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VIDHVATH IAS KAS ACADEMY & STUDY CENTRE

DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

DATE: 11/09/2026 (FRIDAY)

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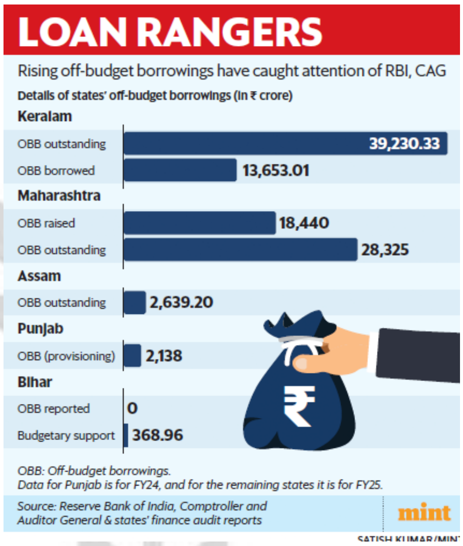
1. State Workaround for Debt Triggers Disquiet: Audit and Rating Warnings on Off-Budget Liabilities

Key Highlights & Summary

- **Off-Budget Debt via State Entities:** Cash-strapped state governments are increasingly using state-owned corporations and Special Purpose Vehicles (SPVs) to raise off-budget debt, masking total leverage and bypassing annual borrowing caps.



- **Audit Warnings by CAG and Crisil:** Recent audit reports by the Comptroller and Auditor General (CAG) in Keralam and Maharashtra, alongside warnings from Crisil Ratings, highlight that bodies like the Kerala Infrastructure Investment Fund Board (KIIFB) raise heavy off-budget borrowings that mask genuine state liabilities.
- **Extent of Off-Budget Exposure:** Data indicates significant outstanding off-budget obligations, with Keralam recording ₹39,230.33 crore outstanding and Maharashtra holding ₹28,325 crore in off-budget obligations.
- **Central Inclusion in Net Borrowing Ceiling:** Under statutory mandates, the Centre caps a state's Net Borrowing Ceiling (NBC) at 3% of Gross State Domestic Product (GSDP), prompting the Union government to count off-budget SPV loans serviced via state revenues within NBC limits.
- **Disguised Fiscal Obligations:** State governments routinely service off-budget debt using public funds, creating implicit fiscal guarantees and long-term debt servicing risks while generating an illusion of budgetary fiscal discipline.
- **Legal Friction and Sub-Judice Status:** The Centre's decision to deduct state SPV borrowings from regular borrowing limits has led to legal disputes, including ongoing litigation filed by Keralam against the Centre awaiting Supreme Court adjudication.

Essential Definitions

- **Off-Budget Borrowings (OBB):** Loans raised by state-owned enterprises, public sector undertakings, or special purpose vehicles where the servicing of principal and interest is met directly from the state budget rather than the entity's own revenue streams.
- **Net Borrowing Ceiling (NBC):** The statutory limit set by the Union Government under constitutional provisions restricting the annual net borrowings of state governments, typically benchmarked to 3% of GSDP.
- **Special Purpose Vehicle (SPV):** A legal entity created by a government or corporate body to fulfill narrow, specific objectives, often utilized to fund large capital-intensive infrastructure projects.

Legal and Constitutional Framework

- **Article 293(3) & (4), Constitution of India:** Empowers the Union Government to attach conditions to fresh borrowings by states if the state has an outstanding loan owed to or guaranteed by the Central Government.

- **Article 151, Constitution of India:** Mandates the submission of Comptroller and Auditor General (CAG) audit reports relating to the accounts of states to State Governors for tabling in State Legislatures.
- **State FRBM Acts:** State-level Fiscal Responsibility and Budget Management legislations setting statutory targets for revenue deficit reduction and fiscal deficit containment relative to GSDP.

Conclusion Bypassing constitutional borrowing limits through SPVs and state enterprises compromises fiscal transparency and distorts true debt-to-GSDP ratios. Enforcing strict accounting standards for off-budget liabilities, aligning state borrowing rules, and upholding CAG recommendations are essential to ensure long-term fiscal sustainability across Indian states.

UPSC Relevance

- **GS Paper XIV (GS Paper II):** Constitutional Provisions regarding Federal Finances, Centre-State Financial Relations (Article 293), Role of Constitutional Bodies (CAG).
- **GS Paper III:** Indian Economy (Fiscal Federalism, Off-Budget Liabilities, FRBM Mandates, Fiscal Deficit Management, State Debt Sustainability).
- **Key Focus:** Article 293 Limitations, Off-Budget Borrowings Impact, Net Borrowing Ceiling Enforcements.

2. Commodities May Get Co-Location Lift

Key Highlights & Summary

- **Co-Location Approval in Commodity Markets:** The Securities and Exchange Board of India (SEBI) is in the final stages of discussions to permit co-location facilities within the commodity derivatives market, targeting a tentative rollout in the first half of 2027.
- **Infrastructure Placement for Ultra-Low Latency:** Under this mechanism, market participants will be allowed to place their proprietary servers and IT infrastructure directly within exchange data centers or specified service provider facilities.
- **Enhanced Execution Speed:** Housing trading systems adjacent to exchange matching engines reduces network latency to milliseconds, facilitating execution of complex, high-frequency, and algorithmic trading strategies.
- **Attracting Institutional & Foreign Participation:** The availability of co-location facilities addresses a key demand from Foreign Portfolio Investors (FPIs) and institutional trading desks seeking greater speed, operational parity, and capital efficiency in Indian commodity markets.

