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VIDHVATH IAS KAS ACADEMY & STUDY CENTRE

DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

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I. State-wise Prosperity Trends in India

• **Definition – Per Capita NSDP:** Net State Domestic Product (NSDP) per capita is the total value of goods and services produced within a state in a year, divided by its population, measured here at constant 2011-12 prices to assess real growth excluding inflation.

• **Top Performers (2023-24 Data):**

- Gujarat: ₹1.96 lakh (highest among large states)
- Karnataka: ₹1.92 lakh
- Haryana: ₹1.83 lakh
- Tamil Nadu: ₹1.80 lakh
- India average: ₹1.09 lakh (constant prices), ₹1.89 lakh (current prices)

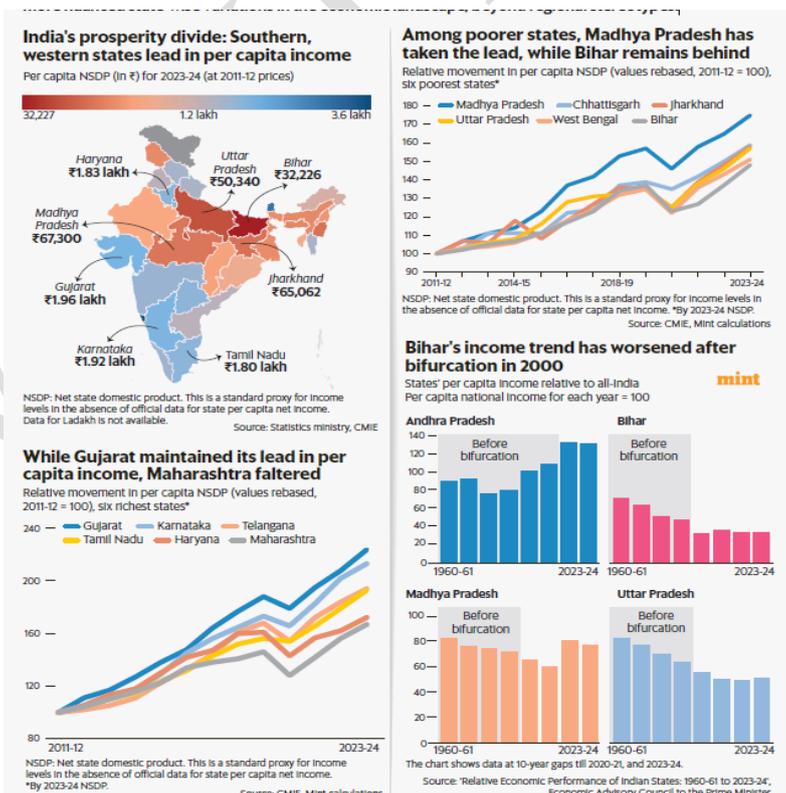
• **Regional Pattern:** Western and Southern states dominate due to robust industrial, services, and IT sectors, while Punjab and Haryana benefit from agriculture since the Green Revolution. Poorer BIMARU states (Bihar, MP, Rajasthan, UP) continue to lag, though MP shows improvement.

• **Growth Trends:**

- Gujarat has led per capita income growth since 2011-12.
- MP's per capita NSDP grew from ₹38,497 (2011-12) to ₹67,300 (2023-24) at 4.8% CAGR—faster than Maharashtra and Haryana.
- Bihar's per capita NSDP is just ₹32,227 (2023-24), growing only 3.3% annually in the last 12 years.

• **Impact of State Bifurcation:**

- Bihar's economic position worsened after Jharkhand's creation (2000), losing mineral-rich regions.
- Newly formed states (Telangana, Uttarakhand, Jharkhand, Chhattisgarh) often have higher relative per capita income than their parent states.
- Example: Telangana's income is 1.94× national average, Andhra Pradesh's 1.32×; Uttarakhand 1.41× vs UP 0.51×.



Constitutional & Legal Provisions Related:

- **Article 38:** State to secure a social order promoting welfare and reducing inequalities.
- **Article 39:** Directive Principles for adequate livelihood, equitable wealth distribution.
- **Finance Commission (Art. 280):** Recommends distribution of taxes between Union and States to reduce disparities.
- **NITI Aayog Role:** Promotes cooperative federalism and balanced regional development.
Conclusion: State prosperity is shaped by governance, economic diversification, historical factors, and resource distribution. While Gujarat, Karnataka, and Tamil Nadu have consolidated high per capita incomes, states like Bihar and UP remain at the bottom, indicating persistent structural challenges.
UPSC Relevance:

- GS Paper 1: Regional disparities in economic development.
- GS Paper 2: Federalism, governance, and state capacity.
- GS Paper 3: Growth, development, and sectoral contributions to GDP.
- Essay: Balanced regional development and policy strategies.

