



“ We help you reach for the star ”

VIDHVATH IAS KAS ACADEMY & STUDY CENTRE

DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

DATE: 06/12/2025 (SATURDAY)



 9972258970 & 9740702455

#317/A SKB Arcade, D. Subbaiah Road,
Ramaswamy Circle, Mysuru-570004



Table of Contents

1. India-Russia Strategic Partnership: A 'Pole Star' in Geopolitics	2
2. AI Initiatives for Climate Resilience and Agricultural Productivity	2
3. Integration of Farmer Producer Organizations (FPOs) in National Value Chains.....	3
4. National Mission on Natural Farming (NMNF): Pillars of Sustainable Agriculture	4
5. Streamlining Public Communication: Reforming the Government's Information Network	5
6. RBI MPC Decision: Repo Rate Cut to Support Growth	6
7. Digital Constitutionalism: The Imperative for Rights in the Algorithmic Era.....	7
8. India's Coal Conundrum and the Just Energy Transition	9
9. India-Russia Bilateral Trade: The Push for National Currency Settlement	10
10. Health Security and National Security Cess Bill, 2025	11
11. MGNREGS Fund Stoppage and Judicial Intervention in West Bengal.....	12
12. Private Members' Bills on Social and Labor Welfare.....	14



1. India-Russia Strategic Partnership: A 'Pole Star' in Geopolitics

- **Core Principle & Stability (Definition):** Prime Minister Narendra Modi described the India-Russia friendship as a '**Dhruva Tara**' (**Pole Star**), symbolizing its "**sustained and long-term significance**" and "**constancy**" over the past eight decades, enduring numerous global ups and downs. This emphasizes the bedrock of **strategic stability** in the bilateral relationship.
- **Strategic Vision & Economic Focus:** The leaders laid out an **expansive canvas of energy and trade collaborations** stretching up to **2030**. **Energy ties** were explicitly signaled to continue as a '**strong and vital pillar**' of the partnership, asserting India's strategic choice despite Western opposition (post-U.S. punitive tariffs context).
- **Diplomatic Outcomes & Momentum:** The bilateral talks resulted in the signing of **16 agreements**, underscoring the strong momentum and practical sectoral cooperation across various fields. The visit itself attracted global attention, affirming India's commitment to its **strategic autonomy** in foreign policy.
- **Stand on Geopolitical Conflict:** PM Modi clearly articulated India's consistent position on global conflicts, calling for a **peaceful solution** to the Russia-Ukraine war. This reflects India's policy of non-alignment and its push for diplomacy and dialogue.
- **Key Framework & Legal Provisions:** The bilateral ties are guided by the '**Declaration on the India-Russia Strategic Partnership**' (often termed **Special and Privileged Strategic Partnership - SPSP**). Constitutionally, India's pursuit of international cooperation and peace, as reflected in the talks, aligns with **Article 51 of the Constitution (Directive Principles of State Policy)**, which mandates promoting international peace and security, and fostering respect for international law.



Conclusion The high-level summit successfully reaffirmed the enduring and multi-faceted nature of the **Special and Privileged Strategic Partnership (SPSP)**. By focusing on long-term goals in critical areas like energy, trade, and defense, and asserting its right to autonomous decision-making, India cemented the relationship as a critical constant in its foreign policy architecture.

UPSC Relevance

- **GS Paper II (International Relations):** Focus on bilateral relations, India's foreign policy, strategic autonomy, and the impact of geopolitical events (e.g., U.S. sanctions, Russia-Ukraine conflict) on India's interests.
- **Key Concepts for Mains:** Strategic Autonomy, Special and Privileged Strategic Partnership (SPSP), Multi-polarity in World Order, Significance of Article 51.

2. AI Initiatives for Climate Resilience and Agricultural Productivity

- **Pioneering AI-Based Weather Forecasting (Definition):** A pilot project was conducted using an **open-source blended model** that combined **NeuralGCM** (a specialized AI weather model), **ECMWF's AIFS** (Artificial Intelligence Forecasting System), and 125 years of IMD historical rainfall data. The purpose was to generate highly granular, **probabilistic local monsoon onset forecasts**, crucial for determining the correct date of sowing.