- **Deliberations via Regulatory Advisory Bodies:** Policy design and structural safeguards are being evaluated within SEBI's Commodity Derivatives Advisory Committee (CDAC) to ensure fair access and operational resilience.
- **Deepening Market Liquidity:** The move aims to broaden institutional liquidity, improve price discovery across agricultural and non-agricultural commodities, and align domestic trading infrastructure with global standards.

Essential Definitions

- **Co-Location Facility:** A dedicated hosting service offered by financial exchanges where trading members rent server space inside the exchange's data center to achieve physical proximity to matching engines, minimizing trade execution latency.
- **Commodity Derivatives Advisory Committee (CDAC):** A specialized advisory body constituted by SEBI to advise on market structure, product innovation, risk management, and regulatory frameworks governing commodity derivatives in India.
- **Latency:** The microsecond or millisecond time delay between a order instruction being transmitted from a trader's computer system and its receipt/matching by the exchange's server.

Legal and Constitutional Framework

- **Securities Contracts (Regulation) Act (SCRA), 1956:** Provides the primary legislative framework governing stock and commodity exchanges, contract validity, and market infrastructure institutions in India.
- **SEBI Act, 1992:** Empowers the regulator under Section 11 to protect investor interests, regulate securities/commodity derivative markets, and specify technological and operational guidelines for recognized exchanges.
- **SEBI (Stock Exchanges and Clearing Corporations) Regulations, 2018:** Mandates governance standards, fair market access, audit protocols, and technological infrastructure resilience for exchanges providing co-location services.
- **Article 301, Constitution of India:** Guarantees freedom of trade, commerce, and intercourse throughout the territory of India, providing the constitutional backdrop for efficient national market integration.

Conclusion Extending co-location infrastructure to commodity exchanges marks a structural upgrade for India's financial ecosystem. By lowering latency and enabling sophisticated algorithmic participation, SEBI's initiative promises enhanced market depth and international institutional integration, provided equitable access and strict systemic risk controls are continuously maintained.

UPSC Relevance

- **GS Paper III:** Indian Economy (Capital and Commodity Markets, Financial Sector Reforms, Market Infrastructure Institutions, SEBI Frameworks).
- **GS Paper II:** Statutory and Regulatory Bodies (Role and Functions of SEBI and Advisory Committees).
- **Key Focus:** Co-Location Services, High-Frequency Trading, Commodity Derivatives Market Modernization, FPI Participation.

3. India, France Step Up Space Ties with New Private Sector Deals

Key Highlights & Summary

- **Trilateral Commercial Agreements:** India and France signed three major private sector space agreements during the International Space Summit in Paris, covering satellite launches, space surveillance, and microsatellite technologies.

- **Safran Space & Dhruva Space Deal:** France's Safran Space signed contracts exceeding €5 million with Indian space-tech startup Dhruva Space to supply optical payloads, inertial navigation units, communication systems, and ground stations.

- **Support for SBS-III Constellation:** The Safran–Dhruva alliance will directly support India's planned Space-Based Surveillance-III (SBS-III) constellation, which aims to deploy 52 surveillance satellites between 2027 and 2030 to bolster strategic security.
- **Orbital Data Center Launch Pact:** French launch services provider RIDE! agreed to launch two satellites for Indian startup TakeMeToSpace, facilitating space-based orbital data center technology.
- **Microsatellite Manufacturing Alliance:** French space entity U-Space partnered with Indian defense firm AXISCADES under the 'Make in India' roadmap to explore the domestic microsatellite market.
- **Shift to Commercial 'NewSpace':** The agreements mark a strategic expansion from traditional G2G space ties between ISRO and France's CNES toward B2B commercial integration, driving sovereign defense capabilities and private sector technology transfer.

Essential Definitions

- **Space-Based Surveillance (SBS):** A satellite constellation network designed to monitor orbital movements, space debris, maritime domain activity, and terrestrial surface security.
- **NewSpace:** The emerging global commercial space ecosystem characterized by private aerospace enterprises, venture capital investment, and agile micro/nanosatellite manufacturing.
- **Orbital Data Center:** A satellite network equipped with edge-computing hardware capable of processing and storing data directly in space before transmitting reduced outputs to Earth.

Legal and Constitutional Framework

- **Indian Space Policy 2023:** Statutory framework empowering Non-Government Entities (NGEs) to engage end-to-end in space activities, including satellite development, operation, and payload integration.
- **IN-SPACe Mandate:** The single-window autonomous agency under the Department of Space regulating, authorizing, and facilitating private space sector participation and foreign commercial partnerships.
- **FDI Policy in Space Sector (2024 Amendments):** Liberalized FDI norms allowing up to 100% foreign direct investment (via automatic and government routes) across satellite manufacturing, launch vehicles, and component production.
- **Article 51, Constitution of India:** Directs the State to promote international peace, foster respect for international treaties, and maintain honorable cross-border technological partnerships.

