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# CURRENT AFFAIRS

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## Current Affairs (21 to 30 December, 2018)

### 1. National News

#### 1.1 India, Pak commit to Kartarpur corridor

India and [Pakistan](#) exchanged letters on Thursday, committing to build the required infrastructure for visa-free direct travel by Indian Sikh pilgrims to Pakistan's Kartarpur Sahib gurdwara, allowing them to mark the 550th Birth Anniversary of Guru Nanak Dev in November 2019, in a move described by a Pakistani minister as the "victory of peace lobbies" in both countries.

Officials from India and Pakistan will meet soon to discuss the logistics of the corridor and point of border crossing where the roads which pilgrims will traverse on the Indian side from Dera Guru Nanak Dev in Gurdaspur district directly to the border and from the Pakistani side of the border directly to Kartarpur Darbar Sahib Gurudwara, a senior official confirmed to The Hindu.

In a rare sign of concord between the two countries, the letters were exchanged on the same day, with Pakistan's government informing the Indian High Commission in Islamabad that Prime Minister Imran Khan will lay the foundation stone for the corridor on the Pakistani side on November 28.

A cabinet meeting in Delhi proposed building a passage for the pilgrims accessible "365 days and 24 hours", sources told *The Hindu*. Hours later, the cabinet decision was conveyed by Ministry of External Affairs in a letter to the Pakistan High Commission in Delhi.

"The government of India urges the government of Pakistan to recognise the sentiments of the Sikh community to develop a corridor with suitable facilities in its territory to facilitate easier access and smooth passage of Indian pilgrims throughout the year," the letter sent by the Ministry of External Affairs said.

It added that, "The Ministry of External Affairs avails itself of this opportunity to renew to the High Commission for the Islamic Republic of Pakistan, the assurances of its highest consideration."

The Ministry of External Affairs, Government of India presents its compliments to the High Commission for the Islamic Republic of Pakistan in New Delhi and has the honour to refer to the longstanding proposal to create a corridor to facilitate easy and smooth access for Indian pilgrims to visit Gurudwara Kartarpur Sahib in Pakistan, which has been under discussion between the two sides.

The Ministry has the honour to convey that on the occasion of the 550<sup>th</sup> Prakash Parab of Guru Nanak Dev ji, the Government of India has decided to build and develop 'Kartarpur Corridor' from Dera Baba Nanak in Gurdaspur District of India to the International Border.

In this context, the Government of India urges the Government of Pakistan to recognise the sentiments of the Sikh community and to develop a corridor with suitable facilities in its territory from the International Border to Gurudwara Kartarpur Sahib to facilitate easier access and smooth passage of Indian pilgrims throughout the year.

The Ministry of External Affairs avails itself of this opportunity to renew to the High Commission for Islamic Republic of Pakistan, the assurances of its highest consideration.

The cabinet also decided that preparations for the 550th anniversary of the founder of the Sikh faith will be overseen by Home Minister Rajnath Singh, which will include the setting up of a "centre for interfaith studies" in Amritsar, University Chairs in U.K. and Canada for the study of Guru Nanak, and a railway train connecting holy sites for the community.

The Kartarpur Sahib corridor was first proposed in 1999 when Prime Minister Atal Bihari Vajpayee took a bus ride to Lahore, as a long-standing demand from the Sikh community for easy access to the revered shrine across the border where Guru Nanak spent the last 18 years of his life.

Sidhu controversy

On August 18 this year, during the swearing-in ceremony of the Prime Minister Imran Khan, Pakistan's Army Chief Gen. Qamar Javed Bajwa had [told visiting Congress leader Navjot Singh Sidhu that Pakistan hoped to build the corridor](#).

When Mr. Sidhu returned, the government including NDA ally in [Punjab](#) Shiromani Akali Dal (SAD) had criticised the move, and rejected the Pakistan offer. In September, there were further acrimonious exchanges over the announcement and an abrupt cancellation of talks between the Foreign Ministers Sushma Swaraj and Shah Mehmood Qureshi on the sidelines of the UN General Assembly meet in New York.

However, according to both Indian and Pakistani officials aware of the discussions, despite the cancellation of talks and the public disavowal of the corridor offer, both sides have been in contact over the issue for the past few months.

Responding to the Indian announcement, Mr. Qureshi said Pakistan would “welcome Sikh pilgrims”.

“[The] Indian Cabinet endorsement of Pakistan’s proposition on Kartarpur Sahib corridor is [the] victory of peace lobby in both countries; its a step towards right direction and we hope such steps encourage voice of reasons and tranquility on both sides of the border,” Information Minister Fawad Chaudhury tweeted.

Sources in the MEA denied that the two decisions were in any way coordinated, calling suggestions that India’s corridor was being planned as a response to the Pakistani proposal as “preposterous and hurtful to the Sikh community”. The sources added that the government hopes Pakistan will place no restrictions on the number of pilgrims travelling and allow consular access to them.

“Despite the harassment that pilgrims face, with the display of Khalistani posters or through the lack of access to consular officials, Sikh pilgrims continue to make the difficult journey. Our proposal is so that the burden of pilgrims can be eased significantly,” an official told *The Hindu*.

## 1.2 HIV infected Children likely to suffer cognitive impairment: Study

[Children](#) infected with the Human Immunodeficiency Virus (HIV) have to endure a significant adverse impact on their neurodevelopment and cognitive functioning, a new study has revealed.

Analysing resting state functional MRIs the study, published recently in the online journal *NeuroImage Clinical*, reveals that HIV-infected children have lower neuropsychological

test scores thus reflecting reduced memory span, attention deficit and decreased visual-motor coordination among other conditions.

Published on October 29, the study, carried out by a team of doctors at Fortis Memorial Research Institute in Gurugram, King George Medical University in Lucknow and Sidra Medicine in Doha, Qatar, highlighted significant fluctuations in regions of the brain that are associated with auditory, language, sensory and motor functional networks of HIV infected children.

