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❖ 'VB G-RAM G Act will hit State's finances'

Context: Karnataka is staring at an additional expenditure of about ₹3,000 crore to ₹4,000 crore annually because the new vB-G RAM G requires the State government to fund 40% of the cost incurred.

- The State estimates it will have to fund about ₹20,000 cr. since the new Act replaces MGNREGA Act under which the Centre funded the entire cost
- At a time when Karnataka is staring at a revenue loss of about ₹18,000 crore a year due to rationalisation of GST rates, the State is staring at an additional expenditure of about ₹3,000 crore to ₹4,000 crore annually. This is because the new Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission (Gramin) (VB-G RAM G) requires the State government to fund 40% of the cost incurred.
- Over the next five years, Karnataka estimates that it would have to fund about ₹20,000 crore since the new Act replaced the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) under which the Centre funded the entire cost. Accusing that the name change initiative decision was taken “at the residence of the Prime Minister and not in cabinet”, Chief Minister Siddaramaiah said, “In their attempt to wipe out the name of Mahatma Gandhi, the BJP is destroying the rural economy. They are trying to burden the State government, which should be foiled”.

Gandhi's memory

- Speaking at the Congress Foundation Day celebrations here, he said, “Just by changing the name, can they wipe away Gandhi from memory?” The Congress Working Committee has decided to protest this move from the panchayat level from January 5, he added.
- Meanwhile, Rural Development and Panchayat Raj Minister Priyank Kharge at a press conference on Saturday said the legislation has curtailed the right to livelihood, rights of panchayats, and burdened States financially without seeking their opinion.” He further said, “The 16th Finance Commission has already submitted its report to the Centre. Has the Centre discussed the 60:40 ratio of funding the rural employment scheme under the new Act with the States? Has it informed the Commission about the new expenditure on the States? If we have to bear ₹3,000 crore to ₹4,000 crore every year, has this information been provided to the Commission?”
- The Minister pointed out that in the last two and a half years, 17 lakh village-level assets have been created while providing 80 lakh families livelihood at a cost of ₹21,144 crore in Karnataka.

Curtailling powers

- Stating that the Centre is curtailing the power of the States, the Minister feared that the unemployment in rural areas and attempts to harass, violating minimum wages will increase. “Participation of women in employment will reduce from the current 58%. The rural employment guarantee will no more a legislation but just another government scheme, and it will promote contractor-led projects.”

Context: Researchers at the National Institute of Technology Karnataka (NITK), Surathkal, have developed an integrated landslide early warning framework designed specifically for the Western Ghats, one of India's most landslide-prone regions.

- The system, called Slope Vulnerability and LandSlide Assessment (SVALSA), combines rainfall analysis, real-time monitoring of soil behaviour and surface movement, and machine learning to provide reliable landslide warnings while reducing false alarms.
- The Western Ghats account for nearly 60% of reported landslides in India, with most triggered by intense and prolonged rainfall.

Need for right alerts

- Recent disasters, including the July 2024 Wayanad landslide, have highlighted the limitations of existing warning systems and the need for more accurate, site-specific alerts.
- At present, landslide warnings in India are largely based on rainfall thresholds, where alerts are issued when rainfall crosses certain intensity or duration limits. These systems, while useful, often fail to account for what is happening inside the slope itself.

Beyond rain-only alerts

- The SVALSA framework addresses this gap by moving beyond rainfall-only alerts. It integrates hydrological data, soil strength behaviour and visible surface deformation into a single decision system that reflects how slopes actually fail in the Western Ghats. More than 90% of landslides in the region occur in residual soils formed from weathered rock, where changes in moisture content and soil suction play a critical role in slope stability.
- The SVALSA device is currently under patent application. The research was developed by Varun Menon under the supervision of Sreevalsa Kolathayar, with funding support from the Department of Science and Technology (DST), IMPRINT (Impacting Research Innovation and Technology), and the National Technical Textiles Mission (NTTM) under the Ministry of Textiles.
- The system operates through a three-stage warning mechanism implemented as a Python-based algorithm on a compact processing unit.
- In the first stage, rainfall data from government records and past landslides are analysed using a machine-learning method called K-Nearest Neighbour (KNN).
- The model compares current rainfall with earlier landslide-triggering events and filters out low-risk situations, reducing unnecessary alerts. Tests showed the method to be highly accurate.
- If rainfall conditions appear risky, the second stage assesses soil stability using a modified version of the simplified Bishop method, which factors in soil moisture and suction based on unsaturated soil mechanics. Laboratory tests confirmed that slope stability decreases as soil absorbs more water.
- The final stage monitors surface movement through image analysis using Particle Image Velocimetry (PIV). Sudden increases in ground movement were found to be reliable warning signs of an impending landslide, often before visible failure occurs.

- According to the researchers, using all three indicators together makes the warning system far more reliable.
- Researchers say the framework is particularly suited for hill roads, highways, railway cuttings, settlements located on steep slopes, and critical infrastructure corridors across the Western Ghats. Its adoption could improve disaster preparedness.

❖ What are rare-earth elements and why is everyone looking for them?

Context: Even when they are not very scarce in the earth's crust, they tend to be spread out in low concentrations and mixed together in the same minerals, so they are difficult to separate; however, countries worldwide are interested in acquiring them because they are crucial for many green technologies.

- Rare-earth elements are a set of metallic elements in the periodic table. Chemists usually refer to a group of 17 elements when they use this label: the 15 lanthanides from lanthanum to lutetium, and scandium and yttrium. In most classroom periodic tables, the lanthanides are shown as a separate row placed beneath the main periodic table. Scandium and yttrium lie in the main table, in Group 3, above and near the transition metals.
- Even when they're not very scarce in the earth's crust, they tend to be spread out in low concentrations and mixed together with each other in the same minerals, so they're difficult and expensive to separate. However, countries worldwide are interested in acquiring them because they're crucial for high-performance magnets, specialised lighting and optics, catalysts, and other components that underpin many green technologies and electronics.

History and technology

- The rare-earth elements are scandium, yttrium, lanthanum, cerium, praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium, and lutetium.
- They're called 'rare earths' for historical reasons. "Earth" was an old chemistry term for oxide powders and many of these elements were first identified as oxides from which they couldn't be isolated easily.
- However, people often use the term 'rare-earth' loosely, leading to confusion. Some use 'rare-earths' to mean only the lanthanides. Some others bundle rare-earths with 'strategic' or 'critical' elements such as lithium, cobalt, gallium, and germanium even though the latter aren't rare-earth elements.
- Rare-earth elements show up in many contemporary technologies because of their useful electrical, magnetic and/or optical behaviour. One particularly important application is as permanent magnets.
- Neodymium-iron-boron magnets, which are the world's most common magnet type involving a rare-earth element, are used in motors and generators.
- Phosphors — substances that emit light when irradiated — also incorporate europium and terbium while dopants in lasers and optical devices (including in fibre optics) use neodymium and erbium. Rare-earth elements are also used in catalysts, glass and ceramics, polishing powders, and other specialised materials.

