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DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

DATE: 23/07/2026 (THURSDAY)

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1. SC Declines Stay on 6 MPs' Merger with Shinde Camp

Key Highlights & Summary

- **Interim Relief Denied**: The Supreme Court of India refused to grant an interim stay on Lok Sabha Speaker Om Birla's decision recognizing the merger of six Shiv Sena (UBT) MPs with the Eknath Shinde-led Shiv Sena faction.
- **Bench Composition**: A Bench comprising Justices P.S. Narasimha and Alok Aradhe heard the matter and agreed to examine the legal challenge after two weeks.
- **Notice Issued**: The Apex Court sought a response from the Lok Sabha Speaker's office regarding the petition challenging the recognition circular.
- **Petitioner's Argument**: Shiv Sena (UBT) leader Arvind Sawant filed the petition, terming the July 18 circular issued by the Lok Sabha Secretariat as "ex facie unconstitutional, illegal, and perverse."
- **Role of Presiding Officer**: The case underscores ongoing legal debates over the extent of judicial review regarding parliamentary decisions made by the Speaker under anti-defection provisions.
- **Broader Implications**: The outcome will further clarify the procedural validity of party splits, mergers, and the recognition of factions within legislative bodies.

Essential Definitions

- **Tenth Schedule (Anti-Defection Law)**: Introduced via the 52nd Constitutional Amendment Act, 1985, to prevent political defections by setting rules for disqualification of legislators.
- **Merger Provision**: A protection under Paragraph 4 of the Tenth Schedule where disqualification does not apply if at least two-thirds of the members of a legislative party agree to merge with another political party.
- **Ex Facie**: A Latin term meaning "on the face of it" or obviously true/unlawful based on immediate inspection without further evidence.

Legal and Constitutional Framework

- **Article 102(2)**: Deals with the disqualification of members of either House of Parliament on grounds of defection under the Tenth Schedule.
- **Tenth Schedule (Paragraph 4)**: Outlines exceptions to disqualification in cases of political party mergers, requiring a two-thirds majority of the elected members.
- **Judicial Review (Kihoto Hollohan Case, 1992)**: The Supreme Court held that the Speaker's decision under the Tenth Schedule acts as a tribunal and is subject to judicial review on grounds such as mala fide intent, perversity, or violation of constitutional mandate. However, judicial intervention is generally restricted prior to a final decision by the Speaker.

Conclusion

The Supreme Court's decision to hear the matter without granting an immediate interim stay strikes a balance between maintaining legislative proceedings and exercising judicial oversight. The case highlights the evolving jurisprudence around the Speaker's powers and the application of anti-defection exemptions in cases of intra-party splits and mergers.

UPSC Relevance

- **GS Paper II (Governance & Polity)**: Parliament and State Legislatures—structure, functioning, conduct of business, powers & privileges, and issues arising out of these.
- **Key Topics**: Tenth Schedule (Anti-Defection Law), Role and Powers of the Speaker, Judicial Review of Legislative Actions, Separation of Powers, and Political Party Mergers.

2. RBI’s FCNR (B) Swap Facility and Forex Mobilisation

Key Highlights & Summary

- **Mobilisation Drive**: Indian banks have raised over $17 billion since the Reserve Bank of India (RBI) launched a special drive on 5 June for Foreign Currency Non-Resident (Bank) [FCNR (B)] deposits.
- **Concessional Swap Facility**: RBI allowed banks to raise fresh or renewed FCNR (B) deposits (3 to 5 years maturity) and swap those dollars with the central bank at concessional rates, absorbing hedging costs to let banks offer higher interest rates.

RBI'S PLAN OF ACTION

- FCNR(B) deposits of three to five years to be exempt from cash reserve ratio and statutory liquidity ratio, lowering cost of mobilising such funds for banks
- For external commercial borrowings, RBI has set a swap cost of 1.5% a year, making overseas loans attractive for top-rated PSUs compared with domestic funding
- FCNR(B) swap window will remain open until Oct 16, 2026, for deposits mobilised up to Sept 30
- The ECB and OFCB swap facility will run until Jan 15, 2027, for drawdowns up to Dec 31, 2026

- **Inflow Projections**: Market expectations project total collections between $45 billion and $55 billion before the 30 September deadline, potentially surpassing the 2013 'taper tantrum' haul of $26 billion.
- **Leverage Strategy**: Wealthy Non-Resident Indians (NRIs) leverage capital up to 9 to 19 times by borrowing overseas at lower rates and investing in high-yielding FCNR (B) deposits to earn enhanced returns.
- **Key Challenges**: Primary hurdles include executing high-leverage transactions, elevated overseas borrowing costs, strict credit limits, and tax compliance concerns in regions like the US and UK.
- **Macroeconomic Driver**: The RBI introduced this measure to shore up India’s balance of payments, absorb global uncertainty, and counter rupee depreciation, which fell over 3% in FY27 and 11% in FY26.

Essential Definitions

- **FCNR (B) Account**: A term deposit account that enables NRIs to hold fixed deposits in India in foreign currency, protecting principal and interest from exchange-rate risks while remaining tax-free and fully repatriable.
- **Forex Swap**: A financial transaction where two parties exchange principal and interest in different currencies to hedge foreign exchange rate risks or secure lower borrowing costs.

Legal and Constitutional Framework

- **Reserve Bank of India Act, 1934**: Empowers the central bank to manage foreign exchange reserves, regulate credit, and maintain monetary stability in India.
- **Foreign Exchange Management Act (FEMA), 1999**: Governs external trade, cross-border payments, and foreign currency accounts (such as FCNR) to facilitate external trade and maintain the forex market in India.

- **Income Tax Act, 1961**: Provides tax exemption status under Section 10(4)(x) on interest earned by non-residents on FCNR (B) deposits.

