

INDIAN ECONOMY

❖ **Dabba Trading**

➤ **CONTEXT:** Recently the National Stock Exchange (NSE) issued a string of notices naming entities involved in 'dabba trading'.

- The bourse cautioned retail investors to not subscribe (or invest) using any of these products offering indicative/assured/guaranteed returns in the stock market as they are prohibited by law. It added that the entities are not recognised as authorised members by the exchange.

➤ **What is 'dabba trading'?**

- Dabba (box) trading refers to informal trading that takes place outside the purview of the stock exchanges. Traders bet on stock price movements without incurring a real transaction to take physical ownership of a particular stock as is done in an exchange. In simple words, it is gambling centred around stock price movements.

✓ For example, an investor places a bet on a stock at a price point, say ₹1,000. If the price point rose to ₹1,500, he/she would make a gain of ₹500. However, if the price point falls to ₹900, the investor would have to pay the difference to the dabba broker.

✓ Thus, it could be concluded that the broker's profit equates the investor's loss and vice-versa. The equations are particularly consequential during bull runs or bear market.

- The primary purpose of such trades is to stay outside the purview of the regulatory mechanism, and thus, transactions are facilitated using cash and the mechanism is operated using unrecognised software terminals.

- Other than this, it could also be facilitated using informal or kaccha (rough) records, sauda (transaction) books, challans, DD receipts, cash receipts alongside bills/contract notes as proof of trading.

- 'Dabba trading' is recognised as an offence under Section 23(1) of the Securities Contracts (Regulation) Act (SCRA), 1956 and upon conviction, can invite imprisonment for a term extending up to 10 years or a fine up to ₹25 crore, or both.

➤ **Issues**

- Loss of government exchequer: Since there are no proper records of income or gain, it helps dabba traders escape taxation.

✓ They would not have to pay the Commodity Transaction Tax (CTT) or the Securities Transaction Tax (STT) on their transactions.

✓ The use of cash also means that they are outside the purview of the formal banking system. All of it combined results in a loss to the government exchequer.

- No investor protection: In 'dabba trading', the primary risk entails the possibility that the broker defaults in paying the investor or the entity becomes insolvent or bankrupt.

✓ Being outside the regulatory purview implies that investors are without formal provisions for investor protection, dispute resolution mechanisms and grievance redressal mechanisms that are available within an exchange.

- Harassment of clients: It is also noticed that clients, on entering the dabba ecosystem, were harassed by the broker's 'recovery agents' for default payments and refused payments upon profit.

- Black money & money laundering: Since all activities are facilitated using cash, and without any auditable records, it could potentially encourage the growth of 'black money' alongside perpetuating a parallel economy.

✓ This could potentially translate to risks entailing money laundering and criminal activities.

- Loss & volatility: The source warns that the mechanism could potentially translate into ripple effects for the regulated bourse as well by inducing volatility when dabba brokers look to hedge their exposures (take position in an alternate asset or investment to reduce the risk/loss with the current position).

✓ It also contributes to the bourse losing out on volumes, "even though they may not be significant".

ART AND CULTURE

❖ **Uttaramerur inscription**

➤ **CONTEXT:** Prime Minister Narendra Modi recently referred to the Uttaramerur inscription in Kanchipuram, Tamil Nadu, while discussing India's democratic history.

- The inscription found there is like a local constitution for the gram sabha. It tells how the assembly should be run, what should be the qualification of members, what should be the process to elect the members, and how a member would be disqualified.

- While Uttaramerur has multiple inscriptions spanning centuries, the most famous one is from the reign of **Parantaka I (907-953 AD)**. These provide a detailed description about the village's self-governance and have been cited by historians and political leaders alike as evidence of India's history of democratic functioning.

➤ **Where is Uttaramerur?**

- Uttaramerur lies in present-day Kanchipuram district. Today, it is a small town. It is known for its historic temples built during Pallava and Chola rule.