Magnetic chemistry

- In permanent magnets, rare-earth atoms have electrons in the 4f shell that behave differently from the other electrons. The 4f electrons are relatively more localised, meaning they stay close to the nucleus, whereas the other electrons become 'smeared out' when they become part of bonds in a solid. As a result, the 4f electrons maintain a strong magnetic moment, i.e., they behave very faithfully like small magnets. An atom with multiple electrons like this also behaves more strongly like a magnet.
- Every good permanent magnet needs to have two things: a large magnetisation, meaning many atomic magnetic moments can line up in the same direction to make a strong overall field; and stability, which means once the magnetic moments line up, they don't easily get knocked out of alignment by heat, vibrations or even an opposing magnetic field.
- Rare-earth atoms have both. Their 4f electrons can carry relatively large magnetic moments, so they can contribute to strong magnetisation. And because these electrons are localised as well as closely align with the crystal's preferred direction (due to a property called magnetocrystalline anisotropy) they can 'pin' the magnetisation down. Motors and generators that use such magnets thus work efficiently even at high speeds and high temperatures.
- Rare-elements are also good phosphors because they produce sharp, stable colours. The idea is to supply energy to such a phosphor at a frequency its 4f electrons are likely to absorb. When they do, the electrons get excited, then de-excited, reemitting the excess energy at a different (but fixed) frequency. We see this emission as light.
- Because the 4f electrons sit relatively close to the nucleus, they're partly shielded from the surrounding solid by the outer electrons. So the exact energy levels of the 4f electrons aren't much affected by the crystal they're inside. The light the 4f electrons emit is also concentrated in a small slice of the visible spectrum instead of being a mix of colours.

Rare-earths v. oil

- Rare-earth ore deposits that can be mined in an economically feasible way are usually found in a few pockets of rock and soil rather than being spread evenly. Companies start by looking for minerals that carry rare-earth elements in higher concentrations, such as bastnäsite and monazite, or for certain clay deposits in which rare-earth ions are loosely held on the surface of clay particles.
- Many mines are open-pit since these minerals are usually dispersed through large volumes of rock and the ore has to be dug out, crushed, and moved in bulk. This is also where some of the environmental complications of rare-earth element value chains first appear: some minerals occur alongside thorium or uranium, so the waste rock needs to be handled carefully. Mines may also need copious amounts of water and specific chemicals to produce an initial concentrate.
- This said, while both rare-earth elements and crude oil have to be extracted and processed before use, the processing step is significantly different — so much so that for rare-earth elements it has emerged as a strategic element.
- A refinery uses physical separation plus some chemical reactions to refine crude. Fractional distillation, the main step, works because hydrocarbons' boiling points are

spread out, so just heating and condensing the crude can separate its constituents efficiently at industrial scale.

- On the other hand, rare-earth producers start with solids that contain many elements together, and they must be separated at very high purity for applications. The problem is that neighbouring rare-earth ions behave similarly in solution, so the corresponding separation process is voluminous and energy-intensive.
- Second, a magnet maker doesn't want any or all rare-elements but a specific oxide or metal, of a minimum purity. If a separator is short on one element or can't deliver the required purity, the factory can't switch one element for another. In the oil industry, however, refineries can swap feedstocks and trade intermediates at scale.

Midstream menace

- After mining, the first goal is to make a smaller, richer product. This begins with beneficiation: physically processing the ore to separate more valuable mineral grains from the less. Workers crush and grind the ore to free the grains, then use flotation, magnets or gravity to separately collect different concentrates. The resulting concentrate will still contain many rare-earth elements together, plus other unwanted elements.
- Next is chemical cracking, where the producer breaks the rare-earth minerals apart using strong acids or bases or high temperature, converting them into a form that dissolves more easily.
- Third is leaching. The cracked material is mixed with a liquid, often an acidic solution, so the rare-earth atoms move into the liquid as ions. Then the producer separates the liquid from the remaining solids; this liquid contains a mixture of all rare-earth ions dissolved together plus some impurities.
- The hardest step is separating this mixture into individual rare-earth elements of high purity because these elements often have the same common charge (usually +3) and their ions are similar in size. In a simple chemical reaction, then, the ions behave in roughly the same way.
- Industry thus uses a technique called solvent extraction instead. The leach solution is repeatedly brought in contact with an organic solvent that doesn't mix with water. The solvent contains molecules that prefer to bind with certain rare-earth ions slightly more than others. When the two liquids touch and separate, a little more of one rare-earth element moves into the solvent than its neighbours do. The difference is small, so producers run the liquids through many stages in a row, until the process separates the elements one by one and each element has been collected in a separate stream at high purity.
- Producers finally recover the elements from the liquid as a solid by precipitation: they add a compound that bonds with the rare-earth ions and becomes insoluble, falling out of the solution as a solid. The solids are filtered and washed, then heated to remove the water and some other substances, to finally yield a rare-earth oxide. The elements are usually stored and transported as these oxides.
- If a manufacturer needs an element as a metal, the oxide is subjected to a reduction reaction in which the oxygen atoms react away from the oxide.

- Some rare-earth ores contain thorium or uranium, which can make some waste streams radioactive and harder to store safely. Acids and bases can also create hazardous wastes if they aren't captured, treated, and recycled properly.

China's dominance

- Because rare-earth elements' midstream refinement is so arduous, a country can have substantial deposits in the ground but still have to depend on other countries if it doesn't have the means to convert the ore into rare-earth oxides.
- According to the U.S. Geological Survey's Mineral Commodity Summaries, the world has more than 90 million tonnes of rare-earth-oxide equivalent. Some notable national reserves include China (44 million tonnes, MT), Brazil (21 MT), India (6.9 MT), Australia (5.7 MT), Russia (3.8 MT), Vietnam (3.5 MT), the U.S. (1.9 MT), and Greenland (1.5 MT). Note: these estimates exclude scandium.
- On December 23, Japan announced that in January and February 2026, it would excavate mud rich in rare-earth elements from 6 km underwater off Minamitori Island.
- The International Energy Agency has estimated that China's position is especially strong in separation and refining, accounting for around 91% of global production, and around 94% of the production of sintered rare-earth permanent magnets.
- Since many green technologies require motors, generators, and other hardware where high-performance magnets are crucial, countries are focusing on building refining and magnet-making capacity, rather than just approving new mines.



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❖ SC pauses its judgment on Aravalli, moots new panel

Context: Bench headed by CJI keeps November 20 decision upholding Centre's definition of the mountain system in abeyance; it proposes panel to analyse possibility of adverse ecological consequences.

- The Supreme Court kept in abeyance its November 20 judgment upholding a government expert panel definition restricting the world's oldest surviving mountain system, the Aravalli Range, to hills sporting an elevation of 100 metres or above, and hill clusters, slopes, and hillocks located within 500 metres of each other.
- "This stay shall remain in effect until the present proceedings reach a state of logical finality, ensuring that no irreversible administrative or ecological actions are taken based on the current framework," the court ordered. It directed that no fresh or renewed mining leases should be given without prior permission of the top court.
- A three-judge Bench, headed by Chief Justice of India Surya Kant, took suo motu cognisance of the widely publicised public apprehension over the restrictive definition, especially that only 1,048 Aravalli hills out of a total of 12,081 in Rajasthan alone would meet the 100-metre elevation threshold and, consequently, the lower ranges would be "stripped off" the environmental protection due to them. The court agreed that if true, it would be a "significant regulatory lacuna" in safeguarding the Aravalli.
- The Bench proposed the constitution of a high-powered committee to analyse whether "sustainable mining" or "regulated mining" within the newly demarcated Aravalli areas, notwithstanding regulatory oversight, would result in any adverse ecological consequences.
- "Independent expert opinions must be obtained and considered after consulting with all the stakeholders. There is a need to resolve ambiguities and provide definitive guidance," Chief Justice Kant said. The committee would assess the areas no longer covered by the definition, specifically whether such exclusion risks their eventual degradation, thereby compromising the overall ecological integrity of the Aravalli Range.
- The restrictive definition upheld by the top court in November had sparked a public furore across the four Aravalli States of Rajasthan, Uttar Pradesh, Haryana, and Delhi, with environmentalists and activists voicing concerns that the shrinking of protection would open the doors for unbridled mining in the hill ranges, which act as a green barrier against the eastward expansion of the Thar desert, and worsen pollution in cities such as Delhi.
- The proposed panel would also hold a multi-temporal evaluation of the short-term and long-term environmental impacts resulting from the implementation of the recommended definition and its associated directions.
- The Bench said several critical issues needed further clarification, including "whether the restrictive demarcation has inversely broadened the scope of 'non-Aravalli' areas, thereby facilitating the continuation of unregulated mining and other disruptive activities in terrains that are ecologically contiguous but technically excluded by this definition". The court indicated that the definition of the Aravalli range must be arrived at only after exhaustive scientific and geological estimations, and precise measurements of all the hills and hillocks.

