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for

IAS EXAMINATION



From

02nd to 07th Mar 2026

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POLITY & GOVERNANCE

1.1. OUT-OF-STATE MPLADS FUND UTILIZATION

Context:

According to an analysis based on data from the Empowered Indian MPLADS dashboard, a significant portion of MPLADS funds recommended for works outside a Member of Parliament's (MP's) home State or constituency is being directed toward a single State in India.

1. MPLADS Fund Utilization Patterns

- **Geographical Concentration of Funds:**
 - Uttar Pradesh received over **84%** of all MPLADS funds recommended for works outside an MP's home State or constituency.
 - Uttar Pradesh utilizes more than **twice** the MPLADS funds compared to the second-highest State, Tamil Nadu, which accounts for around 9% of the total funds.

2. About MPLADS Scheme

- The MPLAD Scheme is a Central Sector Scheme (introduced in 1993), fully funded by the Government of India.
- **The main objective of the Scheme:** To enable each Member of Parliament to recommend works of developmental nature with emphasis on the creation of **durable community assets** based on the locally felt needs of the people.
- **Nodal Ministry:** Initially, MPLADS was administered by the Ministry of Rural Development, but since October 1994 it has been managed by the **Ministry of Statistics and Programme Implementation**.
- **Funds Allocation: Each MP is entitled to ₹5 crore per annum**
 - **An elected Lok Sabha MPs** can recommend works in their Lok Sabha constituencies. **Rajya Sabha MPs** can recommend works within the state of election.
 - **Nominated members** can recommend works anywhere in the country.
 - However, an elected MP can recommend works anywhere in the country outside their usual area, with a limit of **₹25 lakh per financial year**, except in cases of calamity.
- **Special Provisions:** MPs are to recommend every year, works costing **at least 15 per cent** of the MPLADS entitlement for the year for areas inhabited by Scheduled Caste population and **7.5 per cent** for areas inhabited by **S.T. population**.



- **Nature of Funds:** This fund is non-lapsable and can be carried forward if not utilised in a given year.
- **Types of Projects Funded under MPLADS:**
 - Construction of roads, pathways, and small bridges
 - Environment, wild animals, forest and other natural resources
 - Installation of street lights and drainage systems
 - Building school classrooms, libraries, and labs
 - Providing drinking water facilities in schools
 - Development of health centres and purchase of medical equipment
 - Creation of drinking water supply systems and hand pumps
 - Construction of community halls, parks, and playgrounds
 - Building sanitation facilities and Anganwadi centres
 - Energy supply and distribution systems

3. Monitoring and Implementation:

- **Ministry of Statistics and Programme Implementation** shall regularly monitor the implementation of the MPLADS, including overall position of funds released, cost of works sanctioned, funds utilized, etc.
- **Role of Central Nodal Agency:** It shall periodically review the physical and financial progress of MPLADS funds, and take up the matter with the State Nodal Authority, Nodal District Authority, or the Implementing District Authority.
- **Role of the State/ UT Governments:** It shall designate a Department of the State/ UT to be the State Nodal Department, and the Administrative Secretary of that department to be the State Nodal Authority to coordinate and monitor the implementation of the MPLADS in that State/ UT. A State Monitoring Committee, **chaired by the Chief Secretary**, reviews MPLADS implementation and fund utilization with concerned authorities and MPs at least once a year.
- **Role of the District Authority:**
 - They shall be responsible for overall monitoring and supervision of the works under the scheme at the district level.
 - They shall inspect at least 10% of the works under implementation every year.

Q. With reference to the funds under the Members of Parliament Local Area Development Scheme (MPLADS), which of the following statements are correct?

- I. The MPLAD Scheme is a Central Sector Scheme(introduced in 1993), fully funded by the Government of India.
- II. MPLADS funds are sanctioned on yearly basis and the unused funds cannot be carried forward to the next year.
- III. The district authority must inspect at least 10% of all works under implementation every year.
- IV. MPLADS scheme is supervised and implemented by the Ministry of Rural development.

Select the correct answer using the code given below:

(a) I, II and III

- (b) II and IV
- (c) I and III
- (d) II, III and IV

Answer: C

Explanation:

Statement I is correct. The MPLAD Scheme is a **Central Sector Scheme** that was introduced in **1993**, and it is fully funded by the Government of India.

Statement II is incorrect. MPLADS funds are sanctioned on a yearly basis, but unused funds **can be carried forward** to the next year.

Statement III is correct. The district authority is responsible for inspecting at least **10% of all works** under implementation every year.

Statement IV is incorrect. The MPLADS scheme is supervised and implemented by the **Ministry of Statistics and Programme Implementation**, not the Ministry of Rural Development.

1.2. APPOINTMENTS AND TRANSFERS FOR GOVERNORS

Context:

The President of India recently announced new appointments and transfers for Governors across seven States and Lieutenant Governors (L-Gs) for two Union Territories. This reshuffle comes amidst significant political shifts, upcoming Assembly elections, and the resignation of high-profile officials like West Bengal Governor C.V. Ananda Bose.

I. Recent Appointments and Key Changes

The latest round of appointments highlights the constitutional power of the President to move and appoint heads of states:

- **West Bengal:** R.N. Ravi (formerly Governor of Tamil Nadu) has been appointed as the new Governor.
- **Tamil Nadu:** Rajendra Vishwanath Arlekar (Governor of Kerala) has been given the additional charge of Tamil Nadu.

APPOINTMENTS & TRANSFERS FOR GOVERNORS
Why Important for UPSC?

- Constitutional relevance:** Appointment of the Governor of an Indian State is governed by provisions related to the President of India.
- Federalism debate:** The Governor's appointment often raises issues of Centre-State relations, an important theme in Indian Polity.
- Supreme Court rulings:** Cases like B.P. Singhal v. Union of India clarify removal and tenure of Governors.
- Exam relevance:** Frequently asked in UPSC Prelims and Mains regarding powers, appointment process, and constitutional role.

Recent Appointments and Transfers

- R.N. Ravi:** Appointed Governor of West Bengal
- Rajendra Vishwanath Arlekar:** Given additional charge of Tamil Nadu, remains Governor of Kerala
- Tamil Nadu:** Governor is appointed by Tamil Nadu
- Vinai Kumar Saxena:** Moved from Delhi L-G to Ladakh L-G
- Delhi L-G to Ladakh L-G**
- Kavinder Gupta:** Promoted from Ladakh L-G to Governor of Himachal Pradesh

Constitutional Provisions (Polity)

- Article 163: Governor for each State
- Article 153: Governor is appointed by the President
- Article 156: Governor remains Governor
- Article 163: Council of Ministers aids & advises Governor

Appointment Process

- Appointed by the President of India
- Not elected—unlike the President
- Term: 5 years but serves at the President's pleasure

Lieutenant Governors vs. Governors

Privileges of the Governor

- Personal immunity from criminal proceedings during their term (Article 361)
- Cannot be arrested or imprisoned while in office

Recent Appointments (Polity)

- Article 153: Mandates a Governor for each State
- Article 155: Governor is appointed by the President
- Article 156: Governor holds office during the president's pleasure

- **Bihar:** Lt. Gen. (Retd.) Syed Ata Hasnain has been appointed as the Governor, replacing Arif Mohammed Khan.
- **Transfers:** Shiv Pratap Shukla was moved from Himachal Pradesh to Telangana, and Jishnu Dev Varma was transferred from Telangana to Maharashtra.
- **Union Territories:** Vinai Kumar Saxena was moved from Delhi to Ladakh, while Kavinder Gupta was elevated from Ladakh L-G to Governor of Himachal Pradesh.

II. Static Linkages: The Office of the Governor

1. Constitutional Provisions (Polity)

- **Article 153:** Mandates that there shall be a Governor for each State. The 7th Constitutional Amendment Act of 1956 facilitated the appointment of the same person as a Governor for two or more States (relevant to the additional charge given for Tamil Nadu).
- **Article 155:** The Governor is appointed by the President by warrant under his hand and seal.
- **Article 156:** The Governor holds office during the pleasure of the President. The article also mentions a standard term of five years, but this is subject to the President's pleasure.
- **Article 163:** There is a Council of Ministers with the Chief Minister at the head to aid and advise the Governor in the exercise of his functions, except in some conditions where discretion is allowed.

2. What is the Appointment Process for the Governor?

- The **Governor of an Indian State** is the **constitutional head and chief executive of the state**. The office has been **inspired by the Canadian constitutional model**.
- By convention, the Governor is usually **appointed from outside the state** to keep the office free from local political influences.
- Although the **President of India** appoints the Governor, it is generally expected that the **Chief Minister of the concerned state** is consulted to facilitate smooth functioning of the constitutional system.
- Unlike the **President of India**, the Governor is **neither directly elected by the people nor indirectly elected by an electoral college**.
- Instead, the Governor is **appointed by the President through a warrant under his hand and seal**. The Governor **holds office at the pleasure of the President** and may be removed at any time.

3. Key Conditions of the Governor's Office

- **Legislative Separation:** The Governor cannot be a member of either House of Parliament or any House of a State Legislature. If a sitting member is appointed, they are deemed to have vacated their seat on the date they assume office.
- **No Other Office of Profit:** The Governor must not hold any other position of profit.
- **Official Residence:** The Governor is entitled to use the official residence (Raj Bhavan) without paying rent.

