Topics

- Foreign investment
- Buddhavanam
- Nastaliq
- Wholesale price index
- All about G7
- Mains

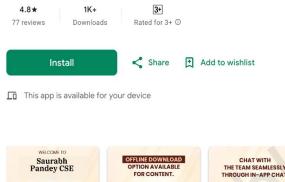






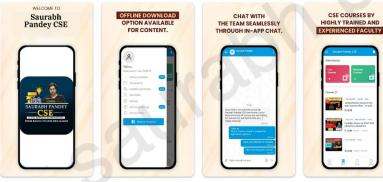
Saurabh Pandey CSE

Saurabh Pandey CSE





Q



App support 🗸

Target Mains -2024/25 -

Q ''Foreign investments is one of the factor to aid the government's goal of a \$5 trillion economy '' Discuss प्रश्न ''सरकार के 5 ट्रिलियन डॉलर की अर्थव्यवस्था के लक्ष्य में सहायता के लिए विदेशी निवेश एक कारक है'' चर्चा करें

Connect with sir 9057921649

send your answer - Saurabh pandey upsc telegram channel

India growth story has a 'beneficial ownership' hurdle



R oreign investments will play a crucial role in aiding the government's goal of a \$5 trillion economy by the end of the financial year 2025-26. But, in order to attract foreign investment, it is essential to remove all the bottlenecks for the Indian companies receiving this investment, and also foreign investors who are willing to bet on the India growth story.

Amendment conundrum

The amendment to the Indian Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("FEMA NDI") through the press note number 3 of 2020, has posed a significant challenge for Indian companies, especially start-ups and smaller enterprises seeking foreign investments. This amendment stipulates that any investments in Indian companies, whether direct or indirect, originating from entities located in countries that share land borders with India ("Neighbouring Countries"), or where the "beneficial owner" of the said Indian investment is situated in, or is a citizen of any of these Neighbouring Countries would necessitate prior government approval ("PN3 Requirement").

While the aim of the amendment which was promulgated during the COVID-19 pandemic was salutatory – i.e., to curb opportunistic takeovers or acquisitions of Indian companies by Neighbouring Countries during difficult times created by a black swan event – it created vast incertitude as the term 'beneficial owner' has not been explained or defined, and other laws that have a definition of the term are context-specific. When the PN3 requirement was first introduced, the industry in general was comfortable taking a lenient view, relying on the beneficial ownership thresholds that were legislated in other laws. But since the latter half of 2023, the Reserve Bank of India (RBI) has begun taking a more conservative view concerning issues on which the law was silent, especially under FEMA NDI.

For example, last year, numerous Foreign Owned or Controlled Companies ("FOCCs")



Dev Jain

is a corporate lawyer and has previously worked with AZB & Partners and TTA began receiving notices from the RBI regarding their downstream investments. The industry has since taken the view that FOCCs will be placed under the same restrictions as non-residents on the aspects on which the law is silent. However, when this notion was challenged by the RBI recently, investors began to question other industry practices on which the FEMA NDI was silent. Even law firms that were once fine with adopting a lenient view in cases of beneficial ownership thresholds, are now advising clients that they cannot offer assurance by relying on the beneficial ownership thresholds legislated under other laws.

Further, the obstacle of navigating the prior government approval route is exacerbated by its time-consuming nature and high rejection rate. Although consolidated official data on pending or rejected applications is not published by the Government of India, some government officials have stated that proposals worth ₹50,000 crore from the Neighbouring Countries are either pending, withdrawn or rejected; and a staggering 201 applications have been rejected in the past three years.

With the PN3 Requirement, the onus of compliance is on the Indian company that receives foreign investment, with the regulatory authorities having the discretion to impose fines of up to three times the investment received. The inherent vagueness within the legislation, along with severe penalties, can cast doubts on the survivability of these companies.

Many of these start-ups receive investments far beyond their revenue or assets. So, such fines could leave them insolvent, even if they liquidate. Non-compliance would likely trigger legal battles, adding to India's already significant backlog of court cases.

Issues and solutions

First, the indemnity challenge. Indian companies could consider having foreign investors to furnish representations backed by indemnities regarding

their compliance with the PN3 Requirement. However, this may discourage foreign investment due to potential liabilities.

Therefore, there is a pressing need to amend the PN3 Requirement to define "beneficial owners" comprehensively, including ownership thresholds and control tests.

