



Dr. SURESH KUMAR GINDI SIR

Dr. GINDI'S IAS ACADEMY

DAILY CURRENT AFFAIRS

COVER ALL IMPORTANT CURRENT UPDATES
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Dr. GINDI'S I.A.S. ACADEMY
Civils & Competitive Careers
TRANSFORMING ASPIRANTS INTO ACHIEVERS

A/C CAMPUS

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DAILY CURRENT AFFAIRS

1. Forensic Data Analytics in Exam Malpractice: The KPSC Case Study

Key Highlights & Summary

- **CID Probe via Statistical Analysis:** A Criminal Investigation Department (CID) investigation utilized a statistical probability test to detect paper leak beneficiaries in the Karnataka Public Service Commission (KPSC) recruitment exams for veterinary officers.
- **High Degree of Correlation:** Forensic analysis established a 99.9% match in identical right and wrong answers among 14 top-rankers across primary and backlog recruitment categories.
- **Algorithmic Detection:** Modern algorithmic tools were deployed to identify statistical deviations from normal response curves, flagging suspicious candidate answer matching.
- **Systemic Vulnerabilities:** The leak allegedly involved a senior public commission official, highlighting institutional risks in paper distribution and custodian mechanisms.
- **Recruitment Suspension:** The recruitment process has been put on hold pending forensic verification and legal action against implicated candidates and officials.
- **Precedent for Exam Integrity:** Demonstrates the shift toward data-driven, scientific evidentiary tools in administrative investigations involving public recruitment scams.

Essential Definitions

- **Statistical Probability Test:** An analytical tool using computer algorithms to examine answer patterns in objective tests, flagging statistically improbable similarities in correct and incorrect responses among candidates.
- **Forensic Data Analytics:** The practice of examining digital response logs and test data to identify anomalies, integrity breaches, or systematic malpractice in public examinations.
- **State Public Service Commission (SPSC):** A constitutional body established under Article 315 responsible for conducting examinations for appointments to state civil services.

Legal and Constitutional Framework

- **Article 315 & 320:** Mandates the constitution and duties of Public Service Commissions to conduct recruitment examinations for state services, maintaining meritocracy and institutional integrity.
- **Public Examinations (Prevention of Unfair Means) Act, 2024:** Provides stringent legal penalties, including non-bailable offences, fines, and imprisonment for paper leaks, collusion, and cheating in public recruitment exams.
- **Indian Evidence Act / Bharatiya Sakshya Adhiniyam:** Governs the admissibility of expert opinion and statistical/electronic evidence in court proceedings to prove conspiracy or systemic fraud.

- **Article 14 & 16:** Guarantees equality before law and equal opportunity in public employment; leaks and unfair practices violate the fundamental rights of genuine aspirants.

Conclusion

The deployment of statistical probability testing by the CID marks a vital technological advancement in safeguarding the sanctity of public examinations. Combining stringent legal measures under public examination laws with data-driven forensic auditing is crucial to restoring administrative credibility, ensuring merit-based recruitment, and protecting candidates' fundamental rights.

UPSC Relevance

- **GS Paper II:** Governance, Transparency & Accountability, Institutional Integrity of SPSC/UPSC, Civil Services Role in a Democracy.
- **GS Paper III:** Application of Science & Technology in Crime Investigation, Cyber Security, Data Analytics in Governance.
- **GS Paper IV:** Public Service Values, Ethics in Governance, Institutional Corruption, Probity in Administrative Recruitment.