- The definition of the Aravallis, the court underscored, must be more nuanced and measured to maintain the “ecological integrity of the entire range”. The court listed the suo motu case on January 21.

❖ IIP growth climbs to 25-month high of 6.7% in November

Context: The Index of Industrial Production (IIP) growth reached a 25-month high of 6.7% in November, driven by broad-based gains led by manufacturing and capital goods sectors, data released by the Union Statistics and Programme Implementation Ministry on Monday showed.

- The data revealed that the November IIP growth was last surpassed by the 11.9% in October 2023. Within the IIP, the manufacturing output growth accelerated to a 25-month high of 8%. This was on a relatively high base of 5% in November 2024. It was significantly faster than the 1.8% in October 2025.
- “While the year-on-year IIP growth surged to a 25-month high of 6.7% in November 2025 from 0.5% in October 2025, this upswing largely reflects the shift in the festive calendar, restocking after the festive season sales, as well as some normalisation in activity across mining and electricity segments following the excess unseasonal rains in the previous month,” Aditi Nayar, chief economist, ICRA Ltd., said.
- Ms. Nayar said that despite the demand boost following GST rate rationalisation in September, IIP growth averaged 3.6% during the October-November period, lower than the 4.3% expansion seen in the July-September quarter. The infrastructure and construction sectors grew at 12.1% in November, the fastest since October 2023, and also on a strong base of 8% recorded in November last year.
- Buoyed by strong performances in manufacturing and construction sectors, the capital goods sector recorded an 11-month-high growth of 10.4% in November.
- Mining output growth accelerated to a three-month high of 5.4% in November, following two months of contractions. The electricity sector was the only one to contract, declining by 1.5% in November, down from a growth of 4.4% in November last year.
- Consumer durables and consumer non-durables sectors rebounded in November, growing 10.3% and 7.3%, respectively. This marked a 12-month and 25-month high for the two sectors, respectively.

❖ Fake demand under MGNREGA won't be entertained: govt.

Context: The Rural Development Ministry informed the Parliamentary Standing Committee on Monday that it was coordinating with the State governments to ensure that no “fake demand” was raised under the MGNREGA during the interim period before the implementation of VB – G RAM G Act.

- The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has been replaced by the Viksit Bharat – Guarantee for Rozgar and Ajeevika Mission (Gramin) (VB – G RAM G) Act, 2025.
- The committee on Rural Development, headed by Congress leader Saptagiri Ulaka, held its first meeting on Monday after the repeal of the MGNREGA by Parliament on December 18.

Transition period

- During the meeting, sources said, Samajwadi Party MP Ramashankar Rajbhar asked the Ministry to explain how it planned to tackle demand during the transition period when the new law was implemented and the MGNREGA was phased out.
- Since the MGNREGA was a demand-driven scheme, he pointed out, the government could not artificially suppress this demand. In response, Ministry officials reportedly said they were coordinating with the States to ensure that no “fake demand” was raised. Mr. Ulaka and other members questioned the government on how it planned to distinguish between genuine and fake demand.
- The meeting, which lasted nearly two hours, saw several BJP members criticising the MGNREGA. According to sources, several BJP members detailed various welfare schemes run by both the Centre and the States that provide “free health and free food,” arguing that in such a scenario, a rural employment scheme became redundant. Other BJP MPs, the sources said, flagged corruption cases affecting the rural employment scheme.

Dues to West Bengal

- The government also informed the panel that it was in touch with the West Bengal government and would clear the dues it owed to the State. However, neither the amount owed nor the timeline for release was shared. Trinamool Congress members had staged an overnight dharna in Parliament after the VB – G RAM G Bill was passed past midnight in the Rajya Sabha.
- The release of funds to West Bengal under the scheme was stopped in March 2022 by the Centre, invoking provisions of Section 27 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, owing to continued non-compliance with the Central government directives by the State.
- The Union government owes ₹3,082.52 crore to States, of which ₹1,457.22 crore was wages for completed work by registered workers.

❖ DAC gives its nod for defence purchases worth ₹79,000 cr.

Context: Committee accorded approval for the Army’s proposal for radars and guided rocket ammunition, Navy’s request for tugs and high frequency radio, and Air Force’s proposal for missiles, simulators.

- The Defence Acquisition Council (DAC), chaired by Defence Minister Rajnath Singh, on Monday accorded Acceptance of Necessity (AoN) for capital acquisition proposals amounting to about ₹79,000 crore from the Army, Navy, and Air Force.
- According to the Ministry of Defence, the DAC approved the procurement of Loiter Mmunition Systems for Artillery Regiments, Low Level Light Weight Radars, Long Range Guided Rocket Ammunition for the Pinaka Multiple Launch Rocket System (MRLS), and Integrated Drone Detection and Interdiction System (IDD&IS) Mk-II for the Indian Army.

- The Loiter Munition Systems will enable precision strikes against tactical targets, while the Low Level Light Weight Radars will enhance detection and tracking of small, low-flying unmanned aerial systems. The Long Range Guided Rockets will significantly improve the range and accuracy of the Pinaka MRLS, enabling effective engagement of high-value targets. The IDD&IS Mk-II, with enhanced range, will strengthen the protection of vital assets in tactical battle areas and the hinterland, the Defence Ministry said.
- For the Indian Navy, the AoN was accorded for the procurement of Bollard Pull (BP) Tugs, High Frequency Software Defined Radio (HF SDR) Manpack systems, and the leasing of High Altitude Long Endurance (HALE) Remotely Piloted Aircraft Systems (RPAS).
- The BP Tugs will assist naval ships and submarines during berthing, unberthing and manoeuvring in confined harbour waters. The HF SDR Manpack will enhance long-range secure communications during boarding and landing operations, while the HALE RPAS will provide persistent intelligence, surveillance and reconnaissance, and strengthen maritime domain awareness across the Indian Ocean Region.
- For the Indian Air Force, the DAC approved the AoN for procurement of the Automatic Take-off and Landing Recording System, Astra Mk-II beyond-visual-range air-to-air missiles, Full Mission Simulators, and SPICE- 1000 long-range guidance kits. The Automatic Take-off and Landing Recording System will enhance aerospace safety by enabling high-definition, all-weather automatic recording of take-off and landing phases. Astra Mk-II missiles, with enhanced range, will boost the capability of IAF fighter aircraft to engage adversary targets from extended distances.
- The Full Mission Simulator for the Light Combat Aircraft Tejas will strengthen pilot training in a cost-effective and safe environment, while SPICE-1000 kits will enhance the IAF's long-range precision strike capability.

❖ Union govt. gearing up to host mega AI summit in February

Context: The Union government is proceeding with the AI Impact Summit's organisation at a scale comparable to the G-20 Summit in 2023, according to estimated participation numbers and the number of "pre-summit" events under way and planned.

- This event is set to see participation from 15 to 20 heads of state. Around 1,00,000 participants were expected for the main event in February, IT Secretary S. Krishnan said at a news briefing
- While Mr. Krishnan did not refer to the G-20, he outlined that the annual AI summits — a multilateral set-up which began from Bletchley Park in the U.K. in 2023 to Seoul the following year and Paris in 2025 (where India was handed the reins for 2026) — have seen increasing participation. Officials have been keen to position India better on the world stage on AI-related issues, with a bevy of pre-summit events in India and abroad.
- "In the initial summit, we had about 27 countries which participated, including India, and eventually 28 countries signed the declaration in Bletchley Park. By the time we came to France, there were more than 100 countries participating in various forms," Mr. Krishnan said.

