

TODAY'S NEWS

Curated Insights from 'The Hindu' Newspaper

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Balancing Justice and Reform: The Debate Over Death Penalty for Sexual Crimes

Death for rape

Homes and workplaces must first be made safe for women

The cry for the death penalty after every heinous sexual crime, and governments yielding to it by issuing ordinances or passing Bills, have become fairly commonplace. The criminal laws were amended in 2013 after the brutal rape of a woman in Delhi; subsequently, States including Madhya Pradesh, Rajasthan, Haryana, Andhra Pradesh, Maharashtra and Arunachal Pradesh have sought amendments for enhanced punishment for sexual assaults. On Tuesday, the West Bengal Assembly unanimously passed The Aparajita Women and Child (West Bengal Criminal Laws Amendment) Bill, 2024, by a voice vote, following the rape and murder of a doctor at a government hospital in Kolkata on August 9 and a persistent clamour for justice. The Bill introduces the death penalty or life-long imprisonment for rape by amending the relevant sections in the Bharatiya Nyaya Sanhita, the new penal code. In fact, death has been sought to be prescribed for five offences – rape, rape by police officer or public servant; rape causing death or sending victim to persistent vegetative state; gang rape, and being a repeat offender. It also amends the Bharatiya Nagarik Suraksha Sanhita to provide for special courts to try such offences in a time-bound manner, and the Protection of Children from Sexual Offences Act, 2012, to provide for death in cases of penetrative sexual assault and its aggravated form. The President's assent will be required for the State amendments.

There is little evidence that awarding the death penalty is a deterrent against sexual offences, but the call for more stringent laws after such crimes often evokes an official response. By stating that "rape is a curse against humanity and social reforms are required to prevent such crimes," Chief Minister Mamata Banerjee herself put a question mark on the need for a Bill that leans on legal sanction rather than seeking a change in societal mindsets. The Justice J.S. Verma Committee had said it was not inclined to recommend the death penalty for rape even for the rarest of rare cases, arguing that "...seeking of [the] death penalty would be a regressive step in the field of sentencing and reformation". However, death penalty was introduced subsequently for rape of girls under 12 and gangrape of those under 18; but women are far from feeling safer. It is also a tragedy that the cruel death in Bengal has become a political slugfest between the Centre and the State. The onus is on every government to ensure that laws are implemented effectively, and the police work without bias to prevent and punish sexual assault. Justice will be served only if barriers to women's advancement are removed by first making workplaces and homes safe for them.

The demand for the **death penalty** after heinous sexual crimes has become frequent, with governments often responding by introducing stricter laws. The **West Bengal Assembly** recently passed **The Aparajita Women and Child (West Bengal Criminal Laws Amendment) Bill, 2024**, which introduces the death penalty or life imprisonment for rape, following the rape and murder of a doctor in Kolkata. This Bill amends sections of the **Bharatiya Nyaya Sanhita** and other laws to enhance punishments and establish **special courts** for speedy trials.

While harsher laws are often a response to public outcry, there is little evidence that the death penalty deters sexual offences. **Chief Minister Mamata Banerjee** emphasized the **need for social reforms** to prevent such crimes rather than relying solely on legal sanctions. The **Justice J.S. Verma Committee** also opposed the death penalty for rape, deeming it a regressive step. Despite the introduction of stricter laws in the past, women's safety remains a concern.

The situation in West Bengal has also taken on a **political dimension**, but governments must focus on ensuring the **effective implementation of laws** and creating **safe environments** for women, both at work and at home.

India's Growth Prospects Strengthen Amid Global Challenges, Calls for Strategic Trade Reforms

Trading up

World Bank's growth prognosis for India moots some policy shifts

In its latest India Development Update, the World Bank has raised its 2024-25 GDP growth forecast for the economy to 7%, from 6.6% estimated earlier this year. The projection is now in sync with predictions from the International Monetary Fund and Asian Development Bank, but a tad lower than the 7.2% uptick projected by the RBI and Fitch Ratings. Earlier growth hopes for India were slightly modest, partly due to its strong 6.2% growth last year, and prospects of the global economy staying weak due to restrictive monetary policies and persistent geopolitical tensions. The World Bank estimates global growth to be the same as last year's 2.6% pace, way below pre-pandemic levels. Despite this subdued external environment and the dissipation of post-COVID-19 rebound effects, the Bank's economists now expect India's growth to remain strong this year at 7%. However, external risks could cloud this, including pressures on supply chains and commodity prices, and a resurgence of inflation that could compel central banks to hold interest rates "higher for longer".

The Bank expects private consumption to rise 5.7% and the farm sector to grow 4.4% this year, from last year's anaemic trends. A recovery in farms could offset a slight moderation in industrial growth, and revive rural demand and help bolster private investment in the medium term, with GDP growth expected to hover in the 6.5%-6.7% range in coming years. On India's imperative to generate non-farm jobs, the Bank acknowledged ideas such as the Production Linked Incentive schemes to support private manufacturing investments, and the new Employment Linked Incentives. But these may not be able to generate the scale of activity India needs to engage its young workforce. The Bank has emphasized the need for a rethink on India's approach to a critical growth engine – trade. India's global trade share does not match its economy's size, and it is yet to capitalize on the opportunity presented by China's withdrawal from labour-intensive production or the much-vaunted "China plus one" global reset. A concern is a decline in export-related jobs over the past decade, flagged by the Bank, coinciding with a shift towards capital- and skill-intensive exports. While trade facilitation steps and the pursuit of free trade agreements are commendable, some like the one with EFTA have limited potential, it noted. Progress has been hampered by new barriers to goods, services and investments, and it has called for a new strategic trade plan that reduces tariffs, non-tariff barriers as well as FDI curbs, and a rethink of the reluctance towards multilateral plurilateral pacts such as the RCEP. Policymakers must heed this prescription in earnest, and urgently.