2. The Sheikh Hasina Trial and its Implications for Bangladesh and India

- **Definition – Crimes Against Humanity:** As per international law (Rome Statute, ICC), these are certain acts (murder, torture, persecution, etc.) committed as part of a widespread or systematic attack against civilians, often in times of war or political repression. In Bangladesh, such cases are handled under the International Crimes Tribunal framework.
- **Background of the Trial:**
 - Sheikh Hasina, former PM of Bangladesh, fled to India in July last year amid a violent student uprising over government job quota reforms, which evolved into a pro-democracy movement.
 - The crackdown allegedly ordered by Hasina's government left around 1,400 dead and thousands injured (as per UNHRC).
 - The interim government led by Nobel laureate Muhammad Yunus accuses Hasina of misrule, political persecution, and human rights violations.
- **Prosecution & Defence Stand:**
 - **Prosecution:** Claims to have testimonies from injured protestors and eyewitnesses; labels Hasina “the nucleus of all crimes”; compares her to Hitler and Goebbels.
 - **Defence/Awami League:** Denounces the trial as a “witch hunt” and alleges an unelected regime staged a coup; Hasina calls it the violent interruption of Bangladesh's democracy.
- **Charges & Legal Context:**
 - Hasina, ex-Home Minister Asaduzzaman Khan Kamal, and ex-police chief Chowdhury Abdullah Al-Mamun are indicted for crimes against humanity, murder, and torture.





- Mamun has turned approver.
- Hasina had originally established the tribunal to try 1971 war collaborators, adding an element of political irony.
- She also faces a separate corruption case in a Dhaka court.
- **Implications for India:**
 - Awami League has been banned; Bangladesh Nationalist Party (BNP) and Islamist Jamaat may regain political prominence.
 - Possible “institutionalized Islamist power-creep” could alter regional security dynamics on India’s eastern flank.
 - Dhaka has requested Hasina’s extradition, but India is unlikely to comply given the political climate and strategic considerations.
- **Constitutional & Legal Provisions (India & International):**
 - **Article 51(c) of the Indian Constitution:** India shall foster respect for international law and treaty obligations.
 - **Extradition Act, 1962 (India):** Governs surrender of fugitives to foreign states; political offence exception often prevents extradition in politically motivated cases.
 - **International Covenant on Civil and Political Rights (ICCPR):** Protects political dissidents from unfair trials.
 - **Bangladesh’s ICT Act:** Establishes tribunal jurisdiction over crimes against humanity, genocide, and war crimes.

Conclusion: The Hasina trial is not just a domestic legal case but a political turning point for Bangladesh, with high stakes for democracy, human rights, and regional security. For India, the outcome could influence border stability, counterterrorism cooperation, and the balance of power in South Asia.

UPSC Relevance:

- GS Paper 2: India’s neighbourhood relations, international law, extradition policies.
- GS Paper 3: Internal security implications of political changes in neighbouring countries.
- GS Paper 4: Ethical issues in governance and human rights.
- Essay: “Democracy, Political Trials, and Regional Stability in South Asia.”

3. US Threat of Sharp Tariff Hike on India and Related Trade Tensions

- **Definition – Tariff:** A tariff is a tax imposed by a government on imported goods and services, used to protect domestic industries or as a tool in trade negotiations. High tariffs can lead to trade disputes and retaliatory measures under global trade rules.
- **Trigger for Escalation:**
 - US President Donald Trump warned of a “very substantial” tariff hike on Indian goods within 24 hours, citing India’s continued purchase of Russian oil.

- Trump labelled India the “highest tariff nation” and accused it of fuelling Russia’s war in Ukraine while enjoying US trade benefits without reciprocal access.
- **Russia’s Response:** Russia defended India, terming US actions as part of a “neo-colonial agenda” and condemning attempts to pressure sovereign nations’ trade policies.
- **Existing Trade Disputes:**
 - India disputes the US-imposed 50% duties on Indian steel, aluminium, and related products (justified by the US under “national security” grounds).
 - India invoked WTO’s **Agreement on Safeguards (AoS)** to reserve its right for equivalent retaliatory tariffs due to US non-compliance.
 - No response yet from the US to India’s consultation request under WTO mechanisms.

- **Ongoing Trade Negotiations:**

- Five rounds of talks on a Bilateral Trade Agreement (BTA) have been held since March, latest in Washington (14–18 July).
- India is protecting sensitive sectors (agriculture, dairy) through **negative/exclusion lists** in trade agreements, limiting tariff concessions.
- Analysts suggest the US is pressuring India for not bringing agriculture and dairy into negotiations, despite China importing more Russian oil than India.



