

Decoding The Hindu Article

RBI surprises with 40 bps rate increase, amid inflation 'alarm'

'Inflationary pressures becoming acute'

SPECIAL CORRESPONDENT MUMBAI

The Reserve Bank of India (RBI), in a sudden move on Wednesday, raised the repo rate by 40 basis points (bps) to 4.4% citing inflation that was globally "rising alarmingly and spreading fast".

The repo rate increase was the first since August 2018.

In an unscheduled announcement, RBI Governor Shaktikanta Das said the Monetary Policy Committee (MPC) had in an off-cycle meeting reviewed the latest economic developments including the impact of the war in Ukraine and decided to increase the policy interest rates in a bid to curb accelerating inflation.

"As the war draws on and sanctions and retaliatory actions intensify, shortages, volatility in commodity and financial markets, supply dislocations and, most alarmingly, persistent and spreading inflationary pressures are becoming more acute with every passing day," Mr. Das noted.

Observing that domestic inflation in April was also expected to be elevated, he said, "The MPC judged that the inflation outlook war-

Unexpected move | The increase in repo rate — the rate at which RBI lends to commercial banks — to 4.40% from a record low of 4% is the first since August 2018. The graph shows repo rates since May 2017



rants an appropriate and timely response... to ensure that the second-round effects of supply side shocks on the economy are contained and long-term inflation expectations are kept firmly anchored".

'Accommodative' stance
The MPC, however, retained its 'accommodative' policy stance even as it focuses on withdrawal of accommodation to keep inflation within the target range while supporting growth.

As part of the withdrawal

of accommodation, the RBI also raised the Cash Reserve Ratio (CRR) by 50 basis points to 4.5% with effect from May 21 so as to drain surplus liquidity of about ₹87,000 crore.

Asserting that the fundamentals of the Indian economy remained strong, Mr. Das said, "Our monetary policy actions... will strengthen and consolidate the medium-term growth prospects of the economy".

He pointed out that sustained high inflation "inevitably hurts savings, invest-

Sensex slumps as lenders wilt

SPECIAL CORRESPONDENT MUMBAI

The Sensex plummeted 1,307 points, or 2.29%, to 55,669, after the Reserve Bank of India raised benchmark interest rates in a surprise move. Stocks in the index pack that lost the most value were Bajaj Finance, which fell 4.29%, Bajaj Finserv (4.18%), Titan (4.11%), IndusInd Bank (3.98%) and HDFC Bank (3.34%). Similarly, the NSE Nifty-50 index fell 319.50 points, or 2.29%, to 16,677.60.

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ment, competitiveness and output growth".

As part of the increases, the standing deposit facility (SDF) rate would become 4.15% and the marginal standing facility (MSF) and bank rate would be 4.65%.

"These decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4% within a band of +/- 2%," the MPC noted.

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INEVITABLE INCREASE EDITORIAL

Vocabulary

Word	English Meaning	Hindi Meaning
Spurt	(Noun): a sudden marked burst or increase of activity or speed.	उछाल
Gullible	(Adjective): easily persuaded to believe something; credulous	आसानी से धोखा खानेवाला

Static News

The Monetary Policy Committee is responsible for fixing the benchmark interest rate in India. The meetings of the Monetary Policy Committee are held at least 4 times a year and it publishes its decisions after each such meeting. It was founded on 27/06/2016.

The hike in Repo rate – the key policy rate of RBI or the rate at which it lends to banks – means the cost of funds for banks will go up. This will prompt banks and NBFCs to raise the lending and deposit rates in the coming days

Grammar

GENERAL RULES OF CONVERSION ACTIVE VOICE TO PASSIVE VOICE:

1. The subject in the active voice becomes the object in the passive voice and the object in the active voice becomes the subject in the passive voice.
 2. Put 'by' in front of the subject in the passive voice.
 3. Use 3rd form of verb + is/ am/ are/ was/ were/ been/ being according to the tense in passive voice.
 4. There is no passive voice of present/ past/ future perfect continuous sentences and future continuous.
 5. Generally, passive voice can be made of transitive verb i.e. verbs which have an object attached to them.
 6. Sentences of an intransitive verb cannot be converted into passive voice. They laughed- No passive
The laughed at- The teacher was laughed at by them.
- In the first sentence, there is no object thus it cannot be converted into passive voice. But in the second sentence 'teacher' is the object thus its passive voice is possible.

