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FOR UPSC EXAM

COMPREHENSIVE | ANALYTICAL  
EXAM-FOCUSED

# VIDHVATH VIMARSHA



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# POLITY & CONSTITUTION

## 1. Governors Can't Sit Over Bills Endlessly – SC Observations

### • Context & Judicial Observations

- A Constitution Bench of the Supreme Court orally observed that **Governors cannot indefinitely delay giving assent to Bills** passed by State legislatures.
- Chief Justice B.R. Gavai and Justices Vikram Nath and P.S. Narasimha noted that no constitutional organ can impede the functioning of the Constitution.
- The Court emphasized that **withholding assent without justification violates constitutional principles**.

### • Arguments from States (Tamil Nadu & West Bengal)

- Tamil Nadu argued that Governors “cannot assume to be royalty in a Republic” and must respect legislative intent.
- West Bengal (represented by Kapil Sibal) stressed that **high constitutional offices must work collaboratively, not combatively**.
- Both States highlighted that **legislation is a sovereign act**, which requires timely assent.

### • Constitutional & Legal Provisions

- **Article 200**: Provides Governors four options when a Bill is presented – (a) assent, (b) withhold assent, (c) reserve for President’s consideration, or (d) return (if not Money Bill) for reconsideration.
- **Article 201**: If a Bill is reserved for the President, he may assent or withhold assent.
- The Constitution expects **immediacy in decision-making** to maintain democratic accountability.

### • Key Issues Highlighted

- **Delay in Assent**: Governors sitting on Bills without action undermines the sovereignty of legislatures.
- **Balance of Power**: The Governor is a **nominal head** and must act in line with the advice of the Council of Ministers (Article 163).
- **Judicial Concerns**: Allowing indefinite delay would create an “absurdity” and disturb the principle of federalism.

### • Definition of Key Terms

- **Assent to Bills**: Formal approval given by the Governor/President, required for a Bill to become law.





- **Withhold Assent:** Power of the Governor/President to refuse approval; however, this is to be exercised sparingly within constitutional limits.
- **Reservation of Bills:** Certain Bills must/may be reserved for Presidential consideration, especially if they conflict with Union laws or affect larger national interest.
- **Conclusion & UPSC Relevance**
  - The Supreme Court's observations reinforce the principle that **Governors are constitutional authorities, not political overlords.**
  - Their role is to uphold **democratic federalism**, ensure smooth legislative functioning, and act as a bridge between Union and State.
  - **UPSC Relevance:** Important for **Polity & Governance (GS Paper II)** – Topics like Centre-State Relations, Role of Governor, Constitutional Morality, Judicial Review, and Federalism.

## 2. India Needs More Women Judges in the Supreme Court

- **Context & Current Scenario**
  - With the retirement of Justice Sudhanshu Dhulia (August 2025), the Supreme Court faced **two vacancies** but did not appoint any woman judge.
  - Justice B.V. Nagarathna remains the **sole woman judge** out of 34 judges. She is scheduled to be India's **first woman CJI in 2027** but only for 36 days.
  - Since 1950, only **11 women judges (3.8%)** have been appointed out of 287 total judges, reflecting **acute gender imbalance.**
- **Historical Trends & Issues**
  - First woman judge: **Justice Fathima Beevi (1989)**; subsequent appointments have been rare and sporadic.
  - Women judges are often appointed **late in age**, limiting their tenure, and rarely make it to the **Collegium or CJI position.**
  - **Caste & religious diversity** is also missing—no SC/ST women judges, and Justice Fathima Beevi remains the only judge from a minority faith.
  - From the Bar, **only Justice Indu Malhotra (2018)** was directly elevated; male judges have been appointed more frequently.
- **Appointment Process & Concerns**
  - Appointments follow the **Collegium system** (CJI + four senior-most judges), with recommendations sent to the Government and President for final approval.
  - **Memorandum of Procedure (MoP)** guides appointments, but criteria are not transparent; caste, religion, and region have been considered, but **gender is not institutionalised** as a factor.





- Lack of transparency and inconsistency in Collegium resolutions creates concerns about **accountability and inclusivity**.
- **Importance of Women Judges**
  - **Gender diversity** ensures that the judiciary is **representative of society** and sensitive to varied social contexts.
  - Women judges bring **unique perspectives** shaped by personal and professional experiences, improving **judicial reasoning and inclusiveness**.
  - Their presence enhances **public trust and legitimacy** in the judiciary, especially in gender-related cases.
- **Constitutional & Legal Provisions**
  - **Article 14**: Right to equality before law.
  - **Article 15**: Prohibition of discrimination on grounds of religion, race, caste, sex, or place of birth.
  - **Article 124**: Appointment of Supreme Court judges by the President in consultation with judges of the Supreme Court and High Courts.
  - **Directive Principles of State Policy (Part IV)**: Aim to promote justice—social, economic, and political—requiring inclusivity in institutions.
- **Definitions of Key Terms**
  - **Collegium System**: A judicial body comprising the CJI and senior-most judges that recommends appointments and transfers in higher judiciary.
  - **Gender Representation**: Equitable inclusion of women and men in institutions, ensuring diverse perspectives in decision-making.
  - **Direct Elevation from Bar**: Appointment of practicing lawyers directly as judges of the Supreme Court, without prior service as High Court judges.
- **Conclusion & UPSC Relevance**
  - The **under-representation of women in the Supreme Court** undermines India's constitutional promise of equality and inclusivity.
  - Institutionalising **gender as a criterion in judicial appointments** is necessary to correct structural imbalance and strengthen judicial legitimacy.
  - **UPSC Relevance**: Important for **GS Paper II (Polity, Judiciary, Governance, Gender Issues)** and **Essay Paper** – relates to gender justice, independence of judiciary, transparency in appointments, and constitutional morality.



### 3. India's Recent Maritime Reforms Need Course Correction

- **Overview of New Maritime Laws**
  - Parliament passed a package of maritime reforms in 2025: **Indian Ports Bill, Coastal Shipping Act, Carriage of Goods by Sea Bill, and Merchant Shipping Act.**
  - Aim: repeal colonial-era laws (e.g., Indian Ports Act, 1908), modernise maritime governance, align with global practices, and promote ease of business.
- **Concerns with the Indian Ports Bill, 2025**
  - Creates **Maritime State Development Council** chaired by Union Minister, reducing States' fiscal and policy autonomy.
  - Critics argue it undermines **cooperative federalism (Art. 1, 246, Seventh Schedule – Union vs. State List)** by centralising port regulation.
  - Clause 17 excludes civil court jurisdiction, pushing disputes into internal committees, raising concerns over **judicial independence (Art. 32, 226).**
- **Issues in the Merchant Shipping Act, 2025**
  - Expands vessel definitions, improves training oversight, and aligns liability with global conventions.
  - Dilutes ownership rules: earlier 100% Indian ownership required, now allows “partial” Indian ownership, including by **OCI and foreign entities**, leaving thresholds to executive discretion.
  - Recognises **Bareboat Charter-Cum-Demise (BBCD)** leases, but weak safeguards risk long-term foreign control and “flag-of-convenience” problems.
- **Challenges in the Coastal Shipping Act, 2025**
  - Intends to strengthen **cabotage rules** (domestic coastal trade restricted to Indian-flagged vessels).
  - Grants DG Shipping wide discretionary power to license foreign vessels under vague grounds (e.g., “national security”).
  - Burdens small operators, including fishermen, with complex reporting obligations without clarity on data use and protection.
- **Constitutional & Legal Context**
  - **Article 14 (Equality), Article 19(1)(g) (Right to trade), Article 301 (Freedom of trade and commerce)** – could be undermined by arbitrary licensing powers.
  - **Federalism (Seventh Schedule, Union and State List: Ports, Shipping, Fisheries)** – imbalance as Centre gains dominance over coastal States.





- Lack of **independent dispute resolution** undermines **separation of powers (Art. 50)** and investor confidence.
- **Conclusion & UPSC Relevance**
  - India urgently needs modern maritime legislation, but reforms must ensure **federal balance, judicial independence, and protection of small operators**.
  - Excessive centralisation and vague executive discretion risk undermining long-term maritime security and economic fairness.

#### 4. Reservation Debate: Exceeding 50% Cap and Creamy Layer Concerns

- **Constitutional Provisions**

- **Article 15:** Prohibits discrimination and allows special provisions for SCs, STs, OBCs, and socially/economically backward classes in education.
- **Article 16:** Ensures equality of opportunity in public employment and allows reservation for backward classes.
- Current central reservation: **OBCs – 27%, SCs – 15%, STs – 7.5%, EWS – 10% → Total 59.5%**.

- **Judicial Landmarks**

- **Balaji v. State of Mysore (1962):** Reservations must be reasonable, capped at 50%.
- **State of Kerala v. N.M. Thomas (1975):** Reservations are not an exception but part of equality (substantive equality).
- **Indra Sawhney case (1992):** Upheld 27% OBC quota; introduced **creamy layer exclusion**; reaffirmed 50% cap (except in extraordinary cases).
- **Janhit Abhiyan (2022):** Upheld 10% EWS quota; said 50% cap applies to backward classes, not EWS.
- **State of Punjab v. Davinder Singh (2024):** Suggested need for creamy layer exclusion in SC/ST reservations.



- **Formal vs. Substantive Equality**

- **Formal equality:** Same treatment for all; reservations seen as an exception → hence 50% ceiling.
- **Substantive equality:** Recognises historic disadvantages; reservations are a continuation of equality, not an exception.

- **Issues in Reservation Implementation**

- **Concentration of benefits:** Rohini Commission found **97% of OBC benefits go to 25% of castes**, leaving ~1,000 castes without representation.



- **Unfilled seats:** 40–50% of reserved posts for SCs, STs, and OBCs remain vacant at central level.
- **Creamy Layer Debate:** Exists for OBCs, absent for SCs/STs → critics argue this perpetuates inequality within these categories; others warn exclusion will increase backlog vacancies.
- **Competing Arguments**
  - **For higher quotas:** Reflect actual caste proportions; ensure substantive equality; address continued marginalisation.
  - **Against breaching 50% cap:** Violates **basic structure principle of equality (Article 14)**; risks undermining meritocracy; may trigger competitive populism.
  - **Way forward:** Use caste census data (2027), implement OBC sub-categorisation (Rohini Commission), consider **two-tier reservations** for SCs/STs prioritising most marginalised, expand skill development and employment avenues beyond quotas.
- **Conclusion & UPSC Relevance**
  - The debate reflects the tension between **formal equality and substantive equality**, with courts balancing social justice and constitutional limits.
  - Future of reservations hinges on **empirical caste data, rational sub-categorisation, and reforms in delivery mechanisms.**

## 5. 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.

### 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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- **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**.
  - 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.

## 6. Supreme Court Takes Over Online Money Gaming Law Cases

- **Context:** The Supreme Court has transferred to itself all petitions challenging the constitutionality of the **Promotion and Regulation of Online Gaming Act, 2025**, which bans online money-based games. These cases were earlier pending before the High Courts of Madhya Pradesh, Karnataka, and Delhi.
- **Bench Decision:** Justices J.B. Pardiwala and K.V. Viswanathan allowed the Centre's plea to **club and centralize hearings** to avoid conflicting judgments and ensure judicial efficiency.



### Key Provisions of the Act

- Prohibits **all online games involving monetary stakes**.
- Empowers the **Ministry of Electronics and Information Technology (MeitY)** to establish an authority for regulating **e-sports and casual games** without monetary transactions.



- Provides a **regulatory framework** to curb illegal betting and safeguard consumers, while promoting **skill-based gaming without financial risks**.

### Constitutional & Legal Dimensions

- **Article 246 & 7th Schedule:** “Betting and gambling” is a State subject, but online gaming involves **IT, trade, commerce, and taxation**, creating overlap between Union and State powers.
- **Article 19(1)(g):** Companies may argue the law restricts their right to practice trade/business. Restrictions must be **reasonable under Article 19(6)**.
- **Article 21:** Petitioners may contend that banning online games violates the right to personal liberty and freedom of choice.
- **Judicial Precedents:** Past rulings (e.g., *K.R. Lakshmanan vs. State of Tamil Nadu, 1996*) have distinguished between **games of skill and games of chance**, with skill-based games enjoying greater legal protection.

### Economic & Social Implications

- The online gaming industry in India has rapidly expanded, contributing to **employment, digital innovation, and FDI inflows**.
- However, money-based gaming has raised concerns of **addiction, financial losses, and youth exploitation**.
- The law seeks to strike a balance by **banning money games** while promoting **safe and regulated e-sports**.

### Government’s Stand

- The Centre argues that consolidating cases before the Supreme Court ensures **uniformity of interpretation**.
- Solicitor General highlighted the urgency, as the law was **passed and notified within five days** in August 2025, reflecting policy priority.

### Conclusion and UPSC Relevance

- The SC’s decision to centralize hearings underscores the importance of **judicial consistency in constitutional matters**, particularly where **federal powers, economic regulation, and individual freedoms intersect**.
- The case will be a **landmark in defining the scope of regulation for digital economies**, balancing innovation with social safeguards.

## 7. Supreme Court Orders Acceptance of Aadhaar as Identity Proof in Electoral Roll Revision

- **Context:** The Supreme Court directed the Election Commission (EC) to accept **Aadhaar as the 12th indicative identity document** for filing claims or objections during the **special intensive revision (SIR)** of electoral rolls in Bihar. This expands the list beyond the existing 11 documents.
- **Clarification on Citizenship:** The bench of Justices Surya Kant and Joymalya Bagchi emphasized that Aadhaar can be used **only as proof of identity**, not as **proof of Indian citizenship**. This distinction is crucial because neither Aadhaar nor most of the 11 existing documents, except passport and birth certificate, conclusively establish citizenship.



- **Verification by EC:** EC officials—from Electoral Registration Officers (EROs) to Booth Level Officers (BLOs)—have been empowered to verify the **authenticity and genuineness** of Aadhaar documents, in the same manner as other accepted documents.

- **Background & Issue:** Around **65 lakh** voters were excluded from Bihar's draft electoral rolls (August 2025) out of a total of 7.89 crore voters. Exclusions were due to reasons like death, permanent shifting, or duplication. The SC questioned EC's hesitation in including Aadhaar, despite acknowledging it is not proof of citizenship.

### SC orders poll panel to accept Aadhaar as ID

EC ordered to instruct officials in Bihar to accept Aadhaar during special intensive revision of rolls | The judges clarified that Aadhaar would be used as proof of identity and not as evidence of citizenship | The EC is penalising officers accepting Aadhaar, this amounts to gross contempt, says Kapil Sibal

**Krishnakumar Radhakrishnan** reports from New Delhi

The Supreme Court on Monday directed the Election Commission to include Aadhaar as the 'back-scope' document that these polling inclusion or exclusion of names on the electoral rolls of Bihar could be based on during the special intensive revision.

A bench of Justices Sanjay Kumar and Pratibha Patil clarified that the use of Aadhaar would merely be as proof of identity, and not as evidence of Indian citizenship.

The EC officials are entitled to verify the 'authenticity and genuineness' of the Aadhaar submitted to them, but the way they would do it in the case of the other ID documents, the court noted in the order.

Apert from passport and birth certificate, none of the remaining nine ID documents listed for SIB are conclusive proof of citizenship. The petitioners are all in agreement that Aadhaar is not proof of citizenship. Similarly, also Aadhaar is not proof of citizenship. Then why can't you add Aadhaar as in the list? This court has asked you several times to consider Aadhaar. Why are you over? Justice Sanjay Kumar said, the EC cannot, under any circumstances, avoid taking Aadhaar into account.

The court ordered the EC to issue instructions to officials, from Electoral Registration Officers to booth level officers (BLOs), working on the ground in the Aadhaar submitted to them, but the way they would do it in the case of the other ID documents, the court noted in the order.

Approximately 65 lakh voters, out of a total 7.89 crore in the state, were excluded from the draft rolls published on August 1.

The deadline for filing claims to include names and the objections to exclude names for reasons such as death, permanent shifting and duplication, was September 1. The EC on November 2, clarified that these were welcome even beyond the deadline.

On July 10, the Supreme Court asked the EC to consider accepting Aadhaar as a document of identity.

The deadline for filing claims to include names and the objections to exclude names for reasons such as death, permanent shifting and duplication, was September 1. The EC on August 25, in response to complaints that the EC

was still not accepting Aadhaar as a valid proof of identity or residence during the citizenship objection period, the court clarified that voters excluded from the draft electoral roll could submit their Aadhaar card or any of the ID 'back-scope' documents.

**BLOs as refused**

On Monday, senior advocate Kapil Sibal, appearing for Bihar's main Opposition party, the Rashtriya Janata Dal, said the BLOs were refusing to accept Aadhaar from claimants despite their back-to-back orders from the top court.

"Your Lordships had clearly said several times that Aadhaar can be used as an alternative to any of the ID documents. BLOs are still refusing. The EC is penalising officers by accepting Aadhaar and instead show-cause notices to BLOs who have allowed Aadhaar. Disciplinary proceedings have already started against some officers. There are no instructions from EC to officers to accept Aadhaar despite separate orders by the court. I have got affidavits from people from various districts who were unware of giving Aadhaar. The EC is considering not to give consent of this court's order. We want Aadhaar to be used as proof of residence or identity, so that a person can vote. We want only ID documents to be used as proof of residence," the petitioner said.

Mr. Dattwadi countered that Aadhaar could not be accorded the same status as a passport. Besides, he contended that over 99% of the excluded voters had already submitted their claims and objections, disproving the petitioner's argument that people did not have any of the ID documents. Mr. Dattwadi said none of the political parties had positioned an affidavit with the SIB process.

Justice Sanjay Kumar said the Aadhaar is not a field document, both its rules and judicial decisions did not consider Aadhaar as proof of citizenship.

Justice Sanjay Kumar said Aadhaar was not "added" to the representation of the People Act. "One of the provisions of the Act, in fact, allows Aadhaar as proof of residence," the judge said.

The court orally asked Mr. Dattwadi to give "an affidavit to give" his ability to the judicial order so that aggrieved voters would come to know and file their claims and objections along with Aadhaar, if needed.

The case is listed for further hearing on September 15.

- **Legal and Constitutional Dimensions:**

- **Article 326:** Guarantees the right to vote in elections based on adult suffrage.
- **Representation of the People Act, 1950:** Governs preparation of electoral rolls; requires proof of eligibility but does not mandate citizenship proof beyond reasonable satisfaction of authorities.
- **Aadhaar Act, 2016:** Aadhaar provides proof of identity and residence, but not citizenship.
- **Puttaswamy Judgment (2017):** Upheld privacy as a fundamental right; Aadhaar usage must be limited to permissible purposes.

- **Significance for Electoral Reforms:**

- Reduces procedural hurdles for voters, particularly in **rural and marginalized communities** who may not possess passports or birth certificates.
- Enhances inclusivity by allowing an easily available ID proof, minimizing wrongful exclusions.
- Balances identity verification with constitutional safeguards by keeping **citizenship verification separate**.

### Conclusion and UPSC Relevance

The SC's order ensures a **balance between accessibility and integrity in the electoral process**, preventing disenfranchisement while safeguarding constitutional requirements of citizenship. Aadhaar's inclusion as an **identity document, not citizenship proof**, strengthens electoral inclusion in a legally consistent manner.

## 8. Election of CP Radhakrishnan as Vice-President of India

- **Election Outcome**

C.P. Radhakrishnan, NDA candidate and Maharashtra Governor, was elected the **17th Vice-President of India** with **452 first-preference votes**, defeating Opposition nominee Justice B. Sudershan Reddy, who secured **300 votes**. Out of **781 eligible electors**, **767 MPs voted**, with **15 invalid votes** and **14 abstentions**.

- **Electoral College & Procedure**





- **Constitutional Basis:** Article 66 of the Indian Constitution.
- **Electoral College:** Consists of members of both **Lok Sabha and Rajya Sabha** (including nominated members).
- **Method: Proportional representation by means of a single transferable vote (STV) and secret ballot.**
- **Term:** 5 years (Article 67).
- **Eligibility:** Same as President (Article 66(3)) – must be a citizen of India, at least 35 years old, and eligible to be a Rajya Sabha member.
- **Role of the Vice-President in India**
  - **Ex-officio Chairman of the Rajya Sabha** (Article 64).
  - Steps in as **Acting President** in case of vacancy in the office of the President (Article 65).
  - The Vice-President does not have executive powers and mainly plays a **parliamentary role**, ensuring order in the Upper House.
- **Comparison with US Vice-President**
  - **Similarities:**
    - Presiding officer of the Upper House (US Senate/Indian Rajya Sabha).
    - Successor to the President in case of vacancy.
  - **Differences:**
    - US Vice-President is part of the **executive branch**, elected directly through **Electoral College** along with the President.
    - Holds **executive responsibilities** (e.g., member of the Cabinet, National Security Council).
    - Indian Vice-President has a **limited role**, confined mainly to the **legislature**.
- **Key Constitutional Provisions**
  - **Article 63:** There shall be a Vice-President of India.
  - **Article 64:** Vice-President as ex-officio Chairman of Rajya Sabha.
  - **Article 65:** To act as President in case of vacancy.
  - **Article 66:** Election procedure.
  - **Article 67:** Term and conditions.

## Conclusion

The election of C.P. Radhakrishnan highlights the **political weight of cross-voting** in parliamentary elections and the importance of the Vice-President's role in maintaining the dignity and functioning of the Rajya Sabha. While largely ceremonial compared to the US system, the Indian Vice-President is a vital link between the **executive and legislature**, reinforcing parliamentary democracy.



## 9. Rajasthan Assembly Passes Anti-Conversion Bill, 2025

### • Key Features of the Bill

The Rajasthan Prohibition of Unlawful Conversion of Religion Bill, 2025 introduces **life imprisonment**, fines up to **₹1 crore**, and confiscation/demolition of properties where mass conversions take place. Offenders' fines will be paid to victims, in addition to court-awarded compensation. Offences are **cognisable, non-bailable, and triable by sessions courts**. Conversions solely for marriage will be declared **void**.

### • Exemptions and Scope

Returning to one's "ancestral religion" is exempted. The law targets conversions through **force, fraud, coercion, fear, or allurement**, but not voluntary conversion. Mass conversions and marriages solely intended for conversion are considered unlawful.

### • Historical & Judicial Context

- Attempts to pass such a law in Rajasthan were made in **2006 and 2008**, but stalled due to opposition and presidential concerns.
- The **Rajasthan High Court (2017)** mandated prior intimation to the District Magistrate and public display of intent for conversions.
- Similar anti-conversion laws already exist in states such as **UP, Uttarakhand, Haryana, Arunachal Pradesh, and Andhra Pradesh**.

### • Constitutional Provisions Involved

- **Article 25:** Guarantees freedom of conscience and free profession, practice, and propagation of religion, subject to public order, morality, and health.
- **Reasonable Restrictions:** State can regulate/restrict conversions carried out by **force, fraud, or inducement**.
- **Marriage & Conversion:** Linked to **Article 21 (Right to Life & Liberty)** and personal laws; courts have often intervened in cases of conversion for marriage.



### • Debate and Political Reactions

The ruling BJP government claims the Bill will maintain **peace and harmony**. The Opposition Congress staged a **walkout**, calling it divisive and against communal harmony. Critics argue it may curb individual freedoms and be misused against minorities.

### Conclusion

The Bill reflects the growing trend of **anti-conversion legislation across India**, aligning with concerns over religious freedom versus forced conversions. While it claims to safeguard vulnerable groups, it also raises debates on the **limits of Article 25** and potential misuse against genuine conversions or interfaith marriages. The balance between **religious liberty and public order** remains a contested constitutional space.



## 10. Manipur Law on Regulating Caste Certificates

- **Background and Objective**
  - The **Manipur Caste Certificate Regulation Law (2024)**, introduced during the ethnic conflict, has received **Presidential assent in July 2025**.
  - Aim: To prevent **fraudulent claims of SC/OBC status** and ensure **uniformity** in the process of issuing caste certificates.
  - **Communities in Manipur**: 7 Scheduled Castes, 4 OBC communities; reservation – **SCs (2%), OBCs (17%), STs (31%)** in education and public employment.
- **Key Provisions of the Law**
  - Establishes procedures for application, scrutiny, and issuance of caste certificates.
  - Provides for creation of **Scrutiny Committees** to verify doubtful certificates.
  - Committees have **suo motu power of verification**, and their decisions are **final and binding**, appealable only before the **High Court**.
  - Until verification is complete, caste certificates remain valid to prevent disruption of benefits.
  - Offences and penalties are prescribed to deter fraudulent claims.
- **Comparison with Other States**
  - **Maharashtra**: Already has a law with **Scrutiny Committees** for caste certificate verification.
  - **Andhra Pradesh**: Empowers **District Collectors** to conduct suo motu verification.
  - Several other states regulate caste certification only through **executive orders and circulars**, not laws.
- **Constitutional and Legal Framework**
  - **Articles 15(4) & 16(4)**: Enable special provisions for advancement of socially and educationally backward classes.
  - **Article 46**: Directive Principle urging state to promote SCs, STs, and weaker sections.
  - **Presidential assent under Article 200 & 201**: Required for state laws affecting central constitutional matters.
  - **SC/ST Orders (Modification) Acts**: Define which communities are recognised as SCs/OBCs/STs.
  - **Judicial Precedent**: In *Kumari Madhuri Patil v. Addl. Commissioner (1994)*, SC mandated verification committees for caste certificates to prevent misuse.
- **Definition – Scrutiny Committee**
  - A statutory body empowered to examine the **genuineness of caste certificates** and cancel fraudulent ones.



- Ensures benefits of reservation reach only the **legitimate beneficiaries**.

## Conclusion

The law represents a significant step in **institutionalising verification mechanisms** to safeguard affirmative action policies in Manipur. By introducing legal scrutiny, it aims to ensure that reservation benefits are **not cornered by ineligible claimants**, while providing a transparent and fair process. However, its effectiveness will depend on the **capacity, neutrality, and efficiency** of the scrutiny committees.

