

The Indian Express

Front Page

Retail inflation eases, but still over 7%, IIP hits 12-month high of 19.6% in May (Page no. 1) (GS Paper 3, Economy)

India's factory output, measured by the Index of Industrial Production (IIP), came in at a 12-month high of 19.6 per cent for the month of May, compared with a 6.7 per cent growth reported in April, partly on account of the base effect, data from the National Statistical Office.

In a separate set of data released by the NSO, retail inflation inched down marginally to 7.01 per cent in June from 7.04 per cent in the previous month due to moderation in food inflation.

The inflation rate, however, continued to remain above the 7 per cent mark for the third month in a row, marking completion of the second quarter of it being higher than the Reserve Bank of India's target of 2+/-4 per cent for the medium term.

With the inflation print expected to stay elevated in coming months, the RBI is one quarter away from having to explain its failure to keep the inflation within the stipulated band.

As per the mandate by the monetary policy framework, if the average inflation rate breaches the 2-6 per cent target for three consecutive quarters, the RBI will have to explain to the government the reasons for breach in the inflation target. Reacting to the consumer price inflation numbers, Union Finance Minister Nirmala Sitharaman said monitoring of prices will continue to be a part of the government's pointed attack on inflation.

Food inflation eased to 7.75 per cent in June from 7.97 per cent in May, mainly due to sharp decline in oil and fat inflation. Core inflation — the non-food, non-fuel component of inflation — was at 5.95 per cent, declining to less than 6 per cent after a gap of three months.

The moderation in the CPI inflation in June for food and beverages, and miscellaneous items, was almost fully offset by higher inflation for pan, tobacco and intoxicants, clothing and footwear, housing, and fuel and light.

Rural inflation was recorded at 7.09 per cent in June, while urban inflation was at 6.92 per cent as against 7.08 per cent each in May. Rural inflation became higher than urban inflation after a gap of one month. In five out of the last six months, rural inflation has remained higher than urban inflation.

Among states, the highest inflation rate was recorded by Telangana at 10.05 per cent, followed by Andhra Pradesh at 8.63 per cent and Haryana at 8.08 per cent.

Express Network

Delhi HC : one-page reply to such an important issue? (Page no. 7) (GS Paper 2, Polity and Governance)

Terming the question regarding legal structure of PM CARES Fund "important", the Delhi High Court took exception to a "one-page" reply by the authorities in response to a petition seeking that PM CARES Fund be declared as 'The State' under Article 12 of the Constitution of India.

The affidavit of one Pradeep Kumar Srivastava (Under Secretary, Prime Minister's Office). Nothing beyond that? Such an important issue and one page reply is there. Whatever the learned senior (for petitioner) is arguing, there is not even a whisper about it in the reply," said the division bench of Chief Justice Satish Chandra Sharma and Justice Subramonium Prasad, while addressing Solicitor General Tushar Mehta and other central government counsel.

Directing the authorities to file "a detailed and exhaustive reply" within four weeks, the court listed the matter for hearing on September 16. "You file a proper reply. The issue is not that simple.

We need an exhaustive reply. Learned SG, let a proper reply be there because this matter will travel to the apex court also. We will have to pass an order on each and every point raised," added the court.

The bench was hearing a petition filed by Samyak Gangwal, who has argued that that citizens of the country are aggrieved that a fund set up by the Prime Minister and with trustees like the PM and ministers of Home, Defence and Finance has been declared to be a fund over which there is no government control.

In a brief reply filed to the case last year, the PM CARES Fund, a charitable trust under the law, said that the Trust's fund is not a fund of the Government of India and its amount does not go in the Consolidated Fund of India.

The question regarding the inadequacy of the response was raised by the court when it was hearing arguments of the petitioner's counsel, senior advocate Shyam Divan. Stating that the Centre has not even chosen to file a reply in the case, Divan pointed to the mistakes in the response filed by the PMO.

**DCGI nod to SII's HPV jab for cervical cancer (Page no. 9)
(GS Paper 3, Science and Technology)**

'Cervavac', the country's first quadrivalent human papillomavirus vaccine (qHPV) manufactured by Pune-based Serum Institute of India (SII) was approved by the Drug Controller General of India for market authorisation, SII CEO Adar Poonawalla said in a tweet Tuesday. The vaccine protects women against cervical cancer.

