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# Swadeshi

## PATRIKA

JANUARY 2022







# Swadeshi Shodh Sansthan

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JANUARY 2022



**15th Rashtriya Sabha**

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## Semiconductor Incentives

*The announcement of semiconductor policy and Rs 76,000-crore incentive package for getting semiconductor and display fab manufacturing into the country is a step in the right direction. This semiconductor policy is very comprehensive and covers all aspects of the supply chain from talent, design, manufacturing, testing to packaging and logistics. This incentive package will cover both production-linked incentives (PLI) as well as design-linked incentives (DLI). Under Design Linked Incentive (DLI) scheme, support will be provided to 100 domestic companies of semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductors linked to design. The DLI scheme will offer incentives of up to 50 percent of eligible expenditure and product deployment linked incentives of 6-4 percent on net sales for five years. An independent 'India Semiconductor Mission (ISM)' will be set up to drive the long-term strategies for developing sustainable semiconductors and display ecosystem in the country.*

*India is setting up commercial semiconductor wafer fab units and two consortia have initiated work in this regard. The proposed location is Greater Noida in Uttar Pradesh and in Prantij in Gujarat. But these will take time; at least 4-5 years time to have our first large semiconductor plant. As a step up to that, the Government plans to upgrade the existing semiconductor laboratories. Other intermediary steps like setting up of whole packaging units i.e. ATMP (Assembly, testing, marking, packaging) unit should be taken so that a company can design the semiconductor chip in India, send it to make it wafer abroad, bring back that wafer, and get it packaged in India in ATMP facilities.*

*It can be said that it is a belated but right step because, in the current geopolitical scenario, trusted sources of semiconductors and displays hold strategic importance and are key to the security of critical information infrastructure.*

— Kumar Gaurav, Samastipur, Bihar

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## Quote-Unquote



**Biggest infringement of human rights takes place when they are seen from political prism.**

Narendra Modi  
Prime Minister, Bharat



**Because of India's stature, geographic location and the security challenges facing the country, we cannot remain dependent on other nations for defence technologies. We all understand this truth.**

Rajnath Singh  
Defence Minister, Bharat



**Very pleased with the Government announcement of Semiconductor policy. Very comprehensive and covers all aspects. The Semiconductor Mission will be a game changer for effective implementation**

Ajay Chaudhary  
Founder, HCL and Chairman, IIT Patna



## Imperative of TRIPS Waiver

For the last two years, humanity is going through a terrible pandemic named Corona, whose end is not in sight in the near future. Instead of ending, pandemic has been worsening with third, fourth, fifth and next waves. In the last few weeks, due to the spread of a new type of variant named Omicron, there has been an atmosphere of fear in the whole world. Humanity is not only faced with the burden of disease, lack of vaccination in a major part of the world and expensive medicines and treatment after the disease is haunting all especially, the poor. In such a situation, universal availability of vaccines and cheap medicines and treatment in case of disease, has become a necessary condition to save humanity. It is worth noting that companies have patent and other intellectual property rights of medicines and equipments, necessary for the treatment of corona. Moreover, companies also possess control over the formulations and raw materials of Corona vaccines. Thanks to significant vaccination it is hoped that India will also be able to save itself from the new Omicron variant. But the rest of the world is not so fortunate. There are many countries in the world where the process of vaccination has not yet started. Expensive medicines and treatment are no less than a death knell for the poor people of these countries.

In October last year, a petition was made by India and South Africa in the World Trade Organization seeking exemption from Trade Related Intellectual Property Rights (TRIPS), so that vaccines and corona medicines in the world are available to the entire humanity on affordable basis. Globally, TRIPS mandates countries to honour intellectual property rights. The exemption from TRIPS would mean that companies that have intellectual property rights on vaccines, medicines and medical equipment would be revoked for the period so decided, and many countries of the world, including India, would be able to produce these vaccines, medicines and devices on their own. Though US has changed its position and has agreed to support TRIPS waiver for vaccine, the European Union continued to oppose the proposal. Although there has been some relaxation in their stance recently, but still they are proposing many conditions before giving their consent.

The proposed Ministerial Conference of the World Trade Organization from 30th November to 3rd December in Geneva (Switzerland), where a decision was expected, has been postponed due to the spread of the Corona pandemic. Due to the threat of Omicron, now again there is concern in the whole world whether humanity will continue to suffer without vaccine and treatment, or a decision will be taken soon for this. It is believed that had the proposal of India and South Africa on TRIPS waiver was accepted in time, the speed of vaccination across the world would have been much faster. With the advent of Omicron, today the importance of TRIPS waiver has increased much more. It is true that if this decision is taken soon, we can still save many lives. Although some people in India, are also arguing that today, India is capable of vaccinating its entire population and it will soon achieve the objective of universal immunisation; moreover, when many companies are already giving voluntary licenses of their patented medicines to Indian companies, there is hardly any importance of TRIPS waiver for India. They also say that India has manufactured a good effective vaccine itself, sufficient for India and even for exports, it can also take advantage of IPR and sell the same to the world. In this regard we must not forget that India and South Africa's demand for TRIPS waiver was not only for their own countries but for the whole of the humanity. Even if the argument, that some foreign companies in India have given voluntary licenses of medicines necessary for the treatment of corona to Indian companies, but their price is still very high, because if these drugs are exempted from the provisions of TRIPS, then these drugs will be much more affordable and help the poor people in their treatment in India and the rest of the world. Not only this, according to the terms of the voluntary license, Indian companies can generally make and sell these medicines in India itself. In such a situation, it is believed that even after getting voluntary licenses, these medicines will not be available to more than half of the world's population, which will be a very unfortunate situation for the humanity. In fact, the delay in the TRIPS waiver goes against the spirit of the TRIPS Agreement of the World Trade Organization and the 'Doha Declaration on TRIPS and Public Health'. Therefore, a voluntary license is no substitute for a compulsory license.

Today a newer type of apartheid is emerging in the world and that is between vaccinated and unvaccinated. Recently, in the ministerial conference, which was to be held in Geneva, Switzerland, it was also stipulated that only those who have been fully vaccinated with a vaccine certified by World Health Organisation, would be able to participate, and others will have to satisfy organisers by getting the RTPCR test done, every 72 hours. Significantly, there are many countries in the world where vaccination has not yet started or is in a very nascent stage. That is, such countries whose representatives are not vaccinated, will not be able to be represented in international forums will be restricted for such meets.

In such a situation, the need of the hour is that all the rich countries including USA and Europe, who are endangering humanity by opposing the demand for TRIPS waiver, be boycotted at every global platform. Press, media, intellectuals and people representatives, should create such an environment that these countries give their consent for TRIPS waiver. This is the only way to save the humanity.



## Swadeshi Jagran Manch 15th Rashtriya Sabha Gwalior, Madhya Pradesh

The Rashtriya Sabha (National Assembly) of Swadeshi Jagran Manch was held on 24-26 December 2021 at Laxmibai National Institute of Physical Education, Gwalior (Madhya Pradesh). Presenting the report at the beginning of the meeting, its All India Convener Sh. R. Sundaram said that Swadeshi Jagran Manch continued its work uninterruptedly even during Corona period. During this period, the Swadeshi Swavalamban campaign reached to 14 lakh people. A Patent Free Vaccine and Universal Access to Vaccines and Medicines (UAVM) campaign was launched, which received support from 40 countries around the world and more than 14 lakh people digitally signed the petition across the world under this campaign.

In the inaugural session, Swami Rishabh Devanand Ji Maharaj (Founder Shrikrishnayan Deshi Gaushala), Smt. Kiran Chopra (Managing Director, Punjab Kesari), Man. Sh. V. Bhagaiah (Former Sah Sarkaryavah, RSS), Sh. R. Sundaram (National Convener), Sh. Kashmiri Lal (National Organiser), Sh. Arun Ojha, Dr. Ashwini Mahajan, Sh. Ajay Patki, Dr. Dhanpat Ram Agarwal (National Co-Convenors), Smt. Amita Patki (Akhil Bhartiya Mahila Pramukh),

Sh. Jitendra Gupta (Former President, Laghu Udyog Bharti), Prof. Vivek Pandey (Vice Chancellor, Laxmibai Institute of Physical Education) and Prof. S.K. Ram (Vice Chancellor, Agriculture University Gwalior) were present.

### Inaugural Session (24th December, 2021)

The first session of the Rashtriya Sabha started with the introduction of All India Officers of the Manch and other participants. In the meeting, 365 swadeshi fighters (All India officers, Regional conveners & co-conveners, invited prominent karyakartas and personalities) from all over Bharat were present.

Smt. Kiran Chopra, Managing Director, Punjab Kesari in her address highlighted the role of MSMEs in country's progress and pointed out that this sector is also the core of swadeshi philosophy. The more these industries progress, the more empowered the country will be.

Swami Rishabh Devanand ji Maharaj, the founder of Shrikrishnayan Deshi Gaushala, said that he established Shrikrishnayan Deshi Gaushala with the objective of protecting and promoting the indigenous cow.



**Resolution-1****Environment**

Environment broadly implies physical surroundings common to all of us, including air, space, water, land, plants, and wildlife. The term also includes the issues relating to climate change and its impact on biodiversity. It also refers to our culture or way of life affecting human behaviour and our consumption pattern.

Our Constitution also put obligation on the state to protect and improve the environment as it is a fundamental right of every citizen to live in unpolluted environment. Government of India has accordingly enacted several environment laws against pollution and cast duties to protect the environment including on deforestation.

Although the term sustainable development is much talked about but the real emphasis should be on sustainable consumption as huge amount of resources are wasted under the garb of consumption by the developed and affluent countries and they have emitted huge CO<sub>2</sub> in the atmosphere and are now trying to shift the blame and to reduce emissions on developing countries like ours. Indian culture has always supported restraint and rationality in consumption. There is thus a need for change in the lifestyle and to penalise those few developed countries who are responsible for irrational and wasteful consumption.

Major international issues of Environment are: ● Global warming, ● Depletion of Ozone Layer, ● The protection of the rain forest, ● Save wild life and animal species, ● The control of hazardous substances including CO<sub>2</sub> and Methane Emissions, ● Waste Management and Conservation of natural resources, ● Biodiversity, ● Plant species and lifestyle of indigenous people, ● Protection of eco-system, ● Deforestation, ● Floods, ● Famines, ● Climate Refugees, ● Cyclones and dangers to coastal areas specially with reference to the recent IPCC Report on Climate Change and rising temperature.

Global warming has a dangerous effect on our environment that we are facing these days. and it refers to the increase in the average temperature of the earth's surface during the last century. One of the reasons why global warming is dangerous is because it disturbs the overall ecology of the planet.

The effect of global warming is widely seen in this decade.

Glacier retreat and arctic shrinkage are the two common phenomena. Glaciers are melting in a fast way. Rise in sea level is another significant effect of global warming. This sea-level rise is leading to floods in low-lying areas. Extreme weather conditions are witnessed in many countries. Unseasonal rainfall, extreme heat and cold, Wildfires and others are common every year. The number of these cases are increasing. This will indeed imbalance the ecosystem bringing the result of the extinction of several species.

The most evident causes of global warming are industrialization, Internet pollution, urbanisation and deforestation. These human activities have led to an increase in the emission of the greenhouse, including CO<sub>2</sub>, nitrous oxide, methane, and others. Methane gas has shorter lifespan of 12 years as compared to more than 200 years for CO<sub>2</sub> but it traps heat 84 times that of CO<sub>2</sub> and therefore known as "Super warmer of the atmosphere". Similarly, volcanoes are also leading to global warming because they spew too much CO<sub>2</sub> in the air. The bulk of the CO<sub>2</sub> emissions are from burning of fossil fuels, which are used to generate electricity, transport goods and power our houses and factories.

As per IPCC AR-6 Report 2021 annual CO<sub>2</sub> emissions have reached 36.4 gigatonnes (GT) in 2019 which needs to be brought down to 18.22 GT by 2030. China, US and EU-27 currently emit over 50% of the World's 36.44 GtCO<sub>2</sub>. China is likely to increase its share of CO<sub>2</sub> emissions from 10Gt/CO<sub>2</sub> to 12 GT/CO<sub>2</sub> annually in the coming decade. Africa and India with 17% of World population (each) contribute just 4% and 7%. Therefore, there is dichotomy in the present level of emissions and the NDCs. India's share of the global CO<sub>2</sub> emissions entitlement budget is nearly 3 per cent which is just one third of China. There are clear evidences that the old colonial mind set is working for creating new market for the environmental new technology and for creating new opportunities for their investment in the developing countries. India has therefore rightfully emphasised and through its bold intervention, changed the decision on phasing out of coal to phase down and thereby ensuring energy security with further commitments for generating

electricity by using renewable energy to the extent of 50% by 2030 by producing 500 Gigawatt through renewable energy or the Panchamitra.

The demand for carbon neutral is also ambiguous and also illogical. China and Russia have committed for net zero in 2060 and India by 2070. Lot of technological changes will take place during the next 50 years. Majority of the developed countries have committed for 2050 to become carbon neutral but it is too early to believe as they have been looking only for their markets.

