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# VIDHVATH IAS KAS ACADEMY & STUDY CENTRE

## DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

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VIDHVATH IAS ACADEMY



## 1. SC Refers UAPA Bail Curbs to Larger Bench

- **Judicial Reference to Larger Bench:** The Supreme Court of India has officially referred a critical legal question to a larger Bench to determine whether prolonged incarceration and trial delays can override the stringent bail restrictions mandated under anti-terror laws like the Unlawful Activities (Prevention) Act, 1967 (UAPA).
- **Interim Relief Granted:** While making the reference, a Bench of Justices Aravind Kumar and P.B. Varale granted six months of interim bail to 2020 Delhi riots accused individuals, Abdul Khalid Saifi and Tasleem Ahmad, who challenged a Delhi High Court order denying them bail.
- **Emphasis on Institutional Fidelity:** The Apex Court emphasized that the reference was vital to maintain "parity, consistency, and institutional fidelity," asserting that a coordinate Bench cannot independently unsettle or question the legal ratio established by another Bench of equal strength.
- **Conflict Over Binding Precedents:** The decision emerged after the Delhi Police highlighted contradictions between different coordinate Benches, specifically regarding a May 2026 judgment that expressed reservations over a January 2026 ruling which had denied bail to co-accused Umar Khalid and Sharjeel Imam.
- **Fact-Specific Application of Anti-Terror Law:** The prosecution argued that bail under stringent laws must strictly depend on the individual facts and circumstances of each case, rather than relying on blanket generalizations of overarching Supreme Court precedents.

### Key Definitions

- **Coordinate Bench:** A bench of a court consisting of the same number of judges as another bench of the same court. Decisions made by a coordinate bench are binding on another bench of equal strength.
- **Institutional Fidelity:** The principle of adhering to established legal precedents, judicial discipline, and hierarchical consistency to ensure stability and predictability within the judicial system.
- **Ratio Decidendi:** The legal principle or rationale upon which a court's decision is based, which creates a binding precedent for lower courts and coordinate benches.

### Constitutional and Legal Provisions

- **Section 43D(5) of UAPA, 1967:** This provision creates a stringent threshold for bail, stating that a person accused of offences under Chapters IV and VI shall not be released on bail if the court, on a perusal of the case diary or report, is of the opinion that there are reasonable grounds for believing that the accusation is prima facie true.
- **Article 21 of the Constitution:** Guarantees the Protection of Life and Personal Liberty. The judiciary has increasingly read the "right to a speedy trial" and protection against "prolonged incarceration without trial" into Article 21, treating it as a counter-balancing factor against rigid statutory bail bars.





- **Article 141 of the Constitution:** Declares that the law declared by the Supreme Court shall be binding on all courts within the territory of India, underscoring the necessity for consistency among coordinate benches.

### Conclusion

The Supreme Court's decision to refer the UAPA bail dilemma to a larger Bench highlights the ongoing constitutional friction between state-centric national security legislations and individual fundamental liberties. By prioritizing institutional consistency, the court seeks to establish a definitive legal standard on whether Article 21 rights can dilute the rigid statutory embargoes of Section 43D(5) during extensive trial delays.

### UPSC Relevance

- **Syllabus Linkage:** GS Paper II (Indian Constitution — Historical Underpinnings, Evolution, Features, Amendments, Significant Provisions, and Basic Structure; Judiciary — Structure, Organization, and Functioning).
- **Key Takeaway for CSE:** For the Civil Services Examination, this development is crucial for analyzing the delicate balance between civil liberties (Article 21) and stringent anti-terror mechanisms (UAPA). It provides excellent fodder for mains questions regarding judicial discipline, the doctrine of binding precedents, and human rights versus national security paradigms.

### SC Recalls Harsh Remarks Over Textbook Row

- **Recall of Blacklisting Order:** The Supreme Court of India recalled its previous harsh observations and set aside a direction that effectively blacklisted three prominent academics—Michel Danino, Suparna Divakar, and Alok Prasanna Kumar—from being engaged by educational bodies.
- **Deletion of Prejudicial Remarks:** A three-judge Bench led by Chief Justice of India Surya Kant and featuring Justice Joymalya Bagchi deleted conclusive opinions that attributed malicious motives or a "deliberate misrepresentation to tarnish the judiciary" to the textbook creators.
- **Separation of Content and Creator:** The Apex Court clarified that the judicial grievance lay strictly with the nature of the content published and not with the character or credentials of the creators themselves, thereby restoring the independent discretion of the government regarding their future engagement.
- **Origin of the Dispute:** The controversy arose from a March 11 judicial order concerning a Class 8 NCERT textbook that contained specific references to judicial corruption, which the court initially viewed as an attempt to project a highly negative image of the Indian legal system to young students.
- **Review of Cartoons in Textbooks:** In a parallel development during the same proceedings, the Supreme Court directed a committee headed by a former apex court judge to systematically review cartoons published across NCERT textbooks.
- **Objection to Visual Content:** The directive to review visual materials came after Solicitor-General Tushar Mehta argued that academic textbooks are formal educational spaces where the inclusion and usage of caricatures or cartoons may not be entirely appropriate.

### Key Definitions

- **Recall of an Order:** A formal judicial procedure where a court withdraws, cancels, or nullifies its own previously issued order or specific remarks within that order, usually to correct an error, prevent a miscarriage of justice, or address a grievance.



- **Blacklisting:** An administrative or judicial action that stigmatizes individuals or entities, preventing them from being hired, contracted, or associated with state authorities, public institutions, or official projects.
- **Judicial Discipline:** The self-imposed restraint and adherence to established legal norms by judges, ensuring that remarks made during proceedings or within orders do not exceed the scope of the case or unfairly damage reputations.

### Constitutional and Legal Provisions

- **Article 19(1)(a) of the Constitution:** Guarantees freedom of speech and expression. This right extends to academic freedom, textbook publication, and the expression of diverse viewpoints, including cartoons and critical analyses, subject to reasonable restrictions under Article 19(2).
- **Article 142 of the Constitution:** Grants the Supreme Court the extraordinary power to pass any decree or order necessary for doing complete justice in any cause or matter pending before it. The recalling of the harsh remarks and the setting aside of the blacklisting directive fall under this inherently flexible jurisdiction.
- **National Curriculum Framework (NCF):** The foundational legal and pedagogical guidelines issued by NCERT that govern the creation of textbooks, ensuring content aligns with constitutional values while fostering critical thinking among students.

### Conclusion

The Supreme Court's decision to modify its stance reflects a balanced approach that distinguishes between institutional criticism and the professional integrity of educators. While the court maintained its regulatory oversight over sensitive educational content and visual media like cartoons, the removal of punitive measures against the scholars safeguards academic freedom and underscores the importance of judicial restraint in passing sweeping administrative bans.

### UPSC Relevance

- **Syllabus Linkage:** GS Paper II (Indian Constitution — Significant Provisions; Judiciary — Structure, Power, and Functioning; Executive and Judiciary interface; Issues Relating to Education and Human Resources).
- **Key Takeaway for CSE:** For the Civil Services Examination, this case serves as an essential case study regarding the boundaries of judicial overreach versus judicial restraint. It highlights the intersection of freedom of expression in academia with institutional reputations, providing critical arguments for analytical questions on the role of oversight committees in shaping public education curriculum.

## 2. Smart Border Project Set to Make Frontiers Impregnable

- **Launch of Tech-Enabled Security Grid:** The Union Government has announced the upcoming launch of a comprehensive "Smart Border Project" aimed at fortifying India's nearly 6,000 km of international borders running along Pakistan and Bangladesh.
- **Modern Integration of Technology:** Designed to make the vulnerable stretches completely impenetrable, the project relies on advanced technological resources including drones, thermal imagers, infrared radars, and smart surveillance cameras to plug existing physical security gaps.



