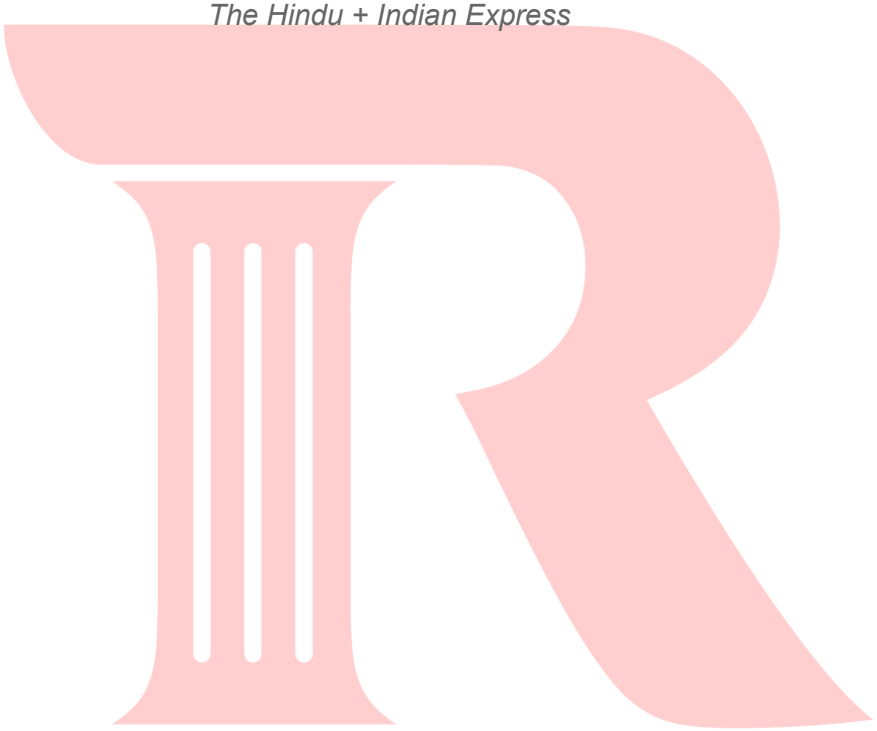
IAS WITH DR RAVI
AIM. PREPARE. ACHIEVE

CA COMPASS — UPSC Daily

STEP 1: CURRENT AFFAIRS NOTES

25 May 2026 (Sunday)

The Hindu + Indian Express



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GS2: International Relations / India-US / Strait of Hormuz / Maritime Security

1. Rubio-Jaishankar Stress Need for Unimpeded Maritime Trade amid Hormuz Crisis

Source: *The Hindu (Kallol Bhattacherjee) + Indian Express* | ***Subject:*** *India-US Relations / Strait of Hormuz / Maritime Security / West Asia / GS2*

Context: US Secretary of State Marco Rubio, visiting India for the first time since the US and Israel launched the war on Iran on February 28, held a day-long meeting with External Affairs Minister S. Jaishankar at Hyderabad House. Both stressed the need for "safe and unimpeded maritime commerce." Rubio accused Iran of blocking the Strait of Hormuz, holding hostage civilian vessels and ships stuck in the Persian Gulf, and laying mines in an international waterway, while asserting the US remains committed to a peaceful, diplomatic solution. Iran's FM Seyed Abbas Araghchi, who visited Delhi earlier, had said the Strait falls within Iranian and Omani territorial waters with "no international waters in between." Rubio said the US wants "an open Strait of Hormuz without tolls," contradicting Iranian claims of charging transit fees. On Pakistan-US ties, Rubio said the US works with many countries at a "tactical level" but those relations will not come at the expense of the strategic alliance with India. He cited Pakistan's role in bringing the Gulf conflict to a pause. Energy, bilateral trade, visa issues for skilled Indian workers, and the $500 billion commitment for American goods were discussed. Later, President Trump called PM Modi a "great friend" and said India can "count on me 100%." Jaishankar acknowledged supply chain disruptions and said both nations had a "very strong interest" in ensuring maritime commerce.

🎯 EXAMINER'S LENS

* Prelims: Strait of Hormuz: connects Persian Gulf to Gulf of Oman/Arabian Sea. ~21 km wide at narrowest. ~20-21% of global oil transit. Bordered by Iran and Oman. UNCLOS: transit passage regime (Art 38). Rubio's India visit: first senior US official since Feb 28 Iran war. $500 billion commitment for US goods. Hyderabad House: venue for bilateral meetings. Foreign Secretary Vikram Misri.

* Mains: GS2 (IR). India-US strategic partnership amid West Asia crisis. Strait of Hormuz and India's energy security. Maritime freedom of navigation. Balancing relations with US, Iran, and Gulf states. Pakistan's mediating role.

* GS4/Interview: India maintains "very strong relations" with the US, Israel, Iran, and the Gulf simultaneously. When the US wages war on Iran while India depends on both for energy and strategic interests, the balancing act requires not just diplomatic skill but ethical clarity about whose rules-based order India subscribes to — and whether freedom of navigation is a principle or a convenience.

Key Points:

- The Strait of Hormuz crisis is the strategic backdrop to the Rubio visit. The Strait handles approximately 20-21% of global oil trade. Iran's actions — detaining vessels, mining the waterway, and claiming territorial jurisdiction over the entire Strait — directly threaten India's energy security. India imports nearly 90% of its crude oil, and a significant share transits through the Hormuz chokepoint. The US position (open Strait, no tolls, transit passage under UNCLOS) aligns with India's interest in unimpeded energy flows, but India's relations with Iran complicate outright alignment.
- The India-US relationship is being recalibrated around three axes: energy security (ensuring supply chains amid the Iran conflict), trade (the $500 billion goods commitment over five years, which would require doubling annual US imports from ~$52.9 billion), and strategic convergence in the Indo-Pacific (maritime security, Quad cooperation). Rubio's framing of Pakistan ties as "tactical" versus the "strategic alliance" with India is diplomatically significant, signalling hierarchy in US partnerships in the region.
- Jaishankar's positioning is characteristically multi-vectoral. He acknowledged disruption to supply chains but avoided directly criticising Iran. He cited India's varied interests covering "strategic and energy domains" with the US, Israel, Iran, and the Gulf. This balancing act — maintaining relations with all parties to the conflict — is India's traditional approach but faces increasing strain as the conflict intensifies and the US expects clearer alignment from partners.
- The $500 billion goods commitment is politically significant but economically challenging. India's current annual imports from the US are approximately $52.9 billion. Doubling this over five years would require structural shifts in procurement (defence, energy, technology) and raises questions about trade reciprocity, given ongoing US concerns about India's trade practices. The commitment was announced at an event celebrating 250 years of US independence at Bharat

Mandapam, with Trump calling Modi via speakerphone — high optics signalling bilateral warmth.

STATIC CONNECT

▶ Strait of Hormuz & India-US Relations

* Strait of Hormuz: Connects Persian Gulf to Gulf of Oman. Width: ~21 km (narrowest). Oil transit: ~20-21% of global crude. UNCLOS Art 38-44: transit passage (cannot be suspended). Key littoral states: Iran, Oman, UAE.
* India-US defence: LEMOA (2016), COMCASA (2018), BECA (2020), iCET (2023). 2+2 Ministerial Dialogue. Major Defence Partner (2016). DTTI (Defence Technology and Trade Initiative).
* India's energy imports: Crude oil ~90% imported. Top sources: Saudi Arabia, Iraq, Russia, UAE, Kuwait. LNG: Qatar, US, Australia. West Asia: ~60% of India's crude imports.
* UNCLOS: United Nations Convention on the Law of the Sea (1982). India ratified 1995. Transit passage: right of continuous and expeditious transit through straits used for international navigation. Cannot be suspended.
* India-Iran: Chabahar Port. INSTC (International North-South Transport Corridor). Oil imports (reduced under US sanctions). Cultural/civilisational ties.

