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

## **DAILY CURRENT AFFAIRS**

**FOR UPSC CIVIL SERVICE EXAMINATION**

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## 1. Will Lower GST Rates Upset Fiscal Math?

### • GST Reform (GST 2.0)

- Definition: *Goods and Services Tax (GST)* is a comprehensive indirect tax on manufacture, sale, and consumption of goods and services in India, subsuming multiple taxes.
- GST 2.0 reduces slabs from 4 to 2 (5% & 18%), with a higher 40% rate on “sin goods”.
- Simplified registration, removal of inverted duty structure, and clearer classification aim to boost compliance.
- Lower rates on mass-consumption goods → increased affordability & consumption.

### • Revenue Implications

- Estimated shortfall: ₹48,000 crore annually (based on 2023–24 patterns).
- Government expects revenue loss to be *temporary* due to higher compliance and consumption-led growth.
- Risk: Weak direct and indirect tax mobilization may worsen fiscal stress.



### • Fiscal Deficit Concerns

- Fiscal deficit target for FY26: **4.4% of GDP** (stiff consolidation path).
- Govt. may cut expenditure, rely on RBI & PSU dividends, or push divestments (LIC, IDBI) to balance books.
- Past record: Govt. has maintained credibility in fiscal consolidation.

### • Economic Impact of Rate Cuts

- GST + income tax cuts = *stimulus for demand*.
- Aim: Boost private investment and GDP growth.
- Challenge: Consumption response will have a lag → temporary dip in revenues.
- Festive season timing chosen to minimize lag effect.

### • Tax Collection Performance (FY25 so far)

- Direct tax collection fell **4%** (vs 12% growth projected).
- Indirect taxes also below estimates.
- Experts warn: Achieving targets requires **double the budgeted buoyancy**.

### • Constitutional & Legal Aspects

- **Constitution (101st Amendment) Act, 2016**: Empowered Parliament & States to levy GST.
- **Article 279A**: GST Council established to recommend rates, exemptions, and policy.
- **Fiscal Responsibility and Budget Management (FRBM) Act, 2003**: Provides legal framework for fiscal deficit targets.





- **National Security Clause:** India reserves the right to screen investments on grounds of national security and strategic interest.
- **Strategic Significance**
  - Balancing Act: India seeks FDI inflows for growth while safeguarding national security.
  - SCO Summit participation signals diplomatic pragmatism despite border tensions.
  - Policy clarity on FDI norms could boost private investment, industrial growth, and global investor confidence.

## Conclusion

India's reconsideration of PN3 restrictions reflects the need to attract capital, technology, and trade opportunities while managing geopolitical risks. Defining clear thresholds for Chinese-linked investments could unlock growth in non-sensitive sectors without compromising national security.

## UPSC Relevance

- **GS-2 (Polity & IR):** India-China relations, FDI policy framework, strategic autonomy.
- **GS-3 (Economy):** FDI norms, FEMA, investment climate, trade protectionism.
- **Essay/Interview:** Balancing economic interdependence with national security; India's response to US protectionism and China's manufacturing dominance.

## 3. No GST on Life, Health Insurance – Insurers Brace for Cost Shock

- **GST Exemption on Insurance**
  - *Definition:* Goods and Services Tax (GST) is an indirect tax on supply of goods and services, governed by the **101st Constitutional Amendment Act, 2016** and **Article 279A** (GST Council).
  - Govt. has scrapped GST (earlier 18%) on all individual life and health insurance premiums as part of tax rationalization.
  - Consumers directly benefit through lower premiums on life insurance, ULIPs, endowment plans, family floater and senior citizen health policies.
- **Impact on Consumers**
  - Lower premiums will encourage higher insurance penetration in India (currently low compared to global standards).
  - Rising healthcare costs make cheaper insurance attractive, encouraging both new buyers and existing policyholders to expand coverage.
  - If hospitals also pass on GST relief, claim costs could reduce further.
- **Impact on Insurers**
  - *Loss of Input Tax Credit (ITC):* Insurers cannot claim tax credits on inputs like IT services, rentals, and professional fees, raising operational costs.





- Expected 3–8% cost impact depending on portfolio mix.
- *IRDAI's Expenses of Management (EoM) cap of 30%* will limit insurers' ability to absorb rising costs.
- In medium to long term, pricing cycles may be revised → marginal premium hikes possible.
- **Industry Perspective**
  - Insurance sector earlier demanded a reduction (18% → 5%) instead of full exemption to preserve ITC.
  - Market competition will prevent arbitrary increase in premiums, ensuring that benefits reach policyholders.
- **Legal & Regulatory Framework**
  - **Insurance Regulatory and Development Authority of India (IRDAI)** regulates insurance pricing, management expenses, and consumer protection.
  - GST exemption is based on recommendations of the **GST Council** under Article 279A.
  - **Consumer Protection Act, 2019** may also apply if insurers fail to pass on reasonable benefits.

### Conclusion

The removal of GST on individual life and health insurance policies is a consumer-friendly step that will make insurance more affordable, thereby deepening financial inclusion and social security. While insurers face higher costs due to ITC loss, regulatory caps and market competition will ensure consumer interests are largely protected.

