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FOR UPSC CIVIL SERVICE EXAMINATION

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Table of Contents

1. China's Economic Recovery 2
2. Impact of Indo-Pak Conflict on Aviation and West Asia Tourism 3
3. Union Cabinet Approves ₹1 Trillion Each for Employment and R&D Promotion 5
4. RBI Relief and NBFC Credit Slowdown 7
5. India–US Trade Agreement Negotiations 9
6. PMI and Export Trends: Indian Manufacturing Outlook 10
7. Iran's Nuclear Program: Delay, Diplomacy, and Deterrence 12
8. India Ends Key Clean Energy Subsidy 13
9. National Sports Policy 2025 14
10. Cabinet Approves ₹1 Lakh Crore RDI Scheme 16
11. PROJECT 17A – Indigenous Stealth Frigate 'Udaygiri' Delivered to Indian Navy 17
12. Kerala's Initiative to Make Munnar a 'Responsible Tourism Destination' by December 2025 18
13. Vacancy of Reserved Faculty Posts in Higher Education Institutions: A Challenge to Social Justice 20

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1. China's Economic Recovery

1. Current Economic Performance

- Despite global challenges—**trade war with the US**, **sluggish domestic demand**, **property crisis**, and **deflation risks**—China's economy shows resilience.
- **Merchandise exports** rose by **6%** in the first five months of 2025, even though exports to the US fell by **35%**.
- **Retail sales** grew by **4.8%**, and the **Purchasing Managers Index (PMI)** in May showed marginal manufacturing improvement.

2. Government Measures Supporting Growth

- China **diversified its exports** toward non-US markets like India, Brazil, East Asia, and Europe.
- **Fiscal and monetary stimulus** worth **1.6% of GDP** was announced to boost domestic consumption.
- Policies included **housing loan cuts**, **consumer goods subsidies**, and **increased public infrastructure investment** (+11.6% YoY till April).
- Consumption of household items like **appliances and furniture** saw **double-digit growth**.

3. Key Risk Factors and Vulnerabilities

- The **fragile US-China trade deal** and global defensive measures against **cheap Chinese exports** pose risks.
- **Consumer confidence** remains low due to **slower income growth**, **uncertain job prospects**, and **property sector instability**.
- Persistent **deflationary pressures** and **falling home prices** are eroding household spending confidence.

4. Required Structural Reforms

- Economists suggest structural reforms to address:
  - **Slowing productivity**
  - **Rising public and private debt**
  - **Rapid population ageing**
- Improving the **social safety net**, especially **healthcare and retirement coverage**, can reduce savings hoarding and boost consumption.
- A **long-term resolution of the real estate crisis** is essential to restore consumer sentiment and financial sector health.

5. Revised Growth Outlook

- **Citigroup** revised China's 2025 growth forecast from **4.2% to 5%**.
- **World Bank** reports 2024 growth at **5%**, and Q1 2025 growth at **5.4%**, though future projections rest on sustainability and policy effectiveness.

Key Definitions & UPSC Relevance

- **Purchasing Managers' Index (PMI)**: An indicator of economic health in the manufacturing and service sectors.
- **Deflation**: A sustained drop in the general price level of goods and services—can lead to reduced consumer spending.
- **Fiscal Stimulus**: Government policy to increase public spending or cut taxes to boost economic activity.

Constitutional & Legal Angle (India relevance)

- While China is a one-party state, India follows **Article 19(1)(g)** – Right to trade and business, and **Article 301** ensures freedom of trade within the country.
- India's **trade policy frameworks** and **anti-dumping provisions** under **WTO rules** are used to shield against cheap imports from countries like China.

Conclusion

Despite external shocks and domestic challenges, China has managed moderate economic growth through export diversification, targeted stimulus, and infrastructure push. However, for long-term resilience, structural reforms in productivity, debt management, and social protection are vital.

2. Impact of Indo-Pak Conflict on Aviation and West Asia Tourism

1. Indo-Pak Conflict and Its Immediate Trigger

- The **conflict was triggered** by a terror attack in **Pahalgam on 22 April 2025**, leading to **India's Operation Sindoor**, involving precision strikes on terrorist targets in **Pakistan and PoJK** on 7 May.
- This led to **drone strikes and counterattacks** by Pakistan, causing a **four-day military standoff**.
- A **ceasefire understanding** was reached after four days, but it had already disrupted air traffic and regional peace.