3-2-1 RAPID REVISION

3 Prelims:

* Strait of Hormuz: ~21 km wide, ~20-21% global oil transit. UNCLOS Art 38: transit passage. Iran + Oman littoral states. Iran claims no international waters; US demands open passage without tolls.
* Rubio visit: first senior US official since Feb 28 Iran war. Hyderabad House meeting with Jaishankar. $500 billion goods commitment over 5 years. Current US imports: ~$52.9 bn/year. Foreign Secretary Vikram Misri.
* India-US defence foundations: LEMOA (2016), COMCASA (2018), BECA (2020), iCET (2023). 2+2 Dialogue. Major Defence Partner status. Pakistan ties: "tactical" vs India: "strategic alliance."

2 Mains:

* The Rubio-Jaishankar meeting centres on the Strait of Hormuz crisis, which directly threatens India's energy security (90% crude oil imports, ~60% from West Asia). The US demands an open Strait under UNCLOS transit passage; Iran claims territorial jurisdiction. India's multi-vectoral positioning — maintaining relations with the US, Israel, Iran, and the Gulf simultaneously — faces increasing strain as the conflict intensifies. The $500 billion goods commitment signals deepening

trade integration but requires doubling annual US imports, raising questions about procurement restructuring and trade reciprocity.

* India's strategic calculus involves three simultaneous balances: energy security (diversifying away from Hormuz-dependent routes while maintaining Gulf relationships), defence partnership (leveraging LEMOA/COMCASA/BECA/iCET for technology transfer and interoperability), and diplomatic autonomy (avoiding being drawn into US-Iran conflict while benefiting from US strategic partnership). Rubio's characterisation of Pakistan ties as "tactical" versus India as "strategic" is a useful diplomatic marker but must be tested against actual policy outcomes.

1 Essay:

When maritime chokepoints become geopolitical leverage, the freedom of navigation ceases to be a principle and becomes a negotiating position. India's dependence on the Strait of Hormuz makes energy security inseparable from foreign policy alignment. The question is whether India can maintain strategic autonomy while its energy lifeline passes through a conflict zone. Use: Hormuz, India-US, energy security, multi-alignment, UNCLOS.

Mains Q: *Discuss the strategic significance of the Rubio-Jaishankar meeting in the context of the Strait of Hormuz crisis. How should India balance its energy security imperatives with its multi-vectoral foreign policy approach? (15M)*

GS2: International Relations / Quad / Indo-Pacific / Critical Minerals

2. Quad Foreign Ministers' Meeting — Japan FM Motegi Calls Quad "Vital" amid Relevance Debate

Source: *The Hindu (Suhasini Haidar) + Indian Express* | ***Subject:*** *Quad / Indo-Pacific / Critical Minerals / Energy / Japan / GS2*

Context: Ahead of the Quadrilateral Foreign Ministers' Meeting in New Delhi on Tuesday, Japanese Foreign Minister Toshimitsu Motegi said the four-nation grouping remains a "vital framework" despite concerns about its diminishing relevance. The Quad FMs — Jaishankar, Rubio (US), Motegi (Japan), and Penny Wong (Australia) — will discuss regional and global situations and send "an unwavering message that the Quad would continue to robustly advance practical cooperation toward the realisation of a Free and Open Indo-Pacific (FOIP)." However, the Quad has found little or no mention in recent strategic documents: the US National Security Strategy (November 2025) merely says it will "encourage New Delhi to contribute to Indo-Pacific security, including through the Quad," without detailing plans. Japanese PM Sanae Takaichi's "Updated Free and Open Indo-Pacific" policy (May 2, announced in Vietnam) mentions the Quad just once, in the context of critical minerals. Motegi indicated that critical minerals cooperation for green energy and high technology would top the agenda. Japan is working on critical minerals projects in India, seeking improved infrastructure, more tax subsidies, and IP protection. Japan's PM Takaichi had proposed POWERR Asia (Partnership On Wide Energy and Resources Resilience) in April, attended virtually by Jaishankar, to coordinate oil, gas, renewables procurement, financing, and storage mechanisms amid the Iran-driven energy crisis. The Quad has not held a Leaders' Summit since 2024. Motegi declined to comment on whether the US torpedoing of the Iranian ship IRIS Dena in the Indian Ocean (March 4) would be raised by Quad members.

EXAMINER'S LENS

* Prelims: Quad: India, US, Japan, Australia. FM meeting: Delhi, Tuesday. Jaishankar hosts. Motegi (Japan), Rubio (US), Penny Wong (Australia). US NSS (Nov 2025): minimal Quad mention. Japan's Updated FOIP: Quad mentioned once (critical minerals). POWERR Asia: energy resilience proposal by

PM Takaichi (April). No Quad Summit since 2024. IRIS Dena: Iranian ship torpedoed by US (March 4, Indian Ocean).

* Mains: GS2 (IR). Quad's relevance and institutional evolution. Critical minerals and supply chain security. Energy cooperation (POWERR Asia). Indo-Pacific strategy amid West Asia conflict. Quad's absence from member states' strategic documents.

* GS4/Interview: A framework that its own members barely mention in strategic documents faces an existential question: is it a vital institution or a diplomatic convenience? The Quad's value lies not in declarations but in whether it can deliver tangible cooperation on critical minerals, energy resilience, and maritime security when its members' interests diverge on the most pressing issue — the Iran conflict.

Key Points:

- The relevance debate is the defining challenge for the Quad. The grouping has met twice at FM level in 2025 but has not held a Leaders' Summit since 2024. More significantly, neither the US National Security Strategy (November 2025) nor Japan's Updated FOIP policy gives the Quad substantive treatment. The US NSS mentions it in passing; Japan's FOIP document references it once in the context of critical minerals. This marginalisation in members' own strategic planning documents suggests the Quad is losing institutional centrality even as its members affirm its importance in public statements.
- Critical minerals may be the Quad's most tangible deliverable. China dominates processing of lithium, cobalt, rare earths, and other minerals essential for green energy and advanced technology. The Quad's critical minerals partnership could provide alternative supply chains, with India offering processing capacity and mineral reserves, Australia providing raw materials, Japan contributing technology, and the US offering financing and market access. Motegi's emphasis on critical minerals projects in India — with demands for better infrastructure, tax subsidies, and IP protection — indicates Japan views India as a key node in the alternative supply chain.
- POWERR Asia (Partnership On Wide Energy and Resources Resilience) is a Japanese proposal that could give the Quad functional relevance beyond security. Proposed by PM Takaichi in April and attended virtually by Jaishankar, it aims to coordinate oil, gas, and renewables procurement, financing, and storage mechanisms to address the energy crisis caused by the Iran conflict and Strait of Hormuz disruptions. If operationalised through the Quad framework, POWERR Asia could transform the grouping from a strategic dialogue into a practical energy cooperation mechanism.

- The IRIS Dena incident (US torpedoing of an Iranian ship in the Indian Ocean, March 4) is the elephant in the room. Motegi declined to comment on whether it would be raised, reflecting the Quad's discomfort with US military actions that affect the maritime commons the Quad claims to protect. India's position is particularly delicate: advocating freedom of navigation while a Quad partner conducts offensive operations in the Indian Ocean creates a contradiction between the Quad's stated principles and its members' unilateral actions.

STATIC CONNECT

▶ Quad & Indo-Pacific Architecture

* Quad: Quadrilateral Security Dialogue. Revived 2017 (originally 2007). Leaders' Summits: 2021 (virtual), 2022 (Tokyo), 2023 (Hiroshima), 2024 (Wilmington). None since.
* Quad initiatives: Vaccine Partnership, STEM Fellowship, Maritime Domain Awareness (IPMDA), Critical and Emerging Technology, Quad Infrastructure Fellowship, Cyber Security, Climate/Clean Energy.
* Critical minerals: China processes 60-90% of lithium, cobalt, rare earths, graphite. Quad Critical Minerals Partnership. India: Khanij Bidesh India Ltd (KABIL). Australia: major reserves. Mineral Security Partnership (US-led, 14 countries).
* FOIP: Free and Open Indo-Pacific. Originated as Japanese concept (2016, PM Abe). Adopted by US, Australia, India. Key pillars: rules-based order, freedom of navigation, infrastructure, connectivity.
* India's Indo-Pacific: Act East Policy. SAGAR (Security and Growth for All in the Region). Indo-Pacific Oceans Initiative (IPOI). Indian Ocean Rim Association (IORA).