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Grammar

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Decoding The Hindu Article

Labour codes to be rolled out soon

Ministry to release report of employment survey today, says Bhupender Yadav

DAMINI NATH
NEW DELHI

The four labour codes, which were passed by Parliament in 2019 and 2020, would be implemented soon, with only a handful of the States left to draft their own rules under the codes, Union Labour and Employment Minister Bhupender Yadav said on Wednesday.

Asked when the codes would be rolled out, Mr. Yadav said "soon". He said all but three or four States had drafted their rules under the

codes. While the Labour Ministry had prepared its rules under the four codes last year, they had not been notified.

As many as 29 Central Acts on wages, social security, occupational safety and industrial relations have been subsumed into four codes. Asked about the rumoured date of implementation, July 1, Mr. Yadav did not comment. With labour being a subject on the Concurrent List, Mr. Yadav said a "consensus" was being built with

the States. The Ministry would be releasing the third quarter report of its Quarterly Employment Survey as part of the All-India Quarterly Establishment-based Employment Survey that covers nine selected sectors on Thursday, Mr. Yadav said.

In the second report released in January, the survey found employment had increased by about 2 lakh from April-June 2021 to July-September 2021.

It comes just days after a Centre for Monitoring Indian

Economy report said half the working age population had exited the labour force, a finding the Ministry countered on Tuesday.

In a statement, the Ministry said the number of working age population not seeking work included 10 crore students as well as those engaged in unpaid activities such as care-giving.

The Ministry said it was incorrect to infer that half the working age population had lost hope and dropped out of work.

Vocabulary

Word	English Meaning	Hindi Meaning
Laggards	(Noun): a person who makes slow progress and falls behind others.	फिसड्डी

Static News

Bhupender Yadav (born 30 June 1969) is an Indian politician who serves as the Union Cabinet Minister of Labour and Employment, Environment, Forest and Climate Change in the Government of India. He is the national general secretary of the Bharatiya Janata Party. He is a Member of Parliament in the Rajya Sabha, representing the state of Rajasthan, a position he has held since 2012.[1] He was reelected in April 2018

Grammar**PREPOSITIONS OF TIME:**

Basic examples of time prepositions include: at, on, in, before and after. They are used to help indicate when something happened, happens or will happen. It can get a little confusing though, as many different prepositions can be used. Prepositions of time examples in the following sentences are in bold for easy identification.

For example:

I was born on July 4th, 1982.



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Decoding The Hindu Article

LIC share sale price band set at ₹902-₹949; govt. to divest 3.5%

Centre says cut size in view of current environment, expects to raise ₹21,000 cr.

SPECIAL CORRESPONDENT
MUMBAI

The Centre said on Wednesday it had reduced the size of the Life Insurance Corporation of India (LIC) Initial Public Offering (IPO) in light of the current 'volatile market' environment.

Despite the "right sizing", the LIC IPO, which would open on May 4, would be India's biggest ever, Tuhin Kanta Pandey, Secretary, Department of Investment & Public Asset Management told reporters at a press conference in Mumbai. The share sale, which is expected to help raise about ₹21,000 crore for the government, would close on May 9. The



Easy on the market: The LIC IPO will not crowd out capital and monetary supply, says Pandey. • REUTERS

anchor investor portion would open on May 2.

The Centre has fixed the price band at ₹902 to ₹949 per equity share of LIC. While policy holders would get a discount of ₹60 per

share, eligible employees, and retail investors would get a discount of ₹45 per share. Mr. Pandey said the government decided to dilute 3.5% stake in LIC, from the earlier plan of 5%, consi-

dering the current (volatile) environment. He added the Centre had no plans to come out with a follow-on public offer in the next one year. SEBI had given an exemption, allowing a reduction in the IPO size, he clarified.

He said the decision to list LIC was taken considering factors like market demand, reduced market volatility, domestic fund flows and LIC's performance.

"LIC IPO will not crowd out capital, monetary supply," he said. Investors can bid for a minimum of 15 equity shares and in multiples of 15 shares thereafter. The IPO is via an offer-for-sale of up to 22,13,74,920 shares.

Vocabulary

Word	English Meaning	Hindi Meaning
Moot	(Verb): raise (a question or topic) for discussion; suggest (an idea or possibility).	विचार करना

Static News

1987-batch IAS officer of Odisha cadre Tuhin Kanta Pandey IS the Secretary, DIPAM as on oct 22, 2019. He replaced Anil Kumar Khachi (HP, 1986) who went back on his repatriation to his parent cadre on personal grounds with immediate effect.