- The event will also have top researchers and business leaders from AI firms, including Anthropic and Google Deepmind, with tentative confirmations from other leading players.
- “And we expect that number to get better in February, because there’s been a greater and greater interest as we go along,” Mr. Krishnan said. Several new countries that are part of the Global South would join this edition, he added.
- The event is set to deliberate upon multiple themes, including AI and its impact on work, trust and safety protocols for AI models, and using AI in specific industries.

❖ Indian Navy’s stitched sailing vessel INSV Kaundinya sets off for Oman

Context: The INSV Kaundinya, the Indian Navy’s indigenously built traditional stitched sailing vessel, sailed on her maiden overseas voyage from Porbandar, Gujarat, to Muscat in the Sultanate of Oman.

- The Navy said that the historic expedition marks a significant milestone in India’s endeavour to revive, understand and celebrate its ancient maritime heritage.
- The vessel was formally flagged off by Vice-Admiral Krishna Swaminathan, Flag Officer Commanding-in-Chief, Western Naval Command, in the presence of Issa Saleh Al Shibani, Oman’s Ambassador to India, along with senior officers of the Indian Navy and distinguished guests.
- The Navy further informed that INSV Kaundinya has been constructed using traditional stitched shipbuilding techniques, employing natural materials and methods that date back centuries.
- Drawing inspiration from historical sources, the vessel reflects India’s rich legacy of indigenous shipbuilding, seamanship and oceanic navigation. The voyage retraces ancient maritime routes that once connected India’s western coast with Oman, fostering trade, cultural exchange and sustained civilisational interactions across the Indian Ocean, it said.
- The expedition is expected to further strengthen bilateral relations between India and Oman by reinforcing shared maritime heritage and deepening cultural ties. It also highlights the deep historical linkages between Gujarat and Oman, underscoring a legacy of cooperation that continues to this day, it said.
- Commander Vikas Sheoran is the skipper of the vessel, while Commander Y. Hemant Kumar, is the Officer-in-Charge of the expedition. The crew comprises four officers and 13 naval sailors.
- Prime Minister Narendra Modi sent his best wishes to the crew. “Wonderful to see that INSV Kaundinya is embarking on her maiden voyage from Porbandar to Muscat, Oman... My best wishes to the crew for a safe and memorable journey, as they retrace our historic links with the Gulf region and beyond,” he said in a post on X.

❖ What is the India-New Zealand Free Trade Agreement?

Context: What zero-duty access will India get, and how much FDI is New Zealand committing to by 2030? Which sectors in New Zealand have criticised the deal? Why is India accelerating FTAs with countries? How will labour-intensive sectors like textiles, leather, gems, and processed foods benefit?

- The recent India-New Zealand Free Trade Agreement (FTA) was concluded in December, under which New Zealand will levy zero duty on 100% of India's exports and bring in \$20 billion in Foreign Direct Investment (FDI) by 2030.

What are the key bargains?

- India will receive zero-duty market access for all its exports to New Zealand. In return, India will relax tariffs on 95% of imports from New Zealand, with 57% of these products becoming duty-free from day one.
- New Zealand has committed to investing \$20 billion in India over the next 15 years, with firm clawback mechanisms in case the investment doesn't meet the stipulated timeline. The FDI is aimed at promoting skill mobility and services, creating employment and growth opportunities across 118 sectors. For the first time, New Zealand has agreed to facilitate trade in Ayurveda, yoga, and traditional medicine services with India.
- The deal also makes provisions for the support and mobility of Indian skilled workers. Youth, students, and professionals will find it easier to live and work in New Zealand.
- The FTA creates opportunities for India to become a key supplier of skilled workforce in services such as IT professionals, Engineers, Yoga instructors, Indian chefs, Music teachers, as well as in sectors including healthcare, education, and construction.
- Student mobility, work permits of up to 20 hours per week while studying, and extended post-study work visas are some of the opportunities for Indian youth to get global exposure.
- The agreement also builds on MSMEs and employment opportunities through labour-intensive sectors, including textiles and apparel, leather and footwear, gems and jewellery, engineering goods, and processed food items.

Which sectors has India kept outside the agreement?

- India has refused to give market access to major items crucial to New Zealand, such as dairy and agricultural products, including milk, cheese, cream, butter, yogurt, onions, sugar, edible oils, spices, and rubber, in order to protect Indian farmers and small and medium industries.
- New Zealand will develop focused action plans to develop and improve productivity, quality, and sectoral capabilities for fruit growers in India, particularly for exotic fruits like kiwifruit, apples, and honey. This cooperation will ensure the establishment of centres of excellence, improved planting material, capacity building for growers, technical support for orchard management, post-harvest practices, supply chains, and food safety.

Why is the FTA important?

- More than a breakthrough, the India-New Zealand FTA is a framework for deeper cooperation in the future. It is India's conscious move to increase its global economic footprint. Trade diversification demands a deep and deliberate transformation of the country's productive sector and integration into global value chains.

- The India-New Zealand FTA is hailed for being the fastest concluded, completed in a record time of nine months after being announced in March 2025. It enhances market access and tariff preferences for Indian exports to New Zealand, while proving to be a gateway to Oceania and Pacific Island markets. Standing at \$49,380, New Zealand is among the higher-income economies in Oceania.
- The Indian diaspora in New Zealand constitutes 5% of its population, which amounts to 3,00,000 persons. This creates a promising exchange and opens opportunities for soft power politics between the two nations.
- Currently, India's bilateral merchandise trade with New Zealand stands at \$1.3 billion. The deal aims to double this figure over the next five years.
- India has instated strict safeguards to protect its sensitive sectors, like agriculture and dairy, from one of the world's largest dairy exporters.
- This is also one of the first FTAs negotiated and concluded entirely by a women-led and women-driven team, from the chief negotiating officer to the ambassador to New Zealand.

Why is India accelerating new FTAs?

- By engaging with the Pacific, West Asia, and Africa as trade partners, India is leveraging its position and promoting realignments through bilateral engagements and FTAs.
- FTAs provide a platform to pursue unique and region-specific commitments, creating room for WTO-plus commitments, especially in areas like services, digital trade, and investment. Diversification of trade partners means that India doesn't have to be dependent on traditional markets such as the EU, the U.S., and China.
- FTAs are aligned with India's development goals and policies, such as Make in India, and securing India's sensitive sectors through technology transfers and production-induced incentive schemes that can help in aligning Indian manufacturing with the global value chains.
- India is currently determined to materialise FTAs with several countries, including Russia, Oman, the U.K., and New Zealand, in spite of its not-so-successful past FTA engagements. This points to India's attempt at securing strategic and geopolitical alliances via economic and trade liberalisation.
- This is India's third FTA this year, after agreements with the U.K. and Oman. It is a part of a broad strategy that India is determined to take forward after the U.S. imposed steep tariffs. A large chunk of India's trade is U.S.-dependent. The bilateral trade between India and the U.S. stands at \$132 billion, and changes in the tariffs by the U.S. really hurt India's trade.
- India's exports to the U.S. declined sharply in September and October, dropping to 12% and 8.5%, respectively. The Indo-U.S. free trade deal is in slow progress, and 50% of the tariffs still remain unchanged. This has resulted in a departure from the U.S. and into an urgent need for diversification of India's trade policies and strategic alliances in order to attract greener trade pastures.
- One of the main reasons for the stalling of the Indo-U.S. bilateral talks is India's steadfast policy of not opening up its farming and dairy sector to concessions in the FTA. India is thus making a substantial move from short-term economic partnerships to long-term trade alliances.

