

The Hindu Editorials & Words

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Problem of plenty



1. Gusher

An oil well from which oil flows profusely without being pumped.

An effusive person.

"the earnest, ingratiating gusher of numerous television interviews"

2. Sanguine

Cheerful, hopeful and confident about the future

भविष्य के प्रति आशावान तथा विश्वासपूर्ण; आशावादी

They are sanguine that they will make a good profit within a year.

Similar:

Optimistic

3. Commentariat:

टिप्पणीकार

Members of the news media considered as a class.

"the commentariat exuded recriminations when the air attacks were called off"

4. Unabated:

अन'बेटिङ्

Without becoming weaker

बिना कमज़ोर हुए; निरंतर प्रचंड

The storm continued unabated destroying all the crops.

5. Falter: 'फ़ॉल्ट(र)

To become weak or move in a way that is not steady

अशक्त होना या अस्थिर होना; लड़खड़ाना

The engine faltered and stopped.

To lose confidence and determination

विश्वास और दृढ़ता खो देना; डगमगाना

Sampras faltered and missed the ball.

6. Technical recession

Economic analysts tend to consider a **recession** a **technical** one when the contraction in the value of economic activity persists for, at least, two consecutive quarters.

7. Weather

To change or make something change in appearance because of the effect of the sun, air or wind

धूप, वायु या हवा के कारण रंग, शकल का बदलना या किसी का रंग या शकल बदल देना

This stone weathers to a warm pinkish-brown colour.

To come safely through a difficult time or experience

कठिन समय या अनुभव में से सही-सलामत निकल आना, को झेल लेना

Their company managed to weather the recession and recover.

8. Tailwinds

In **business**, the term “**tailwinds**” refers to or describes a situation or condition that will move growth, revenues, or profits higher.

Headwinds in **business** are situations or conditions that make growth harder.

9. Recede

To move away and begin to disappear

दूर जाना और ओझल होने लगना

The coast began to recede into the distance.

(used about a hope, fear, chance, etc.) to become smaller or less strong

(आशा, भय, संयोग आदि) कम हो जाना या मंद पड़ जाना

10. Poised

Not moving but ready to move

किसी हरकत के लिए तैयार (परंतु वस्तुतः करना शेष)

'Shall I call the doctor or not?' he asked, his hand poised above the telephone.

Ready to act; about to do something

कुछ करने को तैयार; जो तुरंत कुछ करने वाला हो

The government is poised to take action if the crisis continues.

11. Mop up

Wipe liquid away from a surface with something absorbent.

"a barmaid rushed forward to mop up the spilled beer"

Complete the military conquest of an area by capturing or killing remaining enemy troops.

"troops mopped up the last pockets of resistance"

Similar:

Finish off, deal with, make an end of, dispose of, account for.

12. Scrutinize: स्कूटिनाइज़

To look at or examine something carefully

(किसी वस्तु को) सावधानी से देखना या जाँचना

The customs official scrutinized every page of my passport.

13. Tighten the screw

Exert strong pressure on someone.

"the White House attempted to influence the vote by **tightening the international screws on Managua**"

14. Participatory Notes

A **participatory note**, commonly known as a **P-note** or **PN**, is an instrument issued by a registered foreign institutional investor (FII) to an overseas investor who wishes to invest in Indian stock markets without registering themselves with the market regulator, the Securities and Exchange Board of India (SEBI).

15. Round-tripping

Round tripping refers to money that leaves the country through various channels and makes its way back into the country often as foreign investment. This mostly involves black money and is allegedly often used for stock price manipulation.

Round tripping is often done through a series of transactions that don't have any substantial commercial purposes, which makes it fall within the trappings of **GAAR**.

16. Brass-plate entities

A **brass plate** company or **brass plate** trust is a legally constituted company whose only tangible existence in its jurisdiction of incorporation is the nameplate (the term "**brass plate**" originates as such nameplates are often made of **brass**) attached to the wall outside its registered office.

Problem of plenty

Recent macro data has brought in a gusher of foreign flows, but liquidity is also at play

Foreign investors seem to be taking a rather more sanguine view of India's economic prospects than domestic institutions and the commentariat. At least that's the inference one draws from unabated inflows from foreign portfolio investors and direct investors in the post-Covid period. Government data show that Foreign Direct Investment (FDI) in July-September 2020, at \$28 billion, was double the same period last year. If one considers the last six months to smooth out flows and looks at only incremental equity investments, FDI into India at \$30 billion has still seen a 15 per cent increase. Net investments by Foreign Portfolio Investors (FPIs) in Indian equities, after faltering a bit in September, have turned into a gusher with inflows of ₹1.56-lakh crore this fiscal, including record in November. While strong inflows are definitely desirable at a time when India's capex cycle needs a fresh start, their sustainability cannot be taken for granted.

At a macro level, three factors could be behind the optimism despite the economy entering a technical recession. One, after the 23.9 per cent contraction in Q1, high-frequency indicators have shown a faster-than-expected normalisation since September, prompting GDP upgrades. Two, listed companies and late stage start-ups — two key recipients of FPI and FDI flows — have weathered Covid relatively well. Listed companies managed a 31 per cent rebound in their net profits in Q2 helped by cost savings, interest rate cuts and a shift to the formal sector. Tech start-ups have been key beneficiaries of the digitalisation and consumer migration to online transactions. Three, recent reforms on FDI, production linked incentives and the steep corporate tax cuts have also aided flows. These, however, do not fully explain the story; there's also the liquidity tailwinds powering record flows. The resumption of money-printing by central banks keen to shield their economies from Covid has played no small role in the gush of global liquidity that has inflated public and private market valuations. Should central banks stop or even pause in their efforts, the tide could recede as quickly as it rushed in. The Indian market is poised at a historically high valuation (the Nifty PE is at 31 times) and will be particularly at risk. FDI flows into India remain heavily dependent on individual deals sewn up by the leading lights of India Inc and remain unpredictable.