“Decline of mental processes has been commonly observed in HIV infected adults. The common condition we see in adult patients is dementia, which broadly refers to a decline in memory or thinking skills and encephalopathy, a condition that affects the structure or function of the brain. This new study asserts similar impact on HIV infected children”, said neurologist Dr Ravindra Garg from Lucknow’s King George Medical University, one of the investigators of the study.

## Killer virus

- Human Immunodeficiency Virus (HIV) attacks the immune system
- The virus is found in semen, blood, vaginal and anal fluids, and breastmilk
- The virus can be transmitted from mother to child during pregnancy, birth, or breastfeeding
- According to the National Aids Control Organization (NACO), as of 2017, India had 2.14 million people living with HIV
- The most affected population are people who inject drugs, transgenders, gay men and commercial sex workers

The researchers assessed 26 perinatally HIV infected children being treated under the National [AIDS](#) Control Programme in eastern Uttar Pradesh and 20 non-infected children from the same region. The mean age of the children was 10 years.

#### Cognitive changes

“We carried out resting state Magnetic Resonance Imaging (MRI) of all children and generated maps of Amplitude of Low Frequency Fluctuations (ALFF), a neuroimaging method to gauge spontaneous fluctuations and Functional Connectivity (FC) that analyses brain networks”, explained Dr Rakesh Gupta, a neuro-radiology expert from Fortis, adding that the findings were co-related with neuropsychological assessment scores.

The neuropsychological assessment was carried out through a specially designed test for children to detect memory span, verbal meaning, mazes, learning names, quantity, discs, hidden figure, closure and exclusion. For example, in exclusion, children were given geometrical forms that have common characteristic except one and asked to pick the one that is different. This score reflects on the child’s cognition of figural classes and similarities. In closure, the children were shown incomplete pictures of familiar birds and animals for 30 seconds for them to identify. This reflects on their cognition of incomplete objects.

In mazes, children held a stylus on the maze on a paper sheet and were asked to find a way out without crossing the walls. Mazes reflect visual-motor coordination, planning etc.

The study concluded that all HIV infected children had lower neuropsychological test scores as compared to the control group.

#### Altered brain regions

The HIV infected children in the study were also found to have significantly decreased Amplitude of Low Frequency Fluctuations (ALFF) and Functional connectivity (FC) in multiple brain regions that are related to cognition. Such reduction suggests altered brain functional activity, the study said. “We were able to locate altered cortical thickness, subcortical volumes and structural connectivity anomalies in the HIV infected children which reflects attention deficits, behavioural implications, and other cognitive issues,” said Dr. Mohammad Haris from Qatar’s Sidra Medicine, one of the authors of the study.

Dr Haris, an expert in translational imaging, said the findings will facilitate early detection of structural and functional brain changes, allowing appropriate treatment and therapies to improve functional activities in children with immunity disorders.

“At Sidra Medicine, we are in the process of developing the methodology of neurocognitive and neurodegenerative research. Such studies will help us evaluate the effects of different

pathologies on normal brain development in children, as well as to monitor therapeutic effects,” he added.

Larger studies

HIV is a virus that attacks the immune system and is known to affect almost every organ in the human body.

Nearly 60,000 children in India are currently taking Anti-Retroviral Therapy (ART) for HIV. Doctors treating these children commonly observe slackened physical as well as mental growth.

“The virus is present in patient’s bloodstream and thus gets lodged in every part of the body. It affects the brain, heart, kidney, liver etc., leaving the patient extremely immuno-compromised,” said paediatrician Dr. Yashwant Gabhale who heads civic-run Sion Hospital’s paediatric ART centre in Mumbai.

“The key to achieving overall growth in HIV infected children is a good diet, 100% medicine compliance and regular physical activity. This ensures that their viral load is low and CD-4 (immune cells) count is high. However, a large majority of children fail to achieve this,” said Dr Gabhale, adding that larger studies with bigger sample size will reflect the ground realities more coherently.

Doctors say such studies highlight the need for a holistic approach to HIV programmes. The emphasis should not only be on medication, but also nutritional, psychological and neurodevelopmental support.

### **1.3 Lancet urges response to heatwave exposure surge**

Indian policy makers must take a series of initiatives to mitigate the increased risks to health, and the loss of labour hours due to a surge in exposure to heatwave events in the country over the 2012-2016 period, the Lancet Countdown 2018 report recommends.

From 2014-2017, the average length of heatwaves in India ranged from 3-4 days compared to the global average of 0.8-1.8 days, and Indians were exposed to almost 60 million heatwave exposure events in 2016, a jump of about 40 million from 2012, the report released Thursday showed.

Heatwaves are associated with increased rates of heat stress and heat stroke, worsening heart failure and acute kidney injury from dehydration. Children, the elderly and those with pre-existing morbidities are particularly vulnerable.

Almost 153 billion hours of labour were lost globally in 2017 due to heat, an increase of 62 billion hours from the year 2000.

Observing that a recent report “places India amongst the countries who most experience high social and economic costs from climate change”, the study makes several recommendations. These include identifying “heat hot-spots” through appropriate tracking of meteorological data and promoting “timely development and implementation of local Heat Action Plans with strategic inter-agency co-ordination, and a response which targets the most vulnerable groups.”

The report prepared jointly with the Public Health Foundation of India also urges a review of existing occupational health standards, labour laws and sectoral regulations for worker safety in relation to climatic conditions.

The India Meteorological Department had reported that from 1901 to 2007, there was an increase of more than 0.5°C in mean temperature, with considerable geographic variation, and climate forecasts by research groups project a 2.2-5.5°C rise in temperatures in northern, central and western India by the end of the 21st century.

The number of hours of labour lost also jumped between 2000-2017 across India, the Lancet said.

