

The World



EFFORTS TO END GAZA, UKRAINE WARS IN LIST NOBEL PEACE PRIZE NOMINATIONS CLOSE

THE DOORS closed Wednesday on nominations for the 2024 Nobel Peace Prize, with peace activists connected to the wars in Gaza and Ukraine among the known entries. Attempts to end the war in Gaza have been a theme for some of the announced nominations.

AP

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EU to launch Red Sea naval mission

ASSOCIATED PRESS
BRUSSELS, JANUARY 31

THE EUROPEAN Union plans to launch a naval mission in the Red Sea within three weeks to help defend cargo ships against attacks by Houthis rebels in Yemen that are hampering trade and driving up prices, the bloc's top diplomat said Wednesday.

EU foreign policy chief Josep Borrell said he wants the mission to be up and running by February 17. Officials say that seven EU countries are ready to

provide ships or planes. Belgium has already committed to send a frigate. Germany is expected to do the same.

"This is the purpose: protection of the ships. Intercepting of the attacks against the ships. Not participating in any kinds of actions against the Houthis," Borrell told reporters.

EU defence ministers were expected to decide later Wednesday which country should lead the naval effort — France, Greece and Italy are vying for that role — and where the mission's headquarters should be based.

US URGES 'CHANGES' IN UN AGENCY FOR FUNDS

United Nations: The United States said on Tuesday that the UN agency for Palestinian refugees needs to make "fundamental changes" — including review of staff management to ensure those involved in crimes are held accountable — before restarting funding halted over Israeli accusations that some agency staff took part in the October 7 attack by Hamas militants. **REUTERS**

Taiwan simulates 'drills becoming strikes' as Beijing holds patrols close to border

REUTERS
TAITUNG, JANUARY 31

TAIWAN'S MILITARY on Wednesday simulated a scenario where China suddenly turns one of its regular drills around the island into an actual attack, on the same day China staged another "combat readiness patrol" near Taiwan.

Taiwan says China's armed forces routinely operate in the skies and seas around the island in an effort to pressure Taiwan to accept Chinese sovereignty.

Taiwan's defence ministry says Chinese warplanes and warships often carry out "joint combat readiness patrols". It reported another such patrol on Wednesday, involving 22 Chinese aircraft.

US braces for conflict

The US military is taking a hard look at its own military readiness as tensions rise, trying to play catch-up in a critical area — its logistics network. After the Talisman Sabre military exercise led by Australia and the US, They helped create new stockpiles of military equipment that were left behind in Australia.



Taiwan forces at the drill at a military base in Taitung. Reuters



DROUGHT HITS NORTHEAST SPAIN

La Baells reservoir near Berga, north of Barcelona at 21 per cent of its capacity on Tuesday. Barcelona and its surroundings in northeastern Spain's Catalonia region are preparing for tighter water restrictions amid a historic drought that has shrunk reservoirs to record lows. AP

South Africa says 5 countries confirm joining BRICS grouping

REUTERS
JOHANNESBURG, JANUARY 31

EGYPT, ETHIOPIA, Iran, Saudi Arabia and the United Arab Emirates have confirmed they are joining the BRICS bloc after being invited last year, South Africa's Foreign Minister Naledi Pandor said on Wednesday.

The five countries were extended invitations along with Argentina at a summit in August in Johannesburg to join the bloc comprising Brazil, Russia, China, India and South Africa. Members say it would help reshuffle a world order they view as outdated.

Argentina has since declined the invitation to join, "and we accept their decision," Pandor told a press meet Wednesday.

RBI curbs on Paytm: Can’t take deposits, offer other services after February 29

ENS ECONOMIC BUREAU
MUMBAI, NEW DELHI, JAN 31

THE RESERVE Bank of India (RBI) on Wednesday barred Paytm Payments Bank from accepting deposits or top-ups in any of its key products — customer accounts, prepaid instruments, wallets, FASTags and National Common Mobility Card (NCMC) among others — after February 29 in the wake of “persistent non-compliances and material supervisory concerns”.

The RBI decision essentially bars Paytm Payments Bank from offering all its core services — including accounts and wallets — from March, effectively crippling the company’s business. Given the significant customer base of Paytm — once the poster boy of India’s fintech revolution — this could impact a large number of customers.

Neither Paytm Payments Bank nor its parent company, One97 Communications, commented on the RBI action.

“No further deposits or credit transactions or top-ups should be allowed in any customer accounts, prepaid instruments, wallets, FASTags, NCMC cards, etc. after February 29, 2024, other than any interest, cash-backs, or refunds which may be credited anytime,” the RBI said on Wednesday.

“Withdrawal or utilisation of balances by its customers from their accounts including savings

CONTINUED ON PAGE 2

New IT Rules on fact check unit: HC gives split verdict

OMKAR GOKHALE
MUMBAI, JANUARY 31

A DIVISION bench of the Bombay High Court on Wednesday delivered a split verdict on a batch of petitions challenging the amended Information Technology (IT) Rules which empowered the government to identify “fake news” on social media platforms through a Fact Check Unit (FCU).

While Justice Gautam Patel agreed with the petitioners’ contentions and struck down the amendment, Justice Neela Gokhale upheld the

CONTINUED ON PAGE 2

DISPUTE OVER VARANASI SITE

District court allows puja inside cellar at Gyanvapi complex

Mosque panel says barricading cut by admn hours after order, moving SC

ASAD REHMAN
LUCKNOW, JANUARY 31

SIX DAYS after it handed litigants copies of an Archaeological Survey of India’s report which stated that “there existed a Hindu temple prior to the construction” of the Gyanvapi mosque, the Varanasi district court Wednesday directed that a priest be allowed to perform puja in the southern cellar of the mosque complex.

District Judge A K Vishvesha, in his order, said, “District Magistrate, Varanasi/Receiver is being directed to get puja, raag bhog done by a priest, designated by the plaintiff and Kashi Vishwanath Trust, of idols in the cellar to the south, which is disputed, of building situated on settlement plot no. 9130, police station Chowk, District Varanasi. For this, suitable arrangements must be made with iron barricading and other things within

EXPLAINED

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The cellar, the claims

HINDU LITIGANTS call the cellar *Vyasji ka tekhana* and say idols were worshipped there before the practice was stopped in 1993. It is in the southern part of the Gyanvapi mosque complex. The mosque committee says no idols existed in the cellar, and no prayers were ever offered there.

EXPLAINED, PAGE 14

seven days.”

Late Wednesday, S M Yasin, Joint Secretary of the Anjuman Intezamia Masajid Committee, which had opposed the plea for allowing puja in the southern cellar and said it would approach

CONTINUED ON PAGE 2

●Gyanvapi: Dist court allows puja

a higher court against the order, said, “The administration reached the mosque complex late evening. They cut the barricading towards the southern cellar. We were not informed about this, and we still haven’t received a copy of the court order. We will move the Supreme Court tomorrow.”

In a post on X, Akhilesh Yadav, SP chief and Leader of Opposition in the Assembly said: “Due process has to be maintained while following any court order. The Varanasi Court fixed a 7-day period for it. What we are seeing now is a concerted effort to go beyond due process and prevent any legal recourse that can be taken.”

The cellar, which Hindu plaintiffs call ‘*Vyasji ka tehkhana*’ (Vyasji’s cellar), is part of the mosque complex. Hindu litigants, appearing before the court, have claimed that the Gyanvapi mosque was built on the site of the earlier Kashi Vishwanath temple after its destruction in the 17th century. The existing Kashi Vishwanath temple stands adjacent to the mosque. The ASI report also stated that “the pre-existing structure appears to have been destroyed in the 17th century, during the reign of Aurangzeb and part of it was modified and reused in the existing structure”.

The district court’s direction came on the petition of Shailendra Kumar Pathak, head priest of Acharya Ved Vyas Peeth temple, who said that the Vyas family had been offering prayers in the cellar even during the rule of the British but the practice was stopped in December 1993. According to

Judge Vishvesha’s order, the lawyer for Pathak said the court, while disposing of his application (9G) on January 17, passed an order allowing the application. “The court had deputed the Varanasi DM as receiver for southern cellar. The court had directed the Varanasi DM will keep cellar in his possession and to keep it secure.”

It quoted the plaintiff’s lawyer pointing out that the order had been passed only on the first part of the application but not on the second part though the plaintiff had sought directions on both. After going through his January 17 order, Judge Vishvesha said the plaintiff had said that prayers used to be done in the southern cellar.