The COP 26 has agreed for maintaining the earth temperature within the limit of 1.5 degree Celsius about the preindustrial era of 1850-1900. However, it is also important that the developed countries must meet their commitment to provide minimum support of US \$ 100 billion annually for adaptation and mitigation cost for transition from carbon economy to green economy. SJM demand that this minimum compensation should be increased to US \$ 1 trillion as the developed countries specially USA and Europe are the real convict for victimising the people living in the developing countries. SJM also demands improvement in the carbon market and for transparency in the prices for carbon credit.

SJM also demands from Government of India for regeneration of ground water, rainwater harvesting, solar panel installation on roof on rental ,stopping several construction work in Himalayas which is causing landslides , recycling and reuse of waste including plastic and for solid waste management. The cyclones are becoming regular feature and the life and livelihood of the people in coastal areas of Bengal, Orissa and Andhra Pradesh is becoming miserable and are forced to be Climate Refugees. Sjm also demands for technology transfer for decarbonisation and for green technology.

Although the concern for environmental dangers are being discussed at global level since the very first Earth Summit in Stockholm in 1972 and thereafter in Nairobi in 1982, Rio Earth Summit in 1992 followed by Kyoto Protocol and then Paris Agreement with a ritual annual conference of parties (COP), it is worth noting that in India there are several references in our Vedic literature about respect and for worshiping nature. Even the very first movement against deforestation was started by one Martyr Amrita Devi of Jodhpur in Rajasthan on 28th August 1730 and therefore SJM resolves to celebrate 28th August as National Environment Day alongside 5th June which is celebrated as International Environment Day. □

In the middle of the program little girl Vanya Maheshwari presented Swadeshi song. In the same session, two books titled (1) Rojgar Srijan – Punnah Banaye Bharat Mahan written jointly by Sh. Satish Kumar & Prof. RK Mittal (Vice Chancellor, CBLU, Bhiwani) and (2) Swadeshi Movement of Bharat written by Sh. Manoneet Dalal were released.

SJM , National Co-convener, Dr. Ashwani Mahajan threw light on the economic policies formulated at the global level, which were conspiracies to be implemented by western countries to dominate the developing countries and after sensing which Rash-trarishi Dattopant ji Thengdi established the Swadeshi Jagran Manch on 22 November 1991.

At the end of the session, Shri Saket Singh Ji Rathod proposed vote of thanks.

### **Session (2) (24th December, 2021)**

As a keynote speaker, All India co-organizer of Swadeshi Jagran Manch, Sh. Satish Kumar, explained in detail about Swavalambi Bharat Abhiyan. He said

that we have to make India self-reliant, that is why the name of this campaign has also been named Swavalambi Bharat Abhiyan. The campaign has three objectives - (1) to bring Bharat to zero BPL. (2) Full employment to youth (3) To make the country a 10 trillion economy while protecting the environment.

He informed that 1000 years ago Bharat was agriculture based super economic power. At that time, India's contribution to the world's GDP used to be 32 percent. All the people of Bharat lived with employment and at that time no one had even heard the word of unemployment, but over time Bharat was ruled by invaders and the British, due to which it became backward in economic field and today unemployment is with us as a major problem to be sorted out.

Recognising our power and using demographic dividend which Bharat today enjoy, having the world's largest youth population, we can again reach the pinnacle of a global economic superpower. For this, we have to focus on the following points:

(1) In India, only government jobs are consid-



## Resolution-2

## Technology Yes, Crypto No

Recently, the government has announced the introduction of 'Crypto Currency and Government Digital Currency Bill 2021'. It is clear that the government intends to ban private cryptocurrencies and Reserve Bank of India has plans to issue digital currency. However, government has also indicated to give some relaxation to encourage the technology underneath these cryptocurrencies.

Though, the government and Reserve Bank of India have been in favour of restricting trading in cryptos, however, Hon'ble Supreme Court, gave verdict that since the government has not banned cryptocurrencies legally, it's not within the right of RBI to issue instructions to banks, to not deal with cryptos. With this, crypto exchanges started trading cryptocurrencies on large scale. Although there is no official information about this, it is estimated that about 20 million people have put their money in cryptocurrencies. People (mostly youth) of small and big cities and even villages are getting attracted towards it, because they feel that they can get quick profit by putting their money in it. Swadeshi Jagran Manch firmly believes that:

First of all, it's a wrong notion that cryptocurrency is a currency. Currency means an instrument issued by the central bank and guaranteed by the government. Cryptocurrencies are privately issued virtual coins that have no legal recognition.

Secondly, crypto is being used by criminals, terrorists, smugglers and persons involved in hawala. Recently, when cybercriminals blew up the data of many companies through a computer virus all over the world and ransom was demanded in bitcoins, to return the same, the world became aware of the criminal use of bitcoin.

Thirdly, since it is such a valuable virtual asset, which is known to its holder only. Authorities will come to know only when it is transacted through a bank. Although, it can be taxed when its transaction is declared, however, if it is sold abroad and not in the country, then it will not be taxed. In fact, crypto is not a fiat asset, it cannot be shown in the balance sheet of a company or an individual. That is, crypto is becoming a medium for evasion of income tax, GST and many other types of taxes. There is yet another problem that it's the most convenient method to transfer capital from the country bypassing rules.

Fourthly, due to the ever-increasing price fluctuations in the value of Bitcoin and other types of cryptocurrencies and their ever-increasing demand, the youth is getting attracted towards it. Fluctuations in its value encourage betting in bitcoin. A huge amount of country's money is being put into this. It is like a dark web, because where is this money going, in whose pocket it is going, nobody knows anything. Imagine if the same money is invested for the development of the country, our youth can invest in productive assets; we can help increase in GDP. It is being said that capital formation in the country has been decreasing for some time now, with more money going into purchase of cryptocurrencies, productive investment could further get reduced.

Fifth, one of the major arguments against crypto is that its mining consumes huge amount of electricity, which can lead to power shortages. This is one of the biggest arguments China has made in banning crypto.

This Rashtriya Sabha of Swadeshi Jagran Manch demands:

1. Government should out rightly ban buying, selling, investing and otherwise dealing in crypto currencies by any person resident in India. The arguments in favour of this demand are:
  - a) There is no underlying asset.
  - b) Issuer is not identifiable.
  - c) Recognition of crypto currency may lead to heavy speculation which may in term adversely impact financial market and
  - d) Recognition may also result in money laundering and terror financing.
  - e) It shall result into capital account convertibility from the back door.
2. Cryptocurrencies like Bitcoin, Ethereum, etc should also NOT be recognized as 'asset' or 'digital asset' because it will be indirectly become medium of exchange like currency. This is for the reason that unlike other assets like land, gold and shares, 'crypto-assets' have characteristics of divisibility and portability and

- likely to become an accepted medium of exchange, and thus creep towards being a crypto- currency.
3. Persons holding crypto currencies may be allowed to sell or exchange the same within a short span of time subject to provision of submitting the information to Income Tax Department.
  4. Government should ban online trading platform for buying, selling or otherwise dealing in crypto currencies or crypto-assets presently in circulation.
  5. Disobeying ban should make person/entity liable to financial penalty.
  6. Block chain technology should not be linked to crypto currencies only, however, use of this technology in all sphere of economic or social activities must be encouraged.
  7. Ministry of Consumer Affairs as well as Ministry of Corporate Affairs should make aggressive consumer awareness campaign regarding ban on crypto currencies and advice not to fall prey to deceptive advertisements being circulated by the so called crypto currencies exchanges, especially in Tier 2 and Tier 3 cities.
  8. Law relating to Issuance of digital currency by Reserve Bank of India (CBDC) should be framed quickly.
  9. CBDC should be considered as legal tender. □

ered as employment, which is wrong, the complete definition of employment include employment in all sectors. (2) The main reason for unemployment is to consider GDP as the base of the economy, therefore the budget should be employment based, not GDP based. (3) Every country should recognise its strength; Bharat's largest youth power is its strength. (4) Bharat has to encash its demographic dividend. (5) The government should go for free trade agreements thoughtfully and make only those agreements which are beneficial for the country. (6) Employment generation through decentralisation-district-centred economy. (7) Entrepreneurship is the only solution-it needs to be promoted. (8) Employment generation is a social and economic movement.

He said that job mentality stagnates the physical and intellectual level of a person while entrepreneurship makes a person more creative.

At the end of the session, Sh. Ajay Patki gave his presidential address, highlighting the generation of economic activities and employment generation. The stage was conducted by Shri Manjunath.

### **Session-3 (24th December, 2021)**

In the beginning of the session, the report of South Kshetra was presented by Shri Mahesh, followed by South Central by Sh. Manjunath and of the Western by Shri Ramesh Dave.

Sh. Dhanpat Ram Agrawal, while highlighting the First Resolution on Environment, said that global warming, depletion of ozone layer, end of rain forests & forests cover, threat to wild animals and flora,

excess of methane gas, climate refuge and the melting of glaciers due to which the sea level rises, etc. causes serious natural and human problems. The whole world needs to make efforts to address these issues.

Second Resolution on Cryptocurrencies was presented by Dr. Ashwini Mahajan. Dr. Mahajan informed that this is a computer generated currency in which neither the government nor the investor knows where, how and to whom the investment is going but still its trend has started increasing in Tier-2 and Tier-3 cities also. Now it has also been established that crypto is also being used in criminal activities like drug mafia and extortion etc. Therefore, Swadeshi Jagran Manch is determined to curb crypto currency.

The session was conducted by Dr. Lingamurthy and presided by Sh. Annada Shankar Panigrahi.

### **Session-4 (24th December, 2021)**

At the beginning of the session, Sh. Arushendra Sharma presented the progress report of the Central Region, Dr. Satish Acharya of Rajasthan Region, Prof. Somnath of North Region, Dr. Rajiv Kumar of West Uttar Pradesh, & Dr. Sarvesh Pandey of the East UP.

Dr. Dharmendra Dubey spoke on the topic Role of Media in Swadeshi Movement. He explained how different media channels like print media, electronic media and social media (You Tube, WhatsApp, Instagram, Facebook etc.) in today's time can be effectively used to spread the Swadeshi Jagran Manch's philosophy and campaigns. The session was chaired by Prof. Raj Kumar Mittal and conducted by Smt. Alka Saini.



**Resolution-3****Withdraw Permissions to Amazon, FlipKart-Walmart to Operate in Bharat**

Foreign Direct Investment in multi-brand retail trade is regulated through Foreign Direct Investment (FDI) Policy. Foreign players cannot have inventory based model and they also based from influencing prices by cash burning models. Multinational e-commerce companies such as Amazon and Walmart/Flipkart blatantly contravening and operating uncontrolled in India.

Its well known that Amazon and Flipkart hold 80% of online space. Discounts offered by them are adversely impacting offline markets also. They are luring customers by offering high discounts, advertising aggressively to communicate such offers to the general public. Public is attracted to them more for discount than the convenience. This trend is adversely impacting the neighborhood shops and kirana stores. Along with this, people engaged in wholesale and transport sector are also getting adversity affected by e-commerce giants.

For a long times there was a demand that the e-commerce companies who are illegally doing e-commerce business under the guise of the platform in India by giving huge discounts on the basis of foreign funds i.e. on the basis of 'cash burning model', capturing the markets, be compelled to audit their financial documents and make them public. But these companies avoided making their documents public.

Amazon gives preferential treatment to selected group of sellers including Cloudtail and Appario to hurt small retailers bypassing Indian FDI Regulations. Amazon scooped up data from its own sellers to launch competitive products and brands such as Solimo and Amazon Basics. Amazon Web Services (AWS) is another operations being carried by Amazon in India to exploit the retailers by charging very heavy fees in the garb of helping them in improving their presence on e-market place. Amazon compels small suppliers to hold substantial minimum quantity of their range of products at its fulfilment centres. These suppliers are also required to pay for the warehousing, transportation etc. It has resulted in very high inventory cost for vendors.

Amazon in India has become so powerful that it can pick winners or losers, destroy small businesses, raise prices on consumers and put employees out of work. Working conditions for workers are the worst in fulfilment centres (warehouses) where they are forced to work for long hours without reasonable rest.

Amazon and other giants in e-commerce claims that it is creating jobs. But it does not tell that every one job it creates, it is destroying ten other jobs. It is obvious, as it is at the forefront of automating retail trade. Apart from that they adopt several factices to push people art of conventional business. Its notable that is the past few years mobile shops have been closed due to unfair trade practices of their e-commerce giants.

Amazon meets with startups with the proposal to invest, then launches competing products which is highly detrimental to growth of those startups as well as culture of entrepreneurship in the country.

Amazon is on spree to acquire brick and mortar retail outlets alongwith its e-commerce retail activities. Its investment in Shoppers Stop and More Retail chain are some major steps in this direction.

From 2017-18 to 2019-20, just in three years, Amazon has spent 9,788 crores on legal and professional fees in India. Internal sources only exposed that the money is being routed through these accounts for bribing officials in India.