#### Farm labour vulnerable

For the agriculture sector alone, this rose to about 60,000 million hours in 2017, from about 40,000 million hours in 2000. Overall, across sectors India lost almost 75,000 million hours of labour in 2017, from about 43,000 million hours in 2000.

The agriculture sector was more vulnerable compared to the industrial and service sectors because workers there were more likely to be exposed to heat.

The findings are significant for India as agriculture makes up 18% of the country’s GDP and employs almost half the population. A recent World Bank report on South Asia’s hotspots predicted a 2.8% erosion of the country’s GDP by 2050, accompanied by a fall in living standards due to changes in temperature, rainfall and precipitation patterns.

If the average global temperature rose by more than one degree Celsius from the present, India could “annually” expect conditions like the 2015 heat wave that killed at least 2,000, according to the ‘Special Report on Global Warming of 1.5°C,’ commissioned by the Intergovernmental Panel on [Climate Change](#)(IPCC), last month.

Next week, the Conference of Parties — a compact of about 190 countries signatory to the UN treaties to address global warming — is set to begin talks in Katowice, Poland, to iron out a ‘rule book’ to implement the Paris Agreement of 2015. The agreement was a landmark accord, in which countries agreed to strengthen the global response to the threat of climate change by limiting the global temperature rise this century to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C.

## 2. International News

### 2.1 French NGO seeks probe into Rafale deal

Pressure continues to mount over allegations of corruption in the purchase of 36 Rafale fighter jets from France from both within and outside the country.

According to French news portal Mediapart, a local non-governmental organisation (NGO) has approached the National Financial Prosecutor's office, seeking a probe into the allegations of money laundering and corruption in the deal and the choice of Anil Ambani as the offset partner.

'Undue advantages'

Sherpa, an anti-corruption NGO, lodged the complaint at the end of October with the National Financial Prosecutor's Office highlighting "potential acts of corruption, granting of undue advantages, influence peddling, complicity of these offenses and money laundering," according to a report on Friday by Mediapart.

The complaint sought an investigation into the circumstances under which 36 combat aircraft were sold by France to India in 2016 and the choice of Anil Ambani's Reliance Defence as the offset partner which had no "experience in the manufacture of fighter jets" and was registered only "twelve days" before the announcement of the deal in 2015, the news report stated.

"Everything indicates that it is likely to be a very serious matter," William Bourdon, founder of Sherpa told Mediapart.

The complaint mentioned that Sherpa have been following the allegations by a former minister and an anti-corruption lawyer to the Central Bureau of Investigation (CBI).

Controversy surrounding the Rafale deal has steadily grown over last few months . The Supreme Court has heard arguments in the case and reserved its verdict on whether it merits a court-monitored investigation.

In September 2016, India and France signed a €7.87 billion Intergovernmental Agreement (IGA) for 36 Rafale multi-role fighter jets in fly-away condition.

### 3. Polity and Governance

#### 3.1 RTI request to see RTI Amendment Bill denied

The Centre has denied a [Right to Information](#) Request for a copy of the Right to Information (Amendment) Bill 2018, which had been notified for introduction in the monsoon session of Parliament.

The Bill sought to give the Centre power to set the tenure and salaries of State and Central Information Commissioners. Critics worry this could threaten the independence of Commissioners. An RTI request for details on the applicants and search committee set up to fill the vacancies on the Central Information Commission (CIC) has also been denied. The CIC is the final appellate authority for all Central public authorities. By December 1, there will be eight vacancies in the 11-member Commission.

In an affidavit filed in an ongoing Supreme Court case regarding the appointment of Information Commissioners, the Centre admitted that it has held up appointments due to its effort to first amend the law.

In its rejoinder, to be filed on Monday, the National Campaign for People's Right to Information (NCPRI), plans to argue that this rationale does not provide "a legal ground for not filling vacancies in the Central Information Commission" as the existing Act already provides sufficient details on salaries and tenure.

In May 2018, NCPRI co-convener Anjali Bhardwaj filed an RTI request for a copy of the Bill and was denied on the grounds that the matter was still under consideration and had not reached finality. "We put in another request, it was denied on October 24. The same reason was offered for denial." "We are seeing a complete lack of transparency in the appointment process for the top transparency watchdog," Ms. Bhardwaj said.

#### 3.2 Criminal law ill-equipped to deal with cases of riots: HC

Noting that the general criminal law is provenly ill-equipped to deal with communal [riots](#) cases, the Delhi High Court on Wednesday suggested several reforms, including possibility of entrusting investigative and prosecution process in such cases to authorities other than normal agencies of the State.

Political influence

Justice R.K. Gauba remarked that after each event of communal riots, allegations of political influence have worked as the root cause or for protection of those responsible.

The High Court's observation came while [upholding the conviction of 70 persons in connection with the 1984 anti-Sikh riots cases](#) in Capital's Trilokpuri area.

It said there had been no meaningful thought spared till date to usher in reforms in the judicial process to effectively deal with the cases of communal riots which were engineered, more often than not, by those who had clout or influence — of various kind.

To inject a sense of neutrality in the investigative and prosecution process, Justice Gauba said the possibility of entrusting such tasks to authorities other than normal agencies of the State needs to be explored.

The High Court wondered if the initial task of gathering evidence or the duty to “preserve” evidence can be entrusted to the Human Rights Commissions in cases of communal riots situations.

Once a Commission of Inquiry is instituted, under the Commission of Inquiry Act, 1952, further investigative process by gathering all evidence for such cases can be taken over by such Commissions of Inquiry, it said.

There have been initiatives taken in the past to bring in special legislation to cover the subject, they have remained stuck at the stage of drafting.

These include the Communal Violence (Prevention, Control and Rehabilitation of Victims) Bill, 2005 and the Prevention of Communal and Targeted Violence (Access to Justice and Reparations) Bill, 2011.