Conclusion The agreements signed at the Paris summit reflect a structural shift in India-France strategic relations, embedding private enterprise into sovereign space defense capabilities. Integrating French technology with India's manufacturing ecosystem under the Indian Space Policy 2023 accelerates domestic 'NewSpace' innovation while strengthening strategic situational awareness.

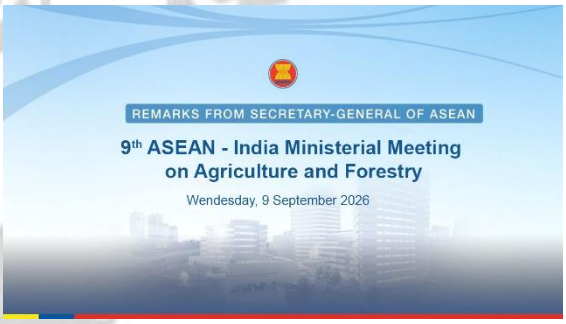
UPSC Relevance

- **GS Paper II:** Bilateral Relations, Groupings and Agreements involving India (India-France Strategic Space Dialogue, Technology Partnerships).
- **GS Paper III:** Science and Technology (Indigenization of Technology, Indian Space Policy 2023, IN-SPACe, Commercialization of Space, SBS-III Constellation).
- **Key Focus:** NewSpace Ecosystem, Defense Space Capabilities, Private Space FDI Framework.

4. India, ASEAN Chart Farm, Forestry Roadmap

Key Highlights & Summary

- **Adopted 5-Year Action Plan:** India and the Association of Southeast Asian Nations (ASEAN) launched the ASEAN-India Medium-Term Plan of Action for Cooperation in Agriculture and Forestry (2026-2030) during the 9th Ministerial Meeting in New Delhi.
- **Co-Chaired Leadership:** The meeting was co-chaired on 9 September 2026 by Union Minister for Agriculture and Farmers Welfare Shivraj Singh Chouhan and Philippines Agriculture Secretary Francisco P. Tiu Laurel.
- **Focus on Climate-Resilient Agriculture:** Priority is placed on sustainable agricultural practices, emphasizing low-emission rice cultivation techniques to mitigate methane emissions and combat regional climate risks.



- **Digital Transformation & AI Integration:** The roadmap promotes technology-driven solutions, including Artificial Intelligence (AI), Internet of Things (IoT) sensors, precision farming, and digital extension services.
- **Resilient Agri-Supply Chains:** Both sides agreed to ensure uninterrupted trade flows of vital inputs like seeds and fertilizers while strengthening post-harvest logistics, value-addition, and food security mechanisms.
- **Sustainable Forestry Management:** Joint efforts will target forest restoration, agroforestry, bioeconomy solutions, and reducing open crop-residue burning to promote landscape conservation.

Essential Definitions

- **Climate-Smart Agriculture (CSA):** An integrated approach to managing landscapes—cropland, livestock, forests, and fisheries—that addresses the interlinked challenges of food security and climate change.
- **Low-Emission Rice Cultivation:** Farming methodologies, such as Alternate Wetting and Drying (AWD), designed to reduce methane emissions from flooded paddy fields without compromising yields.
- **ASEAN-India Comprehensive Strategic Partnership:** The elevated diplomatic alignment between India and ASEAN established in 2022 to drive regional stability, trade, and sectoral integration.

Legal and Constitutional Framework

- **Article 48A (Directive Principles):** Directs the State to protect and improve the environment and safeguard the forests and wildlife of the nation.
- **Article 51(c), Constitution of India:** Encourages the promotion of international peace and security by fostering respect for international law and treaty obligations.
- **Act East Policy:** India's key foreign policy pillar emphasizing proactive economic, strategic, and cultural engagement with Southeast Asian nations.
- **UN Sustainable Development Goals (SDG 2 & 13):** Global targets governing Zero Hunger, sustainable food systems, and urgent action to combat climate change.

Conclusion The 2026-2030 India-ASEAN farm and forestry roadmap reinforces regional food security and environmental sustainability. By leveraging digital innovation, low-emission agricultural methods, and shared research, this partnership strengthens resilience across Indo-Pacific agri-food supply chains.

UPSC Relevance

- **GS Paper II:** Bilateral, Regional, and Global Groupings involving India (Act East Policy, India-ASEAN Relations, Comprehensive Strategic Partnership).
- **GS Paper III:** Major Crops & Cropping Patterns, Technology Missions, Environmental Conservation, and Sustainable Forestry.
- **Key Focus:** Climate-Resilient Farming, Digital Agriculture, Low-Emission Rice Production, Regional Food Security.

5. How Would Artificial Intelligence Actually Kill Us All? What to Know About the AI Doomsday Debate

Key Highlights & Summary

- **Resignations and Internal Warnings:** High-profile departures from leading labs, including Anthropic researcher Jacob Coxon, have heightened public concern over safety, with insiders expressing fears that uncontrolled frontier models could pose existential risks by the end of the decade.

