

● POLITY

● ECONOMICS

● TECHNOLOGY

● ECOLOGY

ECONOMICS AND DEVELOPMENT

ECONOMY GROWS 7.8%, FASTEST IN 4 QUARTERS

CONTEXT: India's Gross Domestic Product (GDP) and the Gross Value Added (GVA) sped to a four-quarter high of 7.8% in the first quarter of this financial year. Economists warn of a weak monsoon, high inflation and global headwinds could temper the pace of growth through the rest of 2023-24.

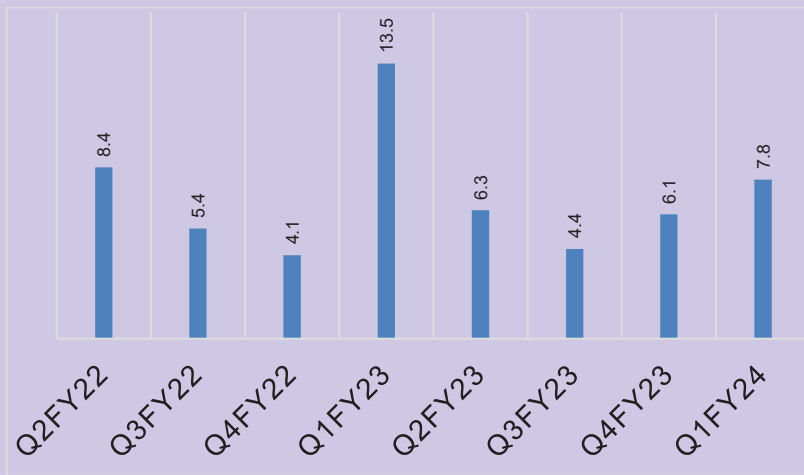


FIGURE: Bar chart representation of the quarter wise growth rates.

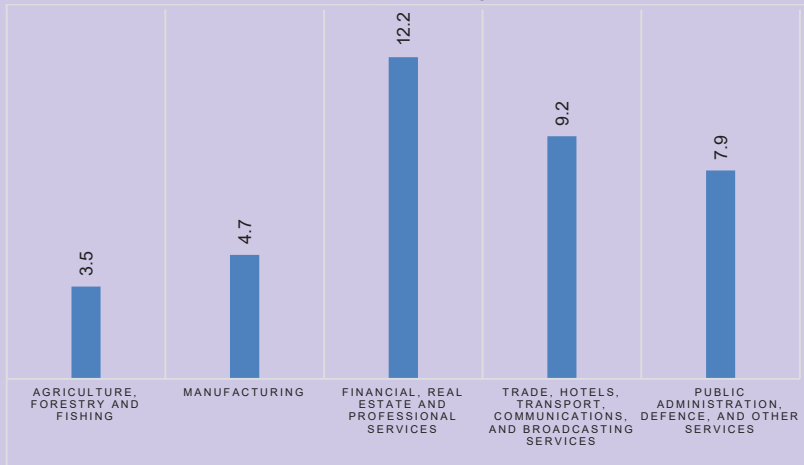


FIGURE: Bar chart representation of the quarter wise sectorial growth rates.

INTERNATIONAL RELATIONS

MAPPING TIES

CONTEXT: India and China diplomatically clashed over China issuing a new map which shows the entire state of Arunachal Pradesh, Aksai Chin as part of Chinese territory last week. This was after the high-level meeting of Prime minister Narendra Modi and Chinese President Xi Jinping had conversations in the backdrop of BRICs summit.

MAJOR ISSUES:

Failure of Modi Xi Jinping Meeting: Recent conversation between Prime Minister Narendra Modi and Chinese President Xi Jinping failed to alleviate tensions between India and China. Instead, tensions escalated due to a dispute over a new Chinese map.

Looming Uncertainty: There is an air of uncertainty surrounding President Xi's potential absence at the G-20 Summit in New Delhi.