The High Court suggested amendments to the Commissions of Inquiry Act, 1952 and the Protection of Human Rights Act, 1993 to entrust the responsibility of investigation in communal riots through SITs specially constituted under their respective control.

With the technological advancements that have been made and the rise of media — print and electronic — as an effective fourth pillar of democracy, the High Court said there was a strong case for utilising as evidence the press reports, supported by photographic material or video footages in trials of criminal cases arising out of communal riots.

Staff Reporter from New Delhi adds...

‘Big fish roaming free’

Chief Minister and national convener of the Aam Aadmi Party (AAP) Arvind Kejriwal on Wednesday welcomed the [Delhi](#) High Court's judgment in the 1984 anti-Sikh riots case.

Mr. Kejriwal, however, argued that "big fish" wanted for their involvement in the incident were still roaming free and justice had so far not been done to the riot victims even after 34 years in this respect.

## 4. Economy

### 4.1 Rupee strengthens to 71 with softer oil, fund flows

Softer crude oil prices, along with foreign fund inflows, helped the rupee post over 1% gain against the dollar on Thursday, giving hope for the current account deficit to remain within the tolerance limit and for a further reduction in petrol and diesel prices.

The rupee gained for the seventh straight session and appreciated by 1.07%, or 77 paise, against the dollar to close the day at 70.70 — its highest level in 12 weeks. The Indian currency has gained around 3% in the last three trading sessions and has appreciated over 5% now from its record low.

Brent crude, the international oil benchmark, was trading 0.39% lower at \$62.85 per barrel on Thursday, while foreign funds poured ₹446.24 crore into the stock markets on a net basis and domestic institutional investors net bought shares worth ₹49.68 crore, provisional data showed.

Soumya Kanti Ghosh, group chief economic adviser, State Bank of India, said that the recent decline in oil prices was likely to compress the current account deficit by \$5 billion-\$6 billion from the estimates of \$78 billion this fiscal.



As a result, the current account deficit could be at 2.6% of the GDP against 2.8% of the GDP previously estimated.

In a report Mr. Ghosh said that if the rupee stayed at 70, petrol and diesel prices could fall by ₹4 or more. “If crude averages \$65 and the rupee stays at 70, petrol and diesel prices could fall further on an average by ₹4 or more. This implies that diesel prices could head well below ₹70 per litre and petrol well below ₹75,” Mr. Ghosh said.

While currency dealers said the Reserve Bank of India was not present in the market, the strengthening of the rupee gave an opportunity to boost foreign exchange reserves. The total foreign exchange reserves for the week ended November 9 were \$393 billion, down by \$33 billion since its peak in April this year.

## 4.2 Why the RBI board needs to be recast

At the height of the global financial crisis in 2008 when liquidity crunch hit the Indian credit market, the then finance minister P. Chidambaram constituted a liquidity management committee headed by the then finance secretary Arun Ramanathan. The decision raised eyebrows as liquidity management is a key function of the RBI. (One of the meetings of that committee was held in the head office of a public sector bank in Bandra-Kurla Complex in Mumbai.)

An ‘annoyed and upset’ Duvvuri Subbarao, the then governor of RBI, called up the finance minister to say that he would not participate in the meeting. Mr. Subbarao himself penned the incident down in his memoir — Who Moved My Interest Rate - Leading the Reserve Bank of India through Five Turbulent Years.

The point is, even in such a turbulent economic circumstance, Mr. Chidambaram did not take specific policy-related issues to the RBI board. But things have changed now. In the last two board meetings of the central bank, specific issues such as bank capital, debt restructuring scheme, liquidity for non-banking finance companies and reviewing prompt corrective action framework, apart from economic capital framework, were discussed.

A statement issued by RBI after the November 19 board meeting, among other things, said, “The Board, while deciding to retain the CRAR at 9%, agreed to extend the transition period for implementing the last tranche of 0.625% under the Capital Conservation Buffer (CCB), by one year i.e. up to March 31, 2020.”

MSME debt recast

On the issue of debt recast scheme for micro, medium and small enterprises, the board 'advised' that the RBI should consider a scheme for restructuring of stressed standard assets of MSMEs. On capital, it was clear that the decision was taken by the board. Clearly, the government wants the board to be more hands-on. However, the board has members from the corporate world who have a stake in the financial markets, which poses serious conflict of interest.

For example, the present board has N. Chandrasekaran, who is the chairman of Tata Sons, the holding company and promoter of more than 100 Tata operating companies, including Tata Capital — a non-banking finance company. There're also Dilip Shanghvi, MD, Sun Pharma and Manish Sabharwal, Chairman of Teamlease.

The RBI board will discuss the issue of liquidity problems of NBFCs in the next board meeting on December 14, apart from governance issues, and corporate borrowers will be an obvious beneficiary if steps are taken to address the issue.

To avoid conflict of interest, the RBI board should be reconstituted with academicians and technocrats who have no business interest in financial markets and could aid the RBI management with valuable inputs.

### 4.3 Rs 3 lakh crore of stressed assets resolved

The insolvency law has helped in directly and indirectly addressing stressed assets worth Rs 3 lakh crore in the last two years, a senior government official said on Saturday.

More than 9,000 cases have come for redressal under the Insolvency and Bankruptcy Code (IBC), which became fully operational in December 2016.

Corporate Affairs Secretary Injeti Srinivas said there has been a direct and indirect impact of the Code on stressed assets worth close to Rs 3 lakh crore.

The estimated amount, included recoveries made through resolution plans and cases settled before admission by the National Company Law Tribunal (NCLT) under the Code.

Over 3,500 cases have been resolved at pre-admission stage and resulted in claims worth Rs 1.2 lakh crore getting settled, he said.

Under the Code, cases are taken up for resolution only after approval from the NCLT.

"About 1,300 cases have been admitted and out of that, in about 400 cases, corporate insolvency resolution process has been completed... in 60 cases resolution plans have been

approved, in 240 cases liquidation orders have been given, 126 cases are in appeal. These cases which have been resolved have led to recovery of Rs 71,000 crore as of now," Srinivas said here.

