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**VEDHIK**  
DAILY NEWS ANALYSIS  
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## **FOREWORD**

We, at Team Vedhik is happy to introduce a new initiative - "Daily Current Affairs\_The Hindu" compilations to help you with UPSC Civil Services Examination preparation. We believe this initiative - "Daily Current Affairs\_The Hindu" would help students, especially beginners save time and streamline their preparations with regard to Current Affairs. A content page and an Appendix has been added segregating and mapping the content to the syllabus.

It is an appreciable efforts by Vedhik IAS Academy helping aspirants of UPSC Civil Services Examinations. I would like to express my sincere gratitude to Dr. Babu Sebastian, former VC - MG University in extending all support to this endeavour. Finally I also extend my thanks to thank Ms. Shilpa Sasidharan and Mr. Shahul Hameed for their assistance in the preparing the compilations.

We welcome your valuable comments so that further improvement may be made in the forthcoming material. We look forward to feedback, comments and suggestions on how to improve and add value for students. Every care has been taken to avoid typing errors and if any reader comes across any such error, the authors shall feel obliged if they are informed at their Email ID.

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# 'Indus water talks held on 'cordial' terms'

Both sides to resolve issues. says MEA

**SUHASINI HAIDAR**  
NEW DELHI

Indian and Pakistani negotiators ended another round of talks as part of the Indus Water Treaty on "cordial" terms, said the Ministry of External Affairs (MEA), describing the 118th meeting of the Permanent Indus Commission that took place in Delhi on May 30 and 31.

The MEA did not give any details on the issues that were on the agenda for discussion, including Pakistan's request for flood-flow data sharing and objections to hydro-power projects planned on "western rivers" in Jammu & Kashmir.

However, it said that the annual report of the Commission for the previous year had been finalised and signed, indicating some consensus on the way forward on a number of issues that come up each year. A statement from Pakistan's Ministry of Foreign Affairs also added that India had promised a response to its objections.

"The meeting was held in a cordial manner. The Commission appreciated the commitment of the two



The Indus seen on its course from Leh to Ladakh.

▪ SPECIAL ARRANGEMENT

sides to interact frequently and resolve issues through bilateral discussions under the Indus Water Treaty," the MEA said after the meetings between six-member delegations on either side led by the new Indian Commissioner for Indus Waters A.K. Pal, and Syed Muhammad Mehar Ali Shah, the Pakistan Commissioner for Indus Waters, adding that they had agreed to hold the next meeting in Pakistan.

The MEA's statement comes in contrast to previous, more acrimonious statements issued by both India and Pakistan, which had detailed areas of dispute between the two sides.

# China unveils stimulus policies to support virus-hit economy

## State Council vows to reduce real borrowing costs

**REUTERS**  
BEIJING

China's Cabinet unveiled a package of 33 measures covering fiscal, financial, investment and industrial policies on Tuesday to revive a pandemic-ravaged economy, saying it will inspect how provincial governments implement them.

The stimulus package, which was flagged by China's State Council in a routine meeting last week, underscores Beijing's shift toward growth, after draconian COVID-19 control measures pounded the economy and threatens Beijing's 5.5% growth target for the year.

To revive investment and consumption, China will



promote healthy development of platform companies, which are expected to play a role in stabilising jobs, according to the measures.

China will also expand private investment, accelerate infrastructure construction and stimulate purchases of cars and home appliances to stabilise investments, according to the measures.

In terms of monetary and financial policies, China will boost financing efficiency via capital markets, by supporting domestic firms to list in Hong Kong, and promote offshore listings by qualified platform companies. The State Council also vowed to further reduce real borrowing costs, and strengthen financial support for infrastructure and major projects.

Meanwhile, the Ministry of Finance said purchase tax for small-engine cars would be halved. The government would cut the tax for cars priced at no more than 3,00,000 yuan and with 2-litre or smaller engines to 5% of the sticker price, down from 10% earlier.

# Oil rallies as EU agrees to ban most Russian crude

## Brent rises for ninth straight session

**REUTERS**

LONDON

Oil prices extended a bull run on Tuesday after the EU agreed to a partial ban on Russian oil and China decided to lift some COVID curbs amid rising demand ahead of peak U.S. and European summer driving season.

Brent crude for July, which expires on Tuesday, rose \$2.31, or 1.9%, to \$123.98 a barrel by 0823 GMT, after earlier rising to \$124.10 – its highest since March 9. The more active August contract rose \$2.44 to \$120.04.

European Union leaders agreed in principle to cut 90% of oil imports from Russia by the end of 2022, the bloc's toughest sanction yet on Moscow since the in-

 **EU leaders agreed in principle to cut 90% of oil imports from Russia by the end of 2022**

vasion of Ukraine three months ago.

The embargo exempts pipeline oil from Russia as a concession to Hungary.

