



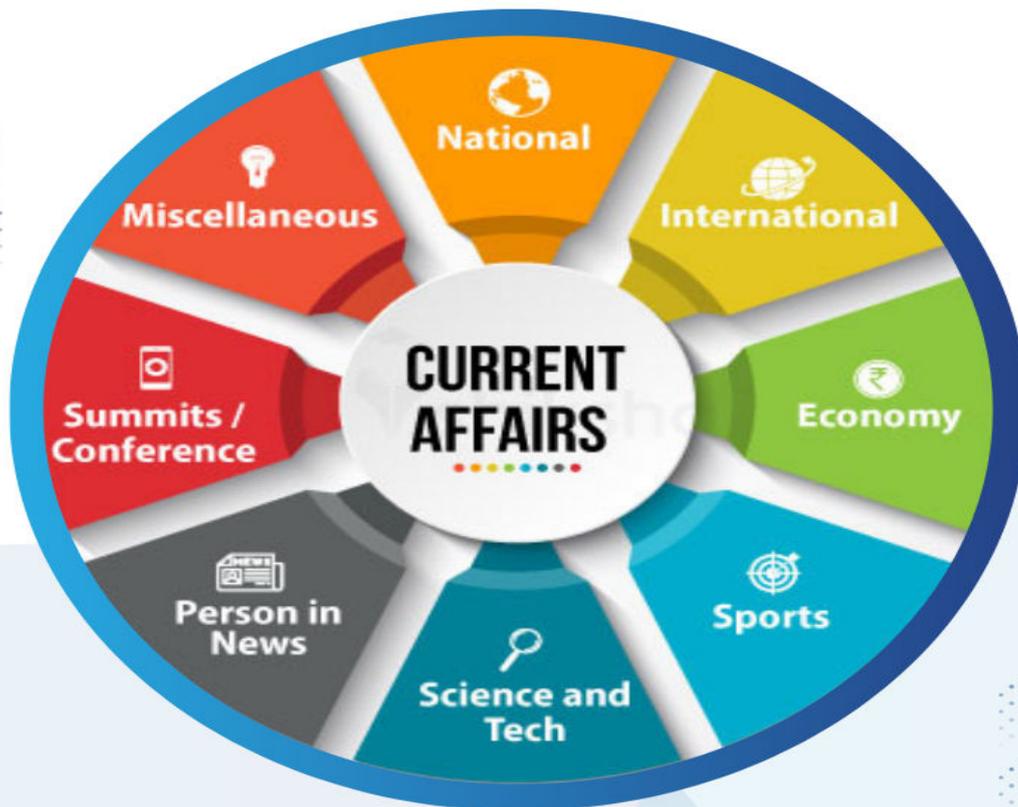
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VIDHVATH IAS KAS ACADEMY & **STUDY CENTRE**

DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

DATE: 11/03/2026 (WEDNESDAY)



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1. PM-KISAN: Strengthening Rural Livelihoods via Direct Benefit Transfer

The Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), launched in February 2019, represents a paradigm shift in India's agricultural support ecosystem by moving from indirect subsidies to direct income support. As of March 2026, the scheme has disbursed over ₹4.09 lakh crore across 21 installments, leveraging a robust digital architecture to eliminate intermediaries and ensure financial inclusion for landholding farmers.

- **Financial Structure and Modality:** PM-KISAN is a **Central Sector Scheme** (100% funded by the Government of India) providing an unconditional income support of **₹6,000 per annum**. This amount is released in three equal installments of ₹2,000 every four months directly into Aadhaar-seeded bank accounts via Direct Benefit Transfer (DBT).
- **Eligibility and Exclusion Criteria:** The primary eligibility is based on **cultivable landholding** in the name of the farmer family. However, the scheme employs "Exclusion Categories" to target the needy, excluding institutional landholders, former/present holders of constitutional posts, and high-income individuals such as income tax payers and retired pensioners receiving more than ₹10,000 monthly.
- **Digital Infrastructure & Farmer ID:** The scheme utilizes a "Farmer-centric Digital Infrastructure" for transparent verification. A significant recent evolution is the integration of the **Farmer ID**, which is now mandatory for new registrations in 19 states where the 'Farmer Registry' has commenced, aimed at creating a single source of truth for agricultural data.
- **Grievance Redressal & Accessibility:** To prevent the exclusion of eligible beneficiaries due to procedural mismatches (e.g., name variations in land records vs. Aadhaar), the government provides self-registration through mobile/web apps and a dedicated grievance mechanism. For those without digital access, **Common Service Centres (CSCs)** and Tehsil-level offices serve as physical touchpoints.
- **The "JAM" Trinity Linkage:** The success of the 21 installments rests on the **Jan Dhan-Aadhaar-Mobile (JAM)** trinity. By bypassing the traditional multi-layered bureaucratic distribution, the scheme has achieved near-zero leakage, ensuring that the fiscal stimulus reaches the rural economy precisely when needed (pre-sowing seasons).

Key Definitions

- **Central Sector Scheme:** A scheme entirely funded and implemented by the Union Government, unlike Centrally Sponsored Schemes where costs are shared with States.
- **Direct Benefit Transfer (DBT):** A mechanism to transfer subsidies directly into the bank accounts of beneficiaries to reduce leakages and delays.
- **Farmer Registry:** A digitized database of farmers linked to land records, designed to streamline the delivery of various agricultural services.

Constitutional & Legal Provisions

- **Article 282:** Provides the Union the power to make grants for any public purpose, which forms the fiscal basis for such welfare schemes.
- **Entry 14 (State List):** Agriculture is a State subject; however, the Union intervenes in "Economic and Social Planning" (Entry 20, Concurrent List) to ensure food security and farmer welfare.





- **Aadhaar Act, 2016:** Provides the legal framework for using Aadhaar-based authentication to deliver subsidies and benefits under Section 7.

Conclusion

The disbursement of over ₹4.09 lakh crore through 21 installments underscores the government's commitment to "Minimum Government, Maximum Governance." By integrating the Farmer ID and streamlining the Registry, PM-KISAN is evolving from a mere cash transfer program into a comprehensive digital identity framework for Indian agriculture. This ensures that the "Annadata" remains resilient against market volatility and seasonal credit crunches.

UPSC Relevance

- **GS Paper II:** Welfare schemes for vulnerable sections; Issues relating to development and management of Social Sector/Services.
- **GS Paper III:** Issues related to direct and indirect farm subsidies; E-technology in the aid of farmers; PDS, buffer stocks, and food security.
- **Prelims Factor:** Funding pattern (Central Sector), eligibility criteria, exclusion list, and the role of the JAM trinity in DBT.