- **Countering Demographic Alterations:** A primary strategic objective of the initiative is to stop illegal infiltration and prevent artificial or unnatural demographic changes in critical border states, with the ultimate directive to identify and expel undocumented migrants.
- **Introduction of a Demography Mission:** The government will soon roll out a high-powered "Demography Mission" tasked with mapping and identifying specific covert infiltration routes, which will directly feed actionable intelligence to the Border Security Force (BSF).
- **Territorial Responsibility and Multi-Agency Coordination:** The security framework mandates a shift toward treating border management as a unified "territorial responsibility," requiring the BSF to establish continuous communication networks with local police, revenue officials, and district administrations.



### Key Definitions

- **Smart Border Concept:** An advanced border management paradigm that replaces or supplements traditional physical fencing with integrated technological infrastructure like sensors, automated alarms, and real-time radar networks to monitor difficult terrain.
- **Infiltration:** The clandestine, unauthorized, or illegal entry of individuals or groups across international boundaries, bypassing designated immigration and security checkpoints.
- **Territorial Responsibility:** A strategic defense doctrine implying that national security at the frontier is an interconnected duty shared by central forces, state policing machinery, civil administrative bodies, and local frontier communities.

### Constitutional and Legal Provisions

- **Article 355 of the Constitution:** Imposes a strict duty on the Union of India to protect every State against external aggression and internal disturbance, serving as the foundational constitutional mandate for federal border security interventions.
- **The Border Security Force Act, 1968:** The statutory framework that governs the constitution, personnel regulation, and operational powers of the BSF, which is primarily responsible for guarding India's international borders with Pakistan and Bangladesh.
- **The Foreigners Act, 1946:** Grants the central government the absolute statutory power to regulate the entry, presence, and departure of foreign nationals, providing the legal mechanism for identifying, detaining, and expelling undocumented infiltrators.

### Conclusion

The introduction of the Smart Border Project and the parallel Demography Mission signify a major paradigm shift from traditional human-intensive patrolling to a highly sophisticated, technology-driven defense doctrine. By integrating state-of-the-art surveillance with strict local administrative accountability, the state aims to overcome long-standing challenges posed by riverine, marshy, and porous geographical terrains, establishing an ironclad security grid that safeguards both territorial integrity and internal demographic stability.



UPSC Relevance

- **Syllabus Linkage:** GS Paper III (Internal Security — Security Challenges and their Management in Border Areas; Linkages of Organized Crime with Terrorism; Role of External State and Non-State Actors).
- **Key Takeaway for CSE:** For the Civil Services Examination, this topic is vital for analysis regarding standard internal security and border management questions. Candidates should focus on the transition from the Comprehensive Integrated Border Management System (CIBMS) to modern smart grids, the administrative challenges of multi-agency cooperation, and the socioeconomic impacts of unchecked cross-border infiltration on border-state demographics.

Birth Rate and Infant Deaths Fall in India: SRS Bulletin

- **Accelerated Demographic Transition:** The latest Sample Registration System (SRS) Bulletin outlines a significant demographic shift in India over a decade (2014–2024), marked by a steady contraction in crude birth rates and substantial progress in reducing infant mortality.
- **Declining National Birth and Death Rates:** India's Crude Birth Rate (CBR) fell from 21.0 births per 1,000 population in 2014 to 18.3 in 2024, while the Crude Death Rate (CDR) registered a marginal contraction from 6.7 to 6.4 deaths per 1,000 population over the same period.
- **Significant Drop in Infant Mortality:** The national Infant Mortality Rate (IMR) dropped by 15 points, moving from 39 deaths per 1,000 live births in 2014 down to 24 in 2024, showcasing structural expansions in early childhood interventions and institutional delivery networks.
- **Persistent Rural-Urban Disparities:** Urban areas outpaced rural zones in healthcare outcomes; the urban IMR dropped sharply from 26 to 17, whereas the rural IMR, despite falling from 43 to 27, remains a primary drag on national averages and sits far from the single-digit national target.
- **Asymmetric Interstate Progression:** Demographic advancement remains deeply uneven across states, with regional frontrunners Kerala and Tamil Nadu leading the transition, where Kerala recorded the lowest national Natural Growth Rate (NGR) of 3.9% and a single-digit IMR of 8.
- **Sub-National Success Stories:** Among smaller states and Union Territories, Goa recorded an NGR of 4.2% along with a low IMR, while the Andaman and Nicobar Islands demonstrated robust structural performance with an NGR of 4.1% and an IMR of 9.

Key Definitions

- **Crude Birth Rate (CBR):** The annual number of live births per 1,000 individuals in a given population group.
- **Infant Mortality Rate (IMR):** The number of infant deaths (children under one year of age) per 1,000 live births within a specific year.
- **Natural Growth Rate (NGR):** The rate at which a population increases or decreases purely due to the variance between births and deaths, excluding migration factors, expressed mathematically as  $\{NGR\} = \{CBR\} - \{CDR\}$
- **Demographic Transition:** A long-term population model describing the shift from high birth and death rates to low birth and death rates as a country undergoes economic and industrial development.



Changing trends

India's birth rate, death rate and infant mortality rate have fallen over the last decade, though vast rural-urban gaps and uneven progress persist



Indicator	2014	2024	Difference
Birth rate	21	18.3*	Down by 2.7 points
Death rate	6.7	6.4**	Down by 0.3 points
Infant mortality rate	39	24 <sup>#</sup>	Down by 15 points

■ Kerala has a single-digit IMR of 8, the lowest in the country

*Births per population of 1,000	**Deaths per population of 1,000	# Infant deaths per 1,000 live births
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Source: SRS Bulletin 2024



## Constitutional and Legal Provisions

- **Article 47 of the Constitution (Directive Principles of State Policy):** Obligates the State to raise the level of nutrition and the standard of living of its people, and to secure the improvement of public health as a primary legislative and administrative duty.
- **Sustainable Development Goal 3 (SDG 3):** Specifically targets a reduction in neo-natal and under-five mortality, aiming to end preventable deaths of newborns and children under 5 years of age by 2030.
- **Registration of Births and Deaths Act, 1969:** The statutory baseline that regulates the compulsory registration of vital demographic events across India, providing the institutional data framework that feeds large-scale surveys like the SRS.

## Conclusion

The latest SRS estimates provide clear evidence of India's advancing demographic transition, driven by successful targeted maternal and child health interventions. However, the widening rural-urban performance gap and stark interstate variations highlight that achieving uniform, single-digit infant mortality targets will require shifting public healthcare strategies from generic national campaigns to highly localized, rural-centric infrastructure deployment.

## UPSC Relevance

- **Syllabus Linkage:** GS Paper I (Population and Associated Issues; Poverty and Developmental Issues); GS Paper II (Issues Relating to Development and Management of Social Sector/Services relating to Health).
- **Key Takeaway for CSE:** For the Civil Services Examination, these statistics are vital for essay writing and analytical questions on human development indices. Candidates must be prepared to critique the structural causes behind the rural-urban healthcare asymmetry, analyze the socioeconomic implications of a falling Natural Growth Rate on India's demographic dividend, and reference these updated baselines when evaluating public schemes like the National Health Mission (NHM) and POSHAN Abhiyaan.