“In December, 1993, priest Vyasji was stopped from entering the area beyond the barricade. Hence, the prayers, raag bhog and other rituals were stopped. Vyasji used to perform puja there from the time of the British and that he had possession, and he prayed there until 1993. After that, the door to the cellar was removed. Several Hindu sculptures and puja material are still in the cellar. It is necessary to do puja of the idols there in a controlled manner,” the order stated, quoting the plaintiff.

Opposing the prayer to allow puja, lawyers for the mosque committee told the court that no one from the Vyas family ever did puja there. “Hence, there was no question of stopping puja in 1993. At the said spot, no idol was there. The plaintiff’s claim that the Vyas family had possession of the cellar is false,” the order quoted the mosque committee lawyers.

●RBI puts curbs on Paytm

bank accounts, current accounts, prepaid instruments, FASTags, National Common Mobility Cards, etc. are to be permitted without any restrictions, upto their available balance,” it added.

According to the Paytm Payments Bank website, it has over 100 million KYC-verified customers. “We are also the largest issuer of FASTag with over 8 million FASTag units issued,” the website says. Paytm founder and chairman Vijay Shekhar Sharma is also the part-time chairman of the bank. Paytm has been facing RBI scrutiny since 2018. While the RBI did not specify the reasons for the latest action, sources in the know said it could be due to concerns over KYC compliance and IT-related issues. The central bank is against allowing any institution or banking entity to expose depositors’ money to such risks.

It is learnt that Paytm Payments Bank and One97 Communications had also come under RBI scrutiny for purported lack of requisite information barriers within the group, and data access to China-based entities that were indirect shareholders through their stake in the parent company. The failure to address these concerns at multiple levels over an extended period is learnt to have led to the latest action.

Although Antfin, an affiliate of Chinese conglomerate Alibaba, has been reducing its stake in One97 Communications, it is still a shareholder in the company. As of December 31, Antfin held 9.89 per cent stake in the company, according to stock exchange data. Given the frosty relationship between India and China over the past few years, Chinese investments in Indian companies have attracted scrutiny.

In October 2023, the RBI had

slapped a fine of Rs 5.39 crore on Paytm Payments Bank due to deficiencies in regulatory compliances. According to the regulator, Paytm failed to identify beneficial owner in respect of entities onboarded by it for providing payout services, did not monitor payout transactions and carry out risk profiling of entities availing payout services, breached the regulatory ceiling of end-of-the-day balance in certain customer advance accounts, and even delayed reporting a cyber security incident.

Government sources said the matter was the prerogative of the RBI and no directions were issued by the finance ministry. “It is a supervisory action taken by the regulator... The finance ministry does not issue any guidelines on such operational matters which fall under the purview of the regulator,” a ministry source said.

In its press release on Wednesday, the RBI said: “In press release dated March 11, 2022, the Reserve Bank of India... had directed Paytm Payments Bank Ltd to stop onboarding of new customers with immediate effect. The comprehensive system audit report and subsequent compliance validation report of the external auditors revealed persistent non-compliances and continued material supervisory concerns in the bank, warranting further supervisory action.”

According to the central bank’s directions, the nodal accounts of Paytm’s parent company are to be “terminated at the earliest”, and latest by February 29. Settlement of all pipeline transactions and nodal accounts — in respect of all transactions initiated on or before February 29 — should be completed by March 15, and no further transactions shall be permitted thereafter.

●New IT Rules on fact check unit: HC split verdict

government’s side.

In his verdict, Justice Patel noted that the petitioners were “correct in saying that the State cannot coercively classify speech as true or false and compel the non-publication of the latter. That is nothing but censorship.”

However, Justice Gokhale said that alleging bias on the part of FCU members because they were government appointees was “unfair”, and the recourse to courts of law was always open in case of any bias. The Rules “were not directly penalising” the intermediary or the user and “did not bring any chilling effect on their rights”, she said.

The petitioners included stand-up comic Kunal Kamra, Editors Guild of India, News Broadcasters and Digital Association and Association of Indian Magazines. In accordance with the HC Rules, the bench directed its registry to place the petitions before Chief Justice Devendra Kumar Upadhyaya for referring it to a third judge.

Appearing for the Centre, Solicitor General Tushar Mehta told the HC that the FCU would not be notified for 10 days.

In April last year, the Ministry of Electronics and Information Technology (MEITY) promulgated the 2023 Rules, which further amended the Information Technology Rules, 2021.

Under the new Rules, if the FCU comes across or is informed about any posts that are “fake”, “false” or contain “misleading” facts pertaining to the business of the government, it would flag it to the social media intermediaries. The online intermediaries would then have to take down such content if they wanted to retain their “safe harbour” (legal immunity against third-party content).

The petitioners had challenged the constitutional validity of the Rules, terming them arbitrary, unconstitutional, and in violation of fundamental rights. The Centre had said it was not against any kind of opinion, criticism, satire or humour targeting the government, and the Rules were meant to only proscribe or prohibit peddling of fake, false and misleading facts on social media related to “government business”.

On Wednesday, Justice Patel rejected “the attempt to curtail Article 19(1)(a) buried in the submission that the fundamental right is to ensure that every citizen receives only ‘true’ and ‘accurate’ information — as determined by the government”.

“It is not the business of the government to keep citizens from falling into error. It is the other way around. For it is very much (the) business, and should be the duty, of every citizen to prevent the government from falling into error. Governments do not select citizens. Citizens elect governments,” he observed. He said the Press Information Bureau (PIB) “already has a significant social media presence” and there was “no need” for any FCU to be created.

Stating that the right to freedom of speech was not “absolute”, Justice Patel said it is always to be “under-regulated” while “restrictions on it must be over-regulated”, and “not the other way round”. He said it is “unthinkable” that any one entity can unilaterally identify the content to be fake, false or misleading, and this “cannot be sole preserve of the government”. The argument that the government is “best placed to know the truth” about its affairs is equally true of every citizen and every entity, he said.

“The suggestion that the cen-

tral government most especially is in a particularly vulnerable position and cannot defend itself is hardly tenable. It has information. It has a reach. It can disseminate widely. For the one authority that can literally shut down the internet in a region, pull the plug entirely, to suggest this is hardly credible,” he said.

Justice Patel noted that there are various “fertile grounds” for criticism of the government and this takes place on print as well as online/digital platforms. “After all, the fundamental rights are to protect the minority, not the other way around. The argument that a news outlet is not a ‘citizen’ and cannot complain is also without merit,” he said.

In her contrasting judgment, Justice Gokhale held the impugned rule as neither ultra vires to the IT Act nor contrary to the SC judgment. “The impugned Rule is not violative of Article 14 based on the FCU consisting of government officials thereby making the government the final arbiter in its own cause,” she said. Justice Gokhale held that “the rights of a user or any aggrieved person to approach the grievance redressal mechanism and the appellate authority is contemplated under the Rules and the competent court is the final arbiter of the issue.”

“No content is restrained by the impugned Rule, unless the content is patently false, untrue and is communicated with ‘actual malice’ i.e., with knowledge of its falsehood and with reckless disregard for the truth and is deceptively passed off as, and statement of, truth,” she said. Justice Gokhale noted that the character of FCU’s authority was “yet unknown”, therefore, the challenge on the basis of apprehension and potential abuse was “premature”.



ONE NATION, ONE ELECTION

Kovind panel weighing draft paper on macroeconomic impact of syncing polls

DAMINI NATH
NEW DELHI, JANUARY 31

THE HIGH-level committee on One Nation, One Election, headed by former President Ram Nath Kovind, is discussing the potential implications of holding simultaneous elections on factors such as GDP growth, fiscal deficits, crime rates, and education outcomes, *The Indian Express* has learned.

In its last meeting on January 27, committee members were apprised of macroeconomic impact of holding elections to panchayats, municipalities, state Assemblies and the Lok Sabha together. This was done by way of a draft research paper presented by former Finance Commission chairperson

and committee member NK Singh and economist Prachi Mishra. Former Rajya Sabha Leader of Opposition Ghulam Nabi Azad, former LS Secretary General Subhash CKashyap, former Chief Vigilance Commissioner Sanjay Kothari, and senior advocate Harish Salve, attended the meet, a Law Ministry statement said. Home Minister Amit Shah, a member of the committee, and Law Minister Arjun Ram Meghwal, a special invitee, were not present.