## 11. Governors Sitting on Bills – SC’s Concern

### • Background of the Case

- A **five-judge Presidential Reference Bench** led by CJI B.R. Gavai is hearing the issue of **Governors delaying assent to Bills**, especially after Tamil Nadu alleged its Governor withheld 10 Bills for **four years (since 2020)**.
- The matter stems from the **April 2024 SC judgment (Tamil Nadu Governor case)**, which prescribed a **3-month timeline** for Governors/President to act on Bills.

### • Constitutional Provisions Involved

- **Article 200**: Governor’s options on State Bills – (a) give assent, (b) withhold assent, (c) return (if not Money Bill) for reconsideration, (d) reserve for President’s consideration.
- **Article 201**: Provides President’s role when a Bill is reserved for consideration.
- Issue: If a Governor **sits indefinitely**, Articles 200–201 become ineffective, undermining **legislative supremacy of elected Assemblies**.

### • Supreme Court’s Observations

- CJI questioned how indefinite delay could be called a “false alarm” when Governors sit on Bills for years.
- Justice Narasimha: Withholding assent cannot mean **killing a Bill outright**; there must be a **consultative process** where the Bill is returned to the legislature.
- Justices also compared India’s democratic functioning with **instability in Nepal and Bangladesh**, stressing the importance of upholding the Constitution.

### • Centre’s Arguments

- Solicitor-General Tushar Mehta: Governors are not “ornamental heads” and must act **collaboratively** with State governments, not mechanically approve Bills.
- Denied that delays were politically motivated after 2014; said Governors historically worked in a “collaborative manner”.

## Unravelling the order: What the SC said on...

<b>TOP COURT’S AUTHORITY</b> Apex court established its authority to review constitutional functions, defending its prescription of timelines. It said that such a measure balances the need for expedient decision-making with the right of states in a federal system to fulfil their mandate to voters.	<b>GOING FORWARD...</b> <ul style="list-style-type: none"><li>● President can obtain SC’s advisory opinion on a bill received from gov, which appears to be “patently unconstitutional”.</li><li>● States should consider entering into pre-legislation consultation with Centre before introducing bills that might require Presidential assent.</li><li>● Governors should respect the will of the people expressed through the legislature.</li></ul>
<b>TIMELINE FOR PRESIDENT</b> It extended the timeline discipline to the central government and held that the President must decide within three months of receiving a bill from a governor. If there is any delay beyond this period, the President’s office will be required to convey reasons to the state concerned.	<b>GOVERNOR’S POWERS</b> Verdict clarified the constitutional role of governors, stressing that they must act on the advice of the council of ministers as they do not have discretionary powers under Article 200. “Governor cannot be vested with such a power...which would enable him to collude with the Union cabinet and ensure the death of any and all legislation initiated by the state.”



- **States' Arguments (Tamil Nadu, Telangana, Meghalaya, etc.)**
  - Bills represent the **political will of the people**, Governors cannot sit in judgment over constitutionality (*role of judiciary*).
  - Indefinite delay violates **federalism, legislative intent, and people's rights** (e.g., delaying healthcare Bills harms citizens).
  - Telangana argued that Governors' actions could amount to **discrimination**, especially if assent depends on whether the ruling party in the State matches the Centre's.
- **Definition – Assent to Bills**
  - Assent refers to the **formal approval by the Governor/President** making a Bill passed by the legislature into law.
  - Constitutional conventions demand **timely decision-making**; undue delay undermines **legislative sovereignty**.

### Conclusion

The SC has flagged that **indefinite delays by Governors distort the spirit of Articles 200–201**, weaken State legislatures, and raise federal tensions. The Court appears to favor a **time-bound framework** and a **consultative return process**, preventing Governors from acting as parallel adjudicators of constitutionality.

## 12. Supreme Court on Constitutional Duties and Role of Governors

- **Background of the Case**
  - The **Supreme Court (SC)**, led by Chief Justice of India (CJI) B.R. Gavai, stated that it would not “sit idle” if a **constitutional authority fails to discharge its duties**.
  - The matter arose from a **Presidential Reference** concerning delays by Governors in giving assent to Bills passed by State legislatures.
  - The dispute highlights **Centre–State tensions**, especially in **non-BJP ruled States**, over gubernatorial delays.
- **Core Legal Issue**
  - The April 8 SC judgment mandated a **three-month deadline** for Governors and the President to act on Bills presented for assent.
  - The court clarified that **Governors cannot indefinitely withhold assent** as it undermines governance and the will of the elected legislature.
  - The Union government, however, argued against a “one-size-fits-all” deadline, citing **context-specific deliberations** required for different Bills.
- **Doctrinal Principles Involved**
  - **Doctrine of Separation of Powers**: CJI emphasized judicial restraint but maintained that the SC, as the **custodian of the Constitution**, cannot remain powerless if democratic processes are stalled.



- **Judicial Activism vs. Judicial Overreach:** The CJI warned against “judicial terrorism” but justified judicial intervention when constitutional duties are neglected.

- **Constitutional & Legal Provisions**

- **Article 200:** Governor’s options on State Bills – assent, withhold, or reserve for President.
- **Article 201:** Presidential power to withhold or return Bills.
- **Article 32 & 226:** Empower citizens/States to approach SC/HC for enforcement of constitutional provisions.
- **Article 361:** Provides limited immunity to Governors, but their inaction can still be questioned.
- **Basic Structure Doctrine:** Ensures that constitutional authorities cannot act arbitrarily against the spirit of parliamentary democracy.



- **Key Definitions**

- **Presidential Reference (Art. 143):** A constitutional provision that allows the President to seek the opinion of the SC on important legal questions.
- **Mandamus:** A judicial writ compelling a public authority to perform its constitutional duty.

- **Arguments Presented**

- **Union Government:** Imposing deadlines is “self-destructive,” as Governors may need time to consult or deliberate.
- **Supreme Court:** Governors cannot keep Bills pending endlessly; a **mandamus may compel decision-making**, though not dictate outcomes.
- **Attorney General:** Governors can withhold assent but must communicate their decision; indefinite silence is unconstitutional.

### Conclusion

The SC’s intervention underlines its role as the **guardian of constitutional accountability**. While respecting the doctrine of separation of powers, it ensures that **no constitutional authority, including Governors or the President, can paralyze governance** by inaction. The upcoming judgment will shape the balance of powers between the executive and legislature at the State level.

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# ECONOMY

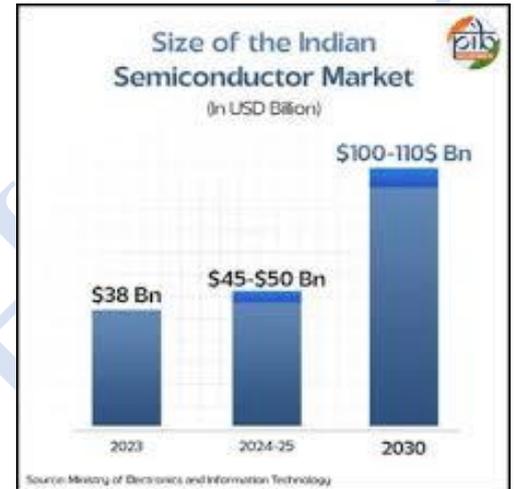
## 1. India's Push Towards \$1-Trillion Semiconductor Market

### • Context & PM's Statement

- Prime Minister Narendra Modi announced that India is targeting a significant share in the **global semiconductor market**, projected to reach **\$1 trillion**.
- He assured **faster approvals** for projects to reduce manufacturing delays and highlighted the **next phase of the India Semiconductor Mission (ISM)**.

### • Current Progress & Investments

- In 2025, India cleared **five new semiconductor projects**, taking the total to **10 projects**.
- These projects have attracted an investment of **\$18 billion (~₹1.5 lakh crore)**, showing **global confidence in India's manufacturing ecosystem**.
- India recorded **7.8% GDP growth**, with strong contributions across sectors, strengthening the case for semiconductor-led industrial expansion.



### • Economic & Strategic Importance

- **Semiconductor Chips**: Called the “**digital diamonds**” of the 21st century, they are crucial for electronics, AI, defense, and digital economy.
- Analogous to **crude oil in the 20th century**, semiconductors are the **key drivers of modern economic growth and technological sovereignty**.
- Building a domestic semiconductor ecosystem will **reduce import dependence** and strengthen **Atmanirbhar Bharat (self-reliance)**.

### • Constitutional & Policy Framework

- **India Semiconductor Mission (ISM)**: Launched in 2021 under the **Ministry of Electronics and IT (MeitY)** to provide incentives, R&D support, and infrastructure for chip manufacturing.
- **Production Linked Incentive (PLI) Scheme**: Provides financial support to boost domestic semiconductor and display fabs.
- **Digital India Initiative**: Creates a policy framework that integrates semiconductors with the larger goals of **digital economy and innovation-led growth**.

### • Definition of Key Terms

- **Semiconductor**: A material with conductivity between conductor and insulator, used to make integrated circuits (ICs) and chips for electronic devices.
- **Fab (Fabrication Plant)**: A highly advanced facility where semiconductor wafers are manufactured.



- **India Semiconductor Mission (ISM):** A specialized government initiative to build a robust semiconductor and display manufacturing ecosystem in India.
- **Conclusion & UPSC Relevance**
  - India's semiconductor push is a **strategic economic and technological move** that can reshape its position in the global supply chain.
  - It addresses concerns of **supply chain resilience, technological sovereignty, and national security**.
  - **UPSC Relevance:** Important for **GS Paper III (Economy, Science & Tech)** and **GS Paper II (Policy, Governance)** – topics include industrial policy, digital economy, strategic technology, and self-reliance.

## 2. U.P. Government to Establish Outsourcing Service Corporation

- **Context & Decision**
  - The Uttar Pradesh Cabinet approved the creation of the **Outsource Service Corporation Limited** to regulate and streamline recruitment of outsourced employees.
  - It will appoint employees for **three years** with a monthly honorarium of **₹16,000–₹20,000**.
  - The move aims to ensure **transparency, accountability, and better employee welfare** in outsourcing.
- **Previous System & Issues**
  - Earlier, recruitment for outsourced work was managed by **private agencies** with no government oversight.
  - Allegations included **underpayment, lack of social security, and arbitrary practices**.
  - Workers faced uncertainty due to the absence of a formal framework for benefits and grievance redressal.
- **New Framework & Structure**
  - The corporation will be established under **Section 8 of the Companies Act, 2013**, functioning as a **non-profit public limited company**.
  - Agencies will now be empaneled through **fair, transparent processes** on the **Government e-Marketplace (GeM) portal**.
  - Salaries will be **directly transferred** to employees' bank accounts between the 1st–5th of every month.
- **Employee Benefits & Protections**
  - Mandatory **Employees' Provident Fund (EPF)** and **Employees' State Insurance (ESI)** contributions.





- **Maternity leave for women employees and skill development training** for all employees.
- Direct wage transfers reduce chances of corruption and ensure timely payments.
- **Definitions of Key Terms**
  - **Outsourcing:** The practice of contracting third-party entities to perform services or functions traditionally done within an organization.
  - **Section 8 Company:** A non-profit company under the Companies Act, 2013, formed for promoting charitable or not-for-profit objectives, where profits are reinvested for the stated purpose.
  - **Government e-Marketplace (GeM):** A government-run digital platform for transparent procurement of goods and services.
- **Conclusion & UPSC Relevance**
  - The initiative represents a **shift towards formalization of informal labor practices**, ensuring workers' dignity, welfare, and transparency in governance.
  - It aligns with the principles of **social justice, labor rights, and welfare state obligations** under the Directive Principles of State Policy (DPSPs).

### 3. Supreme Court Order on Regulatory Assets and DISCOMs

- **Context & SC Directions**
  - The Supreme Court directed **State Electricity Regulatory Commissions (SERCs)** and **distribution companies (DISCOMs)** to clear existing **regulatory assets** within four years and new ones within three years.
  - It capped regulatory assets at **3% of Annual Revenue Requirement (ARR)** and mandated **transparent recovery roadmaps** with audits for non-compliance.
- **Definition & Causes of Regulatory Assets**
  - **Regulatory Assets:** Deferred revenue gaps allowed by regulators when **Average Cost of Supply (ACS) > Annual Revenue Requirement (ARR)**. DISCOMs recover them later from consumers, often with interest.
  - Causes of ACS-ARR gap: non-cost-reflective tariffs, delayed government subsidies, and sudden fuel price hikes.
  - Example: Tamil Nadu reported ₹89,375 crore regulatory assets in FY 2021-22, showing the issue is systemic.
- **Impact on Consumers & DISCOMs**
  - Consumers: Initially shielded from tariff hikes, but later face **steeper increases** plus interest costs. Example: Delhi DISCOMs may need to recover ₹16,580 crore annually, adding ~₹5.5/unit.





- DISCOMs: Face **cash flow crises**, delayed payments to generators, rising debt, and reduced ability to invest in grid modernization and renewable integration.
- **Legal & Policy Provisions**
  - **Electricity Act, 2003**: Empowers SERCs to determine tariffs (Section 61, 62) and ensure financial viability of DISCOMs while protecting consumers.
  - **National Tariff Policy, 2016**: Stresses cost-reflective tariffs and timely subsidy payments.
  - SC order enforces **financial discipline**, transparency, and consumer protection as part of constitutional principles under **Article 38 (welfare state)** and **Article 39(b) (distribution of resources for common good)**.
- **Way Forward**
  - Align tariffs with actual costs while safeguarding vulnerable consumers through **targeted subsidies**.
  - Ensure **timely release of subsidies** by State governments.
  - Adopt **automatic fuel cost adjustment mechanisms** to reflect input price changes quickly.
  - Conduct **annual true-up exercises** to prevent backlog accumulation.
  - Treat regulatory assets as an **exceptional tool**, not a routine practice.
- **Key Definitions**
  - **DISCOMs**: State-run or private power distribution companies delivering electricity to end-users.
  - **ACS (Average Cost of Supply)**: Total expense of supplying one unit of electricity.
  - **ARR (Annual Revenue Requirement)**: Revenue DISCOMs collect from tariffs and subsidies.
- **Conclusion & UPSC Relevance**
  - The SC's intervention highlights the need for **financial prudence, transparent tariff setting, and timely subsidies** to ensure the sustainability of India's power sector.
  - **UPSC Relevance**: Important for **GS Paper II (Judiciary's role, Governance, Welfare policies)**, **GS Paper III (Energy sector, Infrastructure, Economy)**, and **Essay/Ethics (Balancing consumer interest with financial sustainability)**.

## 4. Gig Economy and the Lives of Gig Workers

- **Nature and Growth of Gig Economy**
  - **Definition**: The gig economy refers to a labour market dominated by short-term, flexible jobs, often mediated through digital platforms (e.g., food delivery, ride-hailing, e-commerce logistics).



- NITI Aayog (2022) projected gig workforce growth from **7.7 million (2020-21) to 23.5 million by 2029-30**, with the Indian digital economy expected to reach **\$1 trillion by 2030**.

- **Challenges Faced by Gig Workers**

- Job insecurity, low wages, absence of social security, and algorithm-driven performance pressures.
- Workers lack benefits such as health insurance, pension, paid leave, and face precarious conditions despite being integral to modern consumer convenience.
- Emotional toll: anxiety, isolation, and erosion of human connections due to “faceless” transactions.

- **Advantages and Opportunities**

- Provides flexibility and autonomy, aligning with the aspirations of **Gen X, Y, Z** seeking multiple income streams and freedom of work.
- Gig roles exist not only in digital platforms but also in traditional businesses such as IT, retail, and creative industries.
- COVID-19 accelerated the shift toward **AI-based digital jobs** and remote gig work.



- **Constitutional and Legal Framework**

- **Article 21:** Right to livelihood and dignity.
- **Directive Principles (Article 38, 39, 43):** Promote social and economic justice, adequate livelihood, and living wages.
- **Code on Social Security, 2020:** Recognises gig and platform workers, provides for schemes relating to insurance, health, maternity, old-age benefits, and social security funds.
- **ILO Conventions:** Stress protection for all workers, including non-standard forms of employment.

- **Global and Indian Perspectives**

- Books like *Zwigato* (film) and works by Vandana Vasudevan and Pradip Thomas highlight lived realities of gig workers, the **imbalance of corporate power vs worker precarity**, and the lack of institutional support.
- International literature (Sarah Kessler, Jamie Woodcock) explores whether flexible jobs can also provide sustainable wages and dignity of work.

- **Way Forward**

- Institutionalising **labour rights** for gig workers, including social security, fair wages, and health protection.
- Strengthening **algorithmic transparency** and ensuring accountability of platforms.
- Encouraging collective bargaining and **unionisation of gig workers**.



- Balancing innovation and convenience with **worker dignity and welfare** to ensure inclusive digital growth.
- **Conclusion & UPSC Relevance**
  - The gig economy is a **double-edged sword**: while it provides opportunities and consumer convenience, it also creates a precarious workforce lacking adequate protections.
  - **UPSC Relevance:**
    - **GS Paper II:** Governance, social justice, labour rights, policies.
    - **GS Paper III:** Economic growth, employment trends, digital economy.
    - **Essay/Ethics:** Equity, dignity of labour, impact of technology on society.

## 5. APEDA's BHARATI Initiative for Agri-Food Exports

- **About BHARATI Initiative**
  - **Definition:** BHARATI stands for *Bharat's Hub for Agritech, Resilience, Advancement and Incubation for Export Enablement*.
  - Launched by **APEDA** (Agricultural and Processed Food Products Export Development Authority) in September 2025 to empower **100 agri-food and agri-tech startups**.
  - Aim: Drive innovation, improve value addition, and achieve the **target of \$50 billion agri-food exports by 2030**.
- **Key Features of the Programme**
  - Focus on **GI-tagged products, organic foods, superfoods, livestock products, AYUSH products**.
  - Promotion of advanced technologies: **AI-based quality control, blockchain traceability, IoT-enabled cold chains, agri-fintech solutions**.
  - Startups will undergo a **3-month acceleration programme** on product development, export readiness, regulatory compliance, and market access.
- **Challenges Addressed**
  - Tackles issues of **perishability, wastage, packaging, quality assurance, and logistics** in agri-exports.
  - Provides support for **SPS (Sanitary and Phytosanitary) and TBT (Technical Barriers to Trade)** compliance.
  - Encourages **sustainability and innovative packaging** to enhance competitiveness.
- **Institutional and Policy Alignment**
  - Part of **Atmanirbhar Bharat, Digital India, Vocal for Local, Start-Up India** initiatives.
  - Collaboration with **state agricultural boards, universities (IITs/NITs), industry bodies, and accelerators** to strengthen the ecosystem.



- APEDA functions under the **Ministry of Commerce and Industry**, established through the **APEDA Act, 1985**, with responsibility for promoting scheduled product exports.
- **Constitutional and Legal Backing**
  - **Article 19(1)(g)**: Freedom to practice trade and profession, supporting entrepreneurship.
  - **Article 43 & 48**: Promotion of cottage industries, agricultural modernisation.
  - **WTO Compliance**: Aligns with global trade obligations under **SPS Agreement and TBT Agreement**.
- **Conclusion & UPSC Relevance**
  - The BHARATI initiative is a **strategic step to transform Indian agriculture from subsistence-driven to innovation-led, export-oriented growth**.
  - It leverages startups and technology to boost farmer incomes, reduce wastage, and strengthen India's position in global agri-food trade.



## 6. GST Council Approves Two-Rate Tax Slab Effective September 22

- **Key Decision of 56th GST Council Meeting**
  - GST Council decided to rationalise tax structure into primarily two slabs: **5% and 18%**.
  - A **special 40% rate** introduced for *sin goods* (tobacco, luxury cars, yachts, helicopters).
  - Effective from **22 September 2025** (except for tobacco, date to be notified separately).
- **Major Tax Reductions and Exemptions**
  - **0% tax** on: Indian breads (roti, chapati, paratha), paneer, ultra-high temperature milk, individual life & health insurance policies, and 33 life-saving medicines.
  - Items shifted to **5% slab**: hair oil, soap, shampoo, toothpaste, bicycles, household articles, namkeens, sauces, pasta, noodles, chocolates, coffee, butter, handicrafts, granite/marble blocks, intermediate leather goods.
  - **Cement reduced from 28% to 18%**; EVs remain at 5%.
- **Fiscal Impact and Rationale**
  - Estimated fiscal implication: **₹48,000 crore** (2023-24 consumption basis).
  - Govt. expects **tax buoyancy effect** and improved compliance to offset revenue loss.
  - Focus on **common man, agriculture, labour-intensive industries, and health sector**.





- **Constitutional and Legal Framework**

- **Article 279A:** Provides for the **GST Council**, chaired by Union Finance Minister with state finance ministers as members.
- GST governed under **Constitution (101st Amendment) Act, 2016**.
- Council decisions aim at maintaining **cooperative federalism** and ensuring uniformity in indirect taxation across India.

- **Definitions of Key Terms**

- **GST (Goods and Services Tax):** A comprehensive, destination-based indirect tax on supply of goods and services, subsuming multiple indirect taxes.
- **Sin Goods:** Products harmful to health/society (e.g., tobacco, alcohol, luxury items), taxed at higher rates to discourage consumption.
- **Rate Rationalisation:** Simplification of multiple tax slabs into fewer rates to reduce complexity, improve compliance, and make system citizen-friendly.

- **Conclusion & UPSC Relevance**

- The reform marks a major step in **simplifying India's GST regime**, reducing burden on essential goods, and promoting ease of doing business.
- Demonstrates **fiscal policy balancing** between revenue needs and welfare of common citizens.

## 7. India–EFTA Trade Pact Coming into Force

- **About the Pact**

- India has signed a **Free Trade Agreement (FTA)** with the **European Free Trade Association (EFTA)** – comprising Switzerland, Norway, Iceland, and Liechtenstein.
- The pact will come into effect on **1 October 2025** and includes **legally binding provisions on trade and sustainable development** for the first time in India's FTA history.



- **Significance of Legally Binding Sustainable Development Clauses**

- Unlike earlier FTAs, this agreement integrates **sustainability commitments** in trade, ensuring economic growth aligns with **environmental and social responsibility**.
- Could set a precedent for India's **future trade agreements** and align with **SDGs (2030 Agenda)**.

- **Economic and Strategic Importance**

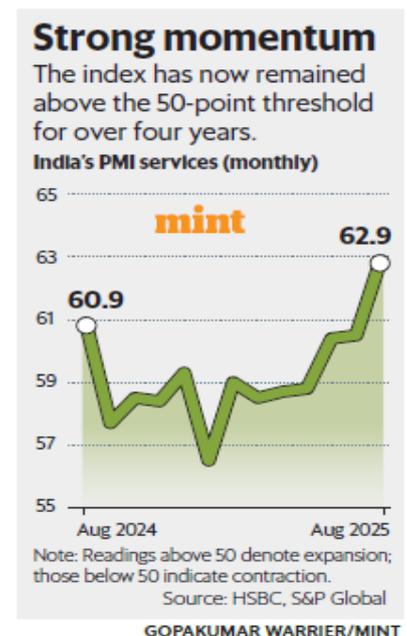
- Expected to increase **market access, investment inflows, and technology transfer** from advanced European economies.



- Strengthens India's position in global supply chains and supports goals under **Atmanirbhar Bharat** and **Make in India**.
- Helps diversify trade partners beyond traditional blocs like EU and ASEAN.
- **Constitutional and Legal Provisions**
  - **Article 253 of the Constitution** empowers Parliament to make laws for implementing international treaties and agreements.
  - Trade and commerce with foreign countries falls under the **Union List (Seventh Schedule, Entry 41)**.
  - Aligns with India's commitments under **WTO agreements** and its broader external trade policy framework.
- **Definitions for UPSC**
  - **FTA (Free Trade Agreement):** A treaty between two or more countries to reduce or eliminate trade barriers on goods and services.
  - **EFTA (European Free Trade Association):** An intergovernmental organization of four European states (Switzerland, Norway, Iceland, Liechtenstein) that promotes free trade and economic integration.
  - **Sustainable Development in Trade:** Incorporation of **environmental protection, labor standards, and equitable growth** into trade policies.
- **Conclusion and UPSC Relevance**
  - The India–EFTA pact is a landmark in balancing **economic growth with sustainability goals**, showcasing India's readiness to embed **climate and social clauses** in trade deals.

## 8. Services Sector Growth at 15-Year High (August 2025)

- **Strongest Services Expansion in 15 Years**
  - The **HSBC India Services PMI**, compiled by S&P Global, surged to **62.9 in August 2025**, the highest since June 2010.
  - The PMI has remained **above 50 for over four years**, showing sustained momentum in the services sector.
  - Growth was driven by **surging domestic and international demand**, along with new business orders.
- **Employment and Price Trends**
  - Service firms **hired more workers** to meet rising demand, though outstanding business rose only marginally.
  - **Higher labour costs** and strong demand led to **increased input and output prices**, reflecting mild inflationary pressures.





- **Composite PMI and Manufacturing Growth**
  - The **Composite PMI** (services + manufacturing) reached a **17-year high of 63.2** in August.
  - Manufacturing PMI also rose to **59.3**, supported by higher output and new orders, showing **broad-based economic expansion**.
- **Contribution of Services to GDP**
  - The **services sector contributes over 50% to India's GDP**, making it the **key driver of economic growth**.
  - India's GDP grew **7.8% in Q1 FY26 (April–June)**, the fastest in five quarters, after 6.5% growth in FY25 and 9.2% in FY24.
  - RBI projects GDP growth at **6.5% in FY26**, supported by **rural demand, public investment, and resilient services exports**.
- **Definitions for UPSC**
  - **Purchasing Managers' Index (PMI):** An economic indicator based on surveys of private sector firms, measuring business activity, new orders, employment, and output prices.
  - **Composite PMI:** A combined index of services and manufacturing performance, indicating overall economic momentum.
  - **Services Sector:** Includes industries like IT, communication, finance, insurance, real estate, transport, and business services.
- **Constitutional and Legal Provisions**
  - **Article 246 & Seventh Schedule:** Places trade, commerce, and industries largely under the Union and State Lists.
  - **Article 38 & 39 (Directive Principles):** Mandate the state to promote economic growth, social welfare, and employment generation.
  - **RBI Act, 1934:** Provides RBI the mandate to ensure financial stability, control inflation, and support growth.
- **Conclusion and UPSC Relevance**
  - The record rise in India's **services PMI** underlines the sector's central role in **economic growth, job creation, and exports**, though **inflationary pressures** need monitoring.

