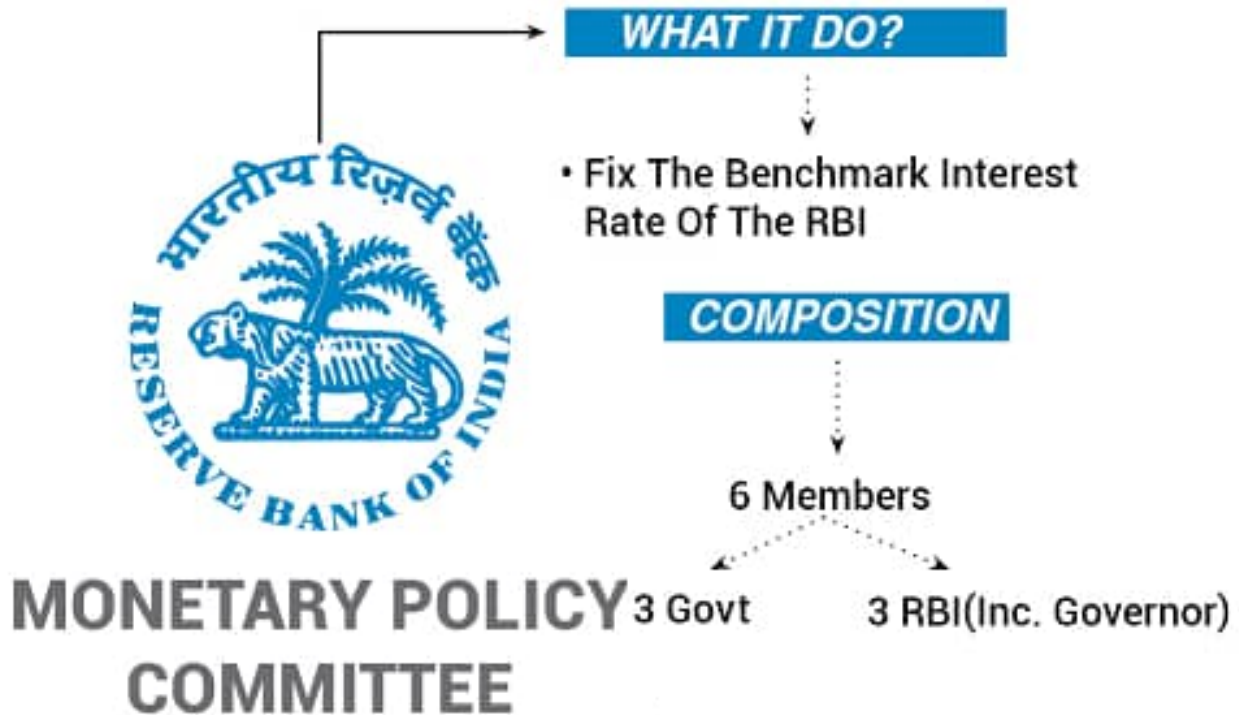


# 1. Monetary Policy's Impact on Inequality

Topic: Economy



**In News:** RBI will be deciding whether to increase the interest rate any further.

**More on the Topic:**

**What are the pros and cons of raising interest rates?**

- The main problem with hiking interest rates to contain inflation that may be getting caused by costlier crude oil (due to a war or some geopolitical tension) or costlier vegetables (due to some unseasonal rains) is that the hike per se cannot improve the supply of those goods and services.
- Raising rates is, in no uncertain terms, a blunt instrument. **It achieves the goal of containing prices by killing growth and employment.** Many have questioned this approach in the past.
- The answer to this criticism will be that a central bank does this to prevent the so-called **“second-order effects” of high inflation.**
- The second-order effects refer to a **spike in people’s expectation of future inflation.**
- This will lead to people demanding more inflation adjusted wages, leading to more costlier products adjusted to increased wage, leading to. Higher cycle of inflation.

- Thus A contractionary/tighter monetary policy (higher interest rates) increases inequality in an economy

#### **The Cons of Less interest or loose monetary Policy:**

- When interest rates are low, savers barely get any rewards even as cheap credit fuelled spending, profiting the companies of different kinds. Under the circumstances, most of the capital appreciation (read wealth creation) happens in the stock markets.
- Most of the stocks in economy is held by the rich.
- This leads to widening inequality.

