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From

31st Aug to 05th Sep 2026

INDEX

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1.1. SUPREME COURT RESTRICTS BCI AUTHORITY OVER LAW STUDENTS

Context

- Recently, the Supreme Court of India ruled that neither the **Bar Council of India** (BCI) nor State Bar Councils possess statutory jurisdiction or powers under the Advocates Act, 1961, to take disciplinary or punitive actions against law students.
- The judgment arose from the NALSAR controversy, where the BCI sought to prevent the 2026 graduating batch from enrolment after students opposed the proposed CJI's participation as chief guest at the convocation.

Key SC Observations

- The Court held that the **Advocates Act, 1961** does not confer either an express or implied power on the BCI or State Bar Councils to discipline students pursuing legal education.
- The Court clarified that disciplinary action against law students falls within the authority of their parent university/institution or any authority specifically empowered under its regulations/by-laws
- BCI's disciplinary powers under the Act are limited to registered/enrolled advocates only — not students who haven't yet enrolled.
- **BCI's disciplinary jurisdiction** applies after enrolment as **an advocate.**
- Studying law alone does not place students under Bar Council discipline.

About Bar Council of India (BCI)

- **Nature: Statutory body.**
- **Parent legislation: Advocates Act, 1961.**
- **Primary role: Regulation of the legal profession and legal education in India.**
- **It lays down standards of professional conduct and etiquette for advocates.**
- **BCI Chairperson is elected by its members (not a government appointee).**

About Advocates Act, 1961

- Consolidated law relating to legal practitioners; created **All India Bar** with common roll of advocates.
- Established BCI at the Centre and **State Bar Councils** in states.
- Provides for two classes: **Senior Advocates** and **other advocates**.

Fundamental Rights Intersecting the Ruling

- **Article 19(1)(a):** Protects the freedom of speech and expression, including the right of students to peaceful dissent and protest.
- **Article 19(1)(c):** Guarantees the right to form associations or unions.

Advocate vs Lawyer: Key Difference

Lawyer	Advocate
A person who has **studied law** and holds a law degree.	A lawyer who is **enrolled with a State Bar Council** and is entitled to practise law in courts.
May work in legal consultancy, corporate jobs, academia, etc.	Can **represent clients before courts and tribunals**, subject to applicable rules.
The term is broader.	It is a **specific professional status** under the Advocates Act, 1961.

Q. With reference to the recent Supreme Court judgment concerning the **Bar Council of India (BCI)**, consider the following statements:

1. The BCI derives its statutory powers from the **Advocates Act, 1961**.
2. The BCI has express or implied disciplinary power over law students before their enrolment as advocates.
3. Disciplinary action against law students can be taken by the concerned educational institution under its applicable rules.

Which of the statements given above is/are correct?

(a) 1 and 3 only
(b) 1 and 2 only
(c) 2 and 3 only
(d) 1, 2 and 3

Answer: A. 1 and 3 only

- **Statement 1 is Correct:** The BCI is a statutory body constituted under the **Advocates Act, 1961**.
- **Statement 2 is Incorrect:** The Supreme Court held that the Advocates Act gives the BCI **neither express nor implied power to punish law students**.
- **Statement 3 is Correct:** The concerned **university or educational institution** can take disciplinary action against students according to its applicable rules.

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2.1. INDIA–BELGIUM JOINT STATEMENT

Context

- Recently, the Belgian Prime Minister Bart De Wever visited India at the invitation of Prime Minister of India. The visit resulted in a wide-ranging India–Belgium Joint Statement covering strategic, economic, defence, technology, energy and people-to-people cooperation.

Historical Foundations & Shared Legacy

- **World War I Sacrifice:** Both leaders honored the sacrifice of over 9,000 Indian soldiers in the **Flanders Fields** during WWI. Institutional linkages continue between the **Flanders Fields Museum** (Ypres) and the **Centre for Armed Forces Historical Research (CAFHR)** in New Delhi.
- **Diplomatic Milestones:** Belgium was among the earliest European nations to establish diplomatic ties with India in **1947**.

Strategic Bilateral Mechanisms & Multilateral Alliances

- **Strategic Dialogue:** Established in **Brussels (July 2026)** to strengthen trade, security and technology ties.
- **Investment Fast-Track:** SFPIM–NIIF cooperation to ease regulatory hurdles and promote the **Indo-Belgian Economic Corridor**.
- **UNSC:** Mutual support for **India (2028–29)** and **Belgium (2037–38)** non-permanent seats; Belgium backed India's permanent membership in a reformed UNSC.
- **Counter-Terrorism:** Proposed a **Joint Working Group**; CBI–Belgian Federal Police MoU targets **organized and cybercrime**.

Trade, Maritime Infrastructure & Economic Growth

- **Bilateral Trade Target:** Explicit commitment to **double bilateral trade within the next 5 years**.
- **Diamond Trade Synergy:** Endorsed the historic economic pipeline connecting **Antwerp** (Belgium) with **Mumbai** and **Surat** (India).
- **Maritime & Port Development:**
  - **Sagarmanthan: The Great Oceans Dialogue:** Planned participation of Flanders leadership in New Delhi (Oct 2026).
  - **APEC-JNPA Collaboration:** Capacity building between **APEC** (Antwerp/Flanders Port Training Centre) and India's **Jawaharlal Nehru Port Authority (JNPA)**.

Astronomy, Science & Emerging Technologies

- **BINA Framework:** Scientific cooperation anchored under the **Belgo-Indian Network for Astronomy and Astrophysics (BINA)**. Belgian collaboration supports landmark Indian facilities:
  - **Devasthal Optical Telescope** (Uttarakhand)
  - **Devasthal International Liquid Mirror Telescope (ILMT)** (Uttarakhand)
  - **Mount Abu Telescope** (Rajasthan)

   - **Multi-Application Solar Telescope (MAST)** (Udaipur, Rajasthan)
- **Semiconductor Integration:** Engagement between Indian entities (**ChipIn Centre, C-DAC**) and Belgium's **imec** (a premier research hub in nanoelectronics and digital tech).
- **Innovation & Startups:** Bilateral tie-ups between **MEITY Start Up Hub** (India) and **Hub Brussels** (Belgium).