## 9. 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.



## 10. 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.

## 11. Growth of REITs and InvITs in India

### 1. Rising Popularity and Asset Growth

- Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) have achieved combined **Assets Under Management (AUM) of over ₹9 lakh crore** in just nine years.
- Projections by Indian REITs Association (IRA) and Bharat InvITs Association (BIA) suggest AUM may reach **₹25 lakh crore by 2030**, highlighting their increasing importance in India’s capital markets.

### 2. Market Composition

- **REITs in India:** Currently 5 listed entities – Brookfield India REIT, Embassy Office Parks REIT, Mindspace Business Parks REIT, Nexus Select Trust, and Knowledge Realty Trust.
- **InvITs in India:** 27 SEBI-registered InvITs, of which 5 are publicly listed and 23 privately listed.
- **First InvIT** registered in 2016; **first REIT** listed in 2019, reflecting relatively recent but rapid expansion.

### 3. Economic and Infrastructure Significance

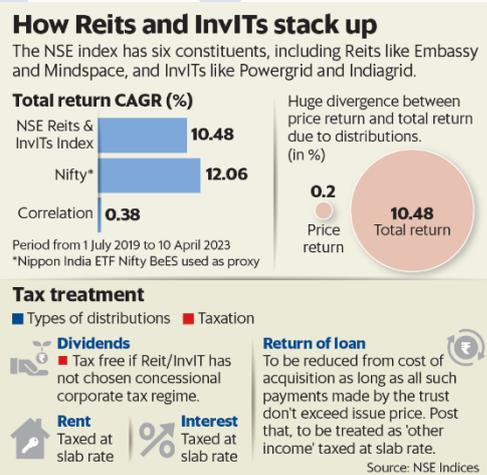
- REITs provide investment in commercial real estate like office spaces and malls, while InvITs allow investment in infrastructure assets such as highways, transmission lines, and pipelines.
- They help channel **long-term capital** from institutional and retail investors into infrastructure and real estate, reducing reliance on bank credit and government borrowing.

### 4. Regulatory and Legal Framework

- Both instruments are regulated by **Securities and Exchange Board of India (SEBI)** under SEBI (REITs) Regulations, 2014 and SEBI (InvITs) Regulations, 2014.
- Linked with **Article 268–293 (Finance, Property, Contracts, and Suits)** of the Constitution and fiscal management under Union List (Seventh Schedule) for capital markets.
- Encourage financial deepening and align with **National Infrastructure Pipeline (NIP)** and **National Monetisation Pipeline (NMP)** for mobilising private capital.

### 5. Definitions

- **REIT (Real Estate Investment Trust):** A company that owns and manages income-generating real estate and allows investors to buy units similar to shares.





- **InvIT (Infrastructure Investment Trust):** A trust-like structure to pool investments in infrastructure projects, distributing returns to unit holders.
- **AUM (Assets Under Management):** The total market value of assets managed by a financial institution on behalf of investors.

## 6. Strategic and Policy Implications

- Boosts **financial inclusion**, allowing retail investors to access large infrastructure and real estate projects.
- Provides **stable returns** through rental income and infrastructure revenues.
- Supports government's vision of **₹111 lakh crore infrastructure investment target under NIP by 2025 and Viksit Bharat 2047**.

## Conclusion and UPSC Relevance

The growth of REITs and InvITs reflects a significant shift in India's financial sector, promoting capital market-based financing of infrastructure and real estate. With their projected expansion to ₹25 lakh crore by 2030, these instruments will be crucial for **infrastructure-led growth, fiscal sustainability, and financial market deepening**.

## 12. Angikaar 2025 Campaign under PMAY-U 2.0

### 1. Launch and Objective

- The Ministry of Housing and Urban Affairs launched **Angikaar 2025** as a **last-mile outreach campaign** under **Pradhan Mantri Awas Yojana – Urban 2.0 (PMAY-U 2.0)**.
- Its aim is to **accelerate implementation, ensure verification of applications, and expedite completion** of sanctioned houses.

### 2. Key Features

- Focus on **community mobilisation and door-to-door awareness** across **5,000+ Urban Local Bodies (ULBs)**.
- Special emphasis on informing stakeholders about the **Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH)** and convergence with other schemes like **PM Surya Ghar: Muft Bijli Yojana**.
- Housing needs of **Special Focus Groups** under PMAY-U 2.0 will be prioritised.

### 3. Achievements and Targets

- Under PMAY-U, **120 lakh houses sanctioned, of which 94.11 lakh completed and delivered**.
- PMAY-U 2.0 (revamped in September 2024) aims to cover **1 crore additional urban families** with financial support of up to **₹2.5 lakh per family**.
- Angikaar 2025 will bridge the implementation gap and push for completion of remaining houses.

### 4. Campaign Activities

- Duration: **4th September – 31st October 2025**.
- Activities include **loan melas, cultural events, PM Awas Mela – Shehri, and PMAY-U Awas Diwas on 17th September 2025**.



- Events will be organised at **district headquarters** and **municipal corporation levels** for larger cities.

### 5. Constitutional and Legal Provisions

- Linked to **Article 21 (Right to Life)** and **Directive Principles of State Policy (DPSPs)**, particularly **Article 38 (social welfare)**, **Article 39 (adequate livelihood)**, and **Article 46 (promotion of weaker sections)**.
- Aligns with **Sustainable Development Goal (SDG) 11 – Sustainable Cities and Communities** by ensuring safe and affordable housing.



### 6. Definitions

- **PMAY-U 2.0:** Revamped urban housing scheme (2024) targeting pucca houses for all eligible urban families.
- **CRGFTLIH:** A financial mechanism providing **credit guarantee to lenders** for housing loans to low-income groups.
- **Jan Bhagidari:** Citizen participation approach to governance and policy implementation.

### Conclusion and UPSC Relevance

Angikaar 2025 reinforces the government’s commitment to **“Housing for All”** by bridging the delivery gap and ensuring last-mile connectivity in urban housing schemes. It highlights convergence of schemes, community mobilisation, and financial inclusion for urban poor.

## 13. Soft Tax Nudges, No Scare Tactics – CBIC Approach

- **Definition – Soft Tax Nudges:** A behavioral policy tool used by tax authorities to encourage voluntary compliance through reminders, gentle prompts, and data-matching, without aggressive enforcement or penalties.
- **CBIC’s New Compliance Strategy:** The Central Board of Indirect Taxes and Customs (CBIC) has directed officials to avoid premature or aggressive enforcement actions. Instead, they will use *data intelligence* and *soft nudges* to ensure better compliance under Goods and Services Tax (GST).
- **Data Matching Between Returns:** CBIC plans to match *Income Tax Returns (ITR)* with *GST Returns* to detect mismatches, particularly focusing on cases of abnormal or excessive Input Tax Credit (ITC) claims, which are a major source of tax evasion.
- **Avoidance of Scare Tactics:** Tax officers are advised against sending early notices or over-relying on UPI/digital payment data for enforcement, as such actions create fear among small businesses. This follows protests in Karnataka where small vendors, including vegetable sellers exempt from GST, received unnecessary notices.
- **Constitutional & Legal Context:**
  - **Article 265** – “No tax shall be levied or collected except by authority of law.”
  - **GST Council (Art. 279A)** – ensures uniformity in indirect taxation across states.





- **GST Act, 2017** – allows Input Tax Credit but also mandates prevention of fraudulent claims.
- **Principle of Natural Justice** – taxpayers should not be harassed without proper cause.
- **Policy Implications:** CBIC emphasizes a balance between **revenue collection** and **ease of doing business**, aligning with government’s vision of **trust-based taxation** and reducing compliance burden, especially for small vendors and MSMEs.

#### Conclusion:

The CBIC’s strategy highlights a shift from coercive tax enforcement to a compliance-friendly, data-driven approach that builds trust between taxpayers and authorities. By discouraging “scare tactics” and focusing on calibrated interventions, the government aims to strengthen voluntary compliance while avoiding disruption to small businesses.

### 14. UAE, Singapore Anchor India’s Trade Diversification Strategy

- **Context – US Tariff Shock:** India faces a steep **50% tariff** on exports to the US, disrupting supply chains in key sectors like **marine products and textiles**. To mitigate this, the Commerce Ministry is redirecting exports to trusted partners such as **UAE and Singapore**.
- **Trade Diversification Drive:** This situation has accelerated India’s **long-desired trade diversification** strategy. Singapore has agreed to raise imports of **farm goods, seafood, eggs, and poultry**, while the UAE is being positioned as an **alternative textile hub**.
- **Economic Data Highlights:**
  - India’s marine exports to the US were **\$2.68 bn in FY25**, up from \$2.50 bn in FY24.
  - Textile exports: **\$10.9 bn to the US**, while only **\$2.1 bn to the UAE** in FY25.
  - India–UAE target: **\$100 bn trade by 2030** (excluding oil & precious metals).
- **Policy & Institutional Measures:**
  - High-level trade missions and industry delegations to UAE and Singapore.
  - Use of **Bilateral Trade Agreement (BTA) framework** with the US while simultaneously diversifying.
  - India–UAE **High-Level Joint Task Force on Investments** to strengthen complementarities in pharma, gems, textiles, marine and farm goods.
- **Constitutional & Legal Context:**
  - **Article 301–307:** Freedom of trade and commerce in India.
  - **Foreign Trade (Development and Regulation) Act, 1992:** Provides framework for India’s export-import policies.
  - **WTO Principles:** India is bound by Most-Favoured Nation (MFN) and national treatment obligations but can use tariff and non-tariff strategies for diversification.





- **Strategic Implications:** While UAE and Singapore cannot match US consumer demand, they provide **short-term relief** and create **alternative trade avenues**. Experts emphasize that the tariff shock should be used as an opportunity to build **resilient supply chains** and reduce over-dependence on the US market.

**Conclusion:** India's proactive redirection of exports to UAE and Singapore reflects a calibrated trade policy response to external tariff shocks. By leveraging trusted partners and expanding sectoral complementarities, India is moving towards long-term **trade resilience and diversification**.

## 15. India Calls for WTO-Centred Fair-Trade Order

- **Definition – WTO-Centred Multilateral Trading System:** A rules-based framework under the **World Trade Organization (WTO)** ensuring open, fair, inclusive, and non-discriminatory international trade. It provides mechanisms for dispute resolution, reduction of trade barriers, and special treatment for developing nations.
- **India's Position:** At the **SCO Trade Ministers' Meeting (Vladivostok, Russia)**, India reaffirmed its commitment to a **multilateral trading system with WTO at its core** and urged SCO members to enhance economic cooperation for **resilient and diversified supply chains**.
- **Key Demands Raised by India:**
  - **Permanent solution on public stockholding for food security** (critical for schemes like NFSA and PMGKAY).
  - **Special and Differential Treatment (SDT)** for developing countries to protect their economic interests.
  - **Restoration of WTO's dispute settlement system** (two-tier Appellate Body) to ensure fairness in global trade.
- **Focus on Services & MSMEs:** India emphasized leveraging **services trade** and **temporary movement of skilled professionals (Mode 4 under GATS)** to integrate MSMEs into global value chains, thereby boosting employment and innovation.
- **Constitutional & Legal Provisions:**
  - **Article 38 & 39 (Directive Principles of State Policy)** – promote equitable distribution of resources and social justice in economic policy.
  - **Foreign Trade (Development & Regulation) Act, 1992** – provides statutory backing for India's trade policy.
  - **WTO Agreements (1995)** – legally binding framework governing India's rights and obligations in global trade.
- **Strategic Importance in SCO:** India's call for a WTO-centric order within SCO highlights its role in promoting **multilateralism** amid rising **protectionism and trade wars**. It also strengthens India's ties with Eurasian economies for **supply chain resilience** in critical sectors.





**Conclusion:** India's advocacy of a WTO-centred fair trade order reflects its long-term strategy of defending the interests of developing nations, ensuring food security, and enhancing participation of MSMEs and skilled professionals in global trade. It also positions India as a responsible stakeholder in reforming multilateral institutions.

## 16. E-Truck Buyers Skip PM E-Drive Scheme

- **Definition – PM E-Drive Scheme:** A flagship **₹10,900 crore government initiative** launched to accelerate adoption of **zero-emission electric trucks (e-trucks)** by providing incentives ranging from ₹2.7 lakh to ₹9.6 lakh per truck, calculated at ₹5,000 per kWh of battery capacity. It is the third such scheme after two iterations of **FAME (Faster Adoption and Manufacturing of Electric Vehicles)** from FY15 to FY24.
- **Current Issue:** Despite record sales of **73 e-trucks in August**, not a single purchase availed subsidies under PM E-Drive. The key hurdle is the **mandatory scrappage certificate** requirement—buyers must scrap or purchase proof of scrapping a fossil fuel truck of similar size, but India's truck scrappage ecosystem remains underdeveloped.
- **Environmental Significance:** Diesel trucks form only **3% of India's vehicle fleet**, yet they contribute **around one-third of the country's carbon emissions**. Successful e-truck adoption is thus critical for reducing emissions, improving urban air quality, and meeting India's **net-zero targets by 2070**.
- **Implementation Gaps:**
  - The **₹500 crore earmarked for e-truck incentives** (targeting over 5,600 units) remains unused.
  - **Private financing models** without scrappage mandates (like the **Ease of Doing Business-backed ₹500 crore viability gap funding plan**) are gaining traction, unlike the stricter government scheme.
  - Concerns exist regarding inadequate scrapping infrastructure and compliance burden on buyers.
- **Constitutional & Legal Provisions:**
  - **Article 48A** (Directive Principles): Duty of the state to protect and improve the environment.
  - **Environment Protection Act, 1986:** Legal framework for emission reduction measures.
  - **Motor Vehicles (Amendment) Act, 2019:** Provides for regulation of vehicle scrappage policies.
  - **National Electric Mobility Mission Plan (NEMMP):** Policy umbrella for EV adoption in India.
- **Strategic Importance:** E-truck adoption directly links to **energy security, reduction in oil imports, air pollution control, and achieving SDG 13 (Climate Action)**. Policy misalignment (scrappage mandate vs. inadequate ecosystem) risks slowing progress in the **electric mobility transition**.





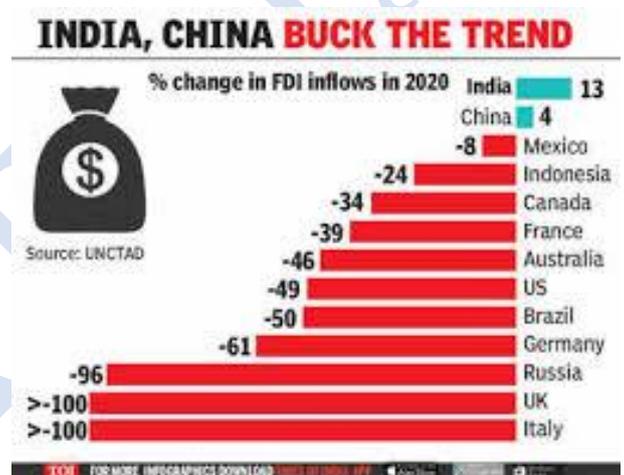
**Conclusion:** The faltering start of the PM E-Drive scheme shows a **policy-implementation gap**. Unless scrappage rules are eased or infrastructure is strengthened, the scheme risks underutilization. For success, India must balance **stringent green goals with practical transition pathways**.

## 17. India's Changing FDI Trends – A Complex Turn

- **Definition of FDI:** *Foreign Direct Investment (FDI)* refers to investment by a foreign entity into business interests in another country, typically through ownership, management control, or long-term interest. It is distinct from FPI (Foreign Portfolio Investment), which is short-term and market-driven.
- **Recent Trends:** India attracted **\$81 billion in gross FDI inflows in FY 2024-25** (up 13.7%), but **net inflows declined sharply** due to heavy **disinvestments (\$51.4 billion in FY 2024-25)** and **outward FDI by Indian firms (\$29.2 billion)**. After accounting for outflows, India retained only **\$0.4 billion** in net FDI, reflecting weakening investor confidence.

- **Shift in Investment Patterns:**

- Manufacturing's share in FDI has dropped to **12%**, while services, hospitality, energy distribution, and financial sectors dominate.
- Traditional long-term sources like the U.S., U.K., and Germany have reduced investments.
- Mauritius and Singapore remain key routes, raising concerns of **tax arbitrage and treaty shopping** rather than genuine industrial investment.



- **Structural Challenges:** Outflows highlight **regulatory inefficiencies, policy unpredictability, infrastructure gaps, and legal opacity** in India. Indian companies increasingly prefer investing abroad in developed markets with **stable tax regimes and better ease of doing business**.
- **Economic Implications:** Declining FDI net inflows hurt **industrial growth, job creation, technological innovation, and balance of payments stability**. Short-term profit-seeking inflows weaken India's **long-term economic resilience**. The RBI has cautioned about external account vulnerabilities due to this imbalance.
- **Legal & Constitutional Provisions:**
  - **Article 301:** Freedom of trade, commerce, and intercourse within India.
  - **Article 303:** Restriction on discriminatory trade practices by the State.
  - **Article 304:** States' power to regulate trade for public interest.
  - **FDI Policy** (regulated by DPIIT under the **Foreign Exchange Management Act, 1999**).
  - **Make in India & Atmanirbhar Bharat** aim to channel FDI towards manufacturing and long-term sectors.

**Conclusion:** India's FDI story shows a **paradox**—rising gross inflows but declining net inflows due to



heavy withdrawals and outward investments. The challenge lies in **retaining capital** and channeling it into **manufacturing, infrastructure, and technology** rather than short-term profit sectors.

## 18. StartUp Linked Economy and Industry Collaboration

- **Concept of StartUp Linked Economy:** Union Minister Dr. Jitendra Singh emphasized that India's **future growth will rely on a "StartUp linked economy"**, where innovation from campuses is connected with industry for funding, scalability, and market access. The idea moves beyond symbolic support to structured **industry-linked entrepreneurship**.
- **Sectoral Diversification:** While India's StartUp ecosystem began in IT and digital sectors, future growth lies in **agriculture, biotechnology, ocean resources, and space technology**. Government initiatives and public-private collaboration in these sectors have already yielded visible results.
- **Regional and Social Dimensions:** North India has lagged in StartUp participation compared to southern and western regions. Initiatives like **Chandigarh University Campus Tank** aim to bridge this gap. Importantly, **nearly 60% of registered StartUps are women-led**, reflecting inclusivity and empowerment in India's innovation landscape.
- **Global Recognition:** India has made significant strides in innovation, rising from **81st to 39th rank in the Global Innovation Index within a decade**. Patent filings are increasingly dominated by resident Indians, reversing earlier dependency on foreign filings. This strengthens India's **knowledge economy**.
- **Policy and Legal Framework:**
  - **Startup India Initiative (2016)** under the Ministry of Commerce promotes innovation through tax incentives, easier compliance, and funding support.
  - **Atal Innovation Mission (AIM)** fosters innovation hubs and incubators across educational institutions.
  - **Article 19(1)(g)** of the Constitution guarantees freedom of trade and occupation, forming the legal foundation for entrepreneurship.
  - **Patents Act, 1970** (amended) provides protection for intellectual property, crucial for start-up innovation.
- **Institutional Mechanisms:** The government encourages industry-academia collaboration through schemes like **SIDBI Fund of Funds, Biotechnology Industry Research Assistance Council (BIRAC), and Technology Development Fund (DRDO)**. These promote **financial viability, R&D support, and commercialization of ideas**.



**Definition – StartUp Linked Economy:** An economy where **start-ups are structurally integrated with industry** for funding, scaling, and market sustainability, ensuring that innovation translates into enterprise and job creation.

**Conclusion:** The focus on a **StartUp linked economy** reflects India's transition from a service-driven model to an **innovation and industry-driven economy**, crucial for achieving the vision of a **Developed India by 2047**. Inclusive participation, sectoral diversification, and industry linkages will be key drivers.



## 19. Importance of Undersea Cables

- **Definition:** Undersea cables are fibre-optic cables laid on the ocean floor that transmit digital data (messages, videos, calls) across continents.
- They carry **over 95% of global internet traffic**, making them the backbone of global digital connectivity.
- There are **559 active subsea cables worldwide** with a massive capacity of 16,000 terabits per second (Tbps). India currently has **17 such cables**, with companies like Google, Meta, Airtel, and Reliance Jio investing in further expansion.

### Causes and Impact of Cable Damage

- **Causes:** Ship anchors, fishing nets, earthquakes, and increasingly **sabotage in geopolitically sensitive areas**.
- **Impact:** Internet slowdowns, degraded connectivity, and disruption of financial services, cloud platforms, and global communications.
- Example: The **SMW4 and IMEWE cables** in the Red Sea were recently cut, affecting connectivity in India, Pakistan, and beyond.



### Repair Challenges

- Around **150–200 faults occur annually** in global subsea cables.
- Repair usually takes **weeks to months**; in India, the average is **3–5 months** due to reliance on foreign repair services and lack of indigenous repair vessels.
- Delays are worsened by **high costs, customs clearance, and multiple permits** for repair ships.

### Strategic Importance of the Red Sea

- The **Red Sea is a critical hub**, linking Europe, Asia, and Africa with **15+ subsea cables**.
- It carries **80% of Asia's westward internet traffic and 17% of global traffic**.
- Geopolitical tensions—like **Houthi rebel attacks on ships and cables**—pose severe risks to global internet stability.

### Mitigation by Companies

- Operators **reroute internet traffic** through alternate cables to maintain services.
- However, rerouting increases **latency** and can affect productivity in sectors like IT, finance, and outsourcing.
- Expansion of subsea cable networks is seen as vital for **India's growing data economy** and Global Capability Centres (GCCs).

### Constitutional & Legal Dimensions

- **National Security Concerns:** Disruption in undersea cables can affect critical sectors (defence, banking, governance), making it a **strategic infrastructure issue**.
- **Legal Provisions:** Undersea cable protection is linked with the **Indian Telegraph Act, 1885**, the **Information Technology Act, 2000**, and global frameworks like the **United Nations Convention on the Law of the Sea (UNCLOS)**, which obligates nations to protect submarine cables.



### Conclusion and UPSC Relevance

- Undersea cables are the **arteries of the digital economy**, ensuring global trade, communication, and strategic security.
- India's dependence on limited cable routes and foreign repair facilities makes it vulnerable.
- Strengthening **domestic repair capability, securing strategic sea routes, and diversifying digital infrastructure** is crucial for cyber and national security.

## 20. India's Refiners and Russian Oil Imports

- **Context:** Indian state-owned refiners are aiming to **restore full-scale imports of discounted Russian crude oil**, despite **US pressure to reduce such purchases**. However, supplies have declined due to Russia diverting cargoes to China.
- This reflects India's strategy of balancing **energy security needs with geopolitical pressures**.

### Importance of Russian Crude for India

- Russia became one of India's **top oil suppliers** after Western sanctions on Moscow, offering crude at **discounted rates**.
- India, the world's **third-largest oil consumer and importer**, relies on imports for over **85% of its crude requirements**, making discounted Russian oil vital for managing **inflation and current account deficit**.

### Geopolitical Dimensions

- The US has repeatedly urged India to **cut dependence on Russian crude** as part of its sanctions strategy following the Russia-Ukraine war.
- India has maintained a **neutral stance**, citing its right to pursue national energy security.
- This reflects India's **strategic autonomy** in foreign policy, avoiding alignment with Western or Russian blocs.

### Constitutional & Legal Provisions

- **Article 38 (DPSP):** Directs the State to promote social and economic welfare, relevant in ensuring affordable energy for citizens.
- **Article 39(b):** Equitable distribution of material resources, including energy.
- **Essential Commodities Act, 1955:** Empowers government to regulate petroleum products in public interest.
- **Petroleum & Natural Gas Regulatory Board Act, 2006:** Provides framework for energy regulation.

### Economic Significance

- Discounted oil from Russia helps India manage its **energy import bill**, keeping domestic fuel prices relatively stable.
- It aids in **controlling inflation**, supporting industrial growth, and ensuring **energy security**.
- However, reduced Russian supplies could push India towards **West Asian or African suppliers** at higher costs.



## Conclusion and UPSC Relevance

- India's attempt to restore Russian crude imports highlights the **tension between energy security, foreign policy autonomy, and global geopolitics**.
- The issue showcases India's **realist approach in international relations**—prioritizing economic and energy needs over external pressure.

## 21. Empowering RBI's e-Rupee: Starting with GST Collection

- **Introduction to e-Rupee (CBDC):** The **Central Bank Digital Currency (CBDC)**, known as the e-rupee, is a digital version of sovereign currency issued by the Reserve Bank of India (RBI). Unlike UPI, which only facilitates bank-to-bank transfers, the e-rupee functions as **legal tender** stored in digital wallets and can operate independently of traditional banking channels.
- **Benefits for Financial Inclusion:**
  - Facilitates remittances for India's large **migrant population**, especially in remote areas lacking adequate banking infrastructure.
  - Government welfare transfers through CBDC wallets can bypass middlemen, ensuring **direct benefit transfers (DBT)** with reduced leakages.
  - Eliminates dependency on cash dispensers and mitigates risks of cash shortages.
- **GST Collection and Tax Compliance:**
  - Traceability through blockchain-based CBDC can help curb **input tax credit fraud**, estimated at ₹1.8 trillion over five years.
  - Mandatory GST payments via e-rupee would ensure **end-to-end digital records of goods movement, tax paid, and consignee details**, reducing the need for e-way bills and physical inspections.
  - CBDC's programmable features could simplify tax compliance by automating flows.
- **Cross-Border Transactions and Global Integration:**
  - India, being the **largest recipient of global remittances**, could benefit from faster, secure, and cost-effective transfers using e-rupee wallets.
  - Reduces reliance on the **US dollar** as the global anchor by enabling direct spot conversions and potential integration with future **stablecoins or multi-currency blockchains**.
- **Constitutional & Legal Framework:**
  - **RBI's Authority:** Under the **RBI Act, 1934** and **Section 22**, RBI has the sole right to issue currency, now extended to CBDC.
  - **Article 246 & Union List (Entry 36 & 46):** Provides Parliament power over currency, coinage, and foreign exchange.
  - **Article 265:** "No tax shall be levied or collected except by authority of law" – CBDC-led GST payments enhance compliance with this constitutional mandate.