## 3. Parents and Students Challenge CBSE Three-Language Rule in Apex Court

- **Judicial Challenge to Mandated Multilingualism:** A Public Interest Litigation (PIL) has been filed in the Supreme Court under Article 32, challenging a recent Central Board of Secondary Education (CBSE) circular that mandates a three-language formula for Class 9 students starting July 1, 2026.
- **Abrupt Policy Shift Alleged:** The petitioners, comprising national groups of parents and teachers, argue that the May 15, 2026 notification sharply reverses an earlier CBSE assurance from April 9, 2026, which stated that the three-language requirement would not be enforced until the 2029-30 academic cohort.
- **Concerns Over Academic Distress:** Senior Advocate Mukul Rohatgi, appearing for the petitioners before a Bench headed by Chief Justice of India Surya Kant, emphasized that introducing a completely new language requirements just before the critical Class 10 Board examination year imposes an unfair academic burden and psychological stress on students.
- **The Structural Language Formula:** The disputed policy categorizes language streams into R1, R2, and R3, making it compulsory that at least two of the three choices are native Indian languages, while popular foreign languages like French or German are relegated to being a third option or an additional fourth subject.



- **Internal Assessment vs. Board Testing:** To mitigate student anxiety, the CBSE clarified that the third language (R3) will not feature in the external Class 10 Board examinations; instead, it will rely entirely on school-based internal assessments, with the grades reflected on the final matriculation certificate.
- **Deficit in Academic Infrastructure:** The legal challenge highlights substantial operational deficits, explicitly pointing out that the board's transition plan allows schools to temporarily navigate severe textbook shortages by teaching Class 9 students using modified Class 6 textbooks, alongside deploying non-specialist teachers with basic functional proficiency.

### Key Definitions

- **Three-Language Formula:** A pedagogical language strategy originally formulated in 1968, and updated under successive National Education Policies, designed to promote multilingualism by requiring students to study a mother tongue/regional language, a modern Indian language, and English/another foreign language.
- **Native Indian Languages:** Languages that originated within the Indian subcontinent, specifically including but not limited to the 22 languages formally recognized under the Eighth Schedule of the Indian Constitution.
- **Manifest Arbitrariness:** A constitutional doctrine used by courts to strike down state actions or secondary legislations under Article 14 if an action is found to be capricious, done without adequate determining principle, or completely lacking political/administrative foresight.



### Constitutional and Legal Provisions

- **Article 21A of the Constitution:** Guarantees the fundamental Right to Education for children aged 6 to 14 years. Petitioners argue that a meaningful, high-quality education is severely compromised when complex academic mandates are imposed without adequate teaching infrastructure or strategic planning.
- **Article 14 of the Constitution:** Guarantees Equality Before Law. The sudden change in academic policy halfway through the commencement of an ongoing session is being contested as a violation of Article 14 due to its deeply disruptive and arbitrary implementation timeline.
- **National Education Policy (NEP) 2020:** The overarching federal policy document designed to overhaul the Indian schooling and higher education landscape, emphasizing multilingualism, flexible subject selection, and core cognitive developments.

### Conclusion

The Supreme Court's upcoming assessment of the CBSE circular underscores the inherent operational friction involved in transitioning broad educational vision into localized classroom reality. While the goals of the National Education Policy 2020 regarding multilingualism remain pedagogically sound, the legal challenge exposes critical systemic vulnerabilities, proving that curriculum reform cannot succeed through swift administrative decrees without ensuring simultaneous institutional readiness, robust textbook distribution, and qualified teaching faculties.



## UPSC Relevance

- **Syllabus Linkage:** GS Paper II (Social Sector and Issues Relating to Education; Indian Constitution — Significant Provisions and Article 14, 21A Interpretation; Issues Arising out of Design and Implementation of Policies).
- **Key Takeaway for CSE:** For the Civil Services Examination, this controversy serves as a vital contemporary case study on federal policy execution. Candidates should study the evolution of the Three-Language Formula since 1968, analyze the constitutional safeguards for linguistic minorities, and evaluate the balance between structural state-driven educational transformations and the immediate welfare and mental health of the primary stakeholders—the student community.

## Interpreting the Rise of the Cockroach Janta Party

- **Explosive Rise of Digital Formations:** A satirical digital collective calling itself the "Cockroach Janta Party" (CJP) accumulated an unprecedented multi-million social media following within days, exposing how rapidly meme-driven pages and Instagram reels can aggregate youth-led political mobilization.
- **Disconnection from Formal Institutional Politics:** The explosive traction of this movement reflects deep structural alienation among younger demographics, who increasingly feel disconnected from traditional political organizations and representative structures that fail to address concrete anxieties regarding employment, economic stagnation, and livelihood insecurity.
- **Erosion of Traditional Collective Social Life:** The rise of online hyper-mobilization is symptomatic of a deeper sociological crisis—the decay of shared physical spaces and intermediary associations like student campuses, trade unions, and local neighborhood groups that historically sustained long-term political commitment.
- **The Concept of Synchronisation versus Solidarity:** Modern digital communication platforms excel at engineered "synchronisation," allowing millions to align emotionally through viral outrage against symbolic enemies within hours. However, this differs entirely from organic "solidarity," which demands systemic continuity, organizational memory, and long-term structural institutionalization.
- **The Vulnerability of Decentralized Outrage:** While decentralized digital networks demonstrate immense resilient capability during immediate counter-establishment reactions, they face inherent vulnerabilities. Once a movement shifts from emotional opposition to formal governance, internal contradictions emerge, making the replication of state coordination remarkably difficult.
- **Structural Centralization of Technology and Power:** A fundamental material contradiction exists within digital populism; while youth-led movements emotionally desire absolute decentralization, the digital networks and financial frameworks they use to coordinate remain among the most centralized, corporate-controlled technological architectures in human history.

## Key Definitions

- **Digital Populism:** A modern political phenomenon where leaders or reactive citizen networks leverage decentralized social media platforms, algorithms, and viral media to bypass traditional institutions and directly mobilize a fragmented public around anti-establishment sentiments.
- **Emotional Synchronisation:** The temporary, rapid alignment of a massive, geographically dispersed online audience driven by shared emotional triggers, viral symbols, or collective outrage, operating without the support of stable organizational rules.



- **Intermediate Structures:** Socio-political associations—including trade unions, civic councils, universities, and local community networks—that bridge the gap between individual citizens and the sweeping apparatus of the sovereign state.

### Constitutional and Legal Provisions

- **Article 19(1)(a) & 19(1)(b) of the Constitution:** Protects the Fundamental Right to Freedom of Speech and Expression and the right to assemble peaceably without arms. These provisions form the constitutional core for political dissent, digital expression, and satirical non-violent mobilizations.
- **Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021:** The regulatory framework governing online content transmission, which shapes how intermediary tech platforms monitor, restrict, or permit algorithmic amplification of politically sensitive viral movements.
- **The Representation of the People Act, 1951:** The primary statutory framework governing the formal registration, conduct, and compliance of political parties with the Election Commission of India (ECI), acting as the institutional barrier that digital-only movements must cross to transition into mainstream electoral politics.

### Conclusion

The meteoric emergence of the Cockroach Janta Party highlights a paradigm shift in contemporary civic behavior, where irony and digital satire serve as primary vehicles for systemic dissent. However, as long as these expressions remain confined to transient cycles of online outrage rather than building durable grassroots institutions, they run the risk of exhausting their momentum, ultimately leaving the deep centralized architectures of modern state power and governance completely intact.

### UPSC Relevance

- **Syllabus Linkage:** GS Paper I (Role of Women and Women's Organization, Population and Associated Issues, Poverty and Developmental Issues); GS Paper II (Salient Features of the Representation of the People's Act; Pressure Groups and Formal/Informal Associations and their Role in the Polity).
- **Key Takeaway for CSE:** For the Civil Services Examination, this phenomenon provides a crucial modern case study on the changing dynamics of public dissent in a digital world. Candidates should utilize these arguments to analyze how algorithmic platforms alter the traditional nature of pressure groups, the challenges of maintaining administrative stability amidst shifting youth aspirations, and the sociological impacts of a degrading public sphere on democratic consolidation.