The **World Bank** has raised India's **2024-25 GDP growth forecast** to **7%**, aligning with predictions from the **IMF** and **ADB**, but slightly below the **RBI's** projection of **7.2%**.

Despite global economic challenges like **restrictive monetary policies** and **geopolitical tensions**, India's growth outlook remains strong, driven by **private consumption** (expected to rise 5.7%) and a **recovery in the farm sector** (projected to grow 4.1%). However, external risks, such as **supply chain pressures** and rising **inflation**, could pose threats.

While schemes like the **Production Linked Incentives (PLI)** aim to boost **manufacturing** and **employment**, the World Bank highlighted that these may not generate enough jobs for India's young workforce. It stressed the **need for a strategic rethink on trade**, as **India's global trade share lags behind its economic potential**. Export-related jobs have declined over the past decade, with a shift toward **capital- and skill-intensive exports**.

The Bank urged policymakers to reduce **tariffs, non-tariff barriers**, and **FDI restrictions**, and reconsider their stance on multilateral trade agreements like the **RCEP**.

Regional Comprehensive Economic Partnership (RCEP)

Full Form	Regional Comprehensive Economic Partnership
Type	Free Trade Agreement (FTA)
Established	Signed on November 15, 2020
Members	15 countries (10 ASEAN nations + China, Japan, South Korea, Australia, New Zealand)
ASEAN Members	Indonesia, Thailand, Malaysia, Singapore, Philippines, Vietnam, Brunei, Cambodia, Laos, Myanmar
Non-ASEAN Members	China, Japan, South Korea, Australia, New Zealand
India's Status	Initially involved in negotiations but withdrew in November 2019
Key Objectives	Promote trade, investment, and economic cooperation among member nations
Key Provisions	Tariff reductions on goods and services, Intellectual property rights, E-commerce
Significance	World's largest FTA, covering 30% of the global population and GDP
Challenges for India	Concerns over trade deficits, competition with China, and impact on domestic industries

Supreme Court's Sub-Classification Judgment: Advancing Social Justice and Ambedkar's Vision

The Supreme Court of India's August 1, 2024, judgment in *The State of Punjab and Ors. vs Davinder Singh and Ors.* addresses the sub-classification of reservations within Scheduled Castes (SCs), marking a significant development in Indian social justice jurisprudence. The ruling aims to ensure that reservations more effectively **reach the most marginalized** within SCs, reflecting B.R. Ambedkar's principles of social justice and fraternity.

Key Points:

- Sub-Classification:** The judgment supports dividing SC reservations into sub-categories to address varying levels of deprivation and discrimination among different SC groups. This approach **aligns with Ambedkar's vision of addressing internal divisions** within the SC community.
- Criticism:** Some Dalit leaders fear that sub-classification **might weaken** the collective Dalit movement and political leverage. However, this criticism overlooks the long-standing internal divisions and struggles within Dalit communities, as well as the broader Ambedkarite framework that supports nuanced social justice.



- 3. **Historical Context:** The judgment reflects years of grassroots activism and the struggles of various marginalized Dalit communities. Historical examples from Punjab and Haryana demonstrate that such sub-classification measures can work effectively.
- 4. **Implementation and Challenges:** While the judgment promises to enhance social justice, its implementation and acceptance face challenges. Embracing the judgment as part of a broader strategy to advance Dalit representation, including extending reservations to the private sector and land redistribution, is crucial for achieving inclusive justice.
- 5. **Ambedkar's Vision:** The ruling reinforces the need for a more nuanced understanding of SCs, acknowledging their diverse needs and challenges. It represents a significant step towards equitable representation and furthering Ambedkar's ideals of social justice.



Overall, the judgment is seen as a step towards improving social justice by addressing internal disparities within the SC community, although its practical implications and political reception remain complex.

Challenges in Realising Union Budget Allocations for Health Sector: A Focus on CSS Initiatives

The article discusses the challenges in realising the full potential of Union Budget allocations for the health sector, particularly under Centrally Sponsored Schemes (CSS).

Two key CSS initiatives, **Pradhan Mantri Aayushman Bharat Health Infrastructure Mission (PM-ABHIM)** and **Human Resources for Health and Medical Education (HRHME)**, aim to strengthen healthcare infrastructure and scale up medical personnel.

However, there has been **low fund utilization**, with expenditures falling short of budget estimates due to complex execution structures, rigid procedures, and faculty shortages. The **fiscal capacity of States** to meet recurring costs beyond the Union government's support period is critical for the sustainability of these schemes.

Addressing **structural issues** and improving **financial management** is necessary to translate capital expenditure into better health outcomes.



Cauvery Water Dispute: From Crisis to Surplus – A Call for Cooperative Management and Sustainable Solutions

The article provides a detailed analysis of the recent **water-sharing situation** between **Karnataka** and **Tamil Nadu**, focusing on the **Cauvery river**. Early in July, both states were facing a potential water crisis. However, rains since mid-July brought substantial inflows, leading to an "over surplus" situation for Tamil Nadu. By early September, Tamil Nadu had received more water than its allocated share for the months of July and August, as per the Cauvery Water Disputes Tribunal's award, which was later modified by the Supreme Court in 2018.

This situation is in stark contrast to previous years, where water shortages were common during this period. For instance, last year, Tamil Nadu received only 33.2 tmc ft of water, far below the expected allocation. The article highlights that on 11 occasions over the past 30 years, the water realization during June-September was less than the stipulated 123.14 tmc ft, leading to periodic distress.