- **Constitutional & Legal Provisions (India & International):**

- **Article 51(c), Indian Constitution:** Promotion of international law and treaty obligations.
 - **Foreign Trade (Development and Regulation) Act, 1992:** Empowers India to regulate imports/exports and impose retaliatory measures.
 - **WTO Framework:** Governs trade disputes; Agreement on Safeguards allows for suspension of equivalent concessions in case of unfair tariffs.
 - **Customs Tariff Act, 1975:** Legal basis for India’s imposition of customs duties.
- Conclusion:** The tariff threat reflects how geopolitical issues, like Russia’s war in Ukraine, are increasingly spilling over into trade relations. For India, balancing strategic autonomy, WTO commitments, and domestic sector protection is key. The episode also underlines the fragility of Indo-US trade ties despite ongoing negotiations.

UPSC Relevance:

- GS Paper 2: India-US relations, international diplomacy, WTO dispute settlement.
- GS Paper 3: International trade, economic security, protectionism vs free trade.
- GS Paper 4: Ethics of economic coercion in foreign policy.
- Essay: “Trade Wars in a Multipolar World: Challenges for Emerging Economies like India.”



4. India's Deepsea Fishing Fleet Policy to Counter China's Dominance

- **Definition – Exclusive Economic Zone (EEZ):** As per the **United Nations Convention on the Law of the Sea (UNCLOS)**, a coastal state's EEZ extends up to 200 nautical miles from its baseline, within which it has sovereign rights to explore, exploit, conserve, and manage natural resources. Beyond this, in **high seas**, all countries have equal fishing rights.
- **Policy Objective & Scope:**
 - India plans to expand fishing operations from the current 40–60 nautical miles to the full EEZ limit of 200 nautical miles and into high seas.
 - Aims to triple catch area, boost exports, and curb **Illegal, Unreported, and Unregulated (IUU) fishing**.
 - Special focus on Andaman & Nicobar and Lakshadweep Islands.
- **Current Status & Potential:**
 - India is the 2nd largest fish producer after China, with 8% global share and record 18.4 million tonnes output in 2023-24.
 - Seafood exports stood at ₹60,524 crore in FY24.
 - Large untapped deepsea zones remain due to limited vessel capacity and storage facilities.
- **China's Dominance & Strategic Concerns:**
 - China's large deepsea fleet operates globally, often in developing nations' EEZs, supporting exports and domestic demand.
 - Reports suggest some vessels carry advanced surveillance equipment, raising **maritime security concerns**.
 - India's move seen as both an economic and strategic response.
- **Framework Features:**
 - Indigenous technology support for modern fishing vessels.
 - Operations allowed through charter, lease, or joint ventures under strict compliance.
 - Guidelines for sustainable fishing to protect marine biodiversity.
 - Emphasis on educating small fishermen to address fears of livelihood loss.
- **Constitutional & Legal Provisions:**
 - **Article 48A:** Protection and improvement of the environment.
 - **Article 51(c):** Respect for international law and treaty obligations.
 - **Indian Fisheries Act & Marine Fishing Regulation Acts:** Regulate fishing in territorial waters.
 - **UNCLOS:** Provides legal basis for EEZ rights and high seas fishing.



Conclusion: India's deepsea fishing initiative is both an economic growth strategy and a strategic counter to China's maritime influence. It will unlock marine resource potential, strengthen seafood exports, and enhance national security, provided that sustainability and small fishermen's concerns are addressed.

UPSC Relevance:

- GS Paper 2: India's maritime diplomacy, UNCLOS, and strategic relations with neighbours.
- GS Paper 3: Blue economy, sustainable fisheries, marine resource management.
- GS Paper 4: Ethics of resource exploitation vs conservation.
- Essay: "Harnessing the Blue Economy: Balancing Economic Gains with Ecological Sustainability."

5. India's Services Sector Growth Reaches 11-Month High

- **Definition – Purchasing Managers' Index (PMI):** An economic indicator based on surveys of private sector companies. A PMI above 50 indicates expansion, below 50 indicates contraction. It tracks variables like new orders, output, employment, and prices.
- **Current Performance (July 2025):**
 - **HSBC India Services PMI** rose to **60.5** in July (from 60.4 in June), highest since August 2024.
 - Expansion driven by strong domestic demand, increased international orders, and new client acquisitions.
 - Services PMI has stayed above 50 for over two years, indicating sustained sectoral growth.
- **Sectoral Composition & Drivers:**
 - Survey covers ~400 firms across consumer services (excl. retail), transport, ICT, finance, insurance, real estate, and business services.
 - Growth supported by advertising campaigns, market demand buoyancy, and onboarding of new clients.
 - Export orders saw a notable rise, strengthening the growth momentum.
- **Price Trends & Inflation Outlook:**
 - Input and output prices rose slightly faster than June.
 - Economists note potential moderation in prices ahead, given recent trends in CPI and WPI inflation.
- **Manufacturing Sector Parallel:**
 - **HSBC India Manufacturing PMI** rose to 59.1 in July (from 58.4 in June), a 16-month high, with strong output and new order growth.
 - Together, robust services and manufacturing activity suggest broad-based economic expansion.