“As two-third of the Russian crude oil exports are seaborne around 1.5 million barrels per day (bpd) of oil will need to be replaced by the EU,” PVM analyst Tamas Varga said.

“This volume is actually closer to 2.1-2.2 million bpd as both Poland and Germany are planning to phase out pipeline purchases by the end of the year.”

# A judicial course that calls for introspection

On a constitutional plane, the verdict in 'Perarivalan' deserves a re-look or review as it stands on wobbly foundations



V. PARTHIBAN

The recent decision of the Supreme Court of India in the case of A.G. Perarivalan and the Rajiv Gandhi assassination case has stirred up a hornet's nest for its constitutional righteousness and establishing its supremacy as the final arbiter of enforcing constitutional discipline. The decision has been hailed by some major political parties as a blow for federalism.

## Court's extraordinary route

The Court has treaded the extraordinary constitutional route under Article 142. The power to do 'complete justice', for grant of remission and consequent premature release. The Bench decided to exercise the power of grant of pardon, remission *et al.*, exclusively conferred on the President of India and State Governors under Articles 72 and 161. In the teeth of foundational bedrock and cornerstone of separation of powers viz. Parliament/Legislature, Executive and Judiciary, whether the course adopted by the Bench to do expedient justice is constitutional calls for introspection.

The predominant purpose of this article is not Perarivalan-centric, as a convict, or whether the cry of an agonising mother deserved relief or not. The focus is only to evaluate the constitutionality of the decision in the context of Article 142.

The power under Article 161 is exercisable in relation to matters to which the executive power of the state extends. While the Governor is bound by the advice of the Council of Ministers (Article 163), the binding nature of such advice will depend on the constitutionality

of the same. Article 161 consciously provides a 'discretion' to the Governor in taking a final call, even if it was not wide enough to overrule the advice, but it certainly provides latitude to send back any resolution for reconsideration, if, in his opinion, the resolution conflicted with constitutional ends. In *M.P. Special Police Establishment (2004 (8) SCC P.788)* a Constitution Bench had held that the "Concept of Governor acting in his discretion or exercising independent judgment is not alien to the constitution".

## Implication of 'consultation'

In the other Constitution Bench judgment in Sriharan's case (2016 (7) SCC P.1), arising out of the core of the Rajiv Gandhi assassination itself, one of the references placed for consideration was whether the term 'consultation' stipulated in Section 435 Cr.P.C. implies 'concurrency'. It was held that the word 'consultation' means 'concurrency' of the Central government. The Constitution Bench highlighted that there are situations where consideration of remission would have trans-border ramifications and wherever a central agency was involved, the opinion of the Central government must prevail.

Basing its conclusion on the legal position that the subject matter (Section 302 in the Indian Penal Code) murder, falls within Lists II and III (State and Concurrent lists) of the Seventh Schedule to the Constitution, the learned judges concluded that the State was fully empowered to take a call and recommend remission in this case.

If it is a simple case of being a Section 302 crime, the reason for finding fault with the Governor's decision to forward the recommendation to the President may be constitutionally correct. But the larger controversy as to whether the Governor in his exercise of power under Article 161 is competent at all, to grant pardon or re-



GETTY IMAGES

mission in respect of the offences committed by the convicts under the Arms Act, 1959, the Explosive Substances Act, 1908, the Passports Act, 1967, the Foreigners Act, 1946, etc., besides Section 302, is in wobbly terrain.

According to the decision, it is a simple murder attracting Section 302 of the IPC and therefore the Governor's decision to forward the recommendation to the President is against the letter and spirit of Article 161 – meaning it is against the spirit of federalism envisaged in the Constitution. Such reasoning, with respect, amounted to reductionism, oversimplification of the commission of heinous offence against the Indian state by the convict as co-conspirator, viewing it as an ordinary crime clothing the executive of the state with the power of pardon, remission regardless of its trans-border repercussions and the integrity/security of the country. Surprisingly, nothing has been said on this vital aspect in the order.

## Article and issues

Having unprecedentedly concluded that the executive of the state is competent to decide, the Bench invoked Article 142 of the Constitution to usurp the power of the Governor of the State under Article 161. There are momentous issues that are flagged on the exercise of the power of remission under Article 142, by the Supreme Court in the present factual context.

The first is whether Article 142 could be invoked by the Court in

the circumstances of the case when the Constitution conferred express power on the Governor alone, for grant of pardon, remission, etc., under Article 161. In the case on hand, the Bench found fault with the Governor not having taken a decision on the recommendation of remission by the State Cabinet for a long time. The fault of the Governor became more intense in the opinion of the Bench, when the Governor eventually referred the matter to the President of India for his decision, after sitting over the recommendation for more than two years.