3-2-1 RAPID REVISION

3 Prelims:

* Quad FM meeting: Delhi, Tuesday. Members: India (Jaishankar), US (Rubio), Japan (Motegi), Australia (Penny Wong). No Leaders' Summit since 2024 (Wilmington). POWERR Asia: Japan's energy resilience proposal.
* Quad absent from: US NSS (Nov 2025, minimal mention), Japan's Updated FOIP (May 2, one mention for critical minerals). Critical minerals: China dominates processing (60-90% of lithium, cobalt, rare earths).
* IRIS Dena: Iranian ship torpedoed by US, March 4, Indian Ocean. IPMDA: Indo-Pacific Maritime Domain Awareness initiative. KABIL: Khanij Bidesh India Ltd (India's critical minerals abroad entity).

2 Mains:

* The Quad faces an existential relevance challenge: its members affirm its importance publicly but marginalise it in their strategic planning documents. The US NSS and Japan's Updated FOIP barely

mention the grouping. Critical minerals cooperation and POWERR Asia (energy resilience) offer the most tangible pathways to functional relevance. Japan views India as a key node in alternative mineral supply chains, seeking processing capacity and reserves to reduce China dependence. The Quad must transition from strategic dialogue to operational delivery on critical minerals, energy, and technology to justify its continued institutional existence.

* The Quad's credibility on maritime security is tested by its internal contradictions. The grouping advocates freedom of navigation and a rules-based maritime order, but the US torpedoing of the Iranian ship IRIS Dena in the Indian Ocean (March 4) represents unilateral military action in the very waters the Quad claims to protect. India's position is particularly uncomfortable: advocating free navigation while a Quad partner conducts offensive operations in the Indian Ocean undermines the principle-based framing. The Quad must reconcile its stated principles with its members' unilateral actions to maintain credibility.

1 Essay:

An institution that its own members hesitate to mention in strategic documents is either evolving quietly or declining publicly. The Quad's future depends on whether critical minerals and energy cooperation can anchor it in functional relevance — or whether it remains a diplomatic framework invoked when convenient and ignored when inconvenient. Use: Quad, Indo-Pacific, critical minerals, POWERR Asia, institutional relevance.

Mains Q: *Critically examine the relevance of the Quad in the evolving Indo-Pacific security architecture. How can critical minerals cooperation and energy resilience initiatives such as POWERR Asia strengthen the Quad's institutional relevance? (15M)*

GS2: Judiciary / Sedition / Section 124A / Free Speech / Liberty

3. SC's Revival of Section 124A Triggers Concerns over a Colonial Law the Country Did Not Want

Source: *The Hindu (Krishnadas Rajagopal) + The Hindu Editorial: "Coerced Consent"* | ***Subject:*** *Judiciary / Sedition / Sec 124A / BNS Sec 152 / Free Speech / Liberty / GS2*

Context: The Supreme Court's May 21, 2026 order reviving sedition proceedings under Section 124A of the now-repealed Indian Penal Code has triggered significant concerns. A three-judge Bench had frozen all proceedings under 124A on May 11, 2022, in S.G. Vombatkere vs Union of India, after both the Court and the Union government agreed the provision was "not in tune with the current social milieu" and "was intended for a time when this country was under the colonial regime." Justice Surya Kant, then a member of the 2022 Bench, had recorded the "rampant misuse" of the provision dating back to 1898. The 2022 interim order had quoted PM Modi's Azadi Ka Amrit Mahotsav statement about shedding "colonial baggage." When the Bharatiya Nyaya Sanhita (BNS) took effect in 2024, Parliament replaced 124A with Section 152, effectively retaining sedition under a new name with an increased minimum sentence of seven years. In February 2026, CJI Surya Kant observed that the Centre's 2022 promise to review could not bind Parliament. On May 21, 2026, the Court said that if an accused person has no objection, courts may proceed on cases involving 124A, ostensibly to protect the right to a speedy trial. The Hindu editorial "Coerced Consent" argues this consent may be coerced: the alternative for incarcerated persons is indefinite delay, making consent a Hobson's choice. The Vombatkere case had provided bail to those charged with sedition, meaning liberty was the intended remedy for frozen trials; the May 21 clarification reverses this by allowing trials to proceed, potentially compelling poorer prisoners who cannot secure bail to consent to trial under a constitutionally contested provision. The editorial argues this creates a perverse incentive for the state to not resolve the constitutionality of sedition quickly, since cases can proceed while accused remain in limbo.

EXAMINER'S LENS

* Prelims: Sec 124A IPC: Sedition (1870, introduced by Thomas Macaulay's draft). Repealed with IPC when BNS took effect (2024). BNS Sec 152: replaces sedition, 7-year minimum sentence. S.G.

Vombatkere v UoI: 2022 stay on all 124A proceedings. May 21, 2026: SC allows trials if accused consents. CJI Surya Kant. Kedar Nath Singh v State of Bihar (1962): SC upheld 124A with narrow construction. I.R. Coelho v State of Tamil Nadu: law must be in step with "march of time."

* Mains: GS2 (Judiciary/Liberty). Sedition law: colonial origin, constitutional challenge. Coerced consent and Hobson's choice. Free speech (Art 19(1)(a)) vs reasonable restrictions (Art 19(2)). Chilling effect on dissent. State's perverse incentive to delay constitutionality determination.

* GS4/Interview: When a court offers an incarcerated person the "choice" between indefinite detention and trial under a law both the court and the government have called colonial and outdated, the choice is not free — it is coerced by circumstances the system itself created. The ethical question is whether procedural fairness can exist when the alternative to consent is indeterminate suffering.

Key Points:

- The sedition saga reveals a three-stage institutional failure. First, the 2022 stay in Vombatkere was premised on the Centre's assurance that it would "reconsider" the provision. Second, Parliament replaced 124A with BNS Sec 152 in 2024, retaining sedition in substance and increasing the minimum sentence to seven years — the opposite of reconsideration. Third, the May 2026 order allows trials to proceed based on accused consent, effectively easing the frozen cases back into the system without resolving the underlying constitutional question. At each stage, the institution that could have resolved the issue — the executive (reconsider), the legislature (repeal), the judiciary (decide constitutionality) — chose not to.
- The "coerced consent" argument is the editorial's strongest point. For incarcerated persons without robust legal representation, the choice between indefinite delay (frozen proceedings with no timeline for constitutional resolution) and trial (under a provision both the Court and government called colonial) is not a genuine choice. The 2022 stay had provided bail to those charged with sedition; the May 2026 order does not pair trial resumption with bail continuation. Wealthier accused can secure bail and wait out proceedings; poorer accused may be compelled to consent to trial simply to end their detention — creating a two-tier liberty system based on the capacity to litigate.
- The Kedar Nath Singh precedent (1962) upheld 124A but narrowed it to acts involving "incitement to violence or tendency to create public disorder." Despite this narrowing, 124A was routinely used against journalists, activists, students, and political dissenters for speech that fell well below the incitement-to-violence threshold. The Law Commission (42nd Report, 1971) and multiple SC observations have noted this pattern. The Vombatkere challenge could have

definitively resolved whether 124A (and by extension, BNS Sec 152) meets the Art 19(2) reasonableness standard. The May 2026 order delays that resolution further.

- The perverse incentive structure is the most systemic concern: if the state knows that cases involving constitutionally contested offences can proceed while the accused remain incarcerated and the constitutionality question remains unresolved, there is no urgency to seek resolution. The state benefits from ambiguity: the chilling effect of the charge persists, accused face the burden of trial, and the provision remains available for future use. Only a definitive SC ruling on constitutionality — which the Court has now effectively deferred by allowing case-by-case consent — can resolve this.

STATIC CONNECT

▶ Sedition Law & Free Speech

* Sec 124A IPC: Introduced 1870 (draft by Macaulay). Punishment: life imprisonment. Used against Tilak (1897), Gandhi (1922), Mandela (invoked). Repealed when BNS replaced IPC (2024).
* BNS Sec 152: “Acts endangering sovereignty, unity and integrity of India.” Minimum 3 years (can extend to life). Effectively replaces sedition. Added electronic communication as medium.
* Art 19(1)(a): Freedom of speech and expression. Art 19(2): Reasonable restrictions (sovereignty/integrity, security of state, public order, decency/morality, contempt of court, defamation, incitement to offence).
* Key cases: Kedar Nath Singh (1962): upheld 124A, narrowed to incitement. Shreya Singhal v UoI (2015): struck down Sec 66A IT Act (vague restrictions on online speech). Vinod Dua v UoI (2021): Kedar Nath standards must be strictly applied.
* S.G. Vombatkere v UoI: Constitutional challenge to 124A. 2022 interim stay. Multiple writ petitions. Pending before SC. Constitutionality of Sec 152 BNS also pending (same petitioners).