## 4. Cyber Warfare Outpacing Global Legal Accountability

- **Paradigm Shift in Modern Warfare:** Recent geopolitical clashes involving the United States, Israel, and Iran demonstrate a structural shift where conventional military strikes are systematically integrated with state-backed cyber operations, such as hacking critical news portals and communication networks to control the information ecosystem.
- **Expanding Battlefields and Non-State Proxies:** Disruption methods are no longer isolated events but act as force multipliers to disable defense systems ahead of kinetic operations. The involvement of independent hacktivist groups, like the Handala Hack Team targeting global medical technology providers, shows how these actions expand conflicts into civilian spaces.



- **The Challenge of Statutory Thresholds:** Although traditional international rules like Article 2(4) of the United Nations Charter apply to digital spaces, defining exactly when a network breach or critical data manipulation crosses the line to become an "illegal use of force" or an "internally wrongful act" remains highly problematic.
- **The Obstacle of Legally Admissible Attribution:** The primary barrier preventing legal remedies is attribution; the naturally secretive, multi-jurisdictional routing of network intrusions makes it difficult for targeted governments to transform political or intelligence certainty into legally admissible evidence for international tribunals.
- **Lack of Judicial Forums and Sovereign Immunity:** Practical constraints prevent effective litigation, as the International Court of Justice (ICJ) requires state consent to hear cases, while domestic courts are restricted by the doctrine of sovereign immunity. Consequently, states favor diplomatic or political counter-measures over slow legal processes to avoid exposing sensitive intelligence.
- **Limitations of Extant Global Frameworks:** Established multilateral agreements, including the Council of Europe's Budapest Convention and the United Nations Convention against Cybercrime (adopted by the UNGA and signed in Hanoi), focus primarily on domestic law enforcement, white-collar fraud, and child exploitation, failing to address state-sponsored cyber warfare during active geopolitical conflicts.



### Key Definitions

- **Kinetic Warfare:** Traditional military operations involving active physical force, lethal weaponry, and material destruction of infrastructure or personnel on the battlefield.
- **Attribution:** The highly technical and legal process of identifying, tracking, and definitively proving the state or non-state actor responsible for initiating a specific cyberattack.
- **Sovereign Immunity:** A well-established principle of international law ensuring that the domestic courts of one independent state cannot put the government or official actions of another sovereign state on trial without its explicit consent.

### Constitutional and Legal Provisions

- **Article 2(4) of the UN Charter:** A foundational tenet of global governance that explicitly prohibits member states from threatening or using force against the territorial integrity or political independence of any sovereign nation.
- **International Law Commission (ILC) Draft Articles on State Responsibility:** Dictates the legal conditions under which an internationally wrongful act can be directly attributed to a sovereign nation, triggering state responsibility and subsequent claims for restitution or compensation.
- **The United Nations Convention against Cybercrime:** A global criminal justice framework adopted by consensus under UN General Assembly Resolution 79/243, designed to streamline cross-border digital evidence sharing, though limited by its focus on transnational cyber-dependent crimes rather than militarized cyber warfare.



## Conclusion

The rapid integration of cyber operations into conventional theater operations exposes a widening structural gap between the speed of digital conflict and the enforcement capabilities of international law. Because current global treaties are designed primarily to combat civilian cybercrime rather than state-sponsored digital aggression, cyberspace remains an asymmetric gray zone where states can cause severe infrastructural damage while evading formal judicial accountability.

## UPSC Relevance

- **Syllabus Linkage:** GS Paper II (Important International Institutions, Agencies, and Fora; Bilateral, Regional, and Global Groupings involving India); GS Paper III (Role of Media and Social Networking Sites in Internal Security Challenges; Basics of Cyber Security).
- **Key Takeaway for CSE:** For the Civil Services Examination, this issue highlights the urgent need for a comprehensive global governance framework for asymmetric warfare. Candidates must understand India's strategic policy stance—including why the nation participated in drafting the UN Cybercrime Treaty but hesitated to sign due to data sovereignty and privacy concerns under the Puttaswamy doctrine—while analyzing the vulnerabilities of India's digitized financial, energy, and administrative infrastructure to hybrid threats.

## 5. HC Asks Why Nursing is Not Declared as Essential Service

- **Judicial Query on Essential Services:** The Kerala High Court has orally questioned why the medical and healthcare services rendered by professional nurses have not been formally designated as an "essential service" under relevant statutory frameworks to prevent severe public health disruptions.
- **Origin of the Legal Dispute:** The division bench issued formal notices to key state medical and administrative departments following a petition filed by the Kerala State United Nurses' Association, which challenged the deployment of unregistered, unqualified individuals as replacement nurses in private hospitals during an active strike.
- **Allegations of Regulatory Violations:** The petitioner association argued that hiring unregistered personnel to fill nursing vacancies during labor disputes directly violates established statutory protections, specifically referencing the provisions under the Kerala Nurses and Midwives Act, 1953 and the Kerala Clinical Establishments (Registration and Regulation) Act.
- **Judicial Stance on Strike Balancing:** While maintaining a neutral position on the underlying labor dispute, the High Court observed that critical professionals like doctors and nurses cannot entirely abandon their duties, suggesting alternatively that agitations or protests could be conducted outside of standard hospital working hours.
- **Interim Order and Maintenance of Care:** In its interim directive, the court permitted hospital administrations to initiate disciplinary proceedings against striking employees if necessary, while simultaneously allowing the nurses' association to continue its peaceful protest, provided that at least one-third of the qualified workforce remains active to run essential critical care units.

## Key Definitions

- **Essential Service:** A service whose uninterrupted continuation is considered absolutely indispensable for the survival, health, safety, and general well-being of the public or a segment of the population.



- **Orally Remarkd:** Observations or queries made by judges during the verbal course of court hearings which do not form part of the final, binding written judgment but indicate the court's institutional reasoning.
- **Interim Order:** A temporary judicial directive issued by a court during the pendency of a legal case, meant to maintain the status quo or prevent immediate hardship before a final judgment is delivered.



### Constitutional and Legal Provisions

- **Essential Services Maintenance Act (ESMA):** A central parliamentary legislation (with state-level variations) that empowers the government to prohibit strikes in certain declared essential sectors—such as public transport, sanitation, and healthcare—to maintain public order and safety.
- **Article 19(1)(c) vs. Public Interest:** While Article 19(1)(c) of the Indian Constitution protects the fundamental right to form associations or unions, this right is not absolute and is subject to reasonable restrictions under Article 19(4) in the interest of public order, morality, or the sovereignty of India.
- **The Kerala Clinical Establishments (Registration and Regulation) Act:** State legislation aimed at mandating the registration of all clinical facilities, establishing minimum standards of infrastructure, and ensuring that only qualified, registered healthcare professionals provide medical care to patients.

### Conclusion

The Kerala High Court's query highlights a critical systemic tension between the fundamental labor rights of healthcare professionals seeking fair wages and the collective right of citizens to access uninterrupted medical care. By contemplating the inclusion of nursing under the essential services umbrella, the judiciary points toward a future regulatory regime where public health security can legally constrain traditional trade union strikes in the healthcare industry.