2. Cabinet Clears Green Energy Corridor Phase-III and Rabi Crop MSPs

Key Highlights & Summary

- **Approval of GEC Phase-III:** The Union Cabinet approved the Green Energy Corridor Phase-III (GEC-III) scheme with an outlay of Rs 1,86,405 crore to evacuate up to 135 GW of renewable power by FY 2032-33.
- **Focus on Intra-State Transmission:** Out of the total outlay, Rs 1,36,378 crore is earmarked for developing intra-state transmission systems (InSTS), supported by central financial assistance of Rs 54,082 crore.
- **Inclusion of Battery Storage:** For the first time under the GEC programme, a dedicated component for 50 GWh of Battery Energy Storage Systems (BESS) has been included with a Rs 50,000 crore allocation.
- **Addressing Transmission Bottlenecks:** The scheme aims to prevent grid curtailment of renewable power, as 21 GW of installed clean capacity currently operates under temporary or restricted grid connections.
- **Rabi MSP Announcement:** The Cabinet Committee on Economic Affairs (CCEA) approved Minimum Support Prices for six Rabi crops for 2027-28, including wheat at Rs 2,610 per quintal (a 17-year-low hike of Rs 25/quintal).
- **Support for Oilseeds and Pulses:** Highest absolute MSP hikes were granted to safflower (Rs 675/quintal to Rs 7,215), mustard (Rs 413 to Rs 6,613), and lentil (Rs 390 to Rs 7,390) to incentivize crop diversification.

Essential Definitions

- **Green Energy Corridor (GEC):** A dedicated power transmission infrastructure project aimed at integrating large-scale renewable energy into the national power grid without causing grid instability.
- **Battery Energy Storage Systems (BESS):** Advanced grid-scale energy storage technology designed to store surplus renewable power during off-peak hours and dispatch it during peak demand periods.
- **Minimum Support Price (MSP):** A rate at which the government purchases crops from farmers, recommended by the Commission for Agricultural Costs and Prices (CACP) to ensure remunerative prices.

Legal and Constitutional Framework

- **Electricity Act, 2003:** Sections 38 and 39 govern the development, operation, and maintenance of inter-state and intra-state transmission systems, providing the legislative backbone for power grid expansion.
- **National Electricity Policy & Tariff Policy:** Mandates the integration of renewable energy sources into the grid and provides regulatory framework for energy storage systems and transmission charges.
- **Article 298 of the Constitution:** Authorizes the Union and State executive to carry on business, acquire property, and enter into contracts for large-scale public infrastructure projects like power grid development.
- **Essential Commodities Act, 1955:** Provides government authority to regulate supply, distribution, and price control mechanisms for essential agricultural produce to ensure food security.

Conclusion

The approval of GEC Phase-III directly targets critical grid curtailment bottlenecks, strengthening grid stability through battery storage integration while enabling seamless renewable energy transition. Concurrently, the revision of Rabi MSPs seeks to balance agricultural remuneration with price stability, encouraging farmers toward pulse and oilseed cultivation to achieve national self-reliance.

UPSC Relevance

- **GS Paper II:** Government Policies and Interventions, Executive Decision-Making Mechanisms (CCEA Role), Federal Coordination in Energy Management.
- **GS Paper III:** Renewable Energy Infrastructure, Power Transmission Bottlenecks, Energy Storage Technologies (BESS), Agriculture Economics, Crop Diversification, MSP Architecture.

3. High Court Scrutinizes ECI Software Glitches and Electoral Roll Deletions

Key Highlights & Summary

- **Judicial Scrutiny on Electoral Deletions:** The Bombay High Court at Goa questioned the Election Commission of India (ECI) after six members of a family were deleted from electoral rolls due to software glitches in processing address changes.

- **Primacy of Statutory Law Over Software:** The High Court emphasized that administrative software systems and software constraints cannot supersede statutory laws governing voter registration and electoral roll maintenance.
- **Principles of Natural Justice:** The court raised concerns over deleting electors' names without giving them a fair hearing, stressing that administrative authorities must apply their mind rather than relying on automated software rejections.
- **Flawed ERO-NET Processing:** The petitioners were forced to submit Form 8 for address change within the same constituency, but ERO-NET software errors caused automated rejections due to missing EPIC record logs.
- **Extension of SIR Schedule:** Concurrently, the ECI extended the Special Intensive Revision (SIR) schedule in Andhra Pradesh and Meghalaya, postponing the final publication of electoral rolls to late October.
- **Protection of Franchise Rights:** The court warned that technical glitches in electoral management systems could lead to widespread disenfranchisement if statutory safeguards are not strictly enforced.