## Deeper examination needed

The entire investigation of the crime was by the Central Bureau of Investigation alone. In the teeth of the specific ruling in Sriharan, with reference to the invocation of power by the State government in terms of Sections 432 and 433 of Cr.P.C., the power exercisable by the Governor under Article 161 in respect of the subject matter is not so clear and obvious as ruled by the Bench. Whether what the State government could not achieve directly by invoking Sections 432 and 433 of Cr.P.C., without concurrence of Centre could be allowed to take a contrived route *vide* Article 161 and achieve its objectives is a pertinent issue. This aspect requires deeper judicial examination for the sake of constitutional clarity.

The second aspect is the delay in taking a decision by the Governor in the matter. The Constitution does not lay down any time-frame for the Governor to act on the advice of the Council of Ministers.

In a case like the present one, a long consultative process was imperative due to several litigations repeatedly being pursued at the instance of the convicts, under one legal pretext or the other.

In any event, even if the delay was constitutionally inexcusable or was vulnerable to challenge,

the final arbiter of the Constitution (Article 245) could not have trumped Article 161 with Article 142, which is constitutionally jarring. It is usurpation of power of another pillar of democracy. With utmost respect, the constitutional course, if at all, may have been to put it back in the lap of the Governor with a nudge and a wink to 'decide' within a reasonable timeline.

## Forgotten sentiments

The Tamil Nadu State Assembly resolution dated September 9, 2018 and the consequent Cabinet recommendation was to 'respect Tamil sentiments'. What of the sentiments of the victims of the crime? An oft forgotten genre, as Justice V.R. Krishna Iyer pithily put it in his purple prose, "It is a weakness of our jurisprudence that the victims of crime and the distress of the dependents of the prisoners do not attract the attention of law" (1980 (SCR)(1) P.846). The Bench has regrettably bid farewell to such humane inputs.

To portray the remission as to what it was not in the State is a sad fallout the lawlords on the pulpit may not have bargained for. And on the constitutional plane, this verdict deserves a relook, even a review, as it stands on wobbly foundations built with creaky credence.

In 2016 (1) SCC P.463 (*Rajbala vs State of Haryana*), the top court presciently wrote, "A judge should always bear in mind that erroneous and fallacious exercise of discretion is perceived by a visible collective." – the visible collective being We The People.

The evolving principle of constitutional moralism and justice dispensation by the constitutional courts may as well heed the distressed cries of the real and imperceptible victims before showering their grace on the perceptible offenders.

Justice V. Parthiban is a retired judge of the Madras High Court

## EXPLAINER

# Questioning the safety of Aadhaar

Can Aadhaar be the one-stop solution for all identification requirements? Does it safeguard the privacy of its various beneficiaries?

SAPTAPARNO GHOSH

**The story so far:** Two days after issuing an advisory asking people to refrain from sharing photocopies of their Aadhaar Card, the Unique Identification Development Authority of India (UIDAI) opted to withdraw the notification. It stated that the action was to avert any possibility of 'misinterpretation' of the (withdrawn) press release, asking people to exercise "normal prudence" in using/sharing their Aadhaar numbers.

### What did the UIDAI advisory say?

The withdrawn notice had suggested holders use a masked Aadhaar card instead of the conventional photocopy, adding that the document must not be downloaded from a cybercafé or public computer and if done for some reason, must be permanently deleted from the system. 'Masked Aadhaar' veils the first eight digits of the twelve-digit ID with 'XXXX' characters. The notice informed that only entities possessing a 'User Licence' are permitted to seek Aadhaar for authentication purposes. Private entities like hotels or film halls cannot collect or keep copies of the identification document.

In July 2018, Telecom Regulatory of India's Chairman R.S. Sharma tweeted his Aadhaar number challenging users to "cause him any harm". In response, users dug up his mobile number, PAN number, photographs, residential address and date of birth. It could not be ascertained if the PAN number was actually correct. UIDAI dismissed assertions of any data leak, arguing that most of the data was publicly available. It did however caution users from publicly sharing their Aadhaar numbers.

### What does the law say?

The Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act, 2016 makes it clear that Aadhaar authentication is necessary for availing subsidies, benefits and services that are financed from the Consolidated Fund of India. In the absence of Aadhaar, the individual is to be offered an alternate and viable means of identification to ensure she/he is not deprived of the same.

Separately, Aadhaar has been described as a preferred KYC (Know Your Customer) document but not mandatory for opening

bank accounts, acquiring a new SIM or school admissions.

The requesting entity would have to obtain the consent of the individual before the information is only used for authentication purposes on the Central Identities Data Repository (CIDR). This centralised database contains all Aadhaar numbers and holder's corresponding demographic and biometric information. UIDAI responds to authentication queries with a 'Yes' or 'No'. In some cases, basic KYC details (as name, address, photograph etc) accompany the verification answer 'Yes'. The regulator does not receive or collect the holder's bank, investment or insurance details. Additionally, the Aadhaar Act forbids sharing Core Biometric Information (such as finger print, iris scan, among other biometric attributes) for any purpose other than Aadhaar number generation and authentication.