### UPSC Relevance

- **Syllabus Linkage:** GS Paper II (Structure, Organization, and Functioning of the Judiciary; Issues Relating to Development and Management of Social Sector/Services relating to Health; Pressure Groups and Formal/Informal Associations).
- **Key Takeaway for CSE:** For the Civil Services Examination, this development is a prime analytical reference point for questions concerning the balance between civil liberties (right to protest/strike) and state obligations toward public health (Article 47). Candidates should be prepared to evaluate the efficacy of the Essential Services Maintenance Act (ESMA) in the healthcare sector, the regulatory role of statutory state bodies, and the ethical-legal dilemmas faced by administrative machinery during public utility strikes.

## 6. Centre Promises More Legislative Powers for Ladakh

- **Proposal for Legislative Framework:** The Union Ministry of Home Affairs (MHA) has officially proposed an updated administrative mechanism to grant the Union Territory of Ladakh comprehensive legislative, executive, and financial powers within the existing federal framework, breaking a prolonged political stalemate.



- **In-Principle Democratic Consensus:** In sub-committee level talks involving the Leh Apex Body (LAB) and the Kargil Democratic Alliance (KDA), both sides reached an in-principle understanding to establish a tailor-made, elected UT-level legislative assembly where the executive head would function similarly to a Chief Minister.
- **Bureaucratic Subordination to Elected Body:** A significant feature of the proposed administrative model stipulates that the top-tier bureaucracy of the region, including the Chief Secretary of Ladakh, will directly answer to and fall under the control of the newly devised elected government.
- **Statehood Tied to Revenue Milestones:** The Union government clarified that the denial of immediate, full statehood stems strictly from the region's current lack of independent revenue generation to meet basic budgetary expenditures like employee salaries, indicating that statehood will be actively considered once Ladakh achieves financial stability.
- **Asymmetrical Constitutional Safeguards:** To protect the unique ecological and socio-cultural fabric of the region, the delegation secured an understanding regarding specialized constitutional safeguards analogous to the asymmetric protections under Article 371A, 371F, and 371G granted to Nagaland, Sikkim, and Mizoram.
- **Resumption of Dialogue Post-Detention:** The breakthrough talks follow a long period of regional tension and marked the formal return to negotiations after the release of prominent climate activist Sonam Wangchuk from preventive detention under the National Security Act (NSA).

**ART 371 PROTECTION**

- > All officers of the UT will report to the executive head of the proposed elected body
- > Constitutional safeguards will be provided to Ladakh, not under Sixth Schedule but under Article 371
- > Autonomous councils in Ladakh will also give way to elected bodies in all 7 districts
- > Setup 'will lead Ladakh towards full statehood as and when it meets revenue criteria', claims note issued by Ladakh representatives

**Key Definitions**

- **Asymmetric Federalism:** A flexible system of governance where different constituent states or territories within a federation are granted distinct legal rights, administrative autonomy, or constitutional protections based on specific historical, geographic, or cultural conditions.
- **Statehood:** The formal political status granted to a territory within a federation, equipping it with independent legislative sovereignty over state list subjects and removing the direct administrative control of the federal central government.
- **Sixth Schedule:** A specialized constitutional provision under Article 244(2) that provides for the creation of Autonomous District Councils (ADCs) to safeguard tribal land, culture, and local governance, which was a core demand of the Ladakhi agitation alongside statehood.

**Constitutional and Legal Provisions**

- **Article 239A of the Constitution:** The primary constitutional enabling provision that allows Parliament to create a local legislature, a council of ministers, or both for certain Union Territories (similar to the model deployed in Puducherry).
- **Article 371 of the Constitution:** Contains special, temporary, and transitional provisions for 12 Indian states. Specifically, Article 371A (Nagaland), 371F (Sikkim), and 371G (Mizoram) prohibit Parliament from legislating on religious, social, and land ownership matters without the express consent of the respective state legislative assemblies.
- **The Jammu and Kashmir Reorganisation Act, 2019:** The parliamentary legislation that originally bifurcated the erstwhile state of Jammu and Kashmir, creating Ladakh as a distinct Union Territory without a legislature under the direct administration of a Lieutenant Governor.



## Conclusion

The Union Home Ministry's strategic offer of a "Union Territory with legislative powers" signifies a major milestone in addressing the democratic deficit in Ladakh while managing national security interests in a sensitive border region. By linking full statehood to financial performance while concurrently offering Article 371 safeguards, the Centre seeks a middle ground that balances local socio-ecological anxieties with the fiscal realities of federal funding.

## UPSC Relevance

- **Syllabus Linkage:** GS Paper II (Indian Constitution — Historical Underpinnings, Evolution, Features, Amendments, Significant Provisions, and Basic Structure; 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).
- **Key Takeaway for CSE:** For the Civil Services Examination, this development serves as an exceptional case study in asymmetric federalism and internal border management. Candidates must evaluate the institutional differences between the Sixth Schedule protections and the Article 371 mechanism, analyze the constitutional process of reorganizing territories under Article 3, and critique the financial viability of small, remote, and ecologically sensitive administrative units within the Indian Union.

## 7. Centre Asks States and UTs to Step Up Ebola Surveillance

- **Global Emergency and National Alert:** Following the World Health Organization's (WHO) declaration of the ongoing Ebola disease outbreak in the Democratic Republic of Congo (DRC) and Uganda as a Public Health Emergency of International Concern (PHEIC), the Union Health Ministry has issued a comprehensive advisory to all States and Union Territories to scale up diagnostic vigilance and medical preparedness.
- **Proactive Risk Mitigation Strategy:** While Union Health Secretary Punya Salila Srivastava clarified that the immediate transmission threat to countries outside the affected African epicenter remains low, the substantial volume of modern international trade and civil aviation travel necessitates automated, proactive counter-measures across all tiers of India's public health grid.
- **Algorithmic Syndromic Surveillance via IDSP:** The Centre has mandated the intensification of community and institutional screening under the Integrated Disease Surveillance Programme (IDSP) to track unusual clusters of hemorrhagic fever, severe myalgia, gastrointestinal distress, and ocular inflammation, specifically isolating individuals with a 21-day history of travel to central African corridors.
- **Standard Operating Procedures Deployment:** The Union Health Ministry has deployed a standardized operational protocol detailing strict diagnostic guidelines, secure bio-specimen collection, cold-chain containment storage, and centralized referral tracks to manage symptomatic commuters or community contacts without triggering structural breakdowns.
- **Isolation Mapping and Critical Logistics:** State administrations have been instructed to designate specialized containment isolation wards, secure dedicated emergency transport ambulances equipped with advanced infection prevention controls, and maintain stockpiles





of personal protective equipment (PPE) alongside maintaining multi-disciplinary Rapid Response Teams (RRTs).

- **Centralized High-Containment Diagnostics:** The Indian Council of Medical Research's (ICMR) National Institute of Virology (NIV) in Pune has been operationalized as the apex high-containment testing facility, supported by a synchronized coordination framework tying Points of Entry (PoE)—such as international airports and seaports—directly to regional district surveillance machinery.

### Key Definitions

- **Public Health Emergency of International Concern (PHEIC):** An extraordinary institutional declaration by the WHO under the International Health Regulations (IHR) representing a public health crisis that potentially threatens global security through cross-border viral transmission, demanding a unified multilateral response.
- **Bundibugyo Ebolavirus:** The specific, highly virulent orthoebolavirus strain driving the 2026 African outbreak. Unlike the Zaire strain, the Bundibugyo variant currently lacks globally licensed therapeutic counter-measures or approved prophylactic vaccines, elevating its epidemiological risk profile.
- **Syndromic Surveillance:** A public health methodology that relies on real-time data aggregation of clinical symptoms (such as clusters of unexplained high fever) to detect potential disease outbreaks before formal laboratory confirmation.