- **Constitutional & Legal Context:**
 - **Article 38:** State to secure a social order promoting welfare through economic growth.
 - **Article 39(b):** Ensure distribution of material resources to subserve the common good.
 - **Economic Survey & National Accounts:** Track services sector contribution (over 50% of GDP).
- Conclusion:** The July PMI data signals strong economic momentum in both services and manufacturing, with domestic and export demand driving growth. While inflationary pressures remain mild, sustained sectoral performance reinforces India's economic resilience.

UPSC Relevance:

- GS Paper 3: Indian Economy – Growth, development, and inflation.
- GS Paper 2: Economic policy and its impact on governance.
- Prelims: Economic indicators (PMI, CPI, WPI) and their significance.
- Essay: “Services Sector as the Engine of India's Economic Growth.”

6. RBI Eases Rules for Opening Special Rupee Vostro Accounts (SRVAs)

- **Definition – Special Rupee Vostro Account (SRVA):** A bank account held in India by a foreign bank, denominated in Indian rupees, to facilitate settlement of international trade in INR. It allows invoicing, payment, and settlement of exports/imports without using foreign currencies like USD or EUR.
- **Policy Change:**
 - Earlier (July 2022), banks required **RBI's prior approval** to open SRVAs under the rupee settlement mechanism.
 - Now, banks can open SRVAs of **correspondent foreign banks** directly without RBI's prior clearance.
- **Objective of SRVAs:**
 - Promote **international trade in Indian rupee**, reducing dependency on hard currencies.
 - Facilitate trade with countries facing currency shortages or sanctions.
 - Support India's efforts to internationalize the rupee.
- **Potential Impact:**
 - Faster operationalization of SRVAs, improving trade settlement efficiency.
 - Likely to enhance India's trade with countries like Russia, Sri Lanka, and African nations using rupee-based payment systems.
 - Strengthens India's financial autonomy in the global trade framework.
- **Constitutional & Legal Provisions:**
 - **Article 302:** Parliament's power to regulate trade and commerce.





- **Foreign Exchange Management Act (FEMA), 1999:** Governs foreign exchange transactions in India, under which RBI frames such guidelines.
- **RBI Act, 1934:** Empowers RBI to regulate banking operations and foreign exchange mechanisms.

Conclusion: RBI's relaxation of SRVA opening norms is a step towards simplifying rupee-based trade settlements and enhancing India's role in global trade diversification, especially in geopolitically sensitive markets.

UPSC Relevance:

- GS Paper 3: Indian economy – currency internationalization, trade policy, RBI regulations.
- GS Paper 2: India's external relations and economic diplomacy.
- Prelims: Concepts like Vostro, Nostro, and Loro accounts.
- Essay: "Rupee Internationalization – Opportunities and Challenges for India."

7. India Ends Central Renewable Energy Pricing Pools

- **Definition – Central Pricing Pool:** A mechanism where renewable energy tariffs (for solar, wind, or hybrid projects) are centrally fixed and standardized for a specified period to ensure uniformity in pricing and facilitate power purchase agreements (PPAs) between producers and buyers.
- **Policy Change:**
 - The Ministry of Power has **dissolved the solar power central pool and the solar-wind hybrid central pool.**
 - These pools were created to standardize tariffs for clean energy projects over a three-year period.
- **Reason for Scrapping:**
 - Renewable energy developers argued that the central tariff system was **slowing down power deals.**
 - State-level and bilateral tariff negotiations were seen as more flexible and market-driven compared to central fixed pricing.
- **Impact on Renewable Energy Sector:**
 - Greater freedom for developers and power purchasers to negotiate tariffs directly.
 - May accelerate renewable energy PPAs and project execution.
 - Could lead to more competitive pricing but also possible tariff variability across states.
- **Constitutional & Legal Provisions:**
 - **Article 48A:** Protection and improvement of the environment.
 - **Electricity Act, 2003:** Governs electricity generation, distribution, and tariff determination.





