



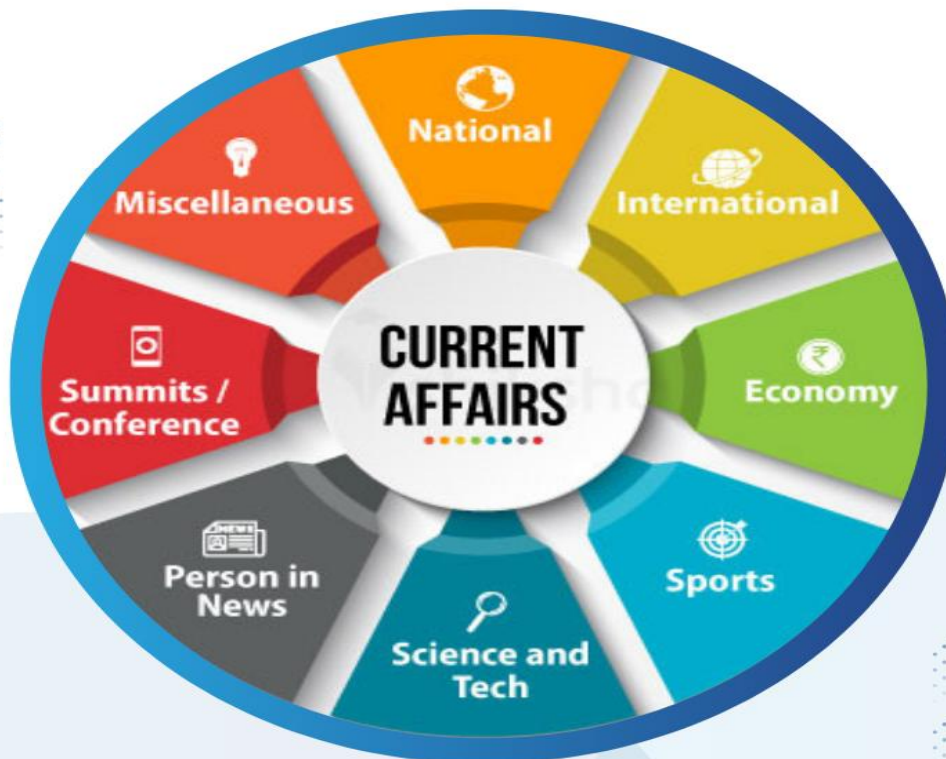
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**VIDHVATH IAS KAS ACADEMY**  
&  
**STUDY CENTRE**

# DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

**DATE: 16/08/2025 ( SATURDAY )**



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## I. MSMEs and Export Intelligence Platform (GMIS)

- **Background & Importance of MSMEs**

- Micro, Small and Medium Enterprises (MSMEs) form the backbone of India's economy with **66 million units**, contributing **45% of India's exports** and employing millions.
- Around **173,000 MSMEs** are currently engaged in exports, but face challenges like lack of market awareness, regulatory complexities, and logistics barriers.

- **Global Market Intelligence System (GMIS)**

- Proposed in **2021–22 under the International Cooperation (IC) Scheme** of the Union MSME Ministry as a **one-stop export intelligence platform**.
- Aim: To provide MSMEs with **data on global demand trends, pricing benchmarks, regulatory requirements, logistics costs, and competitive landscapes**.
- Planned to use data from **World Bank, United Nations, and Government of India**.

- **Present Challenges & Risks**

- The GMIS portal remains **non-functional**, delaying critical support.
- US tariffs (initiated during Trump administration, now continuing) have put **\$30 billion MSME exports and 70,000–80,000 jobs at risk**.
- MSMEs have **limited resilience** to external shocks compared to large corporations, making them vulnerable in global tariff wars.



- **International Cooperation Scheme**

- A **demand-driven reimbursement scheme** supporting eligible government bodies and industry associations for promoting MSMEs abroad.
- Provides financial assistance for **international events, exhibitions, and trade delegations**.
- In FY24, **545 MSMEs received support worth ₹19.22 crore** under this scheme.

- **Legal & Constitutional Aspects**

- **Article 19(1)(g)**: Freedom to practice any profession or carry on trade/business (subject to reasonable restrictions).
- **Article 301**: Freedom of trade, commerce, and intercourse throughout India.
- **MSME Development Act, 2006**: Legal framework for MSME promotion, development, and competitiveness.
- **Foreign Trade Policy (FTP)**: Provides incentives and facilitation measures for export promotion.

- **Way Forward & Policy Relevance**

- Immediate **operationalisation of GMIS** is needed to enhance MSME export competitiveness.
- Creation of **trade desks in foreign jurisdictions** to support Indian exporters.





- Capacity building for MSMEs to adapt to global standards, tariff changes, and supply chain disruptions.

## Conclusion

MSMEs are crucial for India's export-led growth and employment generation, but lack of timely policy support (like GMIS) undermines their global competitiveness. With rising protectionism and tariff wars, an intelligence-driven export strategy is essential to safeguard jobs and sustain growth.

## UPSC Relevance

- **GS3 (Economy):** Role of MSMEs, export promotion, industrial policy, WTO-related issues.
- **GS2 (Governance & Policy):** Government schemes, Centre–State cooperation in trade promotion.
- **Essay & Interview:** “Global competitiveness of Indian MSMEs”, “Impact of protectionism on India’s exports.”