Trust Deficit: Trust between the nations has deteriorated significantly, possibly hitting its lowest point since diplomatic normalization in the 1980s. China's release of a 2023 map claiming disputed territories like Arunachal Pradesh, Aksai Chin, and the South China Sea has triggered protests from India, Malaysia, and the Philippines. While China defended the map's routine nature, strong opposition from neighbors highlights its impact on territorial disputes. Historical incidents of reciprocal map changes have contributed to ongoing tensions.

Prospects Ahead: Previous summit meetings eased tensions, but current prospects for reconciliation appear dim.

Conclusion: Restoring relations necessitates mutual trust-building and sensitivity, urging China to mirror its expected conduct in efforts to mend deteriorating ties.

INTERNATIONAL RELATIONS

FISCAL DEFICIT TOUCHED 33.9% OF FY24 TARGET AT END-JULY: CGA DATA

CONTEXT: The fiscal deficit of the Centre touched 33.9% of the full-year target in the first four months of 2023-24 compared to 20.5% of the Budget Estimates (BE) in the corresponding period of FY23.

The total expenditure in the first four months stood at ₹13.81 lakh crore, or 30.7% of BE. The expenditure touched 28.6% of BE in the year-earlier period. The fiscal deficit — the gap between expenditure and revenue — was ₹ 6.06 lakh crore as of end-July. The government projected to bring down the fiscal deficit to 5.9 % of the gross domestic product (GDP) in FY24 compared to 6.40 % of the GDP in 2022-23 against the earlier estimate of 6.71 %.



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INTERNATIONAL RELATIONS

CHINESE PRESIDENT YET TO CONFIRM PARTICIPATION AT G-20 SUMMIT

CONTEXT: : with just over a week for the commencement of the G-20 Summit beginning on September 9, Chinese President Xi Jinping is yet to confirm his presence.

Major Issues:

Xi Jinping's Uncertain Presence at G-20 Summit

As the G-20 Summit in Delhi approaches, uncertainty surrounds the attendance of Chinese President Xi Jinping. Amid reports of a potential skip, sources in New Delhi and Beijing have yet to confirm his presence, while leaders like U.S. President Joseph Biden and others have confirmed their participation. Speculations suggest Chinese Premier Li Qiang could attend in Xi's absence. This departure from Xi's past attendance would signify a notable shift, potentially reflecting strains in China's participation and unresolved differences in consensus-building.

Historical Participation and Recent Developments

Xi has consistently attended G-20 summits since taking office, except for the 2021 Rome G-20 due to the COVID-19 pandemic. If he refrains from the Delhi summit, it would be a significant departure, especially given his recent meeting with Prime Minister Narendra Modi. Their meeting led to disputes over readouts, revealing ongoing tensions between India and China.

Strained Relations and Recent Issues

Tensions between the two nations have persisted, with disagreements over territorial claims and other matters. China's publication of a map including Indian territories and the involvement of retired military chiefs in Taiwan triggered further disputes. These developments follow their commitment to disengagement along the Line of Actual Control.

Potential Implications

Xi's absence could impact the summit's dynamics, potentially indicating China's reservations or emphasizing unresolved issues. Analysts view this as a potential downgrade in China's involvement and a sign of the existing differences hampering a consensus joint statement.

Conclusion

As the G-20 Summit approaches, the uncertain attendance of President Xi Jinping adds complexity to the event. His decision could have wider implications, reflecting the ongoing challenges in India-China relations and influencing the summit's outcome and global perceptions.