- **Targeted Dissemination & Impact:** The local onset forecasts were disseminated to over 38 million farmers across 13 states through the **M-Kisan portal** via SMS in five regional languages. Feedback surveys indicated a significant impact, with **31–52% of farmers adjusting their planting decisions** (land preparation, sowing timing, crop/input choice), demonstrating the direct utility of precise, local weather data.
- **Farmer Support through AI Chatbot:** The "**Kisan e-Mitra**" is a crucial voice-based, AI-powered chatbot that supports farmers in **11 regional languages**. It assists with queries concerning major government schemes like **PM Kisan Samman Nidhi, PM Fasal Bhima Yojna, and Kisan Credit Card**, handling thousands of queries daily and serving as a key digital extension service.
- **Pest Surveillance and Crop Health:** The **National Pest Surveillance System** leverages **AI and Machine Learning** to detect pest infestation through field photographs. This enables timely intervention, helping farmers mitigate pest attacks and reduce significant crop losses, with support for 66 crops and over 432 pests, contributing directly to **sustainable agriculture**.
- **Constitutional & Legal Frameworks:** The initiatives align with the principles of **Article 48 (DPSP)**, which directs the State to organize agriculture on modern and scientific lines, and **Article 38(2)**, promoting social and economic justice by minimizing inequalities in facilities and opportunities. The programs operate under the purview of key Acts such as the **Information Technology Act, 2000** (for digital service delivery) and the **National Policy on Farmers, 2007** (aiming for holistic farmer welfare).



Conclusion

The targeted deployment of AI and ML across weather forecasting, digital advisory (Kisan e-Mitra), and pest surveillance marks a transformative shift towards integrating modern technology into Indian agriculture. These initiatives are essential for enhancing climate resilience, improving crop productivity, and ultimately boosting farmer livelihoods by providing timely, localized, and actionable information.

UPSC Relevance

- **GS Paper I & III (Geography & Economy/Science & Tech):** Climate change, E-Technology in the aid of farmers, Government policies and interventions for the development of agriculture, and the role of IT and AI.
- **Keywords:** Precision Agriculture, Digital Public Infrastructure, Climate-Resilient Agriculture, PM-Kisan Samman Nidhi, Strategic Autonomy (in data usage).

3. Integration of Farmer Producer Organizations (FPOs) in National Value Chains

- **Central Sector Scheme & Financial Support (Definition):** The government is actively promoting **Farmer Producer Organizations (FPOs)**—which are legally registered bodies of farmers formed to leverage economies of scale in production and marketing—under the **Central Sector Scheme on Formation and Promotion of 10,000 FPOs**. The scheme provides substantial financial support: **₹18 lakh** for management cost, a matching **equity grant up to ₹15 lakh**, and **credit guarantee up to ₹2 crore** on project loans.



- **Credit & Infrastructure Access:** To ensure financial viability, FPOs are encouraged to avail **collateral-free credit** under the **Credit Guarantee Fund (CGF)** of the scheme (2,583 FPOs covered). Furthermore, significant numbers of FPOs have availed benefits under the **Agriculture Infrastructure Fund (AIF)** (1,590 FPOs) and the **PM Formalisation of Micro Food Processing Enterprises (PM-FME)** Scheme (236 FPOs), aiding in post-harvest management and value addition.
- **Digital Market Linkages:** FPOs are strategically being integrated into major national digital platforms to bypass traditional intermediaries and fetch better prices. Efforts are being made to link them with **e-NAM (National Agriculture Market)** (4,642 FPOs currently linked), **ONDC (Open Network for Digital Commerce)**, and **GeM (Government e-Marketplace)**, facilitating access to wider geographies for both selling produce and buying inputs.
- **Input & Market Facilitation:** The scheme supports FPOs in obtaining essential **input licenses** (seed, fertilizer, and pesticide) and **mandi licenses** to formalize their business activities and strengthen their role in the value chain. Direct **Business-to-Business (B2B) linkages** with the industry and Agri-business organizations are promoted through Melas/Exhibitions and expert webinars to improve bargaining power and secure market access.
- **Constitutional & Legal Provisions:** FPOs are typically registered under the **Companies Act, 2013** (as Producer Companies) or the respective State's **Co-operative Societies Act**. The government's promotional activities align with the **Directive Principles of State Policy (DPSP)**, particularly **Article 48**, which directs the State to organize agriculture on modern and scientific lines, and the overall goal of achieving **social and economic justice** for farmers (Preamble and Article 38).



Conclusion

The comprehensive strategy of combining robust financial grants, institutional credit guarantees, and aggressive integration with national digital marketing platforms (e-NAM, ONDC, GeM) is critical to empowering FPOs. This approach transforms small and marginal farmers from mere producers into organized market players, significantly enhancing their incomes, reducing post-harvest losses, and modernizing the agricultural value chain.

UPSC Relevance

- **GS Paper III (Economy & Agriculture):** Issues related to direct and indirect farm subsidies and minimum support prices; Technology missions; Food processing and related industries in India; PDS.
- **Keywords:** Farmer Producer Organization (FPO), Economies of Scale, e-NAM, ONDC, Agriculture Infrastructure Fund (AIF), Value Chain Management.

4. National Mission on Natural Farming (NMNF): Pillars of Sustainable Agriculture

- **Mission Focus and Scale:** The National Mission on Natural Farming (NMNF) is a key government initiative implemented as a standalone **Centrally Sponsored Scheme** to promote **chemical-free farming** rooted in agroecological principles. The Mission has achieved significant reach, establishing **17,639 Natural Farming Clusters** and training over **8.79 lakh farmers** across 623 districts, driving a national shift toward sustainability.



