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# **VEDHIK**

## DAILY NEWS **ANALYSIS**

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## FOREWORD

We, at Team Vedhik is happy to introduce a new initiative - "Vedhik - Daily News Analysis (DNA)\_The Hindu" compilations to help you with UPSC Civil Services Examination preparation. We believe this initiative - "Vedhik - Daily News Analysis (DNA)\_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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# Online games must register with self-regulatory body, say draft rules

Any game that allows wagering on its outcome is effectively a no-go area, says Minister; welcoming the publishing of the draft amendment, All India Gaming Federation says it believes this is first step for comprehensive regulation

**The Hindu Bureau**  
NEW DELHI

**T**he Electronics and Information Technology Ministry on Monday proposed an amendment to bring online gaming within the ambit of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021. The proposal, released for public consultation, requires all online games to register with any self-regulatory body approved by the Ministry.

This model is similar to the rules in place for digital news sites and streaming services under the IT Rules. "Any game that allows or permits wagering on its outcome is effective-

## Rules of the game

The draft amendments released by the IT Ministry on online gaming is now open for public consultation

■ The proposal aims to bring online gaming within the ambit of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021



■ It's not clear if games recognised in courts as games of skill will continue to be able to operate under this policy

■ This model is similar to the rules in place for digital news sites and streaming services under the IT Rules

ly a no-go area," Union Minister of State for Electronics and Information Technology Rajeev Chandrasekhar said. "If you bet on the outcome of the game, it is prohibited."

"It is the SRO [self-regulatory organisation] that will determine what constitutes prohibited wager-

ing," Mr. Chandrasekhar said. "If there is a practice where some foreign betting websites are permitted to advertise on Indian intermediaries, it is certainly our intent that it must not be permitted."

It's not clear if those games that have been recognised in courts as

games of skill will continue to be able to operate under this policy. "This [framework] will boost the legitimate domestic online gaming industry, ensuring greater transparency, consumer protection and investor confidence," Trivikraman Thampy, co-founder and co-chief executive officer (CEO) of Games24x7, said in a statement. The firm publishes rummy and fantasy sports games that allow players to stake real money.

The All India Gaming Federation (AIGF), whose members typically offer such games, welcomed the publishing of the draft amendment.

"We believe this is a great first step for comprehensive regulation for on-

line gaming and [it] will hopefully reduce the State-wise regulatory fragmentation that was a big challenge for the industry," its CEO, Roland Landers, said in a statement, alluding to attempts by States such as Tamil Nadu and Karnataka to ban real-money gaming platforms, which require players to risk real money to play.

In response to a query by *The Hindu* on whether AIGF members would continue to be able to offer games that allow wagering on outcomes, Mr. Landers said, "We at AIGF already follow a similar process for our members. However, we will study the rules and standards and reprocess all the members and their games accordingly."

# The case against state control of Hindu temples

State management of temples is often justified as a way of ensuring access to temples for worshippers and archakas (priests). Regulating secular activities associated with religious practice can be traced to Article 25(2)(a) of the Constitution. Temple control legislation is purportedly justified by this Article.

## Temple control and temple entry

However, the framers of the Constitution, being aware of the temple entry movement, advisedly provided a separate power under Article 25(2)(b) which empowers the state to enact laws "providing for social welfare and reform or the throwing open of Hindu religious institutions" to "all classes and sections of Hindus". Hence, the issue of regulating secular aspects of religious practice is distinct from providing access to worship. This is why there are separate laws for temple control and temple entry. They co-exist; one does not depend on the other.

Proponents of state management of temples also argue that courts have accorded approval to this practice. Any discussion on this topic will necessarily begin with the *Shirur Mutt* judgment (1954) of the Supreme Court. Speaking for a unanimous bench of seven judges, Justice B.K. Mukherjea substantially obliterated the Madras Hindu Religious and Charitable Endowments (HR&CE) Act, 1951, terming the impugned provisions as "extremely drastic" in character. So violent were the provisions against religious faith that the then Advocate General of Madras stated that he "could not support the legality of these provisions". It is left to one's imagination how drastic the provisions of the Act must have been to lead the Advocate General to concede the case before the Supreme Court.

The story does not end here. As a result of the judgment in *Shirur Mutt*, the legislature of the erstwhile Madras State enacted in 1954 an amendment Act with the purpose of removing the defects pointed out by the Supreme Court. Again, the Act was challenged in *Sudhindra Thirtha Swamiar v. Commissioner, H.R.C.E.* (1955)



**Akshay Nagarajan**

is an Advocate at the Supreme Court of India

Nothing justifies a state official dictating to a religious functionary how worship is to be conducted

before the Madras High Court. This Act too was struck down as it suffered from the same defects as the original enactment. The Orissa Hindu Religious Endowments Act, 1939 also has the distinction of being struck down by the Supreme Court twice – first in *Sri Jagannath v State of Orissa* (1954) and then in *Sadasib Prakash Brahmachari v. The State of Orissa* (1956).

