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FOR UPSC CIVIL SERVICE EXAMINATION

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Table of Contents

1. SC GIVES CBI A FREE HAND TO STOP ‘DIGITAL ARREST’ SCAMS	2
2. SMARTPHONE MAKERS TOLD TO PRE-INSTALL SANCHAR SAATHI Key Summary:	3
3. ARE THE ANIMAL SPIRITS BACK IN THE ECONOMY? Key Summary:	5
4. MEGA BANK MERGER: WILL IT AMPLIFY RISK? Key Summary:	7
5. CENTRE MOVES BILLS FOR PAN MASALA CESS AND HIGHER DUTIES ON TOBACCO PRODUCTS	8
6. IIP IN OCTOBER SLIPS TO A 14-MONTH LOW	10
7. INDIA’S NATIONAL ACTION PLAN ON ANTIMICROBIAL RESISTANCE (NAP-AMR 2.0), 2025–29	12
8. DEVELOPED NATIONS MUST NOT RESIST EQUITABLE DISTRIBUTION OF CARBON SPACE ..	14
9. INDIA MAKES RARE LONG-TERM SOY PURCHASES TO SECURE CHEAP SUPPLY	15
10. FDI RISES 18% TO \$35.18 BILLION IN APR–SEP; INFLOWS FROM US DOUBLE	17
11. CENTRE TO SELL UP TO 6% IN BANK OF MAHARASHTRA	19
12. THE NEED FOR ‘HEART-RESILIENT’ URBAN PLANNING	20



1. SC GIVES CBI A FREE HAND TO STOP 'DIGITAL ARREST' SCAMS

Key Summary:

- The Supreme Court has directed the **Central Bureau of Investigation (CBI)** to take over and lead a nationwide probe into rising '**digital arrest**' scams, marking an **extraordinary intervention** overriding the usual requirement of State consent.
- The Court observed that over **₹3,000 crore** has already been siphoned from victims—primarily **senior citizens**—through impersonation, intimidation, and forced digital detainment via video calls.
- The order gives the CBI a "**free hand**" to investigate not only scam networks but also **bank officials** involved in opening **mule accounts** used for laundering cybercrime proceeds.
- SC instructed the CBI to prioritise **digital arrest scams** first, followed by other cyber frauds such as **investment scams** and **fake part-time job scams** in subsequent phases.
- The Court invoked its special powers to direct the probe because cybercrime networks are **transnational, organised, and beyond the capacity of State police**, warranting a centralised investigation.
- States including **Bihar, Tamil Nadu, Karnataka, Kerala, West Bengal, Rajasthan, Maharashtra, MP**, etc., have been directed to provide formal consent under **Section 6 of the Delhi Special Police Establishment Act (DSPE Act)** to facilitate CBI jurisdiction.

Key Concepts & Definitions

- **Digital Arrest:** A cyber-fraud technique in which criminals impersonate authorities (police/ED/CBI) and **coerce victims into staying on a video call**, claiming they are under "digital arrest" and must pay money to avoid real arrest or prosecution.
- **Mule Account:** Bank accounts used by fraudsters to **receive and route illegal funds**, often with or without the knowledge of the account holder.
- **Transnational Cybercrime:** Offences involving **cross-border digital operations**, making detection and prosecution difficult for individual state authorities.

Constitutional & Legal Provisions

- **Article 142:** Empowers the Supreme Court to pass any order necessary to ensure **complete justice**—used implicitly to justify extraordinary directions.
- **Delhi Special Police Establishment Act, 1946 (DSPE Act):**
 - **Section 5:** Allows the Centre to extend CBI jurisdiction to states.
 - **Section 6:** Requires **State consent** for CBI to operate within state territories unless directed by Constitutional courts.
- **Information Technology Act, 2000:** Provides the statutory framework to investigate cybercrimes, including identity theft, cheating by impersonation, and online frauds.
- **Federal Principles:** Normally, **policing is a State subject**, but SC intervention is permissible in *exceptional circumstances* to protect citizens' fundamental rights.

Tough action

The Supreme Court has asked the Central Bureau of Investigation (CBI) to crack down on 'digital arrest' scammers

THREE CATEGORIES OF CYBER SCAMS IDENTIFIED BY SC

- **Digital arrests:** Victims are made to believe government authorities are entitled to their hard-earned money, and they are subjected to coercive acts of extortion
- **Investment scams:** Victims are lured by attractive investment schemes to deposit large amounts, but eventually are duped of the money. The fraudsters continue to coin different terminologies to dupe victims. In some of the cases, the money is sought in the name of 'advance tax'
- **Part-time jobs:** Victims are paid for 'free tasks' like positive reviews or watching YouTube. They are later made to pay huge amounts for 'premium tasks'





Additional Key Points for UPSC

- Growing convergence of **financial fraud + social engineering + AI anonymity tools** has created a new landscape of digital crime.
- SC's move reflects concerns over **elderly vulnerability**, weak cyber-literacy, and coordination gaps among states.
- Highlights the need for:
 - National cybercrime grid
 - Stronger KYC norms for banks
 - Cross-border cooperation (MLATs, Budapest Convention debates)
 - Capacity-building in digital forensics
- Sets precedent for federal cooperation in tackling organised cybercrime.

Conclusion

The Supreme Court's intervention signals a **zero-tolerance approach** to emerging digital frauds that exploit vulnerable citizens. By empowering the CBI with a nationwide mandate, the judiciary has recognised cybercrime as a **systemic national security and financial integrity issue** requiring uniform investigation and coordination among states and central agencies.

UPSC Relevance

- **GS-II:** Federalism, Centre–State relations, Role of judiciary, Statutory bodies (CBI).
- **GS-III:** Cybersecurity challenges, Internal security, Money laundering, Emerging technologies.
- **GS-IV:** Ethical concerns of digital deception, protection of vulnerable groups (elderly).
- **Essay / Ethics:** Technology & society, trust in governance.
- **Prelims:** DSPE Act, IT Act, CBI jurisdiction, cybercrime terminology.