## 2. GST Restructuring Proposal – Key Highlights

### • Background & Proposal

- Government proposes scrapping **12% and 28% GST slabs**, moving towards a simplified structure with **5% and 18% slabs** as the main rates.
- A new **40% slab** will cover limited ‘sin goods’ (e.g., tobacco, sugary drinks).
- Aim: **boost consumption, reduce anomalies, and simplify compliance** for businesses, especially MSMEs and startups.

### • Impact on Economy & Revenue

- Short-term: **possible revenue gap** due to shifting goods from higher to lower slabs.
- Long-term: **higher consumption and investment** expected to offset revenue loss, supported by recent **income tax relief** and **RBI repo rate cut**.
- Stimulus expected to benefit **auto components, textiles, fertilizers, handicrafts, healthcare, and insurance services**.

### • Correction of Tax Anomalies

- Current issue: higher GST on inputs vs. lower tax on finished goods leads to **inverted duty structure** and accumulation of tax credits.
- Reform will streamline **input tax credit refunds**, improve ease of doing business, and incentivize investment in key sectors.


### • Constitutional & Legal Provisions

- **Article 246A:** Concurrent power of Centre and States to legislate on GST.

## Indirect tax overhaul



Changes to the current structure will be taken up by the GST Council

Current structure	WHAT MAY BECOME CHEAPER
5%   12%   18%   28%+cess	<b>Most goods from 12% → 5%</b>
Proposed New Structure	<ul style="list-style-type: none"><li>● Condensed milk, dried fruits</li><li>● Pasta, jams, namkeens</li><li>● Utensils, furniture</li><li>● Footwear under ₹1,000</li><li>● Agricultural implements</li></ul>
5%   18%   40%* (*demerit goods: Half a dozen goods will attract this levy)	<b>Most goods from 28% → 18%</b>
	<ul style="list-style-type: none"><li>● Air conditioners</li><li>● Washing machines, dishwashers</li><li>● Cement</li></ul>
	Goods currently taxed at the 5% and 18% rates are largely expected to remain in the same brackets



- **Article 269A:** Levy and collection of IGST for inter-state trade by the Union, apportioned between Centre and States.
- **Article 279A:** GST Council—federal body to recommend tax rates, exemptions, and model GST law.
- **GST Compensation Cess Act, 2017:** To provide states compensation for revenue loss (now set to expire).
- **Broader Policy Significance**
  - Move towards **two-rate GST system** (5% & 18%) + **demerit rate for sin goods** = simplification & efficiency.
  - Helps in **tax buoyancy, rural demand stimulation, lower-middle-income relief, and reduced litigation.**
  - Special low rates (e.g., 3% on gold and precious metals) to continue.
- **Definition – GST (Goods and Services Tax)**
  - A **destination-based, comprehensive, indirect tax** levied on supply of goods and services, replacing multiple indirect taxes since **1 July 2017.**
  - Objective: **“One Nation, One Tax, One Market.”**

### Conclusion

The GST restructuring is a significant tax reform aimed at **simplifying India’s indirect tax system**, reducing burden on consumers, and promoting economic growth. While short-term fiscal costs may occur, efficiency gains, higher consumption, and improved investment climate are expected to strengthen India’s indirect tax framework.

### UPSC Relevance

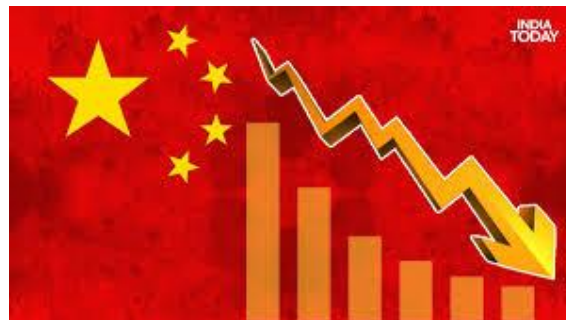
- **GS3 (Economy):** Tax reforms, fiscal policy, GST Council functioning.
- **GS2 (Governance & Polity):** Federalism, Centre-State fiscal relations.
- **Essay/Interview:** “Simplification of GST for economic growth,” “Tax reforms and inclusive development.”

## 3. China’s Economic Slowdown – Key Highlights

- **Background & Current Situation**
  - China’s economy showed a sharp slowdown in **July**, with industrial production at its **lowest pace since November.**
  - Factors: **US tariffs imposed under Donald Trump** and Beijing’s **crackdown on destructive price wars** within industries.
  - Spillovers include weaker manufacturing, mining, and trade activity.
- **Impact of US-China Trade War**
  - US tariffs have raised costs of Chinese exports, reducing competitiveness in global markets.



- Export-driven industries like **electronics, machinery, and textiles** are facing demand contraction.
- The trade war creates supply chain disruptions impacting global growth.
- **Domestic Policy Measures in China**
  - Beijing has restricted **price wars** among firms to prevent market distortions.
  - Efforts are being made to rebalance the economy towards **domestic consumption** and high-tech innovation rather than export-dependence.
- **Global Implications**
  - Slowdown in China, the world's **second-largest economy**, impacts **global supply chains, commodity markets, and investment flows**.
  - Countries like India may experience mixed effects—reduced Chinese exports open space for Indian exports, but global demand slowdown can hurt.
  - Could influence **global monetary policy trends** and investment patterns.
- **Constitutional & Legal Provisions (India's Context)**
  - **Article 302:** Power of Parliament to impose restrictions on trade and commerce in public interest.
  - **Foreign Trade (Development & Regulation) Act, 1992:** Governs India's international trade policy, helping India respond to global trade shocks.
  - **Customs Act, 1962:** Provides legal basis for tariff measures that India may take in response to global trade conflicts.
- **Definition – Trade War**
  - A **situation where countries impose tariffs or other trade barriers** against each other to protect domestic industries, often leading to retaliatory measures and economic slowdown.



