

## Leaders race to form govts. in J&K, Haryana

### POLITY AND GOVERNANCE



Leaders of the winning parties — the BJP in Haryana and the National Conference-Congress alliance in Jammu and Kashmir were engaged in hectic political activity a day after the Assembly election results were announced.

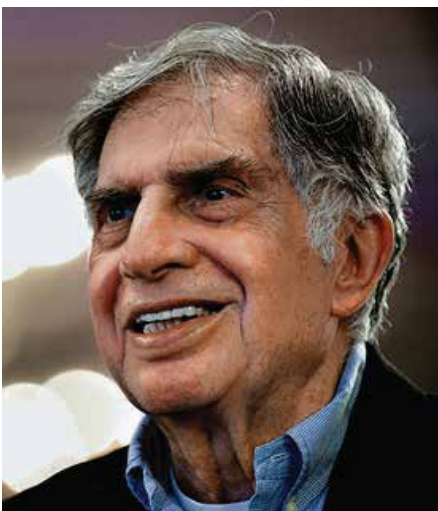
Several BJP leaders from Haryana, including incumbent Chief Minister Nayab Singh Saini who is likely to retain his position, headed to New Delhi to meet Prime Minister Narendra Modi and other top leaders. The new government is expected to take charge after October 12, once the Dasara festival is over. The BJP is also considering the option of appointing two Deputy Chief Ministers, as was done in Rajasthan and Madhya Pradesh. The BJP got a further

boost in Haryana, with all three Independents announcing their support to the party, effectively taking the saffron party's seat tally in the Assembly to 51.

In Srinagar, top leaders of the National Conference (NC) and the Congress began the spadework to form the first elected government in Jammu and Kashmir in more than six years. They plan to announce their new Chief Minister in the next two days. The NC will hold its legislature party meeting on Thursday and will meet with its allies in the Congress.

## Ratan Tata, a titan of Indian industry, takes his final bow

### PERSONALITY IN NEWS



Tata Group's Chairman Emeritus and veteran industrialist Ratan Naval Tata, 86 passed away at the Breach Candy Hospital in Mumbai late on Wednesday. Mr. Tata is survived by his younger brothers Jimmy and Noel and stepmother Simone.

It was J.R.D. Tata who identified his talent and chose him as his successor in 1990. RNT, as he was called in the Tata Group, was its chairman from 1990 to 2012, when he handed over the baton to Cyrus Mistry. He focused on putting the house in order and subsequently went global with the acquisition of Tetley, Jaguar, Land Rover, and Corus Steel. It was he who made the Tata an international company and enhanced the stature of the group.

Following Mr. Mistry's ouster in 2016, he again assumed the position of interim chairman. He handed over the reins to Mr. Chandrasekaran, who was appointed chairman of Tata Sons in February 2017. Though Mr. Tata had retired, he had a firm grip on the group as well as Tata Trusts, which owns over 67 % stake in Tata Sons, the holding company of the group.

## RBI enhances transaction limits on UPI 123, UPI Lite

### ECONOMICS & DEVELOPMENT

The Reserve Bank of India (RBI) in consultation with stakeholders announced an increase in transaction limits on UPI123 and UPI Lite to encourage wider adoption of the Unified Payments Interface (UPI).

The per-transaction limit in UPI123Pay currently capped at ₹ 5,000 has decided to enhance the per-transaction limit to ₹ 10,000 to widen use-cases. Similarly, the RBI decided to enhance the per-transaction limit on UPI Lite from ₹ 500 to ₹ 1,000, and the overall wallet limit from ₹ 2,000 to ₹ 5,000. The banking regulator has also decided to introduce 'beneficiary account name look-up facility' for Real Time Gross Settlement System (RTGS) and National Electronic Funds Transfer (NEFT) in line with payment systems like UPI and IMPS, providing an option to the remitter to verify the name of the beneficiary before initiating a payment transaction.

## Hyundai unveils India's largest IPO

### ECONOMICS & DEVELOPMENT



Hyundai Motor India Ltd. (HMIL) announced India's largest ever Initial Public Offer (IPO) of ₹ 27,870 Cr. on Wednesday. Hyundai Motor India Ltd. (HMIL) is the second largest automobile company in India with a market share of 15 % in Q1 this year, after Maruti Suzuki, which has the largest market share of 41 %.