- **Information Technology Act, 2000:** Governs digital transactions, ensuring security and legal validity of e-payments.
- **Challenges and Concerns:**
  - **Privacy:** CBDC transactions are traceable on blockchain, raising concerns of state overreach.
  - **Adoption vs UPI:** UPI is widely entrenched with 700+ million daily transactions, making CBDC adoption challenging unless backed by strong incentives.
  - **Banking Sector Implications:** Widespread CBDC use may impact banks' deposit base, requiring careful calibration.

### Conclusion and UPSC Relevance

The e-rupee has the potential to **revolutionize financial inclusion, taxation, and cross-border payments** while enhancing India's digital sovereignty. Its use in **GST collection** could be the first major step in ensuring transparency, compliance, and fraud reduction. However, concerns of privacy, adoption challenges, and systemic risks must be carefully addressed.

## 22. US HIRE Bill and Its Implications for Indian IT Sector

- **Background of HIRE Bill (Halting International Relocation of Employment Act, 2025)**  
Introduced by Senator Bernie Moreno in the US Senate, the bill proposes a **25% tax on payments made to foreign entities** rendering services to US individuals/companies. The revenue will go into a **Domestic Workforce Fund** to finance US apprenticeships and workforce development.
- **Impact on Indian IT Industry**  
India's IT sector, worth **\$283 billion**, earns over **60% of its revenue from the US**. If implemented, the tax will:
  - Increase billing rates to clients (to protect margins).
  - Reduce competitiveness of Indian IT firms against local US companies.
  - Pressure Fortune 500 companies to renegotiate contracts and cut costs.
- **Why US Companies Offshore Work?**
  - **Lower cost of operations** compared to hiring US employees.
  - **Shortage of niche tech skills** in the US (AI, cloud computing, cybersecurity).
  - Heavy reliance on Indian engineers through **H-1B visas** (approx. 14,652 Indian IT employees in US as of June 2025).
- **Future Prospects & Challenges**
  - The bill faces hurdles in passage through the House, Senate, and Presidential approval.
  - Large US corporations are expected to **lobby against it**, as they rely on offshore and visa-based talent.





- If passed, negotiations will determine whether IT providers or US clients bear the tax burden.
- **Constitutional & Legal Angle**
  - While this is US legislation, it may indirectly affect **India-US trade relations**, invoking WTO discussions on **non-discriminatory trade practices**.
  - Under India's **Constitution (Article 19(1)(g))**, citizens have the right to practice any profession or trade, but such external policies may constrain India's service exports.
  - **Definition:** *Outsourcing* refers to contracting work to an external organization (domestic or foreign) to reduce costs or access specialized expertise.
- **India's Strategic Concerns**
  - Threat to **employment generation** and **foreign exchange earnings**.
  - Possibility of India seeking **bilateral trade negotiations** or raising concerns under **India-US Trade Policy Forum**.
  - Push for **domestic upskilling** and **AI-based automation** to reduce dependency on foreign policy uncertainties.

### Conclusion

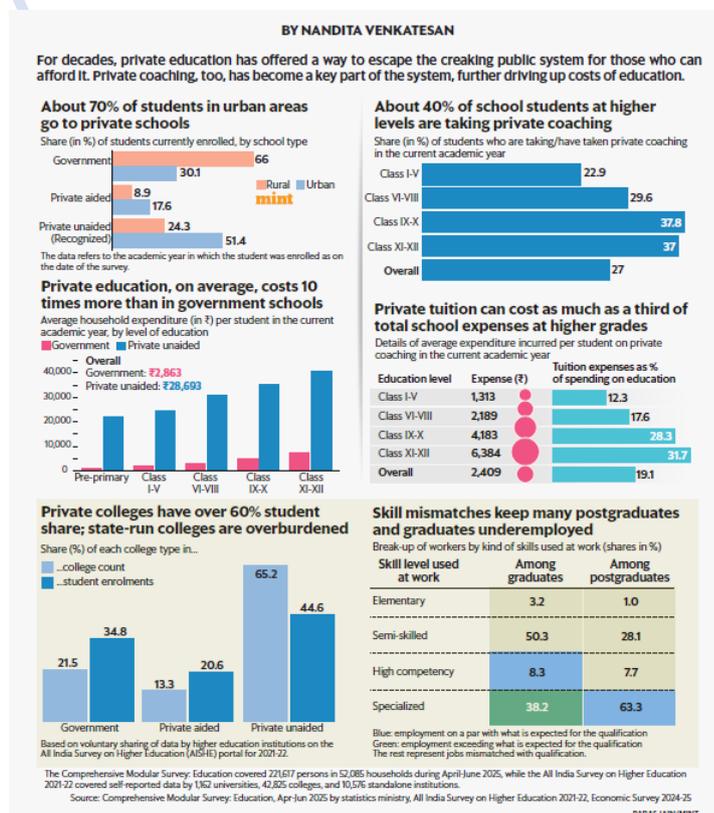
The HIRE Bill highlights rising **protectionist trends in the US** aimed at safeguarding domestic jobs. While its passage remains uncertain, it creates pressure on India's IT giants to diversify markets, enhance local hiring in the US, and invest in innovation to stay competitive.

## 23. Rising Cost of Education and Dependence on Private Sector in India

- **Trends in Private vs Government Education**

The **Comprehensive Modular Survey: Education (2025)** by NSO reveals that **51% of students are enrolled in private unaided schools**, with household spending up to **10–35 times higher** than in government schools. Rural students (~ two-thirds) still depend on government schools, highlighting socio-economic disparities.
- **Private Coaching and Shadow Education**

Private tuitions have become a parallel system of education. Around **25.5% of rural students** and **30.7% of urban students** avail coaching, with figures rising to **40–45% at higher secondary levels**. Coaching adds significantly to costs—up to **one-third of total educational expenditure** at higher secondary levels.





- **Higher Education Dynamics**  
Nearly **two-thirds of students in India pursue private colleges (aided/unaided)**. Government colleges, though only **21.5% of total institutions**, handle about **35% of enrolments**, creating overburdened systems. Despite high private spending, **skill mismatches persist**, with **37% postgraduates and 54% graduates underemployed** (Economic Survey 2024-25).
- **Structural Issues in Public Education**  
Challenges include **insufficient funding**, poor infrastructure, lack of qualified teachers, and weak accountability. These factors drive middle- and high-income households to private institutions, creating a **two-track education system** where quality is linked to affordability.
- **Policy, Constitutional & Legal Aspects**
  - **Directive Principles (Article 41 & 45):** Mandate free and compulsory education and promote educational opportunities.
  - **Article 21A:** Provides the fundamental right to free and compulsory education (RTE Act, 2009 operationalizes this).
  - **National Education Policy (NEP) 2020:** Stresses equitable, inclusive, and affordable education.
  - Experts recommend **raising public expenditure on education from ~3% to 6% of GDP**, aligning with the **Kothari Commission (1966)** and NEP targets.
- **Definition of Key Terms**
  - **Shadow Education:** Informal private tutoring outside the formal schooling system.
  - **Underemployment:** A condition where individuals are employed in jobs below their skill, education, or qualification level.

### Conclusion

The rising financial burden on Indian households for quality education underlines systemic weaknesses in the public education system. Unless **government investment in education increases significantly**, inequalities in access and outcomes will widen, undermining the vision of **Viksit Bharat 2047**.

## 24. Mid-Term Review of Flagship Schemes by Finance Ministry

- **Background and Objectives**  
The Ministry of Finance will conduct a **mid-term review of flagship economic and welfare schemes** to redirect resources toward **employment generation, entrepreneurship, and skill development**. This recalibration is aimed at addressing **uneven consumption, sluggish private investment, and global economic uncertainties**, while building on earlier fiscal measures like **GST rate cuts and income tax relief**.
- **Key Schemes Under Review**
  - **MGNREGS:** Largest social safety net providing 100 days of guaranteed rural employment (FY26 allocation: ₹86,000 crore).





- **PM Vishwakarma (2023):** ₹5,100 crore for FY26, part of ₹13,000 crore five-year package to support artisans.
- **PM SVANidhi:** Loans to street vendors; allocation of ₹7,332 crore with extended lending till 2030.
- **PM-AASHA:** ₹35,000 crore outlay for price support to farmers (15th Finance Commission cycle).
- **PM-Kisan Maandhan:** Pension scheme for farmers.
- **PM Mudra Yojana & DAY-NRLM:** Micro-loans and skill development for small entrepreneurs.
- **Employment Linked Incentive (ELI) Scheme, 2025:** ₹1 trillion outlay, expected to create 35 million jobs by 2027.
- **Focus on SMEs and MSMEs**

SMEs and MSMEs, as key **drivers of job creation**, will be central to the review. With the impact of **US reciprocal tariffs** and global slowdown, MSME support through credit, skilling, and employment-linked incentives is likely to receive higher priority.
- **Fiscal and Policy Dimensions**

The review reflects a **counter-cyclical fiscal management strategy**, balancing immediate consumption needs with long-term productivity gains. Experts highlight its role in **adaptive governance** amidst global uncertainties, ensuring resource optimization and resilience-building.
- **Constitutional & Legal Provisions**
  - **Article 38 & 39 (DPSPs):** Promote social justice, equitable distribution of wealth, and livelihood security.
  - **Article 41:** Right to work, education, and public assistance.
  - **Article 43:** State's duty to promote cottage industries and workers' welfare.
  - **Legal Framework:** **MGNREG Act, 2005** provides a statutory right to work, making mid-term fund reviews significant for compliance with legal guarantees.
- **Definition of Key Terms**
  - **Counter-Cyclical Fiscal Policy:** Government intervention through higher spending or tax relief during economic slowdown to stabilize growth.
  - **Employment-Linked Incentives (ELI):** Targeted subsidies/incentives tied directly to job creation outcomes.

## Conclusion

The mid-term review reflects India's shift from **broad stimulus to targeted employment generation and skill development**, seeking to balance **short-term consumption support with long-term productivity growth**. It aims to strengthen livelihoods, empower MSMEs, and harness the **demographic dividend**, thereby ensuring sustainable and inclusive growth.



## 25. India Under WTO Scrutiny on Farm Trade and Subsidies

### • Background and Pending Queries

India faces the **highest number of unanswered farm trade-related queries at the WTO**, with **186 pending since 2013** and **30 more in 2024**. Queries raised primarily by the US, Canada, Australia, and the EU focus on India's **MSP procurement, public stockholding, export subsidies (sugar, cotton), and overdue notifications** under the **WTO Agreement on Agriculture (AoA)**.



### • India's Position

India asserts that its farm support programmes—including **Minimum Support Price (MSP), Public Distribution System (PDS), and input subsidies**—are essential to ensure **food security** and protect **small and marginal farmers**. The government spent **₹1.5 trillion in FY25** on food and farm subsidies under schemes like **PMGKAY** and **National Food Security Act (NFSA)**. India argues these measures are **WTO-compliant** and aligned with its developmental needs.

### • Concerns from Developed Nations

Developed members (US, EU, Canada, Australia) view India's **delayed responses** as undermining **transparency** and eroding trust in the multilateral trading system. They fear India's procurement and stockholding distort global farm trade by **artificially supporting exports** and **affecting market prices**.

### • India's Counter-Arguments

India highlights **asymmetry in global trade rules**, pointing to the **large, opaque subsidy programmes in developed economies** (e.g., US farm bills, EU Common Agricultural Policy) which distort trade more than developing-country schemes. India has itself sought clarifications from developed members on **dairy, sugar, and farm support measures**, signaling reciprocity in scrutiny.

### • Constitutional & Legal Provisions

- **Article 39(b) & (c):** Directive Principles mandate equitable distribution of resources and prevention of wealth concentration.
- **Article 47:** Duty of the state to raise nutrition and living standards, linked to food security.
- **National Food Security Act, 2013 (NFSA):** Provides a legal right to subsidized food grains.
- **WTO AoA (1995):** Classifies subsidies as Green Box (non-trade-distorting), Amber Box (trade-distorting, with limits), and Special & Differential Treatment for developing nations.

### • Definition of Key Terms

- **Public Stockholding (PSH):** Government procurement and storage of food grains to stabilize prices and ensure food distribution.
- **Amber Box Subsidies:** WTO term for trade-distorting support (e.g., MSP linked to production).



- **Peace Clause (Bali, 2013):** Temporary protection for developing nations' PSH programmes from WTO challenges, if for food security.

### Conclusion

India's farm policies reflect a **developmental imperative to ensure food security for 800 million people and safeguard farmers' incomes**. While developed nations accuse India of non-transparency, the real contest lies in balancing **global trade rules with domestic food security needs**. Greater **diplomatic engagement and timely responses** could help India avoid a credibility gap at the WTO without diluting its stance on farmer protection.

## 26. Government Allows MRP Revision Post-GST Cuts

### • Policy Update

The government has permitted **manufacturers, packers, and importers** of pre-packaged goods to **revise the Maximum Retail Price (MRP)** on unsold stock after changes in **Goods and Services Tax (GST) rates**. This move ensures smoother business transition and prevents consumer-market distortions.

### • Definition: Maximum Retail Price (MRP)

MRP is the **highest price** that can be charged from a consumer for a product, inclusive of all taxes. Under the **Legal Metrology (Packaged Commodities) Rules, 2011**, displaying MRP on pre-packaged goods is mandatory to ensure consumer protection.

### • Legal & Constitutional Framework

- **Article 38 & 39(b):** Directive Principles obligate the State to ensure equitable distribution of resources and protect consumer interest.
- **Consumer Protection Act, 2019:** Safeguards consumers from unfair trade practices.
- **GST Act, 2017:** Provides uniform indirect taxation, and its rate changes directly impact retail pricing.

### • Significance of the Move

- Prevents businesses from incurring **losses on old stock** due to revised GST rates.
- Helps ensure **accurate pass-through of tax benefits** to consumers.
- Avoids black marketing, dual pricing, and market confusion during tax transitions.



### • Challenges & Compliance

Companies must ensure **timely relabeling, stickering, or stamping** of revised MRP under supervision. Enforcement authorities under **Legal Metrology Act** must monitor compliance to protect consumers from arbitrary pricing.

### Conclusion

By allowing MRP revisions on unsold stock after GST rate cuts, the government balances **business ease and consumer rights**. It aligns with principles of **transparency, fair trade practices, and consumer welfare**, strengthening trust in India's taxation and market system.



## 27. Concern of Tea Planters over Low-Quality Imports

- **Issue of Low-Quality Imports:** Tea planters are concerned that **duty-free low-quality tea imports**, meant for **re-export purposes**, are being diverted into the **domestic market**. This practice is undermining the quality perception of Indian tea and depressing domestic prices.
- **Economic Impact:** The influx of cheaper imports is harming **domestic growers**, especially small tea planters, by eroding their profit margins. India, being one of the world's largest tea producers, faces risks of losing competitiveness if domestic markets are flooded with inferior quality imports.
- **Demands of Tea Growers:** Industry stakeholders have urged the government to impose either a **100% import duty** or enforce a **minimum import price (MIP)** to protect domestic producers and ensure fair competition.
- **Constitutional & Legal Provisions:**
  - **Article 301:** Ensures freedom of trade, commerce, and intercourse throughout India.
  - **Article 302:** Parliament may impose restrictions on trade in public interest.
  - **Customs Act, 1962:** Governs import duties and trade regulations.
  - **Foreign Trade (Development and Regulation) Act, 1992:** Empowers the government to regulate imports and exports.
- **Definition – Minimum Import Price (MIP):** A trade policy tool that sets the lowest price at which an imported commodity can enter the domestic market, aimed at preventing dumping of cheap, low-quality goods.
- **Challenges:** Balancing **WTO commitments** on trade liberalization with protection of domestic industries, monitoring misuse of duty-free schemes, and ensuring traceability of imports meant for re-export.



### Conclusion

Unchecked inflow of **low-quality duty-free tea** into the domestic market threatens both **price stability and quality reputation** of Indian tea. Imposition of MIP or higher import duty, along with stricter monitoring, is essential to protect domestic growers and preserve India's global standing in tea exports.

## 28. RBI's Proposal to Empower Lenders in Recovery of Small Loans

- **Background & Context**
  - The Reserve Bank of India (RBI) is planning to allow lenders to **remotely lock mobile phones** purchased on credit in case of loan defaults.
  - This move is aimed at curbing **bad assets** in the small-ticket loan segment (loans below ₹1 lakh), which face higher delinquency rates.
  - Non-bank lenders (NBFCs) provide nearly **85% of consumer durable loans**, making this mechanism crucial for recovery.



- **Mechanism & Safeguards**

- Phone-locking will be implemented through apps installed at the time of loan disbursement.
- Borrower's **prior consent** will be mandatory under the updated **Fair Practices Code**.
- Lenders will be barred from accessing **personal data** on locked phones, ensuring privacy protection.
- Earlier, RBI had halted this practice, but after consultations, new guidelines are expected soon.



- **Economic & Market Significance**

- Over **one-third of consumer electronics** in India, including smartphones, are bought through credit-based small loans.
- With **1.16 billion mobile connections**, India represents a deeply penetrated but high-risk market for digital credit.
- Companies like Bajaj Finance, DMI Finance, and Cholamandalam Finance are expected to benefit through reduced defaults and wider lending to weaker credit profiles.

- **Legal & Regulatory Provisions**

- **RBI Act, 1934**: Provides RBI with regulatory powers over NBFCs and banks.
- **Banking Regulation Act, 1949**: Governs fair lending practices.
- **Information Technology Act, 2000 & Right to Privacy (Puttaswamy Judgment, 2017)**: Safeguard personal data and privacy, relevant to concerns over digital phone-locking.
- **Consumer Protection Act, 2019**: Ensures borrower rights against unfair practices.

- **Definition of Key Term**

- **Small-ticket loan**: A loan typically under ₹1 lakh, used for purchasing consumer durables like smartphones, appliances, and electronics. These loans have higher risk of default due to minimal collateral.

- **Concerns & Balancing Act**

- **Pros**: Boosts recovery, reduces NPAs, encourages lending to riskier borrowers.
- **Cons**: Raises **consumer rights issues**, risk of misuse, digital exclusion, and stress for vulnerable borrowers.
- RBI aims to balance **financial inclusion** with **consumer protection** through strict guidelines.

## Conclusion

RBI's move reflects a balancing act between strengthening the recovery framework for small-ticket loans and protecting borrower privacy. If implemented with robust safeguards, it can reduce defaults, stabilize NBFC lending, and deepen financial inclusion, though consumer protection concerns remain critical.



## 29. Government's Plan to Retain Borrowing Target after Tax Cuts

### • Background & Context

- The Government of India plans to **retain its borrowing programme unchanged** for the second half of FY26 despite recent **consumption tax cuts**.
- The approach signals confidence in fiscal management and resilience in public finance.

### • Fiscal Deficit & Expenditure Commitments

- The government aims to meet its **fiscal deficit target of 4.4% of GDP in FY26**, aligning with the roadmap for fiscal consolidation.
- **Capital expenditure (Capex)** will not be reduced, ensuring continuity in infrastructure building and growth-oriented spending.

### • Borrowing Programme & Market Stability

- By not expanding borrowing, the government reassures markets and investors, keeping **bond yields and interest rates stable**.
- This reflects prudent debt management in line with the **FRBM (Fiscal Responsibility and Budget Management) Act, 2003**, which mandates fiscal discipline.



### • Key Definitions

- **Fiscal Deficit:** The excess of total government expenditure over its total receipts (excluding borrowings).
- **Capital Expenditure:** Spending on asset creation like infrastructure, roads, railways, and energy projects, which have long-term growth impacts.

### • Constitutional & Legal Provisions

- **Article 112:** Union Budget (Annual Financial Statement) presentation.
- **Article 292:** Borrowing by the Government of India is subject to limits fixed by Parliament.
- **FRBM Act, 2003:** Provides a legal framework for setting targets on fiscal deficit, revenue deficit, and debt sustainability.

### • Economic Significance

- Maintaining Capex amid tax cuts shows a strategy to **boost demand (via tax relief)** and **support supply-side growth (via infrastructure spending)** simultaneously.
- This balance prevents crowding out of private investment and keeps India's **macroeconomic fundamentals strong**.

### Conclusion

The government's decision to retain its borrowing target despite revenue loss from tax cuts highlights fiscal prudence and growth orientation. By sticking to the fiscal deficit target while protecting capital expenditure, India aims to ensure economic stability, investor confidence, and sustainable development.



# GEOGRAPHY & ENVIRONMENT

## 1. India to Strengthen Weather Prediction for Reliable Grid

### • Background and Objective

- India aims to improve **weather forecasting systems** to ensure grid stability and reliable supply from renewable energy sources such as solar, wind, and hydro.
- Union Minister Pralhad Joshi highlighted the need for **greater accuracy in forecasts** due to the intermittency of renewables.

### • Current Renewable Energy Status

- India has become the **third-largest solar power generator** globally after China and the US.
- Installed non-fossil capacity: **295.89 GW** (including 8.78 GW nuclear).
- Target: **500 GW non-fossil fuel capacity by 2030** in line with COP26 commitments.

### • Challenges in Renewable Energy

- **Intermittency**: Solar and wind power fluctuate with weather conditions, creating challenges for grid stability.
- Need for **reliable day-ahead and real-time forecasts** to integrate renewables effectively into the national grid.

### • Government Measures

- Establishment of **Renewable Energy Management Centres (REMCs)** across India for forecasting, scheduling, and real-time monitoring of renewable energy.
- Plans to **upgrade forecasting systems** with advanced models and possibly AI-driven tools.
- International best practices: Countries like **Spain and Portugal** already use advanced weather-linked grid management systems.



### • Key Definitions & Legal Framework

- **Grid Stability**: Ability of the power system to maintain continuous electricity supply without frequency/voltage fluctuations.
- **Intermittency**: Unpredictable variation in power generation due to weather-dependent sources like solar and wind.
- **Electricity Act, 2003**: Provides the legal framework for electricity generation, transmission, and distribution in India.
- **National Electricity Policy, 2021 (draft)**: Stresses renewable integration and smart grid systems.



- **Article 48A (DPSP):** State's responsibility to protect and improve the environment, linked to renewable promotion.
- **Significance**
  - Enhances **energy security** and supports India's global climate commitments.
  - Encourages **foreign and domestic investment** in the renewable energy sector.
  - Reduces reliance on fossil fuels, aligning with **Paris Agreement and SDGs**.
  - Builds resilience in the power sector against climate variability.
- **Conclusion & UPSC Relevance**
  - Strengthening weather forecasting is crucial for India's **clean energy transition** and achieving its **500 GW target by 2030**.

## 2. India's Rare Earth Mining and Environmental Challenges

- **Importance of Rare Earths and India's Plan**
  - Rare earth elements (REEs) are critical for **semiconductors, defense, renewable energy, and electric vehicles**.
  - India holds **7.23 million tonnes of rare earth oxides**, mainly in coastal states (AP, Odisha, Kerala, Tamil Nadu).
  - The government plans fiscal incentives to boost **domestic mining and magnet production** to cut import dependence, especially on China which controls **60% mining and 90% refining** globally.
- **Toxic Waste Concerns**
  - Rare earth mining and processing generate **massive hazardous waste** (studies suggest ~2,000 tonnes of toxic waste per tonne of REE processed).
  - Waste includes **chemical pollutants and radioactive residues** from thorium-rich monazite deposits.
  - Current plan reportedly lacks **additional environmental safeguards**, relying only on existing waste management laws.
- **Global and Domestic Context**
  - Many countries earlier **withdrew from REE mining** due to environmental and health risks, leaving space for China's dominance.
  - Recent Chinese **export restrictions** on REE magnets have triggered global supply chain concerns.
  - India faces a dilemma: balancing **strategic autonomy in critical minerals** with **ecological sustainability**.





- **Key Legal and Policy Provisions**

- **Environment (Protection) Act, 1986** – umbrella law for environmental safeguards.
- **Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act)** – regulates mining activities.
- **Hazardous and Other Wastes Rules, 2016** – governs disposal and management of toxic waste.
- **Nuclear Safety Regulations** may apply due to **thorium’s radioactive risks**.
- India’s **National Mineral Policy, 2019** emphasizes sustainable mining practices but faces gaps in implementation.

- **Definitions for UPSC**

- **Rare Earth Elements (REEs):** A group of 17 metals critical for high-tech, defense, and green energy applications.
- **Monazite:** A mineral rich in REEs and thorium, often found in beach sand deposits, posing **radioactive risks**.
- **Circular Economy in Mining:** Approach that focuses on **recycling and substitution** to minimize mining waste.

- **Conclusion and UPSC Relevance**

- India’s push for rare earth self-reliance is strategically vital but poses **serious environmental and public health challenges**.
- Without strong safeguards, toxic waste could undermine sustainable development goals (SDGs 3, 7, 12, 13, 15).

### 3. 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.

## **4. Lunar Eclipse over Bhubaneswar – Blood Moon Phenomenon**

- **Definition – Lunar Eclipse & Blood Moon:** A **lunar eclipse** occurs when the **Earth comes between the Sun and the Moon**, casting its shadow on the Moon. During a **total lunar eclipse**, the Moon appears reddish (called a **Blood Moon**) due to **Rayleigh scattering** and refraction of sunlight through Earth’s atmosphere.
- **Event Details:** On Sunday, a **total lunar eclipse** was visible over Bhubaneswar and across many regions of India. The **total phase began at 11:01 p.m.**, attracting skywatchers across India and abroad.
- **Astronomical Significance:**
  - Confirms Earth’s orbital alignment with the Sun and Moon.