The Act makes it clear that confidentiality needs to be maintained and the authenticated information cannot be used for anything other than the specified purpose. More importantly, no Aadhaar number (or enclosed personal information) collected from the holder can be published, displayed or posted publicly. Identity information or authentication records would only be liable to be produced pursuant to an order of the High Court or Supreme Court, or by someone of the Secretary rank or above in the interest of national security.

### Is identity theft via Aadhaar possible?

As per the National Payment Corporation of India's (NPCI) data, ₹6.48 crore worth of financial frauds through 8,739 transactions involving 2,391 unique users took place in FY 2021-22.

Since the inception of the UID project, institutions and organisations have endowed greater focus on linking their databases with Aadhaar numbers, including for bank accounts especially in light of the compulsory linkage for direct benefit transfer schemes. The NPCI's Aadhaar Payments Bridge (APB) and the Aadhaar Enabled Payment System (AEPS) facilitate direct benefit transfer (DBT) and allow individuals to use Aadhaar for payments. This requires bank accounts to be linked to

Aadhaar. In 2017, researchers at the Centre for Internet and Society (CIS) acquired information of various beneficiaries of such social security and employment schemes such as their Aadhaar numbers, bank account details, job card status, mobile number etc. The same year, the UIDAI in response to an RTI stated that more than 200 central and State government websites publicly displayed details of some Aadhaar beneficiaries such as their names and addresses. Both were made possible by the lack of robust encryption. This data could be potentially used to fraudulently link the rightful beneficiary's Aadhaar with a distinct bank account, embezzling the beneficiary by impersonation, made possible by the sizeable identity documents available.

The UIDAI maintains that merely knowing the bank account number would not be enough to withdraw money from the bank, stating that the individual's fingerprint, iris data or OTP to a registered mobile number would be required. CIS states that brokers are known to buy tonnes of Aadhaar documents from mobile shops and other places where the identification document is shared. Additionally, there have been instances where employees of service providers were caught stealing biometric information collected solely for Aadhaar authentication. A far-stretch means for acquiring biometrics would involve collecting fingerprints from varied places that an individual might touch unknowingly in a certain space (such as a railing of a staircase) with iris data being acquired from high-resolution cameras.

As for mobile verification, phone users in India are known to carry two or more phone numbers at one time. There could be a possibility that the number linked to the Aadhaar is not prominently used. Fraudsters could use this as an opportunity to link their phone numbers instead, update it in the bank using the available information (of the individual) and deprive them of benefits or embezzle funds.

### What are some of the structural problems that the UIDAI faces?

The Aadhaar Data Vault is where all numbers collected by authentication agencies are centrally stored. Its objective is to provide a dedicated facility for the



agencies to access details only on a need-to-know basis. Comptroller and Auditor General of India's (CAG) latest report stipulated that UIDAI neither specified any encryption algorithm (as of October 2020) to secure the same nor a mechanism to audit reports provided to them by the entities themselves. Further, UIDAI's unstable record with biometric authentication has not helped it with de-duplication efforts, the process that ensures that each Aadhaar Number generated is unique. The CAG's reported stated that apart from the issue of multiple Aadhaars to the same resident, there have been instances of the same biometric data being accorded to multiple residents. As per UIDAI's Tech Centre, nearly 4.75 lakh duplicate Aadhaar numbers were cancelled as of November 2019. The regulator relies on Automated Biometric Identification Systems for taking corrective actions. The CAG concluded it was "not effective enough" in detecting the leakages and plugging them. Biometric authentications can be a cause of worry, especially for disabled and senior citizens with both the iris and fingerprints dilapidating. Though the UIDAI has assured that no one would be deprived of any benefits due to biometric authentication failures, the absence of an efficient technology could serve as poignant premise for frauds to make use of their 'databases'.

**Varied benefits:** Women show their Aadhaar cards before casting their vote at a polling centre. • FILE PHOTO

## THE GIST

■ The Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act, 2016 states that Aadhaar authentication is necessary for availing subsidies and services that are financed from the Consolidated Fund of India. However, confidentiality needs to be maintained and the authenticated information cannot be used for anything other than the specified purpose.

■ The NPCI's Aadhaar Payments Bridge (APB) and the Aadhaar Enabled Payment System (AEPS) facilitate direct benefit transfer (DBT) and allow individuals to use Aadhaar for payments. This requires bank accounts to be linked to Aadhaar.

■ But more than 200 central and State government websites publicly displayed details of some Aadhaar beneficiaries such as their names and addresses. This means that this data could be potentially used to fraudulently link the rightful beneficiary's Aadhaar with a distinct bank account, embezzling the beneficiary by impersonation.

