



Current Affairs of the Day

T.N. launches ₹100 cr. urban employment scheme

1. The Tamil Nadu government will implement an urban employment scheme on the lines of the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) at a cost of ₹100 crores to improve the livelihood of the urban poor.
2. Unlike other States, the urban population in Tamil Nadu was growing fast and it would reach 60% of the total population by 2036. A total of four crore people are now living in urban areas, accounting for 53% of the total population.
3. The government would implement the Kalaignar Urban Development Scheme at a cost of ₹1,000 crores. Infrastructure including a community hall, markets, modern libraries will be created in municipalities and town panchayats.
4. The objective of the programme was to provide employment to the urban poor, who had lost their jobs because of the COVID-19 pandemic as recommended by the committee headed by former RBI Governor C Rangarajan.
5. Thousands of jobs were lost and the government discussed ways to create jobs for them. Under the scheme, workers will be used for activities such as desilting of water bodies and maintenance of public parks and other places.
6. The State government had submitted a memorandum to the Centre seeking funds for an urban employment scheme but was yet to get a response.

‘Economic criterion not the sole basis for creamy layer’

1. The Supreme Court held that economic criterion should not be the sole basis to identify sections of backward communities as 'creamy layer'.
2. Social advancement, higher employment in government services, etc, played an equal role in deciding whether a person belonging to the creamy layer and could be denied quota benefits, it said.
3. The basis of exclusion of 'creamy layer' cannot be merely economic," the court observed in their judgment while referring to the Supreme Court's Indra Sawhney verdict of 1992, which declared that 'creamy layer' in a backward



community should be excluded from reservation so that the more deserving were able to come up.

4. The court had illustrated that 'creamy layer' would include "persons from backward classes who occupied posts in higher services like IAS, IPS and All India Services had reached a higher level of social advancement and economic status, and therefore, were not entitled to be treated as backward".

Two notifications

1. The court was hearing a petition challenging two notifications issued on August 17, 2016, and August 28, 2018, by the Haryana government subclassifying backward classes solely on an economic basis while fixing the criteria for creamy layer.
2. The notifications, issued under the Haryana Backward Classes (Reservation in Services and Admission in Educational Institutions) Act of 2016, said backwards community members who earn above ₹6 lakh annually would be treated as 'creamy layer'.
3. The Supreme Court held that Haryana's notifications have violated the law declared in the Indra Sawhney judgment by identifying creamy layers only on the basis of income.

Fresh guidelines

1. "In spite of Section 5(2) of the 2016 Act making it mandatory for identification and exclusion of 'creamy layer' to be on the basis of social, economic and other relevant factors, the State of Haryana has sought to determine 'creamy layer' from backward classes solely on the basis of economic criterion and has committed a grave error in doing so," the court held, quashing both the notifications
2. The Supreme Court directed the State to issue fresh notifications in three months.
3. It did not, however, disturb admissions to educational institutions and appointments to State government services made on the basis of the two notifications.



S-400 air defence deal on track: Rostec

1. In the last three years, since 2018, the defence trade between India and Russia was \$15 billion because of some big-ticket defence deals.
2. The S-400 air defence systems deal, for which deliveries are scheduled to begin in a few months, was on schedule, Russia said while downplaying the threat of U.S. sanctions under CAATSA (Countering America's Adversaries Through Sanctions Act).
3. Indian government stands very firm in protecting national interest. Since getting an S-400 is very important to enhance national air defence, definitely, India will continue implementing this contract.
4. Stating that CAATSA was not targeted against Russia but against third countries cooperating with Russia.
5. Deliveries of S-400 long-range air defence systems are scheduled to begin by November.

EPFO appeal goes to larger SC Bench

1. A Division Bench of the Supreme Court referred to a larger Bench an appeal filed by the Employees Provident Fund Organisation (EPFO) challenging a decision of the Kerala High Court, which set aside amendments to "determination of pensionable salary" under the Employees Pension Scheme (EPS) of 1995 as "ultra vires".
2. The dispute revolves around the controversial amendments made to Clause 11(3) of the EPS-1995.
3. Challenges to the EPS amendments said they were skewed. The people who challenged the amendments came from all walks of life and work. They sought a more secure life with a decent pension.
4. In the earlier version of EPS-1995, the maximum pensionable salary cap was ₹6,500. However, members whose salaries exceeded this cap could opt, along with their employers, to contribute up to 8.33% of their actual salaries.

Raising of cap

1. The amendments raised the cap from ₹6,500 to ₹15,000. But the amendments said only employees, who were existing EPS members as of September 1,



2014, could continue to contribute to the pension fund in accordance with their actual salaries. They were given a window of six months to opt for the new pension regime.

2. However, the changed pension regime introduced through the amendments meant that someone who became an EPS member after September 1, 2014, would not get a pension on a par with his or her actual salary.
3. That is, even if your salary is ₹1 lakh, you will get a pension only for a salary of ₹15000.

The case concerns thousands of employees and pensioners who draw merely ₹2,000 or ₹,3000 as pension. The EPFO has argued in favour of the amendments, saying the High Court had not only defeated the “object and purpose of EPS-1995 but will also prejudice the interests of the lower waged employees”.

GDP likely grew at 18.5% in April-June: SBI report

1. India's gross domestic product (GDP) is expected to have grown by about 18.5% with an upward bias in the first quarter, State Bank of India's researchers wrote in their Ecowrap report.
2. This estimate is lower than the RBI's GDP growth projection of 21.4% for the April-June quarter.
3. Based on 'Nowcasting' model, the forecasted GDP growth for Q1 would be around 18.5% (with upward bias), they wrote. Higher growth in Q1 is mainly due to a low base.
4. SBI has developed the 'Nowcasting Model' with 41 high-frequency indicators associated with industrial activity, service activity, and the global economy.
5. The researchers expect gross value added (GVA) to expand 15% in Q1FY22.