## The effect of temple control legislation

It is now appropriate to deal with the grievance of various sections of Hindu society against such laws. Simply put, in the guise of administering Hindu religious endowments, the state is trenching upon religious affairs. Such a colourable exercise of power is writ large in Tamil Nadu where temples cannot even conduct pujas as the state has depleted their income. The large-scale loot and plunder of temple resources at the hands of state officials would put to shame the colonial government. Such misappropriation of funds has been unearthed by temple activists and is now a matter of public record.

As per the HR&CE policy note of 2012-13, Hindu temples own 4,78,545 acres of prime agricultural land; 22,599 buildings; and 33,627 'sites' covering 29 crore sq. ft in area, whose estimated value would be almost ₹10 lakh crore. But the income realised by the Tamil Nadu HR&CE Department is a meagre ₹120 crore per year. This is less than the amount collected from temples as 'administrative fee'. In addition, the HR&CE Department collects hundreds of crores as 'Common Good Fund', though the courts have frowned upon such forcible collection. As per the Department's own admission, almost 47,000 acres of Hindu temple land have been usurped since 1986 under its "watch".

In a scathing indictment of the HR&CE Department, the Madras High Court in a 2021 judgment gave 75 directions covering heritage conservation, safeguarding and realising due income from temple properties, audit, safety of vighrams, appointment of trustees and formation of tribunals for speedy dispute

resolution. Not one of them has been complied with. Meanwhile, the state is silencing temple activists by initiating arbitrary criminal action against them. For instance, an FIR was registered on September 14, 2022 against T.R. Ramesh on false and fictitious grounds. It is no coincidence that he has been spearheading the campaign for accountability from the Tamil Nadu HR&CE for decades by unearthing volumes of data.

The Tamil Nadu HR&CE Department does not even have records of its own executive notifications justifying its management of certain temples. The Madras High Court has lamented on this deplorable state of affairs brought to its notice by temple activists. On May 12, 2022, in a Public Interest Litigation seeking removal of executive officers functioning in 47 temples without any orders of appointment, a Division Bench ordered production of records. The Department has still not produced a single record to the court. Meanwhile, no external audit, as required by law, is being conducted for temples under HR&CE, and there are 1.5 million audit objections pending resolution since 1986.

## Temple management and secularism

A long line of judicial precedents, post the 42nd Amendment, emphasise that secularism means the state cannot mix with religion. Whatever brand of secularism you subscribe to, nothing justifies a state official dictating to a religious functionary how worship is to be conducted.

It is fashionable for supporters of temple control laws to question how temples will be handed to the communities. This begs the question of whether something illegal in its original form can become legal over time. The purpose is to involve the community, which has been excluded by the state. The objective is not to replace one bureaucracy with another. The participation of different stakeholders and the building of consensus among them will determine who will take over temples. However, the evils of the state perpetuated in the name of 'secular management' must be remedied first.

# 'RBI had seen note ban as an opportunity'

**Krishnadas Rajagopal**

NEW DELHI

The majority judgment of the Supreme Court on Monday details extensively the documents placed on record by the government to conclude that the Central Board of the Reserve Bank of India (RBI) was very much in the loop before recommending demonetisation. The Central Board had found the proposal as an opportunity to further financial inclusion, the court said.

**FULL REPORT ON**

**» PAGE 11**

# RBI saw note ban as chance for financial inclusion: top court

**Krishnadas Rajagopal**

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The majority judgment of the Supreme Court on Monday details extensively the documents placed on record by the government to conclude that the Central Board of the Reserve Bank of India (RBI) was very much in the loop before recommending the demonetisation of ₹500 and ₹1,000 banknotes in November 2016.

The documents have been discussed to counter the apprehensions raised by the petitioners that the Central Board did not independently apply its mind to the viability of demonetisation implemented “hastily”.

In fact, the judgment said the RBI response also contained a “draft scheme to implement the proposal for demonetisation in a non-disruptive manner with as little inconvenience to the public and business entities as possible... The

**RBI response had a draft plan to carry out demonetisation in a non-disruptive manner**

same was also taken into consideration by the Cabinet for implementation of demonetisation”.

**Electronic payments**

The top court said the Central Board, in its 561st meeting held on November 8, 2016, had held an “elaborate discussion” and found that “the proposed step presents a big opportunity to take the process of financial inclusion further by incentivising the use of electronic modes of payment”.

“The Central Board has taken into consideration that the matter had been under discussion between the Central government and the RBI for the last six months,” the judgment noted.