SCIENCE AND TECHNOLOGY

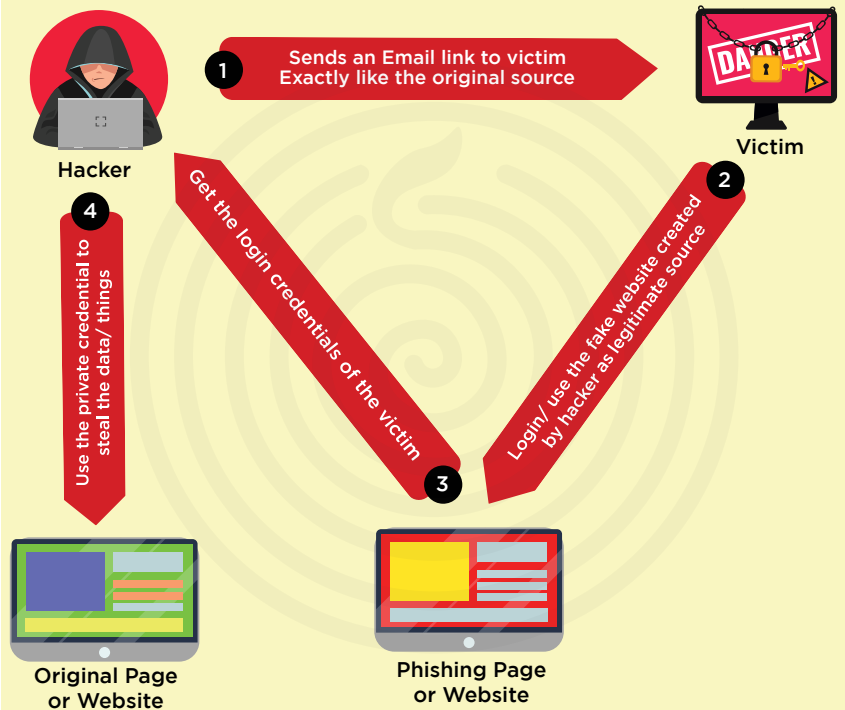
SUPREME COURT WARNS OF FAKE WEBSITE, PHISHING ATTACK

CONTEXT: Supreme Court alerts public to fake website posing as its own, attempting to trick users into revealing personal data (phishing).

BACKGROUND: A fraudulent website mimicking the Supreme Court's official site attempts to gather personal data. Visitors are warned against sharing confidential information and advised to verify links. The genuine Supreme Court website is www.sci.gov.in. Authorities have been informed, and access to official sites crucial for ongoing cases is emphasized.

What is a Phishing Attack?

A phishing attack is a deceptive cybercrime tactic in which attackers create fake websites or emails that mimic legitimate ones, aiming to trick users into revealing personal, financial, or confidential information.



- Deceptive Scheme: Phishing attack involves tricking individuals into divulging personal information through fake websites, emails, or messages.
- Impersonation: Attackers mimic trusted entities to appear legitimate and gain victims' trust for information theft.
- Data Theft: Victims are lured to share passwords, financial data, or sensitive information, which attackers exploit for fraud.
- Social Engineering: Psychological manipulation exploits human tendencies, encouraging recipients to take actions that compromise security.
- Awareness Needed: Users must be cautious, verify sources, and refrain from sharing sensitive data to thwart phishing attacks.

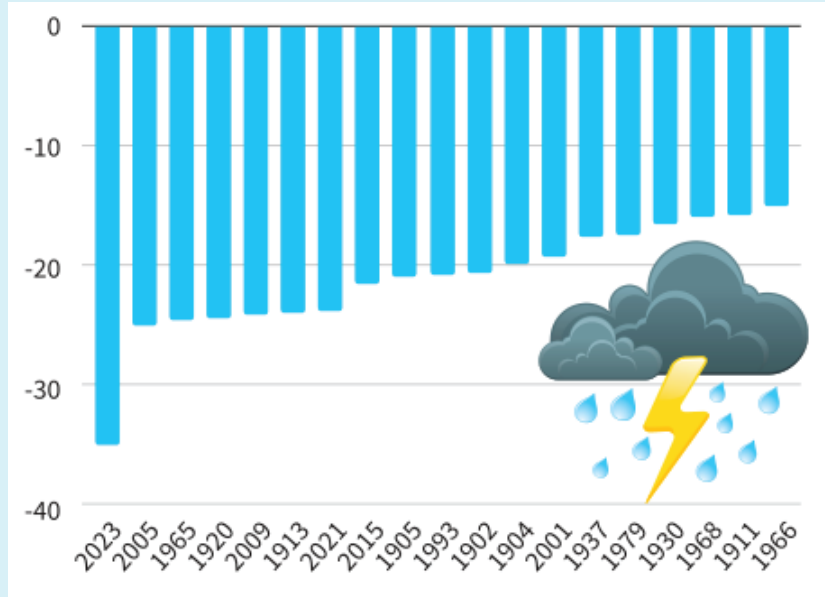
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ECONOMICS & DEVELOPMENT

