06/03/2024 WEDNESDAY

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DAILY NEWS ANALYSIS

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ECOLOGY

POLITY AND GOVERNANCE

HC acquits DU ex-professor, 5 others in 'Maoist link' case

CONTEXT: AThe Nagpur Bench of the Bombay High Court acquitted former Delhi University Professor G.N. Saibaba and five others in a case under the Unlawful Activities (Prevention) Act for alleged Maoist links.

Long wait

A timeline of events in the case against Delhi University former professor G.N. Saibaba and five others

May 9, 2014: Professor G.N. Saibaba arrested on charges of having Maoist links

April 6, 2015: Sanction to prosecute him under Unlawful Activities (Prevention) Act granted

March 3, 2017: Saibaba and five others convicted under various sections of the UAPA and the IPC by a Sessions Court. Saibaba and others sentenced to life imprisonment

March 29, 2017: Appeal filed in the Bombay High Court against conviction and the sentence

October 14, 2022: All six acquitted in the case by the HC. The Maharashtra government approached the Supreme Court challenging the decision



SUMMARY: The Maharashtra Government approached the Supreme Court seeking an urgent hearing after a Nagpur Bench of the Bombay High Court set aside the life sentence awarded by, and held the sanction for prosecution under UAPA as "null and void".

BACKGROUND: A joint team of the Maharashtra Police, Andhra Pradesh Police, and the Intelligence Bureau arrested Prof. Saibaba in 2014 related to ties with Maoist organisations. In March 2017, a sessions court in Gadchiroli, Maharashtra convicted Prof. Saibaba and five others accused of indulging in activities amounting to waging war against the country. They were also held guilty of possessing Naxal literature that they planned to circulate among underground Naxalites and the residents of Gadchiroli to provoke the people to resort to violence. Earlier, a Bombay High Court Bench had acquitted him and the other accused on October 14, 2022. The Supreme Court stayed the verdict and ask for the case to be heard afresh.



INTERNAL SECURITY

'Foreign state actors stashed illicit funds in Paytm bank accounts'

CONTEXT: A syndicate connected to a foreign state managed fraudulent services including prohibited gambling activities and dating services on Paytm Payments Bank Limited (PPBL).

SUMMARY: The Financial Intelligence Unit (FIU) imposed a fine of ₹ 5.49 Cr. on Paytm Payments Bank Limited (PPBL) for its involvement in extensive illegal activities conducted by multiple businesses connected to a foreign state. These extensive illegal activities included offering fraudulent services like prohibited gambling activities and dating services, cheating lakhs of Indians. FIRs were lodged over two years ago by the Cyber Crime Station of Hyderabad. The FIRs highlighted various illegal acts such as organizing online gambling and routing proceeds through bank accounts maintained with the payments bank. The bank failed to detect and report suspicious transactions as required by the Prevention of Money Laundering Act (PMLA) and PML rules. The probe of the Financial Intelligence Unit (FIU) was initiated based on the identification of this illegal activity by law enforcement agencies.

POLITY AND GOVERNANCE

Deprivileging bribe

CONTEXT: A seven-judge Bench of the Supreme Court declared that Parliamentary privilege not to cover immunity from criminal prosecution against legislators charged of taking bribes to vote or speak in Parliament or State Legislative Assemblies.

SUMMARY: The Supreme Court of India has corrected an anomaly in the law related to parliamentary privileges in the JMM bribery case. Previously, the court had granted immunity to 'bribe-takers' in a no-confidence motion, but a recent judgment clarified that MPs and State legislators can be prosecuted for bribery in connection with a vote or speech in the legislature. The court emphasized that parliamentary privilege is aimed at protecting freedom of speech and independence of legislators and does not extend to bribery. This ruling upholds probity in parliamentary functioning and meets public expectations that elected members do not act under monetary inducement.

BACKGROUND: The Court granted immunity from prosecution to MPs who had voted in favour of the P.V. Narasimha Rao government in a no-confidence motion for money citing the constitutional privilege of not being subject to any legal consequence for "anything said or any vote given in Parliament". Article 105 (for MPs) and Article 194 (for State legislators) is aimed at protecting the freedom of speech and independence of the legislators in their functioning in the House and cannot extend to bribery.

