

DAILY CURRENT AFFAIRS

By



SOURCES



Date: 02 Jan. 2024

Important News Articles

1. Case-by-case exemption from new MGNREGS payment system: Centre - The Hindu/ Aadhaar-based system must now, Govt says may give exemptions on case basis - Indian Express
2. India and Pak. exchange list of nuclear installations - The Hindu/ India, Pakistan exchange list of nuke installations - Indian Express
3. Levy 20-30% health tax on food high in sugar, salt, fat: study - The Hindu
4. Ministries flagged MSP concerns: Low returns to rising oil imports - Indian Express
5. 4G services will be provided at 1,117 border outposts in six years: Centre - The Hindu
6. Expedite NARCL's onboarding of bad loans, focus on preventing frauds' - Indian Express
7. India in 2023: strides in climate action, criticism of conservation - The Hindu

Editorials, Gists and Explainers

8. THE HOTTEST YEAR - Indian Express
9. On the Moon, and exploring new frontiers - Indian Express
10. Reigniting the flame of India-Korea defence cooperation - The Hindu
11. Why did FIU IND act against virtual asset providers? - The Hindu
12. XPoSats launch: what is ISRO's first mission of this yr - Indian Express

Quick Look

1. Unlawful Activities (Prevention) Act (UAPA)
2. 16th Finance Commission
3. National Transit Pass System
4. India's First All-Girls Sainik School
5. Foreign Portfolio Investment (FPI)
6. Carbon Border Adjustment Mechanism (CBAM)
7. Electoral Bonds
8. Salton Sea

Important News Articles

GS II

1. Case-by-case exemption from new MGNREGS payment system: Centre - The Hindu/ Aadhaar-based system must now, Govt says may give exemptions on case basis - Indian Express

Relevance: Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.

Prelims Takeaway

- Aadhaar-Based Payment System
- Aadhaar

News:

- With the **Aadhaar-based payment system** (ABPS) now mandatory for payment of wages to NREGA workers
- The Government said it may consider **exemptions on a “case-by-case basis”** should any gram panchayat face “technical issues”.

Background

- Under ABPS, workers’ 12-digit **Aadhaar numbers are linked with their job cards** as well as their bank accounts.
- The system was first made mandatory with effect from February 1, 2023
 - but, through several extensions, the Centre allowed until December 31, 2023 the mixed route — of ABPS and NACH, an interbank system used for bulk payments such as subsidies and salaries.
- With no extension granted to states beyond December 31, the ABPS became mandatory from January 1, 2024.
- “The Government of India has decided to make the wage payment of unskilled workers through APBS
 - to ensure the payment of beneficiaries into their bank accounts, even in case of frequent change of bank account by the beneficiary

Aadhaar-Based Payment System (ABPS)

- This system was first **introduced in 2017**.
- This system **utilises the Aadhaar number of the recipient to identify** them for the purpose of transferring funds.
- This system promotes transparency in wage payments and helps to prevent any unauthorised access.
- It prevents any **disruptions in workers’ wage payments** caused by issues with their bank accounts.
- As per the government data, 84% of the transfers in March '23 were based on ABPS.

2. India and Pak. exchange list of nuclear installations - The Hindu/ India, Pakistan exchange list of nuke installations - Indian Express

Relevance: Bilateral, regional and global groupings and agreements involving India and/or affecting India’s interests.

Prelims Takeaway

- Nuclear power plant
- Nuclear energy

News:

- Continuing with an over three-decade practice, **India and Pakistan recently, exchanged a list of their nuclear installations** under a bilateral pact
- It **prohibits** the two sides **from attacking each other's atomic facilities**.

Background

- The exchange of the list took place under the provisions of an agreement on the prohibition of attack against nuclear installations and facilities,
- It was done simultaneously through diplomatic channels in New Delhi and Islamabad.
- The agreement was signed on **December 31, 1988** and **entered into force on January 27, 1991**.

- It mandates the two countries **to inform each other of nuclear installations** and facilities to be covered under the agreement on the first of January of every calendar year.
- This is the **33rd consecutive exchange of such lists between the two countries**, the first one having taken place on January 1, 1992.

3. Levy 20-30% health tax on food high in sugar, salt, fat: study - The Hindu

Relevance: Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

News:

- A **health tax of between 20% to 30% in addition to GST** can be considered to be imposed on sugar, sugar sweetened beverages (SSBs)
- The **recommendation is an outcome of a study commissioned by Niti Aayog**, which is studying the impact of imposing health taxes and warning labels on food products

Prelims Takeaway

- Goods and Service Tax (GST)
- Health Tax

Improving health outcomes using sin tax

Currently, sugar sweetened beverages (SSB) attract 28% GST plus a 12% cess, while high fat, salt and sugar (HFSS) products only attract 12% GST

■ While the global average consumption of sugar is 22 kg per person per year, it is 25 kg per year per person in India

■ Free sugar consumption in India is five times the WHO recommended threshold

■ For SSBs, a health tax of 10-30% could result in 7-30% decline in demand

■ For HFSS, 10-30% health tax could result in 5-24% decline in demand

■ If sugar costs ₹100 base price, with current GST at 18% it costs ₹118. With a proposed additional tax increase of 10-30%, estimated price to consumers will be ₹128-148



Precedents:
Up to 70 countries have imposed a health tax on SSBs and HFSS products.