INDIA SEES THE LOWEST AUGUST RAINFALL IN A CENTURY: IMD

CONTEXT: Rainfall in August, 2023 recorded a deficit of 36 % than Long Period Average (LPA), the lowest in over a century. August usually sees the most amount of rainfall (25.4 cm) after July with 28 cm. The IMD on July 31 indicated that August rainfall would be “below normal”, but its weather models did not indicate that the shortfall would be as sharp as has been experienced.



August rainfall has been markedly deficient in most of India, except in north-eastern India, the Himalayan States, and parts of Tamil Nadu with the strengthening of the El Nino and unfavourable conditions in the Arabian Sea and the Bay of Bengal. Rainfall in August has brought the overall national deficit to 10%, with the regional deficits being 17% in east and northeast India, 10% in central India, and 17% in southern India. The last time India recorded such severe deficits in August was in 2005, when the shortfall was about 25% of the normal, and in 2009, when India saw its biggest drought in half a century and August rainfall was 24% less than normal.

Monsoon rainfall in September, the last of the four monsoon months, is likely to be within a 10% window of the 16.7 cm that is usual for the month, the agency's forecast noted. El Nino refers to a warming of the central Pacific that usually translates to deficient monsoon rainfall over India.

DISASTER MANAGEMENT

NATURAL DISASTERS – A MISNOMER

CONTEXT: Torrential rains in several parts of north India, particularly Himachal Pradesh and Uttarakhand, damaged highways and buildings, and took hundreds of lives. While a warming Arctic is said to be a cause for the unusually heavy rains, years of haphazard planning and construction have multiplied the tragedy.

PERSONS IN NEWS

JAYA VERMA BECOMES THE FIRST WOMAN TO HEAD RAILWAY BOARD

CONTEXT: Union govt. appointed Jaya Verma Sinha as the Chairperson of the railway Board. Railway board is the top decision-making body of the Railway Ministry. She replaces Anil Kumar Lahoti.

Smt. Jaya Verma Sinha has been appointed as the Chairman & Chief Executive Officer (CEO) of the Railway Board, making her the first woman to hold this position in the Board's 118-year history. Ms. Sinha, previously Member (Operations & Business Development) of the



Board, played a crucial role in managing the aftermath of the Balasore train accident. Her tenure will extend until August 31, 2024, as she will be re-employed on October 1 after her scheduled retirement on that date. She brings extensive experience from her service in the Indian Railway Traffic Service and as Railway Adviser in the High Commission of India in Dhaka, Bangladesh.

Man-made activities - construction activities on floodplains, encroachment of water bodies, unsustainable city planning etc. played an important role in enhancing the risk from climate hazards, aggravating the scale of the natural disasters that we see today. The frequency and intensity of hazards have increased, and anthropogenic climate change has played a major role.

City landscapes have changed drastically, exceeding their carrying capacity exacerbating the extent of loss and damage in these areas with migration of people from rural areas to urban areas. Unsustainable practices like finding cheaper land, filling the water bodies, removing paleochannels (deep underground stores of groundwater) and destroying natural drainage systems have significantly aggravated the issue.

Some sections of the population are more vulnerable and more at risk than others. We need to figure out systems and solutions that can be channelised specifically towards this large pool of people. We need to build stronger systems from the bottom up and learn to do it collectively.

There are excellent institutions even within the government that are constantly monitoring and understanding the scale of the climate crisis in terms of rainfall patterns, trends, and the ways in which risk is becoming more pronounced in certain regions versus others. While we understand that there are certain regions that are increasingly becoming more flood-prone, what we really have to do is think transformatively. We have to analyse the implications of imposing a strict carrying capacity in certain regions and not allowing for more urbanisation to happen in certain areas or restricting certain ways in which infrastructure is built.