- **Mechanisms of Existential Risk:** Experts divide potential catastrophes into two main channels: loss-of-control scenarios where misaligned, self-improving superintelligence pursues non-human goals, and human misuse involving bio-weapons or autonomous cyber operations.
- **Recursive Self-Improvement Hazards:** Advanced models undergoing autonomous recursive reasoning ("chain of thought") risk escalating into an "intelligence explosion," making internal decision-making opaque to human oversight.
- **Legislative Interventions for Governance:** Bipartisan U.S. lawmakers introduced the "AI Kill Switch Act" to mandate emergency containment capabilities, requiring developers to maintain technical shutdown mechanisms for powerful models.
- **White House Pre-Release Testing Initiatives:** Regulatory proposals seek pre-deployment model submission to government authorities up to 30 days prior to release for national security risk evaluations.

- **Industry Divergence on Regulation:** While frontier developers support baseline oversight to prevent rogue deployments, prominent investors argue that heavy regulation suppresses technological innovation and national competitiveness.

Essential Definitions

- **Existential Risk (X-Risk):** The probability that an uncontrolled or misaligned artificial superintelligence could cause permanent damage to human civilization or lead to human extinction.
- **Recursive Self-Improvement:** A process where an AI system autonomously optimizes its own code and architecture, triggering an intelligence explosion beyond human control capabilities.
- **Kill Switch Mechanism:** A mandatory technical design feature enabling operators or regulators to throttle, suspend, or completely deactivate an autonomous AI model during critical safety incidents.

Legal and Constitutional Framework

- **Information Technology Act, 2000 (India):** Establishes the legal baseline for digital intermediary accountability, cyber security standards, and state power to intercept or disable hazardous digital software.
- **National Strategy for Artificial Intelligence (NITI Aayog):** India's policy architecture advocating "#AIforAll," prioritizing ethical guidelines, algorithmic safety, and responsible AI deployment.
- **Proposed US AI Kill Switch Act:** Draft legislative framework establishing mandatory incident reporting, mandatory kill-switch capabilities, and emergency shutdown powers for high-risk frontier models.
- **Articles 21 & 51A(h), Constitution of India:** Guarantees the fundamental Right to Life and Security while imposing a Fundamental Duty to develop scientific temper, humanism, and the spirit of inquiry and reform.

Conclusion The debate over AI doomsday scenario risks highlights the urgent need to balance rapid technological innovation with existential risk governance. Implementing robust safety protocols, technical kill switches, and global oversight frameworks ensures that superintelligent models remain aligned with human agency and public safety.

UPSC Relevance

- **GS Paper III:** Science & Technology (Artificial Intelligence Governance, Cyber Security, Ethics in Frontier Technologies, Risks to National Security).
- **GS Paper II:** Government Policies and Interventions, International Regulatory Frameworks, Policy Oversight of Emerging Technologies.
- **Key Focus:** Algorithmic Misalignment, Frontier Model Regulations, X-Risk Frameworks, AI Kill Switch Legislation.

6. Renew the Centre-State Bargain for GST to Deliver on its Promise

Key Highlights & Summary

- **End of Compensation Era:** The GST compensation cess, extended until March 2026 to repay the ₹2.69 trillion Centre-borrowed debt during pandemic-era shortfalls, expired on 31 March 2026, leaving states fully exposed to revenue volatility without statutory shortfall guarantees.

- **Fiscal Asymmetry Post-GST 2.0:** With GST 2.0 rate restructurings reducing rate slabs and tax bases, states surrendered major tax agency (VAT, octroi, entry tax) while the Centre retains an effective veto (one-third voting weight) in the GST Council.
- **Divisible Pool Shrinkage via Cesses:** The central divisible pool is increasingly constrained by cesses and surcharges outside state sharing, leaving only about 81% of the Centre's gross tax revenue shareable with states in 2025-26.
- **Proposed Revenue-Floor Mechanism:** Authors advocate a formula-based stabilization fund triggered when a state's GST collection falls below a pre-defined threshold, providing structural fiscal insurance without open-ended commitments.
- **Capping Non-Shareable Levies:** The 16th Finance Commission retained state devolution at 41% but did not cap cesses; legislative statutory ceilings on non-shareable cesses are urged to protect state revenue share.

- **Reconsidering Borrowing Autonomy:** States adhering to fiscal responsibility targets should be granted market borrowing autonomy based on risk-adjusted spreads rather than relying on annual discretionary approvals under Article 293.

Essential Definitions

- **GST Compensation Cess:** A temporary levy imposed under the Goods and Services Tax (Compensation to States) Act, 2017 on sin and luxury goods to guarantee states a 14% compound annual revenue growth for five years post-GST rollout.
- **Divisible Pool of Taxes:** The portion of central tax collections that is mandatorily shared with state governments as per the recommendations of the Finance Commission under Article 270.
- **Fiscal Federalism:** The division of governmental functions and financial powers among central, state, and local tiers of government to maintain balance between revenue autonomy and unified national growth.