Conclusion

The RBI's concessional swap facility serves as a vital macroeconomic stabilization tool to attract non-debt foreign currency inflows amidst volatile global markets and domestic currency pressures. While operational and credit challenges remain for small investors, the scheme enhances India's external sector buffer, bolstering both forex reserves and currency stability ahead of its September deadline.

UPSC Relevance

- **GS Paper III (Economy)**: Indian Economy and issues relating to planning, mobilization of resources, growth, development, and employment.
- **Key Topics**: Foreign Exchange Reserves, Balance of Payments (BoP), External Sector, RBI's Monetary Policy Tools, Exchange Rate Management, and FEMA Regulations.

3. IAF Chief Emphasises Jointness and Technological Self-Reliance in Future Warfare

Key Highlights & Summary

- **Imperative of Jointness**: Air Chief Marshal A.P. Singh emphasized at Karwar that future conflicts cannot be fought in silos by individual armed services, but require unified, integrated national effort across the Army, Navy, and Air Force.
- **Commissioning of INS Malvan**: INS Malvan, the second vessel in the Mahe-class Anti-Submarine Warfare Shallow Water Craft (ASW-SWC) series and the sixth of 16 planned ASW-SWCs, was commissioned into the Indian Navy at Karwar.
- **Indigenous Content**: Built by Cochin Shipyard Ltd. (CSL), INS Malvan features over 80% indigenous content, significantly advancing the government's Aatmanirbhar Bharat initiative in defence manufacturing.

- **Speed of Innovation**: The Air Chief remarked that "technology delayed is technology denied," urging faster military R&D so indigenous technological development matches global operational relevance.
- **Aviation Sector Learning from Navy**: The IAF Chief highlighted the Indian Navy's successful model of embedding officers in naval shipbuilding from design to production, urging the aviation sector to replicate this approach.
- **Strategic Importance of SLOCs**: Securing Sea Lines of Communication (SLOCs) and maritime dominance in the Indian Ocean Region was highlighted as critical to protecting Indian trade, economic growth, and national security.

Essential Definitions

- **Jointness & Integration**: The deliberate integration of the operational capabilities, planning, doctrine, and logistics of the three military branches (Army, Navy, and Air Force) to execute unified combat operations.

- **Anti-Submarine Warfare Shallow Water Craft (ASW-SWC)**: Specialized warships designed for underwater surveillance, anti-submarine warfare in coastal/littoral waters, mine-laying, and low-intensity maritime operations (LIMO).
- **Sea Lines of Communication (SLOCs)**: Primary maritime routes between ports used for commercial shipping, logistics, and naval operations, essential for national trade security.

Legal and Constitutional Framework

- **Article 53(2) of the Constitution**: Vests the Supreme Command of the Defence Forces of the Union in the President of India.
- **Chief of Defence Staff (CDS) Mandate**: Creation of the CDS post under the Department of Military Affairs (DMA) to promote jointness in procurement, training, and operational theaterization of the armed forces.
- **Defence Acquisition Procedure (DAP) 2020**: Frame policy prioritizing 'Buy (Indian-IDDM)'—Indigenously Designed, Developed, and Manufactured equipment—to achieve self-reliance under Aatmanirbhar Bharat.

Conclusion

The commissioning of INS Malvan and the call for inter-service integration underline a critical transformation in India's defence doctrine. Combining rapid indigenous technological R&D with seamless jointness across all services is vital for maintaining strategic autonomy, securing critical maritime trade lanes, and deterring multi-domain security threats in the Indian Ocean Region.

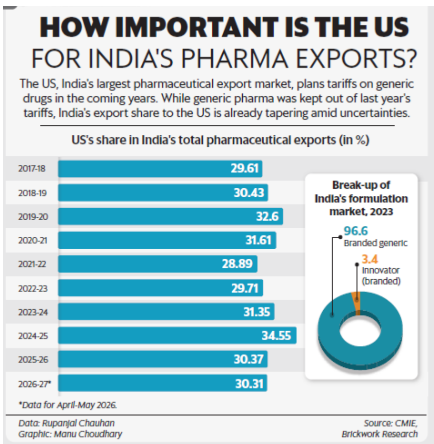
UPSC Relevance

- **GS Paper III (Internal & External Security, Science & Technology)**: Security challenges and their management in border areas/maritime domains; Indigenization of technology and developing new technology in defence; Various Security forces and agencies and their mandate.
- **Key Topics**: Integrated Theatre Commands, Jointness in Armed Forces, Aatmanirbhar Bharat in Defence, Anti-Submarine Warfare capabilities, Project Seabird, and Indian Ocean Maritime Security.

4. Role of the US in India’s Pharma Export Ecosystem

Key Highlights & Summary

- **Dominant Export Destination**: The United States remains India's largest individual market for pharmaceutical exports, historically accounting for roughly 30% of total Indian pharma exports.
- **Proposed US Tariffs**: The US government plans to levy tariffs on imported generic drugs in coming years, creating trade uncertainties for Indian generic manufacturers despite generic pharma being excluded from previous tariff rounds.



- **Tapering Share**: India's pharma export share to the US peaked at 34.55% in FY25 before tapering to 30.37% in FY26 and 30.31% in April–May FY27.
- **Branded Generic Dominance**: Within India's formulation market breakdown (2023), branded generics dominate overwhelmingly with a 96.6% share, while innovator (branded) drugs account for just 3.4%.

- **Cost Advantage & Vulnerability**: India provides over 40% of US generic drug demand, making US healthcare affordability reliant on Indian supplies, yet exposing Indian exporters to protectionist policy shifts.
- **Diversification Imperative**: Regulatory hurdles, stringent US FDA compliance standards, and potential tariff barriers necessitate market diversification into Latin America, Africa, and Southeast Asia.