3-2-1 RAPID REVISION

3 Prelims:

* Sec 124A IPC: sedition (1870, Macaulay). S.G. Vombatkere v UoI (2022): SC froze all 124A proceedings. BNS Sec 152: replaced sedition, 7-year minimum. May 21, 2026: SC allows trials if accused consents.
* Kedar Nath Singh (1962): upheld 124A but narrowed to incitement to violence/public disorder. CJI Surya Kant (Feb 2026): Centre’s 2022 promise could not bind Parliament. I.R. Coelho: law must march with time.

* Art 19(1)(a): free speech. Art 19(2): reasonable restrictions. Shreya Singhal (2015): struck Sec 66A. Syed Iftikhar Andrabi: bail is the rule. PM Modi's Azadi Ka Amrit Mahotsav: "shed colonial baggage."

2 Mains:

* The revival of Section 124A proceedings exposes a three-stage institutional failure: the executive promised reconsideration but Parliament retained sedition (BNS Sec 152 with higher sentences), the judiciary stayed proceedings but deferred constitutionality, and the May 2026 order resumes trials without resolving the substantive question. The "coerced consent" problem is that incarcerated accused face a Hobson's choice between indefinite detention and trial under a provision both the Court and government called colonial. Liberty becomes a function of the capacity to litigate, not legal principle.

* The systemic perverse incentive is the most damaging consequence: the state benefits from constitutional ambiguity because the chilling effect of sedition charges persists, accused bear the burden of trial, and the provision remains available for future use. Only a definitive SC ruling on constitutionality can resolve this, but the case-by-case consent approach effectively defers that resolution indefinitely. The Vombatkere challenge to BNS Sec 152 remains pending — meaning the very provision replacing 124A is itself under constitutional challenge while accused are being tried under its predecessor.

1 Essay:

A law that both the court and the government call colonial and outdated, yet neither abolishes nor declares unconstitutional, reveals the gap between institutional rhetoric and institutional action. The sedition saga — from 124A to BNS 152, from stay to "consent"-based revival — is a case study in how the process of resolving a constitutional question can itself become a form of injustice. Use: Sedition, 124A, BNS 152, free speech, coerced consent, Art 19, institutional failure.

Mains Q: *Critically analyse the SC's May 21, 2026 order allowing sedition trials to proceed with accused consent. How does the "coerced consent" problem reflect deeper institutional failures in resolving the constitutionality of sedition? (15M)*

GS2: Polity / UCC / Tribal Rights / Fifth Schedule / Great Nicobar

4. UCC and Tribal Rights: Shah's Assurance at Red Fort + Great Nicobar Development-Protection Debate

Source: *The Hindu + Indian Express (Deeptiman Tiwary)* | ***Subject:*** *UCC / Tribal Rights / Fifth & Sixth Schedule / PESA / Great Nicobar / FRA / GS2*

Context: Union Home Minister Amit Shah, addressing the Sangh Parivar-organised "Janjati Suraksha Samagam" (also called "Janjatiya Mahakumbh") at the Red Fort, assured tribal communities that no provision of the UCC would apply to tribals and would not encroach upon their rights, customs, or traditions. The event was organised by Janjati Suraksha Manch (JSM, formed 2005-06 to demand delisting of converted Christians from ST category) and Akhil Bharatiya Vanvasi Kalyan Ashram (RSS affiliate working among tribals since the 1950s). Shah cited Gujarat and Uttarakhand as States that have made "special provisions" keeping tribals outside UCC ambit. The event carried strong anti-conversion undertones: Shah said the Constitution gave citizens the right to follow their "indigenous faith" with dignity but "nobody can convert anyone through allurement or by force." JSM and Vanvasi Kalyan Ashram leaders called for Constitutional amendments to give ST classification a religion criterion (like SC classification) and for amending PESA to ensure only those following tribal faith can be Gram Sabha members. Shah invoked Ramayana (Shabari, Nishad Raj) to weave tribal identity into the broader Hindutva narrative. The event marked 150 years of tribal icon Birsa Munda; 1.5 lakh participants from 500+ tribal groups. Tribal welfare budget: ₹28,000 crore to ₹1.5 lakh crore. Separately, Union Minister Jual Oram responded to Jairam Ramesh's allegations that the ₹92,000 crore Great Nicobar Island project violates tribal forest rights. Oram argued development and tribal protection can coexist, citing FRA and the Protection of Aboriginal Tribes Regulation 1956. Ramesh's May 13 letter argued that Gram Sabhas that consented were settler families, not Nicobarese or Shompen people, and demanded withdrawal of all FRA clearances. Oram said consent was obtained through the Andaman Adim Janjati Vikas Samiti (AAJVS), an administration-run body. Ramesh contested that AAJVS, being government-controlled, could not represent the Shompen community.

🎯 EXAMINER'S LENS

* Prelims: UCC: Art 44 DPSP. Gujarat UCC: tribal exemption. Uttarakhand UCC Act 2024: tribal exemption. JSM: Janjati Suraksha Manch (2005-06). Vanvasi Kalyan Ashram (1952, RSS affiliate). SC classification: religion criterion (Dalit Christians/Muslims excluded). PESA: Panchayats (Extension to Scheduled Areas) Act 1996. Fifth Schedule: tribal areas governance. Great Nicobar project: ₹92,000 crore. Shompen: PVTG. FRA 2006: Sec 6 (Gram Sabha consent for forest diversion). AAJVS: Andaman Adim Janjati Vikas Samiti. Protection of Aboriginal Tribes Regulation 1956.
* Mains: GS2 (Polity/Tribal Rights). UCC and tribal customary law. Anti-conversion and ST classification. PESA and Gram Sabha autonomy. Great Nicobar: development vs tribal rights. FRA consent procedures. Fifth Schedule protections.
* GS4/Interview: When the state promises to protect tribal customs while simultaneously redefining tribal identity through a religious lens (delisting converts from ST) and clearing tribal land for mega-projects (Great Nicobar), the protection is conditional on the tribe conforming to the state's preferred cultural narrative. True protection of tribal rights means accepting that tribal communities define their own identity and their own relationship with their land.

Key Points:

- The UCC-tribal exemption assurance addresses a genuine tension: Art 44 directs the state to secure a UCC, but tribal communities across India follow distinct customary law systems governing marriage, inheritance, land, and governance that vary significantly from both Hindu and Muslim personal law. The Fifth Schedule (Art 244(1)) and Sixth Schedule (Art 244(2)) provide constitutional protection for tribal areas, and PESA (1996) recognises the role of Gram Sabhas in tribal governance. A uniform civil code that overrides these customary systems would effectively assimilate tribal communities into mainstream legal frameworks, erasing centuries of distinct legal traditions. Shah's assurance that Gujarat and Uttarakhand UCC models keep tribals outside their ambit acknowledges this, but the exemption's constitutional durability depends on legislative drafting, not political assurance.
- The anti-conversion dimension is the more consequential agenda. JSM's core demand — delisting converted Christians from ST categories — would affect tribal Christians across the Northeast, Jharkhand, Chhattisgarh, and Odisha. Currently, the SC classification has a religion criterion (only Hindus, Sikhs, and Buddhists can be Scheduled Castes), but ST classification does not. Introducing a religion criterion for ST status would strip reservation benefits from tribal converts, creating a powerful deterrent against conversion. The PESA amendment demand

(only those following tribal faith can be Gram Sabha members) would similarly exclude tribal Christians from local governance in Fifth Schedule areas.