2. Disruption in Airline Operations

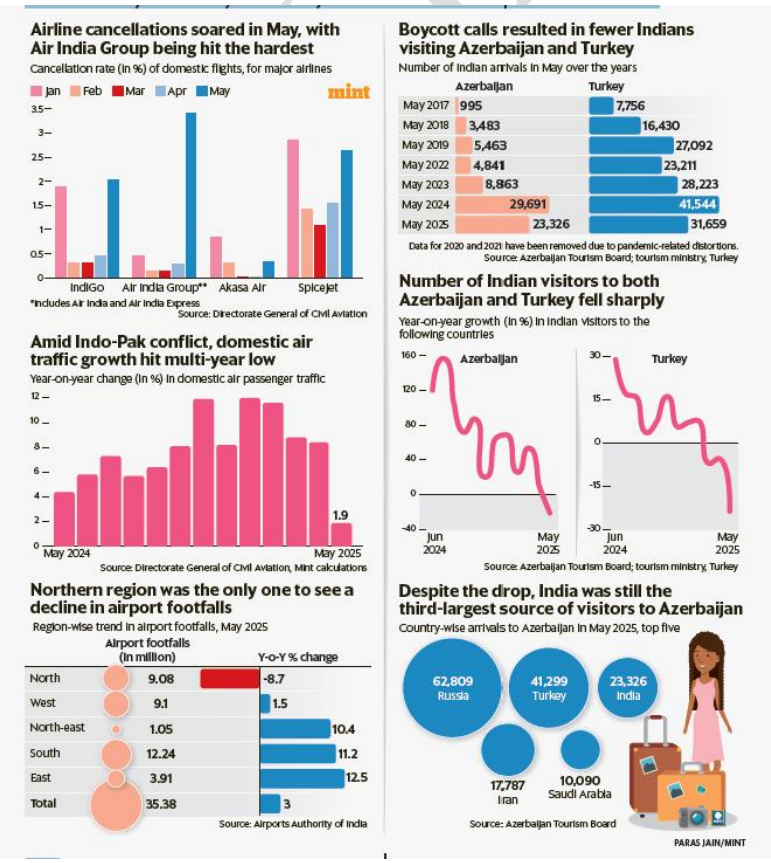
- **32 airports in northern and western India** were shut; over **50 flights were cancelled** on the first day alone.
- **Domestic passenger air traffic** growth fell sharply to **1.9% in May**, from **8.4% in April**, the **lowest since March 2022**.
- Airline cancellation rates rose:

- **Air India**: 3.4% (from 0.27% in April)
- **SpiceJet**: 2.62%
- **IndiGo**: 2.03%
- **Akasa Air**: 0.34% (from 0.02%)

- **Northern region** saw the highest decline in airport footfall: **-8.7% YoY**, while the **western region** grew marginally at **1.5% YoY**.

3. Tourism Boycott of Azerbaijan and Turkey

- **Public backlash** emerged against **Azerbaijan and Turkey** due to their perceived support for Pakistan. Turkey was also accused of supplying **drones** to Pakistan.
- Travel website **Ixigo suspended bookings**, and anecdotal reports showed mass cancellations of trips to both countries.
- **Tourist data confirms the decline**:
  - Indian visitors to **Azerbaijan** fell to **23,326** (from 29,691 YoY) – a **21.4% fall**, first since 2018 (excluding pandemic years).
  - Indian visitors to **Turkey** dropped to **31,659** (from 41,544 YoY), continuing a **three-month decline trend**.



4. Strategic and Economic Implications

- The episode reflects how **geopolitical events impact economic sectors**, especially **civil aviation** and **international tourism**.
- Despite being a **minor share of global tourist inflow**, India remains a key market:
  - **India ranks 3rd** among source countries for Azerbaijan tourism.
  - For Turkey, although India contributes only **0.7%**, its outbound tourism potential is growing.

5. Constitutional, Legal & Policy Relevance

- **Article 19(1)(g)** of the Indian Constitution guarantees freedom of movement and trade, which includes the **freedom to travel and operate airlines**.

- India's **Civil Aviation Policy**, managed by the **Ministry of Civil Aviation** and **DGCA**, governs flight safety and cancellations.
- **Foreign policy fallout** affects bilateral air agreements, **visa policies**, and tourism-dependent economies.
- Under **Article 51(c)**, India strives to foster respect for international law and peaceful relations, which becomes strained during such military episodes.

Key Definitions

- **Operation Sindoor**: India's retaliatory strike operation targeting cross-border terrorist infrastructure.
- **Air Traffic Growth Rate**: The percentage change in the number of air passengers over a period.
- **Boycott**: A form of protest involving the refusal to engage economically or socially with certain countries or entities.

Conclusion

The Indo-Pak conflict, though brief, had **significant but short-term consequences** on India's civil aviation and international tourism, especially with countries seen as supporting Pakistan. It underscores how **military tensions ripple into economic sectors** like airlines and travel.

3. Union Cabinet Approves □1 Trillion Each for Employment and R&D Promotion

1. Employment-Linked Incentive (ELI) Scheme

- The **ELI scheme** aims to generate **3.5 crore jobs** over **two years** by offering **direct financial benefits** (up to □15,000) to **first-time employees** (those newly registered under **EPFO**) with **annual salaries up to □1 lakh**.
- **Eligibility for employers**:
  - Must be **EPFO-registered**.
  - Must hire **at least 2 new employees** (for firms with <50 employees) or **5 employees** (for firms with ≥50), on a **sustained basis for 6 months**.
- **Incentive slabs**:
  - □1,000 for EPF base wage ≤ □10,000
  - □2,000 for wages □10,000–□20,000
  - □3,000 for wages □20,000–□1 lakh

- Benefits period: **Aug 1, 2025 – July 31, 2027** (extended to 4 years for manufacturing sector).
- A firm hiring 100 employees could receive **up to □72 lakh** (non-manufacturing) or **□1.44 crore** (manufacturing) in incentives.

