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VIDHVATH IAS KAS ACADEMY STUDY & CENTRE

DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

DATE: 18/09/2025 (THURSDAY)



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1. Centre Works to Fix Snags in Free Trade

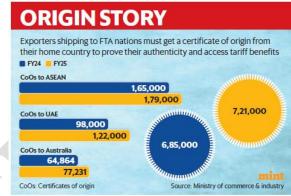
Key Points

• Free Trade Agreements (FTAs) and Exports

- o India has multiple FTAs with partner countries to reduce tariffs and boost exports.
- Exporters must obtain a Certificate of Origin (CoO) to prove goods' authenticity and avail preferential tariff benefits.
- Despite high issuance of CoOs, actual exports have lagged, pointing to underutilisation of FTAs.

Identified Issues

- Procedural bottlenecks in accessing tariff concessions.
- Lack of awareness among exporters regarding FTA provisions.
- Inefficiencies in documentation, certification, and coordination with trade partners.



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• Government Strategy

- o Closer engagement with key trade partners to streamline processes.
- o Conducting awareness programmes for exporters on FTA benefits.
- Resolving procedural hurdles to ensure exporters can fully utilise preferential market access.

• Constitutional & Legal Context

- o Article 301-307 (Part XIII): Provide for freedom of trade, commerce, and intercourse within India.
- o **Article 253**: Empowers Parliament to make laws for implementing international agreements and treaties.
- FTAs are negotiated under India's Foreign Trade Policy (FTP) framework, guided by the Ministry of Commerce & Industry.

Definitions

- Free Trade Agreement (FTA): A pact between two or more nations to reduce or eliminate trade barriers like tariffs, quotas, and import duties.
- o Certificate of Origin (CoO): An official document certifying that goods in a particular export shipment are wholly obtained, produced, or manufactured in a specific country.

Conclusion

The government's initiative reflects a **calibrated strategy to enhance India's export competitiveness**, address trade imbalances, and fully leverage existing FTAs. Procedural simplification and greater exporter awareness are key to strengthening India's global trade position.



- **GS-2 (International Relations):** India's trade diplomacy and FTA negotiations.
- **GS-3 (Economy):** Export promotion, trade policy reforms, challenges in global competitiveness.
- Essay & Ethics: Balancing domestic industry protection with global market integration; role of transparency and simplification in governance.

2. Centre to Tighten Lab Sample Collection and Transport Rules

Key Points

Background and Rationale

- o India has nearly **3 lakh diagnostic laboratories**, many of which expanded rapidly after Covid-19 due to rising demand for home testing.
- Lack of uniform standards has led to compromised sample integrity, inaccurate test results, and inconsistent diagnostic quality.
- o The **Delhi High Court (11 November 2022)** directed the Centre to frame rules ensuring minimum standards for sample collection, storage, and transportation.

• Government's Initiative

- The Directorate General of Health Services (DGHS) will notify new rules setting minimum standards for all diagnostic labs.
- Focus on home sample collection sector, where risks of contamination and mishandling are higher.



 New regulations will mandate trained professionals, use of PPE kits, proper labelling, and a triple-packaging system to prevent leaks and biohazards.

• Industry Impact

- o India's diagnostic industry is valued at \$13 billion, but many labs operate on thin margins and lack advanced equipment.
- Standardization will provide a legally binding framework and improve accountability across the sector.
- o Clear guidelines will help healthcare professionals (pathologists, technicians, collection agents) adhere to uniform practices, reducing sample degradation and contamination.

• Constitutional & Legal Provisions

- o **Article 21 (Right to Life):** Interpreted by the Supreme Court to include the right to health and medical care.
- o **Directive Principles (Article 47):** Duty of the State to improve public health.
- Clinical Establishments (Registration and Regulation) Act, 2010: Provides a regulatory framework for healthcare institutions, under which new standards can be enforced.



o Judicial Intervention: Delhi HC order underscored the absence of laws governing diagnostic sample handling.