The implementation mechanism of the **Cauvery Water Management Authority (CWMA)** and the **Cauvery Water Regulation Committee (CWRC)** is critical in managing this water-sharing arrangement. These bodies have taken on a significant role in managing disputes between the two states. While their performance in the 2023-24 period has been satisfactory under challenging circumstances, there is a call for **greater transparency** in their functioning. The article suggests that decisions made by these bodies **should be made public** quickly to avoid any miscommunication or bias during times of crisis.

Moreover, the article proposes that the **composition of the CWMA** be **expanded** to include non-officials such as environmentalists, farmers, and independent water experts. This could lead to a more comprehensive and inclusive approach to managing water disputes, especially considering environmental concerns and the effects of climate change on the river's ecosystem.

The article also touches on Bengaluru's drinking water crisis, which became severe earlier this year. The Supreme Court had allocated 4.75 tmc ft of water specifically for Bengaluru in 2018. However, Karnataka has been pushing for the ₹9,000-crore **Mekedatu Balancing Reservoir-cum-Drinking Water Project** to address the city's long-term water needs. Tamil Nadu opposes this project, citing concerns over water-sharing, which has resulted in a trust deficit between the two states.

The article suggests that a third party, such as the Union government, could facilitate cooperation between the two states for the Mekedatu project and other similar initiatives. The goal is to ensure optimal use of the Cauvery's water resources, which, if left untapped, would be wasted.



Andhra Pradesh's Sand Policy Shifts: A Decade of Financial Losses and Unresolved Issues

The article highlights Andhra Pradesh's frequent changes in sand policies over the past decade, with the current government reintroducing the **free sand policy** in July 2024. These shifts, including using SHGs, auctions, and free sand supply, have led to significant financial losses, estimated at over ₹40,000 crore. Political narratives of corruption and illegal mining persist, while no government has provided accurate estimates of potential revenue. Despite legal issues, including fines, a stable sand management system remains elusive.

The "free sand policy" refers to a government initiative that provides sand at no cost to consumers. This approach is designed to simplify access and control over sand resources.

In Andhra Pradesh, the policy has seen frequent changes. Successive governments have alternated between implementing and scrapping this policy. The policy contrasts with auction systems where sand is sold to generate revenue, leading to significant financial implications and ongoing issues related to sand management and illegal mining.

"Amidst shifting sand policies and persistent political disputes, the real cost of Andhra Pradesh's mismanagement is not just in lost revenue but in the missed opportunity to sustainably manage a vital natural resource."

Flip-flops in sand policy

AP has repeatedly changed its policies, leading to substantial revenue losses

Andhra Pradesh has witnessed frequent changes in its sand policy over the past decade. The current government issued the Sand Policy 2021, which replaced the previous Sand Policy 2016. The new policy aimed to regulate sand mining and ensure sustainable use of the resource. However, the policy has been criticized for being too restrictive and for not addressing the needs of the sand industry. The government has since scrapped the 2021 policy and replaced it with the Sand Policy 2024. This new policy allows for more sand mining but also introduces stricter regulations to prevent illegal mining and environmental damage. The frequent changes in policy have led to significant revenue losses for the state and have also caused confusion among sand consumers and producers. The sand industry in Andhra Pradesh is a major contributor to the state's economy, and the government's inconsistent policies have had a negative impact on the sector. The industry has argued that the government's policies have increased the cost of sand and have led to a shortage of sand in certain areas. The government has responded by saying that it is committed to ensuring the sustainable use of sand and that it will continue to review and update its policies as needed. The sand policy remains a contentious issue in Andhra Pradesh, and it is likely that there will be further changes in the future.

Himachal Pradesh Raises Minimum Marriage Age to 21: A Step Toward Gender Equality or Legal Complications?

On August 27, 2024, the Himachal Pradesh Assembly passed the **Prohibition of Child Marriage (Himachal Pradesh Amendment) Bill**, raising the minimum marriageable age for women from 18 to 21 years. This Bill aims to advance gender equality and improve women's welfare by addressing issues related to early marriage, which affects education and health.

Why has H.P. raised the marriageable age for women?

The Bill redefines a "child" as anyone under 21, extends the period for annulling marriages from two to five years, and ensures its provisions override existing laws.

While the Bill needs the President's consent due to potential conflicts with central law, experts raise concerns that increasing the marriage age could lead to criminal prosecutions and parental control issues, as highlighted by past research and recommendations.

Note:

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"While raising the marriageable age in Himachal Pradesh aims to advance gender equality, it exposes a constitutional tension where state reform seeks to challenge the limits of central authority, highlighting the complex interplay between progressive intentions and legal consistency."

Concerns Over ANIIDCO's Capability in Handling ₹72,000 Crore Great Nicobar Project

The article raises significant concerns about the **Andaman and Nicobar Islands Integrated Development Corporation (ANIIDCO)**, which has been assigned the massive ₹72,000 crore infrastructure project in Great Nicobar. Despite its relatively limited role and past activities, ANIIDCO has been entrusted with a project involving a trans-shipment port, airport, tourism facilities, and a power plant.

Key issues include:

- **Lack of Expertise:** ANIIDCO, originally focused on trading and tourism management, lacked an environmental policy and the necessary human resources to handle such a large-scale project. It only began recruiting experts after being assigned the project.
- **Conflicts of Interest:** There are notable conflicts of interest, such as the corporation's managing director also being the Commissioner cum Secretary (Environment and Forests), which raises concerns about self-certification and oversight.
- **Criticism of Capacity:** Critics, including past administrators, argue that ANIIDCO is ill-equipped to manage a project of this scale and complexity. They suggest that expert agencies from outside the islands should be involved to ensure effective execution.

These issues point to potential risks in managing the project and highlight the need for robust oversight and expertise to address the environmental and logistical challenges involved.