# Centre clears ₹86,912 crore of GST dues

**SPECIAL CORRESPONDENT**

NEW DELHI

The Centre on Tuesday paid the entire amount of Goods and Services Tax (GST) compensation due to States up to May 31 by releasing an amount of ₹86,912 crore. The payment included a contribution from its own coffers beyond the ₹25,000 crore balance in the GST Compensation Fund.

The Finance Ministry said this was being done to assist States in managing their resources and ensuring that their programmes, especially entailing capital expenditure, could be implemented successfully during the financial year.

## **June compensation**

As a result, the States were now only owed GST compensation for one month – June 2022, the Ministry noted. States had been guaranteed a certain level of revenue for the first five years of the GST regime, which was introduced in 2017.

“This decision has been taken despite the fact that only about ₹25,000 crore is available in the GST Compensation Fund. The balance is being released by the Centre from its own resources pending collection of cess,” the Ministry said in a statement.

# Centre clears ₹86,912 crore of GST dues

In April, the Ministry had pegged the outstanding GST compensation dues for 2021-22 at ₹78,704 crore, equivalent to four months of such accruals. So dues had been remitted to States for the April-November eight-month period.

Citing an inadequate balance in the GST Compensation Cess account, the Ministry had said the pending amount would be released “as and when amount from cess accrues in the compensation fund”. The Compensation Cess is levied over and above the peak 28% rate on luxury or ‘sin’ goods, including cars.

“The States’ protected revenue has been growing at

14% compounded growth whereas the Cess collection did not increase in the same proportion, [and] COVID-19 further increased the gap between protected revenue and the actual revenue receipt including reduction in cess collection,” the Ministry said.

The Telangana government is, however, contesting the Centre’s calculation of dues to the State. “There is something wrong with GOI calculations,” Chief Secretary Somesh Kumar said.

Telangana, which has received ₹296 crore, has decided to write to the Centre, Mr. Kumar added.

*(With inputs from M. Rajeev, Hyderabad)*

# Core sector production grew 8.4% year-on-year in April

## Output for all sectors barring electricity shrank from March

**SPECIAL CORRESPONDENT**  
NEW DELHI

India's core sector output expanded 8.4% in April, the fastest pace in six months, with crude oil and steel the only sectors among the eight infrastructure industries comprising the index to record a marginal decline in production from the year-earlier period.

However, on a sequential basis, the Index of Eight Core Industries (ICI), which constitutes about 40% of the Index for Industrial Production (IIP), declined 9.5% last month compared with March 2022 levels.

Electricity generation, which grew 10.7% year-on-year, was the only industry



to record a sequential increase as well, rising 0.8% from March. Coal output, which was 28.8% higher than in April 2021, shrank 25.6% from the preceding month's levels.

Cement output grew 8%, even as steel declined 0.7% from a year ago, but both

contracted 13.6% from March 2022 levels. Similarly, fertilisers and refinery products were up 8.7% and 9.2% year-on-year, respectively, but fell 10.9% and 5.5% from March.

“The IIP growth in April can also be expected to be in the higher single digit range of 6% to 8%, based on these numbers,” said Madan Sabnavis, chief economist at Bank of Baroda.

Mr. Sabnavis added that some of the numbers like coal's 28.8% jump and power's 10.7% growth, while impressive, were “difficult to reconcile with the power crisis that was there in April with shortage of coal and power being reported”.

# Fiscal deficit improved to 6.7% in FY22

Higher tax mop up helps; official estimates released in February had pegged deficit at 6.9% of GDP

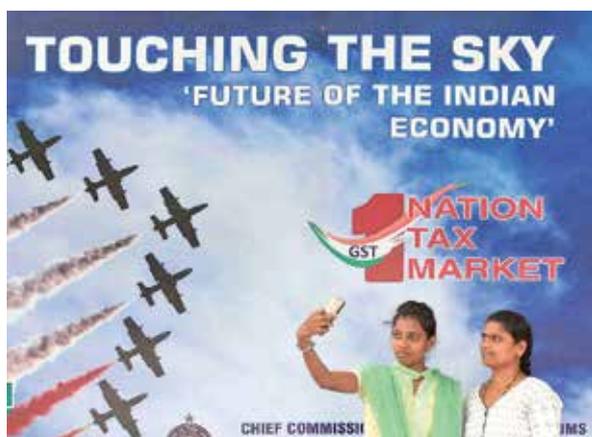
PRESS TRUST OF INDIA  
NEW DELHI

Fiscal deficit improved to 6.71% of the FY22 GDP over the revised budget estimate of 6.9% mainly on account of higher tax realisation.