The IPO consists of an Offer For Sale (OFS) for 14.2 Cr. equity shares by the promoter and involves no fresh issue of

share. The proceeds of the offer will be received by the promoter firm. The price band has been fixed between ₹ 1,865 and ₹ 1,960 a share. The IPO will dilute 17.5% of the promoter shareholding. This will further increase to 25 % in the next three to five years, to comply with the minimum public shareholding norms of the Securities and Exchange Board of India (SEBI). Bids for the IPO will be open between October 15 and October 17.

This is among the world's first automobile IPOs in about two decades, HMIL's top brass said. If successful, this would be the largest ever IPO in the Indian market, eclipsing the ₹21,000 Cr. raised by the Life Insurance Corporation of India in 2022. Paytm, with a ₹ 18,300 Cr. offering in 2021, and Coal India's ₹15,000 Cr. IPO in 2010, were the other large share sales.



*"If you invest more in your education, then you are likely to get more interest in it."*

*—Benjamin Franklin*

## Trio wins Chemistry Nobel for work on protein design and prediction of structures

SCIENCE & TECHNOLOGY



**David Baker, John Jumper and Demis Hassabis, the recipients of Nobel Prize for Chemistry, 2024.**

The 2024 Nobel Prize for Chemistry was shared by David Baker “for computational protein design” along with Demis Hassabis and John Jumper research that connected the sequence of amino acids that make up a protein and the protein’s structure. Mr. Baker works at the University of Washington in Seattle and Mr. Hassabis and Mr. Jumper work at Google DeepMind in London.

Mr. Baker led a team in 2003 designing a new protein using bespoke software methods. The team have since refined these methods to be able to point the way to ‘designer’ proteins intended for specific applications.

Mr. Hassabis and Mr. Jumper received the other half of the prize for their hand in developing an artificial intelligence model called AlphaFold 2 that could predict the structures of millions of proteins. Human scientists had done that for only around 1.7 lakh proteins until then, although the structures and patterns therein were used to train AlphaFold.

## Union Cabinet gives nod for continuation of free fortified rice supply till Dec. 2028

POLITY & GOVERNANCE



The Union Cabinet approved the continuation of supply of free fortified rice under various welfare programmes from July 2024 to December 2028. The Cabinet Committee on Economic Affairs in April 2022 decided to implement it in a phased manner by March 2024. All three phases have been successfully completed and the target of universal coverage to supply fortified rice in all schemes of the government was achieved by March 2024.

According to the National Family Health Survey conducted between 2019 and 2021,

anaemia remains a widespread issue, affecting children, women, and men across various age groups and income levels. Besides iron deficiency, other vitamin and mineral deficiencies such as Vitamin B12 and folic acid also persist, impacting the overall health and productivity of the population.

Union Minister Ashwini Vaishnaw expressed confidence of rice fortification initiative as a central sector initiative with 100 % funding by the Centre in order to ensure inclusive nutritional security in the country addressing anaemia and micronutrients deficiency. Free fortified rice will be provided under programmes such as Targeted Public Distribution System, Integrated Child Development Service, and PM POSHAN in all States and Union Territories.

### 'Ideal vehicle'

Rice is an ideal vehicle for supplying micronutrients in the Indian context as 65% of the population consumes it as a staple food. Rice fortification involves the addition of fortified rice kernels enriched with micronutrients (iron, folic acid, Vitamin B12) to regular rice (custom milled rice) as per standards prescribed by the FSSAI (Food Safety and Standards Authority of India).

## Modi to hold bilateral talks with leaders at ASEAN-India summit

### INTERNATIONAL RELATIONS



Prime Minister Narendra Modi will visit Laos on Thursday and Friday to attend the 21st ASEAN-India and the 19th East Asia Summits. Mr. Modi will reach the Laotian capital Vientiane on Thursday and will hold bilateral meetings with leaders of the ASEAN countries after attending the ASEAN-India summit in the afternoon.

The annual events are crucial as they are being held against the backdrop of fast developments in Myanmar where ethnic armed organisations are battling the military junta of the country, creating hurdles for regional connectivity and security plans.