- **Knowledge Dissemination & Capacity Building (Definition):** The **Krishi Vigyan Kendras (KVKs)** play a pivotal role as the on-field training and demonstration hub. They train **Community Resource Persons (CRPs)/Krishi Sakhis** and farmers on the package of natural farming practices and the preparation of essential, on-farm bio-inputs like **Beejamrut** (seed treatment) and **Jeevamrut** (microbial soil enhancer), which rely on native cow dung and urine.
- **Quality Assurance and Market Linkage:** To build consumer trust and facilitate market access, an online **Natural Farming Certification System (NFCS)** called **PGS – INDIA- NATURAL** has been developed by the National Centre for Organic & Natural Farming (NCONF). This system is based on the **Participatory Guarantee System (PGS)** model, which is a peer-driven, low-cost, and locally relevant quality assurance system that operates outside third-party certification.
- **Core Principles of Natural Farming (Keywords):** Natural Farming fundamentally eliminates the use of **synthetic chemical inputs** (fertilizers, pesticides). Its principles (often termed the four pillars) include **Jeevamrut** (bio-input), **Beejamrut** (seed treatment), **Mulching** (soil cover with biomass/residues), and **Waaphasa** (soil aeration/moisture). This method aims to restore soil health, reduce input costs, and improve the climate resilience of farms.
- **Constitutional & Sustainable Development Mandate:** The promotion of Natural Farming directly aligns with India's constitutional obligations. Specifically, **Article 48** (DPSP) mandates the State to organize agriculture on modern and **scientific lines** (interpreted as sustainable and eco-friendly practices), and **Article 48A** (DPSP) directs the State to **protect and improve the environment**. This supports the broader judicial interpretation of **Article 21 (Right to Life)**, which encompasses the right to a clean and healthy environment and the principle of **Sustainable Development**.



Conclusion

The NMNF represents a targeted governmental push to embed ecological sustainability into India's agricultural system. By utilizing the KVK network for decentralized knowledge transfer and establishing a robust, farmer-centric certification system (PGS – INDIA- NATURAL), the Mission is effectively de-risking the transition to chemical-free farming and creating a market for climate-resilient, healthy produce.

UPSC Relevance

- **GS Paper III (Economy & Agriculture/Environment):** Climate-Resilient Agriculture, E-Technology in the aid of farmers, Government policies and interventions for agriculture, Conservation, and Environmental Pollution/Degradation.
- **Key Concepts for Mains:** Sustainable Agriculture, Zero Budget Natural Farming (ZBNF), Participatory Guarantee System (PGS), Organic vs. Natural Farming, Constitutional basis for environmental protection.

5. Streamlining Public Communication: Reforming the Government's Information Network

- **Objective and Scope (Definition):** The Union government is undertaking a comprehensive **revamp of its public communications framework** with the core aim of ensuring **real-time media response mechanisms** and executing **data-driven campaign planning**. This effort constitutes a major shift



towards a **streamlined public communications framework**, ensuring the flow of timely and accurate government information to the public and media.

- **Organizational and Human Resource Reform:** A critical component of the revamp involves the **reorganisation of human resources** and the restructuring of the **Indian Information Service (IIS) cadre**. This advanced proposal includes altering the number of posts, creating new roles, modifying responsibilities, and improving promotion avenues, signifying a commitment to strengthen the professional capacity of official communicators.
- **Strengthening Technological Infrastructure:** The revamp extends beyond personnel to the **strengthening of technological infrastructure**. This focus ensures that the communications system is unified and capable of handling modern media environments, supporting real-time data analysis and rapid dissemination of information across various digital and traditional platforms.
- **Need for Increased Manpower:** Officials anticipate a **significant rise in the intake of Indian Information Service (IIS) officials** due to the growing number of government departments and functions that require integration into the unified communications system. This expansion is essential to meet the demands of increased governmental outreach and complex, multi-platform communication.
- **Legal & Constitutional Basis for Communication:** The government's communication efforts are implicitly linked to the fundamental right of citizens to be informed, derived from the Supreme Court's interpretation of **Article 19(1)(a) (Freedom of Speech and Expression)**, which includes the **Right to Know**. Legally, the structure and function of the IIS are governed by specific service rules laid out under the **All India Services Act, 1951**, although the IIS itself is a Central Service.

Unified outreach plan 

The government is likely to execute the following moves in the near future, according to sources

- More intake of Indian Information Service officials to cater to rising number of departments and functions
- Restructuring of IIS cadre
- A Board on media communications, which could also oversee decisions on transfers and postings
- Creation of posts at more than 40 Embassies to strengthen communications mechanism overseas

Conclusion

The ongoing, comprehensive reform of the public communications framework, encompassing both organizational restructuring of the IIS and technological upgrades, is crucial for improving government accountability and efficacy. By prioritizing real-time, data-driven communication, the government aims to enhance transparency and ensure that its policies and initiatives are accurately and uniformly conveyed to the public.