What do we know about ANIIDCO?

Who has the qualifications of the Andaman and Nicobar Islands Integrated Development Corporation come into question after it got permission to do a ₹72,000 crore mega infrastructure project in Great Nicobar? Does the company have a proper internal environmental governance system?

EXPLAINER

What do we know about ANIIDCO?

ANIIDCO is a public sector enterprise under the administrative control of the Ministry of P&W, Government of India. It was established in 1974 to develop and manage the islands of the Andaman and Nicobar archipelago. The corporation has been entrusted with the massive ₹72,000 crore infrastructure project in Great Nicobar. The project involves the construction of a trans-shipment port, an airport, tourism facilities, and a power plant. The project is being implemented in three phases: Phase 1 (2024-2026), Phase 2 (2026-2028), and Phase 3 (2028-2030). The project is being implemented by ANIIDCO, which has been entrusted with the project by the Government of India. The project is being implemented in three phases: Phase 1 (2024-2026), Phase 2 (2026-2028), and Phase 3 (2028-2030). The project is being implemented by ANIIDCO, which has been entrusted with the project by the Government of India.

THE GIST

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Business Activity in India's Services Sector

August Performance: Business activity in India's services sector accelerated to a five-month high in August, with the HSBC India Services Business Activity Index rising to 60.9 from 60.3 in July. This indicates expansion in services activity.

Factors Contributing: The growth was supported by productivity gains, easing cost pressures (reaching a four-year low), and increased domestic demand.

Optimism Decline: Despite the growth in activity, optimism about future prospects among services firms fell to a 13-month low. This decline in optimism was also observed among private sector manufacturers, with the overall sentiment for both sectors dropping to a 15-month low.

Composite Output Index: The HSBC India Composite Output Index, which includes both manufacturing and services, remained unchanged from July at 60.7, reflecting stable overall private sector activity. However, growth in factory output slowed to a seven-month low.

Sector Performance: Within the services sector, Finance & Insurance led in terms of output and new orders.

Updates on Electric Mobility and Steel Imports

FAME Scheme: The Centre is set to finalize the third phase of the **Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles (FAME) scheme**, expected within a month or two. This phase will **replace** the temporary **Electric Mobility Promotion Scheme (EMPS) 2024**, which expires in September. An inter-ministerial group is reviewing inputs and addressing issues from the first two phases of the scheme.

Steel Imports: Union Heavy Industries Minister H.D. Kumaraswamy announced plans to advocate for increased import duties on steel. He **aims to raise the duties** from the current 7.5% to 10-12% to **counteract steel dumping from China**. This follows discussions with steel industry stakeholders who highlighted challenges due to Chinese imports.

Scheme	Full Name	Purpose	Key Details
FAME	Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicles	Promotes electric vehicle (EV) adoption and manufacturing in India.	FAME I: Launched in 2015; FAME II: Launched in 2019; FAME III: Upcoming, expected to address issues from previous phases.
EMPS 2024	Electric Mobility Promotion Scheme 2024	Supports the adoption of electric vehicles temporarily.	Temporary scheme set to expire in September 2024.

Centre Extends Interest Equalisation Scheme for Export Credit to Boost Shipments

- The Centre has extended the **interest equalisation scheme** on **pre-and-post-shipment rupee export credit** by one month, now valid until September 30. This scheme, which originally ended on August 31, supports exporters from **specific sectors** and **MSME manufacturers** by offering competitive rupee export credit rates amid global economic challenges. It was previously extended by two months in June.

Rural Demand and Consumption Revival in India

Key Points:

- Rural Demand:** Green shoots are visible in rural demand due to a **healthy monsoon** and progress in crop sowing, potentially bolstering consumption. An early **festive season** could further boost this momentum.
- Private Consumption Spending:** India's private consumption spending **grew by 7.4%** between April and June, the highest in six quarters. This growth was **driven by increased demand for durables** like air conditioners, TVs, and mobile phones, which is unusual for the first quarter.
- Economic Insights:** Bank of Baroda economist Dipanwita Mazumdar attributes the rebound to **softer inflation** for most durable goods, except air conditioners. She notes that mixed production data for fast-moving consumer goods (FMCG) indicates changing consumer preferences rather than weak demand.
- Edibles Market Trends:** Sales of certain edibles like biscuits and bread have contracted, with notable drops in coffee, tea, chocolates, and cakes. Conversely, demand for roasted cashews surged by 43% in Q1 compared to the previous year.

Reliance Industries Wins ACC Battery Storage PLI Scheme Bid

- **Successful Bidder:** Reliance Industries Ltd. has been chosen as the successful bidder under the **Production Linked Incentive (PLI) Scheme** for **Advanced Chemistry Cell (ACC) Battery Storage**.
- **Capacity Awarded:** Reliance has been awarded a 10 GWh ACC capacity under the PLI scheme, based on the **Quality-Cost Based Selection (QCBS) mechanism**.
- **Objective:** The initiative **aims** to **enhance domestic manufacturing capabilities**, reduce reliance on imports, and position India as a leader in ACC battery manufacturing.
- **Tender Details:** The Ministry of Heavy Industries received bids from seven contenders under a global tender for the PLI scheme, which has a maximum budgetary outlay of ₹3,620 crore.

ACC Battery Storage

Aspect	Details
Technology	Uses advanced chemical processes and materials for improved performance and efficiency.
Applications	Electric vehicles (EVs), renewable energy storage (solar, wind), consumer electronics.
Benefits	<ul style="list-style-type: none">• Higher Energy Density: More energy storage per volume/weight.• Faster Charging: Reduced charging times.• Longer Lifespan: More charge-discharge cycles before performance degradation.