Essential Definitions

- **ERO-NET:** An online portal and software system deployed by the Election Commission of India to digitize, process, and manage electoral roll entries, updates, and constituency transfers.
- **Form 8 & Form 6:** Statutory forms under election rules where Form 8 is used by existing voters for correction/shifting of residence, whereas Form 6 is strictly for fresh voter inclusion.
- **Special Intensive Revision (SIR):** A comprehensive, door-to-door verification exercise conducted by the ECI to update electoral rolls and remove duplicate, deceased, or shifted electors.

Legal and Constitutional Framework

- **Article 324:** Grants the Election Commission of India plenary powers for the superintendence, direction, and control of the preparation of electoral rolls and the conduct of elections.
- **Article 326:** Guarantees the right to vote based on adult suffrage, specifying that no citizen can be disqualified except on grounds under the Constitution or valid statute.
- **Representation of the People Act, 1950:** Sections 22 and 23 empower Electoral Registration Officers to correct or delete entries only after giving a reasonable opportunity of being heard to the affected person.
- **Registration of Electors Rules, 1960:** Outlines statutory procedures, forms, and appellate remedies for inclusion, correction, and deletion of names in electoral rolls.

Conclusion

The High Court's intervention underscores that digital governance tools like ERO-NET must serve as facilitators rather than impediments to fundamental democratic rights. Ensuring procedural due process, natural justice, and human oversight over automated administrative algorithms is imperative to protect every eligible citizen's right to vote.

UPSC Relevance

- **GS Paper II:** Electoral Reforms, Structure & Functioning of ECI, Right to Vote under Article 326, Principles of Natural Justice, E-Governance Bottlenecks.
- **GS Paper IV:** Ethics in Public Administration, Transparency, Institutional Accountability vs Technology Reliance, Discretion in Executive Action.

4. Monsoon Ends with 13% Deficit: Driest Season in a Decade

Key Highlights & Summary

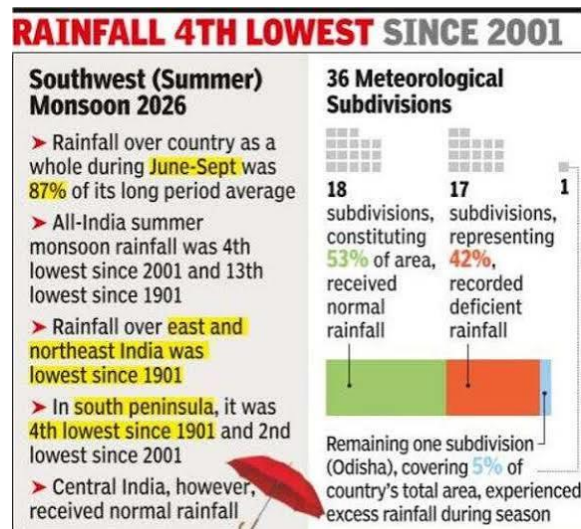
- **Lowest Rainfall in 11 Years:** India closed the four-month southwest monsoon season with an overall 13% rainfall deficit, making it the driest season since 2015 and receiving 87% of the Long Period Average (LPA).
- **Quantitative Cumulative Precipitation:** Total precipitation recorded was 759.4 mm against the normal LPA benchmark of 868.6 mm.
- **Impact of Strong El Nino:** The deficit was primarily driven by developing El Nino conditions across the equatorial Pacific, which traditionally suppresses Indian monsoon rainfall.
- **Uneven Spatial & Temporal Distribution:** June faced a 35% shortfall, while August and September recorded deficits of 16.3% and 7.6% respectively. Over 38% of districts (282 districts) experienced severe rainfall deficiency.
- **Unfavourable MJO and Regional Anomalies:** The Madden-Julian Oscillation remained suppressed over the southern peninsula, resulting in all southern states registering deficit seasonal rainfall despite localized flood instances.
- **Frequent Low-Pressure Systems:** Despite low overall precipitation, the country recorded 77 days of active low-pressure systems against the normal average of 57 days, maintaining episodic heavy spells in central and eastern regions.