UPSC Relevance

- **GS Paper II (Polity & Governance/Social Justice):** Government policies and interventions for development in various sectors; Issues relating to poverty and hunger; Governance, Transparency, and Accountability; E-governance.
- **Keywords:** Indian Information Service (IIS), Cadre Restructuring, Right to Information, Real-time Communication, Data-driven Governance, Article 19(1)(a).

6. RBI MPC Decision: Repo Rate Cut to Support Growth

- **Policy Action and Rationale (Definition):** The **Monetary Policy Committee (MPC)** of the Reserve Bank of India (RBI) **unanimously reduced the policy Repo Rate by 25 basis points (bps)** to **5.25%**. The Repo Rate (Repurchase Rate) is the rate at which the RBI lends money to



commercial banks, serving as the key monetary policy tool. A **Basis Point (bps)** is one-hundredth of a percentage point ($\$0.01\%$), making $\$25 \text{ \textit{bps}}$ equal to a $\$0.25\%$ reduction.

- **Context of Decision (Twin Mandate):** This rate cut was driven by favorable macroeconomic conditions that provided the MPC with policy space:
 - **Strong Growth:** Real GDP growth accelerated to a robust 8.2% in the second quarter.
 - **Benign Inflation:** Average headline inflation reduced significantly to 1.7% , well below the RBI's target mid-point of 4% ($\pm 2\%$ tolerance band).
- **Impact on the Economy and Financial Markets:** The reduction signals an **expansionary monetary policy stance**, primarily aimed at supporting and reinforcing current growth momentum. It is expected to lead to **cheaper loans** for consumers (home, auto, and personal loans) and corporations, improving liquidity (money supply) and boosting consumption and investment.
- **Monetary Policy Framework (Constitutional & Legal):** The MPC is a **statutory body** constituted under **Section 45ZB of the RBI Act, 1934** (as amended in 2016). Its primary mandate is to **maintain price stability while keeping in mind the objective of growth**. Decisions are taken by a majority vote of its six members, and the policy rate set is **binding on the RBI**, ensuring a transparent and accountable framework.
- **Monetary Transmission and Liquidity:** For the cut to benefit the public, effective **monetary transmission** is key, meaning banks must quickly pass on the reduced cost of funds to borrowers. To ensure adequate liquidity in the banking system, the RBI often uses additional tools like **Open Market Operations (OMOs)** or currency swaps, complementing the rate action to facilitate smooth credit flow.



Conclusion

The MPC's decision to cut the Repo Rate reflects confidence in the current "Goldilocks period" of high growth coupled with low inflation. This supportive move is calculated to reduce borrowing costs across the board, stimulate aggregate demand, and sustain the current economic momentum without jeopardizing the hard-won gains on the price stability front, thereby signaling a shift towards cautious monetary accommodation.

UPSC Relevance

- **GS Paper III (Economy):** Indian Economy and issues relating to planning, mobilization of resources, growth, development, and employment; Government Budgeting; **Monetary Policy** (Repo Rate, MPC, Inflation Targeting).
- **Keywords:** Monetary Policy Committee (MPC), Repo Rate, Basis Points (bps), Inflation Targeting ($4\% \pm 2\%$), Monetary Transmission, Expansionary Policy, RBI Act 1934.

7. Digital Constitutionalism: The Imperative for Rights in the Algorithmic Era

- **The 'Sanchar Saathi' Rollback as a Case Study:** The government's unprecedented and rapid revocation of the mandatory 'Sanchar Saathi' app installation on mobile phones (effective 2026) was a direct response to widespread stakeholder pushback. Concerns centered on **ambiguous data**



collection, lack of consent, surveillance, and potential data misuse. The refusal by foreign entities like **Apple** highlighted the conflict between digital governance measures and global tech industry autonomy, especially considering India's focus on boosting local manufacturing.