Definitions

- o **Diagnostic Laboratory:** A medical establishment that conducts tests on patient samples (blood, urine, swabs) to aid in disease detection and treatment.
- Sample Integrity: Maintaining the original condition of a biological specimen to ensure accuracy of test results.

Conclusion

The upcoming regulations will address long-standing gaps in India's diagnostic ecosystem. By mandating **uniform**, **legally binding standards**, the government seeks to ensure accurate diagnoses, better treatment outcomes, and greater patient safety. This will also professionalize the diagnostic sector, making it more accountable and reliable.

UPSC Relevance

- **GS-2** (**Governance & Polity**): Role of judiciary in directing policy, regulatory frameworks in healthcare.
- **GS-3 (Science & Tech, Economy):** Standardization in diagnostics, growth of India's \$13 bn diagnostic industry, and implications for healthcare delivery.
- **GS-4 (Ethics):** Patient safety, medical ethics, and accountability in diagnostic services.
- **Essay:** Health infrastructure reforms, quality assurance in diagnostics, and balancing accessibility with reliability.

3. India to Spend \$570 Million to Help Steel Companies Decarbonize

Key Points

Background

- India is the second-largest steel producer in the world, with small firms contributing nearly 50% of the country's steel output.
- The steel sector is highly carbon-intensive, contributing significantly to India's overall industrial greenhouse gas (GHG) emissions.
- To align with its climate commitments, India is preparing a ₹50 billion (\$570 million)

 programme to encourage decarbonization in steel production.



Government Initiative

- o The scheme will provide **financial and policy support** to steel firms, especially small and medium players, to adopt **low-carbon technologies**.
- Focus areas include energy efficiency measures, carbon capture and utilization, hydrogen-based steelmaking, and renewable energy adoption.



 Announced by Steel Ministry Secretary Sandeep Poundrik at the FT Energy Transition Summit, New Delhi.

• Economic and Industrial Significance

- India's steel demand is expected to grow rapidly with infrastructure expansion, urbanization, and manufacturing growth.
- Decarbonization is crucial to maintaining global competitiveness, as importing nations increasingly impose carbon border taxes (e.g., EU's Carbon Border Adjustment Mechanism CBAM).
- o This programme is expected to reduce long-term costs, ensure compliance with **international** climate trade rules, and promote green steel markets.

Constitutional & Legal Context

- o Article 21 (Right to Life): Expanded to include the right to a healthy environment.
- Directive Principles of State Policy (Article 48A): Directs the State to protect and improve the environment.
- Environment Protection Act, 1986: Provides the legal framework for reducing industrial pollution.
- o India's international commitment under Paris Agreement (2015) and Panchamrit at COP26: To achieve net-zero emissions by 2070.

Definitions

- o **Decarbonization:** The process of reducing carbon dioxide (CO₂) emissions from industrial, energy, and transport activities by shifting to cleaner technologies.
- o **Green Steel:** Steel produced with minimal carbon emissions using renewable energy or hydrogen instead of coal in the production process.

Conclusion

The steel decarbonization programme reflects India's calibrated balance between industrial growth and environmental sustainability. By supporting smaller firms, the initiative ensures an inclusive green transition, strengthens India's position in global trade, and contributes to its long-term climate goals.

- **GS-3** (**Economy & Environment**): Industrial decarbonization, green technology adoption, and energy transition.
- **GS-2** (**Governance & International Relations**): India's climate commitments, role of government schemes in fulfilling Paris Agreement goals.
- **GS-4 (Ethics):** Balancing development with environmental responsibility and intergenerational equity.
- Essay: Sustainable industrialization, green growth, and India's pathway to net zero.



4. Amid U.S. Tariffs Row, PM Pushes Local Production

Key Points

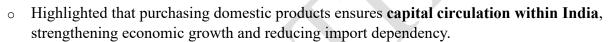
Context

Prime Minister Narendra Modi laid the foundation stone for India's first PM Mega
 Integrated Textile Region and Apparel (PM MITRA) Park in Dhar, Madhya Pradesh.

 His remarks came amid India–U.S. trade tensions over tariffs on Indian goods, even as trade negotiations continue.

