

# AXIA IAS ACADEMY



**DAILY NEWS  
ANALYSIS**



**APRIL 25**



**CONSISTENT  
COMPREHENSIVE  
AND CREDIBLE**



**UNIQUE AND BEST IN  
QUALITY**





# AXIA

## IAS ACADEMY

RISE ABOVE THE REST



**UPSC CSE CLASSES - PRELIMS + MAINS + INTERVIEW GUIDANCE**

- **EXPERT FACULTY & MENTORSHIP**
- **COMPREHENSIVE STUDY MATERIAL**
- **REGULAR TEST SERIES & EVALUATION**
- **CURRENT AFFAIRS & ANSWER WRITING FOCUS**
- **SMALL BATCH SIZES FOR PERSONAL ATTENTION**

**[axiaiasacademy.com](http://axiaiasacademy.com)**

**+91 6002-417488**

# After 2 years of suspense, RBI shuts Paytm Payments Bank

RBI said its continuation served no public interest and was detrimental to depositors' interests

Shweta Ghosh Menon Verma

MUMBAI

**T**he Reserve Bank of India (RBI) on Friday cancelled the licence of Paytm Payments Bank, more than two years after regulatory orders brought its operations to a halt, stating that its continuation served no public interest and was detrimental to depositors' interests.

"Consequently, Paytm Payments Bank is prohibited from conducting the business of 'banking' as defined in Section 5(b) or any additional business specified under Section 5 of the Banking Regulation Act, 1949, with immediate effect," RBI said in its order. The bank started operations in May 2021.

Payments banks were conceptualised as a separate category in 2005 to reach the under-banked and unbanked masses, accepting deposits of up to ₹2 lakh per customer, but they cannot lend.

To be sure, out of the 11 payments bank licences originally approved in 2005 and 2006, roughly half have either surrendered their licences or discontinued operations.

Following the exit of Paytm Payments Bank, India will have five such banks: Airtel Payments Bank, India Post Payments Bank, Fino Payments Bank, Io Payments Bank, and NSDL Payments Bank.

One97 Communications Ltd, Paytm's parent, said in a regulatory filing that as previously disclosed on 1 March 2024, it does not have any exposure to Paytm Payments Bank or any material business arrangements with the payments bank. "There is no direct financial impact on the company since, as previously disclosed, it had liquidated its investment in Paytm Payments Bank as of 1 March 2024," it said.

"I would not view the closure of a payments bank in the same way as the shut-down of a universal bank. The payments bank model was, to some extent, an industry and regulatory experiment, whose implications are different," Prasen Gangopadhyay, senior research analyst at Bernstein, told Mint. "Near-term sentiment could remain negative for the



Paytm exited Paytm Payments Bank's board representation in 2024, and has had no material business relationship with the entity since 1 March 2024

stock, even if the eventual business impact is less severe than the market initially assumes."

"One potential silver lining is that, without the payments bank structure, Paytm may have greater flexibility to pursue an NBFC (non-banking financial company) licence if it wants to deepen its lending presence," Gangopadhyay added. "There is no real middle path left for Paytm now. If the company wants to avoid recurring regulatory uncertainty, the most logical route would be to move into a recognized structure like an NBFC."

RBI said it will now make an application for winding up of the bank before the high court, adding that the payments bank has enough liquidity to repay its entire deposit liability upon

winding up of the bank. "The regulator said its decision to cancel the bank's licence was based on four factors. First, the affairs of the bank were conducted in a manner detrimental to the interest of the bank and its depositors. Second, the general character of the management of the bank is prejudicial to the interest of depositors as also the public interest. Third, it would serve no useful purpose or public interest in allowing the bank to continue. Finally, the bank failed to comply with the conditions stipulated in the payments bank licence."

"Paytm's core value today lies in payments distribution, merchant acquiring and loan sourcing, not in running a payments bank. In that context, exiting the licence can be strategically positive," Mohit Agarwal, executive director at Unaprise Investment Advisors, told Mint. "The key question investors may ask is why the licence was not surrendered earlier if the payments bank had already become non-core."

Another interpretation is that this could be a deliberate simplification move with fewer regulated entities, sharper focus on core businesses and lower compliance overhead, Agarwal added. "The regulatory intensity around banking entities is materially higher than around pure distribution businesses, so exiting that layer may improve focus."

Paytm has progressively distanced itself from Paytm Payments Bank, exited its board representation in 2024, and has had no material business relationship with the entity since 1 March 2024. The bank's management and board operate independently while Paytm remains only a shareholder.

shweta.g@liveint.com  
For an extended version of this story, go to liveint.com.

₹5.49 Cr  
RBI fine on Paytm Payments bank in October 2023

May 2021  
Month in which Paytm Payments Bank started

On the eve of the Union budget on 31 January 2024, RBI issued a directive that sent shares of One97 Communications Ltd, Paytm's parent, tumbling 20% the next day. It was one of the steepest single-day falls for the company since its 2021 listing. The regulator barred any addition of funds to Paytm Payments Bank accounts, wallets and FASTags (electronic toll collection system) after 15 March.

"I would not view the closure of a payments bank in the same way as the shut-down of a universal bank. The payments bank model was, to some extent, an industry and regulatory experiment, whose implications are different," Prasen Gangopadhyay, senior research analyst at Bernstein, told Mint. "Near-term sentiment could remain negative for the

- **Key Terms and Explanations**

- To understand the core of the issue, one must grasp the specific regulatory and financial vocabulary involved:
- **Payments Bank:** A "differentiated" bank that can accept demand deposits (up to ₹2 lakh) and offer remittances but **cannot lend** or issue credit cards. It is designed for financial inclusion.
- **Banking Regulation Act, 1949:** The primary legislation governing the banking sector. **Section 5(b)** defines banking as accepting deposits for lending/investment, while **Section 22** gives RBI the power to grant or cancel licences.
- **Winding Up:** The legal process of closing a company, liquidating its assets to pay off liabilities (depositors, in this case).
- **NBFC (Non-Banking Financial Company):** A company registered under the Companies Act that provides banking-like services (loans, hire-purchase) but does not have a full banking licence and cannot accept demand deposits.
- **KYC (Know Your Customer):** A mandatory process for banks to verify the identity and address of their clients to prevent money laundering and fraud.
- **FASTag:** An electronic toll collection system in India, operated by the National Payments Corporation of India (NPCI).