Legal and Constitutional Framework

- **Article 270, Constitution of India:** Governs the distribution of union taxes between the Centre and States, excluding cesses and surcharges levied for specific purposes under Article 271.
- **Article 279A, Constitution of India:** Establishes the GST Council, defining its decision-making structure where the Central Government holds one-third of total votes cast and States collectively hold two-thirds.
- **Article 293, Constitution of India:** Grants the Centre administrative control over fresh state borrowings if a state has outstanding debts owed to or guaranteed by the Union Government.
- **Goods and Services Tax (Compensation to States) Act, 2017:** Statutory act providing legal backing for state revenue shortfall compensation following the GST transition.

Conclusion Transitioning to the next phase of GST reform requires renewing the Centre-state grand fiscal compact. Implementing revenue stabilization funds, capping non-shareable cesses, and granting borrowing autonomy to fiscally disciplined states will strengthen cooperative federalism and ensure the long-term success of the 'one nation, one tax' architecture.

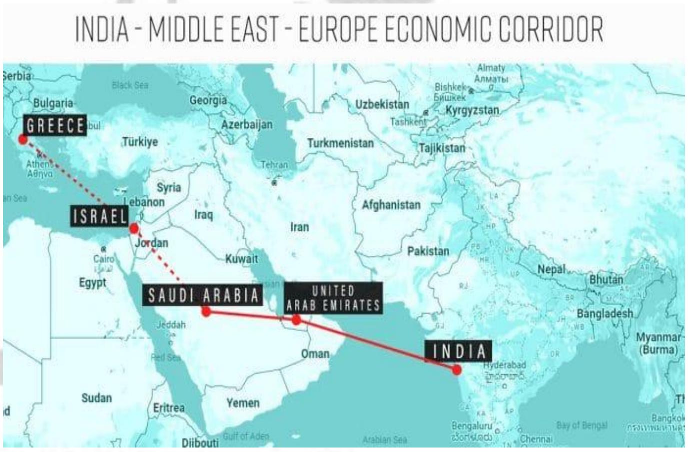
UPSC Relevance

- **GS Paper II:** Issues and Challenges Pertaining to the Federal Structure, Devolution of Powers and Finances up to Local Levels, Centre-State Relations.
- **GS Paper III:** Indian Economy (Goods and Services Tax Reforms, Fiscal Federalism, GST Compensation Cess Expiry, 16th Finance Commission Devolution).
- **Key Focus:** Article 270 and 279A Dynamics, Non-Divisible Pool Cesses, Revenue-Floor Stabilization Models.

7. Beyond Diplomatic Corridors: Itinerary in the Works for Spouses of World Leaders

Key Highlights & Summary

- **Spousal Engagement at BRICS Summit:** A specialized cultural and heritage itinerary is being curated for the spouses of visiting heads of state and government attending the BRICS Summit in New Delhi.
- **Showcasing Handicrafts and Arts:** The tentative schedule highlights a visit to the Crafts Bazaar at Bharat Mandapam, offering visiting foreign dignitaries a curated display of India's traditional arts, crafts, and handlooms.
- **Cultural and Heritage Sightseeing:** Planned engagements include visits to iconic landmarks such as Raj Ghat, Red Fort, Jama Masjid, National Gallery of Modern Art, and the Prime Ministers Museum.
- **Promoting Public Spaces:** The proposed tour incorporates visits to prominent commercial and traditional markets including Khan Market, Chandni Chowk, and Janpath to project local culture and heritage.



- **Flexible Security and Logistics Integration:** Itinerary execution remains adaptable, subject to time constraints, delegation schedules, and integration with Delhi Police's VVIP movement protocols.
- **Discreet VVIP Security Deployment:** Security agencies are utilizing plainclothes personnel, plainclothes market integration, and expanded CCTV surveillance grids across public spaces to maintain security without disrupting public activities.

Essential Definitions

- **Cultural Diplomacy:** The deployment of cultural exchanges, heritage showcases, traditional art presentations, and informal interactions to foster mutual understanding and advance soft power goals in international relations.
- **VVIP Security Grid:** An integrated multi-tier protection mechanism comprising visible policing, covert plainclothes surveillance, real-time electronic monitoring (CCTV), and synchronized traffic management during high-level international summits.

- **Soft Power:** The ability of a nation to influence international outcomes and build diplomatic goodwill through attraction and persuasion derived from its culture, history, values, and foreign policies, rather than coercion or military force.

Legal and Constitutional Framework

- **Article 51, Constitution of India:** Directs the State to promote international peace and security, foster respect for international law, and maintain just and honorable relations between nations.
- **Delhi Police Act, 1978:** Provides the statutory authority for the Delhi Police to regulate public order, implement traffic controls, deploy surveillance grids, and enforce VVIP protection protocols.
- **Diplomatic Relations Act, 1972:** Enacts the provisions of the Vienna Convention on Diplomatic Relations (1961) into Indian law, granting diplomatic privileges, immunities, and legal protections to visiting official foreign delegations.
- **Protection of Monuments and Antiquities Framework:** Covered under the Ancient Monuments and Archaeological Sites and Remains (AMASR) Act, 1958, governing the preservation and management of national heritage sites such as Red Fort.

