



## 7 PM COMPILATION

**3<sup>rd</sup> and 4<sup>th</sup> Week August, 2025**

### Features of 7 PM compilation

- ❖ Comprehensive coverage of a given current topic
- ❖ Provide you all the information you need to frame a good answer
- ❖ Critical analysis, comparative analysis, legal/constitutional provisions, current issues and challenges and best practices around the world
- ❖ Written in lucid language and point format
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## Flash Floods – Causes, Consequences & Mitigation Measures – Explained Pointwise

Several devastating flash floods events have recently been occurred in India. First, on August 5, Dharali village in Uttarkashi was struck by flash floods in three consecutive waves that led to the killing of 60 people. Now, in Jammu, at least 65 people were killed in Chasoti in Kishtwar district due to flash flood triggered by torrential rain.

### What is Flash Flood?

- According to IMD, flash floods are sudden and rapid floods that occur typically within hours of intense localized rainfall over a short duration or other intense water accumulation events.
- Flash floods are a significant and growing threat in India, particularly in the Himalayan region and parts of central and western India. While traditionally associated with the heavy monsoon season, recent studies and events suggest that their frequency and intensity are increasing, partly due to climate change and human-induced factors.

### What are high risk zones in India?

1. **Western Himalayas:** Uttarakhand, Himachal Pradesh and Jammu & Kashmir
2. **Northeast India:** Arunachal Pradesh & Sikkim
3. **Western Ghats:** Kerala, Karnataka, Maharashtra
4. **Urban Areas:** Mumbai, Chennai, Bengaluru, Hyderabad

### Examples:

- **Kedarnath (2013):** Glacial Lake + Cloudburst
- **Chamoli (2021):** Glacial burst
- **Sikkim (2023):** Cloudburst
- **Uttarkashi (2025):** Continuous Rainfall

### How flash floods are different from normal floods?

	Normal Floods	Flash Floods
<b>Speed &amp; Duration</b>	Normal floods are a much slower, more gradual process. They can take <b>days or even weeks</b> to develop and can last for extended periods.	Flash floods are incredibly fast, occurring within a very short period, typically <b>less than six hours</b> after the causative event. They build up and dissipate quickly.
<b>Causes</b>	Normal floods are generally caused by <b>prolonged, widespread rainfall</b> over a large area, or by snowmelt over a long period.	The primary cause is <b>intense, heavy rainfall</b> in a short amount of time, such as from a slow-moving thunderstorm or a cloudburst. Other triggers include dam or levee failures, sudden glacier melt (GLOFs), or debris jams. The ground simply cannot absorb the immense volume of water quickly enough.

<b>Area of impact</b>	Normal floods typically affect a much <b>larger geographic area</b> , following the course of a river system. The flooding is widespread and can inundate entire floodplains, farmlands, and multiple towns.	Flash floods are often <b>localized</b> and can affect small-scale areas like urban streets, dry creek beds (washes), or mountain canyons.
<b>Risk &amp; Warning</b>	Normal floods come with much <b>more lead time</b> , allowing authorities to issue warnings and for residents to prepare or evacuate safely. While property damage can be extensive, the risk to human life is generally lower than with a flash flood.  The water in a normal flood rises gradually and is often slow-moving.	Flash floods are considered the <b>most dangerous type of flood</b> because of the little-to-no warning time. This leaves people with very little time to evacuate, leading to a higher number of fatalities.  The water in a flash flood is a fast-moving, destructive <b>torrent</b> . It can carry a significant amount of debris.

#### What are its causes?

##### NATURAL CAUSES:

1. **Cloudbursts:** This is the most common and devastating cause, especially in the Himalayan states. A cloudburst is an extreme rainfall event where a large amount of rain (over 100 mm) falls over a small area in a very short time, typically less than an hour. The steep slopes of the Himalayas cause this water to rush downhill with immense force, triggering flash floods and landslides.
2. **Intense Monsoon Rains:** The Indian monsoon, which delivers most of the country's rainfall between June and September (80% of annual rainfall in just 3 months), is a major trigger. Intense, short-duration rainfall events can overwhelm the capacity of rivers and drainage systems, leading to rapid flooding.
3. **Geological Fragility:** The Himalayas are young, tectonically active mountains with fragile geology. Heavy rain and seismic activity can easily destabilize slopes, leading to landslides and debris flows that can block river channels. When these natural dams fail, they release a sudden surge of water, causing a flash flood downstream.
4. **Topography:** Areas with steep terrain, such as canyons and mountains, are highly susceptible to flash floods. Gravity pulls the water downhill at a high velocity, and it can gather in low-lying areas, turning a small creek into a raging river in minutes.
5. **Glacial Lake Outburst Floods (GLOFs):** A GLOF is a sudden and fast-flowing flood that happens when the **dam (usually made of ice or moraines)** holding back a **glacial lake** suddenly fails — causing huge amounts of water to rush downstream.
6. **Wildfires:** Recently burned areas are at high risk. The fire-scorched soil becomes hydrophobic (water-repellent), preventing it from absorbing rain and leading to rapid runoff.

##### ANTHROPOGENIC CAUSES:

1. **Deforestation:** The cutting down of trees reduces the soil's ability to absorb water, increasing surface runoff and the risk of flash floods.
2. **Unplanned Development:** Unchecked construction, particularly in hazard-prone areas like riverbeds and floodplains, has increased vulnerability and amplified the damage from flash floods.
3. **Urbanization:** In cities, concrete and asphalt surfaces prevent water from soaking into the ground. This creates a high amount of runoff that can quickly overwhelm storm drains and cause streets to flood.
4. **Poor Drainage:** In urban areas, a lack of proper and maintained drainage systems, combined with a high percentage of impermeable surfaces like concrete, leads to rapid water accumulation and urban flash floods.
5. **Dam Failure:** The sudden and catastrophic failure of a man-made dam or a natural ice or debris dam can release a massive amount of water in a very short time, causing a destructive flash flood downstream.

#### What are its consequences?

1. **Loss of Life:** Flash floods are among the deadliest natural disasters. The sheer force of the water can easily sweep away people, vehicles, and even entire buildings. The lack of warning and the speed of the water leave little chance for escape, especially for the elderly, children, and those with disabilities.
2. **Destruction of Property:** Flash floods can completely destroy homes, businesses, and critical infrastructure. The force of the water, often carrying boulders and debris, can level buildings and wash away bridges, roads, and railways.
3. **Agricultural Damage:** They can devastate agricultural lands, washing away fertile topsoil, destroying crops, and killing livestock. This can lead to food shortages and severe financial losses for farmers, impacting the entire local and regional economy.
4. **Erosion and Landslides:** The powerful flow of a flash flood can cause severe soil and bank erosion, carving out new channels and destabilizing hillsides, which can lead to more landslides and debris flows.
5. **Habitat Destruction:** The sudden and violent change in water flow can destroy natural habitats, uprooting trees, and killing plant and animal life.

#### What are the various initiatives taken to address the issue of flash floods?

1. **Flash Flood Guidance System (FFGS):** The IMD has implemented the South Asia Flash Flood Guidance System (SASIAFFGS) in collaboration with other South Asian countries. This system provides location-specific flash flood guidance and alerts with a lead time, helping to warn vulnerable communities.
2. **Early Warning Systems:** Efforts are being made to establish early warning systems at the district level, especially in vulnerable mountainous regions. These systems rely on meteorological data, satellite imagery, and real-time monitoring of water levels.
3. **Disaster Management:** The National Disaster Response Force (NDRF) and State Disaster Response Force (SDRF) teams are trained to respond to flash flood events, and their rapid deployment is crucial for search and rescue operations.
4. **Policy and Planning:** There is a growing focus on the need for climate-resilient infrastructure, updated dam design standards, and stricter regulations on development in hazard-prone areas to mitigate the human impact of these natural disasters.
5. **Hydrological Monitoring:** The Central Water Commission (CWC) monitors water levels in major river basins, issuing flood warnings and maintaining a network of flood forecasting stations.

#### What can be the way forward?



1. **Strengthen Early Warning Systems and Real-Time Monitoring:** Expand the use of Doppler radars, satellite imagery, and artificial intelligence for accurate, real-time prediction and tracking of flash floods.
2. **Afforestation and Watershed Management:** In the Himalayas and other hilly regions, large-scale afforestation and soil conservation projects help the ground absorb more water, which reduces surface runoff and the risk of landslides.
3. **Improved Drainage Systems:** In urban areas, improving and expanding drainage networks is crucial to handle intense rainfall. This includes clearing natural waterways, preventing encroachment on floodplains, and using permeable paving.
4. **Community-Based Disaster Management:** The National Disaster Management Authority (NDMA) and State Disaster Response Force (SDRF) work with communities to train volunteers in search and rescue operations, first aid, and basic emergency response.
5. **Mock Drills:** Conducting regular mock drills helps communities practice evacuation procedures and ensures that residents and first responders are prepared to act quickly when an event occurs.

**Conclusion:**

With rapidly increasing intensity & frequency of flash flood events across the country, India needs to immediately adopt mitigation & adaptation measures to prevent further loss of lives & property. Authorities need to identify new potential flash flood hotspots & take measures like building climate-resilient infrastructure to limit the limit of extreme weather events.

**Read More:** [The Hindu](#), [The Indian Express](#)  
**UPSC GS-3: Disaster Management**

**India-Africa Relationship – Explained Pointwise**

Recently, PM Narendra Modi gave an address in the Namibia's National Assembly. Namibia is not only a politically stable, minerally rich country, but also a gateway for India to increase its footprint in Africa. In this regard, let us understand the significance & challenges in India-Africa relationship.

**Introduction:**

India-Africa relationship has a long and rich history. India's freedom movement became an inspiration for African nationalists in their desire for independence from colonialism. India shares close and friendly relationship with many African countries that are built on mutual trust and confidence. Leveraging this, countries have managed to collaborate on various fields like trade, education, skill, health etc. In present times, both India and Africa desire a mutually beneficial relationship through greater trade and investment partnerships.

**What is the history of India-Africa Relationship?**

- India has a long history of partnership with Africa. The solidarity and political affinity goes back to the early 1920s when both regions were fighting against colonial rule and oppression. India's freedom movement had an internationalist outlook; many Indian nationalists viewed the struggle for independence as part of the worldwide movement against imperialism.
- After India gained independence, it became a leading voice in support of African decolonisation at the United Nations. Independent India, though extremely poor, strived to share its limited resources with African countries under the banner of South-South cooperation.

- In 1964, India launched the **Indian Technical and Economic Cooperation (ITEC) programme** to provide technical assistance through human resource development to other developing countries. African countries became the greatest beneficiaries of it.
- India has been very pragmatic in pursuing a quieter, adaptive approach, favouring alignment over instruction & forming issue-based coalitions in Africa. India's approach is basically based upon 3 pillars – Evoking shared historical solidarities, Engaging in present-day pragmatic cooperation, and investing in long-term, future oriented ties.

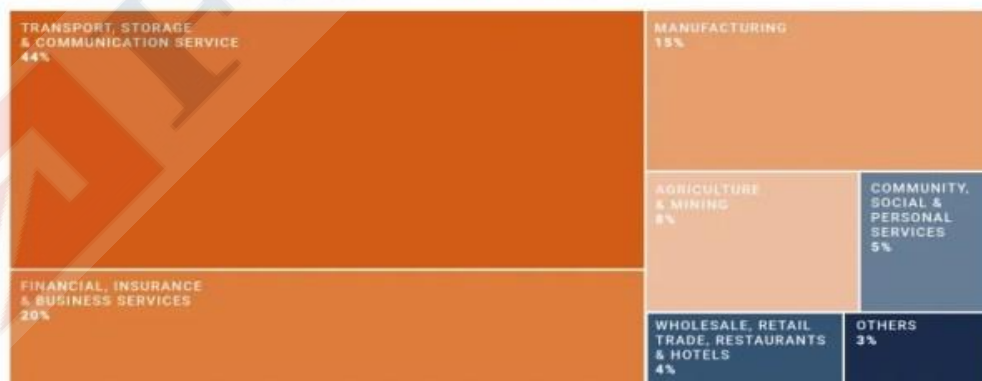
### What is the current status of India-Africa Relationship?

- **Economic (Trade & Investment):**
  - According to the Confederation of Indian Industry, in 2020-21, bilateral trade between India & Africa has reached around **\$83.34 billion** in 2023-24, with a goal of reaching **\$200 billion by 2030**. India is now Africa's third-largest trading partner, after the European Union and China. India's investments in Africa, currently around **\$75 billion**, are focused on sectors like energy, mining, telecommunications, and pharmaceuticals.
  - Top 5 markets for Indian exports in Africa are South Africa, Nigeria, Egypt, Kenya and Togo. India's top importers are South Africa, Nigeria, Egypt, Angola and Guinea.
  - India's top three exports to Africa are mineral fuels and oils (processed petroleum products), pharmaceutical products and vehicles. Mineral fuels and oils, (essentially crude oil) and pearls, precious or semi-precious stones are the top imports accounting for over 77% of India's imports from Africa.
  - India's cumulative investments in Africa stand at US \$70 billion. Lines of Credit (LoCs) worth US \$12.26 billion have been extended to African countries that significantly impacted the development. For instance, India's irrigation project in Senegal led to a six-fold increase in rice production.

#### THE AVERAGE COMPOSITION OF INDIA'S INVESTMENT IN AFRICA BY SECTOR, 2017-2019

India's investment in Africa has accelerated in recent decades and has been heavily concentrated in certain industries.

For example, transport, storage, and communication services account for just under half of that investment (44 percent). Manufacturing and financial, insurance, and business services roughly account for another third (35 percent).



SOURCE: Reserve Bank of India. (2021). Foreign Direct Investment data. Reserve Bank of India.