- **Defining Digital Constitutionalism (Definition):** **Digital Constitutionalism** signifies the essential extension of core constitutional values—such as **liberty, dignity, equality, non-arbitrariness, accountability, and the rule of law**—into the digital space. It is a necessary framework to counter the threats posed by modern, invisible governance systems based on **data collection, AI, and surveillance technologies** (e.g., biometric databases and predictive algorithms).
- **The Surveillance State Threat and Chilling Effect:** Modern surveillance has become pervasive, utilizing **metadata gathering, location tracing, biometric identification, and predictive analytics** (far beyond Orwell's imagination). This silent and constant observation leads to the **chilling effect** on free speech, discouraging dissent, and prompting **self-censorship**. Unchecked surveillance risks transforming a democratic state into a monitoring or "Big Brother" state.
- **Constitutional & Legal Provisions:**
 - **Justice K.S. Puttaswamy (2017):** The Supreme Court affirmed the **Right to Privacy** as a **Fundamental Right** protected under **Article 21** (Right to Life and Personal Liberty) and other Fundamental Rights. Any infringement must meet the rigorous three-pronged test of **legality, legitimate state aim, and proportionality**.
 - **Digital Personal Data Protection (DPDP) Act, 2023:** While enacted to safeguard data, the Act has been criticized for **significant flaws**, including granting **broad exemptions to the government** (citing national security/administrative convenience), lacking a strong independent oversight body, and offering **weak remedies** for individuals.
- **The Paradox of Algorithmic Governance:** Automated processes and algorithms now mediate essential civic functions (welfare, KYC, job applications). Often operating as "**black boxes**" with obscure decision-making functions, algorithmic failures can lead to the **exclusion of deserving citizens** and the violation of constitutional principles like **equality, reasonableness, and natural justice**. This creates an unequal state where citizens are passive data subjects, not active right-holders.
- **The Path Forward (Institutional Protection):** A robust model of digital constitutionalism requires institutional strengthening. This includes establishing an **independent Digital Rights Commission** to investigate violations and ensure accountability. Furthermore, there must be a legal mandate for **necessity and proportionality** in surveillance orders, regular **bias-testing and auditing of risky AI systems**, and granting citizens the **Right to Explanation and Appeal** against automated decisions.



Conclusion

The challenge posed by the 'Sanchar Saathi' debacle underscores the urgent need to subject digital power structures—including state authority, private corporations, and algorithms—to constitutional discipline. Digital constitutionalism is the indispensable defense of individual freedom, privacy, and equality, ensuring that technology serves as a tool for democratic empowerment rather than a means of invisible, authoritarian control.



UPSC Relevance

- **GS Paper II (Polity & Governance):** Fundamental Rights (Article 21), Supreme Court judgments, Government policies and interventions (DPDP Act), and issues arising out of the design and implementation of e-governance systems.
- **GS Paper III (Science & Technology/Security):** Cybercrimes (note: cases registered rose to \$22.68\$ lakh in 2024, an increase of \$42.08\%\$ from 2023, with financial losses exceeding ₹22,845 crore), Surveillance Technology (Facial Recognition), and Cybersecurity.
- **Keywords:** Digital Constitutionalism, Right to Privacy, Puttaswamy Judgment, Digital Personal Data Protection (DPDP) Act, 2023, Algorithmic Bias, Chilling Effect, Strategic Autonomy.

8. India's Coal Conundrum and the Just Energy Transition

- **Climate Performance and Coal Dominance (Data Point):** Despite significant strides in renewables (doubling clean energy capacity in 2021-25), India fell 13 places to **23rd in the Climate Change Performance Index (CCPI)** due to a lack of progress in phasing out coal. While the installed capacity of renewables is now about half of the total (approx. \$45\%\$ Non-Fossil Fuel capacity as of May 2024), **coal still contributes approximately \$75\%\$ of the actual electricity generated** (around \$64\%\$ of total power generation in 2024), making it the single largest contributor to emissions.
- **The Socio-Economic Trade-Off (The Conundrum):** Coal presents a critical dilemma: its continued use provides **low-cost electricity** and supports **jobs** in major coal-producing states (Jharkhand, Chhattisgarh, Odisha, West Bengal). However, its phaseout is a "no regrets" policy, essential to mitigate severe consequences like **air pollution** (a 1 GW increase in coal capacity corresponds to a **\$14\%\$ rise in infant mortality** rates nearby) and substantial **GDP losses** from climate change (estimated to sap **\$3\%-10\%\$ of India's GDP by 2100**).
- **The Chilean Model of Transition:** Chile offers a relevant, though non-replicable, case study. They aggressively shifted their power mix, reducing coal's share in electricity generation from \$43.6\%\$ to \$17.5\%\$ between 2016-24, with renewables now contributing over \$60\%\$. This was driven by a **carbon tax** (e.g., \$5\$ per tonne of CO_2), stringent emission standards, competitive renewable energy auctions, and crucial steps to develop alternative industries, enabling a **Just Transition**.
- **Decarbonisation Roadmap and Market Reforms:** Achieving India's **Net Zero by 2070** target requires a clear road map focused on **decarbonisation**: systematically retiring the oldest and most polluting coal plants and cancelling new approvals. Think tanks like **TERI** suggest India must phase out coal entirely by **2050** to align with its climate goals. This necessitates **market reforms** like introducing **carbon pricing**, removing coal subsidies, and implementing "clean dispatch rules" that prioritize renewable power.
- **The Just Transition Imperative (Definition):** A **Just Transition** is essential, which refers to shifting away from the fossil fuel economy while taking explicit actions to **minimize the negative social and economic impacts** on workers, communities, and regions dependent on the coal value chain. A dedicated "**Green Energy Transition India Fund**" is proposed to finance reskilling, alternative livelihoods, and economic diversification in coal-dependent districts, potentially leveraging the **District Mineral Foundation (DMF)** corpus.
- **Constitutional & Legal Provisions:** The coal phase-out aligns with the constitutional mandates of **Article 48A (DPSP)**, which obliges the State to **protect and improve the environment**, and the



judicial interpretation of the **Right to Life (Article 21)** to include the **Right to a Healthy Environment**. The **Environment (Protection) Act, 1986**, provides the umbrella legal framework for setting emission standards and regulating industrial activity, which is crucial for managing the environmental impact of remaining coal plants.