India is marking a decade of the Act East Policy this year. Relations with ASEAN are a central pillar of the Act East Policy and our Indo-Pacific vision," the Ministry of External Affairs said on Thursday announcing the visit.

### Maritime issues

The ASEAN summit, which began on October 6, is significant as it is being held against the backdrop of heightened tension between the Philippines and China over maritime issues in the South China Sea and the crisis in Myanmar where the ethnic groups are scoring big victories against the military force of the junta. Apart from the regional leaders, Laos will host Australian Prime Minister Anthony Albanese.

The events in Laos will be the first diplomatic engagement by the new Japanese Prime Minister Shigeru Ishiba, who took charge on October 1. During his stay in Vientiane, Mr. Modi will witness the Lao adaptation of the Ramayana. The ancient Indian classic is celebrated as Phra Lak Phra Lam (Phra Lakshman Phra Ram) and it is one of the several adaptations of the classic in Southeast Asia.

# CCS clears deals for 31 MQ-9B drones and submarines

## POLITY & GOVERNANCE

The Cabinet Committee on Security approved two high-profile deals for the purchase of 31 MQ-9B High Altitude Long Endurance (HALE) Unmanned Aerial Vehicles (UAV) from General Atomics of the U.S. and indigenous construction of two nuclear attack submarines (SSNs). The approval from CCS is the final step and the MQ-9B deal now awaits formal conclusion.

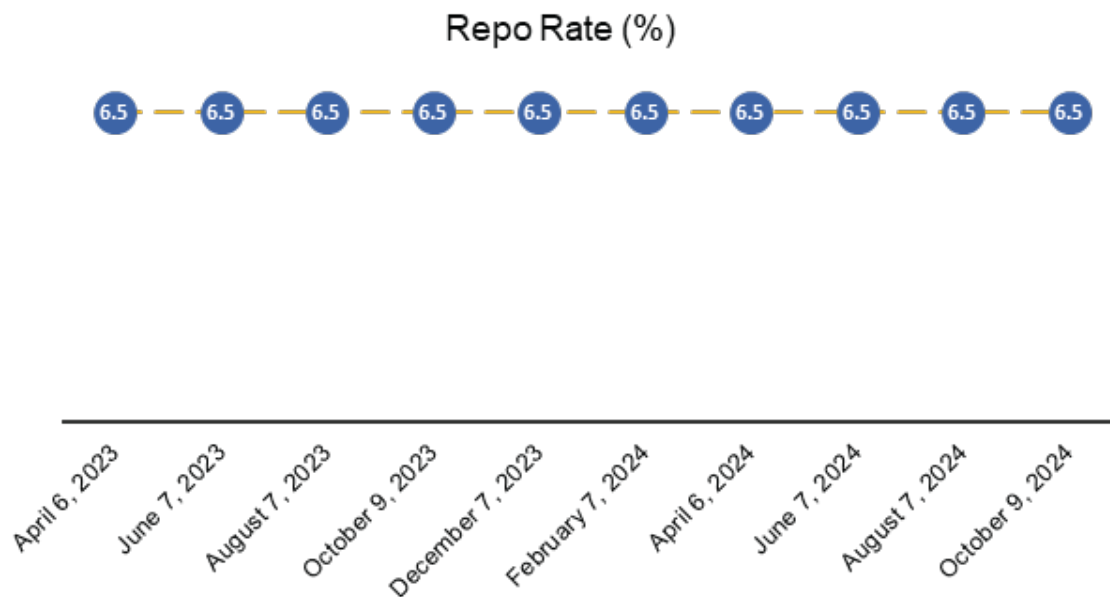
The deal for 31 MQ-9B High Altitude Long Endurance (HALE) Unmanned Aerial Vehicles (UAV), 15 Sea Guardians for the Indian Navy and 16 Sky Guardians, eight each for the Indian Army and Air Force, is estimated to cost \$3.99 billion. The Defence Acquisition Council (DAC) chaired by Mr. Singh had approved amendments to the MQ-9B deal related to indigenous content and related aspects.

