

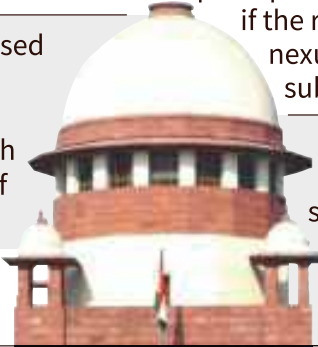
States can sub-classify SCs for quotas: top court

POLITY AND GOVERNANCE

Why sub-classification?

Here are the salient points of the Supreme Court judgment:

- Scheduled Castes are not an 'indivisible monolith'
 - They are composed of heterogeneous groups of castes, races or tribes with varying degrees of backwardness
 - The States can further
 - States have to produce data to support their claim that a sub-class required more beneficial treatment
- classify them, if there is a rational principle for differentiation and if the rational principle has a nexus with the purpose of sub-classification



A seven-judge Constitution Bench of the Supreme Court headed by Chief Justice of India D.Y. Chandrachud in a 6:1 majority judgment upheld the right of the States to sub-classify Scheduled Castes notified in the Presidential

List to provide them more preferential treatment in public employment and education. The majority judgment overruled a 2005 verdict in the E.V. Chinnaiah case, which had held that sub-classification amounted to tinkering with the Presidential list by the State legislature, and was, therefore, violative of Article 341(2), which exclusively vests power in Parliament.

Chief Justice Chandrachud traced the power of these States to sub-classify the Scheduled Castes for the purpose of affirmative action, including reservations, to Articles 15(4) [prohibition of discrimination on grounds of religion, caste, etc] and 16(5) [equal opportunity in public employment] of the Constitution.

The Constitution Bench judgment followed a reference made to the seven-judge Bench in 2020 to examine the constitutionality of the Tamil Nadu Arunthathiyars Reservation Act, 2009 and the Punjab Scheduled Castes and Backward Classes (Reservation in Services) Act, 2006.

Swapnil guns down third shooting medal for India

PERSONALITIES



Swapnil Kusale won a bronze — India's third medal of the Games in the men's 50m rifle 3 position event on Thursday. Serhiy Kulish of Ukraine won the gold and Liu Yukun of China won the silver.

“Earlier, nine-judge Bench in the Indra Sawhney case had held it constitutional to classify the backward class into “backward” and the “more backward”, the same principle would apply to the SCs. The principle of sub-classification will be applicable to Scheduled Castes if the social position of the constituents among the castes/groups is not comparable... Sub-categorisation within a class is a constitutional requirement to secure substantive equality.”

D.Y. Chandrachud
Chief Justice of India



“The State must evolve a policy for identifying the creamy layer even from the Scheduled Castes and Scheduled Tribes so as to exclude them from the benefit of affirmative action. In my view, only this and this alone can achieve the real equality as enshrined under the Constitution... Can a child of IAS/IPS or civil service officers be equated with a child of a disadvantaged member belonging to Scheduled Castes, studying in a gram panchayat/zilla parishad school in a village ”

Justice B.R. Gavai on introduction of creamy layer among SCs / STs supported by Justices Vikram Nath, Pankaj Mithal and Satish Chandra Sharma.

‘Not an indivisible monolith’

The Chief Justice noted historical and empirical evidence to demonstrate the Scheduled Castes as a socially heterogeneous class and cited Scheduled Castes as not an “indivisible monolith”. The “Scheduled Castes” notified by the President under Article 341(1) of the Constitution comprise of heterogeneous groups of castes, races or tribes with varying degrees of backwardness. The inclusion in the President’s List by Parliament under Article 341(2) did not mean they were a “uniform and internally homogenous unit” incapable of further sub-classification. Article 341(2) does not create an integrated homogenous class., the State in exercise of the power under Articles 15(4) and 16(4) can further classify the Scheduled Castes if there is a rational principle for differentiation and if the rational principle has a nexus with the purpose of sub-classification.

The court agreed that apprehensions of “potential political tinkering” by parties in power in States to expand vote banks cannot obviate the constitutional need for acknowledging and remedying inter se inequality among Scheduled Castes. The court observed that the States, by addressing inter se disparity among Scheduled Castes on the basis of quantifiable data and providing more preferential treatment to a comparatively more

downtrodden group within the class, did not interfere with Parliament's power under Article 341(2) to make inclusions or exclusions in the Scheduled Castes List. They only work to promote "substantive equality". Besides, States have to produce empirical data to support their claim that a sub-class requires more beneficial treatment.

CRPF to replace 2 battalions of Assam Rifles in Manipur

INTERNAL SECURITY

The Central Reserve Police Force (CRPF) is all set to replace two battalions of the Assam Rifles in the hill districts of Churachandpur and Kangpokpi in violence-hit Manipur. Around 2,000 personnel of the oldest paramilitary force will be moved to the Jammu region. Tribal groups, including Kuki Students' Organisation (KSO) have opposed the move.