2. Impact and Criticism of ELI

- Encourages **formal wage employment** over **gig/informal jobs**, and may **increase youth participation** in the formal labour market.
- Aligns with other measures like **entry-level tax cuts** and **lower interest rates**, increasing disposable income.
- Critics argue that the □**1 lakh salary ceiling** (□8,000/month) **may not match minimum wage expectations**, especially in the **skilled job market**, limiting its practical impact.

3. Research, Development, and Innovation (RDI) Scheme

- Aims to boost **long-term R&D funding** in **sunrise sectors**, **strategic domains**, and **deep-tech** through **low-interest or zero-interest loans**.
- Part of a $4 billion programme to improve **patents**, **design innovation**, and **commercialization** of Indian tech.
- India's **Gross Expenditure on R&D (GERD)**:
  - Increased in absolute terms: ₹ 60,196 crore (FY11) → ₹ 1.27 lakh crore (FY21).
  - But declined as % of GDP: **0.83% (FY10) → 0.64% (FY21)**, far below **US, Japan, China (2–5%)**.
- RDI focus areas: **semiconductors**, **electronics systems**, **embedded technologies**, aiming to build robust **innovation pipelines** and **venture capital ecosystems**.

4. New National Sports Policy

- Target: Bring **India into top 5 sporting nations** globally.
- Focus on:
  - **Talent scouting and training**,
  - Hosting **international events**,
  - Promoting **domestic sports manufacturing**,
  - Integrating **sports into NEP (National Education Policy)** framework.

Constitutional & Legal Relevance

- **Article 41** (DPSP): Right to work, education, and public assistance in case of unemployment.
- **Article 43**: State to ensure **living wage** and decent conditions for workers.
- EPFO's legal framework falls under **Employees' Provident Funds and Miscellaneous Provisions Act, 1952**.
- Promoting R&D aligns with **Atmanirbhar Bharat Abhiyan**, **Startup India**, and **National Policy on Electronics**.
- **Sports promotion** under concurrent list; **education and sports integration**aligns with **Article 21A** (Right to Education).

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Key Definitions

- **First-time Employee**: An individual registering with EPFO for the first time and earning ≤ □1 lakh annually.
- **GERD (Gross Expenditure on R&D)**: Total national investment on research as a share of GDP—used to assess innovation capability.
- **Sunrise Sector**: A rapidly growing industry expected to be critical for future economic growth (e.g., semiconductors, AI, biotech).

Conclusion

The approval of □1 trillion each for **employment generation** and **R&D promotion** marks a significant step toward formalizing the labour market, reducing youth unemployment, and fostering long-term self-reliance through innovation. While the ELI scheme boosts formal sector hiring, the RDI push aims to correct India's lagging innovation index. The **multi-sectoral approach**, including the **sports policy**, reflects a broader vision of inclusive growth and global competitiveness

4. RBI Relief and NBFC Credit Slowdown

1. Bank Credit to NBFCs Falling Despite RBI Relief

- **Bank credit to NBFCs** (Non-Banking Financial Companies) fell **0.3% year-on-year in May 2025**, marking a sharp decline from **16% growth in May 2024**.
- This happened **despite the RBI reducing risk weights** on bank loans to NBFCs from **125% to 100%** (effective April 1, 2025), which was aimed at easing bank lending restrictions.
- The drop is most visible in **non-housing and non-public finance NBFCs**, where loan growth slowed to **3.6%**.

2. NBFCs Prefer Bond Market Over Bank Loans

- NBFCs are increasingly **turning to bond markets** due to:
    - **Faster fundraising**
    - **Lower yields** (commercial paper yields fell over **100 basis points** from March to April)
- **Corporate bond issuances** hit an all-time high of □**3 trillion** in Q1 FY26, signalling a shift from bank credit.

3. Bank Caution Due to Stress in Microfinance and Unsecured Lending

- Banks are **hesitant to lend** due to rising **delinquencies** in:
    - **Microfinance Institutions (MFIs)**

  - **Unsecured business loans**
  - **Fintech lending**
- Even though **delinquencies may have peaked**, recovery may take **two more quarters**, especially in roll-over loan segments.

4. RBI's Role and Monetary Transmission Lag

- RBI had **increased risk weights by 25% in Nov 2023** to prevent stress in unsecured lending.
- This caused a **sharp credit growth fall** from **28.7% (Sept 2021–Sept 2023)** to **8.8% (Sept 2023–Mar 2025)**.
- The **repo rate was cut by 50 bps in April 2025**, but **monetary transmission has been delayed**:
  - **PSU banks** have not passed on benefits via **MCLR cuts**.
  - Only **few private banks** have reduced lending rates to NBFCs.

5. Outlook and Structural Issues

- According to **ICRA**, credit growth for banks in FY26 is expected at **10.4–11.3%**, though Q1 may remain muted.
- Challenges include:
  - **Deposit mobilisation issues**
  - **Stress in unsecured lending**
  - **Dependence of lower-rated NBFCs (A-, BBB) on bank funding**
- Only selective NBFC segments, like **gold loans**, are witnessing growth.

Key Definitions for UPSC

- **NBFC (Non-Banking Financial Company)**: A financial institution that offers loans and financial services but does not hold a banking license.
- **Risk Weight**: A regulatory tool used to determine the capital banks must hold against credit exposure; higher weight = more risk.
- **MCLR (Marginal Cost of Funds-Based Lending Rate)**: The minimum rate at which a bank can lend, influenced by cost of funds.
- **Delinquency**: Failure to repay loan installments on time, often a precursor to default.
- **Commercial Paper**: Short-term unsecured debt instrument issued by corporations to meet liquidity needs.