- The Great Nicobar project controversy is a microcosm of the development-vs-tribal-rights tension. The ₹92,000 crore project (transshipment port, international airport, township, power plant) would affect the Shompen — one of India's most vulnerable PVTGs (Particularly Vulnerable Tribal Groups) with an estimated population of under 300. The FRA (2006) Sec 6 requires Gram Sabha consent for forest diversion. Ramesh's argument that the consenting Gram Sabhas comprised settler families rather than Nicobarese or Shompen communities strikes at the procedural legitimacy of the consent. Oram's reliance on AAJVS (an administration-run body) as the consent mechanism raises questions about whether state-controlled bodies can represent the interests of communities they administer.
- The broader pattern connects UCC exemption, ST classification, PESA reform, and Great Nicobar: the state positions itself as protector of tribal identity (UCC exemption, welfare budget increase) while simultaneously pursuing policies that redefine tribal identity through religious criteria (ST delisting of converts), restrict tribal governance to approved cultural categories (PESA amendment), and clear tribal land for mega-development (Great Nicobar). The contradiction is between protecting tribal autonomy and managing tribal identity for political and developmental purposes.

STATIC CONNECT

▶ Tribal Rights Framework

* Art 44: DPSP — UCC. Art 244(1): Fifth Schedule (tribal areas in 10 States). Art 244(2): Sixth Schedule (tribal areas in NE — Assam, Meghalaya, Mizoram, Tripura). Art 342: ST classification (President's notification, Parliament can modify).
* PESA 1996: Extends Part IX (panchayats) to Fifth Schedule areas. Gram Sabha: approve plans, manage minor forest produce, control money-lending, manage minor minerals, enforce prohibition. Not yet operationalised fully in many States.
* FRA 2006: Forest Rights Act. Individual forest rights (IFR). Community forest rights (CFR). Sec 6: Gram Sabha consent for forest diversion. PVTG: Particularly Vulnerable Tribal Groups (75 groups identified). Shompen: PVTG, Great Nicobar.
* SC classification: Religion criterion — only Hindus (1950), Sikhs (1956), Buddhists (1990) eligible. Dalits who convert to Christianity or Islam lose SC status. ST classification: no religion criterion currently.

* Key cases: Samatha v State of AP (1997): non-tribals cannot acquire land in Fifth Schedule areas. Niyamgiri (Vedanta): Dongria Kondh Gram Sabhas rejected mining (2013). Consent of affected tribal communities mandatory under FRA.

3-2-1 RAPID REVISION

3 Prelims:

* UCC: Art 44. Gujarat & Uttarakhand UCC: tribal exemptions. Janjati Suraksha Manch (2005-06). Vanvasi Kalyan Ashram (1952, RSS). 150th Birsa Munda anniversary. Tribal welfare: ₹28,000 cr → ₹1.5 lakh cr.

* ST classification: no religion criterion (unlike SC). JSM demand: add religion criterion to delist converts. PESA 1996: Gram Sabha powers in Fifth Schedule areas. Art 244(1): Fifth Schedule. Art 244(2): Sixth Schedule.

* Great Nicobar: ₹92,000 cr project. Shompen: PVTG (under 300 population). FRA Sec 6: Gram Sabha consent for forest diversion. AAJVS: admin-run body. Jairam Ramesh: consenting Gram Sabhas were settler families. Protection of Aboriginal Tribes Regulation 1956.

2 Mains:

* The UCC-tribal exemption addresses a genuine constitutional tension between Art 44 (uniform civil code) and Art 244/Fifth-Sixth Schedule protections for tribal customary law. But the simultaneous pursuit of a religion criterion for ST classification (delisting converts) reveals a deeper agenda: defining tribal identity through religious conformity rather than cultural practice. If ST status becomes contingent on religious identity, tribal Christians across the Northeast and central India would lose reservation benefits, creating a powerful legal deterrent against conversion. This redefines tribal autonomy as autonomy within state-approved cultural boundaries.

* The Great Nicobar project exposes the gap between procedural compliance and substantive consent. The FRA requires Gram Sabha consent for forest diversion, but when the consenting body comprises settler families rather than the indigenous Shompen community, and consent is channelled through an administration-run body (AAJVS), the procedural requirement is met while the substantive right is violated. The Niyamgiri precedent (2013) established that affected tribal Gram Sabhas must directly consent; the Great Nicobar consent process appears to circumvent this by defining the “affected community” to include settlers rather than the indigenous population.

1 Essay:

Tribal protection that is conditional on religious conformity is not protection — it is assimilation by another name. When the state exempts tribals from UCC while demanding they remain within approved faith categories to retain ST status, it replaces genuine autonomy with managed identity.

The Great Nicobar project adds another dimension: development that proceeds on the consent of settlers, not the indigenous community it displaces. Use: UCC, tribal rights, Fifth Schedule, PESA, FRA, ST classification, Great Nicobar, consent.

Mains Q: *Examine the tension between UCC implementation and tribal customary law protection under the Fifth and Sixth Schedules. How does the Great Nicobar project controversy highlight the gap between procedural compliance and substantive tribal consent under the FRA? (15M)*

GS3: Energy Security / Coal Dependence / Renewable Transition / Geopolitics

5. India's Energy Trilemma: Coal Dependence, Import Vulnerability, and the Transition Gap

Source: *The Hindu (Aashi Gupta & Naveen Kumar, CSEP) + Indian Express Editorial + The Hindu (Shrikant Madhav Vaidya, ex-IOC Chairman)* | ***Subject:*** *Energy Security / Coal / Renewables / Russia Oil Waiver / Strait of Hormuz / GS3*

Context: Three articles published simultaneously expose different dimensions of India's energy crisis. (1) CSEP's Aashi Gupta and Naveen Kumar argue that India's green transition still runs on coal: renewables account for 42.4% of installed capacity (up from 0.72% in 2005) but generated only 15.8% of actual electricity in April 2026. Coal, at 42.2% of capacity, generated 71.8% of electricity. The gap between installed capacity and actual generation is the central insight: India has built renewable infrastructure but has not yet replaced coal in the actual electricity mix. Coal continues to provide baseload reliability because solar and wind are intermittent and India lacks large-scale battery storage, flexible grids, and adequate balancing capacity. India has added almost no new fossil fuel capacity since 2018 and retired very few old coal plants, meaning renewable energy is being added on top of coal rather than displacing it. (2) Indian Express editorial argues the energy challenge is urgent: India's energy import dependency is alarming — coal 23%, crude oil nearly 90%, natural gas 50% (up from 85% and 40% respectively a decade ago). Per capita electricity consumption rose 46% between 2013-14 and 2023-24. India is 4th globally in renewable installed capacity. But the focus must shift beyond production to consumption patterns: electricity for cooking instead of imported gas, public transport to reduce car-based oil demand. (3) Shrikant Madhav Vaidya (former Chairman, IndianOil Corporation) analyses the US ending Russia oil waivers: India imports 90% of crude; Russian crude served as a diversification mechanism during West Asia uncertainty; the US wants to reduce Russia's revenues but also wants low oil prices — contradictory objectives. The Strait of Hormuz carries ~20% of global oil trade; disruption affects India through multiple channels (crude prices, shipping costs, LPG, refining margins). India's long-term strategy: expand strategic petroleum reserves, diversify crude sourcing, strengthen domestic exploration, accelerate gas infrastructure, reduce Hormuz dependence. Energy security is now shaped by sanctions, maritime security, and geopolitical blocs — not just supply and demand.

EXAMINER'S LENS

* Prelims: Renewables: 42.4% of installed capacity (March 2026). Actual generation: only 15.8% (April 2026). Coal: 42.2% capacity but 71.8% generation. Energy import dependency: crude ~90%, natural gas ~50%, coal ~23%. Per capita electricity: up 46% (2013-24). India: 4th in renewable installed capacity globally. SPR: Vizag, Mangalore, Padur (~5.33 MMT). Russian crude imports: diversification during West Asia crisis. US ends Russia oil waivers. Strait of Hormuz: ~20% global oil trade. China: oil & gas only 4% of power mix (electric vehicles >50% of new car sales). Spain: broken gas-electricity link through renewables.

* Mains: GS3 (Energy Security). Capacity vs generation gap in renewables. Coal's baseload role. Energy import vulnerability. Strait of Hormuz and geopolitical risk. Russian crude and sanctions regime. Strategic petroleum reserves. System transformation: storage, grid, markets.