Clean Energy Transition & Climate Action

- **Renewed Green Hydrogen Framework:** Expanded MoU on Renewable Energy covering green hydrogen, offshore wind energy, solar energy, bio-energy, and pumped storage.
- **Hydrogen Value Chain:** Collaboration driven by **GH2 India**, the **Belgian Hydrogen Council**, and **Flanders Investment & Trade**.
- **Climate Governance:** Shared commitment to the Paris Agreement, BBNJ (Biodiversity Beyond National Jurisdiction) Agreement, and ocean governance ahead of COP31.

Defense Collaboration & Talent Mobility

- **Defense Letter of Intent (LoI):** Framework for staff talks, military training exchanges, co-production, and joint R&D. Includes student exchanges with the **College of Defence Management (Secunderabad)** and the Belgian Defence College.
- **Naval Engagement:** Resident **Defence Attachés** in Brussels/New Delhi and Belgian frigate *LEOPOLD I* visit.
- **EU Legal Gateway:** Pilot initiative to facilitate EU mobility for **skilled workers, nurses, researchers and students**.

Q. With reference to **India–Belgium relations**, consider the following statements:
1. The India–Belgium Strategic Dialogue was launched in **July 2026**.
2. Belgium supports India's candidature for **permanent membership of a reformed UN Security Council**.
3. India and Belgium aim to **double bilateral trade in the next five years**.
4. The **Investment Fast-Track Mechanism** is intended to facilitate bilateral investments and address investment bottlenecks.

Which of the statements given above are correct?
A. 1 and 2 only
B. 1, 2 and 3 only
C. 2, 3 and 4 only
D. 1, 2, 3 and 4
Answer: D. 1, 2, 3 and 4
- **Statement 1 is Correct:** The **India–Belgium Strategic Dialogue** was launched in **Brussels on 15 July 2026** to provide a regular mechanism for bilateral cooperation.
- **Statement 2 is Correct: Belgium supports India's candidature for permanent membership of a reformed and expanded UN Security Council.**
- **Statement 3 is Correct:** Both countries expressed their determination to **double bilateral trade within the next five years**.
- **Statement 4 is Correct:** The **India–Belgium Investment Fast-Track Mechanism** aims to facilitate investments, address investment bottlenecks and create a conducive environment for long-term economic cooperation.

2.2. SCO SUMMIT 2026: INDIA CALLS FOR DISMANTLING TERRORISM ECOSYSTEM

Context

- Recently, at the **26th SCO Summit in Bishkek, Kyrgyzstan**, Prime Minister of India called for dismantling the **entire ecosystem of terrorism**, including **terror financing, recruitment, radicalisation and safe havens**.
- The year **2026 marks the 25th anniversary of the SCO**, with leaders discussing its future roadmap for **peace, security, stability and prosperity** in the region.

Key Outcomes & Highlights

- **Bishkek Declaration:** Adopted alongside 4 MoUs and over 20 decisions/statements covering climate action, energy conservation, nuclear safety, and combating drug trafficking.
- **SCO Chairmanship Transition:** Kyrgyzstan concluded its presidency, handing over the SCO Chairmanship for 2026–27 to **Pakistan**.
- **Stand on Global & Regional Security:**
  - **Afghanistan:** Called on the Taliban administration in Kabul to establish an **inclusive government** representing all ethnopolitical groups and highlighted drug trafficking as a regional security threat.
  - **West Asia & Persian Gulf:** Expressed deep concern over instability in West Asia, noting its adverse impacts on maritime safety, global supply chains, and energy security.
  - **Global Defense Initiatives:** Criticized the unilateral deployment of global missile defense systems by certain nations as a factor destabilizing international security.

India's Core Agenda & Proposals

- **Pillars of Engagement:** Reaffirmed commitment to the vision of **Security, Connectivity, and Opportunity** across Eurasia.
- **Zero-Tolerance on Terrorism:** Demanded dedicated international action to dismantle the terror ecosystem (financing, recruitment, and safe havens) with **no double standards**.
- **Sovereignty in Connectivity:** Supported infrastructure and economic trade corridors while emphasizing that all connectivity initiatives must strictly respect national sovereignty and territorial integrity.
- **India-Led Flagship Initiatives Finalized:**
  1. Inclusion of **English** as an Official Language in the SCO Charter.
  2. Launch of the **SCO Civilisation Dialogue Forum** (First edition to be hosted by India).
  3. Establishment of the **SCO Young Scientist Forum** and **Young Author's Conclave**.

About Shanghai Cooperation Organization (SCO)

- **Establishment:** SCO was established in **2001** in Shanghai.
- **Founding Members: China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan**.

- Expanded Members: India (2017), Pakistan (2017), Iran (2023), Belarus (2024).

- **Headquarters: Beijing, China**.
- **Nature:** SCO is a **permanent intergovernmental international organization** focused on regional cooperation.
- **Core Focus:** Cooperation in areas such as security, counter-terrorism, economic cooperation, connectivity and cultural exchanges.
- **Official Languages: Chinese and Russian** have traditionally been the official languages of the SCO; the 2026 **Bishkek Summit** supported/endorsed the inclusion of English as an official language.
- **Highest Decision-Making Body:** The Council of Heads of State (CHS) is the highest decision-making body. It determines the priorities and major directions of SCO activities and **meets once a year**.
- **Regional Anti-Terrorist Structure (RATS)**: Located in Tashkent, Uzbekistan; facilitates cooperation against the "Three Evils" — terrorism, separatism and extremism.