Taking into consideration cases that are at a mature stage of being addressed under the Code, he said the amount would be another Rs 50,000 crore.

"If you factor that, you have around Rs 1.2 lakh crore coming through resolutions... (then adding up) pre-admission settlements, then it becomes Rs 2.4 lakh crore," Srinivas said.

Further, the Corporate Affairs Secretary noted that there are non-standard NPA accounts that have been converted to standard accounts by virtue of borrowers paying back the overdue amount and that figure would be around Rs 45,000 to 50,000 crore.

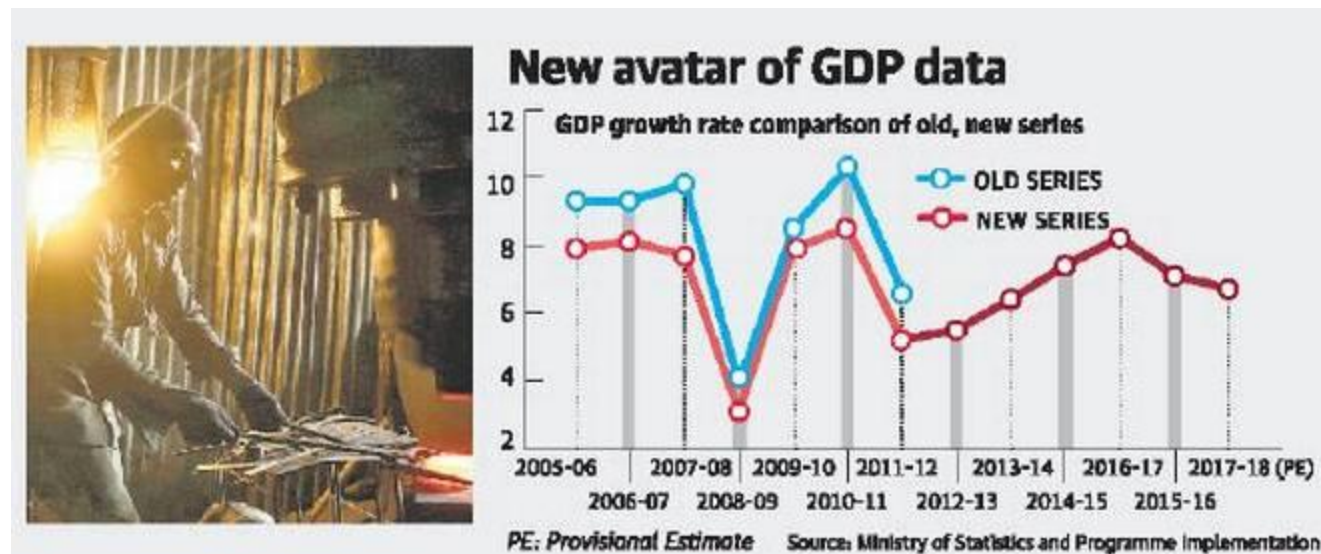
Together, the amount would be close to Rs 3 lakh crore in terms of stressed assets that have been directly and indirectly impacted by the Code, he added.

Srinivas also said that much of the money might be pertaining to operational creditors.

Insolvency and Bankruptcy Board of India (IBBI) Chairperson M S Sahoo said it was not advisable to exclusively rely on the Code for resolution of all problems, adding that everyone has to play their roles under the Code.

They were speaking at a conference on 'Ensuring Efficiency in Resolution Process'.

#### 4.4 New data show economy never hit high growth phase



India's recovery from global financial crisis took longer than previously thought

India's GDP growth never crossed over into a 'high-growth' phase of above 9% in the last decade or more, new back series data from 2004-05 released by the government on Wednesday show. The data also show that India's recovery from the global financial crisis took longer than previously thought.

The government, in 2015, changed the methodology and the base-year for the computation of its economic performance, moving towards a Gross Value Added (GVA) method from the earlier GDP calculations and bringing forward the base-year to 2011-12 from 2004-05. This, however, meant that the newer estimates could not be compared with the older data. The back-series release on Wednesday provides the growth estimates for previous years using the new methodology.

The new data release shows that GDP growth during the UPA years averaged 6.7% during both UPA-I and UPA-II. The old series had pegged these at about 8.1% and 7.46%, respectively. In comparison, the current government has witnessed an average GDP growth rate of 7.35% during the first four years of its term.

"The major takeaway from the data is that the economy doesn't seem to have recovered from the global financial crisis as quickly as previously thought," former Statistics Secretary and Chief Statistician of India TCA Anant told *The Hindu*. "That is something we should look much closer at."

"There was a general point about the manner in which we did the old computations which was generally very insensitive to current data," Mr. Anant added. "There were a number of ways in which the old series computations simply did not measure current changes quickly enough, which the new series in fact does."

Further, he explained, sectors such as mining and manufacturing show that the impact of the financial crisis lingered.

#### Mining sector

"The other element is that the behaviour of the mining sector, which not only affected the mining sector but also trade segment, are elements in it," Mr. Anant said. "Remember the decoupling happened... there was a collapse in mining which happens more or less immediately post the financial crisis. We don't see this in any of our data till 3-4 years later. The new series data captures that. The manufacturing sector shows growth falls off fairly quickly after a one-year boost after the crisis." The new data shows that manufacturing sector growth plummeted to 4.7% in 2008-09 and then grew sharply to 11% in 2009-10. Thereafter, however, growth

slowed to 3.1% within two years and remained below 6% till 2014-15. The mining sector, similarly, seemingly recovered from the contraction seen in 2008-09 for a couple of years, but then again plummeted to a contraction of 17.5% in 2011-12 and didn't cross even 1% growth till 2014-15.