When contacted, CEO of Serum Institute of India (SII), Adar Poonawalla, told The Indian Express that the vaccine is very important, particularly for all adolescent girls to protect themselves against cervical cancer.

Earlier, Poonawalla had tweeted that for the first time there will be an Indian HPV vaccine to treat cervical cancer in women that is both affordable and accessible.

"The staff at the Serum Institute of India have focussed on the development of non-Covid vaccines also as we knew that after the pandemic is over, there will be many diseases that will need attention and intervention.

In particular, this vaccine is very important for adolescent girls as teenagers and upwards need to protect themselves against cervical cancer," Poonawalla said Tuesday.

The vaccine will ensure prevention of cancers caused by human papillomavirus (Type 6, 11, 16 and 18) vaccine recombinant, said SII sources. According to sources close to SII, the vaccine trials commenced in September 2018 across 12 sites in the country.

The phase 2/3 clinical trial was completed with the support of the Department of Biotechnology. The sources added, the vaccine will be launched towards the end of the year.

HPV is a common virus that is passed from one person to another during sex. Long-lasting infection with certain types of HPV is the main cause of cervical cancer. In India, cervical cancer accounted for 9.4 per cent of all cancers and 18.3 per cent (1,23,907) of new cases in 2020 according to a report in the Indian Journal of Gynaecologic Oncology (December 2021).

Cervical cancer is the second most common cancer of women in India despite being largely preventable. Majority of the cervical cancer related deaths occur in low and middle income countries where routine gynaecological screening is minimal or absent.

**Pradhan Mantri Fasal Bima Yojana: Andhra rejoins, efforts on to woo 5 other states (Page no. 10)
(GS Paper 2, Polity and Governance)**

With Andhra Pradesh deciding to rejoin the Pradhan Mantri Fasal Bima Yojana (PMFBY) from the ongoing kharif season, the Centre is reaching out to the five other states—Bihar, Jharkhand, Gujarat, Telangana and West Bengal—to bring them back on board to implement the crop insurance scheme.

These six states had implemented the PMFBY initially but opted out at different times in the last four years. The first state to opt out was Bihar in 2018-19. West Bengal and Andhra Pradesh left the PMFBY in 2019-20, while Telangana, Jharkhand and Gujarat opted out in 2020-21.

On Tuesday, the Agriculture Ministry announced that Andhra Pradesh has decided to "rejoin" the PMFBY following talks between Union Agriculture Minister Narendra Singh Tomar and Chief Minister Y S Jagan Mohan Reddy.

Union Agriculture Secretary Manoj Ahuja had met Reddy and then a team gave a presentation to him regarding the scheme on July 7.

When Andhra Pradesh decided to opt out, it had mentioned four reasons: first, the scheme should be voluntary; second, states should be given options to choose risk; third, the scheme should be universal, and the cut-off date for enrollment should be flexible; and fourth, the state should be given option to use their own database of E-crop, an application used by the AP government to collect information about crops.

On July 1 this year, PMFBY CEO Ritesh Chauhan, who is also the Joint Secretary in the Agriculture Ministry, had written to the Bihar government regarding addressing the state's concerns, sources said. Bihar had implemented the PMFBY during the initial two years—2016-17 and 2017-18. The ministry also wrote to Jharkhand that opted out of the PMFBY in 2021-22.

Besides, the ministry is also in talks with Telangana. A team of the Central officials had made a presentation in front of a group of Telangana ministers on June 23.

Sources said Gujarat is also expected to rejoin the scheme after the assembly elections. However, sources were not sure about when West Bengal will rejoin the scheme.

Editorial Page

Diplomatic bad faith (Page no. 12)

(GS Paper 2, International Relations)

The world is hurtling towards a far-reaching geopolitical and economic crisis, in part precipitated by the war in Ukraine. The secondary effects of the war are now reverberating across the world. The risks of escalation are increasing.

The first priority of the international community has to be finding a creative solution that ends this war. But it is becoming equally clear that the world is in the grip of a deadly combination of denial, surrealism and opportunism.