Unveiling the revenue-expenditure data of the Union government, the Controller General of Accounts (CGA) said that the fiscal deficit in absolute terms was ₹15,86,537 crore (provisional). The Finance Ministry had in February estimated the deficit at ₹15,91,089 crore or 6.9% of GDP.

Tax receipts during the fiscal were at ₹18.2 lakh crore as against the revised estimates (RE) of ₹17.65 lakh crore, the data showed.

Total expenditure too was higher at ₹37.94 lakh crore against the RE of ₹37.7 lakh



**Glide path:** The government estimates fiscal deficit for FY23 at 6.4% of GDP, or ₹16.6 lakh crore. ■NAGARA GOPAL

crore presented to Parliament on February 1, 2021. The CGA further said the revenue deficit at the end of the fiscal was 4.37% for fiscal year 2021-22.

In another set of data, the CGA said the fiscal deficit during the first month of FY23 was 4.5% of the Budget Estimate for the current fiscal. The deficit was 5.2% a

year earlier. The government said it expected the fiscal deficit for the current financial year at 6.4% of GDP, or ₹16.61 lakh crore.

In April 2022, there was a revenue surplus of ₹591 crore. Government meets its fiscal deficit from market borrowings.

Revenue collections were about ₹27 lakh crore, almost ₹5 lakh crore above the budget estimates, said Vivek Jalan, Partner, Tax Connect Advisory.

## 'Analytics aids revenue'

"The spurt in tax revenues, especially GST collection, was mainly a result of DGARM, which is the Data Analytics wing of the GST Council," Mr. Jalan said.

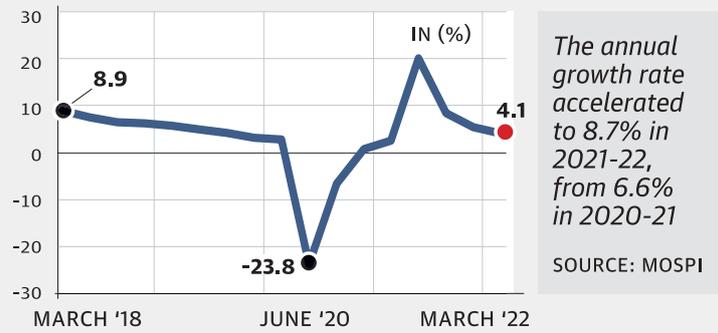
Aditi Nayar, chief economist, ICRA, said the provi-

sional data indicated that the fiscal deficit of the Centre was contained marginally below the FY22 revised estimate, benefitting from the higher tax and non-tax revenue receipts and lower capital spending, which absorbed the deficit in non-debt capital receipts and higher revenue expenditure.

## 'Risks to FY23 target'

On the outlook for FY23, Ms. Nayar said there were several risks to the fiscal deficit target of ₹16.6 lakh crore, emanating from the revenue loss to the Centre on account of the excise duty cut, lower-than-budgeted transfer of the RBI's surplus, and the need for additional spending on food, fertilizer and LPG subsidies through the year.

**Fall in growth** | India's GDP growth slowed to 4.1% in the fourth quarter of 2021-22, from 5.4% in the third quarter. A look at the quarterly growth from 2018 to 2022



# Q4 GDP growth decelerates to 4.1%

Economy expanded 8.7% in 2021-22

**VIKAS DHOOT**  
NEW DELHI

India's gross domestic product (GDP) growth slowed to a four-quarter low of 4.1% during the January-March period, from 5.4% in the preceding quarter, as manufacturing output shrank, provisional national income estimates released on Tuesday show. As a result, full-year growth came in at 8.7% – a tad lower than the 8.9% pace projected in February.

Gross Value-Added (GVA) in the economy is estimated to have grown 8.1% in 2021-22, slightly lower than the 8.3% projected by the National Statistical Office (NSO) earlier. The GDP had shrunk 6.6% in 2020-21, while the GVA had contracted 4.8% in the wake of the COVID-19 lockdowns.

The Finance Ministry said the latest national income estimates 'establish full eco-

nomical recovery' as real GDP in 2021-22 exceeded the pre-pandemic levels of 2019-20. On a quarter-to-quarter basis, it argued real GDP growth was 6.7% in the fourth quarter (Q4) of 2021-22, reflecting a 'sustained growth momentum' entering the current fiscal year.

The contact-dependent and employment-intensive trade, hotels, transport, communication & services related to broadcasting sector continued to languish below pre-pandemic levels, ending FY22 still 11.3% lower than 2019-20 GVA levels.

Overall GVA growth slowed to 3.9% in the January-March 2022 quarter, from 4.7% in the preceding period. Worryingly, manufacturing sector output shrank 0.2% from a year earlier.

# Q4 GDP growth decelerates to 4.1%

This was the first contraction in factories' output since the massive 31.5% fall in the first quarter of 2020-21 amid the strict national lockdowns.