Essential Definitions

- **Long Period Average (LPA):** The average rainfall calculated over a 50-year period (currently 1971–2020), serving as a benchmark to assess seasonal monsoon performance.
- **El Nino Southern Oscillation (ENSO):** A periodic climate pattern involving abnormal warming of central and eastern equatorial Pacific sea surface temperatures, causing disruptions in global weather patterns and weakening Indian monsoon winds.
- **Madden-Julian Oscillation (MJO):** An eastward-moving oceanic-atmospheric pulse of clouds, rainfall, and wind in the equatorial region that significantly influences intraseasonal rainfall variations in India.

Legal and Constitutional Framework

- **Disaster Management Act, 2005:** Empowers the National and State Disaster Management Authorities to formulate drought mitigation strategies, relief allocation, and emergency responses.
- **National Water Policy, 2012:** Recommends framework legislation for climate-resilient water allocation, inter-basin transfers, and sustainable aquifer recharge protocols during deficient years.
- **Article 21:** The fundamental right to life includes the right to livelihood, clean water, and food security, placing an obligation on state machinery to mitigate agricultural distress caused by monsoon failures.
- **Article 48:** Directive Principle instructing the State to organize agriculture and animal husbandry along modern, scientific lines, including drought-resilient cropping patterns.



Conclusion

The 13% rainfall deficit highlights India's extreme climate vulnerability and continued dependence on rain-fed agriculture. Addressing recurrent El Nino-induced dry spells requires transitioning toward micro-irrigation, climate-smart crop diversification, robust reservoir management, and automated agricultural disaster relief systems.

UPSC Relevance

- **GS Paper I:** Geography of Indian Southwest Monsoon, ENSO Dynamics, Madden-Julian Oscillation, Spatial Distribution of Rainfall Anomalies.
- **GS Paper III:** Agriculture Under Rain-Fed Conditions, Drought Management Framework, Irrigation Efficiency, Food Security and Crop Yield Vulnerabilities.

5. Indian Delegation Attends SCO National Coordinators Meeting in Islamabad

Key Highlights & Summary

- **Diplomatic Outreach in Islamabad:** A high-level Indian delegation led by Additional Secretary Alok Dimri attended the SCO National Coordinators' meeting in Islamabad under Pakistan's rotating presidency.
- **Core Regional Focus:** Deliberations focused on enhancing regional connectivity, transit, and trade mechanisms across the Eurasian and Asian landmass.
- **Overcoming Access Barriers:** Discussions gained significance as Pakistan continues to block direct land transit access for Indian goods to Afghanistan and Central Asia.
- **Civilisational Dialogue Forum:** India highlighted its initiative to host the inaugural SCO Civilisational Dialogue Forum in New Delhi on November 20 to deepen cultural and knowledge diplomacy.

- **Linguistic Reform:** The SCO adopted English as its third official working language alongside Russian and Chinese, expanding diplomatic engagement for South Asian member states.
- **Institutional Continuity:** The visit underlines New Delhi's commitment to multilateral engagement within the Eurasian grouping despite lingering bilateral tensions with Islamabad.

Essential Definitions

- **Shanghai Cooperation Organisation (SCO):** A trans-regional political, economic, international security, and defence organization established in 2001, comprising nine member states including India, Pakistan, China, and Russia.
- **Council of National Coordinators (CNC):** The operational body of the SCO that coordinates member states' interaction, prepares summit agendas, and manages inter-agency cooperation.
- **Transit and Connectivity Corridor:** Multimodal transport networks designed to facilitate seamless cross-border freight movement, trade, and economic integration across geographic regions.

Legal and Constitutional Framework

- **Article 51 of the Constitution:** Directive Principle instructing the State to promote international peace and security, maintain just and honourable relations between nations, and foster respect for international law and treaty obligations.
- **SCO Charter (2002):** The foundational legal treaty governing the objectives, structural framework, decision-making processes, and regional security protocols of the Shanghai Cooperation Organisation.
- **Article 73:** Outlines the executive power of the Union, empowering the Ministry of External Affairs to negotiate treaties, represent the nation in foreign forums, and execute multilateral agreements.
- **Regional Anti-Terrorist Structure (RATS) Mechanism:** A permanent SCO legal organ operating under the Tashkent convention to coordinate intelligence sharing and counter-terrorism, separatism, and extremism among member states.