■ For SSBs with a ₹100 base price, current GST at 18% plus 12% additional cess, the price to consumers is ₹140. This will increase to ₹150-170 with a proposed additional tax of 10-30%

■ For HFSS products with a ₹100 base price and GST at 12%, the price to consumers is ₹112. This will increase to ₹122-142 with additional tax of 10-30%

GS III

4. Ministries flagged MSP concerns: Low returns to rising oil imports - Indian Express

Relevance: Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

Prelims Takeaway

- WTO
- MSP

News:

- The **Cabinet approved an increase in MSP for rabi crops** for the marketing season 2024-25 on October 18, 2023.
- **RTI documents reveal concerns** raised by various Union ministries regarding the impact of high MSP on crop diversification.

Concern 1: Import Dependence

- The Department of Food & Public Distribution emphasises that the **MSP for oilseeds has not led to desired domestic production increase**.
- Despite estimates of increased oilseed production, **India still relies on imports for 55% of its edible oil needs**.
- The department suggests a **long-term MSP policy and higher MSP for oilseeds to incentivize production** and shift to high-yielding varieties.

Concern 2: Unequal Benefits

- The Department of Expenditure highlights **the skew in favor of wheat procurement, benefiting only a limited number of states**.
- **NITI Aayog suggests complying with 14 non-price** recommendations to enhance oilseed and pulse productivity.

Concern 3: WTO Obligations

- The Department of Commerce cautions about **India's WTO commitments, particularly the 'de-minimis' subsidy limit**.
- **India's breach of the de-minimis subsidy limit for rice** and emphasizes the need for predetermined targets for MSP-based crop procurement.

5. 4G services will be provided at 1,117 border outposts in six years: Centre - The Hindu

Relevance: Security challenges and their management in border areas – linkages of organized crime with terrorism.

News:

- The Union government allocates ₹1,545.66 crore for **4G mobile services at over 1,100 border outposts**.
- **Tripartite agreement** signed between the Department of Telecommunications, MHA, and Bharat Sanchar Nigam Limited.

Key Highlights**Progress in Ladakh Under 4G Saturation Project**

- Out of 379 villages and hamlets in Ladakh, mobile towers were established at nine sites, with foundation work completed at 34 sites.
- Slow progress attributed to the 2020 India-China standoff in eastern Ladakh.

Border Road Projects and Infrastructure Development

- **Construction of 48.03 km of roads** along the China border in the current year.
- Addition of four border outposts and three helipads.
- **Sanctioning of 32 roads and construction/upgrading of 32 helipads along the China border** post the Galwan incident.

Indo-China Border Road Project (ICBR) Phases

- **Initiation of the ICBR project's first phase** in 2005 for 27 priority roads along the China border.
- **Approval of the second phase** on September 21, 2020, for further infrastructure development.

Border Village Development and Connectivity

- Emphasis on **strong infrastructure development in border areas**.
- Efforts to **provide welfare benefits** and improve connectivity to border villages.
- Introduction of the Vibrant Villages program for comprehensive development in 19 districts and 46 border blocks, covering 663 villages in the first phase.

Prelims Takeaway

- Indo-China Border Road Project
- 4G

6. Expedite NARCL's onboarding of bad loans, focus on preventing frauds' - Indian Express

Relevance: Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

News:

- **The Finance Ministry urges PSBs to expedite the acquisition of stressed accounts** by the National Asset Reconstruction Company (NARCL).
- **Emphasis on regular meetings between NARCL and banks** to facilitate swift on-boarding of stressed accounts.

Prelims Takeaway

- National Asset Reconstruction Company
- PSB

Mobilisation of Deposits and Innovation

- The Finance Minister **emphasises the importance of mobilising deposits for PSBs.**
- **innovation and attractive deposit schemes** to enhance the deposit base, enabling increased credit extension was encouraged

Responsible Lending Practices

- The Finance Minister highlights the impact of **willful defaults on the financial health of lenders and credit flow in the economy.**
- Urges PSBs to adopt responsible lending practices, enhanced due diligence before loan disbursement, and **take swift legal action in cases of willful default.**

Legal Action and Performance Reviews

- **Call for performance reviews of lawyers** representing PSBs to ensure better outcomes in legal cases against defaulters.
- **Instructions to take strict administrative action** against conniving officials involved in fraud and willful defaults.

7. India in 2023: strides in climate action, criticism of conservation - The Hindu

Relevance: Conservation, environmental pollution and degradation

News:

- In 2023, India made significant strides in **climate change mitigation, wildlife conservation and biodiversity laws.**
- However, challenges and criticisms surfaced, particularly concerning the **cheetah translocation project and changes in forest and biodiversity laws.**

Climate Change Initiatives

- **COP33 Proposal:** India proposed **hosting the UN climate conference in 2028 (COP33)** and launched the '**Green Credit Initiative**' focused on creating carbon sinks to address climate challenges.
- **Dubai Climate Summit:** Developing countries, including India, urged rich nations to achieve **negative carbon emissions** instead of just net zero **by 2050.**
- **Per Capita Emissions:** Despite a 5% increase in per capita CO2 emissions in 2022, India's levels remained less than half of the global average.
- **National Communication:** India submitted its third national communication to the UNFCCC, highlighting a **33% reduction in GDP emission intensity** between 2005 and 2019.

Wildlife Conservation

- **Tiger Population:** Data revealed a **6% annual increase in the tiger population** from 2,967 in 2018 to 3,682 in 2022.
- **Cheetah Translocation Project**
 - The cheetah conservation project faced criticism over the **deaths of six imported cheetahs.**
 - Challenges included unexpected **development of winter coats** and subsequent health issues.
- **International Big Cat Alliance (IBCA)**

Prelims Takeaway

- Biological Diversity Act
- Forest (Conservation) Amendment Act
- International Big Cat Alliance (IBCA)
- Green Credit Program

- Launched in April, the IBCA aims to **conserve the world's seven principal big cats**.
- It includes the tiger, lion, snow leopard, leopard, jaguar, puma, and cheetah.