Government Proposes Expansion of PLI Scheme for Textiles, Pharmaceuticals, and Solar PV Sectors

The government is considering expanding the Production Linked Incentive (PLI) scheme for the textiles, pharmaceuticals, and solar photovoltaic (PV) sectors. The proposed changes include:

1. **Expansion of Eligible Products:** The scheme will include **more products** within these sectors to boost investments, production, and utilization of the allocated funds.
2. **Extension of Scheme Period:** The scheme period for these sectors may be extended **by one year** to accommodate the broader scope and ensure effective implementation.
3. **Current Status:** Launched in 2021 with a budget of ₹1.97-lakh crore, the PLI scheme has attracted ₹1.5-lakh crore in investments, leading to ₹10-lakh crore in production and ₹10,000 crore in incentives. However, **progress has been uneven** across sectors, with **mobile manufacturing and electronics** performing well, while **textiles and solar PVs** have seen slower growth.
4. **Textiles Sector:** The original PLI scheme covered **man-made fibre (MMF) apparel**, fabrics, and technical textiles, but the expansion aims to include garments made of **all materials**, including cotton.
5. **Pharmaceuticals and Solar PV:** There are also proposals to add more products to these sectors to better utilise the scheme's funds.

Once the proposals receive approval from the PMO and the Cabinet Secretariat, they will be presented to the Cabinet for final approval.

Icra Report Forecasts Rising Credit Costs and Declining RoMA for NBFC-MFIs Amid Asset Quality Concerns

An Icra report projects that **increasing delinquencies** in the **micro-finance sector** will raise the credit cost for non-banking financial companies – microfinance institutions (NBFC-MFIs) to 320-340 basis points (bps) in 2024-25, up from 220 bps in the previous year. The **assets under management (AUM)** growth of NBFC-MFIs is expected to slow to 17-19% in the current financial year from 29% in 2023-24 due to concerns about asset quality.



Under pressure: Robust growth in the last 2 years has accentuated concerns about potential overleveraging of borrowers. (i)Amit Mishra

Delinquencies in microfinance sector to push up NBFC-MFI credit cost: Icra

Press Trust of India New Delhi: Icra said on Tuesday that delinquencies in the microfinance sector is likely to push up the NBFC-MFI credit cost to 320-340 bps in 2024-25 from 220 bps in the previous financial year according to an Icra report. Non-banking financial companies - microfinance institutions (NBFC-MFIs) AUM growth is also likely to moderate to 17-19% in the current financial year from 29% in 2023-24 amid rising concerns about asset quality, it said. The report said the robust growth in the last two years has accentuated concerns about potential overleveraging of borrowers in certain regions. "Farmer protests and the Karz Mukti Abhiyan in certain regions, especially Punjab and Haryana, have impacted delinquencies and the asset quality. This, along with climatic conditions and operational challenges, including employee attrition, would keep the asset quality under pressure in the near term. As per Icra's estimates, non-performing assets (NPAs) have increased by 30 bps in Q1 FY2025. Additionally, microfinance exposure in Bihar and Uttar Pradesh has grown significantly compared to the industry average, with rising average loan amounts per borrower.

Prateek Mittal, assistant vice president and sector head - financial sector ratings, Icra said "microfinance exposure in Bihar and Uttar Pradesh has grown at a compound annual growth rate (CAGR) of 38% and 46%, respectively in FY2023-FY2024 compared to the overall industry growth of 19% during the period. "In addition, the average loan outstanding per borrower has been increasing and was relatively high in relation to per capita income of these states," Mr. Mittal said. On the earnings front, Icra expects NBFC-MFIs to report a lower but healthy return on managed assets (RoMA) of 2.5-2.7% in 2024-25 compared to a record high of 3.6% in the previous fiscal. Increasing cost of funds and downward revisions in lending rates are likely to compress the interest margins of the NBFC-MFIs in 2024-25, Icra said. This, along with asset quality pressure, is expected to moderate their earnings in the current financial year, it added.

The report highlights several factors impacting asset quality:

- **Over-leveraging:** Rapid growth in recent years has raised concerns about over-leveraging in certain regions.
- **Farmer Protests and Karz Mukti Abhiyan:** These have affected collections and asset quality in regions like Punjab and Haryana.
- **Climatic Conditions and Operational Challenges:** Issues such as employee attrition and adverse weather are contributing to asset quality pressures.

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On the earnings front, Icra anticipates a **decline** in the **return on managed assets (RoMA)** to 2.5-2.7% in 2024-25 from a record high of 3.6% previously. This decrease is attributed to higher funding costs and reduced lending rates, which are expected to compress interest margins and moderate overall earnings.

Star Health Launches India's First Braille Insurance Policy for Visually-Impaired

- **Star Health and Allied Insurance Co. Ltd.** has introduced India's first insurance policy, 'Special Care Gold', in Braille, aimed at **addressing the needs of persons with disabilities (PWDs)**. This initiative is designed to enable visually-impaired and blind individuals to independently manage their health and financial decisions. The policy was developed in collaboration with the National Association of the Blind.

SEBI Proposes New Methodology for Accurate Calculation of Household Savings in Securities Market

The **Securities and Exchange Board of India (SEBI)** has proposed revisions to the methodology for calculating household savings in the securities market to improve data accuracy. The changes include expanding investor categories to include all domestic individual investors, HUFs, NGOs, charities, and trusts. It also includes incorporating new investment vehicles such as mutual funds, ETFs, REITs, InvITs, and alternative investment funds. Additionally, resources from preferential issues, offers for sale, and private placements of debt will now be included in the computation.

The **aim** is to **better capture actual savings patterns and financial instruments** used by households.