## Conclusion

China's economic slowdown, driven by the US-China trade war and internal policy corrections, highlights the vulnerability of export-led growth models to external shocks. For India, this presents both risks (weaker global demand) and opportunities (export substitution, attracting investments shifting from China).

## UPSC Relevance

- **GS3 (Economy & International Trade):** Impact of trade wars, global slowdown, India's export strategy.
- **GS2 (International Relations):** India-China-US triangular dynamics.
- **Essay/Interview:** "Globalization and protectionism," "Impact of trade wars on emerging economies like India."



## 4. India's Eastward Trade Strategy – Key Highlights

### • Background & Context

- India is strengthening trade ties with **Singapore and ASEAN** amid US reciprocal tariffs on Indian goods, which may reduce export earnings.
- Focus: **market diversification, supply chain resilience, and regulatory streamlining** to reduce dependency on Western markets.

### • India–Singapore Trade Relations

- The **4th India-Singapore Joint Working Group on Trade and Investment (JWGTI)** was recently held, co-chaired by India's Special Secretary (Commerce) and Singapore's Trade Secretary.
- Discussions centered on **investment promotion, logistics improvement, regulatory alignment, and cross-border trade facilitation**.
- This coincides with **60 years of diplomatic ties** and **20 years of Comprehensive Economic Cooperation Agreement (CECA)** between India and Singapore.



### • India–ASEAN Trade Engagement

- India hosted the **10th ASEAN-India Trade in Goods Agreement (AITIGA) Joint Committee** and seven sub-committee sessions.
- Review of the **15-year-old pact** aims to address issues like **customs procedures, rules of origin, SPS/TBT measures, and trade remedies**.
- ASEAN is a crucial trade partner: In FY25, India's **exports to ASEAN fell 5.45% (\$38.96 bn)** while **imports rose 5.64% (\$84.16 bn)**, indicating a widening trade deficit.

### • Strategic Importance

- ASEAN is central to India's **Act East Policy** and **Indo-Pacific vision**.
- Singapore acts as a **regional hub for finance, investment, and logistics**, making it a gateway for Indian businesses to Southeast Asia.
- Strengthening ASEAN ties helps India counterbalance dependence on the US/EU and mitigate risks from tariff wars.

### • Constitutional & Legal Provisions (India's Context)

- **Article 246 & 246A:** Powers of Parliament and States on trade and commerce, including GST on imports/exports.
- **Article 301:** Freedom of trade and commerce within India, extended to regulate foreign trade via legislation.
- **Foreign Trade (Development & Regulation) Act, 1992:** Empowers the government to make trade agreements and regulate imports/exports.
- **Customs Act, 1962:** Governs duties, tariffs, and trade facilitation.





- **Definition – AITIGA (ASEAN-India Trade in Goods Agreement)**

- A trade agreement signed in **2009**, effective from **2010**, between India and ASEAN to promote free flow of goods through tariff liberalisation, rules of origin, and trade facilitation measures.

### Conclusion

India's renewed engagement with Singapore and ASEAN reflects a **strategic shift towards Asian trade partnerships** in response to global tariff pressures. By updating trade agreements and reducing regulatory barriers, India aims to enhance market access, strengthen supply chains, and reduce its trade deficit with ASEAN.

### UPSC Relevance

- **GS2 (International Relations):** India's Act East Policy, ASEAN relations, regional trade diplomacy.
- **GS3 (Economy):** Foreign trade policy, trade deficit, tariff reforms.
- **Essay/Interview:** "Diversification of India's trade relations," "ASEAN as a pivot in India's Indo-Pacific strategy."

## 5. IBC Amendment Bill, 2025 – Key Highlights

- **Background & Context**

- The **Insolvency and Bankruptcy Code (Amendment) Bill, 2025**, introduced in Lok Sabha (12 August), seeks to **tighten withdrawal norms** for insolvency proceedings.
- Aim: prevent misuse of early **out-of-court settlements** and ensure disputes are resolved within the **formal Committee of Creditors (CoC)** framework.

- **Key Provisions of the Amendment**

- **CoC approval mandatory** for withdrawal of insolvency applications under **Section 12A** of the IBC.
- Withdrawal can be initiated **only by the Interim Resolution Professional (IRP)** after CoC formation, but **before first call for resolution plans**.
- **Early withdrawals (before CoC formation) and late withdrawals (after resolution plan stage) are barred.**
- NCLT mandated to dispose of withdrawal requests **within 30 days**.



- **Rationale & Implications**

- Prevents **back-channel deals** between debtor and select creditors that bypass the collective resolution framework.
- Encourages **transparency and discipline** in insolvency resolution, but may **prolong timelines** and give dissenting creditors more leverage.
- Ensures broader **creditor consensus (90% approval)** before withdrawal, reducing frivolous insolvency filings.