Payment of bribes by way of legal and commercial fees is no new method. The only difference is that in today's time its magnitude has increased significantly. Amazon Company has hired many law firms for its legal business activities. Amazon company pays huge legal fees to these law companies, and after that these companies transfer that fee to some other company and after that a link is formed and finally the final legal company or lawyer or any professional withdraws the amount in cash to the concerned official. This work is done so efficiently that there is no case for outright bribery by the company.

It has to be understood that this is a very serious matter. This also proves that all licenses and permissions obtained by such companies were obtained fraudulently using unfair means.

This Rashtriya Sabha of Swadeshi Jagran Manch demands that:

- All the permissions given to these companies be withdrawn forthwith and all their activities be declared illegal.
- The entire matter should be investigated by the CBI and as soon as there is a trace of the government officers including people sitting in the high offices, gaining from these companies, directly or indirectly, they should be sent on leave to facilitate fair investigation of the whole matter; and be punished for their offences.□



### **Session-5 (December 24, 2021)**

In this session, 6 parallel sessions were held on different topics - (1) Environment by Sh. Annada Shankar Panigrahi (2) Family Enlightenment and Women Empowerment by Smt. Amita Patki (3) Health & Indigenous Medicines by Sh. Arun Ojha (4) Demographic Dividend by Prof. Raj Kumar Mittal (5) Agriculture by Dr. O.P. Chaudhary and (6) World Trade Organisation related issues by Dr. Ashwani Mahajan.

### **Night Session (24th December, 2021)**

After dinner, the Regional Conveners held meetings with the participants of their respective region in which discussion was held and information was sought on issues like Swavalamban Bharat Abhiyan and collection of funds for the Swadeshi Shodh Sansthan at Delhi.

### **Session-6 (25th December, 2021)**

At the beginning of the session was presented the report of Bihar by Sh. Sachindra Bariyar and of eastern region by Sh. Annada Shankar Panigrahi.

On the subject of our Agriculture, Dr. OP Chaudhary while speaking explained how was our agriculture during ancient time, what is modern agriculture and what should be the agriculture of the future.

Dr. Dhanpat Ram Agrawal and Dr. Ashwani Mahajan got the first and second resolution on environment and cryptocurrency respectively passed by members present with the sound of Om.

Dr. Rajiv Kumar, while presenting the proposal on e-commerce, said that Amazon, Walmart, Flipkart are rapidly capturing the retail business of India by adopting the policy of hook and crook. The recent

example is of Rs. 9,887 crore bribery by Amazon.

Dr. Ranjit Singh in his address on Rastrarishi Dattopant Thengdi informed that now literature on Dattopant ji is available on [www.dbthengdi.in](http://www.dbthengdi.in) along with his audios/videos.

Sh. Deepak Sharma explained in detail about the importance of land nutrition and the Bhumi Suposhan (land nutrition) program launched throughout the country.

### **Session-7 (25th December, 2021)**

In this session, Dr. Somnath Sachdeva presented his views on the topic of employment generation (Rojgar Srijan), Dr. Rajesh Goyal explained the concept of employment generation centers (Rojgar Srijan Kendra) and Shri Jitendra Gupta explained the importance of public awareness for employment generation. In the same session Illa Shri Krishna, M.D. Bharat Biotech praised the Hon'ble Prime Minister for his contribution in development of Covaccine by simplifying the regulatory process.

### **Session-8 (25th December, 2021)**

In this session progress review on important subjects such as organisational issues, campaigns, extension of work, review at district level etc. was undertaken. Sh. R. Sundram and Sh. Kashmiri Lal discussed these issues with State Conveners and above rank karyakartas. Dr Dhanpat Ram Aggarwal and Sh. Satish Kumar discussed these matters with the members of executive council at state level. Sh. Arun Ojha and Dr. Ashwani Mahajan interacted with Vibhag Conveners and other karyakartas having some responsibility assigned in the organisation. Shri Ajay Patki and Smt.



Amita Patki interacted with karyakartas having no responsibility.

### **Swadeshi Sandesh Yatra**

Swadesh Sandesh Yatra was taken out in Gwalior city by Swadeshi Karyakartas wearing traditional costumes/clothes according to their regions, carrying the banner of their state and the saffron flags in their hands, giving a call for the use of indigenous products and boycotting the foreign products and companies. During the procession they were greeted with garlands and flowers by the local people.

### **Shankhnaad Sabha**

In the Shankhnaad Sabha, Smt. Sunita Dahiya in her address said that change comes from the ideological system and the workers of Swadeshi Jagran Manch are working by becoming ideologically empowered. Shri Jitendra Gupta said that there is a need to be self-supportive to make India to become Vishwaguru again.

Zoho Corporation CEO Sh. Sridhar Vembu said that intellectuals of India go to foreign countries and help in creating employment there, if these people somehow stay in the country then we can imagine how much employment would have been created here. The objective of establishing Zoho Corporation is to bring forward those intelligent children from small - small villages, who find it difficult to move forward due to circumstances.

Union Agriculture Minister Sh. Narendra Tomar said that we should make our own products in the agriculture sector, work on our products by adopting swadeshi way of life and thus can create more and more jobs. Government at the centre is in agreement with Swadeshi on topics like strengthening the rural economy.

Saturday 25th December, 2021 Cultural Program (8:00 pm to 10:00 pm).

### **Session-9 (26th December, 2021)**

Special issue of Swadeshi magazine on Women was released in the session. After releasing the issue Mrs. Amita Patki in her address explained the importance of millets and informed that the year 2023 has been declared as International Year of Millets. Due to high fiber and low glycemic index, nectar is perfect for diabetic patients.

All India Kosh Pramukh Sh. Balram Nandwani shared the information about the Swadeshi Shodh

Sansthan and the fundraising programme presently being carried out.

Man. Sh. V. Bhagaiya ji conveyed his best wishes for Swavalambi Bharat Abhiyan and said that for this, worker of each level needs to be determined. We have to work with different people. He said that in mathematics one and one are two, but when there is a motto and we work for the society then one and one are eleven. For the fulfilment of our resolve, we have to work with dedication.

### **Session-10 (26 December 2021)**

Sh. Devendra Bharadwaj anchored the session and was presided by Sh. Sachindra Bariyar. The chief guest was Sh. Sundaram Verma (Padamshree) from Dataramgarh village in Sikar district of Rajasthan, who developed the technique of making a tree bigger in only one litre of water, as well as collected 700 species of major crops of Rajasthan. Sh. Jagdish Parik (Padmashrid) from Ajitgarh in Sikar district who did pioneer work in organic farming and whose name is included in the Limca Book for growing 11 varieties of cabbage also spoke and explained why organic farming has become inevitable for us now. The book written by Sh. Parik ji was also released by the respected officials present on the stage, Sh. Shridhar Vembu and Shri Jyotiraditya Scindia (Union Civil Aviation Minister).

Sh. Shridhar Vembu pointed out that we are not making complex technologies but are using them. This will increase our expenses and will not be appropriate for the country. Therefore, we have to focus on the development of these technologies indigenously.

Union Civil Aviation Minister Sh. Jyotiraditya Scindia said that India was once the industrial capital of the world, but after its occupation by foreign powers, the pace of our development has stopped. Now we have to move on the path of becoming Vishwa Guru again, which is possible only by adopting the path of Swadeshi.

### **Session-10 (26th December, 2021)**

Sh. Keshav Dubolia introduced the participants with Rastriya Sabha management team and applauded their role.

Swavalambi Bharat Abhiyan has been started for employment generation. To make the country self-reliant, it is necessary that the youth of the country become employable, for this National co-organizer of the Manch Sh. Satish Kumar presented Sankalp

# Swavlambi Bharat Abhiyan

## 'Sankalp Patra'

The policies of globalization of the last 30 years have led to an increase in GDP, but it has not resulted into creation of employment opportunities proportionately. Hence the GDP growth of this period has also been called 'jobless growth'. Unless, we achieve full employment, self reliance will be a distant dream.

About 12 million people are added to the population of India every year. Due to the structure of population growth since independence, a large section of the population in India is youth. Today, two-thirds of the country's population is below 35 years of age and more than 36% of it is in the age group of 15 to 35 years. In this respect, India is the youngest country in the world. There are 37 crore youth in the age group of 15 to 29 years. Such a situation is also termed as 'demographic dividend', as the sheer size of the youth population makes it possible for the country to develop rapidly, by harnessing the capabilities of the youth. Under these circumstances, to take advantage of the demographic dividend, employment generation is the biggest and serious challenge.

Today, about 80 percent of the people in the country are engaged in self-employment through agriculture, small-cottage industries, trade, professional services etc. Despite that, ordinary youth considers jobs, especially government or big company jobs as real employment. Therefore, correcting the mindset will also help in the solution. The red tape of the government machinery, systemic hurdles in starting new enterprises and self-employment, the socio-cultural thinking, also not being conducive to self-employment are also obstacles in the journey of full employment in India. We need to get rid of this mindset.

Under these circumstances -

We need a national approach, which provides employment facility to the youth on a permanent basis, and which is also productive.

There is a need to make such policies, which create more employment opportunities, along with increase in production. We have to end the apathy towards agriculture and make efforts to increase agricultural production and income from the same.

Fair distribution of income is also possible only when the worker gets a fair wage, the farmer gets a remunerative price for his produce and everyone is able to meet his/ her basic needs. For this we do not need communism or socialism, we need a policy of integration, where production, employment, investment and distribution are not isolated, but they are integrally intertwined with each other. For this, not only that the governments and the society need to work in tandem, but the society should come forward and accept the challenge of this joblessness.

The National Assembly of Swadeshi Jagran Manch resolves that -

***To solve the problem of unemployment, Swadeshi Jagran Manch will move towards the goal of Swadeshi, self-reliance and self-employment in the country through public awareness, enlightenment and planning, taking along the organizations working in the economic field as well as academic and social organizations.***

paper which was passed by the assembly with the sound of Om.

National Organiser Sh. Kashmiri Lal explained the plan related to the work to be done for the coming year and the expansion of the organisational work. Along with the need for a new list for indigenous items, he stressed on making a list of indigenous, foreign and local goods. He recommended observing 28 August every year as Amrita Devi Sacrifice Day. He

also provided the path to be followed to pursue the programs for the whole year and called for working dedicatedly for attaining the goals of Swavlambi.

National Convenor Shri R. Sundaram ji announced new responsibilities for the expansion of Manch's work and addressed the karyakartas at the end. □□

**Prof. Raj Kumar Mittal**

*Akhil Bhartiya Vichar Vibhag Pramukh (SJM)*



# Time to ban Cryptos



Recently, the government has announced the introduction of 'Cryptocurrency and Government Digital Currency Bill 2021' in the ongoing winter session. It is clear from the details of the bill that the government intends to ban private cryptocurrencies and issue digital currency through Reserve Bank of India. Although the draft of the bill has not been made public, as per the details in public domain, government is willing to give some relaxation to encourage the technology underneath these cryptocurrencies. With this, panic has spread among the people engaged in crypto business.

The craze for cryptocurrencies has been increasing in the country and the world. In India, both the Central Government and the Reserve Bank had long been of the opinion that cryptocurrencies are illegal. Therefore, their transactions were not being given legal recognition. Reserve Bank of India issued a notice, asking banks to distance themselves from the transactions of cryptocurrencies and warn their customers about the same. Then the Hon'ble Supreme Court ruled that since the government has not banned cryptocurrencies legally, the instructions passed on to banks are not legally tenable. With this, crypto exchanges started trading cryptocurrencies on a large scale. Although there is no official information about this, it is estimated that about 20 million people have put their money in cryptocurrencies. People (mostly youth) of small and big cities and even villages are getting attracted towards it, because they feel that they can get quick profit by putting their money in it. It is being said that a total of Rs 6 lakh crore has been parked in cryptocurrencies in India.



*Blockchain technology is behind cryptocurrency creation (also known as coin mining).*

**Dr. Ashwani Mahajan**

## Blockchain Technology and Crypto

Crypto is actually the product of a new computer technology called blockchain. It is said that the first cryptocurrency named 'Bitcoin' came into existence in the year 2009 through open source software. The experience of this technology so far has been that nothing is known about the origin and creator of the current cryptocurrencies. Not only that, if someone illegally obtains crypto, it is not possible to trace the same.

Blockchain technology is behind cryptocurrency creation (also known as coin mining). The development of technology is a continuous process. Blockchain technology has many phenomenal advantages. This technology can help in improving many of the civic amenities including health, education, agriculture, land records etc. However, the question is, is it necessary to adopt crypto too, in the name of this technology?

Proponents of crypto claim that mining of cryptocurrency serves as an in-

centive for the development of blockchain technology. Therefore, their argument is that crypto and blockchain technology cannot be separated. However, detractors of crypto, while supporting underneath technology, argue that crypto should not be a prerequisite for using block chain technology. It is true that incentive is necessary for any action, but that incentive must be legal and moral. Current cryptocurrencies do not meet this condition, as they are not legal and there are many ethical issues about them.