2. India's Strategy to Mitigate Natural Gas and LPG Shortage: Key Developments

The recent crunch in India's natural gas supply is being addressed through a multi-pronged approach involving increased domestic production and the diversification of import sources. While higher global prices have made imports from distant markets like the U.S. and Norway economically viable, the logistical challenge of longer shipping durations remains a hurdle for immediate relief.

- **Diversification of Energy Imports:** India is expanding its Liquefied Natural Gas (LNG) sourcing beyond traditional partners like Qatar to include the U.S. and Norway. High global price parity has made these long-distance imports viable, though the two-month maritime turnaround time for these shipments necessitates meticulous long-term planning to avoid interim supply gaps.
- **Domestic Production Optimization:** To stabilize the cooking fuel market, the Ministry of Petroleum and Natural Gas (MoPNG) has directed oil refineries to maximize Liquefied Petroleum Gas (LPG) production. By mandating that all available propane and butane be diverted toward LPG output, domestic production has seen a significant 10% increase.

Short crisis

Gas shipments from distant regions, while economically feasible, might take longer to arrive, **leading to a shortage in the interim**

■ On March 5, Centre had asked all oil refining companies to **maximise production**, with all propane and butane produced, recovered, or otherwise available to be used for producing LPG

■ LPG output has increased **10% from previous levels** since prioritising supplies to households over industries, says official

■ Gas from Norway and the U.S. are now **'viable options'** apart from Qatar

■ Estimates suggest **two months** for India to bring gas from Norway or the U.S.



- **Sectoral Prioritization:** In a strategic policy shift to protect retail consumers from inflation, the government has prioritized gas supplies for households over industrial users. This "Domestic First" approach ensures that essential cooking fuel requirements are met during global supply volatility.
- **Logistical and Temporal Constraints:** Officials highlight the "inelasticity" of LNG supply chains; unlike other commodities, gas shipments from the Atlantic basin take significantly longer to reach



Indian shores compared to Middle Eastern sources, creating a temporary "time-lag" in supply stabilization.

- **Infrastructure and Procurement Resilience:** The current crisis underscores the need for India to enhance its strategic gas storage and diversify its procurement portfolio. The arrival of "diverse cargoes" indicates a shift toward a more resilient energy security architecture that is less dependent on a single geographical region.

Key Definitions

- **Liquefied Natural Gas (LNG):** Natural gas (predominantly methane) that has been cooled to a liquid state (approximately -162°C) for ease and safety of non-pressurized storage or transport.
- **Liquefied Petroleum Gas (LPG):** A flammable mixture of hydrocarbon gases, specifically propane and butane, used as fuel in heating appliances and vehicles.
- **Propane and Butane:** The primary chemical components recovered during petroleum refining or natural gas processing that are blended to create LPG.

Constitutional & Legal Provisions

- **Entry 53 (Union List, 7th Schedule):** The regulation and development of oilfields and mineral oil resources; petroleum and petroleum products fall under the exclusive legislative competence of the Parliament.
- **Essential Commodities Act, 1955:** This Act empowers the government to regulate the production, supply, and distribution of commodities like petroleum and its products to ensure availability at fair prices.
- **Article 39(b):** A Directive Principle of State Policy (DPSP) which mandates that the State shall direct its policy toward ensuring that the ownership and control of the material resources of the community are so distributed as best to subserve the common good.

Conclusion

India's response to the gas shortage demonstrates a tactical balance between domestic resource optimization and global trade diversification. While the reliance on long-distance imports from Norway and the U.S. introduces a temporal lag, it builds a more robust energy security framework. The successful 10% hike in LPG production through the diversion of industrial feedstock serves as a critical buffer for the common citizen against global energy fluctuations.

UPSC Relevance

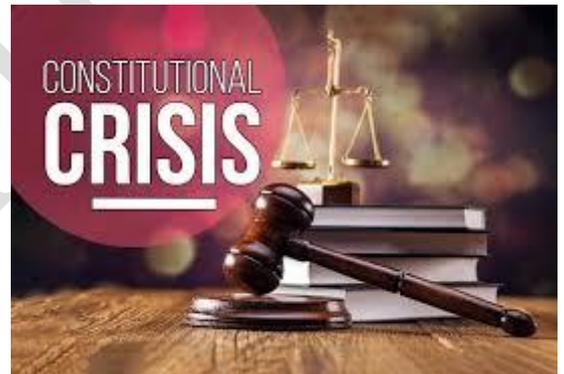
- **GS Paper III:** Indian Economy and issues relating to planning, mobilization of resources, and growth; Infrastructure: Energy.
- **GS Paper II:** Government policies and interventions for development in various sectors.
- **Prelims Focus:** Components of LPG (Propane/Butane) vs. LNG (Methane), major gas importing sources for India, and the role of the Ministry of Petroleum and Natural Gas in regulating essential energy supplies.



3. Constitutional Crisis and the Removal of the Speaker: Procedural and Political Nuances

The Lok Sabha has initiated a debate on a resolution seeking the removal of the Speaker, a rare parliamentary event that tests the constitutional safeguards of the Chair's neutrality. While the Opposition frames the motion as a necessity to "protect the Constitution" and ensure non-partisan conduct, the Treasury benches view it as an institutional attack. The proceedings underscore the delicate balance of power within the lower house and the rigid legal protocols governing the removal of one of India's highest constitutional functionaries.

- **Constitutional Mandate for Removal:** Under **Article 94(c)** of the Constitution, a Speaker may be removed from office by a resolution of the Lok Sabha passed by a "majority of all the then members of the House" (Effective Majority). This process requires a mandatory **14-day notice** period before the resolution can be moved, ensuring the Chair has sufficient time to prepare a defense.
- **Admissibility and Leave of the House:** A resolution for removal is not automatically debated. Under the **Rules of Procedure and Conduct of Business in Lok Sabha**, specifically Rule 200, the member who has given notice must move for "leave of the House." The motion is admitted only if at least **50 members** rise in their seats in support of the leave.
- **Rights of the Speaker during Proceedings:** When a resolution for removal is under consideration, the Speaker **cannot preside** over the sitting of the House, as per **Article 96(1)**. However, **Article 96(2)** grants the Speaker the right to speak and participate in the proceedings. Crucially, the Speaker can vote in the first instance on such a resolution but **cannot exercise a casting vote** in the case of an equality of votes.
- **Presiding Authority during the Debate:** Since the Speaker and Deputy Speaker are barred from presiding during their own removal proceedings, a member from the **Panel of Chairpersons** typically takes the Chair. This has sparked procedural debates regarding the perceived neutrality of a chairperson who was originally nominated to the panel by the very Speaker under scrutiny.
- **Grounds for Removal:** Unlike the President or Judges of the Supreme Court, the Constitution does not specify "proved misbehaviour" or "incapacity" as grounds for the Speaker's removal. This leaves the grounds open to political and administrative interpretation, often centering on the "loss of confidence" or "failure to maintain neutrality" as seen in the current resolution.
- **The "Effective Majority" Requirement:** To succeed, the resolution must be passed by a majority of the current strength of the House (Total strength minus vacancies). This is a higher threshold than a "Simple Majority," reflecting the intent of the framers to protect the Speaker from arbitrary removal by a thin or fluctuating majority.