- **Emoluments and Allowances:** Parliament determines the salary, allowances, and privileges of the Governor. These cannot be reduced during their term.
- **Shared Expenses:** If one person acts as Governor for two or more states, the expenses and salaries are shared among the states as determined by the President.
- **Immunity:** The Governor enjoys immunity from criminal proceedings for personal acts during their term, and civil proceedings require two months' notice.
- **Qualification:** Must be a citizen of India and Must have completed 35 years of age(Article 157).

4. Lieutenant Governors vs. Governors

- **Governors:** Act as the constitutional head of a State, bound by the aid and advice of the Council of Ministers (except in discretionary matters).
- **Lieutenant Governors (L-Gs):** Administer Union Territories (UTs) like Delhi, Ladakh, and Puducherry as representatives of the President. Their powers often differ based on whether the UT has a Legislative Assembly.

5. Privileges:

- Under **Article 361 of the Constitution of India**, the **Governor of an Indian State** enjoys **personal immunity from legal liability for acts performed in the exercise of official powers**.
- During the tenure of office, the Governor is **immune from criminal proceedings**, even for actions of a personal nature, and **cannot be arrested or imprisoned**.
- However, **civil proceedings related to personal acts may be initiated during the term**, provided a **two-month prior notice** is given.

Q. Consider the following statements:

- I. The 7th Constitutional Amendment Act of 1956 facilitated the appointment of the same person as a Governor for two or more States.
- II. The Governor enjoys immunity from criminal proceedings for personal acts during their term.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Answer: C

Explanation:

Statement I is correct: As per the static linkages of the Governor's office, the **7th Constitutional Amendment Act of 1956** made it possible to appoint the same person as a Governor for two or more states. This is reflected in the current context where **Rajendra Vishwanath Arlekar** has been given the **additional charge** of Tamil Nadu while serving as the Governor of Kerala.

Statement II is correct: Under the Constitution of India, a Governor enjoys **personal immunity** from legal liability for their official acts. Specifically, during their term of office, they are immune from any **criminal proceedings**, even for their personal acts. No process for the arrest or imprisonment of a Governor can be issued from any court during their term of office.

1.3. KARNATAKA & ANDHRA PRADESH SOCIAL MEDIA BAN FOR CHILDREN

Context:

Recently, the state governments of **Karnataka** and **Andhra Pradesh** have proposed significant legislative measures to ban or strictly restrict the use of social media for children. While presenting the State Budget for 2026-27, Karnataka Chief Minister Siddaramaiah announced a proposed ban on social media for children **under the age of 16** to curb digital addiction and protect mental health.

Simultaneously, Andhra Pradesh Chief Minister N. Chandrababu Naidu stated that his government is working to implement a similar restriction for children **below 13 years** of age within 90 days, while also deliberating on extending the policy to the 13-16 age group.



Key Highlights of the Proposal

1. State-Specific Provisions

- **Karnataka:** The proposal was introduced in the **2026-27 Budget**. It targets children below 16 years, citing concerns over "excessive screen time," "eye fatigue," and "academic decline."
- **Andhra Pradesh:** The state plans to enforce a ban for those below 13 years within **90 days**. A **Group of Ministers (GoM)** led by Nara Lokesh is currently studying the technical feasibility and international models.

2. Major Objectives

- **Mental Health:** Combatting rising cases of anxiety, depression, and body image issues among adolescents.
- **Safety:** Protecting minors from cyberbullying, online grooming, and exposure to age-inappropriate content.
- **Digital Literacy:** Encouraging physical activities and reading habits through campaigns like Karnataka's '**Mobile Bidi, Pustaka Hidi**' (Leave the phone, pick a book).

3. Global Trends

The moves by Indian states align with a growing global "Age-Gate" movement:

- **Australia:** Passed a landmark law in late 2025 banning social media for anyone under 16.
- **France:** Introduced a "digital puberty" age of 15, requiring parental consent for social media.

- **Spain:** Mandated age verification for minors under 16.

4. Legal and Constitutional Challenges

- **Jurisdictional Issue:** Under the **Seventh Schedule** of the Indian Constitution, "Communication" and "Information Technology" (Intermediaries) fall under the **Union List**. Critics argue that states may lack the legislative competence to mandate platform-level blocks.
- **Fundamental Rights:** The ban may be challenged under **Article 19(1)(a)** (Freedom of Speech and Expression), as even minors possess certain rights to access information, subject to "reasonable restrictions."
- **Digital Personal Data Protection (DPDP) Act, 2023:** This central law already defines a "child" as someone under 18 and mandates **verifiable parental consent** before processing their data.
- **Implementation Hurdles:** Difficulties in "Age Verification" without infringing on the **Right to Privacy** (K.S. Puttaswamy judgment).

Q. Consider the following statements regarding the regulation of social media for minors in India:

1. Karnataka is the first Indian state to propose a social media ban for children under 16 years in its official budget.
2. Under the Digital Personal Data Protection (DPDP) Act, 2023, a child is defined as any individual who has not completed 16 years of age.
3. The power to regulate "Information Technology and Intermediaries" lies exclusively with the State Governments under the Seventh Schedule.

How many of the statements given above are correct?

- A) Only one
- B) Only two
- C) All three
- D) None

Solution: A (Only one)

- **STATEMENT 1 IS CORRECT:** Karnataka became the first state to formally include a proposal to ban social media for children under 16 in its 2026-27 State Budget.
- **STATEMENT 2 IS INCORRECT:** Under the **Digital Personal Data Protection Act, 2023**, a "child" is defined as an individual who has not completed **18 years** of age, not 16.
- **STATEMENT 3 IS INCORRECT:** Regulation of digital intermediaries and information technology falls under the **Union List** (Entry 31 - Post and Telegraphs, Telephones, Wireless, Broadcasting, and other like forms of communication) of the Seventh Schedule, giving the Central Government primary authority.

INTERNATIONAL RELATIONS

2.1. IRAN MAPPING

Context:

Recently, Iran has become a central focus of global geopolitics following significant military escalations in the Middle East. Israeli and U.S. strikes targeted key Iranian strategic locations, including the capital **Tehran**.

These events have reignited concerns regarding the security of the **Strait of Hormuz**, a vital global energy chokepoint, and the stability of the **International North-South Transport Corridor (INSTC)**, which connects India to Eurasia via the Iranian port of **Chabahar**.



1. Political Geography and Borders

Iran is a West Asian country situated at the crossroads of Central Asia, South Asia, and the Middle East. It shares land borders with seven nations:

- **North:** Armenia, Azerbaijan, and Turkmenistan.
- **East:** Afghanistan and Pakistan.
- **West:** Iraq and Turkey.
- **Maritime Borders:** The **Caspian Sea** to the north (shared with Russia, Kazakhstan, Turkmenistan, and Azerbaijan) and the **Persian Gulf** and **Gulf of Oman** to the south.

2. Major Mountain Systems

Iran's topography is dominated by a rugged mountainous rim surrounding a central plateau.

- **Alborz Mountains:** Located in the north, they run along the southern coast of the Caspian Sea. They house **Mount Damavand**, a dormant stratovolcano and the highest peak in Iran (approx. 5,671 m).
- **Zagros Mountains:** This massive fold-and-thrust belt stretches from the northwest (borders with Turkey/Iraq) to the southeast (Strait of Hormuz). It is a major source of Iran's oil and gas reserves located in its western foothills.
- **Kopet Dag:** Forms the northeastern border with Turkmenistan.

3. The Central Plateau and Deserts

The interior of Iran consists of the **Iranian Plateau**, which is largely arid and contains two of the world's most extreme deserts:

- **Dasht-e Kavir (Great Salt Desert):** Located in the north-central region, it is characterized by salt marshes and "Kavirs" (salt wastes).
- **Dasht-e Lut (Desert of Emptiness):** Located in the southeast, it is one of the hottest places on Earth and is a UNESCO World Heritage site known for its spectacular "Yardangs" (wind-sculpted rock formations).

4. Critical Water Bodies and Ports

- **Lake Urmia:** Situated in the northwest, it is an endorheic (terminal) hypersaline lake. It was once the largest lake in the Middle East but has faced significant shrinking due to drought and damming.
- **Strait of Hormuz:** A narrow waterway connecting the Persian Gulf to the Gulf of Oman. It is the world's most important oil chokepoint, through which nearly **20% of global oil consumption** passes.
- **Chabahar Port:** Located on the Makran coast in the Sistan-Baluchistan province (Gulf of Oman). It is strategically vital for India as it bypasses Pakistan to provide a trade route to Afghanistan and Central Asia.

Q. With reference to the geography of West Asia, consider the following statements:

- I. The Alborz mountain range forms the natural boundary between Iran and Iraq.
- II. Lake Urmia is an endorheic salt lake located in the northwestern part of Iran.
- III. The Dasht-e Lut desert is located to the west of the Zagros Mountains.
- IV. The Strait of Hormuz connects the Persian Gulf directly to the Arabian Sea.