### Why continuation of present day cryptos not right?

First of all, it is a wrong notion that cryptocurrency is a currency. Currency means an instrument issued by the central bank and guaranteed by the government. Cryptocurrencies are privately issued virtual coins that have no legal recognition. For this reason, the value of crypto is expressed only in the form of a fiat currency. Significantly, in the early days of bitcoin, the value of ten bitcoins was equal to one pizza, which has increased to more than \$50,000 by now.

Secondly, crypto is being used by criminals, terrorists, smugglers and persons involved in hawala. Recently, when cybercriminals blew up the data of many companies through a computer virus all over the world and ransom was demanded in bitcoins, to return the same, the world became aware of the criminal use of bitcoin.

Thirdly, since it is such a valuable virtual asset, which is known only to its holders. Authorities will come to know only when it is transacted through a bank. Although it can be taxed when its

***It is true that incentive is necessary for any action, but that incentive must be legal and moral.***

transaction is declared; however, if it is sold abroad and not in the country, then it will not be taxed. In fact, crypto is not a legal asset and therefore, cannot be shown in the balance sheet of a company or an individual. That is, crypto is becoming a medium for evasion of income tax, GST and many other types of taxes. There is yet another problem that it's the most convenient method to transfer capital from the country bypassing rules.

Fourthly, due to the fast price fluctuations in the value of Bitcoin and other types of cryptocurrencies and their ever-increasing demand, the youth is getting attracted towards it. Fluctuations in its value encourage betting in bitcoin. A huge amount of country's money is being put into this. It is like a dark web, because where is this money going, in whose pocket it is going, nobody knows anything. Imagine, if the same money is invested in productive assets for the development of the country, we can help increase our Gross Domestic Product(GDP). It is being said that capital formation in the country has been decreasing for some time now, with more money going into purchase of cryptocurrencies, productive investment could further get eroded.

Fifth, one of the major arguments against crypto is that its min-

ing consumes huge amount of electricity, which can lead to power shortages. This is the biggest argument China has made in banning crypto.

### What should we do?

Supporters of cryptos also concede that it is necessary to regulate crypto. But they say that cryptos should be recognized and then regulated. There is also a section of crypto opponents who believe that although it is good to ban it, its ban would not be practical, because this ban cannot be implemented.

But there is also a section of people in the country which believes that crypto should be banned as they promote illegalities and it is possible to impose ban. They cite the example of China, where the Chinese government has moved to ban crypto and issue state-run digital currency. America is also ready to walk on the same path. Even in India, prior to the judgement allowing crypto exchanges, crypto transactions were very minimal.

But banning crypto should not detract from its underlying technology. Blockchain technology can be used even then. Even if the logic of the people involved in this business is to be accepted that it will be necessary to incentivise the development of this technology, this incentive can still be provided through digital currencies issued by the government, rather than any private crypto. Government digital currency can not only be used for transactions in the country, but it can also have a global demand. The price of government digital currency can also be kept stable doing away with any incentive for betting and gambling. □□



# Collective control of climate crisis



Chile has decided to draft a new constitution for the country due to climate and ecological emergency. It will decide questions such as how should mining be regulated and what voice should local communities have over mining? Should nature have rights? How about future generations? The whole globe is faced with these dilemmas as it is trying to take the climate challenge head on. As a nation, Chile is raising an important poser.

Since human activity inevitably causes damage, how much damage do we want to cause? Just enough to live well. In the past Chile prospered by exploiting its natural riches. But this led to considerable environmental damage. Inequalities grew up

manifold. Consequently, anger boiled over into huge protests starting in 2019. Hence the attempt for repairs.

What is needed is climate innovations which will ensure transition to a low carbon future. Direct attack on pollution, energy efficiency, clean mobility and many more solutions offer immediate and practical solutions to adverse climate change. Mahindra Group has developed guidebooks and toolkits to focus on developing science based solutions for India's construction industry. More than 150 materials have been identified that can provide thermal insulation, reduce energy consumption, and improve user comfort and wellbeing. The WWF is offering solutions to mitigate global emissions and meeting environmental challenges relating to energy efficiency, local environmental challenges, mobility, pollution, etc. In short technologies that can transform the world into being more environment friendly. Thus, for India EV battery charging, solar drying and space heating, reduction in horticulture wastage through efficient storage, and thermal energy storage for cold chains are being suggested. There are many such attempts at institutional and corporate levels. But are these enough?

Initial issue of global warming has led to full blown climate crisis, caused by a combination of rising temperatures, rising sea levels, intensifying and volatile weather events, erratic rainfall, depleting natural resources, and unbearable pollution. A rise of 2 degrees in temperature would certainly make the world unlivable. So the hypothetical idea of net zero emissions is being bandied about. In it the amount of greenhouse gases produced would equal the amount eliminated from our atmosphere using natural and artificial carbon sinks. If indeed we are able to contain temperature rise to less than 1.5 degrees (compared with the one prevailing in 1850, the pre industrial levels) on one hand and ensure net zero emissions on other, then perhaps we may be able to contain the human damage caused to the environment. By 2040-45 if we fail to hit net zero emissions, the climate crisis will blow over to being unbearable.



*Menace of climate deterioration is growing by the hour; what is lacking, however, is the commensurate effort to mitigate the adverse effect.*

**KK Srivastava**

Every small bit can help. Try to eat local as much as possible, if not always. If you can't become vegan, reduce consumption of animal based products, resolve to use less plastic. If we set realistic goals, transition is easy and permanent. Gradually turn green eat organic. On a macro level we should support and nurture circular economy, not a linear one. Thus the global economy should put systems in place for products and materials to be shared, repaired, refurbished, recycled. Fewer virgin materials thus, will be extracted, there will be less wastage in production processes, our landfills will not overflow, rivers and seas will not stink .... Circular economy needs to be scaled up. But most importantly, in order that the idea is adopted by the producing units, it should generate profit. Currently what may be happening may be opposite. Thus in India the average farm size (at less than 1 hectare) has been constantly reducing due to piling up of number of farmers. The farm land is becoming more fragmented and climate more unpredictable. Naturally forest land is being converted into farmland. Sustainable farming is a big casualty overall. Similarly, India is the world's second largest consumer of coal. Fossil fuel is the source of half of country's electricity. And there seem to be little - indeed none - chances of shifting to renewable energy in a big way. Our per capital generation of solid waste is a small fraction of the global average, but due to sheer numbers (135 billion inhabitants) we generate the highest volumes of solid waste in the world. We, like others, are a capitalist society where consumption fuels growth, so no-

***Even if limited, there are measured and not insignificant attempts being made to reset the equation between pollution and production.***

body wishes to slow it down. But in order to save the planet we need to indulge in mindful, responsible consumption.

The companies must aim for the triple bottom line. Thus while they cannot let go of profits (fair profit?), they should keep in mind people welfare, and mitigation of pollution. This is called 3 Ps approach - profit, people, pollution. The companies need to change processes to take care of climate. They need to recycle (water), replenish (plant forests), reduce (plastic), and so on. Alas, however, the profit takes precedence over the other 2 Ps. Companies merely indulge in green washing, i.e. projecting their gimmicky pollution mitigation activities into mere PR exercises to take care of only one, profit.

Not everything is depressing, however. Even if limited, there are measured and not insignificant attempts being made to reset the equation between pollution and production. Movements are afoot to patronize locally sourced, biodegradable, non-energy intensive materials and processes before industrialization and modernization kicked in. Sourcing locally, turning vegetarian, renewable power, resource recycling, etc. are practices being adopted. But like we said,

the challenge is to take this to profitable scale, at affordable rates. Business cannot be mere charity.

While adopting a green lifestyle, we need to exercise caution. We have to trace the whole production - supply - consumption - disposal chain since polluting waste is generated at each stage. A seemingly green product may be environment unfriendly. New form of waste (waste is an item that is no more functionally useful) are being generated ironically even from environment friendly products. For example, lithium and cobalt used in batteries of electric vehicles are highly toxic. Equally damaging are photovoltaic cells once they die out. As yet we have no solution to manage these waste streams. Similarly micro-plastics are omnipresent, in water, in air, within all living beings, oceans, rivers, marine lives.

Then, there is the issue of environmental racism, at global and local level. The disadvantaged in any society always bear a disproportionately high burden of climate catastrophic actions born out of highly polluting consumption habits and lifestyles of the wealthy. For example, migration out of natural habitats adversely affects proportionately more the disadvantaged sections. This further perpetuates imbalance, injustices, and inequality. To ensure climate justice, richer people and richer nation, who have contributed significantly more towards making this planet a hot gas chamber- need to sacrifice more to meet the challenge. They need to adopt net negative, and not merely net zero - style of living.

We need to support exercises, like the one taken in Chile. □□



## Kashi, the semiotic dimensions

Kashi still invites devotees seeking salvation, escape from the worldly bondings. Since ancient times it has welcomed all. It was the prosperous capital of Kosala. It was an international trade hub connecting India to the lands across Khyber pass, showcasing fine silk and spun cotton. It was a famed seat of learning. It hosted accomplished artists, artisans, and musicians. But overtime it faced apathy, dereliction, and distraction due to invasions by Turks and Mughals. In this Kashi is located the famous kashiVishwanath Temple. As an appropriate metaphor, December 13, was used to showcase the spruced up version of the temple by none other than the PM Modi himself. It was the day terrorists had attacked our parliament. The presentation of the renovated mandir to the nation was symbolic of Hindus' resolves to crush memories of its repeated desecration by non Hindus. In the past the temple was rebuilt by the Maratha queen Ahilyabhai (1777-1780), the last major sprucing up.

Kashi, in olden times, was an established and acclaimed seat of great learning, faiths, and languages. It was the seat of the Naga and Yaksha deities, welcomed all gods, and looked benevolently at dissenters. Yogis, Nath, Siddha, and Aghorpanthis – all kinds of heretics found residence here, as did the courtesans. Gradually the language Hindi embraced Urdu, and other dialects here to popularize 'Nayi' Hindi. Even if Varanasi witnessed so many massacres, bore the brunt of colonial loot, and suffered sectarian riots, the cultural vitality was not lost. Now, the adjacent Gyanvapi mosque appears visually dwarfed. Is it then a new project, full of symbolism? The statue of Nandi in the temple faces the adjacent mosque. But according to the devotees Nandi always faces the Lord. Hence the real garbhagriha (sanctumsanctorum) should be located there. To them it is the holiest of places, one of the 12 jyotirlinga sites where Lord Shiva appeared as a column of light, an infinite form with no beginning or end.

A commonly held account believes that the temple has existed since time immemorial; king Vikramaditya reconstructed it 2050 years ago. Aurangzeb ordered it to be razed. Instead, the Gyanvapi mosque was built. According to His-



*Project Kashi is a part of a new social contract being written which seeks to reclaim what rightfully belongs to Hindus of Bharat rashtra.*  
**Dr. Jaya Kakkar**



## Discussion

torian Audrey Trusehke the temple was built during Akbar's reign by Raja Man Singh. Now the Masjid stands alongside part of the ruined temple's wall incorporated into the building.

Today's Kashi Viswanath temple was built on an adjacent site by Ahilyabai. In 1991 a suit was filed in Allahabad High Court to restore the original structure in place of the mosque. But Muslims went to the court to obtain a stay. The then government in power of PM Rao then effected the places of worship (special provisions) act through parliament that mandated that the nature of all worship places (except in Ayodhya) would remain unaltered as it prevailed on India's day of independence. Ayodhya was excluded because it was under litigation since before.

Though all places of worship were shielded, including Kashi and Mathura, Babri Masjid was damaged. This act of Narsimha Rao has been favorably commented upon by Supreme Court when it pronounced a judgment in favour of Hindus in Ram Janmabhoomi – Babri Masjid case. However, on March 30, 2021 the Supreme Court has sought government response on a public interest litigation (PIL) which challenges the constitutional validity of the act. In April 2021, a Varanasi Court admitted the plea that a dispute existed over Gyanvapi Mosque complex and ordered that the Director General of Archaeological Survey of India (DGASI) conduct a survey to fix the fact if the Mosque at the disputed side is a superimposition, alteration or addition or any structural overlapping over any religious preexisting structure. For the moment, Allahabad High Court has

stayed this order because petitions are already pending before the Allahabad High Court, a higher Court. This is where legal position stands.

Meanwhile the PM Modi has inaugurated the Rs. 800 crore Kashi Vishwanath Dham Corridor, which he terms as the bridge between the past and future. Varanasi is one of the oldest living cities in the world and has been able to maintain its holy status among Hindus forever. The newly built Kashi-Vishwanath corridor has shaped new links, albeit at the expense of snapping a few existing ones. The scale of rebuilding is awe inspiring. The temple has been refurbished magnificently. The whole complex stretches now from the temple complex to the Lalita Ghat depicting a splendid architecture. This is only the phase-I of the whole project. There is a phase-II also. According to the PM whole idea is to reinforce our culture and ancient history. He wants it to be a marriage between ancient and modern.

Not that there are not voices of disquiet, however. Has there been a meeting of the Church and the state in the 'secular' India? Our PM has of course a different viewpoint. According to him, he has tried to achieve a balance between seemingly disparate spheres like politics, and religion, faith, and science, etc. Thus today's India can simultaneously build temples as well as medical institutions. He suggests that India needs to ensure both vikas (development) and heritage (vivasat). There are no contradictions.