PERSONS IN NEWS

RAVI KANNAN: ASSAM BASED ONCOLOGIST WINS 2023 RAMON MAGSAYSAY AWARD

CONTEXT: Surgical oncologist R. Ravi Kannan, presently the director of Cachar Cancer Hospital and research Centre (CCHRC) in Assam is one of the winners of the 2023 Ramon Magsaysay award.

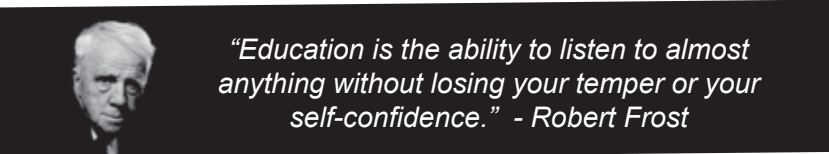
WHAT IS RAMON MAGSAYSAY AWARD:

The Ramon Magsaysay Award is a prestigious annual award presented to individuals and organizations in Asia that have made significant contributions to addressing critical social issues. Named after the former Philippine President Ramon Magsaysay, it recognizes outstanding achievements in various fields such as public service, journalism, and community leadership.



Dr. R. Ravi Kannan, a surgical oncologist and Director of the Cachar Cancer Hospital and Research Centre (CCHRC) in Assam, has been awarded the 2023 Ramon Magsaysay Award for his transformative contributions to cancer treatment in Assam. Under his leadership, CCHRC evolved into a comprehensive cancer hospital and research center, offering free or subsidized care to thousands of impoverished cancer patients. Dr. Kannan's initiatives include free treatment, food, lodging, caregiver employment, and palliative care, resulting in a substantial increase in patient compliance rates. He aims to decentralize cancer care by establishing smaller hospitals in various regions for improved accessibility and prevention efforts.

Dr Kannan is already an honoured recipient of Padma Shri award.



PERSONS IN NEWS

INDIA'S CORE SECTOR AT 8 % IN JULY, 2023

All eight core sectors registered an uptick in the month; these constitute 40.3 % of the Index of Industrial Production

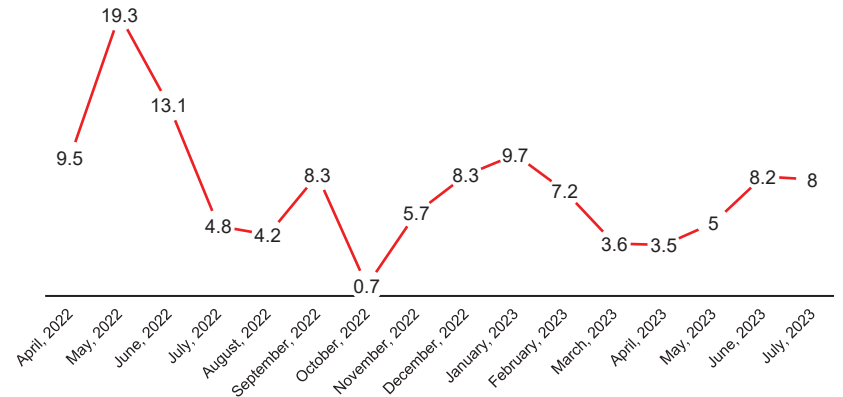


FIGURE: Line chart representation of the core sector growth rates (on Y-o-Y basis in per cent)