Russia's invasion of Ukraine is a moral abomination of the highest order. What else can one call the will to destroy a nation of 40 million? There is no justification for this invasion. Even Putin does not take recourse to the pretexts that his apologists in Indian circles provide.

It is difficult to predict the course of the war. But it has been clear for a long time that neither Ukraine nor Russia will achieve the objectives they have stated will count as a victory any time soon.

The Ukrainian resistance is heroic; but they will not be able to fully dislodge Russia from Ukrainian territory. The Russian military has not suffered losses that are unsustainable, Russia's economy has not been brought to its knees, and the political stakes of a defeat are too high for Putin to let go.

It is unconscionable for anyone to ask Ukraine that has sacrificed so much to defend its rights, to simply give up and appease Putin. But the war has dragged on long enough that the human cost of the war will become a factor in Ukraine's calculation.

Now one might think this is a good time for diplomacy, and many well-meaning people have called on the G-20 to be the forum to take an active role. But there are three challenges with the diplomatic route.

The first is simply that no one quite knows Putin's endgame, and his political definition of a victory here. He has shown a kind of ruthlessness and expansive ambition, and staked so much nationalist pride on this that the threshold of what it will take to diplomatically pacify him is probably very high already. It's funny that none of the calls for diplomacy are. Second, there is the chicken and egg problem. Diplomacy requires the cessation of hostilities, or at the very least, it will require the West slowing down military support for Ukraine.

But that in turn could simply be a ruse that allows Russia to reconsolidate and break whatever momentum Ukraine has. It is hard to see Putin negotiating without demanding some immediate gesture that asymmetrically disadvantages Ukraine. The question is, who will take this risk?

Third, there is the brute fact that Putin has no incentive to negotiate. In Western Europe and the rest of the world, the secondary effects of the war are already strengthening Putin's hand, he will be hoping that a combination of fatigue, energy disruptions and inflation gives him the upper hand.

Mind the terms of trade (Page no. 12)

(GS Paper 3, Economy)

In recent months, India has signed trade agreements with Australia and the UAE. In the last week of June, New Delhi began talks for a similar agreement with the EU. These talks could have a bearing on tariff-related matters in agriculture and industry.

India's successful sectors like textiles, pharmaceuticals and leather could benefit from these deliberations, which would also be keenly watched by representatives of the services and renewable energy sectors.

In the last decade, India's exports to EU countries have grown at a faster pace than the country's overall exports. The Netherlands, Germany, Belgium, Italy, and France have emerged as key markets for Indian products.

A successful free trade agreement (FTA) with the EU could help India to expand its footfall in markets such as Poland, Portugal, Greece, the Czech Republic and Romania, where the country's exports registered double-digit annual growth rates in the last decade.

Before entering into trade agreements, India needs to take care of a few key concerns. These agreements do provide momentum to cross-border trade flows by dismantling various tariff and non-tariff barriers.

It has been observed that when India is an importer, the preferential tariffs that accrue as a result of trade agreements are significantly lower than the rates charged from countries given Most Favoured Nation (MFN) status by New Delhi.

But when the partner country is the importer, preferential tariffs on Indian goods, in most cases, are closer to the MFN tariffs. As a result, Indian exporters do not get the same returns as their counterparts in the partner countries — India's trade with South Korea is a case in point.

Before entering into a trade agreement care should, therefore, be taken to ensure that the domestic industry is not made to compete on unequal terms with the partner countries.

The India-UAE Comprehensive Economic Partnership Agreement sets a good example. It includes a strong clause on the rules of origin. Forty per cent value addition or substantial processing of up to 40 per cent in the exporting country is required to qualify for lower tariffs.

Rules of origin have been a bone of contention in most Indian trade agreements. In 2020, the country notified the Customs (Administration of Rules of Origin under Trade Agreements) Rules (CAROTAR, 2020), which require a basic level of due diligence from the importer. It will be interesting to see how these rules work out in the FTAs.

First price stability (Page no. 12)

(GS Paper 3, Economy)

In line with expectations, retail inflation, as measured by the consumer price index, dipped marginally to 7.01 per cent in June, down from 7.04 per cent the month before, as per data from the National Statistical Office.