- The famous inscription from **Parantaka I's** reign is found on the walls of the **Vaikunda Perumal Temple**.
- **What does the inscription say?**
- The inscription gives details of the functioning of the local *sabha*, i.e. the village assembly. A *sabha* was an assembly exclusively of *brahmins* and had specialised committees tasked with different things.
- The Uttaramerur inscription details how members were selected, the required qualifications, their roles and responsibilities, and even the circumstances in which they could be removed.
- **Appointing representatives to the sabha**
- Describing how the *sabha* shall be constituted, the inscription says, "There will be 30 wards. Everyone living in these 30 wards would assemble and select one representative for the village assembly.
- It then goes on to describe what the qualifications for such a representative must be:
 - ✓ These include ownership of a certain amount of land, having a house, being between the age of 35 and 70 and "knowing *mantras* and *Brahmanas*" (from the Vedic corpus).
 - ✓ An exception can be made on land ownership if the person has learnt at least "one *Veda* and four *Bhashyas*".
 - ✓ One must also be "well-versed in business" and "virtuous".
- The inscription then lists a number of factors which disqualify someone and their family (all the relations are systematically listed) from consideration.
- These include:
 - ✓ not having submitted accounts" while previously serving in a committee
 - ✓ committing any of the first four of the five 'great sins' (killing a brahman, drinking alcohol, theft and adultery)
 - ✓ being associated with outcastes, and eating 'forbidden' dishes.
- All those eligible and willing would write their names on palm leaf tickets following which, the representative would be chosen on the basis of an elaborate draw of lots, conducted by priests in the inner hall of the building where the assembly meets.
- **Detailing responsibilities**
- The inscription describes a number of important committees within the *sabha* with their own distinct functions. These include:
 - ✓ The garden committee,
 - ✓ The tank committee,
 - ✓ Annual committee (an executive committee which required prior experience and knowledge to be a part of),
 - ✓ The committee for supervision of justice (for supervising appointments and wrong doing),
 - ✓ The gold committee (in charge of all the gold in the village temple)
 - ✓ The five-fold committee (its role is unclear in the inscription).
- These committee assignments would last for 360 days after which the members would have to retire.
- Anyone in the committee who was implicated in any wrongdoing, such as forgery or having ridden an donkey (i.e. being punished for a crime), was removed instantly.
- Also, the inscription emphasises upon the keeping of accounts – any discrepancy can also disqualify members of the *sabha*.
- **Is this an example of a democracy?**
- While the Uttaramerur inscription gives details of local self-governance, on closer inspection, it is far from a truly democratic system. Not only does it restrict *sabha* membership to a tiny subsection of land-owning *brahmins*, it also does not have true elections. Rather, it chooses members from the eligible pool of candidates through a draw of lots.
- This does not mean that this inscription should not be cited as a precedent for democratic functioning. The idea of a democracy, as understood today, is a fairly recent phenomenon.
- The United States, often hailed as the epitome of a liberal democracy, only gave universal adult franchise to its population in 1965.
- What the Uttaramerur inscription details is a system of local self-government, outside the direct authority of the king.
- Furthermore, for all intents and purposes, the inscription is like a constitution – it describes both the responsibilities of members of the *sabha* as well as the limitations to the authority of these members.
- If the rule of law (rather than rule by personal diktat) is an essential component of a democracy, the Uttaramerur inscription describes a system of government which follows just that.

PRELIMS

1. Gond Painting

- **CONTEXT:** The famed Gond painting of Madhya Pradesh has received the prestigious Geographical Indication (GI) tag.
- **What is a geographical Indication (GI) tag?**

- A geographical Indication (GI) tag is a sign used on products which have a specific geographical origin and possess qualities or a reputation that are due to that origin.
- It is used for industrial products, foodstuff, agriculture products, spirit drinks, and handicrafts.
- GI Tag ensures that no one other than the registered authorised user is allowed to use the name of the popular product.
- Gond painting is a famous folk art of the Gond tribal community of central India.
- It is done to preserve and communicate the culture of the Gond tribal community.
- Gond tribal art includes folk dances, folk songs, and Gond paintings.
- It is mainly done in Patangarh Village in Dindori district of Madhya Pradesh.