The paper, sources said, covers impact of simultaneous elections on various aspects like education, with teachers often assigned election duties, GDP growth and investment. Those in favour of the idea argue that development work is disrupted because of the

model code of conduct and government staff being posted for poll duty. The committee also discussed potential consequences on crime outcomes, given that a significant portion of security forces is deployed for elections.

N K Singh told *The Indian Express*, “Yes, a draft paper on the macroeconomic impact of syncing elections was presented to the committee last week. We have looked at what happens to GDP growth, investment, fiscal deficits, educational outcomes, crime outcomes, freebies, and how uncertainty affects the decision-making process.” Singh and Mishra’s paper would undergo changes based on the comments received from committee members.

On Wednesday, Kovind met

NCP leaders Praful Patel and Sunil Dattatray Tatkare and Rashtriya JOK Janata Dal president Upendra Kushwaha, as part of the consultative process, the Law Ministry said in a statement. On Tuesday, Kovind had met former Chief Justice of Bombay High Court Pradeep Nandrajog.

The committee is scheduled to continue its discussion on the economic impact in its upcoming consultations later this week and next week. According to sources, representatives from the Confederation of Indian Industry and the Associated Chambers of Commerce & Industry of India are expected to deliver presentations on the potential savings for corporates if polls were held once every five years.

BUDGET SESSION ADDRESS

From Ram temple to Art 370 abrogation, President lists govt accomplishments

LIZ MATHEW
NEW DELHI, JANUARY 31

ASTRONG and stable government would ensure rapid development at the domestic level and could place the country as “vishwa-mitra” during the period of upheaval in the global scenario, President Droupadi Murmu said on Wednesday in her last address to the joint session of Parliament ahead of the Lok Sabha elections.

In her nearly 90-minute speech, President Murmu, who listed the achievements of the two terms of the Narendra Modi-led government, said that January 22, the day Ram temple in Ayodhya was consecrated, was a defining moment. “There come junctures in the history of civilisations, which shape the future for the coming centuries. There have been many such defining moments in the history of India also. This year, on January 22, the



President Droupadi Murmu

country witnessed a similar epochal moment. After waiting for centuries, Ram Lalla has now been enshrined in a grand temple in Ayodhya,” the President said in her address.

“This was a matter of aspirations and faith for crores of our countrymen and the resolution of this has been accomplished in a harmonious manner... For centuries, there was an aspiration to construct the Ram Mandir. Today it is a reality,” she added.

The references to the Ram temple received thundering ap-

plause and chants of “Jai Shree Ram”. At one reference, even Congress leader Sonia Gandhi was seen thumping the desk.

According to the President, the construction of Ram temple and abrogation of Article 370 were significant in the country's efforts to overcome the past challenges and investing maximum energy for the future.

“Over the past 10 years, India has witnessed several such tasks being accomplished in the national interest, for which the people of the country were waiting for decades. For centuries, there was an aspiration to construct the Ram Mandir. Today it is a reality. There were doubts regarding the removal of Article 370 from J&K. Those are history now,” she said.

It was the President's first address to the joint session in the Lok Sabha chamber of the new Parliament building.

FULL REPORT ON
www.indianexpress.com

SC refuses to allow woman to terminate over 32-week pregnancy

EXPRESS NEWS SERVICE
NEW DELHI, JANUARY 31

THE SUPREME Court on Wednesday denied a 26-year-old woman permission to terminate her over 32-week pregnancy, noting that the medical board had opined against it.

"It's a 32-week-fetus. How can it be terminated? Medical board has also said it cannot be terminated. It is a matter of two weeks, then you can give it for adoption, if you want," a bench of Justices Bela M Trivedi and P B Varale said.

Appearing for the woman, Advocate Amit Mishra Wednesday told the bench that she did not wish to deliver the baby and will have to live with the trauma if forced to do so.

The bench however said that the Delhi HC had considered all aspects. "The medical board has opined there is no abnormality and it is a normal foetus. We cannot go beyond the opinion of the board," said Justice Trivedi.

The court added it has also been pointed out that the woman too won't have any risk to health if she continues the pregnancy.

On January 4, the Delhi HC had allowed the woman, who had lost her husband in October last year, to terminate her then 29-week-old foetus, but recalled its order on January 23 following a plea by the Centre to consider protecting the right to life of the unborn baby. The HC had also said she can give the newborn for adoption if she so desired. It also asked the government to bear the delivery expenses.

Centre plans to introduce Bill to prevent unfair means in public examinations

It proposes 3-5 years of imprisonment; for cases of organised crimes, jail term will be 5-10 years

HARIKISHAN SHARMA
NEW DELHI, JANUARY 31

THE CENTRE plans to introduce the Public Examination (Prevention of Unfair Means) Bill, 2024, during the ongoing session of Parliament.

The Bill is aimed at curbing cases related to paper leaks and organised cheating in public examinations, including the UPSC, SSC, and the Railways; and entrance examinations such as NEET, JEE, and CUET.

According to sources, the Union Cabinet has approved the draft of the Bill, and it is likely to be tabled in Parliament on Friday or on Monday.

The Bill, piloted by the Department of Personnel and Training (DoPT) under the Ministry of Personnel, Public Grievances and Pensions, will cover all recruitment and entrance exams such as Union Public Service Commission (UPSC), Staff Selection Commission (SSC), Railways, and banking recruitment exams, Common University Entrance Test (CUET), National Eligibility and Entrance Test (NEET), and Joint Entrance Examination (JEE). All the computer-based examinations conducted by the National Testing Agency (NTA) will come under the purview of the Bill, it is learnt.

The Bill proposes minimum

three to five years of imprisonment, however, for cases of organised crimes, the Bill proposes imprisonment of five-10 years. For organised crimes, the Bill also proposes a minimum fine of Rs 1 crore. For service provider firms in examinations, a fine of up to Rs 1 crore, and recovery of proportionate cost of examination have been proposed as punishment. The firm will also be barred from conduct of public examination for four years.

For organised crime committed by any person, group of persons, including persons associated with service provider or examination authority, the Bill provides imprisonment of five-10 years, and a fine not less than

Rs 1 crore. For institutions involved in organised crimes, the Bill provides for fine not less than Rs 1 crore, attachment and forfeiture of property, and recovery of proportionate cost of examination. The Bill, however, provides protection to the candidates. "A candidate, as defined in the Bill, shall not be liable for action within the purview of the Bill and shall continue to be covered under the extant administrative provisions of the public examination authority concerned," said a source.

Addressing the joint sitting of both Houses of Parliament, President Droupadi Murmu said, "My government is aware of the concerns of youth regarding irreg-

ularities in examinations. Therefore, it has been decided to enact a new law to deal sternly with such malpractices."

The Bill also provides for setting up a high-level National Technical Committee on Public Examinations, which shall look into developing protocol for insulating digital platforms, devising ways and means for developing fool-proof IT security system, ensuring comprehensive electronic surveillance of the examination centres and formulating national standards and service levels for both, IT and physical infrastructure, to be deployed for conduct of such examinations.

FULL REPORT ON
www.indianexpress.com

Northwest India experienced 2nd driest January since 1901: IMD

ANJALI MARAR
BENGALURU, JANUARY 31

NORTHWESTERN REGIONS of India experienced the second driest January since 1901, India Meteorological Department (IMD) said. In January, the rainfall deficit was 91 per cent. During December and January, the region received only 7.8 mm rainfall.

The complete absence of snowfall, particularly over the higher reaches of Jammu and Kashmir, Ladakh, Himachal Pradesh, Uttarakhand and neighbouring hilly terrains, has been a matter of great concern. It was only on Wednesday that a fresh western disturbance system

brought the season's first snow over some areas in the extreme northern regions like Ladakh, Kashmir and Himachal Pradesh.

The December rainfall recorded over northwest India was 6.6 mm against the normal of 18.9mm (-65 per cent) and January reported 1.2 mm against normal of 32.5 mm rainfall (till January 30, -96 per cent).

New Delhi, too, experienced a dry January and it was the driest January since 2016, the IMD said.

Since 2009, Delhi experienced dry January only in 2016 and 2024, the IMD data revealed.

(Anjali Marar works with the Raman Research Institute, Bengaluru.)

FEB FORECAST: LESS CHILL, MORE RAIN

In February, winter chills will remain largely absent over most parts of the country, the IMD has said in its monthly forecast. The condition will prevail in most parts of the country except over J&K, Himachal Pradesh, Rajasthan, northeastern India regions, where the minimum temperatures will remain close to normal. Rainfall over most of India, especially over north India, will remain above normal during February.