2. SMARTPHONE MAKERS TOLD TO PRE-INSTALL SANCHAR SAATHI

Key Summary:

- The Department of Telecommunications (DoT) has directed all smartphone manufacturers to **mandatorily pre-install the Sanchar Saathi app** on devices sold from **March 2026**, ensuring its features cannot be disabled or restricted.
- The app will help users **verify the authenticity of IMEI numbers**, enabling detection of cloned, tampered or illegal devices, strengthening digital security and consumer protection.
- Sanchar Saathi also allows users to **report scam calls**, check **active SIM cards** registered in their name, and **remotely disable lost or stolen phones**, aiding law-enforcement and reducing cyber fraud.
- It remains unclear whether the app will automatically access device IMEIs or require users to manually input details, raising preliminary concerns about **privacy and data governance**.
- The step reflects the government's push toward a **centralised digital security ecosystem**, reducing cyber-enabled crimes such as identity theft, SIM cloning, and mobile-based financial fraud.



- The directive increases the compliance responsibilities of smartphone manufacturers operating in India, integrating them into the broader national security and **telecom governance framework**.

Key Concepts & Definitions

- **Sanchar Saathi:** A government platform/app by DoT aimed at **citizen safety in telecom**, integrating modules like CEIR (Central Equipment Identity Register) for blocking stolen devices, TAF COP for SIM verification, and reporting scam calls.
- **IMEI (International Mobile Equipment Identity):** A unique 15-digit identifier assigned to every mobile device; crucial for tracking stolen phones, preventing misuse, and verifying device authenticity.
- **CEIR:** A central database used to **blocklisted IMEI numbers**, making stolen phones unusable across all networks.



Constitutional & Legal Provisions

- **Indian Telegraph Act, 1885:** Empowers the government to regulate telecom services and ensure security of communications infrastructure.
- **Telecommunications Act, 2023 (replacing major parts of old laws):** Provides legal backing for preventing telecom fraud, regulating identifiers like IMEI, and enforcing compliance requirements on manufacturers and telecom entities.
- **Information Technology Act, 2000:** Governs cyber offences, data misuse, identity theft, online fraud, and mandates responsibilities on intermediaries.
- **Right to Privacy (Puttaswamy Judgment, 2017):** Any mandatory pre-installation must comply with privacy safeguards, proportionality, and purpose limitation.

Additional Key Points (UPSC-Oriented)

- Helps combat **growing financial fraud** via fake calls, KYC scams, and SIM-based identity misuse.
- May create debate on **bloatware vs. essential security apps** and the role of the State in mandating apps on private devices.
- Strengthens India's fight against **grey-market phones**, IMEI duplication, and cross-border device smuggling.
- Enhances **digital public infrastructure (DPI)** in telecom—a critical national security concern.
- Part of India's shift toward **closed-loop traceability** in telecom devices.

Conclusion

The mandatory pre-installation of Sanchar Saathi marks a proactive step toward strengthening India's digital and telecom security architecture. By empowering users to verify IMEIs, monitor SIM misuse, and block stolen devices, the government aims to curb rising telecom frauds and ensure a safer digital ecosystem. However, issues of privacy, data access, and proportionality must be addressed to maintain public trust and constitutional safeguards.



UPSC Relevance

- **GS-II:** Governance, telecom regulation, government policies, citizen protection, privacy issues.
- **GS-III:** Cybersecurity, digital technology, IMEI regulation, financial fraud prevention, internal security.
- **GS-IV:** Ethics of privacy, responsible technology use, state responsibility for citizen safety.
- **Prelims:** IMEI, CEIR, Sanchar Saathi, DoT directives, Telecom Act 2023.

3. ARE THE ANIMAL SPIRITS BACK IN THE ECONOMY?

Key Summary:

- India's GDP growth for **Q2 FY26 surged to 8.2%**, the highest in six quarters, driven by strong manufacturing (9.1%), steady services, and sustained agricultural growth above 3.5%.
- Fiscal deficit reached **52.6% of the annual target** by October due to higher capital expenditure and lower-than-expected net tax revenues, indicating pressure on fiscal consolidation.
- Consumption revival, tax rate reductions (IT and GST), low inflation, and export front-loading to the U.S. contributed significantly to the growth momentum, despite global uncertainties.
- Net tax collections remained weak (45% of Budget Estimate), and nominal GDP growth slowed to **8.7%** owing to low inflation, posing challenges to meeting the government's FY26 fiscal deficit target of **4.4% of GDP**.
- Initial signs of **returning animal spirits**—revival in private investment and strong sector-wide performance—are visible, though PMI data indicates short-term caution.
- Economists are revising growth expectations upward for FY26 (around 7%), and the RBI is expected to adjust its projections in upcoming policy reviews.

Key Concepts & Definitions

- **Animal Spirits:** A term coined by John Maynard Keynes referring to **entrepreneurial confidence**, optimism, and willingness of businesses and consumers to invest, spend, and take economic risks.
- **Nominal GDP:** GDP measured at **current market prices**, without adjusting for inflation; crucial for estimating government revenues and fiscal ratios.
- **Fiscal Deficit:** The gap between government expenditure and revenue (excluding borrowings); reflects the government's borrowing needs.
- **Deflator:** A price index used to convert nominal GDP to real GDP; low inflation reduced the GDP deflator, boosting real growth.
- **Index of Industrial Production (IIP):** Measures industrial activity; grew **5.2% in October**, signaling robust manufacturing and mining performance.





Constitutional & Legal Provisions (UPSC-Oriented)

- **Article 112 (Annual Financial Statement):** Basis for budget estimates, including revenue projections tied to nominal GDP.
- **FRBM Act (Fiscal Responsibility and Budget Management Act, 2003):** Sets targets for fiscal deficit (3% of GDP) and guides fiscal consolidation; slippages due to low nominal GDP can raise concerns.
- **Finance Commission (Article 280):** Influences tax devolution and fiscal space for Union and States.
- **RBI Act, 1934:** Empowers RBI in monetary policy, influencing growth and investment sentiment through interest rates.
- **GST Act, 2017:** Impacts indirect tax collections, affecting fiscal deficit calculations and consumption patterns.

Additional Key Points (Most Relevant for UPSC)

- Manufacturing revival suggests strengthening domestic demand and global resilience despite tariffs.
- Strong performance of financial services and real estate highlights urban consumption and credit growth.
- Agriculture's sustained >3.5% growth despite weather uncertainties is an important stabilizing factor.
- Lower nominal GDP threatens tax buoyancy, complicating government revenue mobilisation and fiscal discipline.
- PMI decline to a nine-month low indicates that while positive, economic recovery is **not yet broad-based or risk-free**.
- Rising capex indicates public sector's role as a growth catalyst.