- **Main Arguments and Substantive Parts**

- The issue revolves around the **regulatory discipline versus fintech innovation** debate.
- **A. The Regulator's Case (RBI)**
- **Detrimental Operations:** RBI argued that the bank's functioning was harmful to depositors' interests.
- **Governance Failures:** The "general character of management" was found prejudicial to public interest, implying a lack of transparency or ethical oversight.
- **Persistent Non-compliance:** Despite a two-year warning period, the bank failed to adhere to the stipulated conditions of its licence.
- **B. The Market & Expert Perspective**
- **Business Model Viability:** Experts suggest the "Payments Bank" model was an experiment. Many failed because they couldn't lend, limiting their profitability.
- **Strategic Exit:** Some analysts see this as a "silver lining"—without the bank, Paytm can focus on being a pure distributor of financial services or transition into an **NBFC**, which has a clearer path to profitability through lending.
- **Minimal Contagion:** Since the bank has enough liquidity to repay depositors and the parent company (One97) has already impaired its investment, the systemic risk is low.



- **Historical Evolution of the Issue**

- The trajectory of payments banks reflects the shifting priorities of India's financial architecture:

- **2013-14 (The Inception):** The **Nachiket Mor Committee** recommended "Differentiated Bank Licences" to cater to the unbanked.

- **2015-16 (The License Boom):** RBI gave "in-principle" approval to 11 entities (including Paytm, Airtel, and India Post).

- **2017 (The Launch):** Paytm Payments Bank began operations, riding the wave of the 2016 demonetization.

- **2022-24 (The Crackdown):** RBI observed "material supervisory concerns," eventually banning the onboarding of new customers in 2022 and halting deposit operations in February 2024.

- **2026 (The Finale):** Permanent cancellation of the licence and initiation of winding-up proceedings.

- **Way Forward**

- **Transition to NBFC/SFB:** Payments banks with a clean track record should be encouraged to convert to Small Finance Banks (SFBs) to allow lending.

- **Proactive Supervision:** RBI should use **SupTech** (Supervisory Technology) to catch compliance lapses in real-time rather than waiting for years.

- **Financial Literacy:** Educating users that "Wallets" and "Banks" are different entities with different protection levels.

- **Previous Years' Questions (UPSC & APSC)**

- **UPSC Prelims (2016):** "Which of the following can be the functions of Payments Banks?"

- **UPSC Mains (2022, GS3):** "Is the digital economy a tool for financial inclusion or a source of financial exclusion? Discuss."

- **APSC Mains (2023, GS3):** "Explain the role of RBI as a regulator in the context of the growing Fintech sector in India."



**AXIA**  
IAS ACADEMY

AXIA COMPETITIVE EXAM CENTRE

### Payments Bank Ecosystem & Limitations



### Universal Bank



### THE CANCELLATION CAUSE

(RBI Order Analysis)



- Detrimental to Public & Depositor Interest Brought vaulibility
- Unsatisfactory Management Character
- Failure to Comply License Conditions



### MARKET IMPACT & NEW HORIZONS

#### One97 Communications

Minimal impact due to asset impairment in the Paytm market



Shift to NBFC model



### MULTI-DIMENSIONAL UPSC ANALYSIS

**SOCIAL**  
Financial Inclusion

**POLITICAL**  
Digital India push

**LEGAL**  
BR Act, 1949

**ETHICAL**  
Fiduciary Duty

**INTERNATIONAL**  
Money Laundering risks

**ECONOMIC**  
Fintech viability



### KEY TAKEAWAYS FOR UPSC



- Regulatory Paternalism
- Trust is a Public Good
- Evolution of Fintech Supervision



# High-powered panel formed to fix gaps between education and employment

**AUHONA MUKHERJEE**  
New Delhi, 24 April

The government has formed a high-powered Education-to-Employment and Enterprise (EEE) standing committee, headed by NITI Aayog chief executive officer, to recommend measures to bridge the gap between education and jobs, according to an order reviewed by *Business Standard*.

In the Budget 2026-27, the government proposed setting up the standing committee to position the services sector as a key priority under the government's 'Viksit Bharat' vision, to achieve a 10 per cent share in global services by 2047. The panel was tasked with identifying priority areas to boost growth, employment and exports, while also assessing the impact of emerging technologies, including artificial intelligence, on jobs and skill requirements, and recommending appropriate policy measures.

The newly formed committee includes secretaries from central ministries, such

as labour and employment, skill development and entrepreneurship, statistics and programme implementation and electronics and IT, according to the order. It also includes the secretaries of key departments, including commerce, economic affairs, higher education, school education and literacy, along with chief secretaries from the governments of Andhra Pradesh, Bihar, Maharashtra, and Uttar Pradesh.

The committee also includes representatives from industry bodies, such as the National Association of Software and Service Companies (Nasscom), Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce & Industry (FICCI), Federation of Indian Micro and Small & Medium Enterprises (FISME), Services Export Promotion Council (SEPC), and the Tiruppur Exporters' Association.

From the education sector, faculty from the Indian School of Business (ISB) and Shiv Nadar University are included in the committee.



## Connecting the dots

- NITI Aayog CEO to head the Education-to-Employment and Enterprise committee
- Mandate includes boosting jobs, exports, growth and assessing AI-led disruption
- Includes representatives from Nasscom, CII, Ficci, FISME, SEPC and academia
- To map high-potential services sub-sectors and flag policy, regulatory gaps

The Services division of NITI Aayog will be the secretariat for the committee.