Source: Brookings Institution

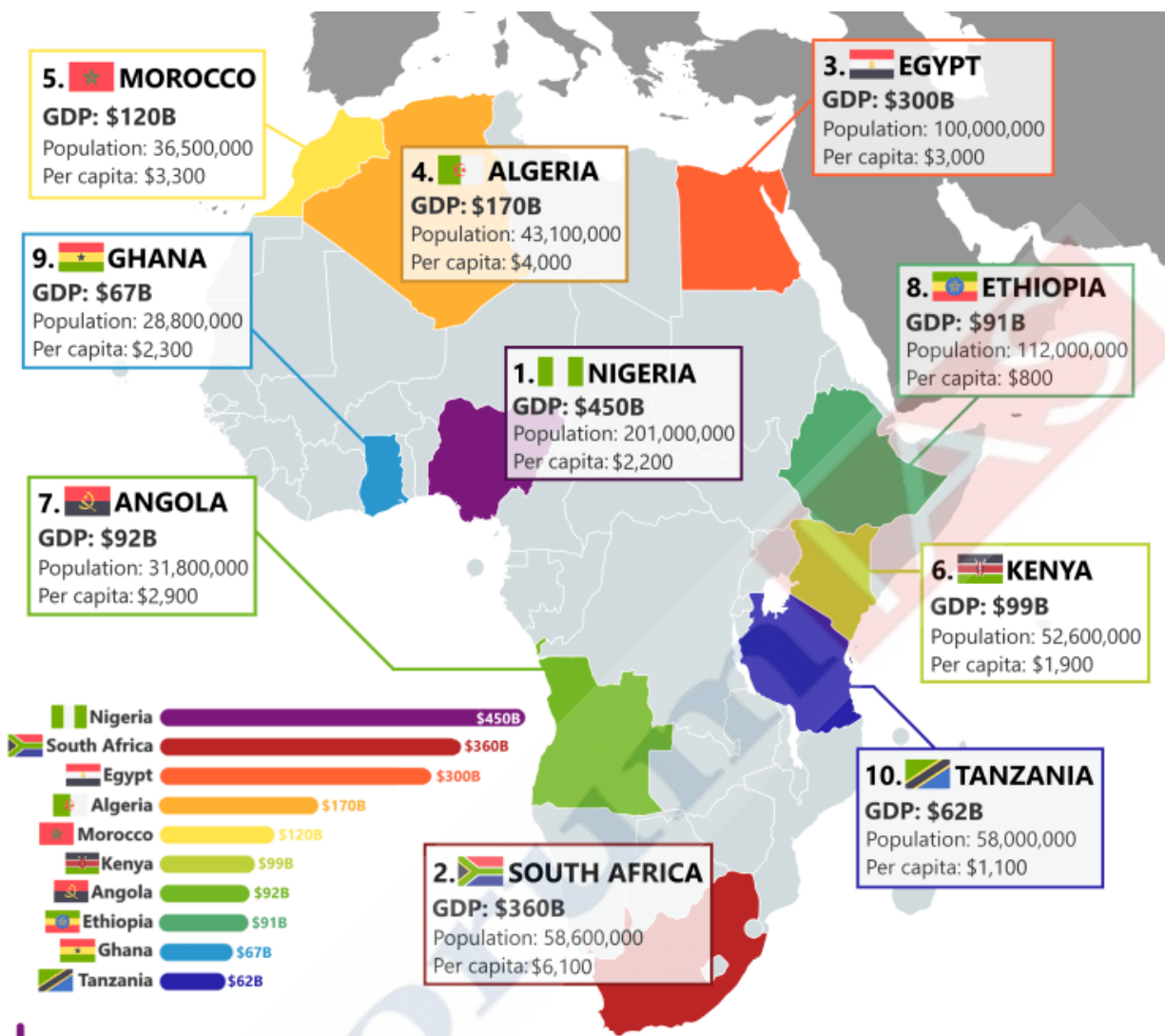
- **Social:** In 2017, under the Indian Council for Cultural Relations (ICCR), ~50,000 scholarships had been granted to African students over 5 years. The Indian Technical and Economic Cooperation (ITEC) program is assisting Africa in giving people opportunities to learn new skills and acquire knowledge through training programs.
- **Security:** Many African nations are members of the IORA (Indian Ocean Rim Association) that aims to strengthen maritime safety and security of the Indian Ocean. Similarly, the first-ever India Africa Defence Ministers Conclave (IADMC) was held in Lucknow, Uttar Pradesh in conjunction with DefExpo in 2020.
- **Digital Cooperation:**
  - The **Pan African e-Network**, launched in 2009, was a groundbreaking initiative to extend Indian expertise in IT to provide better healthcare and education facilities in 53 African countries. The second phase of this programme, **e-VidyaBharti and e-ArogyaBharti** (e-VBAB), was started in 2018. It aims to provide free tele-education to 4,000 African students each year for five years and medical education for 1000 African doctors, paramedical staff, and nurses.
  - India is leveraging its expertise in digital public infrastructure, such as the **Unified Payments Interface (UPI)** and **Aadhaar**, offering to share this technology to help African nations with their own digital transformations. Recently, Namibia became the 1st African country to implement India's revolutionary UPI interface for digital transactions.
- **International Cooperation:** India has been a strong advocate for a greater African voice in global governance. A major diplomatic victory was India's successful push for the **African Union's permanent membership in the G20** during its 2023 presidency. India also supports Africa's demand for a permanent seat on the UN Security Council. India and Africa have often held common positions at various global platforms and worked together to guard the interests of other developing countries. They have moved joint proposals, such as the Agricultural Framework Proposal and Protection of Geographical Indications, at the World Trade Organization (WTO) and World Intellectual Property Organization (WIPO).

### What is the significance of India-Africa Relationship?

#### 1. Huge Economic Potential:

- The African Continental Free Trade Area (AfCFTA) provides a wide scope to create the largest free trade area in the world by geography and an opportunity to lift 30 million people out of extreme poverty. It can help promote India-Africa bilateral trade and investment under AfCFTA.
- There are opportunities in services trade with Africa in the fields of Information Technology (IT), Mobile payment solutions, banking, and financial services. India's success in manufacturing vaccines and pharmaceuticals, and advances in telemedicine, can open up new opportunities in the pharmaceuticals and the healthcare sector.





## 10 largest economies in Africa

Source: International Monetary Fund, 2019  
United Nations, 2019 population

Top 10 Economies in Africa, 2019 estimates

**2. Infrastructure Development in the African Continent:** India has the world's third-largest start-up ecosystem. Thus, it could count on its strengths to fortify the digital infrastructure in Africa, thereby contributing to the achievement of the continent's Agenda 2063. The AfCFTA seeks to facilitate international supply chains for food, pharmaceuticals, and various other essential products. India can help in building important infrastructure for cross-border supply chains. It will help Indian industries to operate efficiently in Africa.

**3. Soft Power:** India commands a significant degree of soft power across the continent. It is amplified by the presence of Indian Diaspora in countries like Mauritius. This helps in building trust between the nations and effective implementation of joint projects. Women consist of 90% of Africa's labor force in the informal sector, engaged mainly in education, healthcare, and tertiary services. India's efforts in these areas under AfCFTA would enhance its brand image across the continent.

**4. Common Agendas:** Most African nations are developing in nature just like India which creates a common understanding on multiple issues. India and Africa share common grounds on reformation of the UNSC, Climate change agreements, Trade Issues and WTO negotiations etc.

**What are the challenges associated with India-Africa relationship?**

1. **Irregular High-Level Summits:** The **India-Africa Forum Summit (IAFS)**, which is the cornerstone of the diplomatic relationship, has been held irregularly. The last summit was in 2015, creating a significant gap in high-level political dialogue and momentum compared to other powers that hold regular summits with the African Union (e.g., China, the EU, the U.S.).
2. **Flaws in India's development strategy in Africa:** India is not actively pursuing any specific development goals. An assessment of India's development cooperation instruments (LoCs, grants, and capacity building projects like ITEC) reflect the absence of a plan for Africa. Indian LoCs have not been designed to achieve a larger development goal such as food security, health security, clean energy or education for all. There is no synchronisation between different development instruments. LoCs, grants and capacity building initiatives operate as standalone instruments of development cooperation, with almost no links with each other. As a result, the overall development impact of India's development cooperation is small and difficult to measure. Moreover, implementation has been a key constraint for Indian LoCs, with poor disbursement rates and project completion record.
3. **Increased presence of China:** China is a major competitor for influence in Africa, with its extensive investments in infrastructure under the Belt and Road Initiative (BRI). China's "no-strings-attached" policy and massive financial resources often give it an edge in securing large-scale projects and access to natural resources.
4. **Lack of Focus:** Geopolitical tensions in Asia and the imperative to consolidate its position in the Indo-Pacific region have compelled India to deviate from greater focus on the India-Africa relationship. Instead, India concentrated on its ties with the United Kingdom, the EU, and the Quad powers, particularly the US.
5. **Competition from Peers:** A dozen nations from America, Europe and Asia have come forward to assist Africa in resolving the continent's political and social challenges. It has created intense competition among nations, especially the United States, the European Union (EU), China, Japan and India. For instance, China is currently the second most popular destination for African students after France, which hosts about 95,000 African students. The poor quality of education in India restricts African students despite huge scholarships provided to them.
6. **Racial Attacks:** Incidents of racial attacks on African nationals have severely dented India's image. If untreated, this could be a potential source of tension between India and Africa and damage the goodwill India currently enjoys in the continent.

**What steps can be taken to enhance India-Africa Relationship?**

1. **Clear strategy for African development:** India should prepare a focused Africa strategy for the next decade and identify a few areas for closer cooperation. Targeting a few important areas like food and health security, climate change adaptation and gender equality will help improve development outcomes and make India's development cooperation programme more effective.
2. **Continue the current focus on capacity building:** A simple focus on building physical infrastructure and economic growth will not contribute to a stable and prosperous Africa. Investment in human capital is the key to development in Africa. The current focus on capacity building is in line with Africa's needs given the continent's huge youth population that need skills and jobs.
3. **Harness Indian civil society organizations, NGOs, and Indian diaspora:** The Government should explore greater collaboration with them to implement development projects in Africa at low costs.

Some Indian organizations like Pratham and Barefoot College are already playing an important role in Africa.

4. **Timely completion of projects:** Efforts must be made to expedite the LoC projects. Lessons should be drawn from other countries that have a much better record in implementation.
5. **Address concerns about academic experience in India:** India must make large-scale investments in domestic higher education sector to project itself as an education hub for neighboring countries and Africa.
6. **Improve the experiences of Africans in India:** Indian government should ensure that Africans studying or working in India are safe and enjoy their stay in the country. Efforts should also be made to educate Indians about Africa so that people-to-people connections between India and Africa flourish.

### Conclusion:

The future development partnership should be guided keeping in mind Africa's priorities. It should be on terms that are comfortable for Africa, liberate its potential and not constrain its future. India should cooperate with the African nations as per the Gujral Doctrine of **Generosity rather than Reciprocity**. More importantly, India's credibility as a Global South partner will rest not only on what it commits to but also on how consistently & collaboratively it follows through.

Read More: [The Hindu](#)  
UPSC GS-2: International Relations

## GST Reforms – Need & Challenges – Explained Pointwise

In his Independence Day speech, PM Narendra Modi announced ushering in of the next generation GST reforms by Diwali this year. Combined with the new Income Tax Bill & the rejig of income-tax slabs in this year's Budget, these GST reforms will mark 2025 as a 'Watershed Year' for Tax Reforms – direct as well as indirect – in economic history of India.

### What is GST?

- Goods and Services Tax (GST) is an indirect, destination-based tax levied on the supply of goods and services in India.
- It was implemented on July 1, 2017, and replaced a complex web of multiple central and state taxes, aiming to create a single, unified national market.
- GST works on the principle of **"value addition"**. It's a multi-stage tax collected at every step of the supply chain, from manufacturing to the final consumer. The key mechanism is the **Input Tax Credit (ITC)**.
- GST has five main rate slabs: **0%, 5%, 12%, 18%, and 28%**.
- India follows a dual GST model:
  - **CGST** (Central GST) – for intra-state transactions
  - **SGST** (State GST) – for intra-state transactions
  - **IGST** (Integrated GST) – for inter-state or inter-country transactions
- The Group of Minister on rate rationalisation (set up in 2021) – has suggested a 2 slab structure for GST i.e. 2 slabs of 5% & 18% and a 40% rate for sin & demerit goods.

### What are the challenges faced by GST regime in India?

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1. **Multiple Tax Slabs:** Instead of a single, simple tax rate, India's GST has multiple slabs (0%, 5%, 12%, 18%, and 28%), along with special rates for certain goods. This complexity creates confusion and makes it difficult for businesses to correctly classify their products and services.
2. **Compliance Burden:** Extensive filing requirements (monthly, quarterly, annual returns), e-invoicing, and reconciliation of input tax credits (ITC) make GST compliance cumbersome. For small businesses with limited resources and expertise, this extensive documentation and online filing process is a significant financial and administrative burden – increasing their operational cost & need for professional help to file accurately.
3. **Exclusion of Key Sectors:** Petroleum, real estate, and alcohol are kept outside GST, resulting in a cascading effect and loss of potential efficiency.
4. **Centre v/s States:**
  - **Coordination between Centre & States:** Differences in priorities and political disagreements between the central and state governments delay decision-making and policy implementation.
  - **Revenue Concerns for States:** The GST system has limited the fiscal autonomy of states, as tax rates and policies are now decided by the GST Council. While the central government provided compensation to states for revenue losses for the first five years, the end of this compensation has created tension and financial strain for some states.
5. **Tax Evasion:** Despite the digital framework, tax evasion and fraud, including the use of fake invoices and fraudulent e-way bills, continue to be a significant challenge, leading to substantial revenue losses for the government.
6. **Technological Hurdles:** The GST system is heavily reliant on a digital infrastructure (GSTN). Many small and rural businesses lack the necessary IT infrastructure, digital literacy, and access to affordable accounting software to comply with the online filing requirements.