### UPSC Relevance

- **GS-3 (Economy):** Indirect taxation, GST reforms, insurance penetration in India.
- **GS-2 (Polity & Governance):** Role of GST Council, IRDAI regulations, social security measures.
- **Essay/Interview:** Tax rationalization vs. revenue loss, insurance as a tool for financial inclusion, balancing industry costs with consumer benefits.

## 4. States Fear GST Loss; Rejig to Fuel Spending & Growth

- **GST Overhaul & Tax Rationalization**
  - *Definition:* Goods and Services Tax (GST) is a unified indirect tax on goods and services, enabled by the **101st Constitutional Amendment Act, 2016** and guided by the **GST Council (Article 279A)**.
  - Recent reforms: Merging of 12% and 28% slabs into lower rates → projected **₹48,000 crore annual revenue loss**.
  - Aim: Stimulate domestic demand, boost competitiveness, and reduce consumer prices across industries.
- **Concerns of States**



- Eight non-BJP ruled states (Kerala, Tamil Nadu, Telangana, Karnataka, Punjab, Himachal Pradesh, West Bengal, Jharkhand) demanded compensation for revenue loss.
- States emphasized revenue protection due to rising fiscal pressures and sought formation of a *Group of Ministers* for compensation mechanism.
- Issue linked to the earlier **GST Compensation Cess (2017–2022)** that had ended, causing states to rely more on own tax revenues.
- **Centre’s Stand & Economic Rationale**
  - Union Govt.: Short-term losses will be offset by higher consumption, investment, and export competitiveness.
  - Industries assured govt. that tax cuts will be passed on to consumers → expected to reduce inflation and enhance demand.
  - Piyush Goyal: Reform is a “massive transformational decision” aimed at economies of scale and manufacturing push.
- **Macroeconomic Impact**
  - Standard Chartered report: GST cuts may boost GDP growth by **0.1–0.16 percentage points** and lower inflation by **40–60 basis points annually**.
  - Fiscal impact: Likely limited, but could add pressure of **0.15–0.20% of GDP** on combined fiscal deficit.
  - Need for clarity on cess collection and revenue-sharing mechanisms.
- **Constitutional & Legal Provisions**
  - **Article 279A**: GST Council decides on rates, exemptions, and structure.
  - **Article 270 & 271**: Distribution of taxes between Centre and States; allows levy of surcharges/cess for specific purposes.
  - **GST (Compensation to States) Act, 2017**: Provided for compensation to states for 5 years (ended in June 2022).



## Conclusion

The GST rejig is a growth-oriented reform aimed at boosting consumption and competitiveness, but it creates short-term fiscal stress for states. While the Centre banks on economic expansion to offset revenue loss, states remain apprehensive without a clear compensation framework.

## UPSC Relevance

- **GS-2 (Polity & Governance)**: Federalism, Centre–State fiscal relations, GST Council functioning.
- **GS-3 (Economy)**: Indirect taxation reforms, fiscal deficit, inflation, and GDP growth.
- **Essay/Interview**: Balancing fiscal federalism with growth-oriented tax reforms; role of GST in cooperative federalism.

## 5. Ayurveda Food from Ancient Texts Can Now Seek FSSAI Nod

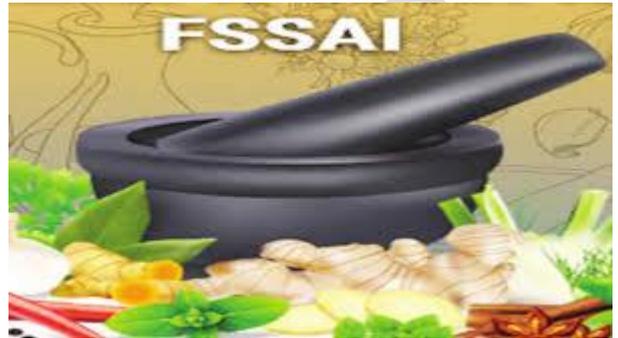
- **New Regulatory Category**



- *Definition: Ayurveda Aahara* refers to food products prepared as per authoritative Ayurvedic texts, distinct from Ayurvedic medicines or drugs.
- The **Food Safety and Standards Authority of India (FSSAI)** has introduced a new category under its *Food Safety Compliance System (FoSCoS)* effective from **1 September 2024**.
- This provides a licensing regime and compliance pathway for businesses producing such foods.

- **Legal & Regulatory Framework**

- Governed by **Food Safety and Standards (Ayurveda Aahara) Regulations, 2022**.
- *Schedule A* lists approved classical Ayurvedic texts (e.g., *Charaka Chikitsasthana, Sushruta Sutrasthana, Bhavaprakash Nighantu*).
- Exclusions: Ayurvedic drugs, proprietary medicines, narcotics, and substances outside food category.
- Constitutional backing: **Article 47 (Directive Principles)** – State’s duty to improve nutrition and health; **Food Safety and Standards Act, 2006** empowers FSSAI.