India has already indigenously manufactured nuclear-powered ballistic missile submarines (SSBN) and the SSN project will be a follow-on to that. India's second SSBN, INS Arighaat, was commissioned into service at Visakhapatnam in end-August joining INS Arihant, which was commissioned into service in 2016. The SSNs are a critical requirement for the Navy as they give unlimited endurance to perform a variety of tasks, their endurance only limited by that of the crew. India has in the past leased two SSNs from Russia and a third SSN which has been contracted is expected to join service in another two or three years after some delay.

# RBI holds rate at 6.5 %, shifts stance to 'neutral'

## ECONOMICS & DEVELOPMENT

The Reserve Bank of India (RBI) on Wednesday maintained its benchmark interest rate at 6.5 % for the 10th successive monetary policy review since April 2023. The status quo on interest rates was approved by a majority of five out of six members of the Monetary Policy Committee (MPC) which met for three days starting October 7, with three new external members on board. The change of the policy stance from "withdrawal of accommodation" to "neutral" was, however, unanimously agreed upon by the committee, along with a resolve to unambiguously focus on a durable alignment of inflation with the target, while also supporting growth.



**FIGURE:** Line chart representation of the timeline of the repo rates.

## Observations of the RBI Monetary Policy Committee

- Expressed satisfaction in the current macroeconomic parameters of inflation and growth.
- Forecasted moderation in headline inflation, expected to reverse in September and likely to remain elevated in the near-term due to adverse base effects, among other factors.
- Forecasted a moderated GDP growth rate of 7.2 %
- Forecasted 4.5 % average inflation estimate for 2024-25, lowering its second quarter inflation projection to 4.1 % from 4.4 %, even as it expects that pace to pick up 4.8 % in the October to December quarter.
- Unexpected weather events and worsening of geopolitical conflicts constitute major upside risks to inflation.

## SC interprets what constitutes crime of 'abetment of suicide'

### POLITY & GOVERNANCE

The Supreme Court has interpreted the crime of "abetment of suicide", saying the offence is made if "direct and alarming encouragement or incitement" has left the deceased with no option but to take the fatal step. A Bench of Justices J.B. Pardiwala and Manoj Misra said the "extreme action" could be due to a "great disturbance" leading to psychological imbalance.

The order followed an appeal by persons who were senior officials in a private company accused of abetting the suicide of an employee by compelling him to retire. The Allahabad High Court had refused their plea to quash criminal proceedings under Section 306 (abetment of suicide) of the IPC.

Allowing the appeal, the court laid down illustrative, not exhaustive, parameters to check if it is an abetment case.

- Whether the accused had created "a situation of unbearable harassment or torture, leading the deceased to see suicide as the only escape"
- Whether the accused exploited any emotional vulnerability to make a person feel "worthless or undeserving of life"?
- Whether the accused made threats to the deceased of harm to his or family or financial ruin?
- Whether the accused made false allegations that may

## RBI's Das warns of action on NBFCs 'growing aggressively at any cost'

### ECONOMICS & DEVELOPMENT

Reserve Bank of India (RBI) Governor Shaktikanta Das warned of action against Non-Banking Financial Companies (NBFCs) pursuing aggressive growth without building sustainable business practices and risk management frameworks. Mr. Das in his monetary policy statement cautioned against such imprudent 'growth- at-any-cost' approach would be counterproductive for their own health.

RBI Governor cautioned chasing excessive returns on equity, driven by the significant accretion to capital domestic and overseas sources, and sometimes under pressure from investors, some NBFCs, including microfinance institutions and housing finance companies.

While such pursuits are in the domain of the boards and managements of NBFCs, concerns arise when the interest rates they charge become usurious and get combined with unreasonably high

processing fees and frivolous penalties.

### 'Push effect'

Such practices are sometimes further accentuated by what appears to be a 'push effect', as business targets drive retail credit growth rather than its actual demand. The consequent high-cost and high indebtedness could pose financial stability risks, if not addressed by these NBFCs. While the overall NBFC sector remains healthy, the Governor said the "outliers" must review prevailing compensation practices, variable pay and incentive structures some of which appear to be purely target driven.

Mr. Das warned of appropriate actions, if necessary but added that self-correction by the NBFCs would, however, be the desired option, emphasising the likelihood of stress build-up in a few unsecured loan segments like loans for consumption purposes.

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