- **Case References & Practical Impact**

- **Byju's (2024):** Attempted early exit post-settlement with BCCI, but SC blocked withdrawal since CoC had formed.
- **SKIL Infrastructure (2024) and Syska LED (2025):** NCLT rejected withdrawal despite settlements, as financial creditors opposed.
- Shows practical tension between early settlements and creditor protection under IBC.

- **Constitutional & Legal Provisions**

- **Article 323B:** Empowers legislature to establish tribunals like NCLT/NCLAT for insolvency.
- **IBC, 2016:** Consolidated law for insolvency of companies, partnerships, and individuals.
- **Section 12A (IBC):** Allows withdrawal of insolvency applications with **90% CoC approval**.
- **Supreme Court in Swiss Ribbons v. Union of India (2019):** Upheld constitutionality of IBC and recognized CoC's primacy in commercial decisions.

- **Definition – Committee of Creditors (CoC)**

- A body of **financial creditors** formed by the IRP once CIRP (Corporate Insolvency Resolution Process) is initiated.
- Holds decision-making power (based on voting share) on resolution plans, liquidation, or withdrawal.

### Conclusion

The IBC Amendment Bill, 2025 strengthens creditor-driven resolution by curbing premature exits from insolvency proceedings. While it may slow quick settlements, it enhances transparency, prevents misuse, and reinforces the **collective decision-making role of CoC** in line with the IBC's objectives of creditor protection and time-bound resolution.

### UPSC Relevance

- **GS2 (Governance):** Tribunal reforms, role of NCLT/NCLAT.
- **GS3 (Economy):** Bankruptcy laws, credit market reforms, ease of doing business.
- **Essay/Interview:** "Balancing creditor rights and debtor flexibility in insolvency law," "IBC as a tool for financial discipline in India."

## 6. Global Plastic Treaty Negotiations – Stalemate at INC 5.2 (Geneva, August 2025)

- **Background and Context:** The Intergovernmental Negotiating Committee (INC 5.2), comprising ~180 countries, failed to agree on a legally binding treaty to end plastic pollution. The process stems from the 2022 UN Environment Assembly resolution, which mandated negotiations for a global treaty to curb plastic pollution, including in marine ecosystems.
- **Key Issues of Disagreement:**
  - A majority (80–100 countries, led by EU, African nations, Pacific Islands, Japan, Latin America) supported an "ambitious" treaty with binding commitments to cut plastic production.
  - India, China, U.S., and some Arab states opposed curbs on polymer production, citing economic growth, livelihood dependence, and industrial competitiveness.



No consensus on 32 draft Articles — particularly on phase-out plans, chemicals regulation, and enforcement mechanisms.

- **Negotiation Challenges:**

Lack of a voting mechanism under the UN system meant consensus was required, making progress slow.

- Key blocs clashed on whether production cuts are “non-negotiable” (red lines) or optional.
- While over 120 nations backed stronger controls on chemicals and a health-related article, opponents argued for national flexibility.

- **Key Demands and Proposals:**

- 89 countries demanded binding cuts to plastic production.
- 57 called for toxic-free reuse, refill, and repair systems.
- 130 supported a dedicated Article on health impacts of plastics.
- 120 demanded voting powers in the Conference of Parties (COP) to prevent future stalemates.



- **Definitions & Legal Aspects:**

- **Plastic Pollution:** Accumulation of synthetic polymer waste in ecosystems, harming biodiversity, food chains, and human health.

- **Marine Plastic Pollution:** Dumping of plastics in oceans causing microplastics ingestion by marine life.

- **Multilateral Environmental Agreements (MEAs):** International treaties negotiated under the UN framework to tackle global environmental issues (e.g., Montreal Protocol, Paris Agreement).

- **Constitutional & Indian Legal Relevance:**

- Article 48A: State shall protect and improve the environment.
- Article 51A(g): Fundamental duty of citizens to protect the natural environment.
- Plastic Waste Management Rules, 2016 (amended 2021, 2022) – ban on certain single-use plastics in India.

## Conclusion and UPSC Relevance

The failure at Geneva highlights the difficulty of reconciling economic development with environmental sustainability. While developed countries push for production cuts, developing nations prioritize growth and livelihood security. A legally binding treaty will likely take years, similar to past environmental agreements. For UPSC, this issue is relevant for Environment & Ecology (GS3), International Relations (GS2), and Ethics (GS4) as it reflects global cooperation challenges, climate justice debates, and India's environmental commitments under SDGs and Paris Agreement.



## 7. SC Collegium cannot dictate names to HC Collegiums: CJI

### Key Points

- **Federal Judicial Structure:** CJI B.R. Gavai clarified that the Supreme Court Collegium cannot *dictate* names to High Court Collegiums for judicial appointments. High Court Collegiums make the *first call* on recommendations, maintaining judicial federalism.
- **Role of Collegiums:** The Supreme Court Collegium (headed by CJI, with four senior-most judges) oversees appointments to the SC and HCs, while High Court Collegiums (HC Chief Justice + two senior-most judges) initiate names for HC appointments. The SC Collegium can only *suggest* names.
- **Judicial Independence & Federalism:** CJI stressed that Supreme Court and High Courts are *neither superior nor inferior*, upholding the constitutional principle of equality between judicial bodies under Articles 124–217.
- **Vacancies & Pendency:** As of August 1, 2024, High Courts face 345 vacancies out of 1,122 sanctioned posts, with only 777 judges in position. Additionally, 29 recommendations of the SC Collegium since November 2022 are pending with the Union Government.
- **Bar's Demand:** The Supreme Court Bar Association requested expanding the talent pool for HC judges to include lawyers practising in the Supreme Court, highlighting the need for wider representation.
- **Constitutional/Legal Provisions:**
  - **Article 124** – Appointment of Supreme Court judges.
  - **Article 217** – Appointment of High Court judges.
  - **Article 50** – Separation of judiciary from executive (Directive Principle).
  - **Three Judges Cases (1981, 1993, 1998)** – Established the *Collegium system*.