ANOMALY: Ajit Singh, accused of taking a payoff was stripped of

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the protection enjoyed by those who actually voted in terms of the bribery agreement because he was absent during the voting. The Court has corrected this anomaly in the law related to parliamentary privileges by holding that there can be no immunity for a Member of Parliament or a State legislature against a bribery charge in connection with a vote or speech in the legislature.

INTERNAL SECURITY

Law and disorder

CONTEXT: One of the cardinal principles of a functioning and modern democracy is that only the state, led by a government that is elected by the people, has a legitimate right to use or to authorise the use of physical force.

SUMMARY: The unchecked actions of Arambai Tenggol, a Meitei chauvinist group led to the erosion of law and order in Manipur. The group's recent abduction and assault of a police officer, as well as its looting of weapons from police stations, highlight the challenges faced by law enforcement. The ethnic polarization in Manipur has contributed to the group's popularity, making it difficult for law enforcement to operate effectively. The passage calls on the Union government and the ruling BJP to address the situation and prevent further radicalization in Manipur. It emphasizes the need for Chief Minister N. Biren Singh to take decisive action against the group to restore law and order and prevent further deterioration of the situation.

POLITY AND GOVERNANCE

Maharashtra's latest Maratha quota law

CONTEXT: On February 20, the Maharashtra Assembly unanimously passed a Bill granting 10 % reservation in education and government jobs to the Maratha community.

SUMMARY: The Maharashtra Assembly passed a reservation bill granting a reservation of 10 % for education and public employment opportunities to the Maratha community. The Maharashtra State Backward Class Commission under the chairmanship Justice (retired) Sunil B Shukre claims to have surveyed 1,58,20,264 families across the State and opined that "exceptional circumstances and extraordinary situations" justify granting reservation to the Maratha community beyond the Supreme Court-approved 50 % limit. The Maratha community, constituting 28 % of the state's population, is considered economically backward due to factors such as extreme poverty and decline in agricultural income. The new reservation bill is distinct from the existing OBC quota and aims to provide reservation benefits to non-Kunbi Marathas belonging to non-creamy layer as well.

BACKGROUND: The Bombay High Court stayed the ordinance granting reservation for Marathas, stating that the Marathas cannot be regarded as a backward class. The Maharashtra government then constituted the Gaikwad Commission, which recommended 12 % reservation in higher education and 13 % reservation in public employment for Marathas. However, in May 2021, the Supreme Court struck down the reservation, stating that there were no

exceptional circumstances justifying breaching the 50 % ceiling limit for reservations.

RESERVATION STATUS: The Marathas constitute 28% of the State's population, with 84% of them qualifying as not advanced. The Commission also attributed extreme poverty, decline in agricultural income, and partitions in land holdings as reasons for the declining status of the Marathas. Thus, non-Kunbi Marathas will continue to be covered under the new law, making the Maratha community eligible for reservations under two separate categories for the first time. However, those who fall within the "creamy layer" bracket will not be entitled to the benefit.

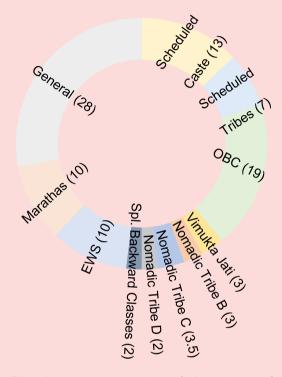


FIGURE: Pie chart representation of the share of reservation granted to different communities.

EARLIER ATTEMPTS: A non-statutory committee headed by veteran leader Narayan Rane in 2014 submitted a report to the then Prithviraj Chavan-led Congress-NCP Democratic Front government, stipulating that the Marathas constitute 32 % of the population in the State and needed economic upliftment in the form of a special quota. The Government passed an ordinance reserving 16 % of government jobs and seats in educational institutions for Marathas and 5 % for Muslims. The Bombay High Court passed an interim order staying the ordinance, pointing out that findings of previous committees such as that of the National Commission for Backward Classes have shown that the Marathas cannot be regarded as a backward class. The Court referred to the apex court's landmark verdict in Indra Sawhney versus Union of India (1992) underscoring that the 50 % cap for reservations cannot be breached except "in extraordinary situations and for extraordinary reasons."