Economists pointed out that real GDP was only 'a subdued' 1.5% higher than pre-COVID levels and ascribed the lower than projected full-year growth to the effects of the Omicron variant of COVID-19, high commodity prices and inflation as well as data corrections for the first half of the year.

A downward revision in growth rates for the first two quarters of 2021-22 also affected the full year's growth rate vis-à-vis the last estimates released on February 28. The 20.3% GDP growth estimated earlier for Q1 was pared to 20.1%, while the same number was revised to 8.4% from 8.5% for Q2.

Chief Economic Adviser V. Anantha Nageswaran said the real GDP numbers were pretty much in line with earlier estimates, so it was difficult to make the argument

that the growth rate was lower than anticipated earlier. For the full year, GVA from agriculture and the financial, real estate & professional services sectors, the only two sectors that grew in 2020-21, rose by 3% and 4.2% in 2021-22, compared with 3.3% and 2.2% in the previous year, respectively.

The Finance Ministry highlighted that the investment rate in the economy rose to 33.6% in Q4, the highest since Q3 of 2019-20. Moreover, though manufacturing sector shrank from a year earlier, it grew sequentially at 14.2% during Q4, it pointed out.

The recovery in investment demand was a bright spot, said EY India's chief policy adviser and economist D.K. Srivastava. However, the contribution of net exports to real GDP growth was negative at (-)2.9%. and although private final consumption expenditure grew 7.9% in 2021-22, its magnitude was only ₹1.2 lakh crore higher than 2019-20, he pointed out.

# India, China to hold next round of talks

Disengagement at Patrolling Point 15 in the Hot Springs had become a contentious topic last time

ANANTH KRISHNAN  
HONG KONG

India and China on Tuesday agreed to hold the next round of talks between senior military commanders to continue the slow-moving disengagement process along the Line of Actual Control (LAC).

Officials from the two sides, during the 24th meeting of the Working Mechanism for Consultation and Coordination (WMCC) on border affairs held virtually, reviewed the LAC situation and agreed to “continue the discussions through diplomatic and military channels to resolve the remaining issues along the LAC at the earliest so as to create conditions for restoration of normalcy in bilateral relations,” the Ministry of External Affairs said.

“In this context, they agreed to hold the next (16th) round of the Senior Com-



**Call for consensus:** Officials agreed to continue discussions to resolve the remaining issues along the LAC. ■ FILE PHOTO

manders meeting at an early date to achieve the objective of complete disengagement from all friction points along the LAC in the Western Sector,” the MEA added.

Both sides failed to achieve a breakthrough in the 15th round of talks held on March 11, when they discussed disengagement at Patrolling Point 15 in the Hot Springs area. Officials pre-

viously suggested they expected resolution at PP15 at an early date, but differences in Demchok and Depsang, the two other remaining areas, were more pronounced.

The two sides discussed the LAC during Chinese Foreign Minister Wang Yi’s March 25 visit to New Delhi.

The Chinese Foreign Ministry in a statement on

Tuesday said both had agreed to “resolve the remaining issues in the Western Section of the border in accordance with the principle of mutual and equal security.” Asked about the impact of the border issue on trade and investment, Foreign Ministry spokesperson Zhao Lijian said China “always believes that the boundary question doesn’t represent the whole of China-India relations and we should put it in an appropriate position in bilateral relations.”

On on-going probes of Chinese telecom majors in India, including Xiaomi, ZTE and Vivo, Mr. Zhao said Beijing “is closely following the situation” and that “the Indian side should act in accordance with laws and regulations and provide a fair, just and non-discriminatory business environment for Chinese companies.”

He said China was “not that interested in the changes of the ranking in trade volume” referring to the U.S. replacing China as India’s biggest trading partner according to India’s Ministry of Commerce data for the financial year 2021-22. He said according to China’s statistics for the calendar year 2021 “China remains India’s largest trading partner” and “the disparity in trade figures published by China and India is a result of different statistical measurement scales”.

“What we care about is whether the Indian side has the will and takes real actions to create a fair, transparent and sound environment for bilateral trade and investment, further expand mutually-beneficial cooperation between the two sides and deliver tangible benefits to the two countries and two peoples,” he said.