Q. With reference to the **Shanghai Cooperation Organisation (SCO)**, consider the following statements:

1. India became a full member of the SCO in 2017.
2. The SCO Secretariat is located in Beijing, while its Regional Anti-Terrorist Structure (RATS) is based in Tashkent.
3. The SCO is a military alliance established primarily to counter NATO.

Which of the statements given above is/are correct?

A. 1 and 2 only
B. 2 and 3 only
C. 1 and 3 only
D. 1, 2 and 3

Answer: A. 1 and 2 only

- **Statement 1 – Correct:** India became a full member of the SCO in **2017**.
- **Statement 2 – Correct:** The **SCO Secretariat** is in **Beijing**, while **RATS** is headquartered in **Tashkent, Uzbekistan**.
- **Statement 3 – Incorrect:** SCO is a **regional intergovernmental organisation**, not a military alliance like NATO. It focuses on security, economic, political and regional cooperation.

2.3. PICHAVARAM MANGROVES THE BLUE CARBON POWERHOUSE

Context

- A recent study has estimated the **Total Economic Value (TEV) of the Pichavaram Mangrove Ecosystem at ₹2,485.38 crores**, highlighting the economic importance of mangroves through **ecosystem services and blue-carbon storage**.

Pichavaram Mangroves Ecosystem

- **Location:** Cuddalore district, Tamil Nadu, near Chidambaram.

- **Ecosystem:** Mangrove and coastal wetland with **interconnected backwaters and channels**.
- **Importance:** Supports **biodiversity, fisheries, coastal protection and climate regulation**. It is a designated as a **Ramsar Site**

Mangrove: The Coastal Ecosystem

- Mangroves are **salt-tolerant woody plants** found mainly in tropical and subtropical **intertidal zones**.

- These ecosystems thrive in high-rainfall areas (1,000–3,000 mm) with temperatures ranging from **26°C to 35°C**.
- They occur along **estuaries, deltas, tidal creeks, lagoons and sheltered coastlines**.
- They are adapted to **salinity, waterlogging and low-oxygen soils**.
- Special adaptations include **pneumatophores, prop roots and salt-excretion mechanisms** in different species.
- **Ecological Importance**
  - As per **World Wildlife Fund** mangroves store 7.5–10 times **more carbon** per acre than tropical forests.
  - Provide **breeding and nursery grounds** for fish, crustaceans and other organisms.
  - Protect coastlines from **erosion, storm surges and cyclones**.
  - Support **fisheries and coastal livelihoods**.
  - Store significant amounts of **carbon in biomass and sediments**.
  - Contribute to **biodiversity conservation and climate adaptation**.

About Carbon Sequestration, Carbon Storage & Carbon Sink

Concept	Meaning
Carbon Sequestration	Process of capturing CO_2 from the atmosphere and storing it in biomass, soil, oceans or geological formations.
Carbon Storage	Carbon already held in biomass, soil, sediments, oceans or geological formations.
Carbon Sink	A natural or artificial system that absorbs more carbon than it releases.

Green Carbon vs Blue Carbon

Green Carbon	Blue Carbon
Mainly associated with **terrestrial ecosystems**	Associated with **coastal and marine ecosystems**
Forests, grasslands, agricultural ecosystems	Mangroves, seagrass, salt marshes
Stored in vegetation and soils	Stored significantly in biomass and coastal sediments

Key Important Terms

- **Total Economic Value (TEV)**: A framework used in environmental economics to value both market (use) and non-market (non-use) benefits of an ecosystem, including provisioning, regulating, supporting, and cultural services.
- **Payment for Ecosystem Services (PES)**: A market-based mechanism where beneficiaries of ecosystem services pay providers (often local communities) to maintain or restore the ecosystem.

India's Progress in Mangrove Conservation: As per the India State of Forest Report 2023 (ISFR-2023)

- **Total Mangrove Cover (2023):** 4,991.68 sq. km, covering **0.15%** of India's geographical area.
- **Long-term growth**: Increased by 363.68 sq. km (7.86%) between 2013–2023.
- **Overall growth**: Increased by 509.68 sq. km (11.4%) between 2001–2023.
- **Largest share**: West Bengal – 42.45%, followed by Gujarat – 23.32% and Andaman & Nicobar Islands – 12.19%.
- **Gujarat's progress**: Mangrove cover increased by 253.06 sq. km (2001–2023), supported by plantations, community participation and public-private partnerships.

Q. With reference to mangroves and blue carbon, consider the following statements:

1. Mangroves are important blue-carbon ecosystems because they store carbon in both biomass and sediments.
2. Pichavaram Mangroves are located in Tamil Nadu and are associated with the Vellar–Coleroon river system.
3. Blue carbon refers exclusively to carbon stored in terrestrial forests and grasslands.

Which of the statements given above is/are correct?

A. 1 and 2 only
B. 2 and 3 only
C. 1 and 3 onlys
D. 1, 2 and 3

Answer: A. 1 and 2 only

- **Statement 1 is Correct:** Mangroves store substantial carbon in vegetation, roots, soils and sediments.
- **Statement 2 is Correct:** Pichavaram is a major mangrove ecosystem of **Tamil Nadu**, located between the **Vellar and Coleroon river systems**.
- **Statement 3 is Incorrect: Blue carbon** is associated with coastal and marine ecosystems such as **mangroves, seagrasses and salt marshes**.

2.4. CO-PRODUCTION OF JAVELIN FOR INDIAN DEFENCE FORCES

Context

- **Recently Tata Advanced Systems Limited (TASL)** has signed an **MoU with Javelin Joint Venture (JJV)**-a partnership of **Raytheon and Lockheed Martin**-to explore **co-producing Javelin Anti- Tank Guided missiles in India**.