How many of the above statements are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

Answer: A (Only one)

- **Statement 1 Incorrect:** The **Zagros Mountains** follow the western border with Iraq; the Alborz Mountains are in the **north** along the Caspian Sea.
- **Statement 2 Correct:** Lake Urmia is indeed a hypersaline, endorheic lake in the northwest (Azerbaijan provinces of Iran).
- **Statement 3 Incorrect:** The Dasht-e Lut is located in **southeastern** Iran, which is to the **east** of the Zagros Mountains.
- **Statement 4 Incorrect:** The Strait of Hormuz connects the Persian Gulf to the **Gulf of Oman**; the Gulf of Oman then opens into the Arabian Sea.

2.2. INDIA-US FOUNDATIONAL DEFENSE PACTS: A STRATEGIC ROADMAP

Context:

Recently, the strategic partnership between India and the United States has gained significant momentum following the signing of a landmark **10-year Defence Framework Agreement** (2025–2035) and a major **Interim Trade Deal** in early 2026.

This progress is built upon the successful operationalization of the four "Foundational Agreements"—GSOMIA, LEMOA, COMCASA, and BECA—which have institutionalized military interoperability, secure communication, and real-time



intelligence sharing between the two nations, particularly in the context of maintaining a free and open Indo-Pacific.

Foundational Agreements: An Overview

The U.S. signs these "foundational" or "enabling" agreements with its close partners to facilitate military cooperation. For India, these were modified into "India-specific" versions to address concerns regarding sovereignty and strategic autonomy.

1. GSOMIA (General Security of Military Information Agreement)

- **Signed:** 2002 (Extended by the **Industrial Security Annex/ISA** in 2019).
- **Function:** It allows the two militaries to share intelligence gathered by them.
- **Impact:** It provides a framework for the exchange of classified military information between the governments and, with the ISA, it now includes private sector defense manufacturers.

2. LEMOA (Logistics Exchange Memorandum of Agreement)

- **Signed:** 2016.
- **Function:** It provides a framework for mutual logistical support, allowing the militaries to use each other's bases for **replenishment and refueling**.
- **Key Point:** It is purely a logistical arrangement and **does not** involve the stationing of U.S. troops on Indian soil. It is particularly vital for Navy-to-Navy cooperation in the Indo-Pacific.

3. COMCASA (Communications Compatibility and Security Agreement)

- **Signed:** 2018 (India-specific version of CISMOA).
- **Function:** It allows the transfer of encrypted communication equipment so that Indian and U.S. military commanders, ships, and aircraft can communicate through secure, specialized networks.
- **Impact:** It ensures "interoperability" during joint exercises or disaster relief operations, preventing the interception of data by third parties.

4. BECA (Basic Exchange and Cooperation Agreement)

- **Signed:** 2020.
- **Function:** It facilitates the exchange of **geospatial intelligence**, including high-resolution maps, nautical/aeronautical charts, and satellite imagery.
- **Impact:** It significantly enhances the accuracy of Indian automated hardware and weapons systems, such as cruise missiles and armed drones, by providing high-quality GPS and topographical data.

5. Strategic Significance

- **Interoperability:** These agreements allow the two militaries to "talk" to each other and "act" together seamlessly.
- **Countering Regional Threats:** The pacts provide India with a technological edge, especially in monitoring movements in the Indian Ocean and along the Line of Actual Control (LAC).

- **Shift in Policy:** Moving from "Strategic Autonomy" in a traditional sense to "Strategic Convergence" with the U.S. without entering a formal military alliance.

Q. With reference to the foundational defense agreements between India and the USA, consider the following statements:

1. The Logistics Exchange Memorandum of Agreement (LEMOA) facilitates the permanent stationing of foreign troops in India for joint counter-terrorism operations.
2. The Basic Exchange and Cooperation Agreement (BECA) primarily focuses on the transfer of satellite data to enhance the precision of long-range missiles.
3. The correct chronological order of the signing of these agreements is: GSOMIA → LEMOA → COMCASA → BECA.

How many of the statements given above are correct?

- A) Only one
- B) Only two
- C) All three
- D) None

Solution: B (Only two)

- **STATEMENT 1 IS INCORRECT:** LEMOA is a logistical pact for refueling and replenishment; it **does not** mandate or allow the permanent stationing of U.S. troops or bases on Indian soil.
- **STATEMENT 2 IS CORRECT:** BECA allows for the sharing of geospatial intelligence (maps and satellite data), which is critical for the accuracy of missiles and drones.
- **STATEMENT 3 IS CORRECT:** The chronological order is GSOMIA (2002), LEMOA (2016), COMCASA (2018), and BECA (2020).

2.3. FINLAND MAPPING

Context:

Recently, the President of Finland, Alexander Stubb, conducted a significant four-day state visit to India (March 4–7, 2026) to participate in the Raisina Dialogue and hold bilateral talks with Prime Minister Narendra Modi. During this visit, both nations elevated their relationship to a **Strategic Partnership in Digitalization and Sustainability**,



focusing on trade, critical technologies, and a shared commitment to a rules-based international order.

1. Geographical Location and Borders

Finland is a Nordic country situated in **Northern Europe**. It is the northernmost country in the European Union.

- **Land Borders:**
 - **East:** Russia (shares a massive 1,340 km border, now the longest NATO-Russia frontier).
 - **North:** Norway.

- **Northwest:** Sweden.
- **Water Bodies:**
 - **South:** Gulf of Finland (separates Finland from Estonia).
 - **West:** Gulf of Bothnia (separates Finland from Sweden).
 - **Southwest:** Baltic Sea.

2. Physical Features

- **The Fennoscandian Shield:** Finland sits on an ancient, stable segment of the Earth's crust known as the Baltic or Fennoscandian Shield, composed of Precambrian granites.
- **Land of Lakes:** Known as "the land of a thousand lakes," Finland actually has approximately **188,000 lakes**. **Lake Saimaa** is the largest and is famous for the endangered Saimaa ringed seal.
- **Archipelagos:** The **Åland Islands**, an autonomous, Swedish-speaking region of Finland, lie at the entrance to the Gulf of Bothnia. The **Archipelago Sea** between the Finnish mainland and Åland contains the world's largest number of islands.
- **The Arctic Circle:** About **one-third** of Finland lies north of the Arctic Circle (66.5° N), encompassing the region of **Lapland**.
- **Highest Point: Mount Halti** (Haltitunturi), located on the border with Norway.

3. Key Maritime Geography

Feature	Details
Gulf of Bothnia	The northernmost arm of the Baltic Sea; water salinity is very low (brackish) due to numerous calving rivers.
Gulf of Finland	Extends between Finland (north), Estonia (south), and Russia (east). Helsinki and Tallinn face each other across this gulf.
Saimaa Canal	A transportation canal that connects Lake Saimaa to the Gulf of Finland, passing through Russian territory (Vyborg).

4. Climate and Vegetation

- **Taiga Biome:** Finland is Europe's most heavily forested country (over 70% coverage), dominated by Scots pine, Norway spruce, and birch.
- **Isostatic Rebound:** Due to the removal of heavy ice sheets after the last Ice Age, the land in Finland is still rising (post-glacial rebound), particularly in the Kvarken Archipelago (a UNESCO World Heritage site).

Q. Consider the following statements regarding the geography of Finland:

1. Finland shares land borders with only two countries: Sweden and Russia.
2. The Gulf of Finland separates the Finnish mainland from the country of Estonia.
3. A significant portion of Finland's territory lies within the Arctic Circle.
4. The Åland Islands, located in the Baltic Sea, are an integral part of Finland.

How many of the statements given above are correct?

- A) Only one
- B) Only two
- C) Only three
- D) All four

Solution: C) Only three

- **STATEMENT 1 IS INCORRECT:** Finland shares land borders with **three** countries: Sweden (Northwest), Norway (North), and Russia (East).
- **STATEMENT 2 IS CORRECT:** The Gulf of Finland is an arm of the Baltic Sea situated between Finland to the north and Estonia to the south.
- **STATEMENT 3 IS CORRECT:** Approximately one-third of Finland, primarily the Lapland region, lies north of the Arctic Circle.
- **STATEMENT 4 IS CORRECT:** The Åland Islands are an autonomous, demilitarized region of Finland located at the entrance to the Gulf of Bothnia.

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3.1. SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

Context:

- Recently, the Securities and Exchange Board of India (SEBI) has intensified its technological crackdown on market manipulators and "finfluencers" to preserve market integrity. Chairman **Tuhin Kanta Pandey** highlighted the successful deployment of '**Sudarshan**', an AI-powered surveillance system that has already led to the removal of over 1.2 lakh misleading financial posts.
- Furthermore, SEBI launched the '**SEBI Check**' tool within the UPI interface to help investors verify registered intermediaries before making payments.



1. Evolution and Legal Status

- **Origin:** SEBI was first established on **April 12, 1988**, as a non-statutory body through a government resolution.
- **Statutory Status:** It was granted statutory autonomous status through the **SEBI Act, 1992**, following the Harshad Mehta scam to provide the regulator with enforcement powers.
- **Headquarters:** The main office is located in **Mumbai**, with regional offices in New Delhi, Kolkata, Chennai, and Ahmedabad.