Second, defining 'Beneficial Owners'. The definition of 'beneficial owner' should specify a precise threshold for ascertaining beneficial ownership, potentially ranging from 10% (as provided under the Indian company law) to 25% (as recommended by the Financial Action Task Force). The selection of the specific threshold can be customised to align with the government's objective of scrutinising varying levels of foreign investment across different sectors. For example, sectors such as telecom and defence, which are sensitive in nature, may warrant heightened scrutiny when compared to sectors such as manufacturing and construction, where India requires additional capital.

The definition should also specify control-conferring rights, beyond ownership thresholds, to capture entities with significant influence. For example, rights regarding board meeting quorums or veto powers over operational matters such as incurring any capital expenditure or availing any loan may confer control and should be outlined. However, investor value protection rights, such as veto powers over mergers or right of first offer, should be excluded from the definition, as they do not constitute control.

Third, consultation mechanism. Even with the clarification of control-conferring rights in the definition, some ambiguity may persist due to the skilful drafting of peculiar clauses in the charter documents. To mitigate this issue, FEMA NDI, akin to Indian competition law, could be amended to incorporate a time-bound consultation mechanism with regulatory authorities, to determine whether specific clauses are control-conferring.

The amendment to the Indian Foreign Exchange Management (Non-debt Instruments) Rules, 2019 is a challenge



Foreign Investment

- Foreign investments will play a crucial role in aiding the government's goal of a \$5 trillion economy by the end of the financial year 2025-26.
- But, in order to attract foreign investment, it is essential to remove all the bottlenecks for the Indian companies receiving this investment, and also foreign investors who are willing to bet on the India growth story.
- Amendment conundrum The amendment to the Indian Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("FEMA NDI") through the press note number 3 of 2020, has posed a significant challenge for Indian companies, especially start-ups and smaller enterprises seeking foreign investments.

What is Foreign Investment?



A company buying or building a factory in another country

B: Foreign Portfolio Investment

STOCKS AND BONDS

Buying stocks and bonds from another country







 This amendment stipulates that any investments in Indian companies, whether direct or indirect, originating from entities located in countries that share land borders with India ("Neighbouring Countries"), or where the "beneficial owner" of the said Indian investment is situated in, or is a citizen of any of these Neighbouring Countries would necessitate prior government approval ("PN3 Requirement").



 While the aim of the amendment which was promulgated during the COVID-19 pandemic was salutatory — i.e., to curb opportunistic takeovers or acquisitions of Indian companies by Neighbouring Countries during difficult times created by a black swan event — it created vast incertitude as the term 'beneficial owner' has not been explained or defined, and other laws that have a definition of the term are context-specific.



What is PN3??

- On April 17, 2020, the Government of India ("Government") issued Press Note No. 3 (2020 Series) ("PN3") with an objective to limit 'opportunistic' foreign direct investments ("FDI") from countries sharing land border with India ("Neighbouring Countries").
- The PN3 mandated that where an investing entity is situated in a country sharing land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, FDI shall be permitted only with prior Government approval.
- Against the backdrop of the pandemic and concerns of Chinese consolidation of investment in Indian entities, the PN3 aims to protect vulnerable Indian companies from foreign takeovers.



Dividing a culture

Ten years after the creation of a separate Telangana from united Andhra Pradesh, the division of antiquities, manuscripts and cultural objects between the two States remains a bone of contention. Are provenance and time of acquisition the only yardsticks for division of heritage? Serish Nanisetti finds out

> map of spread of Buddhism in Andhra Pradesh. nside the Dr. Y.S. Rajasekhara Reddy Musesses use Lot. Lot. Rappernaria reedely Mu-seum in Hyderabad is a hallway where vis-tiors are asked to remove their footwear. School children run inside with shoes there are called back are been been with shoes

when they are called back and they lock million at the no-footware sign. Occasionally, flower the back and vermilion can be spotted near the door way. A few steps away, inside a glass casing, and few earthen vessels and an oddly shaped stone have a new vessel with a cap. "These are the relics of Gautama Buddha. If

this collection goes, the gem of this museum better mes. People from across the world come to nav showcasing goes. People from across use worka coals, to pay homage to the relies of the Buddha. People from Nepal have chanting sessions, offer flowers and light up joss sticks when they come here," says an rich official of the museum. repository

Relics of the Buddha

.