### Definition (Key Term)

- **Collegium System:** A system evolved through SC judgments where a group of senior judges, headed by the CJI, collectively recommend appointments/transfers of judges in higher judiciary, ensuring judicial independence from executive interference.

### Conclusion

The CJI's clarification strengthens the federal and independent nature of India's judiciary. While SC Collegium may guide, High Court Collegiums retain primacy in recommending names, ensuring decentralization in judicial appointments. Addressing vacancies and pendency in judicial appointments remains a pressing challenge.

### UPSC Relevance

- **GS-II (Polity & Constitution):** Judicial appointments, separation of powers, independence of judiciary.
- **Important for Mains:** Collegium system vs. NJAC, judicial federalism, pendency of appointments.
- **Prelims Focus:** Articles 124, 217, 50; Three Judges Cases; present strength and vacancy status in judiciary.



## 8. Key Clauses of Assam Accord Still Unfulfilled

### Key Points

- **Background of Assam Accord (1985):** Signed between the Union Government and leaders of the Assam Movement (notably AASU and AAGSP) to end the six-year-long agitation against illegal immigration, especially from Bangladesh.
- **Clause 6 – Core Demand:** Provides for *constitutional, legislative and administrative safeguards* to protect cultural, social, and linguistic identity of Assamese and indigenous communities. Its non-implementation remains a major grievance.
- **Current Discontent:** Student bodies like AASU and political parties (Congress, Assam Jatiya Parishad) demand implementation of Clause 6 and exemption of Assam from the **Citizenship (Amendment) Act, 2019**, as they fear demographic and cultural threats.
- **Citizenship Cut-off Date:** Assam Accord fixed **March 24, 1971** as the cut-off for identifying and deporting illegal immigrants. Critics argue that the CAA, 2019 dilutes this clause by allowing post-1971 migrants (non-Muslim) to gain citizenship.
- **Government Response:** Assam Accord Implementation Minister Atul Bora stated that the government is committed, citing progress on **52 recommendations of Justice Biplab Kumar Sarma Committee**. However, full realization remains pending.
- **Political Angle:** Parties allege BJP promised full implementation in 2014 but instead prioritized CAA, creating distrust among local communities.

### Constitutional/Legal Provisions

- **Article 29** – Protection of interests of minorities (culture, language).
- **Article 30** – Right of minorities to establish and administer educational institutions.
- **Article 371B** – Special provision for Assam.
- **Assam Accord (1985)** – Political agreement, not a constitutional document, but linked with Citizenship Act, 1955 amendments.

### Definition (Key Term)

- **Assam Accord (1985):** A tripartite agreement signed by GoI, Govt. of Assam, and leaders of Assam Movement to end agitation against illegal immigrants; provided for detection, deletion, and deportation of foreigners and safeguards for Assamese identity.

### Conclusion

Despite 40 years, the Assam Accord remains only partially implemented. Clause 6, the heart of the agreement, is still unfulfilled, creating a trust deficit. The clash between Accord provisions and the CAA, 2019 further complicates the issue of identity, demography, and federal trust in Assam.

### UPSC Relevance

- **GS-II (Polity & Governance):** Federalism, Citizenship laws, minority and indigenous rights.
- **GS-I (Society):** Identity issues and regional movements.
- **Essay/GS-II:** Relevance of accords/agreements in resolving ethnic conflicts.
- **Prelims Focus:** Assam Accord, Citizenship Act 1955, CAA 2019, cutoff date of 24 March 1971.