The deployment of the Assam Rifles and State police in vulnerable areas have been a bone of contention between the tribal Kuki-Zo people and the Meitei community ever since ethnic violence erupted in the State on May 3, 2023. Meitei civil society groups and MLAs accuse the Assam Rifles personnel complacent of violence spearheaded by Kukis in many "sensitive areas". The Kuki-Zo groups said the decision is against the will of the local population and the government needs to reconsider the move.



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IMD forecasts above-normal rain in Aug., Sept.

DISASTER MANAGEMENT



The India Meteorological Department (IMD) has forecast above-normal rain in August and September amid rain-triggered landslides killing over 200 people in Wayanad of Kerala, and intense spells battering Uttarakhand and Himachal Pradesh.

July, the rainiest monsoon month, recorded 30.5 cm of rainfall when averaged across the country, or

nearly 9 % more than normal. August, the second rainiest monsoon month, is expected to receive normal rainfall, and September more rainfall than the average 17 cm every year if the IMD forecast of an “above-normal second half” of the monsoon comes true. The rainfall averaged over the entire country from August to September is likely to be above normal (>106% of the Long Period Average (LPA)). Unusually heavy rain in September and October, when the monsoon officially retreats, can alter winter sowing and spike air pollution in northern India. In recent years, rainfall has been increasing in September and this could damage standing crops.

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Cloudbursts, flash floods wreak havoc in Himachal

DISASTER MANAGEMENT



India, a founding member of the International Labour Organization (ILO), is likely to raise a complaint against the UN agency over its India Employment Report, 2024, released in March. A Union Labour Ministry official cited the “model” used to assess the employment scene in India as flawed and not suitable for India.

The ILO and the Institute of Human Development (IHD) prepared and released the India Employment Report, 2024 in March 2024 citing India’s youth accounting for almost 83 % of the unemployed workforce and the share of youngsters with secondary or higher education among total unemployed youth has almost doubled from 35.2 % in 2000 to 65.7 % in 2022.

The concept of employment has been changing drastically in the country with more people turning entrepreneurs and formal employment gaining momentum with increasing subscriptions in the Employees’ Provident Fund Organisation and the Employees’ State Insurance Corporation.

The Union Labour Ministry had earlier expressed doubts over the data provided by private agencies such as the Centre for Monitoring Indian Economy (CMIE). The government has been insisting that the Periodic Labour Force Surveys have better data on the situation in India.

Punitive tax on imported laboratory chemicals removed

ECONOMICS AND DEVELOPMENT

The Finance Ministry has clarified that all imported 'laboratory chemicals', except denatured ethanol, will be taxed at 10 % instead of 150 % as was first proposed in the Union Budget on July 23.

Imported laboratory chemicals are a critical component of research in nearly every domain of science. They include reagents and enzymes that are usually extremely specific and not mass-produced, making them expensive and a significant overhead on the budget that scientists get for planning their research.

The Customs Department defines laboratory chemicals as "all chemicals, organic or inorganic, whether or not chemically defined, imported in packings not exceeding 500 gm or 500 millilitres and which can be identified with reference to the purity, markings or other features to show them to be meant for use solely as laboratory chemicals".

Seek clarification

Several scientists went into a tizzy after companies that supply these chemicals informed them they would now have to pay 1.5 times the usual rate for their goods. The Customs Department had hiked its rates allegedly to rein in imports of ethanol that were being brought in as 'laboratory chemicals' to avoid the customs duty of 150 %. There are broadly two kinds of ethanol. Ethanol, of varying grades, sourced from grain and used in the manufacture of alcohol, and, denatured ethanol, which is ethanol mixed with additives and unfit for consumption. The latter also comes in grades but is used in laboratories and in commercial applications. Denatured alcohol is made by several local manufacturers and does not need to be imported. However, the Finance Ministry notification also states that any laboratory chemical imported needs to be accompanied by a letter that says the goods will only be used in a laboratory and for research and not further traded for commercial gains.

"Doing nothing is very hard to do. You never know when you're finished."—Leslie Nielsen



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States can directly buy rice from FCI, says Food Minister

AGRICULTURE AND RELATED MATTERS



Union Food and Consumer Affairs Minister Pralhad Joshi announced that State governments can directly purchase rice from the Food Corporation of India (FCI) under the Open Market Sale Scheme (Domestic) from Thursday without participating in e-auction. According to the Centre, the decision was taken to reduce the huge surplus stocks ahead of the procurement after this kharif season.

The States wanted to procure more rice over the stipulated 5 kg of free grain per individual under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), they could procure it for ₹ 2,800 per quintal (excluding transportation cost), instead of the earlier rate of ₹ 2,900 per quintal. The Centre will directly offload rice to the States under the scheme.

The Centre would continue to provide free foodgrains to about 81.35 crore beneficiaries for a period of five years with effect from January 1, 2024, with an estimated financial outlay of ₹ 11.8 lakh crore borne by the Centre. The Centre had successfully completed all three phases of replacing custom-milled rice with fortified rice in every scheme of the government.