### Constitutional and Legal Provisions

- **Article 246 and the Seventh Schedule (List II, Entry 6):** Identifies "Public health and sanitation; hospitals and dispensaries" as a state subject under the Constitution, explaining why central directives are structured as executive advisories that state machinery must implement at the ground level.
- **The Epidemic Diseases Act, 1897:** The primary statutory tool that empowers both central and state governments to prescribe temporary regulations, penalize non-compliance, and enforce strict entry/exit screenings at border points to prevent the domestic spread of dangerous infections.
- **International Health Regulations (IHR 2005):** A legally binding international instrument requiring WHO member states, including India, to maintain core capacity baselines for detecting, assessing, reporting, and responding to urgent public health threats at designated points of entry.

### Conclusion

The central directive on Ebola surveillance highlights India's institutional shift toward preemptive, data-driven biosecurity management rather than reactive crisis response. Given the absence of targeted medical countermeasures for the active Bundibugyo strain, maintaining strict containment at international entry hubs and ensuring seamless coordination between central research bodies like NIV Pune and decentralized state surveillance units remains the country's most effective defense against cross-border pathogen importation.

### UPSC Relevance

- **Syllabus Linkage:** GS Paper II (Issues Relating to Development and Management of Social Sector/Services relating to Health; Bilateral, Regional and Global Groupings involving India); GS Paper III (Science and Technology — Developments and their Applications in Everyday Life; Awareness in the fields of IT, Space, Computers, Robotics, Nano-technology, Bio-technology).



- **Key Takeaway for CSE:** For the Civil Services Examination, this containment drive is a key reference point for evaluating India's epidemiological resilience and international health compliance. Candidates must be prepared to analyze the organizational hierarchy of the Integrated Disease Surveillance Programme (IDSP), discuss the challenges of managing globalized viral threats within India's federalized health structure, and understand the technical differences between various ebolavirus strains and their respective biosafety requirements.

## 8. India Successfully Test-Fires Agni-1 Ballistic Missile

- **Successful Strategic Validation:** India successfully conducted a routine user training test-launch of its nuclear-capable Short-Range Ballistic Missile (SRBM), Agni-1, from the Integrated Test Range (ITR) at Chandipur in Balasore, Odisha.
- **Aegis of Strategic Forces Command:** The flight test was carried out under the direct operational supervision of the Strategic Forces Command (SFC), confirming that all established operational, structural, and technical parameters of the weapon system were fully met.
- **Core Specifications of Agni-1:** Developed indigenously by the Defence Research and Development Organisation (DRDO), the Agni-1 is a surface-to-surface solid-fueled ballistic missile featuring a standard operational strike range of 700 km to 900 km, designed to carry both conventional and strategic nuclear warheads.
- **High Operational Mobility:** The platform utilizes a specialized single-stage solid-propellant engine configuration, making it highly mobile and capable of swift, flexible road or rail deployment from customized mobile launchers under real-time combat conditions.
- **Advanced Multi-Payload Technology Parallel:** The successful routine training launch closely follows a separate landmark strategic trial conducted by India involving an advanced variant of the Agni missile series equipped with Multiple Independently Targetable Re-entry Vehicle (MIRV) payload capabilities.
- **Bolstering Second-Strike Capabilities:** These consecutive strategic weapon system tests underscore India's ongoing structural efforts to modernize its domestic defense grid, directly reinforcing the operational preparedness and credible minimal deterrence posture of the Indian Armed Forces.

### Key Definitions

- **Ballistic Missile:** A self-guided, rocket-powered strategic weapon system that follows a predetermined, sub-orbital ballistic arc trajectory to deliver a specialized payload to a designated target.
- **Strategic Forces Command (SFC):** A specialized tri-service command of the Indian Armed Forces tasked with the management, operational control, and administration of the country's tactical and strategic nuclear weapons stockpile.
- **Multiple Independently Targetable Re-entry Vehicle (MIRV):** An advanced ballistic missile payload configuration allowing a single delivery vehicle to carry multiple distinct nuclear warheads, each capable of being programmed to hit spatially separated targets over a wide geographical area.





## Constitutional and Legal Provisions

- **Seventh Schedule of the Indian Constitution (Union List - Entry 1 & Entry 2):** Grants the Parliament of India absolute and exclusive legislative authority over matters concerning national security, the defense of India, the preparation of the Armed Forces, and the production of strategic armaments.
- **India's Nuclear Doctrine (2003):** Establishes the core policy framework of maintaining a "Credible Minimum Deterrence" linked strictly to a "No-First-Use" (NFU) commitment, stating that nuclear weapons will only be used in retaliation against a nuclear strike on Indian territory or forces anywhere.
- **The Weapons of Mass Destruction and Their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005:** The domestic statutory framework that enforces international export controls, non-proliferation standards, and penalizes unlawful access to sensitive dual-use missile delivery technologies.

## Conclusion

The successful user trial of the Agni-1 short-range ballistic missile, alongside the ongoing integration of complex MIRV technology within the long-range Agni series, highlights India's maturing defense indigenization capabilities. These operations demonstrate a robust transition toward flexible, mobile, and reliable delivery platforms, ensuring that the country's ground-based leg of its strategic nuclear triad remains highly capable of penetrating modern anti-ballistic missile grids.

## UPSC Relevance

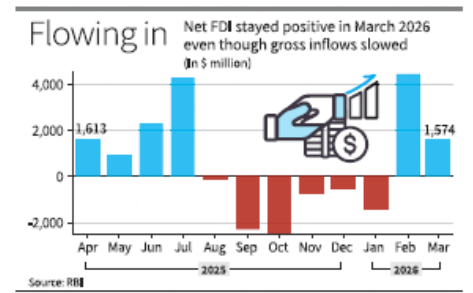
- **Syllabus Linkage:** GS Paper III (Science and Technology — Developments and their Applications in Everyday Life; Indigenization of Technology and Developing New Technology; Security Challenges and their Management).
- **Key Takeaway for CSE:** For the Civil Services Examination, this operational update serves as a vital component for analytical questions regarding India's defense architecture. Candidates must focus on the evolution of the Integrated Guided Missile Development Programme (IGMDP), the structural difference between Short-Range Ballistic Missiles (SRBM) and Intercontinental Ballistic Missiles (ICBM), and evaluate how technologies like MIRV and Maneuverable Re-entry Vehicles (MaRV) shape the strategic power balance within the Indo-Pacific geopolitical theater.

## 9. March 2026 Saw Net Foreign Investments Decline to -\$11.7 Billion

- **Severe Contraction in Capital Inflows:** Reserve Bank of India (RBI) data revealed that the total net foreign investment into India plummeted to -\$11.7bn in March 2026, marking the first full month of capital account stress following the outbreak of the geopolitical crisis in West Asia.
- **FPI Flight Eclipses Positive FDI:** The massive capital deficit was primarily triggered by an aggressive exodus of Foreign Portfolio Investors (FPIs), who registered a net outflow of -\$13.3bn. This heavy divestment completely overshadowed a positive Net Foreign Direct Investment (FDI) inflow of \$1.6bn recorded during the same month.
- **Persistent Quarters of Capital Outflow:** The central bank's monthly bulletin noted that the flight of portfolio capital and risk-off investor sentiment was not localized to March, but continued systematically through the subsequent months of April and May 2026.