- **Economic & Industry Significance**

- Market size: ₹74,850 crore in 2023, projected to reach ₹3.2 trillion by 2032 (IMARC report).
- Provides regulatory clarity for Food Business Operators (FBOs), reducing ambiguity and enabling legal marketing.
- Ensures safety, quality, and authenticity, strengthening consumer trust in Ayurveda-based nutrition.

- **Consumer & Health Impact**

- Ayurveda Aahara bridges *nutrition and medicine*, treating food as a first line of therapy for lifestyle disorders like diabetes, hypertension, and obesity.
- Examples include *Krishara (khichdi), Panaka (fruit drinks), Dadhi (curd-based foods), and Gulkand (rose jam)*.
- Builds trust by ensuring that products meet safety and regulatory standards.

- **Strategic & Cultural Importance**

- Supports India’s traditional knowledge systems while aligning with modern food safety regulations.
- Strengthens India’s global positioning in the wellness and nutraceutical market.
- Encourages integration of Ayurveda with preventive healthcare and nutrition-based therapies.



## Conclusion

The creation of a separate *Ayurveda Ahara* category under FSSAI provides regulatory clarity, consumer safety, and growth opportunities for India's booming Ayurveda food sector. It formalizes centuries-old wisdom within a modern legal framework, fostering both economic growth and public health benefits.

## UPSC Relevance

- **GS-2 (Governance):** Regulatory framework, FSSAI's role, public health policy.
- **GS-3 (Economy & Science-Tech):** Nutraceuticals, food safety, Ayurveda industry growth, preventive healthcare.
- **GS-1 (Culture):** Preservation and modernization of traditional knowledge systems.
- **Essay/Interview:** Ayurveda as a bridge between tradition and modernity; role of regulation in promoting indigenous knowledge globally.

## 6. India–Singapore to Review Trade Pacts

### • Background & Trade Pacts

- *Comprehensive Economic Cooperation Agreement (CECA):* A bilateral trade pact signed in 2005 between India and Singapore to promote trade in goods, services, and investment.
- *ASEAN Trade in Goods Agreement (ATIGA):* A multilateral framework under ASEAN for tariff liberalization and trade facilitation, where India engages via ASEAN–India FTA.
- Both pacts are now being reviewed in a *time-bound manner* to address emerging trade challenges and opportunities.



### • Strategic & Economic Context

- Global trade flows disrupted by **protectionist tariffs by the US** (India faces 50% tariff on some goods).
- India aims to diversify exports to **50 identified markets** and deepen regional economic partnerships to reduce dependence on Western economies.
- Singapore is India's **top trading partner in Southeast Asia** and a leading FDI source.

### • Bilateral Trade Snapshot (FY24)

- Exports: \$14.41 billion (petroleum, chemicals, ships, precious metals).
- Imports: \$21.20 billion (electronic parts, computer hardware, coal, chemicals).
- Trade deficit: **\$6.79 billion** in Singapore's favour.

### • New Areas of Cooperation

- Technology & Innovation: AI, quantum computing, semiconductors, biotech, and chips.
- Infrastructure & Green Growth: Green and Digital Shipping Corridors to support green fuel supply chains and faster port clearances.



- Finance & Connectivity: UPI–PayNow digital payments link (now with 13 Indian banks), GIFT City–Singapore stock market connections.
- Capacity Building: National Centre of Excellence for Skilling in Chennai.
- Multi-sectoral ties extend to civil nuclear energy, water management, advanced manufacturing, and space.
- **Constitutional & Legal Provisions**
  - **Article 246 & Seventh Schedule:** Union List subjects include foreign trade, treaties, and agreements.
  - **Article 253:** Parliament has power to legislate for implementing international treaties/agreements.
  - *Foreign Trade Policy & FEMA (1999)* provide statutory backing for regulating trade and foreign investment.

### Conclusion

India–Singapore trade pact reviews reflect a strategic push to modernize agreements, diversify markets, and integrate new-age sectors like AI, semiconductors, and green shipping. While trade deficit remains a challenge, cooperation in finance, skilling, and technology strengthens India’s Act East Policy and positions both nations as key partners in an uncertain global trade order.

### UPSC Relevance

- **GS-2 (International Relations):** India–Singapore bilateral ties, ASEAN relations, Act East Policy.
- **GS-3 (Economy):** Foreign trade, CECA, FDI, technology cooperation.
- **Essay/Interview:** Trade diversification amid global protectionism; role of Singapore as India’s economic gateway to Southeast Asia.

## 7. Aim to Make Northeast India’s Logistics & Aviation Hub

- **Government Vision**
  - Union Civil Aviation Minister K. Ram Mohan Naidu announced plans to develop the **North-East as a logistics and aviation hub**, linking India with **South-East Asia**.
  - Part of India’s broader **Act East Policy**, aiming to enhance connectivity, trade, and integration of the North-East with ASEAN economies.
- **Infrastructure Growth**
  - Number of operational airports in the North-East increased from **9 in 2014 to 16 at present**.
  - All eight North-Eastern states are now connected by air, reducing isolation and improving accessibility.
  - Focus on logistics corridors, cargo handling, and aviation-linked infrastructure to support regional development.