However, skeptics beg to differ. India has been a great civilization which now has also become an independent political entity. India has never fought shy of embracing differences existing in the

society in terms of cultures, religions, languages, and ideologies. For this India was respected the world over. It has generally been able to maintain the delicate balance between the diverse forces. India's founding fathers advocated assimilation, not exclusion. But, according to critics, now the country is getting polarized, divisions are being engineered. This is further accelerated due to the presence of a powerless, ineffective, divided opposition. Not that this fragmented opposition is immune to using religion as a vote catching device.

The idea of India, as was known earlier, is slowly but surely changing. While it is early days to pronounce whether India will remain a secular democracy or become a Hindu Rashtra, there is no doubt that a new social contract is being written, a new consensus is being developed that Hindus must gain their 'rightful' place in Bharat, the new India. Let there be a foundational transformation through implementation of a larger project. Collaboration and assistance of all – media, cultural elites, aspiring political actors – is welcome in implementing the grand design. There is a widespread acceptability of the ideas about India being a Hindu nation. Opposition, whatever of it remains, has ceded ground without putting up a fight.

Question is, while the constitution of India still pronounces India to be a secular state, is the popular sentiment unwilling to accept it anymore? Well, the ultimate arbiter has to be the electorate in a democracy? One may question the rule of democracy itself, but that is a different question all together. Let's wait for the results of UP election. □□

# WTO and Indian Sugar subsidies

The great news is that World Trade Organization (WTO) is live and is functioning. Recently, it has ruled against India and asked to withdraw within 120 days its prohibited subsidies given to sugar sector. India however, immediately responded stating that there would be no impact of WTO Panel's findings on Sugar on any of India's existing and ongoing policy measures in sugar sector and clarified that India has initiated all measures necessary to protect its interest and file an appeal at the WTO against the report. This WTO ruling came after Brazil, Australia and Guatemala complained about India's alleged domestic support to sugarcane producers and export subsidies to sugar. In the era of bilateral and regional trade agreements, WTO's role is diminishing. WTO, however, can get its influential position back only if it modifies its rules to accommodate the reasonable supportive measures to local industries and help multilateral agreements gain its importance in international trade.

## WTO and its rules

The idea of World Trade Organisation (WTO) emanated from USA and EU and its formation was basically to give a forum for member governments to negotiate trade agreements to free international trade from protective policies. It was supposed to administer all multilateral trade agreements and handle trade disputes, monitor national trade policies as also provide technical assistance and training for developing countries. From 1948 to 1994, the GATT provided the rules for much of world trade. The WTO's rules — the agreements — are the result of negotiations between the members. The current set were the outcome of the 1986–94 Uruguay Round negotiations which included a major revision of the original GATT. The Uruguay Round also created new rules for dealing with trade in services, relevant aspects of intellectual property, dispute settlement and trade policy reviews. The first and most important principle of WTO agreements is that countries cannot normally discriminate between their trading partners. Secondly, imported and domestic goods and services need to be treated equally. First principle is known as most-favoured-nation (MFN) treatment. MFN means



*WTO system should be accommodative enough. Forcing India to withdraw the support is not the solution. It will only force India to go for more bilateral agreements and not enter WTO supported agreements.*  
**Anil Javalekar**





that every time a country lowers a trade barrier or opens a market, it must do so for the same goods or services from all its trading partners. Second principle however, remained difficult to accept.

### WTO ruling against India

The complainants (Brazil, Australia and Guatemala) claim that India is providing domestic support to sugarcane producers more than the de minimis level set out and argued that India should not provide product-specific domestic support to sugarcane producers that exceeds 10% of the total value of sugarcane production. The dispute was mainly with reference to market price support provided by India to sugarcane producers through the Fair and Remunerative Price (FRP), a minimum price for sugarcane, the State-Advised Prices (SAPs) through which State Governments annually set mandatory minimum prices additionally and export subsidies provided for sugar export. WTO panel agreed to arguments of complainants and asked India to withdraw this support. India, however, submitted that the complainants' identification of market price support in India is based on a mistaken interpretation of the term "market price support" in the Agreement on Agriculture. It made a point that market price support can only exist when the government or its agents pay for or procure the product in question. In Indian case, the FRP or SAPs are paid by sugar mills and not by government or its agent.

### Sugar in International trade

About 110 countries produce sugar from either cane or beet, and about eight countries produce sugar from both cane and beet. Sug-

arcane, on average, accounts for nearly 80% of global sugar production. The top ten producing countries (India, Brazil, Thailand, China, the US, Mexico, Russia, Pakistan, France, Australia) accounted for nearly 70% of global output. As per International Sugar Organisation, world sugar trade averages about 64 mln tonnes/year. Raw sugar accounts for around 60% of internationally trade volumes. Although many countries produce sugar, top five exporters (Brazil, Thailand, EU, Australia, India) were responsible on average for nearly 70% of the world trade. Brazil, as the largest producing and exporting country in the world, dominates world trade, accounting for about 45% of global exports. The FAO's forecast for world sugar production in 2021/22 stands at 173.7 million tonnes and fall short of demand. The world sugar trade in 2021/22 was pegged at 60.5 million tonnes. India is however in surplus and can export to meet the demand.

### All are protective to their Sugar Industry

Though countries are members of WTO, they are sovereign countries and strategies to protect their interest. International trade is not an exception. All countries are protective of their industry and support them to survive and compete in the international market. Rich countries provide more and varied type of support. Poor countries provide less because their capacity to protect is limited. The fact is that all products and their background is not similar nor equal in international trade and they differ in their production system, technology adopted and cost structure

apart from management efficiency. All countries try to support their industry to cover up these deficiencies and help their industry to stand and survive the international competition. Sugar industry is not an exception nor any country. The international trade expects them to be reasonable in support and not distort the price structure. The problem is not with the support but the methodology applied by WTO for its measurement and fixing of its overall ceiling.

### Indian sugar Sector is weak

India is the second largest producer of sugar in the world after Brazil and is also the largest consumer. It has produced 4376 lakh MT sugarcane, crushed to the extent of 2989 lakh MT and produced 310 lakh MT sugar in 2020-21. Indian sugar industry's annual output is more than Rs.80,000 crores. There were more than 700 installed sugar factories in the country, with sufficient crushing capacity to produce around 340 lakh MT of sugar. Sugarcane and sugar production in India have moved on a cyclical upward trend. In the past few years, sugar production in the country has been more than the domestic consumption. Central Government has been encouraging sugar mills to divert surplus sugarcane to ethanol & has been providing financial assistance to sugar mills to facilitate export of sugar, thereby improving their liquidity, enabling them to make timely payment of cane price dues of sugarcane farmers. The fact cannot be ignored that Indian sugar industry including sugar cane farmers are weak compared to other countries and required government support.

## Indian sugar industry vs world industry

India, though a large producer of sugar, cannot be compared with other countries. The basic factors in export competitiveness of sugar are the difference between the cost of cane and cost of producing sugar in India vis a vis other major sugar-producing countries of the world. The other difference is of the quality of sugar. As per the Indian sugar industry, cane prices on average account for about 70%–75% of the cost of sugar. In Brazil, Thailand and Australia, the cane price per ton was USD 25.11, 27.45 and 24.05, respectively, while in India it was USD 42.30 (in 2017–18 sugar season). This makes nearly a 65% difference in cost price. As a result, the total cost of producing sugar in India turns out to be Rs. 36 per kilo as compared to Rs. 18.50 globally (NITI Aayog-

March 2020). The sugarcane yield per ha and recovery rate of sugar are also low in India compared to other countries. It is to be remembered that the cost of cultivation is high in India not because of FRP alone and there are other reasons like small size of farms and weak resource system at farmer level. Indian sugar sector thus needs support to equalise the cost structure and help sugar sector to survive and compete in the international trade.

### WTO's rules need modification

The fact WTO needs to understand is the differences in agriculture related products and Industrial products. Agriculture products are not produced in conditioned manufacturing units as is the case of industrial products. Therefore, the costing of agriculture produce is not like industrial products. And unless the costing structure is equalised, the support system cannot be

treated at one level and uniform rules cannot be applied. It is necessary for WTO to reformulate its rules. It is important to equalise base level cost structure by exempting the support gone into this equalisation efforts. It will be then appropriate to measure the support system that may distort the market. The agriculture systems are different in each country and India is no exception. Indian agriculture is of small farms. More support is thus necessary for its survival and international trade system needs to be accommodative. For countries to accept WTO supported system of multilateral trade agreements over the bilateral or regional agreements, WTO system should be accommodative enough. Forcing India to withdraw the support is not the solution. It will only force India to go for more bilateral agreements and not enter WTO supported agreements. □□

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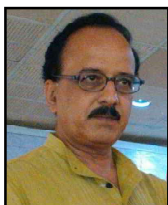
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# Don't let exploitative market forces run riot



*When prices crash, economists blame it on supply-demand disequilibrium but fail to see the human suffering it unleashes. Not only in India but globally too, the volatility of the markets has destroyed livelihoods and increasingly forced farmers to abandon farming, sell off their lands and migrate to the cities looking for menial jobs. This is no less than mayhem. Take the case of America, where farm gate prices have been on a steady decline, gradually pushing farmers out of agriculture.*  
**Devinder Sharma**

At a time when wholesale price inflation has been the highest in three decades, there is distressing news on the farm front. Within a span of a week, three farmers have burnt their standing crops or the harvested produce at three different locations across the country. The crops are different, but the reason for putting it on fire is the same — failure to get a fair price that covers the actual cost farmers had incurred on its cultivation.

On December 11, an angry Chakalu Venkateswarlu, hailing from Kurnool district in Andhra Pradesh, put on fire the 25 bags of onions (each weighing 50 kg) that he had brought to the Kurnool Agricultural Market Yard, when he found the best price being offered to him was Rs 500 per quintal (Rs 5 per kg). Realising that such a low price did not even cover his cost of production, transportation and the mandi fee, the frustrated farmer preferred to sprinkle petrol on his produce and set it on fire.

Four days later, another farmer from Dhone mandal in Andhra Pradesh, put his 3 acres under banana plantation to fire when the prices in the wholesale market effectively crashed to Rs 2 to Rs 3 per kg. Mallikarjuna claims that he had spent about Rs 5 lakh in cultivating bananas, but when the prices fell so low at the time of the third harvest, he felt defeated. All that he had earned from marketing his crop was not more than Rs 1.5 lakh. Out of exasperation, therefore, he was left with little choice but to burn the plantation.

In Madhya Pradesh, a couple of days later, an irate Shankar Sirfira, a farmer from Deoli, burnt 160 kg of garlic that he had brought to the Mandsaur market yard. In the video clip that went viral on the social media, he was heard saying that he had spent Rs 2.5 lakh on cultivating garlic, but all he got in the market was Rs 1 lakh. This did not even cover the cost of cultivation. He said all he wanted from the government was to ensure a fair price to the farmers.





The three painful incidents that I have highlighted above may appear to be isolated but are a reflection of the deeper agrarian distress that prevails. There are tens of thousands of farmers cultivating the same crops who are lashed with the same ferocious blow from the markets but whose despair, dismay and hopelessness go unrecorded. When prices crash, economists blame it on supply-demand disequilibrium but fail to see the human suffering it unleashes. Not only in India but globally too, the volatility of the markets has destroyed livelihoods, and increasingly forced farmers to abandon farming, sell off their lands and migrate to the cities looking for menial jobs.

This is no less than mayhem. Take the case of America, where the farm gate prices have been on a steady decline since 150 years, thereby gradually pushing farmers out of agriculture. With a hollow disquiet prevailing in the countryside, not only have farm suicides increased but so has mental distress. In the US alone, from where we borrowed the failed market reforms in agriculture, as many as 915,725 farm workers and their families are being treated for depression at the Migrant Health Centres that have been set up nationwide. This is happening at a time when hardly 1.5 per cent of the US population now remains in farming. While there may be complex reasons behind the mental health challenges that farmers and farm workers are faced with, fluctuating commodity prices remain on the top.

But for policy planners and the media, especially business journalists, mayhem occurs only when

***Although I have earlier talked in these columns of how the markets in case of highly commercial products like chocolate and coffee have left millions of primary growers of cocoa beans and coffee bean in Africa and Latin America to live in misery, the case of banana value chains squeezing farmers' income is no less of an eye-opener.***

equity indices plunge, when stock markets end at a lower level. This is how the economic design is cast. While a dominant section of the mainline economists rue the slide in stock markets, they spare no effort in welcoming the low farm prices that eventually leads to increased farm indebtedness, pushing more and more farmers to migrate to the urban centres.

No wonder, the daggers are already out against any possible move to provide farmers with a guaranteed income by way of a legal sanctity for Minimum Support Price (MSP) for 23 crops for which the prices are announced every year. Some senior economists, who themselves get a guaranteed salary packet linked to inflation every month, are the ones to talk about the virtues of free markets for farmers, which they believe would lead to price discovery. Although I have earlier talked in these columns of how the markets in case of highly commercial products like chocolate and coffee have left millions of primary growers of cocoa beans and coffee bean in Africa and Latin America to live in misery, the case of banana value chains squeezing farmers' income is no less of an eye-opener. A study shows for every euro worth of purchase by the European consumers, banana producers in Latin America, from

where the fruit is imported, receive only 5 to 9 per cent of the end price.