Retise of the Buddha Within the four or nerview seeds, arranged accord ing to the way they are discovered in Buddha the way they are discovered in Buddha the way they are discovered in Buddha must of the Buddha must of the Buddha must of the Buddha the arranged accord in Buddha way created by a goldmath somewhere in Audi-na Pundeh. These well downed all by the Audia must of the Buddhath and the States emant (MM). BHARATHI HOLLIKERI

Now, these objects and relics will return to ndhra Pradesh, according to the plan of bifurcation drawn up by the Antiouities committees of the two States. Just the list of brass objects runs into 269 pages, while the list of arms and wea-pons to be transferred runs into eight pages. One of the objects is a cannon brought from the Yakutpura Police Station in Hyderabad that will go o Kurnool Site Museum. The key for division is the provenance and

time of the acquisition of the object. All pre-1956 bijects remain with Telangana. The objects, ma-nuscripts, paintings, and artefacts acquired bet-ween 1956 and 2014 have been divided between the two States in ratio of the population with 52% going to AP and 48% in Telangana.

A.P. loses Hyderabad

Hyderabad is no longer the capital of Andhra Pradesh. But, within the 430-year-old city is a treaaction of the state of the stat jade objects, brass statuettes, and manuscripts that are now housed in the State Museum, Telanthat are now noused in the State Subsetum, learn-gana State Archives, Oriental Manuscripts Li-brary and other lesser known misseums in Telan-gana. The antiquities are now at the centre of a shadow match that is being played out beyond the limelight.

the linedight. "Further, an earthen um or receptade le. Sa-mudgha, large in size, was found below the stome receptacle, which comtains adhy deposit, burnt charcoal and corporeal remains of the Mas-ter, along with silver and gold caskets and a num-ber of precious beads," wrote NAN. Prasad, who led the excavation at Bavikonda in 1993 that For the excerned the understanding about the spread of Hinayana Buddhism in the post-Ashoka period along the Krishna River basin. The shadow conflict goes to the heart of the

layers of history that go into the creation of Telan-gana and Andhra Pradesh. Inside the room, re the relics of the Baddha are housed is a

It lists 16 sites. None of them are from Telangana. Buddhayanam Post division of the two States, Phanigiri, Kotilia-gala, Nelakondapalli, Kondapur, Dhulikatta and other sites have been brought to light and showcased. Telangana State has transformed Nandi-konda, a village in Nalyonda district, into a herit-

age precinct called Buddhavanam and built a theme park. At the same time, two statues of Buddha from Phanigiri have been taken to the Metropolitan Museum of Art for its exhibition of 'Tree & Serpent: Early Buddhist Art in India, 200 BCE-400 CE'. Currently, the artefacts are in South Korea for the exhibition in National Museum which ended in April. Another brass idol that has made the journey to New York and Socul is the Avalok-teswara dating from +5 century AD unearthed in Nelakondapalli in Khammam district. of objects. "We are developing the museums and they will have a new look with better showcasing of objects. We have a rich repository of objects. Most of the antiquities that are identified with Telangana will remain in the State. We will ensure that," says Bharathi Hollikeri, director of DAM. "Distribution of assets and sending them back to the places where they were created is a good development. We had a very important excava-tion in Yeleswaram in the 1950s. The excavated statues are now scattered all over the place. One is in the State Museum, another in Brla Museum, one is in Karimnatar Museum and another in Visaklapatnam Museum. When these artefacts are distributed, the importance of the site declines. The best policy is to develop in situ museums," says scholar and archaeologist M.A. Srinivasan.

use school and archivedogiet AA. Streinkaars, perstaal dyscer, hom modern se conservation of the first analysis of the first analys handle is a chiselled horse creating a perfect grip for the user. "How does this object fit in with the other objects in Andhra. It will be out of contest," says a museum curator, raising a valid concern about the nature of distribution of the objects. A total of 15,500 books remain in Telangana State Museum Library while 7,696 books, bought when 1046 books books after 1956, have been shifted to Vikrvawada in

arete roop, anve vees dathet to Vapprodata in terror simulation of the Coleral area of the Coleral area of the Coleral reaction of the Coleral area of the Coleral reaction of the Colera the State that is long me Doos, uno no we been followed from the book were not applied to the state manuscription of the state of the state of the manuscription of the state of the state of the manuscription of the state of the state of the manuscription of the state of the state of the manuscription of the state of the state of the manuscription of the state of the state of the manuscription of the state of the state of the manuscription of the state of the state of the state of the manuscription of the state of the state of the state of the manuscription of the state o

times till now. The objects have been classified according to the place they are located now. The first set of objects are in the warehouse, the second set are museum nieces on display, and the comes are masseum precess on aspaga, and the rule of the (gun strands, letters written by Mahai third are acquired by gift or downin or pur-chase. Those acquired before 1956 stap here. The ones after 1956 will be divided," says Nagaraja of the Department of Archaeology and Museums, bools that came here after May 1957 from Kar-

manuscript belongs to one State?" asks archivist ments and manuscripts." says the Director Zareeand museclogist by adheer Tirumsla Rao, who has one of the biggest collections of tribal der her care. "What we need to do is build site mu-

music objects. "We find a number of Telugu maseums that will help people understand the importance of the objects and heritage. Im-portant site museums are the way to go like the one set up in Phanigiri. They give an important context to visitors of the hi important context to visitors of the site and creates a sense of pride and ow-mership in the community," says art historian and curator Naman Ahuja.