India's Shift to Corn-Based Ethanol Turns Nation into Net Importer, Strains Local Industries

India's push to produce more corn-based ethanol has transformed it from Asia's top corn exporter to a net importer, impacting local industries and global markets. Rising demand for corn, spurred by the government's move to shift from sugarcane to corn-based ethanol, has *squeezed supplies* for **poultry and starch producers**, leading to high prices.

India is expected to import record amounts of corn in 2024, mainly from **Myanmar** and **Ukraine**. Meanwhile, poultry farmers are struggling with soaring feed costs and are urging the government to lower import duties and allow genetically modified (GM) corn imports.

Hazardous Gold Recycling Industry Thrives in Afghanistan Amid Declining Resources and Health Risks

In the Afghan border town of Spin Boldak, workers are engaged in the hazardous process of **recycling gold from discarded electronics**, such as **televisions, computers, and mobile phones**. This process involves dismantling these items by hand, often without protective gear, and using acids to extract the gold. Despite the health risks and the decline in gold recovery due to the use of cheaper metals in modern electronics, the industry has experienced a revival due to rising gold prices and renewed access to necessary acids since the Taliban government came into power in 2021.

The process is labor-intensive and yields about **150 grams of gold per month**, which is sold at approximately \$79 per gram. Workers earn around \$166 a month, but face significant health hazards. The trade is particularly challenged by the decreasing availability of **Japanese electronics**—which contain more gold—and the increasing prevalence of cheaper **Chinese electronics**.

In Kandahar, the gold is refined and sold, but the amount from Spin Boldak has been decreasing. Despite these challenges, gold remains a vital part of Afghan culture, with gold jewellery being highly valued, especially in weddings, where families often go into debt to purchase it. The tradition of owning and using gold continues to drive the market.

ILO Report Highlights Rising Inequality and Declining Labour Income Due to Technological Innovations

The International Labour Organisation's (ILO) report, "**World Employment and Social Outlook: September 2024 Update**," highlights rising global inequality due to *stagnating labour income* and *high youth unemployment*.

The report attributes part of this decline to technological innovations, including AI, which have increased productivity but reduced the labour income share. It notes that the labour income share fell by 0.6 percentage points from 2019 to 2022, with significant losses during the COVID-19 pandemic.

The ILO warns that without stronger policies for equitable distribution, inequality could worsen and urges for measures such as *collective bargaining* and *effective labour administration* to ensure inclusive growth.

India's PM Modi Promotes Development Over Expansionism During Brunei Visit

During his visit to Brunei, Indian Prime Minister Narendra Modi emphasized that India advocates "**development, not expansionism**," contrasting this stance with China's activities in the South China Sea and Indo-Pacific region.

Modi's remarks came after discussions on strengthening defense cooperation and space collaboration, as well as addressing regional security concerns. The visit underscored the importance of **Brunei** as a strategic partner in **India's Act East Policy** and **Indo-Pacific Vision**.

Modi also highlighted the need for a '**Code of Conduct**' for maritime disputes and adherence to international law, particularly **UNCLOS 1982**.

Modi takes aim at China in Brunei, says India does not back 'expansionism'



Sushant Dhatwar
NEW DELHI
India supports 'development, not expansionism', Prime Minister Narendra Modi said in Brunei on Wednesday, in a series of remarks that seemed to target Chinese moves in the South China Sea and Indo-Pacific region.
He was speaking at a banquet hosted by Brunei Sultan Hassanal Bolkiah in the tiny nation's capital, Bandar Seri Begawan.
His comments followed bilateral talks between India and Brunei, and the signing of a renewed cooperation agreement on space cooperation, with Brunei continuing to host the India Space Research Organisation's Telemetry Tracking and Command station. The two countries discussed ways to strengthen defence cooperation and the possibility of long-term cooperation in LNG supplies, given that India has dropped its demand for oil from Brunei in favour of Russian oil imports in recent years.
"Brunei is an important partner in India's Act East Policy and Indo-Pacific Vision," Mr. Modi said at the luncheon banquet.
"We support the policy of development, and not expansionism," the Prime Minister added, calling for the finalisation of a 'Code of Conduct' for the region on the issue of sovereignty and violations at sea. In the joint statement issued at the end of the visit, the two sides also urged all parties to resolve disputes through peaceful means in accordance with international law, particularly UNCLOS 1982. This is a reference to the Law of the Sea under which Brunei is a "claimant state" for the South China Sea, along with China, Malaysia, the Philippines, and Vietnam.
Strategically located
Historically, Brunei's strategic location at the centre of the ASEAN region - surrounded by Indonesia, Malaysia, Philippines, Thailand, Singapore and Vietnam, and especially with American bases in the area - has given it an edge in ties with the United States, and the two sides have had close defence ties.
In the last few decades, however, Chinese leaders have made a number of high-level visits to Brunei. China is now Brunei's largest trading partner and foreign investor, including in the Belt and Road Initiative projects in Brunei. The value of China-Brunei bilateral trade stands at about \$2.6 billion. In comparison, India-Brunei trade last year was approximately \$26.20 million.
Spooked by Chinese aggression
Mr. Modi is the first Indian PM to make a bilateral visit to Brunei, although Manmohan Singh had visited the country in 2013 when it hosted the ASEAN-India summit.

Study Links Habitat Complexity to Brain Structure in Lizards

Dr. Levi Storks, an evolutionary biologist, is studying how habitat complexity affects brain structure in lizards. His research on six anole species from Puerto Rico reveals that **lizards from more complex environments**, like tree canopies, **have denser neurons** in their brains compared to those from simpler habitats. This suggests that the **complexity of an animal's environment influences its neurological development**.

The findings contribute to understanding the evolution of brain function and its relationship with behavioural complexity.