## 9. The Politics of Insurgency and the Decline of Naxalism

### Key Points

- **Historical Context of Naxalism:** The Naxalite movement began in **1967 in Naxalbari, West Bengal**, inspired by Maoist ideology. It aimed at agrarian revolution and upliftment of marginalized groups, especially tribals and landless peasants. Leaders like **Charu Mazumdar** and **Kanu Sanyal** spearheaded the movement, which initially attracted intellectuals and youth but later fragmented into regional factions.
  - **Current Status:** Data indicates a steep decline in Maoist violence. Union Home Minister has stated that **Naxalism may end by mid-2026**, with reports showing around **357 Naxalites killed in 2023** (including many women cadre). The epicenter remains **Dandakaranya region** (Bastar, Gadchiroli, Odisha, Andhra Pradesh).
  - **Reasons for Decline:** Leadership crises (notably after removal of Ganapathi in 2018), internal divisions, sustained security offensives, shrinking support base, and developmental outreach have weakened the movement. The once “ideological revolution” has degenerated into **mindless violence** with limited public sympathy.
  - **Difference from Global Terrorism:** Unlike **global jihadist groups (IS, Al-Qaeda)**, Indian Naxalites are rooted in local socio-economic grievances and maintain proximity with villagers. Counterinsurgency in India avoided excessive brute force, focusing instead on a **two-pronged approach – security action + development**.
  - **Misuse of the Term ‘Urban Naxals’:** The original movement was ideologically coherent with a Marxist-Leninist framework. In contrast, the modern term “urban naxals” is loosely applied to intellectuals and dissenters, which risks misclassification and policy missteps.
  - **Key Constitutional & Legal Framework:**
    - **Article 355** – Duty of the Union to protect States against internal disturbance.
    - **Unlawful Activities (Prevention) Act (UAPA), 1967** – Provides legal framework to ban extremist groups.
    - **Fifth Schedule of the Constitution** – Safeguards for tribal areas, often central to Naxalite issues.
    - **PESA Act, 1996 & Forest Rights Act, 2006** – Address tribal rights, crucial for reducing Naxal influence.
- **Timeline of Naxalism in India (1967–2026)**
- **1967 – Birth of Naxalism**
    - Peasant uprising in **Naxalbari (West Bengal)** led by **Charu Mazumdar & Kanu Sanyal**.
    - Inspired by Mao Zedong’s ideology – “political power grows out of the barrel of a gun.”
  - **Late 1960s–1970s – Expansion & Ideological Spread**
    - Spread to Andhra Pradesh, Bihar, Odisha, and tribal belts.





- **CPI (ML)** formed in 1969 but fragmented after Charu Mazumdar's death (1972).
- **1980s – Consolidation & Tribal Focus**
  - Groups like **People's War Group (PWG)** (1980, Andhra Pradesh) and **MCC (Maoist Communist Centre)** (Bihar, 1975) emerged.
  - Strong support in tribal/forest regions (Dandakaranya, Bastar, Jharkhand).
- **1990s – Violence Peaks**
  - Attacks on police, landlords, infrastructure.
  - Parallel justice delivery through “Jan Adalats” (People's Courts).
- **2004 – Formation of CPI (Maoist)**
  - Merger of **PWG** and **MCC** created the most powerful Naxalite outfit.
  - Marked the beginning of **pan-India Maoist insurgency**.
- **2009 – Operation Green Hunt**
  - Major coordinated security offensive by Centre & States.
  - Marked shift in counter-insurgency strategy: **security + development** approach.
- **2010s – Decline & Leadership Crisis**
  - **2010 Dantewada massacre** (76 CRPF killed) highlighted scale of violence.
  - **2018** – Ganapathi (long-time leader) removed, leadership crisis intensified.
  - Government intensified development works in LWE areas.
- **2020–2023 – Sharp Decline**
  - Reports of **357 Naxals killed in 2023**, many women cadre.
  - Surrender rate increased, cadre recruitment dropped.
  - Insurgency confined mainly to **Bastar (Chhattisgarh) & Gadchiroli (Maharashtra)**.
- **2024–2026 – Projected Endgame**
  - Union Home Ministry stated Naxalism may **end by mid-2026**.
  - Security agencies predict movement will survive only in small forest pockets.

### Definition (Key Term)

- **Naxalism:** A far-left radical communist movement in India inspired by Maoist ideology, advocating violent revolution to overthrow the state and establish a classless society.

### Conclusion

The trajectory of Naxalism reflects a transition from an ideologically driven revolutionary movement to fragmented militancy with declining influence. While terrorism worldwide (especially jihadist) remains on the rise, India shows a **declining curve in insurgency**, particularly Maoism, due to consistent state strategy and waning popular support. However, misuse of labels like “urban naxals” could distort realities and hinder effective policymaking.



## UPSC Relevance

- **GS-III (Internal Security):** Left-Wing Extremism (LWE), counter-insurgency strategies, security-development nexus.
- **GS-II (Governance & Polity):** Federal role in tackling internal disturbance, UAPA, tribal governance.
- **Essay:** Decline of ideology-based insurgency vs rise of new forms of terrorism (AI, cyber, jihadist).
- **Prelims Focus:** Naxalbari movement (1967), CPI (Maoist), Dandakaranya region, UAPA 1967, PESA 1996.

## 10. Balancing Code and Commerce in India-U.K. Trade Compact

### Key Points

- **Digital Trade Breakthrough:** Chapter 12 of the India-U.K. Comprehensive Economic and Trade Agreement (CETA) introduces new norms for digital trade, including recognition of e-signatures, paperless trade, electronic invoicing, and zero customs duties on electronic transmissions. This supports India's \$30 billion software export pipeline.
- **Benefits for Indian Industry:** The agreement allows ~99% of Indian exports to U.K. duty-free, with sharp tariff cuts on textiles (12% to 0%), opening British procurement markets for Indian IT firms, and lowering payroll costs through social-security waivers. It strengthens MSMEs' global competitiveness.
- **Regulatory Safeguards & Limitations:** Source-code inspection is restricted, but regulators can access it during investigations. A **general security exception** safeguards critical infrastructure like power grids and payment systems. Government procurement is excluded from digital trade commitments.
- **Data & Sovereignty Issues:** Government data-sharing is voluntary, with machine-readable format requirements when opened. No automatic MFN clause exists for cross-border data flows—future tougher rules require consultations. Audit trails and accredited labs are suggested for sensitive data/code.
- **Legal & Policy Frameworks:** The pact aligns with global trade norms, reflecting India's strategic shift from protectionism to engagement. Domestic legal foundation rests on **Digital Personal Data Protection Act, 2023**, which still requires notification of rules. Future deals must involve open consultations before ratification.
- **Need for Guardrails:** With rapid AI evolution (e.g., ChatGPT versions in 3 years), treaty reviews should be held every 3 years (instead of 5). Guardrails like trusted labs, audit trails, and broader stakeholder consultations are essential to balance sovereignty with global digital integration.