It is the primary producers who play a strenuous role, working the hardest, and yet their share of income in the agricultural value chains is the lowest, not even covering the cost of production. And let's not forget. For the three commercially important crops — coffee beans, banana and cocoa beans — there is no MSP, nor is there any APMC mandis that we can point our fingers to. It is the big multinationals operating in a competitive environment that actually thrive on sucking farmers' wealth. Imagine, if the global agricultural chains had set an example by guaranteeing a minimum economic price covering the cost of production plus a reasonable share of profits, farming too would have been a profitable enterprise.

Instead of leaving it to exploitative market forces, as the international evidence has conclusively shown, the time is ripe for India to usher in a new set of ingenious farm reforms that begins by first ensuring a living income for farmers. Guaranteeing an economically viable livelihood to 50 per cent of the country's population is the way to bridge the great economic divide. □□

<https://www.tribuneindia.com/news/comment/dont-let-exploitative-market-forces-run-riot-353356/>

## Defense as Basic Step of Self Reliance

Self-reliance is taught to an individual in the foundation class of school education. The overall purpose of success starts from the basic step of being self-reliant in an individual's life. For an individual, self-reliance is regular income and earnings for supporting the livelihood of the family dependent on them. The self-reliance of family, community, society, country, and other different groups have different orientations, different frameworks, and different definitions.

The self-reliance of a country is quite different from the self-reliance of a state within a country. The country needs to be self-reliant in its ability to make decisions, own responsibility, and support growth and development on its own terms and conditions and requirements. The visible self-reliance which a country should have are self-reliance in the education sector, self-reliance in the health sector, self-reliance in the trade & commerce sector, self-reliance in the finance sector, and self-reliance in the defense sector, apart from many other mini and micro sectors. The trade partnership and defense partnership are the two partnerships that are dominating the world today. Surprisingly, it's not necessary that the trade partner and the defense partner be the same. One country is ahead of the other in the trade domain then the other country is ahead in the defense domain. Common sense says that the trade agreements should be compared with trade agreements and defense agreements be compared with trade agreements. Is it so, that the trade agreements are countered with defense agreements and vice versa.

It's quite surprising that in Regional Comprehensive Economic Partnership (RCEP) China and Japan are together but in the Quadrilateral Security Dialogue (QUAD) India and Japan are together. RCEP is advantageous to China against India but QUAD favors India against China. It seems that the trade agreement is countering the defense agreement and the defense agreement is countering the trade agreements.

It's true that we are living in a codependent world but codependency should not violate the self-reliance necessity. Any country which is not self-reliant does



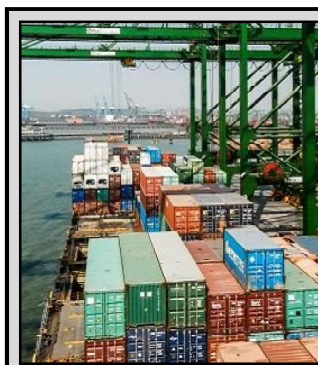
*It's quite surprising that in Regional Comprehensive Economic Partnership (RCEP) China and Japan are together but in the Quadrilateral Security Dialogue (QUAD) India and Japan are together.*  
**Alok Singh**



not attain the peak of its development. The proxy of a self-reliant country is its ability to formulate and develop its own customized trade policy and foreign policy with a win-win situation for the participating or allied countries.

Self-reliance is tested during the constraints. The original character of the friends and the self is judged in a constrained environment. The way an individual behaves in constraints is the reflection of the true character of the individual's self. The constraints imposed by the covid19 pandemic during the initial phases of lockdown were the testing time of the character of the trading partners and the grocery suppliers. The Covid19 pandemic forced many nations to prefer self-reliance vis-a-vis best quality and the cheapest price from anywhere in the global village. Self-reliance is beyond the price factor, it's about the trust factor. The success of Bharat Biotech in developing the Covid19 vaccine on its own is the foundation of the trust which the world has in our country in managing crisis.

During the Kargil war of 1999 with Pakistan, it was our own domestic company Bharat Forge which came to the rescue. The context was the supply of ammunition for the Bofors gun. In a short notice for supply, the domestic company could successfully supply the required one lakh shells for the Bofors guns; the global suppliers had failed us then also. The capability of the domestic companies in manufacturing the medical ventilators during the Covid19 pandemic is another example of the success of domestic companies. All these emergencies and the success are enough that we are capable to



***We have seen during various crises on borders with China and Pakistan that the dependency on others for help or urgent supply of spare parts or ammunitions for the products which we have imported is not fulfilled.***

achieve self-reliance in every sector. The government is focusing on self-reliance in the agriculture sector by targeting net-zero carbon emission in rural areas by promoting natural farming. The focus on renewable sources for energy generation and the promotion of electric vehicles has a lot to do to reduce dependency on imported fuels. The education import bill has increased exponentially during the last decade and is forecasted to overtake the oil import bill. The new education policy is directed towards self-reliance in the education sector and the most important tool is promoting the local language. The revival is on its way.

The big question is which area is capable to twist the arms of the government to sign international trade agreements or agreements in any other sector.

For a country, the most important self-reliance is defense self-reliance. We have seen during various crises on borders with China and Pakistan that the dependency on others for help or urgent supply of spare parts or ammunitions for the products which we have imported is not fulfilled. Whenever we have a casualty due to accidents of foreign-made helicopters it creates a doubt that whether the imported helicopters were designed by the manufacturers to fail

us when we needed them the most. This blind trust is questionable. Such pains are a disaster. We need to get ourselves relieved from such doubts and pains.

Moreover, the defense is at the core of all policies. It is at the core of the railway infrastructure, highway and expressway infrastructure, airport infrastructure, and all the policies. It's the defense dependency that maneuvers the trade policy and the foreign policy. It's simply not possible that without attaining self-reliance in the defense sector we can have the liberty to decide our trade partnership and impose restrictions on importing products.

We have preserved our automobile industry by nurturing a policy that any foreign company who wants to sell their automobile in India has to come and establish their manufacturing units in India, otherwise has to pay very high import duty. It's good that the government is engaging the same strategy in the defence sector. The foundation of self-reliance starts from the self-reliance on the defence sector. Swami Vivekananda had said centuries ago that the strength in feet is more important than the knowledge in the head. □□

(Alok Singh is fellow of Indian Institute of Management Indore and currently is faculty of general management at NICMAR, Delhi-NCR Campus.)



# Welcome! Central Bank Digital Currency



*Before 1863 there was no national currency in the United States. Various private entities and municipalities issued their own currencies. Many banks failed and municipal currencies got devalued leading to chaos in the economy.*

**Dr. Bharat Jhunjhunwala**

A crypto currency is outside the control of the central banks of the countries. As the name suggests, the currency is encrypted and not accessible to anyone other than the owner. A number of computer enthusiasts get together and they solve a puzzle like the Sudoku. One who can solve the puzzle is granted a prize in form of a currency such as Bitcoin. All the other players have to confirm that the winner has actually solved the puzzle. Only then he is given the crypto currency. The control of the currency is not with a single person. It is distributed amongst all the players. A new game on solving a puzzle start after the previous puzzle is solved. In this manner new crypto currency is manufactured just as new paper currency notes are printed. The governments or their central banks cannot identify the owners or determine the number of coins are made. The crypto currency stands and runs parallel to the central banks.

The central banks have been averse to promoting digital currencies. The first drawback, they say, is that the crypto currency can destabilize the economy. For example, let us say inflation is running high. The Reserve Bank of India wants to reduce inflation and reduces the money supply to discourage borrowing-and-spending by consumers and to slow down the economy. The crypto currency can continue to be made in large numbers and nullify the reduction of money supply implemented by the Reserve Bank. This is like a person paying by debit card when she has no cash in her wallet. In this manner the governments lose control over the monetary policy. The second drawback is that crypto currencies can fail and again destabilize the economy. Before 1863 there was no national currency in the United States. Various private entities and municipalities issued their own currencies. Many banks failed and municipal currencies got devalued leading to chaos in the economy. The Federal Government enacted the National Currency Act and ensured the circulation of only one currency. We may go back to the pre-1863 situation of chaos if crypto



currencies are allowed. The crypto currencies can be stolen or devalued. The third drawback is that of supporting crime. Recently, an oil companies' computers in the United States were hacked. The hackers demanded and got payment of ransom in crypto currencies. Part of the ransom was recovered by the police but part was not. The crypto currency is anonymous. An owner cannot be identified because it is merely a number stored in the computer.

Crypto currency is beneficial despite these drawbacks in situations where the central banks are irresponsible. For example, let us say the government of a country prints paper currency indiscriminately and the prices rise, say, 10 times in a one year. In such a situation it becomes very difficult for businessmen to manage their businesses because the value of the paper currency is changing by the hour. It is equally difficult for any household to safeguard their earnings because value of the paper currency may decline in one week. Digital currency can provide a safe method of both making transactions and storing incomes in such situations. This is somewhat like a person buying gold when the inflation is running amok. The advantage is that the problems of safeguarding gold are not faced in crypto currencies. The presence of crypto currencies can act as a check on the bad policies followed by the central banks. Let us say a country X has a bad government and it is printing notes indiscriminately. The people can shift to digital currency and forced the central bank to follow more prudent policies. On the whole, then, crypto currency is harmful if the central bank is pru-



dent and it is beneficial if the central bank is imprudent.

Now comes "digital currency." A digital currency is like the crypto currency in that it too is only a number stored on a computer. However, it is not anonymous like the crypto currency. It may be issued by a central bank like the Reserve Bank of India. The number of digital currencies issued is determined by the central bank and the ownership is tracked as well. However, the value of the digital currency may be determined by the bidding process in the market similar to the determination of the price of Bitcoin by supply and demand as is taking place today; or similar to the determination of the price of the rupee. The Reserve Bank will be able to identify the owners of the digital currency and it can prevent use of this currency for crime, money laundering and other illegal purposes. The digital currency can be prevented from destabilizing the economy because the Reserve Bank can control the number of digital currencies that are issued. However, a digital currency cannot help the people overcome the bad policies of the bank itself. The central bank can issue large numbers of digital currencies at the same time that it is printing large numbers of paper currency

***The Reserve Bank will be able to identify the owners of the digital currency and it can prevent use of this currency for crime, money laundering and other illegal purposes.***

indiscriminately. The digital currency, therefore, will not act as a control on the central bank.

I would welcome the digital currency and vote against crypto currency. A digital currency will not be able to combat the imprudent policy of a central bank in printing paper currency indiscriminately. At the same time it will not be able to destabilize the economy like a crypto currency could do. The other advantages of digital currency are that it cannot be used for crime like crypto currencies; and it can be stored safely at a nominal cost. The cost of transaction would also be less compared to paper currencies that involve printing of notes etc. Thus, digital currency does not solve all the problems and can be called a halfway house. In any event, we are caught in a Catch-22 situation. If we opt for a crypto currency outside the control of a prudent central bank then we can cause instability. On the other hand, if we reject the crypto currencies then we do not make available an alternative to the people against the imprudent central bank. The problem of prudence of the central bank cannot be solved by technical innovations like the crypto- or digital currencies. It requires improvement of governance. □□

*Formerly Professor of Economics at IIM Bengaluru*

## Farm travails - WTO ignores subsidy by rich; Indian farmers need right prices



*In 1881, it was a nation of 220 million people eating millet and other food grains. It has changed to eating a 1.3 billion rice-and-wheat eating behemoth riding on the Green Revolution. India has not planned its strength of varied food and agriculture depended on local ecology-led consumption.*  
**Shivaji Sarkar**

The long night is over. The farmers call off year-long stir and returns home as the Centre sends formal letter accepting their major demands. The farmers proved many people wrong but it also gives the lesson that mere majority cannot impose even the best pro-people decisions. Farmers need the right price.

In West Bengal not long ago Marxist Left Front government had a huge majority. Yet it had to eat a humble pie when farmers in Nandigram and Singur put paid to its industrialization plans. Maybe the state government's plans were good, but it became immaterial in the face of farmers protesting acquisition. It is nearly similar now. The Government said the three farm laws were for the benefit of farmers. A section of them however remained unconvinced. Despite several rounds of talks, some violence, various cases slapped including of sedition, combined media onslaught, farmers remained firm. Finally, almost one year after their sit-in, they got what they wanted.

Where does the real power lie? Not in government with its elaborate security setup. Not in Parliament where laws are made. Not in the Supreme Court which can unmake laws. Real power lies only in the people. Only people are sovereign. That is what the year-long farmer's agitation suggests. The Samyukt Kisan Morcha, group of 40 protesting farm unions, announces as the Centre agreed to several demands, including MSP, they are going home.

This should make popular governments change their tack. The NDA government took the correct decision on junking Land Acquisition Act and now on the farm bills. Those in power anywhere have to accept that howsoever they may be taking decisions for the welfare of the people, if the beneficiaries are not satisfied such decisions cannot be implemented.