Conclusion

India faces the complex challenge of balancing energy security and development needs with global climate imperatives, a dilemma far deeper than that faced by countries like Chile. A successful transition hinges not just on rapidly scaling up renewable capacity but on designing a politically supported, socially equitable Just Transition road map that institutionalizes timelines for coal exit, implements market reforms, and provides dedicated financial support for affected communities.

UPSC Relevance

- **GS Paper I & III (Geography/Economy & Environment):** Energy Sector in India, Climate Change and its impact, Infrastructure (Energy), Conservation, Environmental Pollution, and Degradation.
- **Keywords:** Coal Phase-out, Just Transition, Climate Change Performance Index (CCPI), Repo Rate, Article 48A, Net Zero by 2070, District Mineral Foundation (DMF), Carbon Pricing.

9. India-Russia Bilateral Trade: The Push for National Currency Settlement

- **Strategic Policy Decision (Definition):** India and Russia have agreed to enhance the settlement of **bilateral trade in their national currencies** (Indian Rupee and Russian Ruble). This mechanism, which utilizes **Special Rupee Vostro Accounts (SRVA)** in Indian banks for settlement, aims to ensure the **uninterrupted maintenance of trade** and is a key move towards **de-dollarization** in international commerce.
- **Economic Objectives and Deficit Reduction:** The shift to national currency settlement is primarily driven by two economic goals:
 1. **Reducing Dependence on the US Dollar** and shielding trade from geopolitical pressures (like Western sanctions).
 2. **Addressing India's widening trade deficit** with Russia (currently around \$58.9 billion, mainly due to oil, gas, and coal imports) by making Indian exports (e.g., pharmaceuticals, textiles, machinery) more competitive in the Russian market.
- **Ambitious Trade Target and Growth Trajectory:** Both sides have reaffirmed the **revised bilateral trade target of \$100 billion by 2030**. This growth is underpinned by efforts to remove trade bottlenecks in **logistics, insurance/reinsurance, and payment mechanisms**. PM Modi expressed confidence that this target could be achieved even sooner, driven by "bottom-up" organic business growth.
- **Financial Integration and Digital Systems:** Beyond current currency settlement, the nations agreed to continue consultations on enabling the **interoperability** of their respective **national payment systems** (e.g., India's UPI/RuPay, Russia's Mir), **financial messaging systems** (bypassing SWIFT), and **Central Bank Digital Currency (CBDC)** platforms.





- **Multilateralism and Geopolitical Signalling:** The joint statement re-emphasized the importance of an "open, inclusive, transparent and non-discriminatory multilateral trade system with the World Trade Organization (WTO) at its core." This commitment, coming amid global protectionist trends and sanctions, signals India's policy of **strategic autonomy** by prioritizing its long-term Special and Privileged Strategic Partnership (SPSP) with Russia.
- **Constitutional & Legal Provisions:** India's participation in and commitment to international trade is facilitated by its constitutional structure. **Article 51 (DPSP)** mandates the State to endeavor to "maintain just and honourable relations between nations" and "foster respect for international law and treaty obligations." The operational framework for this trade settlement is governed by the **Foreign Exchange Management Act (FEMA), 1999**, under which the RBI issues directives (like the one allowing the SRVA mechanism) to manage cross-border transactions and promote the internationalization of the Rupee.

Conclusion

The agreement to enhance national currency settlements marks a significant step towards insulating India-Russia trade from Western geopolitical pressures and reducing dollar dependency, aligning with India's broader goal of Rupee internationalization. While the \$100 billion trade target is ambitious given the current deficit, the focus on digital payment interoperability and resolving logistical barriers demonstrates a robust commitment to deepening the bilateral economic partnership.

UPSC Relevance

- **GS Paper II (International Relations):** Bilateral groupings (India-Russia SPSP), Effect of policies of other countries on India's interests (Sanctions/De-dollarization).
- **GS Paper III (Economy):** Issues relating to foreign trade, Balance of Payments (Trade Deficit), RBI's role in monetary and exchange rate management, and Internationalization of the Rupee.
- **Keywords:** De-dollarization, Special Rupee Vostro Account (SRVA), Monetary Sovereignty, Trade Deficit, WTO, Strategic Autonomy, Interoperability.

