

**02<sup>nd</sup> June DSC**

**Current Affairs 02<sup>nd</sup> June 2025.**

### **GDP Growth Slows to 6.5% in 2024-25, Marking the Weakest Since the Pandemic**

#### **Annual Economic Overview (FY 2024–25)**

India's GDP expanded by 6.5% during the financial year 2024–25, representing the slowest growth rate since the pandemic-impacted year 2020–21. This figure indicates a slowdown compared to the stronger post-COVID recovery observed in recent years.

*Relevance: GS 3 (Indian Economy)*

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#### **Quarterly GDP Performance Breakdown**

- **Q4 (Jan–Mar 2025):** The economy grew at 7.4%, the fastest quarterly rate within the year, though this still fell short of the 8.4% growth recorded in the same quarter of 2023–24.
- **Q3 (Oct–Dec 2024):** GDP growth slipped to 6.4%, reflecting some volatility before the year-end rebound. This variation likely reflects seasonal trends in investment and consumption patterns.

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#### **Contextual Comparison**

Since the pandemic year (FY 2020–21), India's growth rates benefited from a low base effect and recovery momentum. The deceleration in 2024–25 may signal the tapering of this recovery phase or hint at deeper structural challenges within the economy.

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#### **Government's Perspective**

The provisional GDP estimates released by the Ministry of Statistics and Programme Implementation (MoSPI) underline that despite the growth moderation, India maintained economic resilience amid global uncertainties, as noted by government officials.

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#### **Potential Consequences**

- Fiscal policy might need to continue being accommodative to boost demand.
- Monitoring of private investment cycles and capital expenditure will be crucial to sustain growth momentum.
- External factors such as volatile oil prices and geopolitical tensions could influence economic outcomes moving forward.

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#### **India's Internet User Base Set to Cross 1 Billion**

### Expanding Digital Footprint

By the end of FY 2024–25, India's internet users are projected to hit 1 billion, up from 974 million currently. This remarkable growth—from 250 million users a decade ago—reflects rapid digital adoption, positioning India as the world's second-largest telecom market.

*Relevance: GS 2 (Governance), GS 3 (Technology)*

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### World's Lowest Data Costs

- Call rates have plunged from 50 paise per minute to a mere 0.003 paise per minute.
  - Data prices have fallen drastically from ₹287 per GB to ₹9 per GB, significantly enhancing internet accessibility across all socio-economic groups.
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### Innovation & Domestic Manufacturing Focus

The 2024 India Mobile Congress emphasized “Innovate to Transform,” encouraging India to become a global leader in telecom product innovation. The country has shifted from importing 80% of mobile phones to exporting devices worth ₹1.75 lakh crore. The Bharat 6G Alliance targets contributing 10% of global 6G patents.

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### BharatNet: The Largest Rural Digital Connectivity Initiative

- **Phase I:** Connected approximately 2.14 lakh gram panchayats with over 7 lakh km of optic fiber laid.
- **Phase II:** Aims to connect the remaining 2.64 lakh gram panchayats, backed by an investment of \$16.9 billion (₹1.39 lakh crore)—the biggest rural digital infrastructure effort globally.

New Phase II features include:

- A more robust network topology to prevent failures,
  - Replacement of old systems with MPLS routers,
  - Ten-year maintenance obligations for contractors,
  - Centralized network monitoring with independent engineering oversight.
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### Telecom Sector Competition

India's telecom market comprises three private companies and one state-owned operator, fostering healthy competition. Regarding Vodafone Idea Ltd (VIL), the government converted ₹37,000 crore of dues into a 49% equity stake but has no plans to increase this further. VIL is expected to manage its own finances moving forward.

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## Modernization of India Post

India Post, one of the largest logistics networks worldwide, has expanded its mandate through the Post Office Act, 2023, enabling diversification into insurance, banking, and digital services. The India Post Payments Bank turned profitable three years ahead of schedule. Plans are underway to introduce Digital Access Codes for every geographic coordinate in India.

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## Centre Urges States to Boost Government School Enrolment

### Key Concern

The central government has flagged falling enrolment rates in public schools across multiple states and union territories, despite substantial public investment. Notable shifts towards private (unaided) schools have been observed in states like Telangana, Uttarakhand, Tamil Nadu, Andhra Pradesh, Maharashtra, and Kerala.

*Relevance: GS 2 (Education, Federalism)*

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### State-Level Enrolment Data (UDISE+ 2023–24)

- **Telangana:** 70% schools government-run, yet government schools only enroll 38% of students; private schools enrol nearly 61%.
- **Uttarakhand:** 72% schools government-run; government school enrolment 37%, private 54%.
- **Tamil Nadu:** Government schools comprise 64% of schools with 37% enrolment; private schools 21% schools with 46% enrolment.
- **Andhra Pradesh:** 73% schools government-run; government enrolment 46%, private enrolment 52%.
- **Maharashtra & Kerala:** Decline partly due to Aadhaar-based data cleansing, not necessarily actual dropouts.

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### Centre's Directives and Broader Concerns

States have been asked to investigate why students prefer unaided schools and implement measures to revive government school enrolment. Strengthening the “brand” of public schools is vital to improve public confidence and optimize resource utilization.

- Underused public school facilities represent a waste of taxpayer money.
- The perceived quality gap between private and government schools contributes to growing educational inequality, disproportionately affecting lower-income families.
- Factors include better facilities in private schools, teacher absenteeism, infrastructure challenges, and curriculum issues in government schools, alongside rising aspirations for English-medium education.