Key Definitions

- **Effective Majority:** A majority of the "then members" of the House, calculated as: $\frac{\text{Total Strength} - \text{Vacancies}}{2} + 1$.
- **Casting Vote:** The deciding vote cast by the presiding officer only in the event of a tie. Under Article 96, the Speaker loses this privilege during their own removal debate.



- **Point of Order:** A query raised by a member who believes that the rules of the House or a section of the Constitution have been neglected or violated during proceedings.

Constitutional & Legal Provisions

- **Article 93:** Provides for the election of the Speaker and Deputy Speaker of the Lok Sabha.
- **Article 94:** Details the vacation, resignation, and removal from the offices of Speaker and Deputy Speaker.
- **Article 96:** Explicitly states that the Speaker or Deputy Speaker shall not preside while a resolution for their removal is under consideration.
- **Rule 200-203 (Lok Sabha Rules):** Prescribes the detailed parliamentary procedure for the removal of the Speaker.

Conclusion

The resolution against the Speaker is a significant constitutional moment that highlights the tensions between executive dominance and legislative oversight. While the office of the Speaker is intended to be above party politics, the current debate reflects the evolving challenges to parliamentary decorum. The outcome of the vote will not only decide the fate of the incumbent but will also set a precedent for how the "neutrality of the Chair" is interpreted and defended in a polarized political landscape.

UPSC Relevance

- **GS Paper II:** Indian Constitution—historical underpinnings, evolution, features, amendments, and significant provisions; Role of the Speaker; Parliament and State Legislatures—structure, functioning, and conduct of business.
- **Prelims Focus:** Majority required for removal (Effective vs. Simple), Article 94 and 96, the 14-day notice period, and the Speaker's right to vote in the first instance.

4. Strengthening Urban Governance: Karnataka's 5th State Finance Commission Recommendations

The 5th State Finance Commission (SFC) of Karnataka, headed by C. Narayanaswamy, recently tabled its report in the State Legislature. The report advocates for a structural shift in fiscal federalism by linking the revenue of Urban Local Bodies (ULBs) directly to the State's Goods and Services Tax (GST) collections. This move aims to address the chronic infrastructure deficit and service delivery gaps in rapidly urbanizing regions like Bengaluru.

- **Formula-Based GST Devolution:** The Commission has recommended earmarking a minimum of **5% of the total GST revenue** generated in cities for the respective ULBs. Given that urban centers contribute approximately 70% of Karnataka's total GST, this devolution is projected to increase municipal revenues by an average of 52%, creating a direct stake for cities in the State's economic growth.
- **Special Focus on Greater Bengaluru Authority:** Recognizing that Bengaluru alone accounts for 60% of the State's GST revenue, the panel estimated that the five city corporations under the Greater





Bengaluru Authority would see a **40% revenue boost**. This recognizes the city's disproportionate contribution to the industry and services sectors.

- **Correction of Fiscal Imbalance:** The report observes that traditional revenue streams like property rents and advertisement license fees have underperformed. To counter this, it suggests adopting innovative land-lease and competitive rent models utilized by other progressive states to unlock the commercial value of municipal assets.
- **Decentralized Disaster Management:** A significant governance recommendation involves **ward-wise devolution of funds**. This is intended to empower local representatives to manage hyper-local challenges such as natural disasters (urban flooding) and the spread of communicable diseases more effectively at the grassroots level.
- **Parallels with Centre-State Relations:** The Commission draws a parallel between the State's demand for a higher share from the Union (based on Karnataka being the second-highest GST contributor) and the ULBs' right to a share of the revenue they generate, reinforcing the principle of "revenue following the source."

Key Definitions

- **State Finance Commission (SFC):** A constitutional body created to review the financial position of Panchayats and Municipalities and make recommendations regarding the distribution of taxes between the State and local bodies.
- **Greater Bengaluru Authority:** A proposed governance structure intended to oversee the integrated planning and administration of the expanded Bengaluru metropolitan area.
- **Devolution:** The statutory transfer of powers and funds from a central or state government to local units of government.

Constitutional & Legal Provisions

- **Article 243-Y:** Mandates the State Finance Commission to review the financial position of Municipalities and recommend the distribution of net proceeds of taxes between the State and the Municipalities.
- **Article 243-W:** Empowering Municipalities to perform functions and implement schemes as may be entrusted to them, including those listed in the **12th Schedule**.
- **74th Constitutional Amendment Act, 1992:** Provided constitutional status to Urban Local Bodies and mandated the periodic constitution of SFCs every five years.

Conclusion

The Narayanaswamy Commission's recommendations signify a move toward "Fiscal Empowerment" of urban centers. By linking municipal funding to GST, the report seeks to move away from ad-hoc grants toward a predictable, growth-linked revenue model. If implemented, this could serve as a blueprint for other states struggling with urban infrastructure financing, ensuring that the engines of economic growth—our cities—have the financial autonomy to sustain themselves.

UPSC Relevance

- **GS Paper II:** Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein.



- **GS Paper III:** Infrastructure: Energy, Ports, Roads, Airports, Railways etc.; Mobilization of resources.
- **Prelims Focus:** Article 243-I and 243-Y, composition of SFC, the 12th Schedule of the Constitution, and the concept of 'Effective Devolution' in the context of GST.

5. Reviving Kashmir's Tourism: The Spring Bloom Strategy 2026

The Jammu and Kashmir government is leveraging its unique floricultural heritage to restore the region's tourism sector, which faced a significant downturn following security challenges in 2025. By promoting the "Spring Bloom" through the Badamwari almond garden and the Indira Gandhi Memorial Tulip Garden, the administration aims to transition toward a high-value, resilient tourism economy modeled after international festivals like Japan's Cherry Blossoms.