Swadeshi and Economic Self-Reliance

- PM urged citizens to buy only Made-in-India products and called upon traders to sell only indigenous goods.
- Emphasized that adopting Swadeshi (self-reliance in consumption and production) is essential to achieve the goal of a Developed India by 2047.



PM MITRA Park Initiative

- o Aims to make India a **global hub for textiles and apparel**, boosting exports, generating employment, and enhancing domestic value chains.
- Encourages cluster-based development integrating spinning, weaving, processing, dyeing, and printing facilities in one location.

National Security Assertion

- o PM referred to **Operation Sindoor (May 7)**, where Indian air strikes targeted terrorist infrastructure in Pakistan and Pakistan-occupied Kashmir.
- Claimed the operation demonstrated the strength and decisiveness of Indian armed forces, deterring cross-border terrorism.

Constitutional & Legal Context

- Article 19(1)(g): Right to practice trade and business, subject to reasonable restrictions in the interest of the public.
- o Article 38 & 39 (Directive Principles): Promote economic self-reliance, equitable distribution of resources, and welfare-oriented policies.
- o Make in India (2014) & Atmanirbhar Bharat Abhiyan (2020): Policy frameworks aligned with Swadeshi principles.
- o Foreign Trade (Development & Regulation) Act, 1992: Governs India's international trade policies, relevant in tariff disputes with the U.S.

Definitions

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- Swadeshi: A principle of economic self-reliance emphasizing the consumption of domestically produced goods to strengthen local industry and economy.
- PM MITRA Park: A planned integrated textile and apparel hub under the Textile Policy 2020, designed to enhance India's manufacturing competitiveness.

Conclusion

PM's push for Swadeshi and local production is not only an economic call but also a strategic response to global trade tensions, particularly with the U.S. The focus on PM MITRA Parks underlines India's vision of becoming a manufacturing powerhouse while securing self-reliance. Simultaneously, references to Operation Sindoor highlight the government's approach of linking economic nationalism with strategic security strength.

UPSC Relevance

- **GS-3 (Economy):** Atmanirbhar Bharat, Make in India, trade policy, tariff disputes, textile sector growth.
- **GS-2** (**Governance & International Relations**): India—U.S. trade negotiations, global trade protectionism, role of policy in economic self-reliance.
- GS-3 (Internal Security): Counter-terrorism operations and their strategic implications.
- **GS-4 (Ethics):** Economic nationalism, citizen responsibility in nation-building.
- **Essay:** "Swadeshi as the foundation of developed India by 2047" or "Balancing economic growth and national security in India's development model."

5. NITI Working on Frontier Technologies Where India Can Lead the World

Key Points

- Strategic Initiative by NITI Aayog
 - India, through NITI Aayog, is focusing on 20 frontier technologies with the potential to make the country a global leader rather than a follower.
 - The initiative is spearheaded by **Debjani Ghosh**, distinguished fellow and chief architect of the **NITI Frontier Tech Hub**.



Focus Areas of Frontier Technologies

- Technologies span the convergence of AI, biology, energy, quantum computing, and related sectors.
- Emphasis on applications affecting citizens, industry, government operations, and geopolitical influence.
- Goal is to create a competitive edge in emerging technologies for India in the global landscape.
- Implications for Economy and Governance



- Adoption of frontier technologies can boost innovation, economic growth, and high-skilled employment.
- Enables data-driven governance, improved public services, and enhanced industrial productivity.
- o Positions India as a **technology hub**, attracting investments and fostering global partnerships.

Constitutional & Legal Context

- Article 51A (Fundamental Duties): Duty to develop scientific temper, humanism, and spirit
 of inquiry and reform.
- o **Directive Principles (Article 38, 39, 41):** Encourage the state to promote innovation, welfare, and equitable economic development.
- Relevant policies include National Strategy on Artificial Intelligence (NSAI), National Quantum Mission, and Biotech Innovation Policy.

Definitions

- o **Frontier Technology:** Emerging or disruptive technologies that have the potential to transform economies, societies, and geopolitical landscapes. Examples include AI, quantum computing, synthetic biology, and clean energy solutions.
- Convergence of Technologies: Integration of multiple technological domains to create innovative solutions with amplified impact.