#### **What should a central bank do?**

- Widening inequalities is a very long-term trend, which depends on deep structural changes in any economy such as globalisation, technological progress, demographic trends etc.
- A properly managed monetary policy promotes greater economic stability and prosperity for the economy as a whole, by
- Mitigating the effects of recessions on the labour market and Keeping inflation low and stable.
- There is the need to rely on fiscal policy (taxes and government spending programs) and policies aimed at improving workers' skills to address distributional concerns.

**Source: Indian Express**

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## **2. Defamation Law**

**Topic: Polity and Governance**



**In News:** The defamation law in India has come under scrutiny once again following the conviction of a Congress leader (Rahul Gandhi) in a 2019 defamation case.



### More on the Topic:

- Defamation is **the act of communicating false statements about a person that injure the reputation** of that person when observed through the eyes of ordinary man.
- Any false and unprivileged statement published or spoken deliberately, intentionally, knowingly with the intention to damage someone's reputation is defamation.
- A man's reputation is treated as his property and such damage are punishable by law.
- **It could be written or verbal.** Written defamation, printed or typed material or images is called as libel and spoken defamation is called slander.

### Defamation Law in India:

- **Article 19 of the Constitution** grants various freedoms to its citizens.
- However, **Article 19(2) has imposed reasonable exemption to freedom of speech and expression** granted under Article 19(1) (a). Contempt of court, defamation and incitement to an offence are some exceptions.
- Defamation is an offence under both the civil and criminal law.
- In civil law, defamation is punishable under the Law of Torts by imposing punishment in the form of damages to be awarded to the claimant.
- In 1860, the British imported their idea of criminal defamation into the newly-minted Section 499 of the Indian Penal Code (IPC).
- Under the Criminal law, Defamation is a bailable, non-cognizable offence and compoundable offence.
- Hence a policeman may arrest only with an arrest warrant issued by a magistrate. The Indian Penal Code punishes the offence with a simple imprisonment up to two years, or with fine, or both.

### Supreme Court's directives on Defamation Law:

- Defamation is one of the recognised exceptions to the fundamental right to free speech and expression under Article 19(1)(a) of the Constitution.
- **In Subramanian Swamy vs Union of India case**, a bench of Justices Dipak Misra and P C Pant approved the Constitutional validity of sections 499 and 500 (criminal defamation) in the Indian Penal Code, underlining that an individual's fundamental right to live with dignity and reputation "cannot be ruined solely because another individual can have his freedom".
- The ruling noted that "the right to freedom of speech and expression is not an absolute right" and has to be "balanced with the right to reputation" which is protected under Article 21 of the Constitution".
- The court held that criminalisation of defamation to protect individual dignity of life and reputation is a **"reasonable restriction" on the fundamental right of free speech and expression.**

Source: Hindu



### 3. Mahila Samman Savings Certificate

**Topic: Government Schemes**



**In News:** Ministry of Finance has released an official notification for MSSC, 2023 and it has been made available in 1.59 lakh post offices with immediate effect.

#### **More on the Topic:**

- This is a one-time, short-term savings plan that will be available for two years. The scheme has been specially designed to encourage investments from women.
- The minimum amount that needs to be invested in Mahila Samman Savings Certificate is Rs 1000. The maximum investment limit allowed is Rs 2 lakh.
- The deposits made under Mahila Samman Savings Certificate will receive an interest rate of 7.50 per cent annually. The interest will be compounded quarterly and credited to the account.
- MSSC account holder can withdraw a maximum up to 40% of eligible balance once after expiry of one year from date of opening of account but before maturity of account.