# SC majority ruling finds no flaw in 2016 demonetisation process

The sole woman judge on the five-member Bench, Justice B.V. Nagarathna, disagrees with the majority, saying the Union government's notification issued under the Section 26(2) of the Reserve Bank of India Act was unlawful

**Krishnadas Rajagopal**  
NEW DELHI

A majority of four judges on a Constitution Bench of the Supreme Court on Monday found no flaw in the Union government's process to demonetise ₹500 and ₹1,000 banknotes through a Gazette notification issued on November 8, 2016.

The sole woman judge on the five-member Bench, Justice B.V. Nagarathna, however, disagreed with the majority, saying the government's notification issued under Section 26(2) of the Reserve Bank of India (RBI) Act was unlawful.

Justice B.R. Gavai, delivering the judgment for the majority, which included Justices S. Abdul Nazeer, A.S. Bopanna, and V. Ramasubramanian, pro-

## Judgment notes

In a 4:1 verdict, the Supreme Court upheld the demonetisation process. A snapshot of the majority and dissenting observations



**Justice B.R. Gavai** (for the majority): Demonetisation notification does not suffer from any flaw in the decision-making process; satisfies the test of proportionality

■ The contention that the notification is liable to be set aside on the ground that it caused hardship to individual citizens will hold no water. Individual interests must yield to the larger public interest sought to be achieved



**Justice B.V. Nagarathna** (dissenting): The RBI Act does not envisage initiation of demonetisation of bank notes by the Centre. Sub-section (2) of Section 26 of the Act, contemplates demonetisation of bank notes at the instance of the Central Board of the Reserve Bank of India

nounced that the statutory procedure under Section 26(2) was not violated merely because the Centre had taken the initiative to "advise" the Central Board to consider recommending demonetisation.

Differing, Justice Nagarathna said the Centre could have issued a notification under Section 26(2) only if the Central Board of

the RBI had initiated the proposal to demonetise a specified series of banknotes by way of a recommendation. Here, in 2016, the government had initiated the demonetisation, not the Central Board.

In cases in which the government initiates demonetisation, Justice Nagarathna said, it should take the opinion of the Central

Board. The opinion of the Board should be "independent and frank". If the Board's opinion was in the negative, the Centre could still go forward with the demonetisation exercise, but only by promulgating an ordinance or by enacting parliamentary legislation.

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## 'RBI had seen note ban as an opportunity'

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# SC finds no flaw in 2016 demonetisation process

Describing Parliament as the “nation in miniature”, she said, “Without Parliament, democracy will not thrive.” Justice Nagarathna further concluded there was no “meaningful application of mind” by the Central Board to the government’s initiative for withdrawing ₹500 and ₹1,000 notes, which formed 86% of the currency in circulation at the time, causing severe financial crunch and socio-economic despair.

She said the Central Board had “hardly 24 hours to consider the proposal” of the Centre to demonetise the notes. The objectives of demonetisation were “noble and well-intentioned”, but the process undertaken was bad in law, she added. Nothing, however, can be done to restore the situation to *status quo ante*, but the judgment could act prospectively, she said.

Official records show the Central Board acted merely on “assurances” given by the government that “embarking on the process of demonetisation would result in reducing banknotes in the economy and a switch over to the digitalisation of the economy”, Justice Nagarathna observed.

The petitioners, led by senior advocate P. Chidambaram, had contended that the decision-making process was “rushed” and “fatally flawed”.

Justice Gavai, however, said the RBI and the Centre had been in consultation with each other for six months prior to the November 8 notification issued under Section 26(2) of the RBI Act.

Meanwhile, Justice Gavai rubbished the petitioners’ argument that a hasty decision was taken to demonetise, noting that “such measures undisputedly are required to be taken with utmost confidentiality and speed. If the news of such a measure is leaked out, it is difficult to imagine how disastrous the consequences would be”.

Justice Gavai said demonetisation was done for the “proper purposes” of eliminating fake currency, black money and terror financing. He said there was a “reasonable nexus” between the measure of demonetisation and its objectives.

“The Central government is the best judge since it has all the inputs with regard to fake currency, black money, terror financing and drug trafficking. As such, what measure is required to be taken to curb the menaces would be best left to the discretion of the government in consultation with the RBI,” the majority opinion said.

Arguments that demonetisation violated citizens’ right to property by taking away their money were “without substance”, it said. There were reasonable restrictions to the right. Unlike the demonetisation of 1978, when only five days were given to exchange old notes for new, the 2016 demonetisation gave 52 days. On whether demonetisation met its desired objectives was best left to the government, they said.

# What is the new delimitation exercise by Assam?

The ECIs decision to merely reorient Parliamentary and Assembly constituencies without increasing their numbers was opposed by some political leaders and supported by the government

**Rahul Karmakar**

## The story so far:

Assam remerged four districts with the ones they were carved out of four days after the Election Commission of India (ECI) notified the initiation of the delimitation of Assembly and Parliamentary constituencies in the State on December 27, 2022. Many welcomed the ECI decision but questioned the use of the 2001 Census figures for the readjustment of the constituencies and an alleged bid to make Muslims less politically relevant.