Back from Arctic winter voyage, scientists 'happy to see Sun' again

ANJALI MARAR
BENGALURU, JANUARY 31

"THE ONE thing I have suddenly learnt to value is sunlight. India has it in plenty, and thank God for that," said Girish, a senior research scientist at Raman Research Institute in Bengaluru, who has just returned from the Arctic.

Girish was part of the four-member scientific team that became the first set of researchers from India to spend a winter carrying out scientific studies in the world's northernmost habitation. India has a permanent research station called Himadri, in

Ny-Ålesund in the Norwegian archipelago of Svalbard in the Arctic region since 2008, but it used to remain uninhabited during winter because of extremely hostile weather conditions. The place is barely 1,200 km from the North Pole. This year, however, India decided to make the station operational throughout the year, and the first winter team, which included Girish, went there in December.

India is only the fourth country in the world, after Germany, Italy and Norway, to have a year-round scientific presence in the Arctic region. "In our part of the world, there is a natural tendency of wak-



India has a permanent research station called Himadri, in Ny-Ålesund in the Norwegian archipelago of Svalbard in the Arctic region since 2008. *Express*

ing up at dawn and seeing the sunlight. But in Svalbard, it took us a few days to accept that we will have to live in the dark," recalled Girish. During October-February, Svalbard experiences polar nights and slips into darkness.

Athulya Radhakrishnan, a final-year PhD student from the National Centre for Polar and Ocean Research (NCPOR), Goa, who was part of the team, vividly recalls January 2. That day, she got a chance to release the radiosonde (a set of instruments packed along with a balloon used to measure temperature, pressure, etc.) into the air amidst pitch dark. "It was only several minutes later we

could confirm that the radiosonde had been successfully released when data started flowing in," she said. For the Indian contingent, a weekday at Ny-Ålesund would typically begin with breakfast around 7:30 am after which the researchers would begin their day's tasks. Weekends were mostly off duty and they could travel to the Svalbard settlement area.

Girish, along with Principal Investigator Saurabh Singh, had proposed to conduct the characterisation of the radio frequency environment in the Arctic, the first attempt ever from this region.

The experiments required the Indian researchers to drive an

electric car to the Gruevbadet laboratory, located around 1.25 km from Himadri. India shares this lab with Italy and Japan.

Final year PhD student at IIT-Mandi, Prashant Rawat shared similar views. "It is teamwork that makes research possible while in Ny-Ålesund. But I really missed the Sun," he said.

The Norwegian hosts ensured that none of the researchers missed the Christmas and New Year celebrations. "...A Christmas tree was specially flown in from the mainland and we all decorated it together," said Girish.

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THE EDITORIAL PAGE

Marathon, not sprint



DHARMAKIRTI JOSHI

For sustained growth, interim budget should focus on macroeconomic fundamentals and reforms

THE FIRST ADVANCE GDP estimates from the National Statistical Office indicate that the Indian economy will grow 7.3 per cent this fiscal year, faster than the Economic Survey's prediction of 6.5 per cent made in January 2023. The survey had then noted that the Indian economy appeared more upbeat than most.

India will continue to be the fastest-growing major economy despite a sharp slowdown in agriculture and various risks and uncertainties playing out globally. The Russia-Ukraine conflict and the intensifying Middle East crisis have so far not dented the country's growth trajectory. Most other macros are also broadly in balance, with current account deficit in the safe zone, the currency being stable, and headline inflation expected to nudge down over the next few quarters.

Economic policies, specifically fiscal policy, have played a key role in shaping the post-pandemic growth recovery. The fiscal policy transitioned from a focus on welfare during the pandemic towards a public investment-driven growth strategy to accelerate a buildup in infrastructure. This was achieved while staying on the glide path of a reducing fiscal deficit/gross domestic product (GDP) ratio.

This has helped raise the productive capacity of the economy. National accounts data shows that investment has grown faster than GDP (both in nominal and real terms), with its share in GDP rising to 34.9 per cent this year, from 31.6 per cent in 2019-20. That said, the government needs to start moderating its budgetary support to capital spending. Bringing down the fiscal deficit to the committed 4.5 per cent of GDP by 2025-26 will entail a hit of 1.4 percentage points to GDP over the next two years.

This would imply fiscal rectitude in an election year. To be sure, the budget to be presented tomorrow is an interim one and the final budget will be presented after the elections. But extrapolating the current government's past fiscal conservatism, fiscal numbers in the interim budget can be considered as final, assuming the government remains in power.

Delivering on this fiscal consolidation strategy is easy if growth remains strong. Amid the vicissitudes, the review report from the Finance Ministry expects the economy to grow close to 7 per cent next fiscal and

suggests the possibility of India becoming a \$7 trillion economy by the end of this decade. Healthy medium-term growth prospects are also reflected in the forecasts of multilateral agencies. We expect GDP growth to moderate to 6.4 per cent next fiscal, before accelerating thereafter, due to slowing global growth and tighter financial conditions globally and at home.

That said, for faster and sustained growth, it is critical that the private sector picks up the investment baton from the government. This will be important to preserve the medium-term potential of the economy while moving along the fiscal normalisation path.

Improving capacity utilisation, the Production Linked Incentive (PLI) scheme, a low-corporate-tax regime, and healthy balance sheets of medium and large-sized corporates augur well for a revival in capex, which has not seen a meaningful pick-up in the last decade. We believe that lowering compliance costs and providing stability in the tax regime can complement the existing favourable scenario in unleashing a broad-based revival of the investment cycle.

Unlike advanced countries, core inflation has corrected quickly in India and is at a comforting level of 3.8 per cent. India's headline inflation is yet to be brought under control, solely due to high food inflation. The underperformance of the agriculture and rural economy, coupled with high food inflation in an election year, can be worrisome. Agriculture punches far above its weight in GDP because it influences food inflation, which has a 40 per cent weight in the consumption basket, and a large portion of the population still depends on agriculture. Curbing food inflation requires supply-side measures and falls in the domain of fiscal policy.

Although central bank policy does not directly influence food inflation, it aims to prevent the transmission to other segments by keeping overall demand in check through interest rate hikes. Therefore, the RBI would be a bit wary of declaring an early victory on inflation and initiating quick rate cuts. This also implies that government policy will go into overdrive to bring down food inflation. We expect consumer inflation to settle at 4.5 per cent next fiscal, assuming normal monsoons and

crude oil prices at around \$80 per barrel.

Globally as well, inflation and interest rate cycles have peaked. However, the expectation regarding the timing and speed of rate cuts continues to evolve as the US and Europe are still grappling with high core and headline inflation and tight labour markets. We anticipate that both the US Federal Reserve and Indian central bank would initiate rate cuts in the middle of this year. Therefore, monetary policy is unlikely to become growth-supportive, particularly until the first half of next fiscal.

Last year marked the highest annual temperature in recorded history, reminding us of the escalating climate risk. India is among the most climatically vulnerable countries. The country experienced its second hottest year since 1901 and driest August in 2023, according to the India Meteorological Department. A recent study by the Council on Energy, Environment and Water highlights how monsoon patterns have changed in India over the last four decades, with increasing occurrences of excess and deficient rainfall.

This has wide implications, particularly for agriculture. India needs to step up research and development and take other complementary steps towards adapting to climate change, together with measures to limit it. And it must do so without hurting growth prospects. The review document also lists the "trade-off between energy security and economic growth versus energy transition" as a key challenge for the economy.

Over the near and medium term, domestic strengths such as healthy corporate and balance sheets, the government's policy focus on infrastructure build-up, and the noteworthy progress on digitalisation provide comfort on the growth front. External markers for the economy also remain resilient.

Historically, growth spurts in India have resembled sprints rather than marathons. To transform the current growth uptick into a marathon, it is important for policymakers to ensure sound macroeconomic fundamentals, fast-track skilling of the larger population to enable their participation in the growth process, engage in pragmatic management of energy transition, and focus on reforms. A tall order, indeed.

The writer is chief economist, CRISIL Ltd

MIND AND MATTER

Brain-computer interfaces, like the one tested by Neuralink, could be a paradigm shift. The pitfalls must be avoided

WITH NEURALINK, AS with so many of Elon Musk's ventures, it is important to separate science from speculation, product development from wishful thinking. Musk announced on X (formerly Twitter) on January 30 that "The first human received an implant from @Neuralink yesterday and is recovering well. Initial results show promising neuron spike detection." Given that Neuralink had received approval from the US Food & Drug Administration in September last year, the announcement was somewhat expected. Last year, there was controversy over the company's disclosures, which led to investigations into dead study animals and the transportation of hazardous materials. The surgery, however, marks an important milestone — the beginning of human-computer interfaces that can possibly address physical and cognitive limitations and disabilities. Moving forward, who controls the technology and how it is distributed will be important in determining its impact.