- **Strategic & Economic Importance**

- The North-East shares borders with **China, Myanmar, Bangladesh, Bhutan, and Nepal**, making it a gateway to South-East Asia.
- Improved aviation and logistics will boost **trade, tourism, and investment**, while addressing developmental gaps in the region.
- Supports government initiatives like **UDAN (Ude Desh ka Aam Nagrik)** for affordable regional air connectivity.

- **Constitutional & Legal Provisions**

- **Article 371A–371H**: Provide special provisions for North-Eastern states to safeguard their development and cultural identity.
- **Sixth Schedule**: Grants autonomy to tribal areas in governance and development planning.
- **Civil Aviation Policy (2016)** and **National Logistics Policy (2022)** provide frameworks for connectivity and supply chain efficiency.

- **Socio-Economic Benefits**

- Better connectivity expected to enhance **employment, healthcare access, education, and disaster response** in the region.
- Aviation and logistics development will integrate local producers (horticulture, handicrafts, organic farming) with national and global markets.

## Conclusion

Transforming the North-East into a logistics and aviation hub will not only integrate the region more closely with India's economy but also position it as a strategic bridge to South-East Asia. This aligns infrastructure growth with foreign policy and inclusive regional development goals.

## UPSC Relevance

- **GS-1 (Geography)**: Regional development of the North-East, connectivity challenges.
- **GS-2 (Polity & IR)**: Act East Policy, Centre–State coordination, border state significance.
- **GS-3 (Economy & Infrastructure)**: Aviation sector, logistics, UDAN scheme, National Logistics Policy.
- **Essay/Interview**: “Connectivity as a driver of development in the North-East”; “North-East India as India's gateway to South-East Asia.”

## 8. GST Overhaul and MSME Sector Benefits

- **Reforms in GST Structure**

- GST Council introduced a **twin-rate system** (5% and 18%, with a few items at 40%).
- Major changes include lower tax rates, easier registration, faster refunds, and simplified compliance.
- This is the **biggest overhaul since GST's introduction in 2017**.



- **Impact on MSMEs**

- India has **66 million MSMEs** contributing ~30% of GDP and ~45% of exports.
- Cheaper raw materials and reduced levies on finished products will lower input costs and enhance competitiveness.
- Easier compliance will reduce administrative burden and promote formalization.

- **Key Tax Cuts**

- **Removed 5% levy:** finished food products like breads, UHT milk, paneer.
- **Reduced GST to 5%** (from 12%/18%): items such as sauces, pasta, noodles, chocolates, coffee, butter, ghee, cornflakes, preserved meat.
- **Agricultural machinery and healthcare products** (syringes, gauzes, bandages) also benefit from lower GST.

- **Economic Significance**

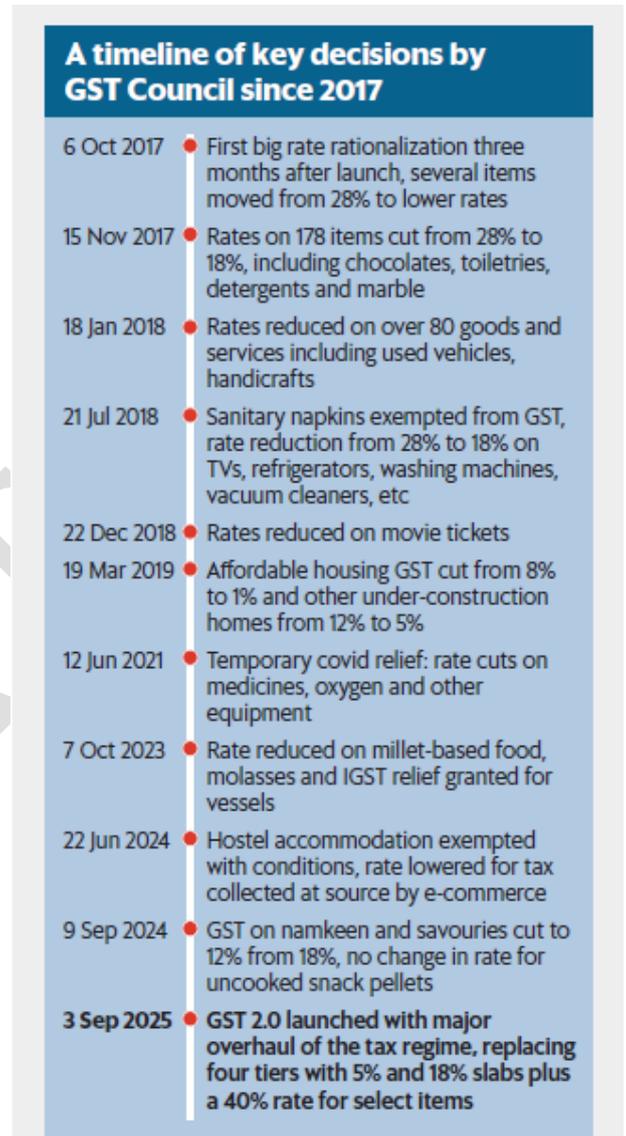
- Expected to stimulate **domestic demand and exports** by making MSMEs more cost-competitive.
- Reduction in healthcare and agricultural input costs supports wider socio-economic development.
- Promotes formalization and growth of small businesses in food processing, household goods, agriculture, and healthcare sectors.