#### Why is the need to rationalize the GST tax slabs?

1. **Simplification & Ease of Compliance:** The multiple tax slabs in the current GST regime makes classification complex for businesses and administrators. It leads to constant legal disputes between taxpayers and tax authorities over which category a specific product or service falls into. For example, a food item might be taxed at 5% if it's "unbranded" but at 12% or 18% if it's "branded" or processed. Fewer slabs help minimize ambiguity in product/service classification, lowering risks of misinterpretation, non-compliance, and litigation.
2. **Enhanced Efficiency:** A simpler structure makes filing, invoicing, and input tax credit reconciliation easier for taxpayers, especially MSMEs. Fewer slabs improve system efficiency and reduce technical glitches.
3. **Reduction in Tax Burden:** A simpler, two-slab structure (e.g. a "standard" and a "merit" rate) would significantly reduce the compliance burden, save administrative costs, and make the tax system more transparent and business-friendly. For e.g. the proposed reform to shift 99% of the items in the 12% slab to 5% tax rate, and 90% of the items in the 28% slab to 18% will substantially reduce the tax burden on most consumers.
4. **Prevent Tax Evasion:** With a large number of items set to be taxed at just 5%, the incentives for input tax credit scams & tax evasion will also be substantially removed.
5. **International Practice:** Most successful GST systems worldwide have 1–3 rates, helping tax administrators track and audit transactions more efficiently.
6. **Boost to consumption & economic growth:** By reducing taxes on common goods, especially those currently in the 12% and 28% slabs, the government can make these items more affordable for the



common person. This would increase disposable income and potentially stimulate consumption and demand, leading to higher economic activity.

#### What are the challenges to the rationalisation of tax slabs?

1. **Risk of Revenue Loss:** Any move to rationalize the slabs will inevitably result in some goods moving to a lower tax bracket. While this can boost consumption, it also risks a **short-term revenue loss** for the government, particularly for states (Two years ago, RBI had estimated that the avg GST rate was 11.6%, which is expected to fall substantially if 2 slab structure is adopted).
2. **Political Consensus:** Since the GST Council makes decisions by consensus, with states having a two-thirds voting share, it's difficult to get all states to agree to a plan that might negatively impact their fiscal health. The end of the GST compensation cess for states has made them even more cautious about any changes that could lead to revenue shortfalls.
3. **Classification & Fitment Issues:** Even with a reduced number of slabs, there will still be disputes over where a product or service should be placed. Tax authorities and businesses will have to decide whether to place a good in the "merit" (lower) or "standard" (higher) slab. This can lead to new legal battles and administrative complexities.
4. **Implementation & Technical Hurdles:** The entire GST network (GSTN) and the systems of millions of businesses are configured to the current tax structure. A major overhaul to the slab system would require a significant **technological and administrative exercise**. Businesses would need to update their accounting software and pricing, while the government would have to reconfigure the GSTN. This is a time-consuming and expensive process that could cause initial disruption and compliance challenges for many businesses, especially SMEs.
5. **Inclusion of Petroleum Products:** The tax cuts required for rationalisation of tax slabs will make it even more unlikely that petroleum products – a major source of States' revenues – will be included in the GST any time soon.

#### What can be the way forward with regards to rationalisation of tax slabs?

1. **Managing Revenue Loss:** To address states' concerns about a potential revenue shortfall, the government must ensure that any reduction in rates is offset by a **rise in consumption and improved tax compliance**. By making goods more affordable, especially those currently in the 12% and 28% slabs, demand is expected to increase, which could lead to higher overall tax collections in the long run.
2. **Correcting Inverted Duty Structure:** Rationalization offers a crucial opportunity to fix the inverted duty structure in many sectors where the tax on inputs is higher than on the final product. Aligning these rates will prevent the accumulation of **Input Tax Credit (ITC)** and improve the cash flow for businesses.
3. **Use of Technology:** Use technological improvements and compliance simplification to offset potential short-term revenue loss.
4. **Ensure Transparency & Clarity:** Provide long-term clarity on rates and policy direction to confidently support business planning and investment. Communicate changes transparently, including timelines and potential impacts on businesses and consumers.
5. **Monitor impact & Make data-driven adjustments:** Track demand, prices, compliance levels, and revenue after rationalisation. Make incremental or corrective changes if needed for growth and equity.

#### Conclusion:

Reforms to simplify the current GST regime must not only be limited to reducing the multiplicity of rates but should also be about making it easier & less-time consuming for tax payers to navigate the system, easing registration, simplifying returns & speeding-up refunds as well as addressing the issue of compliance &



classification. Therefore, rationalizing the multiple tax slabs is definitely a welcome step, but GST requires more comprehensive reforms.

Read More: [The Hindu](#)

UPSC GS-3: Economy – Tax Revenue

### New Sedition Law (Section 152) – Issues & Way Forward – Explained Pointwise

Recently, the Assam Police has issued a summon to the editor of a popular new agency under Section 152 of Bharatiya Nyaya Sanhita (BNS). Section 152 of BNS is aimed at protecting India's sovereignty, unity, and integrity by criminalizing acts or communications that promote or encourage secessionist, rebellious, or subversive activities against the State. However, this new provision also faces legal challenges regarding its vagueness and potential for misuse. The critics of Section 152 consider it as a rebranded version of the colonial-era sedition law – whose cases the Court had kept in abeyance since 2022.

#### What is Sedition?

- Sedition is the offense of promoting discontent or rebellion against the government. It was historically defined under **Section 124A of the Indian Penal Code (IPC)** as an act that brings or attempts to bring into "hatred or contempt" or "excites or attempts to excite disaffection" towards the Government of India. It was classified as 'cognisable' (No need of Court warrant to arrest the person) and a 'non-bailable' and 'non-compoundable' offence.
- The government has recently replaced the Indian Penal Code with the **Bharatiya Nyaya Sanhita (BNS)**. Under BNS, Section 124A has been repealed, but a new provision, **Section 152**, has been introduced. This new law, while not explicitly using the word "sedition," criminalizes acts that "endanger the sovereignty, unity and integrity of India." It focuses on actions like encouraging secession, armed rebellion, or subversive activities, and carries a punishment of up to seven years or life imprisonment.

#### What has been the history of Sedition Law in India?

- Sedition laws were first enacted in 17th century England. Later it was inserted into IPC in 1870. The section was introduced initially to deal with **increasing Wahabi activities** between 1863 and 1870. These activities posed a challenge to the colonial government.
- Some of the most famous sedition trials of the late 19th and early 20th century involved Indian nationalist leaders. The first among them was the **trial of Jogendra Chandra Bose** in 1891. He was the editor of the newspaper, *Bangobasi*. He wrote an article criticizing the Age of Consent Bill for posing a threat to the religion and for its coercive relationship with Indians.
- It was also used to prosecute **Bal Gangadhar Tilak** (for his writings in *Kesari*) in 1897. The other well-known case was **the sedition trial of Mahatma Gandhi** in 1922. Gandhi had called Sedition 'the prince among the political sections of the IPC designed to suppress the liberty of the citizen'.

#### What are the key judgements under the Sedition Law after Independence?

1. In 1951, the **Punjab High Court** had ruled Section 124A to be unconstitutional. A similar ruling was passed in 1959 by the Allahabad High Court, which also concluded that it struck at the very root of free speech.

2. **Kedar Nath Singh v State of Bihar, 1962:** The Supreme Court has upheld the constitutionality of Section 124A (sedition) on the basis that this power was required by the state to protect itself. However, it said that every citizen has a right to say or write about the government by way of criticism or comment. A citizen can criticize the government to the extent it **does not incite violence** against the government or with the intention of creating public disorder.
3. **P. Alavi vs State of Kerala, 1982:** The Supreme Court held that sloganeering, criticizing Parliament or Judicial setup does not amount to sedition.
4. **Balwant Singh v State of Punjab, 1995:** The Supreme Court acquitted persons from charges of sedition for shouting slogans such as 'Khalistan Zindabad'. The Court held that mere raising of slogans by two individuals alone cannot be said as sedition. Further, it is also not considered as an attempt aimed to excite hatred or disaffection against the government.

#### What are the criticisms of the New Sedition Law (Section 152)?

1. **Vague and Broad Language:** Article 152 criminalizes acts that "endanger the sovereignty, unity, and integrity of India." Critics argue these terms are vague and not clearly defined, giving law enforcement agencies excessive power to interpret the law subjectively. This ambiguity could lead to the criminalization of legitimate criticism of the government or public protest, a problem that plagued the old sedition law.
2. **A "Proxy" for Sedition:** Despite repealing Section 124A, the new law is seen by many as a modern-day substitute. By criminalizing "subversive activities" and encouraging "separatist activities," the law seems to target the same types of dissent as sedition, creating a "chilling effect" on free expression. The Supreme Court has even raised concerns about the "potentiality of abuse" of this provision.
3. **Lowered Threshold for Offense:** The new provision uses the word "**knowingly**" to criminalize acts. This is seen as lowering the bar for prosecution, as an individual can be charged even without a clear intent to incite violence or public disorder. This makes it easier to prosecute individuals for sharing content on social media or expressing opinions that authorities might deem provocative, even if the person's intent was not malicious.
4. **Suppression of Dissent:** As a cognizable and non-bailable offense, Article 152 allows for immediate arrests without a judicial warrant. Critics fear that this will be used to harass and intimidate journalists, activists, and political opponents, mirroring the misuse of the old sedition law where a large number of arrests were made, but very few led to convictions.

#### What are the arguments in favour of the New Sedition Law?

1. **Protecting National Sovereignty:** Proponents argue that the law is essential to counter threats to India's unity and integrity, such as armed rebellion, secessionist movements, and terrorism. They assert that in a diverse nation, a legal provision is required to deal with elements that actively work to destabilize the state.
2. **Modernizing the Law:** The new law is presented as a replacement for the colonial-era Section 124A, removing the outdated term "sedition" and shifting the focus from "disaffection towards the government" to acts that "endanger the sovereignty, unity and integrity of India." This change is seen as aligning the law more closely with contemporary national security concerns.
3. **Addressing New Threats:** Supporters point to the rise of social media and online propaganda, arguing that these platforms can be used by "adversarial foreign powers" and radical groups to incite hatred and violence. They claim that the law's expanded scope, which includes electronic communication and financial means, is necessary to combat these new forms of subversion.
4. **Preventing Misuse:** The Law Commission of India, in its 279th report, recommended retaining the law but with additional safeguards to prevent its misuse. It suggested that a police officer of a specific

rank should conduct a preliminary inquiry before a First Information Report (FIR) is registered. However, critics argue that the new provision still lacks sufficient safeguards.

5. **Distinguishing Dissent from Subversion:** Proponents argue that the law is not meant to curb genuine dissent or criticism of the government. They highlight the distinction between “disapprobation of the measures of the Government” (which is allowed) and actions that excite violence or separatism. The argument is that while criticism is vital for a democracy, acts that actively threaten the state must be criminalized.

#### What can be the way forward?

1. **Clearer & More Precise Definitions:** The most crucial step is for the legislature to provide clearer definitions for the vague terms used in the law, such as “*subversive activities*” and “*endangering the sovereignty, unity and integrity of India*.” A precise legal framework would help distinguish between genuine acts of secession or rebellion and mere criticism of government policies. This would provide police and courts with unambiguous guidelines, reducing the potential for arbitrary application and misuse.
2. **Safeguard Against Misuse** = To prevent the law from being used to harass journalists, activists, and political opponents, institutional safeguards are necessary:
  - **Senior Officer Approval:** One suggestion is to require approval from a senior police officer, such as a Superintendent of Police, before an FIR can be registered under this provision.
  - **Preliminary Inquiry:** Mandating a preliminary inquiry to determine if there is a prima facie case of inciting violence or public disorder would help filter out frivolous and politically motivated complaints.
3. **Judicial Interpretation & Oversight:** The judiciary will play a critical role in shaping the future of this law. The Supreme Court needs to revisit its landmark **Kedar Nath Singh** ruling and provide a more explicit and contemporary interpretation of the new provision. This interpretation should:
  - **Distinguish Advocacy from Incitement:** Clearly define the line between advocating for a cause (which is protected under freedom of speech) and directly inciting violence or public disorder (which should be criminalized).
  - **High Threshold for Guilt:** Establish a high legal threshold for conviction, ensuring that the law is used only in cases where there is clear evidence of a direct and imminent threat to national security.
  - Make custodial interrogation for journalists or those accused of non-violent dissent an absolute exception, upholding the Supreme Court’s recent observations.
4. **Institutional Periodic Review & Accountability:** Set up an independent oversight mechanism or periodic review committee (including representatives from judiciary, civil society, and academia) to monitor application and impact of Section 152, encourage accountability, and recommend reforms based on ground realities.

#### Conclusion:

A continued and transparent public and political debate about the law’s necessity is crucial. Engaging with civil society organizations, legal experts, and human rights groups can help build a consensus on how to protect national security without infringing on fundamental democratic rights. The government needs to demonstrate that the new law is a genuine step toward legal reform and not a mere rebranding of a colonial-era provision.

Read More: [The Hindu](#)  
UPSC GS-2: Polity



### Constitution (130th Amendment) Bill – Provisions & Criticisms- Explained Pointwise

The government has recently introduced Constitution (130th Amendment) Bill in the ongoing Monsoon Session. The Bill was introduced by the Union Home Minister in the Lok Sabha. It was passed by a voice vote & has been sent to the Joint Parliamentary Committee for further scrutiny. It faced strong protests from the opposition, which has called the Bill “**unconstitutional**,” “**undemocratic**,” and a “**draconian**” move.