Constitutional & Regulatory Relevance

- **RBI's regulatory authority** over NBFCs and banks stems from the **RBI Act, 1934** and the **Banking Regulation Act, 1949**.
- **Prudential norms** like capital adequacy and risk weights ensure financial stability and are part of **Basel III guidelines**.

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- Promoting NBFC growth while ensuring risk containment aligns with **Directive Principles (Article 39)** that advocate securing livelihoods and preventing concentration of wealth.

Conclusion

The continued fall in bank credit to NBFCs—despite regulatory easing—highlights underlying stress in India's financial ecosystem, especially in **microfinance and unsecured lending**. NBFCs are now relying more on **capital markets** for funding. Going forward, **improved monetary transmission**, **stabilized asset quality**, and **inclusive credit policy** are essential to restore credit momentum.

5. India–US Trade Agreement Negotiations

1. Background and Ongoing Negotiations

- India and the US are in the **final stages of negotiating an interim trade deal**, possibly leading to a **comprehensive Bilateral Trade Agreement (BTA)**.
- The context: A **retaliatory 16% tariff on Indian exports to the US** is set to begin, on top of the earlier 10% imposed in April 2025.
- Current talks in Washington have entered the **sixth day**, focusing on achieving an early harvest deal before **9 July** through a **fast-track mechanism**.

2. Structure of the Proposed Trade Deal

- The **full BTA** being discussed includes **19 chapters** covering:
  - **Goods and services**
  - **Investments**
  - **Tariff reductions**
  - **Strategic cooperation**
- Initially, a **low-hanging fruits** strategy is adopted—both countries may **drop contentious items** (e.g., **dairy and GM crops from the US**, **electronics from India**) to secure a basic agreement.

3. Strategic and Economic Importance

- The deal aims to **boost bilateral trade to $500 billion by 2030**, as envisioned during a February 2025 summit between **PM Narendra Modi and US President Donald Trump**.
- A successful agreement will enhance **market access**, generate **jobs**, strengthen **national security**, and promote **fair trade practices**.

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4. Tariff Tensions and Trade-offs

- If no interim deal is reached, the **16% retaliatory tariff** will impact Indian exports, although it will **not derail the broader BTA** negotiations.
- The **early harvest deal** is seen as a critical step to **shield Indian exports** from new tariffs and maintain momentum in long-term trade cooperation.

5. Constitutional and Legal Framework

- **Article 246 & 253**: Trade and commerce (including with foreign countries) fall under the **Union List** and Parliament's jurisdiction.
- **Foreign Trade (Development and Regulation) Act, 1992** empowers the Centre to regulate imports/exports and enter trade agreements.
- The deal also aligns with India's larger trade diversification strategy under **Atmanirbhar Bharat** and **Make in India** initiatives.

Key Definitions for UPSC

- **Bilateral Trade Agreement (BTA)**: A treaty between two nations that defines terms of trade, tariffs, services, and investment.
- **Early Harvest Deal**: A preliminary agreement within a larger trade deal, focusing on less contentious areas to build trust.
- **Retaliatory Tariff**: A tariff imposed by one country in response to duties or restrictions imposed by another.

Conclusion

The India–US trade talks are a critical step in advancing **economic diplomacy**, safeguarding **India's trade interests**, and shaping a **rules-based global trade order**. If successful, the **early harvest deal** could avert immediate tariff threats and pave the way for a **$500 billion bilateral trade framework** by 2030.

6. PMI and Export Trends: Indian Manufacturing Outlook

1. Manufacturing PMI Rebounds but Confidence Slips

- The **HSBC India Manufacturing Purchasing Managers' Index (PMI)** rose to **58.4 in June 2025**, a **14-month high**, signaling strong **expansion** (PMI > 50 indicates growth).
- This jump was mainly driven by a **surge in export orders**, especially from **the US** and across **consumer, intermediate, and investment goods sectors**.

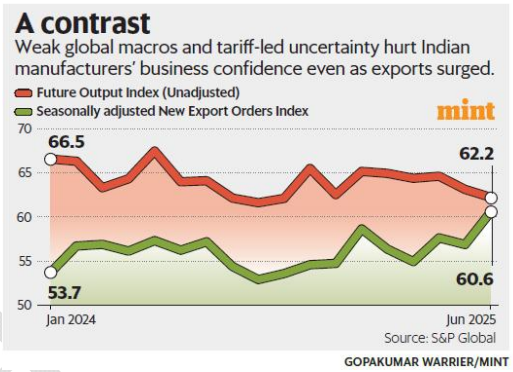
2. Export Surge Driven by Front-Loading

- Exporters accelerated shipments ahead of **anticipated reciprocal US tariffs starting 9 July**, a phenomenon known as **front-loading**.

- This temporarily inflated Q2CY25 export performance, but experts warn of a **subsequent decline** or "**payback effect**" as demand normalizes.