Now former deputy chairman of NITI Aayog, Arvind Panagaria, says an important aspect that crops up is the World Trade Organisation (WTO) rules on





subsidies. India so far escaped with a peace clause for violating its subsidy rules. He indicates that the demand for MSP, which WTO does not accept, may lead to a difficult global situation apart arguing that MSP would entail extra payment of Rs 1.5 trillion. He also stresses that the proposed massive transfers under MSP would bypass not only the urban poor but also the rural poor among the 46 percent non-agricultural households.

Any solution? Yes, either reform WTO or rethink on MSP. Or may be listen to another former NITI Aayog deputy chairman Raghuram Rajan on a TV discussion on December 8. He emphasized that despite some good points in farm bills, agriculture needing reforms, India is so vast that decentralisation is essential. There could not be one solution for the entire country. India cannot be like China. He says, India's strengths were democracy, debate. China became a manufacturing superpower following its system of authoritarian rule. "It would be difficult to emulate the Chinese path".

Rajan gives the easy prescription. The governance should not resort to adamancy and electoral numbers are never enough to roughshod the sentiments that may not look palatable to the ruling parties. The governments in the past also had to eat humble pie. The most glaring example was the rise of NT Rama Rao in 1980s against a despotic Indira Gandhi.

It should not be forgotten that even rich nations give farm subsidy and WTO ignores it.

In the present context, the cases went for judicial review but the court did not resolve the issue. Rightfully the popular government

***Real power lies only  
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has taken the required decision. The government need not be apprehensive of the WTO or international bodies. If it could keep the environmental COP 26 at bay for several decades, it can do so for farm issues too.

The country should rather begin a new discussion on agriculture, crops, creating diverse food grain habits and sustaining ecology. Today's MSP issue is complex as farmer needs higher income. All the same the companies could not be allowed to have ways that bolster their profit at the cost the people's interests.

India has to ponder whether it can put income inequality as high as it was under British colonial away from public discussion. The top 10 percent accounts for 57.1 percent of the income now. The top 10 percent earns 20 times – Rs 11,66,220 more than the bottom 50 percent – Rs 53,630, according to the World Inequality report 2022 released on December 7, 2021. The women have a much lower share in labour income compared to their global peers. Again these are issues that have deep connection with agriculture.

Despite a pan-India sentiment, it should not be forgotten that Nandigram or Singur or various long farmers' marches in Maharashtra, Madhya Pradesh and other places, did not become national economic

issues and need to observe whether the present MSP issue would rule the roost post-UP elections. In fact, this calls for diversification of farm products and less dependence on mono or select cropping that may have led to this difficult situation post-Green revolution.

So the debate now centres on multi-billion dollar question of how to reintroduce the diversity in food habits. In 1881, it was a nation of 220 million people eating millet and other food grains. It has changed to eating a 1.3 billion rice-and-wheat eating behemoth riding on the Green Revolution. India has not planned its strength of varied food and agriculture depended on local ecology-led consumption.

It is not easy to restore that back. But the agriculture universities can be told to start the discussion process obviating needs for creating large dams and concomitant problems as the nation faces in the post Narmada and Tehri-dam phase, including a severe water crisis. It has caused severe ecological problems. The farmers' issues are diverse and different in each region. There cannot be one-India solution be it MSP or crop pattern.

Of late, there is too much of centralization. It is not required. This nation has to accept that it has yet to come out of the high poverty level. The Kisan Morchas should not see it beyond the corporate. Both will survive if the economics and finances are strong.

The farmers stir now should stress on having multi-pronged approach for ushering in a new diverse and strong farm environment. The government should help create that new farmer-dominated agriculture where no outsider needs to fix the MSP. □□

# Little help for Afghanistan

The Organisation of Islamic Cooperation (OIC) meeting in Islamabad on December 19, 2021 offered little succour to Afghanistan as a humanitarian trust fund set up to help the beleaguered nation where millions face acute hunger and poverty amid a bitter winter, received no donations. OIC Secretary General said the organisation is hopeful that donations would come after future talks with the Afghan authorities. None of the OIC member states have officially recognised the Taliban regime.

The Afghan Foreign Minister Amir Khan Muttaqi was excluded from the official photograph taken during the event. Pakistan Prime Minister Imran Khan urged the Foreign Ministers from OIC countries, “Unless action is taken immediately, Afghanistan is heading for chaos”. Commenting on the results of the meeting, Pakistani journalist Husain Haqqani tweeted, “They met, they talked, they disperse”.

The Islamic Development Bank is expected to make efforts to free up assistance by the first quarter of 2022. An OIC resolution urged Afghanistan’s rulers to abide by “obligations under international human rights covenants, especially with regards to the rights of women, children, youth, elderly and people with special needs”.

Afghan Foreign Minister Muttaqi insisted that his government “has the right to be officially recognised”, that it is “cooperating with every foreign organisation,” and that sanctions “must be removed”. Addressing the delegates, he said the US decision of freeze Afghanistan assets “is a clear violation of the human rights of Afghans, and can be interpreted as enmity with an entire nation”. United Nations’ Undersecretary-General on Humanitarian Affairs Martin Griffiths warned that Afghanistan’s economy was “now in free fall” and could “pull the entire population with it”.

The third meeting of the India-Central Asia Dialogue hosted by New Delhi the same day (December 19, 2021) was far more productive. Attended by the Ministers of Foreign Affairs of Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan, the meeting discussed the situation in Afghanistan and expressed support for a peaceful, secure and stable Afghanistan and respect for sovereignty, unity and territorial integrity and non-interference in its internal affairs.



*OIC meeting in Islamabad offered little succour to Afghanistan as a humanitarian trust fund set up to help the beleaguered nation where millions face acute hunger and poverty amid a bitter winter, received no donations.*  
**Sandhya Jain**



The Ministers agreed to continue humanitarian assistance to the Afghan people. Upholding the importance of UNSC Resolution 2593 (2021) which demands that Afghan territory not be used for sheltering, training, planning or financing terrorist acts, the Ministers called for concerted action against all terrorist groups. They agreed to continue close consultations on the situation in Afghanistan.

Endorsing the outcome document of the Delhi Regional Security Dialogue of November 10, 2021, the Ministers said there is a broad 'regional consensus' on Afghanistan, viz., formation of a truly representative and inclusive government, combating terrorism and drug trafficking, central role of the UN, providing immediate humanitarian assistance for the Afghan people and preserving the rights of women, children and other national ethnic groups.

Alluding to common threats from neighbours, the Ministers condemned terrorism in all its forms and manifestations and reiterated that providing safe haven and using terrorist proxies for cross-border terrorism, terror financing, arms and drugs trafficking, dissemination of a radical ideology and abuse of cyber space to spread disinformation and incite violence all go against the basic principles of humanity and international relations. They urged early adoption of the UN Comprehensive Convention on International Terrorism, strengthening UN-led global counter-terrorism cooperation and implementation of relevant UNSC resolutions, Global Counter-Terrorism Strategy and FATF standards.

The meeting supported opti-

mum usage of the International North-South Transport Corridor (INSTC) and Ashgabat Agreement on International Transport and Transit Corridor to enhance connectivity between India and Central Asian countries. It welcomed the move to include Chabahar Port (Shahid Beheshti Terminal) within the framework of INSTC to augment regional connectivity in Central and South Asia.

Within Afghanistan, four months after walking into Kabul unopposed – former President Hamid Karzai now says he “invited” them, though on what authority is unclear – the Taliban continue to spread fear within the country and dread in neighbouring Pakistan. On December 9, 2021, the Tehreek-e-Taliban Pakistan (TTP) released a video where group commander Noor Wali Mehsud asserted during a visit to northern Pakistan that TTP is a branch of the Afghan Taliban: “The TTP is a branch of the Islamic Emirate of Afghanistan and we are part of it”.

Both the TTP and the Afghan Taliban are aware that the Governments of Pakistan, the United States, Canada and Britain have declared the TTP as a terrorist organization. That the two groups are determined to work in tandem for a common objective was spelt out two days later (December 11, 2021) when Taliban spokesman Zabihullah Mujahid declared, “Pakistan’s political framework does not represent an Islamic system. Their system is not Islamic. Religion is not important to Pakistan’s government.”

This must ring alarm bells in Islamabad. From 1947, both civilian and military leaderships have sought strategic depth in Afghanistan. Now, when the goal seems to

have been achieved, there is a real danger that the Taliban will achieve strategic depth in Pakistan. A section of the Taliban is doggedly pursuing this agenda, regardless of lack of diplomatic recognition from the international community, and the food and other crises within the country. This could be one reason behind the widening rift between the Haqqani Network and the Southern Taliban (Kandaharis).

The situation is confused with many sub-conflicts roiling the country, from the fight of Pashtuns with ethnic Tajik and Uzbek militias (Afghan citizens) and victimization of the Shia Hazaras. Taliban commander, Maulvi Najmuddin Fayez, director of mines in Yaftal district of Badakhshan, was assassinated by his security guard on December 8, underscoring the Haqqani Network’s virulent opposition to the appointment of non-Pashtuns to high ranking positions.

In Kandahar (December 15), there were reports of pitched battles between ISIS-Khorasan and the Taliban in some districts of Kandahar city. There were casualties on both sides and an unspecified number of civilians were killed.

Meanwhile, deposed vice president Amrullah Saleh announced in the tweet on December 17 that nearly 200 members of Pakistan’s elite Special Services Group (SSG) had arrived in Panjshir, to groom the Taliban militias and directly fight with the local citizenry, if necessary. Proclaiming that, “We knew it from the beginning. Nothing new, but the public has the hard evidence now”, Saleh said “resistance is a national need”. There are reports of fighting in several districts. □□

<https://www.sandhyajainarchive.org/2021/12/23/little-help-for-afghanistan/>



## Swadeshi Jagran Manch Seeks Ban On Amazon And Flipkart For Anti-Competitive Practices



In another of its resolutions passed during the annual conclave held earlier, the Swadeshi Jagran Manch (SJM) has demanded that the Indian government rescind the permissions that it has given e-commerce giants Amazon and Flipkart to do business in the country.

SJM is affiliated with the Rashtriya Swayamsewak Sangh (RSS) — a right-wing Hindu nationalist paramilitary volunteer organisation. It promotes a nationalist economic and cultural agenda.

The SJM alleged that these ecommerce giants engage in unfair business practices, including predatory pricing enabled by a heavy cash-burning business model using foreign funds that make it impossible for small local retailers to compete with them. According to SJM, this is in direct contravention of foreign direct investment (FDI) rules in the country.

The organisation went on alleging that there exists a nexus between Amazon and certain resellers on the platform (the resolution names Cloutail and Appario). The resolution pointed towards the Amazon scandal where it was reported that the ecommerce giant used third-party data from the sellers on its platform to create their own in-house products that compete with the products offered by these sellers.

The other allegations made by the resolution include:

1. That for every job created by Amazon, it destroys ten jobs, usually of people working in local Kirana stores or running their own small businesses
2. That Amazon meets with startups under the pretence of investing in them, only to use the data

they receive to launch competing products

3. That Amazon spends a large amount of money in legal fees and that some of this money is diverted to pay off bribes

Many of the allegations against Amazon have already been aimed at the company in the past from various quarters. But an interesting observation of this particular resolution is that even though it called for the ban of both Amazon and Flipkart-Walmart, most of the allegations are aimed exclusively at Amazon.

Apart from calling for these companies' activities to be declared illegal, the SJM also requested that the Central Bureau of Investigation (CBI) be commissioned to investigate these matters to the fullest.

In another one of its resolutions, the SJM had called for a complete ban on private cryptocurrencies, while supporting the exploration of blockchain technology.

<https://inc42.com/buzz/swadeshi-jagran-manch-seeks-ban-on-amazon-and-flipkart/>

## Swadeshi Jagran Manch calls for a ban on cryptocurrency trading

Swadeshi Jagran Manch passed a resolution requesting that the focal government totally boycott purchasing, selling, putting and in any case managing in digital currencies by any individual in the country. The law identifying with giving of digital currency by the Reserve Bank of India ought to be outlined "rapidly" and the Central Bank Digital Currency (CBDC) considered as legitimate delicate, the Swadeshi Jagran Manch (SJM) said in its fifteenth national meet.

"Disobeying the ban should make person/entity liable to financial penalty," the resolution added. The resolution passed at the SJM national meet argued that giving recognition to cryptocurrencies could lead to heavy speculation and adversely impact financial market. "Recognition may also result in money laundering and terror financing as well as capital ac-



count convertibility from the back door,” it added.

“The resolution was passed by the 15th Rashtriya Sabha of the Swadeshi Jagran Manch, told PTI that “The government should out rightly ban buying, selling, investing and otherwise dealing in cryptocurrencies by any person resident in India,” the resolution demanded. It also said that people holding cryptocurrencies can be allowed to sell or exchange the same within a short span of time, subject to provision of submitting information to the Income Tax department.