Essential Definitions

- **Generic Drugs**: Medications created to be the same as an already marketed brand-name drug in dosage form, safety, strength, route of administration, quality, and performance characteristics, but sold at significantly lower prices.
- **Active Pharmaceutical Ingredients (APIs)**: The biologically active components in a pharmaceutical drug that produce the intended health effects.
- **Formulations**: The final dosage form of a pharmaceutical product (such as tablets, capsules, or liquids) containing the active drug substance and inactive ingredients.

Legal and Constitutional Framework

- **Article 307 of the Constitution**: Empowers Parliament to appoint an authority for carrying out the purposes of Articles 301 to 304 regarding trade and commerce within the territory of India.
- **Drugs and Cosmetics Act, 1940 & Rules, 1945**: Regulates the import, manufacture, distribution, and sale of drugs and cosmetics to ensure safety, quality, and efficacy across domestic and export markets.
- **Foreign Trade (Development and Regulation) Act, 1992**: Provides the statutory framework for foreign trade policy, facilitating exports and regulating imports through the Directorate General of Foreign Trade (DGFT).
- **TRIPS Agreement (WTO)**: Governs intellectual property rights affecting international trade in pharmaceuticals, balancing patent protection with public health exceptions (compulsory licensing).

Conclusion

India's status as the "Pharmacy of the World" relies heavily on its competitive edge in generic manufacturing and strong export ties with the United States. Proposed US tariff policy shifts and regulatory scrutiny highlight the necessity for Indian pharma firms to move up the value chain toward biosimilars and complex formulations while reducing dependency on single export markets.

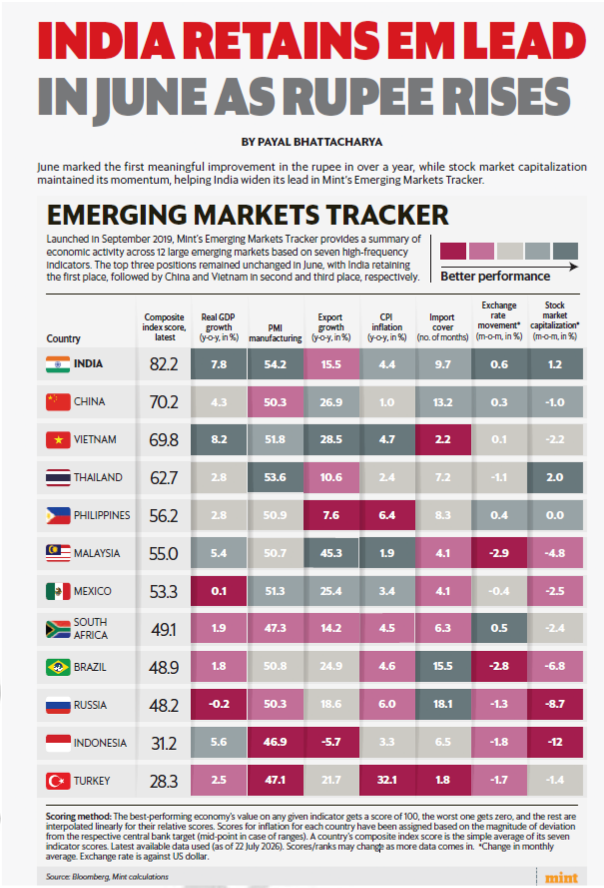
UPSC Relevance

- **GS Paper III (Economy & Science/Tech)**: Indian Economy and issues relating to planning, mobilization of resources, growth, development, and trade policy; Intellectual Property Rights (IPR) issues; Indigenization of technology and pharma sector growth.
- **Key Topics**: Foreign Trade Policy, US-India Bilateral Trade Relations, Generic Drugs vs. Innovator Drugs, US FDA Compliance, Production Linked Incentive (PLI) Scheme for Pharma, and TRIPS Flexibility.

5. India Leads Emerging Markets Tracker Amid Macroeconomic and Currency Resilience

Key Highlights & Summary

- **Top Emerging Market Position**: India retained the first rank in Mint's Emerging Markets Tracker (EMT) for June with a score of 82.2 (and a tracker score of 82.3), widening its lead over China (70.2) and Vietnam (69.8).
- **Macroeconomic Strength**: India recorded a robust Real GDP growth of 7.8% (y-o-y in the March quarter), a manufacturing PMI of 54.2, export growth of 15.5% (y-o-y), and a healthy import cover of 9.7 months.
- **Currency and Financial Sector Rebound**: The Indian Rupee posted a monthly appreciation of 0.6% against the US Dollar in June after months of decline, while domestic stock market capitalization grew by 1.8%.
- **Impact of RBI Swap Facility**: The Reserve Bank of India's (RBI) concessional swap facility for foreign currency non-resident [FCNR (B)] deposits mobilized $20.72 billion between June 8 and July 17, with FCNR (B) deposits accounting for 84% of these inflows.


INDIA RETAINS EM LEAD IN JUNE AS RUPEE RISES

BY PAYAL BHATTACHARYA

June marked the first meaningful improvement in the rupee in over a year, while stock market capitalization maintained its momentum, helping India widen its lead in Mint's Emerging Markets Tracker.

EMERGING MARKETS TRACKER

Launched in September 2019, Mint's Emerging Markets Tracker provides a summary of economic activity across 12 large emerging markets based on seven high-frequency indicators. The top three positions remained unchanged in June, with India retaining the first place, followed by China and Vietnam in second and third place, respectively.