According to the order, the committee will identify gaps between education (school, higher and skilling)

and employment, or enterprise, and recommend ways to ease transitions between them. It will map high-potential services sub-sectors for growth, jobs and exports, flag sector-specific constraints, and suggest policy and regulatory fixes.

The move comes amid rising concerns over a widening education-employment gap, with unemployment among graduates increasing even as industry flags persistent skill shortages.

Over two-thirds of unemployed Indians aged 20-29 years were graduates in 2023, with the share of degree holders among the unemployed rising sharply from 46 per cent in 2017 to 67 per cent in 2023, according to the State of Working India 2026 report released by Azim Premji University in March.

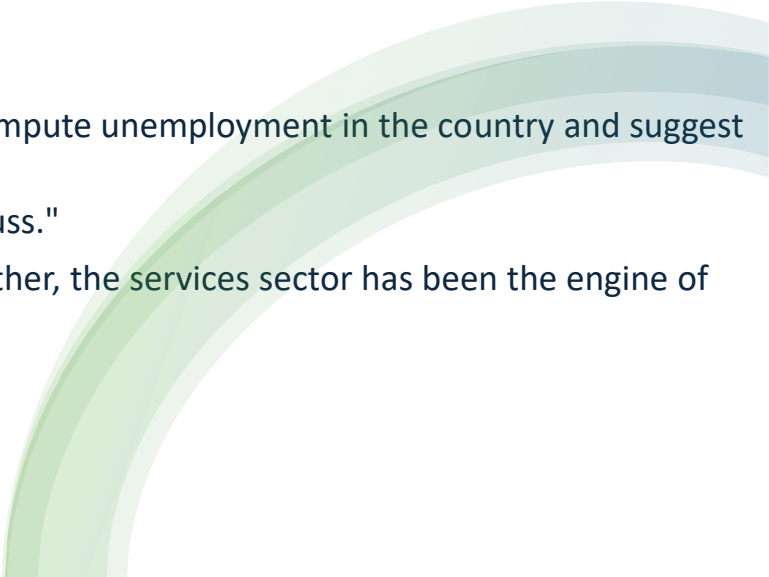
The committee will also examine emerging services export areas, recommend steps to improve access to global markets and skills, and suggest ways to attract skilled diaspora and foreign talent.

- **Key Terms and Explanations**

- **Viksit Bharat @2047:** The government's vision to transform India into a developed nation by the 100th year of independence.
- **EEE (Education-to-Employment and Enterprise):** A holistic lifecycle approach where the goal of education isn't just a degree, but immediate employability or the capacity to start a business (enterprise).
- **Standing Committee:** A permanent or long-term committee constituted for a specific purpose—in this case, bridging the "skill gap."
- **NITI Aayog:** National Institution for Transforming India; the premier policy think tank providing directional and policy inputs.
- **AI-led Disruption:** The shift in job markets where automation and Artificial Intelligence replace routine tasks, requiring "up-skilling" in complex problem-solving.
- **Services Sector:** The "tertiary" sector of the economy (IT, finance, health, tourism). The goal is to capture 10% of the global share.
- **Skill Paradox:** A situation where high unemployment exists alongside a high number of vacant jobs because candidates lack the specific skills industry requires.

- **Main Arguments and Substantive Parts**

- The core thesis is that **economic growth alone is insufficient if it is "jobless."** To achieve a developed status, India must synchronize its academic output with market demand.
- **The Problem of "Educated Unemployment":** Data shows a staggering rise in graduate unemployment (from 46% in 2017 to 67% in 2023). This suggests that the more "educated" a person is in the current system, the less "employable" they might be for modern industry.
- **Multi-Stakeholder Synergy:** The panel breaks "departmental silos" by bringing together IT, Labour, Education, and Industry bodies (Nasscom, CII).
- **Global Positioning:** The committee aims to make India a "Global Services Hub," targeting not just domestic jobs but exports and the integration of the Indian diaspora.
- **Technological Resilience:** Acknowledge that AI will change jobs; the focus is on "future-proofing" the workforce rather than resisting technology.

- **Historical Evolution of the Issue**
  - **Pre-Independence:** Education was largely administrative (Wood's Despatch, 1854), aimed at creating clerical staff for the British Raj.
  - **Post-Independence (1947–1990):** Focus on basic literacy and heavy engineering/technical education (setting up IITs). However, primary education lagged.
  - **Post-Liberalization (1991–2010):** The IT boom created a massive demand for engineers, leading to a mushrooming of private colleges, often at the cost of quality.
  - **Skill India Mission (2015):** The first major dedicated push to institutionalize vocational training.
  - **National Education Policy (NEP 2020):** Shifted the focus toward multidisciplinary learning and vocational integration from Class 6 onwards.
  - **Present (2026):** The EEE Committee represents the "last mile connectivity" between the NEP's ideals and actual market outcomes.
  
  - **Way Forward**
  - **Curriculum Overhaul:** Rapidly update university syllabi every 2 years in consultation with the industry bodies mentioned in the committee.
  - **Incentivizing MSMEs:** Provide tax breaks for small businesses that take on apprentices.
  - **Mental Health Support:** Career counseling must become a core part of the education system to manage the "aspiration-reality" gap.
  - **Focus on Soft Skills:** In an AI world, "human-centric" skills like empathy, leadership, and ethics will be more valuable than coding.
  