The Union ministries of consumer affairs and corporate affairs should roll out an “aggressive” consumer awareness campaign, after banning cryptocurrencies, to advice people not to fall prey to “deceptive advertisements” being circulated by the “so called cryptocurrencies’ exchanges”, especially in Tier-2 and Tier-3 cities, the SJM said in its resolution. “The law relating to issuance of digital currency by the Reserve Bank of India should be framed quickly. The CBDC should be considered as legal tender,” it said, adding, “Cryptocurrencies such as Bitcoin, Ethereum, etc should not be recognised as asset or digital asset because it will indirectly become medium of exchange like currency.”

<https://www.bollyinside.com/news/swadeshi-jagran-manch-calls-for-a-ban-on-cryptocurrency-trading-2>

## SJM demands complete ban on use of glyphosate

Swadeshi Jagran Manch on Saturday demanded a complete ban on the use of glyphosate, saying it is carcinogenic and damaging to consumer health, ecology and interests of farmers, farm workers and their livelihoods.

A memorandum with over two lakh signatures of people favouring a complete ban on the weedicide has been submitted to Union Minister for Agriculture and Farmers Welfare Narendra Singh, SJM said.

In a statement, “its intent” to restrict the use of glyphosate, “admitting the possible ill-effect of this killer weedicide”, had issued an order in July 2020 stating that no person shall use glyphosate except through pest control operators (PCOs).

“The SJM believes that these measures are meaningless and will be impossible to implement based on experience with inability to control other illegal practices like illegal HT crops with which glyphosate is presently being used,” the outfit said.



“Given the meaningless order of the government and incapability to implement, it will result in increased damage to consumer health, farmer interests, farm workers livelihoods and ecology,” it added.

The SJM said its delegation led by Mahajan informed the agriculture minister that though there is a restriction on the use of glyphosate other than for tea plantations and non-crop areas, the weedicide is “blatantly” being used for “illegally grown” Herbicide Tolerant (HT) cotton.

The minister was informed that this has been going on for years with the full knowledge of the Genetic Engineering Appraisal Committee and the state governments, it said. The delegation also told the minister that at present, some “miscreant seed companies” are trying to illegally spread herbicide tolerant BT cotton, on lakhs of acres of land, to promote the use of glyphosate.

“The minister gave a patient hearing to the delegation and assured that the matter would be taken up by his ministry,” the SJM added.

The SJM In its statement said glyphosate is “reportedly” being used both for weed control and to desiccate crops prior to harvesting, and there is a strong opposition to this as the weedicide and its adjuvants are absorbed by the plant and consumed by humans.

“Glyphosate is a known carcinogen and endocrine disruptor and is linked with several serious illnesses, it said.

In 2015, after several years of study, the World Health Organization’s IARC classified glyphosate as a “probable human carcinogen”, it said.

“There are more than one lakh cases pending against Monsanto/Bayer company for damages by the users of its glyphosate based herbicide after they (the litigants) developed 10 different types of cancer, including non-Hodgkins Lymphoma,” the SJM added.

The SJM said Punjab, Maharashtra, Andhra Pradesh Telangana and several other states “have

moved towards banning glyphosate due to their concerns for consumers, farmers and environment”.

While Kerala, which is “a major tea growing state”, has asked for a ban on glyphosate, another tea growing state West Bengal has restricted the use of glyphosate to only six tea growing districts, it added.

<https://www.businesstoday.in/latest/politics/story/swadeshi-jagran-manch-demands-complete-ban-on-use-of-glyphosate-315252-2021-12-11>

### Swadeshi Jagran Manch bats for beedi industry, says wrong to club it with cigarettes



The Swadeshi Jagran Manch (SJM) has backed beedi makers’ demand to exclude the product from proposed amendments to the Cigarettes and other tobacco products Act of 2003.

The government had earlier this year sought comments from the public on the Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Amendment Bill, 2020.

Beedi makers had opposed many of the proposed amendments.

The proposals included making it mandatory for persons selling tobacco products to obtain licences and permissions, a ban on the sale of loose beedis with restrictions on branding and mandating the printing of its manufacturing date.

These would, the beedi makers argued, make business tough for small vendors who do not have the competency or financial means to obtain such licenses.

Beedis are mostly sold by small vendors and hawkers who have a small-scale set-up for selling tobacco, the economic wing of the SJM argued.

Making of beedis is labour intensive, while cigarettes are a capital-intensive business. Therefore, it is unfair to club the two products, said SJM

“Beedi production has been a major source of employment in the country in the organised sector. A

very small amount of central excise duty was levied on beedis by the central government. Many state governments had not even levied sales tax, keeping in mind the interests of beedi workers,” SJM said.

After the Goods and Services Tax (GST) was put in place, beedis attracted a 28% tax, the highest GST rate.

“This caused a big blow to employment in the beedi sector, especially in the organized sector of beedi manufacturing,” SJM said.

On the proposed amendments to the Act, he said although most were welcome, “some of them are detrimental to the people associated with the beedi manufacturing (beedi rollers) and distribution (small paan shop owners).”

According to the proposed rules, there is a provision of mandatory licence for the sale of beedis, cigarettes and other tobacco products.

“Those who fail to comply with this rule will have to pay hefty fines and even face imprisonment. While tabling the final Bill for consideration of Parliament, the government must consider that the proposed amendments do not affect employment in the beedi industry and livelihood of paan shop owners,” SJM said.

SJM also said that the government has to look at ways of increasing exports.

“There are lakhs of people dependent on the beedi industry and any impact on it will only lead to more dumping of cigarettes in India,” SJM said.

The SJM had protested when excise duties on beedis were brought down previously.

“The government listened to our points then and gradually gave relief. Cottage industry needs a push to be able to survive,” SJM said.

At an event attended by Cuban ambassador Alejandro Simancas, the SJM also endorsed a study that looked at how the beedi industry has been providing livelihood, particularly to rural women.

Vibha Vasuki, a human rights lawyer, and Siva Prasad Rambhatla, a senior professor of social anthropology, conducted the study, titled ‘A Study on the Status of Alternate Employment Schemes for Women Beedi Rollers’.

The study delves into the impact the amendments would have on the industry.

It mainly suggests that until skill-building and alternative employment is provided on a large scale for their livelihood, beedi rolling remains the only viable



occupation for lakhs of women across India.

Arjun Khanna, member of the All India Bidi Industry Federation, said it was important to balance health concerns with livelihood issues.

“There are six ministries that regulate us. Often the health ministry and labour ministry have differences in the way they approach our issues. We want the government to be mindful that the beedi is not like other tobacco products,” SJM said.

There are 8.5 million rollers, 4.5 million pluckers, and 3.5 million families are dependent on the industry, which provides seasonal employment.

“It is a product for the poor made by the poorest of the poor. It is important that the government understands this peculiarity of the industry before framing laws,” SJM said.

Khanna pointed out that products such as beedis and agarbattis (incense sticks) had earlier been exempted from sales tax.

“We pay the highest GST. It is a very compliant industry that is important for the rural economy,” SJM said.

Beedis are manufactured across 17 states and has rollers mainly in nine states, including Andhra Pradesh, Bihar, Jharkhand, West Bengal, Telangana, Tamil Nadu, Madhya Pradesh, and Rajasthan.

<https://economictimes.indiatimes.com/news/india/swadeshi-jagran-manch-hats-for-beedi-industry-says-wrong-to-club-it-with-cigarettes/articleshow/88283250.cms>

## Income Tax department detects anomalies in 2 Chinese mobile firms

The Income-Tax Department on Friday claimed to have detected multiple irregularities on the part of two companies into manufacturing Chinese mobile phones, during the pan-India searches initiated on December 21.

In the case of certain foreign-controlled mobile communication and mobile phone manufacturing companies and their associated entities, the searches were carried out in Tamil Nadu, Karnataka, Andhra Pradesh, Maharashtra, Assam, West Bengal, Madhya Pradesh, Gujarat, Bihar, Rajasthan, Delhi and its neighbouring cities.

“The search has revealed that two major companies have made remittance in the nature of royalty, to and on behalf of its group companies located abroad, which aggregates to more than Rs. 5,500 crore. The claim of such expenses does not seem to



be appropriate in the light of the facts and evidence gathered...,” said the agency.

According to the agency, both the companies had not complied with the regulatory mandate under the Income-Tax Act, for disclosure of transactions with associated enterprises. “Such a lapse makes them liable for penal action under the Income-Tax Act, the quantum of which could be in the range of more than Rs. 1,000 crore,” it said.

The agency alleged that foreign funds were introduced in the books of the Indian company, but the source from which such funds had been received were of doubtful nature, purportedly with no credit worthiness of the lender. The quantum of such borrowings was about Rs. 5,000 crore, on which interest expenses had also been claimed.

“Evidence with regard to the inflation of expenses, payments on behalf of the associated enterprises, etc., have also been noticed which led to the reduction of taxable profits of the Indian mobile handset manufacturing company. Such amount could be in excess of Rs. 1,400 crore,” said the I-T Department in its statement.

One company allegedly used the services of another entity located in India, but did not comply with the provisions of Tax Deduction at Source introduced with effect from April 2020. The quantum of liability on this account could be about Rs. 300 crore. In the case of another company, the control of its affairs was substantively “managed from a neighbouring country”, as alleged.

“The Indian directors of the said company admitted that they had no role in the management of the company and that they lent their names for directorship...evidence has been gathered on the attempt to transfer the entire reserves of the company to the tune of Rs. 42 crore out of India, without payment of due taxes,” it said.

The searches on certain fintech and software services companies revealed that many such entities were created for inflating expenses and siphoning off funds. "Such companies have made payments for unrelated business purposes as also utilised the bills issued by a Tamil Nadu-based non-existent business concern. The quantum of such outflow is found to be about Rs. 50 crore," alleged the agency.

<https://www.thehindu.com/news/national/income-tax-department-detects-anomalies-in-2-chinese-mobile-firms/article38081273.ece>

### Sebi tightens IPO process with slew of new norms



The Securities and Exchange Board of India (Sebi) announced tighter rules for companies raising capital from the markets, anchor investors, preferential allotments and changes in IPO (initial public offering) pricing norms.

The regulator has, for book-built issues, mandated a minimum price band of at least 105% of the floor price. Sebi believes several IPOs, in recent times, have had a very narrow price band with the difference being as low as Rs 1.

With a view to limiting the supply of shares by promoters or big shareholders, and in turn, minimising the volatility in the prices post listing, Sebi has tightened norms for the sale of share via an OFS (offer for sale) for companies without a track record. Shareholders who own more than 20% pre-issue cannot sell more than 50% individually or with persons acting in concert. Those holding less than 20% pre-issue cannot offer more than 10% under OFS. The changes appear to have been prompted by the sales of shares via OFS in 2021 as financial investors exited companies.

The norms for anchor investors have been changed; the existing lock in of 30 days shall continue for 50% of the portion allocated to anchor investor while for the remaining portion, a lock in of 90 days

would be enforced starting April 1, 2022.

Sebi has also imposed a cap of 35% – of the IPO proceeds — that can be used for acquisitions where targets are not specified and for general corporate purposes. The regulator has also specified that the amount earmarked for such objectives where the issuer has not identified an acquisition or investment target, shall not exceed 25% of the amount being raised. No limits apply if the details are disclosed in the offer documents.

How the companies utilise the funds raised through IPOs will henceforth be monitored by credit rating agencies registered with Sebi rather than scheduled commercial banks (SCBs) and public financial institutions. Funds raised for general corporate purposes will also be monitored by the monitoring agency and the utilisation report will need to be placed before the audit committee every quarter rather than annually.

For frequently traded shares, the floor price for a preferential issue shall be higher of 90/10 trading days' volume weighted average price (VWAP) of the scrip preceding the relevant date or as per any stricter provision in the Article of Association of the issuer company. If the securities are infrequently traded, an independent valuer will prepare a report. If there is a change in control or an allotment of more than 5% of the post issue fully-diluted share capital, to allottees, there would be additional requirements. Also, where there is a change in control, a committee of independent directors shall be required to provide a reasoned recommendation along with their comments on all aspects of preferential issuance including pricing. The voting pattern of the committee shall also be disclosed to shareholders/public. The lock-in requirement for allotment up to 20% of the post issue paid up capital shall be reduced to 18 months from the existing three years. The lock-in requirement for allotment exceeding 20% of the post issue paid up capital shall be reduced to 6 months from the existing 1 year.

SuhailNathani, managing partner at Economic Laws Practice, said: "Sebi's new norms on public issuances is clearly designed to keep the large shareholders longer in the company. Norms on use of capital will take away opportunistic use of opportunities by promoters as well. That the regulator continues to refine use of funds raised under FCP, is a good thing as it enhances the checks and balances." □

<https://www.financialexpress.com/market/ipo-news/sebi-tightens-ipo-process-with-slew-of-new-norms/2392560/>



Swadeshi Activities  
**15th Rashtriya Sabha**  
24-26 Dec. 2021, Gwalior (Madhya Pradesh)



**Blood Donation Praogram, Jamshedpur (Jharkhand)**





Swadeshi Activities  
**15th Rashtriya Sabha**  
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**Pictorial Glimpses**