- **Depreciation Pressures on the Rupee:** The large-scale departure of foreign institutional dollars severely depleted India's foreign exchange reserves, forcing aggressive spot-market interventions by the RBI and creating structural depreciation pressures on the Indian Rupee (INR).
- **Robust Full-Year Net FDI Growth:** Despite capital account volatility and net direct investment outflows occurring in 6 out of 12 months, the total Net FDI for the complete financial year 2025-26 stood at \$7.6bn, marking a nearly 700% expansion compared to the fiscal year 2024-25.
- **Contraction in Global Corporate Repatriation:** Gross FDI inflows for March 2026 reached \$6.2bn (a 31% sequential deceleration from February). However, Net FDI remained positive for the second consecutive month due to a substantial 40% decline in capital repatriation and asset disinvestments by foreign firms, which fell to \$2.3bn.



### Key Definitions

- **Foreign Direct Investment (FDI):** Cross-border investment where an investor resident in one economy establishes a lasting interest and a significant degree of influence (typically holding 10% or more of voting power) over an enterprise resident in another economy, targeting growth-generating brick-and-mortar assets.
- **Foreign Portfolio Investment (FPI):** The entry of passive foreign capital into a country's domestic financial markets, consisting of short-to-medium-term holdings of liquid paper assets like equities, corporate bonds, and government securities without direct management control.
- **Repatriation:** The process by which foreign corporations or institutional investors convert their locally earned profits, dividends, or liquidated capital assets back into their home country's currency and transfer them out of the host country.

### Constitutional and Legal Provisions

- **Seventh Schedule of the Indian Constitution (Union List - Entry 36 & Entry 84):** Vests absolute and exclusive legislative jurisdiction over currency, coinage, legal tender, foreign exchange, and entry of foreign capital within the Parliament of India.
- **Foreign Exchange Management Act (FEMA), 1999:** The primary statutory framework that regulates capital and current account transactions in India, empowering the RBI and the Enforcement Directorate to oversee foreign investments, external commercial borrowings, and cross-border currency flows.
- **RBI Act, 1934 (Section 40):** Mandates the central bank to execute transactions in foreign exchange to maintain the stability of the Indian currency, providing the legal basis for the RBI's open-market dollar operations to check rupee volatility.

### Conclusion

The sharp decline in India's net foreign investments to -\$11.7bn highlights the extreme vulnerability of emerging market economies to sudden external geopolitical shocks. While the structural resilience of long-term Gross FDI inflows reflects sustained corporate trust in India's macroeconomic landscape, the rapid exit of volatile portfolio capital underlines the need for deeper domestic financial market cushioning to protect the external sector against global risk-off cycles.



## UPSC Relevance

- **Syllabus Linkage:** GS Paper III (Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development, and Employment; Effects of Liberalization on the Economy, Changes in Industrial Policy and their Effects on Industrial Growth).
- **Key Takeaway for CSE:** For the Civil Services Examination, this balance-of-payments development serves as an excellent reference for questions analyzing hot money dynamics versus stable capital inflows. Candidates should focus on the economic transmission channels of the West Asia crisis—such as its dual impact on import bills via crude oil spikes and capital accounts via FPI flight—and critique the policy options available to the RBI, such as utilizing the foreign exchange buffer versus allowing market-determined depreciation of the rupee under a managed floating exchange rate regime.

## 10. Intermediary-Led Competition Hurting General Insurers Profitability

- **Intermediary Dominance in Acquisition:** A report by consulting firm Praxis Global Alliance highlights that nearly 80% of new business in the Indian general insurance sector remains heavily dependent on intermediaries, including traditional agents, insurance brokers, bancassurance partners, and Original Equipment Manufacturer (OEM) networks.
- **Erosion of Underwriting Profitability:** This intense competition to secure distributor mindshare has structurally inflated commission payouts, causing underwriting losses to outpace scale growth. The sector's combined operating ratios consistently hover between 105% and 115%, forcing insurers to rely on treasury investment income to subsidize core operational deficits.
- **Exploitation of Regulatory Headroom:** Following the implementation of the revised Expense of Management (EoM) framework, commission growth has paradoxically outpaced premium expansion. Insurers are writing low-margin, high-volume group or crop insurance policies specifically to generate accounting "expense headroom," which is subsequently redirected to bankroll aggressive retail commissions in motor and health lines.
- **Absence of Customer Ownership:** The current distribution model prevents general insurers from establishing direct consumer relationships, leaving customer ownership largely in the hands of the third-party intermediaries. This lack of engagement results in high annual churn rates, particularly in motor insurance where over 35% of retail clients switch providers upon policy renewal.
- **Rise of Reacquisition-Led Growth:** Because client loyalty remains tied to individual brokers rather than the underwriting brands, insurers are trapped in an inefficient cycle of "reacquisition-led growth." Consequently, companies continuously incur high, new-acquisition-like commission expenses even during routine annual policy renewals instead of benefiting from long-term compounding retention.

## Key Definitions

- **Combined Operating Ratio:** A core metric measuring an insurance company's daily operational efficiency, calculated by dividing the sum of incurred losses and operating expenses by the total earned premium. A ratio above 100% indicates that the insurer is suffering direct underwriting losses.





- **Underwriting Discipline:** The rigorous analytical practice of assessing, profiling, and pricing insurance risks accurately to ensure that the premium collected remains mathematically sufficient to cover future claims and administrative costs.
- **Bancassurance:** A commercial arrangement where commercial banks act as corporate agents or intermediaries to market and sell insurance products directly to their pre-existing banking customer base.

### Constitutional and Legal Provisions

- **Seventh Schedule of the Indian Constitution (Union List - Entry 47):** Vests the exclusive constitutional authority to legislate, regulate, and govern the business of insurance with the Parliament of India.
- **The Insurance Regulatory and Development Authority Act, 1999:** The governing statute that established the IRDAI as the apex, autonomous statutory body responsible for regulating, promoting, and ensuring the orderly growth of the insurance and re-insurance industries in India.
- **IRDAI (Expenses of Management, including Commission, of Insurers) Regulations:** The regulatory baseline that replaced rigid, product-level commission caps with a flexible portfolio-level system, limiting overall Expenses of Management to 30% of Gross Written Premium for general insurers and 35% for standalone health insurers.

### Conclusion

The findings of the Praxis Global Alliance report point to a structural vulnerability in India's general insurance architecture, where competitive market dynamics have turned a risk-mitigation industry into a high-cost distribution game. Navigating out of this cycle will require the sector to shift away from commission-driven volume toward strict underwriting governance, direct-to-consumer digital channels, and modern regulatory infrastructures that decouple customer retention from intermediary control.

### UPSC Relevance

- **Syllabus Linkage:** GS Paper III (Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development; Effects of Liberalization on the Economy, Changes in Industrial Policy).
- **Key Takeaway for CSE:** For the Civil Services Examination, this problem serves as an excellent case study on financial sector reforms and regulatory governance. Candidates must be prepared to critique how well-intentioned regulatory liberalizations—such as moving from rigid product caps to portfolio-level EoM ceilings—can trigger unintended market behaviors like commission wars. Furthermore, it highlights the structural challenges India faces in deepening its insurance penetration (currently standing at a low 1% of GDP) and underscores the importance of upcoming public infrastructure solutions like the IRDAI's Bima Sugam platform in lowering distribution barriers.

## 11. India-China Relations in a Global Geopolitical Context

- **Geopolitical Drivers Over Bilateral Realities:** According to former Foreign Secretary Vijay Gokhale, China's decisions to engage in military actions or gray-zone coercion are rarely dictated by narrow, localized territorial disputes; instead, they are structurally shaped by broader global geopolitical dynamics and the overarching international balance of power.
- **The Structural Intent to Check Indian Rivalry:** Although Beijing historically downplayed India as an absolute geopolitical equal after 1949, Chinese strategic leadership recognized India's potential



as a powerful regional rival possessing considerable diplomatic stature and a large post-colonial military, leading to a long-term strategy to systematically contain India's rise.