10. Health Security and National Security Cess Bill, 2025

- **Legislation and Purpose (Definition):** The **Health Security and National Security Cess Bill, 2025**, has been passed by the Lok Sabha to introduce a new **special cess** (a tax levied for a specific purpose) primarily on **pan masala**. The central aim is to create a "**dedicated and predictable resource stream**" to meet expenditure on two domains of national importance: **public health** and **national security**.
- **Mechanism and Levy Base:** The new cess replaces the existing Compensation Cess under the GST framework for pan masala. Critically, the cess will be levied on the **production capacity of the machines** installed or other processes undertaken in pan masala manufacturing factories, instead of conventional excisable goods. This mechanism is chosen to overcome challenges in bringing this category under a traditional excise regime.
- **Revenue Allocation and Fiscal Federalism:** Union Finance Minister Nirmala Sitharaman clarified that the collected cess **would be shared with the States**. This commitment aligns with the principles of **fiscal federalism**, recognizing that **public health is a State subject** (under the State List of the Seventh Schedule). The introduction of this cess will have no impact on the maximum 40% GST rate levied on pan masala consumption.



- **Initial Scope and Potential Expansion:** While initially applicable to **pan masala**, the Bill provides the enabling provision for the government to notify and extend this special cess to **other similar goods** in the future, if deemed necessary. The Finance Minister noted that the current cess percentage of gross total revenue (6.1%) is lower than historical figures (7% between 2010-2014).
- **Constitutional and Legal Provisions:**
 - **Article 270:** Governs the distribution of taxes between the Union and the States. Cess, unlike taxes under Article 268 or 269, is technically **not shared** by default unless Parliament explicitly makes a provision for its distribution, as the Bill does here.
 - **Seventh Schedule (State List/List II):** Public Health and Sanitation is explicitly listed here, providing the constitutional justification for sharing the cess revenue with States to fund health expenditure.
 - **Article 246A and the Goods and Services Tax (GST) Framework:** The cess is levied *over and above* the GST framework, utilizing the enabling power of the Union to levy taxes/cesses for specific purposes.

HEALTH SECURITY SE
NATIONAL SECURITY CESS
BILL, 2025

DEPARTMENT OF REVENUE

Conclusion

The passage of the Health Security and National Security Cess Bill, 2025, represents a targeted fiscal measure aimed at leveraging the taxation of demerit goods like pan masala to secure funding for critical national priority areas: health and security. The design to levy the tax on production capacity and the explicit provision for revenue sharing with States are significant features reflecting both efficiency and cooperative federalism.

UPSC Relevance

- **GS Paper II (Polity & Governance):** Functioning of Parliament, Federal structure (Fiscal Federalism), Devolution of powers and finances up to local levels and challenges therein.
- **GS Paper III (Economy):** Government Budgeting and Fiscal Policy (Cess vs. Tax), GST and its impact, Taxation of demerit goods, Resource mobilization.
- **Keywords:** Cess, Fiscal Federalism, Goods and Services Tax (GST), State List (Seventh Schedule), Demerit Goods, Production Capacity Tax.

11. MGNREGS Fund Stoppage and Judicial Intervention in West Bengal

- **Fund Suspension and Legal Basis (Definition):** The Centre halted the release of **MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme)** funds to West Bengal in **March 2022**, citing the State's **continued non-compliance with Central directives** on the scheme's implementation. This action was taken by invoking **Section 27 of the MGNREGA, 2005**, which grants the Central Government power to give directions to State Governments and, *prima facie* satisfied with complaints of improper utilisation of funds, to cause an investigation and eventually stop fund release.
- **Judicial Intervention and Mandate:** Following a halt of over three years, the Calcutta High Court ordered the **resumption of the MGNREGS** in the State in June 2025. The Union Government challenged this in the Supreme Court, which **upheld the High Court's order in October 2025**. The



ruling affirmed that the scheme, a legal right to work, cannot be put "to cold storage for eternity" and restored confidence in the rule of law for rural workers.

- **Current Status and Pending Dues:** The Union Ministry of Rural Development informed the Rajya Sabha that it is now "reworking and refining the necessary modalities and procedures" to comply with the judicial order and **resume the scheme**. The total outstanding Central dues owed to West Bengal amount to **₹3,082.52 crore**, which includes **₹1,457.22 crore in pending wages** for completed work by registered workers, highlighting the social impact on the rural poor.



- **Constitutional & Legal Provisions:**
 - **MGNREGA, 2005:** Provides a **legal guarantee** for at least 100 days of wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. This is a **rights-based entitlement** program.
 - **Article 41 (DPSP):** Directs the State to make effective provision for securing the **right to work**, which MGNREGA gives legal effect to in rural areas.
 - **Article 21 (Right to Life):** The Supreme Court has repeatedly linked the Right to Life and Livelihood to the continuation of social welfare schemes, providing the foundational constitutional support for the judicial orders to resume the scheme.
- **Fiscal and Political Context:** The fund stoppage led to a significant political conflict, with the State government accusing the Centre of a "vindictive regime" and weaponizing the scheme for political scores. Furthermore, the scheme's nationwide performance shows a serious fiscal constraint: approximately **80% of the annual budget allocation (₹86,000 crore for FY 2025-26)** has already been spent with four months remaining in the financial year, posing a risk to the nationwide guarantee of work.