#### **About Small Savings Fund:**

- They are **the major source of household savings in India and comprise 12 instruments.**
- **SSF includes Post Office Savings Account, Kisan Vikas Patra, Public Provident Fund, Sukanya Samridhi Account etc.**
- The depositors get **an assured interest on their money.**
- Collections from all small savings instruments are **credited to the National Small Savings Fund (NSSF).**

- Small savings have emerged as a key source of financing the government deficit, especially after the Covid-19 pandemic led to a ballooning of the government deficit, necessitating higher need for borrowings.
- Formula to arrive at interest rates for a SSS was given by **Shyamala Gopinath Committee**.
- Benefits of SSS include, Provide financial security to individuals and families, promotes national savings, guaranteed returns and low risk instruments.

Source: Hindu

## 4. Purchasing Managers Index

Topic: Reports and Indices



### Purchasing Managers' Index

*[ˈpər-tʃæs-ɪŋ ˈmɑ-ni-jərs ˈɪn-,deks]*

An index that measures the month-over-month change in economic activity within the manufacturing sector.

 Investopedia

**In News:** As per S&P Global Market, India's PMI for manufacturing in March 2023 increased to a three month high.

**More on the Topic:**

- The Purchasing Managers' Index (PMI) is an index of **the prevailing direction of economic trends in the manufacturing and service sectors**.
- It consists of a diffusion index that summarizes whether market conditions, as viewed by purchasing managers, are expanding, staying the same, or contracting.
- The purpose of the PMI is to provide information about current and future business conditions to company decision makers, analysts, and investors.
- The PMI is based on a monthly survey of supply chain managers across 19 industries, covering both upstream and downstream activity.

- PMI is a number from **0 to 100**. PMI above 50 represents an expansion, under 50 represents a contraction, and reading at 50 indicates no change.
- PMI Data is published by Japanese firm Nikkei but compiled and constructed by Markit Economics.

Source: Indian Express

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## 5. Cool Roof policy

Topic: Environment and Ecology



**In News:** Telangana has introduced 'cool roof policy' for all types of buildings.

**More on the Topic:**

- A cool roof, which uses special paints or tile cover, is designed to reflect more sunlight than a conventional roof and cool indoor spaces.
- Cool roofs are now **mandatory for all government as well as commercial buildings** irrespective of their site area or built-up area.
- Compliance with the policy is mandatory for the issuance of occupancy certificates.
- A cool roof is mandatory for residential buildings that have a plot area of 600 sq yards or more. For those with a plot area of 600 sq yards or less, it is optional.
- Occupancy certificate would only be given after compliance.
- **It enumerates three different materials to insulate the roof**
- Paints or liquids with high reflectivity,
- Prefabricated material like poly-vinyl chloride (PVC) membranes or bitumen-based sheeting,
- High albedo, ceramic mosaic tiles or shingles.

Source: Hindu

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## 6. Anti-dumping Probe into Import of Sodium Cyanide

Topic: Science and Technology



**In News:** India has initiated an anti-dumping probe into imports of poisonous chemical sodium cyanide from China, the European Union, Japan and Korea following a complaint by domestic players.

### More on the Topic:

- Sodium cyanide is used for extraction of gold and silver from their respective ores, manufacturing insecticides, dyes, pigments, and bulk drugs.
- It releases hydrogen cyanide gas, a highly toxic chemical asphyxiant that interferes with the
- body's ability to use oxygen. It is odorless when dry.
- It is used for extraction of gold and silver from their respective ores, manufacturing insecticides, dyes, pigments, and bulk drugs.

### About Anti Dumping Policy:

- An anti-dumping duty is a protectionist tariff that a domestic government imposes on foreign imports that it believes are priced below fair market value.
- Dumping is a process wherein a company exports a product at a price that is significantly lower than the price it normally charges in its home (or its domestic) market.

Source: Business Standard



## 7. Nagri Dubraj Rice

**Topic: Geography**



**In News:** Chhattisgarh's Nagri Dubraj rice variety has received geographical indication tag.

### **More on the Topic:**

- The rice is of an indigenous variety and has small grains.
- The grain finds reference in Valmiki Ramayana.
- Paddy has a low height and maturity period of 140 days.
- It is known as the **Basmati of Chhattisgarh** because of its fragrance.
- Previously, **Jeeraphool rice** (also from Chhattisgarh) was granted a GI tag in 2019, Dubraj is the **second brand** to get the GI tag.

**Source: Business Standard**

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