Conclusion

India's focus on **frontier technologies** represents a strategic shift from technology adoption to **technology leadership**, enhancing economic competitiveness, governance efficiency, and global influence. The initiative underscores the importance of **innovation-driven growth** aligned with national priorities and citizen welfare.

UPSC Relevance

- **GS-3 (Science & Technology, Economy):** Emerging technologies, AI, quantum computing, biotech, and clean energy.
- **GS-2** (**Governance**): Role of think tanks like NITI Aayog in policy formulation and technology governance.
- **GS-3 (International Relations):** Geopolitical implications of technology leadership, global tech partnerships, and innovation diplomacy.
- Essay: "Frontier Technologies as the Pathway to a Developed and Self-Reliant India" or "Harnessing Emerging Technologies for Inclusive Growth."

6. State Debt: India's Next Big Fiscal Hiccup?

Key Points

• Overview of State Debt

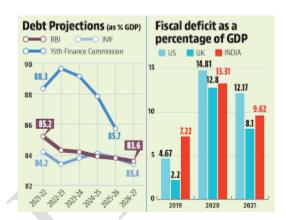
o Fiscal discussions in India often focus on the **Union government**, but **state-level debt** forms a substantial part of India's overall fiscal gap.



States' annual borrowing typically ranges 3-4% of GDP, compared with the Centre's 4.8% in FY25.

Rising Debt Levels and Risks

- Debt-to-GSDP ratios in some large states like Punjab, West Bengal, and Himachal Pradesh have crossed 40%, putting them in a stressed fiscal position similar to high-debt economies.
- High state debt risks:
 - Crowding out private and central borrowing in the bond market.
 - Reduced fiscal discipline, leading to populist spending.
 - Potential contribution to macroeconomic instability.



• Consolidated Fiscal Deficit and True Debt Picture

- Consolidated general government fiscal deficit (Centre + states) is the real measure of India's fiscal health.
- In FY25, states' combined deficits were 2.7–3.2% of GDP, contributing 30–35% of the total fiscal gap.
- Off-budget borrowings by states obscure true liabilities, making creditworthiness assessment incomplete without including state debt.

• Drivers of State Debt

- Rising social and development expenditure.
- Weak own-tax revenue growth.
- o Economic slowdowns and dependency on central transfers.
- Off-budget borrowing via **state-owned firms** used to plug fiscal gaps.

Constitutional & Legal Context

- Article 293: Governs borrowing by states; states require Centre's consent to borrow beyond limits.
- Finance Commission (Articles 280 & 281): Allocates tax revenues and grants to states, monitors fiscal discipline.
- FRBM Act (State-level): Provides framework for fiscal prudence and limits on state borrowing.

Definitions

- Debt-to-GSDP Ratio: Ratio of a state's total debt to its Gross State Domestic Product, indicating fiscal stress.
- Off-Budget Borrowing: Borrowing by state-owned entities or special-purpose vehicles not reflected in official state budgets.



• **Fiscal Deficit:** Excess of government expenditure over revenue (excluding borrowings), reflecting borrowing needs.

Conclusion

State debt dynamics are **crucial to India's overall fiscal health**. Rising debt, off-budget borrowing, and high debt-to-GSDP ratios in some states pose risks of macroeconomic instability. Transparent accounting, fiscal discipline, and coordination with the Centre are necessary to ensure sustainable public finances.

UPSC Relevance

- **GS-3 (Economy):** Fiscal federalism, state finances, debt sustainability, FRBM Act, Finance Commission role.
- **GS-2** (**Governance**): Coordination between Centre and states, policy reforms to improve fiscal transparency.
- GS-3 (Internal Security & Economy): Macroeconomic stability implications of high state debt.
- Essay: "Fiscal Federalism and India's Economic Stability" or "State Debt and its Impact on National Development."

