriate measures to prevent or mitigate conditions ...that may be harmful to other watercourse States, whether resulting from natural causes or human conduct, such as floods or ice conditions, water-borne diseases, siltation, erosion, salt-water intrusion, drought or desertification."

In the absence of any mechanism, India relies

on its memorandum of understanding (MoU) with China in 2013 with a view to sharing hydrological information during the flood season (June to September). The MoU does not allow India access to urbanisation and deforestation activities on the Chinese side of the river basin. With the MoU in the background, India by becoming a party to either the UNWC and the Water Convention could lay the groundwork for a bilateral treaty on the Brahmaputra but subject to the reservation that it should not insist on the insertion of a dispute settlement mechanism provision.

## India, Nepal and flood prevention

Floods are also a recurrent problem in the Koshi and Gandak river basins that are shared by India and Nepal. The intensity and magnitude of flooding is rising because of heavy seasonal precipitation as well as glacial retreat due to global warming and human-induced stressors such as land use and land cover changes in the river basin area of Nepal (Terai) and Bihar. It is important that the two neighbours view the river basins as single entities, which will help in facilitating an integrated approach for improved basin and flood risk management. The India-Nepal Koshi agreement 1954 (revised in 1966) is aimed at reducing devastating flooding in the river basin. The treaty-based joint bodies have also tried to refine the early warning systems for flood forecasting. In contravention of procedural customary international law obligation, India considers data on transboundary rivers as classified information, which is one of the key challenges in developing cross-border flood warning systems. In light of the cataclysmic floods in Pakistan and the visible effects of climate change, it is important that all riparian states must comply with all the procedural duties pursuant to the no harm rule. They must also think of becoming a party to either the UNWC or the UNECE Water Convention.

# Centre bans PFI, 8 front bodies for five years under UAPA

Action comes close on the heels of countrywide searches and arrest of hundreds of leaders of the organisation by the NIA and other agencies

**Vijaita Singh**

NEW DELHI

**T**he Union Home Ministry on Wednesday declared the Popular Front of India (PFI) and its front organisations, including its student wing, the Campus Front of India (CFI), an “unlawful association” under the Unlawful Activities (Prevention) Act (UAPA). The Islamist organisation has been banned for five years along with eight associates or front organisations.

The Ministry issued another order empowering the States to notify places associated with the PFI and its front organisations where unlawful activity was taking place. According to the order, the District Magistrates will make a list of immovable properties of the organisation and make an order



**Follow-up action:** Security personnel deployed outside a sealed office of the Popular Front of India in Bhopal on Wednesday. PTI

that no person who, at the date of the notification, was not a resident in the notified place shall, without the permission of the District Magistrate, enter, or be on or in, the notified place.

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# Centre bans PFI, 8 front bodies for five years

The State governments of Uttar Pradesh, Karnataka and Gujarat had recommended a ban on the PFI, the Ministry said. It added that if there was no immediate ban, the group would continue its subversive activities, disturbing public order and undermining the constitutional set-up of the country; encourage and enforce a terror-based regressive regime; continue to propagate anti-national sentiments and radicalise a particular section of society with the intention to create disaffection against the country and aggravate activities which are detrimental to the integrity, security and sovereignty of the country.

The ban comes close on the heels of country-wide searches when hundreds of members of the groups were arrested by the National Investigation Agency (NIA) and other agencies. The Ministry will now set up a tribunal under the UAPA to try the case where PFI could defend its case against the ban.

In a notification, the Ministry said some of the PFI's founding members were leaders of the Students Islamic Movement of India (SIMI) and had linkages with Jamaat-ul-Mujahideen Bangladesh (JMB), both of which are proscribed organisations. It said the group also had linkages to global terrorist organisations such as the Islamic State in Iraq and Syria (ISIS) and participated in terror activities in Iraq, Syria and Afghanistan.

The PFI and its associates “operate openly as a socio-economic, educational and political organisation but, they have been pursuing a secret agenda to radicalise a particular section of society working towards undermining the concept of democracy and show sheer disrespect towards the constitutional authority of the country.”

# Centre extends free ration scheme for three months

**The Hindu Bureau**

NEW DELHI

The Union government has extended the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) for another three months from October 1.

This will allow beneficiaries under the National Food Security Act to continue to get five kg of food grains per person per month till December 31. The decision was taken at a Cabinet meeting here on Wednesday. This would help the poor and vulnerable sections in the festive season, the Centre said.