The new back series data diverges significantly from a draft report released by the National Statistical Commission earlier this year, which showed that growth during the UPA years crossed 9% on at least three occasions, and even hit 10.23% in 2007-08.

[CSO's credibility has been dented due to the manner of release: Pronab Sen, Former chief statistician of India](#)

"The Statistical Commission numbers had problems with them," former Chief Statistician of India Pronab Sen said. "The current method is robust to the extent that instead of doing this as a purely arithmetic exercise, they tried to relate the estimates to observed indicators. They have used the Annual Survey of Industries (ASI) data for manufacturing, the sales tax data for trade and so on."

However, Mr. Sen also pointed towards how the manner in which the data has been released has dented the credibility of both the methodology used and of the Central Statistics Office.

"My concern comes out from the fact that this back series was essentially released by Niti Aayog, which is a political institution," Mr. Sen said. "This has never happened. When a political institution releases national statistical data, it puts a huge question mark on the credibility of the data and the political independence of the statistical agencies. The credibility of CSO has been badly dented, not because of the data but because of the manner in which the release has been done."

"The statistical methods on the face of it are fine," he added. "The point is, it's almost impossible to replicate what they have done. They will tell you which method was used for which sector, but there are several different methods you can use, so the question is what were the results given by the other methods and why did they apply this particular method to this specific sector."

'Voodoo economics'

Calling it "voodoo economics" of Prime Minister Narendra Modi and Finance Minister Arun Jaitley duo, Congress' chief spokesperson Randeep Surjewala issued a statement alleging that the back series data has been manipulated.

"The entire GDP Back Series Data released today reflects the desperate attempt of a defeatist Modi Government to undermine India's growth story over last 15 years. Modi government and

its puppet Niti Aayog want the people to believe that  $2+2=8$ ! Such is the gimmickry, jugglery, trickery and chicanery being sold as 'back series data'," he said.

"Niti Aayog's revised GDP numbers are a joke. They are a bad joke. Actually they are worse than a bad joke. The numbers are the result of a hatchet job. Now that Niti Aayog has done the hatchet job, it is time to wind up the utterly worthless body," former Finance Minister P. Chidambaram tweeted.

## 4.5 Economy faces several risks to Fiscal health

The Reserve Bank of India (RBI) has highlighted several risks to the Indian economy, including oil prices, the uncertainty over the effect of the minimum support price (MSP) hike and the revenue impact of the lower-than-expected GST collections and the cut in excise duty on fuel.

These risks, the central bank said in its submissions to the Standing Committee on Finance, could pose a challenge to the government's commitment to meeting the Fiscal Responsibility and Budget Management targets.

"The key downside risks to growth are high international commodity prices — especially of crude oil (although they have eased recently, there are significant uncertainties), spillovers from tightening global financial conditions, geo-political tensions, trade wars, financial turbulence, and the overhang of impairment in domestic banking and corporate balance sheets," the RBI said. The central bank added that the decline in the gross saving rate, mainly due to the decline in household gross financial savings, is another cause for concern.

Regarding inflation, the RBI said that the outlook calls for a "close vigil" over the next few months as several upside risks persist.

"While food inflation has remained unusually benign so far during the year, there is uncertainty about the exact impact of the announced MSPs on food inflation," the RBI said.

"Significant volatility in global crude oil prices and financial markets, a sharp rise in input costs combined with rising pricing power of firms, risk of fiscal slippage at the Centre and/or State levels, and the staggered impact of HRA revisions by the State governments could pose upside risks to the inflation trajectory."

The RBI said that there are factors both on the revenue and expenditure side that pose risks to the overall fiscal outlook.

GST collections

“Laggard” GST collections and the cut in Union excise duties on petroleum products by the Centre as well as 18 State governments pose risks on the revenue side, while higher MSPs combined with the ramping up of food procurement and “unbudgeted” farm loan waivers by States could put pressure on expenditure.

“Accordingly, concerted efforts towards consolidation will be needed for achieving the revised FRBM targets, i.e., the central government debt to GDP ratio of 40% and the general government debt to GDP ratio of 60% by 2024-25,” it said.

## 5. Science and Tech

### 5.1 Lunar lander faces crucial test

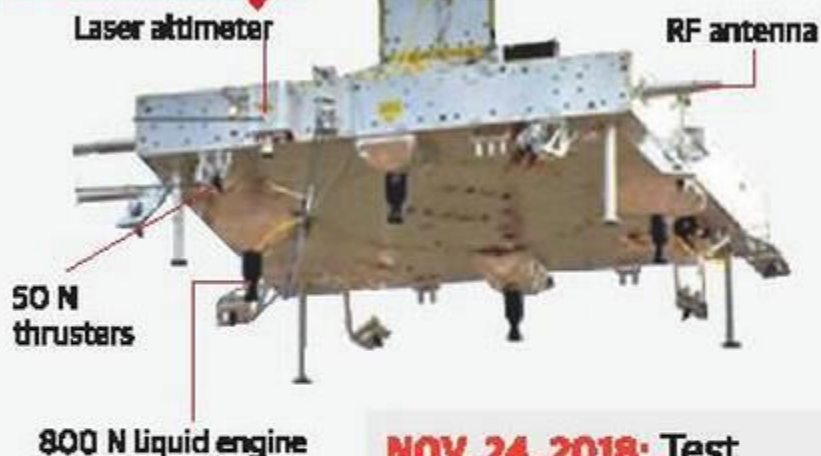
#### Litmus test

The Chandrayaan-2 lander's sensors are all set to be tested at Challakere, Karnataka

#### HOW WILL SENSORS HELP THE LANDER?

- Assess height from the landing spot
- Decide speed of lander
- Help lander navigate boulders or uneven surfaces

#### SCALED-DOWN VERSION OF LANDER



*For the test, sensors need to guide ISRO's small aircraft to a soft landing on an artificial lunar surface*

**NOV. 24, 2018:** Test flight scheduled

**JAN. 31, 2019:** Targeted launch of rover and lander

**FEB. 2019:** Expected time lander and rover will reach the moon

Chandrayaan 2's landing sensors to be tested at artificial site at Challakere

The Chandrayaan-2 lunar lander's sensors are set to undergo a crucial test in the next few days as the mission races towards a planned take-off in around two months.