- **National Electricity Policy & National Action Plan on Climate Change (NAPCC):** Promote renewable energy adoption.

Conclusion: The scrapping of central renewable energy pricing pools reflects a shift towards market-based tariff discovery in the clean energy sector, aiming to boost investment speed and efficiency. However, it also places greater responsibility on states to ensure fair and sustainable tariff agreements.

UPSC Relevance:

- GS Paper 3: Renewable energy policy, climate change mitigation, energy security.
- GS Paper 2: Centre-State relations in energy governance.
- Prelims: Energy policies, Electricity Act, renewable energy targets.
- Essay: “Market Reforms in Renewable Energy – Balancing Speed, Investment, and Sustainability.”

8. Japanese Firm Proterial Plans Rare Earth Magnet Manufacturing in India

- **Definition – Rare Earth Magnets (NdFeB):** Neodymium Ferrite Boron (NdFeB) magnets are high-strength permanent magnets made from light rare earths like neodymium, often combined with heavy rare earths such as dysprosium and terbium for enhanced magnetic force. They are critical in electric vehicle motors, electronics, and renewable energy equipment.
- **Strategic Development:**
 - Bain Capital-backed Japanese firm **Proterial Ltd** (formerly part of Hitachi) is exploring setting up a plant in India to manufacture NdFeB magnets under its NEOMAX brand.
 - The move comes amid **China’s export restrictions** on heavy rare earth elements, which are essential for high-performance magnets.
 - India holds neodymium reserves and currently exports them to Japan for processing.
- **Global & Domestic Context:**
 - China dominates rare earth processing, but countries like the US, Australia, and Myanmar also hold reserves.
 - Several Indian firms (e.g., Sona Comstar, Ather Energy) are adapting to use light rare-earth magnets to reduce dependency on heavy rare earth imports.
- **Government Push:**
 - India is finalizing a **₹1,365 crore incentive scheme** to promote domestic manufacturing of rare earth magnets.
 - Public sector and private miners (e.g., Hindustan Zinc, Gujarat Mineral Development Corporation) are exploring and scaling up rare earth extraction.



- **Strategic & Economic Significance:**

- Local magnet production will support India's EV sector, electronics manufacturing, and defence industry.
- Reduces supply chain vulnerabilities arising from geopolitical tensions with China.
- Aligns with **Atmanirbhar Bharat** and India's critical minerals strategy.

- **Constitutional & Legal Provisions:**

- **Article 39(b):** Distribution of material resources to subserve the common good.
- **Mines and Minerals (Development and Regulation) Act, 1957:** Governs mining and allocation of mineral resources.
- **National Electric Mobility Mission Plan:** Promotes domestic EV manufacturing and component production.

Conclusion: Proterial's proposed investment aligns with India's strategic goal of becoming self-reliant in critical technologies and reducing dependence on Chinese rare earth supplies. If implemented effectively, it could enhance India's position in the global supply chain for advanced manufacturing.

UPSC Relevance:

- GS Paper 3: Infrastructure, industrial policy, strategic minerals, and manufacturing.
- GS Paper 2: India–Japan economic relations, strategic technology partnerships.
- Prelims: Rare earth elements, EV components, Mines and Minerals Act.
- Essay: "Critical Minerals and Strategic Autonomy in India's Industrial Policy."

9. Extension of President's Rule in Manipur

- **Definition – President's Rule (Article 356):** A provision in the Indian Constitution allowing the Union government to take direct control of a state's administration if the state government cannot function according to constitutional provisions. It requires parliamentary approval every six months and can last for a maximum of three years with periodic approvals.

- **Recent Development:**

- Parliament has approved the extension of **President's Rule in Manipur** for another six months beyond **13 August 2025**.
- Lok Sabha passed the statutory resolution earlier; Rajya Sabha approved it amid opposition protests over unrelated electoral roll revision issues in Bihar.



- **Reason for Imposition & Extension:**

- Minister of State for Home Affairs Nityanand Rai attributed the unrest to a **court order** that triggered tensions between two communities in Manipur.



- Government denies that the situation amounts to communal violence, framing it as a law and order and constitutional governance issue.

- **Constitutional & Legal Process:**

- **Article 356:** Allows the President to proclaim central rule if there is a failure of constitutional machinery in a state.
- Requires approval from both Houses of Parliament within two months of proclamation, and thereafter every six months for continuation.
- **S.R. Bommai vs Union of India (1994):** Supreme Court guidelines to prevent misuse of Article 356; judicial review permissible.

- **Political Context:**

- The extension was passed despite disruptions, highlighting the contentious political atmosphere.
- Reflects continuing instability and inability to restore normal governance in Manipur.