The scheme has been in operation since April 2020.

Madan Sabnavis, chief economist, Bank of Baroda, said the impact of the decision on fiscal deficit would be marginal. He said the challenge would be to ensure that procurement of rice was on target because its production is likely to decline by seven million tonnes this year and the government is focussing on giving rice instead of wheat as the stocks of the latter are down. "Stocks of rice and wheat are at 49 million tonnes as of September, one of the lowest stock since 2017," he said.

# Eastern Command's ex-chief Anil Chauhan is Chief of Defence Staff

New CDS will have the task of taking forward the reorganisation of the armed forces into integrated theatre commands as well as building consensus, synergy and efficiency

**Dinakar Peri**  
NEW DELHI

**T**he government on Tuesday appointed Lt. Gen. Anil Chauhan (retd.), former General Office Commanding-in-Chief, Eastern Army Commander, as the Chief of Defence Staff (CDS). The post has been vacant since the death of the country's first CDS, Gen. Bipin Rawat, in a helicopter crash in December 2021.

"The Government has decided to appoint Lt. General Anil Chauhan (retired) as the next Chief of Defence Staff (CDS) who shall also function as the Secretary to Government of India, Department of Military Affairs with effect from the date of his assumption of charge and until further orders," the Defence Ministry said in a statement.

In a career spanning nearly 40 years, Lt. Gen Anil Chauhan had held several command, staff and instrumental appoint-



Lt. General Anil Chauhan (retd.) shall also function as the Secretary to Government of India, Department of Military Affairs. FILE PHOTO

ments and had extensive experience in counter-insurgency operations in Jammu and Kashmir and Northeast India, the statement said.

In June, the government amended the Service Rules of the Army, Navy and Air Force allowing retired Service Chiefs and three-star rank officers eligible for consideration for the coun-

try's top military post. However, with an age limit of 62 years on the date of appointment, retired Service Chiefs were largely ruled out especially so for the present consideration.

Post-retirement, Lt. Gen. Chauhan took over as the Military Adviser in the National Security Council Secretariat (NSCS) from Lt. Gen. Vinod G. Khandare

who stepped down from the post in October 2021.

In December 2019, the government approved the creation of the post of CDS who would also function as the Principal Military Adviser to the Defence Minister and Permanent Chairman Chiefs of Staff Committee (COSC). In addition, the DMA was created as the fifth department in the Ministry of Defence (MoD) with the CDS functioning as its Secretary.

## Major task ahead

Gen. Rawat was pushing forward the ambitious plan for the reorganisation of the armed forces into integrated theatre commands among other measures to bring in synergy and efficiency.

This task now falls on the new CDS to build consensus and take the reorganisation process forward, which has been delayed due to a lack of complete consensus and objections on certain aspects from the Air Force.

# Border situation moving towards being ‘normalised’: Chinese envoy

**Suhasini Haidar**  
NEW DELHI

The situation at the Line of Actual Control is moving towards being “normalised”, the Chinese Ambassador to India Sun Weidong said on Wednesday in a speech marking the 73rd anniversary of the People’s Republic of China. He called for India and China to work more closely together to resolve differences.

“The current border situation is overall stable,” Mr. Sun said in the virtual address, the text of which was released by the Chinese embassy on Wednes-



Sun Weidong

day. “The phase of emergency response since the Galwan Valley incident has basically come to an end, and the border situation is now switching to normalised management and control,” he added. His remarks were at some variance with comments last week of Army chief

General Manoj Pande, who said there were still more friction points, a reference to Demchok and Depsang, at the LAC where disengagement was necessary before the two sides could “look at the next step of de-escalation”, requiring the pull-back of troops and tanks.

Mr. Sun went on to say that China was prepared to seek a solution to the LAC situation through further dialogue and consultation, but that he hoped India would address China’s “core interests” that included the Taiwan question and Xizang (Tibet) related issues.

He called for more economic ties, and in a veiled reference to I-T and ED raids on Chinese companies, said he hoped the “Indian side can provide an open, inclusive, fair and non-discriminatory business environment for Chinese enterprises.” “We believe that only when the roti is bigger, can it be shared with more people. Only when the plate is bigger, can it hold more rice. We should joint hands to bake a bigger roti and make a bigger plate, to let more people benefit from it, rather than make the roti smaller or break the plate,” Mr. Sun said.