## What is delimitation?

Delimitation is the process of redrawing boundaries of Lok Sabha and State Assembly constituencies based on a recent census to ensure each seat has an almost equal number of voters. It is

ideally carried out every few years after a Census by an independent Delimitation Commission formed under the provisions of the Delimitation Commission Act.

## Why was it put on hold in Assam?

Delimitation panels were set up thrice (1952, 1962 and 1972) regularly before the exercise was suspended in 1976 in view of the family planning programmes in the States. The last Commission was set up in 2002 but before its exercise was completed in 2008, the delimitation of four north-eastern States was deferred due to "security risks" through separate presidential orders. Apart from law-and-order, various organisations in Assam, including the BJP, were opposed to delimitation in 2008 as they wanted it to be done only after the updating of the National Register of Citizens (NRC) to weed out "illegal immigrants".

## What do the parties have to say?

The Central government reconstituted the Delimitation Commission for the four north-eastern States and the Union Territory of Jammu and Kashmir on March 6, 2020. The exercise was imminent but Section 8A of the Representation of People Act, 1950, cited by the ECI for initiating delimitation and the use of the 2001 Census data have raised hackles. Section 8A only allows reorientation and rules out any change in the total number of parliamentary and Assembly constituencies. "What's the point if Assembly seats are not increased?" asked Rajjor Dal MLA Akhil Gogoi. Airing a similar view, Congress leader Debabrata Saikia said basing the delimitation on the 2001 Census would be unjust, specifically after the ECI used the 2011 Census for completing the exercise in Jammu and Kashmir, where the number

of constituencies increased. All India United Democratic Front MLA Aminul Islam sniffed a political agenda behind using the 2001 Census as the 2021 Census could reveal a few reserved Assembly seats now have Muslims in a majority, necessitating their de-reservation. Assam has 16 Assembly seats reserved for the Scheduled Tribes and eight for the Scheduled Castes.

## What is the government's take?

Assam Chief Minister Himanta Biswa Sarma said delimitation can provide the safeguards that the NRC and the Assam Accord of 1985 envisaged to but failed. He said this in the context of a "demographic invasion" that the BJP and its regional allies think would eventually see Assam being taken over by Bengali-speaking or Bengal-origin Muslims. The BJP and some NGOs believe the NRC draft list included too many "non-citizens" by leaving out "only" 19.06 lakh out of 3.3 crore applicants. The Chief Minister also asserted that political leaders not worry about losing out if more seats are 'reserved for SCs and STs after the delimitation', indicating at a rearrangement of seats from where Muslims have been a deciding factor. Three of the districts - Bajali, Biswanath and Hojai - merged with their parent districts have a sizeable Muslim population.

## THE GIST

Delimitation is the process of redrawing boundaries of Lok Sabha and State Assembly constituencies based on a recent census to ensure each seat has an almost equal number of voters.

While delimitation exercise was undertaken across the country between 2002 and 2008, it was not carried out in Assam and four other States after 1976 by citing various reasons.

Despite constituting a Delimitation Commission in 2020, the ECI's decision to use the 2001 Census data and citing of Section 8A of the Representation of People Act, 1950 have raised hackles.

# A new coronavirus variant on the block

What is XBB.1.5 – the new subvariant of Omicron? How did it originate? Going ahead, what are the projected outcomes? Will booster doses help India stay ahead of the curve?

## EXPLAINER

Vasudevan Mukunth

### The story so far:

India's first case of the XBB.1.5 subvariant of Omicron was confirmed in Gujarat by the national genome sequencing consortium on December 31. XBB.1.5 has been driving COVID-19 cases in the U.S. Studies of the strain indicate that it is highly transmissible and evades pre-existing immunity. Yet it doesn't seem to cause severe disease. But U.S. scientist Eric Topol wrote that it isn't just superficially scary and we need to pay attention to it. The global prevalence of XBB.1.5 isn't clear yet, although its parent strain has been detected in at least 35 countries. By December 30, XBB.1.5 accounted for 40.5% of all new cases in the U.S., up from 21.7% a week earlier.

### How did the variant begin?

XBB.1.5 is a recombinant, which means its genome is the product of the genomes of two different strains spliced together. This can happen when two strains infect a person at the same time; a recombinant variant is produced as they replicate together. Recombinant strains also arise when existing recombinant strains mutate. Previous recombinants include XD (Delta + Omicron), XE (BA.1 + BA.2), and XBB (BA.2.10.1 + BA.2.75). The XBB strain is descended from BA.2.10.1.1 and BA.2.75.3.1.1.1. It mutated further and became XBB.1.5. XBB.1, which also descended from XBB, accounted for 14% of new cases in India around mid-December 2022.