2. Composition of the Board

The SEBI Board is a multi-member body consisting of **nine members**:

- **Chairman:** Nominated by the Union Government of India.
- **Two Members:** Officers from the Union Ministry of Finance.
- **One Member:** From the Reserve Bank of India (RBI).
- **Five Other Members:** Nominated by the Union Government, of which at least three must be whole-time members.

Note on Appointment: The Chairman is recommended by the **Financial Sector Regulatory Appointments Search Committee (FSRASC)**, headed by the Cabinet Secretary. The final appointment is approved by the Appointments Committee of the Cabinet (ACC).

3. Functions of SEBI

SEBI operates as a watchdog for the capital markets with three primary objectives:

- **Protective Functions:** Prohibiting insider trading, preventing price rigging, and promoting fair trade practices while educating investors.

- **Developmental Functions:** Promoting the training of intermediaries, encouraging self-regulatory organizations (SROs), and modernizing trading infrastructure.
- **Regulatory Functions:** Registering and regulating stockbrokers, merchant bankers, mutual funds, and credit rating agencies.

4. Triple Powers of SEBI

SEBI is one of the most powerful regulators in India because it combines three types of powers:

- **Quasi-Legislative:** It drafts regulations and rules for the capital market (e.g., Listing Obligations and Disclosure Requirements).
- **Quasi-Executive:** It conducts investigations, audits, and inspections. It has the power to call for data, including telephone call records, during investigations into insider trading.
- **Quasi-Judicial:** It passes rulings and orders. It can impose heavy monetary penalties and bar entities from accessing the capital markets.

5. Regulatory Ambit and Important Mechanisms

- **Collective Investment Schemes (CIS):** SEBI regulates any money-pooling scheme involving **₹100 crore or more**, ensuring they are not fraudulent "ponzi" schemes.
- **SCORES:** The **SEBI Complaints Redress System** is a web-based centralized platform for investors to lodge grievances against listed companies or intermediaries.
- **Appellate Mechanism:** Any entity aggrieved by an order of SEBI can appeal to the **Securities Appellate Tribunal (SAT)**. A further appeal against SAT's order can be made directly to the **Supreme Court of India**.

Q. Consider the following statements regarding the Securities and Exchange Board of India (SEBI):

- I. It is a statutory body that regulates both the securities market and any money-pooling scheme with a corpus of ₹100 crore or more.
- II. The Chairman of SEBI is appointed by a committee specifically headed by the Governor of the Reserve Bank of India.
- III. An appeal against the order of the Securities Appellate Tribunal (SAT) lies directly with the Supreme Court of India.
- IV. SEBI has the power to act as a quasi-judicial body but lacks the authority to draft its own regulations.

How many of the above statements are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

Correct Answer: b (Only two)

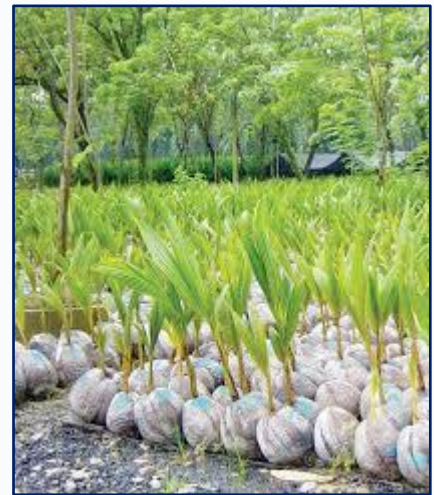
- **Statement 1 Correct:** SEBI is a statutory body (SEBI Act, 1992) and has the authority to regulate Collective Investment Schemes (CIS) with a corpus of ₹100 crore or more.

- **Statement 2 Incorrect:** The Chairman is recommended by the **Financial Sector Regulatory Appointments Search Committee (FSRASC)**, which is headed by the **Cabinet Secretary**, not the RBI Governor.
- **Statement 3 Correct:** Under the SEBI Act, any person aggrieved by an order of the SAT may file an appeal to the **Supreme Court** on any question of law.
- **Statement 4 Incorrect:** SEBI is a **quasi-legislative** body as well, meaning it has the specific power to draft and notify regulations (like the SEBI ICDR or LODR Regulations).

3.2. COCONUT CULTIVATION

Context:

- Recently, a scientific study highlights that the **future of coconut cultivation depends more on sustainability practices than simply increasing productivity**, due to climate change, soil degradation, water stress, and market risks.
- **The Union Budget 2026–27** announced a **Coconut Promotion Scheme** to boost productivity by rejuvenating old, unproductive gardens with high-yield varieties and promoting new coastal plantations.
- **The Coconut Development Board** is already running a similar scheme that has rejuvenated old gardens and expanded coconut cultivation into non-traditional regions like Gujarat and Assam, helping partly offset disease-related losses in Kerala and Tamil Nadu.



1. Key Aspects of Coconut Promotion Scheme

- **Primary Objective:** To improve productivity by rejuvenating old, low-yielding gardens and establishing new plantations..
- **Shift in Focus:** The scheme must move beyond just distributing high-yield seedlings.
- **Priority Areas:**
 - Development and mass multiplication of **climate-resilient varieties** for farms along the east coast and in peninsular regions.
 - Development of **wilt-tolerant varieties** for coconut-growing regions along the west coast.

2. Challenges to Productivity and Sustainability

- **Climate Change:**
 - Research projects that temperatures in regions with plantations may rise by **1.6-2.1°C by 2050** and up to **3.2°C by 2070**.
 - Increased temperatures and significant changes in rainfall patterns will increase moisture deficit and intensify **drought stress**.
- **Geographical Vulnerability:**

- Parts of interior peninsular India, including **Karnataka and Andhra Pradesh**, along with southern **Tamil Nadu** and the east coast, could be less suitable for coconut cultivation due to climate change and diseases.

● **Disease Impact:**

- Widespread destruction of coconut palms in **Kerala and Tamil Nadu** has been caused by diseases.

3. Basic of Coconut

I. Production Status and Ranking

- **Global Position:** India is the **largest producer and consumer** of coconuts in the world.
- **Livelihood:** Approximately **30 million people** and nearly **10 million farmers** in India depend on coconut cultivation for their livelihoods.
- **Major Producing States:** As of 2023-2024 **Karnataka is the top coconut-producing state** in India, accounting for over 28% of the total, followed closely by Tamil Nadu and Kerala, with these three southern states contributing over 90% of the national output.
- **Expansion:** Cultivation is expanding to non-traditional areas, including the North-Eastern states (Assam and Tripura) and coastal regions of Odisha and West Bengal.

Coconut Cultivation in India
Promotion & Sustainability

Union Budget 2026–27

- **Coconut Promotion Scheme**
 - Rejuvenate Old Gardens (High-yield varieties)
 - New Plantations (Coastal Areas)

India's Position

- World's Largest Producer & Consumer
- **30 Million** People Dependent
- **Top States:** Karnataka, TN, Kerala (90%+ output)

Challenges

- **Climate Change**
↑ Temp: 1.6–3.2°C by 2070
- Rainfall Variability & Drought
- Soil Degradation & Water Stress
- Diseases – Loss in **Kerala, TN**

Focus on Sustainability

- **Climate-Resilient Varieties** (East Coast & Peninsular India)
- **Wilt-Tolerant Types** (West Coast)
- **Water Management** (Drip, Rainwater Harvesting)
- **Soil Health** (Organic Manure, Compost)

Basic Needs for Coconut

- **Temp:** 22–32°C
- **Rainfall:** 1300–2300 mm
- **Sunlight:** 2000 hrs /year
- **Soil pH:** 5.0 – 8.0

Coconut Development Board (CDB)

- Min. of Agri., Estb. 1981, Kochi
- Productivity, Diversification, Tech Support
- **MSP for Copra**

II. Climatic and Geographical Requirements

- **Nature of Crop:** It is essentially a **tropical plant**, typically grown between **20°N and 20°S latitudes**.
- **Temperature:** It requires an ideal mean annual temperature of **22°C–32°C**. Reproductive growth is hindered if temperatures fall below **10°C**.
- **Rainfall:** A well-distributed annual rainfall of **1300 mm to 2300 mm** is preferred. In areas with uneven rainfall, irrigation is essential.
- **Sunlight:** The palm requires plenty of sunlight (roughly **2000 hours** of sunshine annually) and **does not thrive in heavily shaded or cloudy regions**.
- **Soil:** It can grow in diverse soil types including laterite, coastal sandy, alluvial, and saline soils. A pH range of **5.0 to 8.0** is tolerable, provided there is proper drainage.

III. Institutional and Regulatory Framework

- **Coconut Development Board (CDB):** It is a **statutory body** established in 1981 under the **Ministry of Agriculture and Farmers Welfare**. Its headquarters is located in **Kochi, Kerala**.
- **Mandate:** The CDB focuses on integrated development, productivity increase, product diversification, and providing technical advice to the coconut industry.
- **Minimum Support Price (MSP):** The government fixes the MSP for **Milling Copra** and **Ball Copra**.

Q. With reference to coconut cultivation and its status in India, consider the following statements:

- I. India is currently the largest producer and consumers of coconuts globally.
- II. The Coconut Development Board is a statutory body headquartered in Chennai, Tamil Nadu.
- III. The Union Budget 2026-27 has proposed a scheme to replace senile and unproductive trees with high-yielding varieties.