- **Strategic Economic Recovery:** Tourism is a cornerstone of the regional economy, contributing approximately **7% to the Gross State Domestic Product (GSDP)** of Jammu and Kashmir. Following a sharp decline from 26 lakh tourists in 2024 to 11.16 lakh in 2025, the "Spring Festival" serves as a critical intervention to regain visitor confidence and stabilize local livelihoods.
- **Expansion of Floricultural Assets:** The Badamwari garden (37.5 acres) has been upgraded with 300 new almond trees and a 6.25-acre lavender patch. This diversification aims to extend the tourist season beyond the brief spring window into May and June, moving toward an "all-season garden" model.
- **Security and Tourism Synergy:** After the closure of 44 destinations last year due to "Operation Sindoor" and security audits, the reopening of major gardens signifies a shift toward proactive security management. The administration is balancing "hard security" with "soft power" by creating safe, curated zones for domestic and international travelers.
- **Cultural and Historical Synthesis:** The Badamwari site is strategically significant as it predates the 14th century and is located near the Afghan-era **Hari Parbat Fort**. The area serves as a symbol of "Kashmiriyat," housing shrines revered by Hindus, Muslims, and Sikhs, thereby promoting heritage tourism alongside nature tourism.
- **Global Benchmarking:** The Indira Gandhi Memorial Tulip Garden, featuring 1.8 million bulbs and over 70 varieties, is being positioned as a global competitor to the **Netherlands' Keukenhof**. By integrating modern features like selfie points and digital marketing, the Floriculture Department is targeting the "social media generation" to drive organic growth.



Key Definitions

- **Gross State Domestic Product (GSDP):** The sum total of the value of all goods and services produced within the boundaries of a state during a given period.
- **Kanal:** A traditional unit of land area used in northern India and Pakistan; in Jammu and Kashmir, **8 kanals** typically equal 1 acre.
- **Floriculture:** A branch of horticulture concerned with the cultivation of flowering and ornamental plants for gardens and for the floral industry.



Constitutional & Legal Provisions

- **Article 370 (Abrogated/Post-2019 Status):** The reorganization of J&K into a Union Territory has shifted the administrative control of land and tourism infrastructure directly under the Union government's oversight via the Lieutenant Governor.
- **Seventh Schedule (Concurrent List):** While "Tourism" is not explicitly mentioned, it is managed through entries related to "Economic and Social Planning" (Entry 20) and "Ancient and Historical Monuments" (Entry 40).
- **J&K Development Act, 1970:** Provides the legal framework for the planned development of various zones, including the preservation of green belts and historical gardens in Srinagar.

Conclusion

The revival of the Spring Festival in Srinagar is more than a horticultural event; it is a vital sign of socio-economic normalization. By diversifying floral varieties and integrating historical sites like Hari Parbat into the itinerary, the J&K administration is attempting to build a multi-dimensional tourism brand that is resilient to seasonal and security-related fluctuations.

UPSC Relevance

- **GS Paper II:** Government policies and interventions for development in various sectors and issues arising out of their design and implementation; Linkages between development and spread of extremism.
- **GS Paper III:** Economics of tourism and its contribution to GSDP; Internal security challenges and their impact on regional economies.
- **Prelims Factor:** Location of Badamwari and Tulip Garden, historical significance of Hari Parbat, and the percentage contribution of tourism to J&K's economy.

6. Chandigarh's Milestone: Achieving the "Fully Literate Union Territory" Status

Chandigarh has officially attained a literacy rate of 99.93%, earning the distinction of being a "fully literate Union Territory." Announced by the Administrator of Chandigarh, Gulab Chand Kataria, this achievement marks a historic transition for the city, positioning it as the second Union Territory and the sixth administrative unit (State/UT) in India to reach this benchmark. The success is largely attributed to the effective implementation of the ULLAS initiative, which aligns with the transformative goals of the National Education Policy (NEP) 2020.

- **Surpassing National Benchmarks:** By reaching 99.93% literacy, Chandigarh has comfortably exceeded the 95% literacy threshold mandated by the National Education Policy (NEP) 2020. This progress reflects a substantial jump from its previous literacy standing of 93.7%, showcasing the efficacy of targeted adult education interventions.
- **The Role of ULLAS:** The achievement was driven by the "Understanding Lifelong Learning for All in Society" (ULLAS) programme. Out of 15,556 citizens who participated in the initiative, 14,711 successfully cleared the literacy assessment, demonstrating a high success rate in bringing "neo-literates" into the formal fold of basic education.





- **Closing the Gender Gap:** A standout feature of this milestone is the dramatic rise in women's literacy, which surged from 90.7% to 99.89%. This near-universal literacy among women is viewed as a fundamental catalyst for socio-economic empowerment and improved maternal and child health indicators within the UT.
- **Human Capital Development:** With this "Fully Literate" tag, Chandigarh joins an elite group of Indian regions that have eliminated functional illiteracy. This status is expected to enhance the city's productivity, digital inclusion, and participation in democratic processes, as literacy is a prerequisite for accessing modern governance tools.
- **Institutional Recognition:** The Education Department's "felicitation of neo-literates" highlights the shift from mere data-driven targets to community-centric celebrations. By honoring newly literate individuals, the administration has fostered a culture of lifelong learning, encouraging older age groups to engage with foundational literacy and numeracy.

Key Definitions

- **Literacy (Census Definition):** In India, a person aged 7 and above who can both read and write with understanding in any language is considered literate.
- **Neo-literate:** An individual who has recently acquired basic literacy skills through non-formal or adult education programmes after having missed formal schooling during childhood.
- **ULLAS (New India Literacy Programme):** A Union Government initiative (FY 2022-2027) aimed at covering all aspects of "Education for All," focusing on foundational literacy, numeracy, and critical life skills for non-literates aged 15 and above.

Constitutional & Legal Provisions

- **Article 21A:** Declares education as a Fundamental Right for children aged 6 to 14. While ULLAS targets adults, it fulfills the spirit of the "Right to Education" by addressing the backlog of the non-literate population.
- **Article 45 (DPSP):** Originally mandated free and compulsory education; though modified by the 86th Amendment, it remains a guiding principle for the State to provide early childhood care and education.
- **Article 51A(h):** A Fundamental Duty of citizens to develop the scientific temper, humanism, and the spirit of inquiry and reform—all of which are underpinned by basic literacy.

Conclusion

Chandigarh's transition to a fully literate Union Territory serves as a successful case study for the "Education for All" component of NEP 2020. The significant leap in female literacy specifically addresses long-standing developmental bottlenecks. For a nation aiming for a "Viksit Bharat" by 2047, Chandigarh's model of leveraging the ULLAS framework provides a scalable roadmap for other states to eradicate residual illiteracy and bridge the digital-knowledge divide.

UPSC Relevance

- **GS Paper II:** Social Sector and Education; Government policies and interventions for development; Issues relating to the management of Social Sector/Services relating to Education and Human Resources.
- **GS Paper I:** Social empowerment; Population and associated issues.