- The India-New Zealand deal builds a structure that is more investor-friendly. India is willing to let go of its protectionist image by lowering trade barriers, promoting ease of business, and opening its markets. India's FTAs today go well beyond tariff reduction; they are more of a framework for future cooperation and economic alignment.

What criticisms does the agreement face?

- This is New Zealand's first FTA that excludes dairy and agriculture from its purview, due to which it is heavily criticised in New Zealand by coalition partners of the current government. The Foreign Minister of New Zealand said that the deal is 'neither free nor fair' as it bypasses the dairy and agriculture sector, the country's largest industry, and added that they will vote against the bill when it comes to the floor in the New Zealand Parliament in 2026. India, on the other hand, assumes an easy passage to legislation.
- In India, FTAs are criticised for widening trade deficits and generating asymmetric gains, as it has led to imports from partner countries growing faster than our exports. Although the safeguards established by the current India-New Zealand FTA claim to cover these risks and protect and promote India's sensitive sectors through manufacturing collaboration. The success of which will have to be determined as the implementation unfolds over the years.

What is the way forward?

- Even though the India-New Zealand FTA is considered historic, it is important to learn from the trade agreements in the past, as many resulted in low yields.
- India needs to invest in domestic competitiveness, meet global market standards and quality requirements, ensure strong rules of origin, define anti-dumping provisions, strengthen its sensitive sector and MSMEs and formulate them in line with global markets.
- India also needs to invest in research and development for increasing quality and competitiveness of its products if it has to thrive in the global market.

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Context: The Second Karnataka Administrative Reforms Commission has recommended ending or consolidating about 1,000 heads of accounts/ schemes that are not relevant to the current times, but are yet part of the budgetary allocations.

- In a first of its kind that could prioritise revenue expenditure in the State, the Second Karnataka Administrative Reforms Commission has recommended ending or consolidating about 1,000 heads of accounts (HOAs)/ schemes that are not relevant to the current times, but are yet part of the budgetary allocations. It has recommended restrictions on creating new posts in the government unless it is necessary and has recommended annual recruitment plan to ensure deployment of personnel.
- The identified HOAs are from a total of 2,874 HOAs that are part of the budget that have received no funding in the budget allocation or are part of debt servicing. The commission headed by veteran Congress leader R.V. Deshpande submitted its recommendations on Tuesday.
- The HOAs sought to be retired/ discontinued were found to be receiving lower allocation year after year, or were irrelevant, or not receiving a good response. Further, some of these HOAs were found to be overlapping centrally-sponsored schemes, or there are opportunities to merge or consolidate with other schemes. These have been found to have administrative expenses of more than 35%. It has suggested projects to be implemented on “mission mode” with a time frame of three to five years.
- Even before the ARC made its recommendations, the government had been considering prioritising or rationalising its revenue expenditure, as the revenue deficit had increased over the last two financial years due to the implementation of five flagship guarantee schemes. Officials familiar with the issue say that in Karnataka, successive governments-despite political differences, have refrained from closing schemes but chose to continue them with no or meagre allocation.
- Recommending a periodic audit of schemes to identify those that accumulate despite remaining defunct, the commission noted that allocation to about 280 HOAs (besides about 1,000 HOAs) had seen its allocation decline steeply from ₹1,336 crore in 2023-2024 to about ₹105 crore in 2025-2026. The commission said that, considering the steep decline in allocation, the schemes have either met their objectives or have lost their relevance considerably. After considering administrative expenses, the allocation to taluk and district-level is meagre that scheme implementation becomes impossible.
- The commission has noted that several schemes were consistently receiving less than ₹1 crore allocation for several years, and they were providing meagre benefits due to financial limitations. The overlap with centrally-sponsored schemes is limiting the focus of funds earmarked by the State, it said, adding that over-dependence on centrally-sponsored schemes has led to scattering of State projects.

2.94L posts vacant

- The commission found that a total of 2.94 lakh posts were vacant against the sanctioned strength across 42 departments. In all, 8.16 lakh posts have been approved, of which 5.18 lakh posts have been filled. About 70,000 personnel have been outsourced by departments.

- The commission has recommended freezing outsourcing of Group C and Group D cadres and abolish obsolete and functionally irrelevant posts and fill long pending frontline vacancies on priority.

❖ India is now the fourth largest economy: Centre

Context: With GDP valued at \$4.18 trillion, India has surpassed Japan and is poised to displace Germany from the third rank in the next few years with a projected GDP of \$7.3 trillion by 2030, it says.

- India has surpassed Japan to become the world's fourth largest economy with a size of \$4.18 trillion and is poised to overtake Germany to become the third largest by 2030, the government.
- With continuing good growth numbers, India is also the world's fastest-growing major economy, it said.
- India's real GDP grew 8.2% in the second quarter of 2025-26, up from 7.8% in the first quarter and 7.4% in the fourth quarter of the last fiscal.
- "With GDP valued at \$4.18 trillion, India has surpassed Japan to become the world's fourth largest economy and is poised to displace Germany from the third rank in the next 2.5 to 3 years with a projected GDP of \$7.3 trillion by 2030," said the government in a statement providing a snapshot of reforms in 2025.
- The U.S. is the world's largest economy, and China occupies the second spot.
- The growth momentum further surprised on the upside, with GDP expanding to a six-quarter high in Q2 of 2025-26, reflecting India's resilience amid persistent global trade uncertainties, it said.
- Domestic drivers, led by robust private consumption, played a central role in supporting this expansion.
- The release said international agencies have echoed this optimism and cited projections made by various entities. The World Bank has projected a 6.5% growth in 2026, and Moody's expects India to remain the fastest-growing G20 economy with a growth of 6.4% in 2026 and 6.5% in 2027. The International Monetary Fund has raised its projections to 6.6% for 2025 and 6.2% for 2026, and the Organisation for Economic Cooperation and Development forecasts 6.7% growth in 2025 and 6.2% in 2026. Also, the S&P anticipates a growth of 6.5% in the current fiscal and 6.7% in the next, the Asian Development Bank has lifted its 2025 forecast to 7.2%, and Fitch has raised its FY26 projection to 7.4% on stronger consumer demand.
- "India is among the world's fastest-growing major economies and is well-positioned to sustain this momentum. With the ambition of attaining high middle-income status by 2047 - the centenary year of its independence, the country is building on strong foundations of economic growth, structural reforms, and social progress," the government said.
- The release highlighted that inflation remains below the lower tolerance threshold, unemployment is declining, and export performance continues to improve. Furthermore, financial conditions have stayed benign, with strong credit flows to the commercial sector, while demand conditions remain firm, supported by a further strengthening of urban consumption.

❖ **Defence Ministry inks contracts for procurements for Army and Navy at a cost of over ₹4,600 cr.**

Context: The Ministry of Defence signed defence procurement contracts worth ₹4,666 crore for the acquisition of Close Quarter Battle (CQB) Carbines for the Indian Army and Navy and Heavyweight Torpedoes for the Indian Navy, in a major push towards modernisation and operational preparedness of the armed forces.

- The contracts were inked in the presence of Defence Secretary Rajesh Kumar Singh at South Block, New Delhi, officials said.
- According to Ministry of Defence, under the first contract, over 4.25 lakh CQB Carbines along with accessories, valued at ₹2,770 crore, will be procured for the Indian Army and the Indian Navy from Bharat Forge Ltd. and PLR Systems Pvt Ltd. The induction of these indigenously manufactured carbines marks the culmination of a long-standing effort to replace legacy small arms with modern, high-lethality weapons in line with the 'Aatmanirbhar Bharat' vision.
- Designed as a key component of the modern infantry arsenal, the CQB Carbine offers a compact design, high rate of fire and enhanced lethality, providing a decisive advantage in close-combat and confined-space operations. The project also underscores growing government-private sector synergy, strengthening the Make in India initiative while boosting employment, supporting MSMEs, and deepening India's indigenous defence manufacturing ecosystem, the Ministry added.
- The second contract, valued at approximately ₹1,896 crore, was signed with WASS Submarine Systems S.R.L., Italy for the procurement and integration of 48 Heavyweight Torpedoes along with associated equipment for the Indian Navy's Kalvari Class (Project-75) submarines.
- Officials said delivery of the heavyweight torpedoes will start from April 2028. Equipped with advanced technological features the torpedoes will strengthen the Navy's underwater warfare prowess. The latest acquisitions underline the government's commitment to meeting evolving operational requirements of the services through the induction of advanced technologies, a release said.