Better performance

Country	Composite index score, latest	Real GDP growth (y-o-y, in %)	PMI manufacturing	Export growth (y-o-y, in %)	CPI inflation (y-o-y, in %)	Import cover (no. of months)	Exchange rate movement* (m-o-m, in %)	Stock market capitalization* (m-o-m, in %)
INDIA	82.2	7.8	54.2	15.5	4.4	9.7	0.6	1.2
CHINA	70.2	4.3	50.3	26.9	1.0	13.2	0.3	-1.0
VIETNAM	69.8	8.2	51.8	28.5	4.7	2.2	0.1	-2.2
THAILAND	62.7	2.8	53.6	10.6	2.4	7.2	-1.1	2.0
PHILIPPINES	56.2	2.8	50.9	7.6	6.4	8.3	0.4	0.0
MALAYSIA	55.0	5.4	50.7	45.3	1.9	4.1	-2.9	-4.8
MEXICO	53.3	0.1	51.3	25.4	3.4	4.1	-0.4	-2.5
SOUTH AFRICA	49.1	1.9	47.3	14.2	4.5	6.3	0.5	-2.4
BRAZIL	48.9	1.8	50.8	24.9	4.6	15.5	-2.8	-6.8
RUSSIA	48.2	-0.2	50.3	18.6	6.0	18.1	-1.3	-8.7
INDONESIA	31.2	5.6	46.9	-5.7	3.3	6.5	-1.8	-12
TURKEY	28.3	2.5	47.1	21.7	32.1	1.8	-1.7	-1.4

Scoring method: The best-performing economy's value on any given indicator gets a score of 100, the worst one gets zero, and the rest are interpolated linearly for their relative scores. Scores for inflation for each country have been assigned based on the magnitude of deviation from the respective central bank target (mid-point in case of ranges). A country's composite index score is the simple average of its seven indicator scores. Latest available data used (as of 22 July 2026). Scores/ranks may change as more data comes in. *Change in monthly average. Exchange rate is against US dollar.

Source: Bloomberg, Mint calculations

mint

- **External Sector Buffers**: FPI inflows and FCNR (B) mobilizations reduced current account deficit (CAD) pressures—now projected at 1.2–1.7% of GDP for FY27—while providing the RBI additional foreign exchange firepower.
- **Transient vs. Long-term Impact**: Economists caution that FCNR (B) inflows function as a liquidity bridge rather than a permanent financing source, making long-term stability dependent on sustained organic capital flows.

Essential Definitions

- **Emerging Markets Tracker (EMT)**: A comparative framework using high-frequency indicators—including GDP growth, manufacturing PMI, export growth, CPI inflation, import cover, exchange rates, and stock market capitalization—to rank relative economic performance.
- **Import Cover**: An external sector indicator denoting the number of months of imports that can be financed by a country's foreign exchange reserves.
- **Current Account Deficit (CAD)**: A trade balance measurement showing that the total value of imported goods, services, and transfers exceeds the total value of exports.

Legal and Constitutional Framework

- **Reserve Bank of India Act, 1934**: Confers authority on the RBI to maintain price stability, manage foreign exchange reserves, and execute currency stabilization measures like foreign exchange swaps.

- **Foreign Exchange Management Act (FEMA), 1999**: Regulates foreign currency accounts, cross-border capital transactions, and NRI deposit schemes like FCNR (B) to maintain orderly foreign exchange markets.
- **Article 292 of the Constitution**: Outlines the executive power of the Union to borrow money or give guarantees upon the security of the Consolidated Fund of India within statutory limits.

Conclusion

India's top performance in the Emerging Markets Tracker reflects strong economic fundamentals and timely monetary intervention through the RBI's foreign exchange swap facility. While these capital inflows provide vital foreign exchange buffers and currency stability, long-term economic resilience requires sustained export growth and steady foreign direct investment to insulate against global macroeconomic volatility.

UPSC Relevance

- **GS Paper III (Indian Economy)**: Indian Economy and issues relating to planning, mobilization of resources, growth, development, and employment; External Sector, Balance of Payments (BoP), Foreign Exchange Reserves, and Exchange Rate Management.
- **Key Concepts**: Balance of Payments, Foreign Currency Non-Resident (FCNR) Deposits, Import Cover, Foreign Portfolio Investment (FPI), Manufacturing PMI, and RBI Monetary Policy Operations.

6. Quad Foreign Ministers Reaffirm Commitment to Free and Open Indo-Pacific

Key Highlights & Summary

- **Manila Ministerial Meeting**: The Foreign Ministers of the Quadrilateral Security Dialogue (Quad)—India, the US, Australia, and Japan—met in Manila, Philippines, to review the Indo-Pacific landscape and advance regional cooperation.
- **Reaffirmation of ASEAN Centrality**: The ministers reaffirmed their unwavering commitment to a "Free and Open Indo-Pacific" (FOIP) anchored in ASEAN unity and centrality, pledging support for the ASEAN Outlook on the Indo-Pacific (AOIP).
- **Emphasis on Rules-Based Order**: The grouping underscored that peace, stability, sovereignty, territorial integrity, and adherence to international law in the maritime domain underpin regional prosperity.

- **Core Areas of Collaboration**: Discussions focused on maritime and transnational security, economic prosperity and resilience, critical and emerging technologies, and Humanitarian Assistance and Disaster Relief (HADR).
- **Countering Coercive Actions**: Member nations opposed unilateral attempts to alter the status quo by force or coercion, keeping in view expanding assertive maritime actions and supply chain vulnerabilities.
- **Focus on Denuclearisation**: Quad members expressed commitment to the complete denuclearisation of North Korea and voiced concern over export restrictions on critical minerals affecting global trade stability.

Essential Definitions

- **Quadrilateral Security Dialogue (Quad)**: An informal strategic diplomatic forum comprising India, the United States, Japan, and Australia focused on ensuring a free, open, inclusive, and rules-based Indo-Pacific region.
- **ASEAN Centrality**: The principle that the Association of Southeast Asian Nations (ASEAN) must remain the primary driving force, platform, and anchor in shaping regional architecture and security cooperation.
- **ASEAN Outlook on the Indo-Pacific (AOIP)**: A diplomatic framework adopted by ASEAN to guide regional engagement, emphasizing openness, inclusivity, transparency, and respect for international law.