Neuralink is building on work done by laboratories and companies that came before it — the first Brain-Computer Interface (BCI) dates back to the 1970s. The wireless device implanted by Neuralink contains a chip and arrays of electrodes, which are meant to register thoughts related to movement. Eventually, if successful, the device should enable people with disabilities to move a cursor or type just by thinking about it. The initial users are likely to be people who have lost their limbs. But as with SpaceX and Tesla, the claims made by Musk around Neuralink's BCI make it seem like the science fiction future is now. Musk envisions a future where Neuralink's brain implants seamlessly merge with cognitive functions, offering a direct interface between the human mind and computers. Whether or not this comes to pass, it is important to approach the technological frontier with a discerning eye.

The first concern is around privacy. Who will control the data extracted from brains, and how can it be ensured that it is not exploited for nefarious purposes? As with AI, regulation must go hand-in-hand with the development of BCIs. Second, the development of significant medical technologies must not end up being a monopoly — publicly-funded research can help minimise the cost to the end user, who need not be only a customer who can afford the prohibitive cost of cutting-edge interventions. The Oxford Astra-Zeneca Covid vaccine, for example, was developed with public funds from multiple countries, and arguably reached far more people than its private-sector counterparts. Finally, if and when the technology gets closer to mass use, a dialogue involving experts, ethicists, and the public is essential to guard against its misuse, or even enthusiastic over-use. BCIs represent a potential paradigm shift in the relationship between people and technology. Its pitfalls, though, must be avoided.



TILAK DEVASHER

ANATOMY OF A FLARE-UP

Pakistan response to Iran was determined by army's compulsion not to appear weak

RELATIONS BETWEEN IRAN and Pakistan have been complex. Iran was the first country to recognise Pakistan in 1947. In the 1965 Indo-Pak war, Iran provided safe bases to the Pakistan Air Force. During the 1973-77 Baloch insurgency, the Shah's government provided Pakistan with 30 helicopters and pilots to strafe the Baloch.

Despite this, insurgencies of their ethnic Baloch populations have complicated relations. While there has been intermittent co-operation, both have also accused the other of sheltering insurgents. The Iran-Pakistan border has been a troubled one with skirmishes but these have been kept below the threshold of open hostilities. Over the years, mechanisms and channels of communication have been established to deal with these situations.

That was why the Iranian missile and drone attack on January 16 came as a surprise. The attacks targeted the village of Sabz Koh, about 60 km inside Pakistan, in Balochistan's Panjgur district, killing two children and injuring three other civilians. According to Iran, they had targeted a Pakistan-based Iranian Sunni terrorist group Jaish al-Adl that has carried out several attacks in Iran. Jaish al-Adl or Jaysh al-Dhulm as it is called in Iran, is a successor of the Iranian Baloch extremist group, Jundallah. Since the 1979 Islamic revolution, Shia Iran's severe treatment of the Baloch has fuelled Sunni radicalism in Sistan-Balochistan.

Pakistan saw the Iranian attack as a se-

Clearly, Iran miscalculated Pakistan's reaction. The one thing Pakistan cannot afford is an impression that despite being the Islamic world's only nuclear power, it is actually too weak to defend its sovereignty. Like Iran, the Pakistan army also has strong domestic compulsions.

rious violation of its sovereignty. Its initial response was diplomatic — withdrawal of the ambassador and calling off all bilateral visits. This was followed by strikes in Sarwan in Sistan-Balochistan on January 18, in which nine persons, including women and children, were killed. According to Inter-Services Public Relations (ISPR), the Pakistan military's mouthpiece, hideouts used by the Balochistan Liberation Army and Baloch Liberation Front were successfully struck in the operation code-named Marg Bar Sarmachar. Trade between the two continued as usual with all border-crossing points kept open.

For Iran, either escalating or not responding to the Pakistani attacks carried risks. The former would end up diverting its attention from the other conflicts in the Middle East that it was involved in. The latter risked inviting attacks from regional adversaries for whom the message would be that Iran could not sustain a direct conflict. Since both options were bad, it leads to the moot question of whether Iran had war-gamed the consequences of its actions against Pakistan.

Given the multiple crises in Pakistan — economic, political, security — Iran possibly assessed that it would not be in a position to retaliate and even if it were, it would avoid militarily confronting Iran. Moreover, Iran needed to signal domestically that faced with several attacks in Sistan-Balochistan, it had the capacity and will to target Jaish al-Adl ter-

rorists in Pakistan. The most consequential reason could well be the need to signal to its adversaries in the Middle East and the US that any attempt to harm it either directly or through proxies would be countered strongly.

Clearly, Iran miscalculated Pakistan's reaction. The one thing Pakistan cannot afford is an impression that despite being the Islamic world's only nuclear power, it is actually too weak to defend its sovereignty. Like Iran, the Pakistan army also has strong domestic compulsions. Its reputation had taken a beating during the past year due to the antics of Imran Khan. A military response was a given, the only question being the scale of it.

Immediately after the attacks, both countries dialled down their hostilities, expressing a desire to work together. The ambassadors have returned. However, despite the diplomatic language, it is obvious that the relations have been damaged by the events.

While Pakistan seems to have gotten over this crisis, at least for the time being, domestic events are taking centre stage. Even as elections are a week away on February 8, Khan has been sentenced to imprisonment in two cases — 10 years in the cipher case and 14 years in the Toshakhana case. While these sentences would be appealed against, for the time being, they pose serious hurdles to his political career.

Devasher is an author and member, National Security Advisory Board. Views are personal

13ECONOMY

SENSEX: 71,752.11 ▲ 612.21 (0.8

Fiscal deficit at 55% full-year target at Dec-end 2023: CGA

PRASANTA SAHU
NEW DELHI, JANUARY 31

THE CENTRE'S fiscal deficit came in at 55 per cent of the budget estimate (BE) in the first nine months of the current financial year, compared with 59.8 per cent of the respective target in the year-ago period, the data released by the Controller General of Accounts showed on Wednesday.

This increased the possibility of the government meeting the fiscal deficit target of 5.9 per cent of the gross domestic product (GDP) for FY24 in the interim Budget to be presented today. Last year, the Centre had met the deficit target of 6.4 per cent.

While net tax revenues rose by 11.2 per cent on year in April-December 2023, in line with the required growth rate of 11 per cent to achieve the budget estimate of Rs 17.3 trillion, non-tax revenues expanded by 46 per cent to Rs 3.1 trillion (required rate 5 per cent) on the back of the robust RBI dividends.

However, the pace of rise in tax receipts slowed a bit in recent months-- net tax receipts were up 15 per cent in April-September. Despite a lower nominal GDP size (8.9 per cent as per first advance estimate), as against 10.5 per cent the budget factored in, analysts are of the view that the fiscal deficit target of 5.9 per cent of GDP will likely be met due to revenue performance and a likely shortfall in capital expenditure.

In December 2023, capex more than doubled on-year to Rs 87,985 crore, offsetting the tepid performance in the previous two months. The Centre's capex ex-

Core sector growth eases in December '23

New Delhi: The output growth of eight core industries eased to a 14-month low of 3.8 per cent in December from 7.9 per cent in November, on account of the statistical effect of a high base, data released by the commerce ministry showed on Wednesday. In December 2022, the core sector's output had grown 8.3 per cent. On a month-on-month basis, the core sector's output rose 5.9 per cent in December, slightly higher than the average 5.8 per cent sequential growth recorded between the two months in the last 12 years. **FE**

panded by 37.5 per cent in April-December FY24, marginally higher than the required growth rate to meet the FY24 target of Rs 10 trillion.

However, the capex achievement could fall short of the target due to likely lower utilisation by states from a special capex loan facility of Rs 1.3 trillion and a reduction in capital infusion into state-run oil firms.