Conclusion

India's recent economic indicators suggest that **animal spirits are gradually returning**, supported by resilient manufacturing, stable services, and improving consumption. However, fiscal pressures, weak tax collections, and low nominal GDP growth remain structural challenges. A fuller confirmation of sustained optimism will require continued demand strength, higher private investment, and supportive global conditions.

UPSC Relevance

- **GS-III:** Indian economy, GDP trends, fiscal deficit, inflation, business cycles, government budgeting.
- **GS-II:** Fiscal governance, FRBM Act, Centre–State financial relations.
- **Essay:** Themes of economic confidence, growth vs. fiscal prudence, structural transformation.
- **Prelims:** IIP, nominal vs. real GDP, deflator, animal spirits, PMI, fiscal deficit indicators.



4. MEGA BANK MERGER: WILL IT AMPLIFY RISK?

Key Summary:

- RBI's **Financial Stability Report (2025)** shows that failure of a single large bank could erase **up to 3.4% of the system's tier-1 capital** and trigger significant liquidity losses, highlighting risks from highly interconnected mega banks.
- India already designates **SBI, HDFC Bank, and ICICI Bank** as Domestic Systemically Important Banks (D-SIBs). Further mergers may push more PSBs into this category, raising "too-big-to-fail" risks and systemic vulnerability.
- RBI's study of **17 Indian bank mergers (1997–2017)** shows improvements in **capital adequacy, loan efficiency, and balance-sheet strength**, but profitability and cost-to-income ratios improved only in about half the cases, indicating mixed operational synergies.
- Only **two Indian banks (SBI and HDFC Bank)** feature among the world's top 100 banks, underscoring India's limited global scale. The fragmented structure of mid-sized PSBs restricts long-term capital mobilisation for large infra and industrial financing.
- PSBs are now stronger than in the past decade: **gross NPAs fell to 2.6%**, and net profits reached **₹1.78 lakh crore in FY25**, creating favourable conditions for further consolidation without destabilising capital buffers.
- However, global experience shows that countries like the **US and China** achieved scale without excessive concentration. India's top three banks already hold **41% of total assets**, and further consolidation may elevate systemic concentration risk.

Key Concepts & Definitions

- **Systemic Risk:** Risk of collapse of the entire financial system due to failures of interconnected institutions.
- **Too Big to Fail (TBTF):** Large financial institutions whose failure may cause widespread economic disruption, compelling government support.
- **Tier-1 Capital:** Core capital that absorbs losses and protects depositors; indicator of bank resilience.
- **Domestic Systemically Important Banks (D-SIBs):** Banks whose distress can significantly impact the financial system; subject to higher capital requirements.
- **Banking Consolidation:** Mergers and acquisitions aimed at strengthening balance sheets, reducing NPAs, and enhancing scale and efficiency.

Only two Indian banks feature among the world's 100 largest banks

Total assets of select global banks (in \$ trillion) in the top 100 list

Industrial and Commercial Bank of China	6.7
Agricultural Bank of China	5.9
China Construction Bank	5.6
Bank of China	4.8
JP Morgan Chase	4.0
Bank of America	3.3
HSBC Holdings	3.0
BNP Paribas	2.8
Credit Agricole Group	2.7
Mitsubishi UFJ Financial Group	2.6
SBI	0.9
HDFC	0.5

Data as of April 2025.

Source: S&P Global

Constitutional & Legal Provisions

- **Banking Regulation Act, 1949:** Governs mergers, regulation, and supervision of banks in India; empowers RBI to approve and oversee amalgamations.



- **Reserve Bank of India Act, 1934:** Gives RBI authority over monetary and financial stability functions, including identification of D-SIBs.
- **Companies Act, 2013:** Applies to amalgamation of banking companies where relevant.
- **Insolvency and Bankruptcy Code, 2016:** Supports resolution of stressed assets, contributing to improved PSB balance sheets.
- **Article 246 & Seventh Schedule:** Place banking under the Union List, giving the Centre power to legislate on bank mergers.
- **FRBM Act, 2003:** Indirectly linked by determining fiscal space for recapitalisation of PSBs during consolidation phases.

Additional Key Points (UPSC-Oriented)

- Mergers can strengthen credit capacity for large infrastructure projects aligned with India's growth trajectory.
- Over-concentration can dilute **regional credit priorities**, affecting SMEs, agriculture, and underserved geographies.
- Integration challenges—IT systems, HR restructuring, cultural alignment—often delay operational synergies.
- Stronger balance sheets today provide a safer environment for mergers than during the NPA crisis of the 2010s.
- Global comparisons show that **scale need not come through mergers alone**; a diverse banking ecosystem can also support deep financial markets.
- Excessively large banks could create **moral hazard**, expecting government bailouts during stress.

Conclusion

A new round of PSB consolidation can help build globally competitive banks capable of supporting India's ambitious investment needs. However, larger institutions also bring higher systemic risks, potential moral hazards, and concentration of credit power. India must pursue a **balanced strategy**—strengthening scale while preserving financial stability, diversity, and regional credit inclusiveness.

UPSC Relevance

- **GS-III:** Banking sector reforms, financial stability, NPAs, D-SIBs, risk management, consolidation trends.
- **GS-II:** Regulatory architecture (RBI), government policies on PSBs, Centre's role under Union List.
- **Economy/Essay:** Financial governance, scale vs. stability debate, TBTF moral hazard, public sector reforms.
- **Prelims:** Tier-1 capital, D-SIB norms, FRBM Act, IBC, Banking Regulation Act, NPA ratios.

5. CENTRE MOVES BILLS FOR PAN MASALA CESS AND HIGHER DUTIES ON TOBACCO PRODUCTS

Key Summary:



- The Union Government has introduced two key Bills — **The Health Security se National Security Cess Bill, 2025** and the **Central Excise (Amendment) Bill, 2025** — to levy higher excise duties on tobacco products and impose a new cess on the manufacture of pan masala.
- These measures aim to **replace revenue from the GST Compensation Cess** on tobacco, which will soon be discontinued once the Centre repays interest on the borrowing undertaken during the pandemic compensation shortfall.
- The proposed new cess will apply to **machines used and processes involved** in manufacturing pan masala, with the dual objective of raising funds for **health security and national security**, and discouraging harmful consumption.
- The GST compensation cess, introduced in **2017**, was designed to offset States' revenue losses for five years; however, pandemic-induced shortfalls in 2020–21 and 2021–22 compelled the Centre to borrow funds for State compensation.
- With the discontinuation of the compensation cess on tobacco, the government seeks alternative revenue streams to support ongoing fiscal needs and public health commitments.
- The Bills reflect the Centre's shift toward **excise-based taxation** for sin goods (tobacco, pan masala), strengthening public health deterrence while ensuring stable non-GST revenue.