- Provides scientific opportunities to study **Earth’s atmosphere** based on light refraction.
- Unlike solar eclipses, **lunar eclipses are safe to watch with the naked eye.**
- **Cultural & Historical Context:**
  - In Indian tradition, eclipses (Grahan) hold astrological and religious significance, often associated with rituals and fasting.
  - Ancient Indian astronomers like **Aryabhata** provided rational explanations of eclipses, debunking myths of Rahu-Ketu swallowing the Moon.
- **Constitutional & Legal Provisions Related to Science & Education:**
  - **Article 51A(h)** – Fundamental Duty: To develop scientific temper, humanism, and spirit of inquiry.
  - **Indian Institute of Astrophysics Act, 1971** – legal framework for astronomical research.
  - **Planetarium & Science Outreach Programs** under Ministry of Science and Technology to popularize astronomy.
- **Scientific & UPSC Relevance:** Understanding eclipses is part of **basic science, space studies, and geography**. Blood moons also serve as natural laboratories to understand atmospheric composition, contributing to **climate science and space research**.

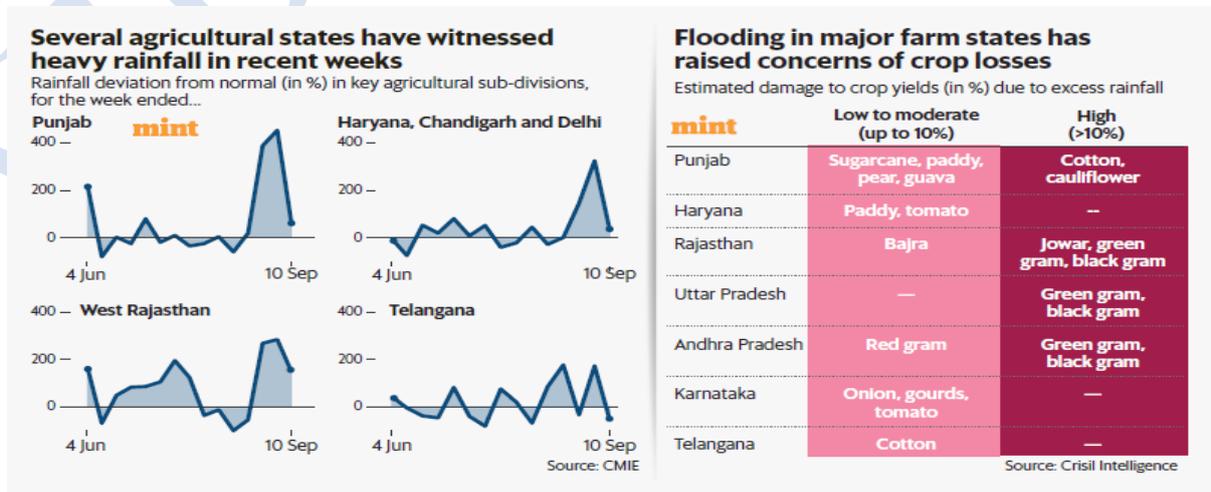
**Conclusion:** The lunar eclipse over Bhubaneswar, creating a blood moon, reflects both the **scientific marvels of celestial mechanics** and the **cultural significance of astronomy in India**. It emphasizes the need to blend traditional knowledge with modern science to promote a **rational, scientific outlook**.

### 5. Impact of Heavy Rains on Economy – Key Points

● **Kharif Season and Rainfall Pattern:**

The Kharif cropping season in India started positively, with overall sowing 0.8% higher than normal as of 5 September. Rice sowing was particularly strong at 8.7% above normal. However, excessive and uneven rainfall during the season poses significant risks to crop production, especially until the harvesting period starting in late October. The India Meteorological Department (IMD) defines normal monsoon rainfall as 96%-104% of the long-period average (LPA), with below 96% considered deficient and above 104% as excess.

● **Impact on Food Inflation:**





Excess rainfall has caused sharp spikes in food prices due to crop damage. Historical cases include onion output damage in 2019, when food inflation surged from 5.1% to 14.2% in three months. In July 2023, food inflation rose from 4.6% to 11.5% because of crop damage and disrupted transport. However, in August 2025, food inflation remained moderate at around 2.2%, close to the Reserve Bank of India's (RBI) lower tolerance limit, helped by GST rate cuts and economic measures.

• **Agricultural Output & Climate Change Link:**

About 20% of India's GDP depends on agriculture, which is heavily dependent on monsoon patterns. Over the past decade, India has mostly experienced either above-normal or below-normal monsoons, with normal rainfall rare, attributed to climate change. Strong agricultural output is generally linked to normal or above-normal rainfall years, while below-normal years show weaker growth. In FY25, despite overall rainfall at 108% of LPA, the uneven distribution of rainfall caused significant damage in several states, including Punjab, Haryana, Telangana, Rajasthan, Karnataka, and Uttar Pradesh.

• **Majorly Affected Crops and States:**

Punjab, contributing 11% of India's cereal output, faced the worst floods in decades, with sugarcane, paddy, cotton, and cauliflower yields projected to drop by over 10%. Other affected crops include tomatoes, onions, jowar, and bajra. Cumulative rainfall from 1 June to 10 September exceeded normal levels by 17%-78% in these key states, leading to sowing issues, yield reductions, and supply disruptions.

• **Key Definitions:**

- **Kharif Season:** The monsoon cropping season in India (June-October) when crops like rice, cotton, and sugarcane are grown.
- **Long Period Average (LPA):** The average of monsoon rainfall over a long period (typically 50 years), used to classify monsoon as normal, deficient, or excess.
- **Food Inflation:** The rate of increase in food prices, a critical component of overall inflation, significantly affecting rural and urban households (47% and 40% of their expenses, respectively).

• **Constitutional & Legal Provision:**

Article 48 of the Indian Constitution (Directive Principles of State Policy) mandates the State to organize agriculture and animal husbandry on modern and scientific lines. Also, the Essential Commodities Act, 1955, empowers the government to regulate the production, supply, and distribution of essential commodities during times of scarcity or price rise.

## 6. Innovative Wound-Healing Pad from Red Ivy Plant

• **Research Background**

- Scientists at **Jawaharlal Nehru Tropical Botanic Garden & Research Institute (JNTBGRI), Kerala**, have developed a **multifunctional wound-healing pad** using **red ivy plant (Strobilanthes alternata)**, locally called *murikooti pacha*.
- The plant belongs to the **Acanthaceae family** and has been used in **traditional medicine** for treating cuts and wounds.

• **Key Scientific Discovery**

- Researchers isolated a molecule called **acteoside** from red ivy for the first time, though it is already known for its **pharmacological and therapeutic properties** in other plants.
- Acteoside is highly effective in **wound healing, anti-inflammatory, and antioxidant activities**, even at **0.2% concentration**.



- **Design & Technology Used**

- The wound pad uses an **electrospun nanofiber layer**, made from **biodegradable, non-toxic, FDA-approved polymers**.
- It incorporates **acteoside** and the antibiotic **neomycin sulfate**, enhancing both healing and infection prevention.
- The **porous nanofiber structure** allows optimal **gas exchange**, enabling the wound to “breathe” while maintaining protection.

- **Constitutional & Legal Framework**

- **Article 51A(h) (Fundamental Duties)**: Promotes scientific temper, innovation, and research.
- **National Biodiversity Act, 2002**: Provides legal framework for using bio-resources sustainably while ensuring benefit-sharing with local communities.
- **Intellectual Property Rights (IPR) & Patents Act, 1970**: Relevant for protection and commercialization of indigenous plant-based innovations.
- **Drugs and Cosmetics Act, 1940**: Ensures regulatory approval of biomedical products before public use.



- **Definition of Key Terms**

- **Electrospinning**: A nanotechnology technique that uses an electric field to produce fine fibers from a polymer solution.
- **Acteoside**: A natural phenylpropanoid glycoside compound known for antioxidant, anti-inflammatory, and antimicrobial activities.
- **Nanofiber Wound Dressing**: A biomedical innovation designed to provide enhanced healing by mimicking the natural extracellular matrix of skin.

- **Strategic Importance**

- Promotes **traditional knowledge–modern science integration**.
- Encourages **Make in India & Atmanirbhar Bharat** initiatives in healthcare innovation.
- Contributes to **SDG 3 (Good Health and Well-being)** and **SDG 9 (Industry, Innovation, Infrastructure)**.

### **Conclusion**

The red ivy–based wound-healing pad demonstrates how **traditional ethnomedicine** can be translated into **modern nanotechnology-driven biomedical solutions**. This innovation not only supports rural medicinal knowledge but also strengthens India’s position in **biotechnology and healthcare research**.



# INTERNATIONAL RELATIONS

## 1. 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.

## 2. Next Round of India–EU FTA Talks

- **Definition – Free Trade Agreement (FTA):** A treaty between two or more economies to reduce or eliminate trade barriers such as tariffs, quotas, and non-tariff restrictions, thereby enhancing market access and investment flows.
- **Current Context:** India and the **European Union (EU)** are set to hold the **13th round of FTA negotiations** in New Delhi (8 September), with discussions moving from preliminary issues to substantive areas such as **non-tariff barriers, market access, and public procurement**. The aim is to conclude the deal by the end of 2025, ahead of the **India–EU Summit in early 2026**.
- **Progress Made So Far:** Out of **23 chapters, 11 have been closed**, covering areas like **intellectual property rights (IPR), trade facilitation, dispute settlement, competition & subsidies, regulatory practices, digital trade, anti-fraud clauses, and sustainable food systems**. Negotiations on **capital movement** are near conclusion.
- **Strategic & Economic Significance:**
  - EU is India's **third-largest trading partner**.





- The FTA is gaining urgency amid **global tariff wars and US protectionist policies**, with both sides seeking to **de-risk supply chains**.
- Engagements at the political level (visits by EU Trade Commissioner and Agriculture Commissioner) aim to prevent negotiations from stalling in technicalities.
- **Constitutional & Legal Framework:**
  - **Article 246 & 253:** Union government has exclusive power to legislate on foreign trade agreements.
  - **Foreign Trade (Development & Regulation) Act, 1992:** Governs India's trade policy and empowers the government to enter FTAs.
  - **WTO obligations:** Any bilateral agreement must comply with Article XXIV of GATT (Regional Trade Agreements).
- **Challenges & Issues:**
  - Non-tariff barriers (EU's stringent standards on environment, labor, and sustainability).
  - Sensitive sectors in India such as **agriculture and dairy**.
  - Divergences in **public procurement and digital trade rules**.

**Conclusion:** The India–EU FTA, once concluded, has the potential to significantly boost trade, investment, and strategic relations between the two blocs. However, success will depend on resolving differences in standards, sustainability issues, and sensitive market access areas.

### 3. India–Israel Bilateral Investment Agreement

- **Definition:** A **Bilateral Investment Treaty (BIT)** is a legal framework between two countries to promote and protect investments by ensuring transparency, fair treatment, and dispute resolution mechanisms.
- India and Israel signed a new **bilateral investment agreement** to strengthen investor protection, enhance trade flows, and provide certainty to businesses. The pact includes **safeguards against expropriation, arbitration-based dispute settlement, and compensation provisions**.

#### Trade and Economic Significance

- India's exports to Israel (FY25): **\$2.15 billion**, including pearls, engineering goods, rice, electronics, cotton, ceramics, and telecom instruments.
- Imports from Israel: **\$1.61 billion**, mainly semi-precious stones, fertilizers, electronic components, agro-chemicals, and engineering goods.
- Current bilateral investment stands at around **\$800 million**, with the pact expected to increase business interaction and capital flows.





### Strategic Cooperation Areas

- The agreement emphasizes collaboration in **fintech, infrastructure development, financial regulation, and digital payment connectivity**.
- Both nations also reaffirmed cooperation in innovation-driven sectors, aligning with India's **Atmanirbhar Bharat** and Israel's technology strengths.

### Security and Political Context

- Both India and Israel face **common threats of terrorism**, and the pact was signed amidst ongoing security challenges.
- Leaders emphasized **civilizational values** and **shared democratic ethos**, reinforcing the partnership beyond economics.

### Constitutional & Legal Provisions

- **Article 51(c) of the Indian Constitution**: Promotes international peace and security, encouraging respect for international treaties and obligations.
- **Foreign Trade (Development and Regulation) Act, 1992**: Provides the legal basis for trade policy and agreements.
- **Arbitration and Conciliation Act, 1996**: Provides a framework for dispute resolution in line with international norms.

### Conclusion and UPSC Relevance

- The India–Israel investment pact is a **strategic step to attract FDI, expand trade, and secure investor confidence**. It complements India's economic reforms while deepening ties with a key strategic partner in West Asia.
- It also reflects the linkage between **economic diplomacy and security cooperation**, especially in a volatile geopolitical environment.

## 4. Nepal's Political Turmoil and India's Trade Concerns

### • Current Situation

Nepal is facing political turmoil following mass protests over a ban on 26 social media platforms, leading to **19 deaths and over 300 injuries**, and resignations of Prime Minister K.P. Sharma Oli and Home Minister Ramesh Lekhak. India is cautiously monitoring the situation, as prolonged instability could impact trade and supply chains.

### • India–Nepal Trade Dependence

India is Nepal's largest trading partner. In **FY25, India exported goods worth \$7.32 billion** to Nepal, while imports stood at **\$1.2 billion**, generating a substantial trade surplus. India's key exports include **petroleum products, vehicles, machinery, electrical equipment, pharmaceuticals, and food items**. Nepal relies heavily on India for essential supplies.

### • Logistical Concerns

Almost all trade is conducted via **road routes** due to Nepal's landlocked geography. The **Raxaul-Birgunj crossing** is the busiest trade point, handling petroleum, food, and industrial inputs. Past





unrest has caused bottlenecks at **Raxaul-Birgunj and Sunauli-Bhairahawa**. Rail and air links exist but are underutilized, making road disruptions a significant risk.

- **Trade Risks from Instability**

Delays at customs or transport routes could disrupt supplies of **perishables, medicines, and industrial inputs**. Experts caution that if unrest spreads beyond Kathmandu, **cross-border trade flows may be severely hampered**, affecting both Indian exporters and Nepali consumers.

- **Constitutional & Legal Provisions**

- **Article 51 (Directive Principles, Part IV):** Calls for promotion of international peace and just relations with nations.
- **India–Nepal Treaty of Peace and Friendship (1950):** Provides for open borders and close economic ties.
- **Definition: Trade Surplus** – A situation where the value of a country’s exports exceeds its imports, as in India’s case with Nepal.

### Conclusion

Nepal’s political instability poses risks to India’s **border trade, supply chains, and economic relations**. While immediate concerns are limited, any escalation may disrupt vital exports and imports. India’s cautious approach reflects a balance between **protecting trade interests** and maintaining **diplomatic sensitivity** with its neighbor.

## 5. EU’s Move to Phase Out Russian Fuel

- **Shift in Energy Dependence:** The European Union (EU) is considering a **faster phase-out of Russian fossil fuels** as part of its **19th sanctions package** against Moscow. Russia’s share in EU gas imports fell to **13% in 2025**, from nearly **45% before the Ukraine war in 2022**.
- **Geopolitical Context:** The move comes under **US pressure** on Europe to reduce reliance on Russian oil and gas. EU leaders view energy independence as crucial to weaken Russia’s economic capacity to sustain the war in Ukraine.
- **Sanctions Strategy:** The EU is targeting not only direct imports but also **shadow fleets** (ships used to bypass sanctions) and **third countries** acting as intermediaries in Russian fossil fuel trade. This reflects tightening of sanctions enforcement mechanisms.
- **Russian Response:** The Kremlin maintains that no sanctions will force it to change its course in the war, highlighting the limited direct impact of sanctions on Russian strategic decisions but raising economic costs.
- **Constitutional & Legal Provisions (India-Relevant):**
  - **Article 246 & Union List:** International trade and foreign affairs fall under Parliament’s power.
  - **Foreign Trade (Development and Regulation) Act, 1992:** Governs India’s ability to adjust trade policies in response to global sanctions.
  - **Energy Conservation Act, 2001:** Provides framework for energy efficiency, relevant if India diversifies energy imports.





- **Definition – Sanctions:** Penalties or restrictions imposed by one or more countries on another state to influence its policies, often targeting trade, finance, or energy.

### Conclusion

The EU's accelerated move to cut reliance on Russian fossil fuels underscores the **interlinkage of energy security and geopolitics**. While sanctions may not alter Russia's war policy immediately, they push Europe towards **energy diversification, renewable adoption, and stronger trans-Atlantic cooperation**.

## 6. The Way Forward on Katchatheevu and Palk Strait Disputes

- **Background & Context:** India's foreign policy (Panchsheel, NAM, SAARC, Neighbourhood First) stresses peace and cooperation. However, disputes with Sri Lanka over **Katchatheevu island** and the **fisheries crisis in the Palk Strait** create friction. PM Modi (April 2025 visit to Colombo) emphasised a "humane approach" — balancing livelihood and ecological sustainability.
- **Fisheries Dispute & Ecological Concerns:**
  - Shared waters have led to conflict due to **Indian mechanised bottom trawling**, which depletes resources and harms coral beds and shrimp habitats.
  - **UNCLOS** stresses conservation and equitable use; **FAO Code of Conduct for Responsible Fisheries (1995)** prohibits destructive practices like bottom trawling.
  - Sri Lanka banned bottom trawling in 2017, yet Indian trawlers continue, causing livelihood conflicts between **Tamil Nadu's commercial trawler operators** and **artisanal fishers**.
- **Katchatheevu Sovereignty Issue:**
  - The **1974 India–Sri Lanka Maritime Boundary Treaty** placed Katchatheevu under Sri Lankan sovereignty; treaty is legally binding and final (*pacta sunt servanda*).
  - Myths of Indira Gandhi "gifting" the island are false; historic administrative records favoured Sri Lanka. International precedents (e.g., ICJ *Minquiers and Ecrehos* case, Rann of Kutch Arbitration) show sovereignty follows effective jurisdiction, not rhetoric.
  - Importantly, **fishing rights are distinct from sovereignty**; they require negotiated arrangements.
- **Legal & Institutional Framework:**
  - **Indian Constitutional Provisions:**
    - Article 246 & Union List Entry 14 → External affairs including treaties.
    - Union List Entry 56 → Regulation of inter-State rivers and resources.
    - Article 51(c) → Respect for international law and treaty obligations.
  - **International Law:**
    - **UNCLOS Article 123** → Semi-enclosed seas (like Palk Bay) mandate cooperation in resource management.





- “Historic waters” doctrine recognised in Indian case law (*Annakumar Pillai vs Muthupayal*, 1904).

- **Proposed Solutions:**

- Quota-based or seasonal fishing rights for Tamil Nadu artisanal fishers with Sri Lankan consent.
- Joint marine research stations (e.g., on Katchatheevu) to promote sustainability.
- Deep-sea fishing promotion within India’s **200-nautical-mile EEZ** to reduce near-shore pressure.
- People-to-people engagement: Tamil Nadu communities & Northern Province of Sri Lanka must foster empathy, recalling shared suffering during the civil war.

- **Definition of Key Terms:**

- **Bottom Trawling:** Fishing practice where heavy nets scrape the seabed, causing large-scale ecological damage.
- **Historic Waters:** Maritime zones where states claim stronger sovereign rights based on long usage and recognition.
- **Pacta Sunt Servanda:** Principle of international law that treaties are binding and must be observed in good faith.

### Conclusion

The **Katchatheevu issue is legally settled**, but the **fisheries dispute persists** as a livelihood and ecological challenge. India and Sri Lanka must move beyond rhetoric toward **joint management, deep-sea alternatives, and fair quota systems**, aligning with international law while protecting Tamil communities on both sides. If prudently handled, the disputes could transform into **symbols of cooperation rather than conflict**, strengthening India’s **Neighbourhood First Policy**.

## 7. India’s \$680 Million Security & Development Package for Mauritius

- **Background & Context**

- India announced a **\$680 million economic assistance package** for Mauritius, including **\$25 million budgetary support**, during Mauritian PM Navinchandra Ramgoolam’s visit to India.
- The initiative aligns with India’s **Neighbourhood First Policy** and seeks to strengthen ties rooted in shared history, including the legacy of “**Girmitiyas**” (indentured Indian laborers sent to Mauritius in the 19th century).

- **Maritime Security & Strategic Dimension**

- A major focus is on bolstering Mauritius’s **maritime surveillance and capacity building** in its **Exclusive Economic Zone (EEZ)**.
- This has become crucial after the **UK transferred sovereignty of the Chagos Islands** to Mauritius in May, expanding its EEZ.



- India and Mauritius jointly emphasized a **free, open, secure, and stable Indian Ocean Region**, resonating with India's **SAGAR (Security and Growth for All in the Region)** vision.
- **Economic & Developmental Components**
  - The package includes infrastructure development and employment generation in Mauritius.
  - India framed the package not as aid but as an **“investment in a shared future”**, highlighting mutual prosperity and long-term partnership.
- **Constitutional & Legal Provisions (India's Perspective)**
  - **Article 51(c) of Directive Principles**: Calls for fostering respect for international law and treaty obligations.
  - **Article 246 & Union List (Entries 10, 14, 15)**: Gives Union Government exclusive powers over foreign affairs, defence, and international agreements.
  - **Exclusive Economic Zone (EEZ)**: As per **United Nations Convention on the Law of the Sea (UNCLOS, 1982)**, a coastal state has sovereign rights over natural resources and security within 200 nautical miles.
- **Definition of Key Term**
  - **Exclusive Economic Zone (EEZ)**: A sea zone prescribed by UNCLOS over which a state has special rights regarding the exploration and use of marine resources, extending up to 200 nautical miles from its coast.
- **Geopolitical Significance**
  - Strengthens India's role as a **net security provider in the Indian Ocean Region**.
  - Counters growing **Chinese influence** in the Indian Ocean under the **Belt and Road Initiative (BRI)**.
  - Enhances regional cooperation and positions Mauritius as a key partner in **Blue Economy development** and maritime safety.

### \$680 MN ECONOMIC PACKAGE

#### GRANT-BASED PROJECTS (USD 215 million)

- Construction of Sir Seewoosagur Ramgoolam National Hospital
- Establishment of AYUSH Centre of Excellence
- Setting up of a veterinary School and animal hospital
- Provision of helicopters

#### GRANT-CUM-LOC PROJECTS (USD 440 million)

- Completion of the Air Traffic Control tower at SSR International Airport
- Development of the Motorway M4
- Expansion of the Ring Road (Phase II)
- Procurement of port-related equipment

#### \$25 MN BUDGETARY ASSISTANCE TO MAURITIUS

##### STRATEGIC COOPERATION

- Redevelopment and restructuring of the Mauritius port
- Development and surveillance of Chagos Marine Protected Area

##### MoUs INKED: 7

From cooperation in the field of science and technology to cooperation in power sector. The two countries also signed an MoU Cooperation for Establishment of Telemetry, Tracking, and Telecommunications Station for Satellites and Launch Vehicles, and for cooperation in the fields of space research, science and application.

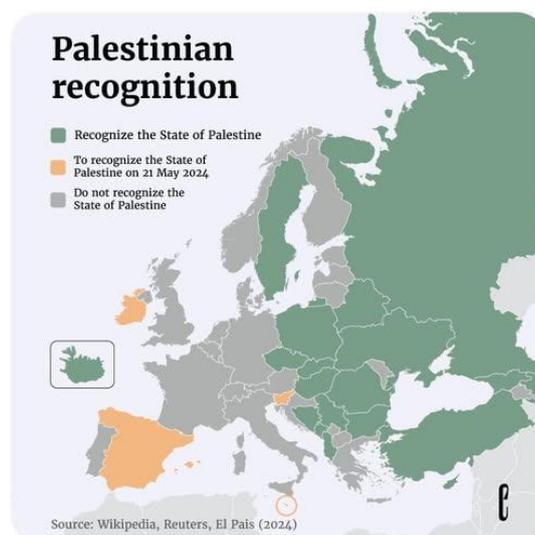
### Conclusion

The \$680 million package represents India's strategic and developmental outreach to Mauritius, reinforcing maritime security, economic resilience, and cultural ties. It not only cements bilateral relations but also strengthens India's leadership in the Indian Ocean amid increasing global competition.



## 8. Recognition of Palestine by European Nations – Key Highlights

- **Recent Diplomatic Shift**
  - Spain, Ireland, and Norway have formally recognised Palestine; France has expressed conditional readiness.
  - This marks a departure from the traditional stance of delaying recognition until a final settlement.
- **Catalysts Behind Recognition**
  - **Gaza War (Post-October 7, 2023 Attacks):** Massive civilian casualties and humanitarian crisis intensified global scrutiny.
  - **Israeli Rejection of Two-State Solution:** PM Netanyahu's stance weakened the foundation of peace diplomacy.
  - **ICJ Proceedings:** South Africa's case under the *Genocide Convention (1948)* added legal urgency.
- **Impact of Ukraine Conflict**
  - Russia's invasion (2022) reinforced Europe's defence of sovereignty and territorial integrity.
  - Highlighted Europe's "consistency gap" between defending Ukraine but ignoring Palestinian sovereignty.
  - Recognition is seen as restoring credibility in adherence to *UN Charter principles (Art. 2(4) – prohibition of acquisition of territory by force)*.
- **Domestic Political Pressures in Europe**
  - Public opinion: 72% Europeans (Eurobarometer 2023) support upholding international law universally.
  - Pro-Palestine demonstrations, student protests, and human rights campaigns intensified pressure.
  - Progressive and left-leaning governments face electoral costs of inaction.
- **Divergent European Positions**
  - Supportive: Spain, Ireland, Norway (tradition of internationalist/left-leaning diplomacy).
  - Reluctant: Germany, Austria (Holocaust responsibility, Israel's security priority).
  - Eastern Europe: Earlier recognition under Soviet influence, but today align with U.S. positions.
- **EU Institutional Constraints**
  - *Common Foreign and Security Policy (CFSP)* requires unanimity; hence no unified EU stance.
  - "Like-minded group" coordination among smaller states builds momentum and symbolic leverage.