  - **Previous Years' Questions (PYQs)**
  - **UPSC CSE (Mains)**
  - **2023 (GS 3):** "Most of the unemployment in India is structural in nature. Examine the methodology adopted to compute unemployment in the country and suggest improvements."
  - **2020 (GS 2):** "The Quality of Higher Education in India requires major reform to make it globally competitive. Discuss."
  - **2016 (GS 3):** "Account for the failure of manufacturing sector in achieving the goal of labour-intensive exports. Rather, the services sector has been the engine of growth. Explain."
  - **UPSC CSE (Prelims)**
  - **2017:** Questions on the "Swayam" initiative and National Skills Qualifications Framework (NSQF).
- 

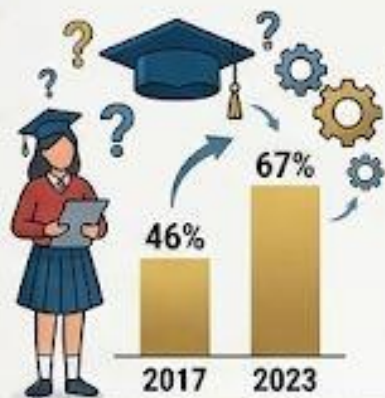


**AXIA**  
IAS ACADEMY

AXIA COMPETITIVE EXAM CENTRE

# INDIA'S NEW EDUCATION-TO- EMPLOYMENT & ENTERPRISE (EEE) INITIATIVE: A STRATEGIC BLUEPRINT

## ANALYZING THE EEE STANDING COMMITTEE B N TEE & ITS IMPLICATIONS FOR VIKSIT BHARAT @2047



### THE SKILL GAP CRISIS: Graduating to Unemployment

Share of Degree Holders  
Among Unemployed

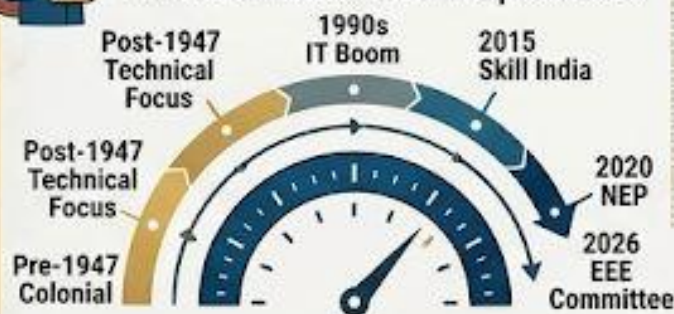


### THE EEE FRAMEWORK: A HOLISTIC APPROACH



### HISTORICAL EVOLUTION

From Administrative to Enterprise Focus



### Multidimensional Impact

- Social**  
Skill development, workforce expansion, employability
- Political**  
Employment as a key political and social indicator
- Economic**  
Growth multiplier, job creation, income generation
- International**  
Global competitiveness, economic resilience, innovation

### HIGH-POWERED STANDING COMMITTEE: Breaking Silos



Central Ministries  
(Labour, Skill Dev, IT)



Key Departments  
(Commerce, Eco Affairs, Education)



Industry Bodies  
(Nasscom, CII, FICCI, etc.)



Chief Secretaries  
(AP, BR, MH, UP)

Academia Experts  
(ISB, Shiv Nadar Uni)



Chief Secretaries  
(AP, BR, MH, UP)

NITI Aayog CEO  
(Committee Chair)



Chief Secretaries  
(AP, BR, MH, UP)

Academia Experts  
(ISB, Shiv Nadar Uni)

### KEY MANDATE & FOCUS AREAS

#### 1 BRIDGING SKILL GAPS



#### 2 JOB CREATION & EXPORTS



#### 3 AI & TECH IMPACT ASSESSMENT



#### 4 GLOBAL SERVICES LEADERSHIP



# India, US 'progress' towards interim trade deal, BTA

AGT KANJAN KISHOR  
New Delhi, 24 April

Negotiations from India and the United States have made progress in finalising the details of an interim trade agreement and advancing negotiations on a broader bilateral trade agreement (BTA), the Indian commerce department stated on Friday, following four days of "meaningful and forward-looking discussions" in Washington.

"The meetings were conducted in a constructive and positive spirit with meaningful and forward-looking discussions enabling progress on key matters. Both sides agreed to remain engaged to maintain the momentum as they move forward," the statement said.

The commerce department said the discussions covered a range of issues, including market access, non-tariff measures, technical barriers to trade, Customs and trade facilitation, investment promotion, economic security alignment, and digital trade.

An Indian delegation led by the chief trade negotiator, Bhupendra Patel, visited the US capital city from April 20 to 24 for another round of talks with American officials.

India is seeking to finalise a mechanism that would secure preferential access to the US market over its competitors, said Piyush Goyal, commerce and industry minister, on Monday. "We have almost finalised our free-trade agreement with them. We are trying to cross the T's and dot the I's, and work out what would be the mechanisms by which India can get preferential market access in the US market, compared to our competitors. The team will be discussing these aspects while they are in Washington," he had said.

India and the US are engaged in discussions aimed at reaching a balanced and mutually beneficial trade agreement, said a spokesperson for the ministry of external affairs on Thursday. "These engagements are ongoing and constructive. Both sides are working towards a balanced, mutually beneficial and forward-looking trade agreement, taking into account each other's concerns and

## US sets preliminary antidumping duties on Indian solar cells

The US Department of Commerce has announced preliminary anti-dumping duty on imports of solar cells and panels from India.

It has been alleged that solar cells from India are being sold in the US below the fair value.

The department's notice lists four Indian manufacturers -- Muncira Solar PV, Muncira Solar Energy, Kova Company, and Premier Energy Photovoltaic.

Their estimated weighted average dumping margin has been calculated at 121.07 per cent.

The department stated that it will issue the final determination within 75 days

after the date of its preliminary determination. ■

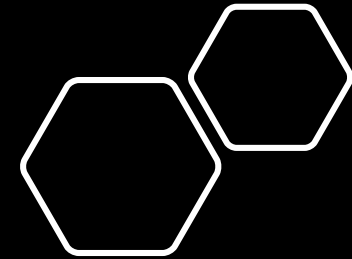


to achieve a trade target of \$100 billion by 2030," he had said.

On February 20, the US Supreme Court revoked President Donald Trump's authority to use the International Emergency Economic Powers Act (IEEPA) to impose country-specific "reciprocal" tariffs. The US administration subsequently imposed a blanket 10 per cent surcharge on all countries for 120 days from February 24.