➤ **Evolution**

- The present-day Gond paintings have evolved from Digna and Bhattichitra.
- The Gonds paint Digna, a traditional geometric pattern on the walls and floors of the houses.
- Bhattichitra is painted on the walls of houses, and these paintings include images of animals, plants, and trees.
- Women use natural colors to paint the walls and floors of their homes.
- In the 1980s, J Swaminathan was the director of the Bharat Bhavan Museum in Bhopal. He wanted to exhibit urban and tribal art together. For this purpose, he sent some of his students to various villages in Dindori district in search of various tribal Gond artists.
- There they found very talented young men and women. One of them was Jangarh Singh Shyam, an exceptionally talented painter.
- Jangarh Singh Shyam was a Pardhan Gond artist of the village Patangarh in Dindori district in Madhya Pradesh.



- Pardhan Gonds are one of the subgroups of the Gond community. Pardhan Gonds are known for their artistic skills such as music, singing, painting, etc.
- Jangarh Singh Shyam became famous by exhibiting his paintings in Tokyo and Paris. The Gond painting thus gained worldwide recognition and became the livelihood of many tribal families.

➤ **What is explained through these paintings?**

- They tell us about nature, trees, plants, animals, moon, sun, river, drains, God and Goddesses. What foods are fed, how plough is made, how the king used to fight, how the powers of tantra mantra (Black magic) worked, all this is explained through the painting

➤ **Gond Painting Raw Materials**

- Paper/Canvas: Handmade paper, canvas or even chart paper that are readily available in the market are used to make Gond paintings.
- Colors: Bright colors such as red, yellow, blue, green, etc., are commonly used in Gond art. Natural colors are obtained from charcoal, colored soils, plants, leaves, cow dung, etc. Gond artists are now using synthetic colors such as acrylic colors, poster colors and oil paints as they are readily available in the market.
- Tools: Paintbrushes of various sizes are now used to make Gond paintings.

➤ **Gond Painting Themes & Designs**

- The themes and motifs of Gond painting are drawn from local flora and fauna, deities and urban culture.

• **Gond paintings mainly depict the following subjects: –**

- ✓ Pictures of peacocks, birds, crabs, mythical beasts, lizards, lions, tigers, deer, snakes, wild boars, cows, monkeys, elephants, horses, fish, etc.
- ✓ Mahua Tree as Tree of Life. Mahua flowers, fruits, seeds, and leaves are used for many purposes by the Gond tribe.
- ✓ Modern design such as airplanes, bicycles, cars, technology, etc.
- ✓ Myths, legends, and aspects of the daily life of Gond people.
- ✓ Hindu gods such as Lord Shiva, Lord Krishna, Lord Ganesha, etc.
- ✓ Local deities like Phulvari Devi (Goddess Kali), Jalharin Devi (River Goddess), Marahi Devi, etc
- ✓ Folktales

➤ **Signature Patterns**

- Each Gond artist uses his own distinctive pattern and style to fill the images. These distinctive patterns are called signature patterns. Some of the patterns used in Gond paintings are: Dots, Fine Lines, Curved Lines, Dashes, Fish Scales, Drops of Water, Seed Shapes and Geometrical Shapes, etc.

2. The Mahad Satyagraha

➤ **CONTEXT:** As a grateful nation celebrates the 132nd birth anniversary of the father of India's Constitution, here is a recall of the Mahad Satyagraha, one of the earlier and among the most significant of milestones in a great life.

- The events that led to the Mahad Satyagraha began to unfold in August 1923.
- The Bombay Legislative Council passed a resolution moved by the social reformer Rao Bahadur S K Bole. It endorsed that the Untouchable classes be allowed to use all public water sources, wells and dharmashalas as well as public schools, courts, offices and dispensaries.
- Ambedkar at the time was helping Dalits fight against the social evil of untouchability through the Bahishkrit Hitkarini Sabha, the institution that he had founded in 1924.
- But it was failed to implement because of the protest from the savarna Hindus.