Legal and Constitutional Framework

- **Article 51 of the Indian Constitution**: Part IV (Directive Principles of State Policy) directs the State to promote international peace and security, maintain just and honorable relations between nations, and foster respect for international law and treaty obligations.
- **UNCLOS (1982)**: The United Nations Convention on the Law of the Sea serves as the international legal framework governing maritime rights, freedom of navigation, overflight, and sovereign rights within Exclusive Economic Zones (EEZ).
- **India's Act East Policy & SAGAR Vision**: The policy framework for engaging Southeast Asia and the Indo-Pacific, guided by Security and Growth for All in the Region (SAGAR) and the Indo-Pacific Oceans Initiative (IPOI).

Conclusion

The Quad Foreign Ministers' Meeting in Manila reinforces the grouping's transition from a security-centric dialogue to a comprehensive strategic partnership supporting regional stability. By aligning Quad initiatives with ASEAN priorities and upholding international law, member nations strengthen collective deterrence against unilateral aggression while delivering public goods across the Indo-Pacific.

UPSC Relevance

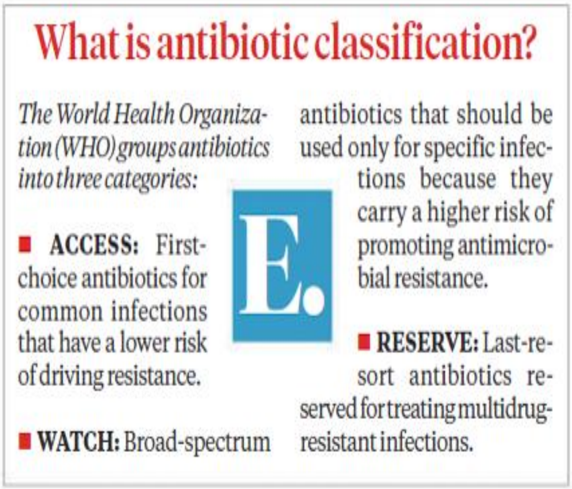
- **GS Paper II (International Relations)**: Bilateral, regional, and global groupings and agreements involving India and/or affecting India's interests; Effect of policies and politics of developed and developing countries on India's interests.
- **Key Topics**: Quad Framework, ASEAN-India Relations, Maritime Security in the Indo-Pacific, UNCLOS Compliance, Rule-Based International Order, and Critical Supply Chains.

7. Overuse of Broad-Spectrum 'Watch' Antibiotics in India

Key Highlights & Summary

- **Imbalance in Consumption**: A study published in *The Lancet Public Health* reveals that antibiotic usage in India is heavily skewed toward broad-spectrum 'Watch' group drugs, leading to unnecessary exposure and driving antimicrobial resistance.
- **Discrepancy in Usage vs. Need**: While India's estimated ideal antibiotic requirement is 14.7 Defined Daily Doses (DID) per 1,000 people per day, actual consumption stands at 18.3 DID.

- **Dominance of 'Watch' Group**: Only 27% of antibiotic usage in India comes from the 'Access' category (against an estimated requirement of 52.3%), whereas 'Watch' antibiotics constitute 9.3 DID out of total consumption.
- **Empiric Prescribing**: A National Centre for Disease Control (NCDC) survey across 20 tertiary care hospitals showed nearly 75% of hospitalized patients received antibiotics, with only 6% based on microbiological culture confirmation.



What is antibiotic classification?

The World Health Organization (WHO) groups antibiotics into three categories:

- **ACCESS:** First-choice antibiotics for common infections that have a lower risk of driving resistance.
- **WATCH:** Broad-spectrum antibiotics that should be used only for specific infections because they carry a higher risk of promoting antimicrobial resistance.
- **RESERVE:** Last-resort antibiotics reserved for treating multidrug-resistant infections.

- **Prophylactic Misuse**: Over half (55%) of antibiotic prescriptions were meant for prophylaxis rather than active infection treatment, alongside issues like duplicate coverage and unrecommended fixed-dose combinations.
- **Underutilization of 'Reserve' Drugs**: Despite a high burden of multidrug-resistant infections, 'Reserve' category antibiotics remain underused (0.19 DID actual vs. 0.99 DID estimated requirement).

Essential Definitions

- **AWaRe Classification**: A World Health Organization (WHO) framework categorizing antibiotics into Access (first-choice, low resistance risk), Watch (broad-spectrum, higher resistance risk), and Reserve (last-resort for multidrug-resistant pathogens).
- **Antimicrobial Resistance (AMR)**: The mechanism where bacteria, viruses, fungi, and parasites evolve over time, rendering standard antimicrobial medications ineffective against common infections.
- **Defined Daily Dose (DID)**: A statistical unit of measurement defined by the WHO representing the assumed average maintenance dose per day for a drug used for its main indication per 1,000 inhabitants.

Legal and Constitutional Framework

- **Article 47 of the Constitution**: Part IV (Directive Principles of State Policy) obligates the State to raise the level of nutrition, the standard of living, and improve public health as a primary duty.
- **Drugs and Cosmetics Rules, 1945 (Schedule H1)**: Mandates strict regulation over-the-counter dispensing of third- and fourth-generation antibiotics, requiring explicit prescription and register maintenance.
- **National Action Plan on AMR (NAP-AMR 2.0)**: Coordinates multi-sectoral strategies across human, animal, and environmental domains under a 'One Health' approach to contain resistance.