7. Karnataka Caste Census: Lingayat Panchamasalis Decide on Nomenclature

Key Points

- Community Decision on Caste Nomenclature
 - The demographically significant Lingayat Panchamasali community in Karnataka has decided to use 'Lingayat Panchamasali' in the caste column for the forthcoming socio-economic and educational survey (caste census).
 - Decision was made after two separate meetings in Bengaluru and Hubballi involving community leaders and religious heads.



Religion Column Resolution

- o Despite debates over independent religion status for Lingayatism, the community decided to record 'Hindu' in the religion column "for the time being".
- This approach ensures clarity and avoids confusion until the issue of separate religious recognition is resolved.

• Discussion on Sub-Categorization

- Suggestions from the Akhila Bharat Veerashaiva Lingayat Mahasabha to mention terms like 'Lingayat', 'Veerashaiva', or 'Veerashaiva Lingayat' were discussed.
- Bengaluru meeting resolved no need to mention subcastes, focusing on the unified identity of Lingayat Panchamasalis.
- Prominent Leaders and Religious Heads Involved



- Meetings were attended by key figures such as Sri Basava Jaya Mrutyunjaya Swami, Harihar Jagadguru Peetha, former Minister Murugesh Nirani, and former MLC Mohan Limbikai.
- Hubballi meeting had heated discussions on religion column, but consensus emerged on using 'Hindu' temporarily.

• Constitutional & Legal Context

- o Article 15 & 16: Prohibit caste-based discrimination and ensure equality of opportunity.
- Article 25: Freedom of religion; Lingayat community has historically debated independent religion status vs. Hindu identity.
- Socio-Economic and Caste Census (SECC) 2024: Conducted under the Ministry of Rural Development for policy planning and reservation benefits.

Definitions

- o **Lingayat Panchamasali:** A subsect within the Lingayat community in Karnataka with distinct cultural and social identity.
- o **Socio-Economic and Caste Census (SECC):** A government survey collecting data on household income, education, occupation, and caste to guide welfare and reservation policies.

Conclusion

The decision to use 'Lingayat Panchamasali' in the caste column and 'Hindu' in the religion column represents a pragmatic approach to preserve community identity while adhering to current legal frameworks. It underscores the sensitive balance between caste identity, religious recognition, and policy planning in India.

UPSC Relevance

- **GS-1 (Society):** Social composition, caste dynamics, and community identity.
- GS-2 (Polity & Governance): Socio-economic surveys, census data, and policy implications.
- **GS-3 (Economy & Social Justice):** Use of SECC data for welfare schemes and targeted development.
- Essay: "Caste, Identity, and Development in India" or "Balancing Community Identity with National Policy Frameworks."

8. Maharashtra Govt. to Oppose Height Increase of Almatti Dam

Key Points

Background of the Issue

- o **Almatti Dam** is a major irrigation and hydroelectric project on the Krishna River in Karnataka.
- Karnataka Cabinet approved acquisition of 1.33 lakh acres of land to increase the dam's height, aiming to enhance water storage and power generation.

Maharashtra's Opposition



- o Maharashtra government, led by **CM Devendra Fadnavis**, opposed the height increase, citing potential **flooding in fertile districts** of western Maharashtra.
- State has threatened to approach the Supreme Court if Karnataka proceeds without resolution of disputes.

• Inter-State Water Dispute

- This is part of the ongoing Krishna River water disputes, involving Karnataka, Maharashtra, and Telangana, governed by the Krishna Water Disputes Tribunal (KWDT) awards.
- Such disputes often involve allocation of water, reservoir capacity, and irrigation rights among riparian states.

Constitutional & Legal Context

- Article 262: Empowers Parliament to provide for the adjudication of inter-state water disputes.
- o **Inter-State River Water Disputes Act, 1956:** Provides the framework for tribunals and resolution mechanisms.



States have the legal right to approach the **Supreme Court under Article 131** for enforcement or interpretation of tribunal awards.

Definitions

- Riparian State: A state through which a river flows, having legal rights and responsibilities over water usage.
- Reservoir Height Increase: Raising dam height to store more water, which can impact downstream areas due to higher water release.

