

CURRENT AFFAIRS

05 August 2022



News

Estuaries
land & # =

Six more wetlands in T.N. get Ramsar recognition

This takes the State's tally to 10, says Chief Minister

SPECIAL CORRESPONDENT
CHENNAI

Chief Minister M.K. Stalin on Wednesday announced that six more wetlands in Tamil Nadu had become Ramsar sites.

"Extremely happy that 6 more wetlands in #TamilNadu (Koonthankulam Bird Sanctuary, Gulf of Mannar Marine Biosphere Reserve, Vembannur Wetland Complex, Vellode, Vedanthangal & Udhayamarthandapuram Bird Sanctuaries) got the Ramsar site recognition today," he tweeted. "This takes the Ramsar recognition tally of Tamil Nadu to 10."

Deepak Srivastava,



A view of the Vedanthangal bird sanctuary. ■ FILE PHOTO

APCCF (Wetlands) and Member Secretary, Tamil Nadu State Wetland Authority, said the State government had sent 13 proposals for recognition as Ramsar sites. Initially, three sites - Pallika-

ranai marshland, Pichavararam mangrove forests and Karikili bird sanctuary, were accorded the recognition. On Wednesday, six more wetland complexes got Ramsar recognition.

Back

Ter + aquatic
land 1/1 water

❖ **Wetlands** are defined as: "lands transitional between terrestrial and aquatic eco-systems where the water table is usually at or near the surface or the land is covered by shallow water".

❖ The Ramsar Convention on Wetlands of International Importance is an international treaty for the conservation and sustainable use of Ramsar sites (wetlands).

❖ It is also known as the Convention on Wetlands.

❖ It is named after the city of Ramsar in Iran, where the convention was signed in 1971.

❖ New Delhi signed it on February 1, 1982.

❖ Total Ramsar sites to 64

TN: 10

TN- WETLANDS

TN
1
2
3
4
5

- 1. Udhayamarthandapuram Bird Sanctuary:** Located in the Tiruvarur district of Tamil Nadu, It forms an important staging and breeding ground for several species of waterbirds.
- 2. Vedanthangal wetland:** This is one of the oldest bird-protected areas in Chengalpattu District of Tamil Nadu.
- 3. Vellode Bird Sanctuary:** This site is located at the Vadamugam Vellode village in Tamil Nadu's Erode District. Locally known as Periyakulam Yeri, it is one of the 141 prioritized wetlands in the state.
- 4. Vembannur wetland:** Tamil Nadu is the host to this man-made inland tank which forms the southernmost tip of peninsular India. This wetland forms part of the Important Bird and Biodiversity Area and hence part of the BirdLife International Data Zone.
- 5. ✓ Gulf of Mannar Biosphere Reserve:** This site is located in the southeastern coastline and is a unique marine environment rich in biodiversity. Notably, This is the first Marine Biosphere Reserve in South and South-East Asia.
- 6. Koonthankulam Bird Sanctuary:** A man-made wetland which covers an area of 72.04 hectares. Situated Tirunelveli district of Tamil Nadu, it is the largest reserve for breeding resident and migratory water birds in South India.

TOPIC: TAXATION

Windfall tax
Production
Sudden Profit tax
Price Profit

'Inflation driving 8% of GST revenue rise'

SBI Research sees current account deficit widening to 3.7% of GDP, pegs trade deficit at 8.5% in 2022-23

SPECIAL CORRESPONDENT
NEW DELHI

High inflation is driving about 8% of the current surge in Goods and Services Tax revenues, and inflation-adjusted GST collections so far this year are 26% higher than pre-COVID levels, SBI Research said in a report on Thursday, suggesting this rise could be driven by higher consumption.

SBI Research also raised its current account deficit target for this year to 3.7% of GDP, projecting the trade deficit to widen to 8.5% of GDP in 2022-23. The bank's researchers attributed the entire expansion in India's trade deficit in July over June, to the dip in exports caused by government measures to control inflation, such as the windfall tax on



Feeding through: Even after accounting for higher inflation, GST collections remain robust, says Ghosh. ■ NAGARA GOPAL

petroleum products.

GST collections have clocked over ₹1.4 lakh crore for five successive months, with July recording the second-highest revenues since the indirect tax regime's introduction at almost ₹1.49 lakh crore, 28% higher than

a year earlier.