Conclusion

The disproportionate reliance on 'Watch' antibiotics over 'Access' drugs poses a severe threat to public health in India by accelerating drug resistance. Curbing irrational prescribing patterns requires enforcing strict diagnostic-based administration, strengthening antimicrobial stewardship in hospitals, and tightening regulatory oversight on over-the-counter sales.

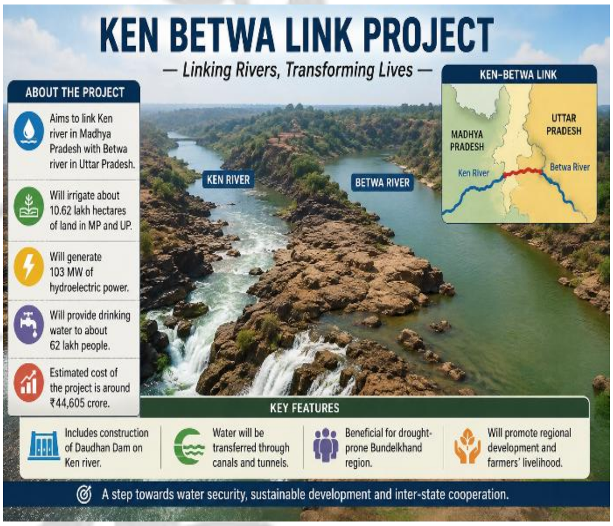
UPSC Relevance

- **GS Paper II & III (Public Health & Governance, Science & Technology)**: Issues relating to development and management of Social Sector/Health; Technology Indigenization, Biotechnology, and Health Security.
- **Key Topics**: Antimicrobial Resistance (AMR), WHO AWaRe Classification, Schedule H1 Regulation, National Action Plan on AMR (NAP-AMR), One Health Concept, and Rational Drug Usage.

8. Ken-Betwa Link Project: Probe Ordered into Rehabilitation Complaints

Key Highlights & Summary

- **Probe Ordered**: The Madhya Pradesh government announced a official inquiry into complaints alleging large-scale irregularities in compensation, land acquisition, and rehabilitation under the ₹44,605-crore Ken-Betwa Link Project (KBLP).
- **Time-Bound Resolution**: Chief Minister Mohan Yadav committed to resolving all displacement and compensation complaints "within a month" following allegations raised by the Opposition in the State Assembly.



- **Extensive Displacement**: Government records confirm 1,321 families across seven villages in Panna district face displacement, while 3,718 families across 14 villages in Chhatarpur district are affected by submergence or land acquisition.
- **Omission & Re-Surveys**: Following complaints of eligible families being omitted, fresh village-wise survey teams conducted re-surveys, adding 638 additional families to the beneficiary list in Chhatarpur district alone.
- **National Significance**: KBLP is India's first flagship inter-basin river-linking project, designed to transfer surplus water from the Ken River in MP to the Betwa River in UP, irrigating over 9 lakh hectares in drought-prone Bundelkhand.
- **Local Discontent**: Villagers in Daudhan, Palkhua, and Sukwaha have staged protests over uneven benefit distribution, improper compensation assessments, and police action against demonstrators.

Essential Definitions

- **Inter-Basin Water Transfer**: The movement of surface water from a water-surplus river basin to a water-deficit basin through artificial structures like canals, tunnels, and reservoirs.
- **Submergence Zone**: The geographical area around a dam or reservoir that permanently or periodically gets flooded upon water storage, necessitating relocation.
- **Gram Sabha**: A body consisting of persons registered in the electoral rolls relating to a village comprised within the area of a Panchayat at the village level.

Legal and Constitutional Framework

- **RFCTLARR Act, 2013**: The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 governs land acquisition and mandates social impact assessments and rehabilitation for affected families.
- **Article 243G & PESA Act, 1996**: Empowers Gram Sabhas in Scheduled Areas to exercise control over land acquisition, consultation process, and rehabilitation of displaced socio-economic communities.
- **Wildlife Protection Act, 1972**: Applies due to the submergence of core habitat inside the Panna Tiger Reserve, requiring strict environmental, forestry, and wildlife clearances.

Conclusion

While the Ken-Betwa Link Project holds strategic importance for mitigating drought in Bundelkhand, its execution must balance infrastructure goals with social justice. Ensuring transparent rehabilitation surveys, fair compensation under statutory guidelines, and meaningful Gram Sabha consultation is vital to preventing social unrest and setting a sustainable precedent for future national river-interlinking projects.

UPSC Relevance

- **GS Paper II & III (Governance, Environment & Economy)**: Development processes and the development industry—the role of NGOs, SHGs, and various stakeholders; Infrastructure: Water Resources; Disaster Management, Land Reforms, and Environmental Impact Assessment (EIA).
- **Key Topics**: National River Linking Project (NRLP), Ken-Betwa Interlinkage, RFCTLARR Act 2013, Panna Tiger Reserve Ecology, Rehabilitation & Resettlement (R&R) Challenges, and Tribal Rights under PESA.

9. Strategic Imperative in India–US Trade Negotiations

Key Highlights & Summary

- **Strategy Over Expediency**: India–US trade negotiations must prioritize long-term strategic posture, policy flexibility, and institutional independence rather than settling for tactical, short-term economic gains.
- **Limits of Political Chemistry**: Bilateral trade relations extend beyond political goodwill, requiring pragmatic policy, mutual reciprocity, and an unwavering commitment to domestic economic priorities.

- **Precedential Impact**: Standards accepted in trade deals with the US act as global benchmarks, making it critical to evaluate every clause for its long-term impact over the next decade.
- **Strengthening Internal Standards**: Issues like forced labor should be eliminated through domestic policy reforms to uphold national values and economic integrity, rather than merely complying with external trade pressure.
- **Technological and Sovereign Autonomy**: Future trade terms must protect India's sovereign right to govern its data, control digital trade, regulate emerging technologies, and ensure food and energy security.