About the Javelin Missile System

- **Type:** The Javelin All Up Round is a man-portable, fire-and-forget **anti-tank guided missile (ATGM)** system.
- **Origin:** Jointly produced by **Raytheon** and **Lockheed Martin** through the Javelin Joint Venture of the United States.
- **Procurement Route:** Acquired by India via **Foreign Military Sales (FMS)**, a US government-to-government arms transfer mechanism, invoked here under emergency procurement powers.

About Anti-Tank Guided Missile (ATGM)

- **ATGM** is a **precision-guided missile designed to destroy or disable armoured targets**, particularly tanks.
- It uses guidance technologies such as **infrared, laser or command guidance** to accurately track and hit targets.
- ATGMs can be **man-portable, vehicle-mounted or helicopter-launched**, making them useful across different combat situations.
- They are an important **anti-armour weapon** for modern infantry and mechanised forces.
- Some modern **ATGM**s like **Javelin** have **fire-and-forget capability**, allowing the operator to move or take cover after launch.

About Tata Advanced Systems Limited (TASL)

- **TASL**, the **defence and aerospace arm of the Tata Group**, develops and manufactures **aircraft structures, missiles, radars, unmanned systems and other advanced defence technologies**.
- **Key Projects**
  - **C295 aircraft:** TASL and Airbus are jointly involved in manufacturing **C295 transport aircraft** for the Indian Air Force at the Final Assembly Line in **Vadodara, Gujarat**. It is the **first private-sector aircraft Final Assembly Line in India**.
  - **Airbus H125 helicopter:** TASL inaugurated India's **first private-sector helicopter Final Assembly Line** at **Vemagal, Karnataka**, in 2026.
  - **C-130J Super Hercules:** TASL is a global single-source provider of **empennages** for the aircraft.
  - **Defence systems:** Its portfolio includes **missiles, radars, UAVs, satellites, weapon systems, sensors, C4I systems and armoured vehicles**.

Q. Consider the following statements regarding the Javelin missile system:

I. The Javelin is a man-portable anti-tank guided missile jointly produced by Raytheon and Lockheed Martin.
II. India is procuring the Javelin missile system through the Foreign Military Sales (FMS) route.
III. Tata Advanced Systems Limited will manufacture the complete Javelin missile system indigenously without any US-sourced components.

Which of the statements given above is/are correct?

a. I and II only
b. II and III only
c. I, II and III
d. I only

Answer: a. I and II only

Explanation

Statement I is Correct: The Javelin All Up Round is a man-portable, fire-and-forget anti-tank guided missile produced by the Javelin Joint Venture, a partnership between Raytheon and Lockheed Martin.

Statement II is Correct: The Indian Army signed a Letter of Offer and Acceptance with the United States for the Javelin system through the Foreign Military Sales (FMS) route, invoked under emergency procurement powers.

Statement III is Incorrect: Under the MoU, sub-assembly kits from Lockheed Martin's Alabama facility and guidance electronics from Raytheon's Arizona facility will be shipped to India for final assembly and integration; TASL will manufacture only select components domestically, not the complete system independent of US-sourced parts.

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3.1. RBI'S FOREX SWAP FACILITY ATTRACTS OVER $136 BILLION

Context

- According to Reserve Bank of India (RBI) data, the central bank's **special USD-INR forex swap facility**-introduced on June 8 to cushion forex outflows from high global oil prices and foreign capital flight—mobilised over $136 billion ($1,36,377 million).

Break-up of the $136 Billion Mobilised

- **FCNR(B) deposits** – $127,226 million (the largest share)
- **OFCBs** (Overseas Foreign Currency Borrowings) – $5,260 million
- **ECBs** (External Commercial Borrowings) – $3,891 million

Key Financial & Economic Concepts

1. **Foreign Currency Non-Resident (Bank) [FCNR(B)] Deposits**
   - Term deposits maintained in designated foreign currencies (e.g., USD, GBP, EUR) by Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs).
   - **Key Feature:** Foreign exchange risk is borne by the bank (or central bank scheme), not the depositor. Principal and interest are fully repatriable.
2. **USD-INR Forex Swap Facility**
   - A monetary tool where the RBI buys foreign currency (USD) from commercial banks in exchange for domestic currency (INR) at the prevailing spot rate, while simultaneously agreeing to sell back the dollars at a future date (forward rate).
   - **Purpose:** Injects Rupee liquidity into the domestic banking system while augmenting central bank foreign exchange reserves.
3. **Short Forward Dollar Position**
   - Currency derivative contracts where the central bank agrees to sell dollars at a predetermined rate at a future date.
   - **Strategic Utility:** Defends the domestic currency against depreciation without immediately drawing down spot foreign exchange reserves. As per industry analysis, RBI may utilise incoming foreign currency deposits to settle/close these outstanding short forward obligations.
4. **Liquidity & Call Rate Management**
   - Large foreign currency inflows converted to domestic currency lead to surplus Rupee liquidity in the banking system.
   - **RBI Action:** The central bank absorbs surplus Rupee liquidity to prevent short-term money market call rates from falling below the policy repo rate, controlling inflationary pressures.

Impact on Domestic Liquidity and the Banking Sector

I. **Rupee Influx & Inflation Risk:**
   - Forex operations can inject **rupee liquidity** into banks.

- Excess liquidity may push the **call money rate below the repo rate** and create inflationary pressures.

II. Sterilisation Measures: RBI absorbs surplus liquidity through tools such as the **Standing Deposit Facility (SDF)** and **repo operations** to maintain its monetary-policy stance.

III. Benefits for Banks:

- Greater access to stable, relatively low-cost funds can reduce dependence on **costly wholesale deposits**.
- This can support **domestic credit growth** over the medium term.