"Various reasons, including better compliance, economic recovery and higher inflation are considered as some of the factors leading to higher GST revenue," Soumya Kanti Ghosh, SBI group chief economic advisor,

wrote in the report.

SBI sought to estimate inflation-adjusted revenue by deflating actual revenue with the Consumer Price Index used to measure retail inflation while excluding fuel.

"The gap between the two (actual GST revenue versus inflation-adjusted revenue) started increasing since May 2020 with a significant difference between the two since mid-2021. Currently, nearly 8% of the increase in GST revenues can be attributed to higher inflation," Mr. Ghosh noted. SBI's estimates peg inflation-adjusted GST revenue for the first four months of 2022-23 at an average of ₹1.2 lakh crore.

"This is a 26% jump in inflation adjusted GST from the pre-pandemic level at ₹95,000 crore. In simple ter-

minology, this shows that even after accounting for higher inflation, GST collections have remained robust and this increase could be the pure consumption impact," he concluded.

'Lower than the peak'

With the record goods trade deficit of \$31 billion in July, compared with the previous high of \$26.2 billion in June, taking the deficit past \$100 billion for the year already, the bank's researchers estimated the full-year deficit at 8.5% of GDP.

"Interestingly, this is much lower than the peak deficit of 10.7% of GDP achieved in 2012-13," Mr. Ghosh observed. "Thus, the current situation is much better than that in 2012-13," he added.

Imp

Inf
GST
windfall tax
Inflation

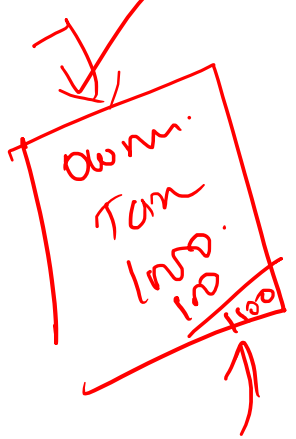
General Price Rise

Income tax
Imp = Inc
Direct

Imp ≠ Inc
Indirect tax

gst
Inf.
High

❖ Inflation is the rate of increase in prices over a given period of time. Inflation is typically a broad measure, such as the overall increase in prices or the increase in the cost of living in a country.



Tax Impact govt → Tax
Tax Incident who pay Tax
Custom.

- The Goods and Services Tax (GST) is a value-added tax levied on most goods and services sold for domestic consumption. The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services.
- Applicable On supply side origin
- Destination based Taxation
- Dual GST
- GST rates to be mutually decided (GST Council)
- Multiple Rates

TOPIC: JUDICIARY

(SI)

Com

CJI proposes Justice U.U. Lalit as successor

Chief Justice N.V. Ramana is retiring on August 26

SPECIAL CORRESPONDENT
NEW DELHI

Chief Justice of India N.V. Ramana on Thursday recommended to the government the name of Justice Uday Umesh Lalit as his successor and the 49th Chief Justice of India.

CJI Ramana personally handed over a copy of his letter of recommendation dated August 3 to Justice Lalit when they met for tea in the Supreme Court in the morning before court.

At 9.30 p.m. on Wednesday, Chief Justice Ramana had received a communication from Law Minister Kiren Rijiju seeking his recommendation for the appointment of the next top judge.

Sources said CJI Ramana recommended Justice Lalit's name in a matter of minutes after receiving Mr. Rijiju's letter.

Chief Justice Ramana is



Legal doyens: Chief Justice of India N.V. Ramana, right, with Justice U.U. Lalit on Thursday. ■SPECIAL ARRANGEMENT

retiring on August 26, 2022. Justice Lalit is the **senior-most judge in the Supreme Court now.**

The 'Memorandum of Procedure of Appointment of Supreme Court Judges' says "appointment to the office of the Chief Justice of India should be of the senior-most judge of the Supreme Court considered fit to hold

the office". The process, according to the Memorandum, begins with the Union Law Minister seeking the recommendation of the outgoing CJI about the next appointment.

Justice Lalit, if appointed, would have a tenure of hardly three months.

He is set to retire on November 8.