India and the US announced an interim trade deal on February 2 and had planned to sign the pact by March. A joint statement was released on February 7 and the additional 25 per cent ad valorem tariff imposed by the US on certain Indian exports over India's Russian oil imports were removed. Under the interim deal, the US agreed to reduce tariffs on Indian goods to 15 per cent. India is also expected to seek clarity on the Section 301 investigations initiated by the US.

China rose past the US to become India's largest trading partner in 2023-24. The US had been India's largest trading partner for four consecutive years until 2024-25.



- **Key Terms and Explanations**

- **Interim Trade Agreement:** A "mini-deal" that addresses immediate trade irritants (like specific tariffs) before moving toward a full-scale Free Trade Agreement (FTA).
- **Bilateral Trade Agreement (BTA):** A formal treaty between two nations to reduce or eliminate quotas, tariffs, and other trade barriers to encourage the exchange of goods and services.
- **Non-Tariff Measures (NTMs):** Policy measures other than ordinary customs tariffs that can affect international trade, such as sanitary regulations or labeling requirements.
  - *Example:* Strict pesticide residue limits on Indian Basmati rice.
- **Section 301 Investigations:** Under the US Trade Act of 1974, this allows the US President to take action (including tariffs) against foreign countries that violate trade agreements or engage in "unfair" trade practices.
- **Anti-Dumping Duty (ADD):** A protectionist tariff that a domestic government imposes on foreign imports that it believes are priced below fair market value.
- **Ad Valorem Tariff:** A charge levied as a fixed percentage of the value of the imported good.
- **International Emergency Economic Powers Act (IEEPA):** A US federal law authorizing the president to regulate international commerce after declaring a national emergency.

- **Main Arguments and Substantive Parts**

- The core thesis of the current trade discourse suggests that India and the US are attempting to decouple their strategic partnership from their trade frictions to achieve a \$500 billion trade target by 2030.
- **Progress on Interim Deal:** Negotiators are "crossing the ts and dotting the is" on a deal that likely secures preferential access for Indian goods.
- **The China Factor:** China recently overtook the US as India's largest trading partner. This shift provides a geopolitical impetus for the US and India to fast-track their trade alignment to secure supply chains.
- **Solar Friction:** Despite diplomatic progress, trade "remedies" persist. The US has imposed a preliminary **123.07% dumping margin** on Indian solar cells, reflecting the tension between US domestic manufacturing goals (Inflation Reduction Act) and India's export ambitions.
- **Surcharge and Reciprocity:** The US administration's use of a 10% blanket surcharge following the revocation of specific IEEPA powers shows a shift toward broader protectionist tools, which India is navigating through negotiation.

- **Historical Evolution of the Issue**
  - **Pre-1991:** Trade was minimal and restricted by India's protectionist "License Raj" and cold-war era geopolitical misalignments.
  - **Post-1991 (Liberalization):** Trade began to grow, but remained focused on IT services.
  - **2018–2020 (The Friction Era):** The US terminated India's **Generalized System of Preferences (GSP)** status; India responded with retaliatory tariffs on 28 US products (almonds, apples).
  - **2023–2024 (Thaw):** Both nations agreed to terminate six outstanding disputes at the WTO. The US removed additional tariffs on steel and aluminum in exchange for India lowering duties on certain agricultural products.
  - **2025–2026 (Present):** Focus has shifted toward "Economic Security Alignment," digital trade, and critical minerals, though anti-dumping actions on green tech (solar) show lingering protectionist impulses.
- 
- **Way Forward**
  - **Mutual Recognition Agreements (MRAs):** India and the US should sign MRAs for standards and certifications to bypass technical barriers.
  - **Sector-Specific Carve-outs:** Exclude sensitive sectors like dairy for now to secure the interim deal.
  - **Dispute Settlement:** Create a bilateral fast-track mechanism to resolve anti-dumping issues (like solar cells) before they reach the WTO.
  - **Digital Standards:** Align on data privacy to tap into the \$500 billion potential.
- 
- **Previous Years' Questions (PYQs)**
  - **Mains (2023, GS2):** "What is the significance of the Indo-US strategic partnership in the context of the China factor?"
  - **Mains (2021, GS3):** "The USA is India's largest trading partner. Discuss the challenges and opportunities in this relationship."





# AXIA IAS ACADEMY

RISE ABOVE THE REST

AXIA COMPETITIVE EXAM CENTRE

## Key Terms Defined

- Interim Deal** - Definition and conditions cited example, examples
- ADD** - Define an ongoing definition in examples of examples
- Section 301** - Definition of the optimum & derivation of market group
- ADD** - Definition received condition real example, costliness
- Latched** - Definition allow customs of attention in domestic groups
- Section 301** - Definition: procedural trade of domestic groups

## Strategic Trade Evolution (Timeline)



## The China Factor & Economic Security



## Multidimensional Impact



## Challenges & Opportunities



# Will raze a part of illegal battalion: Assam to NGT

Jayashree Nandi

writers@hindustantimes.com

**NEW DELHI:** The Assam Police Housing Corporation Limited, in an affidavit filed last week to the National Green Tribunal, apologised for illegally clearing forest land to house a police battalion in Innerline Reserved Forest under Halakandi Division, and also offered to demolish part of the facility so as to make the project eligible for prior environmental clearance.

This undertaking was given by the Assam government after it came to light that they had gone ahead with the construction of the battalion, involving diversion of 11.5 ha of forest land, not only without prior forest clearance but also prior environmental clearance.

In February, the Supreme Court temporarily halted the process of granting ex-post facto or retrospective environment clearance by which mining projects with admitted environmental violations were getting the green nod for operations in violation of the environment impact assessment (EIA) notification of 2006 that mandates prior environmental clearance before starting any project. A bench of justices BR Gavai and Sandeep Mehta stayed two orders issued by the ministry of environment forests and climate change (MoEFCC) in this regard on July 7, 2021 and January 28, 2022 on a plea filed by NGO Vanashakti.