Q. With reference to the Reserve Bank of India's (RBI) USD-INR forex swap operations and foreign currency accounts, consider the following statements:

1. Under a USD-INR buy/sell swap, the immediate injection of foreign exchange into the RBI's reserves simultaneously drains primary Rupee liquidity from the domestic banking system.
2. In a Foreign Currency Non-Resident (Bank) [FCNR(B)] deposit account, the exchange rate fluctuation risk is borne by the commercial bank rather than the depositor.

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: B

Explanation

- **Statement 1 is incorrect:** In a buy/sell forex swap, the RBI purchases US dollars from banks and pays them in Rupees. This **injects** primary Rupee liquidity into the banking system, rather than draining it.
- **Statement 2 is correct:** FCNR(B) accounts are held directly in foreign currencies (like USD or EUR). The bank must return the principal and interest in that foreign currency, so the **bank** bears the exchange rate risk.

3.2. CONSTRUCTION AND INFRASTRUCTURE EQUIPMENT (CIE) SCHEME

Context

- Recently, the **Union Heavy Industries Minister** stated that the **Construction and Infrastructure Equipment (CIE) Scheme**, announced in the **Union Budget 2026-27**, aims to boost local manufacturing, strengthen domestic supply chains and reduce import dependence.

All about the Construction and Infrastructure Equipment (CIE)Scheme

- **Objective:** Boost domestic manufacturing of high-value **construction and infrastructure equipment** while reducing import dependence.
- **Approach:** Strengthen domestic supply chains and promote greater participation of **MSMEs** in equipment and component manufacturing.

Scale & Scope of the CIE Scheme

- **Broader Programme Under Consideration:** Some reports suggest the Centre is considering a much larger incentive programme with an outlay of **₹11,500 Crore over seven years**.
- **Modalities Pending:** The scheme's exact modalities, including eligibility criteria and the disbursement mechanism, are yet to be finalised.

Rationale: Import Substitution & MSME Participation

- **Import Substitution:** The scheme aims to boost domestic manufacturing capacity, strengthen the local supply chain, and reduce excessive dependence on imported construction equipment.
- **MSME Participation:** The Minister underlined the need for greater participation of **micro, small and medium enterprises (MSMEs)** in the construction equipment value chain.

India's Construction Equipment Industry

- **Global Ranking: India** is the world's **third-largest construction equipment market**, after **China** and the **United States**.
- **Industry Valuation:** The industry was valued at about **₹97,500 crore in 2024-25** and is projected to touch **₹2.28 lakh crore by 2029-30**.
- **Employment:** The sector currently provides direct employment to about **10 lakh people**.

Q. Consider the following statements regarding the Construction and Infrastructure Equipment (CIE) Scheme:

I. The Construction and Infrastructure Equipment (CIE) scheme was announced in the Union Budget 2025-26.

II. India is currently the world's **second-largest** construction equipment market.

III. The construction equipment industry in India was valued at about **₹97,500 Crore in 2024-25**.

Which of the statements given above is/are correct?

(a) I and II only

(b) II and III only

(c) III only

(d) I, II and III

Answer: (c) III only

Explanation

Statement I is Incorrect: The Construction and Infrastructure Equipment (CIE)Scheme was announced in the **Union Budget 2026-27**, not 2025-26.

Statement II is Incorrect: India is the world's **third-largest** construction equipment market, after **China** and the **United States**, not the second-largest.

Statement III is Correct: The construction equipment industry in India was valued at about **₹97,500 crore in 2024-25**, and is projected to reach **₹2.28 lakh crore by 2029-30**.

3.3. PARLIAMENTARY PANEL FLAGS 'PUNITIVE' DIRECT TAX REGIME IN INCOME TAX

Context

- According to recent parliamentary proceedings, the **Parliamentary Standing Committee on Finance** (headed by MP Bhartruhari Mahtab) criticized the current direct tax administration for relying excessively on punitive actions and enforcement overreach.

Key Concerns Raised by the Panel

- **Taxpayer Base Asymmetry:** Growing share of Personal Income Tax (PIT) collections relative to Corporate Income Tax (CIT), contrasting with comparable global economies where corporate taxes dominate.
- **Bureaucratic & Enforcement Overreach:** Heavy-handed issuance of tax notices, shifting the burden of proof onto taxpayers amid frequent and retrospective rule changes.
- **Implementation & Litigation Bottlenecks:** Systemic compliance glitches in tax software and an alarming surge in pending tax litigation cases.

Impact on Domestic Economy and Tax Governance

- **Impact on Business Climate:** Excessive administrative notices and punitive measures create compliance stress, raising the risk premium for domestic and foreign investors.
- **Tax Fairness:** A widening disparity between individual and corporate tax collections risks distorting fiscal equity, necessitating rationalized tax brackets and streamlined compliance.
- **Administrative Reforms:** Transitioning from aggressive enforcement to an automated, faceless, trust-based tax regime is critical to reducing pending litigation and administrative delays.

Key Economic Concepts Need to Know

1. Personal Income Tax (PIT) vs. Corporate Income Tax (CIT)

Basis	Personal Income Tax (PIT)	Corporate Income Tax (CIT)
Meaning	Tax on the **income of individuals**	Tax on the **income/profits of companies**
Taxpayer	Individuals, including specified taxpayers such as HUFs	Companies/corporations
Tax base	Individual's taxable income	Company's taxable profits/income
Nature	Generally **progressive**—higher income can attract higher rates	Generally based on applicable corporate tax rates/regimes
Example	Salary, professional income, capital gains, etc.	Profits earned by a manufacturing or service company
Economic role	Major source of **direct tax revenue** from individuals	Major source of **direct tax revenue** from businesses

2. **Retrospective Tax (Taxing past transactions)**
   - **Meaning**: A tax law that applies retroactively to transactions or income from the past.
   - **Purpose:** To impose or clarify a tax liability for transactions that occurred before the law was enacted.
   - **Key concern**: It can create uncertainty for investors because past transactions may be taxed under rules introduced later.