* GS4/Interview: India's green transition metrics (42.4% renewable capacity, 4th globally) project progress. But the reality (71.8% of electricity from coal) reveals the distance between aspiration and achievement. When policy discourse celebrates installed capacity while actual generation remains coal-dependent, the narrative itself becomes a barrier to honest assessment and effective policy.

Key Points:

- The capacity-generation gap is the most important insight from the CSEP article. Installed capacity measures infrastructure built; actual generation measures electricity produced. Solar panels at night and wind turbines on calm days produce zero electricity despite being "installed." India's renewables at 42.4% of capacity but 15.8% of generation means the capacity utilisation factor (CUF) of renewables is far lower than coal's. Coal's CUF remains high because it provides baseload (continuous, reliable) power. Without large-scale battery storage, flexible grids, and demand-response mechanisms, coal will continue to generate the majority of India's electricity regardless of how much renewable capacity is added.
- The import vulnerability dimension adds urgency. India's crude oil import dependency at nearly 90% means every geopolitical disruption in West Asia directly affects India's economy: fuel prices, inflation, current account deficit, rupee depreciation. Natural gas import dependency at 50% (up from 40% a decade ago) reflects declining domestic production (the 22-month contraction noted in the May 23 core sector editorial). Russian crude served as a price-competitive diversification source, but US sanctions tightening (ending waivers) reduces this flexibility. The Strait of Hormuz's potential closure or disruption would affect ~60% of India's crude supply routes.

- The system transformation required goes beyond capacity addition. The CSEP authors argue India needs: (a) large-scale battery storage to make renewables dispatchable (available on demand); (b) grid modernisation for bidirectional power flow and frequency balancing; (c) transmission connectivity from renewable-rich regions (Rajasthan, Gujarat, Tamil Nadu) to demand centres; and (d) market mechanisms that price reliability and flexibility, not just energy output. Coal's persistence is not a policy failure but a system reality: coal provides stability that the current grid architecture requires. Replacing coal's role requires replacing the system, not just the fuel.
- The comparative evidence strengthens the argument. China has kept oil and gas at only 4% of its power mix and electric vehicles now account for over half of new car sales, reducing oil demand by over a million barrels a day. Spain has broken the gas-electricity link through aggressive renewables integration. India's transition is real but incomplete: it has built capacity without building the system (storage, grid, markets) that allows that capacity to displace fossil fuels in actual generation. The next phase requires system transformation, not just capacity addition.

STATIC CONNECT

▶ Energy Security & Transition

* India's energy mix (March 2026): Total installed capacity ~450 GW. Renewables (solar + wind + biomass + small hydro): 42.4%. Coal: 42.2%. Large hydro: ~10%. Gas: ~5%. Nuclear: ~1.6%.
* SPR: Strategic Petroleum Reserve. Phase I: Vizag (1.33 MMT), Mangalore (1.5 MMT), Padur (2.5 MMT). Total: ~5.33 MMT (~9.5 days import cover). Phase II: Chandikhol (Odisha), Padur expansion — planned.
* Energy imports: Crude oil ~90% (top sources: Iraq, Saudi Arabia, Russia, UAE, US). Natural gas: ~50% (Qatar, US, Australia LNG). Coal: ~23% (Indonesia, Australia, South Africa).
* National Solar Mission: Target 500 GW non-fossil fuel by 2030. Green Hydrogen Mission. Battery storage: National Framework for Battery Energy Storage Systems. PM KUSUM (solar for agriculture).
* International: Paris Agreement NDCs. India's net-zero target: 2070. ISA (International Solar Alliance, HQ: Gurugram). One Sun One World One Grid (OSOWOG). COP28: transitioning away from fossil fuels.

3-2-1 RAPID REVISION

3 Prelims:

* Renewables: 42.4% installed capacity but only 15.8% of actual generation (April 2026). Coal: 42.2% capacity, 71.8% generation. Capacity ≠ generation. CUF (Capacity Utilisation Factor) of renewables far lower than coal.

* Import dependency: crude ~90%, natural gas ~50% (up from 40%), coal ~23%. SPR: Vizag, Mangalore, Padur (~5.33 MMT, ~9.5 days). US ends Russia oil waivers. Strait of Hormuz: ~20% global oil trade.
* China: oil & gas 4% of power mix; EVs >50% new car sales. Spain: broken gas-electricity link. India: 4th in renewable capacity globally. Per capita electricity up 46% (2013-24). 500 GW non-fossil target by 2030.

2 Mains:

* India's energy trilemma combines three simultaneous challenges: (1) the capacity-generation gap — renewables at 42.4% of installed capacity generate only 15.8% of actual electricity because solar/wind are intermittent and India lacks battery storage, flexible grids, and balancing capacity; coal at 42.2% capacity generates 71.8% because it provides baseload reliability. (2) Import vulnerability — crude at ~90%, gas at ~50%, and coal at ~23% import dependency makes India hostage to Strait of Hormuz disruptions, Russian sanctions, and global commodity cycles. (3) The transition gap — India has built renewable capacity without building the system (storage, transmission, market mechanisms) that allows capacity to displace fossil fuels in generation.
* The policy response requires system transformation, not just capacity addition. Large-scale battery storage is essential to make renewables dispatchable. Grid modernisation must enable bidirectional power flow and frequency balancing. Transmission connectivity from renewable-rich States (Rajasthan, Gujarat, Tamil Nadu) to demand centres must be accelerated. Market mechanisms must price reliability and flexibility alongside energy output. Simultaneously, strategic petroleum reserves must be expanded beyond ~9.5 days of import cover, crude sourcing must be diversified beyond Hormuz-dependent routes, and consumption patterns must shift (electricity for cooking, public transport for mobility). China and Spain show that system transformation is achievable — but India has not yet begun the hardest phase of its transition.

1 Essay:

When 42% of a country's power capacity is renewable but 72% of its electricity comes from coal, the green transition is a headline, not a reality. India's energy challenge is not building more solar panels — it has done that. The challenge is building the system that allows solar panels to replace coal plants: storage, grids, markets, and the political will to transform the energy architecture rather than just add to it. Use: Energy transition, coal, renewables, capacity vs generation, storage, Hormuz, import dependency.

Mains Q: *Discuss the capacity-generation gap in India's renewable energy transition. Why does coal continue to dominate actual electricity generation despite India being 4th globally in renewable installed capacity? What system-level reforms are needed to close this gap? (15M)*

GS3: Economy / BoP / Rupee / Capital Account / FDI

6. The Rupee Problem This Time Is Different — Capital Account, Not Current Account

Source: *Indian Express (Sajjid Z Chinoy, Head of Asia Economics, J.P. Morgan)* | ***Subject:*** *Economy / BoP / Rupee / FDI / Capital Account / Fiscal-Monetary Policy / GS3*

Context: Sajjid Z Chinoy argues that three months into the West Asia conflict, India has avoided widespread energy shortages, but the rupee's sharp fall is not itself the problem — it is a reflection of more substantive weaknesses. The biggest is India's high and rising energy import dependence. The key pressure point is different this time: the Balance of Payments (BoP) has been in deficit for two consecutive years, and India is on course for a third successive deficit. In past episodes, pressure came from the current account (CAD widened, fickle capital inflows financed it, which dried up and pressured the rupee). This episode is different: the CAD has remained benign (averaging less than 1% of GDP over three years), but pressures are driven by the capital account. Capital inflows — which used to average 2.5% of GDP pre-pandemic — have consistently slowed since 2023, completely dried up in 2025. Net FDI has averaged just 1.5% and has been strongly correlated with US 10-year Treasury yields (a proxy for global financial conditions): when yields are low, India gets FDI; when yields harden, net FDI dries up. India's FDI has been governed by global "push factors," not India-specific "pull factors" (unlike Vietnam, which consistently attracts 4%+ GDP in FDI). Meanwhile, the CAD is on course to widen close to $100 billion because of higher crude prices, even if Hormuz reopens, as prices will remain in triple digits while demand stays strong. The combination of higher bond yields and higher crude prices creates a "pincer-like effect" on the BoP. Letting the rupee depreciate is a necessary first step (shock absorber, improving export competitiveness, narrowing CAD through "expenditure switching"). But if the rupee depreciates too rapidly, it increases hedging incentives for foreign investors, compounding BoP pressures in a self-fulfilling spiral. The circuit breaker must be foreign capital augmentation measures across multiple avenues (FPI, ECBs, FDI). Simply squeezing the current account through demand compression ("expenditure compression" via tighter fiscal and monetary policy) would be counterproductive: core inflation is only 2-3%, there is economic slack, and we are still awaiting a private capex cycle that will be further delayed by geopolitical

uncertainty. The biggest lesson: attracting strong and stable FDI needs to be an urgent imperative for both macro stability and growth, requiring sustained economic reform to improve India's structural competitiveness.