Changes in Forest and Biodiversity Laws

• Forest (Conservation) Amendment Act

- Amendments drew criticism for **exempting certain categories of land**, impacting the applicability of the Forest (Conservation) Act.
- The amended Act exempts
 - forest land up to 10 hectares for constructing security-related infrastructure
 - area falling within 100 km of international borders, Line of Control (LoC) and Line of Actual Control (LAC) for “strategic and security-related projects of national importance”.
- Concerns were raised about potential effects on **tribal and traditional forest-dwelling communities**.

• Biological Diversity Act

- Amendments aimed to promote growing medicinal plants, support traditional medicine, facilitate research, patents and foreign investments.
- However, concerns were raised about changes in **benefit-sharing rules**, with fines replacing jail terms for violations.

Editorials, Gists and Explainers

8. THE HOTTEST YEAR - Indian Express

Relevance: Social

Context:

- Reflecting on the **International Day for Persons with Disabilities** (December 3), the United Nations emphasizes the importance of **transformative solutions in neuropsychiatry** to reduce disability and achieve inclusive development.

WMO's Alarming Confirmation and Future Projections

- The World Meteorological Organisation's (WMO) provisional State of the Global Climate Report confirms that 2023 is the warmest year on record.
- The WMO has also forecast that the planet will get hotter in 2024.
- The report attributes this to a warming El Nino event, emphasising its potential impact on temperatures after its peak.

Critical Seven Years Ahead

- Debate arises on whether the world has reached a point of no return in climate change.
- However, it is clear that the next seven years will be pivotal in reducing emissions.
- The International Energy Agency predicts over 35% of global electricity from renewables by 2025, offering hope in the shift toward cleaner energy.

Long Duration Energy Storage (LDES) Challenges

- While progress has been made in renewable energy, the challenge lies in storing it efficiently during non-productive periods.
- The creation of the Long Duration Energy Storage (LDES) Council at COP21 aimed to address this.
- However, the market for cost-competitive solutions is still evolving, hindering widespread adoption of LDES technologies.

The Call for Resilience Amidst Rising Temperatures

- The policymakers need to prioritize resilience-building measures alongside emission reduction.
- Suggested measures include sea walls, enhanced weather alert systems, urban drainage overhauls, irrigation solutions and climate-resilient crop choices.
- Balancing vulnerability mitigation with developmental needs remains a critical challenge.

The Dual Challenge

- As global temperatures continue to rise, policymakers face the complex task of addressing vulnerabilities without neglecting developmental needs.
- Striking this balance becomes essential to lift populations out of poverty while navigating the challenges posed by a hotter planet.

9. On the Moon, and exploring new frontiers - Indian Express

Relevance: Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology and issues relating to intellectual property rights.

Context:

- In 2023, ISRO underwent a **transformative shift**, transitioning from satellite deployment to becoming a comprehensive **planetary exploration entity**.
- This year marked a significant **resurgence for ISRO**, executing seven successful missions, including Chandrayaan-3 and Aditya-L1.

Landmarks in ISRO's Missions

- India witnessed the **successful landing of Chandrayaan-3**, a redemption from the setback faced by Chandrayaan-2 in 2019.
- It showcased ISRO's capabilities, notably through a surprise **lunar "hop" experiment**, demonstrating its readiness for advanced missions.
- ISRO also outlined ambitious future endeavours, including the **Gaganyaan mission** rescheduled for 2025.

Future ISRO Missions and Partnerships

- Chandrayaan-4's Moon sample return
- Bhartiya Antariksh Station by 2028
- A human Moon landing by 2040

Global Collaborations

- International partnerships flourished, with India
 - joining the US-led **Artemis Accords** for planetary exploration
 - collaborating with NASA on a **joint space mission** to the International Space Station
- India and the US established a **working group for commercial space collaboration and planetary defence**.

National Research Foundation (NRF)

- The government in 2023 approved the **National Research Foundation (NRF)**.
- **Objective:** Funding and promoting research activities with a budget of Rs 50,000 crore over the next five years.
- Modeled on the **US National Science Foundation**, NRF focuses on **natural sciences and engineering** along with **social sciences**, arts, and humanities.
- It aims to **address disparities in research indicators**, including
 - India's lower GDP expenditure on scientific research, gender representation in research, and researchers per million population.
- The foundation emphasizes the **union of education and research**, seeking **solutions to societal challenges**.

Advancements in Scientific Research

- **National Quantum Mission**
 - India launched a Rs 6,000-crore National Quantum Mission, targeting the development of a 1,000-qubit quantum computer over eight years.
- **LIGO-India Project**
 - India approved the LIGO-India project for a gravitational wave observatory in Maharashtra.
- **Antarctica and Arctic Research**
 - India announced the setup of a new research station, Maitri-II, in Antarctica.
 - It also initiated the first winter expedition to the Arctic, strengthening its scientific presence in polar regions.
- **Rashtriya Vigyan Puraskar**
 - The government introduced new national awards for scientists, named Rashtriya Vigyan Puraskar, restoring the Shanti Swarup Bhatnagar Prizes.

2024 Outlook

- Anticipating a series of high-profile launches in 2024, including **XPoSat**, the year holds promise for India's scientific and space exploration endeavours.