3. Global Demand and Export Outlook Weakening

- **Nomura's Export Leading Index (NELI)** for Asia (excluding Japan) fell from **92.7 in June to 91.6 in July**, signaling**future export contraction**.
- The fall is due to **weak Chinese imports** and a broader **slowdown in global manufacturing**, especially in **emerging markets**.



4. Domestic Sentiment and Inflation Pressures

- Despite high PMI, **business confidence dipped** to an **8-month low (62.2)** due to:
  - **Rising competition**
  - **Persistent inflation**
  - **Changing consumer preferences**
- While **input cost inflation** slowed (except for iron & steel), **output prices rose**, as firms passed on **freight and labor costs** to customers.

5. Export Growth Projected to Decline

- As per **CareEdge Ratings**, merchandise exports may **fall by 4% in FY26**, after stagnation in FY25.
- The **US and Europe now account for ~50%** of India's exports (up from 38% in FY15), making India more vulnerable to **slowdowns in advanced economies**.

Key Definitions for UPSC

- **PMI (Purchasing Managers' Index)**: A leading indicator of business activity in the manufacturing sector. A value >50 signals expansion, <50 contraction.
- **Front-Loading**: Accelerated exports before a known or anticipated policy change, like tariff hikes.
- **Payback Effect**: The fall in economic activity following a temporary surge caused by artificial incentives or deadlines.
- **NELI (Nomura Export Leading Index)**: A predictive tool for regional export trends based on forward-looking economic indicators.

Constitutional and Policy Relevance

- **Article 302** empowers Parliament to impose trade restrictions in public interest.
- India's **Foreign Trade Policy (FTP)** governs export strategies; such export-driven manufacturing is vital for **Make in India**, **Aatmanirbhar Bharat**, and **National Logistics Policy**.
- Industrial performance also impacts the goals of **SDG 8** (Decent Work and Economic Growth).

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Conclusion

The PMI data reflects a **short-term boost** in India's manufacturing exports due to **tariff-driven front-loading**, but **long-term sentiment remains cautious** amid global uncertainties. The **slowdown in the US, Europe, and China**, along with **muted domestic confidence**, could dampen export-driven manufacturing in FY26.

7. Iran's Nuclear Program: Delay, Diplomacy, and Deterrence

1. Strategic Delay in Nuclear Capability

- The U.S. and Israeli airstrikes have **delayed but not eliminated** Iran's nuclear capability.
- While operational setbacks may last **only a few months**, even a short delay is strategically significant as it increases the window for detection and international response, potentially **dissuading Iran from initiating a nuclear breakout**.

2. Political Calculations Behind Iran's Nuclear Decisions

- Iran's decision to develop a nuclear weapon is influenced not just by technical capacity but also by **political risk and deterrence logic**.
- Any breakout would involve betting that the country can complete its program **before facing further military or diplomatic retaliation** from the U.S. or Israel.

3. Nuclear Deal and Current Status

- The **2015 Joint Comprehensive Plan of Action (JCPOA)** aimed to keep Iran a **year away** from weapon capability, but the U.S. **withdrew in 2018**, leading to Iran **scaling up enrichment**.
- By 2025, Iran was reportedly **producing enough fissile material for a bomb every month**, though actual weaponization (miniaturization + missile integration) still requires **1–3 years**.

4. IAEA Concerns and Covert Capabilities

- The **International Atomic Energy Agency (IAEA)** has lost access to several Iranian sites since June 2025 strikes, raising alarm about **covert facilities** and the fate of **enriched uranium and centrifuges**.
- Iran may still possess hidden **equipment and expertise** to restart its nuclear program rapidly, although physical destruction of key sites (Fordow, Natanz, Isfahan) complicates that.

5. Policy Dilemmas and Global Security Implications

- Iran now faces **three paths**:
    1. Rapid covert weaponization,
    2. Return to diplomacy (cease uranium enrichment),

3. Hybrid strategy (talks + covert advancement).

- Experts warn that airstrikes might **harden Iran's resolve** to develop nuclear weapons as a **deterrence strategy**.
- The **U.S. Intelligence Community** maintains that **Ayatollah Khamenei** has not reauthorized weaponization since suspending it in 2003, but his future decisions will be decisive.

Key Definitions and Constitutional Relevance

- **Nuclear Breakout Time**: The time required to produce enough weapons-grade uranium for one nuclear bomb.
- **Fissile Material**: Nuclear material capable of sustaining a chain reaction (e.g., Uranium-235, Plutonium-239).
- **IAEA**: An international organization under the **UN Charter**, responsible for promoting peaceful use of nuclear energy and preventing nuclear proliferation.
- **India's Position**: As a non-signatory of the **NPT (Non-Proliferation Treaty)** but a responsible nuclear power, India emphasizes global non-proliferation while safeguarding national interests.
- **UNSC Resolutions (e.g., 2231)**: Govern Iran's nuclear commitments post-JCPOA.

Conclusion

The Iranian nuclear issue is **not merely a technical problem**, but a **strategic and political challenge** with implications for **global security and regional stability**. While the recent military strikes have **delayed Iran's progress**, they may have inadvertently pushed Tehran toward a more **determined nuclear pursuit**.