"News Highlights: Key Updates in Brief"

International Relations

India and **South Africa** have signed an agreement for enhanced **submarine rescue cooperation**, with the Indian Navy providing its **Deep Submergence Rescue Vehicle (DSRV)** to assist the South African Navy in times of distress.

Economy

- The Union Labour Ministry has approved a Centralised Pension Payment System (CPPS) for 78 lakh pensioners under the Employees' Pension Scheme, 1995. The system allows pension disbursement from any bank or branch nationwide, resolving issues for pensioners relocating or changing banks. CPPS will launch on January 1, 2025, under EPFO's IT modernisation project and will later transition to an Aadhaar-based payment system, reducing costs and eliminating the need for branch visits for verification.
- Over 90% of projects under the **Smart Cities Mission** have been completed, with 17 out of 100 smart cities finishing all their projects. The remaining 10% are delayed due to various issues, including legal and clearance challenges. Of the ₹48,000 crore allocated, ₹46,787 crore has been released, with over 90% utilized.

Internal Security

- The Indian Air Force's Suryakiran Aerobatic Team showcased their skills during Phase 2 of **Exercise Tarang Shakti 24** at the Air Force Station in Jodhpur on Wednesday. **Note:** Exercise Tarang Shakti is a joint military exercise conducted by the Indian Air Force (IAF) to demonstrate and enhance its operational capabilities. It typically involves complex air manoeuvres, aerobatic displays, and joint operations with other branches of the Indian Armed Forces.
- Union Home Minister Amit Shah announced that over 300 insurgents from the National Liberation Front of Tripura (NLFT) and All Tripura Tiger Force (ATTF) in Tripura have renounced violence and joined the mainstream under a new peace agreement, which includes a ₹250 crore development package for the state's tribal population.

Disaster Management

- Six people died and four others were injured in **landslides** along National Highway 29 in **Nagaland**, disrupting road communication between Dimapur and Kohima.
- The IMD has issued an **orange alert** for heavy to very heavy rainfall in Jayashankar Bhupalpally and Mulugu districts, and a yellow alert for heavy rain in ten other districts across **Telangana**.

State Specific

The **Rajasthan** has approved a 33% reservation for women in the police force, fulfilling a 2023 election promise and aiming to enhance sensitivity and employment opportunities.

Sports

At the **Paris Paralympics**, India's **Sachin Sarjerao Khilari** won silver in Men's Shot Put - F46




Practice Mains Question

- Discuss the implications of the Supreme Court's August 2024 judgment on sub-classification within the Scheduled Castes (SC) category. Evaluate its alignment with B.R. Ambedkar's social justice principles. (Answer in 250 words)
- Critically evaluate the effectiveness of the death penalty for rape as introduced by The Aparajita Women and Child Bill, 2024. Discuss alternative measures for improving women's safety and preventing sexual crimes. (Answer in 250 words)

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Practice Prelims Question

Consider the following statements regarding **The Aparajita Women and Child (West Bengal Criminal Laws Amendment) Bill, 2024**:

1. It introduces the death penalty or life imprisonment for certain cases of rape.
2. The Bill amends sections of the Bharatiya Nagarik Suraksha Sanhita to establish special courts for time-bound trials of sexual offences.
3. The President's assent is not required for the Bill to come into force.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
(b) 2 and 3 only
(c) 1 only
(d) 1, 2, and 3

Answer: (a) 1 and 2 only

Explanation:

- Statement 1 is correct as the Bill introduces the death penalty or life imprisonment for rape.
- Statement 2 is correct as the Bill provides for special courts to try such offences in a time-bound manner.
- Statement 3 is incorrect because the President's assent is required for state amendments. Under **Article 254** of the Indian Constitution, if a state legislature passes a law on a subject in the Concurrent List that contradicts a central law, the state law requires the **President's assent** to take effect. This ensures that state laws do not conflict with national legislation, maintaining legal uniformity across the country. In this case, The Aparajita Women and Child (West Bengal Criminal Laws Amendment) Bill, 2024 seeks to amend central laws like the Bharatiya Nyaya Sanhita and the Bharatiya Nagarik Suraksha Sanhita, which are part of the Union's criminal justice framework.

2. Consider the following statements regarding the Production Linked Incentive (PLI) scheme:

1. The PLI scheme was launched with a budget of ₹1.97-lakh crore in 2021 to promote domestic manufacturing and attract investments.
2. The scheme is being considered for expansion in the textiles, pharmaceuticals, and solar photovoltaic (PV) sectors to include more products and extend the implementation period by one year.
3. The textiles sector under the original scheme only includes man-made fibre (MMF) apparel, MMF fabrics, and technical textiles.

Which of the statements given above are correct?

- A) 1 and 2 only
B) 2 and 3 only
C) 1 and 3 only
D) 1, 2, and 3

Answer: C) 1, 2 and 3

Explanation:

1. **Statement 1: Correct.** The PLI scheme was launched in 2021 with a budget of ₹1.97-lakh crore to promote domestic manufacturing and attract investments.
2. **Statement 2: Correct.** The government is considering expanding the PLI scheme for textiles, pharmaceuticals, and solar PV sectors to include more products and extend the scheme period by one year to enhance investments and production.
3. **Statement 3: Correct.** The original PLI scheme for the textiles sector did include man-made fibre (MMF) apparel, MMF fabrics, and technical textiles, and it is proposed to extend the scheme to include garments made of all materials, including cotton.

3. Which of the following statements regarding India's corn-based ethanol production is/are correct?

1. India has traditionally been a net exporter of corn but is now becoming a net importer due to increased ethanol production.
2. Ethanol production in India primarily uses genetically modified (GM) corn.
3. The shift towards corn-based ethanol production has led to higher corn prices, affecting the poultry and starch industries.