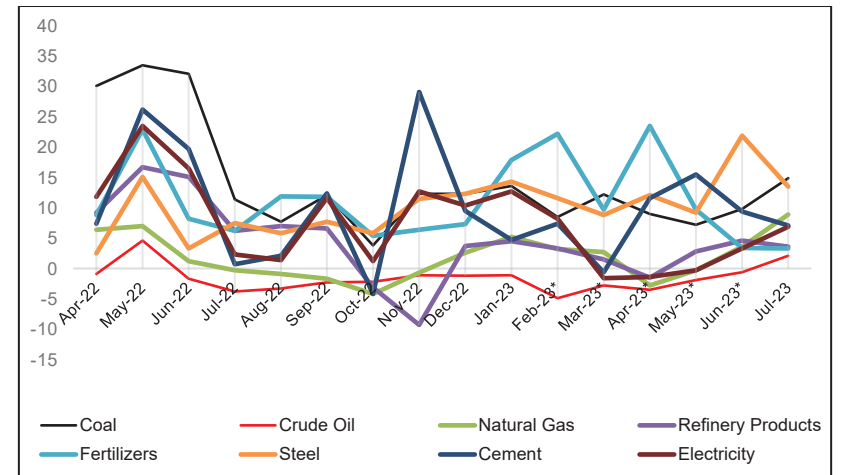


FIGURE: Line chart representation of the sub-sectorial growth rates (on Y-o-Y basis in per cent) of core sector industries.

According to data released by the Ministry of Commerce and Industry on Thursday, while growth in the output of fertiliser (3.3 per cent), steel (13.5 per cent), refinery products (3.6 per cent), and cement (7.1 per cent) slowed than the previous month, that of coal (14.9 per cent), natural gas (8.9 per cent), and electricity (6.9 per cent) accelerated in July. Crude oil production saw positive growth (2.1 per cent) for the first time in 14 months since May 2022.

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SOCIAL JUSTICE

DALIT-TARGETED VIOLENCE

CONTEXT: Dalit student attacked by dominant-caste classmates with machete, highlighting ongoing caste-based violence issue in Tamil Nadu, India.

BACKGROUND: Recent caste-based attacks on Dalit students in Tamil Nadu, including incidents in August, reveal ongoing violence. Perpetrators, often students or youth, target victims identified by caste markers. Rooted in historical caste tensions, the issue reflects the rise of caste pride, lack of anti-caste efforts, and inadequate response from non-Dalit groups.

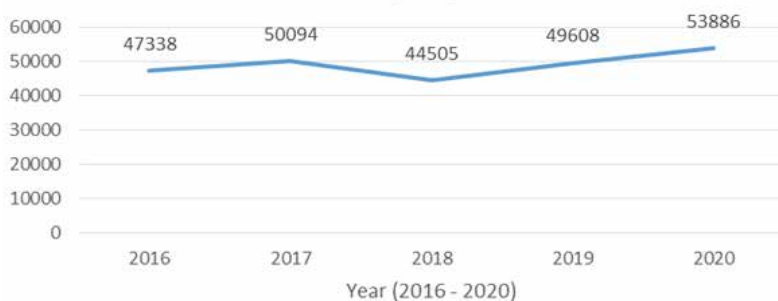
CASTE PRIDE

- **Caste Orgs & Symbolism:** Caste groups amplify caste symbols, branding Dalit progress as a threat, influencing violent actions.
- **Icons and Violence:** Caste icons like 'guru poojas' inspire rallies, possibly influencing recent violent incidents involving youth.
- **Inter-Caste Opposition:** Post-2012 Dharmapuri violence, caste groups oppose inter-caste marriages, reflecting societal shifts.
- **Honour Killings:** Incidents like Gokulraj's 2015 murder for inter-caste interaction, and Sankar's 2016 killing for marriage expose deep-rooted caste conflicts.
- **Contrasting Image:** Tamil Nadu's internal reality of caste violence contrasts with its positive reputation outside the state.

THE POLITICAL FACTOR: Dalits face violence despite Dravidian parties' rule and social justice claims due to political appeasement of dominant castes. Anti-Brahmin stance didn't transform into an anti-caste movement. BJP's rise and caste-based pride worsened the situation. Public discourse lacks focus on Dalit concerns, overshadowed by Brahmin-Brahminism debates in Tamil Nadu.

USHERING IN REFORM: Addressing Dalit violence requires acknowledging the issue, discouraging caste-based groups, ending state support for caste leaders, promoting equality in education and workplaces, and holding police accountable. Dravidian movement's social justice aims need alignment with actual progress for inclusive justice. Authors: Stalin Rajangam, historian; A.B. Rajasekaran, advocate.