- **Global Permissive Conditions of the 1962 Conflict:** The 1962 Sino-Indian War was heavily influenced by shifts in the global landscape; China took advantage of a temporary diplomatic realignment when the Soviet Union adopted a neutral stance due to ideological friction with China, and the United States under President Kennedy adjusted its posture on Taiwan, reducing the risk of superpower intervention against Beijing.
- **Miscalculation in Coercive Neutrality Strategy:** China historically utilized military and economic leverage to force India into a passive, neutral geopolitical position. However, this strategy has been counterproductive, as heightened Chinese pressure has consistently driven New Delhi to build closer strategic partnerships with rival global powers, such as the Soviet Union in the past and the United States today.
- **Modern Expansion into Sophisticated Gray-Zone Coercion:** While the Chinese state still views military force as a core instrument of statecraft to project its will, its approach has become more sophisticated, integrating economic leverage, asymmetric trade imbalances, selective investments, and critical technology dependencies to exert pressure on Indian security frameworks.

### Key Definitions

- **Gray-Zone Coercion:** An aggressive state strategy that falls between traditional peaceful diplomacy and direct, open military warfare, utilizing covert, non-military, or low-intensity tactics like cyber operations, economic blockades, and psychological campaigns to achieve strategic goals.
- **Asymmetric Interdependence:** An economic and political condition where two interconnected nations face unequal levels of dependence, allowing the less dependent nation (in this case, China) to use trade, supply chains, or raw materials as leverage against the more vulnerable partner.
- **Balance of Power:** A core concept in international relations theory suggesting that national security is best maintained when military and economic capabilities are distributed among nations so that no single state becomes dominant enough to dictate terms to others.



### Constitutional and Legal Provisions

- **Article 51 of the Constitution (Directive Principles of State Policy):** Directs the executive to promote international peace and security, maintain just and honorable relations between nations, foster respect for international law and treaty obligations, and encourage the settlement of international disputes by arbitration.
- **Seventh Schedule of the Indian Constitution (Union List - Entries 10 to 16):** Grants the Parliament of India absolute and exclusive legislative authority over foreign affairs, diplomatic representation, participation in international conferences, declaration of war, and entering into treaties or agreements with foreign nations.
- **Border Peace and Tranquility Agreement (BPTA), 1993:** The foundational bilateral legal framework signed between New Delhi and Beijing to maintain peace along the Line of Actual Control (LAC), strictly prohibiting the use of force or military escalation pending a final resolution of the boundary question.



## Conclusion

The strategic analysis of Sino-Indian relations underscores a deep-seated disconnect: while India frequently approaches its relationship with China through a bilateral lens focused on border management, Beijing treats India as a subordinate variable within its larger, global struggle for systemic dominance. To counter China's increasingly sophisticated gray-zone tactics and economic leverages, India must move away from isolated bilateral engagement, enhance its domestic defense capabilities, and actively build multi-aligned global partnerships to maintain a favorable regional balance of power.

## UPSC Relevance

- **Syllabus Linkage:** GS Paper II (Bilateral, Regional and Global Groupings and Agreements involving India and/or affecting India's interests; Effect of Policies and Politics of Developed and Developing Countries on India's interests).
- **Key Takeaway for CSE:** For the Civil Services Examination, this topic provides critical context for analytical questions on India's neighborhood policy and global alignments. Candidates must analyze China's actions beyond basic border standoffs, evaluating them as part of a wider geopolitical containment strategy. It is essential to understand the shift from traditional kinetic warfare to modern gray-zone coercion, the role of strategic partnerships like the Quad (comprising India, the United States, Japan, and Australia), and how India balances economic dependencies with its national security priorities along the Line of Actual Control.

## 12. Rs 2.86 Lakh Crore: RBI Clears Record Surplus Transfer to Centre

- **Record Fiscal Windfall for the Government:** The Central Board of the Reserve Bank of India (RBI) approved a historic surplus transfer of Rs 2,86,588 crore to the Central Government for the accounting year 2025-26, providing a substantial non-tax revenue cushion to the Union fiscal ledger.
- **Marginal Increase Over Previous High:** This dividend payout is approximately 6.7% higher than the Rs 2,68,590 crore transferred by the central bank during the fiscal year 2024-25, marking the highest-ever absolute dividend transmission in the institutional history of the RBI.
- **Strategic Augmentation of Risk Buffers:** Amid escalating West Asia conflicts and volatile global crude oil prices, the RBI concurrently enhanced its Contingency Risk Buffer (CRB) by over Rs 64,000 crore, bringing the total corpus to Rs 109,379 crore to provide structural insulation for market intervention.
- **Forex Market Interventions as Earnings Driver:** A primary contributor to the central bank's record-breaking surplus was its aggressive, large-scale sale of US dollars in the foreign exchange market, executed to defend the Indian Rupee (INR) from persistent depreciation pressures and resulting in substantial trading gains.
- **Opportunity Cost of Financial Safeguards:** Financial analysts noted that the net fiscal transfer to the Union government could have breached the Rs 3.5 lakh crore threshold had the RBI Central Board decided to cap the contingency risk buffer at its previous fiscal year's baseline level.





## Key Definitions

- **Surplus Transfer:** The net profit generated by a central bank through its open market operations, foreign exchange transactions, and interest earned on government securities, which is transferred to the sovereign government after setting aside mandatory reserves.
- **Contingency Risk Buffer (CRB):** A dedicated, non-funded reserve maintained by the RBI to absorb unexpected shocks arising from domestic monetary operations, sudden depreciation of securities, or targeted foreign exchange market stabilization interventions.
- **Economic Capital Framework (ECF):** An institutional blueprint based on the recommendations of the Bimal Jalan Committee (2019) that mandates the RBI to maintain its contingent risk buffer strictly within a flexible band of 5.5% to 6.5% of its total balance sheet size to protect central bank autonomy.

## Constitutional and Legal Provisions

- **Section 47 of the Reserve Bank of India Act, 1934:** The primary statutory provision governing the allocation of surplus profits, which mandates that after making provisions for bad and doubtful debts, depreciation in assets, and contributions to staff funds, the remaining net profits of the bank must be paid to the Central Government.
- **Article 266(1) of the Constitution:** Establishes the Consolidated Fund of India (CFI). The surplus or dividend transferred by the RBI is legally classified as "Non-Tax Revenue" and is deposited directly into the CFI, making it available for parliamentary appropriation.
- **Seventh Schedule of the Indian Constitution (Union List - Entry 38 & Entry 45):** Grants exclusive legislative and regulatory jurisdiction over core central banking activities, currency administration, and the monetary framework of the country to the Parliament of India.

## Conclusion

The record surplus transfer of Rs 2.86 lakh crore offers the Union executive immense fiscal flexibility to balance infrastructure spending and fiscal consolidation targets amidst global headwinds. By maintaining a high contingency buffer alongside this payout, the RBI has preserved a delicate equilibrium between augmenting sovereign finances and securing its own balance sheet resilience, proving that external macroeconomic volatility can be prudently managed through disciplined open-market operations.

## UPSC Relevance

- **Syllabus Linkage:** GS Paper III (Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development; Government Budgeting; Monetary Policy and Central Bank Autonomy).
- **Key Takeaway for CSE:** For the Civil Services Examination, this historic dividend transmission serves as a vital case study on fiscal-monetary coordination. Candidates should be thoroughly prepared to analyze the structural impact of non-tax revenues on the fiscal deficit target (under the FRBM Act framework), the operational mechanics of the Bimal Jalan Committee recommendations, and the macroeconomic trade-offs between utilizing central bank reserves for sovereign infrastructure expenditure versus preserving central banking capital autonomy during periods of global geopolitical risk.