### Key Definitions

- **Two-State Solution:** Proposal for independent states of Israel and Palestine coexisting peacefully.
- **Recognition of State:** A sovereign acknowledgment by other states under *Montevideo Convention (1933)* principles—defined territory, permanent population, government, and capacity for relations.

### Constitutional & Legal Provisions (India & International Context)

- **India's Position:** India recognised Palestine in 1988; supports a two-state solution under *UN Resolutions 242 (1967)* and *338 (1973)*.



- **International Law:**

- *UN Charter, 1945* – Upholds sovereignty and self-determination (Art. 1(2)).
- *Genocide Convention, 1948* – Legal accountability for mass atrocities.
- *ICJ Jurisdiction* – Provides legal basis for disputes like Palestine-Israel conflict.

### Conclusion

The recognition of Palestine by European nations is a **symbolic but significant geopolitical shift**, driven by humanitarian concerns, international law consistency, and domestic political pressures. While it may not directly end the occupation, it reinforces global discourse on the **two-state solution** and redefines Europe's role in conflict resolution.

## SOCIAL

### 1. Govt. Plan to Link Anganwadis with Schools: Early Childhood Education Reform

- **Background and Objective**

- The Union government has issued guidelines to co-locate nearly **11 lakh anganwadi centres** with nearby primary schools to ensure smooth transition from early childhood care to formal schooling.
- **Anganwadis** (under ICDS scheme) cater to children aged 0–6 years, focusing on **nutrition, health, and pre-school education**. Integration with schools bridges the gap between **pre-primary and Class 1**.

- **Key Features of the Guidelines**

- Jointly released by the **Ministry of Education (MoE)** and **Ministry of Women & Child Development (MoWCD)**.
- Introduces '**Aadharshila**' curriculum for children aged 3–6 years, ensuring continuity of learning.
- Promotes convergence of **anganwadi workers and school teachers** through joint planning, curriculum alignment, and community involvement.
- Nearly **2.9 lakh anganwadis already co-located**, but **11 lakh remain unmapped**.

- **Technology and Data Integration**

- Introduction of **Automated Permanent Academic Account Registry (APAAR IDs)** for children, to be extended from **pre-primary to higher education**.
- Discussion with **UIDAI** to assign a **unique lifelong ID** at birth, linked to Aadhaar, Poshan Tracker, and APAAR, ensuring seamless tracking of nutrition, health, and education.
- Data reconciliation between MoE and MoWCD to prevent duplication.

- **Constitutional and Legal Provisions**

- **Article 21A**: Right to free and compulsory education for children aged 6–14 years (RTE Act, 2009 operationalises it).





- **Directive Principles (Article 45):** State to provide **early childhood care and education for children up to six years.**
- This reform aligns with the **National Education Policy (NEP) 2020**, which emphasises **foundational learning and integrated child development.**
- **Significance and Expected Outcomes**
  - Ensures children, especially from **low-income families**, receive **structured pre-primary education** before entering formal school.
  - Strengthens **nutritional support + learning outcomes** by linking ICDS and education sectors.
  - Facilitates early tracking of child development and reduces dropouts.
  - Enhances **federal coordination** by providing States/UTs with a roadmap for convergence.
- **Conclusion & UPSC Relevance**
  - The reform is a **step towards holistic human capital development**, integrating **nutrition, health, and education** in early years, which are critical for cognitive and social growth.

## 2. 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.

## 3. ‘Alarming Rise’ in Cancer Cases in Rajasthan

### 1. Key Findings of the Study

- Rajasthan has recorded an “alarming increase” in cancer cases, with Jaipur being the worst-affected city (332.24 cases per one lakh population).
- Of the 14,911 registered patients in the State last year, 10,363 were confirmed cancer cases.
- The State’s average cancer incidence stands at 134.57 per one lakh population, significantly above the national average of 113.

### 2. Data Sources and Methodology

- Study based on International Classification of Diseases (ICD-10) coded data.
- The Histopathology Department of Bhagwan Mahaveer Cancer Hospital, Jaipur, is the State’s designated centre for reporting cases to the **National Centre for Disease Informatics and Research (NCDIR)** under ICMR’s Indian Cancer Registry.
- This registry ensures nationwide standardised data collection and reliability.





### 3. Causes and Risk Factors

- High prevalence of **oral, digestive, and respiratory cancers** linked to tobacco use, alcohol consumption, and pesticide exposure.
- Rising **breast and cervical cancer** cases in women highlight lack of early detection and preventive healthcare infrastructure.

### 4. Geographic Spread

- Highest cases reported from Jaipur (2,837), followed by Alwar (1,031), Ajmer (855), Sikar (685), and Jhunjhunu (649).
- Concentration of new cancer centres in Jaipur reflects the gravity of the situation in the region.

### 5. Constitutional & Legal Provisions

- **Article 21:** Right to life includes the right to health and access to medical care.
- **Directive Principles of State Policy (Article 47):** Duty of the State to improve public health and reduce consumption of intoxicating substances like tobacco and alcohol.
- **National Health Mission & NPCDCS (National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke):** Framework for screening, awareness, and treatment.
- **Cigarettes and Other Tobacco Products Act (COTPA), 2003:** Legal mechanism to reduce tobacco consumption.

### 6. Key Definitions

- **Cancer Incidence Rate:** Number of new cancer cases per one lakh population in a given year.
- **Indian Cancer Registry:** A national database maintained by ICMR for systematic recording and analysis of cancer prevalence and trends.
- **Lifestyle Diseases:** Illnesses linked to unhealthy habits such as tobacco use, alcohol, and poor diet, rather than genetic or infectious causes.

### Conclusion & UPSC Relevance

The rising cancer incidence in Rajasthan reflects a growing **public health crisis**, exacerbated by lifestyle risks and weak preventive infrastructure. It underscores the urgent need for stronger awareness campaigns, early screening, affordable treatment, and regulation of harmful substances.

### 4. Himachal Pradesh Declared a Fully Literate State

- **Context:** On International Literacy Day (September 8, 2025), Chief Minister Sukhvinder Singh Sukhu declared **Himachal Pradesh as a fully literate State**. The announcement was made in Shimla at an event organized by the Directorate of School Education.
- **Achievement:** Himachal Pradesh has progressed from a **minimal literacy rate of around 7% at the time of independence** to now achieving complete literacy. This milestone was reached **ahead of the scheduled timeline**, making Himachal a model for other states.
- **Continuous Reforms:** The CM emphasized that the journey was marked by **consistent reforms in school education**, aligning with **modern-day requirements** such as digital education, teacher training, and infrastructure development.



- **Key Constitutional and Legal Provisions:**

- **Article 21A:** Guarantees the Right to Education (RTE) for children aged 6 to 14 years.
- **Directive Principles (Article 45):** Mandates the State to provide free and compulsory education to children.
- **RTE Act, 2009:** Provides legal backing to compulsory elementary education.
- Literacy drives are also linked to **UN SDG-4 (Quality Education)**, which aims for inclusive and equitable education for all.



- **Definition of Literacy:** As per the **Census of India**, a person aged **7 years and above who can both read and write with understanding in any language** is considered literate. Functional literacy further implies the ability to apply these skills in daily life.
- **Significance:** Literacy is the foundation for **human development, social empowerment, and economic progress**. Himachal's achievement will boost its **Human Development Index (HDI)**, increase employability, and strengthen democratic participation.

### Conclusion and UPSC Relevance

Himachal Pradesh becoming a **fully literate state** is a landmark achievement in India's educational journey, showcasing how consistent reforms, strong political will, and community participation can transform social indicators. It reflects India's progress toward **SDG-4 and constitutional mandates on education**, setting an example for other states.

## 5. Rising Maternal Mortality Ratio (MMR) in Kerala

- **Current Trend:** Kerala's Maternal Mortality Ratio (MMR) has risen from **18 to 30 per one lakh live births** as per the Sample Registration System (SRS) 2021–2023 report. Despite the increase, Kerala and Andhra Pradesh remain the states with the **lowest MMR in India**. The rise is attributed partly to **COVID-19 related maternal deaths (97 in 2021)** and a **sharp decline in the number of live births**.
- **Declining Live Births:** Kerala earlier recorded **5–5.5 lakh live births annually**, but the figure has now dropped below **4 lakh**. In 2023, the State reported **3.93 lakh live births**, and projections for 2024–25 suggest it may fall further to around **3.54 lakh**. The **steady maternal deaths (120–140 annually)** combined with a declining denominator (live births) have led to a higher ratio.
- **Data Discrepancy:** There is often a **difference between SRS figures (sample-based) and State Health Department data (line-list based)**. While SRS is used in official documents, the State's own monitoring is considered more accurate. In 2021–22, Kerala's MMR spiked to **51** due to **220 maternal deaths caused by COVID-19**.
- **Constitutional & Legal Provisions:**
  - **Article 21 (Right to Life):** Includes the right to health and safe motherhood.
  - **Directive Principles (Article 47):** Duty of the State to improve public health.



- **National Health Mission (NHM)** and **Janani Suraksha Yojana (JSY)** aim to reduce maternal mortality.
- **SDG 3.1:** Target to reduce global MMR to less than 70 per 1,00,000 live births by 2030.

- **Definition:**

- **Maternal Mortality Ratio (MMR)** = (Number of maternal deaths ÷ Number of live births) × 1,00,000.
- **Maternal Death:** Death of a woman while pregnant or within 42 days of termination of pregnancy, irrespective of the pregnancy's duration, from any cause related to or aggravated by pregnancy or its management.



- **Policy Challenge:** Kerala's progress in maternal health is recognized, but **further reductions are difficult due to changing social and health profiles** (such as late pregnancies, lifestyle diseases, and low fertility rates). The focus now shifts to **last-mile reduction strategies** like high-risk pregnancy management, better obstetric care, and strengthening referral systems.

### Conclusion and UPSC Relevance

Kerala's rising MMR highlights the **statistical challenge of declining live births** and the **complexities of maternal health management** in low-fertility states. While Kerala continues to be a leader in healthcare outcomes, the data suggests that policy focus should now move toward **quality maternal care, high-risk pregnancy monitoring, and aligning state figures with national statistical systems.**

## 6. Plastic Waste Management in India

- **Scale of Plastic Waste:** India consumes about **13 million tonnes of plastic annually**, out of which only **60% is recycled**. The remaining **40% consists largely of non-recyclable plastics** such as multilayer chip packets, plastic bags, milk pouches, and wrappers, which often end up in landfills and water bodies.
- **Corporate-Led Initiative – Bottles for Change:** Bisleri International launched the “**Bottles for Change**” program with a **mobile app** that connects citizens, plastic collection agents, and recyclers. The initiative has collected and recycled over **19,300 tonnes of plastic**, promoting source segregation and responsible disposal to support a **circular economy**.
- **Potential of Recycling Technologies:** All **PET (Polyethylene Terephthalate) bottles** are recyclable and can be converted into **fibre yarn** (used for fabrics), or **rPET (recycled PET)**, which can be used again for food-grade packaging. Multilayer plastics are repurposed into durable plastic sheets, giving them a “second life.”
- **Key Challenges:** Public indifference towards proper disposal, high prevalence of littering, and lack of efficient collection mechanisms remain major hurdles. Non-recyclable plastics particularly strain the waste management system and contribute to **land and marine pollution**.





- **Constitutional & Legal Provisions:**

- **Article 21:** Right to a clean and healthy environment is part of Right to Life.
  - **Directive Principles (Article 48A):** Mandates protection and improvement of the environment.
  - **Fundamental Duty (Article 51A(g)):** Imposes duty on citizens to protect the environment.
  - **Plastic Waste Management Rules, 2016 (amended 2022):** Provide for ban on single-use plastics and guidelines for recycling.
  - **Extended Producer Responsibility (EPR):** Requires producers, importers, and brand owners to manage post-consumer plastic waste.
- **Definition – Circular Economy:** An economic system aimed at eliminating waste and continual use of resources through recycling, reuse, and repurposing, as opposed to a linear “use-and-dispose” model.

### Conclusion

Plastic waste poses a serious **environmental and public health challenge** in India. While corporate initiatives like “Bottles for Change” show promise, a combination of **stricter enforcement of EPR, citizen awareness, and innovations in recycling technology** is needed to ensure sustainable plastic waste management and reduce dependence on landfills.

## 7. Centre’s Directive to States on Malaria Prevention

- **Background & Context**

- The Central Government has directed **states and Union Territories (UTs)** to intensify **preventive measures against malaria and dengue**.
- A special review has been planned for **Delhi and the National Capital Region (NCR)**, which are prone to seasonal outbreaks.

- **Government’s Advisory & Action Plan**

- Union Health Minister J.P. Nadda has advised state health ministers to **review the ground situation** and prepare **action plans within 20 days**.
- The directive emphasizes **vector control, public awareness, and inter-state coordination** for effective disease management.

- **Constitutional & Legal Provisions**

- **Article 21:** Right to life includes the right to health and a clean environment.
- **Article 47 (DPSP):** Duty of the State to improve public health and nutrition.
- **Seventh Schedule (List II & III):** “Public health and sanitation” is primarily a **State subject**, but disease prevention often involves **concurrent efforts**.





- **Epidemic Diseases Act, 1897** and **National Disaster Management Act, 2005** provide legal backing for coordinated disease control measures.
- **Definition of Key Terms**
  - **Malaria:** A mosquito-borne infectious disease caused by *Plasmodium* parasites, transmitted by the female *Anopheles* mosquito.
  - **Vector-borne diseases:** Illnesses transmitted by vectors like mosquitoes, ticks, and flies, e.g., malaria, dengue, chikungunya.
- **Significance of the Directive**
  - India is a signatory to the **WHO's Global Technical Strategy for Malaria (2016–2030)**, which aims for a **90% reduction in malaria cases by 2030**.
  - The advisory reflects India's commitment to **public health preparedness, disease elimination, and sustainable healthcare systems**.
  - Early preventive measures can reduce the economic burden of outbreaks and prevent healthcare system overload.

### Conclusion

The Centre's directive highlights the urgency of proactive public health measures against malaria and dengue, especially in high-risk regions like NCR. Coordinated efforts between the Union and States, backed by legal and constitutional provisions, are crucial for achieving India's goal of malaria elimination by 2030.

## **SECURITY & RELATED EVENTS**

### 1. India–Thailand Joint Military Exercise MAITREE-XIV

- **About the Exercise**
  - **Exercise MAITREE** is a bilateral military exercise between the **Indian Army and Royal Thai Army**, instituted in **2006**.
  - The **14th edition (MAITREE-XIV)** is being held at **Joint Training Node, Umroi, Meghalaya (1–14 September 2025)**.
  - The Indian contingent: **120 personnel from the Madras Regiment**; Thai contingent: **53 personnel from the 1st Infantry Battalion, 14th Infantry Brigade**.
- **Objectives and Focus Areas**
  - Enhance **cooperation, interoperability, and mutual understanding** between the two armies.
  - Conduct **company-level counter-terrorist operations** in semi-urban terrain under **Chapter VII of the UN Charter (peace and security enforcement measures)**.
  - Includes **tactical drills, joint planning, special arms skills, raiding operations, physical training**, and culminates in a **48-hour validation exercise** simulating realistic scenarios.



- **Strategic Importance**

- Reinforces **bilateral defence cooperation** between India and Thailand.
- Promotes **regional peace, stability, and security** in the Indo-Pacific.
- Complements India's **Act East Policy** and Thailand's role in ASEAN, deepening India-ASEAN defence relations.



- **Constitutional & Legal Framework**

- **Article 51(c) of the Indian Constitution:** promotes international peace, security, and cooperation.
- Defence cooperation aligns with India's **foreign policy principles** under the UN Charter.
- Joint exercises form part of **India's defence diplomacy**, complementing multilateral frameworks like **ADMM-Plus (ASEAN Defence Ministers' Meeting Plus)**.

- **Key Terms**

- **Interoperability:** Ability of military forces from different nations to operate together effectively.
- **Chapter VII of UN Charter:** Authorises UN Security Council to take action regarding threats to peace, including use of force if necessary.

- **Conclusion & UPSC Relevance**

- Exercise MAITREE-XIV strengthens **military-to-military ties**, builds trust, and ensures preparedness against common threats like terrorism.
- It showcases India's growing defence engagement with Southeast Asia, reflecting its **strategic vision for Indo-Pacific security**.

## 2. China's Use of Private Sector in Military AI Development

- **Civil-Military Fusion (CMF) Policy**

- China under Xi Jinping has institutionalized **civil-military fusion**, integrating private companies, civilian universities, and research institutes into the **People's Liberation Army (PLA)** modernization program.
- AI is the central focus of CMF, with universities like **Shanghai Jiao Tong** securing multiple defense contracts for AI-driven projects such as **maritime kill-webs**, drone swarms, and underwater drone design.

- **AI in Military Applications**

- Research projects include **real-time adaptive kill-web systems**, **layered AI for tracking fast-moving targets**, and **radio frequency-sensitive drone swarms**.



- PLA has publicly showcased AI-based military systems including **aerial strike drones, unmanned boats, and robot dogs** during parades, signaling their future war-fighting strategy.
- **Comparison with U.S. and Strategic Implications**
  - Both the **U.S. and China** rely on the private sector and universities for AI research, but China has achieved **more systematic integration**.
  - This provides Beijing with a potential **technological edge** in future warfare, especially in **information warfare and autonomous combat systems**.
  - Raises concerns for the U.S. and allies, who face challenges in **restricting Chinese access** to advanced technologies.
- **Key Definitions & Legal Context**
  - **Civil-Military Fusion (CMF)**: A strategic policy integrating civilian innovation and private industries with military modernization.
  - **Kill-Webs**: Networked, AI-driven combat systems capable of adapting dynamically to battlefield conditions.
  - **AI in Warfare**: Involves machine learning and autonomous decision-making in weapons systems, raising **ethical and legal concerns** under *International Humanitarian Law (IHL)* and the **UN Convention on Certain Conventional Weapons (CCW)**.
  - **India's Context**: India's **Defence Production and Export Promotion Policy (2020)** and **iDEX initiative** also encourage private sector participation in defense innovation.
- **Geopolitical and Security Implications**
  - Accelerated PLA AI adoption may alter **balance of power in the Indo-Pacific**, directly impacting India's national security calculus.
  - Highlights urgency for India to strengthen its own **AI, cyber, and drone warfare capabilities** through public-private collaboration.
  - Ethical debates on **autonomous weapons** may shape future multilateral negotiations in forums like the **UN Group of Governmental Experts (GGE)**.
- **Conclusion & UPSC Relevance**
  - China's AI-driven civil-military fusion demonstrates how **private innovation can transform defense capabilities**, posing **strategic and ethical challenges** globally.





### 3. India's Plan to Strengthen Nuclear Deterrence and Drone Warfare Capabilities

#### 1. Context and Framework

- India has unveiled **Technology Perspective and Capability Roadmap (TPCR-2025)**, a **15-year blueprint** for modernising armed forces.
- The plan focuses on **credible nuclear deterrence, drone warfare, electronic warfare, and CBRN (Chemical, Biological, Radiological, Nuclear) defence**.
- It represents a shift towards **integrated deterrence**, balancing nuclear, conventional, and emerging technologies.



#### 2. Nuclear Deterrence Measures

- Emphasis on survivability through **advanced delivery platforms and command-and-control infrastructure**.
- Plans include **radiation detection tools, mobile decontamination units, and unmanned CBRN reconnaissance vehicles**.
- This sustains India's **No First Use (NFU)** policy by ensuring second-strike capability and resilience.

#### 3. Drone Warfare and Loitering Munitions

- Development of **stealth drones** with 1,500 km range and 60,000 ft altitude to perform reconnaissance, artillery guidance, and electronic warfare.
- Introduction of **AI-enabled loitering munitions** with reusable warhead systems for precision strikes.
- Integrated surveillance drones to enhance **mechanised forces' battlefield efficiency**.

#### 4. Counter-Drone and Electronic Warfare Capabilities

- Preparation against **hostile drone swarms** through **adaptive jamming systems** and **electronic denial bubbles** extending up to 15 km.
- Signals a growing recognition of **electromagnetic spectrum warfare** in modern conflict.

#### 5. Self-Reliance and Defence Production

- The roadmap aligns with **Atmanirbhar Bharat** and **Make in India in Defence**, aiming to reduce import dependence.
- Focus on indigenous R&D, private sector participation, and dual-use technologies to build long-term strategic autonomy.

#### 6. Constitutional and Strategic Dimensions

- **Article 51A(d)**: Duty of every citizen to defend India's sovereignty and integrity.
- **Article 73 & 246**: Union's exclusive power over defence and armed forces.
- Linked with **Defence Procurement Procedure (DPP)** and **Defence Acquisition Policy (DAP 2020)** promoting indigenisation.
- Strategic doctrine: Consistent with India's **nuclear triad** under the Nuclear Command Authority.



### Key Definitions

- **Nuclear Deterrence:** Strategy to prevent adversaries from attacking by threat of retaliatory nuclear strikes.
- **Loitering Munition:** A drone-weapon hybrid that can hover and strike targets with precision.
- **Integrated Deterrence:** Combining nuclear, cyber, electronic, and conventional forces for layered security.

### Conclusion and UPSC Relevance

The TPCR-2025 marks a **strategic leap in India's defence posture**, integrating nuclear resilience with cutting-edge drone and electronic warfare technologies. It enhances India's preparedness against **conventional threats, CBRN risks, and asymmetric challenges** such as drone swarms.

## 4. Great Nicobar Island Project – Strategic and National Importance

- **Project Components and Strategic Significance**
  - Envisages **International Container Transshipment Terminal (14.2 million TEU capacity), greenfield international airport, 450 MVA gas & solar power plant, and 16,610-hectare township.**
  - Aims to make **Great Nicobar a maritime and air connectivity hub** in the Indian Ocean Region (IOR), enhancing **defence preparedness, trade efficiency, and regional influence.**
- **Environmental and Legal Safeguards**
  - Cleared under **Environmental Impact Assessment (EIA) Notification, 2006** with detailed **Environmental Management Plan (EMP) and Risk Assessment.**
  - Compensatory afforestation to be carried out as per **Forest Conservation Act, 1980**, with land identified in **Haryana** for Phase I diversion.
  - Wildlife corridors and conservation measures incorporated; **institutions like ZSI, BSI, SACON, WII** involved in ecological studies.
- **Tribal Welfare and Constitutional Provisions**
  - No displacement of **Shompens and Nicobarese** (Particularly Vulnerable Tribal Groups – PVTGs).
  - **Article 338A** mandates consultation with **National Commission for Scheduled Tribes (NCST)** on major policy matters affecting STs.
  - In compliance with **Shompen Policy (2015)** and **Jarawa Policy (2004)** ensuring tribal rights, welfare, and consent-based development.
  - **Net increase of 3.912 sq. km tribal reserve** after re-notification to safeguard tribal land.





- **Phased Development and Scale**
  - Total land: **166.10 sq. km (130.75 sq. km forest, 35.35 sq. km revenue)**.
  - To be executed in **three phases (2025–2047)** with ecological safeguards.
  - Represents **only ~2% of Andaman & Nicobar area** and **~1.82% of forest cover**, showing limited ecological footprint.
- **Key Definitions**
  - **EIA (Environmental Impact Assessment):** A process of evaluating the likely environmental impacts of a proposed project, including mitigation measures.
  - **PVTGs (Particularly Vulnerable Tribal Groups):** A sub-classification of Scheduled Tribes with declining populations, low literacy, and dependence on forests.
  - **Transshipment Terminal:** A port facility where cargo is transferred from one ship to another for onward transportation.
- **Strategic and Economic Outcomes**
  - Boosts India's **Blue Economy and Sagarmala Vision**.
  - Enhances **maritime security in IOR** and reduces dependence on foreign ports like Colombo and Singapore.
  - Creates **employment, infrastructure growth, and tourism potential** while balancing ecology and economy.

### Conclusion

The **Great Nicobar Island Project** embodies the principle of **strategic infrastructure with sustainable safeguards**, integrating **national security, tribal welfare, and environmental protection**. With constitutional compliance and global best practices, it aims to position India as a leading maritime power in the Indo-Pacific.

## 5. Government's Move to Raise Civil Border Guards along China Border

- **Background & Proposal**
  - The Ministry of Home Affairs (MHA) is considering raising **Border Wing Home Guards (BWHGs)** along the **India–China border** on the lines of the India–Pakistan border model.
  - Currently operational only in Rajasthan, BWHGs are drawn from local civilian populations in border areas to assist **border guarding forces and the Army** during emergencies.
- **Structure & Role of BWHGs**
  - Voluntary force, functions like constables, usually enlisted for 3–4 years.
  - Financial Model: 25% cost of training and support borne by the Central Government; daily pay comparable to a constable (₹800–900/day).
  - Duties: Information collection and dissemination among border populations, support during operations (e.g., **Operation Sindoor**).
  - Present strength: ~2,279 active in Rajasthan.



- **Strategic Importance Along China Border**

- ITBP guards the 3,488 km-long India–China border (Line of Actual Control).
- Since the **2020 Galwan clashes**, >50,000 Army and ITBP personnel deployed in eastern Ladakh.
- Raising BWHGs will enhance intelligence gathering, local civilian engagement, and augment troop presence in sensitive zones.



- **Security Concerns & Border Situation**

- June 20, 2020: Violent Galwan clash killed 20 Indian personnel including a Colonel – worst incident in decades.
- Out of 65 **Patrolling Points (PPs)** in eastern Ladakh, 26 remain unpatrolled since April–May 2020; buffer zones created where neither Indian nor Chinese troops patrol.
- PPs are critical for asserting territorial claims along the undefined LAC.