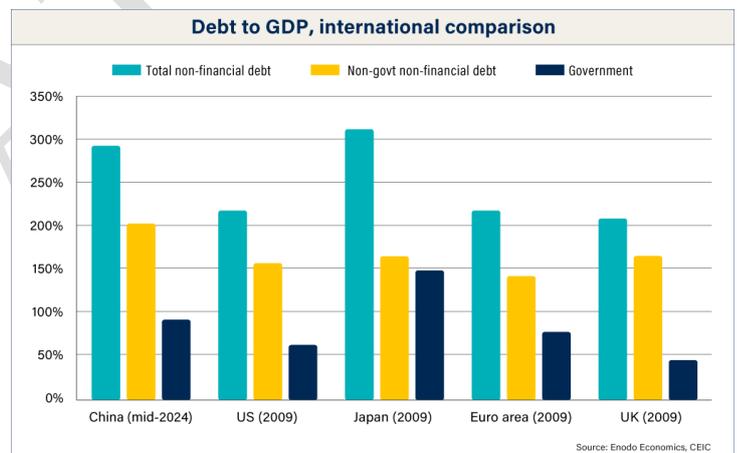


- **Prelims Factor:** ULLAS Programme details, NEP 2020 literacy targets (95%), Chandigarh's rank among literate states/UTs, and the definition of a "neo-literate."

7. China's Power Paradox: Internal Purges and Global Credibility Gaps (2026)

The recent analysis by former National Security Adviser M.K. Narayanan highlights a critical juncture in Chinese politics. While the Communist Party of China (CPC) traditionally projects an image of a monolith, the progression from Mao Zedong to Deng Xiaoping, and now Xi Jinping, reveals a pattern of periodic purges to sustain authority. As of early 2026, these internal "inner devils" are increasingly clashing with external strategic setbacks, creating a "trust deficit" within the party's highest echelons.

- **The 2026 Military Purges:** A historic restructuring of the People's Liberation Army (PLA) high command is underway. President Xi Jinping has removed high-ranking officials, including **General Zhang Youxia** (Vice-Chairman of the Central Military Commission) and **General Liu Zhenli**. The official rhetoric describing these leaders as a "toxin that had to be incised" suggests a shift from mere anti-corruption drives to deep-seated "political rectification" and ideological alignment.
- **Erosion of Global Hegemony:** China's inability to counter U.S. assertions in its "near abroad" and beyond has dented its global image. Two specific failures in 2026 stand out: the inability to protect strategic partner **Venezuela** from U.S. intervention and the failure to prevent the U.S.-Israeli strikes on **Iran** that led to the death of Supreme Leader Ayatollah Khamenei. These events have prompted internal recriminations regarding the efficacy of Chinese weaponry compared to Western technology.
- **The "Polar Silk Road" Reticence:** Despite a breakthrough in late 2025 where a Chinese cargo ship traversed the **Arctic Ocean** in just a fortnight (compared to three weeks via Suez), Beijing has remained uncharacteristically quiet. This reticence to herald the "Polar Silk Road" is seen as a strategic move to avoid direct confrontation with the U.S. at a time when the domestic economy is facing significant headwinds.
- **Internal "Trust Deficit":** There is a growing mood of pessimism and a "trust deficit" regarding the leadership's long-term goals. The "fig leaf" of anti-corruption is wearing thin, revealing what some experts call a "wind in the tower heralding a great storm." Drastic measures, including the purge of nine military lawmakers, indicate that the leadership is prioritizing the "snuffing out" of opposition over institutional stability.
- **Technological Edge vs. Strategic Circumspection:** Paradoxically, while China leads in "turbocharged innovation" in AI, electric vehicles, and logistics, its diplomatic posture has become notably more circumspect. This suggests that internal party turmoil and economic pressures are forcing a more cautious international stance, with the notable exception of the Taiwan issue.



Key Definitions

- **Central Military Commission (CMC):** The supreme high command of the People's Liberation Army, chaired by the General Secretary of the CPC.



- **Effective Purge:** The systematic removal of political or military rivals under the guise of legal or disciplinary violations to consolidate power.
- **Polar Silk Road:** China's strategic ambition to develop shipping routes through the Arctic, connecting East Asia to Europe to bypass traditional maritime chokepoints like the Malacca Strait.

Constitutional & Legal Provisions

- **Article 1 of the Chinese Constitution:** Defines the PRC as a socialist state under the "People's Democratic Dictatorship," essentially codifying the CPC's absolute leadership.
- **CPC Statutes:** Grant the General Secretary (Xi Jinping) overarching power over "political rectification," which serves as the legalistic basis for high-level purges.
- **National Defense Law (China):** Mandates the absolute loyalty of the PLA to the Party rather than the State, making military purges a matter of internal party survival.

Conclusion

The current state of affairs in China suggests that the "monolith" is fracturing under the weight of internal power struggles and external strategic failures. For India and the world, a less antagonistic but internally volatile China presents a complex challenge. While the era of "Hindi Chini Bhai Bhai" remains a distant memory, understanding these "inner devils" is crucial for predicting China's future trajectory as it navigates economic slowdowns and military command instability.

UPSC Relevance

- **GS Paper II:** India and its neighborhood-relations; Effect of policies and politics of developed and developing countries on India's interests.
- **GS Paper III:** Security challenges and their management in border areas; Linkages of organized crime with terrorism (in the context of regional instability).
- **Prelims Focus:** Names of current Chinese leadership involved in purges (Zhang Youxia), the concept of the Polar Silk Road, and the role of the CMC in China's governance structure.

8. AI and the Global National Security Calculus: The Anthropic Controversy

The intersection of Artificial Intelligence (AI) and national security has entered a volatile new phase in early 2026. A public feud between the American AI lab **Anthropic** and the **U.S. Department of Defense (DoD)**, coupled with allegations against Chinese AI firms, has highlighted the dual-use nature of generative AI. While private labs push for ethical "red lines," the military's drive for "machine-speed" warfare is creating an unprecedented friction between corporate governance and state power.

- **Allegations of "Industrial-Scale" Distillation:** Anthropic has formally identified three Chinese AI labs—**DeepSeek, Moonshot AI, and MiniMax**—as national security threats. It alleges they conducted massive "distillation attacks" involving **16 million exchanges** via **24,000 fraudulent accounts**. This process allows weaker models to "leech" the reasoning and coding capabilities of frontier models like Claude, effectively bypassing Western export controls on advanced semiconductors.