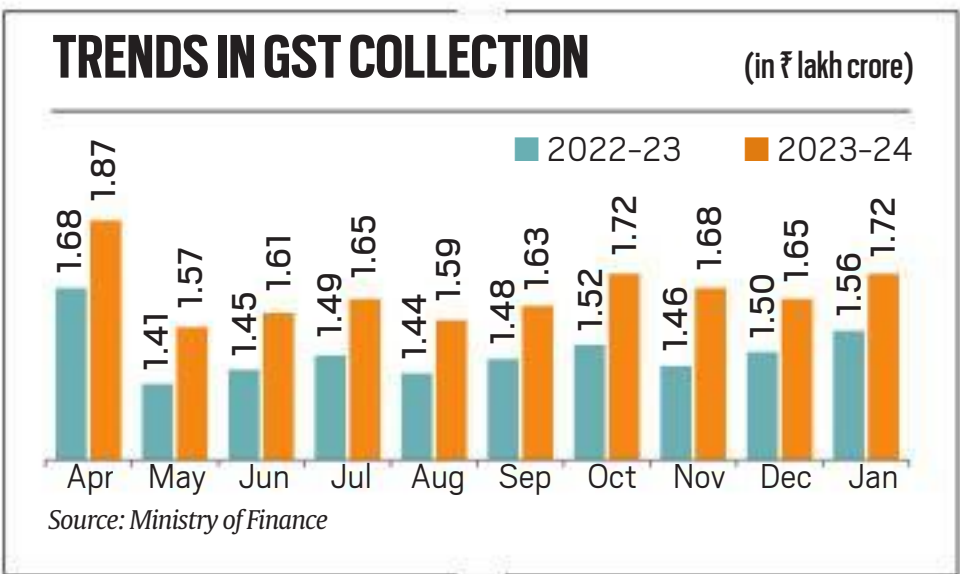
"ICRA expects the government of India's capex to under-shoot the FY24 BE by around Rs 0.75 trillion, which still implies a robust YoY growth of around 26 per cent," Icra chief economist Aditi Nayar said. **FE**

January GST collections hit ₹1.72 lakh crore, up 10.4% y-o-y; second highest since rollout

ENSECONOMIC BUREAU
NEW DELHI, JANUARY 31

GROSS GOODS and Services Tax (GST) collections rose to Rs 1.72 lakh crore in January (for sales in December), up 10.4 per cent from the year-ago period, data released by the Finance Ministry on Wednesday showed. This is the second highest level of GST collections after the July 2017 rollout of the indirect tax regime and marks the third instance of collections over the Rs 1.7 lakh crore mark in this financial year. The highest-ever monthly GST collection was recorded in April 2023 at Rs 1.87 lakh crore.

"The gross GST revenue collected in the month of January, 2024 (till 05:00 PM of 31.01.2024) is Rs 1,72,129 crore, which shows a 10.4% Year-o-Year (Y-oY) growth over the revenue of Rs 155,922 crore collected in January 2023 (till 05:00 PM on 31.01.2023)," the ministry said in



a statement.

"Notably, this is the second highest monthly collection ever and marks the third month in this financial year with a collection of Rs 1.70 lakh crore or more," it said.

With the latest print, GST revenue collections have averaged at Rs 1.67 lakh crore per month during April-January 2023-24, up 11.6 per cent from the monthly average of Rs 1.50 lakh crore seen during April-January

2022-23. The government has settled Rs 43,552 crore to Central GST (CGST) and Rs 37,257 crore to State GST (SGST) from the Integrated GST (IGST) collection.

The GST collections data was released a day earlier than the usual scheduled date of 1st of every month because of the presentation of the Union Budget for financial year 2024-25 in Parliament on February 1. State-wise data of the GST collections was not released by the ministry

this time as per the norm.

The GST collection figures are likely to be revised later. "The data is as of 05:00 PM today (i.e. 31.01.2024). Final collection for the month would be higher," the ministry said.

Abhishek Jain, Partner & National Head, Indirect Tax, KPMG said, "The consistent growth in GST collections with this one being the second highest collection ever is a big cheer for the economy. One significant reason for this growth could be linked to voluntary payments by businesses for FY 22-23 during finalisation of annual returns and reconciliation statements in December."

Saurabh Agarwal, Tax Partner, EY said, "This consistent upward trend, evident in surpassing key milestones, reflects the effectiveness of improved tax administration and heightened taxpayer compliance. Overall, these positive indicators pave the way for continued economic expansion."

Three full-time, one part-time members of 16th FC appointed

ENSECONOMIC BUREAU
NEW DELHI, JANUARY 31

AFTER THE appointment of Arvind Panagariya as Chairman of the 16th Finance Commission, the government has now announced the appointment of three full-time members and one part-time member of the Commission.

Former Finance and Expenditure Secretary Ajay Narayan Jha, who was also the member of 15th Finance Commission, has been appointed as one of the full-time members, along with Annie George Mathew, former Special Secretary in Department of Expenditure and Niranjan Rajadhyaksha, Executive Director, Artha Global.

Soumya Kanti Ghosh, Group Chief Economic Advisor, State Bank of India has been appointed as a part-time member in the Commission. Among the members, Jha, a former 1982 batch IAS officer of the Manipur cadre, has served in several positions in the earlier Finance Commissions. Before being a member of the 15th Finance Commission, Jha also served as Member Secretary of 14th Finance Commission, which was headed by former RBI Governor YV Reddy.

The Finance Commission mainly decides the tax sharing formula between the Centre and the states. The 16th Finance Commission is expected to submit its recommendations by October 31, 2025, covering an award period of five years beginning April 1, 2026. In November, the Union Cabinet chaired by Prime Minister Narendra Modi

had approved the Terms of Reference (ToR) for the 16th Finance Commission. As per the ToR, "The Finance Commission shall make recommendations as to the following matters, namely: The distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them under Chapter I, Part XII of the Constitution and the allocation between the States of the respective shares of such proceeds."

It shall also make recommendations on the "principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India and the sums to be paid to the States by way of grants-in-aid of their revenues under article 275 of the Constitution for the purposes other than those specified in the provisos to clause (1) of that article," according to a statement issued after the Union Cabinet meeting on November 29.

Following this, Finance Secretary TV Somanathan had said that the ToR for the 16th Finance Commission are short but "all-encompassing" and that the ToR had been prepared after consultation with states. He had clarified that the terms are not limited or preliminary, and though they are shorter than recent commissions, they offer greater leeway to stakeholders so that their inputs can be taken into account.

In December, the government had announced the appointment of Panagariya as Chairman, and Ritvik Ranjanam Pandey, a 1998-batch IAS officer of the Karnataka cadre, as Secretary of the 16th Finance Commission.

RBI action against Paytm Payments Bank: probable causes, effects

SUKALP SHARMA & GEORGE MATHEW
NEW DELHI/MUMBAI, JANUARY 31

IN A huge blow to Paytm Payments Bank, the Reserve Bank of India (RBI) on Wednesday barred it from offering all its core services — including accounts and wallets — from March, effectively crippling the company's business.

While the action is technically not a cancellation of Paytm's licence, it constricts the company's operations to a great extent.

Given the significant customer base of Paytm — once the poster boy of India's fintech revolution — the RBI action could impact a large number of customers. The central bank, though, has allowed withdrawal or utilisation of balance amounts by customers.

According to the Paytm Payments Bank

website, it has over 100 million know your customer (KYC) verified customers. "We are also the largest issuer of FASTag with over 8 million FASTag units issued," the bank's website says. Paytm founder and Chairman Vijay Shekhar Sharma is the part-time Chairman of the Bank.

Paytm Payments Bank has so far not commented on the RBI order.

What does the RBI direction say?

The central bank has barred Paytm Payments Bank from offering practically all of its key services — accepting deposits or top-ups in any customer account, prepaid instruments, wallets, FASTags, National Common Mobility Card (NCMC), etc., after February 29 in the wake of "persistent non-compliances and material supervisory concerns".

"No other banking services...like fund transfers (irrespective of name and nature of

services like AEPS, IMPS, etc.), BBPOU and UPI facility should be provided by the bank after February 29, 2024," the RBI said, adding that the nodal accounts of parent company One97 Communications and Paytm Payments Services should be terminated at the earliest, and not later than February 29.

Settlement of all pipeline transactions and nodal accounts—in respect of all transactions initiated on or before February 29—should be completed by March 15. No transactions shall be permitted thereafter.

What about customers' money?

According to the RBI, withdrawal or utilisation of balances by customers from their Paytm accounts, including savings bank accounts, current accounts, prepaid instruments, FASTags, NCMC, etc., are to be permitted without any restrictions "up to their

available balance".

The RBI statement, however, does not mention a number of other services, like loans, mutual funds, bill payments, digital gold, and credit cards.

What likely led to the RBI move?