In its affidavit, the state proposed to dismantle part of the facility. The NGT bench headed



The Assam government constructed the battalion without prior forest clearance and prior environmental clearance. **MOEFCC REPORT**

by NGT chairperson, Prakash Shrivastava, weighed in on the importance of prior environmental clearance and concerns posed post facto clearances during the hearing of its suo motu case based on a news article titled: "Assam PCCF MK Yadava accused of illegally clearing protected forest for Commando Battalion."

The state submitted that they have already been granted final (Stage-II) post facto forest clearance by the Centre. The proponent has also received the Terms of Reference (ToR) for environmental clearance through PARIVESH 2.0 portal, they said.

The State Level Expert Appraisal Committee (SEAC), Assam referring to a 2022 OM of environment ministry, found that the project fits categorically as "Educational institute" and hence is exempted from prior environmental clearance.

"They have considered the additional area of 8.233 Sq. mtr,

comprising non-residential buildings, under the ambit of educational institution and opined that no EC is required for that part too," the state submitted but NGT noted that SEAC can only make recommendations. Its observation is not final. The Assam government also acknowledged that a police battalion is not an educational institution.

Following the Supreme Court's order of February 24 in Vanashakti Vs Union of India, the Assam government offered to dismantle the excess construction. Thereafter on April 15, the Union environment ministry issued an Official Memorandum (OM) stating that the top court had stayed the operation and implementation of OMs allowing ex post facto clearances.

"Under such circumstances, the answering deponent, on behalf of the state of Assam, solemnly undertakes that the state government is ready to dismant-

le all the constructions beyond 20,000 sq. mtr and shall not undertake any further construction beyond the said limit, for which no EC is required ...," Assam Police Housing Corporation submitted.

The NGT bench observed that prior EC is considered from scoping stage of the project, not post-facto. "If at the scoping stage the area is more than 20,000 sqmtrs, then prior EC is required."

"Violation is a violation even if they demolish, then sanction plan (based on the project conceived) also needs to change..." observed the bench.

The bench also had questions for the Union environment ministry: "Can you tone down the word prior approval? How will you enforce the Environment Protection Act without prior approval?"

NGT also sought details of what action had been taken against the official retired IFS officer and special chief secretary (forests), MK Yadava, who approved the construction of the police battalion without prior environmental and forest clearance. The Union ministry told the bench that Yadava's response to show cause notice will be examined, after which action would be taken.

And on being pressed by the bench, the Assam government admitted that the construction was a violation of the law and offered an unconditional apology.

NGT has reserved its order on the matter.

- **Key Terms and Explanations**

- **Ex-Post Facto Clearance:** A "retrospective" approval granted to a project that has already started or been completed without following the legal requirement of obtaining prior permission.
  - *Example:* Building a factory first and asking the government for an environmental permit later.
- **Environmental Impact Assessment (EIA) Notification, 2006:** A statutory instrument under the Environment (Protection) Act, 1986, which makes it mandatory for projects (mining, infrastructure, etc.) to get an "Environmental Clearance" (EC) before any construction begins.
- **Forest Clearance (Stage-I and Stage-II):** Under the Forest (Conservation) Act, 1980, any diversion of forest land for non-forest purposes requires the Central Government's nod. Stage-I is "in-principle" approval; Stage-II is the final legal hand-over.
- **National Green Tribunal (NGT):** A specialized judicial body established under the NGT Act, 2010, for the effective and expeditious disposal of cases relating to environmental protection and conservation of forests.
- **Inner Line Reserved Forest:** A high-protection forest category. In Northeast India, "Inner Line" often refers to sensitive border areas where movement and land use are strictly regulated.
- **Scoping Stage:** The early phase of the EIA process where the specific "Terms of Reference" (ToR) are determined to assess the potential environmental impact of a project.

- **Main Arguments and Substantive Parts**

- **The State's Defense**

- The Assam government initially attempted to justify the construction by classifying part of the battalion facility as an "**Educational Institute.**" Under current regulations, educational buildings under a certain size (often 20,000 sq. mtr.) are exempt from the rigorous EIA process. Their argument was that since it was a training facility for a commando battalion, it fell under this exemption.

- **The Judicial Counter-Argument**

- The NGT and Supreme Court rejected this "creative" classification.

- **Integrity of the Law:** A police battalion is a security installation, not a school. Attempting to fit it into an exempt category is seen as a "colorable exercise of power."

- **The "Prior" Mandate:** The NGT emphasized that the law requires **prior** approval. If the original plan (the "scope") exceeded the threshold, the violation occurred the moment the first brick was laid without an EC.

- **Dismantling as a Remedy:** The state offered to demolish excess construction to bring the project below the 20,000 sq. mtr. threshold. However, the NGT noted that "a violation is a violation," and demolition doesn't automatically erase the legal breach of starting without a permit.

- **Historical Evolution of the Issue**

- **1980: Forest (Conservation) Act** is passed to check the rapid deforestation for industrial/security use. It shifted the power of forest diversion from States to the Centre.
- **1986: Environment (Protection) Act** is enacted post-Bhopal Gas Tragedy, giving the Centre power to regulate industrial activity.
- **1994 & 2006:** The **EIA Notifications** are issued. The 2006 version became the bedrock of environmental governance, introducing the concept of mandatory "Prior EC."
- **2017–2022:** The Ministry (MoEFCC) issued several Office Memorandums (OMs) providing a "window" for projects to get **ex-post facto clearance**, citing economic necessity and "ease of doing business."
- **2024 (Present):** The Supreme Court (Vanashakti case) and the NGT have clamped down on these OMs, reaffirming that "Environmental Rule of Law" cannot be bypassed through administrative shortcuts.