This latest data implies that inflation has averaged 7.3 per cent in the first quarter (April-June) of the ongoing financial year, marginally lower than the Reserve Bank of India's June forecast of 7.5 per cent.

However, this is the sixth straight month in which inflation has come in above the upper threshold of the central bank's inflation targeting framework.

The disaggregated data shows that the consumer food price index fell to 7.75 per cent, down from 7.97 per cent in the previous month. This decline in food inflation was driven by eggs, pulses, and moderation in prices of other items.

While in the weeks thereafter, the fall in edible oil prices will impart a moderating influence, a lot depends on how the monsoon plays out. The kharif sowing has been slow.

However, since June 30, there has been a pick-up in the monsoon which should spur sowing — till the first week of July, the area sown under kharif was around 9 per cent lower than last year.

Equally worrying, core inflation, which strips away the volatile food and energy components, continues to remain elevated.

Almost all components, from clothing and footwear to household goods and services, recreation and amusement and personal care, witnessed price pressures, suggesting that the firming up of demand for services will continue to exert pressure on prices.

A few days ago, RBI Governor Shaktikanta Das, speaking at an economic conclave, said that price pressures will gradually ease in the second half of the current financial year.

Prior to that, RBI Deputy Governor Michael Patra noted that there are signs of inflation peaking, and harsh policy may not be needed to contain price pressures. While global commodity prices (fuel and base metals) have eased considerably due to fears of a recession, inflation is likely to continue to remain higher than the central bank's target in the near term.

The Idea Page

At Bonn ,belying green hopes (Page no. 13)

(GS Paper 3, Environment)

From June 6-16, representatives from more than 100 countries descended on Bonn to hold preliminary discussions on what could be the final communiqué at the conclusion of COP27, to be held at Sharm-el-Sheikh later this year.

Discussions were centred around climate finance and it was evident, not surprisingly though, that there was hardly any convergence of issues. The developed and developing countries or for that matter, big polluters and small polluters, were speaking from the ends of the spectrum with no meeting ground.

The focus on climate issues, in any case, has been relegated to the background somewhat because of the Ukraine crisis, leading to a fuel and food shortage.

The deliberations at Bonn were also disrupted when delegates walked out after a Russian official used the platform to criticise Ukraine. It would be useful to have an overview of some of the major issues that were discussed to gauge what lies ahead at COP27.

Much of the discussion was around “loss and damage”, which was being experienced by many of the smaller countries, especially with big coastlines, due to rising river levels, loss of agricultural productivity, loss of livelihoods, etc.

It was argued that one needs to look into this issue right now and provide financial assistance to cope with it. Countries that are adversely affected can't wait till 2030 or 2050 since, by that time, they would be in absolute peril. This brings into focus the debate between adaptation and mitigation.

While mitigation would mean, for example, setting up solar generation units to avoid carbon footprints, possible examples of adaptation include rolling out new varieties of drought-resistant crops.

It is generally felt that whatever funding has come for climate change issues has mostly been directed towards mitigation. This is primarily because mitigation projects have a cost-benefit analysis and, therefore, it is easy to lend money because you can get it back through interest payments.

The same is difficult for adaptation projects, which would be in the form of grants. The idea to provide assistance for “loss and damage” was opposed by the US and the EU.

Unfortunately, discussions on the subject were more in terms of workshops rather than a dialogue, which is considered more formal and likely to result in tangible gains.

The Green Climate Fund is considered too cumbersome and the process too lengthy. Hence, the need for an alternate funding route was imperative.

Explained Page

The bail law and Supreme Court call for reform (Page no. 15) (GS Paper 2, Judiciary)

On Monday, the Supreme Court underlined that “there is a pressing need” for reform in the law related to bail and called on the government to consider framing a special legislation on the lines of the law in the United Kingdom.

A two-judge Bench comprising Justices Sanjay Kishan Kaul and M M Sundaresh issued certain clarifications to an older judgment delivered in July 2021 on bail reform (Satender Kumar Antil vs CBI).

Referring to the state of jails in the country, where over two-thirds lodged are undertrials, the Supreme Court underlined that arrest is a draconian measure that needs to be used sparingly.