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### IMA Strongly Opposes MBBS-BAMS Integration Plan

The Indian Medical Association (IMA) has vocally condemned the Union Government's proposal to merge MBBS (modern medicine) and BAMS (Ayurveda) courses at JIPMER, Puducherry, calling it "unscientific," "catastrophic," and detrimental.

*Relevance: GS 2 (Health, Medicine)*

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### Current Medical Education Setup

- MBBS and BAMS are currently distinct 5.5-year programs grounded in fundamentally different medical philosophies and practices.
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### IMA's Concerns About Integration

- Mixing these systems risks creating "hybrid" practitioners lacking full expertise in either discipline.
  - It could compromise patient safety, ethical standards, and medical rigor.
  - Such integration infringes on patient rights to choose preferred healthcare systems.
  - The experiment with integrative medicine in China reportedly harmed traditional Chinese medicine without improving health outcomes.
  - India's improved life expectancy owes largely to advances in modern medicine, not integrative models.
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### Scientific & Academic Implications

- Integration could dilute educational quality, undermine specialization, and weaken clinical training and evidence-based practice.
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### IMA's Appeal

- Calls for Ayurvedic practitioners to protect their system's integrity.
  - Urges the government to avoid "mixopathy" and safeguard the purity of separate medical systems.
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### Government Meets Fiscal Deficit Target of 4.8% for FY25

#### Fiscal Overview

India's fiscal deficit for 2024–25 stood at ₹15.77 lakh crore, about 4.8% of GDP, meeting the government's target despite revenue shortfalls, according to provisional GDP and CGA data.

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### Revenue and Spending Details

- Total revenue (tax, non-tax, capital receipts) reached ₹30.78 lakh crore, about 97.8% of the revised budget estimates.
- Total expenditure was ₹46.55 lakh crore, also at 97.8% of the revised estimate, indicating tight fiscal control.

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### Revenue Gaps

- Capital receipts underperformed with miscellaneous capital receipts at ₹17,202 crore (52.1% of target) and disinvestment revenue at ₹10,131 crore, well below expectations.
- Tax collections fell short in income tax by about 6%, while corporate tax marginally exceeded targets.

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### Disinvestment Shortfall

- The government's ambitious disinvestment targets were largely unmet, reflecting ongoing difficulties in asset sales and privatization efforts.

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### Outlook for FY26

- The fiscal deficit goal for 2025–26 is set at 4.4% of GDP, aiming for continued fiscal consolidation.
- This signals an emphasis on reducing dependence on borrowing and sustaining macroeconomic stability.

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### Challenges Ahead

- Though the deficit target was met, reliance on non-disinvestment sources raises sustainability questions.
- Pressure may mount on welfare and capital spending.
- Revenue growth will be critical to meet tighter fiscal targets next year.

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### 02<sup>nd</sup> June 2025: Static MCQS

#### 1. With reference to investments, consider the following:

1. Bonds



2. Hedge Funds
3. Stocks
4. Venture Capital

How many of the above are treated as Alternative Investment Funds?

- a. Only one
- b. Only two
- c. Only three
- d. All the four

**Correct Option: (b)**

**2. Which of the following are the sources of income for the Reserve Bank of India?**

- I. Buying and selling Government bonds
- II. Buying and selling foreign currency
- III. Pension fund management
- IV. Lending to private companies
- V. Printing and distributing currency notes

Select the correct answer using the code given below.

- a. I and II only
- b. II, III and IV
- c. I, III, IV and V
- d. I, II and V

**Correct Option: (d)**

**3. With reference to the Government of India, consider the following information:**

	Organization	Some of its functions	It works under
I.	Directorate of Enforcement	Enforcement of the Fugitive Economic Offenders Act, 2018	Internal Security Division-I, Ministry of Home Affairs
II.	Directorate of Revenue Intelligence	Enforces the Provisions of the Customs Act, 1962	Department of Revenue, Ministry of Finance
III.	Directorate General of Systems and Data Management	Carrying out big data analytics to assist tax officers for better policy and nabbing tax evaders	Department of Revenue, Ministry of Finance

In how many of the above rows is the information correctly matched?

- a. Only one
- b. Only two
- c. All the three
- d. **None**

**Correct Option: (a)**

**4. Consider the following statements:**

- I. The Reserve Bank of India mandates all the listed companies in India to submit a Business Responsibility and Sustainability Report (BRSR).
- II. In India, a company submitting a BRSR makes disclosures in the report that are largely non-financial in nature.

Which of the statements given above is/are correct?

- a. I only
- b. II only
- c. Both I and II
- d. Neither I nor II

**Correct Option: (c)**

**5. Consider the following statements:**

**Statements I:**

In India, income from allied agricultural activities like poultry farming and wool rearing in rural areas is exempted from any tax.

**Statement II:**

In India, rural agricultural land is not considered a capital asset under the provisions of the Income-tax Act, 1961.

Which one of the following correct in respect of the above statements?

- a. Both Statement I and Statement II are correct and Statement II explains Statement I
- b. Both Statement I and Statement II are correct but Statement II does not explain Statement I
- c. Statement I is correct but Statement II is not correct
- d. Statement I is not correct but Statement II is correct

**Correct Option: (d)**



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