- **Way Forward**

- **Mandatory Sensitivity Training:** For high-ranking bureaucrats regarding environmental jurisprudence to prevent "bona fide" mistakes that cost the exchequer.
- **Non-Forest Land Bank:** States should maintain a digital database of non-forest land available for security infrastructure to avoid entering Reserved Forests.
- **Cumulative Impact Assessment:** Instead of looking at 11.5 ha in isolation, authorities must look at the total loss of the Inner Line Forest tract.
- **Strict Personal Liability:** Civil servants who approve projects in blatant violation of "Prior EC" norms should be made to pay a portion of the restoration costs.

- **Previous Years' UPSC Questions (Theme-Based)**

- **GS III (2014):** "Enumerate the indirect but important reasons for deforestation and decline of wildlife."
- **GS III (2018):** "How does the EIA Notification 2006 differ from 1994? Does it help in better management of environment?"
- **GS II (2019):** "The NGT is a specialized body... critically examine its role in protecting environment."
- **Prelims (2021):** Questions regarding the status of the "National Green Tribunal" and its powers.



# AXIA


## IAS ACADEMY

RISE ABOVE THE REST


AXIA COMPETITIVE EXAM CENTRE

### COMPREHENSIVE ANALYSIS: ENVIRONMENTAL RULE OF LAW vs. EXECUTIVE EXPEDIENCY

#### CASE OVERVIEW: HAILAKANDI POLICE BATTALION

- Illegal Forest clearing: (11.5 ha in battalimp)
  - Post-facto forest clearance in concepts EC
  - Lack of prior Environmental Clearance (EC)
  - 'Educational Institute' misclassification in Hailakandi police battalion
- 

#### KEY LEGAL CONCEPTS & EVOLUTION

- Prior EC  
1980 2006 2024 present
  - Forest Clearance (1980) in date
  - Doctrine of Public Trust more nation born with public cinteement:
  - Precautionary Principle in hosty weighted
- 

#### JUDICIAL INTERVENTIONS & ACCOUNTABILITY

- Supreme Court's halts on Sunpoan Ex-Post Facto (Concept avanut chosen)
  - NGT's hard stance on "violation is a violation." In pronoting got semis correct to consult aft and hard inlection
  - Individual officer accountability (action to at action against MK Yadava)
- 

#### MULTIDIMENSIONAL ANALYSIS



#### UPSC CSE RELEVANCE

- GS II
- GS II, III, and IV
- Essay
- Ethics

# AXIA IAS ACADEMY

RISE ABOVE THE REST

• TECH

# The global risks posed by Anthropic's Mythos AI

Anthropic's latest model marks a leap in detecting and exploiting software vulnerabilities. It has spooked policymakers worldwide



Soumyajit Barik

In 2018, Dario Amodei, then OpenAI's research director, warned that the world's new large language model was "too dangerous to release" over its potential for generating misleading content. When GPT-2 was eventually released almost a year later, the concerns seemed somewhat overblown.

But fresh warnings by the soft-spoken Amodei, now chief of OpenAI rival Anthropic, about the risks posed by his company's latest AI model — Claude Mythos — appear far more grounded. Mythos was held back from release by Anthropic but now appears to have been leaked.

The model has prompted concerns around the world, and in India. On Thursday, Finance Minister Nirmala Sitharaman chaired a high-level meeting over concerns that it could pose significant risks to India's banking sector. The Indian Express has learnt that the government is currently in conversation with Anthropic's senior leadership in the US on the issue.

Sparking more worry within the government are reports that China has developed its own version of Mythos, called Qwen-3. This "vulnerability discovery agent" that has already identified nearly 1,000 software flaws. While Mythos is recognised as a benchmark in automated cyber defence, Chinese state-owned enterprises and specialised firms such as 360 are aggressively advancing similar capabilities.

## First, what is Mythos?

Mythos is the latest addition to Anthropic's Claude AI family. Anthropic has unveiled only a limited, preview version of the general-purpose language model.

But Mythos represents a major leap in capability over Anthropic's existing AI systems. It has drawn global attention because of its ability to autonomously identify and exploit vulnerabilities in widely used software and infrastructure at a pace far beyond most human researchers. It is highly capable of finding security issues that it can work as a defender — but also, crucially, at exploiting them (if deployed as a hacker).

## Why has this raised concerns?

What's spooked policymakers around



Anthropic CEO Dario Amodei, speaking at a conference

the world is Anthropic's claim that Mythos has already found serious vulnerabilities in "every major operating system and web browser", including one that had gone undetected for nearly three decades.

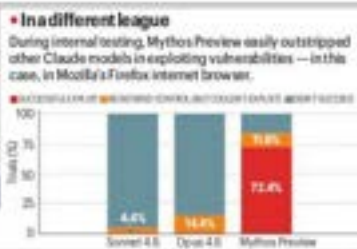
How fast Mythos' capabilities have improved is, as the name suggests, almost mythical in terms of speed. Just last month, Anthropic had announced that its previous generation (Opus 4) model "is currently far better at identifying and fixing vulnerabilities than at exploiting them".

For example, Opus 4B found the vulnerability that had found in Mozilla's Firefox 147 JavaScript engine to a programme that executes JavaScript code by taking human-readable JavaScript and converting it into machine code that the computer can run. JavaScript itself exploits or a successful attack that gives the user control over the command line, or shell, of the victim's environment through the browser's ongoing JavaScript execution out of several hundred attempts.

Anthropic re-ran the same experiment as a benchmark for Mythos Preview. It developed working exploits 181 times, and achieved register control (taking control of the general behaviour of a CPU) or the brain of a computer system 29 times, according to Anthropic. Non-experts, the company said, can also use Mythos Preview to find and exploit sophisticated vulnerabilities.

Engineers at Anthropic with no formal security training have asked Mythos Preview to find remote code execution vulnerabilities overnight, and within the following hours it gives complete, working exploits.