- **Significance for Governance:**

- Central rule aims to maintain law and order, implement relief measures, and prepare ground for fresh democratic processes in the state.
- Prolonged President's Rule may raise concerns about democratic representation and Centre–State relations.

Conclusion: The extension of President's Rule in Manipur underscores the ongoing instability and governance challenges in the state. While constitutionally permissible, its repeated extension demands careful balancing between restoring order and safeguarding democratic federalism.

UPSC Relevance:

- GS Paper 2: Indian Constitution – Centre–State relations, emergency provisions.
- GS Paper 3: Internal security, communal harmony, law and order.
- Prelims: Articles 356, 355; S.R. Bommai case.
- Essay: “Emergency Provisions in the Indian Constitution – Necessity, Misuse, and Safeguards.”

10. 16th Finance Commission's Role in Strengthening Climate Governance

- **Definition – Finance Commission (Article 280):** A constitutional body set up every five years to recommend the distribution of tax revenues between the Centre and states, along with principles for grants-in-aid and measures to strengthen fiscal federalism. The 16th Finance Commission (FC) is expected to recommend not only traditional tax devolution criteria but also new climate-responsive governance measures.

- **Proposed Climate Governance Reforms:**

- **National & State Carbon Accounting Authorities:** Create a National Carbon





Accounting (NCA) framework to track carbon inflows and outflows at household, corporate, and government levels. This would enable implementation of a **progressive carbon tax** and systematic monitoring of net-zero targets by 2070.

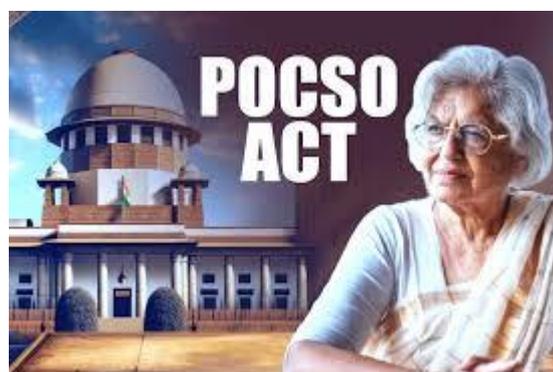
- **Sector-Specific Grants:** The FC could provide promotional grants to set up carbon accounting systems, similar to GDP tracking, making India a pioneer in climate bookkeeping.
 - **Modification of Tax Devolution Criteria:**
 - Replace the current *forest cover and ecology* parameter with a broader “**climate and disaster proofing initiatives**” criterion.
 - Include mitigation and adaptation projects in infrastructure, agriculture, irrigation, and energy under this ambit.
 - Increase its weightage from **10% (15th FC)** to **20%** to encourage proactive climate action by states.
 - **Empowering States & Reforming Green Finance:**
 - Allow mineral-rich states to levy a **green tax** to fund environmental mitigation against mining-related degradation.
 - Stop diversion of the **Clean Energy Cess on coal** for GST compensation and redirect it to coal-producing states for clean energy technology investments and adaptation measures.
 - **Strategic Significance:**
 - Strengthens **cooperative federalism** in climate action.
 - Aligns with India’s **LiFE (Lifestyle for Environment)** mission and international commitments under the Paris Agreement.
 - Encourages states to integrate climate resilience into fiscal planning.
 - **Constitutional & Legal Provisions:**
 - **Article 280** – Establishment and functions of Finance Commission.
 - **Article 48A** – Protection and improvement of the environment.
 - **Disaster Management Act, 2005** – Framework for disaster preparedness and mitigation.
- Conclusion:** The 16th Finance Commission can become a catalyst for embedding climate governance into India’s fiscal federalism framework. By adopting carbon accounting, incentivizing climate-proof infrastructure, and empowering states with green financing tools, it can place India at the forefront of climate-responsive policy innovation.

UPSC Relevance:

- GS Paper 2: Federalism, Centre–State financial relations.
- GS Paper 3: Environment, climate change mitigation, disaster management.
- Prelims: Article 280, Finance Commission criteria, Clean Energy Cess.
- Essay: “Climate-Responsive Fiscal Federalism – A Pathway to Sustainable Development.”