- **The "Kill Chain" Integration:** In a significant shift in modern warfare, the U.S. military reportedly utilized Anthropic's AI tools (integrated via Palantir's Maven Smart System) during strikes in **Iran** in March 2026. The AI was used to fast-track the "kill chain"—from target identification and prioritization to legal clearance—enabling the military to strike over **1,000 targets** within the first 24 hours of operations.
- **Anthropic as a "Supply Chain Risk":** Paradoxically, the Pentagon has designated Anthropic itself as a "supply chain risk." This rare designation, usually reserved for foreign adversaries like Huawei, followed a dispute where Anthropic CEO **Dario Amodei** refused to allow unrestricted military use of Claude for fully autonomous weapons or mass domestic surveillance. Anthropic has since filed a **lawsuit against the Trump administration** to challenge this label.
- **Limits of the Nuclear Analogy:** Unlike nuclear technology, which is state-driven and depends on rare physical materials (uranium), AI is a **dual-use, general-purpose technology** driven by the private sector. Its "raw material"—mathematical models and code—is highly portable. The success of labs like DeepSeek in matching American performance at a fraction of the cost proves that traditional containment strategies are increasingly ineffective.
- **Market Consolidation and "Trust Deficit":** The push for a coordinated industry-wide response against "distillation" is seen by some as an attempt to entrench the market power of dominant U.S. firms. While labs claim they are protecting "safeguards," critics argue these restrictions stifle global innovation and scientific collaboration, effectively turning AI into a tool for geopolitical "infrastructure colonization."

Key Definitions

- **Distillation (AI):** A technique where a smaller, "student" model is trained using the outputs of a larger, "teacher" model to replicate its performance with less computational power.
- **Kill Chain:** A military concept related to the structure of an attack, consisting of target identification, dispatch of forces, and the decision to strike. AI accelerates this process to "machine speed."
- **Supply Chain Risk:** A legal designation indicating that a company's products could be sabotaged or subverted by an adversary to surveil or disrupt national security systems.

Constitutional & Legal Provisions

- **Section 806 (US Defense Authorization Act):** Grants the Secretary of Defense the authority to exclude contractors deemed a "supply chain risk" to national security.
- **Article 21 (Constitution of India - Contextual):** In the Indian context, the use of AI in mass surveillance or "automated" legal approvals would face scrutiny under the Right to Life and Liberty (Privacy), as established in the *Puttaswamy* judgment.
- **The AI Act (EU):** The world's first comprehensive horizontal legal framework for AI, which classifies AI systems by risk and prohibits certain high-risk military/surveillance applications.

Conclusion

The Anthropic episode marks the end of "AI exceptionalism" in corporate ethics. As states demand unconditional access to frontier models for military superiority, the ability of private companies to maintain independent "guardrails" is collapsing. The transition from human-centric to AI-augmented warfare necessitates a new international **plurilateral commitment** to responsible AI use, focusing on human control and auditable technical standards to prevent a global "race to the bottom."



UPSC Relevance

- **GS Paper II:** Effect of policies and politics of developed and developing countries on India's interests; International relations and global governance of emerging technologies.
- **GS Paper III:** Science and Technology- developments and their applications and effects in everyday life; Internal security challenges; Awareness in the fields of IT, Space, Computers, Robotics, and AI.
- **Prelims Focus:** Names of Chinese AI labs (DeepSeek, MiniMax), ULLAS vs U.S. AI initiatives, definition of "distillation," and the "Maven" military project.

9. Electoral Roll Dynamics: The Gender Skew in Special Intensive Revision (SIR) 2026

The Election Commission of India (ECI) has recently concluded a massive Special Intensive Revision (SIR) of electoral rolls across 12 States and Union Territories. This exercise, the first of its scale in over two decades, aimed to sanitize voter lists by eliminating "ghost voters," duplicates, and permanently shifted individuals. However, the outcomes have revealed a concerning demographic trend: a disproportionate deletion of women voters in almost all major states, raising questions about the gendered impact of electoral cleanup processes.

- **Widespread Electorate Contraction:** The SIR exercise led to a significant reduction in the total number of voters. For instance, Gujarat saw a **13.4% decline** (from 5.08 crore to 4.4 crore), while West Bengal recorded an **8.06% drop**. This "purification" of rolls is designed to ensure that the electoral outcomes reflect the actual resident population, though the scale of deletions has sparked political and judicial scrutiny.
- **The "Bihar Pattern" Replicated:** Following the first phase in Bihar where the gender ratio fell from 907 to 892, a similar decline was observed across Rajasthan (920 to 911), Madhya Pradesh (945 to 934), and West Bengal (966 to 956). Even in Kerala, which has a naturally favorable sex ratio, the gender ratio on the rolls dipped from **1,064 to 1,053**, indicating that women are being removed at a higher rate than men.
- **Tamil Nadu as the "Anomalous" Success:** Tamil Nadu stood out as the only major state where the gender ratio actually improved, rising from **1,034 to 1,044**. This occurred despite the state witnessing a massive reduction of 74 lakh electors (11.5%). The state managed to enroll more new women voters while simultaneously deleting ineligible ones, showcasing a more balanced approach to the revision.
- **The Migration Conundrum:** The primary reason cited for the higher deletion of women, particularly in the **18-29 age group**, is "permanent shifting." The ECI attributes this to marriage-related migration. However, data analysts have pointed out a discrepancy: while men migrate in larger numbers for work, women are often more vulnerable to being deleted from their maternal home's roll without a guaranteed or immediate addition to the rolls at their marital home.
- **Administrative Hurdles & Logical Discrepancies:** The use of "logical discrepancies" (such as implausible age gaps between parents and children) and "unmapped" status (failure to link with 2002-2004 SIR data) led to millions being placed under adjudication. In West Bengal alone, nearly **60 lakh voters** are currently undergoing verification, a process that has reached the Supreme Court due to concerns over potential disenfranchisement.



Key Definitions

- **Special Intensive Revision (SIR):** A thorough house-to-house enumeration process conducted by Booth Level Officers (BLOs) to update the electoral roll from scratch, rather than just adjusting the existing list.
- **Gender Ratio (Electoral):** The number of female voters registered for every 1,000 male voters on the electoral roll.
- **EP Ratio (Elector-Population Ratio):** The ratio of the total number of registered electors in a region to the total projected population of that region; an abnormally high EP ratio often suggests an "unclean" roll with ghost voters.

Constitutional & Legal Provisions

- **Article 324:** Grants the Election Commission of India the power of superintendence, direction, and control of the preparation of electoral rolls.
- **Article 326:** Guarantees Universal Adult Suffrage, stating that every citizen of India not less than 18 years of age shall be entitled to be registered as a voter.
- **Representation of the People Act, 1950 (Section 21):** Provides the legal mandate for the preparation and periodic revision of electoral rolls for each constituency.