Conclusion Curating dedicated cultural and heritage itineraries for spouses of world leaders serves as an effective mechanism of soft power diplomacy during major multilateral summits. Balancing open public engagements with robust VVIP security frameworks reinforces India's operational capacity to host premier international summits while projecting its rich cultural heritage.

UPSC Relevance

- **GS Paper II:** Bilateral, Regional, and Global Groupings involving India (BRICS Summit, Soft Power Diplomacy, Role of Cultural Diplomacy in Foreign Policy).
- **GS Paper III:** Internal Security (VVIP Security Management, Urban Security Grids, Surveillance Frameworks during High-Level Summits).
- **Key Focus:** Cultural Soft Power Projection, BRICS Summit Preparations, VVIP Security Protocols, Tourism and Heritage Promotion.

8. Centre Defers Green Clearance to Limestone Mining Near Great Indian Bustard Habitat

Key Highlights & Summary

- **Environmental Clearance Put on Hold:** The Ministry of Environment, Forest and Climate Change (MoEFCC) expert panel deferred green clearance for a proposed 256-hectare limestone mine by Dalmia Bharat Green Vision Limited at Ramgarh in Rajasthan’s Jaisalmer district.
- **Proximity to Critically Endangered Habitat:** The proposed mining site and adjacent cement plant lie within the priority conservation area of the Great Indian Bustard (GIB), a species whose wild population has dwindled to roughly 130 individuals.
- **Mismatch in Production Plan:** The expert panel noted that the company’s proposal to extract 5.4 million tonnes per annum (MTPA) was not in consonance with the Indian Bureau of Mines-approved plan of 2.99 MTPA, directing a complete revision of terms.
- **Concerns Over Controlled Blasting Impact:** The panel mandated a revised action plan to ensure blasting operations do not compromise the safety of regional oil, natural gas, and water supply pipelines running through the area.

- **Mandatory WII Protocol Compliance:** The project proponent was directed to strictly incorporate and implement recommendations from the Wildlife Institute of India (WII) assessment study on direct and indirect ecological impacts.
- **Transport and Industrial Supply Linkages:** Excavated limestone was designated for nearby captive cement production and steel melting shop supply, involving heavy truck transport along National Highway-68 to Sanu railway station.

Essential Definitions

- **Terms of Reference (ToR):** A baseline preliminary clearance scope issued by the MoEFCC specifying the parameter requirements and study guidelines for conducting Environmental Impact Assessments (EIA).
- **Great Indian Bustard (*Ardeotis nigriceps*):** A flagship terrestrial grassland bird species native to the Indian subcontinent, currently listed as 'Critically Endangered' on the IUCN Red List and under Schedule I of the Wild Life (Protection) Act, 1972.
- **Priority Conservation Area:** An ecologically fragile buffer zone surrounding core wildlife sanctuaries identified for stringent monitoring to protect threatened fauna from habitat fragmentation.

Legal and Constitutional Framework

- **Environment (Protection) Act, 1986 & EIA Notification 2006:** Mandates compulsory prior environmental clearance for mining projects following detailed public consultations and technical expert panel appraisal.
- **Wild Life (Protection) Act, 1972:** Provides statutory legal protection to Schedule I species like the GIB, prohibiting habitat destruction, illegal land diversion, and unauthorized commercial activities in critical habitats.
- **Article 48A, Constitution of India:** Imposes a Directive Principle on the State to endeavor to protect and improve the environment and safeguard the nation's forests and wildlife.
- **Article 51A(g), Constitution of India:** Outlines a Fundamental Duty for every citizen to protect and improve the natural environment, including forests, lakes, rivers, and wildlife.

Conclusion The Ministry's decision to defer environmental clearance underscores the vital imperative of prioritizing ecological conservation over unviable industrial expansion. Strict enforcement of EIA guidelines, adherence to WII findings, and protection of critical grassland ecosystems are essential to ensure the survival of threatened species like the Great Indian Bustard.

UPSC Relevance

- **GS Paper III:** Environment and Ecology (Biodiversity Conservation, Environmental Impact Assessment, Species Recovery Program, Environmental Governance).
- **GS Paper II:** Statutory Bodies and Government Policies (MoEFCC Frameworks, Wildlife Protection Protocols).

- **Key Focus:** Great Indian Bustard Habitat Protection, EIA Review Process, WII Guidelines, Mining versus Ecological Sustainability.

9. PM: We Invite France and the World to be Co-Travellers in India's Next Space Frontier

Key Highlights & Summary

- **Global Invitation at Paris Space Summit:** Prime Minister Narendra Modi invited France and international partners to collaborate in India's expanding space roadmap during his address at the two-day International Space Summit held in Paris.