- **Constitutional & Legal Context**

- **Article 246A:** empowers Parliament and State legislatures to make laws on GST.
- **101st Constitutional Amendment Act, 2016:** established the GST framework.
- **GST Council (Article 279A):** constitutional body for recommending tax rates and policy changes.

- **Definition: MSMEs**

- As per **MSME Development Act, 2006**, revised in 2020:
  - **Micro:** Investment ≤ ₹1 crore & turnover ≤ ₹5 crore.
  - **Small:** Investment ≤ ₹10 crore & turnover ≤ ₹50 crore.
  - **Medium:** Investment ≤ ₹50 crore & turnover ≤ ₹250 crore.





## Conclusion

The GST overhaul with lower rates and simpler compliance is expected to significantly benefit India's MSMEs by cutting costs, boosting demand, and improving export competitiveness. This aligns with India's vision of inclusive growth, formalization of the economy, and Atmanirbhar Bharat.

## UPSC Relevance

- **GS-2 (Polity):** Role of GST Council, Centre–State fiscal relations.
- **GS-3 (Economy):** MSME sector, indirect tax reforms, export competitiveness.
- **GS-4 (Ethics):** Ease of doing business, transparency in taxation.
- **Essay/Interview:** “GST and MSMEs: Balancing compliance with competitiveness”; “Indirect taxation as a tool of inclusive economic growth.”

## 9. Supreme Court on Online Gaming Law

- **Background of the Case**
  - Multiple writ petitions challenging the **Promotion and Regulation of Online Gaming Act** (which bans online money gaming) are pending before the High Courts of **Madhya Pradesh, Karnataka, and Delhi**.
  - The **Supreme Court (SC)** agreed to hear the **Centre's plea to transfer these cases** to itself to avoid conflicting judgments.
- **Centre's Stand**
  - Solicitor General Tushar Mehta argued that petitions before different High Courts should be **clubbed and transferred to SC** for uniformity.
  - The Centre plans to notify the law soon, which will also create an authority to **promote e-sports and casual games** (non-monetary).
  - The online gaming industry has sought interim relief, including **one-week notice prior to enforcement**.
- **Judicial Context**
  - A bench led by Justice J.B. Pardiwala had earlier reserved judgment in challenges to the **28% GST on online gaming**.
  - In 2024, SC had consolidated **27 petitions from nine High Courts** regarding GST on online money gaming.





- This reflects the Court’s consistent approach to **centralize major national-level disputes** involving constitutional and economic questions.
- **Key Legal & Constitutional Provisions**
  - **Article 32 & Article 226:** Provide the right to approach SC/HC for enforcement of fundamental rights.
  - **Article 139A:** Allows SC to transfer cases pending in High Courts to itself if they involve **substantially the same questions of law**.
  - **Entry 34, List II (State List):** States empowered to legislate on betting and gambling.
  - **Union’s legislative intent:** Distinguishing between illegal betting/gambling and **legitimate online skill-based/e-sports**.
- **Definition: Online Gaming**
  - **Online Money Gaming:** Games played on digital platforms involving wagering or staking of real money.
  - **E-sports:** Competitive video gaming without monetary betting, now recognized as a legitimate sports activity.

## Conclusion

The SC’s move to centralize petitions ensures **legal consistency and clarity** on the regulation of online gaming in India, balancing consumer protection, state legislative powers, and the growth of the digital economy.

## UPSC Relevance

- **GS-2 (Polity & Governance):** Role of SC in transfer of cases, Centre–State legislative powers, federalism.
- **GS-3 (Economy & Technology):** Regulation of digital economy, taxation (GST), e-sports vs gambling.
- **GS-4 (Ethics):** Gambling, addiction, and responsible regulation of technology.
- **Essay/Interview:** “Digital economy and law: Balancing innovation, taxation, and regulation”; “Online gaming in India—revenue opportunity or social challenge?”

## 10. SC Concern over Illegal Tree Felling in Himalayan Forests

- **Issue Raised by the Supreme Court**
  - The SC expressed concern over visuals of **logs floating in floodwaters** during recent floods in **Uttarakhand, Himachal Pradesh, J&K, and Punjab**, indicating **illegal tree felling** in ecologically sensitive Himalayan forests.
  - Chief Justice B.R. Gavai warned that if such practices continue, “**we will not have any forests left,**” emphasizing the environmental cost of unregulated development.
- **Environmental & Ecological Context**