8. India Ends Key Clean Energy Subsidy

1. Withdrawal of Inter-State Transmission Charge Waiver

- The Government of India has **ended a major subsidy** that previously exempted **inter-state transmission charges** for **solar and wind power projects**.
- Projects **commissioned after June 2025** will now have to pay **25% of the transmission cost**, with charges **increasing further** in subsequent years as per **Central Electricity Regulatory Commission (CERC)** guidelines.

2. Impact on Renewable Energy Sector

- This marks a **policy shift** that will likely **increase project costs** and deter **investment in future clean energy infrastructure**.
- Renewable developers argue that this move could **raise green energy tariffs by □0.4/kWh**, a **16% increase** compared to the lowest tariffs discovered in **FY 2024–25 auctions**.

3. Industry Concerns

- According to the **National Solar Energy Federation of India**, the decision will make it **more difficult to sign Power Purchase Agreements (PPAs)**, especially for projects that have **already been auctioned but not commissioned**.
- It adds to the stress in the sector which is already dealing with **low demand and underutilization**.

4. Transmission Cost and Policy Background

- Previously, inter-state transmission charges were **waived as an incentive** to promote renewable energy investment across states.
- These subsidies played a crucial role in making **renewable energy competitive** with fossil-fuel-based sources.

5. Legal and Regulatory Framework

- The **Electricity Act, 2003** empowers the **Central Electricity Regulatory Commission (CERC)** to frame tariffs and regulate inter-state transmission.
- The move is in line with efforts to **rationalize tariffs** and **ensure cost recovery** for transmission utilities under the **National Tariff Policy**.

Key Definitions

- **Power Purchase Agreement (PPA)**: A contract between a power producer and buyer (like DISCOMs) specifying terms of electricity purchase.
- **CERC**: Central Electricity Regulatory Commission, a statutory body under the Electricity Act, 2003, regulating electricity tariffs for inter-state transactions.
- **Renewable Energy Tariff**: The per unit (kWh) cost at which solar/wind power is sold, determined often through competitive bidding.

Conclusion

The **withdrawal of inter-state transmission charge exemption** signals a shift towards **market-based pricing** in India's clean energy sector. While it aims at **financial sustainability** for transmission networks, the move may **slow renewable capacity additions**, impact **PPA signings**, and **raise consumer tariffs**.

9. National Sports Policy 2025

1. A New Vision for India's Sports Ecosystem

- The **Union Cabinet approved the National Sports Policy (NSP) 2025**, replacing the **earlier NSP 2001**, aiming to establish India as a **global sporting powerhouse** and prepare for the **2036 Olympic Games**.

- It is based on a **whole-of-government approach** and the **principles of inclusivity, excellence, and innovation**, developed after consultation with NITI Aayog, States, National Sports Federations (NSFs), and stakeholders.

2. Key Pillars of NSP 2025

- **Excellence on the Global Stage**: Grassroots talent identification, advanced training, development of coaches, leagues, and adoption of sports science and technology.
- **Economic Development through Sports**: Promotion of **sports tourism**, **sports manufacturing**, **CSR**, and **PPP** models for funding and infrastructure.
- **Social Development**: Inclusion of **women, tribals, EWS, PwDs**, and promotion of **traditional games**.
- **People's Movement**: Campaigns to build a **fitness culture**, improve access to facilities, and create **school/college fitness indices**.
- **Integration with Education**: Aligned with **National Education Policy (NEP) 2020**, promotes sports in curricula and capacity building of educators.

3. Strategic Implementation Framework

- Establishment of a **National Monitoring Framework** with **Key Performance Indicators (KPIs)** and time-bound targets.
- Promotion of **innovation and technology** (AI, data analytics) in coaching and athlete monitoring.
- Acts as a **model policy for States and UTs**, encouraging them to adapt similar frameworks.
- Integration of sports development across **ministries and departments**.

4. Legal and Institutional Framework

- The NSP 2025 advocates for a **robust regulatory structure** for **sports governance**, ensuring accountability and transparency in NSFs.
- Encourages **legal provisions** to mainstream sports and physical fitness across public institutions, aligning with **Directive Principles of State Policy** under **Article 39(f)** – promoting the development of children and youth.

5. Key Terms for UPSC

- **Public-Private Partnership (PPP)**: A cooperative arrangement between public and private sectors for infrastructure and service delivery.
- **CSR (Corporate Social Responsibility)**: A statutory obligation under the **Companies Act, 2013**, to promote social good including promotion of sports.
- **National Education Policy 2020**: Focuses on holistic and multidisciplinary learning, including sports as a vital component.

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Conclusion

The **National Sports Policy 2025** marks a paradigm shift in India's approach to sports—**from medal pursuit to nation-building**. By promoting **inclusivity, economic opportunity, fitness culture, and international competitiveness**, it positions sports as a tool for **holistic national development**. It holds significant relevance for **GS Paper 2 (Governance & Welfare Schemes)** and **GS Paper 3 (Infrastructure & Economic Development)** in the **UPSC Civil Services Exam**.

10. Cabinet Approves ₹1 Lakh Crore RDI Scheme

1. Introduction to the RDI Scheme

- On **1 July 2025**, the Union Cabinet approved the **Research, Development and Innovation (RDI) Scheme** with a **corpus of ₹1 lakh crore**, aiming to **boost innovation in strategic and sunrise sectors**.
- The scheme is a transformative measure to **scale up private sector involvement in R&D**, with a focus on **economic security**, **strategic technologies**, and **self-reliance** under the **Atmanirbhar Bharat** vision.