About Central Board of Direct Taxes (CBDT)

1. The **Central Board of Direct Taxes (CBDT)** is the statutory authority that heads the **Income Tax Department** in India. It functions under the Department of Revenue within the **Ministry of Finance**..
2. **Function:** Formulates policies, inputs for direct tax laws, and oversees the administration of Personal Income Tax and Corporate Tax.

Q. With reference to the Direct Tax System and Tax Administration in India, consider the following statements:

1. The Central Board of Direct Taxes (CBDT) is a statutory body established under the provisions of the Income Tax Act, 1961.
2. Recommendations made by the Parliamentary Standing Committee on Finance are executive directives legally binding on the Department of Revenue.
3. Corporate Income Tax and Personal Income Tax both fall under the administrative jurisdiction of the CBDT.

Which of the statements given above is/are correct?

(a) 1 and 2 only
(b) 3 only
(c) 1 and 3 only
(d) 1, 2, and 3

Answer: B

Explanation

- **Statement 1 is incorrect:** The CBDT derives its statutory status from the **Central Board of Revenue Act, 1963** (not the Income Tax Act, 1961).
- **Statement 2 is incorrect:** Recommendations made by Parliamentary Standing Committees (DRSCs) are **advisory** in nature; they are not legally binding on executive departments.
- **Statement 3 is correct:** The CBDT is the apex authority dealing with the policy formulation and administration of all direct taxes, including Personal Income Tax (PIT) and Corporate Income Tax (CIT).

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4.1. SC DIRECTS TAMIL NADU TO FRAME PURSE SEINE TRANSIT RULES

Context

- Recently, the **Supreme Court** has directed the **Tamil Nadu** government to formulate rules under the Marine Fishing Regulation Rules to create a "specified channel," or official navigation corridor, for the transit of fishing vessels using purse seine nets from the State's territorial waters to the **Exclusive Economic Zone (EEZ)**.

Supreme Court Ruling & Directives

- **Directive to Tamil Nadu:** The Supreme Court directed the Tamil Nadu government to frame rules establishing a **"specified channel" (official navigation corridor)** under the **Marine Fishing Regulation Rules, 2020**.
- **Purpose:** To allow fishing vessels carrying purse-seine nets to transit safely from Tamil Nadu's territorial waters to the Exclusive Economic Zone (EEZ).
- **Cooperative Federalism:** The Bench highlighted **cooperative federalism** between the Centre and the State to balance coastal regulation with the livelihood rights of fishermen.
- **No Conflict Verdict:** The Court held that there is **no conflict** between the State's Marine Fishing Regulation Rules, 2020 and the Union's Sustainable Harnessing of Fisheries in the Exclusive Economic Zone Rules, 2025.

Maritime Zones & Regulatory Division

Zone / Parameter	Distance Limits	Regulating Authority	Relevant Rules / Scope
Territorial Waters	Up to **12 Nautical Miles**	State Government	TN Marine Fishery Regulation Rules, 2020 (Regulates local gear and prevents purse-seine fishing close to shore).
Exclusive Economic Zone (EEZ)	Beyond **12 Nautical Miles** (up to 200 NM)	Central / Union Government	Sustainable Harnessing of Fisheries in the EEZ Rules, 2025 (Permits regulated deep-sea fishing via access passes).

Sustainable Harnessing of Fisheries in EEZ Rules, 2025

- The Union Government notified the **Sustainable Harnessing of Fisheries in the Exclusive Economic Zone Rules, 2025** under the **Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976**.
- The Rules introduced an **"Access Pass"** mechanism for fishing vessels operating in India's EEZ.
- **Key features include**:
    - Eligibility and registration of fishing vessels.
    - Verification by designated State authorities.
    - Catch reporting requirements.

- Measures against **juvenile fishing**.
- Measures against **illegal, unreported and unregulated (IUU) fishing**.
- Preparation of an **eco-centric fisheries management plan**.

Some key Important facts

- **Entry 21, State List (List II):** Fisheries.
- **Entry 57, Union List (List I):** Powers relating to fisheries beyond territorial waters.
- **Purse seine fishing**: a fishing method using a large wall of netting to **encircle schools of fish**; often flagged for overfishing/juvenile fish capture concerns.

Q. Consider the following statements regarding coastal and maritime jurisdiction in India:

1. Regulation of fishing within the 12 nautical miles of territorial waters falls under the primary domain of the respective coastal State Governments.
2. Fishing activities beyond territorial waters in the Exclusive Economic Zone (EEZ) are regulated by Central laws.
3. State governments can completely ban the transit of fishing gear through territorial waters even if the gear is meant strictly for EEZ fishing.

Which of the statements given above is/are correct?

(a) 1 and 2 only
(b) 2 and 3 only
(c) 1 only
(d) 1, 2, and 3

Answer: A

- **Statement 1 is correct:** Under the constitutional scheme and maritime laws of India, regulation of marine fishing within the 12 nautical miles of **Territorial Waters** falls under the jurisdiction of the respective coastal State Governments, governed by their specific Marine Fishing Regulation Acts.
- **Statement 2 is correct:** Beyond 12 nautical miles, the **Exclusive Economic Zone (EEZ)** (extending up to 200 nautical miles) comes under the executive and legislative domain of the Central/Union Government.
- **Statement 3 is incorrect:** State governments cannot completely prohibit or block the transit of vessels or fishing gear through territorial waters if the fishers are bound for the EEZ. The Supreme Court clarified that while States can regulate or restrict specific gear (like purse-seine nets) within their 12 nautical miles to protect local ecology, they must provide a **"specified channel" or official navigation corridor** to allow fishermen lawful transit to fish in the EEZ under Union rules.