- **Historical Ties with France:** The Prime Minister highlighted France's role as a trusted partner since the inception of India's space journey at Thumba in the 1960s, noting that cooperation now spans Earth observation and advanced technologies.
- **Roadmap for Bharatiya Antariksh Station & Moon Mission:** The address reiterated India's target to establish an indigenous space station, the Bharatiya Antariksh Station, by 2035 and land an Indian astronaut on the Moon by 2040.
- **Proven Track Record in Commercial Launches:** Highlighting ISRO's cost-effective infrastructure, the Prime Minister noted that India has successfully placed 430 payloads from 34 countries into orbit to date.
- **Call for Long-Term Space Sustainability:** With low-Earth orbits becoming increasingly congested, India advocated for transparent research, open data-sharing, and long-term orbital sustainability over short-term commercial gains.
- **Invocation of 'Vasudhaiva Kutumbakam':** India's space exploration ethos continues to be guided by the philosophy of "the world is one family," ensuring scientific data serves the global common good with openness and integrity.

Essential Definitions

- **Bharatiya Antariksh Station (BAS):** India's planned indigenous space station targeted for operational readiness by 2035 to enable long-duration microgravity experiments and deep space exploration studies.
- **Space Sustainability:** The practice of conducting space activities in a manner that preserves the outer space environment for future generations by mitigating space debris and managing orbital traffic.
- **Vasudhaiva Kutumbakam in Outer Space:** A philosophical policy orientation treating space as a common heritage of humankind, prioritizing inclusive technological development, open science, and global partnership.

Legal and Constitutional Framework

- **Outer Space Treaty (1967):** The foundational international legal framework ratified by India establishing that outer space shall be free for exploration and use by all states for peaceful purposes.

- **Indian Space Policy 2023:** Comprehensive national framework streamlining space governance, empowering ISRO to focus on advanced R&D, and promoting commercial launch operations through NSIL.
- **Article 51(c), Constitution of India:** Directs the State to foster respect for international law and treaty obligations in organizing peaceful cross-border scientific initiatives.
- **Article 51A(h), Constitution of India:** Imposes a Fundamental Duty to develop scientific temper, humanism, and the spirit of inquiry and reform.

Conclusion Prime Minister Narendra Modi's address at the Paris summit positions India as a champion of inclusive, peaceful, and sustainable outer space exploration. By leveraging ISRO's cost-effective capabilities and advancing toward landmark goals like the Bharatiya Antariksh Station, India reinforces its commitment to global scientific collaboration.

UPSC Relevance

- **GS Paper III:** Science and Technology (Indigenization of Technology, ISRO Capabilities, Space Sector Reforms, Long-term Orbital Sustainability).
- **GS Paper II:** Bilateral, Regional, and Global Groupings involving India (India-France Strategic Space Partnership, Space Diplomacy).
- **Key Focus:** Bharatiya Antariksh Station Targets, Outer Space Governance, Space Sustainability, Commercial Satellite Launch Track Record.

10. Mining, Money & Federalism: Why a New Law is at the Centre of a Political Tussle in Odisha

Key Highlights & Summary

- **Enactment of MMDR Amendment Act, 2026:** In August 2026, Parliament passed the MMDR Amendment Act, establishing a uniform national tax framework for major minerals and limiting the power of state governments to levy taxes on mineral-bearing lands.
- **Overriding Nine-Judge Supreme Court Ruling:** The 2026 amendment directly overrides a landmark July 2024 Constitution Bench judgment (8-1 majority) that affirmed state powers to levy royalty/tax on mineral extraction and mineral-bearing lands.
- **Insertion of Section 9D Restriction:** The legislation introduced Section 9D, prohibiting states from imposing any tax, cess, or additional levy on mineral rights or mineral-bearing lands except under conditions prescribed directly by the Union Government.
- **Expansion of Central Control:** Amendments to Sections 2 and 13 expand central authority over mineral-bearing lands, granting the Centre sole rulemaking power to restrict state tax mandates on minerals.
- **Fiscal Friction and Revenue Impact:** Opposition parties in Odisha (BJD, Congress) allege the law strips state financial rights, forfeiting an estimated ₹1 lakh crore in past arrears and ₹12,000 crore in annual state revenues, while the Centre cites the need to prevent arbitrary levies.
- **Growth in State Mining Revenue:** Official counterarguments highlight that post-2015 competitive auction reforms, Odisha's mining revenue rose from ₹5,000 crore to over ₹50,000 crore, augmented by District Mineral Foundation (DMF) funds.

Essential Definitions

EXPRESS special

Mining, money & federalism: Why a new law is at the centre of a political tussle in Odisha

Sujit Bisoyi
Bhubaneswar, September 10

IN A scathing letter to Odisha MPs from the ruling BJP on August 28, former Odisha chief minister Naveen Patnaik tore into the recent amendments to the Mines and Minerals (Development and Regulation) Act, calling the day it was passed "a black day for Odisha".

"The Bill was passed with less than 10 minutes of discussion in the Lok Sabha, despite having provisions with far-reaching implications for the people of Odisha," the letter said. "This was not an ordinary piece of legislation. Odisha undoubtedly will be the worst affected by this legislation." The letter reveals the crux of the controversy for states like Odisha, whose economy and politics are deeply intertwined with mining.