“Of this category of prisoners, majority may not even be required to be arrested despite registration of a cognizable offense, being charged with offenses punishable for seven years or less.

They are not only poor and illiterate but also would include women. Thus, there is a culture of offense being inherited by many of them,” the court said.

Theoretically, the court also linked the idea of indiscriminate arrests to magistrates ignoring the rule of “bail, not jail” to a colonial mindset.

The Code of Criminal Procedure (CrPC) was first drafted in 1882 and continues to be in use with amendments from time to time.

“Our belief is also for the reason that the Code as it exists today is a continuation of the pre-Independence one with its modifications,” the Court said.

The CrPC does not define the word bail but only categories offences under the Indian Penal Code as ‘bailable’ and ‘non-bailable’.

The CrPC empowers magistrates to grant bail for bailable offences as a matter of right. This would involve release on furnishing a bail bond, without or without security.

Non-bailable offences are cognisable, which enables the police officer to arrest without a warrant. In such cases, a magistrate would determine if the accused is fit to be released on bail.

What Webb’s deep field image shows , why it’s epochal (Page no. 15) (GS Paper 3, Science and Technology)

The United States space research agency NASA said in a release on Monday (July 11) that its James Webb Space Telescope (JWST) has produced the deepest and sharpest infrared image of the distant universe that has ever been seen, heralding a major event in astronomy. The JWST is the largest and most powerful telescope ever built.

Thousands of galaxies — including the faintest objects ever observed in the infrared — have appeared in Webb’s view for the first time, all captured in a relatively small area.

“This slice of the vast universe covers a patch of sky approximately the size of a grain of sand held at arm’s length by someone on the ground,” the release said.

This is the oldest documented light in the history of the universe from 13 billion — let me say that again, 13 billion — years ago. We can see possibilities no one has ever seen before.

Calling it “Webb’s First Deep Field”, NASA said the image shows galaxies that were once invisible to us. The image shows shining objects packed together in hues of blue and orange. Swirling, faraway galaxies — similar to how the Milky Way looks — are also visible.

“Light travels at 186,000 miles per second. And that light that you are seeing on one of those little specks has been travelling for over 13 billion years,” NASA administrator Bill Nelson said of the image, the BBC reported.

And by the way, we're going back further, because this is just the first image. They're going back about 13 and a half billion years. And since we know the Universe is 13.8 billion years old, you're going back almost to the beginning," he added.

Taken by Webb's Near-Infrared Camera (NIRCam), the image was made by combining various images at different wavelengths. The image shows the galaxy cluster called SMACS 0723, as it appeared 4.6 billion years ago.

Assam's Muslims: why some have been declared 'indigenous' and some left out (Page no. 15)
(GS Paper 2, Governance)

Last week, the Assam Cabinet approved the identification of five Assamese Muslim sub-groups — Goriya, Moriya, Julha, Deshi, and Syed — as "indigenous" Assamese Muslim communities.

This effectively sets them apart from Bengali-speaking Muslims, who — or whose ancestors — had migrated at various points of time the region that was once East Bengal, and later became East Pakistan and now Bangladesh.

While many sub-groups exist, this aspect of population dynamics is best understood by looking at Muslims of Assam as belonging to two broad categories. Muslims outside these two categories would account for very small numbers relative to Assam's large Muslim population.

The larger of these two categories comprises Muslims who speak Bengali, or whose roots lie in Bengal, and who settled in Assam at various times after undivided Assam was annexed to British India in 1826. These Muslims are often referred to as Miyas.

The numerically smaller broad category comprises the "Assamese Muslims", who speak Assamese as their mother tongue, and who trace their ancestries in Assam back to the Ahom kingdom (1228-1826).

By and large, they see themselves as part of the larger Assamese-speaking community, together with Assamese Hindus, and many of them are very conscious about being distinct from Bengal-origin Muslims.

Assam has a significant Muslim population. Within that, there is a section that has migrated to Assam at different points of time.

However, there are certain Muslim groups, too, who are native to the state, and have long agitated to safeguard their cultural identity. We have recognised their struggle, and identified these groups as 'indigenous' or khilonjiya Assamese Muslims," Chief Minister Himanta Biswa Sarma said following the Cabinet decision.