➤ About

- Mahad Satyagraha or Chavdar Tale Satyagraha was led by B. R. Ambedkar on 20 March 1927 to allow untouchables to use water in a public tank in Mahad (currently in Raigad district), Maharashtra.
- The day is observed as Social Empowerment day in India.
- Mahad was selected for the event because it had a nucleus of support from 'caste hindus'.
- On 25 December, Shastrabuddhe under the guidance of Ambedkar, burnt Manusmriti, a Hindu law book, as a protest.
- In December 1937, the Bombay High Court ruled that untouchables have the right to use water from the tank.
- On 19 March 1940, Dr. Ambedkar arranged a rally and public conference in Mahad to recollect 14th Mahad Satyagraha Day as "Empowerment Day".
- This movement was although withdrawn but gave confidence to the untouchables to fight against social disability.

3. Exercise Orion

➤ **CONTEXT:** Indian Rafale combat aircraft are set to participate in a multinational wargame codenamed Orion, which is being hosted by France at Mont-de-Marsan, an Air Force base of the French Air and Space Force (FASF).

➤ Exercise Orion

- It is a multinational exercise hosted by the French government.
- The backdrop of this exercise is the ongoing Russia-Ukraine conflict, where NATO led by the US is opposing Russian moves against Ukraine.
- It is reportedly the largest ever multinational exercise being carried out by the French defense forces which have involved their Army, Navy and Air Force.
- Exercise Orion would be the first overseas exercise for the IAF's Rafale aircraft.
- Participation: It involves many of France's NATO and other important allies like Germany, Greece, Italy, Netherlands, United Kingdom, Spain and the United States of America.

➤ Significance

- It highlights the growing importance of India in the international arena and its close ties with key allies such as France.
- The participation of Indian Rafales in multinational wargames helps in improving their capabilities and also in enhancing the interoperability of Indian forces with their foreign counterparts.
- Participation in this exercise would further enrich the employment philosophy of the India Air Force, by imbibing the best practices from other Air Forces.

Q. Codes of ethics and codes of conduct are often used interchangeably, but they have different meanings and functions. Explain the differences between codes of ethics and codes of conduct and provide examples of each.

Introduction

- Codes of ethics and codes of conduct are both important tools for promoting ethical behavior in the public sector. While codes of ethics provide overarching principles and values, codes of conduct provide more specific rules and guidelines for behavior.
- Effective implementation of these codes is critical for ensuring that public officials behave ethically and responsibly.

Differences between Codes of Ethics and Codes of Conduct:

- Codes of ethics are broad statements of principles and values that guide behavior, while codes of conduct are specific rules and guidelines for behavior.

- For example, a code of ethics for civil servants would contain a declaration of values reflecting public expectations of the relationship between the civil service and the government, legislature, and the public, with specific reference to political impartiality, accountability for actions, and responsibilities to the government of the day.
- On the other hand, a code of conduct for civil servants would provide specific guidelines on issues such as acceptance of gifts, conflict of interest, and acquisition of property, as enunciated in the Central Services (Conduct) Rules, 1964 and analogous rules applicable to members of the All India Services or employees of various State Governments.
- Codes of ethics are often voluntary and aspirational, while codes of conduct are typically mandatory and enforceable.
- For instance, a code of ethics for civil servants would be aspirational in nature and would encourage officials to maintain the highest ethical standards.
- On the other hand, the Civil Service code in India is a legally enforceable code of conduct that outlines the Civil Service's core values and the standards of behavior expected of all civil servants in upholding these values.
- Code of ethics enables employees to make independent judgments about the most appropriate course of action whereas the code of conduct enables employees to work in compliance with rules and actions.
- For instance, code of ethics for civil servants would say that actions of officers should be driven by larger common good, leaving enough room for individual judgement.
- On the other hand, code of conduct would state that civil servants will not indulge in bribery etc.

Implementation of Code of Ethics and Code of Conduct in the Public Sector:

- To be effective, codes of ethics and codes of conduct must be communicated clearly and consistently to public officials at all levels of government.
 - Examples of effective implementation include training programs under Karmyogi mission, regular reviews and updates of the codes, 360 degree performance appraisal of civil servants etc.
- In addition, codes of ethics and codes of conduct should be integrated into broader systems of accountability and transparency, such as public reporting on ethical violations and independent oversight by bodies such as ombudsmen and audit committees.