Conclusion

The Almatti dam height dispute highlights the **sensitive nature of inter-state water sharing in India**, balancing developmental needs with downstream safety and agricultural interests. Legal interventions and tribunal mechanisms remain key to resolving such conflicts without escalating tensions.

- **GS-1** (Geography & Environment): River systems, inter-state water resources, flood management.
- GS-2 (Polity & Governance): Water disputes, role of tribunals, Supreme Court intervention.
- **GS-3** (Economy & Infrastructure): Irrigation projects, hydroelectric power, agriculture dependency.
- Essay: "Inter-State Water Disputes and Sustainable Water Management in India" or "Balancing Development and Ecology in River Basin Management."



9. Judicial Nudge Following Stuck Legislative Business

Key Points

• Background and Supreme Court Intervention

- o The **Supreme Court of India** heard a **Presidential Reference** regarding the Governor's powers under **Article 200** for giving assent to Bills passed by State legislatures.
- A two-judge bench led by Justice J.B. Pardiwala fixed a three-month timeline for Governors and the President to take final decisions on Bills to prevent indefinite delays.

• Article 200 and Governor's Powers

- o Article 200 provides four options to the Governor:
 - 1. Assent to the Bill.
 - 2. Withhold assent.
 - 3. Return the Bill to the legislature for reconsideration.
 - 4. Reserve the Bill for President's consideration.



o Under Article 163, Governors must act on the aid and advice of the Council of Ministers, except in cases explicitly provided by the Constitution.

• Judicial Interpretation of Discretion

- Earlier cases like Shamsher Singh vs State of Punjab (1974) recognized limited discretion
 of Governors, but recent judgments, e.g., State of Tamil Nadu vs Governor (2025), clarified
 that Governors cannot independently withhold assent or reserve Bills.
- The Constitution deliberately **omits the word "discretion"** in Article 200 (unlike Section 75 of the Government of India Act, 1935), indicating Bills must be processed under the advice of the Council of Ministers.

• Time Limit and Legislative Functioning

- Supreme Court imposed a three-month deadline to ensure timely legislative process and avoid Bills being stalled for years.
- Article 355 can be interpreted to empower the Union Government to ensure that state governments operate in accordance with the Constitution if legislative business is obstructed.

Constitutional & Legal Context

- o **Article 200:** Assent to Bills by Governor.
- o Article 163: Governor to act on aid and advice of Council of Ministers.
- Article 355: Duty of Union to protect state governance per Constitution.
- Sarkaria and Punchhi Commissions: Reinforced the limited role of Governor and supremacy of elected government in state executive functions.

Definitions

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- Governor: Constitutional head of a state; real executive power lies with elected Council of Ministers.
- Presidential Reference: Mechanism under Article 143 allowing the President to seek
 Supreme Court's opinion on constitutional questions.
- Assent to Bill: Formal approval by Governor or President for a Bill to become law.

Conclusion

The Supreme Court's timeline ensures **smooth legislative functioning**, prevents **arbitrary delays by Governors**, and reinforces the principle of **federalism** and supremacy of elected governments. Judicial intervention here acts as a **corrective nudge** to uphold constitutional governance without amending the Constitution.

UPSC Relevance

- **GS-2** (Polity & Governance): Articles 200, 163, 355, 143; Governor's powers; legislative procedure; role of judiciary in federal balance.
- GS-2/3 (Polity & Governance): Judicial review, constitutional interpretation, federalism.
- Essay: "Judicial Intervention in Legislative Delays" or "Balancing Constitutional Authority and Democratic Governance."

10. Let Geiger Counters, Not Guesses, Shape Iran Actions

Key Points

- Current Nuclear Crisis in Iran
 - Following US strikes on Iran's Fordow nuclear site (June 2025), Britain, France, and Germany (E3) invoked the "snapback" clause of the 2015 nuclear deal on August 28, citing Iran's violations.
 - If unresolved, the UN will restore sanctions, halting enrichment, restricting arms transfers, finance, and shipping, and re-designating individuals linked to Iran's nuclear and missile programs.