What is the function of Dipam?

Department of Investment and Public Asset Management (DIPAM) deals with all matters relating to management of Central Government investments in equity including disinvestment of equity in Central Public Sector Undertakings.

Grammar

Finished actions, states or habits in the past.

1. We use it with finished actions, states or habits in the past when we have a finished time word (yesterday, last week, etc.).

EXAMPLE: I went to the cinema yesterday.

2: We use it with finished actions, states or habits in the past when we know from general knowledge that the time period has finished. This includes when the person we are talking about is dead.

EXAMPLE : Leonardo painted the Mona Lisa.

Unreal or imaginary things in the present or future. We use the past simple to talk about things that are not real in the present or future.

EXAMPLE : If I won the lottery, I would buy a house.

I wish I had more time!

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Decoding The Hindu Article

SAT admits Ramkrishna's plea against regulator's order

SEBI asked to submit reply in 4 weeks; hearing on June 30

PRESS TRUST OF INDIA
NEW DELHI

The Securities Appellate Tribunal (SAT) has admitted former NSE chief Chitra Ramkrishna's plea against a SEBI order in relation to governance lapses at the bourse and directed her to deposit an amount of ₹2 crore.

The appellate tribunal also directed NSE to deposit more than ₹4 crore towards leave encashment and deferred bonus of Ramkrishna in an escrow account as against SEBI's direction where the amount was to be parked in the Investor Protection Fund Trust.

In an order dated February 11, SEBI had slapped a penalty of ₹3 crore on Ms.



Chitra Ramkrishna

Ramkrishna for alleged governance lapses in a case related to the appointment of Anand Subramanian as the Group Operating Officer and Advisor when she was MD and CEO of the NSE.

Besides, the watchdog had asked NSE to deposit the excess leave encashment of

₹1.54 crore and the deferred bonus of ₹2.83 crore of Ms. Ramkrishna in the Investor Protection Fund Trust.

Passing a four-page order dated April 11, the tribunal said various questions that had been raised would be considered at the time of hearing. It also directed SEBI to submit its reply within four weeks, while listing the case for hearing on June 30.

"However... to balance the equities as well as balance of convenience, we direct NSE... to deposit ₹4.73 crore towards leave encashment and deferred bonus of the appellant in an escrow account of instead of depositing it in the Investor Protection Fund Trust," the tribunal said.

Vocabulary

Word	English Meaning	Hindi Meaning
Bourse	(Noun): a stock market in a non-English-speaking country, especially France.	विदेशी मुद्रा बाजार

Static News

Securities Appellate Tribunal was mainly established to hear an appeal against the order passed by the SEBI (Securities and Exchange Board of India) or by an adjudicating officer under the SEBI Act, 1992.

Chitra Ramkrishna is an Indian businesswoman and the former CEO of the National Stock Exchange. In March 2022, she was arrested by the CBI for her involvement in the 'yogi scam'.

The Securities and Exchange Board of India is the regulatory body for securities and commodity market in India under the ownership of Ministry of Finance, Government of India. It was established on 12 April 1988 and given Statutory Powers on 30 January 1992 through the SEBI Act, 1992.

Grammar

PAST PERFECT TENSE describes a completed activity in the past. It is used to emphasize that an action was completed before another action took place. Basically, it describes an event that happened in the past before another event in the simple past tense was completed in the past.

For Example:

☑ Krishna had baked a cake before you arrived. (It means Krishna's action happened before his/her arrival)

☑ They had painted the fence before I had a chance to speak to them.



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Decoding The Hindu Article

Real and Villarreal hold the edge

Chelsea upbeat after big win; Bayern Munich must raise its game to avoid an upset

CHAMPIONS LEAGUE

PRESS TRUST OF INDIA
LONDON

The Champions League semifinal line-up will be settled this week, with Liverpool and Real Madrid needing to defend two-goal leads to make it through.

The other two games are more evenly **poised** with Villarreal and Manchester City only holding one-goal advantages. Here is a look at the two games to be played on Tuesday.

Bayern Munich-Villarreal (0-1): Bayern Munich must raise its game to avoid being upset by Spanish club Villarreal and keep alive its hopes for a quadruple of trophies this season. The six-time European champion struggled from the start of the first leg against Villarreal and was far from impressive with a 1-0 home win against relegation-threatened Augsburg in the Bundesliga on Saturday



Protagonist: Midfielder Groeneveld, right, put Villarreal ahead in the first leg of the quarterfinals. •AFP

when it had just four shots on goal and none on target in the first half.