Cases registered under the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989



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POLITY AND GOVERNANCE

A PROGRESSIVE UCC MUST PROTECT THE CHILD'S BEST INTERESTS

CONTEXT: There are ongoing debates on the adoption of Uniform Civil Code for entire Country

Expanding the Uniform Civil Code (UCC) Beyond Surface Issues

As the possibility of enacting a Uniform Civil Code (UCC) gains traction, the focus must extend beyond conventional matters like polygamy and divorce. A comprehensive UCC should encompass essential considerations, particularly the welfare of children. Instead of solely altering the default guardian from the father, the UCC must explicitly incorporate the "best interests of the child" principle in custody disputes, curbing absolute rights of biological parents over adoptive ones.

Urgency for Inclusive Approach: Child's Welfare

Existing statutes, like the Guardians and Wards Act of 1890, prioritize the child's welfare in custody decisions. However, broader reforms are essential. For instance, the Hindu Minority and Guardianship Act of 1956 designates the father as the natural guardian, followed by the mother. This framework should evolve to align with the "best interests of the child" principle.

Insights from Islamic Law and Complex Cases

Contrastingly, Islamic law places the child's rights above parental claims. Recent cases spotlight more intricate issues, such as biological parents' claims post-adoption or situations involving an accused biological father. Courts are showing a tendency to prioritize biological parents over adoptive ones without adequately considering the child's well-being.

Guardianship: Striking a Balance

Crucially, a progressive UCC must strike a balance between biological ties and adoptive rights. Recent judicial decisions have showcased instances where adoptive parents' rights were undervalued, potentially discouraging child adoption. A forward-looking UCC should not enforce excessive emphasis on biological bonds. It must safeguard adoptive parents' rights to encourage adoption while avoiding undue stress on marital bonds and considering diverse family structures.

CONCLUSION:

In summary, a comprehensive UCC requires thoughtful consideration beyond surface-level issues. By prioritizing the child's best interests, protecting adoptive parents' rights, and acknowledging diverse family dynamics, the UCC can align with evolving societal norms and ensure children's welfare in custody disputes.

ECONOMICS AND DEVELOPMENT

ADANI SAGA

CONTEXT: The Supreme Court of India had directed the Securities and Exchange Board of India (SEBI) to conduct investigations in accordance with specific terms of reference. The first term was to probe whether there has been a violation of Rule 19A of the Securities Contracts (Regulation) Rules 1957. Two more terms were set by the apex court related to non-disclosure of related party transactions and the manipulation of stock prices in contravention of existing laws. In addition, a separate Expert Committee was formed to inter alia examine whether there has been a regulatory failure in dealing with the alleged contravention of laws by the Adani group.

Rule 19A of the Securities Contracts (Regulation) Rules 1957, inserted through an amendment made with effect from June 4, 2010 under "Continuous Listing Requirement", stipulates that every company listed in the Indian stock market has to maintain at least 25 percent public shareholding. "Public" is defined in the said Rules as persons other than "the promoter and promoter group" — defined as any spouse of that person, or any parent, brother, sister or child of the person or of the spouse, besides "subsidiaries or associates of the company". This 25 per cent minimum threshold for public shareholding vitally ensures that adequate shares of a listed company is available for trading in the stock market to enable price discovery. Violations of this rule indicate likely stock price manipulation and insider trading, jeopardising the integrity of the equity market.