CJI Appointment

- ❖ The President of India appoints the CJI and the other SC judges.
- ❖ As far as the CJI is concerned, the outgoing CJI recommends his successor.
- ❖ The Chief Justice of India and the Judges of the Supreme Court are appointed by the President under clause (2) of **Article 124 of the Constitution.**



Freebies
-ve

(+ve)

Sop or welfare debate

Steps to limit freebies or to discourage populism should come through Parliament

A general concern over 'freebies' pushing the economy to ruin or unviable pre-election promises adversely affecting informed decision-making by voters seems reasonable. However, few will disagree that what constitutes 'freebies' and what are legitimate welfare measures to protect the vulnerable sections are essentially political questions for which a court of law may have no answer. In this backdrop, the Supreme Court's decision to form a body of stakeholders to examine the issue raises the question whether the legislature can be bypassed on such a far-reaching exercise. The Chief Justice of India, N.V. Ramana, heading a Bench hearing a petition filed in public interest against the distribution or promise of 'freebies' ahead of elections, has made it clear that the Court is not going to issue guidelines, but only ensure that suggestions are taken from stakeholders such as the NITI Aayog, Finance Commission, Law Commission, RBI and political parties. All these institutions, he has said, can submit a report to the Election Commission of India (ECI) and Government. A suggestion that Parliament could discuss this issue was met with scepticism by the Bench, which felt that no party would want a debate on this, as all of them support such sops. The Bench also disfavoured the ECI preparing a 'model manifesto' as it would be an empty formality. The Court's concern over populist measures seems to resonate with the Government too, as the Solicitor-General submitted that these distorted the voter's informed decision-making; and that unregulated populism may lead to an economic disaster.

Rev Exp ↑
deficit ↑
unimprovement ↑

welfare X

Infra X

(+)

Voter's decision

The Supreme Court, in *S. Subramaniam Balaji vs Government of Tamil Nadu* (2013) addressed these questions and took the position that these concerned law and policy. Further, it upheld the distribution of television sets or consumer goods on the ground that schemes targeted at women, farmers and the poorer sections were in furtherance of Directive Principles; and as long as public funds were spent based on appropriations cleared by the legislature, they could neither be declared illegal, nor the promise of such items be termed a 'corrupt practice'. It had, however, directed the ECI to frame guidelines to regulate the content of manifestos. The ECI subsequently included in its Model Code of Conduct a stipulation that parties should avoid promises "that vitiate the purity of the election process or exert undue influence on the voters". It added that only promises which were possible to be fulfilled should be made and that manifestos should contain the rationale for a promised welfare measure and indicate the means of funding it. Any further step, such as distinguishing welfare measures from populist sops and pre-election inducements, or adding to the obligations of fiscal responsibility and fiscal prudence ought to come from the legislature. That politicians invariably back 'freebies' should be no reason to bypass Parliament.

DPSRP
Part IV

gourt to do list
welfare

Implementation

↓
Law

TOPIC:INTERNATIONAL TRADE

Rupee skids 25 paise on weak export, PMI data

Traders also flag U.S.-China tensions

PRESS TRUST OF INDIA
MUMBAI

The rupee depreciated by 25 paise to close at 79.40 against the U.S. dollar on Thursday, logging its second day of losses amid disappointing economic data and U.S.-China tensions.

Participants also stayed on the sidelines ahead of RBI's interest rate decision on Friday, traders said.

Gaurang Somaiya, forex and bullion analyst, Motilal Oswal Financial Services, said rupee volatility would remain high in the wake of rising tensions between China and U.S. following U.S. House Speaker Nancy Pelosi's visit to Taiwan.

"We expect the USD-INR (spot) to quote in the range of 79.20 and 79.80 in the



short-term," he added.

India's exports dipped, though marginally, for the first time in 17 months in July, while the trade deficit widened to a record \$31 billion, fuelled by an over 70% rise in crude oil imports.

The Indian currency has been under immense pressure after a record high trade deficit number and a lower reading in S&P Global's Services PMI for July.

PMI Index

❖ It is a survey-based measure that asks the respondents about changes in their perception of key business variables as compared with the previous month. It is an index of the prevailing direction of economic trends in the manufacturing and service sectors.

❖ The purpose of the PMI is to provide information about current and future business conditions to company decision makers, analysts, and investors.

❖ It is calculated separately for the manufacturing and services sectors and then a composite index is also

- ❖ The PMI is a number from **0 to 100**. A print **above 50** means expansion, while a score below that denotes contraction. A reading at 50 indicates no change.
- ❖ If the **PMI of the previous month is higher than the PMI of the current month**, it represents that the economy is contracting.
- ❖ It is **usually released at the start of every month**. It is, therefore, considered a good leading indicator of economic activity.

> 50 E

< 50

Contract

50

Neutral

THANK YOU