### Definitions

- **Comprehensive Economic and Trade Agreement (CETA):** A free trade agreement covering goods, services, investments, and digital trade.
- **Source Code:** The human-readable set of instructions that form the foundation of computer programs.



- **MFN (Most Favoured Nation):** A WTO principle ensuring equal trade advantages (tariffs, rules) to all trading partners without discrimination.

### Constitutional & Legal Linkages

- **Article 246 & 253:** Empower Parliament to legislate on trade and international agreements.
- **IT Act, 2000 & DPDP Act, 2023:** Provide domestic framework for digital trade, data privacy, and electronic transactions.
- **WTO IT Agreement:** India's commitments to keep electronic transmissions duty-free are consistent with multilateral obligations.

### Conclusion

The India-U.K. trade compact signals India's deeper integration into the global digital economy while raising critical concerns about digital sovereignty and regulatory oversight. Balancing innovation, market access, and national security remains the key challenge.

### UPSC Relevance

- **GS-2:** International Relations (India-U.K. trade ties, WTO, sovereignty concerns)
- **GS-3:** Economy & Technology (Digital economy, data protection, e-commerce policy)
- **GS-4:** Ethics in Tech (AI, privacy, balancing regulation vs. innovation).

## 11. Inclusivity in Election Commission's Special Intensive Revision (SIR) Exercise

### Key Points

- **Nature of SIR:** The Election Commission's **Special Intensive Revision (SIR)** of electoral rolls in Bihar requires documents like birth certificates, domicile, caste, or parental documents (post-1987/2003 births) for verification. Critics argue this may lead to voter exclusion.
- **Survey Findings:** A Lokniti-CSDS survey across 5 States (Assam, Kerala, MP, UP, WB) and Delhi found **over 50% lacked birth certificates**, 40% lacked domicile/caste certificates, and around **5% had none of the 11 EC-approved documents**. Women, SCs, OBCs, and the poor are disproportionately affected.
- **State-Level Disparities:** Documentation access varies sharply—Madhya Pradesh lowest (11% birth certificate possession), Kerala and WB higher (38–49%), but still leaving half uncovered. Aadhaar, though near-universal, was excluded by EC for SIR.
- **Challenges of Inclusivity:** Lack of historical record-keeping, administrative capacity, and generational documentation gaps make compliance difficult. Particularly post-1987/2003 conditions requiring parental proofs may exclude large sections.
- **Risk of Disenfranchisement:** Exclusion of Aadhaar and insistence on varied documents may disproportionately affect marginalized citizens, contradicting the constitutional mandate of **universal adult suffrage (Article 326)** and principles of **free & fair elections (Article 324)**.







- **Need for Reform:** Instead of rigid documentation, EC could adopt **inclusive verification mechanisms** like Aadhaar-linked authentication (with safeguards), local verification, and grievance redressal to prevent wrongful deletion.

### Definitions

- **Electoral Roll:** Official list of eligible voters prepared by the Election Commission under the **Representation of People Act, 1950**.
- **Special Intensive Revision (SIR):** A targeted exercise by the EC to update and verify electoral rolls, often involving stricter documentation checks.
- **Universal Adult Suffrage:** The constitutional guarantee (Article 326) that every citizen above 18 years has the right to vote without discrimination.

### Constitutional & Legal Provisions

- **Article 324:** Powers of the Election Commission to supervise elections.
- **Article 326:** Universal adult suffrage as the basis of elections.
- **Representation of the People Act, 1950 & 1951:** Legal framework for electoral rolls and conduct of elections.
- **SC Judgments:** The Supreme Court has held free & fair elections as part of the **basic structure doctrine** (Indira Gandhi v. Raj Narain, 1975).

### Conclusion

While cleansing electoral rolls is necessary, the current SIR framework risks large-scale disenfranchisement, especially of marginalized groups. A balance must be struck between ensuring authenticity of rolls and protecting inclusivity in India's democratic process.

### UPSC Relevance

- **GS-2:** Polity & Governance – Role of Election Commission, electoral reforms, citizen rights.
- **GS-3:** Governance & Technology – Aadhaar, digital verification, administrative capacity.
- **Essay/Ethics:** Democracy, inclusivity, rights of marginalized groups in electoral processes.

## 12. India to Build Indigenous Air Defence System by 2035: Sudarshan Chakra Mission

### Key Points

- **Sudarshan Chakra Mission (2035):** Announced by PM Modi, aims to provide an **indigenous air defence shield** covering strategic and civilian areas (hospitals, railways, religious places) by 2035. It emphasizes **neutralizing enemy attacks and ensuring strong retaliation** through advanced technology.
- **Self-Reliance in Defence:** India currently operates Russian S-400 missile systems but seeks to reduce foreign dependence. Operation Sindoor (May 2025) showcased the effectiveness of **Made-in-India weapons**, reinforcing the idea that **national security cannot rest on imports**.
- **Strategic Autonomy:** PM highlighted that indigenous capabilities allow India to **reject nuclear blackmail**, dismantle terror infrastructure, and safeguard sovereignty. This aligns with **Atmanirbhar Bharat and Viksit Bharat by 2047** vision.