- **Legal & Constitutional Framework**

- **Union List, Seventh Schedule (Entry 2A, 10 & 11):** Defence of India, armed forces, and deployment of forces for public order.
- **Article 355:** Union's duty to protect states against external aggression and internal disturbance.
- **Home Guards Act, 1947 (and state amendments):** Provides legal basis for raising Home Guards as auxiliary force.
- **Special Powers of Union under Article 73:** Centre's authority in border management and national security.

- **Definitions of Key Terms**

- **Border Wing Home Guards (BWHGs):** A voluntary civilian auxiliary force to support regular border guarding units.
- **Line of Actual Control (LAC):** The demarcation separating Indian and Chinese controlled territories; not internationally agreed upon, leading to frequent disputes.
- **Buffer Zone:** Demilitarised area created by mutual agreement to prevent clashes.

## Conclusion

The proposal to expand BWHGs along the India–China border reflects India's **multi-layered border security strategy**, combining regular armed forces with auxiliary civilian support for intelligence and local engagement. This move also underlines the enduring challenges of the **LAC and unresolved territorial disputes with China**, especially after the 2020 clashes.

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## SCIENCE & TECHNOLOGY

### 1. Sickle Cell Disease and Disability Justice

- **Context & Government Guidelines**

- In March 2024, the Government of India revised guidelines under the **Rights of Persons with Disabilities (RPWD) Act, 2016** for assessing disability among individuals with **sickle cell disease (SCD)**, sickle cell with beta-thalassaemia, or Hb D.
- SCD is a chronic, painful, and disabling blood disorder disproportionately affecting **Adivasi and Dalit communities**. Recognition under the Act was expected to ensure access to reservations in employment, education, healthcare, and welfare schemes.

- **Issues with Recognition under RPWD Act, 2016**

- The Act expanded the definition of disability and aligns with the **UN Convention on the Rights of Persons with Disabilities**.
- However, SCD patients are excluded from the **4% reservation quota** in public employment (available for vision, hearing, locomotor, and intellectual disabilities).
- The Act applies only to persons with **benchmark disabilities** ( $\geq 40\%$  impairment as per Section 2(r)), leaving out many with debilitating but fluctuating conditions.

- **Problems in Disability Certification**

- Certification under **Section 58 of the RPWD Act** requires medical evaluation, which is often inconsistent and subjective across hospitals and boards.
- The scoring system focuses narrowly on biomedical complications (e.g., transfusions, neurological damage), neglecting invisible or episodic suffering such as recurrent pain, fatigue, and social exclusion.
- Marginalised groups face structural barriers like **limited access to diagnostic facilities, travel constraints, and stigma**, making certification and benefits inaccessible.

- **Socioeconomic & Legal Dimensions**

- SCD disrupts education, reduces employment opportunities, and shortens life expectancy, thereby intensifying poverty cycles in vulnerable communities.
- Under **Section 80U of the Income Tax Act, 1961**, certified disabled persons can claim tax deductions (₹75,000–₹1.25 lakh). However, many with SCD struggle to obtain certification.
- Some states (e.g., Odisha, Himachal Pradesh) offer enhanced pensions for severe disabilities, but SCD patients are inconsistently covered.





- **Key Definitions**

- **Sickle Cell Disease (SCD):** A genetic blood disorder where red blood cells deform into a sickle shape, causing pain, anaemia, organ damage, and reduced lifespan.
- **Benchmark Disability:** As per RPWD Act, individuals with  $\geq 40\%$  disability who qualify for specific reservations and welfare schemes.
- **Disability Justice:** A rights-based approach that recognizes disability not only as a medical condition but also as a product of **social exclusion and structural barriers**.

- **Conclusion & UPSC Relevance**

- Despite recognition under the RPWD Act, SCD patients remain excluded from critical reservations and benefits due to **rigid biomedical criteria and flawed certification systems**.
- Ensuring justice requires **reforming certification to include invisible and fluctuating disabilities**, extending reservations, and making welfare accessible to marginalised groups.
- **UPSC Relevance:** Crucial for **GS Paper II (Governance, Social Justice, Welfare of Vulnerable Sections, Acts & Policies)**, **GS Paper III (Public Health, Inclusive Growth)**, and **Ethics Paper (Equity, Compassion, Rights of Marginalised Groups)**.

## 2. Health Ministry's Proposal to Ease Licence Rules for New Drugs and Clinical Trials

- **Background and Objective**

- The Union Health Ministry has proposed amendments to the **New Drugs and Clinical Trials Rules, 2019**, published in the Gazette on August 28, 2025.
- Aim: Promote **ease of doing business** in the pharmaceutical and clinical research sector by reducing delays and simplifying regulatory processes.



- **Key Features of Proposed Amendments**

- **Test Licence Reform:** Current licensing requirement replaced with a **notification and intimation system** (except for high-risk drugs).
- **Faster Processing:** Statutory processing time for test licence applications reduced from **90 days to 45 days**.
- **Bioavailability & Bioequivalence Studies:** For many categories, licences will no longer be required—studies can begin after simple intimation to the Central Licensing Authority.
- **Application Reduction:** Expected to cut test licence applications by  $\sim 50\%$ , lowering administrative burden.

- **Definitions**

- **Bioavailability (BA):** The proportion of a drug that enters circulation when introduced into the body and is available for therapeutic effect.



- **Bioequivalence (BE):** Comparison between two drug formulations to ensure they release the same active ingredient into the bloodstream at the same rate and extent.
- **Constitutional & Legal Framework**
  - **Article 47:** Directive Principle requiring the State to improve public health.
  - **Drugs and Cosmetics Act, 1940:** Governs the import, manufacture, and distribution of drugs in India.
  - **New Drugs and Clinical Trials Rules, 2019:** Provides regulatory framework for approval of clinical trials, ethics committees, and new drug approvals.
- **Significance of the Reform**
  - Reduces regulatory delays, improving India's **pharma R&D ecosystem**.
  - Attracts more **clinical research investments**, enhancing India's position as a global pharma hub.
  - Benefits patients by potentially faster availability of **generic medicines** and cost-effective alternatives.
  - Balances **innovation and safety** while ensuring public health safeguards for high-risk drugs remain intact.
- **Conclusion & UPSC Relevance**
  - The reform represents a **regulatory shift towards efficiency and innovation**, aligning with India's ambition to be the "**pharmacy of the world**."

### 3. New Technology and Innovation Conclave (ESTIC) to Replace Indian Science Congress

#### 1. Context and Background

- The **Department of Science and Technology (DST)** will host the first **Emerging Science, Technology and Innovation Conclave (ESTIC)** on **November 3–4, 2025** at Bharat Mandapam, New Delhi.
- ESTIC is expected to **replace the Indian Science Congress (ISC)**, India's oldest scientific congregation (founded 1914), which has been inactive since 2023 due to disputes between DST and ISCA.
- Unlike the **India International Science Festival (IISF)**, which is aimed at popularising science among students, ESTIC will be a **serious forum for scientific, technological and innovation discourse**.

#### 2. Features of ESTIC

- Involvement of **all science-related ministries** including atomic energy, space, IT, and biotechnology.
- **11 thematic technical sessions** and **75 exhibitions** by deep-tech start-ups.



- Participation of eminent global scientists, including **Nobel Laureate Andre Geim (2010, Physics)**, Jean-Yves Le Gall (French Space Agency), and Prof. Masaru Tomita (Japan).
- **Prime Minister Modi** is expected to inaugurate, restoring high-level political visibility previously associated with ISC.

### 3. Decline of Indian Science Congress

- ISC was traditionally inaugurated by the **Prime Minister** and hosted global scientific leaders.
- Decline began post-2020:
  - Cancellations during the pandemic.
  - Online-only presence of PM Modi in 2023.
  - Event cancellation in 2024 and 2025 due to disputes between DST and ISCA.
- DST has now **withdrawn funding from ISCA**, signaling an institutional shift.

### 4. Constitutional and Policy Dimensions

- **Article 51A(h) of the Constitution:** Fundamental duty “to develop the scientific temper, humanism and the spirit of inquiry and reform.”
- **Article 246 & Union List:** Union government’s competence over science, technology, space, and atomic energy.
- Policies linked: **Science, Technology and Innovation Policy (STIP) 2013** and the vision of **Viksit Bharat 2047**.
- ESTIC aligns with national initiatives like **Startup India, Atmanirbhar Bharat, Digital India, and Make in India**.



### 5. Key Definitions

- **Deep Tech Start-ups:** Ventures based on advanced technological innovation (AI, biotech, quantum computing, space tech).
- **Scientific Temper:** A rational and evidence-based approach to problem-solving and inquiry, mandated as a citizen’s duty under Article 51A(h).
- **Innovation Ecosystem:** Network of institutions, start-ups, industries, and policies that enable scientific breakthroughs and commercialization.

### 6. Conclusion and UPSC Relevance

The launch of ESTIC reflects a **paradigm shift in India’s science diplomacy and innovation ecosystem**, moving away from traditional congress-style gatherings to a **global-facing innovation platform**. By focusing on **deep-tech, global collaborations, and policy-driven innovation**, India is aligning its scientific leadership with the goal of **Viksit Bharat 2047**.



## 4. The Long March Ahead to Technological Independence

- **Need for Technological Sovereignty**

India celebrated its 79th Independence Day (2025), but true independence now requires **technological sovereignty** — the ability of a nation to control and develop its own digital, software, and hardware ecosystem. Modern conflicts are increasingly **cyber wars** involving control over **AI, cloud services, and digital infrastructure**, making external dependence a national vulnerability.

- **Current Challenges**

India has **no indigenous operating system, database, or foundational software**, making it reliant on global corporations that can withdraw services under foreign directives. Dependence on imported **semiconductors and hardware components** also exposes India to global supply chain disruptions.

- **Pathways to Software Independence**

Open-source software offers a solution. India can develop customized, **secure versions of Linux and Android**, supported by long-term maintenance teams. Developing indigenous **client-side (database, email, calendar)** and **server-side (web server, cloud, email server)** components is essential. A sustainable, business-driven model, supported by IT professionals and community participation, is required rather than reliance solely on government funding.

- **Pathways to Hardware Sovereignty**

Hardware self-reliance, especially in **semiconductors**, requires huge national investment in **chip design, fabrication, and assembly**. India should initially focus on niche components and build expertise through **strategic global partnerships**. Over time, domestic capability in **semiconductor fabs** will be vital for comprehensive sovereignty.



- **Constitutional and Legal Provisions**

- **Article 21 (Right to Life):** Expands to digital security and privacy; foreign dependence on critical digital infrastructure may endanger these rights.
- **Article 19(1)(a) & 19(1)(g):** Freedom of expression and trade in the digital era requires secure, independent platforms.
- **National Cyber Security Policy (2013)** and **Digital India initiative** already highlight self-reliance in ICT, but deeper execution is needed.
- **Semiconductor Mission (2021)** and **PLI Schemes** are early steps toward hardware sovereignty.

- **Definitions**

- **Technological Sovereignty:** The ability of a nation to design, produce, and control its critical technologies without dependence on foreign powers.
- **Open Source Software:** Software whose source code is freely available for modification and distribution, reducing monopolistic control and enhancing transparency.



## Conclusion

India's journey to **political independence** was through non-violence; its journey to **technological independence** must be through innovation, open-source collaboration, and strategic investment. Dependence on foreign tech companies for critical infrastructure poses risks to sovereignty, economy, and security. Building indigenous digital ecosystems is no longer optional but a necessity.

# HISTORY & CULTURE

## 1. Onam Festivities in Malappuram Amid Religious Caution

### • Context & Celebrations

- Onam celebrations in Malappuram witnessed **unique and creative performances**, including King Maveli's entry by **helicopter** (GEMS Arts & Science College) and via **pulley-assisted act from a well** (Fire Station festivities).
- Youth-driven innovations reflect **growing cultural enthusiasm** and attempts to make celebrations distinct.

### • Religious Concerns Raised

- **Islamic scholars (traditional & reformist)** cautioned against participation, stating Onam is linked to Hindu traditions and may conflict with **Islam's monotheistic principles**.
- Senior scholar Kanniyan Mohammed Kutty argued that celebrating festivals like Onam or Vishu could **dilute religious identity**.
- Leaders like IUML State President Syed Sadikali Shihab Thangal faced criticism for publicly participating in Onam songs.



### • Socio-Cultural Significance of Onam

- **Onam**: Kerala's harvest festival rooted in the legend of **King Mahabali (Maveli)**, symbolizing prosperity, equality, and cultural unity.
- The festival has gradually evolved into a **secular cultural celebration** beyond religious boundaries, representing Kerala's pluralistic ethos.
- In Malappuram, youth participation highlighted **generational change** and **cultural inclusivity**.

### • Key Constitutional & Legal Aspects

- **Article 25**: Guarantees freedom of conscience and right to freely profess, practice, and propagate religion, subject to public order, morality, and health.
- **Article 29 & 30**: Protect the rights of minorities to conserve their culture and traditions.
- Indian secularism promotes "**sarva dharma sambhava**" (**equal respect for all religions**), ensuring cultural coexistence.



- **Definitions of Key Terms**

- **Onam:** Annual harvest festival of Kerala celebrating the mythical return of King Mahabali.
- **Secularism in India:** Equal treatment of all religions by the State, unlike Western secularism which implies strict separation of religion and State.
- **Cultural Syncretism:** Blending of diverse cultural or religious traditions to create shared practices.

- **Conclusion & UPSC Relevance**

- The Malappuram Onam case highlights **tensions between religious orthodoxy and evolving cultural practices**.
- It reflects India's ongoing debates on **identity, secularism, and pluralism**, while showcasing the role of youth in shaping cultural narratives.
- **UPSC Relevance:** Important for **GS Paper I (Indian Society, Culture)** and **GS Paper II (Polity, Secularism, Minority Rights)** – covers themes of cultural diversity, constitutional protections, and secular practices.

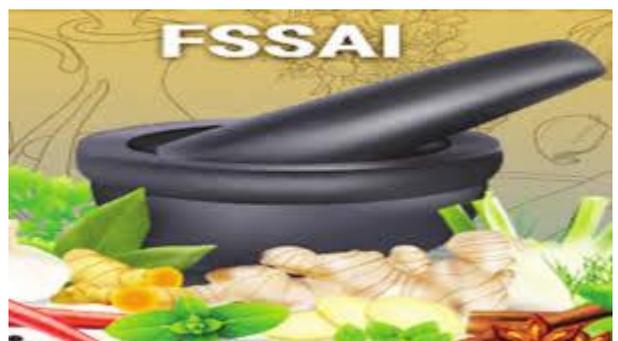
## 2. Ayurveda Food from Ancient Texts Can Now Seek FSSAI Nod

- **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 Aahara* 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.

## 3. Ancient Civilisations and New Horizons: India–Iran Partnership

- **Global Context and Shifting Order:** The world is experiencing a transition from a U.S.-dominated order to a multipolar system. Challenges include violations of international law, trade wars, manipulation of media, and environmental degradation. The **Global South** is asserting independence by developing indigenous models, technology, and security frameworks.
- **Civilisational Linkages:** India and Iran, among the world's oldest civilisations, have historically shaped global culture, governance, philosophy, and art. Both emphasised peace, spirituality, respect for diversity, and resilience in the face of aggression. Their civilisational continuity gives them a unique moral authority in today's fractured global order.
- **Shared Historical and Modern Struggles:**
  - **India:** Anti-colonial struggle and leadership in the Non-Aligned Movement upheld sovereignty of the Global South.
  - **Iran:** Nationalisation of oil industry and the Islamic Revolution resisted Western domination.
  - Both nations faced **economic sanctions, external pressures, and political isolation**, yet maintained strategic independence and civilisational identity.





- **Contemporary Cooperation and Strategic Opportunities:**
  - Platforms like **BRICS** offer an alternative to Western financial dominance, supporting de-dollarisation and democratic global governance.
  - The **International North-South Transport Corridor (INSTC)** serves as a “civilisational bridge,” connecting Eurasia, West Asia, Africa, and India.
  - South-South cooperation, rooted in moral and cultural values, can guide a more just global order.
- **Palestine and Global South Solidarity:** The **Palestine issue** is viewed as the frontline of resistance against Western supremacy. Iran’s stance on Palestine and nuclear energy represents the broader Global South’s right to sovereignty, peaceful development, and self-determination. India’s traditional support for Palestinian rights underlines its alignment with principles of justice in international relations.
- **Constitutional & Legal Provisions Relevant for India:**
  - **Article 51 of the Indian Constitution:** Directs the State to promote international peace, security, and respect for international law.
  - **Panchsheel Principles of Peaceful Coexistence (1954):** Basis for India’s independent foreign policy.
  - **Non-Aligned Movement (NAM):** India’s legacy in strengthening the Global South against hegemonism.
- **Key Definitions:**
  - **Global South:** A term for developing nations in Asia, Africa, and Latin America striving for equality in the international system.
  - **South-South Cooperation:** Collaborative exchange of resources, knowledge, and strategies among developing nations.
  - **Civilisational Diplomacy:** Foreign policy approach leveraging cultural, spiritual, and historical traditions to foster cooperation.

### **Conclusion and UPSC Relevance**

India and Iran, as ancient civilisations with modern strategic independence, represent an alternative vision for the **Global South**—a world order rooted in equality, justice, and human dignity rather than domination. Strengthening platforms like **BRICS and INSTC** can help reshape geopolitics in favour of participatory multilateralism.



## EDITORIALS & OPINION

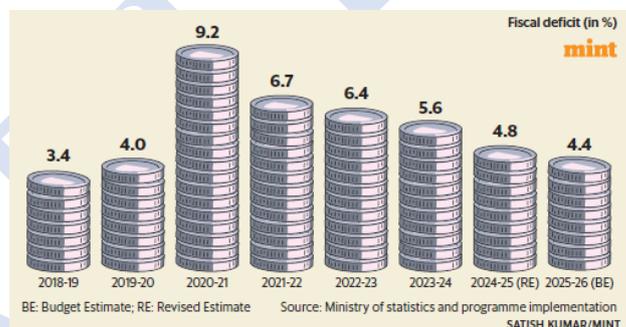
### 1. Will Lower GST Rates Upset Fiscal Math?

#### • 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.

### Conclusion

Lower GST rates are a bold reform to stimulate demand and simplify taxation. While short-term revenue loss and fiscal deficit pressures are real, long-term benefits of higher compliance, consumption, and investment are expected to stabilize India's fiscal position.

## 2. 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.

### 3. 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.

#### A timeline of key decisions by GST Council since 2017

6 Oct 2017	● First big rate rationalization three months after launch, several items moved from 28% to lower rates
15 Nov 2017	● Rates on 178 items cut from 28% to 18%, including chocolates, toiletries, detergents and marble
18 Jan 2018	● Rates reduced on over 80 goods and services including used vehicles, handicrafts
21 Jul 2018	● Sanitary napkins exempted from GST, rate reduction from 28% to 18% on TVs, refrigerators, washing machines, vacuum cleaners, etc
22 Dec 2018	● Rates reduced on movie tickets
19 Mar 2019	● Affordable housing GST cut from 8% to 1% and other under-construction homes from 12% to 5%
12 Jun 2021	● Temporary covid relief: rate cuts on medicines, oxygen and other equipment
7 Oct 2023	● Rate reduced on millet-based food, molasses and IGST relief granted for vessels
22 Jun 2024	● Hostel accommodation exempted with conditions, rate lowered for tax collected at source by e-commerce
9 Sep 2024	● GST on namkeen and savouries cut to 12% from 18%, no change in rate for uncooked snack pellets
3 Sep 2025	● <b>GST 2.0 launched with major overhaul of the tax regime, replacing four tiers with 5% and 18% slabs plus a 40% rate for select items</b>



- **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  $\leq$  ₹1 crore & turnover  $\leq$  ₹5 crore.
    - **Small**: Investment  $\leq$  ₹10 crore & turnover  $\leq$  ₹50 crore.
    - **Medium**: Investment  $\leq$  ₹50 crore & turnover  $\leq$  ₹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.

## 4. Priority to Pass on GST Tax Cut Gains

### 1. Government Monitoring of GST Transmission

- Finance Minister Nirmala Sitharaman has announced that the **benefits of GST rate cuts (effective from 22 September)** will be closely monitored to ensure they are passed on to consumers.
- Businesses and traders are expected to voluntarily comply, but **parliamentarians and ministries will track sector-wise implementation** to prevent profiteering.

### 2. Expected Economic Impact

- The tax cut is projected to **boost consumption demand**, especially during the festive season, similar to the post-COVID "revenge buying" trend.
- Sitharaman expressed confidence that higher demand will help the government **meet GST revenue growth targets and fiscal deficit targets** without altering expenditure plans.



### 3. Challenges in Implementation

- The main challenge is **ensuring rate cut benefits reach consumers** rather than being absorbed by companies.
- Transitional arrangements have been prepared to ensure smooth rollout, and any non-compliance could invite corrective action.

### 4. Broader Economic and Trade Context

- India is assessing the sectoral impact of **US tariffs on exports**, as different industries have varying exposure to the American market.
- Some **flexibility in cross-border investments with China** (via Press Note 3 relaxations) is being allowed, particularly for ongoing infrastructure projects needing technical expertise.

### 5. Next Phase of Reforms

- Government plans to strengthen **non-financial regulators**, including the **Competition Commission of India (CCI)** and the **Food Safety and Standards Authority of India (FSSAI)**, to make them more effective and modernized.
- Disinvestment and banking sector reforms (creation of 4–5 SBI-sized banks) remain on the agenda, alongside potential privatization of a general insurance company.

### 6. Definitions

- **GST (Goods and Services Tax):** An indirect tax introduced in 2017, subsuming multiple indirect taxes into a unified structure under **101st Constitutional Amendment Act, 2016**.
- **Press Note 3 (2020):** A policy requiring prior government approval for foreign direct investments (FDI) from countries sharing land borders with India, aimed at regulating Chinese investments.
- **Non-financial regulators:** Regulatory bodies outside financial markets, ensuring fair practices in areas like competition and food safety.

### Conclusion and UPSC Relevance

The GST rate cut monitoring highlights the government's focus on **consumer welfare, fiscal discipline, and boosting domestic demand** amid global trade uncertainties. Simultaneously, reforms in regulatory frameworks, FDI policies, and disinvestment signal India's intent to strengthen economic resilience.

## 5. Punjab Floods 2025 – Causes and Implications

- **Scale of Disaster:** Punjab is experiencing its worst floods in five decades, impacting nearly 4 lakh people, causing 48 deaths, affecting 2,000 villages, and inflicting an estimated loss of ₹13,000 crore. Standing crops on **1.72 lakh hectares** have been damaged, alongside major livestock losses, pushing the agrarian economy into crisis.
- **Natural and Human Factors:** While **heavy monsoon rains (53% above normal)** and overflowing rivers like the Sutlej, Ravi, and Beas are immediate triggers, human activities—such as **blocked drainage, encroachments on natural water channels, unregulated construction, and rampant sand mining**—have aggravated the crisis.





- **Climate Change Dimension:** Scientists highlight the **Arabian Sea warming**, leading to excessive moisture and abnormal rainfall. The **IMD confirms changing weather patterns** with erratic and non-uniform rainfall in Punjab. Global warming is seen as a primary factor behind intensified rain events, making such floods the "new normal."
- **Flood Management Challenges:** Embankments and reservoirs built in earlier decades have weakened due to neglect and illegal mining. Unscientific construction along riverbanks obstructs natural water flow. The **Flood Preparedness Guidebook 2024** underscores both heavy monsoon rains and man-made factors as recurring drivers of floods.
- **Legal and Constitutional Framework:**
  - **Article 21:** Right to life includes protection from environmental hazards.
  - **Article 48A & 51A(g):** Duty of State and citizens to protect the environment and natural resources.
  - **Disaster Management Act, 2005:** Mandates national, state, and district disaster management authorities for preparedness and relief.
  - **Environment Protection Act, 1986 and Water (Prevention & Control of Pollution) Act, 1974** provide legal tools against ecological degradation.
- **Policy and Governance Issues:** State officials blame insufficient central funds (pending dues of ₹60,000 crore), while the Union attributes floods to **illegal mining and weak enforcement**. Experts emphasize the need for **integrated water resource management, dam regulation, climate adaptation strategies, and stricter land-use laws**.

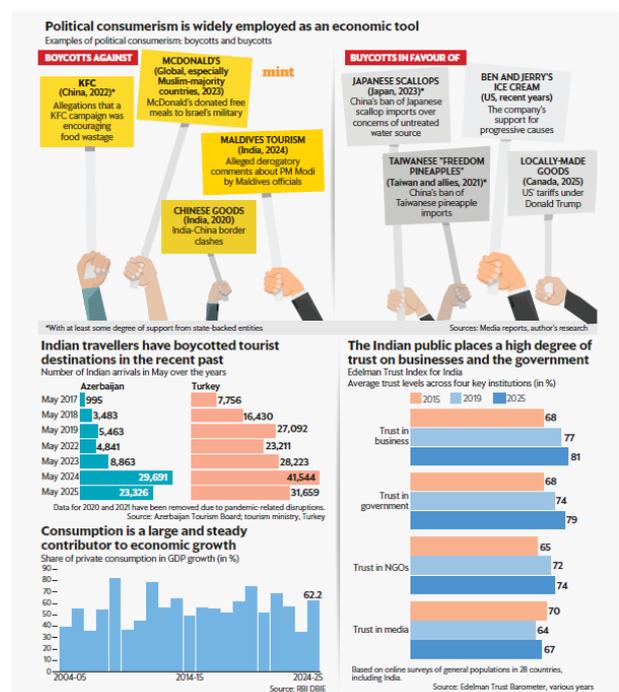
**Conclusion:** Punjab's floods reflect a dangerous convergence of **climate change and unsustainable human activities**, threatening the food security of India's grain bowl. Strengthening disaster resilience, sustainable river basin management, and climate-responsive policies are urgent imperatives.