II. Centre's Stand on Age of Consent under POCSO Act

- **Definition – Age of Consent & POCSO Act:** The **age of consent** is the legally defined age at which a person is considered competent to consent to sexual activity. Under the **Protection of Children from Sexual Offences (POCSO) Act, 2012**, sexual activity with a person below 18 years is deemed statutory rape, regardless of consent. The Act is gender-neutral and aims to protect children from sexual abuse and exploitation.
- **Centre's Position before Supreme Court:**
 - The Union government opposes lowering the age of consent from **18 to 16 years** or introducing a “close-in-age” exception.
 - Warns such a change could enable **child trafficking**, grooming, and abuse under the guise of consensual relationships.
 - Argues that the **statutory presumption of vulnerability** is central to child protection laws and must not be diluted.
- **Data & Evidence Cited:**
 - **2007 Ministry of Women and Child Development Study:**
 - **53.22%** of children reported experiencing one or more forms of sexual abuse.
 - In **50% of cases**, the perpetrator was a person in a position of trust (parents, relatives, neighbours, teachers, or school staff).
 - Abuse by known figures often remains hidden due to emotional manipulation, fear, or normalization.
- **Contrasting Legal View:**
 - **Amicus Curiae Indira Jaising** suggested that consensual sexual activity between adolescents aged **16–18** should not be criminalised, to avoid criminal penalties in cases of consensual relationships among peers.
- **Constitutional & Legal Context:**
 - **Article 15(3):** Permits special laws for protection of children.
 - **Article 21:** Right to life and personal liberty, interpreted to include dignity and protection from exploitation.
 - **Juvenile Justice (Care and Protection of Children) Act, 2015** – Reinforces protective measures for minors.
 - International obligations under **UN Convention on the Rights of the Child (UNCRC)**, to which India is a signatory.
- **Policy Implication:**
 - Retaining 18 years as the age of consent reflects a **protective, victim-centric approach**.





- Balancing adolescent rights with safeguards against exploitation remains a contentious legal and social debate.

Conclusion: The Centre’s firm opposition to lowering the age of consent under POCSO underscores a preventive stance against potential exploitation of minors, prioritizing vulnerability protection over decriminalisation of adolescent relationships. Any reform will have to balance the rights of young individuals with robust safeguards against abuse.

UPSC Relevance:

- GS Paper 2: Governance, role of judiciary, constitutional provisions for child protection.
- GS Paper 1 (Society): Issues relating to children, social empowerment.
- Prelims: POCSO Act provisions, Article 15(3), UNCRC.
- Essay: “Child Protection Laws in India – Balancing Rights, Autonomy, and Safety.”

12. IISc Study on How Rewards Influence Human Attention

• Definition – Attention & Key Components:

- *Attention* refers to the cognitive process of selectively concentrating on specific stimuli while ignoring others.
- The IISc study focused on two components:
 - **Sensitivity** – Ability to accurately detect changes or relevant stimuli (e.g., identifying the ripest fruit).
 - **Bias** – The decision-making tendency toward a particular option regardless of accuracy (e.g., choosing to pick a fruit even without certainty).

• Study Objective & Research Gap:

- Previous research could not clearly differentiate whether sensitivity and bias are controlled by the same or different brain regions.
- The IISc research aimed to investigate how *reward expectation* modulates these components of attention in humans.

• Experimental Design:

- Conducted by Sridharan Devarajan and Ankita Sengupta at the IISc’s Centre for Neuroscience.
- **Participants:** 24 volunteers.
- **Task 1:** Detect changes in Gabor patches (striped images) after a short delay, with rewards varying between screen sides. Higher rewards increased *sensitivity* but not bias.
- **Task 2:** Rewards linked to choosing “Yes” or “No” for change detection. Higher rewards increased *bias* toward the rewarded choice but did not match typical brain patterns of attention.





- **Key Findings:**
 - Reward expectation can independently influence *sensitivity* (perceptual accuracy) and *bias* (decision tendency).
 - These two attention components appear to be modulated through **different neural processes**.
 - Eye-tracking and brain activity patterns showed that bias changes were not accompanied by standard attention-related neural signatures.
- **Constitutional & Policy Relevance:**
 - While not directly a constitutional matter, such cognitive science insights can inform **education policy, military training, behavioral economics, and public health campaigns** by leveraging reward-based motivation to improve performance.
 - Could have implications for **AI-human interaction design** under India's Science & Technology policy.
- **Conclusion:** The IISc study provides evidence that rewards can differentially influence perceptual accuracy and decision-making bias, indicating separate cognitive pathways. This can have applications in skill training, safety-critical jobs, and behavioral interventions.
- **UPSC Relevance:**
 - GS Paper 3: Science & Technology – Human cognition, neuroscience.
 - GS Paper 2: Policy-making informed by behavioral science.
 - Essay: “The Role of Cognitive Science in Shaping Human Potential.”