### How transmissible is it?

On December 28, immunologist Yunlong Cao reported that XBB.1.5 is as immune-evasive as XBB.1. Both XBB and XBB.1 were more immune-evasive than BA.5.2 (its descendant BF.7 is surging in China) and in fact are the most evasive strains so far. Cao also wrote that a prior breakthrough infection by BF.7 didn't appear to confer significant protection against an XBB.1.5



Latest test: XBB.1, which also descended from XBB, accounted for 14% of new cases in India around mid-December 2022. SANDEEP SAXENA

### infection.

Cao also mentioned that XBB.1.5 is better at binding to ACE2 receptors in the body than XBB or XBB.1. So XBB.1.5 is more transmissible. There is already empirical data to show that it spreads faster than BQ.1.1, the subvariant that it displaced in the U.S. as the dominant strain.

Note, however, that XBB.1.5's ACE2 binding affinity is comparable to that of BA.2.75, the Omicron sub-variant detected in India in May 2022. The transmissibility of XBB.1.5 is otherwise still high: it allows the virus to spread more, giving it more opportunities to mutate to more potent forms.

On December 30, CBS News also quoted Dr. Barbara Mahon at the U.S. CDC saying, "There's no suggestion at this point" that XBB.1.5 causes "more severe" disease. Anthony Fauci told CNBC he was taking heart

from Singapore's experience with XBB, where it became the dominant strain in October but didn't trigger a hospitalisation surge.

So XBB.1.5 has an ACE2 binding affinity similar to that of BA.2.75, could be more transmissible than XBB and XBB.1, and be as immune-evading as the two. Overall, it has a high growth advantage. And so far, it doesn't appear to be able to cause severe disease. For now, much of what we know about XBB.1.5 is based on what we know about XBB. We need more studies on the former.

### What are the implications for India?

Generally speaking, "Variants would have been of some concern if the [virus's] transmission wasn't ongoing; however, as most settings have continuous virus transmission without clinical disease, even re-

duced efficacy against new variants in the real world has been compensated for by natural infections and booster doses," said Chandrakant Lahariya, a vaccines and health-systems specialist.

Dr. Lahariya also said research on new vaccines should continue but that it shouldn't peg them to newer sub-variants: "by the time such vaccines are made available, a new subvariant might emerge."

He was also wary of the insufficient evidence to administer multiple COVID-19 boosters after the first, which could lead to original antigenic sin: a phenomenon whereby repeated boosting "saturates" the immune system and mitigates its response to future shots.

"The original vaccines continue to be effective with marginal reduction in clinical effectiveness ... against primary endpoints of moderate to severe disease."

## THE GIST

XBB.1.5 is a recombinant, which means its genome is the product of the genomes of two different strains spliced together. In the U.S., it accounted for 40.5% of all new cases by December 30.

XBB.1.5 could be more transmissible than its immediate ancestors. And so far, it doesn't appear to be able to cause severe disease.

Experts say that with the hybrid immunity in India, no sublineage is likely to cause a fresh wave

# GST buoyancy

## December's revenues signal some post-festive fervour in the economy

**A**t almost ₹1.5 lakh crore, Goods and Services Tax (GST) inflows in December 2022 signal a recovery of sorts from November, when revenues fell to a three-month low. November 2022 revenues were 10.9% higher than a year ago, but still marked the slowest growth since June 2021. December's revenues were 2.5% higher than November and reflected a 15.2% year-on-year uptick. While the ₹1,49,507 crore GST kitty in December is the third highest since the beginning of the indirect tax regime in July 2017, it may be more noteworthy than previous records. First, as these taxes are linked to economic activity undertaken in November, they indicate that factories and service providers were busier than they were in October, impacted little by post-festival consumer fatigue. Second, on the two other occasions that GST revenues were higher – ₹1.67 lakh crore in April 2022 and almost ₹1.52 lakh crore in October – the numbers were boosted by taxpayers' financial year-end reconciliations and pre-festive spending or stocking up, respectively. This was not the case in December. Arguments that high inflation bolstered these numbers are only partly tenable – headline inflation dipped to an 11-month low of 5.9% in November, services inflation was flat sequentially, and goods inflation was 6.2%, which is high but far lower than previous months. So, if inflation did nudge up revenues, it did not play any more of a role in December than it did in earlier months when price rise was higher.