10. Reigniting the flame of India-Korea defence cooperation - The Hindu

Relevance: Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

Context:

- The recent **visit of the Chief of the Army Staff of India**, to the Republic of Korea marked a pivotal moment in **India-Korea defence relations**.
- While the visit **strengthened diplomatic ties**, it also unveiled challenges, urging a deeper examination of the complexities and possibilities in their defence collaboration.

Challenges in the Defence Cooperation Landscape	Opportunities for Mutual Growth
<ul style="list-style-type: none"> • Absence of a comprehensive defence framework that could guide and structure bilateral cooperation, demanding a paradigm shift beyond bilateral engagement. • Perception of India's Regional Role <ul style="list-style-type: none"> ○ Korea's resistance to reassess India's role in the region hinders a more meaningful partnership. ○ Overcoming Cold War mentalities is crucial for fostering deeper engagement. • Overemphasis on Weapons Acquisition <ul style="list-style-type: none"> ○ While essential, the focus on weapons acquisition and technology transfer by both nations needs to be balanced with broader strategic considerations for a sustainable partnership. • Potential Roadblocks from Arms Lobbies <ul style="list-style-type: none"> ○ Powerful arms lobbies in India and Korea could pose challenges. ○ This emphasises the need to prioritise long-term strategic goals over short-term gains. • Coalition Dynamics <ul style="list-style-type: none"> ○ The emerging coalition of North Korea, China, and Russia poses a new challenge. ○ This requires a nuanced understanding of each party's strategic imperatives. 	<ul style="list-style-type: none"> • Technological Collaborations <ul style="list-style-type: none"> ○ Leveraging technological capabilities, India and Korea can collaborate in developing advanced defence systems. ○ The focus on defence technology and industry partnerships can propel both nations to the forefront of innovation. • Countering New-Age Threats <ul style="list-style-type: none"> ○ Collaboration in space warfare, information warfare, and cybersecurity is essential in the face of evolving threats. ○ Korea's advanced tech capabilities present opportunities for joint efforts in securing critical infrastructure and information. • Maritime Security Cooperation <ul style="list-style-type: none"> ○ Joint patrolling and information sharing in maritime security align with both nations' interests in the Indian Ocean, fostering collaboration and ensuring regional stability. • Peacekeeping and Counter-Terrorism Cooperation <ul style="list-style-type: none"> ○ Utilising their UN peacekeeping expertise, India and Korea can collaborate in peacekeeping operations. • Humanitarian Assistance and Disaster Relief (HADR) <ul style="list-style-type: none"> ○ Collaborative efforts in HADR, including joint exercises and best practice sharing, emphasise the joint commitment to regional and global stability. • Interoperability and Joint Exercises <ul style="list-style-type: none"> ○ Enhancing joint army exercises and interoperability will strengthen the capabilities of both armies, ensuring effective collaboration in diverse scenarios.

Way Forward

- While the visit of the Chief of the Army Staff of India rekindled the flame of **India-Korea defence cooperation**, the path forward requires a **strategic and balanced approach**.
- **Navigating challenges with adaptability** to the evolving geopolitical landscape is essential for unlocking a **robust and enduring defence collaboration**.
- A united front positions both nations to navigate the complexities of the future, fostering a **partnership** that contributes to **peace, stability, and prosperity in the Indo-Pacific region**.

11. Why did FIU IND act against virtual asset providers? - The Hindu

Relevance: Economy

Context:

- The **Financial Intelligence Unit India (FIU IND)** recently issued show-cause notices to nine offshore **virtual digital asset service providers (VDAs)**.
- **Reason:** For alleged non-compliance with the Prevention of Money Laundering Act, 2002 (PMLA).

Premise of Non-Compliance

- In March 2023, India mandated VDAs to comply with PMLA, verifying client identities and maintaining records of financial positions.
- Non-registration of these entities made them non-compliant despite serving Indian users.
- The regulatory objective is to monitor and track financial transactions, curbing money laundering and terror financing.
- Adherence to KYC mandates benefits VDAs by addressing regulator concerns about anonymity in crypto assets and potential unlawful use.

Global Regulatory Approaches

- **Dubai Virtual Assets Regulatory Authority (VARA)**
 - Dubai's regulatory regime includes a licensing framework, fostering consumer protection and preventing illicit finance.
 - Mandatory licences are categorised based on the services offered, with an obligation to comply with AML-CFT laws.
- **European Union (EU) - Markets in Crypto-Assets Regulation (MiCA)**
 - MiCA aims to establish uniform EU market rules for crypto-assets, focusing on transparency, disclosure, authorization, and supervision.
 - It addresses market manipulation, money laundering, terrorist financing, and consumer protection.
 - Service providers require authorization, and significant providers must disclose energy consumption.
- **United States**
 - The US lacks a comprehensive nationwide regulatory framework.
 - Some digital assets and activities fall under existing regulations like the Bank Secrecy Act and the Anti-Money Laundering Act of 2020.

Considerations and Approaches in VDA Regulation

- The Bureau for International Settlements (BIS) identified three high-level policy options for regulating crypto assets viz. outright ban, containment and regulation.
- **Outright Ban:** May not be enforceable due to the pseudo-anonymous nature of crypto markets, leading to reduced transparency.
- **Containment**
 - Involves controlling flows between crypto markets and traditional financial systems.
 - However, it may not address vulnerabilities in crypto markets and could pose financial stability risks.
- **Regulation**
 - The benefits of regulating and supervising VDAs must outweigh associated costs.
 - Key considerations for emerging market economies include defining regulatory authority, determining the scope of regulation, and addressing data gaps.