- **Indus Waters Treaty Stance:** Modi criticized the Treaty as unjust, asserting “**Blood and water cannot flow together**,” signaling a tougher stance on water sharing with Pakistan, linked to national security concerns.
- **Innovation & Youth Role:** Call for youth and scientists to develop **indigenous jet engines**, space technologies, and defence platforms—drawing parallels with successes in **COVID-19 vaccines** and **UPI digital payments**.
- **Broader Security Vision:** Expansion of a **National Security Shield** integrating IACCS (Integrated Air Command and Control System), advanced missiles, drones, and AI-driven technologies for complete strategic superiority.

### Definitions

- **Air Defence System:** A network of weapons, radar, and control systems designed to detect, track, and destroy enemy aircraft, drones, or missiles.
- **Strategic Autonomy:** A nation’s ability to pursue its security and foreign policy objectives **independently**, without reliance on external powers.
- **Self-Reliance (Atmanirbhar Bharat):** Policy framework aimed at reducing dependency on imports by boosting domestic manufacturing and innovation, especially in critical sectors like defence.



### Constitutional & Legal Provisions

- **Article 51A(d):** Fundamental duty of every citizen to defend the country and render national service when called upon.
- **Article 246 & Seventh Schedule:** Union List gives Parliament exclusive power over defence and armed forces.
- **Defence Procurement Procedure (DPP) & Defence Acquisition Policy (DAP 2020):** Legal frameworks prioritizing indigenous procurement in defence manufacturing.
- **Supreme Court Doctrine:** National security and sovereignty are held as paramount, forming part of the **basic structure** of the Constitution.

### Conclusion

The Sudarshan Chakra mission represents a landmark shift towards **strategic autonomy, technological self-reliance, and comprehensive national security**. By reducing dependence on foreign defence imports, India aims not only to secure its borders but also to strengthen its global standing as a **self-reliant and technologically advanced power** by 2047.

### UPSC Relevance

- **GS-2:** National security, international treaties (Indus Waters Treaty), role of executive leadership.
- **GS-3:** Defence technology, Atmanirbhar Bharat, innovation, cyber & space security.
- **Essay/Ethics:** Self-reliance vs. dependence, strategic autonomy as a moral and political imperative, linkage between **security, sovereignty, and dignity**.



### 13. Pradhan Mantri Viksit Bharat Rozgar Yojana (PM-VBRY) – Key Highlights

- **Objective and Financial Outlay**

The scheme, announced by PM Modi in his 12th Independence Day address (15 August 2025), has a financial outlay of nearly ₹1 lakh crore. It aims to generate over **3.5 crore jobs in two years**, thereby strengthening the bridge from *Swatantra Bharat* to *Samriddha Bharat*.

- **Part A – Support to First-Time Employees**

- Targeted at first-time employees registered with **EPFO**.
- Eligible employees with salaries up to ₹1 lakh will receive **incentives up to ₹15,000**, in two instalments (after 6 and 12 months).
- The 2nd instalment is linked with completion of a **financial literacy programme**.
- To inculcate savings habit, part of the incentive will be locked in a deposit account.
- Expected to benefit **1.92 crore first-time employees**.

- **Part B – Incentives for Employers**

- Employers across sectors, especially manufacturing, will be incentivized to create new jobs.
- Incentive: **up to ₹3,000 per month per new employee for 2 years**, with extension to 3rd and 4th years in manufacturing.
- Expected to create **2.60 crore new employment opportunities**.



- **Mechanism of Incentive Transfer**

- **Direct Benefit Transfer (DBT):** Payments to employees via Aadhaar Bridge Payment System (ABPS).
- Employer incentives transferred directly to **PAN-linked bank accounts**.
- Ensures transparency and reduces leakages, aligning with JAM trinity (Jan Dhan-Aadhaar-Mobile).

- **Constitutional and Legal Provisions Linked**

- **Directive Principles of State Policy (DPSP):** Article 39 (right to adequate livelihood), Article 41 (right to work).
- **Article 43:** State to ensure living wages and decent working conditions.
- Aligns with **SDG-8 (Decent Work and Economic Growth)** and promotes **formalization of workforce** through EPFO coverage.
- Linked with labour reforms under the **Code on Social Security, 2020**.

- **Key Definitions**

- **Formalization of Workforce:** Bringing workers under official records and extending social security benefits like EPFO, ESI.
- **Direct Benefit Transfer (DBT):** Government subsidies/welfare payments transferred directly to beneficiaries' bank accounts, minimizing middlemen.

#### Conclusion and UPSC Relevance

The Pradhan Mantri Viksit Bharat Rozgar Yojana is a landmark step for **employment generation, workforce formalization, and economic growth**. It encourages both youth to join formal employment and employers to create sustainable job opportunities, especially in manufacturing. For UPSC, it is relevant under **Indian Economy (employment, growth, welfare schemes)**, **Social Justice**, and **Polity (DPSPs and labour rights)**. It may also be asked in relation to **demographic dividend**, **Atmanirbhar Bharat**, and **Viksit Bharat@2047 vision**.