Conclusion

India's participation in the Islamabad SCO meeting reflects a pragmatic strategy of maintaining active presence in Eurasian multilateral architecture. By advocating for non-discriminatory transit rights, cultural linkages through civilisational dialogue, and linguistic accessibility, New Delhi reinforces its role as a key continental actor while balancing complex regional security dynamics.

UPSC Relevance

- **GS Paper II:** Important International Institutions (SCO), India and its Neighbourhood Relations, Bilateral and Multilateral Groupings Affecting India's Interests, Foreign Policy and Strategic Autonomy.
- **GS Paper III:** Regional Infrastructure Connectivity, Trade Facilitation, Eurasian Economic Transit Corridors.

6. Year After Giving Up Arms, Seven Former Maoists Clear SSC Exam

Key Highlights & Summary

- **Educational Milestones in Rehabilitation:** One year after surrendering, seven former Maoists passed the Secondary School Certificate (SSC) exams through the Chhattisgarh Open School, with three securing first-class marks.
- **Transition from Extremism to Mainstream:** The individuals were part of a group of 210 Maoists who laid down arms in October, demonstrating a practical transition from armed insurgency to democratic integration.
- **Role of State Support Systems:** Government financial assistance of Rs 50,000 provided post-surrender was utilized by former cadres to purchase study materials and tablets for self-study.
- **Institutional Guidance by Police:** Local police officials and district authorities actively facilitated essential documentation, such as birth and caste certificates, enabling candidates to sit for formal board examinations.
- **Aspiration for Socio-Economic Roles:** Surrendered cadres expressed aspirations toward nation-building careers, including nursing, teaching, micro-entrepreneurship, and sustainable agriculture.
- **Counter-Insurgency Soft Power:** Highlights the effectiveness of surrender-cum-rehabilitation frameworks in countering Left-Wing Extremism (LWE) by focusing on human capital development over kinetic operations.



Essential Definitions

- **Left-Wing Extremism (LWE):** An ideological insurgent movement, also known as Maoism or Naxalism, that seeks to overthrow the established government through armed revolution.
- **Surrender-cum-Rehabilitation Scheme:** A state policy designed to incentivize insurgents to renounce violence by offering immediate financial assistance, vocational training, legal support, and educational opportunities.
- **Open Schooling System:** A flexible educational framework designed to facilitate life-long learning and formal qualification acquisition for dropouts, marginalized groups, and rehabilitated individuals.

Legal and Constitutional Framework

- **Article 21A of the Constitution:** Guarantees the fundamental right to free and compulsory education, serving as the primary foundation for integrating marginalized and ex-militant youth into the formal education system.
- **National Policy and Action Plan to Address LWE (2015):** A holistic multi-pronged strategy combining security measures, development initiatives, rights-based entitlements, and targeted surrender-rehabilitation policies.

- **Article 39(f):** Directive Principle instructing the State to ensure children and youth are given opportunities and facilities to develop in a dignified manner and protected against exploitation or moral and material abandonment.
- **Unlawful Activities (Prevention) Act, 1967:** Provides the legal mechanism for criminal prosecution of unlawful associations, while allowing state discretion for amnesty and rehabilitation upon lawful surrender.

Conclusion

The successful academic rehabilitation of former insurgents underscores the efficacy of combining soft-power development strategies with security operations in countering Left-Wing Extremism. Sustained police facilitation, educational open-schooling frameworks, and financial assistance serve as crucial catalysts in breaking the cycle of violence, empowering former cadres to contribute meaningfully to socio-economic development.

UPSC Relevance

- **GS Paper II:** Government Policies and Interventions for Development in Security-Affected Areas, Fundamental Right to Education (Article 21A), Welfare Schemes for Vulnerable Sections.
- **GS Paper III:** Internal Security Challenges, Left-Wing Extremism (LWE) Dynamics, Comprehensive Rehabilitation Models, Conflict Resolution and Mainstream Integration Strategy.