FOCUS ON HEALTH, SECURITY

- ▶ Govt will use proceeds from cess on tobacco and pan masala to boost health, national security
- ▶ "Idea is to ensure that prices remain the same for consumers. It is not a revenue raising exercise," says a govt official
- ▶ Compensation cess on tobacco products and pan masala is to be levied up to March 2026
- ▶ But, the levy may be withdrawn earlier to enable govt to raise resources to meet bond payment requirement



Key Concepts & Definitions

- **Excise Duty:** A tax imposed on the manufacture of goods within the country. Tobacco products attract both GST and excise duty.
- **Cess:** A tax earmarked for a specific purpose (e.g., health or national security). Unlike tax, cess revenue cannot be shared with States unless specified.
- **Sin Goods:** Products like tobacco, liquor, and pan masala that impose negative externalities on society and are taxed heavily to discourage consumption.
- **GST Compensation Cess:** A levy introduced in 2017 to compensate States for revenue loss for five years following GST implementation. It applies to luxury and sin goods.
- **Negative Externality:** A cost imposed on society due to the consumption or production of a harmful good, justifying higher taxation.

Constitutional & Legal Provisions

- **Article 269A:** Governs GST on inter-State transactions and distribution of revenue.
- **Article 270:** Provides for levy and distribution of taxes including cesses (with exceptions).
- **Article 279A:** Establishes the GST Council, which recommends rates and cess structure.
- **Seventh Schedule – Union List:** Empowers the Centre to levy excise duties on tobacco and other goods.
- **Central Excise Act, 1944:** Governs excise duties; the new Bill amends provisions related to tobacco taxation.



- **GST (Compensation to States) Act, 2017:** Provides the legal basis for the GST compensation cess and the Centre's commitment to compensate States.

Additional Key Points (UPSC-Oriented)

- The move aligns with WHO recommendations calling for higher taxation on tobacco to curb consumption and reduce healthcare burden.
- Increasing duties on tobacco and pan masala supports India's fight against **non-communicable diseases (NCDs)** and oral cancer prevalence.
- The cess for "health and national security" signals a strategic widening of earmarked revenues beyond traditional health-focused taxes.
- By targeting manufacturing machinery for pan masala, the government intends to reduce tax evasion and improve compliance in a sector often associated with illicit trade.
- These changes may cause revenue tensions between Centre and States, particularly due to the nature of cesses (not shareable with States).

Conclusion

The introduction of new cesses on pan masala manufacturing and higher excise duties on tobacco marks a strategic shift toward safeguarding public health and ensuring continued revenue stability post-GST compensation era. While these measures help offset the loss of the compensation cess and curb consumption of harmful products, they may also reignite debates around fiscal federalism and the Centre's growing reliance on non-divisible cesses.

UPSC Relevance

- **GS-II:** Centre–State financial relations, GST Council, federal structure, taxation powers.
- **GS-III:** Public finance, excise duties, health taxation, revenue mobilisation, NCD control.
- **GS-I / Essay:** Public health policy, economic burden of harmful consumption.
- **Prelims:** GST Compensation Cess Act, excise duty provisions, Article 270, meaning of cess, pan masala taxation structure.

6. IIP IN OCTOBER SLIPS TO A 14-MONTH LOW

Key Summary:

- Industrial growth slowed sharply to **0.4% in October 2025**, the lowest in 14 months, driven by contractions in electricity (-6.9%), consumer non-durables (-4.4%), and weak manufacturing growth (1.8%).
- The **Index of Industrial Production (IIP)** was last lower in August 2024, when growth stood at 0%, signaling a broad-based industrial deceleration.
- The **mining sector contracted 1.8%**, marking contraction in six of the last seven months, indicating persistent supply-side challenges.
- Consumer goods (durables and non-durables) recorded negative growth, partly due to **inventory overhang**, reflecting weak demand momentum ahead of the festival season.



- Infrastructure and construction goods grew **7.1%**, higher than last year but lower than the strong double-digit growth seen in July–September 2025, showing a moderation in capex-linked segments.
- Slowing manufacturing and continued sectoral weaknesses raise concerns about overall industrial recovery, domestic demand, and fourth-quarter growth prospects.

Key Concepts & Definitions

- **Index of Industrial Production (IIP):** A composite index measuring volume changes in industrial production across mining, manufacturing, and electricity sectors.
- **Base Effect:** Impact of last year's data on the current growth rate; a high base can lead to lower current growth even if output levels are stable.
- **Consumer Durables:** Goods with long-term use (e.g., appliances), sensitive to income and interest rate movements.
- **Consumer Non-Durables:** Fast-moving consumer goods (FMCG) such as packaged food and toiletries; useful indicators of short-term consumption demand.
- **Infrastructure/Construction Goods:** Indicators of investment demand and public infrastructure spending trends.

Constitutional & Legal Provisions

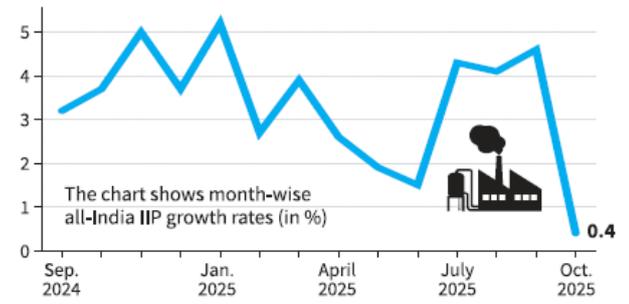
- **Collection of industrial statistics** is governed by the **Collection of Statistics Act, 2008**.
- **Ministry of Statistics and Programme Implementation (MoSPI)** is constitutionally empowered through executive functions to compile national accounts and industrial indices.
- **Seventh Schedule (Union List)** gives the Centre power over industries declared to be of national importance (e.g., major minerals, coal, electricity).
- **Electricity Act, 2003** impacts industrial output via generation and distribution reforms.