- **Democratic Ownership**: High-stakes international trade agreements acquire greater durability and public trust when subjected to domestic scrutiny before becoming binding national commitments.

Essential Definitions

- **Strategic Autonomy**: The capacity of a state to pursue its national interests and foreign policy objectives independently, without being constrained by foreign powers or international alliances.
- **Geoeconomics**: The use of economic instruments—such as tariffs, sanctions, technology restrictions, and export controls—to achieve geopolitical and strategic objectives.
- **Data Sovereignty**: The principle that digital data generated within a country is subject to the laws and governance frameworks of that nation.

Legal and Constitutional Framework

- **Article 253 of the Constitution**: Empowers Parliament to make any law for the whole or any part of the territory of India for implementing any treaty, agreement, or convention with other countries.
- **Article 73 of the Constitution**: Sets the executive power of the Union over international relations and treaty-making, subject to Parliamentary legislation.
- **Foreign Trade (Development and Regulation) Act, 1992**: Authorizes the Central Government to formulate and enforce the Foreign Trade Policy, regulating imports and exports to protect domestic industries.

Conclusion

Navigating trade agreements with major global economies requires balancing open-market access with national sovereignty. India must ensure that short-term economic negotiations do not limit future policy space. Protecting digital governance, technological autonomy, and domestic labor standards ensures that international commitments align with long-term national development goals.

UPSC Relevance

- **GS Paper II & III (International Relations & Economy)**: Bilateral, regional, and global groupings involving India; Effect of policies and politics of developed countries on India's interests; Foreign Trade Policy, IPR, and Data Localisation.
- **Key Topics**: Strategic Autonomy, Geoeconomics, India–US Bilateral Trade, Digital Trade Governance, Article 253, and Supply Chain Resilience.

10. Foreign Contribution Regulation Act (FCRA) and its Impact on India's Science Ecosystem

Key Highlights & Summary

- **Regulatory Bottleneck**: The Foreign Contribution Regulation Act (FCRA) acts as a major structural impediment to India's scientific research ecosystem by placing burdensome compliance requirements on non-governmental research institutions.
- **Impact on Scientific Research Organisations**: Eminent Indian institutions registered as non-profit entities (such as Public Health Foundation of India, Christian Medical College, and ATREE) fall under strict FCRA scrutiny, limiting international research grants.

- **Barriers to Global Collaboration**: FCRA provisions strictly prohibit the repatriation of unspent research funds to international donors and prevent Indian NGOs from lead-hosting international projects that require distributing funds to foreign partners.
- **Prohibition of Sub-Granting**: Amendments introduced in 2020 banned foreign fund transfers between domestic NGOs, ending collaborative models between primary research institutes and grassroots organizations.
- **Suspicion Over Competitive Grants**: Peer-reviewed, competitive foreign research grants (from bodies like the Wellcome Trust or NIH) are treated under the same restrictive framework as unregulated foreign political donations.
- **Need for Tailored Frameworks**: Experts advocate modifying FCRA rules for scientific entities recognized by bodies like the Department of Scientific and Industrial Research (DSIR) to enable global academic collaboration while preserving state oversight.

Essential Definitions

- **Foreign Contribution**: Any donation, delivery, or transfer of foreign currency, securities, or articles made by a foreign source to an individual or association.
- **Sub-Granting**: The practice of redistributing foreign funds from a primary recipient NGO to smaller partner organizations to execute local field research or social projects.
- **Anusandhan National Research Foundation (ANRF)**: A statutory body created to seed, grow, and promote R&D and foster a culture of research across Indian universities and research institutions.

Legal and Constitutional Framework

- **Foreign Contribution (Regulation) Act, 2010 & 2020 Amendments**: Enacted under the purview of the Ministry of Home Affairs to regulate foreign donations and ensure they do not compromise national security or sovereignty.
- **Article 51A(h) of the Constitution**: Part IV-A (Fundamental Duties) mandates every citizen to develop the scientific temper, humanism, and the spirit of inquiry and reform.
- **Article 19(1)(c) of the Constitution**: Guarantees the right to form associations or unions, subject to reasonable restrictions under Article 19(4) in the interests of sovereignty, integrity, or public order.

Conclusion

While safeguarding national sovereignty from illicit foreign influence is essential, blanket regulatory restrictions under FCRA unintentionally impede scientific progress. Creating a distinct regulatory pathway for vetted research institutions will align security priorities with India's goal of becoming a global powerhouse in scientific research.

UPSC Relevance

- **GS Paper II & III (Governance, Security & Science/Tech)**: Development processes and the role of NGOs, civil society, and research bodies; Regulatory framework governing foreign funding; Science and Technology policy, indigenization of technology, and R&D infrastructure.
- **Key Topics**: Foreign Contribution Regulation Act (FCRA), Anusandhan National Research Foundation (ANRF), NGO Governance, Article 19(1)(c), and Scientific Temperament.

11. Centre Opposes Petition Seeking Tax Exemption for Same-Sex Couples

Key Highlights & Summary

- **Centre's Opposition**: The Union government opposed a petition filed by a cohabiting same-sex couple seeking to declare the definition of "relative" and "spouse" under Section 56(2)(x) of the Income Tax Act as unconstitutional.
- **Classification Criteria**: Additional Solicitor General Aravind Kamath argued that tax exemptions under the Act are classified based on legally verifiable marital or direct family relationships rather than sex or gender.
- **Origin of Dispute**: The petition arose after one individual gifted a 22-karat gold bracelet worth ₹1,15,500 to his partner, which was treated as taxable "income from other sources" due to the lack of legal recognition as "relatives".
- **Petitioners' Argument**: The petitioners contended that excluding same-sex partners from the definition of "relative" results in indirect discrimination, denying them equal protection under the law solely on the basis of sex and sexual orientation.
- **Preventing Evasion & Uncertainty**: The government maintained that Parliament confined exemptions to legally verifiable relationships (marriage or blood) to prevent tax evasion and administrative ambiguity.
- **Fundamental Rights Cited**: The petitioners asserted violations of Articles 14, 15, 19(1)(a), and 21 of the Constitution, arguing that taxing expressions of love and affection unfairly penalizes non-heteronormative couples.