7. Ensure Sabarimala Materials Conform to Religious Customs: High Court

Key Highlights & Summary

- **Judicial Direction on Offerings:** The Kerala High Court directed the Travancore Devaswom Board (TDB) to exercise greater care and caution to ensure materials procured for temple offerings conform to prescribed quality standards and religious customs.
- **Disposal of Halal-Certified Jaggery Plea:** The judgment came while disposing of a petition challenging the procurement of halal-certified jaggery for preparing 'nivedyam' and 'prasadam' at the Sabarimala hill shrine.
- **Export-Oriented Packaging Explanation:** The court noted that the Maharashtra-based supplier had halal certification printed on packaging primarily for its exports to Middle Eastern markets.
- **Satisfaction Over Quality Standards:** Citing Food Safety Laboratory test reports, the High Court observed that the food quality of the supplied jaggery was entirely satisfactory.
- **Autonomy of Temple Authorities:** While finding no quality flaw, the court emphasized that temple administrative bodies must strictly align procurement processes with traditional religious practice.
- **Balance of Food Safety and Tradition:** The ruling highlights the administrative duty to harmonize modern food safety compliance with traditional religious sentiments in public temple administration.

Essential Definitions

- **Travancore Devaswom Board (TDB):** An autonomous statutory body created under state legislation to administer Hindu temples and their assets across the former Travancore region in Kerala.
- **Nivedyam / Prasadam:** Sacred food offerings prepared in temples according to prescribed rituals and later distributed to devotees as blessed items.
- **Halal Certification:** A guarantee that products adhere to Islamic law standards, which in trade contexts often applies to food processing, packaging, and export compliance.



Legal and Constitutional Framework

- **Article 25 of the Constitution:** Guarantees freedom of conscience and the right freely to profess, practise, and propagate religion, subject to public order, morality, and health.
- **Article 26 of the Constitution:** Protects the right of every religious denomination or section thereof to manage its own affairs in matters of religion and maintain institutions for religious purposes.
- **Travancore-Cochin Hindu Religious Institutions Act, 1950:** The primary legislation establishing statutory authority for the management, administration, and ritual compliance of devaswom properties and shrines.
- **Food Safety and Standards Act, 2006:** Governs the regulatory, hygienic, and analytical quality standards applicable to all food preparation and distribution, including temple prasadam.

Conclusion

The Kerala High Court ruling strikes a balanced judicial approach by validating statutory food safety standards while instructing temple administrators to remain sensitive to traditional religious customs. It reinforces that autonomous religious boards must exercise due diligence in vendor selection and procurement to maintain both public health standards and community trust.

UPSC Relevance

- **GS Paper II:** Statutory and Autonomous Bodies (Devaswom Boards), Secularism and Freedom of Religion (Articles 25 and 26), Judicial Oversight on Administrative Discretion.
- **GS Paper IV:** Ethics in Public Administration, Cultural Sensitivity in Public Management, Harmonizing Legal Norms with Religious Traditions.

8. Gandak River Breaches Embankments: Transboundary Floods Inundate Bihar

Key Highlights & Summary

- **Transboundary Flood Surge:** Following heavy rain in Nepal's catchment areas, the Gandak River (known as Narayani in Nepal) breached three embankments in West Champaran along the India-Nepal border.

- **Widespread Inundation:** The breaches flooded low-lying rural habitats, agricultural fields, and urban localities including Bagaha town, displacing numerous local families.
- **Swollen Border Rivers:** Heavy water discharge from Valmikinagar barrage aggravated river levels, leaving the Gandak, Kosi, Bagmati, and Sone surging across West and East Champaran, Gopalganj, Saran, and Muzaffarpur.
- **Infra-Breaches Across Districts:** Sequential breaches occurred at Kharatwa Daroga Chowk, Phulia Khad, Makari Tesarahiya, and a ring bandha near Pandey Tola in East Champaran.
- **Disaster Response & Survey:** NDRF and SDRF teams were deployed to execute rescue missions, while state authorities conducted aerial surveys and established 23 community kitchens.
- **Transboundary Water Dynamics:** Emphasizes the severe structural vulnerability of river embankments during high-discharge events originating from upper catchment areas across international borders.