Additional Key Points (UPSC-Oriented)

- Weak IIP growth may indicate slowing demand despite earlier signs of economic momentum, raising concerns about investment and consumption cycles.
- Electricity and mining contractions could reflect **lower industrial energy demand**, supply bottlenecks, or shifts in seasonal patterns.
- Negative growth in durables suggests caution among middle-income consumers, possibly due to high interest rates or income uncertainties.
- Moderation in infrastructure goods growth may reflect **delayed project execution** or a natural cooling after accelerated capex spending.
- Manufacturing at a two-year low signals that industrial revival remains uneven despite earlier gains.
- Persistent weaknesses in core industrial sectors may affect employment, fiscal revenues, and overall GDP growth for FY26.

A steep fall

Industrial activity was pulled down by contractions in the electricity and consumer non-durables sectors in October





Conclusion

The sharp slowdown in IIP to a 14-month low underscores the fragility of India's industrial recovery. Declines in electricity, mining, and consumer goods highlight structural and demand-side challenges that require careful monitoring. While infrastructure goods remain relatively strong, the broad-based industrial moderation suggests the need for targeted policy support, improved supply chains, and measures to revive consumption.

UPSC Relevance

- **GS-III:** Indian economy, industrial growth, IIP components, demand patterns, infrastructure and manufacturing dynamics.
- **GS-II:** Government policy impacting industrial sectors, statistical governance (MoSPI).
- **Prelims:** IIP base year (2011–12), components of IIP, mining weight, meaning of consumer durables/non-durables, Electricity Act.
- **Essay:** Industrial slowdown, structural bottlenecks, balancing growth and demand revival.

7. INDIA'S NATIONAL ACTION PLAN ON ANTIMICROBIAL RESISTANCE (NAP-AMR 2.0), 2025–29

Key Summary:

- India has launched **NAP-AMR 2.0 (2025–29)** at a time when Antimicrobial Resistance (AMR) is spreading across **human health, veterinary care, agriculture, aquaculture, waste systems, and the entire food chain**, making it a core **One Health** challenge.
- The first NAP-AMR (2017) created awareness, surveillance systems, laboratory networks, and stewardship programmes, but **State-level implementation remained limited**, with only a few states preparing or executing full AMR Action Plans.
- NAP-AMR 2.0 improves upon the earlier plan by introducing **clearer timelines, stronger surveillance integration**, greater focus on **innovation** (rapid diagnostics, alternatives to antibiotics), environmental monitoring, and the involvement of the **private sector**, which caters to a major portion of healthcare and veterinary services.
- Governance has been strengthened by placing **intersectoral oversight under NITI Aayog**, mandating States/UTs to create **State AMR Cells** and adopt State Action Plans, supported by a national digital dashboard for monitoring.
- The plan's biggest gap is the **absence of a formal Centre–State coordination mechanism**, statutory requirements, joint review system, or financial incentives—despite AMR's key determinants falling largely under **State jurisdiction** (health, veterinary services, food safety, agriculture, waste management).
- Experts argue that without a structured, accountable Centre–State architecture—similar to the **NHM** or **National TB Elimination Programme**—NAP-AMR 2.0 risks remaining a policy document rather than a deliverable national programme.





Key Concepts & Definitions

- **Antimicrobial Resistance (AMR):** Occurs when microorganisms (bacteria, viruses, fungi, parasites) evolve to resist antimicrobial drugs, making infections harder to treat.
- **One Health Approach:** A collaborative, multisectoral strategy recognising that human, animal, and environmental health are interconnected.
- **Stewardship:** Coordinated interventions to improve and monitor the rational use of antimicrobial medicines, preventing overuse and misuse.
- **State AMR Cells:** Dedicated state-level bodies for multisector implementation, monitoring, and coordination.
- **Surveillance:** Systematic data collection on resistant organisms, drug usage patterns, residues, and environmental contamination.

Constitutional & Legal Provisions

- **Seventh Schedule – State List:** Public health, agriculture, veterinary services, and sanitation lie predominantly under State control, making State participation crucial.
- **Union List:** Regulation of drugs, antibiotics manufacturing, and standards falls under the Centre (important for AMR governance).
- **Article 256:** Enables the Union to give directions to States for implementing laws.
- **Article 47:** Directive Principle requiring the State to improve public health.
- **Food Safety and Standards Act (FSSAI):** Regulates antibiotic residues in food products.
- **Drugs and Cosmetics Act, 1940:** Governs antibiotic sales, schedules, quality, and misuse.
- **Environment Protection Act, 1986:** Relevant for antimicrobial waste management and environmental contamination.
- **Livestock, aquaculture and agriculture policies:** Influence antibiotic usage in non-human sectors.

Additional Important Points (UPSC-Focused)

- AMR is a **major global threat**, projected to cause 10 million deaths a year by 2050—India is among the world's highest antibiotic consumers.
- Irrational antibiotic use in humans, poultry, livestock, fish farms, and crop cultivation accelerates AMR spread.
- Lack of wastewater treatment, hospital discharge, and pharmaceutical effluents worsens environmental AMR.
- Private sector involvement is vital because **70% of outpatient care** and much of veterinary services occur outside government systems.
- Financial incentives—such as **NHM-linked grants**—can catalyse state compliance, as seen in TB and immunisation programmes.
- Success depends on cross-sector data sharing, political visibility, and regular high-level reviews involving Chief Secretaries and Health Ministers.



Conclusion

NAP-AMR 2.0 offers a strong scientific foundation, clearer goals, wider sectoral coverage, and improved governance structures. However, without a **formal, accountable Centre–State implementation mechanism**, dedicated funding pathways, and political oversight, its effectiveness may remain limited. Combating AMR requires sustained cooperation across human, animal, environmental, and food systems—making coordinated federal action essential for measurable national progress.

UPSC Relevance

- **GS-II:** Health governance, Centre–State relations, federal coordination, regulatory mechanisms, NITI Aayog’s role.
- **GS-III:** Science & tech (health innovation), environmental pollution, One Health, agriculture and livestock systems, waste management, disease control.
- **GS-IV:** Ethics of antibiotic misuse, intersectoral responsibility, public health accountability.
- **Essay:** “One Health”, public health systems, cooperative federalism, scientific governance.
- **Prelims:** AMR definition, One Health, national programmes, Drugs & Cosmetics Act, FSSAI norms, key institutions (ICMR, NCDC).