Paytm Payments Bank has been facing RBI scrutiny since 2018. While the central bank did not specify the exact reasons for the latest action, sources said it could be due to the RBI's concerns on KYC compliance and IT-related issues.

It is learnt that Paytm Payments Bank and its parent One97 Communications had come under RBI scrutiny for purported lack of requisite information barriers within the group, and data access to China-based entities that were indirect shareholders in the payments bank through their stake in the parent com-

pany. The failure to address these concerns at multiple levels over an extended period led to the latest action by the RBI, it is learnt.

Although Antfin, an affiliate of Chinese conglomerate Alibaba, has been reducing its stake in One97 Communications, it still is a shareholder in the company. As of December 31, Antfin held a 9.89% stake in the company, as per stock exchange data. Given the frosty relationship between India and China over the past few years, Chinese investments in firms have attracted intense scrutiny by Indian regulators.

What were RBI's earlier actions?

In October 2023, the RBI had slapped a fine of Rs 5.39 crore on Paytm Payments Bank due to deficiencies in regulatory compliance. In March 2022, the RBI had directed Paytm Payments Bank to stop onboarding of new customers with immediate effect.

The Comprehensive System Audit report

and subsequent compliance validation report of the external auditors revealed "persistent non-compliances and continued material supervisory concerns in the bank", warranting further supervisory action, the RBI said on Wednesday.

Prior to the action taken in 2022, the central bank had made certain observations in 2018 about the processes the company followed to acquire new users, especially on KYC norms. The RBI also had concerns over the close relations between Paytm Payments Bank and its parent One97 Communications. Payments banks are required to maintain an arm's length distance from promoter group entities. Paytm parent firm One97 Communications held 49% stake in Paytm Payments Bank while 51% was held by Paytm founder Vijay Shekhar Sharma.

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EXPLAINED SCIENCE

WHY BIRD FLU DEATHS OF ANTARCTIC PENGUINS IS A FLASHING DANGER SIGN



Penguins live in big colonies, have little existing immunity. Wikimedia Commons

A HIGHLY lethal form of bird flu has been detected in Antarctic penguins for the first time. The virus, H5N1, was confirmed in two gentoo penguins that were found dead on Sea Lion Island in the Falkland Islands, a British territory.

"But many more are dying," said Sally Heathman, the head of communications for the Falkland Islands government. As of Tuesday, more than 200 dead or dying gentoo chicks have been reported on Sea Lion Island, she said.

Why the deaths matter

Penguins are already under pressure. The birds are facing numerous threats, including climate change, pollution, and commercial fishing. Three Antarctic penguin species — emperor penguins, southern rockhopper penguins and macaroni penguins — are listed as vulnerable or near threatened.

Extent of the threat

Before H5N1 arrived in the Antarctic region last fall, highly pathogenic bird flu viruses had never been documented in the area. That means that the penguins are likely to have little existing immunity. And because they breed in large, crowded colonies, once one penguin is infected, the virus could spread rapidly, causing mass mortalities. As H5N1 spread through South America last year, Chile reported the deaths of thousands of Humboldt penguins.

The extent of the virus' spread in Antarctic penguin populations is unclear. The virus has not been confirmed in any other local penguin species, Heathman said, but testing of rockhopper penguins is on.

At least one suspected case has also been reported in king penguins in South Georgia, another British territory. But that report was based on a single dead king penguin, and investigators have not seen a spike in penguin deaths at that location, said Laura Willis, the chief executive of the government of South Georgia and the South Sandwich Islands.

Scientists are worried

Scientists have been worried about the spread of the virus in Antarctica. The virus, which first emerged in 2020, has taken an unprecedented toll on wild birds and mammals. After it was detected at the tip of South America last year, OFFLU, a global network of flu experts, warned that the pathogen could spread to Antarctica next.

The Antarctic region provides critical breeding territory for more than 100 million birds as well as seals, sea lions and other marine mammals. If the virus arrived in the region, its impact on those animals "could be immense", OFFLU said in a statement last August. Just two months later, the virus was detected in brown skuas in South Georgia, the first cases in the region. Since then, infections have been confirmed in numerous other bird species, as well as in elephant and fur seals. These marine mammals also breed in large colonies, and they suffered major losses as the virus spread through South America, where tens of thousands of seals and sea lions were reported dead. Scientists worry that the same fate may befall Antarctica's seals as the virus spreads.

THE NEW YORK TIMES

UDIT MISRA
NEW DELHI, JANUARY 31

FINANCE MINISTER Nirmala Sitharaman will present the Union Budget for 2024-25 on Thursday. This is the interim Budget; a full Budget will be presented in July, after the Lok Sabha elections. As such, the Budget speech will likely focus on underscoring the government's achievements over the past year and decade — and the opposition will likely seek to find reasons to argue that these Budgets have failed the most vulnerable sections.

Here are four aspects of government finances to look out for in Sitharaman's Budget speech, in order to understand it better.

How money comes, and where it goes

The Budget provides two pie charts: (i) a source-wise break-up of each rupee that the government earns; (ii) details of where each rupee is spent. These charts give proportionate shares, not absolute amounts.

The charts show the current state of the government's financial health. Comparing pies for two or more years can show how the financial health has changed.

The earning pie for the current financial year (2023-24) shows 34 paise in each rupee — 34% of total income — came from borrowings by the government, and 15% each came from income-tax and corporation (corporate/company) tax.

The corresponding figures for earlier years show the government's dependence on borrowings has increased noticeably, while that on income and corporate taxes has reduced somewhat.

So, the share of borrowings, income-tax, and corporate tax for 2015-16 were 24%, 14%, and 20% respectively; these figures for 2016-17 were 21%, 14%, and 19%.

Comparing the pies for "where the rupee goes" shows the change in the government's spending priorities over the years. In FY17, Defence received 10 paise out of every rupee spent, and another 10 paise went for subsidies of various kinds. In FY24 by contrast, Defence got 8 paise, and subsidies 7 paise.

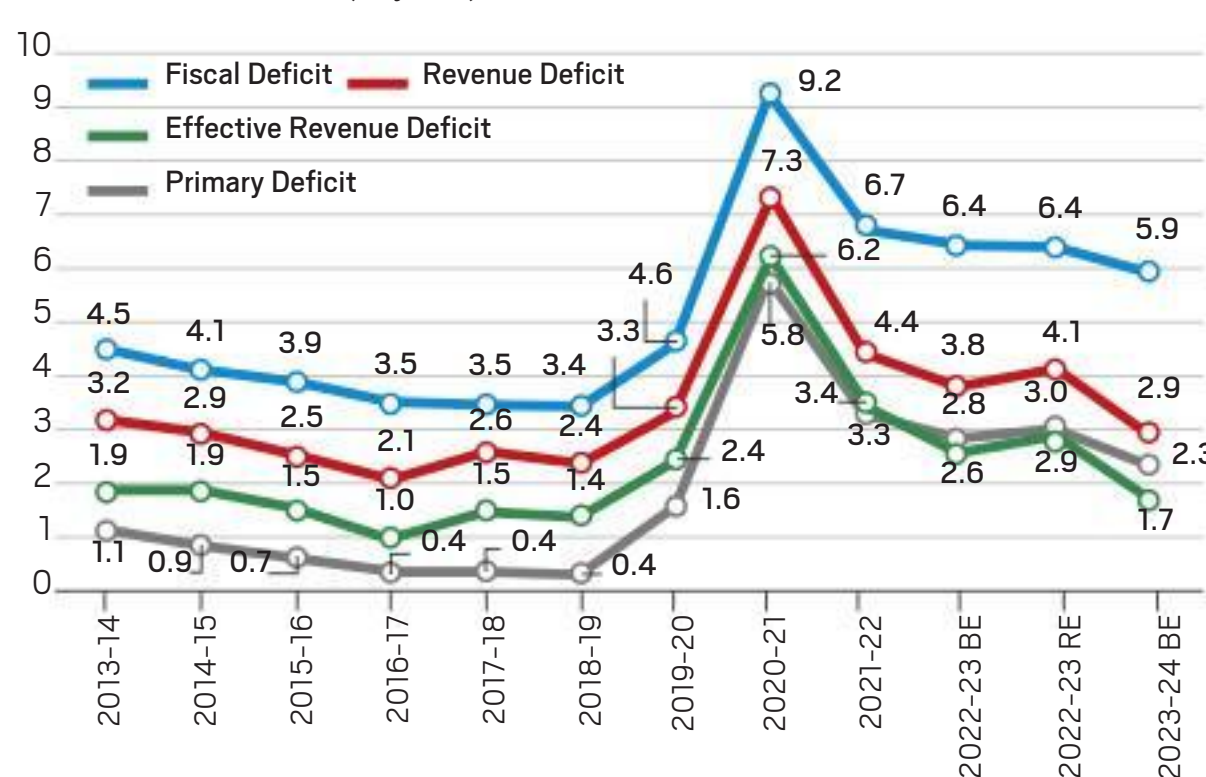
Nominal increase vs real increase

The Budget is full of numbers and percentages. It is important to know whether any number — be it absolute amounts or growth rate or increase/ decrease in allocation — is 'nominal' or 'real'.