- The **Himalayan ecosystem** is fragile, playing a crucial role in climate regulation, biodiversity, and as the source of major rivers.
- **Deforestation** increases risks of soil erosion, landslides, flash floods, and loss of biodiversity, worsening disaster vulnerability in Himalayan states.
- Flooding in Punjab and other plains is partly linked to degradation of upstream ecosystems.
- **Legal & Constitutional Provisions**
  - **Article 21 (Right to Life):** Expanded to include the right to a clean and healthy environment.
  - **Article 48A (Directive Principles):** Mandates the State to protect and improve forests and wildlife.
  - **Article 51A(g) (Fundamental Duty):** Duty of citizens to protect the environment.
  - **Forest (Conservation) Act, 1980 & Indian Forest Act, 1927:** Regulate diversion and protection of forest land.
  - **Environment Protection Act, 1986:** Umbrella law to safeguard ecological balance.
- **Judicial Precedents**
  - **T.N. Godavarman v. Union of India (1996):** Landmark case where SC expanded the definition of “forest” and imposed restrictions on deforestation.
  - **MC Mehta cases:** Linked environmental protection with fundamental rights.
  - SC has consistently held that **sustainable development** must balance ecology and development.
- **Definition: Sustainable Development**
  - Defined as development that **meets the needs of the present without compromising the ability of future generations to meet their needs** (Brundtland Report, 1987).
  - In Indian jurisprudence, it implies balancing **environmental protection, economic growth, and social justice**.



## Conclusion

The SC's concern highlights the urgent need for **strict forest governance, better disaster management, and sustainable development practices** in the Himalayan region. Unchecked deforestation not only threatens biodiversity but also amplifies the human cost of climate-related disasters.

## UPSC Relevance

- **GS-1 (Geography):** Himalayan ecology, natural disasters, flood management.
- **GS-2 (Polity):** Role of SC in enforcing environmental governance; Centre–State coordination.
- **GS-3 (Environment):** Forest laws, sustainable development, disaster resilience.



- **Essay/Interview:** Topics on balancing development and environment, ecological security as national security.

## 11. Centre and Manipur Govt. Peace Pact with Kuki-Zo Groups

### • Background of the Pact

- The **Union Home Ministry** and **Manipur Government** signed a revised **Suspension of Operations (SoO)** agreement with **Kuki-Zo insurgent groups**.
- Comes ahead of PM Narendra Modi's visit to Manipur (first since ethnic violence between **Kuki-Zo and Meitei communities** on May 3, 2023).

### • Key Provisions of the Revised SoO

- **Verification of cadres** of insurgent groups by security forces.
- **De-listing and deportation of foreign nationals**, if any, found among the insurgent groups.
- **Relocation of insurgent camps** to prevent misuse during ongoing ethnic tensions.
- Reaffirmation of **Manipur's territorial integrity**, a sensitive political issue.

### • Definition: Suspension of Operations (SoO)

- A **temporary ceasefire agreement** between the government and insurgent groups, under which militants **suspend armed activities** in exchange for security and political negotiations.
- Groups must remain in designated camps with registered arms.

### • Constitutional & Legal Framework

- **Article 355:** Duty of the Union to protect states against external aggression and internal disturbance.
- **Seventh Schedule (Union List & State List):** Law and order is a state subject, but armed insurgency invites central intervention.
- **Unlawful Activities (Prevention) Act, 1967 (UAPA):** Governs action against insurgent groups.
- Peace accords are often precursors to **Article 371C provisions**, which provide for special arrangements in Manipur regarding tribal areas.

### • Broader Security & Political Context

- Manipur faces long-standing ethnic and insurgency challenges, with **Kuki-Zo, Naga, and Meitei groups** often in conflict.
- Peace accords with insurgent groups aim to stabilize the region, aid in **development, integration, and counter-insurgency efforts**.

## Centre and Manipur govt. ink peace pact with Kuki-Zo groups

**Vijaita Singh**  
NEW DELHI

The Union Home Ministry and the Manipur government signed a Suspension of Operations (SoO) pact with the Kuki-Zo insurgent groups on Thursday with "re-negotiated terms and conditions or ground rules", the Ministry said on Thursday.

The development comes ahead of Prime Minister Narendra Modi's expected visit to Manipur on September 13, his first since violence between the Kuki-Zo and Meitei people erupted on May 3, 2023.

Security forces will conduct verification of cadres and de-list foreign nationals, if any, the Ministry said. A government official said once identified, the foreign nationals would be

### Core pact

The agreement was signed with 're-negotiated terms and conditions or ground rules'

- The revised ground rules reiterate territorial integrity of Manipur and relocation of camps run by insurgent groups



- The rules also stress need for a negotiated solution to bring lasting peace and stability to the State

deported. The revised ground rules reiterate territorial integrity of Manipur and relocation of camps of insurgent groups.

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**TIGHTENED NORMS**  
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- Relocation of camps and cadre verification are crucial to avoid **parallel armed control** during ongoing ethnic clashes.

### Conclusion

The revised SoO pact reflects the Centre's attempt to **restore peace, preserve Manipur's territorial integrity, and manage ethnic fault lines**. It balances counter-insurgency measures with political outreach, while ensuring foreign elements do not destabilize the region.

### UPSC Relevance

- **GS-2 (Polity & Governance):** Centre–State relations, peace accords, internal security.
- **GS-3 (Internal Security):** Insurgency in North-East India, counter-terrorism measures, ethnic conflicts.
- **Essay/Interview:** “Peace-building in conflict-prone regions”; “Ethnic diversity and internal security challenges in North-East India.”