Essential Definitions

- **Section 56(2)(x) of Income Tax Act**: A provision taxing any sum of money or property received without consideration (or for inadequate consideration) exceeding ₹50,000 as "income from other sources".
- **Relative (Tax Law)**: Under Section 56, a defined category including a spouse, siblings, lineal ascendants/descendants, and their spouses, whose inter-se gifts are fully exempt from income tax.
- **Indirect Discrimination**: A legal principle where a neutral law or rule disproportionately impacts a specific protected group in practice without explicitly naming them.

Legal and Constitutional Framework

- **Article 14**: Guarantees equality before the law and equal protection of the laws, forbidding arbitrary classification without an intelligible differentia.
- **Article 15(1)**: Prohibits discrimination by the State against any citizen on grounds only of religion, race, caste, sex, place of birth, or any of them.
- **Article 21**: Protects the right to life and personal liberty, which includes the right to privacy, dignity, and personal relationships as recognized in the *Navtej Singh Johar* case.
- **Income Tax Act, 1961**: The statutory framework governing direct taxes in India, including specific definitions for personal exemptions and deductions.

Conclusion

The legal challenge highlights the growing friction between traditional statutory definitions under fiscal laws and evolving socio-legal recognitions of same-sex relationships. Resolving whether tax exemptions should extend to non-traditional partners requires balancing tax administration clarity against constitutional guarantees of non-discrimination and personal dignity.

UPSC Relevance

- **GS Paper II (Polity & Governance)**: Structure, organization, and functioning of the Judiciary; Fundamental Rights (Articles 14, 15, and 21); Issues relating to LGBTQIA+ rights and social justice.
- **Key Topics**: Section 56(2)(x) of Income Tax Act, Constitutional Validity of Tax Exemptions, Navtej Singh Johar Judgment, Equal Protection of Laws, and Indirect Discrimination.

12. India Stands Firm Against Plurilateral Pacts at the WTO

Key Highlights & Summary

- **Opposition to Plurilateral Agreements**: India remains one of the few major economies steadfastly opposing plurilateral agreements on e-commerce and investment facilitation at the World Trade Organization (WTO).
- **Scrutiny at Trade Policy Review**: During India's Trade Policy Review, key developed and developing members—including the EU, Canada, UK, Cambodia, and Gambia—questioned New Delhi's stance, arguing that plurilaterals modernize WTO rules rather than undermine multilateralism.

- **Preserving Consensus-Based Governance**: India maintains that plurilateral pacts bypass the core WTO mandate of consensus-based decision-making and risk fragmenting the multilateral trading system to suit exclusive interest groups.
- **Investment Facilitation for Development (IFD)**: India emerged as a primary holdout against incorporating the IFD agreement as an Annex 4 Plurilateral Agreement during MC14 in Yaoundé, asserting that investment regulation falls outside WTO's core trade mandate.
- **Challenge to E-Commerce Interim Deals**: India questioned the legal basis under which 66 WTO members adopted interim arrangements on Electronic Commerce, arguing that assigning the WTO Director-General as a depository bypasses standard Marrakesh Agreement protocols.
- **Annex 4 Consensus Requirement**: Under the Marrakesh Agreement, adding a new plurilateral trade agreement to Annex 4 requires explicit, unanimous consensus among all 164 WTO member states, a threshold India refuses to yield.

Essential Definitions

- **Plurilateral Trade Agreements**: Agreements negotiated among a subset of WTO members that create binding rights and obligations exclusively for signatories, unlike multilateral agreements binding on all members.
- **Investment Facilitation for Development (IFD)**: A proposed WTO initiative supported by over 120 members aimed at streamlining investment procedures, improving transparency, and fostering sustainable cross-border investments.

- **Annex 4 (Marrakesh Agreement)**: The legal schedule within the WTO agreement framework reserved for plurilateral trade agreements that require full membership consensus to be officially recognized.

Legal and Constitutional Framework

- **Marrakesh Agreement Establishing the WTO (1994)**: Article X:9 dictates that plurilateral agreements can only be added to Annex 4 upon explicit consensus of all WTO members.
- **Article 253 of the Indian Constitution**: Empowers Parliament to legislate for implementing international treaties, agreements, or conventions, protecting domestic policy space against external mandates.
- **Foreign Trade (Development and Regulation) Act, 1992**: Provides the statutory structure governing India's foreign trade policies, export-import controls, and compliance with international trade treaties.

Conclusion

India's principled opposition to WTO plurilateral agreements balances its defense of multilateralism with the protection of policy space for developing nations. By insisting on strict adherence to consensus-based decision-making under the Marrakesh Agreement, New Delhi ensures that international trade rules remain inclusive and equitable, safeguarding domestic regulatory freedom in sensitive sectors like e-commerce and investment.

UPSC Relevance

- **GS Paper II & III (International Relations & Economy)**: Important International institutions, agencies, and fora—their structure, mandate, and functioning; Effects of policies and politics of developed and developing countries on India's interests; World Trade Organization (WTO) issues and trade negotiations.
- **Key Topics**: Plurilateral vs. Multilateral Trade Agreements, Marrakesh Agreement Annex 4, Investment Facilitation for Development (IFD), WTO E-Commerce Moratorium, and Article 253.