Essential Definitions

- **Embankment Breach:** The structural failure or overtopping of artificial levees constructed along riverbanks to contain high water levels during flood conditions.
- **Ring Bandha:** A localized secondary or marginal earthen embankment constructed around vulnerable settlements or infrastructure to prevent floodwaters from submerging specific areas.
- **Catchment Area:** The geographical area drained by a river system, where rainfall collects and drains into a common outlet or main river channel.

Legal and Constitutional Framework

- **Disaster Management Act, 2005:** Mandates structural setup for disaster response, emergency relief deployment, and preventive infrastructure management through NDRF and SDRF teams.
- **Indo-Nepal Treaty Provisions:** Governs bilateral water management frameworks, joint flood forecasting mechanisms, and barrage operational protocols along shared Himalayan rivers like the Gandak.
- **Article 21:** The Right to Life guarantees state-supported disaster relief, rehabilitation, and protective civil infrastructure during natural calamities.
- **Entry 17, State List (Seventh Schedule):** Grants state governments legislative and administrative authority over water supply, irrigation, drainage, embankments, and flood control structures.

Conclusion

The Gandak river breaches underscore the recurring vulnerability of North Bihar to upper-catchment transboundary floods. Mitigating flood risk requires moving beyond physical embankments toward long-term transboundary watershed management, real-time hydrological data sharing with Nepal, and climate-resilient infrastructure design.

UPSC Relevance

- **GS Paper I:** Physical Geography, River Drainage Systems of India (Gandak/Narayani), Transboundary River Basins.
- **GS Paper III:** Disaster Management Framework, Transboundary Flood Control, Structural Failures in Infrastructure, National and State Disaster Response Mechanisms.

9. India-EFTA Trade and Economic Partnership Agreement: Iceland Axis

Key Highlights & Summary

- **Operationalisation of TEPA:** The Trade and Economic Partnership Agreement (TEPA) between India and four EFTA states (Iceland, Liechtenstein, Norway, Switzerland) entered into force on October 1, 2025, offering substantial tariff concessions covering over 99% of Indian export value.
- **Investment & Job Targets:** A unique core element of TEPA is a binding commitment by EFTA nations to raise \$100 billion in investments in India over 15 years, aiming to facilitate one million direct jobs.
- **Direct Geothermal Energy:** Iceland is transferring direct-use geothermal technologies to India's Himalayan region, exemplified by Geotropy's fruit-drying and upcoming cooling facility at Tapri, Kinnaur, empowering local farmers and strengthening border energy security.
- **CCUS Collaboration & Basalt Storage:** India's NITI Aayog framework and Rs 20,000 crore CCUS budget outlay align with Icelandic technology (e.g., CarbFix's basalt carbon mineralization, matching India's Deccan Traps) and e-methanol ventures like the JSW-Carbon Iceland Raigad plant.
- **Marine Economy & Circular Utilization:** Icelandic expertise in utilizing 90% of caught fish (processing skin, bones, and liver into medical products) offers India models for value addition in sustainable marine fisheries and cold-chain logistics.
- **Arctic Governance & Strategic Synergies:** Bilateral energy and trade cooperation reinforces India's Arctic Policy (2022) and Himadri research station operations, positioning TEPA as a complementary precursor to the broader EU-India FTA.

Essential Definitions

- **Trade and Economic Partnership Agreement (TEPA):** A comprehensive free trade and investment framework signed between India and the European Free Trade Association (EFTA) nations focused on market access, capital investment, and technological integration.
- **Carbon Capture, Utilisation, and Storage (CCUS):** A suite of emissions-reduction technologies that captures carbon dioxide from point sources, either utilizationally converting it into industrial products (like e-methanol) or permanently storing it underground in geological formations.
- **Direct-Use Geothermal Energy:** The application of low-to-medium temperature geothermal heat directly for space heating, crop drying, cold storage, and industrial processing, without converting it into electricity.

Legal and Constitutional Framework

- **Article 73 of the Constitution:** Extends executive power of the Union to negotiate, sign, and ratify international trade treaties and bilateral economic agreements.
- **Article 51(c):** Directive Principle instructing the State to foster respect for international law and treaty obligations in dealings between organized peoples.
- **Foreign Trade (Development and Regulation) Act, 1992:** Provides the statutory structure to implement tariff concessions, export-import policies, and trade facilitation rules agreed under international agreements like TEPA.
- **India's Arctic Policy (2022):** The executive roadmap guiding scientific research, climate monitoring, and diplomatic engagement in the Arctic region, aligned with international treaty frameworks like the Svalbard Treaty.