Prized assets the Telumi documents go to one State and San It is not just the division of assets that will affect the assets of Telangana. Some of the prized assets have skrit to another State. That way, scholars and

would find it easy," he says about the collection at How can they bifurcate the Oriental

researchers

"See the trayed edge on the right of the painting that we can see on-line. It matches with the image in Ni-zam Archaeology Department of Herit-age that has the photograph of the painting by Rahim Khan," informs an art At a time when repatriation of cultural objects is gathering pace across the world

scripts written in gold on blue paper during the rule of the Outh Shahis, letters written by Mahatwith stolen or pillaged objects being re-turned to the places of their origin, the Felan-gama-Andhra Pradesh experiment of ex-changing artefacts, books and manuscripts,

according to provenance and time of acquis the organization of outlier output and mice output of the intervent of the



ya Bharatam belongs to all. How can we say the | else has the expertise to even read those docu

disappeared over the years. Among them is a painting of Ak-bar Shah, son of Sufi saint Shah

Raju Qattal, reclining which used to be with the Andhra Pradesh re-

pository and is now found in the San Diego Museum of Art. "See the frayed edge on the right



Buddhavanam

- una Sagar.
- Buddhavanam is a tourism project in Nagarjuna Sagar, Telangana created by the Telangana State Tourism Development Corporation.
- The project was sanctioned by the Government of India viz., Integrated Development of Nagarjunasagar as part of Lower Krishna valley Buddhist circuit with a view to attract large number of domestic and foreign tourists particularly from the South-East Asian countries.



Dividing a culture

Ten years after the creation of a separate Telangana from united Andhra Pradesh, the division of antiquities, manuscripts and cultural objects between the two States remains a bone of contention. Are provenance and time of acquisition the only yardsticks for division of heritage? Serish Nanisetti finds out

> map of spread of Buddhism in Andhra Pradesh. nside the Dr. Y.S. Rajasekhara Reddy Musesses use Lot. Lot. Rappernaria reedely Mu-seum in Hyderabad is a hallway where vis-tiors are asked to remove their footwear. School children run inside with shoes there are called back are been been with shoes

when they are called back and they lock million at the no-footware sign. Occasionally, flower the back and vermilion can be spotted near the door way. A few steps away, inside a glass casing, and few earthen vessels and an oddly shaped stone have a new vessel with a cap. "These are the relics of Gautama Buddha. If

this collection goes, the gem of this museum better mes. People from across the world come to nav showcasing goes. People from across use worka coals, to pay homage to the relies of the Buddha. People from Nepal have chanting sessions, offer flowers and light up joss sticks when they come here," says an rich official of the museum. repository

Relics of the Buddha

.

Retise of the Buddha Within the four or nerview seeds, arranged accord ing to the way they are discovered in Buddha the way they are discovered in Buddha the way they are discovered in Buddha must of the Buddha must of the Buddha must of the Buddha the arranged accord in Buddha way created by a goldmath somewhere in Audi-na Pundeh. These well downed all by the Audia must of the Buddhath and the States emant (MM). BHARATHI HOLLIKERI

Now, these objects and relics will return to ndhra Pradesh, according to the plan of bifurcation drawn up by the Antiouities committees of the two States. Just the list of brass objects runs into 269 pages, while the list of arms and wea-pons to be transferred runs into eight pages. One of the objects is a cannon brought from the Yakutpura Police Station in Hyderabad that will go o Kurnool Site Museum. The key for division is the provenance and

time of the acquisition of the object. All pre-1956 bijects remain with Telangana. The objects, ma-nuscripts, paintings, and artefacts acquired bet-ween 1956 and 2014 have been divided between the two States in ratio of the population with 52% going to AP and 48% in Telangana.

