

Important Vocab for the Editorial

1. **oversee** (verb) – supervise, be in charge of, be responsible for, look after, keep an eye on, inspect.
2. **oversight** (noun) – mistake, error, blunder, fault, lapse; carelessness, inattention, neglect, negligence.
3. **cut** (noun) – reduction, decrease, lessen, lessening.
4. **U-turn** (noun) – about-turn, a reversal of policy, change of mind/plan, about-face.
5. **defer** (verb) – postpone, put off, delay, hold off, put back.
6. **intent** (adjective) – purpose, intention, objective.
7. **instrument** (noun) – scheme, system (to achieve/attain something).
8. **witness** (verb) – see, observe, view, notice.
9. **unprecedented** (adjective) – not done or experienced before.
10. **overnight** (adjective) – instant, prompt, immediate, sudden, quick; swift, expeditious.
11. **volatility** (noun) – unpredictability, instability, unreliability.
12. **downwards** (adverb) – toward a lower level.
13. **quarter** (noun) – a period of three months (considered as one-fourth of a year).
14. **basis point (BPS)** (noun) – a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent). Used for measuring change in interest rate/yield.
15. **Public Provident Fund (PPF)** (noun) – a savings-cum-tax-saving instrument in India, introduced by the National Savings Institute of the Ministry of Finance in 1968. It is one of the most popular long-term (a lock-in period of 15 years) saving-cum-investment products, mainly due to its combination of safety, returns, and tax savings.
16. **peg (at)** (verb) – fix, set, hold, limit (a price, rate, or amount) at a particular level.
17. **refrain** from (verb) – stop oneself, abstain, desist from, hold back.
18. **tweak** (verb) – adjust, modify, alter, change.
19. **effect** (verb) – cause, bring about, cause (to happen/occur), produce.
20. **prune** (verb) – reduce, cut, decrease, diminish.
21. **rate cut** (noun) – reduction in the interest rate.
22. **status quo** (noun) – the present situation, the current state, the existing state of affairs.
23. **reinstate** (verb) – bring back, restore, put back, return to the previous position.
24. **lead to** (verb) – result in, cause, bring about, produce, make happen, give rise to.
25. **competent** (adjective) – qualified, empowered, authorized; suitable, appropriate; accomplished, skilful.
26. **key** (verb) – enter (data/information) using keyboard.
27. **inadvertently** (adverb) – unintentionally, unwittingly.
28. **amidst** (preposition) – amid, in the middle of; during.
29. **flurry** (noun) – spate, series, succession.
30. **last minute** (adjective) – careless, slapdash, disorganized, unmethodical, unsystematic.
31. **bureaucracy** (noun) – officials (in the administration, government, the establishment) as a group.
32. **security** (noun) – investments, shares, holdings, securities, equities, bonds.
33. **tenure** (noun) – term, time, period.
34. **deduce** (verb) – come to understand, understand, assume; conclude, come to the conclusion.
35. **the executive** (noun) – the executive is a branch of government that enforces the law as written by the legislature and interpreted by the judiciary.
36. **implications** (noun) – consequence/outcome, ramification, repercussion.
37. **extant** (noun) – existing, present.
38. **clinching** (adjective) – decisive/conclusive, final, key.
39. **brazen (it) out** (phrasal verb) – to act or behave confidently & shamelessly (even after doing something wrong & also by not admitting that); put a bold face on it, be defiant, be unashamed.
40. **jibe** (noun) – insult, insulting or unkind remark, barb.
41. **inflation** (noun) – simply meaning “cost of living”; increase of price level of goods & services and vice versa decrease of currency value.