8. DEVELOPED NATIONS MUST NOT RESIST EQUITABLE DISTRIBUTION OF CARBON SPACE

Key Summary:

- Union Environment Minister Bhupender Yadav emphasized that **global climate negotiations must be consensus-based**, but these discussions become difficult when **developed countries fail to meet historical responsibilities** and resist the principle of **equitable carbon space**.
- He underscored that the **Global South requires energy security** and fair access to carbon space while transitioning to clean energy, highlighting the need for a **just and orderly phase-out of fossil fuels**.
- The minister reiterated India’s stance that climate action must reflect the principles of **equity and Common But Differentiated Responsibilities and Respective Capabilities (CBDR-RC)**.
- Developed countries have historically contributed the most to cumulative emissions but still resist proportionate burden-sharing, creating friction in global climate negotiations (COP processes).
- Yadav called for a climate framework where developing nations receive adequate **climate finance, technology transfer**, and capacity-building support to accelerate low-carbon development.
- The statement reflects India’s broader diplomatic strategy of advocating for fairness in carbon budgeting and ensuring that climate transition does not compromise **developmental priorities** of low- and middle-income countries.

Key Concepts & Definitions

- **Carbon Space:** The remaining permissible global carbon emissions to keep global temperature rise within safe limits; viewed as an environmental “budget”.
- **Historical Responsibility:** The idea that countries with the highest historical emissions should bear greater responsibility in climate mitigation efforts.



- **CBDR-RC:** A foundational UNFCCC principle recognizing different national capabilities and responsibilities in addressing climate change.
- **Energy Security:** Ensuring reliable, affordable access to energy while transitioning to clean alternatives; critical for developing countries' growth.

Constitutional & Legal Provisions (India)

- **Article 48A (DPSP):** Mandates the State to protect and improve the environment.
- **Article 51A(g):** Fundamental duty of citizens to protect the environment.
- **Environment Protection Act, 1986:** Umbrella legislation enabling the government to implement climate and environmental regulations.
- **Forest Conservation Act, Air Act, Water Act:** Provide legal backing to India's environmental governance, indirectly contributing to climate mitigation.

Additional Key Points (UPSC-Oriented)

- India argues that restricting carbon space for developing countries can slow poverty reduction, industrialisation, and energy access.
- Climate justice frameworks emphasize that developed nations must support green transitions without imposing unfair mitigation burdens on poorer countries.
- Global South nations continue to highlight the **\$100-billion annual climate finance gap** and the need for predictable funding for adaptation and mitigation.
- India's energy pathway includes green hydrogen, renewable expansion (500 GW target by 2030), and lifestyle changes under **LiFE (Lifestyle for Environment)**.

Conclusion

The Union Environment Minister's remarks reinforce India's long-standing position that climate action must be equitable and must not compromise development needs of the Global South. Ensuring a fair allocation of carbon space and enforcing historical responsibilities of developed nations are essential for building trust, advancing climate justice, and enabling a sustainable, inclusive global energy transition.

UPSC Relevance

- **GS-II:** International relations, climate diplomacy, UNFCCC negotiations, Global South.
- **GS-III:** Environment, climate change, carbon budgets, sustainable development, energy transition.
- **GS-IV:** Climate justice, ethical responsibility of nations.
- **Prelims:** CBDR-RC, carbon space, UNFCCC principles, Paris Agreement.

9. INDIA MAKES RARE LONG-TERM SOY PURCHASES TO SECURE CHEAP SUPPLY

Key Summary:

- Indian buyers have booked **large long-term purchases of soybean oil** for the four months up to July—an unusual strategy driven by favourable prices and expectations of rising palm oil costs.



- Soybean oil traded at a **\$20–\$30 per tonne discount** to palm oil during this period, making it economically attractive for importers such as Patanjali Foods Ltd.
- The buying surge is linked to market expectations that **Indonesia**, the world's largest palm oil producer, will increase **palm oil blending in biofuel** from mid-next year, likely pushing global palm oil prices higher.
- India, being one of the world's largest edible oil importers, is highly sensitive to global price swings; securing soy oil contracts helps **stabilise domestic supply** and avoid inflationary pressures.
- Long-term contracting is rare in India's edible oil market because importers typically rely on short-term price movements; this shift signals an attempt to mitigate **supply and price risks**.
- The move reflects the country's broader effort to **diversify edible oil sources**, reduce vulnerability to palm oil dominance, and manage consumer-level food inflation.



Key Concepts & Definitions

- **Edible Oil Import Dependence:** India imports over 60% of its edible oil needs, mainly palm oil, making price volatility a key food security concern.
- **Palm Oil Biofuel Blending:** Policies that divert palm oil into biodiesel, reducing supply for food markets and raising international prices.
- **Forward Contracting:** Long-term purchase agreements to lock in prices and quantities; used to hedge against price volatility.
- **Commodity Price Spread:** The difference in price between two similar commodities (e.g., soy oil vs. palm oil), influencing substitution decisions.

Constitutional & Legal Provisions (UPSC-Oriented)

- **Essential Commodities Act, 1955:** Allows government intervention to regulate supply, pricing, and stock limits of essential food items, including edible oils.
- **Foreign Trade (Development and Regulation) Act, 1992:** Governs import policies, enabling changes in import duties or quotas for edible oils.
- **Food Safety and Standards Act, 2006:** Regulates quality standards of imported edible oils.
- **Article 38 & 47:** DPSPs obligating the State to ensure equitable distribution of essential goods and improve nutrition standards.
- **Warehousing and logistics laws** influence storage, stockholding, and supply chain stability.

Additional Key Points (UPSC-Oriented)

- Indonesia and Malaysia dominate global palm oil supply; policy changes in these countries directly affect Indian import costs.
- Higher palm oil prices tend to increase overall edible oil inflation since palm constitutes India's largest share of imports.