Role of Verification and IAEA Access

- o Absence of verified data on Iran's nuclear facilities has created a **vacuum of facts**, leading to speculation in global capitals.
- o **IAEA access** is crucial to anchor negotiations to **verifiable data**, ensuring diplomacy is based on evidence, not rumors.
- o Past cases like **Zaporizhzhia (Ukraine)** show that regular IAEA updates stabilize markets and reduce global volatility.

• Iran's Perspective and Sovereignty Concerns

 Iran fears that inspections may compromise security and sensitive sites, citing past strikes following IAEA disclosures.



 Some Iranian legislators have even considered withdrawing from the Nuclear Non-Proliferation Treaty (NPT), which would block IAEA inspections and escalate the crisis.

Global Stakes

- o US: Test of non-proliferation.
- Europe: Upholding multilateral commitments.
- o Russia & China: Seek delay for strategic leverage.
- o Israel & Gulf States: Assess military risks.
- o Oil Importers & Shipping Companies: Monitor prices and insurance.
- India: Needs regional stability, uninterrupted oil flow through the Strait of Hormuz, and safety of 8 million Indian citizens in West Asia.

• India's Role and Opportunities

- As a long-standing IAEA Board member and participant in SCO and BRICS, India can support diplomatic initiatives to restore technical access while respecting Iranian sovereignty.
- o India's IAEA-certified Tarapur facility could provide technical support for sample analysis under safeguards, demonstrating responsible intervention.
- o This approach strengthens India's position as a **responsible global power** while protecting its **energy security and citizens abroad**.

Definitions

- o **Snapback Clause:** Mechanism in the 2015 Iran nuclear deal allowing re-imposition of sanctions if Iran is found in violation.
- o **IAEA (International Atomic Energy Agency):** UN body responsible for monitoring nuclear programs and ensuring peaceful use of nuclear energy.
- o **NPT (Nuclear Non-Proliferation Treaty):** Multilateral treaty to prevent spread of nuclear weapons and promote peaceful nuclear energy.

Conclusion

India and the international community must prioritize **verification over speculation**. Allowing **IAEA inspectors access** to Iran's nuclear sites can anchor diplomacy to data, reduce risk of escalation, and maintain global stability, especially in West Asia. India's technical and diplomatic contributions can play a **critical stabilizing role**.

- **GS-2 (International Relations):** Iran nuclear crisis, IAEA, NPT, UN sanctions, role of SCO and BRICS.
- **GS-3 (Security & Economy):** Energy security, strategic stability, global oil markets.
- Essay: "India and Nuclear Diplomacy in West Asia" or "Balancing Sovereignty, Security, and Non-Proliferation in Global Politics."



11. RBI Forms Committee for Periodic Review of Regulations

Key Points:

• Formation of Regulatory Review Cell:

- o Reserve Bank of India (RBI) has established a dedicated body, **Regulatory Review Cell**, to periodically evaluate its regulations.
- o The initiative ensures that regulations remain relevant, effective, and aligned with evolving economic and financial conditions.

• Periodic Review Mechanism:

- All regulations issued by RBI will undergo a comprehensive internal review every 5 to 7 years.
- o This mechanism aims to reduce regulatory redundancy, improve compliance, and enhance clarity for regulated entities.

• Advisory and Leadership Structure:

- o The review cell will be **advised by six industry experts**, bringing in practical insights from banking and finance.
- o **Chairperson:** Rana Ashutosh Kumar Singh, Managing Director of State Bank of India, will lead the committee, ensuring senior-level oversight.

• Definition of Key Terms:

- Regulation: A rule or directive made and maintained by an authority to control or govern conduct within a specific sector.
- Periodic Review: Scheduled assessment of rules or policies to ensure they remain relevant, effective, and responsive to current needs.



• Objective and Significance:

- o Ensures RBI regulations are **up-to-date**, **transparent**, **and efficient**, minimizing compliance burden on banks and financial institutions.
- Supports financial stability, enhances governance, and promotes a conducive environment for economic growth.

• Constitutional & Legal Relevance:

- o RBI's powers are derived from the **Reserve Bank of India Act**, 1934 (Sections 35 and 36 empower RBI to issue directives and regulations).
- o Periodic review aligns with principles of **good governance and accountability** under administrative law.