Conclusion

- Regulating virtual assets is a **global challenge** with varying approaches.
- The considerations for regulation include **balancing benefits and costs, understanding technology**, and ensuring **effective supervision**.
- India's recent actions underscore the importance of regulatory compliance in the rapidly evolving virtual asset landscape.

12. XPoSat launch: what is ISRO's first mission of this yr - Indian Express

Relevance: Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology and issues relating to intellectual property rights.

Context:

- ISRO recently achieved a major milestone with the successful launch of the **X-ray Polarimeter Satellite (XPoSat)** into a precise **circular orbit of 650 km**.

XPoSat

- It is the world's second satellite-based mission solely dedicated to **making X-ray polarimetry measurements**.
- It is positioned for observation from a **low Earth orbit** (~650 km, low inclination of ~6 degrees).
- It is designed to **observe polarised X-rays emitted during specific celestial events**, such as when magnetars or neutron stars pass through Earth's shadow during an eclipse period.
- It introduces X-ray polarisation measurements in the **medium energy band (8-30 keV)**.
- This unexplored realm promises to enhance our **understanding of celestial bodies** like magnetars, black holes, and neutron stars.

Key Components and Objectives

- XPoSat features **two payloads** viz. Indian X-ray Polarimeter (POLIX) and X-ray Spectroscopy and Timing (XSPECT).
- Developed by the **Raman Research Institute** and **UR Rao Satellite Centre** in Bengaluru.

- These payloads aim to analyse the **polarisation of X-rays** from celestial sources.
- Anticipated mission life is around **five years**.

POLIX and XSPECT Payloads

- **POLIX**

- The world's first instrument operating in the **medium X-ray energy band** (8-30 keV).
- It includes a **collimator** and four **X-ray proportional counter detectors** to observe a variety of astronomical sources.

- **XSPECT**

- Engineered for **fast timing** and **high spectroscopic resolution** in the soft X-ray energy band (0.8-15 keV).
- This payload targets sources like X-ray pulsars, black hole binaries, low-magnetic field neutron stars, active galactic nuclei, and magnetars.

Global Context

- Compared to other X-ray polarimetry missions globally, XPoSat offers a unique contribution with its **expanded observational energy band**.
 - It complements efforts like NASA's Imaging X-ray Polarimetry Explorer (IXPE).
- While X-ray polarimetry missions have been **limited globally**, the development of a **market for cost-competitive solutions**, remains a work in progress.

Future Prospects

- The success of XPoSat sets the stage for **further technological evolution** in the field, emphasising the need for **sensitive and precise instruments** for future missions.



Mentorship
India

Quick Look

1. Unlawful Activities (Prevention) Act (UAPA)

- The Union Home Ministry has designated Lakhbir Singh Landa, a Canada-based member of the Babbar Khalsa International (BKI), as an "individual terrorist" under Section 35 of the Unlawful Activities (Prevention) Act (UAPA).
- UAPA passed in 1967 aims at effective prevention of unlawful activities associations in India.
 - Unlawful activity refers to any action taken by an individual or association intended to disrupt the territorial integrity and sovereignty of India.
- The Act assigns absolute power to the central government, by way of which if the Centre deems an activity as unlawful then it may, by way of an Official Gazette, declare it so.
- Under UAPA, both Indian and foreign nationals can be charged.
- The 2004 amendment added "terrorist act" to the list of offences to ban organisations for terrorist activities, under which 34 outfits were banned.
- Parliament also cleared the Unlawful Activities (Prevention) Amendment Bill, 2019 to designate individuals as terrorists on certain grounds provided in the Act.
- The Act empowers the Director General of National Investigation Agency (NIA) to grant approval of seizure or attachment of property when the case is investigated by the said agency.
- The Act empowers the officers of the NIA, of the rank of Inspector or above, to investigate cases of terrorism in addition to those conducted by the DSP or ACP or above rank officer in the state.

2. 16th Finance Commission

- Former NITI Aayog Vice Chairman Arvind Panagariya has been appointed as the Chairman of the 16th Finance Commission by the Central government.
- The Finance Commission is constituted by the President under Article 280 of the Constitution.
- The Finance Commission's recommendations will encompass the
 - distribution of net tax proceeds between the Union and States
 - allocation among States
 - principles for grants-in-aid from the Consolidated Fund of India
 - measures to augment State Consolidated Funds for Panchayats and Municipalities.
- The Commission is tasked with reviewing the current arrangements for financing Disaster Management initiatives.
- This includes assessing funds constituted under the Disaster Management Act, 2005, and making relevant recommendations.
- The Finance Commission is expected to submit its report by October 31, 2025, covering a five-year period from April 1, 2026.
- The recommendations will shape fiscal policies, resource allocation, and disaster response financing during this period.

3. National Transit Pass System

- Recently, the Union Minister for Environment, Forest and Climate Change launched the National Transit Pass System (NTPS) pan-India.
- Objective: To facilitate the seamless transit of timber, bamboo, and other forest produce across the country.
- The NTPS is envisioned as a "One Nation-One Pass" regime, which will enable seamless transit across the country.
 - Currently, the transit permits are issued for transport of timber and forest produce based on state specific transit rules.
- It offers seamless transit permits, managing records for both inter-state and intra-state transportation of timber, bamboo and other forest produce obtained from various sources like private lands, government owned forest and private depots.