From what is known so far, the eight core sectors rebounded to grow 5.4% in November from a mere 0.9% in October, when industrial output tanked an alarming 4%. While November's industrial production levels will only be known later this month, the GST revenues indicate that the demand for both goods and services held up. As North Block mandarins enter the last lap of curating the Union Budget, the latest GST print should provide some hope while working out the fiscal glide path and revenue aspirations for the coming year. Not only have GST collections been over ₹1.4 lakh crore for 10 straight months, December's healthy inflows lift up the average monthly intake of 2022-23 to ₹1.49 lakh crore. But there is little room for complacency – any slackening in economic activity due to global headwinds could drag down revenues too. The GST Council, which met briefly last month after a long break but left critical reforms hanging, must be convened soon after the Budget – not just to help sustain revenue inflows, but also to aim to rake in more from a rationalised rate structure which brings all the presently excluded items into the One Nation, One Tax ambit.

# India's toy story is still in the making

The scale of exports by India is still miniscule and about 200 times smaller than that of China's

## DATA POINT

Sonikka Loganathan  
Vignesh Radhakrishnan

Amid the COVID-19 pandemic in August 2020, Prime Minister Narendra Modi exhorted that India can become a global toy hub. In July 2021, he rued the fact that about 80% of the toys were imported, with crores of rupees going abroad, calling on people to be "vocal for local toys".

In July 2022, he announced that India's exports of toys surged from ₹300-400 crore to ₹2,600 crore, a boost that "no one could have imagined." Beyond an increase in exports, Mr. Modi also said that imports of toys, which used to be over ₹3,000 crore, has fallen by 70%, signifying a drop in India's reliance on foreign-made toys – especially from China.

One of the major reasons behind the decline was the increase of Basic Customs Duty on import of toys from 20% to 60%. Also, stringent conditions were imposed on the quality of imported toys.

Chart 1 shows India's toy exports country-wise in \$ million. The total exports have marginally increased to \$363 million in the April to October 2022 period, from \$178 million in the same period in 2015. The U.S. was the major reason behind this rise as India's exports to the country increased from \$44 million to \$144 million. The U.K., Germany, Netherlands and Canada were other major destinations.

Chart 2 shows country-wise imports of toys to India in \$ million. China was and is India's major source of toys, though the imports have halved from \$300 million to \$150 million in recent years. Japan, Taiwan, Hong Kong, Netherlands and the U.S. were other sources but they pale in comparison to China's share.

Mr. Modi's repeated clarion calls during the course of the pan-

democ came at a time when toy sales were surging globally, given the COVID-19 lockdowns and restrictions. Global toy exports jumped from \$119 billion in 2020 to \$158 billion in 2021, an unprecedented 32% increase.

The U.S. was again a major reason behind this rise. From \$36 billion in 2020 to \$52 billion in 2021, toy imports into the U.S. saw a 44% increase as shown in chart 3. While toy imports into Germany, the U.K., France, Japan and Canada too increased, the volume paled in comparison to the United States' imports.

Most of the United States' increased demand in 2021 was fulfilled by China, which maintained its position as the world's biggest exporter. As shown in chart 4, China's toy exports increased from \$71 billion in 2020 to \$101 billion in 2021, far beyond Germany – the world's second largest exporter, exporting \$11 billion in 2021.

Charts 3 and 4, when read together, show that the world toy market is mostly the U.S. buying and China selling, with other players forming a small share of both imports and exports.

While it is true that India's dependency on Chinese toys reduced and the former's exports improved in the recent months, the scale of exports is still miniscule and close to 200 times smaller than that of China's.

The move to curb toy imports from China by India will have negligible impact on the former's export volume. India formed only 0.7% of China's toy exports in 2021 and was China's 26th biggest destination for toys.

As shown in table 5, the U.S. was the biggest destination for China's toys, forming 36.4% of the exports.

While India's latest surge in toy exports was majorly due to the United States, 77% of the latter's toy needs were met by China in 2021. India only fulfilled 0.5% of the U.S.'s toy needs and was its 9th biggest source as shown in table 6.

## Global toy trade

Charts 1 and 2 are sourced from Ministry of Commerce and Industry's website. Charts 3, 4 and tables 5, 6 are sourced from UN Comtrade database

Chart 1 | The chart shows India's toy exports country-wise in \$ million. Each line corresponds to a country

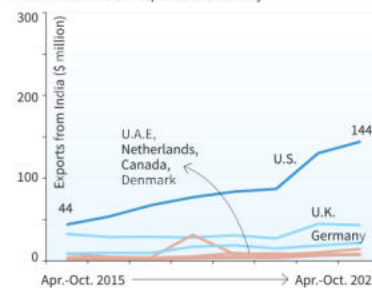


Chart 2 | The chart shows country-wise imports of toys to India in \$ million. Each line corresponds to a country