Champion in 2020 by beating Paris Saint-Germain,

Bayern's title defence was ended by the French side in the quarterfinals last season.

Villarreal is trying to reach the last four of the Cham-

pions League for only a second time after 2006. The team based in a city of 50,000 people in southeastern Spain hadn't even made

it to the quarterfinals since 2009.

Real Madrid-Chelsea (3-1): Chelsea coach Thomas Tuchel was candidly defeatist after the first leg, declaring the European champion's title defence to be over. A 6-0 Premier League rout of Southampton at the weekend might have restored some confidence after conceding seven goals in its previous two matches.

While Chelsea's Premier League target is just holding onto third place, Madrid is cruising at the top in Spain. So much so, Toni Kroos and Luka Modric were rested in a 2-0 win against Getafe that leaves Madrid 12 points clear.

There is still doubt about whether left back Ferland Mendy will play as he continues to nurse a muscle problem. Madrid has won eight of its last nine games in all competitions, with its lone setback a 4-0 home loss to rival Barcelona in the Spanish league in March.

Vocabulary

Word	English Meaning	Hindi Meaning
Poised	(Adjective): having a composed and self-assured manner. .	की ओर अग्रसर

Static News

The UEFA Champions League is an annual club football competition organised by the Union of European Football Associations and contested by top-division European clubs. It was founded in 1955.

Bayern München e. V., also known as FC Bayern or Bayern Munich, is a German professional sports club based in Munich, Bavaria. It is best known for its professional football team, which plays in the Bundesliga, the top tier of the German football league system.

Grammar

Non-finite Verbs are not actual verbs. They do not work as verbs in the sentence rather they work as nouns, adjectives, adverbs, etc. Non-finite verbs do not change according to the number/person of the subject because these verbs, also called verbals, do not have any direct relation to the subject. Sometimes they become the subject themselves. Basically, Non-finites are of three types: gerunds, infinitives and participles.



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Vijay and Ramesh recall their long friendship with Sankar

S. DINAKAR
CHENNAI

N. Sankar was **suave**, possessed a wealth of knowledge, and was articulate. He cared for sports and not surprisingly earned the respect of top flight sportspersons, including tennis aces **Vijay Amritraj** and **Ramesh Krishnan**.

Hearing the news of Sankar's demise, Tamil Nadu Tennis Association president **Amritraj** said, "Incredibly saddened to hear of the passing of our dear friend N. Sankar."

Wonderful player

He added, "My relationship with him started over 50 years ago watching and then playing against Sankar and Kumar on the clay courts of



N. Sankar with Vijay Amritraj. *FILE PHOTO: R. RAGU

Chennai. He was a wonderful player, great in business, and an amazing lover and supporter of tennis."

Amritraj said, "I always enjoyed my time with him well after my career. He was a true gift to Tamil Nadu tennis before and after his stint

as president of TNTA."

The entire tennis fraternity in the State would dearly miss him, he said. He added, "I will miss him. Heartfelt condolences to his entire family."

Ramesh told *The Hindu*, "Sankar has known our fami-



Ramesh Krishnan. *FILE PHOTO

ly for generations. In the late 50s, he used to play a lot with my grandfather, T.K. Ramanathan."

To the Krishnans, Sankar was a family friend. "He is very prominent in my father's wedding photos," revealed Ramesh. Although

Sankar was more connected to his father, the great Ramanathan Krishnan, and his grandfather, Ramesh said, "I played with him at the club level. He had a very neat style, clean game."

Ramesh remembered the ₹1 million clay court tournament at Chennai's Gymkhana Club in 1993.

"Sankar was the driving force behind that event. All the big players came. I defeated K.G. Ramesh in the final."

Talking about Sankar's qualities, Ramesh said, "He was sharp, very good company, and had a great sense of humour."

"What set him apart was that he could organise things. He was passionate about sports."

Vocabulary

Word	English Meaning	Hindi Meaning
Suave	(Adjective): harming, confident, and elegant (typically used of a man).	शिष्ट

Static News

Vijay Amritraj is an Indian sports commentator, actor and retired professional tennis player from Madras. He was awarded the Padma Shri, India's 4th highest civilian honour, in 1983.

Ramesh Krishnan is a tennis coach and former professional tennis player from India. As a junior player in the late 1970s, he won the singles titles at both, Wimbledon and the French Open

Grammar

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