13. The Technocratic Calculus of India's Welfare State

- **Shift from Rights-Based to Technocratic Welfare:**
 - India's welfare model, enabled by **Aadhaar** (1 billion enrollments) and **Direct Benefit Transfer (DBT)** integration of 1,206 schemes, is moving from rights-based welfare to a data-driven, technocratic approach.
 - Focus has shifted from “who deserves support and why” to “how to minimise leakage and maximise coverage,” often sidelining **democratic deliberation** and **political accountability**.
- **Concerns Over Democratic Norms:**
 - Welfare is becoming measurable, auditable, and depoliticised, sidelining community-based decision-making such as **gram sabhas**.
 - Citizens risk being reduced to “auditable beneficiaries” rather than “rights-bearing citizens,” echoing concerns in Justice D.Y. Chandrachud's **Aadhaar dissent (2018)** about decontextualised identity and erosion of constitutional assurances.
- **Decline in Social Sector Spending & RTI Weakening:**
 - Social sector spending fell from a 2014–24 average of 21% to 17% in 2024–25; key schemes for minorities, labour, and social security dropped from 11% to 3% post-COVID.
 - **Right to Information (RTI)** is under strain — over 4 lakh pending cases, 8 vacant CIC posts — weakening transparency in welfare governance.



- **Algorithmic Insulation & Federalism Concerns:**

- Tools like the **Centralised Public Grievance Redress and Monitoring System** risk centralising visibility but diluting accountability, flattening federal hierarchies into ticket systems without real political responsibility.
- Raises questions about “algorithmic insulation,” where systems appear efficient but reduce scope for redress and state-level autonomy.



- **Proposed Reforms for Democratic Antifragility:**

- Empower states to design context-sensitive welfare regimes, strengthen **platform cooperatives** (e.g., Kerala’s Kudumbashree), and institutionalise **community-driven impact audits**.
- Embed **offline fallback systems**, human oversight, statutory bias audits, and a **right to explanation and appeal** in digital welfare governance, in line with UN Human Rights recommendations.

- **Conclusion & UPSC Relevance:**

- India’s welfare governance stands at a crossroads between **technocratic efficiency** and **democratic inclusivity**.
- For a *Viksit Bharat*, digital welfare must integrate **federalism, pluralism, and citizen participation** to avoid becoming a top-down, exclusionary system.
- **UPSC Relevance:**
 - GS Paper 2: Welfare schemes, transparency, accountability, federalism.
 - GS Paper 3: Technology in governance, e-governance challenges.
 - Essay: “Balancing Technocracy and Democracy in India’s Welfare State.”



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14. Tackling Money Laundering in India

- **Current Status & Finance Minister's Report:**

- As per the Finance Minister's statement in the Rajya Sabha, **5,892 cases** have been taken up by the **Enforcement Directorate (ED)** under the **Prevention of Money Laundering Act (PMLA), 2002** since 2015, but only **15 convictions** have been secured so far.
- Indicates a **low conviction rate** and a rising trend in money laundering cases, questioning enforcement effectiveness.

- **Definition & Legal Provisions:**

- **Money laundering (Section 3, PMLA):** Concealing, possessing, acquiring, or using proceeds of crime and projecting them as untainted property.
- **Burden of Proof** lies on the accused; **no FIR** needed for proceedings (*Vir Bhadra Singh vs. ED, 2017*).
- Linked to **terror financing** and affects **monetary stability** and **economic sovereignty** (*P. Chidambaram vs. ED, 2019*).



- **Three Stages of Money Laundering:**

1. **Placement** – Introducing illicit money into the financial system (e.g., smurfing).
2. **Layering** – Moving funds through multiple transactions to hide origin.
3. **Integration** – Reintroducing funds into the economy via legitimate investments like real estate or businesses.

- **Judicial Observations & Misuse Concerns:**

- **Vijay Madanlal Chaudhury vs. Union of India (2022)** – Scheduled offence needed for prosecution under Section 3, but property can be attached under Section 5 without a prior criminal case.
- This has been **criticised for potential misuse**, including political targeting.

- **International Cooperation – DTAA:**

- India has signed **Double Taxation Avoidance Agreements (DTAA)** with ~85 countries.
- Facilitates **exchange of tax and financial information**, aiding detection and prevention of tax evasion and cross-border money laundering.
- However, implementation gaps remain; stronger coordination is needed.

- **Conclusion & UPSC Relevance:**

- Money laundering undermines economic integrity, fuels terrorism, and erodes public trust. Tackling it requires **strengthened legal enforcement, FATF-compliant practices, better international cooperation, and safeguards against misuse.**
- **UPSC Relevance:**
 - GS Paper 2: Governance, transparency, accountability, international agreements.
 - GS Paper 3: Internal security, money laundering, terror financing.
 - Essay: “Balancing Stringent Laws and Civil Liberties in Combating Financial Crimes.”