Conclusion

The impasse over MGNREGS funds in West Bengal underscores a critical tension between the Centre's regulatory authority to enforce accountability (via Section 27) and the constitutional right to livelihood guaranteed to rural citizens. The Supreme Court's decisive intervention mandated the resumption of the scheme, compelling the Union government to prioritize the workers' legal entitlement over administrative disputes and immediately focus on establishing transparent procedures for future implementation.

UPSC Relevance

- **GS Paper II (Polity & Governance):** Federalism (Centre-State conflict on scheme implementation), Social Justice (Rights-based programs), and Role of the Judiciary (Judicial review of executive action).
- **GS Paper III (Economy & Agriculture):** Employment generation schemes, Social security nets, Fiscal challenges in demand-driven schemes, and Rural Development.
- **Keywords:** MGNREGS, Section 27 of MGNREGA, Right to Work (Article 41), Fiscal Federalism, Judicial Review, Pending Wage Dues, Social Audit.



12. Private Members' Bills on Social and Labor Welfare

- **Introduction of Key Private Members' Bills (Definition):** Several significant legislative proposals, termed **Private Members' Bills** (Bills introduced by any Member of Parliament other than a Minister), were introduced in the Lok Sabha. These bills often aim to highlight issues not on the government's agenda. The key bills include the **Right to Disconnect Bill, 2025**, the **Menstrual Benefits Bill, 2024**, and a Bill to exempt **Tamil Nadu from the NEET** for undergraduate medical admissions.
- **The Right to Disconnect Bill, 2025 (Labor Welfare):** This Bill aims to promote a better **work-life balance** by granting employees the legal **right to disconnect** from work-related calls and emails outside work hours and on holidays without the threat of disciplinary action. It proposes establishing an **Employees' Welfare Authority** to oversee this right and mandate companies with over ten employees to negotiate terms and conditions for out-of-work hours, imposing a small penalty (e.g., 1% of total remuneration) for non-compliance.
- **The Menstrual Benefits Bill, 2024 (Gender Justice):** This Bill seeks to lay down a legal framework to provide certain **facilities at the workplace for women employees during menstruation**. Though the specific provisions vary in previous iterations, similar proposals seek to provide paid menstrual leave (e.g., 2-3 days per month) and better rest facilities. This bill addresses issues of women's health and challenges the gender bias prevalent in traditional labor policies, aligning with the push for **gender-sensitive labor reform**.
- **NEET Exemption Bill (Federalism and Social Justice):** The Bill introduced to exempt **Tamil Nadu from the National Eligibility-cum-Entrance Test (NEET)** for admission to undergraduate medical courses raises crucial issues of **federalism, state autonomy** in education (a Concurrent List subject), and **social justice**. States argue that NEET, a common national test, disproportionately disadvantages students from rural areas and state board curricula, thereby limiting access to medical education for marginalized communities.
- **Significance of Private Members' Bills (Key Point):** While Private Members' Bills have a **low chance of passage** (only 14 have been passed since independence, none since 1970), they are vital for **drawing government attention** to critical social, labor, and constitutional issues, testing public opinion, and allowing individual MPs to push forward their legislative ideas without being bound by the government's official agenda.
- **Constitutional and Legal Context:** These Bills touch upon multiple constitutional principles:
 - **Article 42 (DPSP):** Directs the State to make provision for **just and humane conditions of work** and maternity relief (supporting the Menstrual Benefits Bill).
 - **Article 39(e) (DPSP):** Directs the State to ensure the health and strength of workers are not abused (supporting the Right to Disconnect).
 - **Seventh Schedule (Concurrent List):** Education and Labor fall under the Concurrent List, allowing both the Union and State governments to legislate, which is the basis for the ongoing friction over NEET.





Conclusion

The introduction of these Private Members' Bills, particularly those on the right to disconnect and menstrual benefits, signifies a growing legislative recognition of the evolving social and technological challenges impacting workers' rights and women's health. While their immediate passage is unlikely, they effectively initiate a national dialogue on fundamental issues of work-life balance, gender equity, and the balance of federal powers concerning educational access.

UPSC Relevance

- **GS Paper II (Polity & Governance/Social Justice):** Private Members' Bills vs. Government Bills, Legislative Procedure, Constitutional and Statutory Bodies (NEET, Employees' Welfare Authority), Welfare schemes for vulnerable sections, and Issues relating to development and management of the social sector/services (Health & Education).
 - **GS Paper IV (Ethics):** Work-life balance, Ethical implications of technology on work, and Gender sensitivity in public policy.
 - **Keywords:** Private Member's Bill, Right to Disconnect, Menstrual Leave, National Eligibility-cum-Entrance Test (NEET), Fiscal Federalism, Labor Codes.
-