2. Key Objectives of the RDI Scheme

- **Promote RDI** in *sunrise domains* such as semiconductors, AI, quantum tech, and biotech.
- **Finance high-TRL projects** (Technology Readiness Levels), especially those closer to commercialization.
- **Support technology acquisition** of critical and strategic importance to national interest.
- **Create a Deep-Tech Fund of Funds (FoF)** to support long-term high-risk tech ventures and startups.

3. Governance and Institutional Framework

- The **Anusandhan National Research Foundation (ANRF)** chaired by the Prime Minister will oversee the scheme.
- **Department of Science & Technology (DST)** will be the **nodal implementing agency**.
- An **Empowered Group of Secretaries (EGoS)** led by the Cabinet Secretary will monitor performance and approve changes.
- Funding will flow through a **Special Purpose Fund (SPF)** under ANRF to **second-level fund managers** via **long-tenure, concessional loans** or **equity**, particularly in the case of startups.

4. Definition & Relevance of Key Terms

- **Sunrise sectors**: Emerging industries with high growth potential, e.g., AI, robotics, green hydrogen.

- **Deep Tech**: Advanced technologies based on scientific breakthroughs (e.g., quantum computing, semiconductors).
- **Fund of Funds (FoF)**: A pooled investment fund that invests in other funds rather than directly in startups or projects.
- **Technology Readiness Levels (TRLs)**: A system used to assess the maturity level of a particular technology, from basic research to deployment.

5. Constitutional & Legal Relevance

- Aligns with **Directive Principles of State Policy** (Article **38&39**) to promote *scientific development* and *technological progress*.
- Boosts India's compliance with the **National Innovation and Startup Policy** and **Science, Technology and Innovation Policy (STIP)**.
- Encourages **public-private partnership (PPP)** as per **Company Act, 2013 CSR norms** and FDI-linked innovation policies.

Conclusion

The **RDI Scheme** is a visionary initiative for making India a **global innovation hub** by 2047, ensuring **self-reliance (Atmanirbharta)**, nurturing **deep-tech entrepreneurship**, and enhancing India's **economic and strategic sovereignty**.

11. PROJECT 17A – Indigenous Stealth Frigate 'Udaygiri' Delivered to Indian Navy

1. Overview of Project 17A and Udaygiri

- **Udaygiri**, the second stealth frigate under **Project 17A**, was delivered to the Indian Navy on **1st July 2025**.
- Built by **Mazagon Dock Shipbuilders Ltd. (MDL), Mumbai**, it is a successor of the earlier **INS Udaygiri (decommissioned in 2007)**.
- **Project 17A** is an advanced version of **Project 17 (Shivalik-class)** and includes **7 multi-role frigates** being constructed at **MDL, Mumbai and GRSE, Kolkata**.

2. Key Features of Udaygiri and P17A Class Ships

- Equipped to operate in **Blue Water naval environments** against **conventional and non-conventional threats**.
- Designed with **enhanced stealth features**, **geo-symmetrical hulls**, and **'State-of-the-Art' weapons and sensors**.
- Propelled by a **Combined Diesel or Gas (CODOG)** system, with **Controllable Pitch Propellers (CPP)** and an **Integrated Platform Management System (IPMS)**.

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- Weapon suite includes:
    - Supersonic **Surface-to-Surface Missiles**
    - **Medium-Range Surface-to-Air Missiles**
    - **76 mm Gun**
    - **30 mm and 12.7 mm Rapid-Fire Close-In Weapon Systems**

3. Significance for National Security and Naval Power

- Represents a **quantum leap in indigenous warship design and construction** led by the **Warship Design Bureau**.
- Enhances India's **deterrence capability** in the Indian Ocean Region (IOR), critical for ensuring **maritime security** and **energy route protection**.
- Strengthens India's position as a **net security provider** in the Indo-Pacific.

4. Boost to Aatmanirbhar Bharat and MSME Ecosystem

- Over **200 indigenous OEMs and MSMEs** contributed to components and systems of Udaygiri.
- Supported **direct employment for ~4,000** and **indirect jobs for ~10,000**, contributing to **local economic development**.
- Aligns with **Aatmanirbhar Bharat** and **Make in India in Defence** initiatives for **self-reliance** and **strategic autonomy**.

5. Key Constitutional and Strategic Dimensions

- Supports **Directive Principles of State Policy** (Article **39B**, **49**) related to national security and promotion of scientific development.
- Enhances India's **maritime strategic footprint**, in line with doctrines like **SAGAR** (Security and Growth for All in the Region) and **Maritime India Vision 2030**.

Conclusion

The delivery of INS Udaygiri marks a significant step in **India's indigenous defence manufacturing journey**, enhancing **combat capability**, promoting **self-reliance**, and supporting **employment and economic growth**. With five more stealth frigates to be delivered by **end of 2026**, Project 17A reinforces India's ambition to become a **global naval power** and a **defence export hub**

12. Kerala's Initiative to Make Munnar a 'Responsible Tourism Destination' by December 2025

1. Objective: Branding Munnar as a Responsible Tourism Destination

- The **Kerala Government** has launched a campaign to develop **Munnar** into a **'Responsible Tourism Destination'** by **December 2025**.
- □50 lakh has been sanctioned to implement **sustainable tourism** initiatives in the ecologically sensitive hill station.