How many of the statements given above is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

Answer: B

Explanation:

Statement I is correct. India is currently the **world's largest producer and consumer** of coconuts. While other countries like Indonesia and the Philippines are major players, India's domestic prices for tender coconut and copra remain higher than prevailing international prices.

Statement II is incorrect. While the article mentions that the **Coconut Development Board (CDB)** is already implementing schemes to rejuvenate old gardens, it does not state that it is headquartered in Chennai. (Note: The CDB is a statutory body, but its headquarters is actually located in **Kochi, Kerala**, not Chennai).

Statement III is correct. The **Union Budget 2026–27** explicitly introduced the **Coconut Promotion Scheme** to rejuvenate old plantations with high-yielding saplings.

3.3. MORBI CERAMIC INDUSTRY

Context:

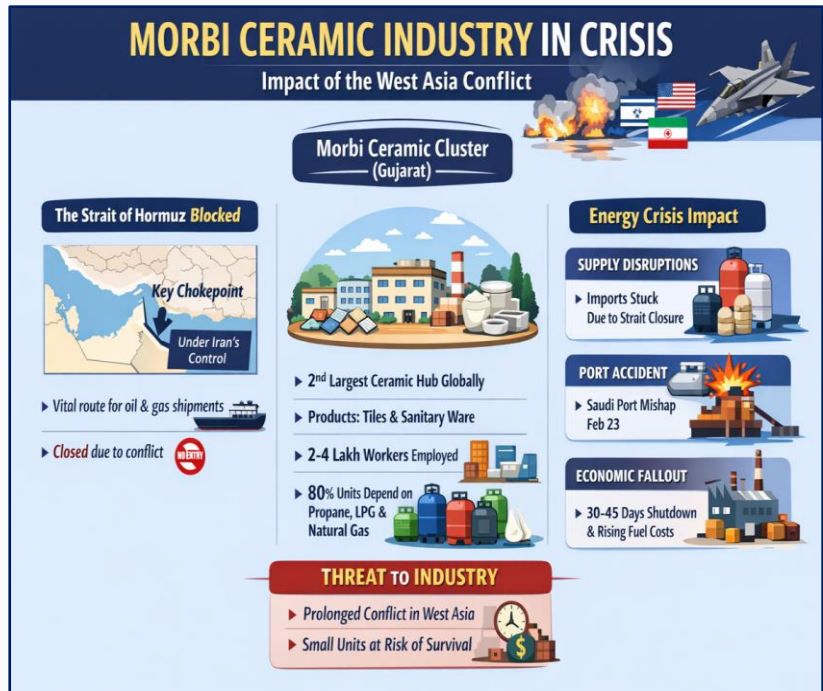
The escalating military turmoil in West Asia, involving Israel, the U.S., and Iran, has severely disrupted energy supply chains. This has direct consequences for energy-dependent industrial clusters in India, specifically the ceramic industry in **Morbi, Gujarat**.

1. Key Geographic Bottleneck: The Strait of Hormuz

- **Significance:** It is a major global passage for vessels carrying petroleum and gas shipments from the Gulf countries.
- **Conflict Impact:** The strait is currently closed to vessels due to the war.
- **Strategic Control:** The article identifies the Strait of Hormuz as being under Iran's control.

2. Industrial Profile: Morbi Ceramic Cluster

- **Location:** It is situated on the **Kathiawar peninsula**. The city is on the **Machhu River**.
- **Scale:** Morbi is famously known as the "**Ceramic City of India**." This city plays a vital role in producing a wide range of ceramic products and is recognized for its significant contribution to the industry. Morbi is the **second-largest ceramic production hub** in the world.



- **Products:**

- **Ceramic tiles:** Floor tiles, wall tiles, vitrified tiles, and digital tiles.
- **Sanitary ware:** Toilets, Basins, and bathroom accessories.
- **Employment:** It provides direct and indirect livelihoods to an estimated 2 to 4 lakh workers.
- **Energy Dependency:** The industry relies heavily on **propane, LPG, and natural gas** for firing kilns and drying processes.
 - Nearly 80% of units are dependent on propane.
 - Natural gas is primarily supplied to the region by **Gujarat Gas Ltd.**



3. Vulnerabilities in Energy Supply Chains

- **Import Reliance:** Essential fuels like propane and natural gas for this sector are sourced from the Gulf region.
- **Supply Disruptions:** Shipments are stuck due to the closure of the Strait of Hormuz.
 - Propane supplies were further hampered by an accident at a port in Saudi Arabia on February 23.
- **Economic Impact:** A prolonged conflict (4 weeks or more) could lead to an industry-wide shutdown lasting 30 to 45 days, with sharp rises in fuel prices threatening the survival of smaller units.

Q. Which Indian City is Known as Ceramic City of India?

- (a) Morbi
- (b) Sri Nagar
- (c) Udaipur
- (d) Coimbatore

Answer: A

Explanation:

Morbi is a city in Gujarat, India, famously known as the "Ceramic City of India." This city plays a vital role in producing a wide range of ceramic products and is recognized for its significant contribution to the industry. Morbi is the second-largest ceramic production hub in the world.

3.4. INDIA'S OIL AND GAS IMPORTS

Context:

- **Recently**, the Union Minister of Petroleum and Natural Gas, Hardeep Singh Puri, briefed the media on India's robust energy preparedness amidst escalating hostilities in West Asia and potential disruptions in the **Strait of Hormuz**.
- India has witnessed a significant strategic shift in its oil sourcing; while Russia remained a top supplier for much of 2025, imports from Russia fell to a 44-month low in January 2026 as India increased procurement from **Saudi Arabia** and the **United States** to balance geopolitical pressures and emerging trade frameworks.



1. High Import Dependency & The Energy Basket

- **Crude Oil:** India's dependence on imported crude has climbed to a record **88.5%** in FY 2025-26. This is driven by a steady 3-4% annual rise in fuel demand coupled with declining domestic production from mature fields.
- **Natural Gas (LNG):** India imports roughly **50%** of its natural gas. The government is rapidly expanding regasification capacity, aiming for an 80% increase by 2026 to support the goal of a "**Gas-based Economy**" (targeting 15% share in the energy mix by 2030).
- **LPG:** India is the world's second-largest LPG consumer. It imports over **60%** of its LPG, with a historic first-ever long-term contract signed with the **U.S. Gulf Coast** in late 2025 to supply 10% of India's annual requirement starting in 2026.

2. Strategic Shift in Import Destinations (2025-26)

Destination	Current Status (2026)	Strategic Context
Russia	Significant Decline	Share fell to ~19% due to regulatory risks and a pivot toward U.S./Gulf sources.

Iraq	Top Supplier	Consistently India's #1 or #2 source due to refinery compatibility and stable pricing.
Saudi Arabia	Major Rebound	Reclaimed a larger share (~17.5%) as India re-strengthened ties with OPEC+ leaders.
USA	Emerging Partner	Share rose to 6.8% ; imports include crude oil, LNG, and now large-scale LPG.

3. Energy Security: Strategic Petroleum Reserves (SPR)

India manages its vulnerability through a "9.5 + 64.5" day buffer system:

- **Phase I (Completed):** 5.33 MMT capacity in underground rock caverns at **Visakhapatnam (AP), Mangaluru (KA), and Padur (KA)**. This covers roughly 9.5 days of India's crude requirement.
- **Phase II (Ongoing):** Includes additional commercial-cum-strategic facilities at **Chandikhole (Odisha)** and a second unit at **Padur**.
- **Institutional Framework:** Managed by **ISPRL** (Indian Strategic Petroleum Reserves Ltd), a subsidiary of the Oil Industry Development Board (OIDB).

4. Economic Impact

- **Current Account Deficit (CAD):** Every **\$10/barrel** increase in global crude prices typically widens India's CAD by approximately **\$9 billion** (0.4% of GDP).
- **Trade Chokepoint:** Over **50%** of India's crude and **60%** of its LNG pass through the **Strait of Hormuz**. Any disruption here forces ships to take the longer **Cape of Good Hope** route, increasing freight costs by 3-5% and insurance premiums significantly.

5. Mitigation: Transitioning to Self-Reliance

- **E20 Mandate:** From **April 1, 2026**, the government has mandated a **20% Ethanol Blending (E20)** in petrol nationwide. This is expected to save over **₹45,000 crore** in foreign exchange annually.
- **Green Hydrogen:** Part of the **National Green Hydrogen Mission** to replace "Grey Hydrogen" in refineries and fertilizer plants, further cutting gas imports.

Q. Consider the following statements regarding India's energy import profile in 2026:

1. From April 2026, India has mandated a nationwide 20% ethanol blending in petrol, aiming to reduce the volume of crude oil imports.
2. The United States has recently overtaken Iraq as India's largest supplier of Liquefied Petroleum Gas (LPG) through long-term structured contracts.
3. The Strategic Petroleum Reserves (SPR) are exclusively used for emergency military requirements and are managed by the Ministry of Defence.

How many of the statements given above are correct?