- The QR coded transit permits generated under NTPS will allow check gates across various states to verify the validity of the permits and allow seamless transit.
- It is designed for user convenience, featuring desktop and mobile applications for easy registration and permit applications.
- Transit permits will be issued for tree species which are regulated, while the users can self-generate No Objection Certificates for exempted species.
- Nodal Ministry: Ministry of Environment, Forest and Climate Change

4. India's First All-Girls Sainik School

- The Defence Minister recently inaugurated India's first all-girl Sainik School in Vrindavan, Uttar Pradesh.
- Named Samvid Gurukulam Girls Sainik School, this institution is hailed as a historic moment for women empowerment.
- Objective: To provide quality education and career opportunities.
- The School accommodates nearly 870 students and operates under the CBSE affiliation.
- The training will be conducted by ex-servicemen, with a total of 120 seats available.
- This move reflects a broader vision to integrate women into the armed forces, recognizing their right to contribute to national security.
- The school is a part of the initiative to open 100 new Sainik Schools in collaboration with NGOs, private entities, and state government schools across states and union territories.
- The Defence Ministry, in 2019, approved the phased admission of girl children to Sainik Schools starting from the 2021-22 academic session.

5. Foreign Portfolio Investment (FPI)

- It consists of securities and other financial assets passively held by foreign investors.
- It does not provide the investor with direct ownership of financial assets and is relatively liquid depending on the volatility of the market.
- FPI is more liquid, volatile and therefore riskier than FDI.
- FPI is often referred to as "hot money" because of its tendency to flee at the first signs of trouble in an economy.
- It is part of a country's capital account and is shown on its Balance of Payments (BOP).
- Examples: Stocks, bonds, mutual funds, exchange traded funds, American Depository Receipts (ADRs) and Global Depository Receipts (GDRs).

6. Carbon Border Adjustment Mechanism (CBAM)

- CBAM is part of the "Fit for 55 in 2030 package", which is the EU's plan to reduce greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels.
- It is a policy tool aimed at reducing Carbon Emissions by ensuring that imported goods are subject to the same carbon costs as products produced within the EU.

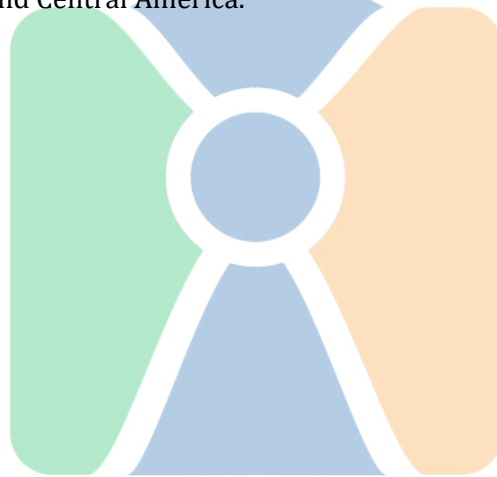
7. Electoral Bonds

- The electoral bonds system was introduced in 2017 by way of a Finance bill and was implemented in 2018.
- They serve as a means for individuals and entities to make donations to registered political parties while maintaining donor anonymity.
- State Bank of India (SBI) is the authorized issuer and the bonds are issued through designated SBI branches.
- SBI issues the bonds in denominations of Rs 1,000, Rs 10,000, Rs 1 lakh, Rs 10 lakh and Rs 1 crore.
- Parties must disclose their bank account with the Election Commission of India (ECI).
- Can be purchased digitally or through cheques by Indian citizens or entities established in India.
- Purchased Can be bought individually or jointly with other individuals.
- Payable to the bearer on demand and interest-free.

- Valid for 15 calendar days from the date of issue.
- Encashment only through an authorised bank account of the political party.
- Political parties are obligated to explain the utilization of the funds received.
- Eligibility of Political Parties
 - Political parties registered under Section 29A of the Representation of the People Act, 1951
 - Must have secured not less than 1% of the votes polled in the last general election to the House of the People or the Legislative Assembly.

8. Salton Sea

- The US Department of Energy recently discovered the world's largest Lithium reserve beneath California's Salton Sea.
- Salton Sea is a shallow, saline lake located in the lower Colorado Desert, southern California,
- It is a geological depression tucked between mountain ranges and lying below sea level.
- The area that is now the lake was formerly a salt-covered sink or depression (a remnant of prehistoric Lake Cahuilla).
- Its salinity (some 45 parts per thousand) far exceeds that of seawater.
- It is an important stopping point for migratory waterfowl and serves as a critical habitat for birds moving south to Mexico and Central America.



Mentorship
India

Prelims Track Question

Q1. Consider the following statements

1. Aadhaar-based payments use biometric authentication for transactions.
2. Aadhaar-based payment systems are linked to the Unified Payments Interface (UPI) for seamless fund transfers.
3. Aadhaar-based payment systems do not require a bank account, making financial transactions accessible to the unbanked population.

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

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

Q2. Consider the following statement

1. The exchange of nuclear installations list between India and Pakistan is carried out annually under the terms of the Comprehensive Nuclear-Test-Ban Treaty (CTBT).
2. This exchange is part of the Confidence-Building Measures (CBMs) between India and Pakistan to prevent accidental nuclear confrontations.
3. The list exchanged includes details of civilian as well as military nuclear facilities of both countries.

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

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

Q3. Consider the following statements regarding FSSAI (Food Safety and Standards Authority of India)

1. FSSAI is a regulatory body under the Ministry of Consumer Affairs, Food and Public Distribution.
2. FSSAI is responsible for setting food standards and regulating the manufacturing, processing, distribution, sale, and import of food products in India.
3. FSSAI issues licences to food businesses and ensures compliance with food safety regulations.

