

The Hindu

Front Page

Centre to exclude ‘will’ for PM-UDAY applicants: DDA (Page no. 2) (GS Paper 2, Polity and Governance)

In a move to simplify the documentation required to avail of benefits under the Pradhan Mantri - Unauthorised Colonies in Delhi Awas Adhikar Yojana (PM-UDAY) scheme, the Centre has approved a proposal to exclude a ‘will’ as a mandatory document, the Delhi Development Authority (DDA).

The Centre launched the PM-UDAY scheme in December 2019 to give ownership rights of properties in unauthorised colonies.

After amendments are made in the regulations, these applications will now be processed in the absence of a ‘will’,” read a statement issued by the DDA.

It added that with the exclusion of a ‘will’ as a mandatory document, it expected an increase in the rate of disposal of cases as well as in the number of overall applications.

In a press conference held on March 8, Union Minister for Housing and Urban Affairs Hardeep Puri said many applicants under the scheme were not in possession of a valid “will” document, adding that the proposed amendment will help resolve the grievance of applicants.

The DDA said that in many applications, the applicants had provided a ‘Registered Gift Deed’ in the place of GPA/ATS (General Power of Attorney/Agreement to Sell), as a document to avail of benefits under the scheme.

These could not be processed as the regulations did not allow ‘Gift Deed’ as an acceptable document. Now, applications with a ‘Registered Gift Deed’ will also be allowed for conferment of property rights under PM-UDAY.

Editorial

Despite pressures, the rupee’s remarkable resilience (Page no. 6) (GS Paper 3, Indian Economy)

The Indian rupee has depreciated by around 7% against the U.S. dollar, since the start of the year, in response to various domestic and global factors.

Specifically, a widening current account deficit, persistent risk-off sentiment as a result of geopolitical tensions, ‘a strengthening dollar index, and continuous sell-off by foreign portfolio investors have all put pressure on the rupee’.

It must be noted that the dollar has strengthened against all currencies, developed or emerging. The runaway inflation levels since last year, which have seen consumer price index (CPI) inflation in the United States reaching a multi-decade high of 9.1% in June 2022, have prompted the reversal in the monetary policy stance of the US Federal Reserve.

With inflation rising unabated, the Fed is widely expected to continue raising interest rates. Unsurprisingly, the rate hiking cycle by the US Federal Reserve has precipitated the dollar’s appreciation which has led the dollar index to strengthen by over 11% in 2022 so far, taking it to a 20-year high.

As a result of higher risk-free returns being available in the U.S., there have been persistent outflows of foreign portfolio capital since October 2021, which, on a cumulative basis, stands at \$30 billion this year.

This has intensified the downward pressure on the rupee. The safe-haven demand for the dollar amid geopolitical risks has bolstered the dollar index.

The Reserve Bank of India (RBI) has stepped in to arrest a large depreciation in the currency, with interventions in the spot and forward foreign exchange markets. Consequently, India’s foreign exchange reserves have moderated by almost \$55 billion from a high of \$635 billion seen this year.

Elevated global crude oil prices have impinged on India’s oil import bill, in turn widening the trade deficit, thus increasing the demand for U.S. dollars, and affecting forex reserves further.

News

Law panel to examine simultaneous elections (Page no. 8) (GS Paper 2, Polity and Governance)

The issue of holding simultaneous Parliamentary and Assembly elections has been referred to the Law Commission for a practicable roadmap and a framework can be worked out, Law Minister Kiren Rijiju informed the Lok Sabha.

In a written reply, Mr. Rijiju also cited a report of a Parliamentary panel which noted that frequent elections lead to “disruption” of normal public life and impact the functioning of essential services and that simultaneous polls would reduce the massive expenditure incurred to conduct separate elections every year.

Between 2014 and 2022, there were as many as 50 State Legislative Assembly elections. According to standing instructions, the entire expenditure on the conduct of elections to the Lok Sabha is borne by the Centre and the expenditure on the conduct of elections to the State legislatures is borne by the respective State governments when such polls are held independently.

In case the elections are held simultaneously, the expenditure is borne by the States concerned and the Centre on a 50:50 basis.

The funds disbursed to the States/Union Territories between 2014 and 2022 amounted to ₹7,432 crores, the Minister added.

Mr. Rijiju said a Parliamentary panel had examined the issue of simultaneous polls to the Lok Sabha and State Legislative Assemblies in consultation with various stakeholders including the Election Commission (EC).

The committee has given certain recommendations in this regard. The matter now stands referred to the Law Commission for further examination to work out a practicable roadmap and framework for simultaneous elections to Lok Sabha and State Assemblies.

In its draft report, the 21st Law Commission had said it was convinced that “there exists a viable environment, necessitating the holding of simultaneous elections to the House of the People and the State Legislatures. Simultaneous elections can be seen as a solution to prevent the country from being in constant election mode.”

Antarctic Bill passed in LS (Page no. 9)

(GS Paper 2, Polity and Governance)

The Lok Sabha passed the Indian Antarctica Bill, 2022 amidst clamour from the Opposition to have more discussion.

There were no amendments to the text of the Bill that was passed after a voice vote. Earth Sciences Minister, Jitendra Singh, said that such a law was necessary under India’s obligations as a signatory to the Antarctic Treaty of 1963.