4.2. BIHAR & JHARKHAND SONE WATER AGREEMENT

Context

- Bihar and Jharkhand have signed a landmark Memorandum of Understanding (MoU) to resolve a 25-year-old inter-state dispute over sharing the **Sone River waters**.
- The division of water allocated to undivided Bihar under the **1973 Bansagar Agreement**.

Strategic Significance

- **Storage & Hydropower:** The pact removes legal bottlenecks for constructing the long-pending **Indrapuri Reservoir** (between Garhwa, Jharkhand and Rohtas, Bihar) along with a proposed 300 MW hydroelectric project.
- **River Linking & Drought Relief:** Accelerates the proposed **Sone–Falgu river link**, boosting irrigation and drinking water security in drought-prone districts of South Bihar (Bhojpur, Rohtas, Gaya) and Jharkhand (Palamu, Garhwa).

About Sone River

- Originates near Amarkantak Hills (Maikal Range) in Chhattisgarh/MP border, just east of the Narmada River's source.
- It flows through Chhattisgarh, Madhya Pradesh, Uttar Pradesh, Jharkhand, and Bihar.
- Joins the Ganga River on its right bank near **Maner (Patna district, Bihar)**.
- It is the **second-largest southern (right-bank) tributary** of the Ganga, after the Yamuna.

Key Tributaries:

- **Right-bank:** Rihand, North Koel, Kanhar, Gopad.
- **Left-bank:** Johilla, Ghaghar, Chhoti Mahanadi.

Major Water Dam Infrastructure:

- **Bansagar Dam:** Located in Shahdol district, Madhya Pradesh.
- **Indrapuri Barrage:** Located at Dehri-on-Sone (Rohtas, Bihar), feeds the extensive Sone Canal System.
- **Rihand Dam (Govind Ballabh Pant Sagar):** Built on the Rihand River, a chief tributary of the Sone.

Q. With reference to the Sone River system, consider the following statements:

1. It is the largest right-bank tributary of the Ganga River system.
2. It originates near the Amarkantak Plateau, close to the source of the Narmada River.
3. Rihand and North Koel are major right-bank tributaries of the Sone River.

Which of the statements given above are correct?

(a) 1 and 2 only
(b) 2 and 3 only
(c) 1 and 3 only
(d) 1, 2, and 3

Answer: (b) 2 and 3 only

- **Statement 1 is Incorrect: Yamuna** is the largest right-bank tributary of the Ganga. The Sone is the **second-largest** southern (right-bank) tributary.
- **Statement 2 is Correct:** Sone originates near the **Amarkantak Plateau** in Anuppur district, Madhya Pradesh, in close geographic proximity to the source of the Narmada River.
- **Statement 3 is Correct:** Both the **Rihand** (which feeds the Govind Ballabh Pant Sagar) and the **North Koel** are major right-bank (southern) tributaries joining the Sone.

4.3. PARIVARTAN SCHEME: CLEANER COMMERCIAL TRANSPORT IN DELHI-NCR

Context

- The Union Government has launched the **PARIVARTAN Scheme** to replace over **2 lakh old trucks and buses** registered in Delhi-NCR with **BS-VI/stricter emission-compliant or electric vehicles**, addressing vehicular air pollution from ageing commercial vehicles.

About PARIVARTAN Scheme

- **Full Form:** Programme for Accelerated Renewal and Incentivization of Vehicle Assets for Reducing Transport Air Pollution and Network Emissions.
- **Approved:** 3 June 2026 by the Union Cabinet.
- **Duration:** Two-year enrolment/implementation framework.
- **Target:** About **2.07 lakh vehicles** — 1.91 lakh trucks and 16,329 buses.
- **Coverage:** Delhi and NCR districts of **Haryana, Rajasthan and Uttar Pradesh**.
- **Outlay: ₹9,585 crores**, including ₹5,041 crore Central Government support.
- **Funding:** Through **National Capital Region Planning Board (NCRPB)** under MoHUA.
- **Implementation:** Primarily by **Ministry of Road Transport & Highways (MoRTH)**, with participating governments and MoPNG.

Who is Eligible?

- Vehicles registered in Delhi-NCR conforming to **BS-IV or earlier emission norms**.
- They can be replaced with **BS-VI/stricter-compliant or electric vehicles**.
- **BS-III and older vehicles:** Scrapping at authorised scrapping facilities is mandatory.
- **BS-IV vehicles:** May be scrapped or sold outside NCR in eligible non-NCAP areas.
- **Government vehicles are excluded.**

Special Provisions for Delhi

- **Light Goods Vehicles:** New vehicles purchased under the scheme must be **electric**.
- **Buses:** Must be **BS-VI CNG or electric**.

Major Incentives

- **5% interest subvention** on vehicle loans for 5 years.
- **Up to ₹4,800/month fuel vouchers** for eligible BS-VI diesel/CNG vehicles.
- **₹64,000–₹2.56 lakh one-time incentive** for eligible EV purchases.
- **At least 8% OEM discount** on ex-showroom price.
- **Registration-fee waiver** and motor-vehicle tax concessions by participating States.
- Benefits are delivered through an **integrated digital platform** linked with systems such as VAHAN and vehicle-scrapping platforms.

Why to Focus on Trucks and Buses?

- Ageing commercial vehicles are significant sources of **particulate matter, NOx and other air pollutants**. Replacing them can simultaneously address:
- Old high-emission fleet → Fleet modernisation → Lower vehicular emissions → Better NCR air quality

Bharat Stage (BS) Emission Norms

- **BS norms** regulate permissible emissions from motor vehicles in India.
- They prescribe limits for pollutants such as **particulate matter, NOx, hydrocarbons and carbon monoxide**.
- **BS-VI** is India's current nationwide emission standard for new vehicles.
- India moved directly from **BS-IV to BS-VI in 2020**, skipping BS-V.