## 12. IIT-Madras Tops NIRF Rankings; Debate on ‘Peer Perception’

- **NIRF 2025 Rankings**
  - **IIT-Madras** retained the **top position overall for the 7th consecutive year** and as the **best engineering college for the 10th year**.
  - The **National Institutional Ranking Framework (NIRF)** assesses higher educational institutions across India on multiple performance parameters.
- **Criticism of ‘Peer Perception’ Parameter**
  - Union Education Minister **Dharmendra Pradhan** criticized the **‘peer perception’** criterion, which carries **10% weightage** in rankings.
  - Concern: It may disadvantage **government-funded and state-run institutions** compared to elite metropolitan institutions due to bias in perception.
  - Several states have also alleged **regional bias** in rankings based on this factor.
- **NIRF Methodology Parameters**
  - **Teaching, Learning & Resources (TLR)**
  - **Research and Professional Practice (RP)**
  - **Graduation Outcomes (GO)**
  - **Outreach & Inclusivity (OI)**
  - **Peer Perception (PP)** (subject of criticism)
- **Definition: Peer Perception**
  - A metric based on **opinions of employers, academic peers, and stakeholders** about the reputation of an institution.





- Subjective in nature, which raises concerns about fairness in ranking non-elite or regional institutions.
- **Constitutional & Legal Framework**
  - **Entry 66, Union List (Seventh Schedule):** Coordination and determination of standards in higher education is a Union responsibility.
  - **Article 14 (Equality before Law):** Criticism of rankings touches upon equal opportunity for all institutions.
  - **National Education Policy (NEP) 2020:** Emphasizes holistic and equitable ranking systems aligned with global benchmarks.
- **Broader Implications**
  - Rankings like NIRF influence **funding, admissions, global recognition, and institutional competitiveness**.
  - The debate highlights the need for a **balanced framework** that values both academic performance and equitable representation of diverse institutions.

### Conclusion

The NIRF rankings reinforce IIT-Madras's dominance in higher education, but criticism of the **peer perception metric** exposes concerns of fairness, regional bias, and equity in evaluation. A more **transparent, objective, and inclusive methodology** is required to ensure all institutions—elite or regional—are judged fairly.

### UPSC Relevance

- **GS-2 (Governance, Education):** Higher education policy, role of Union in education standards.
- **GS-2/GS-3:** National Education Policy (NEP) 2020, institutional rankings, and quality benchmarks.
- **Essay/Interview:** “Equity and Excellence in Higher Education in India”; “Do rankings reflect real quality of institutions?”

## 13. Supreme Court on Regulating Social Media & Commercial Speech

- **SC Directive for Guidelines**
  - On **August 25, 2025**, the **Supreme Court** asked the Union Government to draft **guidelines for regulating social media content**, especially commercialised speech by influencers that may offend vulnerable groups.
  - The Bench of **Justices Surya Kant and Joymalya Bagchi** directed consultation with the **National Broadcasters and Digital Association (NBDA)**.
- **Existing Legal Mechanisms**
  - Regulation already exists through:
    - **Bharatiya Nyaya Sanhita (BNS)** provisions (formerly IPC).





- **Information Technology (IT) Act, 2000** and **Section 69A** for blocking content.
- **IT (Blocking) Rules, 2009** allowing takedowns via court/executive orders.
- Concerns raised over **opacity, secrecy, and lack of natural justice** in current content removal practices.
- **Freedom of Speech & Reasonable Restrictions**
  - **Article 19(1)(a)**: Guarantees freedom of speech and expression, including satire, comedy, and commercial speech.
  - **Article 19(2)**: Allows restrictions only on grounds like **public order, morality, decency, defamation, and state security**.
  - **Case Law**:
    - *Subramanian Swamy v. Union of India (2016)*: Upheld criminal defamation, linking free speech with dignity.
    - *Sakal Papers v. Union of India (1962)*: Recognised commercial speech as part of Article 19(1)(a).
    - *Imran Pratapgadhi Case (2024)*: Reaffirmed protection of unpalatable speech.
- **Concerns Over ‘Dignity’ as a Ground for Restriction**
  - Experts argue **dignity is not explicitly a ground under Article 19(2)** and risks **expansive censorship**.
  - Over-broad regulations may create a **“chilling effect”** on comedians, artists, journalists, and satirists.
- **Judicial & Institutional Issues**
  - **Polyvocality of SC**: Divergent views from different Benches may lead to inconsistent precedents.
  - Critics warn against the judiciary directing the **executive to draft regulations**, as it may blur **separation of powers** and make challenges harder.
- **Safeguards Needed in New Regulations**
  - **Transparency**: Clear notice and review mechanisms before takedowns.
  - **Stakeholder Consultation**: Must include creators, civil society, and affected groups, not just regulators.
  - **Proportionality Test**: Any restriction must be narrowly tailored and constitutionally valid.

## Conclusion

The SC’s intervention reflects rising concern over **social media regulation and influencer speech**. While protection of vulnerable groups is important, **excessive regulation risks curbing free speech and satire**. A balanced approach—grounded in constitutional values, transparency, and proportionality—is essential.