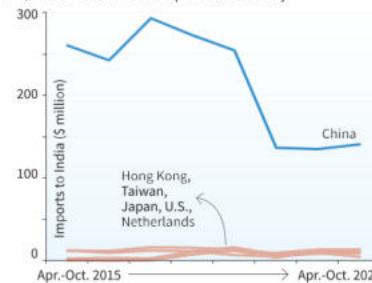
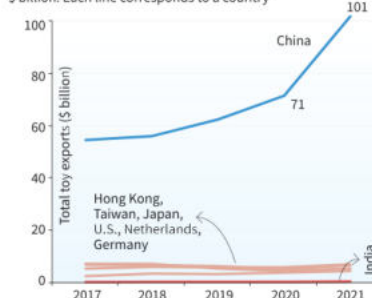


Chart 4 | The chart shows country-wise total exports of toys in \$ billion. Each line corresponds to a country



In the making: A toy maker carves the shape of a woman in Vijayawada. PHOTO: G.N. RAO

Chart 3 | The chart shows country-wise total imports of toys in \$ billion. Each line corresponds to a country

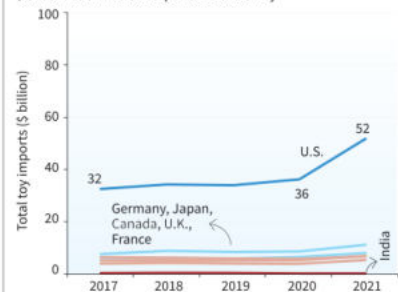


Table 5 | The table shows share of China's toy exports in 2021. 36.4% of China's exports went to the U.S. in 2021

Country	Value (\$ bn)	%	Rank
U.S.	37.1	36.4	1
U.K.	5.3	5.2	2
Netherlands	5.1	5.0	3
Japan	5.0	4.9	4
Germany	4.0	3.9	5
India	0.7	0.7	26

Table 6 | The table shows share of U.S.'s toy imports in 2021. 77% of U.S.'s imports were from China in 2021

Country	Value (\$ bn)	%	Rank
China	40.4	77.9	1
Other Asia	3.0	5.8	2
Vietnam	2.5	4.8	3
Mexico	1.2	2.4	4
Japan	0.5	1.0	5
India	0.3	0.5	9

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## Cash circulation still going strong six years after demonetisation

**83** The percentage rise in circulation of currency, six years after the move to ban 86% of the cash in circulation (demonetisation), according to official data. The value of the currency in circulation stood at ₹32.42 lakh crore as on December 23, 2022, compared to ₹17.74 lakh crore worth of notes in circulation on November 4, 2016, the RBI said. PTI

# IMF MD Georgieva warns that global economy faces tougher year in 2023

World's three main economies, U.S., China and EU, are slowing simultaneously, says Fund chief; she cautions that the Chinese government's approach to reopening country's economy will likely impact regional, global growth negatively

Reuters

**F**or much of the global economy, 2023 is going to be a tough year as the main engines of global growth, the United States, Europe and China, all experience weakening activity, the head of the International Monetary Fund said on Sunday.

The new year is going to be "tougher than the year we leave behind," IMF Managing Director Kristalina Georgieva said on CBS's 'Face the Nation'.

"Why? Because the three main economies, the



**Tough times:** China's growth in 2022 is likely to be at or below global growth, says IMF Chief Kristalina Georgieva. AP

U.S., EU and China, are all slowing down simultaneously," she said.

In October, the IMF cut

its outlook for global economic growth in 2023, reflecting the continuing drag from the war in Uk-

raine as well as inflation pressures and the high interest rates engineered by central banks such as the U.S. Federal Reserve aimed at taming price pressures.

Since then, China has scrapped its zero-COVID policy and embarked on a chaotic reopening of its economy, though consumers there remain wary as coronavirus cases surge. In his first public comments since the change in policy, President Xi Jinping on Saturday called for more effort and unity as China enters a "new phase".

"For the first time in 40

years, China's growth in 2022 is likely to be at or below global growth," Ms. Georgieva said.

Moreover, a "bushfire" of expected COVID infections in the months ahead are likely to further hit its economy and drag on both regional and global growth, she added.

"For the next couple of months, it would be tough for China, and the impact on Chinese growth would be negative, the impact on the region will be negative, the impact on global growth will be negative," the IMF chief said.

# Manufacturing ends 2022 on a high note

**The Hindu Bureau**

NEW DELHI

India's manufacturing sector recorded its sharpest uptick in output in 13 months in December 2022, with new orders rising at the fastest pace since February 2021 though selling prices surged more than input costs for the first time in two-and-a-half years, as per the S&P Global India Manufacturing Purchasing Managers' Index (PMI).

The seasonally-adjusted PMI reading for December 2022 rose to 57.8 from 55.7 in November, reflecting what the firm called 'a robust improvement in the health of the sector that was the best

seen since October 2020'. For the October to December quarter, the PMI averaged 56.3, the highest in a year.

A reading of 50 on the PMI indicates no change in business activity levels.

Scaling up production levels in December, firms continued to hire more staff for the tenth month in a row but the growth in jobs was the slowest since September.