Q. With reference to the PARIVARTAN scheme, consider the following statements:

I. The scheme seeks to replace over two lakh trucks and buses conforming to BS-IV or older emission norms in Delhi and select NCR districts within one year.

II. The scheme is funded through the National Capital Region Planning Board under the Ministry of Road Transport and Highways.

III. Trucks and buses contribute about 36% of vehicular PM2.5 emissions in the Delhi-NCR region despite forming only 3.1% of the total vehicle fleet.

Which of the statements given above is/are correct?

a. I and II only

b. I and III only

c. II and III only

d. I, II and III

Answer: b. I and III only

Explanation

Statement I is Correct: PARIVARTAN seeks to replace more than two lakh trucks and buses registered in Delhi and the NCR districts of Haryana, Rajasthan, and Uttar Pradesh that conform to BS-IV or older norms, within one year.

Statement II is Incorrect: The scheme is funded through the National Capital Region Planning Board under the Ministry of Housing and Urban Affairs, though it is implemented by the Ministry of Road Transport and Highways.

Statement III is Correct: Officials stated that trucks and buses form only 3.1% of the region's total vehicle fleet but account for 36% of vehicular PM2.5 emissions.

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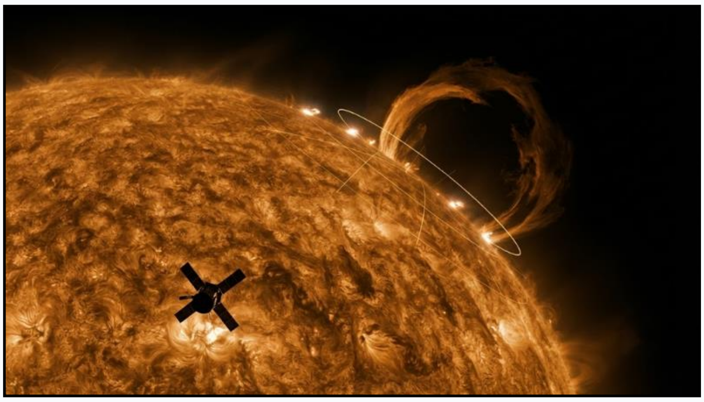
5.1. ADITYA-L1 DETECTS EARLY SIGNS OF SOLAR FLARES



Context

- **RecentlyAditya-L1 has detected small, short-lived brightening events on the Sun** that occur **hours before a major solar flare.** These events were found to **cluster around the same location where the major flare later occurs,** suggesting they are early warning signs.

What Researchers Discovered

- **Small, short-lived brightening events** appear in active regions **hours before major solar flares**.
- Some of these events also produced **X-rays**, showing that **magnetic energy was being released**.
- These small events **clustered around the exact area where the major flare later occurred**.
- Repeated small energy releases may **gradually destabilise the Sun's magnetic field**, eventually triggering a major flare.
- The discovery could help scientists **predict solar flares earlier** and improve **space-weather forecasting**.

Significance of this Observation & The Study Details

- This could help scientists **predict solar flares and improve space-weather forecasting**, protecting satellites, astronauts, GPS and communication systems.
- The study was led by researchers from **MAHE/Manipal Centre for Natural Sciences**, with **ISRO and Department of Space** scientists, using UV and X-ray observations from **Aditya-L1**.

About Aditya-L1 Mission

- **Aditya-L1** is India's first dedicated space mission to study the the **photosphere, chromosphere and corona** to understand solar activity of the **Sun**.
- It was launched by **ISRO on 2 September 2023** using the **PSLV-C57**.
- The spacecraft is placed around the **L1 (Lagrange Point 1)**, about **1.5 million km from Earth**.
- L1 provides a **continuous, unobstructed view of the Sun** without Earth blocking it.
- Its **7 payloads** observe the Sun in **visible, UV and X-ray wavelengths** to study **solar flares, CMEs and solar wind**, aiding **space-weather forecasting**.

What are Solar Flares

- **Solar flares** are sudden, powerful bursts of **energy and radiation from the Sun**.
- They occur when the Sun's **magnetic fields suddenly break and reconnect**, releasing huge energy.
- They are usually produced in **active regions** of the Sun, often around sunspots.
- Strong flares can release **X-rays and ultraviolet radiation** that reach Earth.
- They can disturb **satellite communications, GPS, radio signals and power systems**.

- Solar flares are an important part of **space weather** and can also be linked with **coronal mass ejections (CMEs)**.

Q. Consider the following statements regarding the recent study on solar flares:

I. Small, short-lived brightening events cluster around the eventual flare location hours before eruption.

II. Ground-based observatories alone captured all near-ultraviolet wavelengths without atmospheric interference.

III. The Aditya-L1 mission includes payloads such as SUIT, SoLEXS, and HELIOS.

Which of the statements given above is/are correct?

a. I and II only

b. I and III only

c. II and III only

d. I, II, and III

Answer: b. I and III only

Explanation

Statement I is Correct: Researchers found that numerous small, short-lived brightening transient events occur and cluster around active regions hours before major solar flares erupt.

Statement II is Incorrect: Near-ultraviolet (NUV) wavelengths are largely inaccessible from ground-based observatories because Earth's atmosphere absorbs most ultraviolet radiation; space-borne instruments like **SUIT** on **Aditya-L1** are required.

Statement III is Correct: The **Aditya-L1** mission carries simultaneous UV and X-ray payloads, including the **Solar Ultraviolet Imaging Telescope (SUIT)**, **SoLEXS**, and **HELIOS**.

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Click here to watch this video