### General Studies Paper I

A	History of Indian culture will cover the salient aspects of art forms, literature and architecture from ancient to modern times;
B	Modern Indian history from about the middle of the eighteenth century until the present-significant events, personalities, issues;
C	Freedom struggle-its various stages and important contributors / contributions from different parts of the country;
D	Post-independence consolidation and reorganization within the country;
E	History of the world will include events from 18 <sup>th</sup> century such as industrial revolution, world wars, re-drawing of national boundaries, colonization, decolonization,
F	Political philosophies like communism, capitalism, socialism etc.-their forms and effect on the society
G	Salient features of Indian Society, Diversity of India;
H	Effects of globalization on Indian society;
I	Role of women and women's organization;
J	Social empowerment, communalism, regionalism & secularism
K	Salient features of world's physical geography;
L	Geographical features and their location- changes in critical geographical features (including water bodies and ice-caps) and in flora and fauna and the effects of such changes;
M	Important Geophysical phenomena such as earthquakes, Tsunami, Volcanic activity, cyclone etc.
N	Distribution of key natural resources across the world (including South Asia and the Indian subcontinent);
O	Factors responsible for the location of primary, secondary, and tertiary sector industries in various parts of the world (including India);
P	Population and associated issues;
Q	Urbanization, their problems and their remedies

### General Studies Paper II

A	India and its neighbourhood- relations;
B	Important International institutions, agencies and fora- their structure, mandate;
C	Effect of policies and politics of developed and developing countries on India's interests;
D	Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.
E	Indian Constitution, historical underpinnings, evolution, features, amendments, significant provisions and basic structure;
F	Comparison of the Indian Constitutional scheme with other countries;
G	Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein; Inclusive growth and issues arising from it;
H	Parliament and State Legislatures - structure, functioning, conduct of business, powers & privileges and issues arising out of these;
I	Structure, organization and functioning of the executive and the judiciary, Ministries and Departments;

J	Separation of powers between various organs dispute redressal mechanisms and institutions;
K	Appointment to various Constitutional posts, powers, functions and responsibilities of various Constitutional bodies;
L	Statutory, regulatory and various quasi-judicial bodies;
M	Mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections;
N	Salient features of the Representation of People's Act;
O	Important aspects of governance, transparency and accountability, e-governance- applications, models, successes, limitations, and potential;
P	Citizens charters, transparency & accountability and institutional and other measures;
Q	Issues relating to poverty and hunger,
R	Welfare schemes for vulnerable sections of the population by the Centre and States, Performance of these schemes;
S	Issues relating to development and management of social sector / services relating to education and human resources;
T	Issues relating to development and management of social sector / services relating to health
General Studies Paper III	
A	Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment;
B	Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth;
C	Inclusive growth and issues arising from it;
D	Infrastructure Energy, Ports, Roads, Airports, Railways etc. Government budgeting;
E	Land reforms in India
F	Major crops, cropping patterns in various parts of the country, different types of irrigation and irrigation systems;
G	Storage, transport and marketing of agricultural produce and issues and related constraints;
H	e-technology in the aid of farmers; Technology Missions; Economics of Animal-Rearing.
I	Issues of buffer stocks and food security, Public Distribution System- objectives, functioning, limitations, revamping;
J	Food processing and related industries in India – scope and significance, location, upstream and downstream requirements, supply chain management;
K	Issues related to direct and indirect farm subsidies and minimum support prices
L	Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology;
M	Indigenization of technology and developing new technology;
N	Developments and their applications and effects in everyday life;
O	Issues relating to intellectual property rights
P	Conservation, environmental pollution and degradation, environmental impact assessment
Q	Disaster and disaster management
R	Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security;
S	Money-laundering and its prevention;

T	Various forces and their mandate;
U	Security challenges and their management in border areas;
V	Linkages of organized crime with terrorism;
W	Role of external state and non-state actors in creating challenges to internal security;
X	Linkages between development and spread of extremism.
<b>General Studies Paper IV</b>	
A	Ethics and Human Interface: Essence, determinants and consequences of Ethics in human actions;
B	Dimensions of ethics;
C	Ethics in private and public relationships. Human Values - lessons from the lives and teachings of great leaders, reformers and administrators;
D	Role of family, society and educational institutions in inculcating values.
E	Attitude: Content, structure, function; its influence and relation with thought and behaviour;
F	Moral and political attitudes;
G	Social influence and persuasion.
H	Aptitude and foundational values for Civil Service , integrity, impartiality and non-partisanship, objectivity, dedication to public service, empathy, tolerance and compassion towards the weaker sections.
I	Emotional intelligence-concepts, and their utilities and application in administration and governance.
J	Contributions of moral thinkers and philosophers from India and world.
K	Public/Civil service values and Ethics in Public administration: Status and problems;
L	Ethical concerns and dilemmas in government and private institutions;
M	Laws, rules, regulations and conscience as
N	sources of ethical guidance;
O	Accountability and ethical governance; strengthening of ethical and moral values in governance; ethical issues in international relations and funding;
P	Corporate governance.
Q	Probity in Governance: Concept of public service;
R	Philosophical basis of governance and probity;
S	Information sharing and transparency in government, Right to Information, Codes of Ethics, Codes of Conduct, Citizen's Charters, Work culture, Quality of service delivery, Utilization of public funds, challenges of corruption.
T	Case Studies on above issues.