A.P. loses Hyderabad

Hyderabad is no longer the capital of Andhra Pradesh. But, within the 430-year-old city is a treaaction of the state of the stat jade objects, brass statuettes, and manuscripts that are now housed in the State Museum, Telanthat are now noused in the State Subsetum, learn-gana State Archives, Oriental Manuscripts Li-brary and other lesser known misseums in Telan-gana. The antiquities are now at the centre of a shadow match that is being played out beyond the limelight.

the linedight. "Further, an earthen um or receptade le. Sa-mudgha, large in size, was found below the stome receptacle, which comtains adhy deposit, burnt charcoal and corporeal remains of the Mas-ter, along with silver and gold caskets and a num-ber of precious beads," wrote NAN. Prasad, who led the excavation at Bavikonda in 1993 that For the excerned the understanding about the spread of Hinayana Buddhism in the post-Ashoka period along the Krishna River basin. The shadow conflict goes to the heart of the

layers of history that go into the creation of Telan-gana and Andhra Pradesh. Inside the room, re the relics of the Baddha are housed is a

It lists 16 sites. None of them are from Telangana. Buddhayanam Post division of the two States, Phanigiri, Kotilia-gala, Nelakondapalli, Kondapur, Dhulikatta and other sites have been brought to light and showcased. Telangana State has transformed Nandi-konda, a village in Nalyonda district, into a herit-

age precinct called Buddhavanam and built a theme park. At the same time, two statues of Buddha from Phanigiri have been taken to the Metropolitan Museum of Art for its exhibition of 'Tree & Serpent: Early Buddhist Art in India, 200 BCE-400 CE'. Currently, the artefacts are in South Korea for the exhibition in National Museum which ended in April. Another brass idol that has made the journey to New York and Socul is the Avalok-teswara dating from +5 century AD unearthed in Nelakondapalli in Khammam district. of objects. "We are developing the museums and they will have a new look with better showcasing of objects. We have a rich repository of objects. Most of the antiquities that are identified with Telangana will remain in the State. We will ensure that," says Bharathi Hollikeri, director of DAM. "Distribution of assets and sending them back to the places where they were created is a good development. We had a very important excava-tion in Yeleswaram in the 1950s. The excavated statues are now scattered all over the place. One is in the State Museum, another in Brla Museum, one is in Karimnatar Museum and another in Visaklapatnam Museum. When these artefacts are distributed, the importance of the site declines. The best policy is to develop in situ museums," says scholar and archaeologist M.A. Srinivasan.

use school and archivedogiet AA. Streinkaars, perstaal dyscer, hom modern se conservation of the first analysis of the first analys handle is a chiselled horse creating a perfect grip for the user. "How does this object fit in with the other objects in Andhra. It will be out of contest," says a museum curator, raising a valid concern about the nature of distribution of the objects. A total of 15,500 books remain in Telangana State Museum Library while 7,696 books, bought when 1046 books books after 1956, have been shifted to Vikrvawada in

arete roop, anve vees dathet to Vapprodata in terror simulation of the Coleral area of the Coleral area of the Coleral reaction of the Coleral area of the Coleral reaction of the Colera the State that is long me Doos, uno no we been followed from the book were not applied to the state manuscription of the state of the state of the manuscription of the state of the state of the manuscription of the state of the state of the manuscription of the state of the state of the manuscription of the state of the state of the manuscription of the state of the state of the manuscription of the state of the state of the manuscription of the state of the state of the state of the manuscription of the state of the state of the state of the manuscription of the state o

times till now. The objects have been classified according to the place they are located now. The first set of objects are in the warehouse, the second set are museum nieces on display, and the comes are masseum precess on aspaga, and the rule of the (gun strands, letters written by Mahai third are acquired by gift or downin or pur-chase. Those acquired before 1956 stap here. The ones after 1956 will be divided," says Nagaraja of the Department of Archaeology and Museums, bools that came here after May 1957 from Kar-

manuscript belongs to one State?" asks archivist ments and manuscripts." says the Director Zareeand museclogist by adheer Tirumsla Rao, who has one of the biggest collections of tribal der her care. "What we need to do is build site mu-

music objects. "We find a number of Telugu maseums that will help people understand the importance of the objects and heritage. Im-portant site museums are the way to go like the one set up in Phanigiri. They give an important context to visitors of the hi important context to visitors of the site and creates a sense of pride and ow-mership in the community," says art historian and curator Naman Ahuja.