❖ **HAL enters civil market with Dhruv NG helicopter**

Context: Designed and manufactured in India, the 5.5-tonne, light twin-engine, multi-role chopper has been engineered to operate across diverse terrains; maiden flight inaugurated by Civil Aviation Minister.

- Hindustan Aeronautics Ltd. (HAL) on Tuesday marked a breakthrough in India's civil aviation ecosystem as the Dhruv New Generation (NG) helicopter successfully undertook its maiden flight at the HAL's Helicopter Division in Bengaluru.
- This signals the PSU's formal entry into the civil helicopter market and a significant step towards self-reliance in civil aviation.
- The inaugural flight was flagged off by Union Civil Aviation Minister K. Rammohan Naidu in the presence of D.K. Sunil, Chairman and Managing Director, HAL; Maneesh Kumar, Joint Director-General, DGCA; Sanjeev Razdan, CMD, Pawan Hans Ltd; and senior HAL officials.

- During the event, HAL received the DGCA certification for indigenous manufacturing of the Shakti civil engine, a first-of-its-kind achievement in Indian aviation. This marks the first aero engine certified by the Directorate General of Civil Aviation (DGCA) for indigenous production, representing a significant leap in India's self-reliance in critical aviation technologies. The milestone was achieved with the participation of Safran engines and close coordination with the DGCA.
- The HAL said the Dhruv NG was progressing steadily towards full civil certification within the next three or four months, positioning it as a key platform for India's growing civil helicopter market.
- Describing the occasion as a "flight of Aatmanirbhar Bharat", Mr. Naidu said the maiden sortie reflected India's growing confidence and capability in aviation manufacturing.
- "HAL has successfully conducted the inaugural flight within a year of showcasing the demo. Dhruv NG has emerged as a platform for several operators, and 'Make in India' is now a seal of global quality," Mr. Naidu said.
- Mr. Sunil termed the Dhruv NG the cornerstone of the company's civil aviation expansion.
- Designed and manufactured in India, the Dhruv NG is a 5.5-tonne, light twin-engine, multi-role helicopter, engineered to operate across diverse and challenging Indian terrains.

❖ Small value retail digital payments on the rise: RBI report

Context: UPI interface accounted for a majority share in transaction volume while real time gross settlement accounted for the largest share in value terms.

- The share of small value payments are seen growing faster, according to a report by the Reserve Bank of India (RBI).
- "During 2024-25, digital payments grew by 17.9% in value terms, accounting for 97.6% of India's total payments. In contrast, payments through paper-based instruments (cheques) declined during the year, representing the remaining 2.4%," the RBI said in its Report on Trend & Progress of Banking in India in 2024-25.
- "In volume terms, growth in digital payments was much higher at 35% amidst increasing usage of digital methods for small value payments. The average value of retail digital payments decreased to ₹3,830 during 2024-25 from ₹4,382 during 2023-24," the RBI said.
- The unified payments interface (UPI) accounted for a majority share in the volume of transactions, while real time gross settlement (RTGS), which facilitates high value transactions, accounted for the largest share in value term.

❖ 'Open access to AI infra key in India'

Context: The office of the Principal Scientific Advisor to the government said in a working paper that making Artificial Intelligence (AI) infrastructure available to all players would be essential.

- In the paper, the PSA said it would be important to make “foundational AI resources such as compute capacity, high-quality datasets, and enabling tools, available beyond a limited set of large firms and major urban hubs so that a wider range of actors can build, test and deploy AI responsibly
- As India gears up to host the AI Impact Summit in February, the government has set democratising access as a key plank, as much of the world’s AI infrastructure is being built by Western technology giants. Officials have reacted with concern over the concentration of power this situation could lead to.
- Under IndiaAI Mission, for instance, the government has provided thousands of graphics processing units (GPUs), essential components of AI infrastructure, to researchers and local startups.
- The working paper echoes those concerns, and suggests India should work to integrate its own digital public infrastructure (DPI) into AI systems and open the gates for small players to participate. DPIs are projects such as Aadhaar and UPI, which have been referred to under this umbrella term as a way to push other developing economies to come up with digitised identity, payments and governance systems.
- “A significant challenge arising from AI development is resource efficiency,” the paper says, pushing for India to contribute to a less energy-intensive future for AI infrastructure. “Scaling AI data centres will require an additional 45–50 million square feet of real estate by 2030, underscoring the need to integrate sustainability planning with compute expansion ... Data centres currently account for roughly 0.5% of India’s total electricity consumption, a share that could rise to nearly 3% by 2030 as capacity and workloads expand.
- The report further said “Ecosystem-wide efforts are needed for expanding access to data and computing” in sectors such as agriculture and education.

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Context: Finance Ministry announces end of GST compensation cess; beed is in 18% slab, other tobacco products in 40% bracket as govt. bids to 'ensure that real cigarette prices rise faster than incomes'.

- The Union Finance Ministry issued a series of notifications that will give effect to the new taxation regime for tobacco products from February 1 2026.
- **The Central Excise (Amendment) Act, 2025**, passed recently, specifies new rates of excise duty on tobacco products.

Excise duty on cigarette

- The Ministry also notified that provisions of the Health Security se National Security Act, 2025, which intends to levy a cess on pan masala units, will come into force from February 1.
- Under the Goods and Services Tax (GST) regime, the excise duty on cigarettes had so far been rendered a nominal amount of a "fraction of a paisa" per cigarette stick, and the GST compensation cess rate on tobacco products had not been increased since it was implemented in July 2017.
- "For India, affordability has either stagnated or increased in the past decade, meaning cigarettes have not become more expensive relative to consumers' purchasing power," the note said. "This is contrary to global public health guidance, which emphasises annual increases in specific excise duties to ensure that real cigarette prices rise faster than incomes."

- **At the same time, the Ministry notified February 1 as the date from which the GST compensation cess would cease to exist. The cess was originally introduced for a period of five years to compensate States for any loss arising out of the implementation of GST.**

Tax slabs

- The Finance Ministry also notified the new GST rates for tobacco products. Beedis have been moved to the 18% category from the now-defunct 28% slab. All other tobacco products have been moved to the 40% slab. These new rates will be effective from February 1.
- The GST compensation cess was to end in 2022. However, due to the COVID-19 pandemic, the cess collections were not enough to compensate the States and so the Centre borrowed money to compensate them. Hence, it was extended until 2026, with the proceeds being used to repay the loan.
- With the impending end of the loan, the Centre on September 22, 2025, removed the incidence of the cess on most items except tobacco items. From February 1, 2026, the cess will no longer apply on these items either, effectively ending it.
- Finally, the Ministry introduced a new valuation mechanism for tobacco products such as chewing tobacco, filter khaini, jarda, scented tobacco, and gutkha, whereby the GST value would be determined based on the retail sale price declared on the package.