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

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

Q4. Consider the following statements with reference to Minimum Support Price (MSP)

1. It is the guaranteed amount paid to farmers when the government buys their produce.
2. It is based on the recommendations of the Cabinet Committee on Economic Affairs (CCEA).
3. The CCEA recommends MSPs for 25 mandated crops and fair and remunerative price (FRP) for sugarcane.

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

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

Q5. Consider the following statements on Asset Reconstruction Company (ARC)

1. It is a specialized financial institution that buys the Non-Performing Assets (NPAs) from banks and financial institutions.
2. The asset reconstruction companies or ARCs are registered under the RBI.

Which of the statements given above is/are correct?

- A. Only 1
- B. Only 2
- C. Both 1 and 2
- D. Neither 1 nor 2

Q6. Consider the following statements about Green Credit Program often seen in the news

1. It is designed to reward and incentivize individuals and entities for their positive environmental contributions.
2. It encompasses eight key types of activities aimed at enhancing environmental sustainability.
3. It is part of the broader 'LiFE' campaign.

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

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

Q7. Who published the State of the Global Climate Report, seen in the news recently?

- 1. World Meteorological Organization (WMO)
- 2. Intergovernmental Panel on Climate Change (IPCC)
- 3. International Union for Conservation of Nature (IUCN)
- 4. United Nations Environment Programme (UNEP)

Q8. Consider the following statements with reference to the Artemis Accords

- 1. These are a legally binding set of principles designed to guide civil space exploration and use in the 21st century.
- 2. India has not signed the Artemis Accords.

Which of the statements given above is/are correct?

- A. Only 1
- B. Only 2
- C. Both 1 and 2
- D. Neither 1 nor 2

Q9. Consider the following statements with reference to Financial Intelligence Unit India (FIU IND)

- 1. It is the central national agency responsible for receiving, processing, analysing and disseminating information relating to suspect financial transactions.
- 2. It reports directly to the Economic Intelligence Council (EIC).
- 3. It falls under the purview of the Ministry of Corporate Affairs.

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

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

Q10. With reference to XPoSat, consider the following statements

- 1. It will orbit in the High Earth Orbit with an inclination of around six degrees.
- 2. It will measure X-Ray polarization in the medium energy band of 8-30 keV.
- 3. It has two payloads viz. Indian X-ray Polarimeter (POLIX) and X-ray Spectroscopy and Timing (XSPECT).
- 4. Anticipated mission life of XPoSat is around two years.

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

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

Prelims Track Answer

Answer 1 Option A is correct

Explanation

- Aadhaar-based payments indeed utilize biometric authentication methods such as fingerprint or iris scans to verify the identity of individuals during transactions. This adds an extra layer of security to the payment system. **Hence, statement 1 is correct**
- Aadhaar-based payment systems are not directly linked to the Unified Payments Interface (UPI). Instead, they operate independently, using the Aadhaar number and biometric authentication for transactions. UPI is a separate system that facilitates instant fund transfers between bank accounts through mobile devices. **Hence, statement 2 is incorrect**
- Aadhaar-based payment systems typically require a linked bank account. However, they do enable financial inclusion by allowing individuals without traditional banking access to open bank accounts linked to their Aadhaar numbers. This inclusion aspect extends banking services to the unbanked population. **Hence, statement 3 is incorrect**

Answer 2 Option B is correct

Explanation

- The exchange of nuclear installations list between India and Pakistan is not conducted under the CTBT. Instead, it is carried out annually as part of a bilateral agreement between the two countries to prevent attacks on each other's nuclear facilities. The CTBT primarily focuses on banning all nuclear explosions for both civilian and military purposes but does not mandate this specific exchange. **Hence, statement 1 is incorrect**
- The exchange of nuclear installations list is indeed part of Confidence-Building Measures (CBMs) between India and Pakistan. It aims to reduce the risk of accidental nuclear confrontations by promoting transparency and communication regarding the location of nuclear facilities. **Hence, statement 2 is correct**

- The list exchanged between India and Pakistan includes details of civilian nuclear installations and facilities that may have military significance. This exchange enhances mutual understanding and reduces the risk of accidental attacks on such facilities. **Hence, statement 3 is correct**

Answer 3 Option C is correct

Explanation

- FSSAI operates under the Ministry of Health and Family Welfare, not the Ministry of Consumer Affairs, Food and Public Distribution. It functions as an autonomous body to ensure the safety and standards of food products. **Hence, statement 1 is incorrect.**
- FSSAI is mandated to set food standards and regulate various aspects of the food industry, including manufacturing, processing, distribution, sale, and import. It aims to ensure the availability of safe and wholesome food for consumption. **Hence, statement 2 is correct.**
- FSSAI is responsible for issuing licenses to food businesses, ensuring that they comply with food safety regulations. This helps in maintaining the quality and safety of food products available in the market. **Hence, statement 3 is correct.**

Answer 4 Option A is correct

Explanation

- MSP is the guaranteed amount paid to farmers when the government buys their produce. **Hence, statement 1 is correct.**
- MSP is based on the recommendations of the Commission for Agricultural Costs and Prices (CACP), which considers various factors such as cost of production, demand and supply, market price trends, inter-crop price parity, etc. **Hence, statement 2 is incorrect.**
- CACP is an attached office of the Ministry of Agriculture and Farmers Welfare.
- The Cabinet Committee on Economic Affairs (CCEA) chaired by the Prime Minister of India takes the final decision (approve) on the level of MSPs.