With overall demand strong and resilient, producers also enhanced input purchases at a 'near-record' pace that 'was historically sharp and the strongest since May 2022', S&P Global reckoned from industry responses for the survey-based index.



# RBI keeps SBI, ICICI, HDFC as 'systemically important'

**The Hindu Bureau**

MUMBAI

The RBI has again tagged the State Bank of India, ICICI Bank and HDFC Bank as domestic systemically important banks.

While ICICI Bank and HDFC Bank, placed in bucket 1, need to make a provision of 0.20% for additional Common Equity Tier 1 as percentage of Risk Weighted Assets, it would be 0.60% in the case of SBI placed in bucket 3.

# ST Commission holds its ground on impact of new rules on Forest Rights Act

**Abhinay Lakshman**

NEW DELHI

In a sign of escalating conflict between the government and the National Commission for Scheduled Tribes (NCST) over the Forest (Conservation) Rules, 2022, panel Chairperson Harsh Chouhan on Monday said its position on the new rules being violative of the Forest Rights Act, 2006 “will be the same” even as the Environment Ministry has dismissed these concerns.

Mr. Chouhan told *The Hindu*, “The commission’s stand will be the same. It is the commission’s duty to intervene and recommend corrective measures whenever any rules run the risk of violating rights of tribespeople. This we will continue to do.”

This comes after Environment Minister Bhupendra Yadav wrote to the panel dismissing the concerns flagged by Mr. Chouhan, saying they were “not legally tenable”.

## Panel’s concerns

Flagging concerns about the provision in the new rules that proposes to do away with the consent clause for diversion of for-



**Fight for rights:** The Environment Ministry dismissed the concerns flagged by the commission, saying they were ‘not legally tenable’. AP

est land for other purposes, the panel had recommended that these rules should be put on hold, in a letter to the Environment Ministry last September.

In response, Mr. Yadav has insisted that the rules were framed under the Forest (Conservation) Act, 1980 and that the NCST’s apprehension of these rules being in violation of the Forest Rights Act, 2006 “is not legally tenable”.

The panel had pointed out that the FCR, 2022 had done away with the clause to mandatorily seek consent of the gram sabhas before the Stage 1 clearance or even after Stage 2 clearance. In such a scenario, project proponents, having received partial clearance, will be pushing the State governments and Un-

ion Territory administrations for “diversion at the earliest”, which would be “seriously impacting the process of recognition of rights under the FRA”.

The commission pointed out that between 2009 and 2018, of the 128 applications for forest diversion for mining, 74 were cleared at the Stage 2 and 46 at the Stage 1 and none of the rejections were based on FRA non-compliance. It added that in a subset of 14 cases (all post 2014), certificates showing completion of FRA process were issued “in violation of ground realities”. The commission said the new rules will only increase such violations.

The Minister did not respond to requests for a comment on Mr. Chouhan’s remarks.

# Over the borderline

People on either side of a border should not be victims of international conflict

**T**he Government of India is paying special attention to the development of border villages, especially from a security perspective. Union Home Minister Amit Shah said on December 29 that borders could be permanently secured only when border villages are populated by patriotic citizens who are concerned for the country. Mr. Shah asked the Border Security Force (BSF) to effectively use the Vibrant Village Programme (VVP), announced by the Centre in the 2022 Budget, to promote development and communication in border villages. The scheme is for funding development of “border villages with sparse population, limited connectivity and infrastructure (that) often get left out from the development gains,” Finance Minister Nirmala Sitharaman had said in her Budget speech in 2022. Prime Minister Narendra Modi had said the scheme signified the government’s “holistic approach” to ensure that these villages have all facilities. The Ministry of Home Affairs (MHA) informed Parliament on March 29, 2022 that plans were afoot for the convergence of existing schemes into the new one; and an implementation framework, fund requirements and other modalities were being finalised. The existing Border Area Development Plan of the MHA covers development of all border regions, and it is unclear how VVP will be different from that.

One year after it was announced, there is little clarity on the details of VVP, including on the question of whether it will cover all border areas or only the northern border with China as mentioned in the Budget. The government has said VVP would cover construction of village infrastructure, housing, tourist centres, road connectivity, provisioning of decentralised renewable energy, direct-to-home access for Doordarshan and educational channels, and support for livelihood generation. There were also plans to open the villages along the China border in Himachal Pradesh, Uttarakhand, Sikkim, Arunachal Pradesh and the Union Territory of Ladakh for tourists. The MHA recently informed a Parliamentary Standing Committee that the budget provisions for the programme have been sent to the Expenditure Finance Committee for its approval. Holding border areas close to the rest of the country is a dynamic challenge and requires a sensitive approach. Borders divide people of shared ethnic and cultural heritage, who are unmoved by rivalries of nations that animate strategists. They should not be challenged to be the vanguards of patriotism.

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.