Select the correct answer using the codes given below:

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) 1, 2, and 3

Answer: (b) 1 and 3 only

Explanation:

1. **Statement 1 is correct:** India has been a net exporter of corn for decades. However, due to the government's push for corn-based ethanol production, India is now becoming a net importer of corn to meet the growing demand from ethanol distilleries.
2. **Statement 2 is incorrect:** India does not primarily use genetically modified (GM) corn for ethanol production. In fact, the country has restrictions on GM corn, and imports of GM corn are currently prohibited, which limits buying options for the poultry industry.
3. **Statement 3 is correct:** The increase in corn-based ethanol production has led to higher corn prices in India, which has negatively impacted the poultry and starch industries that rely on corn as a primary feedstock.

Thus, the correct answer is (b) 1 and 3 only.

4. Consider the following statements regarding the recycling of gold from electronic waste:

1. The recycling of gold from electronics involves the use of acids to extract the metal from circuit boards.
2. Gold is used in electronics primarily due to its excellent electrical conductivity.
3. The use of gold in modern electronics is increasing due to its affordability compared to other metals.

Which of the statements given above is/are correct?

- A) 1 and 2 only
- B) 2 and 3 only
- C) 1 and 3 only
- D) 1, 2, and 3

Answer: A

Explanation:

- **Statement 1** is correct as acids are used in the recycling process to extract gold from circuit boards.
- **Statement 2** is correct as gold is highly valued in electronics for its superior electrical conductivity.
- **Statement 3** is incorrect because the use of gold in electronics is decreasing due to the high cost, and manufacturers are increasingly opting for cheaper metals.

5. Consider the following statements regarding the Yasuni National Park and the Waorani Indigenous tribe:

1. Yasuni National Park is located in the Amazon rainforest and is known for its rich biodiversity.
2. The Waorani Indigenous tribe resides within Yasuni National Park and has raised concerns over the environmental impact of oil exploitation in the region.
3. Oil exploitation within Yasuni National Park is restricted to protect the biodiversity and Indigenous communities.

Which of the statements given above is/are correct?

- A) 1 and 2 only
- B) 1 and 3 only
- C) 2 and 3 only
- D) 1, 2, and 3

Answer: A

Explanation:

- **Statement 1** is correct as Yasuni National Park is located in the Amazon rainforest and is renowned for its biodiversity.
- **Statement 2** is correct as the Waorani tribe, who reside in this region, have voiced concerns about the environmental damage caused by oil exploitation.
- **Statement 3** is incorrect because, despite the park's biodiversity, oil exploitation has occurred, leading to environmental degradation, which the Indigenous communities are protesting against.

6. According to the International Labour Organisation's (ILO) report titled "World Employment and Social Outlook: September 2024 Update," what are the primary factors contributing to the rise in inequality and the decline in the global labour income share, and what policy measures does the ILO suggest to address these challenges?

(A) Technological innovations and COVID-19 pandemic; policy measures include promoting collective bargaining and effective labour administration.

(B) Global economic recession and trade wars; policy measures include increasing minimum wages and improving workers' rights.

(C) Decline in global productivity and demographic changes; policy measures include enhancing vocational training and expanding social safety nets.

(D) Changes in international trade policies and inflation; policy measures include reducing taxes on businesses and investing in infrastructure.

Answer: A

Explanation:

The ILO's "World Employment and Social Outlook: September 2024 Update" identifies technological innovations, particularly automation driven by artificial intelligence, and the COVID-19 pandemic as key factors contributing to rising inequality and a declining share of labour income globally. The report notes that while technological innovations have increased labour productivity and output, they have also reduced the labour income share. The pandemic exacerbated this trend by causing a significant decline in labour income during its peak years.

To address these issues, the ILO suggests policy measures aimed at promoting an equitable distribution of economic benefits. This includes strengthening freedom of association, enhancing collective bargaining, and improving labour administration to ensure that the benefits of technological progress are more widely shared and that inclusive growth is achieved.

7. Which of the following statements about the impact of climate change on agriculture is/are correct?

1. Rising temperatures adversely affect crops that thrive in cooler climates.
2. The area of highland cabbage farming in South Korea has increased significantly over the past 20 years.
3. Climate change is causing a decrease in the quality of napa cabbage used for making kimchi.
4. Cheaper imports of agricultural products are unrelated to climate change impacts on local crops.

Select the correct answer using the codes below:

- (a) 1 and 3
- (b) 2 and 4
- (c) 1, 2, and 4
- (d) 1, 3, and 4

Answer: (a) 1 and 3

Explanation:

1. **Rising temperatures adversely affect crops that thrive in cooler climates.**
 - Correct. Higher temperatures damage napa cabbage, which prefers cooler climates.
2. **The area of highland cabbage farming in South Korea has increased significantly over the past 20 years.**
 - Incorrect. The area has decreased significantly.
3. **Climate change is causing a decrease in the quality of napa cabbage used for making kimchi.**
 - Correct. Higher temperatures are reducing cabbage quality, impacting kimchi production.
4. **Cheaper imports of agricultural products are unrelated to climate change impacts on local crops.**
 - Incorrect. Cheaper imports add to the challenges faced by local agriculture, already affected by climate change.

BPSC POINT

End of Summary

This marks the end of today's summary from *The Hindu*. We trust this has added value to your exam preparation. Keep engaging with current affairs to sharpen your insights and strengthen your knowledge. We'll be back tomorrow with more updates to guide you on your path to success.

Thank you for reading. Stay focused and dedicated!

Understanding current affairs is crucial for **UPSC/State PSC preparation**, as it bridges the gap between theoretical knowledge and real-world application, ensuring that candidates are well-informed, relevant, and capable of making insightful analyses on contemporary issues.

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