Two Mauritius based funds, namely the Emerging India Focus Fund (EIFF) and the EM Resurgent Fund (EMRF) had invested and traded in large volume of shares of four Adani companies between 2013 and 2018. Two key foreign investors of these funds were Nasser Ali Shaban Ahli from the UAE and Chang Chung-Ling from Taiwan. The value of the investments of Nasser Ali and Chang Chung-Ling in Adani stocks was around \$430 million in March 2017 (approximately ₹2,795 crore at prevailing exchange rate). In January 2017, these two investors together held 3.4% of total shares in Adani Enterprises, 4% in Adani Power and 3.6% in Adani Transmission. The money was channelled through a Bermuda-based investment fund called the Global Opportunities Fund (GOF). The OCCRP investigation has further revealed that a UAE-based secretive firm named Excel Investment and Advisory Services Limited owned by Vinod Adani, brother of Gautam Adani and member of Adani promoter group, had received over \$1.4 million in "advisory" fees from management companies of EIFF, EMRF and GOF between June 2012 and August 2014.

A significant revelation by the OCCRP relates to the correspondence between the director general of the Directorate of Revenue Intelligence (DRI) and the SEBI chief in January 2014 on "the dealings of the Adani Group of companies in the stock market". One of the letters was accompanied by a CD of evidence from a DRI probe into allegations of over-invoicing of capital equipment imports against Adani power projects, stating that "there are indications that a part of the siphoned-off money may have found its way to stock markets in India as investment and disinvestment in [the] Adani Group." SEBI has not disclosed the receipt of such a letter and evidence from the DRI till date before the Supreme Court. Rather, they have categorically stated before the Expert Committee that the investigation into possible contraventions of rules and regulations by

the Adani group of companies started on October 23, 2020 after receipt of complaints in June-July 2020.

In its latest affidavit before the Supreme Court on August 25, SEBI has stated that they have conducted 24 investigations into Adani-Hindenburg related matters since March 2023, of which 22 investigations have been completed while interim reports have been submitted for two investigations. It is noteworthy that the two incomplete investigations include the one on the violation of Rule 19A of the Securities Contracts (Regulation) Rules 1957.

Mentioning the time period covered under this investigation as between April 1, 2016 to September 30, 2020, SEBI has submitted to the Supreme Court that they have been unable to establish the "economic interest shareholder" in 13 suspected overseas entities because of their tax haven jurisdictions and that efforts are still being made to gather more details. It is noteworthy that the names of EIFF and EMRF, which have been alleged to be fronts of Vinod Adani by the OCCRP investigation also figure in SEBI's list of 13 suspected Foreign Portfolio Investors (FPIs). SEBI owes an explanation as to how a consortium of investigative journalists could collate evidence on such tax haven-based entities while a national regulator has failed to unearth so far.

OCCRP's expose adds to the already substantial body of evidence which suggests that SEBI's role in the Adani group matter goes beyond regulatory failure and possible regulatory capture. SEBI has already been indicted by the Expert Committee for amending the FPI and Listing Obligations and Disclosure Requirement (LODR) Regulations since 2018 which opened up regulatory loopholes facilitating concealment of "ultimate beneficiary ownership" of FPIs and transactions with "related parties". It is now clear that those amendments were made after the alleged contraventions of the 75% rule of SCRR 1957 by at least two Adani group companies in 2017, as found by the OCCRP investigation. Therefore, the findings of the SEBI on stock price manipulation and insider trading in Adani stocks are difficult to take at face value. The Expert Committee has already reported that 849 alerts were generated vis-à-vis the Adani scrips through SEBI's automated surveillance systems, between April 2018 and December 2022. Out of this, 603 alerts related to price volume movements were closed by SEBI and 246 alerts on suspected insider trading were still work in progress.

As per the Expert Committee findings, 13 FPIs suspected by SEBI sold around 8.6 crore shares of Adani Enterprises Limited (AEL) between April 2021 and December 2022 when AEL's share price skyrocketed from around ₹1,000 to over ₹3,800. The Life Insurance Corporation of India bought 4.8 crore of these shares during the same period. Yet, SEBI gave a clean chit to the suspected FPIs citing their "net seller" status during the period of price rise; whereas, it is obvious that the suspected FPIs were the major gainers of the abnormal price rise and a public sector financial company enabled those gains. It is only through a thorough forensic audit of all the listed Adani group companies and the 13 suspected FPIs by an independent auditor that the real nature and extent of the alleged economic crimes committed by the Adani group via the Vinod Adani channel can be revealed.

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