The key objectives of the Treaty are to demilitarise Antarctica, establish it as a zone free of nuclear tests and the disposal of radioactive waste, and to ensure that it is used for peaceful purposes only; to promote international scientific cooperation in Antarctica and to set aside disputes over territorial sovereignty.

The ‘Antarctica Bill’ was introduced in the Lok Sabha in April this year and its overarching aim is to regulate visits and activities to Antarctica as well set ground rules for potential disputes that may arise among those present on the continent. The Bill also prescribes penal provisions for certain serious violations.

Under the provisions of the Bill, private tours and expeditions to Antarctica would be prohibited without a permit or the written authorisation by a Member country. A Member country is one of the 54 signatories of the Treaty.

The Bill also lays out a structure for government officials to inspect a vessel, conduct checks of research facilities. The act also directs creating a fund called the Antarctic fund that will be used for protecting the Antarctic environment.

The Bill also extending the jurisdiction of Indian courts to Antarctica and lays out penal provision for crimes on the continent by Indian citizens, foreign citizens who are a part of Indian expeditions, or are in the precincts of Indian research stations.

Following its first expedition to Antarctica in 1982, India has now established two standing research stations, Bharti and Maitri, at Antarctica. Both these places are permanently manned by researchers.

The Bill also establishes a ‘Committee on Antarctic Governance and Environmental Protection.’ The Bill also prohibits mining, dredging and activities that threaten the pristine conditions of the continent. It also prohibits any person, vessel or aircraft from disposing waste in Antarctica and bars the testing of nuclear devices.

World

Russia, Ukraine seal grain exports deal (Page no. 11)

(GS Paper 2, International Relation)

Kyiv and Moscow penned a landmark agreement with Turkey and the UN to unblock Ukraine’s Black Sea grain exports after a Russian blockade raised fears of a global food crisis.

In their first major deal after nearly five months of fighting, Russian and Ukrainian delegations signed individual agreements with Ankara and the UN in the wake of several rounds of laborious negotiations.

Ukraine had warned ahead of the signing that any Russian “provocations” around its encircled Black Sea ports would be met with a swift military response and refused to pen the same papers as Moscow.

Today, there is a beacon on the Black Sea — a beacon of hope, a beacon of possibility, a beacon of relief,” UN Secretary General Antonio Guterres said at the signing ceremony in the lavish Dolmabahce Palace on the Bosphorus Strait.

The deal agreed through UN and Turkish mediation establishes safe corridors along which Ukrainian ships can come in and out of three designated Black Sea ports in and around Odessa.

And both sides also pledged not to attack ships on the way in or out. It will bring relief for developing countries on the edge of bankruptcy and the most vulnerable people on the edge of famine.

The five-month war, which has displaced millions and left thousands dead, is being fought across one of Europe’s most fertile regions by two of the world's biggest grain producers.

Up to 25 million tonnes of wheat and other grain have been blocked in Ukrainian ports by Russian warships and landmines Kyiv has laid to avert a feared amphibious assault.

Turkish President Recep Tayyip Erdogan — a key player in the negotiations who has good relations with both Moscow and Kyiv — said he hoped the deal would “hopefully revive the path to peace”.

U.K. Foreign Secretary Liz Truss congratulated Turkey and UN for brokering the deal but cautioned "we will be watching to ensure Russia's actions match its words".

Economy

‘RBI will iron out volatile rupee moves’ (Page no. 12)

(GS Paper 3, Indian Economy)

Reserve Bank of India (RBI) Governor Shaktikanta Das stressed on Friday that while the central bank was committed to ensuring that the rupee finds its level in line with its fundamentals and does not target any particular level for the rupee, it would intervene decisively to iron out any volatile or bumpy movements in the currency’s exchange rate.

I would like to reiterate that we have no particular level of the rupee in mind, but we would like to ensure its orderly evolution and we have zero tolerance for volatile and bumpy movements,”referring to the RBI’s stance on the rupee’s recent depreciation against the U.S. dollar, while addressing a banking conference in Mumbai.

Asserting that the Indian rupee was ‘holding up well relative to both advanced and emerging market peers’ due to India’s ‘underlying fundamentals being strong, resilient and intact’, the RBI’s actions, including measures to encourage inflows, had ensured that the rupee’s movements had been relatively smooth and orderly.

By eschewing sudden and volatile shifts, we have ensured that expectations remain anchored and the forex market functions in a stable and liquid manner.

Underscoring the need to recognise that spillovers from global monetary policy tightening, the geopolitical situation, the still elevated commodity prices especially of crude oil, as well as the lingering effects of the pandemic had all combined to affect currencies worldwide, Mr. Das observed: “Even reserve currencies such as the Japanese yen, the euro, and the British pound sterling have not been spared”.

Portfolio funds are selling off assets and fleeing to safe haven. Emerging market economies (EMEs) are particularly affected by capital outflows, currency depreciations and reserve drawdowns, complicating macroeconomic management in these countries.

Emphasising that the economic recovery was gradually strengthening, he said “current account deficit is modest. Inflation is stabilising. The financial sector is well-capitalised and sound. The external debt to GDP ratio is declining. The foreign exchange reserves are adequate.