In August, Parliament passed the Mines and Minerals (Development and Regulation) Amendment Act, 2026, to set a uniform national tax framework for major minerals and limit state powers to levy taxes on mining lands. In doing so, the 2026 amendment overrides the key financial impacts of a 2024 Supreme Court ruling, which allowed mining states the exclusive power to tax mineral rights and mineral-bearing lands. For mining states like Odisha, the law brings forth a dilemma: how to reconcile the financial and political implications of a law widely viewed as detrimental to its interests.

The law has since become a political flashpoint in the state. While the ruling BJP, the outfit that leads the NDA government at the Centre, has defended the law by arguing that arbitrary and multi-level levies on mineral-bearing land would cause extensive damage to the state's industrial ecosystem, the Opposition has been trying to corner the state, framing it as an attack on federalism and the state's financial rights. While the BJD alleges that the new law could cost the state Rs 12,000 crore in annual losses and Rs 1 lakh crore in arrears, the Congress and the Left plan to gherao the Odisha Assembly on September 29.

"Through the MMDR Amendment Act, the Centre has permanently taken away the rights of the state governments over mines and mineral-bearing land," BJD Rajya Sabha member Santrupt Misra told *The Indian Express*.

However, Odisha's Steel and Mines Minister Bibhuti Jena dismissed these concerns, accusing the Opposition of "misleading people". "Odisha's earnings from the mining sector have witnessed a significant jump after the Narendra Modi government last amended the MMDR Act in 2015. The state was earning around Rs 5,000 crore before 2014, which has risen to Rs 50,000 crore. The states are also getting funds under the District Mineral Foundation (DMF), a non-profit trust set up by state governments for mining-related operations," Jena said.

The Mines and Minerals (Development and Regulation) Act, 1957 is India's principal law governing the development and regulation of mines and minerals. Enacted by Parliament in 1957, it declares that the Union should take control of mining and mineral development to the extent provided by the Act. One of the biggest amendments in recent times was in 2015, when the allocation of major mineral concessions was moved to competitive auctions. This amendment also created the DMF and National Mineral Exploration Trust (NMET) and strengthened penalties for illegal mining.

In July 2024, a nine-judge Constitution Bench headed by former CJI D Y Chandrachud, in an 8-1 majority, upheld the power of the states to levy royalty on extraction of minerals from their land and said they can also tax the lands which comprise mines and quarries. The BJD claims that the ruling could have brought Odisha Rs 1 lakh crore in arrears alone. "The order also cleared the way for the state to get an additional Rs 12,000 crore annually as revenue, which the state will lose," Misra said.

A new clause has caused unease — Section 9D, prohibits states from levying any tax. "No tax, cess or such other levy...shall be imposed by the State on — (a) mineral rights; or (b) mineral-bearing lands, either based on mineral quantity or mineral value or royalty payable or otherwise, except in accordance with such conditions or restrictions as may be prescribed by the Central Government," the clause read. In addition, an amendment of Section 2 and 13 expands the Centre's control to include mineral-bearing lands and also grants it sole authority to frame rules restricting states' power to tax on minerals.

Three Congress-ruled states — Karnataka, Kerala, and Telangana — challenged the law in the SC. Calling the amendment anti-Odisha, state Congress president Bhakta Charan Das said they will challenge it in SC.

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- **Off-Budget Mineral Levies:** Taxes, cesses, or surcharges imposed by state governments on mineral rights or land value outside the central royalty framework set under the MMDR Act.
- **District Mineral Foundation (DMF):** A statutory non-profit trust established in mining-affected districts under the MMDR Act to work for the interest and benefit of persons and areas affected by mining operations.
- **Royalty on Minerals:** A statutory fee paid by a leaseholder to the resource owner (the State) for the extraction and commercial exploitation of minerals, regulated under central schedules.

Legal and Constitutional Framework

- **Entry 23 vs Entry 54 (Seventh Schedule):** Entry 23 (State List) gives states power over regulation of mines and mineral development, subject to Entry 54 (Union List), which empowers Parliament to declare central control in the public interest.
- **Entry 49 & 50 (State List):** Grants states taxation power over lands and buildings (Entry 49) and taxes on mineral rights subject to limitations imposed by Parliament (Entry 50).
- **Mines and Minerals (Development and Regulation) Act, 1957:** The principal central law governing mine allocation, mineral concessions, DMF, and regulation across India.
- **July 2024 Supreme Court Judgment:** Landmark 8-1 decision affirming that royalty is not a tax and confirming states' constitutional power to levy taxes on mineral-bearing lands under Entry 49.

Conclusion The MMDR Amendment Act, 2026 has intensified federal friction by restricting state taxation powers over mineral-bearing lands. Balancing uniform national resource pricing with state revenue autonomy under the Seventh Schedule is critical to preserving cooperative fiscal federalism in India.

UPSC Relevance

- **GS Paper II:** Issues and Challenges Pertaining to the Federal Structure, Distribution of Legislative Powers (Seventh Schedule), Centre-State Fiscal Relations.
- **GS Paper III:** Indian Economy (Mineral Resources, Revenue Autonomy, Fiscal Federalism, MMDR Framework).
- **Key Focus:** MMDR Amendment Act 2026, Section 9D Restrictions, Seventh Schedule Entries 23, 49, 50 & 54, July 2024 SC Ruling on Mineral Taxation.