Source: Live Law

#### Introduction:

- The 130th Constitutional Amendment Bill (2025) proposes to provide a legal framework for the removal of the **Prime Minister, Chief Ministers, and other ministers** from office if they are arrested and detained for a continuous period of **30 days** on charges that carry a prison term of five years or more.
- The Bill is a significant proposal which is aimed at enhancing the accountability among top executive positions in India.
- Introduction of the Bill is actually triggered by recent high-profile cases where incumbent CMs and Ministers (e.g. in Tamil Nadu, Delhi, and Jharkhand) were jailed but continued in office.
- The Bill amends the following provisions:
  - **Article 75** – Relates to the Prime Minister and Union Ministers.
  - **Article 164** – Covers Chief Ministers and State Ministers.
  - **Article 239AA** – Deals with the governance of the National Capital Territory of Delhi and its ministers.
- The Bill allows for the reappointment of ministers or chief ministers after release, ensuring it is not a permanent bar but a temporary preventive measure.

#### What are some of the important provisions of the 130th Constitutional Amendment Bill?

1. **Automatic Removal of Ministers Facing Serious Criminal Charges:** The Bill states that if a minister is arrested and held in continuous detention for 30 days for an offense that carries a prison sentence of five years or more, they will automatically be removed from their position on the 31st day:
  - The **President** (on advice of PM or directly) must remove a Union Minister or the Prime Minister.
  - The **Governor** (on advice of CM) must remove State Ministers.
  - The **Governor** (directly) must remove a Chief Minister.
  - For Union Territories (including Delhi and J&K), similar removal provisions will apply under amended Articles and relevant laws.
2. **Targeted Offices:** The Bill applies to the Prime Minister and Union ministers at the central level, as well as Chief Ministers and state ministers in states and Union Territories.
3. **Focus on Detention, Not Conviction:** A core and highly debated aspect is that the minister's removal would be based on the duration of their detention, **NOT** on a final conviction in a court of law. The Bill's "statement of objects and reasons" claims this is necessary to uphold constitutional morality and public trust in governance.
4. **Provision for Reappointment:** The Bill does not prevent a minister who has been removed from being reappointed to the same office once they are released from custody, regardless of whether they have been acquitted.

#### What was the need for introducing such a legal framework?

1. **Upholding Constitutional Morality:** The government's "statement of objects and reasons" for the Bill argues that elected representatives are expected to act in the public interest and maintain a character "*beyond any ray of suspicion*." It states that a minister who is arrested and detained on serious criminal charges may "thwart or hinder the canons of constitutional morality." Therefore, the Bill is needed to ensure that such individuals do not continue to hold a position of public trust.
2. **Addressing a Constitutional Gap:** According to the government, there is currently no explicit constitutional provision for the automatic removal of a minister—including the Prime Minister or a Chief Minister—who is arrested and detained for a prolonged period on serious criminal charges. The Bill aims to create this legal framework by amending Articles 75, 164, and 239AA of the Constitution.
3. **Curbing Criminalization of Politics:** By setting a clear standard for removal from office, the government argues that the Bill is a step towards reducing the criminalization of politics. It is meant to ensure that leaders facing grave allegations of criminal offenses cannot continue to govern from jail for e.g. Delhi CM continued as the CM from prison.
4. **Drawing a Parallel with Bureaucrats:** Proponents have drawn a parallel to the service rules for government employees. They argue that if a civil servant is suspended after being in custody for a short period (e.g. 48 hours), a higher standard of morality should be expected of elected public servants. They contend that ministers are also "public servants" and must withdraw from office if arrested, even if for a temporary period.
5. **Prompting Accountability:** Supporters believe that a 30-day period of detention is sufficient time for an arrested minister to apply for bail and have their case heard. If a minister is unable to secure release, it is a sign that the charges are serious enough to warrant their removal from public office, at least until they are acquitted.

#### What are the criticisms of the provisions introduced by the 130th Constitutional Amendment Bill?

1. **Innocent Until Proven Guilty:** The most significant criticism is that the Bill fundamentally violates the principle of '*innocent until proven guilty*', a cornerstone of India's legal system and a core component of the right to a fair trial. The Bill punishes a minister by removing them from office based



solely on their detention, without a court having established their guilt. Critics argue this subverts the due process of law.

2. **Constitutional Morality:** Opponents argue that the Bill's claim of upholding "constitutional morality" is an excuse to bypass established legal principles. They contend that the Constitution already has provisions for the impeachment of a Prime Minister and that the Bill introduces a new, unconstitutional mechanism.
3. **Targeting Political Opponents:** A key fear is that the Bill could be weaponized by the ruling party at the Centre to destabilize opposition-ruled State governments. By using central investigative agencies, such as the Enforcement Directorate (ED) or the Central Bureau of Investigation (CBI), to arrest and detain a Chief Minister or a state minister for 30 days, the Centre could force their removal from office, leading to a political crisis.
4. **Lack of Safeguards:** The Bill has been criticized for not providing any safeguards against its potential misuse. The decision to arrest and detain is entirely in the hands of the investigating agency, which critics argue is not a neutral body.
5. **Conflict with Existing Laws & Judgements:** The Bill creates a direct conflict with existing legal precedents. For example, under the **Representation of the People Act, 1951**, a person is disqualified from holding office only upon a **conviction** for a serious crime, not upon arrest or detention. In the Lily Thomas Case, SC held that a conviction which carries a sentence of 2 years or more would result in the disqualification of a legislator from holding public office & contesting elections from the date of conviction. Thus, the Bill's provisions would create a separate, lower standard for ministers.
6. **Arbitrary Detention Period:** The choice of "30 days" is seen as arbitrary. Critics argue there is no legal or logical basis for this specific duration, and it appears to be a number chosen to align with the standard period for judicial remand. This makes the law seem like a tactical, rather than a principled, reform.

#### Conclusion:

Even though the Bill aims to address some of the very important issues like political corruption & criminalization of politics as well as seeks to enforce the constitutional morality, however, still some of the issues raised by the opposition leaders & critics should also be addressed. The Bill should not become an excuse to further weaponize the central agencies by the Central govt to target the opposition ruled states.

Read More: [The Indian Express](#)  
UPSC GS-2: Polity

### Ending Global Hunger & India's Role – Explained Pointwise

The UN's recently released The State of Food Security & Nutrition in the World 2025 reports that 8.2% of the world's population was undernourished in 2024 i.e. 673 million people. This was down from 688 million people in 2023, however, it has still not reached to the pre-pandemic levels (7.3% in 2018). India has played a pivotal role in this global progress as the revised estimates of NSSO's household consumption survey shows that the prevalence of undernourishment in India has declined from 14.3% in 2020-22 to 12% in 2022-24.

#### What are the factors responsible for decline in hunger in India?

1. **Public Distribution System (PDS) Reforms:** India's PDS has undergone profound transformation. The system has been revitalised through digitalisation, Aadhar-enabled targeting, real-time inventory

tracking & biometric authentication. Introduction of Aadhaar-enabled targeting and the “One Nation One Ration Card” has increased entitlements and portability, reducing leakages and exclusion errors.

2. **Expansion of Food Security Programs:** Schemes like the National Food Security Act, PM Garib Kalyan Yojana, Poshan Abhiyan, and Integrated Child Development Services (ICDS) have improved food access and nutrition for vulnerable groups, especially children and pregnant/lactating women. PM-POSHAN & ICDS are now focusing dietary diversity & nutrition sensitivity, laying the foundation for long-term improvements in child development & public health.
3. **Economic Growth & Poverty Reduction:** While challenges persist, economic growth has led to falling poverty rates which enables greater affordability and access to food for many households.
4. **Targeted Schemes:** Schemes like PM POSHAN (mid-day meal) and local maternal/child health programs have addressed calorie sufficiency and improved nutrition outcomes.
5. **Empowerment of Women & Local Communities:** Supporting women-led enterprises, local cooperatives, and community involvement has helped address gender-based disparities and improve household food security.
6. **Technological innovations:** Use of digital platforms (AgriStack, e-NAM) has improved planning, market access, and transparency for small farmers, supporting rural food availability.

#### What are the challenges that remain?

1. **High Food Prices and Limited Access to Nutritious Foods:** The cost of a healthy diet in India remains unaffordable for over 60% of the population due to high prices of nutrient-dense foods, inadequate cold chains & inefficient market linkages.
2. **Malnutrition & Micronutrient Deficiency:** India faces the double burden of malnutrition: undernutrition (stunting, wasting, underweight) alongside rising obesity. Micronutrient deficiencies (“hidden hunger”)—iron, iodine, vitamin A—are widespread, affecting cognitive and physical development.
3. **Weak implementation of Nutrition Programmes:** Many states have gaps in implementing mid-day meals, ICDS, and other nutrition-focused schemes, especially in areas with high poverty ratios. Lack of fortified food and poor nutrition education diminish program impact.
4. **Supply Chain & Infrastructure Bottlenecks:** Post-harvest losses due to poor logistics, storage, and transport reduce food availability; up to 13% of food is lost before reaching consumers. Efficiency of the Public Distribution System (PDS) is still hampered by leakages and exclusion errors despite digital reforms.
5. **Urban Area’s Nutrition Problems:** Urban poor suffer both undernutrition and rising obesity due to increased consumption of processed, calorie-rich but nutrient-poor foods.

#### What can be the way forward?

1. **Agri-food System Transformation:** Boosting the production & affordability of nutrient-rich foods such as pulses, fruits & vegetables and animal source products.
2. **Expand Public Distribution System (PDS):** Diversify PDS beyond cereals to include pulses, millets, and fortified foods. Accelerate technology-driven solutions like biometric authentication and GPS tracking to reduce leakages and improve targeting.
3. **Promote Nutrition-Centric & Inclusive Schemes:** Scale up and rigorously implement programs like Poshan Abhiyan, PM POSHAN (mid-day meals), and ICDS, ensuring coverage of maternal and child health. Launch mass campaigns to promote the consumption and production of locally adapted nutrient-rich foods including millets, pulses, indigenous vegetables, and animal products.
4. **Technological interventions:** Use platforms like AgriStack, e-NAM, and geospatial tools for agricultural planning, logistics, and targeted interventions. Invest in climate-resilient agriculture—

drought-resistant crop varieties, water-efficient irrigation, and sustainable farming—to buffer food supply against climate shocks.

5. **Improve supply chains & Reduce food wastage:** Upgrade storage, transportation, and cold-chain infrastructure to minimize post-harvest losses and ensure nutrient-rich food reaches vulnerable populations.
6. **Empower local communities & women:** India should further strengthen support for women-led food enterprises & local cooperatives, including FPOs, especially those cultivating climate resilient-crops, as these can enhance both nutrition & livelihoods.
7. **Promote Urban Food Security Measures:** Develop targeted programs for urban poor, including community kitchens, food banks, and urban agriculture initiatives.

#### Conclusion:

India's experience, especially as the leader of Global South, shows that reducing hunger is not only possible but that it can be scaled when backed by political will, smart investment, and inclusion. With just 5 years remaining to meet the targets of SDG, India should adopt the leadership role because the path to ending global hunger runs through India.

Read More: [The Hindu](#)  
UPSC GS-2: Hunger

### AI in Judiciary – Significance & Challenges – Explained Pointwise

Recently, the Kerala HC has published a set of guidelines for AI use by district judiciary. As the first policy in the country directly addressing AI use in judicial processes & setting out strict safeguards, it is timely. AI tools, from document translation to defect identification in filings, are expected to improve the speed & efficiency of our judicial system, however, the use of these tools are not without risks.

#### What is the significance of AI in Judiciary?

1. **Reducing Case Backlogs & Delays:** AI tools can assist with case prioritization, scheduling, and tracking. By analyzing case timelines and historical data, AI can predict which cases are likely to be delayed, allowing court staff to allocate resources more effectively.
2. **Promoting Accessibility & Inclusivity:** AI-powered tools like the **Supreme Court Vidhik Anuvaad Software (SUVACE)** can translate legal documents and judgments from English to various Indian languages, breaking down language barriers and making legal information more accessible to the public.
3. **Legal Research:** AI tools can analyze historical judgments, statutes, and legal texts to identify relevant precedents and legal arguments in a fraction of the time it would take a human. This helps lawyers to build stronger cases and judges to make more informed decisions.
4. **Predictive Analytics:** AI can analyze patterns in past judgments to provide predictive insights into potential case outcomes. This can contribute to a more consistent application of the law, reducing the element of subjective judgment in similar cases. However, this is primarily for informational purposes and does not determine the final ruling.
5. **Transparency & Public Trust:** Digital records and AI-powered dashboards improve transparency in judicial processes, enabling effective monitoring and public accountability. The e-Courts initiative and AI tools make court proceedings and orders more visible and easier to follow for the public.

#### What are the challenges?

1. **Biasness & Ethical Concerns:** AI can perpetuate prejudices found in historical legal data, leading to potentially discriminatory outcomes based on race, gender, or socioeconomic status. Bias in criminal risk profiling or sentencing recommendations can undermine the principles of justice and fairness.
2. **Accuracy & Reliability:** AI tools may produce inaccurate results, fabricate information (AI hallucinations), or generate fake legal citations and facts, which poses dangers for judicial decision-making. Dependence on unreliable or incomplete databases can further skew outcomes. For e.g. OpenAI's Whisper, an AI-powered speech recognition system, was reported to hallucinate entire phrases & sentences, especially when people spoke with longer pauses between words.
3. **Complexity of Legal Reasoning:** Human judgment in law involves nuanced interpretation, contextual understanding, moral reasoning, and empathy, which AI currently struggles to replicate.
4. **Human Rights & Due Process:** Replacing or heavily supplementing human judgment with algorithmic decision-making can threaten fundamental rights—such as the right to a fair trial and appeal. Over-reliance could reduce complex human experiences to mere statistics. At more structural level, AI risks reducing adjudication into rule-based interferences, overlooking the combination of human judgement, a specific context, and relevance of precedents that impact judicial decision making.
5. **Lack of Regulation:** India lacks comprehensive legislation or clear policy for regulating AI use in the judiciary; most existing rules are adapted from older laws not tailored for AI's complexities. As a result, courts in India have shown inconsistent approaches to AI adoption, with some encouraging cautious use and others, like Kerala High Court, banning AI tools from judicial decision-making.