Prized assets the Telumi documents go to one State and San It is not just the division of assets that will affect the assets of Telangana. Some of the prized assets have skrit to another State. That way, scholars and

would find it easy," he says about the collection at How can they bifurcate the Oriental

researchers

"See the trayed edge on the right of the painting that we can see on-line. It matches with the image in Ni-zam Archaeology Department of Herit-age that has the photograph of the painting by Rahim Khan," informs an art At a time when repatriation of cultural objects is gathering pace across the world

scripts written in gold on blue paper during the rule of the Outh Shahis, letters written by Mahatwith stolen or pillaged objects being re-turned to the places of their origin, the Felan-gama-Andhra Pradesh experiment of ex-changing artefacts, books and manuscripts,

according to provenance and time of acquis the organization of outlier output and mice output of the intervent of the



ya Bharatam belongs to all. How can we say the | else has the expertise to even read those docu

disappeared over the years. Among them is a painting of Ak-bar Shah, son of Sufi saint Shah

Raju Qattal, reclining which used to be with the Andhra Pradesh re-

pository and is now found in the San Diego Museum of Art. "See the frayed edge on the right



Nastaliq

- *Nastaliq* also romanized as *Nastaʿlīq* or *Nastaleeq*, is one of the main calligraphic hands used to write the Perso-Arabic script and it is used for some Indo-Iranian languages, predominantly Classical Persian, Kashmiri, Punjabi (Shahmukhi) and Urdu.
- It is often used also for Ottoman Turkish poetry, but rarely for Arabic.
- Nastaliq developed in Iran from naskh beginning in the 13th century and remains widely used in Iran, Afghanistan, India, Pakistan, and other countries for written poetry and as a form of art.

May WPI inflation spikes to 15-month high on food prices

Food inflation surges to 10-month peak of 7.4% driven by steeper fruit, vegetable, cereal prices: manufactured products see return of price rise

Vikas Dhoot

NEW DELHI

nflation in India's wholesale prices accelerated to a 15month high of 2.61% in May, more than double April's pace, with food inflation surging to a 10month peak of 7.4% driven by steeper prices for vegetables, fruits, pulses and cereals, and a resurgence of price rise in manufactured products after 14 months of deflation.

Economists said the acceleration in wholesale inflation in May signals there is room for a further surge in consumer prices despite retail inflation easing to a 12-month low of 4.75% last month, especially as food and industrial input prices are spiking globally. May was the seventh month in a row that the WPI rose on a YoY basis after seven straight months of deflation, and wholesale inflation is expected to quicken more than 3% this month.

Sequential easing

On a month-on-month basis, the Wholesale Price Index (WPI) was up 0.2% in May, easing from an upwardly revised 9-month high of 1.06% a month earlier, with food prices rising 1.14% over April levels and manufactured products' prices up 0.64%.

The heatwaves in May

Wholesale worries WPI inflation accelerated to a 15-month high of 2.61% in May, more than double April's pace

 Manufactured products see a resurgence of inflation after 14 months of deflation

May was the seventh month in a row that the WPI rose on a year-on-year basis Sequentially, the WPI rose 0.29

easing from April's upwardly revised 9-month high of 1.06%

Price rise in cereals sped

Within vegetables, to-

mato prices were up 64.5%

in May from 40.6% in

April, while inflation in

onion and potato eased

slightly to a tad over 58%

nomist Madan Sabnavis

said the spikes in vegetable

prices were partly due to

supply shortfalls and that

the heatwave aggravated

as it will keep up the pres-

sure on the inflation till the

next crop comes," Mr. Sab-

navis told The Hindu.

"This is a major concern

India Ratings flagged si-

the challenge.

and 64%, respectively.

'Supply shortfalls' Bank of Baroda chief eco-

to 9%, while that for pulses

reversed direction to hit a

six-month high of 22%.

fruits.

helped fire up the inflation rate for vegetables to the highest level in nine months at 32.4%, and a sixmonth high of 5.8% for vember.

"Elevated food inflation at the wholesale level is worrisome as this would keep retail food prices firm even going forward," senior director and principal economist Sunil Kumar and senior analyst Paras Jasrai wrote in a note. "Retail food inflation has been above 8% for the past seven months," they added. India Ratings expects retail food inflation to remain over 8%, with wholesale prices expected to rise further to 3.5%, in June. CareEdge Ratings' chief economist Rajani Sinha also pointed out that industrial metal prices had risen 9.3% since March-end and food prices were increasing globally.





milar concerns about pulses prices remaining elevated in double digits as the new crop would be harvested only in October-No-

'Worrisome for retail'

SAURABH PANDEY

Wholesale price index

- .Definition: Wholesale Price Index (WPI) represents the price of goods at a wholesale stage i.e. goods that are sold in bulk and traded between organizations instead of consumers. WPI is used as a measure of inflation in some economies.
- Description: WPI is used as an important measure of inflation in India. Fiscal and monetary policy changes are greatly influenced by changes in WPI. In the United States, Producer Price Index (PPI) is used to measure inflation.
- WPI is an easy and convenient method to calculate inflation. Inflation rate is the difference between WPI calculated at the beginning and the end of a year. The percentage increase in WPI over a year gives the rate of inflation for that year