42. [soaring](#) (adjective) – rising, increasing (quickly).
43. [can ill afford](#) (phrase) – to prevent something from happening because it would be embarrassing and cause problems (if it happens).
44. [yield](#) (verb) – afford, provide/give, produce.
45. [talking point](#) (noun) – subject, subject matter, issue, matter, point.
46. [squeezing](#) (noun) – having a damaging effect on.
47. [brace up](#) (phrasal verb) – be strong.
48. [Provident Fund \(PF\)](#) (noun) – a government-managed savings scheme, where you invest your money and benefit from the accumulated interest over time. Salaried employees get this lump sum amount once they retire or exit from employment.
49. [rollback](#) (noun) – withdrawal, pulling back, retreat; reduction, cut, decrease.
50. [post-haste](#) (adverb) – as quickly as possible, as soon as possible, ASAP, without delay, very quickly.
51. [ad hocism](#) (noun) – actions/measures to deal with specific & urgent issues/situations only.
52. [the central bank](#) (noun) – The banking regulator of a country's banking system. The Reserve Bank of India (RBI) is the central bank of India.
53. [deterrent](#) (noun) – a person/thing that discourages an action and makes it difficult to do.
54. [mysterious](#) (adjective) – puzzling, strange, peculiar.
55. [freeze](#) (verb) – fix, hold; limit, restrict (at a level).
56. [pump price](#) (noun) – the retail selling price of petrol/diesel (to the public).
57. [campaign](#) (noun) – an organized effort that seeks to influence the decision making progress within a specific group.
58. [deregulated](#) (adjective) – relating to the market where the government rules & restrictions are removed.
59. [pitch](#) (noun) – talk-up.
60. [virtually](#) (adverb) – practically, almost, nearly.
61. [perennial](#) (adjective) – everlasting/unending, endless, permanent.
62. [hit](#) (verb) – affect badly, damage, ruin, have a negative effect on.
63. [on the same note](#) (phrase) – likewise.
64. [code of conduct](#) (noun) – a set of rules outlining the norms, rules, and responsibilities or proper practices of an individual party or an organisation.
65. [in force](#) (phrase) – in effect, in operation, in action.
66. [deviation](#) (noun) – departure, deflection, difference, variation.
67. [scrutiny](#) (noun) – examination, inspection, investigation.

Overseeing oversights: On small savings cut

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U-turn on the drastic cut in small savings rates deferred the impact, but revealed the intent

India's small savings instruments witnessed unprecedented overnight volatility in rates this week. On Wednesday evening, the Budget division in the Department of Economic Affairs [revised downwards the interest rates payable on small savings instruments](#) for the April-June 2021 quarter, by 40 basis points (0.4%) to 110 basis points (1.1%). The return on the most popular PPF scheme was pegged at 6.4%, the lowest level in 46 years. The government had refrained from tweaking these rates for the last three quarters after effecting a similarly sharp cut in Q1 of 2020-21, when the PPF interest was pruned from 7.9% to 7.1%. However, by early Thursday, the [rate cuts had disappeared](#) and the *status quo* reinstated, following a tweet by Finance Minister Nirmala Sitharaman. The only

explanation: 'Orders issued by oversight shall be withdrawn.' It is not clear whose 'oversight' led to the rates being cut. In the process, the intent has been revealed even if the impact is deferred. Surely, Wednesday's order, approved by the competent authority, was not based on random numbers keyed in and notified inadvertently amidst a flurry of last-minute economy-related government notifications on the last day of the financial year.

It is difficult to believe that the oversight is on the bureaucracy's part, for it simply executed the stated policy decision to link small savings rates to the interest paid on government securities of a comparable tenure every quarter. So one must deduce the oversight is on the political executive's part on the timing and implications of executing the required decision as per the extant policy. The clinching factor — the five Assembly polls. The government, that has brazened it out on Opposition jibes about rising unemployment, high inflation along with soaring fuel prices, could ill afford to yield a fresh talking point — the squeezing of the middle class and senior citizens, even as they brace up for the fresh tax on provident fund incomes. This rollback is not the first instance of post-haste policy ad hocism, but it may make the government's ₹12.05-lakh crore borrowing plan for the year harder as the central bank has been complaining of high small savings rates as a deterrent to lower interest rates. Another instance is the mysterious practice of oil companies freezing pump prices during electoral campaigns, even though oil prices are deregulated. The PM, as part of his 'One Nation, One Election' pitch, has often said that the virtually perennial poll season hits development. On the same note, if governments need permission to announce initiatives while the model code of conduct is in force, any deviation or reversal from routine administrative decisions should also attract the Election Commission's scrutiny.

GUPTA