Conclusion

- In India, while there is no prescribed code of ethics for civil servants, there are conduct rules that contain specific activities deemed undesirable for government servants. Therefore, there is a need to lay down more generic norms as recommended by Hota committee and 2nd ARC.
- By adhering to codes of ethics and codes of conduct, civil servants can promote integrity, impartiality, and commitment to public service, which are essential for maintaining the trust and confidence of the public in the government.

MCQs

1. With reference to Dabba Trading often mentioned in news consider the following
 1. Dabba (box) trading refers to informal trading that takes place outside the purview of the stock exchanges.
 2. It results in a loss to the government exchequer.
 3. Dabba trading is recognised as an offence under Section 23(1) of the Securities Contracts (Regulation) Act (SCRA), 1956.

Which of the above statement/s is/are correct?

- a) 1 and 3 only
 - b) 2 and 3 only
 - c) 1 and 2 only
 - d) **1,2 and 3**
2. Consider the following statements about Solid Fuel Ducted Ramjet (SFDR):
 1. It has been developed by the Indian Space Research Organisation.
 2. The SFDR-based propulsion enables the missile to intercept aerial threats at short range at ultrasonic speeds.

Select the correct answer using the codes given below:

- a) 1 only
 - b) 2 only
 - c) Both 1 and 2
 - d) **Neither 1 nor 2**
3. Consider the following about 'Gond' tribal community and Gond Paintings.
 1. They are most likely to be found in Central India.
 2. Gond paintings depict man's relationship with nature.
 3. Paint made from boiled oil and vegetable dyes is laid down on fabric using either a metal block (printing) or a stylus (painting) in this craft

Select the correct answer using the codes below.

- a) **1 and 2 only**

- b) 2 only
c) 1 and 3 only
d) 1, 2 and 3
4. The Uttaramerur inscription often mentioned in news recently provides information on the administration of which of the following rulers?
a) Chalukyas
b) Satavahanas
c) Pallavas
d) Cholas
5. With reference to exercise Orion consider the following statements
1. It is a multinational exercise hosted by the NATO.
2. Every year a NATO country hosts this exercise, for the year 2023 it is France.

Which of the above statement/s is/ are correct?

- a) 1 only
b) 2 only
c) Both 1 and 2
d) Neither 1 nor 2
6. Consider the following pairs:

Missile	Type
1. Helina –	Anti-tank guided missile
2. Astra –	Short range ballistic missile
3. Prithvi –	Air to air missile
4. Agni-5 –	Long range nuclear capable missile

Which of the pair/s given above is/are correctly matched?

- a) Only one pair.
b) **Only two pairs.**
c) Only three pairs.
d) All four pairs.
7. MAHARISHI Initiative often mentioned in news is related to which of the following
a) **Agro Forestry**
b) Startup Ecosystem
c) Urban Forestry
d) Cultural integration
8. World Food Programme (WFP) is an food assistance branch of which of the following organization?
a) **United Nations**
b) World Bank
c) World Economic Forum
d) International Monetary Fund

9. With reference to Business Environment Rankings (BER) consider the following
1. BER, by World Bank, measures the attractiveness of the business environment in 82 countries on a quarterly basis.
2. Singapore topped the latest rankings

Which of the above statement/s is/are correct?

- a) 1 only
b) **2 only**
c) Both 1 and 2
d) Neither 1 nor 2
10. With reference to Regional New Year/Harvest Festivals recently seen in news consider the following

State	Festival
1. Tamil Nadu	Puthandu
2. Uttar Pradesh	Bihu / Bohag Bihu / Rongali Bihu
3. Odisha	Baisakhi
4. Kerala	Vishu
5. West Bengal	Poila Baisakh / Naba Barsh

How many above pair/s is/are incorrectly matched

- a) Only one pair
b) **Only two pairs**
c) Only three pairs
d) Only four pairs