LATER ATTEMPTS: The Government constituted an 11-member statutory commission — the Maharashtra State Backward Class Commission headed by Justice (retired) N.G. Gaikwad to conduct a survey. The Commission in its report submitted on November 15, 2018 recommended granting Marathas 12 % reservation in higher education and 13 % reservation in public employment. On November 30, 2018, the Maharashtra State Reservation for Socially and Educationally Backward Classes (SEBC) Act, 2018 was enacted to

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provide 16 % quota overall in education and government jobs for the Marathas.

A five-judge Constitution Bench of the Supreme Court in Jaishri Laxmanrao Patil versus Maharashtra CM struck it down and held that there were no "exceptional circumstances" that merit the government breaching the 50 % ceiling limit to bestow quota benefits on the Maratha community.

SCIENCE AND TECHNOLOGY

Why did Google delist some Indian apps from Play Store?

CONTEXT: On March 1, Google announced that it was pulling the apps of almost a dozen firms out of its marketplace for Android apps.

SUMMARY: Google recently removed several apps from its Android marketplace, leading to a dispute over platform fees. Google charges fees of 11 % to 30 % for in-app purchases involving digital services, which some developers find excessive. Indian developers, along with global counterparts, have challenged these fees in court. Apple has faced less resistance in India due to its smaller user base. However, both Apple and Google have faced international criticism over these fees. Spotify, for instance, filed a complaint against Apple with the European Commission. The Competition Commission of India fined Google ₹ 936.44 Cr. for its Play Store policies. This issue underscores the need for regulations to promote competition in the app store market, including allowing sideloading and removing barriers to alternative app store adoption.

INTERNATIONAL RELATIONS

Seven more Indians forced to fight in Russia seek govt. help

CONTEXT: A group of seven more Indians stuck on the Russia-Ukraine border released two videos this week seeking the government's help to return to India.



SUMMARY: The men, who arrived in Russia on tourist visas, were detained by police for not possessing a required document and were coerced into joining the army as "helpers." The seven Indians have been identified as Gagandeep Singh (24), Lovepreet

Singh (24), Narain Singh (22), Gurpreet Singh (21), Gurpreet Singh (23), Harsh Kumar (20) and Abhishek Kumar (21). While five workers are said to be from Punjab, the other two are from Haryana. They allege that they were deceived into thinking they would only be doing non-combat work, but were instead enlisted for training in arms and ammunition and are being prepared to be sent to Ukraine. Despite their pleas for help, they have not received any assistance from the Russian Army. The men released videos appealing to the Indian Embassy and government for help, stating that they are being sent to the war zone and fear for their lives. The presence of Indians on the Russian side in combat roles is a new development in the conflict between Russia and Ukraine, which began on February 24, 2022.

INTERNATIONAL RELATIONS

Philippine and Chinese vessels collide in disputed South China Sea

CONTEXT: Chinese vessels deploy water cannons at a civilian boat operated by Philippine military in South China Sea.



SUMMARY: Chinese and Philippine coast guard vessels collided in the disputed South China Sea, injuring four Filipino crew members. The incident occurred as Southeast Asian leaders gathered for an ASEAN summit where Beijing's aggression at sea was expected to be addressed. Chinese Coast Guard ships blocked Philippine Coast Guard vessels near the Second Thomas Shoal, leading to two minor collisions and dangerous manoeuvres. The Chinese ships also used water cannons against a Filipino supply boat, causing injuries. The Philippines protested the incident, and Washington, Australia, and Japan condemned China's actions. The incident highlights the long-standing territorial disputes in the South China Sea, which are expected to be discussed at the ASEAN summit.