The Indian Space Research Organisation (ISRO) plans to fly the sensors on an aircraft over its artificial lunar site at Challakere to see how they will function and guide the Chandrayaan-2 landing craft when it starts descending on the lunar terrain. The test flight is slated tentatively for November 24.

The orbiter carrying the lander and a rover is scheduled to be sent to the Moon from Sriharikota on January 31 and expected to reach there sometime in February 2019.

The test on ground, called the Lander Sensor Performance Test or LSPT, will be conducted at ISRO's new R&D campus in Chitradurga district, about 200 km from here, ISRO Chairman K. Sivan said.

The highly autonomous or pre-programmed mission uses a large number of sensors. Among them are those that help the lander to precisely assess its height from the landing spot; decide its speed and help it to steer clear of any boulders or uneven surface.

The lander is being developed and tested by the U.R. Rao Satellite Centre in Bengaluru. For the test, a prototype module carrying the sensors will be flown on one of ISRO's two small aircraft. As the plane descends from around 7 km to about 1 km over the artificial terrain, the sensors must show how they will guide the soft landing of the lunar craft at the right spot, speed and position.

#### Surface simulated

About two years back, ISRO had started readying a part of the Challakere site to resemble lunar craters and had conducted a few preliminary sensor tests. Features of the lander have since been modified and the upcoming tests will also validate the new design. "The development and testing of the orbiter are over. Lander-related activities are going on. We will then add the rover also [to tests.] Until the mission is launched, we would be testing all systems continuously after every integration," said Dr. Sivan.

## 5.2 India to study marijuana-derived drugs

Three major science administrators in India — The Council of Scientific and Industrial Research, the Indian Council for Medical Research and the Department of Biotechnology — are getting together to promote research in herbal drugs, some of which involve deriving new drugs from marijuana.

Among the first such studies likely to kick off is joint investigation by the CSIR-Indian Institute of Integrative Medicine (CSIR-IIIM) and the Tata Memorial Centre (TMC), Mumbai.

Here researchers will test whether strains of marijuana grown at the CSIR-IIIM campus in Jammu could be effective in the treatment of breast cancer, sickle-cell anaemia as well as be "bio-equivalent" (similar in make-up and effect) to marijuana-derived drugs already approved by the United States Food and Drug Administration (U.S. FDA)

#### Restricted cultivation

Marijuana (or hemp), more formally parts of the cannabis super-family, is illegal for commercial cultivation though it grows as weed in several parts of the country. Uttarakhand, Jammu and — as of this month Uttar Pradesh — have allowed restricted cultivation of the plant for medical research.

One of the trials, said a doctor associated with the study, was to check if the “feelings of bliss” induced by cannabis could be detected at the cellular level. “The effects of bhaang (marijuana consumed orally) have been known to induce a state of bliss. What we’d like to find out if those effects in the brain travel all the way into the cancerous cell and can change its profile,” said Rajendra Badwe, Director, Tata Memorial Centre and one of the investigators of the study. The studies however are ‘long-term’ and could take 5-6 years, he said. The organisations were in the process of formally applying to the Drug Control General of India for permissions.

“There is an unmet need for terminal cancer patients and because of restrictions we have lost 50-60 years of valuable research into the properties of these plants,” said Ram Vishwakarma, Director, CSIR-IIIM.

The studies into the therapeutic potential of marijuana is part of a larger governmental thrust to making new drugs derived from herbs and plants that find mention in Ayurvedic and other traditional-medicine knowledge systems.

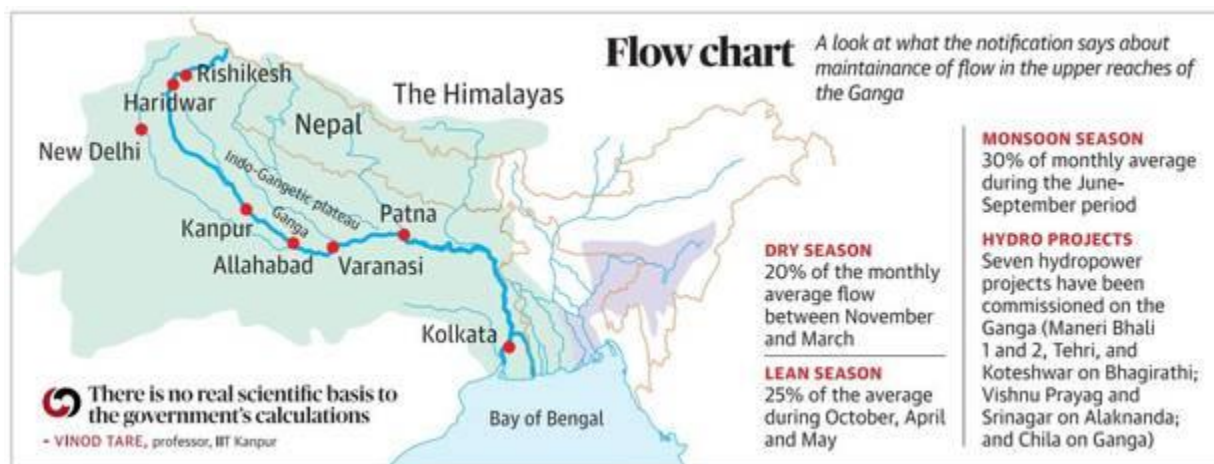
The U.S. FDA this year approved Epidiolex (cannabidiol) [CBD] oral solution for the treatment of seizures associated with two rare and severe forms of epilepsy, Lennox-Gastaut syndrome and Dravet syndrome.