Difference between Wholesale Price Index and Consumer Price Index

Comparative Table: Wholesale Price Index and Consumer Price Index

	Wholesale Price Index (WPI)	Consumer Price Index (CPI)
Meaning	It measures the average change in the price in the sale of goods in bulk quantity by the wholesaler.	CPI measures the change in the price in the sale of goods or services in retail or directly to the consumer.
Area of Focus	It focuses on the goods that are traded only between wholesalers or businesses.	It focuses on the goods that the consumer is purchasing.
Numbers of Items Covered	697	448 for rural and 460 for urban
Reference Year for Calculation	Financial year	Calendar year
Releasing Date	Every week for primary products, fuel, and power for the remaining items in monthly publishing.	Every month.
Prices Bear By	By manufacturer and wholesaler.	By consumer.
Inflation Measurement	WPI measures inflation in the first stage.	WPI measures inflation in the last stage.
Price Measurement	It is restricted to only goods.	It is for both goods and services.

G-7 leaders say they will back Ukraine 'as long as it takes'



The group will provide financing to Kyiv that will be serviced and repaid by flows of revenues stemming from the immobilisation of Russian sovereign assets held in the EU, says summit draft

Agence France-Presse BARI

-7 leaders recommitted Friday to support Ukraine "for as long as it takes", according to a draft statement from a summit where they agreed a new \$50 billion loan for Kyiv.

"We are standing in solidarity to support Ukraine's fight for freedom and its reconstruction for as long as it takes," said the draft from the Italy talks.

It said the \$50 billion loan – agreed in the presence of Ukraine President Volodymyr Zelenskyy – sent "an unmistakable signal to (Russian) President Vladimir Putin".



Show of support: G-7 leaders with Volodymyr Zelenskyy during the summit in Fasano, Italy, on Friday. GETTY IMAGES

The loan will be backed by profits from the interest accrued on Russian central bank assets frozen by Western powers after Moscow's February 2022 invasion of Ukraine.

"The G-7 intends to pro-

vide financing that will be serviced and repaid by future flows of extraordinary revenues stemming from the immobilisation of Russian sovereign assets held in the European Union and other relevant jurisdictions," the draft statement said. "To enable this, we will work to obtain approval in these jurisdictions to use future flows of these extraordinary revenues to service and repay the loans."

It said the money would be disbursed through "multiple channels that direct the funds to Ukraine's military, budget, and reconstruction needs – within the constraints of our respective legal systems and administrative requirements".

The leaders tasked ministers and officials to start working on the technicalities to start providing the funds to Ukraine before the end of the year.



All about G7

.What is the G7?

- The G7 (Group of Seven) is an organisation of the world's seven largest so-called "advanced" economies, which dominate global trade and the international financial system.
- They are Canada, France, Germany, Italy, Japan, the UK and the United States.
- Russia joined in 1998, creating the G8, but was excluded in 2014 for its takeover of Crimea.

- China has never been a member, despite its large economy and having
 the world's second-largest population.
- Its relatively low level of wealth per person means it is not seen as an advanced economy in the way the G7 members are.
- Both these nations are in the G20 group of developed and developing nations.
- The EU is not a member of the G7, but attends the annual summits.
- Throughout the year, G7 ministers and officials hold meetings, form agreements and publish joint statements on global event



What is Italy's agenda for the 2024 summit?

- The 2024 G7 summit will be held from 13 to 15 June in Apulia, in Italy.
- It will be <u>the first major international forum hosted by the Italian</u> prime minister, Giorgia Meloni, since she took office in October 2022.
- As well as the wars in Ukraine and Gaza, Italy says it wants the summit to focus on Africa and migration, economic security, and international co-operation on artificial intelligence (AI).





G7 in numbers 7 member countries **30%** of global GDP 1/10 of world's population 2014 Russia suspended for annexing Crimea

Source: BBC research



. How could the G7 work with developing nations?

- Italy says <u>"the relationship with developing nations and emerging</u> <u>economies will be central"</u> to the G7 summit, and that it "will work to build a co-operation model based on mutually beneficial partnerships".
- It has invited leaders from 12 developing countries in Africa, South America and the Indo-Pacific region.
- Under the <u>the Mattei Plan</u>, Italy will give grants and loans worth 5.5bn euros (£4.6bn) to several African countries, to help develop their economies.