#### What can be the way forward?

1. **Capacity Building:** Conduct nationwide training for critical AI literacy for judges, court staff, and lawyers to raise awareness, build digital literacy, and promote effective use of AI tools. In addition to capacity building to use AI tools, programmes are also required to understand the limitations of the systems deployed. Judicial academies & bar associations, in collaboration with AI governance experts, are well placed to facilitate such capacity building.
2. **Human Oversight & Judicial Discretion:** AI should be an assistive, not a substitute, tool—final decision-making authority must always remain with human judges. Require judicial officers to review and, if necessary, override AI-recommended outcomes when context or justice so demand.
3. **Develop Regulatory & Ethical frameworks:** Enact legislation and guidelines that define the permissible uses of AI in courts with emphasis on human rights, fairness, accountability, and explainability. Mandate regular audits and ethical reviews of AI tools used in judicial processes to ensure they are unbiased and transparent.
4. **Address Biasness Issue:** Use diverse, updated, and representative datasets for developing and training AI systems to minimize bias and errors. Continually monitor, validate, and retrain AI models to avoid perpetuating systemic injustice.
5. **Right to be informed:** Guidelines are needed to shape individual use of generative AI for research & judgement writing. If AI is used in adjudication process, litigants must have a right to be informed. Similarly, litigants & lawyers have a right to know if AI is being used in certain courtrooms. Litigants may be allowed to optout of pilots or fully-deployed AI if they have any concerns about safeguards or human oversight.
6. **Experts' help:** Dedicated specialists of AI in courtrooms can give the courts clearer guidance in adopting AI tools as part of comprehensive planning. Vision Document for Phase-III of eCourts Project acknowledges the need to create technology offices to guide courts in assessing, selecting, and overseeing the implementation of complex digital solutions like AI.



**Conclusion:**

Adoption of AI in judiciary is significant to make it more efficient, accessible & transparent, however, it should not eclipse the nuanced reasoning & human decision-making that is at the heart of the adjudicatory process.

Read More: [The Hindu](#)  
UPSC GS-2: Judiciary

**Jan Vishwas 2.0 – Provisions & Significance- Explained Pointwise**

Recently, the government has introduced Jan Vishwas (Amendment of Provisions) Bill, 2025 in the Lok Sabha. It seeks to amend 16 Central Acts in order to decriminalize & rationalise certain offences & penalties. This is the second Jan Vishwas legislation brought in by the government. The first, Jan Vishwas (Amendment of Provisions) Act, 2023, decriminalized 183 provisions in 42 Central Acts administered by 19 ministries/departments.

**What are some of the important provisions of the Bill?**

1. **Decriminalization of Minor Offenses:** The Bill proposes to decriminalize **288 provisions** across **16 central acts**. The primary focus is to remove imprisonment clauses for minor, technical, or procedural defaults. These offenses will now be handled through warnings or monetary penalties. For e.g. it proposes a fine of amount between Rs 10,000 to Rs 10 lakh instead of existing 3-months imprisonment for non-compliance of orders under the Electricity Act, 2023.
2. **Ease of Living & Doing Business:** The legislation aims to simplify **355 provisions** in total. This includes decriminalizing 288 provisions to foster ease of doing business and amending 67 provisions to facilitate ease of living.
3. **Rationalization of Penalties:** The Bill introduces a system of **proportional and graduated penalties**. It proposes that fines and penalties will **automatically increase by 10% every three years** to maintain a deterrent effect without needing new legislation.
4. **Adjudication Mechanisms:** The Bill introduces provisions for the appointment of **adjudicating officers** and appellate authorities to handle penalties through administrative processes. This is intended to **reduce the burden on the judiciary** and accelerate the resolution of minor offenses.
5. **Focus on First-Time Offenders:** For a significant number of offenses (76 offenses across 10 Acts), the Bill proposes to issue a **'warning' & 'improvement notice'** for the first-time offenders. This shifts the focus from "penalize on first detection" to a "warning-correct-penalize" model.
6. **Amendments to Specific Acts:** The Bill proposes amendments to various laws, including the **Motor Vehicles Act, 1988**, the **New Delhi Municipal Council Act, 1994**, and the **Drugs and Cosmetics Act, 1940**. For example, it proposes to simplify vehicle registration and provide a grace period for driving license renewals.

**What was the need for Jan Vishwas 2.0?**

1. **Over-criminalization of minor offences:** Many central laws in India continued to prescribe criminal penalties—including imprisonment—for minor, technical, or procedural violations, such as small paperwork errors or trivial acts. Research showed that over 75% of criminal provisions regulate areas outside core criminal justice, creating unnecessary legal hurdles and fear among businesses and citizens.
2. **Hindrance to Ease of Doing Business & Living:** Harsh punishment provisions had a chilling effect on entrepreneurship, innovation, and daily life, slowing business processes and discouraging honest



actors due to the threat of jail for inadvertent mistakes. For example, a 2022 Report by Observer Research Foundation found out that out of the 1536 laws that govern doing business in India, more than half carry imprisonment clauses & more than half of the clauses requiring imprisonment carry a sentence of at least one year. Reducing these risks supports India's ambition to be a global investment and manufacturing hub, and aligns with the "Make in India" initiative.

3. **Reducing Judicial Burden:** Courts were clogged with cases arising from minor offences, leading to unnecessary pendency and diverting resources from serious legal matters. According to National Judicial Data Grid, there are more than 3.6cr pending criminal cases in India's district courts & more than 2.3cr of which are more than 1 year old. The first Jan Vishwas Bill was introduced with the aim to reduce the undue pressure on the justice system, reduce the pendency of cases & help in more efficient & effective justice dispensation.
4. **Modernizing Outdated Regulations:** Many laws still carried colonial-era, outdated provisions irrelevant in today's technological and business environment. Jan Vishwas 2.0 aims to update laws to serve contemporary needs and embrace technology-driven compliance.
5. **Support for 'Minimum Government, Maximum Governance':** The Bill reaffirms the government's commitment to remove outdated laws, support entrepreneur-friendly reforms (Make in India), and align India's regulatory environment with global standards.

#### Conclusion:

The goal of Jan Vishwas is to create a more business-friendly environment & promote ease-of-living by eliminating unnecessary legal hurdles & simplify the regulatory landscape. Hence, it is a significant step towards achieving the target of 'Minimum Government, Maximum Governance'.

**Read More:** [The Indian Express](#)

**UPSC GS-2: Polity – Important Bills & Legislations**

### Online Gaming Act, 2025 – Provisions, Significance & Challenges – Explained Pointwise

Recently, the Parliament has passed the Promotion & Regulation of Online Gaming Bill, 2025, that aims to regulate 3 categories of online games – e-sports, social gaming & RMGs (Real Money Games). While the Act aims to promote e-sports & social gaming segments, it seeks to ban all forms of RMGs & its advertisement. The Promotion and Regulation of Online Gaming Act, 2025, is a landmark piece of legislation that seeks to establish a comprehensive legal framework for India's online gaming sector.



Figure 1. Source- The Hindu (Copyright infringement not intended)

#### What are the important provisions of the Online Gaming Act?

##### 1. Categorization of Online Games:

- a. **e-Sports:** Games officially recognized under the National Sports Governance Act, 2025. They are played as competitive events with outcomes determined by skill factors like dexterity and strategy, and they do not involve betting or wagering.
- b. **Online Social Games:** There is no legal definition of the social gaming. However, these are games played for recreational or educational purposes. They do not involve monetary stakes or the expectation of winning money, though they may have a subscription or access fee.

- c. **Real Money Games (RMGs):** These are defined as games played with stakes involving money, credits, or other convertible tokens, with the expectation of a monetary return. The Act explicitly states that this definition applies regardless of whether the game is based on “skill, chance, or both.” This is a major departure from previous judicial precedents that differentiated between the two.
2. The Act imposes a **complete ban** on the offering, operation, and facilitation of all online money games in India. This is the most significant provision and has major implications for the real money gaming (RMG) industry, which includes platforms for fantasy sports, poker, and rummy.
3. The Act also prohibits:
  - a. **Advertising:** It criminalizes any form of advertisement, direct or indirect, that promotes online money games.
  - b. **Financial Transactions:** It bars banks and other financial institutions from processing or facilitating any financial transactions related to online money games.
4. **Promotion of e-Sports & Social Gaming:** In contrast to its restrictive stance on RMGs, the Act actively promotes the development of e-sports and online social gaming. It provides a legal framework for the government to:
  - a. Recognize and register e-sports as a legitimate competitive sport.
  - b. Establish training academies, research centers, and incentive schemes for the e-sports sector.
  - c. Encourage the development of educational and recreational social games.
5. **Establishment of Regulatory Authority:** A **central authority** will be constituted to oversee categorization, registration, and ongoing regulation of online games and gaming platforms. The authority is empowered to issue codes of conduct, guidelines, classify games, and address public grievances related to gaming.
6. **Penalties & Enforcement:** The Act prescribes stringent penalties for violations:
  - a. **For Operators:** Offering or facilitating online money games can lead to a prison term of up to three years, a fine of up to ₹1 crore, or both.
  - b. **For Advertisers:** Promoting such games can result in a two-year jail term and a fine of up to ₹50 lakh.
  - c. **For Financial Institutions:** Facilitating related financial transactions can lead to a prison term of up to three years and a fine of up to ₹1 crore.
7. **Warrantless Powers:** The Act empowers authorized officers to conduct searches and make arrests without a warrant in suspected cases, and the offenses are classified as cognizable and non-bailable under Bhartiya Nagarik Suraksha Sanhita (BNSS).

#### What is the need for the Online Gaming Act?

1. **Prevention of Financial Frauds & Money Laundering:** Real-money gaming platforms were increasingly used for financial crimes, tax evasion, and money laundering, sometimes even linked to terror funding. A Parliamentary Panel Report (2023) stated that gaming portals have become agents for funding terror activities. A 2022 Financial Intelligence Report reported that online gaming firms had evaded tax of Rs 2000cr. Defense Ministry Think Tank found that the Chinese App, FIEWIN, have found evidence of use of mule accounts & cryptocurrency wallets.
2. **Protection of Vulnerable Groups:** The rise of addictive real-money games led to issues like gambling addiction, suicide, family breakdowns, and severe mental health problems, especially among youth and children. According to the govt, there is irrefutable proof that the algorithms of online gaming firms do not allow for any user to emerge as a net winner in the longer run. The Act aims to curb social harms and prevent exploitation of vulnerable groups through manipulative gaming practices.

3. **Address Regulatory Gaps & Enforcement Challenges:** Prior to the Act, there was no central legal framework governing online gaming, resulting in inconsistent regulation and loopholes for illegal betting platforms. Additionally, the gaming firms operate from offshore jurisdictions bypassing domestic laws, undermining state level regulations & presenting significant enforcement challenges in terms of extra-territorial jurisdiction & interstate inconsistencies.
4. **Blocking Payment Channels & Digital Transactions:** Financial institutions and payment gateways were often facilitating transactions for illegal betting and gaming, making enforcement difficult. The law was needed to explicitly prohibit and monitor such transactions.
5. **Clarity for Gaming Industry:** E-sports, social games, and skill-based games were suffering due to a lack of regulatory clarity, impacting legitimate entrepreneurs and the rights and safety of users. The Act brings clear distinction, promoting innovation while banning activities with proven social harm.

#### What are the challenges?

1. **Skill vs. Chance Distinction Ignored:** The blanket ban does not differentiate between games of skill (legitimate business, supported by courts) and games of chance (gambling), raising constitutional concerns under Article 14 (equality before law) and Article 19(1)(g) (right to trade).
2. **Industry and Startups at Risk:** The ban threatens approximately 2-4 lakh jobs and more than 2,000 gaming startups. Losses in FDI and investor confidence may exceed ₹25,000 crore, with a Rs 2 lakh crore ecosystem at risk.
3. **Tax Revenue Loss:** The government stands to lose significant tax and GST revenue (estimated ₹20,000 crore annually); closure of regulated platforms could reduce fiscal earnings.
4. **Push to Offshore and Illegal Platforms:** Banning regulated platforms may drive users to unregulated offshore or dark web gaming sites, exposing them to greater fraud, money laundering, and data theft risks.
5. **Poor Consumer Protection:** Loss of effective grievance redressal and safety mechanisms previously available on regulated Indian platforms.
6. **Implementation Challenges:** Effective policing of digital platforms across borders (offshore servers; VPNs) is difficult. Warrantless search and seizure powers granted to authorities may risk misuse.
7. **Central-State Jurisdiction Conflict:** Entries 34 & 62 of the State List in the 7th Schedule of the Constitution places the regulation & taxation of betting & gambling within the jurisdiction of State govt. The Act overrides existing state laws/regulations, intruding on state legislative competence which has traditionally governed gaming and gambling.