## Environment /Geography

### 6.1 Water flow in Ganga ‘woefully inadequate’

Former Union Water Resources Secretary Shashi Shekhar has said that the government’s October 9 [notification requiring a “minimum flow” in the Ganga](#) is “woefully inadequate.” Additionally, an analysis by Professor Vinod Tare of the Indian Institute of Technology, Kanpur of the actual water flow at barrages downstream of Haridwar and using data provided by the Central Water Commission, suggests that actual flow today already exceeds the government’s prescriptions. These findings emerged at the India Rivers Week conference on Saturday. While the government has promised to reduce pollution in the Ganga by 70% by March 2019, environmentalists say that this relies on setting up sewage plants rather than ensuring that the natural flow of the river isn’t blocked and thereby hobbling its propensity to clean itself.

Among the sharpest critics of the government’s approach — led by the National Mission for Clean Ganga — was the late G.D. Agrawal, a seer and formerly a scientist, who’d undertaken a fast since June. His key demands were to stop all under-construction dams in the upper reaches of the Ganga, and modify the design of existing ones to ensure that flow in the lower reaches of the river was at least 50% of the monthly average flow. He died on October 11.



However, the government’s notification said that the upper stretches of the Ganga — from its origins in the glaciers and until Haridwar — would have to maintain 20% of the monthly average flow between November and March, which is the dry season; 25% of the average during the ‘lean season’ of October, April and May; and 30% of monthly average during the monsoon months of June-September.

For the main stem of the Ganga — from Haridwar in Uttarakhand to Unnao, Uttar Pradesh — the notification specifies minimum flow at various barrages: Bhimgoda (Haridwar) must ensure a minimum of 36 cubic metres per second (cumecs) between October-May, and 57 cumecs in the monsoon; and the barrages at Bijnor, Narora and Kanpur must maintain a minimum of 24 cumecs in the non-monsoon months of October-May, and 48 cumecs during the monsoon months of June-September.

“These flows are already achieved and this is the state of the river...there’s no real scientific basis to the government’s calculations,” said Mr. Tare.

## 7. Security

### 7.1 India, Russia to build stealth frigates

[India](#) on Tuesday signed a \$500 mn deal with Russia to locally manufacture two stealth frigates with technology transfer. The agreement was signed between Goa Shipyard Limited (GSL) and Rosoboronexport of Russia.

“The \$500 mn deal is for material, design and specialists assistance from [Russia](#) for the two ships. Balance work will be done by GSL, and it will have a whole lot of Indian equipment including BrahMos missiles,” an official source said.

The cost of the engines for the ships which would come directly from Ukraine and the cost of constructing them at GSL are in addition. While the ships are built by Russia, the engines are supplied by Zorya Nashproekt of Ukraine. Four gas turbine engines, gear boxes and specialist support will cost around \$50 mn per ship, the source stated.

“Work on the two frigates will start in two years by mid-2020 and is expected to be completed by 2026- 2027,” the source added.

In October 2016, India and Russia signed an Inter-Governmental Agreement (IGA) for four Krivak or Talwar stealth frigates — two to be procured directly from Russia and two to be built by GSL. Of late, GSL has maintained a good track record. It has delivered 28 ships ahead of schedule in the last four years.

India recently signed a \$1 bn deal with Russia for direct purchase of two frigates. The basic structures of the two frigates are already ready at Yantar shipyard in Russia and will be finished now.

After the Defence Acquisition Council (DAC) accorded approval for the deal, GSL was selected for the project in February 2017. Following this GSL completed the price negotiations with Russia as well as the Defence Ministry and the Indian Navy. The Cabinet Committee on Security (CCS) has already cleared the deal.

India had earlier procured six frigates weighing 4000 tonnes of the same class in two different batches, the Talwar class and the upgraded Teg class. The four ships to be built will weigh 300 tonnes more than the earlier ones and will be armed with BrahMos supersonic cruise missiles, Navy officials had said earlier.

On Monday, Russia was declared the lowest bidder in the Army’s Very Short Range Air Defence (VSHORAD) deal and last month India signed a \$5.43 bn deal for five S-400 long range air

defence regiments. The series of deals with Russia come in the backdrop of looming US sanctions under the Countering America's Adversaries Through Sanctions Act (CAATSA) law.

## 7.2 Navy makes formal request for multi-role U.S. copters



The deal is estimated to be worth \$2 billion

India made a formal request to the U.S. for the purchase of 24 MH-60R Multi-Role Helicopters (MRH) for the Navy in a deal estimated at \$2bn. This is among a series of defence procurements and inductions from the U.S. and Russia in the last two months.

“The Government issued the Letter of Request (LoR) on November 15 for procurement of 24 MRH from the U.S. government under the Foreign Military Sales (FMS) route,” a defence official said.

The Navy is presently facing a critical shortage of helicopters and several frontline warships are plying with empty helicopter decks. These helicopters are being procured as replacement for 15 Sea King ASW helicopters de-inducted from service in 1991 and one Sea King 42B MRH lost in accident. The current MRHs in service, Sea King 42Bs, were inducted in the 1980s.

In August, ahead of the inaugural India-US 2+2 dialogue, the Defence Acquisition Council (DAC) accorded the Acceptance of Necessity (AoN) for the procurement.

The LoR was signed and sent after the Navy received the pricing and availability details from the U.S. Now the U.S. will get back with the price quote, following which contract negotiations would begin to conclude the final deal. As the deal is through the FMS route, the process is expected to be completed in a short time-frame.

Given the urgency for helicopters, the U.S. is likely to take some MH-60R helicopters off the flight deck of their newest aircraft carrier USS Gerald Ford. In July, the USS Gerald Ford went for year-long upgrades and fixes. “We will likely get about 4-5 MH-60s from the Gerald Ford immediately once the deal is signed,” the official said. All the helicopters would be delivered in a phased manner from 2020-24.