Conclusion

The India-EFTA TEPA shifts the focus of trade agreements from mere tariff reduction to long-term industrial, technological, and capital partnerships. Cooperating with Iceland on geothermal storage, carbon utilization, marine processing, and Arctic research enables India to accelerate its net-zero goals while boosting rural value chains and sustainable employment.

UPSC Relevance

- **GS Paper II:** Bilateral, Regional, and Global Groupings and Agreements involving India (India-EFTA TEPA), Foreign Policy and Arctic Diplomacy, Executive Powers in Treaty Making.
- **GS Paper III:** Sustainable Energy Infrastructure (Geothermal), CCUS Innovations, Blue Economy & Marine Resource Utilization, Investment & Job Creation Models, Technology Transfer.

10. Rising Household Debt in India: Structural Drivers and Macroeconomic Implications

Key Highlights & Summary

- **Surge in Household Debt:** According to the Reserve Bank of India (RBI), India's household debt escalated to 45.5% of GDP by September 2025, up from 42% in June 2023 and 39.2% in March 2021.
- **Shift in Savings Trajectory:** Net household financial savings recovered marginally to around 6% of GDP in 2024-25 from 5.2% in 2023-24, though remaining lower than peak pandemic levels.
- **Proliferation of Unsecured Credit:** A rapid expansion in personal loans, credit cards, digital lending apps, and Buy-Now-Pay-Later (BNPL) schemes has lowered transaction costs and expanded short-term consumption smoothing.
- **Distress vs Productive Borrowing:** The core concern is the rising share of consumption-oriented borrowing for routine expenses, healthcare, and education driven by inadequate income growth rather than asset creation.

- **Distributional Risk Profile:** Income volatility disproportionately exposes self-employed and informal workers to high debt-servicing burdens compared to salaried households with predictable earnings.
- **Macroeconomic Debt-Service Drag:** Over-reliance on credit-led demand instead of income-led growth risks depressing future disposable income, making aggregate consumption sensitive to employment shocks.

Essential Definitions

- **Household Leverage:** The ratio of total outstanding financial liabilities of households to the national Gross Domestic Product (GDP) or gross disposable income.
- **Consumption Smoothing:** The practice of utilizing credit or savings to maintain steady living standards during periods of temporary income shortfalls or uneven earnings.
- **Net Financial Savings:** The difference between gross financial assets (bank deposits, equity, small savings) acquired by households and their financial liabilities (borrowings) over a given period.

Legal and Constitutional Framework

- **Article 38 of the Constitution:** Directive Principle obligating the State to promote public welfare by securing a social order that minimizes inequalities in income, status, and opportunity.
- **Article 41:** Instructs the State to make effective provision for securing the right to work, education, and public assistance in cases of unemployment, old age, sickness, and disablement.
- **Reserve Bank of India Act, 1934:** Empowers the central bank to regulate non-banking financial companies (NBFCs), digital lending entities, and impose macroprudential capital buffers to control retail credit risks.
- **Digital Lending Guidelines (RBI, 2022):** Framework regulating app-based lenders, mandating direct disbursement without third-party pooling, and enforcing transparent Loan Service Provider disclosures.

Conclusion

India's escalating household leverage reflects deeper structural gaps where credit increasingly substitutes for inadequate social protection and stagnant real incomes. Ensuring sustainable economic growth requires balancing macroprudential regulations on unsecured consumer lending with targeted state interventions in healthcare, education, and formal employment generation.

UPSC Relevance

- **GS Paper III:** Indian Economy and Issues Relating to Planning, Mobilization of Resources, Growth, Development, and Employment, Monetary Policy Interventions, Macroprudential Regulations.
- **GS Paper II:** Issues Relating to Development and Management of Social Sector/Services relating to Health, Education, and Human Resources, Welfare Schemes for Vulnerable Sections.

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