#### What can be the way forward?

1. **Distinguish between skill & chance-based games:** Amend blanket prohibitions to clearly differentiate skill-based gaming, which courts have recognized as legitimate, from gambling and games of pure chance. Permit regulated skill-based platforms under strict guidelines, allowing the sector to innovate and contribute to employment and tax revenue.
2. **Strengthen Regulatory Framework & Authority:** Establish a well-resourced central regulatory authority, with clear rules and transparent processes for registration, oversight, and dispute resolution. Ensure the authority is empowered to categorise games, conduct audits, and oversee consumer safety with industry and public input.
3. **Robust Consumer protection & Awareness:** Launch education campaigns addressing gaming addiction, cyber risks, and financial fraud for youth and vulnerable groups. Set clear protocols for grievance redressal, refunding user balances, and protecting user privacy and data.
4. **Enable Lawful Payments & Monitor Transactions:** Allow and monitor payment gateways for recognized legitimate games while strengthening blockades against illegal/offshore platforms.

Collaborate closely with RBI, payment processors, and FinTechs to detect suspicious transactions and prevent financial crimes.

5. **State-Centre Coordination:** Involve state governments in rule-making to resolve jurisdictional conflicts and harmonize enforcement. Set up consultative committees with representation from states, industry, and civil society for ongoing review and adaptation.

### Conclusion:

The Online Gaming Act is a significant step especially towards the protection & welfare of the consumers as the RMGs are linked to compulsive behavior, psychological distress, financial hardship & an overall disruption of family life (as per WHO). However, there are certain challenges which should be addressed timely & properly to effectively regulate the gaming sector in our country.

**Read More: [The Hindu](#)**  
UPSC GS-2: Polity – Imp Legislations

## 11 years of Pradhan Mantri Jan Dhan Yojana (PMJDY) - Progress, Impact and Challenges- Explained Pointwise

The launch of the Pradhan Mantri Jan Dhan Yojana (PMJDY) on August 28, 2014 was a **significant step by the government** in its concerted attempt to bring the **unbanked sections of the population** into the **ambit of the formal financial system**. The scheme this year has completed 11 years. The Prime Minister held that the scheme was paramount in **boosting financial inclusion** and **giving dignity to crores of people**, especially women, youth, and the marginalized communities.

In this article, we will look at the features of the scheme, the achievements of the scheme, the challenges it faces and the way forward for achieving better financial inclusion through this scheme.

### What are the features of Pradhan Mantri Jan Dhan Yojana (PMJDY)?

- Pradhan Mantri Jan Dhan Yojana (PMJDY) is **National Mission for Financial Inclusion** to ensure access to financial services, such as a **basic savings & deposit accounts, remittance, credit, insurance, pension** in an affordable manner.
- The Pradhan Mantri Jan Dhan Yojana was launched on August 28, 2014 under **National Mission on Financial Inclusion** & under the slogan, “*Mera Khata, Bhagya Vidhata*” (My Account, Fortune Maker). On the day of the launch of the scheme, banks **organised 77,892 camps** around the country, and **opened about 1.8 crore accounts**.
- **Objective of the Scheme:** The primary objective of this scheme is to **provide accessible banking services to all citizens**, particularly the underprivileged sections of society. It sought to bring poor & historically marginalised into the economic mainstream, enabling access to the formal banking system & ensuring they become stakeholders & beneficiaries of India’s growth story.

### Key Features of the scheme:

<b>Account Accessibility</b>	Pradhan Mantri Jan Dhan Yojana (PMJDY) aims to <b>ensure that every household has at least one bank account</b> .
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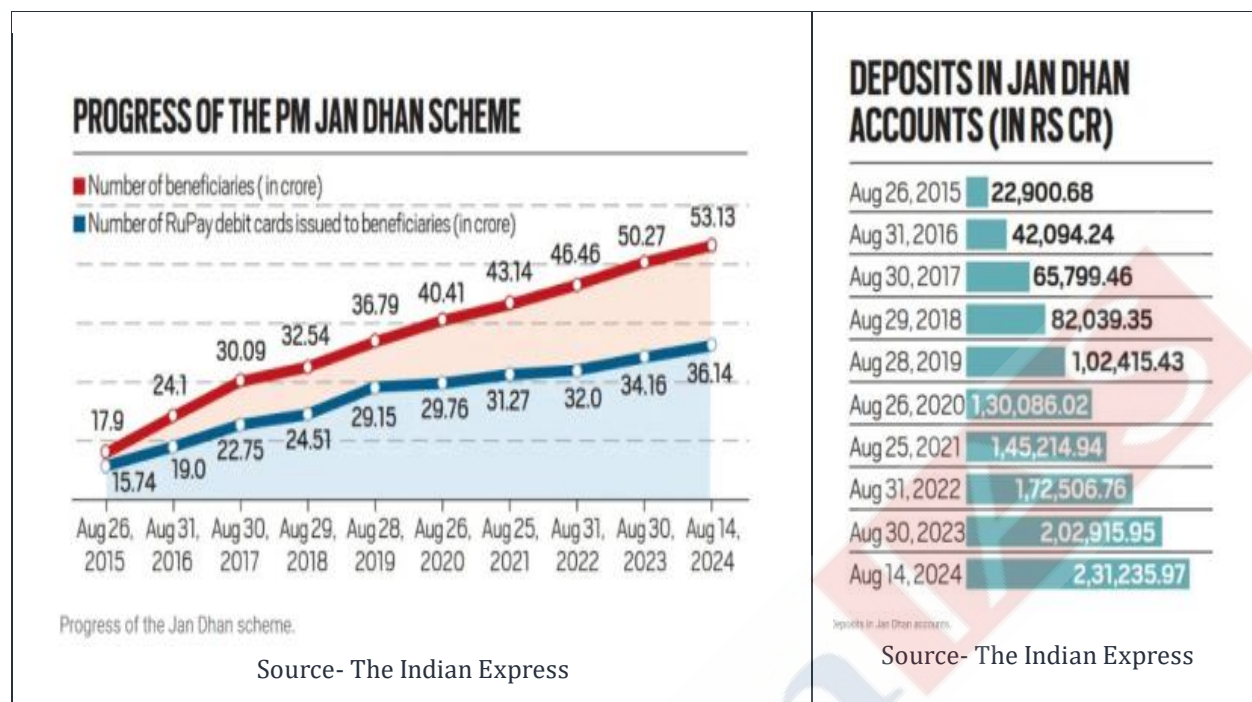


<b>Zero Balance Accounts</b>	The accounts under PMJDY <b>can be opened</b> without the <b>need for a minimum balance</b> . This makes it easier for low-income individuals to access banking services. These accounts earn interest on deposits like a regular account.
<b>Overdraft Facility</b>	The account holders are eligible for an <b>overdraft facility of up to Rs.10,000</b> . It is specifically aimed at women account holders.
<b>Accident Insurance Cover</b>	Accident Insurance Cover of <b>Rs.1 lakh</b> is available with Ru Pay card issued to the <b>PMJDY account holders</b> . It has been <b>enhanced to Rs. 2 lakh</b> to new PMJDY accounts opened after 28.8.2018.
<b>Direct Benefit Transfers</b>	PMJDY accounts are also eligible for <b>Direct Benefit Transfers (DBT)</b> , <b>Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)</b> , <b>Pradhan Mantri Suraksha Bima Yojana (PMSBY)</b> , <b>Atal Pension Yojana (APY)</b> , and the <b>Micro Units Development &amp; Refinance Agency Bank (MUDRA)</b> scheme.
<b>Financial Literacy</b>	The scheme focuses on <b>promoting financial literacy</b> among account holders.
<b>Bank Mitras</b>	The scheme <b>employs Bank Mitras</b> (bank representatives) to <b>enhance accessibility of the scheme</b> . These Bank Mitras <b>provide branchless banking services across the country</b> , especially in rural and remote areas.

### What has been the progress of the Pradhan Mantri Jan Dhan Yojana (PMJDY)?

**1. Large number of new bank accounts:** As per the latest data, a staggering **53.1 crore accounts** have been opened under the scheme. This includes **29.56 crore women** beneficiaries account. The **number of bank accounts opened in the PMJDY is more than the population of the European Union**, and almost the same as the population of the United States.





2. **Bank accounts bank wise:** The largest share of PMJDY accounts is with public sector banks.

- Public Sector Banks- **41.42** crore accounts
- Regional Rural Banks- **9.89** crore accounts
- Private sector banks- **1.64** crore accounts
- Rural Cooperative Banks- **0.19** crore accounts

3. **State wise analysis of accounts under PMJDY:**

- Most of the accounts have been opened in **Uttar Pradesh (9.45 crores)** and the least has been opened in **Lakshadweep (only 9,256 accounts)**.
- **15 states apart from UP have more than 1 crore PMJDY bank accounts**– Bihar, West Bengal, Madhya Pradesh, Rajasthan, Maharashtra, Assam, Odisha, Karnataka, Jharkhand, Gujarat, Chhattisgarh, Tamil Nadu, Andhra Pradesh, Telangana, and Haryana.

**What is the impact and achievement of Pradhan Mantri Jan Dhan Yojana?**

1. **Banking to the unbanked:** The opening of **staggering 53.1 crore bank accounts** has promoted financial inclusion in the country. As per the World Bank's Findex database, **78% of Indian adults** (population with 15 years or more of age) had a bank account in 2021 as compared to 53% in 2014. According to EPW (2024), India's account ownership marked a historical growth rate of 26% between 2014 & 2017 – which can be attributed to the world's largest financial inclusion drive. This growth rate is 4 times more than the global account growth rate & 3 times more than the developing countries account growth rate in the same period.

2. **Narrowing of the Rural-Urban Financial access Gap:** Out of the total bank accounts opened under the PMJDY, **67% have been opened in rural/semi-urban areas**. This has helped in narrowing the gap in access to the formal banking system between rural and urban areas.

**3. Bridging the Gender Gap between financial access:** Out of the new accounts opened, roughly **56% of the new account holders are women**. This has helped bridge the gender gap in access to financial services.

**4. Expansion of Commercial Bank Infrastructure:** The opening of more than half a billion bank accounts has fueled demand for banking services. This has encouraged commercial banks to expand their infrastructure in recent years. **For Ex-**

Financial Infrastructure	2013	2023	%increase
Scheduled commercial banks Branches	1,05,992	1,54,983	46%
Number of ATMs	1,66,894	2,16,914	30%
Number of Points of Sale (POS) machines	10.88 lakh	89.67 lakh	82%

**5. Promotion of Direct Benefit Transfer (DBT):** The Jan Dhan Yojana as an integral component of the JAM trinity (Jan Dhan, Aadhaar and mobile), has **enabled the government to shift to a more efficient system for transferring benefits directly to beneficiaries**. As per government data, the **JAM trinity** has helped in **total cumulative transfers** of Rs **38.5 lakh crore**.

**6. Prevention of financial leakages:** The direct benefit transfer through the Jan Dhan accounts, has helped in prevention of financial leakages by weeding out ineligible or fake beneficiaries. **For ex-** According to RBI report, the DBT through Jan Dhan account as **resulted in a gain of Rs 3.48 lakh crore in the implementation of government schemes** including MG-NREGS and PM-Kisan.

**7. Support to citizens in times of distress:** The JAM architecture has been used by the government to provide support to citizens during times of distress. **For ex-** The **transfer of Rs 500 to 20 crore women Jan Dhan account holders** during the initial days of the pandemic.

**8. Promotion of Digital payments and Digital economy:** JAM framework forms an **integral part** of the **Unified Payments Interface (UPI)**, which has transformed the payment systems in the country. This has eased and increased banking transactions in the economy, leading to significant economic gains. **For ex-** Large share of low value transactions as part of the UPI, shows the ease of the ability of low income households, to engage in formal financial transactions in their daily lives.

**9. Significant positive externalities:** The impact of PMJDY has gone beyond just financial access, generating significant positive externalities. A 2022 study, 'Access to Banking, Savings & Consumption Smoothing in Rural India', found that access to banking improves consumption smoothing by alleviating savings constraints. A 2021 SBI Research report observed that higher PMJDY balances were associated with declines in crime rates, and that States with higher account penetration reported significant reductions in the consumption of intoxicants such as alcohol & tobacco.

### What are the Challenges with the scheme?

The Pradhan Mantri Jan Dhan Yojana (PMJDY) has made significant strides in promoting financial inclusion in India since its launch in 2014. However, several challenges continue to impede its effectiveness.

- 1. Account Dormancy and inactivity:** Despite the high number of accounts opened (over 53 crore by 2023), many accounts remain dormant and inactive. **For ex-** According to a report, ~86.3% of PMJDY accounts are operational. This suggests that a significant portion of accounts opened remain dormant.
- 2. Use as mule accounts:** There are concerns regarding the use of PMJDY accounts as mule accounts in fraudulent activities, such as **money laundering** or **storage of black money**. **For ex-** Reports of **large sums of money being deposited in dormant PMJDY accounts** raised concerns about the misuse **post-demonetization** in 2016.
- 3. Infrastructural Issues:** According to **KPMG report**, the **inadequacy of physical** and **digital infrastructure**, particularly in rural areas, has hindered the ability of account holders to perform transactions. **For ex-** Lack of bank branches or functional ATM in villages of states like Bihar and Uttar Pradesh.
- 4. Technological Barriers:** **Poor internet connectivity** and **inadequate banking technology** has affected the effective management of banking services for remote Jan Dhan account holders.
- 5. Lack of Financial literacy:** The lack of financial literacy among beneficiaries is a critical barrier in the effective implementation of Pradhan Mantri Jan Dhan Yojana (PMJDY). **For ex-** **Unawareness** about **overdraft facilities** and **insurance cover** provided for beneficiaries under PMJDY.
- 6. Duplication of Accounts:** The opening of multiple Jan Dhan accounts under different schemes **complicates data management** and **skews the understanding of the actual number of beneficiaries**.
- 7. Exclusion of Certain Populations:** Certain marginalized groups, including tribal populations and people living in extremely remote areas, remain excluded from the scheme due to social and geographical barriers. **For ex-** **Low Banking penetration** in the **tribal regions** of **Chhattisgarh** and **Jharkhand**.
- 8. Gender Disparity:** Women in some conservative rural areas are **less likely** to use **PMJDY accounts independently due to social norms**. This restricts their mobility and financial autonomy.