2. Focus on Net-Zero & Ecological Sustainability

- Munnar will be developed as a **Net-Zero Tourist Destination**, aiming to **minimize the carbon footprint** of tourists.
- Activities will be aligned with **ecosystem protection**, preserving the **fragile biodiversity and natural resources** of the Western Ghats.

3. Promoting Gender-Inclusive and Safe Tourism

- The project emphasizes a **gender-inclusive tourism model** by:
  - Encouraging **women's participation** as hosts and entrepreneurs.
  - Promoting **safety for women tourists and workers**.
- Aligns with **SDG 5** (Gender Equality) and **SDG 8** (Decent Work and Economic Growth).

4. Capacity Building and Community Participation

- Local stakeholders such as **tourist guides, autorickshaw drivers, community leaders** are being trained.
- **"Village Life Experience" packages** are being created to encourage **community-based and immersive tourism**.

5. Plastic-Free Initiative and Awareness Campaign

- The hill station will be turned into a **plastic-free zone** with visible signage, waste segregation, and public sensitization.
- The move aligns with **Swachh Bharat Mission** and India's commitment to **plastic pollution reduction** under **SDG 12** (Responsible Consumption and Production).

Key Terms and Constitutional Linkages:

- **Responsible Tourism**: A tourism model that respects the environment, local communities, and culture while ensuring economic benefit.
- **Sustainable Development**: Implied under **Article 48A** (Directive Principles – Protection of Environment) and **Article 51A(g)** (Fundamental Duty to protect the environment).
- **Tourism and Culture**: Covered under the **State List** (Entry 31, Seventh Schedule), but coordinated with the Centre through initiatives like **Incredible India** and **Swadesh Darshan**.

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Conclusion

The Munnar Responsible Tourism initiative is a **model for ecologically and socially sustainable tourism** in India. It enhances **local livelihoods**, **gender equity**, and **environmental responsibility**, contributing to the vision of **Eco-conscious and Inclusive Development**.

13. Vacancy of Reserved Faculty Posts in Higher Education Institutions: A Challenge to Social Justice

1. Constitutional Mandate for Social Justice in Education

- **Articles 15(4), 15(5), and 16(4)** of the Indian Constitution empower the State to make special provisions for the advancement of socially and educationally backward classes (including SCs, STs, and OBCs) in education and public employment.
- Current reservation norms mandate: **15% for SCs**, **7.5% for STs**, **27% for OBCs**, and **10% for EWS** in faculty recruitment at central government institutions.

2. Widespread Vacancies Despite Legal Framework

- As per 2021 data: **2,389 SC**, **1,199 ST**, and **4,251 OBC** faculty posts remain unfilled across 45 Central Universities.
- **UGC 2023 report** shows about **30% of reserved teaching posts remain vacant**, particularly at **senior academic levels** (Associate Professors and Professors).
- **Institutions of national importance** like IITs, IIMs, and AIIMS also reflect this disparity, despite central policy mandates.

3. Systemic Barriers to Inclusive Hiring

- **Autonomy of institutions** shields them from rigorous compliance with reservation norms.
- The **13-point roster system** (2018), which considers departments individually instead of the whole institution, significantly reduces chances of reserved category hiring—especially in small departments.
- **Vague rejection criteria** like "candidate not found suitable" have disproportionately affected marginalized candidates. Over **60% rejections** reportedly stem from such subjective assessments.

4. Biases and Structural Exclusion

- **Dominance of unreserved groups** in selection committees and leadership roles perpetuates elite control in academic spaces.
- Political or ideological biases in appointments, and the lack of **transparent, merit-based, and inclusive evaluation mechanisms**, further alienate deserving candidates from SC, ST, and OBC backgrounds.

5. Policy Recommendations and Legal Remedies

- **Reform of the 13-point roster** is being heard in the **Supreme Court** and needs urgent resolution.
- **Enforcement of UGC guidelines**, mandatory **social audit reports**, and **diversified selection committees** can address the implementation gap.
- **Sensitization programs**, better outreach, and **inclusive leadership training** can promote long-term reform.
- The **National Education Policy (NEP) 2020**, with its emphasis on equity and access, must be effectively aligned with faculty recruitment norms.

Key Definitions and Constitutional Provisions:

- **Reservation**: Affirmative action policy to ensure representation of historically disadvantaged communities.
- **Social Justice**: A constitutional ideal under the **Preamble**, ensuring equality and opportunity for all, especially weaker sections.
- **13-Point Roster vs. 200-Point Roster**: The 13-point system calculates reservation department-wise (restrictive), while the 200-point treats the university as a whole (more inclusive).
- **UGC**: A statutory body under the **UGC Act, 1956**, responsible for coordination and maintenance of standards in higher education.

Conclusion

The persistent **underrepresentation of marginalized communities** in faculty roles contradicts the constitutional promise of **social justice**. Central universities must function as **spaces of equity and**

diversity, not exclusion. Bridging the gap requires a **strong political will**, **transparent institutional practices**, and **legal enforcement** to make India's higher education system truly inclusive and representative of its social fabric.

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