Tax reset

The Central Excise (Amendment) Act, 2025 specifies new rates of excise duty on tobacco products

■ The Finance Ministry has notified that provisions of the Health Security se National Security Act, 2025, which intends to levy a cess on pan masala units, will come into force from February 1

■ Beedis have been moved to the **18%** GST category from the now-defunct **28%** slab

■ All other tobacco products have been moved to the **40%** slab



- Regarding the Health Security se National Security Act, 2025, the Ministry justified the inclusion of the national security aspect by saying that conventional tax revenues cannot always guarantee funding for national security functions, and so a dedicated cess is needed for the purpose.
- “General tax revenues are subject to competing developmental priorities and cannot always guarantee sustained long-term funding for core national security functions,” the FAQ note said.
- “A dedicated purpose-specific cess enables the Union to create a non-lapsable, predictable financial stream that supports multi-year security preparedness, technological upgradation, capacity creation, and advanced equipment procurement — without increasing the tax burden on the general population or raising broad-based rates such as GST.”

Culture: Music Awards; Sangita Kalanidhi award

❖ R.K. Shriramkumar receives Sangita Kalanidhi award

- Sangita Kalanidhi award on violinist R.K. Shriramkumar on the occasion of the Sadas of the Music Academy in Chennai.
- Mr. Shriramkumar, an authority on the keertanas of Muthuswami Dikshitar.
- N. Murali, President of the Academy, said it was at Banaras Hindu University that Ms. Rajam decided to pursue Hindustani music, having earlier listened to recordings of Pt. Omkarnath Thakur. Ms. Rajam, sister of violinist T.N. Krishnan, later became a student of Pt. Thakur.
- “Before her, the violin was not truly an accompanying instrument in Hindustani music. Moreover, instrumentalists in that system played accompanying instruments in a style distinct from the gayaki style adopted by Rajam. She thus played a pioneering role in introducing the **gayaki style to Hindustani violin,**” Mr. Murali said.



Violinist N. Rajam presenting the Sangita Kalanidhi award to R.K. Shriramkumar at the Sadas of the Music Academy on Thursday. N. Murali, President of the Academy, is seen. RAGU R.

Other Awards:

- Thavil player T.R. Govindarajan and musician Shyamala Venkateswaran received the Sangita Kala Acharya awards.
- Kathakali musician Madambi Subramanian Namboodiri and veena-playing couple J.T. Jeyaraaj Krishnan and Jaysri Jeyaraaj Krishnan received the TTK awards.
- The Musicologist award went to Professor C.A. Sreedhara.

International relations; Neighborhood relation; Nuclear installations;

❖ India, Pak. exchange lists of prisoners and nuclear installations

Context: Continuing an over three-decade practice, India and Pakistan exchanged a list of their nuclear installations under a bilateral pact that prohibits the two sides from attacking each other’s atomic facilities.

- The exchange of the list came even as the ties between the two countries remain under deep freeze, following four-day military hostilities last May.
- The two countries also exchanged a list of prisoners under the consular access agreement.
- “Pakistan and India exchanged the lists of their respective nuclear installations pursuant to the **agreement on Prohibition of Attacks against Nuclear Installations and Facilities between Pakistan and India signed on 31st December 1988,**” Foreign Office spokesman Tahir Andrabi said at a press briefing.
- He said that the list of nuclear installations and facilities was handed over to the representative of the Indian High Commission in the Foreign Office.
- About the exchange of prisoners lists, he said, “The government of Pakistan today handed over a list of 257 Indian prisoners, including 199 fishermen and 58 other civilians in Pakistan’s custody, to the High Commission of India in Islamabad.”

Polity: Supreme court judgments;

❖ Financial dominance over wife cannot qualify as ‘cruelty’: SC

Context: The Supreme Court has said that monetary and financial dominance of a man over his wife cannot qualify as cruelty, especially in the absence of any tangible mental or physical harm caused to her.

- The recent judgment by a Bench headed by Justice B.V. Nagarathna, while quashing a case of dowry harassment instituted by a woman against her husband, found her allegations, including that she was forced to maintain a “pennywise” account of the household expenses in Excel sheet while he sent “lakhs” to his parents and siblings for business purposes, as a reflection of the “daily wear and tear of marriage”.
- The woman had complained that she was asked to leave her job as a software consultant and stay at home as a “housewife” in the U.S., where the couple were based. She had complained that she was made to “beg for money to meet her daily needs” as the husband had exercised “full monetary control” over her. The woman had submitted that she was pressured to lose weight after the delivery of their child.
- In the judgment authored by Justice Nagarathna, the court said the **situation narrated in the case was a “mirror reflection of the Indian society where men of the households often try to dominate and take charge of the finances of the women, but criminal litigation cannot become a gateway or a tool to settle scores and pursue personal vendettas”.**
- Terming her allegations “vague and omnibus”, the court found the woman’s submission that the husband and his family members had demanded ₹1 crore as unsubstantiated for lack of evidence.
- The court said **allegations of cruelty and harassment could be invoked only if there was a series of offending acts which would be required to be specifically spelt out against the perpetrators to initiate criminal proceedings against them.**

Economy: Infrastructure; Railways;

❖ First Vande Bharat sleeper train to ply between Guwahati and Kolkata

Context: Prime Minister Narendra Modi will flag off the first Vande Bharat sleeper train later this month. It will ply between Guwahati and Kolkata.

- The 16-coach train, with a capacity of 823 passengers, **has a design speed of upto 180 kmph**. It has 11 three-tier and four two-tier AC coaches, and a first-class AC coach.
- The third-AC fare will be ₹2,300, second AC ₹3,000, and first AC ₹3,600.
- The train boasts ergonomically designed berths with improved cushioning, automatic doors, and enhanced ride comfort with superior suspension and noise reduction.
- **Safety measures include Kavach, an indigenously developed, high-tech automatic train protection system designed to prevent collision, advanced controls, and safety systems inside the driver's cabin.**
- There will be CCTV cameras on all coaches, and specially designed seats for passengers with disabilities, he said.
- **The districts that will benefit from this service include Kamrup Metropolitan and Bongaigaon in Assam and Coochbehar, Jalpaiguri, Maldah, Murshidabad, Purba Bardhaman, Hooghly, and Howrah in West Bengal.**
- Assamese cuisine will be served aboard when the train originates from Guwahati and Bengali cuisine on its return journey.

Bullet train

- The Minister also announced that the **country's first bullet train would be ready in August 2027**, and the route would be opened in a phased manner. The **first section to open will be from Surat to Bilimora, followed by Vapi to Surat, Vapi to Ahmedabad, Thane to Ahmedabad, and finally Mumbai to Ahmedabad.**
- The 508-km Mumbai-Ahmedabad high-speed rail corridor has been steadily progressing, with significant work completed on viaducts, bridges, tunnels, and stations. **The corridor will see speeds of up to 320 kmph and is set to reduce travel time between Mumbai and Ahmedabad to two hours.**

Economy: Security measures;

❖ India allows banks to sponsor pension funds under NPS

Context: India's pension fund regulator has allowed banks to sponsor pension funds that will manage monies under the National Pension System (NPS), in a bid to bolster competition in the sector.

- The Pension Fund Regulatory and Development Authority (PFRDA), which oversees assets worth more than \$177 billion, said in a statement that it had given in-principle approval for banks to independently set up pension funds to manage the NPS, subject to eligibility norms aligned with the Reserve Bank of India's guidelines.

Meet eligibility criteria

- Banks will have to meet eligibility criteria linked to net worth, market capitalisation, and prudential soundness, it added.
- Currently, banks serve as points of presence, handling subscriber registrations, contributions, and other system services.
- Some existing pension funds have ties to financial institutions, including banks.

- **At present, there are as many as 10 registered pension funds with the Pension Fund Regulatory and Development Authority.**

Broader reforms

- The change is part of broader reforms by the regulator.
- In December last year, the PFRDA allowed NPS subscribers to invest in gold and silver exchange-traded funds, the Nifty 50 index, and Alternative Investment Funds.