#### What Should be the Way Forward?

- 1. Enhancement of Financial Literacy:** Implementation of widespread financial literacy campaigns, in **partnership with local community leaders**, **NGOs**, and **educational institutions** will promote financial literacy and better use of Jan Dhan Accounts.
- 2. Encouragement of active use of accounts:** The active use of PMJDY accounts should be incentivized by linking them with various government schemes, subsidies, and benefits. **For ex-** Introduction of schemes where **account holders receive benefits** like **interest on savings**, **overdraft facilities**, or **cashback for digital transactions**.
- 3. Greater Integration of Financial Services:** The integration of financial services like **microcredit**, **pension**, **insurance products** with the Jan Dhan accounts will help in encouraging the active use of Jan Dhan accounts.
- 4. Improvement of Banking Infrastructure:** Expansion of the banking network, particularly in underserved rural and remote areas, by **setting up more branches**, **ATMs**, and **digital banking touchpoints**. Encouragement of the use of Business Correspondents (BCs) and mobile banking units to reach remote areas, will further deepen the process of financial inclusion.
- 5. Regular Monitoring and Feedback Mechanism:** Establishment of a **system for regular monitoring and evaluation of the PMJDY's progress**, and **collection of feedback from beneficiaries** to identify areas for improvement will ensure that the scheme adapts to changing needs.

**Conclusion:**

PMJDY has been a significant step towards financial inclusion that has democratized the access to payments & enabled millions to enter the digital economy. However, it should not be seen as a one-time achievement, rather, it should be used as a stepping-stone towards deepening the financial inclusion & unlocking the second-order effects that can truly transform the lives, livelihoods, and the pathways to shared prosperity.

Source: [The Hindu Business Line](#)

UPSC Syllabus- GS 3- Indian Economy (Financial Inclusion)

**Trump Tariff – Impact & Way Forward – Explained Pointwise**

Source-Mint

President Donald Trump signed an executive order on August 6 announcing the imposition of an additional ad valorem duty of 25% on Indian imports starting from August 27 for “directly or indirectly importing Russian oil”. This was in addition to the 25% reciprocal tariff that took effect on August 7. These tariffs are among the highest ever levied by the US on a major trading partner and target a wide range of products & are going to have a major impact on Indian economy & India-USA relationship in broader term.

**What are the key features of these tariffs?**

1. **50% Tariff Rate:** The tariff rate has been doubled to a flat 50% on most Indian goods, making this one of the highest general tariffs imposed by the US in recent years.
2. **Sectors impacted:** Major affected sectors include **textiles, gems & jewelry, footwear, furniture, chemicals, leather, and seafood**. These are labor-intensive industries, accounting for significant portions of Indian exports to the USA.
3. **Exemptions:** Steel, aluminum, copper, passenger vehicles, pharmaceuticals, and electronics are largely exempt. Shipments in transit before the cut-off, humanitarian donations, and informational materials like books are also spared under specific conditions.
4. **Implementation Timeline:** All Indian goods entered for consumption in the US after August 27 face the new tariffs, unless the shipment left India before that date and is cleared in the US before September 17.



**What are the reasons behind imposing these tariffs?**

1. **India's Acquisition of Russian Oil:** The US administration explicitly stated that the punitive tariffs are a response to India's large-scale importation of Russian crude oil, defying international efforts to isolate Russia economically. Indian companies, including government-backed refiners, have continued these purchases despite Western calls for sanctions.
2. **Lack of Progress in Trade Negotiations:** Negotiations for a bilateral trade agreement have stalled, and the tariffs are seen as a way to pressure India back to the negotiating table. By making it difficult for Indian goods to compete in the U.S. market, the U.S. aims to force concessions from India in other areas of trade.
3. **Trade Deficit:** US leadership has long argued that persistent trade deficits with other countries indicate unfair trade practices. While India's exports have grown rapidly, the US administration wants to 'level the playing field' and saw tariffs as a way to address perceived imbalances.

**What will be the impact of these tariffs?****1. Economic Impact:**

- a. **Decline in Exports:** The most immediate and direct impact will be a sharp decline in India's exports to the U.S. in the affected sectors. With tariffs as high as 50%, Indian goods will become prohibitively expensive for U.S. consumers and retailers.
- b. **Job Losses:** The tariffs disproportionately target labor-intensive industries like textiles, gems, and jewelry. This could lead to massive **job losses** in these sectors, affecting millions of workers and their families, particularly in rural and semi-urban areas.
- c. **Reduced GDP Growth:** A fall in exports and shrinking markets may dampen economic growth, with ripple effects through supply chains and supporting services for e.g. the textiles & apparel manufacturers in Tirpur, NOIDA & Surat have reportedly stopped production.
- d. **Impact on US Consumers & Businesses:** American consumers may face price hikes on affected Indian goods due to these tariffs, which may force U.S. buyers to shift their sourcing to other countries with lower tariffs, such as Vietnam, Bangladesh, and Mexico, which would benefit India's competitors.

**2. Geopolitical & Diplomatic Impact:**

- a. **Strained Relationship:** The tariffs could strain the strategic partnership between India and the U.S. While both nations have emphasized their shared values and common interests, the tariffs signal a growing economic and diplomatic rift over issues like trade imbalance and energy policy.
- b. **Reduced Influence:** The tariffs could reduce India's leverage in future trade negotiations with the U.S. The U.S. may use the tariffs as a bargaining chip to push for a more favorable trade agreement on its terms.

**3. Domestic Impact:**

- a. **Pressure on Domestic Market:** With export markets becoming less viable, affected industries will be forced to sell their products domestically. While this could help to lower prices for Indian consumers, it could also lead to oversupply and a further squeeze on profit margins for businesses.
- b. **Pressure on Government:** The Indian government will be under pressure to provide support to the affected industries. This could involve new financial packages, subsidies, or a push for a more comprehensive strategy to diversify export markets and boost domestic consumption.

**What can be the way forward?**

1. **Diplomatic Engagement & Non-Retaliation:** India has made it clear that it will not impose retaliatory tariffs. Instead, the focus is on maintaining open channels of communication with the U.S. The goal should be to convey India's national interest in purchasing Russian oil and to argue that the tariffs are not an effective or fair way to address the issue.
2. **Market Diversification:** Recognizing the risk of being overly dependent on a single market, India is accelerating its efforts to diversify its export destinations. This can be done by:
  - a. **Targeting New Markets:** The government is working on a "40-country outreach" to push exports, especially in the textile and apparel sectors, to new and existing markets in Europe, the Middle East, Latin America, and other regions.
  - b. **Leveraging FTAs:** India is actively pursuing and finalizing Free Trade Agreements (FTAs), such as the one with the UK and the European Free Trade Association (EFTA) nations, to make its exports more competitive in these regions.
3. **Boosting domestic resilience:** To cushion the impact of the tariffs on affected industries, the Indian government should focus on domestic reforms and support:
  - a. **GST Rationalization:** The government is considering a comprehensive overhaul of the GST system to simplify tax slabs and reduce the tax burden on businesses. This would help lower the cost of goods and stimulate domestic demand, offsetting some of the losses from exports.
  - b. **Financial and Policy Support:** The government should provide support to affected sectors through various measures, including credit lines, regulatory support, and the extension of duty-free cotton imports to maintain the cost-competitiveness of the textile industry.
4. **Addressing the issues stalling the progress on India-USA Trade Deal:** India remains firm on protecting farmers, fishermen, and MSMEs, refusing compromise on tariff reductions for agricultural and dairy imports. While, the US seeks more market access for American products such as apples, corn, soybeans, almonds, ethanol, and dairy. Solutions require a balanced approach to rural welfare and reciprocal concessions.
5. **Reform Trade Policies & Address Non-Tariff Barriers:** Imposition of tariff by a country with which India has trade surplus should push the government to bring out domestic reforms in trade policies & address the non-tariff barriers which have been the main contentious issue of several trade partners with India.
6. **Continued focus on Strategic Autonomy:** The tariffs have reinforced India's commitment to strategic autonomy. The government's message is that while the U.S. is a crucial partner, India will continue to make decisions that are in its own national interest. This includes maintaining its energy relationship with Russia and protecting its key sectors from external pressure. This approach signals to the global community that India will not be a junior partner in any alliance and will chart its own course based on its strategic needs.

**Conclusion:**

Thus, a balanced & phased approach to address issues stalling the trade deal, boosting domestic resilience & bringing domestic reforms should be followed by India while protecting the interest of Indian businesses especially of small & micro enterprises.

**Read More: [The Indian Express](#)**  
**UPSC GS-3: Economics**

## India-Japan Relationship – Significance & Challenges – Explained pointwise

PM Narendra Modi is visiting Japan for the 15th India-Japan Annual Summit. PM's visit will further consolidate the Special Strategic & Global Partnership between the two countries. In recent years, the India-Japan relationship has steadily expanded and deepened. Both India and Japan share a global vision of peace, stability and prosperity, based on sustainable development. They also share democratic values and commitment to human rights, pluralism, open society, and the rule of law underpin the global partnership between the two countries. The relationship is stable & deepening at a time of uncertainties around the world.

### How has the India Japan Relationship evolved?

- India and Japan share a historical close relationship that has existed since ancient times. The exchange is said to have begun in the 6th century when Buddhism was introduced to Japan. Indian culture, through the influence of Buddhism, has had a profound impact on Japanese culture. Throughout the various phases of history since contact began, the two countries have never been adversaries.
- After World War II, India and Japan signed a peace treaty and established diplomatic relations in April, 1952. This treaty was one of the first peace treaties Japan signed after World War II.
- India-Japan relationship has traditionally been strong particularly so since the beginning of India's **"Look East" Policy** in the 1990s. Japan was among the few countries that bailed India out of the balance of payment crisis.
- The India-Japan relationship was elevated to **'Global and Strategic Partnership'** in 2006. Strong bilateral trade and aid relations have expanded toward security-based relations.
- The relationship has been pursued with a new vigour since the visit by the Japanese Emperor and Empress in 2013 and the PM Shinzo Abe in January 2014. The relationship was further elevated to **'Special Strategic and Global Partnership'** in September 2014.
- Both India and Japan are looking to increase their presence in the Asia-Pacific, alongside the United States. Concerns regarding China's intentions in the region have led to strengthened trilateral cooperation, but none of these countries wish to threaten China with the developing partnership. Rather, policy and security coordination between these three countries can benefit the entire Indo-Pacific region.

### What is the current status of India Japan Relationship?

#### 1. Strategic and Defence Cooperation:

- The **Joint Declaration on Security Cooperation** between India and Japan was issued in October 2008. There are also various frameworks of security and defense dialogue between Japan and India including Foreign and Defense Ministerial Meeting (**'2+2' meeting**), Annual Defense Ministerial Dialogue and Coast Guard-to-Coast Guard dialogue. The first '2+2' meeting was held in November 2019.
- In September 2020, the Agreement concerning **Reciprocal Provision of Supplies and Services (RPSS)** between the Self-Defense Forces of Japan and the Indian Armed Forces was signed (**'Acquisition and Cross-Servicing Agreement'** or ACSA). ACSA enables **mutual logistics support**, including accommodation and food, during joint exercises and training. India is one of 5 countries with which Japan has an ACSA, along with Australia, Canada, the UK and the US. ACSA has enabled increased maritime security cooperation in the Indo-Pacific region.

- Indian and Japanese forces regularly hold joint exercises like **Shinyuu Maitri** (Air Force), **Dharma Guardian** (Army), **JIMEX** (Navy), **Sahyog-Kaijin** (Coast Guard) and **Malabar** (Navy, multilateral).
- India-Japan coordinate closely with US & Australia in QUAD to ensure a free, open, and inclusive Indo-Pacific.
- Both India and Japan support each other's candidature for permanent membership in UN Security Council's expansion. Japan supported India's inclusion to Missile Technology Control Regime and India joined the group in 2016. Strategic and Defence cooperation is a key dimension of India Japan relationship.

## 2. Trade:

- India and Japan signed Comprehensive Economic Partnership Agreement in 2011. The economic cooperation has made a rapid progress since 2014.
- Japan is regarded as a key partner in India's economic transformation. Japan's interest in India is increasing due to reasons like India's large and growing market and its resources.
- India Japan bilateral trade stood at US\$22.8 billion in 2023-24. In Apr-Jan 2024-25, trade reached \$21bn, demonstrating stability.
- India's primary exports to Japan have been petroleum products, chemicals, non-metallic mineral ware, fish & fish preparations, metalliferous ores & scrap, clothing & accessories, iron & steel products, and machinery etc. India's primary imports from Japan are machinery, electrical machinery, iron and steel products, plastic materials, non-ferrous metals, parts of motor vehicles, organic chemicals, manufactures of metals, etc.

## 3. Investments and Development Assistance:

- Japan is India's 5th largest source of FDI. Between 2000-2019, Japan has invested ~US\$ 32 billion. Japanese FDI into India has mainly been in automobile, electrical equipment, telecommunications, chemical, financial (insurance) and pharmaceutical sectors.
- Japan is the **largest bilateral donor for India**. Japanese ODA (Overseas Development Assistance) supports India's efforts for **accelerated economic development** particularly in priority areas like power, transportation, environmental projects and projects related to basic human needs.
- Several high-profile infrastructure projects crucial for India's economic transformation like the **Mumbai-Ahmedabad High Speed Rail**, the **Western Dedicated Freight Corridor** (DFC), the **Delhi-Mumbai Industrial Corridor** with 12 industrial townships, the **Chennai-Bengaluru Industrial Corridor** (CBIC) are being supported by Japanese assistance.