Vegetable prices

The Centre using of price stabilisation fund made subsidised tomato available at ₹60 a kg. He launched the 4.0 version of the Price Monitoring System (PMS) mobile app on which prices of 38 commodities will be monitored on a daily basis.

GST receipts growth rallies to 10.3%, July kitty 3rd-highest ever

ECONOMICS AND DEVELOPMENT



India's gross Goods and Services Tax (GST) collections crossed ₹ 1.82 lakh Cr to hit the third-highest monthly level in July, with revenue growth rebounding to 10.3 % from June's three-year low of 7.6 %.

Gross revenue from domestic transactions grew 8.9 %, easing from 9.4 % in June, but growth in taxes collected on imports bounced

to 14.2 %, from 2.4 % a month earlier. Sequentially, gross GST collections were 4.75 % more than June's kitty of ₹ 1,73,813 crore. After effecting refunds, net GST collections rose 14.4 % in July to ₹1,65,793 crore, with net import revenue up 17.3 % and domestic transactions clocking a 13.5 % rise. July's net GST revenues were 7.75 % over June's figure of just under ₹ 1.54 lakh crore.

Net domestic revenues had risen 8.5% in June, while net receipts from imports had contracted 1.5% from June 2023 levels. Tax experts noted a slowdown in refunds might be responsible for the sharper uptick in net tax collections vis-a-vis gross revenue. In June, refunds had grown 19.3% year-on-year, with both domestic and export-related refunds rising by more than 19%.

Domestic refunds slip

In contrast, domestic refunds slipped 34.1 % in July, while export-related GST refunds rose 1.4 %. Total refunds in July were 19.4 % lower than a year earlier at ₹16,283 crore, which also marked an 18.4 % drop from June's refunds of almost ₹ 20,000 crore. Gross monthly GST receipts hit a record high of more than ₹2.1 lakh crore in April.

While total revenues from domestic transactions were 8.9% higher, as many as five States clocked a contraction, including AP and HP. Revenue growth was milder than the national average in nine States, including Tamil Nadu and Bihar. Gross GST revenues in the first four months of 2024-25 had risen 10.2% to ₹7.39 lakh crore. Net collections' growth was slightly higher at 11%, with a kitty of ₹6.56 lakh crore.

'India's per capita income to hit a quarter of U.S. levels in 75 years'

ECONOMICS AND DEVELOPMENT

The World Bank has warned that while India is the fastest-growing major economy, it could take 75 years for its per capita income to reach a quarter of U.S. levels if current trends continue. In its 'World Development Report 2024,' the Bank highlighted Prime Minister Modi's vision for India to become a developed economy by 2047, but noted that this goal is ambitious compared to the quicker transitions seen in countries like Korea. World Bank chief economist Indermit Gill stated that many middle-income countries, including India, China, Brazil, and South Africa, are using outdated policies focused on investment expansion, which may hinder their economic growth. The report also pointed out that countries often fall into a "middle income trap" at about 10% of U.S. GDP per person. The challenges ahead include aging populations and the need for sustainable economic progress. Gill advocated for new strategies to overcome these obstacles and escape the trap.

PMI signals factory activity eased in July

ECONOMICS AND DEVELOPMENT

The seasonally adjusted PMI inched down to 58.1 in July, from June's 58.3 growth amid new orders and output easing slightly at Indian factories in July. Firms raised selling prices at the fastest pace in almost 11 years amid a significant spike in input costs that accelerated at a two-year high rate. The continuous increase in the output price index, driven by input and labour cost pressure, may signal further inflationary pressure. About 7 % of firms reported an uptick in hiring, with both permanent and short-term hires, but 92 % reported no change in staff headcount. The pace of job creation dropped below June's levels.

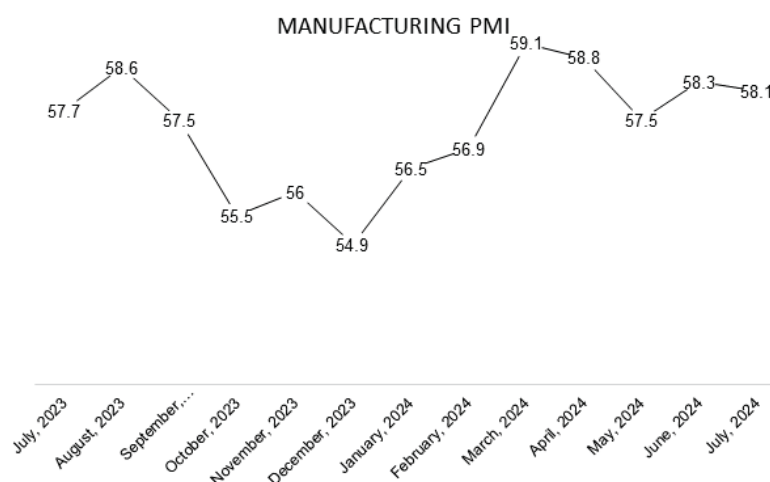


FIGURE: Column chart representation of the HSBC Purchasing Manager's Index – Manufacturing.



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