- The scheme would also position Italy as an energy hub, building gas and hydrogen pipelines between Africa and Europe.
- In December 2023, <u>Italy pulled out of the Belt and Road Initiative</u> a scheme to expand China's ports and transport routes worldwide to boost trade.
- Ms Meloni said that joining had been "a serious mistake". The US has called the initiative "debt-trap diplomacy" on China's part.
- It is thought that the US is keen for G7 leaders to take further action on economic security at the summit in Italy.
- The safety of AI was raised at the 2023 summit in Japan and resulted in the <u>Hiroshima AI Process</u>, intended to promote "safe, secure, and trustworthy AI worldwide".



Does the G7 have any power?

- The G7 cannot pass laws. However, some of its past decisions have had global effects.
- For example, the G7 played a crucial role in setting up a <u>global fund to</u> <u>fight malaria and Aids</u> in 2002.
- Ahead of the 2021 G7 summit in the UK, the group's finance ministers agreed to make multinational companies pay more tax.

ATTENTION!! BATCH FOR 2025/26 LAUNCHED connect with sir -9057921649

CURRENT AFFAIRS PLUS (FOR UPSC 2025)



INCLUDES

- PIB Analysis with pdf
- Down to earth
- physics.org
 - science daily
 - Major newspapers
 - With practice test and Mains Mock

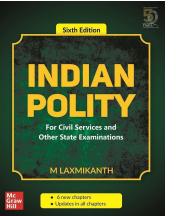
starting 1st may 2024

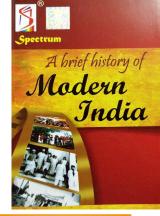


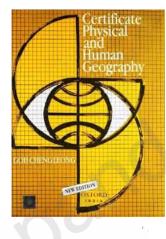
BY SAURABH PANDEY SIR

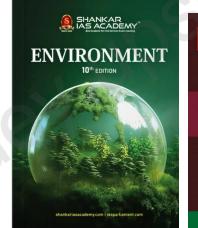
ALL Advance books for upsc IN ONE COURSE

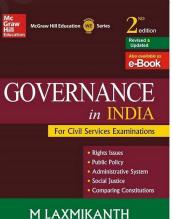


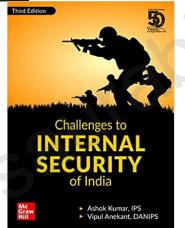
















Comprehensive Dictionary of Terminologies with Case Studies Specially devised for General Studies Paper IV



Starting 1st june <mark>Visit -</mark>

saurabhpandeyupsc.com



COMBO COURSE FOR UPSC

2025





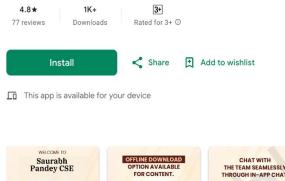
<mark>saurabh pandey</mark> <mark>cse app</mark>

NEW BATCH LAUNCHED Connect with sir 90579 21649 **Complete Agriculture** optional **Paper 1 and Paper 2** Live classes **Starting 1st July** Score 300+



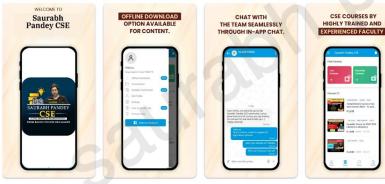
Saurabh Pandey CSE

Saurabh Pandey CSE





Q



App support 🗸

Scan - to get free content



Target Mains -2024/25 -

Q ''Foreign investments is one of the factor to aid the government's goal of a \$5 trillion economy '' Discuss प्रश्न ''सरकार के 5 ट्रिलियन डॉलर की अर्थव्यवस्था के लक्ष्य में सहायता के लिए विदेशी निवेश एक कारक है'' चर्चा करें

Connect with sir 9057921649

send your answer - Saurabh pandey upsc telegram channel

The hindu session pdf

Download the hindu session pdf

Telegram link in description box

Download the hindu pdf - https://t.me/gesreporter

Connect with sir 9057921649

FOR UPSC 2025 /26



Launched

 Current affairs plus - PIB, YOJANA, Down to earth , physics.org , Major newspapers.
 Books series - all advanced books in one course UPCOMING

1- Mains Mentorship program

- 2- GS-1 ,2,3 and 4
- **3- Mapping**
- **4- NCERTS**
- 5- Test series for 2025
- 6- essay
- 7- Agriculture optional

DOWNLOAD - Saurabh pandey cse app +91 90579 21649



saurabh pandey upsc



saurabh pandey upsc