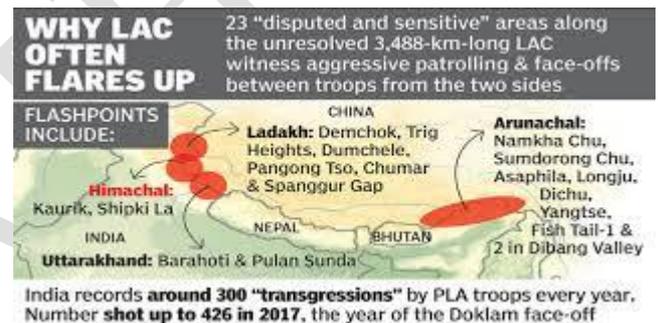
## UPSC Relevance



- **GS-2 (Polity & Governance):** Regulation of digital platforms, role of judiciary, free speech vs restrictions.
- **GS-3 (Cyber Security & IT):** IT Act, digital governance, intermediary liability.
- **Ethics (GS-4):** Dignity of individuals, responsible use of free speech, balancing rights and duties.
- **Essay/Interview:** “Should social media content be regulated?”; “Balancing freedom of speech with protection of vulnerable groups in a digital age.”

## 14. India–China Border Dispute: Historical Background and Developments

- **Colonial Legacy & Initial Positions**
  - The border was a product of **British (India) and Manchu (China) empires**, left vague due to Himalayan terrain and sparse population.
  - **India’s stance (post-1947):** Relied on British-era maps, asserted the border was fixed, avoided negotiations.
  - **China’s stance:** Called border “undefined” and sought negotiations.
- **Early Flashpoints & 1962 War**
  - **Aksai Chin (Western Sector):** China built a road linking Xinjiang–Tibet, asserting control.
  - **McMahon Line (Eastern Sector):** India established control over Tawang, citing 1914 Shimla Agreement with Tibet.
  - **1959–60 Negotiations:** Zhou Enlai proposed “package deal” (swap Aksai Chin for Indian claim over Arunachal Pradesh) — India refused.
  - **1962 War:** India attempted to push back in Aksai Chin → escalated to war → China retained Aksai Chin (west), withdrew north of McMahon Line (east).
- **Post-War Period & Renewed Engagement**
  - **1967:** Clashes at Nathu La & Cho La (Sikkim) but India stood firm.
  - **1975:** Sikkim merged with India, opposed by China.
  - **1975 China Study Group:** India institutionalised border monitoring, satellite mapping, patrolling points.
  - **1979 Vajpayee Visit:** First high-level outreach post-war, aimed at normalising ties.
- **Negotiation Efforts & Chinese Proposals**
  - **1980 Deng Xiaoping:** Reiterated “package deal” — recognise McMahon Line if India accepted Aksai Chin status quo.





- **1983 “LAC Plus” Proposal:** China demanded India concede areas in Ladakh held since 1962 — rejected.
- **1981–85 Border Talks:** India pushed for sectoral settlement, China insisted on package deal; deadlock persisted.
- **1986–87 Wangdung Crisis:** India’s **Operation Falcon** countered Chinese intrusions → de-escalation but showcased India’s improved military readiness.
- **Towards Normalisation (1988 Onwards)**
  - **Rajiv Gandhi’s Visit (1988):** Breakthrough — agreed to delink boundary dispute from overall ties.
  - **Mutual Understanding:** Premier Li Peng spoke of “MUMA – Mutual Understanding, Mutual Accommodation.”
  - **Shift in Policy:** Peace and tranquillity on the border prioritised, even without final settlement. **Joint Working Group (JWG)** established.
- **Key Constitutional & Legal Points**
  - **Article 1 & Schedule I of Constitution:** Define Indian territory including Arunachal Pradesh, Ladakh.
  - **Sovereignty Principle:** India does not recognise Chinese claims over Arunachal Pradesh (especially Tawang).
  - **International Law:** 1914 Shimla Agreement forms basis for India’s McMahon Line claim; China disputes Tibet’s competence to sign treaties then.

## Conclusion

The India–China border dispute is rooted in **colonial legacies, differing interpretations, and strategic calculations**. While India insists on legal treaties and historic maps, China emphasizes ground realities and strategic needs. The **1962 war, subsequent negotiations, and Rajiv Gandhi’s 1988 visit** mark key turning points. The issue remains unresolved, but peace and stability mechanisms (e.g., border agreements, confidence-building measures) have so far prevented another full-scale war.

## UPSC Relevance

- **GS-1 (History & Geography):** Colonial borders, McMahon Line, Tibet factor.
- **GS-2 (IR):** India–China relations, diplomacy, boundary agreements, strategic autonomy.
- **GS-3 (Security):** Border management, role of armed forces, China’s geostrategy.
- **Essay/Interview:** “India–China Border Dispute: A Colonial Legacy or a Contemporary Geopolitical Challenge?”; “Delinking boundary settlement from overall bilateral ties: A pragmatic policy?”