SINO-PHILLIPINE MARITIME DISPUTES: The Chinese Coast Guard ships and accompanying vessels blocked the Philippine Coast Guard and supply vessels off the disputed Second Thomas Shoal. The dangerous manoeuvres caused two minor collisions between the Chinese ships and two of the Philippine vessels. The BRP Sindangan of the Philippine Coast Guard had minor structural damage from the collision that happened shortly after dawn. The supply boat, manned by Filipino Navy personnel, was later hit by water cannon blasts from two Chinese coast guard ships.

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ECONOMICS AND DEVELOPMENT

Feb. services sector growth slows

CONTEXT: As per the HSBC India Services Purchasing Managers' Index (PMI), India's services sector growth in new orders and output slowed in February, denting business confidence levels and resulting in only a fractional uptick in employment that was the slowest in 21 months.

Losing steam

February's overall private sector output in India slips to 60.6 from January's six-month high of 61.2



- The seasonally-adjusted PMI print for the services sector eased to 60.6 in February, from 61.8 in January
- Feb. Flash PMI had indicated services output rose at a sevenmonth high pace
- The PMI ascertains business confidence levels on the basis of firms' outlook for the year ahead

SUMMARY: In February, India's services sector experienced a slowdown in growth, with new orders and output decelerating, according to the HSBC India Services Purchasing Managers' Index (PMI). The seasonally-adjusted PMI for services eased to 60.6 from 61.8 in January, indicating a slowdown in activity levels. Input cost pressures were the second-weakest since August 2020, and price increases were the mildest in two years. Business confidence levels weakened slightly, although the outlook for future business activity remained strongly positive. Around 26 % of companies foresee growth, while 2 % anticipate a fall. Despite the slowdown, new business from abroad rose for the thirteenth consecutive month, at a pace among the best in nine and a half years. Overall private sector output in India decelerated in February, with the HSBC India Composite PMI Output Index slipping from a six-month high of 61.2 in January to 60.6.



ECONOMICS AND DEVELOPMENT

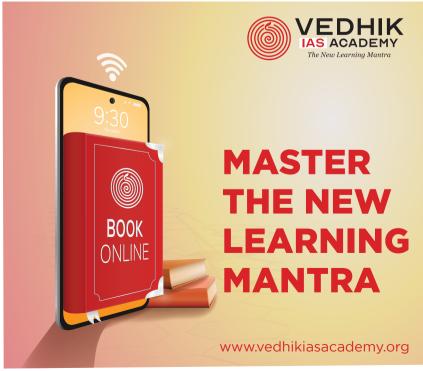
Bloomberg to add Indian bonds to EM indexes in Jan.

CONTEXT: Bloomberg Index Services said would include in its Emerging Market Local Currency Index from Jan. 31 next year 34 Indian government bonds eligible for investment via the country's fully accessible route (FAR).

SUMMARY: Bloomberg Index Services announced that it would include 34 Indian government bonds eligible for investment via India's fully accessible route (FAR) in its Emerging Market Local Currency Index starting from January 31, 2025. The inclusion will be phased in over a 10-month period, with the weight of the bonds increasing by increments of 10% of their full market value every month until October 2025. This move follows discussions that began in 2013 regarding the inclusion of Indian securities in global indexes, which was initially hindered by foreign investment restrictions. However, in April 2020, the Reserve Bank of India introduced FAR, making certain securities eligible for inclusion in global indexes. JPMorgan was the first to announce India's inclusion in its emerging market debt index in September, potentially leading to significant inflows into India. As of January 31, the eligible Indian FAR bonds had a market value of \$448 billion.

BACKGROUND: The Indian government began discussing inclusion of its securities in global indexes as far back as 2013, but the move was held back by its curbs on foreign investments in domestic debt. In April 2020, the Reserve Bank of India introduced a clutch of securities free of foreign investment curbs under a "fully accessible route" (FAR), that made them eligible for inclusion in global indexes. JPMorgan was the first to announce India's inclusion in its widely tracked emerging market debt index in September, setting the stage for billions of dollars of inflows into India.

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