## 6. Concept of 'Boycott' and India's Push

- **Definition:** *Boycott* refers to consumer preference for purchasing goods that align with national or political values, in contrast to a boycott which avoids certain goods. It is a form of **political consumerism**, where choices are influenced by national or strategic interests rather than price/quality.
- India's **'buy and make swadeshi'** call is not protectionist but aimed at **boosting local production and consumption** to counter the impact of external tariffs (e.g., US tariffs under Trump).

### Why It Is Different from Past Swadeshi Movements

- Unlike the **1970s–80s protectionism**, today's India actively **welcomes foreign capital and technology** while promoting domestic production.





- The push is **geo-economically driven** (trade wars, global tensions) rather than rooted in anti-foreign sentiment.
- It encourages re-routing of export capacity towards the domestic market through consumer nationalism.

### **Boycott vs Buycott and Global Examples**

- Boycotts have been powerful tools in **trade wars and political conflicts**; e.g., Indian consumer boycotts of Turkish and Azerbaijani goods, or **China's retaliatory boycott against South Korea (THAAD issue, 2016)** causing \$7.3 billion in losses.
- India's approach is primarily a **buycott**, urging support for local brands instead of outright bans on foreign goods.

### **Economic Potential of India's Buycott Strategy**

- **Private consumption accounts for 3–4% of India's 6–7% GDP growth**, making it a reliable growth engine.
- Favorable factors: potential **GST cuts, monetary easing, and export support policies**.
- High **public trust in government (79%) and business (81%)**, according to the Edelman Trust Index, enhances collective acceptance of swadeshi initiatives.

### **Constitutional and Legal Provisions**

- **Article 39(b) & (c)** (Directive Principles) encourage distribution of resources for common good and prevention of concentration of wealth, supporting swadeshi-oriented policies.
- **Foreign Trade (Development and Regulation) Act, 1992** empowers the government to regulate imports/exports during global trade disruptions.
- **Atmanirbhar Bharat Abhiyan** framework aligns with the buycott model by promoting local industries under WTO-compatible policies.

### **Strategic Significance and Challenges**

- India lacks China's **global trade dominance**, limiting the coercive impact of boycotts.
- However, a buycott strategy can **strengthen domestic industries, generate employment, and reduce vulnerability to global tariff wars**.
- It also projects **consumer nationalism as an economic tool** in a multipolar trade order.

### **Conclusion and UPSC Relevance**

- India's buycott movement blends **economic nationalism with global integration**, aiming to achieve **self-reliance by 2047**.
- It is not protectionism, but a calibrated strategy to harness **domestic demand as a buffer against global shocks**.



## 7. India's Approach to Cryptocurrency Regulation

- **No Dedicated Legislation Planned:** The Indian government is leaning towards **not enacting a specific law** to regulate cryptocurrencies, preferring **partial oversight**. The concern is that formal regulation may grant legitimacy to crypto-assets and potentially make them **systemically significant**.
- **RBI's Concerns:** The **Reserve Bank of India (RBI)** has consistently warned that cryptocurrencies pose **systemic risks** to the financial sector. The government document notes that containing such risks through regulation is practically difficult.
- **Risk of Legitimization vs. Ban:** Regulation could legitimize crypto, leading to wider adoption and integration with mainstream finance, which increases systemic exposure. On the other hand, a **complete ban** can control certain risks but cannot fully prevent **peer-to-peer transfers or decentralized exchange (DEX) trades**.
- **Systemic Risk Explained:** When financial activities or assets become large or interconnected enough to affect the **overall financial system's stability**, they are termed "systemic." Cryptocurrencies, due to their volatility and speculative nature, could trigger **financial instability** if mainstreamed.
- **Constitutional & Legal Provisions:**
  - **Article 246 & Union List (Entry 36 & 46):** Parliament has exclusive power over currency, coinage, and banking regulation.
  - **Reserve Bank of India Act, 1934:** Empowers RBI to regulate currency and credit system.
  - **Foreign Exchange Management Act (FEMA), 1999:** Governs cross-border transactions and could apply to crypto trade.
  - **Prevention of Money Laundering Act (PMLA), 2002:** Applies to Virtual Digital Assets (VDAs) from 2023, making KYC and reporting mandatory for exchanges.
- **Definition – Cryptocurrency:** A digital or virtual currency secured by cryptography, typically operating on decentralized blockchain technology, not backed by any central authority or government.



### Conclusion

India's cautious stance reflects the balancing act between preventing **financial instability** and addressing the challenges of **unregulated crypto markets**. While outright bans are hard to enforce due to decentralized networks, formal regulation risks legitimizing speculative assets. Thus, India may continue with **partial oversight**, using RBI guidelines, PMLA compliance, and international cooperation under G20 frameworks.



## ETHICS

### 1. Animal Sacrifice at Uttarakhand's Naina Devi Temple Fair – Legal and Cultural Dimensions

- **Background of the Nanda/Naina Devi Temple Fair**

- Annual fair at Nainital's Naina Devi temple, dedicated to Goddess Nanda Devi (a form of Parvati).
- Event blends **biodiversity, spirituality, culture, and local economy**; provides livelihood to artisans and attracts devotees from multiple communities.
- Rituals include idol-making from banana trees, cultural festivities, and immersion ceremonies.

- **High Court Interventions and Legal Context**

- **2010 & 2016 Uttarakhand High Court Orders:** Directed that animal sacrifices, if conducted, must occur in slaughterhouses, not temple premises, aligning with official norms.
- Due to lack of abattoirs, practice was largely curtailed.
- **August 2025 Order:** Court permitted sacrifices during the fair but only under regulated conditions (outside temple premises, with veterinary checks).



- **Constitutional and Legal Provisions Involved**

- **Article 25:** Freedom of religion (subject to public order, morality, and health). Animal sacrifice as religious practice is contested under this right.
- **Article 48 (Directive Principles):** State to prohibit slaughter of cows, calves, and milch animals; also indicates promotion of animal husbandry.
- **Prevention of Cruelty to Animals Act, 1960:** Regulates treatment of animals; Section 28 exempts sacrifices if made for religious purposes, leading to legal ambiguities.
- Judiciary often balances **religious freedom vs. animal rights and public order**.

- **Cultural and Religious Perspectives**

- Animal sacrifice ("Bali") considered an **age-old Hindu ritual** in several traditions.
- At the Nanda Devi fair, sacrificed animals are consumed as *prasad* (sacred food) by devotees.
- Priests claim it symbolizes **devotion and fulfillment of vows**, while activists oppose it on grounds of cruelty.

- **Contemporary Developments and Regulation**

- Veterinary registration of animals made mandatory; animals must enter temple premises alive.
- Sacrifices shifted to designated abattoirs under police supervision to prevent disorder.



- Tension persists between **tradition, law, and animal welfare activism**.
- **Conclusion & UPSC Relevance**
  - The issue reflects India's **constitutional dilemma**: reconciling **religious freedom (Art. 25)** with **animal rights, public order, and ethical considerations**.
  - Highlights the judiciary's role in regulating **customary practices vis-à-vis modern law and morality**.

## 2. 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.

### 3. Parliamentary Panel on Fake News

- **Fake News as a Threat:** A parliamentary committee described **fake news** as a “serious threat” to **public order** and the **democratic process**, emphasizing the need for stronger legal mechanisms to combat its spread.
- **Recommendations for Stricter Laws:** The panel suggested **amending penal provisions**, enhancing **fin**es, and ensuring **accountability of media organizations**. The focus is on deterrence through stronger punishment and legal clarity.
- **Institutional Mechanisms:** It recommended that all **print, digital, and electronic media** outlets should have **fact-checking mechanisms** and an **internal ombudsman** to verify content and address grievances.
- **Constitutional & Legal Provisions:**
  - **Article 19(1)(a):** Guarantees freedom of speech and expression.
  - **Article 19(2):** Permits reasonable restrictions on grounds like public order, security of the State, decency, and integrity of India.





- **Indian Penal Code (IPC), Section 505:** Penalizes statements conducing to public mischief, including circulation of rumors.
- **Information Technology Act, 2000 (Section 69A):** Empowers the government to block unlawful online content.
- **Press Council of India Act, 1978:** Provides for regulation of the press and ethical journalism standards.
- **Definition – Fake News:** False, misleading, or fabricated information presented as news, intended to deceive, misinform, or manipulate public perception.
- **Challenges:** Enforcement difficulties, balancing **freedom of expression with regulation**, proliferation of digital platforms, and absence of a uniform fact-checking framework.

## Conclusion

The panel's recommendations highlight the urgent need for a **robust regulatory framework** to combat fake news while balancing constitutional freedoms. Stricter laws, institutional accountability, and mandatory fact-check systems can safeguard **democracy, public order, and trust in media institutions**.

# YOJANA & KURUKSHETRA

## 1. India Mulls Easing Controls to Attract China Investments

### ● Background & Policy Framework

- *Press Note 3 (PN3), 2020:* Mandates government approval for FDI from countries sharing land borders with India (targeted mainly at China during COVID-19 to curb opportunistic takeovers).
- Current ambiguity: Even small Chinese shareholding (as low as 0.1%) makes a firm subject to restrictions, creating uncertainty for Indian businesses and foreign investors.

### ● Proposed Reform

- Government considering a new definition of “Chinese companies” for investment purposes.
- Possibility of introducing a *minimum shareholding threshold* below which investments will not need PN3 approval.
- Aim: Streamline FDI approvals, reduce hesitation among genuine investors, and facilitate inflow into non-sensitive sectors.

### ● Geopolitical & Economic Context

- US tariffs: 50% on Indian goods, plus 25% penalty for Russian oil imports, pushing India to explore closer economic ties with China.
- China's role: World's largest manufacturer of capital goods (~90% share globally), technological interdependence makes Chinese investment important.

## India mulls easing controls to attract China investments





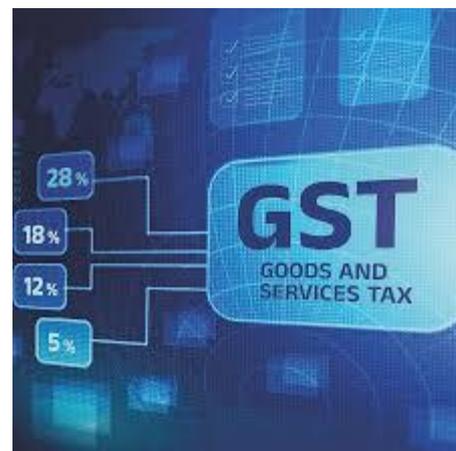
- Recent developments: Resumption of Indian tourist visas for Chinese nationals (after 5 years) and preparation to restart direct flights to Beijing.
- **Legal & Constitutional Provisions**
  - **Foreign Exchange Management Act (FEMA), 1999:** Regulates cross-border capital flows, including FDI.
  - **Press Notes (DPIIT under Ministry of Commerce & Industry):** Define FDI rules and restrictions.
  - **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.

## 2. GST 2.0 and Its Role in Empowering Young India

- **Definition and Context:** *Goods and Services Tax (GST)* is a unified indirect tax system introduced in 2017 to replace multiple cascading taxes. *GST 2.0* refers to the proposed reform with simplified rates, reduced burden on essentials, and exemptions on critical services like insurance—aimed at strengthening affordability and boosting household purchasing power.
- **Strengthening Household Consumption:** Private consumption forms **over 60% of India's GDP**, making it the strongest growth driver. GST 2.0 reduces tax burdens on essentials, improves disposable income, and creates a multiplier effect where enhanced affordability fuels broader demand for goods and services, thereby boosting macroeconomic growth.
- **Relief for Youth and Families:** By exempting GST on health and life insurance and lowering taxes on essentials, the reform helps young households managing EMIs, healthcare, and education expenses. This encourages **financial protection and insurance penetration**, reducing vulnerability to health or financial shocks, and aligns fiscal policy with household security.
- **Boost to MSMEs and Entrepreneurship:** MSMEs, employing **110 million people**, benefit from simplified compliance and reduced tax friction. GST 2.0 promotes formalization, improving access to credit, visibility in supply chains, and scalability. This directly empowers young entrepreneurs and strengthens India's job-creating base.





- **Virtuous Cycle of Growth:** Lower tax burdens enhance affordability → higher demand → increased investments → more jobs → further consumption. GST 2.0 nurtures this cycle, ensuring sustainable and inclusive growth. Predictability in the tax system also builds trust among citizens and entrepreneurs for long-term financial planning.
- **Constitutional and Legal Framework:**
  - **Article 246A:** Empowers Parliament and State Legislatures to make laws on GST.
  - **101st Constitutional Amendment Act, 2016:** Introduced GST framework.
  - **GST Council (Article 279A):** Federal institution for cooperative decision-making on tax structure, exemptions, and rates.
  - GST 2.0 would be implemented under this same constitutional mechanism.

**Conclusion:** GST 2.0 goes beyond tax rationalization—it directly links fiscal reform with **India's demographic dividend**, supporting household affordability, financial resilience, and entrepreneurial growth. By making the economy more predictable, inclusive, and consumption-driven, it lays a stronger foundation for sustainable development.

### 3. India's Semiconductor Mission Expansion

- **Definition:** The **India Semiconductor Mission (ISM)** is a government initiative launched in 2021 to develop a complete chip and fab ecosystem in India through incentives, infrastructure, and policy support.
- The government is now preparing to **expand ISM funding from \$10 billion to \$20 billion**, with proposals submitted by the Ministry of Electronics and IT (MeitY) to the Finance Ministry.

#### Global Context and Competition

- **US Chips Act:** \$52 billion in subsidies and tax credits.
- **EU Chips Act:** €43 billion mobilized in public-private investments.
- **China, Japan, South Korea:** Committing billions through tax breaks, grants, and direct state funding.
- India seeks to position itself as a **stable, open economy** for global chip firms, unlike the US (policy uncertainty) and China (closed, self-reliant model).

#### Strategic Importance for India

- Semiconductor fabs planned in India will produce chips ranging from **110 nm to 28 nm**, critical for industrial use cases like **smart meters, power grids, monitoring sensors, and manufacturing automation**.
- India aims to incentivize **chip design patents, display fabs, robust supply chains, and indigenous semiconductor startups**.
- A strengthened ISM 2.0 would reduce **import dependency** and increase **strategic autonomy** in critical technology.

#### Policy and Institutional Framework

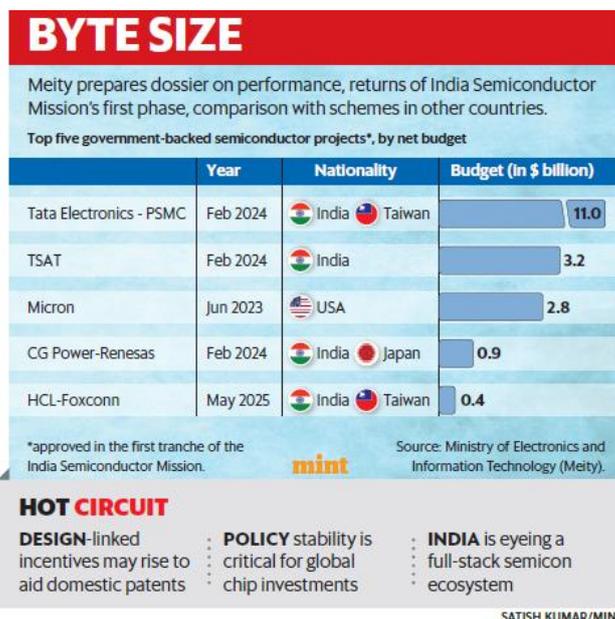
- **Design Linked Incentive (DLI) Scheme:** Supports Indian startups in chip design and innovation.



- **Ease of Doing Business & Policy Stability:** Crucial for attracting global chipmakers, as highlighted by industry experts.
- **Atmanirbhar Bharat Abhiyan:** The chip mission aligns with India's broader self-reliance framework in strategic technologies.

### Constitutional & Legal Dimensions

- **Article 39(b) (DPSP):** Directs that material resources be distributed to serve the common good—relevant for developing a national semiconductor ecosystem.
- **IT Act, 2000 and Electronics Manufacturing Policies:** Provide the legal framework for digital infrastructure and technology promotion.
- **National Security Considerations:** Semiconductors are essential for defence, space, telecom, and cyber security, linking the mission to **internal and external security provisions**.



### Challenges and Opportunities

- India's first phase investments (~\$15 billion, including state support) show progress, with projects like Tata Electronics' \$11 billion fab with Taiwan's PSMC and Micron's testing facilities.
- The next phase must focus on **supply chain integration, R&D support, and faster approvals**.
- India's consumption-led growth and trust in institutions create a favorable environment, but **long-term policy consistency** will be decisive.

### Conclusion and UPSC Relevance

- India's semiconductor expansion to \$20 billion is a **strategic techno-economic initiative** to secure its place among the top 5 global semiconductor hubs.
- It not only boosts **manufacturing and jobs** but also strengthens **national security and digital sovereignty**.

## 4. Disproportionately High Cost of Private Kindergarten Education

- **Survey Findings and Cost Disparity:** The **Comprehensive Modular Survey: Education 2025** highlights that the expenditure gap between private and government schools is widest at the pre-primary (kindergarten) level. In rural areas, private kindergarten costs ₹17,988 annually on average (22 times government costs), and in urban areas ₹26,188 (16 times government costs). The gap narrows significantly in higher classes.
- **Front-Loading of Costs in Private Schools:** Within private schooling, expenditure rises only marginally across levels — from kindergarten to higher secondary, costs nearly double. In contrast, government school costs rise almost nine-fold in rural areas. This suggests **“front-loading”** of expenses by private schools, making entry-level education disproportionately expensive.



- **Regional Disparities:** State-level data reveals extreme cost multiples. In **urban Karnataka**, private kindergarten costs are 72 times higher than government schools. In rural **Chhattisgarh**, the gap is over 100 times. Gujarat and Karnataka appear in both rural and urban lists, indicating systemic overpricing in certain regions.

- **Equity and Access Concerns:** Such disparities raise questions about **affordability, equity, and accessibility** in education. The burden falls heavily on low- and middle-income families. Since early childhood education is critical for cognitive development, the economic barrier in private institutions deepens **educational inequality**.

- **Constitutional & Legal Provisions:**

- **Article 21A:** Guarantees the right to free and compulsory education for children aged 6–14 years, though pre-primary education is not covered.
- **Directive Principles (Article 45):** Directs the State to provide early childhood care and education for children below 6 years.
- **RTE Act, 2009:** Ensures free and compulsory education, but excludes pre-primary from its ambit, leaving a regulatory vacuum in early education costs.
- **NEP 2020:** Recognises the importance of **Early Childhood Care and Education (ECCE)** and aims to universalise pre-primary schooling, highlighting the need for regulation of private costs.

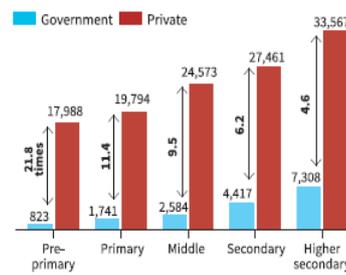
- **Key Definitions:**

- **Front-loading of Costs:** The practice of charging disproportionately high fees at entry-level (e.g., kindergarten), while keeping subsequent fee hikes smaller.
- **ECCE (Early Childhood Care and Education):** The holistic development of children below 6 years, involving health, nutrition, and foundational learning.

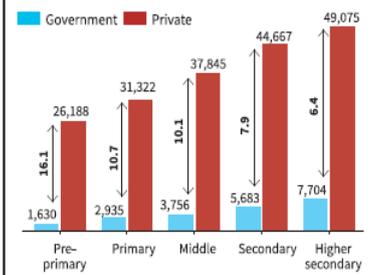
### Conclusion and UPSC Relevance

The data underscores how **private kindergarten education is significantly overpriced compared to government schools**, with cost burdens highest at the entry stage. This creates barriers to **equitable access to foundational education**, despite constitutional directives. Strengthening **public pre-primary education** under NEP 2020 and regulating private fee structures are essential for achieving inclusive growth in education.

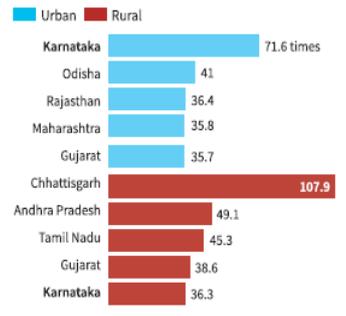
**Chart 1:** Average school expenditure (₹) per reported student (figures above bars) by level of education in rural areas. **Figures in bold are multiples**



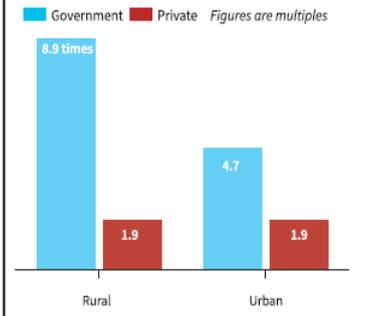
**Chart 2:** Average school expenditure (₹) per reported student (figures above bars) by level of education in urban areas. **Figures in bold are multiples**



**Chart 3:** States with the widest private-government school cost gap at the pre-primary level. Figures are multiples



**Chart 4:** The difference in average expenditure per reported student between pre-primary and higher secondary levels





## 5. India's Push for Universal Digital Immunization

- **Technology-Driven Vaccination Plan**

India has set **1 April 2026** as the deadline for nationwide rollout of the **U-WIN platform**, a digital version of the vaccination card. The platform will ensure **real-time tracking, monitoring, and follow-up** of immunization, plugging gaps in the **Universal Immunization Programme (UIP)**.

- **Universal Immunization Programme (UIP)**

Launched in 1985, the UIP provides **free vaccines against 12 preventable diseases** including tuberculosis (BCG), diphtheria, pertussis, tetanus (DPT), polio, and Hepatitis B. It is one of the **largest public health programmes globally**, aiming to protect all children and pregnant women.

- **U-WIN Features**

Healthcare workers such as **Auxiliary Nurse Midwives (ANMs)** can generate due lists, record vaccinations, and track missed doses. The digital system will help reduce **dropouts, delays, and zero-dose cases** (children who have not received any vaccines), thereby improving overall coverage and follow-up.



- **Challenges Identified**

High-burden states like **Uttar Pradesh, Bihar, Rajasthan, Maharashtra, Madhya Pradesh, Haryana, and Northeastern states (Assam, Meghalaya, Nagaland, Mizoram)** require special focus. Gaps remain in **access, awareness, and monitoring**, particularly in rural and underserved regions.

- **Constitutional & Legal Provisions**

- **Article 21:** Right to life includes the right to health.
- **Directive Principles (Article 47):** Duty of the State to raise the level of nutrition and standard of public health.
- **National Health Policy 2017:** Aims to strengthen immunization as part of universal health coverage.
- **Definition: Zero-Dose Children** – children who have not received a single routine vaccine dose under the immunization programme.

### Conclusion

India's push for a **digitized immunization ecosystem** through U-WIN reflects its commitment to **"Health for All"**. By integrating technology into public health delivery, the government seeks to minimize vaccine dropouts, improve maternal and child health, and strengthen healthcare equity, especially in vulnerable states.



# **PIB & PARLIAMENTARY RESEARCH STUDIES (PRS)**

## **1. 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.

## 2. India's Strategic Autonomy in a Multipolar World

### 1. Concept and Historical Roots

- **Strategic autonomy** refers to a nation's ability to take sovereign foreign policy and defence decisions without external pressure or binding alliances. It implies flexibility and multi-engagement, not isolationism.
- Rooted in India's colonial past and Nehru's **Non-Alignment Movement (NAM)** during the Cold War, it has evolved into "**multi-alignment**" under the Modi government.
- The principle ensures that India is neither a passive bystander nor a client state in global politics.

### 2. Changing Global Context

- The decline of U.S. unipolar dominance has led to a fragmented world with China's assertiveness, Russia's revisionism, and Western divisions.
- This environment forces India to balance relations while protecting its **core interests**: territorial integrity, economic growth, technology, and regional stability.
- Strategic autonomy is redefined today as resilience and adaptability, not just distancing from blocs.

### 3. India's Major Power Equations

- **United States**: Deepening defence, intelligence, and tech ties through Quad, I2U2, IMEC, but tensions remain over trade, tariffs, and pressure to reduce ties with Russia. India engages but resists alignment against its interests.
- **China**: Border clashes (2020) raised tensions, but India continues cautious engagement via BRICS and SCO, while strengthening Indo-Pacific partnerships and defence self-reliance.
- **Russia**: Historical defence partner; India continues oil and weapons imports despite Western criticism. Strategic autonomy here means balancing legacy ties while diversifying partnerships.



### 4. Domestic Dimensions and New Frontiers

- True autonomy depends on **economic resilience, technological strength, and political stability**. Weakness undermines independence in decision-making.
- Autonomy now extends beyond diplomacy to **data sovereignty, supply chains, AI, space, and cyber security**, reflecting the multipolar nature of modern threats.
- India's push for indigenous defence production, critical mineral security, and digital infrastructure reflects this shift.

### 5. Constitutional & Legal Provisions

- **Article 51 (Directive Principles)**: Urges promotion of international peace and just relations.



- **Article 73 & 246 (Union List, Entries 10 & 14):** Places foreign affairs and defence exclusively under the Union government.
- **Panchsheel Principles (1954):** Foundation of India's independent foreign policy.
- These legal provisions provide India the framework to pursue independent, interest-based global engagement.

### 6. Key Definitions

- **Strategic Autonomy:** Freedom to pursue foreign and defence policy decisions in line with national interest without external dominance.
- **Multi-alignment:** India's policy of engaging simultaneously with multiple power centres for maximum benefit.
- **Multipolar World:** A world order where power is distributed among several influential states or blocs, unlike unipolar or bipolar systems.

### Conclusion & UPSC Relevance

India's strategic autonomy is not merely rhetoric but a practical necessity in today's multipolar and volatile world. It means engaging with the U.S. without dependency, deterring China without confrontation, and partnering with Russia without inheriting isolation. This policy aligns India with the aspirations of the **Global South** while safeguarding its sovereignty and interests.