- (a) Only one
- (b) Only two
- (c) All three

(d) None

Solution: (a) Only one

- **Statement 1 Is Correct:** The government has officially mandated **E20 (20% ethanol blend)** across all states and UTs starting **April 1, 2026**, to curb the import bill and lower emissions.
- **Statement 2 Is Incorrect:** While India signed its first major structured LPG contract with the **U.S.** in late 2025, the U.S. supplies roughly **10%** of India's LPG. The majority still comes from traditional West Asian sources like Saudi Arabia and Qatar.
- **Statement 3 Is Incorrect:** The SPRs are managed by **ISPRL** under the **Ministry of Petroleum and Natural Gas**, not the Ministry of Defence. They are intended for national energy security during supply disruptions, covering both civilian and strategic needs.

3.5. FERTILIZER CRISIS & PRICE SURGE

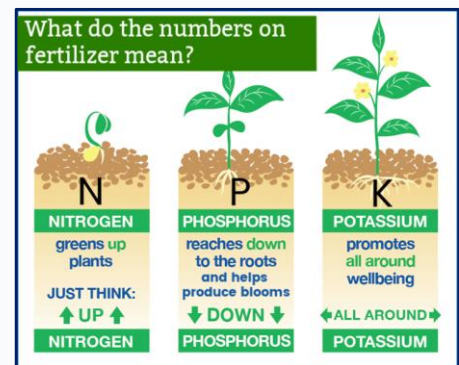
Context:

The escalation of war-like situations in West Asia has triggered a significant hike in the prices of critical fertilizers such as **Urea** and **DAP (Di-ammonium Phosphate)**. This is driven by rising crude oil prices and the shortage of **Liquefied Natural Gas (LNG)**, which serves as a key feedstock for fertilizer production.



1. Market Dynamics: Urea and DAP Prices

- **Price Projections:** Urea and DAP prices are expected to breach the **\$1,000 per tonne** mark due to supply disruptions and rising demand for India's upcoming sowing season.
- **Feedstock Dependency:** Urea production is highly sensitive to the price of **LNG**, which is trending upward due to the conflict.
- **Impact of Global Alliances:** Fertilizer industry experts note that military actions by the U.S.-Israel alliance against Iran have triggered immediate price spikes (e.g., DAP reaching \$530 per tonne in some regions).



2. India's Fertilizer Statistics (April–December 2025-26)

- Today, India stands as the **second-largest consumer** and the **third-largest producer** of fertilizers globally.
- Around 87% of urea consumption is domestically met.
- **90% of NPK Fertilizers** are also produced within the country.
- However, for **DAP**, only about **40%** comes from local production.
- In the case of **Muriate of Potash (MOP)**, **100% is still imported**.

- **Sector-Wise Contribution** (During 2023–24):
 - The **public sector** contributed about 17.43% to total Fertilizer production.
 - The **cooperative sector** accounted for 24.81%.
 - The **private sector** contributed the largest share at 57.77%.

3. Global Resource Concentration

- **Phosphate Reserves: Morocco** holds **70%** of the world's phosphate reserves, which are essential for DAP production.
- **Potash Producers: Canada and Belarus** are the primary global producers of **Potash**.

4. Government's Initiatives in the Fertilizer Sector

- Fertilizer Subsidy and Budgetary Support:
 - For 2024–25, the Department of Fertilizers received a final budget of ₹1,91,836 crore, a notable rise from the ₹1,68,131 crore originally allocated. This increase was made possible through supplementary demands approved by Parliament.
 - Under the **Nutrient Based Subsidy scheme**, the allocation was raised from ₹45,000 crore in Budget Estimate (BE) 2024-25 to ₹54,310 crore, ensuring sustained support for **phosphatic and potassic Fertilizers**.
 - **Nano Fertilizer Initiatives:** Nano Fertilizers are plant nutrients that are packed within very small particles called nanomaterials. This coating allows the nutrients to be released slowly and steadily into the soil. The controlled release ensures that plants absorb them more effectively and with less wastage.
 - **Neem Coated Urea (NCU):** Neem-coated urea is urea fertilizer coated with neem oil that slows nitrogen release in soil. This improves crop growth, reduces nitrogen loss and fertilizer misuse, and allows farmers to use about 10% less urea for similar results.
 - **One Nation One Fertilizer (ONOF):** One Nation One Fertilizer aims to ensure uniform branding and transparency by selling all subsidised fertilizers under the common "**Bharat**" brand (e.g., **Bharat Urea, Bharat DAP**), with the manufacturer's name shown in smaller font.

Nutrient Based Subsidy scheme

- The Government introduced the Nutrient Based Subsidy (NBS) scheme on **1 April 2010** for **phosphatic and potassic Fertilizers**. Under this scheme, a **fixed subsidy** is provided for subsidised **P and K Fertilizers**, including **di-ammonium phosphate**, based on their nutrient content.
- **Coverage:** Applicable to Phosphatic and Potassic (P&K) fertilizers, including DAP.
- **Subsidy Basis:** A fixed subsidy per nutrient content is announced annually or bi-annually.
- **Pricing:** The P&K fertilizer sector is decontrolled; companies can fix MRP, monitored by the government.
- **Urea exclusion:** Urea is not covered under NBS

Fertilizer Crisis & Price Surge

Rising Conflict in West Asia & LNG Shortage Driving Fertilizer Prices Up



Market Dynamics: Fertilizer Price Surge

\$ Urea & DAP prices may exceed \$1,000/tonne

L LNG price hikes fueling production costs

U.S. -Israel tensions spiking DAP to \$530/tonne



India's Fertilizer Stats (Apr–Dec 2025-26)

87% Urea Consumption Met Domestically

90% NPK Fertilizers Produced Locally

40% Only 40% of DAP Locally Produced

100% MOP Fully imported



17.43% Public Sector | **24.81%** Cooperative Sector

Global Resource Concentration

70% of World's Phosphate in Morocco

Key Potash Producers: Canada & Belarus



Govt. Initiatives in Fertilizer Sector

₹1.91 Lakh Cr. Fertilizer Subsidy Budget 2024-25

• **Nutrient Based Subsidy (NBS)** for P&K Fertilizers

• **Nano Fertilizers**
Controlled Release Formula

• **Neem Coated Urea**
Reduces Nitrogen Loss

• **One Nation One Fertilizer**
"Bharat" Brand for All Subsidized Fertilizers



Q. Consider the following statements with reference to the fertilizer Sector in India:

- I. In the case of Muriate of Potash (MOP), 100% is still imported.
- II. The public sector contributed about 57.43% to total Fertilizer production.
- III. Neem-coated urea is urea fertilizer coated with neem oil that slows nitrogen release in soil.

Which of the following statements given above is/are correct?

- (a) I only
- (b) I and III only
- (c) III only

(d) II and III only

Answer: B

Explanation:

- **Statement I is correct:** India lacks significant domestic reserves of potash. Consequently, 100% of the demand for **Muriate of Potash (MOP)** is met through imports, primarily from countries like Canada and Belarus.
- **Statement II is incorrect:** While the public sector plays a significant role, it does not dominate production to that extent. Based on current data, the cooperative sector (like IFFCO) and the private sector contribute the majority of production. For instance, recent data shows that local output for urea fell by 3% to 22.44 mt, while imports surged to 8 mt.
- **Statement III is correct: Neem-coated urea** is a specialized fertilizer where urea is coated with neem oil. This coating acts as a **nitrification inhibitor**, which slows down the rate of nitrogen release into the soil, thereby increasing nutrient-use efficiency and preventing misuse of urea for non-agricultural purposes.

3.6. IMPACT OF IRAN-ISRAEL WAR ON INDIA'S EXPORTS TO GULF COUNTRIES

Context:

- **Recently**, the security architecture of West Asia has faced severe destabilization following direct military escalations between **Iran and Israel** in early March 2026. This conflict has moved beyond proxy warfare to direct strikes on sovereign territories and strategic maritime corridors, including the **Strait of Hormuz**. Reports indicate that the escalation has triggered "War Risk Surcharges" and significant disruptions in the shipping lanes of the Persian Gulf, directly impacting India's trade momentum with the **Gulf Cooperation Council (GCC)** countries.



- The ongoing conflict poses a multi-dimensional threat to the **USD 180 billion** annual trade with the GCC and Iran.

1. General Impact on Logistics and Costs

- **Freight and Insurance:** Shipping companies have hiked freight rates by **30–50%**. The Indian Rice Exporters Federation has advised members to avoid **CIF (Cost, Insurance, and Freight)** contracts due to "unacceptable" insurance risks.
- **Strait of Hormuz & Bab el-Mandeb:** Disruptions here force rerouting via the **Cape of Good Hope**, adding approximately **two weeks** to transit times and significantly compressing profit margins.
- **Payment & Regulatory Hurdles:** Banking sanctions on Iran and heightened KYC scrutiny in the region are causing severe payment settlement delays.

2. Sector-Wise Impact on India's Exports

2.1 Agricultural Exports (Basmati Rice)

India is the world's largest exporter, with the Middle East (Saudi Arabia, Iran, Iraq, UAE, and Yemen) accounting for nearly **50% of export value (₹50,000 crore)**.