- The CACP recommends MSPs for 22 mandated crops and fair and remunerative price (FRP) for sugarcane. **Hence, statement 3 is incorrect.**
- The mandated crops include 14 crops of the kharif season, 6 rabi crops and 2 other commercial crops.

Answer 5 Option C is correct**Explanation**

- Asset Reconstruction Company (ARC) is a specialized financial institution that buys the Non-Performing Assets (NPAs) from banks and financial institutions so that they can clean up their balance sheets. **Hence, statement 1 is correct.**
- This helps banks to concentrate on normal banking activities.
- The asset reconstruction companies or ARCs are registered under the RBI. **Hence, statement 2 is correct.**
- The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 provides the legal basis for the setting up of ARCs in India.

Answer 6 Option D is correct**Explanation**

- The Green Credit program is designed to reward and incentivize individuals and entities for their positive environmental contributions. **Hence, statement 1 is correct.**
- It is a voluntary program initiated by the government to incentivize various stakeholders in contributing to environmental preservation and sustainable practices.
- This program is part of the broader 'LiFE' campaign (Lifestyle for Environment), and it encourages and rewards voluntary environmentally-positive actions. **Hence, statement 3 is correct.**
- The Green Credit program encompasses eight key types of activities aimed at enhancing environmental sustainability viz. Tree Plantation, Water Management, Sustainable Agriculture, Waste Management, Air Pollution Reduction and Mangrove Conservation and Restoration. **Hence, statement 2 is correct.**

- The calculation of Green Credit is determined by factors such as resource requirements, scale, scope, size, and other relevant parameters necessary to achieve the desired environmental outcomes.
- A critical component of the program is the establishment of a Green Credit Registry, which will help track and manage earned credits.
- Additionally, the administrator will create and maintain a trading platform, enabling the trading of Green Credits on a domestic market.

Answer 7 Option A is correct**Explanation**

- The World Meteorological Organisation's (WMO) provisional State of the Global Climate Report confirms that 2023 is the warmest year on record. **Hence, option A is correct.**
- In 2023, global temperatures edged dangerously close to the 1.5 degrees Celsius limit set in the Paris Agreement.
- Averaging 1.46 degrees Celsius above pre-industrial levels until November, the world witnessed record-breaking temperatures.

Answer 8 Option A is correct**Explanation**

- The Artemis Accords are a non-binding set of principles designed to guide civil space exploration and use in the 21st century. **Hence, statement 1 is correct.**
- These principles will help to ensure the maintenance of a safe and predictable outer space environment.
- NASA, in coordination with the U.S. Department of State, established the Artemis Accords in 2020, together with seven other founding member nations.
- Signatories: Australia, Bahrain, Brazil, Canada, Colombia, Czech Republic, France, Israel, Italy, Japan, Luxembourg, Mexico, New Zealand, Nigeria, Poland, the Republic of Korea, Romania, Rwanda, Saudi Arabia, Singapore, Spain, Ukraine, the United Arab Emirates, the United Kingdom and the United States.

- Recently, India became the 27th signatory to the Artemis Accords. **Hence, statement 2 is incorrect.**

Answer 9 Option B is correct

Explanation

- The FIU IND was established in India in 2004 as the central national agency responsible for receiving, processing, analyzing and disseminating information relating to suspect financial transactions. **Hence, statement 1 is correct.**
- It is also responsible for coordinating and strengthening efforts of national and international intelligence, investigation and enforcement agencies in pursuing the global efforts against money laundering and related crimes.
- It is an independent body reporting directly to the Economic Intelligence Council (EIC) headed by the Finance Minister. **Hence, statement 2 is correct.**
- It falls under the purview of the Ministry of Finance. **Hence, statement 3 is incorrect.**

Answer 10 Option B is correct

Explanation

- The XPoSat mission is the world's second satellite-based mission solely dedicated to making X-ray polarimetry measurements.
- It will orbit in Low Earth Orbit at approximately 650 km altitude with a low inclination of around six degrees. **Hence, statement 1 is incorrect.**
- It is designed to observe polarised X-rays emitted during specific celestial events, such as when magnetars or neutron stars pass through Earth's shadow during an eclipse period.
- It introduces X-ray polarisation measurements in the medium energy band (8-30 keV). **Hence, statement 2 is correct.**
- This unexplored realm promises to enhance our understanding of celestial bodies like magnetars, black holes, and neutron stars.
- XPoSat features two payloads viz. Indian X-ray Polarimeter (POLIX) and X-ray Spectroscopy and Timing (XSPECT). **Hence, statement 3 is correct.**
- Anticipated mission life is around five years. **Hence, statement 4 is incorrect.**



Mentorship
India

Mentorship India

Our mission is crystal clear – to provide the finest UPSC mentorship and guidance available in India. We recognize that the path to success in the UPSC examination is both demanding and multifaceted. This is precisely why we have developed a comprehensive approach that goes beyond conventional coaching. Our commitment lies in fostering excellence by equipping aspirants with the necessary tools, knowledge, and unwavering support to not only excel in the examination but also in life itself.

Mentorship India represents more than just an organization; it is a community of ambitious individuals bound together by the shared objective of conquering the UPSC examination. We warmly invite you to embark on this transformative journey alongside us. Whether you are a novice taking your initial steps or a seasoned aspirant aiming for the pinnacle, Mentorship India is your dependable companion in the relentless pursuit of excellence.

+91 9999 057869
www.mentorshipindia.com

A-92, Third Floor, Hari Nagar
Delhi - 110064

 @mentorship.india