EXAMINER'S LENS

* Prelims: BoP deficit: 2 consecutive years, on course for 3rd. CAD: <1% of GDP (benign). Capital account: pressure source. Net FDI: ~1.5%, correlated with US 10-year Treasuries. Vietnam: 4%+ GDP in FDI consistently. CAD may widen to ~$100 billion. Core inflation: 2-3%. Expenditure switching vs expenditure compression. FPI, ECB, FDI: capital augmentation channels.
* Mains: GS3 (Economy). BoP crisis: capital account driven. FDI collapse: push vs pull factors. Rupee depreciation: shock absorber vs self-fulfilling spiral. Fiscal-monetary policy dilemma. Structural competitiveness reform.
* GS4/Interview: When the rupee's decline is driven not by India's trade deficit but by global capital's reluctance to flow in, the problem is not what India buys but what India offers. The distinction between push-driven FDI (India gets capital when global conditions are easy) and pull-driven FDI (India attracts capital because of its own competitiveness) is the difference between dependence and agency.

Key Points:

- The capital-account-vs-current-account distinction is analytically crucial and determines the correct policy response. In 2013, when the rupee was under pressure, the problem was current account overheating: the CAD was wide, the economy was running hot, and the response was tighter fiscal and monetary policy ("expenditure compression"). In 2026, the CAD is benign (<1% of GDP) but capital inflows have collapsed. Applying the 2013 playbook (fiscal-monetary tightening) would be counterproductive: it would slow growth without addressing the capital flow problem, cannibalising public capex and delaying the private capex cycle.
- The FDI quality problem is structural, not cyclical. India's net FDI has largely been governed by global "push factors" (abundant global liquidity flows into emerging markets) rather than India-specific "pull factors" (structural competitiveness attracting investment regardless of global conditions). When US yields rise and global liquidity tightens, India's FDI dries up. Vietnam, by contrast, maintains 4%+ GDP in FDI irrespective of global conditions because its FDI is driven by structural competitiveness in manufacturing, supply chain integration, and ease of doing business. India's reform imperative is to build pull-factor FDI that is resilient to global financial cycles.

- The rupee depreciation dilemma creates a delicate policy challenge. Depreciation is a necessary adjustment mechanism: a weaker rupee improves export competitiveness, discourages imports, and narrows the CAD ("expenditure switching"). But if depreciation becomes too rapid, it triggers hedging by foreign investors (who sell rupee assets to protect against further depreciation), which puts more pressure on the rupee, which triggers more hedging — a self-fulfilling spiral. The circuit breaker must come from the capital side: attracting enough foreign capital through FPI, ECBs, and FDI to stabilise the BoP.

1. The fiscal policy constraint is different from 2013. In 2013, the economy was overheating (high inflation, wide CAD), and fiscal tightening was appropriate. In 2026, core inflation is only 2-3%, there is economic slack (PMI near 4-year lows, as noted in the May 23 editorial), and the private capex cycle has not yet begun. Fiscal compression that raises fuel and fertiliser subsidies while cutting public capital expenditure would be pro-cyclical (deepening the slowdown) rather than counter-cyclical. The author argues that the BoP problem requires capital augmentation (attracting inflows) rather than demand compression (reducing outflows by slowing the economy).

STATIC CONNECT

▶ Balance of Payments & Capital Flows

* BoP: Current account (trade in goods/services, remittances, investment income) + Capital account (FDI, FPI, ECBs, NRI deposits, loans) + Errors & omissions = Change in forex reserves.
* CAD: Current Account Deficit. India's CAD: <1% GDP (2023-26 average). Peak: 4.8% GDP (2012-13). Oil imports are the largest component.
* FDI: Foreign Direct Investment. Net FDI = gross inflows — repatriation. India FDI: ~1.5% GDP (2024-25). Top sources: Singapore, Mauritius, US, UAE, Netherlands. Vietnam: 4%+ consistently.
* Capital account convertibility: India has partial convertibility. FEMA 1999 replaced FERA. Capital account management through ECB limits, FPI regulation, NRI deposit schemes.
* RBI forex management: Forex reserves ~$580 bn (2026). RBI intervention to manage rupee volatility. Impossible trinity: independent monetary policy, free capital flows, stable exchange rate — can achieve only two.

3-2-1 RAPID REVISION

3 Prelims:

* BoP deficit: 2 consecutive years, heading for 3rd. CAD: <1% GDP (benign). Capital account: main pressure source. Net FDI: ~1.5%, correlated with US 10-yr Treasuries. Vietnam: 4%+ FDI/GDP.

* CAD may widen to ~$100 bn (crude in triple digits). Core inflation: 2-3%. Expenditure switching (depreciation) vs expenditure compression (fiscal-monetary tightening). FPI + ECB + FDI: capital augmentation channels.

* Push factors vs pull factors in FDI. 2013 crisis: current account driven (overheating). 2026 crisis: capital account driven (FDI collapse). Impossible trinity. FEMA 1999. RBI forex reserves ~$580 bn.

2 Mains:

* The rupee's weakness in 2026 is fundamentally different from 2013: it is capital-account-driven, not current-account-driven. The CAD remains below 1% of GDP, but net FDI has collapsed from 2.5% to ~1.5% of GDP, and is governed by global push factors (US yields, global liquidity) rather than India-specific pull factors. Applying the 2013 playbook (fiscal-monetary tightening) would be counterproductive: core inflation is 2-3%, there is economic slack, and demand compression would delay the private capex cycle. The correct response is capital augmentation — attracting foreign inflows through FPI, ECBs, and FDI — not demand compression.

* The structural reform imperative is to convert India's FDI from push-driven (dependent on global liquidity) to pull-driven (attracted by structural competitiveness). Vietnam's consistent 4%+ FDI/GDP demonstrates that structural competitiveness — manufacturing ecosystem, supply chain integration, regulatory predictability — can attract investment irrespective of global financial conditions. India's reform agenda must address manufacturing competitiveness, ease of doing business at the State level, infrastructure quality, and regulatory stability to build FDI resilience. Without pull-factor FDI, India's BoP will remain structurally vulnerable to every global liquidity cycle.

1 Essay:

When a country's capital inflows depend not on its own competitiveness but on whether global interest rates make it an attractive carry trade, the country's economic sovereignty is an illusion. India's FDI challenge is not marketing or incentives — it is structural competitiveness. The rupee's message is not about the rupee; it is about whether India has built an economy that capital wants to enter for its own sake. Use: BoP, FDI, capital account, push vs pull, rupee, structural reform, Vietnam comparison.