The difference between nominal and real changes is inflation. Your salary and annual increment are stated in nominal terms. However, what (say) Rs 30,000 per month can buy today is far less than what it would

TRACKING GOVERNMENT FINANCES

DEFICIT TRENDS (% of GDP)



OUTLAY ON MAJOR SCHEMES (Rs cr)

| Scheme | 2021-22 Actual | 2022-23 BE | 2022-23 RE | 2023-24 BE |
|---|----------------|------------|------------|------------|
| MGNREGA | 98,468 | 73,000 | 89,400 | 60,000 |
| National Social Assistance Programme | 8,152 | 9,652 | 9,652 | 9,636 |
| Umbrella Programme for Development of Minorities | 1,428 | 1,810 | 530 | 610 |
| Umbrella Programme for Development of Other Vulnerable Groups | 1,745 | 1,931 | 1,921 | 2,194 |
| Umbrella Programme for Development of STs | 3,779 | 4,111 | 3,874 | 4,295 |
| Umbrella Scheme for Development of SCs | 4,979 | 8,710 | 7,722 | 9,409 |

BE: Budget Estimates, RE: Revised Estimates

have bought a decade ago. As inflation raises the general price level, the same amount of money can buy fewer and fewer goods with each passing year.

In terms of the Budget, a 7% increase in the allocation for a department may not mean much in real terms if inflation, too, has increased by 7% (Indeed, a nominal increase could work out to be a real decline.)

The nominal GDP growth rate, inclusive of inflation, is possibly the most important bit of data in the Budget since it forms the base for all other calculations. Since fiscal deficit (read borrowings) targets are set as a percentage of (nominal) GDP, if the nominal GDP is small, the amount of money that the government can borrow is also smaller.

The nominal GDP is the actual data that is observed in the economy; the real GDP and real GDP growth rates, etc., are derived from nominal data after removing the effect of inflation.

Fiscal Deficit vs Revenue Deficit

Fiscal deficit is essentially the amount of borrowing that the government is forced to have when it can't meet all its expenses with its income.

Each year's fiscal deficit adds to the pile of government debt. A high fiscal deficit is seen as a warning sign over the government's solvency situation.

India has set prudential limits for its fiscal deficit. The Fiscal Responsibility and Budget Management (FRBM) Act of 2003 said the fiscal deficit of the Union government should not exceed 3% of GDP. It also said that the revenue deficit — the gap between the government's everyday expenses (salaries and pensions) and everyday earnings (taxes, cesses etc) — should be zero.

The dual stipulation — fiscal deficit at 3% and revenue deficit at 0% — is meant to ensure that all the money that the government

borrow is spent towards the creation of new productive assets.

However, in 2018, the law was amended, and targeting revenue deficit was dropped. This meant that India could have a scenario where even though the fiscal deficit was 3% of GDP, all of the borrowing could be going to fund the revenue deficit. This dented genuine fiscal prudence.

The chart on deficit trends, sourced from last February's Budget presentation, shows that of late, a large part of India's fiscal deficit has been in the form of a revenue deficit.

Budget Estimates vs Revised Estimates

Budget Estimates (BE) and Revised Estimates (RE) denote very different things.

The BEs — say, for the money to be spent by a particular Ministry, or the money to be collected via GST — for any year essentially show what the Finance Minister expects the value to be at the end of the financial year when she is presenting the Budget even before the financial year has actually started.

As the year goes by, data for income and expenditure come in. By the time the Budget for the forthcoming financial year is presented, the government also has the REs for the current financial year.

Comparing REs with BEs for the same financial year provides a good idea of how far the government came through on the promise it made before the start of the financial year.

To understand how much the government plans to spend on a particular scheme in the coming year, one can either compare the BEs of the two years (say FY24 and FY25) or the BE of the coming year (e.g. FY25) with the RE of the previous year (FY24).

The most apt comparison often depends on the context.

Say, the government allocates Rs 10,000 crore (BE) for a scheme in a particular year's Budget, but ends up spending only Rs 1,000 crore (RE). However, for the next financial year, it allocates Rs 2,000 crore (the new BE) for the same scheme.

So, the government can compare the BE of the second year to the RE of the first and claim that the budget for the scheme has been doubled. And the Opposition can compare BE to BE and claim that the Budget allocation has been slashed by 80%.

The table, sourced from last year's Budget, shows that the REs (Rs 530 crore) for the "Umbrella Programme for Development of Minorities" in 2022-23 were less than 30% of the original BEs (Rs 1,810 crore).

The BE for the current financial year (2023-24) was pegged at Rs 610 crore — which is an increase of 15% relative to the RE but a decline of 67% compared to BE.

Vyasji ka tehkhana inside Gyanvapi complex, where court allowed puja

LALMANI VERMA
NEW DELHI, JANUARY 31

THE VARANASI District Court on Wednesday allowed prayers in the southern cellar of the Gyanvapi mosque complex.

The order said, "District Magistrate, Varanasi/Receiver is being directed to get puja, raag bhog done by a priest, designated by the plaintiff and Kashi Vishwanath Trust, of idols in the cellar to the south, which is disputed, of building situated on settlement plot no. 9130, police station Chowk, District Varanasi. For this, suitable arrangements must be made with iron barricading and other things within seven days."

On January 24, the Varanasi district administration had taken possession of the southern cellar of the Gyanvapi mosque

complex. This was following a Varanasi District Court order of January 17, through which it appointed the district magistrate of Varanasi as the receiver of the cellar, also called "Vyasji ka tehkhana".

This case was filed by the head priest of Acharya Ved Vyas Peeth temple, Shailendra Pathak Vyas.

What is Vyasji ka tehkhana?

Vyasji ka tehkhana is located in the southern area of the mosque's barricaded complex, facing the Nandi statue inside the Kashi Vishwanath complex near the sanctum sanctorum.

The tehkhana has a height of around 7 feet and carpet area of around 900 square feet. Subhash Chaturvedi, the lawyer of the petitioner Shailendra Pathak Vyas, said that the Vyas family had been conducting prayers and other rituals inside the tehkhana



The tehkhana is located between the Nandi statue in the temple complex and the wuzukhana of the mosque. AP file photo

for more than 200 years, but the practice was stopped in December 1993.

He said the tehkhana is located between

the Nandi statue and the wuzukhana of the mosque, where Hindu petitioners had claimed a Shilving was found during a court

mandated videographic survey in 2022.

Why was worship barred here?

The petitioner has argued that Vyasji's entry was prohibited in the tehkhana in December 1993, and hence the prayers being held here had to be discontinued.

On December 4, 1993, Mulayam Singh Yadav formed the government in UP, ending one year of President's Rule imposed after the Kalyan Singh government was dismissed in the wake of the demolition of the Babri mosque in Ayodhya in 1992.

"The Mulayam Singh Yadav government prohibited worship inside the Vyasji ka tehkhana in the name of law and order. Before that, Pandit Somnath Vyas had carried out Hindu worship rituals here regularly," Chaturvedi said.

Chaturvedi said that idols of Lord Hanuman, Ganesh, Shiva and other gods were worshipped inside the tehkhana and

katha was preached there. He said during the recent ASI survey too, idols of various Hindu deities were found inside the tehkhana.

Who is the petitioner?

The petitioner, Shailendra Pathak Vyas, is the maternal grandson of Pandit Somnath Vyas. Shailendra is currently the head priest of the Acharya Ved Vyas Peeth in the Shivpur area of Varanasi. His family had been provided space inside the tehkhana to worship, and hence the place was known as Vyasji ki gaddi.

Madan Mohan, a lawyer for the Hindu side in cases related to the Gyanvapi mosque, said the tehkhana was given to the Vyas family for worship and other religious rituals under the British in 1809.

"Somnathji was a priest. He had been living near the Gyanvapi area. Several generations of his family had been performing religious rituals inside the tehkhana," Madan Mohan said.