- India's attempts to boost domestic oilseed production under **National Mission on Edible Oils–Oil Palm (NMEO-OP)** seek to reduce long-term dependency.
- Soybean oil purchases may also help avoid sudden retail price spikes, crucial for maintaining **food price stability**, a core macroeconomic objective.
- Long-term purchases indicate increased market uncertainty due to geopolitical tensions, energy transition policies, and climate-related supply disruptions.

Conclusion

India's rare long-term soybean oil procurement reflects strategic planning to safeguard against future price surges driven by global palm oil market shifts. By locking in cheaper supplies, India aims to maintain edible oil availability, moderate inflation, and enhance supply security. However, the move also highlights the structural vulnerability of India's heavy edible oil import dependence.

UPSC Relevance

- **GS-III:** Food security, agricultural commodities, inflation management, external sector dependence, trade policy.
- **GS-II:** Policy tools for essential commodities, Centre–State coordination on food supply.
- **Prelims:** Essential Commodities Act, NMEO–Oil Palm, major edible oil producers, biofuel blending effects on food markets.
- **Essay:** Food security in a globalised world; managing commodity volatility; agriculture–trade linkages.

10. FDI RISES 18% TO \$35.18 BILLION IN APR–SEP; INFLOWS FROM US DOUBLE

Key Summary:

- Foreign Direct Investment (FDI) inflows into India increased **18% to \$35.18 billion** during April–September of the current fiscal year, indicating renewed investor confidence despite global economic uncertainties.
- Inflows from the **United States more than doubled to \$6.62 billion**, making the U.S. one of the fastest-growing sources of investment during this period.
- FDI during April–September last year stood at \$29.79 billion, showing a significant year-on-year rebound after previous quarters of stagnation and global investment slowdown.
- In the **June–September (Q2) quarter of FY26**, FDI inflows rose **over 21%** to \$16.54 billion, underscoring strong quarterly momentum.
- The surge in investments likely reflects India's improving macroeconomic fundamentals, policy reforms, geopolitical realignments, supply-chain diversification, and sectoral attractiveness in manufacturing, digital services, and renewable energy.





- Rising U.S. FDI inflows suggest deepening strategic–economic ties, technology partnerships, and growing confidence in India as an alternative global investment destination.

Key Concepts & Definitions

- **Foreign Direct Investment (FDI):** Investment by an entity from one country into business operations or assets in another country, typically involving ownership, control, or lasting interest.
- **FDI Equity Inflows:** Direct capital invested in Indian companies through equity routes.
- **FDI vs. FPI:** FDI is long-term and stable, whereas Foreign Portfolio Investment (FPI) is short-term and market-driven.
- **Make in India & PLI Scheme:** Policy initiatives enhancing India's manufacturing competitiveness, indirectly boosting FDI.

Constitutional & Legal Provisions (UPSC-Oriented)

- **Foreign Exchange Management Act (FEMA), 1999:** Governs foreign investments, foreign exchange inflows, and capital account transactions.
- **Industrial Policy (1991 onwards):** Liberalised FDI norms across sectors, enabling automatic route investments.
- **Article 246 & Seventh Schedule (Union List):** Places foreign trade and foreign investment regulation under the Centre's jurisdiction.
- **Bilateral Investment Treaties (BITs):** Provide protection frameworks for foreign investors; India is renegotiating new BITs since 2016.
- **Competition Act, 2002:** Ensures that mergers and acquisitions via FDI do not distort the market.

Additional Key Points (UPSC-Focused)

- FDI inflows are vital for India's goals of becoming a **\$5-trillion economy** and global manufacturing hub.
- Growth in U.S. investment aligns with strategic cooperation in semiconductors, AI, digital tech, defence, and clean energy.
- Higher FDI enhances employment, technology transfer, industrial upgrading, and export competitiveness.
- Global investors increasingly view India as a **de-risked alternative** to over-dependence on China.
- India's stable macroeconomic environment, robust domestic demand, and improved ease of doing business likely supported the FDI rise.
- Persistent challenges include regulatory delays, land and labour bottlenecks, and need for deeper reforms in contract enforcement.

Conclusion

The 18% rise in FDI, coupled with a doubling of inflows from the U.S., signals India's strengthening position as a preferred global investment destination. This momentum reflects constructive policy reforms, resilient economic fundamentals, and shifting global supply chains. Sustaining this upward trajectory will require continued structural improvements, predictable policy frameworks, and enhanced infrastructure to translate investment inflows into long-term economic gains.



UPSC Relevance

- **GS-III:** External sector, FDI trends, economic reforms, investment climate, foreign exchange management.
- **GS-II:** India–U.S. relations, bilateral investment cooperation, economic diplomacy.
- **Prelims:** FEMA, automatic vs. approval route, sector-wise FDI limits, role of DPIIT, PLI schemes.
- **Essay:** Globalisation, investment flows, India as an emerging economic hub.

11. CENTRE TO SELL UP TO 6% IN BANK OF MAHARASHTRA

Key Summary:

- The Central Government will divest **up to a 6% stake** in the Bank of Maharashtra (BoM) through an **Offer for Sale (OFS)** mechanism—5% base offer and an additional 1% green-shoe option.
- At the end of the September quarter, the government held **79.6%** stake in the bank; the sale is expected to bring this down below **75%**, enabling the bank to meet the **mandatory 25% minimum public shareholding (MPS)** norm.
- Based on current market prices (₹57.65/share), the Government may raise around **₹2,600 crore** from the divestment, contributing to its annual disinvestment targets.
- The OFS opens first for **non-retail investors** and subsequently for **retail investors**, following SEBI norms for public sector share sales.
- The move aligns with SEBI's mandate under the **Securities Contract (Regulation) Rules**, requiring all listed companies—including PSUs—to maintain at least **25% public shareholding by August 2026**.
- The Department of Investment and Public Asset Management (DIPAM) is steering the process as part of the broader policy of **PSU disinvestment**, capital market deepening, and enhancing market discipline in public sector banks.

Key Concepts & Definitions

- **Offer for Sale (OFS):** A stock market mechanism where promoters (often the government) sell shares to the public through exchanges, ensuring transparency and price discovery.
- **Minimum Public Shareholding (MPS):** Regulation requiring at least 25% of a listed entity's shares be held by public investors to increase liquidity and market participation.
- **Green-Shoe Option:** An additional portion of shares that can be sold over and above the original offer to stabilise prices or meet excess demand.
- **Divestment:** Sale of government stakes in PSUs to raise revenues, improve PSU efficiency, or comply with regulatory norms.