- **Price Drop:** Following the late February 2026 escalation, domestic prices fell by **5–6%** as shipments stalled.
- **Iran Specifics:** India's exports to Iran (~\$1.24 billion) consist largely of rice, tea, and sugar, all of which are now deemed "unviable" due to airspace closures and port congestion.

2.2 Petroleum Product Exports

India leverages its massive refining capacity in **Jamnagar, Vadinar, and Paradip**.

- **Volume at Risk:** Approximately **74,000 bpd** of refined products flow through the Strait of Hormuz.
- **The Paradox:** While rising oil prices theoretically benefit refiners, the physical inability to transport products profitably neutralizes these gains.

2.3 Gems, Jewellery, and Diamonds

This sector is critically dependent on **Dubai** as a global re-export center.

- **Supply Chain:** About **50–60%** of India's gold imports transit through Dubai.
- **Manufacturing Risk:** Airspace closures disrupt the pipeline of rough diamonds bound for cutting and polishing centers in **Surat and Mumbai**.

2.4 Pharmaceuticals

India is the world's "pharmacy," but the conflict strains the supply of **APIs (Active Pharmaceutical Ingredients)**.

- **Double Squeeze:** Sustained disruption adds cost to the processing of Chinese APIs in India for re-export to the Middle East and Iran.

2.5 Textiles, Engineering Goods, and Chemicals

- **Textiles:** Manufacturers in **Tiruppur and Surat** face thin margins as freight costs to Europe and North America skyrocket.
- **Chemicals:** Rising crude prices increase the cost of **petrochemical feedstocks**, while simultaneously high freight costs compress the margins of export-heavy players.

3. Summary of Major Products and Status

Gulf Country	Major Export Products	Present Status & Impact
UAE	Gems & Jewellery, Refined Petroleum.	Disrupted: Dubai hub operations are hampered by airspace closures and high insurance.
Saudi Arabia	Basmati Rice, Engineering Goods.	Stalled: New contracts are being avoided; massive inventory build-up at Indian ports.

Iran	Tea, Pharmaceuticals.	Rice,	Critical: Trade is at a near standstill due to sanctions and kinetic warfare.
Oman	Minerals, Engineering.	Textiles,	Strategic Hub: Ports like Duqm are serving as vital alternative landing points.

Q. With reference to India's trade dynamics amidst the West Asian conflict in 2026, consider the following statements:

1. The Gulf Cooperation Council (GCC) nations and Iran collectively account for nearly half of India's total Basmati rice export value.
2. Under CIF (Cost, Insurance, and Freight) contracts, the Indian exporter bears the risk of rising marine insurance premiums during the transit to Gulf ports.
3. Rerouting textile exports from the Red Sea to the Cape of Good Hope route typically adds about one week to the transit time.

How many of the above statements are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

Answer: (b)

Solution:

- **STATEMENT 1 IS CORRECT:** Saudi Arabia, Iran, Iraq, UAE, and Yemen account for nearly 50% of India's Basmati rice export value (estimated at ₹50,000 crore).
- **STATEMENT 2 IS CORRECT:** In a CIF contract, the seller (exporter) is responsible for the cost, insurance, and freight. Therefore, a spike in "War Risk Surcharges" directly reduces the exporter's profit.
- **STATEMENT 3 IS INCORRECT:** Rerouting around the Cape of Good Hope adds approximately **two weeks** (not one) to the transit time, significantly increasing costs.

4.1. INDIA'S AIR QUALITY CRISIS: ANALYZING THE 2026 CREA REPORT

Context:

Recently, an air quality analysis by the **Centre for Research on Energy and Clean Air (CREA)** revealed that **204 out of 238** monitored Indian cities failed to meet the **National Ambient Air Quality Standards (NAAQS)** for PM 2.5 during the winter season of 2025–26.

This marks a significant deterioration from the previous winter, when 173 cities breached the national limits. The study, based on data from the Central Pollution Control Board (CPCB), identified **Ghaziabad** as the most polluted city in India, followed by **Noida** and **Delhi**, underscoring the persistent failure of current mitigation strategies like the National Clean Air Programme (NCAP) to achieve nationwide clean air targets.



Key Highlights of the CREA 2026 Report

1. Extent of Non-Compliance

- **Breach of Standards:** 204 out of 238 cities (approx. 86%) recorded PM2.5 levels exceeding the Indian national standard of **60 ug/m³** (24-hour average).
- **Global Comparison:** Not a single monitored city in India complied with the **World Health Organization (WHO)** daily safe guideline of **15 ug/m³**.
- **Regional Clusters:** The **Indo-Gangetic Plain (IGP)** remains the most affected region, with 75 out of 79 monitored cities exceeding the national limits.

2. City Rankings (Winter 2025–26)

- **Most Polluted:** **Ghaziabad** topped the list with an average PM2.5 concentration of 172 ug/m³, followed by **Noida** (166 ug/m³) and **Delhi** (163 ug/m³).
- **Cleanest City:** **Chamarajanagar** in Karnataka was recorded as the cleanest, with an average PM2.5 of 19 ug/m³. Notably, 8 of the top 10 cleanest cities are located in **Karnataka**.

3. National Clean Air Programme (NCAP) Performance

- The report highlights a "structural disconnect" in the NCAP. Out of 96 NCAP cities with adequate data, **84 failed** the national standards.
- **Funding Issues:** Although nearly **₹13,415 crore** has been released since the NCAP's inception (2019), only about **74%** has been utilized.
- **Skewed Spending:** Approximately **68%** of the funds were spent on road dust management, while critical sectors like industrial emission control and public outreach received less than **1%** of the allocation.

4. Major Air Pollution Policies of India

- **National Clean Air Programme (NCAP):** Ministry of Environment, Forest and Climate Change (MoEFCC) launched National Clean Air Programme (NCAP) in January, 2019 with an aim to improve air quality in 131 cities (non-attainment cities and Million Plus Cities) in 24 States/UTs by engaging all stakeholders.
 - The programme envisages to achieve reductions up to 40% or achievement of National Ambient Air Quality Standards for Particulate Matter₁₀ (PM₁₀) concentrations by 2025-26.
- **National Ambient Air Quality Standards (NAAQS):** These standards, set by the **Central Pollution Control Board (CPCB)**, provide a legal framework to ensure air quality in both industrial and residential areas.
- **Indo-Gangetic Plain (IGP) Focus:** Special monitoring is carried out in northern Indian states during winter to address pollution, as **75 cities in this region were listed for violating air quality standards in the 2026 report.**

Q. With reference to the National Clean Air Programme (NCAP) and India's air quality standards, consider the following statements:

1. The NCAP aims to achieve a reduction of 40% in particulate matter concentrations by 2026, using 2017 as the baseline year.
2. The National Ambient Air Quality Standards (NAAQS) in India cover 12 pollutants, including Carbon Dioxide and Methane.
3. According to the 2026 CREA report, the majority of the cleanest cities in India are located in the Southern Peninsula, specifically Karnataka.

How many of the statements given above are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

Solution: B (Only two)

- **STATEMENT 1 IS CORRECT:** The NCAP target was revised in 2022 to aim for a 40% reduction in PM₁₀ and PM_{2.5} by 2026.
- **STATEMENT 2 IS INCORRECT:** While NAAQS covers 12 pollutants (including SO₂, NO₂, PM₁₀, PM_{2.5}), Ozone, Lead, CO, NH₃, Benzene, Benzopyrene, Arsenic, and Nickel), it **does not** include greenhouse gases like **Carbon Dioxide (CO₂)** or **Methane (CH₄)**.
- **STATEMENT 3 IS CORRECT:** The CREA 2026 winter report identified Chamarajanagar as the cleanest city and noted that 8 of the top 10 cleanest cities are in Karnataka.

5.1. EXERCISE MILAN 2026

Context:

Recently, the 13th edition of **Exercise MILAN 2026** concluded off the coast of Visakhapatnam, marking a historic milestone as one of the largest multilateral naval engagements in the Indo-Pacific. The exercise culminated on February 25, 2026, with a grand closing ceremony held onboard India's indigenous aircraft carrier, **INS Vikrant**. The event gained further international attention following the tragic



sinking of the Iranian frigate **IRIS Dena** in the Indian Ocean while it was returning from participating in this exercise and the concurrent International Fleet Review (IFR) 2026.

1. Overview and Evolution

- **Nature:** It is a **biennial** (held every two years) multilateral naval exercise hosted by the **Indian Navy**.
- **Inception:** The exercise was first launched in **1995** at the Andaman and Nicobar Command.
- **Expansion:** It began with just four foreign navies—**Indonesia, Singapore, Sri Lanka, and Thailand**. Over the decades, it has grown exponentially, transitioning from a regional gathering to a global maritime platform.
- **Shift in Venue:** Traditionally held at Port Blair, the exercise shifted to **Visakhapatnam** (Eastern Naval Command) starting from the 2022 edition to accommodate the increasing scale and complexity of participating assets.

2. Objectives and Theme

- **Theme:** The overarching theme is '**Camaraderie, Cohesion, Collaboration**'.
- **Aims:**
 - To enhance professional interaction between friendly foreign navies.
 - To foster interoperability and share best practices in maritime operations.
 - To project India as a '**Preferred Security Partner**' and a responsible maritime power.
 - To ensure a free, open, and inclusive Indo-Pacific based on a rules-based international order.