Mains Q: *Analyse the argument that India's current BoP pressure is capital-account-driven rather than current-account-driven. Why would applying the 2013 fiscal-monetary playbook be counterproductive in 2026? What structural reforms can build pull-factor FDI resilience? (15M)*

GS3: Defence / S&T / DRDO / Anti-Drone / Missile Technology

7. DRDO's ULPGM-V3: Precision Strikes and Anti-Drone Combat Capability

Source: *Indian Express (Sushant Kulkarni)* | ***Subject:*** *Defence / S&T / DRDO / UAV / Missile / Anti-Drone / Network-Centric Warfare / GS3*

Context: The Defence Research and Development Organisation (DRDO) last week carried out final development trials of the UAV-Launched Precision Guided Missile (ULPGM)-V3 at its test range in Kurnool. This will be followed by user trials by the armed forces. Compared to V1 (basic free-fall precision missile) and V2 (propulsion, longer range, mid-course target updates), the V3 represents a significant advancement in India's indigenous drone-launched missile capability. The V3 adds the ability to engage both ground and aerial targets, including drones and helicopters, with more advanced target-seeking systems, improved day-and-night combat capability, and multiple warhead options for different battlefield roles. The ULPGM-V3 features: (a) an advanced guidance system using multiple sensors to accurately track targets, with a two-way data link enabling operators to change or update the target even after launch; (b) three warhead types: anti-armour (designed to destroy heavily protected tanks and armoured vehicles, including those with reactive armour), penetration-cum-blast (to pierce and destroy bunkers and fortified structures), and pre-fragmentation (dispersing high-speed metal fragments over a large area); (c) deployment in both plains and high-altitude regions, day or night, engaging stationary and moving targets in all weather. DRDO has partnered with Bharat Dynamics Limited and Adani Defence Systems and Technologies Limited for development and production. The Ministry of Defence said the missile has been produced entirely through the Indian defence ecosystem, involving DRDO laboratories and several Indian companies. The ULPGM-V3 has been developed primarily for the Army with air-to-ground mode for anti-tank roles and air-to-air modes for drone, helicopter, and other airborne targets. A senior Army officer noted that drone-launched precision systems are key as drones become central to modern warfare worldwide, reflecting the shift towards network-centric warfare where drones, sensors, and command systems work together in real time.

EXAMINER'S LENS

* Prelims: ULPGM-V3: UAV-Launched Precision Guided Missile. DRDO. V1: free-fall. V2: propulsion, mid-course update. V3: ground + aerial targets (anti-drone). Tested at Kurnool (AP). Two-way data link.

Three warheads: anti-armour, penetration-cum-blast, pre-fragmentation. Bharat Dynamics Ltd (BDL). Adani Defence Systems. Network-centric warfare. Day-and-night, all-weather capability.

* Mains: GS3 (Defence/S&T). Indigenous defence production. Drone warfare evolution. Anti-drone capability. Network-centric warfare. Make in India (defence). DRDO's missile ecosystem.

* GS4/Interview: Drone warfare has transformed conflict: a UAV operator hundreds of kilometres away can launch a precision missile at a tank, a bunker, or another drone. The technology's precision reduces collateral damage compared to conventional artillery — but its accessibility (drones are cheap and proliferating) means more actors can conduct precision strikes, lowering the threshold for conflict.

Key Points:

1. The V1-V2-V3 evolution maps the maturation of India's drone-launched munition capability. V1 was a basic gravity-guided munition dropped from a drone — limited accuracy, limited range, no post-launch correction. V2 added propulsion (extending range), mid-course target updates (allowing retargeting after launch), and improved precision. V3 adds the critical capability of engaging aerial targets (drones, helicopters), making it a dual-role munition (air-to-ground and air-to-air from a drone platform). This dual capability is significant because modern battlefields increasingly feature drone-on-drone combat, and having a single munition that can engage both ground and aerial threats from a UAV platform enhances operational flexibility.

1. The three warhead options make the ULPGM-V3 a versatile system. The anti-armour warhead (shaped charge or tandem warhead designed to defeat reactive armour on modern tanks like the T-90 or Al-Khalid) addresses the anti-tank role. The penetration-cum-blast warhead (hardened penetrator followed by explosive charge) addresses fortified targets (bunkers, hardened positions). The pre-fragmentation warhead (casing designed to produce uniform high-velocity fragments) provides an area-effect capability against personnel and soft targets. This modular warhead approach allows a single missile system to be mission-configured for different battlefield requirements.

1. The two-way data link is tactically significant: it allows operators to update or change the target after the missile has been launched. In dynamic battlefield conditions where targets move, are destroyed by other assets, or where new higher-priority targets appear, the ability to redirect a missile in flight dramatically increases the system's tactical utility and reduces wasted munitions. Combined with multi-sensor guidance (likely combining GPS/INS, imaging infrared, and possibly millimetre-wave radar), this makes the ULPGM-V3 a "fire, observe, and redirect" system rather than a "fire and forget" system.

1. The production ecosystem reflects the Make in India defence manufacturing strategy. DRDO (development), Bharat Dynamics Limited (production — public sector), and Adani Defence Systems and Technologies Limited (production — private sector) represent the public-private partnership model for defence manufacturing. The Ministry of Defence's emphasis that the missile has been "produced entirely through the Indian defence ecosystem" positions the ULPGM-V3 as a showcase for indigenous capability development. The network-centric warfare context — integrating drones, sensors, and command systems — connects to broader force modernisation efforts.

STATIC CONNECT

▶ Drone Warfare & Indigenous Defence

* DRDO missile systems: BrahMos (cruise, Indo-Russian), Astra (BVRAAM), MPATGM (man-portable anti-tank), Akash (SAM), Pralay (tactical ballistic), Agni series (strategic). ULPGM adds drone-launched precision to the portfolio.
* Drone warfare lessons: Ukraine-Russia conflict demonstrated drone's central role. Turkey's Bayraktar TB2 in Azerbaijan (2020). Houthi drone attacks on Saudi Aramco (2019). Israel's Harop (loitering munition). Drones: ISR, strike, EW, decoy roles.
* India's drone ecosystem: Drone Rules 2021. PLI scheme for drones. Defence Acquisition Procedure (DAP) 2020: Buy (Indian), Make in India categories. Negative import list includes drones.
* Network-centric warfare: Integration of sensors, shooters, and command through data networks. US concept from 1990s Gulf War. Kill chain: sensor to shooter loop. ULPGM-V3's two-way data link enables real-time adaptation.
* BDL: Bharat Dynamics Limited. DPSU (Defence Public Sector Undertaking). Produces guided missiles, torpedoes, ammunition. HQ: Hyderabad. Key products: Akash, Astra, Varunastra, MPATGM.

3-2-1 RAPID REVISION

3 Prelims:

* ULPGM-V3: UAV-Launched Precision Guided Missile. DRDO. Tested at Kurnool (AP). V3: ground + aerial targets (anti-drone + anti-tank). Two-way data link (target update after launch). Day-night, all-weather.
* Three warheads: anti-armour (tanks with reactive armour), penetration-cum-blast (bunkers), pre-fragmentation (area effect). BDL (Bharat Dynamics Ltd, HQ Hyderabad). Adani Defence Systems. "Produced entirely through Indian defence ecosystem."

* Network-centric warfare: drones + sensors + command integration. Drone warfare: Ukraine-Russia, Turkey-Azerbaijan (Bayraktar TB2), Houthi attacks. India: Drone Rules 2021, PLI scheme, DAP 2020 negative import list.

2 Mains:

* The ULPGM-V3 addresses two critical capability gaps: precision strike from drone platforms (air-to-ground) and counter-drone capability (air-to-air). Modern battlefields — as demonstrated in Ukraine-Russia, Azerbaijan-Armenia, and West Asia conflicts — are increasingly drone-centric. A UAV-launched missile that can engage tanks, bunkers, and enemy drones from the same platform provides tactical flexibility that single-role munitions cannot. The two-way data link enables "fire, observe, redirect" operations, dramatically increasing munition efficiency in dynamic battlefield conditions.

* The ULPGM-V3's production model (DRDO development + BDL/Adani Defence production) represents the intended defence manufacturing ecosystem under Make in India. The missile's indigenous development reduces import dependence for a critical capability class (precision munitions), builds domestic R&D capacity in guidance systems and warhead technology, and creates a production base that can scale for export. The three-warhead modular approach allows mission-specific configuration, reducing the number of separate weapon systems the armed forces must procure, train on, and maintain.

1 Essay:

When a drone operator can launch a missile, observe its flight, and redirect it to a new target in real time — engaging a tank, a bunker, or another drone with the same weapon system — the nature of combat has fundamentally changed. The ULPGM-V3 is not just a missile; it is a node in a network-centric warfare system where human judgment, sensor data, and precision munitions converge. India's ability to develop this system indigenously positions it in the small group of nations that can produce the weapons of 21st-century warfare. Use: DRDO, ULPGM-V3, drone warfare, network-centric, Make in India, precision munitions.

Mains Q: *Discuss the significance of DRDO's ULPGM-V3 in the context of evolving drone warfare. How does indigenous development of precision guided munitions strengthen India's defence manufacturing ecosystem under Make in India? (15M)*