## 4. Digital Partnerships and Start-ups:

- '**India-Japan Digital Partnership**' (I-JDP) was launched in October 2018. In May 2018, both countries signed the Joint Statement on Japan-India Startup Initiative setting up the first Startup Hub in Bangalore.
- Collaboration in start-ups has emerged as a vibrant aspect under this Partnership. Till date Indian start-ups have raised more than US\$ 10 billion from Japanese Venture Capitalists (Softbank being the largest investor).

## 5. Science and Technology:

- The bilateral **Science & Technology Cooperation Agreement** was signed in 1985 and it underpins the bilateral S&T cooperation.
- The **India-Japan Science Council** (IJSC) was established in 1993. It has so far supported 250 joint projects. Several institutional agreements/MoUs in the areas of life sciences, material sciences, high energy physics, ICT, biotechnology, healthcare, methane hydrate, robotics,



alternative sources of energy, earth sciences, outer space etc. have been signed between the science agencies of both countries.

- The **India-Japan Agreement for Cooperation in the Peaceful Uses of Nuclear Energy** came into force in 2017.
- Both countries also have cooperation in the field of ICT, in areas such as 5G, telecom security, submarine fibre optic cables, smart-city technologies etc.
- Technology cooperation has also increased through the Quad and provided a new dimension to India-Japan relationship. Quad has established a critical and emerging technology working group, focused on technology principles, standards development, telecommunications, monitoring of technology trends, and critical technology supply chains.

#### 6. Skill Development:

- An MoC was signed in 2016 to train 30,000 shop floor leaders.
- Japanese companies have established 12 **Japan India Institute of Manufacturing (JIM)** in India and 4 Japanese Endowed Courses (JEC) in Indian Engineering Colleges.
- An MoC has also been signed on **Technical Intern Training Programme (TITP)**.

## Other Areas of India-Japan Cooperation

- **Healthcare:** In view of the similarities between the goals and objectives India's AYUSHMAN Bharat Programme and Japan's AHWIN, both sides had been consulting each other to identify projects for collaboration. Both sides have concluded a MoC to formalize cooperation in the field of Healthcare.
- **Act East Forum:** It was established in 2017 and aims to provide a platform for India-Japan collaboration under the rubric of India's '**Act East Policy**' and Japan's '**Free and Open Indo-Pacific Vision**'. The objective is to coordinate developmental projects in North-East India in areas of connectivity, forest management, disaster risk reduction and capacity building.
- **Supply Chain Resilience Initiative (SCRI):** The Trade and Economy Ministers of **India, Japan and Australia** launched the (SCRI) in April 2021. The initiative seeks to **enhance the resilience of supply chains** in the Indo-Pacific Region and to develop dependable sources of supply and to attract investment.
- **Disaster Risk Reduction:** India and Japan signed an MoC in the field of Disaster Risk Reduction in 2017. India and Japan have jointly organized a series of workshops to exchange information on policy and measures on disaster risk reduction.

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### What are the issues limiting India Japan Relationship?

1. **Relationship with Russia:** Japan has a strained relationship with Russia. India continues to pursue its strategy of 'multi-alignment' and 'strategic autonomy', balancing relations between the West and Russia. India remains heavily reliant on Moscow for the support of key capabilities in its armed forces. By contrast, Japan's interest lies in taking a united position against Russia to defend the rules-based order. The response of India and Japan to Russia's invasion in Ukraine is also in stark contrast. Japan also objected to Russia's holding of maritime component of Vostok-2022 exercises near **Kuril Islands**. India has participated in Vostok exercises.

2. **Limited Bilateral Trade:** Despite expansion in economic ties, the trade between India and Japan is limited and far below potential. Japan barely makes to India's top 15 trading partners. India-Japan bilateral trade is less than one-fifth of India-China trade.
3. On multiple global issues (especially issues related to developing vs developed nations gap) India and Japan end up on opposite sides. These include trade related aspects at the WTO like India's tariff structure on imports.
4. The Asia Africa Growth corridor has not achieved much so far. The joint infrastructure projects in Africa has remained limited in outcomes. Similarly, Japanese companies face considerable logistics challenges in their projects in India.

#### What steps can be taken to further deepen India Japan Relationship?

1. The governments of both countries should work together to remove bottlenecks hampering bilateral trade. Facilitating trade will help achieve its full potential. Trade can be the most potent pillar of India Japan relationship. As of now India-Japan trade is only ~5% of Japan-China trade.
2. Despite their differences on Ukraine issue, India and Japan must work together and effectively promote peace in the region. This will require continued exchanges, clear communication, skillful diplomacy and unwavering political will from both partner states with a dedicated focus on building trust.
3. Both the countries can work on strengthening industrial competitiveness which would also help building supply chain resilience. Moreover, Japan can support India's quest to become a global semiconductor chip manufacturing hub.
4. Japan should look at more ways to accept specified skilled workers from India and help boost the digitalisation process in Japan by using the Indian IT Professionals
5. There is a need to expand the partnership in the domain of Science and Technology like establishing a safe and reliable 5G network, building better space technology, renewable energy and green energy solutions (including green hydrogen), blockchain, Artificial Intelligence/Machine Learning (AI/ML) technologies.
6. The cooperation in the field of infrastructure can be extended to cooperate more in India's Northeast region. Japan can support development of India's connectivity projects with the South-East Asian nations. They should also work on building greater interconnectivity among ports in India, Japan and other friendly countries in the Indo-Pacific region. This will add a new multilateral dimension in India Japan relationship.

#### Conclusion:

India and Japan are great democracies and aim at the ideals of a value-based order. The need to form the rules-based order was needed to tackle Chinese assertiveness and expansionism in the Indo-Pacific region. Further, India and Japan aim to form a new security architecture which mainly covers maritime security and cooperation. Therefore the deepening of India Japan relationship is not only important for the two countries, but also for the Indo-Pacific region and will encourage peace, prosperity and stability for the world. It is time to consolidate this shared heritage and to cooperate for a better and more prosperous tomorrow & achieve the potential of the '**confluence of two seas**'.

**Syllabus:** GS II, India and its Neighbourhood relations

**Source:** [Indian Express](#), [Ministry of External Affairs](#), [ORF](#), [Ministry of Foreign Affairs, Japan](#)

## India-China Relations – Significance & Challenges – Explained Pointwise

PM Narendra Modi is visiting China after 7 years to attend the Annual SCO leader's summit. Since last year, India & China have worked mend bilateral ties that collapsed after the border clashes in Ladakh in June 2020. In this regard, let us understand the importance & challenges of India-China relations.



Figure 2. Source: Diplomatist

### What is the significance of India-China Relationship?

1. **Economic & Trade Importance:** China is India's **largest trading partner**, with bilateral trade reaching around **\$118 billion in 2024-25**, making economic ties vital for business, manufacturing, and supply chains. China supplies critical inputs to India such as **pharmaceutical APIs, rare-earth metals, solar modules**, and other key industrial components. Stable relations ensure India's access to essential resources for its **renewable energy and technology ambitions**.
2. **Geostrategic & Regional Stability:** Both countries are **major Asian powers** whose rivalry or cooperation impacts regional security in South Asia, the Indo-Pacific, and beyond. India-China stability reduces the chance of conflict in a sensitive region and contributes to peace in the **Himalayan and Indo-Pacific theatres**. Their relationship influences multilateral organizations like **BRICS and SCO**, shaping discourse on global governance, development, and economic reform.
3. **Global Governance:** India and China together form a powerful bloc advocating for the interests of developing countries and pushing for reforms in international institutions such as the **WTO, IMF, and UN**. Their cooperation helps **counterbalance Western influence** and provide alternative development and trade models.
4. **Collaboration & Global Challenges:** Stability between the two enables joint efforts against **transnational challenges** like climate change, public health emergencies, and energy security. Their combined leadership uplifts regional cooperation on issues with global impact.
5. **Historical & Cultural Ties:** Complex historical linkages, shared cultural heritage, and civilizational connections create a foundation for engagement beyond transactional relations.

### What are the challenges in the India-China Relationship?

1. **Border Disputes & Military Tensions:** The **unresolved Line of Actual Control (LAC)** remains the foremost challenge, with competing territorial claims in **Aksai Chin (controlled by China)** and **Arunachal Pradesh (administered by India)**. Repeated **border clashes and standoffs** in areas such as Galwan Valley (2020) and Doklam (2017) have resulted in casualties and heightened distrust. Lack of full demarcation and differing perceptions of the LAC fuel a fragile security environment.
2. **Strategic Rivalry and Regional Competition:** Both countries aspire to be dominant regional powers in Asia, often competing in South Asia, the Indian Ocean, and in multilateral platforms like BRICS and SCO. India perceives China's growing influence and infrastructure projects (e.g., **China-Pakistan Economic Corridor**) as a security threat.
3. **Trade Imbalance & Economic Friction:** Despite large bilateral trade, India suffers a **massive trade deficit** due to large Chinese exports and limited Indian market access in China. Non-tariff barriers, quality controls, and regulatory challenges sometimes hinder Indian business expansion into China.



4. **Political Trust Deficit & Nationalism:** Historical conflicts and border incidents generate mutual suspicion; nationalist sentiments in both countries exacerbate tensions. Domestic political narratives often portray the other as a threat, hampering efforts for full normalization.
5. **Geopolitical Alignments & External Partnerships:** India's closer ties with the US, participation in the Quad, and defense collaborations contrast with China's strategic rivalry with the US. This dynamic complicates India-China relations, leading to strategic skepticism on both sides.
6. **"String of Pearls" vs. "Necklace of Diamonds":** China's infrastructure investments and military presence in the Indian Ocean region, often referred to as its "String of Pearls" strategy, are seen as an attempt to encircle India. In response, India has pursued its own strategy, the "Necklace of Diamonds," by strengthening its naval ties and presence in key locations.
7. **China-Pakistan Nexus:** The close strategic and military relationship between China and Pakistan, particularly the China-Pakistan Economic Corridor (CPEC) which passes through Pakistan-occupied Kashmir (PoK), is a major security concern for India. China's military aid and support to Pakistan directly threaten India's security and sovereignty.
8. **Water Security:** China's control over the headwaters of several transboundary rivers, most notably the Brahmaputra (known as the Yarlung Tsangpo in China), raises concerns in India about its water security and potential for environmental harm.

#### What have been various initiatives to boost the relation?

1. **High-Level Diplomatic Engagements:** Regular bilateral summits and meetings between Prime Ministers and Presidents, including Modi-Xi meetings at SCO and BRICS summits in 2025. Visits by senior officials and foreign ministers to maintain ongoing dialogue and address border and trade issues.
2. **Border Management Mechanisms:** Establishment of confidence-building measures, such as **flag meetings, military hotlines, and border personnel meetings** to prevent escalation. Agreements on disengagement in conflict areas and protocols for peace and tranquility along the LAC.
3. **Reopening Border Trade Points:** Reopening of three Himalayan border trade points (Shipki La, Lipulekh, Nathu La) in August 2025 after five years, facilitating economic and cultural exchange. Encouragement of local border trade and cooperation to improve livelihoods in border communities.
4. **Expanding Economic & Trade Ties:** Efforts to ease trade restrictions and boost bilateral trade, including Chinese exports of critical inputs like fertilizers and rare earth minerals. Cooperation in multilateral economic forums such as BRICS, SCO, and G20.
5. **People-to-People & Cultural Exchanges:** Promotion of tourism, educational programs, and cultural exchanges to build mutual understanding. A key initiative has been the **resumption of direct flights** and the **Kailash Mansarovar Yatra**, a pilgrimage that was suspended after the 2020 border clash. These moves are aimed at rebuilding trust and fostering a sense of normalcy in the relationship.
6. **Strategic & Multilateral Cooperation:** Engagement in strategic dialogues through platforms like SCO and BRICS aimed at addressing global challenges together. Collaborative efforts in combating climate change, health pandemics, and regional security matters.

#### What can be the way forward?

1. **Maintain Peace & Stability at the Border:** Priority on **peace and tranquility along the Line of Actual Control (LAC)** through sustained disengagement, confidence-building measures, and renewed military dialogues. Joint mechanisms and working groups should be deepened to prevent misunderstandings and escalation.
2. **Expand & Deepen Economic Cooperation:** Gradually address bilateral trade imbalances by opening markets, easing non-tariff barriers, and promoting mutual investments. Foster strategic economic



partnerships in emerging sectors such as technology, green energy, infrastructure, and digital economy.

3. **Strengthen Multilateral & Regional Engagements:** Collaborate actively within regional forums like the Shanghai Cooperation Organisation (SCO), BRICS, and G20 to align on global challenges and projects of shared interest. Encourage dialogue on global issues like climate change, terrorism, and pandemics to build trust and joint leadership.
4. **People-to-People & Cultural Exchanges:** Promote tourism, educational exchanges, and cultural diplomacy to enhance goodwill and break stereotypes among the populations. Resume and increase direct flights and visa facilitation to boost cross-border connectivity.
5. **Manage Geopolitical Complexities & Strategic Autonomy:** India's approach of **strategic autonomy**, balancing relations between China, the US, and other global powers, should continue to guide foreign policy. Engage in selective cooperation while safeguarding national security interests and hedging against geopolitical risks.
6. **Innovate Track-II & Backchannel Diplomacy:** Encourage dialogue at academic, civil society, and business levels to complement official diplomatic channels and build shared understanding.

#### Conclusion:

India & China need to handle their **differences** through **peaceful discussions** bearing in mind the importance of respecting each other's **sensitivities, concerns & aspirations** & not allowing these **differences** to become **disputes**.

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