3. Highlights of MILAN 2026

- **Participants:** Over **70 countries** participated, making it the most inclusive edition to date.
- **New Entrants:** For the first time, countries like **Germany, the Philippines, and the United Arab Emirates (UAE)** participated with military assets.

4. Policy Alignment

Exercise MILAN serves as a practical manifestation of several Indian foreign policy and maritime initiatives:

- **Act East Policy:** Strengthening ties with Southeast and East Asian nations.
- **SAGAR (Security and Growth for All in the Region):** India's vision for cooperative maritime security in the Indian Ocean.
- **MAHASAGAR:** An initiative for collective maritime approach in the IOR.

5. Other Major Military Exercises

To excel in the Prelims, it is essential to distinguish between different types of exercises. Below are the most important ones involving India:

I. Multilateral Naval Exercises

Exercise Name	Participants	Strategic Importance
MALABAR	India, USA, Japan, Australia	Primarily a Quad engagement focusing on a free and open Indo-Pacific.
RIMPAC	25+ Nations (led by USA)	World's largest international maritime exercise; India is a regular participant.
La Pérouse	India, France, USA, UK, Japan, Australia	Conducted in the Indian Ocean to enhance French-led cooperation in the region.

II. Bilateral Exercises

● Naval Exercises:

- **VARUNA:** With France (Focus: Carrier Battle Group operations).
- **JIMEX:** With Japan (Focus: Maritime security and ASW).
- **SIMBEX:** With Singapore (India's longest uninterrupted naval exercise with any foreign country).
- **KONKAN:** With the United Kingdom (Focus: Surface and sub-surface warfare).
- **SLINEX:** With Sri Lanka (Focus: Interoperability and anti-piracy).

● Army Exercises:

- **YUDH ABHYAS:** With USA (Focus: Counter-terror and high-altitude warfare).
- **SHAKTI:** With France (Focus: Semi-desert and counter-terror operations).
- **DHARMA GUARDIAN:** With Japan (Focus: Jungle and semi-urban warfare).
- **SURYA KIRAN:** With Nepal (Focus: Mountain warfare and HADR).

● Air Force Exercises:

- **GARUDA:** With France.
- **COPE INDIA:** With USA.
- **DESERT FLAG:** With UAE and other multilateral partners.

III. Tri-Service Exercises

- **TIGER TRIUMPH:** With USA (Focus: Humanitarian Assistance and Disaster Relief - HADR).
- **INDRA:** With Russia (India's first major tri-service exercise with a foreign nation).
- **TROPEX:** Domestic (The largest theatre-level exercise of the Indian Navy).

Q. With reference to the 'MILAN' Naval Exercise and other military drills of India, consider the following statements:

1. Unlike Exercise Malabar, which is a Quad-specific engagement, MILAN is a multilateral exercise hosted by the Indian Navy that includes participants beyond the Quad members.
2. The 13th edition of MILAN (2026) was shifted to Visakhapatnam primarily to leverage the strategic depth of the Andaman and Nicobar Command.
3. Exercise 'SIMBEX' holds the record for being the longest uninterrupted bilateral naval exercise conducted by India with any foreign navy.

How many of the statements given above are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

Solution: (b) Only two

- **Statement 1 Is Correct:** MILAN is an open multilateral exercise hosted by India with 70+ nations (inclusive), while Malabar is specifically restricted to the Quad nations (India, USA, Japan, Australia).
- **Statement 2 Is Incorrect:** While MILAN was shifted to Visakhapatnam, it was done to move it **away** from the Andaman and Nicobar Command to the Eastern Naval Command in Visakhapatnam to provide more sea room and better infrastructure for the significantly larger number of participants.
- **Statement 3 Is Correct:** SIMBEX (Singapore-India Maritime Bilateral Exercise) has been conducted annually since 1994, making it India's longest-running uninterrupted bilateral naval exercise.

5.2. METABOLIC DISEASE

Context:

A recent study published in the journal *Metabolism*, based on the **Global Burden of Disease (GBD) Study (1990-2023)**, highlights that India and China now possess the highest absolute metabolic disease burdens in the Asia-Pacific region.

The report indicates that India has overtaken China in terms of **Disability-Adjusted Life Years (DALYs)** for specific metabolic conditions as of 2023.

1. Key Findings of the Report

- **Major Conditions Tracked:** The study analyzed five specific metabolic diseases and risk factors: **Type 2 diabetes mellitus**, high systolic blood pressure (BP), high body



mass index (BMI), **high LDL cholesterol**, and metabolic dysfunction-associated steatotic liver disease (MASLD).

- **India's 2023 Statistics:**

- **Type 2 Diabetes:** Accounted for approximately **21 million DALYs** and **5.8 lakh deaths**.
- **High Systolic BP:** Caused nearly **3.8 crore DALYs** and approximately **15.7 lakh deaths**.
- **Leading Position:** In terms of DALYs, India replaced China (which held the top spot in 1990) to lead the list of the top 5 countries in the Asia-Pacific region.
- **Disability-Adjusted Life Year (DALY):** This is a critical metric used to measure the overall disease burden, expressed as the number of years lost due to ill-health, disability, or early death.

2. Static Linkages

A. Metabolic Diseases

- **Mechanism:** These diseases occur when the body's normal process of breaking down, storing, or using energy from food is disrupted.

B. Types of Diabetes

Type 1 Diabetes

- An **autoimmune condition** where the body attacks insulin-producing cells in the pancreas, where the pancreas produces little to no insulin.
- Usually develops in **children or young adults**.
- Requires **lifelong insulin therapy**.

Type 2 Diabetes

- The **most common type**.
- Occurs when the body becomes **resistant to insulin** or does not produce enough insulin.
- Often linked to **lifestyle factors** such as obesity and lack of physical activity.

Gestational Diabetes

- Develops **during pregnancy**.
- Usually disappears after childbirth but **increases the risk of Type 2 diabetes later**.

- **Metabolic Dysfunction-Associated Steatotic Liver Disease (MASLD):** It involves the buildup of excess fat in the liver not caused by heavy alcohol use. It is often asymptomatic but can progress to inflammation (MASH), cirrhosis, and liver cancer.

3. Indicators and Risk Factors

- **BMI (Body Mass Index):** A measure of body fat based on height and weight. Rising BMI is cited as a steady risk factor in the Indian population.
- **BMI Categories for Adults (Age 20+):**
 - Underweight: Below 18.5
 - Healthy Weight: 18.5 – 24.9

- Overweight: 25.0 – 29.9
- Obese: 30.0 or higher
- **LDL (low-density lipoprotein) Cholesterol:** Often termed "bad" cholesterol; LDL carries cholesterol from the Liver to different parts of the body; high levels can lead to a buildup of plaque in arteries.

4. Holistic Overview: Relevant Global & National Frameworks

Initiative	Description
Global Burden of Disease (GBD)	A comprehensive regional and global research program of disease burden.
Eat Right India (FSSAI)	A flagship movement by the Indian government to ensure safe, healthy, and sustainable food.
Fit India Movement	A nation-wide movement to encourage Indians to include physical activity in their lives.
National Programme for NCDs	National program focused on preventing and controlling Non-Communicable Diseases. Funded by the Centre and States (60:40 ratio), with special support (90:10) for Northeastern/hilly states.

Q. With reference to 'Disability-Adjusted Life Years' (DALYs), consider the following statements:

1. It is a measure of the gap between current health status and an ideal health situation where the entire population lives to an advanced age, free of disease and disability.
2. It combines the years of life lost due to premature mortality and the years lived with a disability.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Answer: (c) Both 1 and 2 are correct.

Explanation:

Statement 1 is correct: Disability-Adjusted Life Years (DALYs) are designed to quantify the "burden of disease" by measuring the gap between the current health status of a population and an ideal situation where everyone lives to the standard life expectancy in full health.

Statement 2 is correct: The DALY is a summary metric that adds together two distinct components:

1. **Years of Life Lost (YLL):** Calculated from the number of deaths multiplied by a standard life expectancy at the age at which death occurs.
2. **Years Lived with Disability (YLD):** Calculated by multiplying the prevalence of a disease or its complications by a weighted factor that reflects the severity of the disability.

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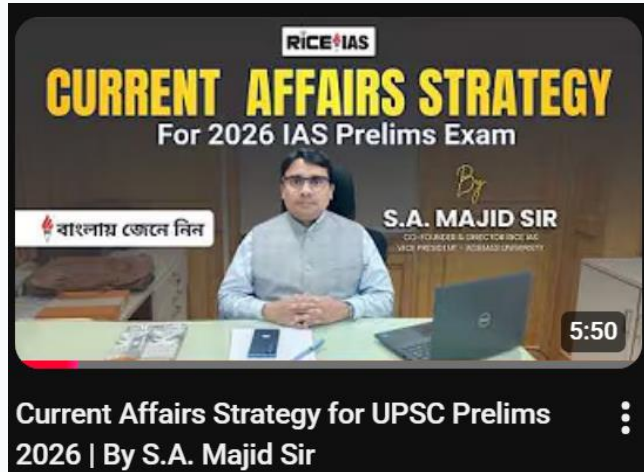
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