The liquidity gusher has created an unusual problem of plenty for the Reserve Bank of India (RBI), which has been mopping up dollars in its bid to prevent sharp Rupee appreciation. But with the market interventions contributing to excessive liquidity with banks, forcing down market interest rates and fuelling inflation risks, RBI must perhaps consider letting the Rupee find its own level. Plentiful flows also offer a rare opportunity for Indian regulators to more closely scrutinise the quality of money rushing in, by tightening the screws on Participatory Notes and round-tripping through brass-plate entities.

Closer to punishment: On Tahawwur Rana's role in 26/11 attacks

More details emerge about Tahawwur Rana's role in the 26/11 attacks

More than 12 years since the dastardly attacks across prominent locations in Mumbai, its key conspirators have continued to evade justice in India. While nine of the attackers were shot dead by the police between **November 26-29, 2008**, one of them, Ajmal Kasab, was apprehended and sentenced to death after a trial that revealed the conspiracy and planning by LeT operatives among others responsible for the attacks. **One among the foreign collaborators is Tahawwur Rana**, who conspired with former FBI agent David Headley to assist the LeT in the planning and execution. **Rana, a Pakistani-Canadian citizen**, was found guilty by a **U.S. court in 2011** of providing material support to the LeT and planning an attack on the offices of the Danish newspaper, *Jyllands-Posten*, and was later sentenced to 14 years in prison. Unlike Headley, who escaped extradition after entering into a plea bargain with the U.S. prosecutors and was sentenced to 35 years in prison, Rana was acquitted in the U.S. of charges of involvement in the 2008 terror attacks. An Illinois court commuted his jail sentence that was scheduled to end in September 2021, after he tested positive for COVID-19; this has opened the window for his extradition to India. **Rana, according to Headley**, had helped him to open an immigration firm in Mumbai, which was used by Headley to survey targets chosen by the LeT. An extradition memorandum filed by U.S. prosecutors in a California district court has reaffirmed Rana's role and provides more detail into the conspiracy and the knowledge shared with him by Headley about the attacks. This should provide the U.S. court enough reason for Rana's extradition to India to face punishment.

The trial of Ajmal Kasab exposed the collusion of the Pakistan deep state with terrorist organisations. Arguably, this has helped in a dramatic reduction in terror targeting civilians in India. Groups such as the LeT and JeM have changed their *modus operandi* to target security forces since then. The scrutiny over Pakistan has been accentuated by the FATF's decision to retain Pakistan on its greylist. Yet, Pakistan has done little to bring the culprits of the 26/11 attacks to book — a case in point being LeT chief Hafiz Saeed who has been sentenced to prison for terror financing but has eluded justice for his role in the 2008 attacks by never being charged despite being identified by Ajmal Kasab and Headley as a mentor with knowledge of the attacks. Rana's extradition would go a long way in bringing justice to the nearly 160 victims of the Mumbai attacks and shed further light on cross-border terror.

Winter worries: On Home Ministry guidelines to check spread of COVID-19

Targeted containment of COVID-19 can work, but there is no room for complacency

New Home Ministry guidelines to check further **spread of COVID-19** during the winter months starting with December reflect the government's concern that the gradually reviving economic activity should remain unaffected by ongoing containment measures. The Centre has mandated that States declare containment zones online, identifying them with micro targeting to minimise the impact. It has also prohibited any lockdowns at State and city levels without prior consultation with the Ministry. Such advice might appear redundant, coming as it does after a long unlock phase that permitted the relaxation of restrictions on almost all public activities, barring regular flights and trains, and the onus having shifted to the citizen to avoid getting infected. Several States with a perceived decline in new infections have opened up even more; in Tamil Nadu, for instance, final year in-person college classes and medical courses except for fresh entrants are set to reopen on December 7. This is a time to reiterate proven safety norms, considering that India has about 4.48 lakh active cases out of a total of 94.31 lakh cases recorded thus far, and where almost three-fourths of new infections are concentrated in eight States and Union Territories including Delhi. Encouraging results from vaccine trials and the likelihood of early emergency use authorisation have weakened voluntary caution, and citizens are yielding to pandemic fatigue. Health authorities must reinforce the message that low-cost interventions such as masks, good ventilation and distancing norms cannot be abandoned.

Evidence from the lockdown in India shows that the reproductive number for COVID-19, representing the number of fresh infections caused by an individual, was indeed reduced by the severe curbs, although the outcome varied by location. At the end of April, as the lockdown rigour eased, India had over 30,000 cases and 1,153 deaths in all. But seven months later, there were 39,806 infections and 433 deaths in a single day, November 29, underscoring the continuing challenge. The prime task before health administrators is to convince the average citizen that there is much to be gained through inexpensive lifestyle modification. A study of 131 countries published in *The Lancet* estimated the benefits of restricting group gatherings to 10 people, and how reducing physical attendance at workplaces could bring down the reproductive number by 38% in one month. Universal masking, with 95% compliance, is projected to reduce deaths dramatically, in another University of Washington study. Evidently, the entire economy stands to benefit from such painless interventions, while sparing doctors and frontline health workers of deadly risk. The Central government has rightly prioritised targeted containment, but it should standardise testing protocols across States, and not dilute the message of safe behaviour by labouring over the point of recoveries and low per-million fatalities.