Fee revised

- The regulator also revised the Investment Management Fee structure for pension funds starting April 1, 2026, according to the latest release.
- Additionally, three new trustees have been appointed to the NPS Trust Board, including Dinesh Kumar Khara, a former chairman of the country's largest lender, the State Bank of India.



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Environment: Rare leopard in Karnataka;

❖ **Leopard of ultra-rare colour variation spotted in State for the first time**

Context: An ultra-rare leopard colour morph has been documented for the first time in Karnataka, in Vijayanagara district, by wildlife scientist Sanjay Gubbi and his team from the Holématti Nature Foundation (HNF).

Sandalwood hues

- Unlike **most leopards that possess tawny coats with black rosettes**, this exceptionally rare colour morph exhibits a **pale reddish-pink coat**, similar to the colour of sandalwood, with light-brown rosettes.
- “Only a handful of such leopards have been documented so far across the globe. Internationally, leopards of this colour morph are referred to as Strawberry leopards. But to honour Karnataka’s cultural heritage, we want to name it sandalwood leopard,” Mr. Gubbi said.
- Karnataka is one of the largest sandalwood producers in India.



A leopard that was camera-trapped in Vijayanagara district.
SPECIAL ARRANGEMENT

Ultra-rare condition

- The leopard, documented by Mr. Gubbi’s team through camera trapping, is a female, estimated to be around six or seven years old.
- The unusual colouration is believed to result from a genetic condition involving either an excess of red pigmentation or a deficiency of dark pigmentation.
- **In India, only a single such individual has been documented prior to this, in the Ranakpur region of Rajasthan in November 2021. Globally a few have been recorded in South Africa and single one in Tanzania.**
- According to Mr. Gubbi, molecular analysis using DNA samples is required to determine the exact genetic mechanism that has led to the unusual colouration in the Vijayanagara individual.
- “This leopard is consistent with conditions such as hypomelanism or erythrism, both of which are naturally occurring genetic traits identified in wild mammals. The current assessment is based on photographic evidence and visual characteristics...Until genetic evidence is available, it is scientifically appropriate to describe this animal as a rare colour morph rather than assign a specific genetic condition,” he said.
- Camera trapping was conducted as part of HNF’s ongoing efforts to estimate leopard populations and identify key landscapes for large mammal conservation in the Kalyana-Karnataka region.
- “This region remains understudied from a wildlife conservation perspective yet holds significant potential for conserving arid-zone species such as the Indian grey wolf, striped hyena, and Bengal fox,” said a statement from the foundation. The HNF’s research indicates that Karnataka supports around 2,500 leopards.

Economy: Investment in electronics sector;

❖ MeitY okays 22 more projects for electronic part sops

Context: Projects approved amount to an investment of ₹41,863 crore; scheme is designed to push firms to be first to finish line to avail of the incentives.

- The Ministry of Electronics and Information Technology (MeitY) approved 22 new projects under the ₹22,919 crore **Electronics Component Manufacturing Scheme (ECMS)**.
- Under ECMS, companies making electronic parts will receive payouts based on incremental production and employment. The projects approved under Friday's tranche amount to a combined investment of ₹41,863 crore, the IT Ministry said.
- Small firms in India as well as established heavyweights such as Tata Electronics Pvt. Ltd. would receive the incentives, according to IT Minister Ashwini Vaishnaw.
- The payouts are likely to be a race, as the government will award incentives to firms who finish production roadmap first.

Economy: Manufacturing sector's performance;

❖ Manufacturing PMI at 2-year low in Dec. on easing new orders

Context: Expansion in India's manufacturing performance slowed to a two-year low in December, with the rate of new business orders, production, and employment growth all slowing, as per a private sector survey.

- The **seasonally-adjusted** HSBC India Manufacturing Purchasing Managers' Index fell from 56.6 in November to 55.0 in December. The last time it was lower was in December 2023, when the index value had touched 54.9.
- "The end of the 2025 calendar year was characterised by a loss of growth momentum across several measures tracked by the HSBC India Manufacturing PMI survey," HSBC India said in the report. "Positive demand trends continued to underpin sharp increases in new business intakes and production, but rates of expansion eased on the back of competitive pressures and subdued sales of specific items."
- Specifically, the report said new work orders rose at the weakest pace since December 2023, output levels at the slowest pace since October 2022 while employment climbed at the slowest pace in the last 22 months.
- "We have seen a steady spell of softer growth in new export orders," Pollyanna De Lima, economics associate director at S&P Global Market Intelligence, said. "In fact, the share of companies signalling higher international sales in December was about half of the average for 2025."
- The data showed new export orders rose the least in 14 months in December 2025. The report added, in the few cases where growth was anticipated, the orders came from clients in Asia, Europe and the Middle East.
- "Indian goods producers foresee an increase in output during 2026 relative to present levels, but the overall level of sentiment faded to its lowest in close to three-and-a-half years," the report said.

Geography/Science: Nuclear Energy;

❖ NTPC exploring international collaborations for nuclear plans

Context: NTPC is exploring multiple international collaborations in the area of technology and fuel to push its nuclear ambitions to diversify energy generation.

- NTPC is looking to set up around 30 GW of company-owned nuclear projects across various locations in the country in line with the government's ambition of having 100 GW nuclear capacity by 2047.
- Sources said the firm is eyeing 2 GW of nuclear capacity as early as 2032.

Tech agreements

- For technology, NTPC has entered into non-disclosure agreements with global energy players Rosatom and EDF to explore collaboration on deploying large pressurised water reactor projects in India, they said. Besides, NTPC and Holtec International are exploring the deployment of small modular reactors (SMRs) in future nuclear projects.
- SMRs offer potential advantages in terms of modular construction, enhanced safety and suitability for phased deployment. NTPC is also evaluating a minority equity investment in U.S.-based Clean Core Thorium Energy.

Geography/International relation: Coal energy;

❖ Bangladesh, Bhutan, Nepal can directly buy coal from CIL

Context: State-owned CIL on Friday said buyers from neighbouring nations Bangladesh, Bhutan, and Nepal can now join online coal auctions directly, skipping the Indian middlemen.

- The move will help in utilising the surplus coal resources better and promote transparency. Earlier, access to Coal India Ltd.'s (CIL) dry fuel by consumers across the borders was only through domestic coal traders who were allowed to buy and sell without any end-use restrictions. PTI

Indian Economy: Exports scenario and scheme

❖ Export Promotion Mission: Govt. unveils 2 more credit-linked plans

Context; The Government introduced two new components in the Export Promotion Mission (EPM) aimed at easing and reducing the cost of the credit-access process for exporters.

- This comes days after the Ministry of Commerce and Industry notified guidelines for a market access scheme under the EPM. With announcement, three of the 11 schemes under the EPM have been operationalised.
- The two schemes would entail an outlay of ₹5,181 crore over six years until 2030-31. The two schemes were under the Niryat Protsahan category, which is meant to lower the cost of credit for exporters.
- **Interest Subvention** for Pre- and Post-Shipment Export Credit scheme will reduce the cost of export finance and “strengthens MSME liquidity, improve competitiveness and supports India's integration into global value chains, while ensuring fiscal prudence and compliance,” the Ministry of Commerce said in its announcement.

Interest subvention

- **“Eligible MSME exporters can avail interest subvention on rupee export credit (pre- and post-shipment) extended by scheduled banks, in accordance with RBI Master Directions,”** it added.
- The second sub-scheme — Collateral Support for Export Credit — is aimed at giving MSME exporters the ability to access bank credit even with limited collateral or third-party guarantees.
- The scheme would be implemented through the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) on a pilot basis and be applicable to export-linked working capital loans.
- MSME exporters exporting notified tariff lines will be eligible for the collateral support.
- Micro & small exporters would be eligible for up to 85% guarantee, while medium exporters would be capped at a 65% guarantee.

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