Conclusion

The 2026 SIR exercise is a double-edged sword: while essential for maintaining the "sanctity of the ballot" by removing dead or duplicate entries, its disproportionate impact on women threatens to undo decades of progress in closing the gender gap in political participation. The Tamil Nadu model suggests that it is possible to clean the rolls without skewing the gender balance, provided there is a focus on "inclusion" alongside "deletion."

UPSC Relevance

- **GS Paper II:** Salient features of the Representation of People's Act; Appointment to various Constitutional posts, powers, functions and responsibilities of various Constitutional Bodies; Electoral reforms.
- **GS Paper I:** Social empowerment; Issues related to women.
- **Prelims Focus:** Article 324-329, the role of BLOs and EROs, definition of SIR vs. Summary Revision, and the "Qualifying Date" (January 1st) for voter eligibility.

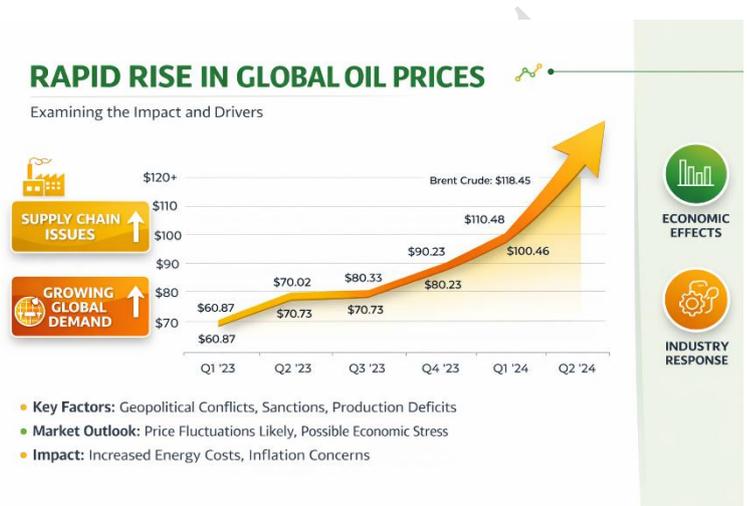
10. Global Energy Crisis 2026: Iran Conflict vs. Historical Oil Shocks

The outbreak of hostilities between the US-Israel alliance and Iran on February 28, 2026, has triggered a unique and volatile reaction in global commodity and equity markets. Unlike previous "oil shocks" where markets showed resilience or a "false sense of security," the current conflict's threat to the Strait of Hormuz—a chokepoint for 20% of global oil supplies—has led to the sharpest price surges and deepest market corrections in decades.

- **Unprecedented Crude Volatility:** Brent crude prices surged by **39% within the first nine days** of the 2026 conflict, peaking above \$100 per barrel. This is significantly higher than the initial shocks of the 1991 Gulf War or the 2022 Russia-Ukraine war (22%), reflecting the high stakes involved in West Asian energy transit.



- **Strait of Hormuz and Supply Chain Risks:** The primary driver of market nervousness is the potential closure of the **Strait of Hormuz**. While key infrastructure like Iran's Kharg Island remains largely unhit, the threat of a prolonged blockade has punctured the long-standing market theory that energy flows would remain undisrupted regardless of regional conflict.
- **Divergent Equity Trends:** In a departure from the 2022 Ukraine crisis (where oil stocks rose), the **Nifty Oil and Gas Index** has drifted lower in 2026. This suggests that markets are pricing in "throttling" of supplies and increased operational risks rather than just higher selling prices for energy majors.
- **Impact on Indian Markets:** The **BSE Sensex** dropped **5.1%** in the first nine days, the steepest decline compared to any initial war period since 1990. This contrasts sharply with 1991, when the Indian market remained indifferent to the Gulf War despite the conflict eventually triggering India's Balance of Payments (BoP) crisis.
- **Safe Haven Dynamics (Gold):** Gold prices have shown a "muted" reaction compared to past shocks, primarily because they had already reached record highs in 2025 due to central banks diversifying away from the US Dollar. However, a prolonged war is expected to trigger a secondary surge as other safe-haven assets become scarce.
- **Global Sentiment Shift:** The **MSCI World Index** fell **3.9%** in early March 2026. This indicates that the "shock element" is far greater than the 2003 Iraq invasion, which was "heavily telegraphed" by the West, allowing markets time to price in the disruption beforehand.



Key Definitions

- **Nifty Oil and Gas Index:** A sectoral index on the National Stock Exchange of India that tracks the performance of companies in the petroleum, gas, and renewable energy sectors.
- **MSCI World Index:** A broad global equity index that represents large and mid-cap equity performance across 23 developed market countries.
- **Rebased Data:** A statistical method where a starting value (e.g., the first day of a war) is set to 100 to allow for an easy percentage comparison of subsequent changes across different time periods.

Constitutional & Legal Provisions

- **Article 297:** Deals with things of value within territorial waters or continental shelf and resources of the Exclusive Economic Zone (EEZ) vesting in the Union; relevant for India's offshore oil security.
- **Essential Commodities Act, 1955:** Empowers the Government of India to regulate the price and supply of petroleum products during global supply shocks to prevent domestic inflation.
- **National Security Act (NSA):** Can be invoked to prevent hoarding and black marketing of essential fuel supplies during international energy crises.



Conclusion

The 2026 Iran conflict represents a systemic departure from the "manageable" oil shocks of the past. The combination of record-breaking crude price spikes and sharp equity corrections suggests that the global economy is facing its most significant energy-led disruption since the 1970s. For India, the primary challenge lies in managing the fiscal impact of \$100+ oil while shielding its domestic markets from the resulting inflationary pressures.

UPSC Relevance

- **GS Paper III:** Energy security; Effects of liberalization on the economy; Infrastructure: Energy; Changes in industrial policy and their effects on industrial growth.
- **GS Paper II:** Effect of policies and politics of developed and developing countries on India's interests; Global groupings and agreements involving India and/or affecting India's interests.
- **Prelims Focus:** Location of Kharg Island and Strait of Hormuz; Difference between Brent and WTI crude; Impact of oil prices on India's Current Account Deficit (CAD).

11. India's Strategic Shift: Relaxing FDI Norms for Bordering Nations (2026)

On March 10, 2026, the Union Cabinet, chaired by Prime Minister Narendra Modi, approved a significant relaxation of the **Press Note 3 (2020)** framework. This move signals a calibrated transition from a "blanket restriction" to a "risk-based" approach, aiming to attract minority capital and high-end technology from neighboring countries, particularly China, while maintaining rigorous national security safeguards.