Conclusion & UPSC Relevance:

• This move reflects RBI's commitment to dynamic regulatory governance, transparency, and financial sector resilience.



• UPSC aspirants should note the initiative under Indian Economy, Banking Regulation, and Financial Governance topics, relevant for GS Paper 3 (Indian Economy, Banking, and Financial Institutions) and current affairs discussions.

12. Government Notifies National Geothermal Energy Policy and Sanctions Pilot Projects

Key Points:

- Notification of Geothermal Energy Policy:
 - The Ministry of New and Renewable Energy (MNRE) has formally notified the National Policy on Geothermal Energy.
 - The policy aims to promote exploration, development, and utilization of geothermal energy in India.

• Objective and Strategic Significance:

- Strengthens India's energy transition efforts towards clean and sustainable energy.
- Supports the goal of net zero carbon emissions by 2070 as part of India's climate commitments under the Paris Agreement.



 Encourages private sector participation, investment, and technology adoption in the geothermal sector.

• Pilot Projects Sanctioned:

- Five pilot projects have been approved to assess the technical and economic viability of geothermal energy resources.
- These projects will help identify high-potential sites and inform large-scale deployment strategies.

• Definition of Key Terms:

- o **Geothermal Energy:** Heat energy derived from the earth's internal heat, used for electricity generation or direct heating applications.
- o **Pilot Project:** A small-scale preliminary project conducted to evaluate feasibility, performance, and scalability before full-scale implementation.

• Legal and Policy Framework:

- Policy aligns with the Electricity Act, 2003, which facilitates renewable energy development and grid integration.
- Supports India's commitments under Nationally Determined Contributions (NDCs) and Energy Conservation Act, 2001 for promoting alternative energy sources.

• Conclusion and UPSC Relevance:

 The policy demonstrates India's proactive approach to renewable energy diversification and climate action.

NEW STRATEGIC

EU-INDIA AG



 UPSC aspirants should focus on this under GS Paper 3 (Energy, Environment, and Climate Change) and current affairs for questions on renewable energy policies, net zero targets, and sustainable development initiatives.

13. EU Eyes Deeper Ties with India Despite Russia Concerns

Key Points:

• EU-India Cooperation Plans:

- The European Commission has outlined plans to deepen cooperation with India in areas like defence, technology, trade, investment, green energy, and research.
- Despite India's close ties with Russia, the EU aims to strengthen strategic and economic relations.

Free Trade Agreement (FTA) Negotiations:

- o **India-EU FTA negotiations**, relaunched in 2022, are in final stages with an aim to conclude by **end of the year**.
- The FTA is expected to enhance market access, investment, and supply chain integration between India and EU nations.

Geopolitical Context:

- India has increased Russian oil imports post the 2022 Russia-Ukraine conflict and participated in Russia-led military exercises.
- o EU foreign policy acknowledges **areas of disagreement** but seeks engagement to prevent India from moving fully into Russia's sphere of influence.
- o The EU aims to balance its **sanctions enforcement against Russia** while maintaining strategic ties with India.

Key Definitions:

- o **Rules-based Multilateral Order:** International system where countries adhere to agreed rules, treaties, and norms.
- Decarbonisation: Reduction of carbon emissions in industry, energy, and transport to combat climate change.

• Legal and Policy Relevance:

- Engagement aligns with India's foreign policy principles under Article 51 of the Indian Constitution (Promotion of international peace and security).
- o EU's approach reflects **international law and sanctions mechanisms**, emphasizing compliance with multilateral agreements.

• Strategic Significance and Conclusion:

 EU views India as a rising global power, expected to become the world's third-largest economy by 2030.





- Strategic cooperation includes **investment protection**, **green hydrogen**, **decarbonisation**, air transport, and innovation.
- This development is critical for UPSC aspirants for **GS Paper 2 (International Relations)**, **GS Paper 3 (Economic and Technological Cooperation)**, and Current Affairs discussions on geopolitics and energy security.