Constitutional & Legal Provisions (UPSC-Oriented)

- **Securities Contracts (Regulation) Act (SCRA), 1956 and Rules, 1957:** Provide the legal basis for minimum public shareholding norms.
- **SEBI Act, 1992:** Empowers SEBI to regulate capital markets, enforce MPS norms, and supervise OFS processes.
- **Companies Act, 2013:** Governs shareholding structure, corporate governance, and disclosures.
- **Article 300A:** Ensures the right to property, relevant for government's ownership and sale of PSU shares.
- **DIPAM Guidelines:** Framework for strategic and non-strategic disinvestment in PSUs.

Additional Key Points (UPSC-Focused)

- Increased public shareholding enhances **corporate governance**, market accountability, and price discovery for PSU banks.
- Divestment is part of the government's strategy to **reduce fiscal burden**, improve efficiency, and encourage private-sector discipline in PSBs.
- Stake dilution by the government is also aligned with RBI's broader objectives of strengthening **capital adequacy** and professional autonomy in PSBs.
- Higher float in the market may attract institutional investors and improve the bank's **market capitalisation**.
- Disinvestment proceeds contribute to meeting budgetary targets—significant for fiscal consolidation.
- The move fits into the long-term PSU policy aimed at **privatisation or market-linked capital raising** for banks.

Conclusion

The government's plan to offload up to 6% in Bank of Maharashtra is a strategic divestment step aimed at complying with SEBI's minimum public shareholding norms, strengthening market participation, and mobilising non-tax revenue. It supports capital market reforms, enhances PSU governance, and advances the policy of rationalising government shareholding in public sector banks.

UPSC Relevance

- **GS-III:** Public sector reforms, disinvestment policy, capital markets, fiscal consolidation.
- **GS-II:** Regulatory bodies (SEBI), governance of public sector institutions, financial oversight.
- **Prelims:** OFS mechanism, green-shoe option, SEBI rules, SCRA, DIPAM functions.
- **Essay:** Role of markets in governance, PSU reforms, government restructuring.

12. THE NEED FOR 'HEART-RESILIENT' URBAN PLANNING

Key Summary:

- On World Habitat Day 2025, MoHUA highlighted PMAY-U and Smart Cities Mission, but the deeper crisis—**rising cardiovascular diseases (CVDs) and diabetes in urban areas**—is accelerating, with rates nearly **twice that of rural India** and affecting younger populations.



- Rapid urbanisation has created environments marked by pollution, long commutes, heat stress, shrinking green spaces, unhealthy diets, and unequal access to health care, all of which contribute to growing non-communicable diseases (NCDs).
- Urban planning remains fragmented; decisions on transport, housing, environment, and public health operate in silos. Market-driven clustering of hospitals and absence of equity-based planning deepen **spatial healthcare inequalities**.
- NAP-AMR 2.0, Smart Cities Mission, AMRUT, and NUHM provide frameworks but require **integration of health into land use, mobility, environment, and food systems**—including walkability, green infrastructure, mixed land use, public transport, and healthy food ecosystems.
- Invisible urban threats—PM2.5 exposure, heat stress, toxic waste, poor water systems—are escalating cardiovascular mortality; Asia could see a **91% rise in CVD deaths by 2050** without intervention.
- Equity must guide all strategies: low-income communities face the worst pollution, least greenery, and poorest connectivity. Without equity audits and community participation, well-intentioned projects could trigger **green gentrification**, displacing vulnerable residents.

Key Concepts & Definitions

- **Healthy Cities (WHO):** Urban systems where environmental, economic and social conditions are designed to promote health and well-being.
- **Green Gentrification:** When environmental improvements raise land values, pushing out low-income communities.
- **Active Mobility:** Walking, cycling, and other non-motorised modes that encourage physical activity.
- **Urban Heat Island Effect:** Higher temperatures in cities due to dense construction and limited vegetation, worsening cardiovascular stress.
- **Equity Audit:** Assessment to ensure infrastructure benefits vulnerable and marginalised communities fairly.

Constitutional & Legal Provisions (UPSC-Oriented)

- **Article 21:** Interpreted by Supreme Court to include the right to health, clean environment, and pollution-free life.
- **Article 47 (DPSP):** Duty of the State to improve public health and nutrition.
- **74th Constitutional Amendment Act, 1992:** Empowers Urban Local Bodies (ULBs) in planning, public health, sanitation, and urban development—critical for heart-healthy planning.
- **Environment Protection Act, 1986; Air Act, 1981; Water Act, 1974:** Provide statutory mechanisms to address pollution, a key CVD risk factor.
- **National Urban Health Mission (NUHM):** Focuses on strengthening primary health care for urban poor; relevant for tackling NCD burdens.

Additional Key Points

- Integrated planning can significantly reduce lifestyle risks: reduced commute time, clean mobility, tree-lined streets, and accessible parks lower hypertension and CVD exposure.



- Digital tools—AI-enabled heat mapping, citizen-level air-quality reporting, real-time pollution sensors—can shape evidence-based decisions.
- Collaboration across ministries (MoHUA, MoHFW, Environment, Transport) and agencies such as NITI Aayog is essential for a unified health-oriented urban governance model.
- India’s large-scale funding opportunities—ADB’s \$10-billion urban investment plan (2025), Smart Cities innovations, and urban youth engagement—can accelerate heart-friendly urban transformations.
- Urban planning curricula must include health and climate resilience to train future planners for a **One Health and well-being oriented urban model.**

Conclusion

India is at an urban crossroads: choices made today will determine whether cities become hubs of disease or models of resilience. Heart-resilient planning—walkability, green infrastructure, equitable health access, clean mobility, and healthy food ecosystems—must be embedded into all urban missions. Cities must be designed not just for infrastructure growth but for the well-being of the human heart.

UPSC Relevance

- **GS-II:** Urban governance, 74th CAA, health policy, Centre–State coordination.
- **GS-III:** Environment, pollution, urbanisation, climate resilience, NCDs, AI in governance.
- **GS-IV:** Equity, public health ethics, inclusive planning.
- **Essay:** Urbanisation & health, sustainable cities, well-being–centric development.
- **Prelims:** NUHM, Smart Cities, AMRUT, WHO Healthy Cities, PM2.5, Heat Island Effect.