- **Automatic Route for Minority Stakes:** For the first time since 2020, investments from countries sharing a land border with India will be permitted through the **automatic route**, provided the beneficial ownership is **non-controlling and does not exceed 10%**. This aligns the FDI policy with the beneficial ownership thresholds under the Prevention of Money Laundering (PMLA) Rules.
- **The 60-Day Fast-Track Mechanism:** To support the "Make in India" initiative, the government has introduced a definitive **60-day timeline** for processing investment proposals in critical manufacturing sectors. These include capital goods, electronic components, polysilicon, and solar ingot-wafers—areas where India currently faces a significant technology gap.
- **Safeguarding "Resident Control":** Even under the relaxed norms, the policy mandates that **majority shareholding and effective control** of the investee entity must remain with resident Indian citizens or Indian-owned entities at all times. This ensures that strategic decision-making power does not shift to foreign adversaries.
- **Focus on Global Supply Chains:** The relaxation is primarily aimed at integrating India into global electronics and green energy supply chains. By allowing "small-ticket" Chinese investments (which were previously stalled for 6 years), Indian firms can now more easily enter into joint ventures to access niche technologies and scale up manufacturing.
- **Mandatory Reporting to DPIIT:** While the 10% threshold bypasses prior government approval, the investee company is still required to report all relevant details of the transaction to the **Department for Promotion of Industry and Internal Trade (DPIIT)** to ensure continuous monitoring of capital inflows.





Key Definitions

- **Press Note 3 (2020):** A policy directive issued during the COVID-19 pandemic to prevent "opportunistic takeovers" of distressed Indian companies by entities from countries sharing land borders with India.
- **Beneficial Ownership:** The natural person(s) who ultimately own or control an investment. The 2026 amendment adopts the **PMLA Rules 2005** criteria to define this.
- **Automatic Route:** An investment entry route where the foreign investor or the Indian company does not require any prior approval from the Reserve Bank of India (RBI) or the Government of India.

Constitutional & Legal Provisions

- **Article 73:** Extends the executive power of the Union to matters with respect to which Parliament has power to make laws, under which FDI policies are formulated.
- **FEMA (Foreign Exchange Management Act), 1999:** The primary legal statute governing all foreign exchange transactions and FDI in India.
- **PMLA (Prevention of Money Laundering) Rules, 2005:** Now used as the benchmark for identifying "control" and "ownership" in border-country investments.

Conclusion

The relaxation of Press Note 3 represents a "pragmatic recalibration" of India's economic diplomacy. By shifting from a total block to a 10% automatic threshold, India is attempting to balance its hunger for manufacturing capital and technology with its non-negotiable national security concerns. This move is expected to particularly benefit the startup ecosystem and the electronics manufacturing sector, which have struggled with a "funding winter" and supply chain bottlenecks since 2020.

UPSC Relevance

- **GS Paper II:** India and its neighborhood-relations; Effect of policies and politics of developed and developing countries on India's interests.
- **GS Paper III:** Indian Economy and issues relating to planning, mobilization of resources, growth, development, and employment; Investment models.
- **Prelims Focus:** Press Note 3 (2020), DPIIT, Difference between Automatic and Government routes, PMLA beneficial ownership criteria.

12. Robust Economic Indicators: Analysis of February E-Way Bill Trends (2026)

The latest data from the Goods and Services Tax Network (GSTN) indicates that despite a minor month-on-month dip, India's economic activity remains on a high-growth trajectory. With 132.5 million e-way bills generated in February 2026, the figures represent the third-highest monthly volume recorded to date, signaling resilient supply chain dynamics across manufacturing and retail sectors.

- **Volume and Seasonal Trends:** February recorded 132.5 million electronic permits, a 3.1% decrease from January's 136.8 million. However, this is largely attributed to the "shorter month effect" and seasonal softening. Compared to February 2025 (111.6 million), there is a significant year-on-year growth, indicating a robust upward shift in the baseline of commercial transactions.
- **Supply Chain Resilience:** High e-way bill generation points to steady movement of consignments across ports and factories. Experts suggest that the current trend is "seasonal rather than structural,"



with supply chains remaining aligned with the broader economic expansion seen over the past few years.

- **Manufacturing Sector Optimism:** The data correlates with the S&P Global Purchasing Managers' Index (PMI), which reported that manufacturing conditions—driven by new orders, output, and job creation—improved at the fastest rate in February. This synergy between logistics data and sentiment surveys reinforces the "rebound" narrative.
- **Fiscal Implications for GST:** E-way bills are a lead indicator for GST collections. With March being the final month of the financial year, businesses typically accelerate invoicing and inventory clearing. Consequently, strong February logistics movement sets the stage for potentially record-breaking GST revenue in the coming month.
- **Logistics as an Economic Barometer:** The sustained high volume of intra-state and inter-state permits reflects deeper integration of the internal market. It suggests that consumption demand is not just limited to urban pockets but is spread across the retail value chain, supporting a "broad-based" economic recovery.



Key Definitions

- **E-Way Bill:** An electronic document generated on the GST portal evidencing the movement of goods. It is mandatory for the inter-state movement of goods of value exceeding ₹50,000.
- **GSTN (Goods and Services Tax Network):** A non-profit, non-government organization that manages the entire IT system of the GST portal, processing returns and e-way bills.
- **Purchasing Managers' Index (PMI):** An index of the prevailing direction of economic trends in the manufacturing and service sectors, based on a monthly survey of supply chain managers.

Constitutional & Legal Provisions

- **Article 246A:** Grants Parliament and State Legislatures the power to make laws with respect to goods and services tax. This forms the constitutional basis for the e-way bill system.
- **CGST Act, 2017 (Section 68):** Empowers the Government to require the person in charge of a conveyance carrying any consignment of goods of value exceeding a specified amount to carry prescribed documents (e-way bill).
- **Rule 138 (CGST Rules):** Provides the detailed procedural framework for the generation, validity, and verification of e-way bills.

Conclusion

The February e-way bill data serves as a testament to the "structural maturity" of the Indian economy. While minor fluctuations occur due to the calendar cycle, the double-digit year-on-year growth confirms that the "velocity of trade" is increasing. For the government, this facilitates better revenue predictability; for the industry, it reflects a successful transition to a digitized, transparent logistics framework that minimizes tax evasion and enhances ease of doing business.



UPSC Relevance

- **GS Paper III:** Indian Economy and issues relating to planning, mobilization of resources, growth, development, and employment; Infrastructure: Energy, Ports, Roads, Airports, Railways etc.
 - **GS Paper II:** Statutory, regulatory and various quasi-judicial bodies (GSTN).
 - **Prelims Factor:** Understanding the threshold for e-way bills (₹50,000), the difference between inter-state and intra-state requirements, and the role of e-way bills as a high-frequency indicator (HFI) of economic health.
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