"We did not explicitly train Mythos Preview to have these capabilities. Rather, they emerged as a downstream consequence of general improvements in code, reasoning, and autonomy. The same improvements



the world is Anthropic's claim that Mythos has already found serious vulnerabilities in "every major operating system and web browser", including one that had gone undetected for nearly three decades.

How fast Mythos' capabilities have improved is, as the name suggests, almost mythical in terms of speed. Just last month, Anthropic had announced that its previous generation (Opus 4) model "is currently far better at identifying and fixing vulnerabilities than at exploiting them".

For example, Opus 4B found the vulnerability that had found in Mozilla's Firefox 147 JavaScript engine to a programme that executes JavaScript code by taking human-readable JavaScript and converting it into machine code that the computer can run. JavaScript itself exploits or a successful attack that gives the user control over the command line, or shell, of the victim's environment through the browser's ongoing JavaScript execution out of several hundred attempts.

Anthropic re-ran the same experiment as a benchmark for Mythos Preview. It developed working exploits 181 times, and achieved register control (taking control of the general behaviour of a CPU) or the brain of a computer system 29 times, according to Anthropic. Non-experts, the company said, can also use Mythos Preview to find and exploit sophisticated vulnerabilities.

Engineers at Anthropic with no formal security training have asked Mythos Preview to find remote code execution vulnerabilities overnight, and within the following hours it gives complete, working exploits.

"We did not explicitly train Mythos Preview to have these capabilities. Rather, they emerged as a downstream consequence of general improvements in code, reasoning, and autonomy. The same improvements

that make the model substantially more effective at patching vulnerabilities also make it substantially more effective at exploiting them," the startup said in its April 7 note. All of these features have effectively prompted Anthropic to hit pause on its release.

## Real-world testing

Earlier this month, the UK AI Security Institute (AISI), in its evaluation of Mythos Preview, flagged a marked jump in cyber capability, especially in structured testing environments. One of its key findings is that the model was able to solve 73% of expert-level cybersecurity challenges in benchmark settings, far higher than earlier frontier models. These tests were designed to approximate real-world vulnerabilities and required a mix of technical depth and problem-solving ability.

Where earlier models often showed patchy results at higher difficulty levels, Mythos demonstrated a stronger ability to maintain performance across complex challenges. This suggests improvements in reasoning and planning, enabling the model to navigate layered cyber problems, rather than just isolated exploits.

Crucially, the institute highlighted Mythos' growing "agentic" behaviour. It was able to execute long, multi-stage attack chains, indicating a shift from tool-like assistance to more autonomous capability. This has raised concerns about how such systems could lower the barrier for less-skilled actors to conduct sophisticated cyber operations.

In one of the tests designed by the AISI, a 32-step corporate attack simulation spanning across multiple full network takeover, Mythos became the first model to solve the task. In a second test, it was one of two that managed to finish the task. In a third, it was one of two that managed to complete the same tasks.

## Mythos breach

Even as it held back commercial deployment citing all these concerns, Anthropic privately announced Project Glasswing, which aims to assist companies that hope to use Mythos to step up cyber defences before it is widely released. Major software developers — including Apple, Nvidia, the Linux Foundation and CrowdStrike, as well as competitor Google were in this list.

What has now set the cat among the pigeons is a report by Bloomberg that the Mythos model was accessed by "a handful of users" in a private Discord chat on the day it was announced publicly, despite the restricted release. US Federal Reserve Chair Jerome Powell and Treasury Secretary Scott Bessent met with top American bank CEOs in a closed-door meeting earlier this month to discuss the cybersecurity risks posed by Mythos.

In the long run, Anthropic's researchers said they expect that defence capabilities will dominate — but the world will emerge more secure, with software better hardened — in large part by code written by these models. But the transitional period will be fraught. The leak of the software on the Discord chat and the question marks that it raises is a case in point.

Globally, most experts see the compelling need for an overarching consensus when it comes to governing AI. Even though regulatory approaches to the technology could differ from one jurisdiction to another, the need for global coordination on AI and an agreement on a set of standards and common guardrails is being articulated. Without that, this technology is going to be very difficult to contain and tough to control.

## AI rethink in India?

Finance Minister Sitharaman has told banks to exercise a "high-degree" of vigilance and develop a coordination mechanism to respond to threats emerging from capabilities of this model.

In fact, India has maintained that it wants to maintain a light touch regulatory framework for AI, looking to create the potential economic aspects of the technology. The Mythos episode could force a rethink.

In the aftermath of Mythos, the IT Ministry set up the AI Governance and Economic Group — an inter-ministerial body — at the specialisation for coordinating AI policy and governance framework. A separate Technology and Policy Expert Committee was also constituted to provide expertise to the inter-ministerial group.

## Common guardrails

Globally, most experts see the need for an overarching consensus when it comes to governing AI

Without that, this technology could become difficult to regulate

- **Key Terms and Explanations**

- **Large Language Model (LLM):** An AI trained on vast datasets to understand and generate human-like text. *Example: ChatGPT or Claude.*
- **Agentic AI:** AI that doesn't just "chat" but can execute multi-step tasks autonomously, like browsing the web, writing code, and executing it to achieve a goal.
- **Vulnerability Discovery:** The process of finding "bugs" or "holes" in software code that hackers could exploit.
- **Zero-Day Vulnerability:** A software flaw unknown to the developer. It is called "zero-day" because the developer has had zero days to fix it.
- **Dual-Use Technology:** Software or hardware that can be used for both peaceful (defensive) and military/harmful (offensive) purposes.
- **Sandbox/Tested Environment:** A secure, isolated digital space where experts test dangerous software without risking the real-world internet.

- **Main Arguments and Substantive Parts**

- The core thesis of the current discourse revolves around the "**Mythos Moment**"—the point where AI capabilities in cybersecurity have leapfrogged human intervention.
- **The Capability Leap:** Previous models (like Sonnet 4.6) had low success rates in complex hacking. Newer "Mythos-class" models show a "hockey-stick" growth, solving 73% of expert-level cybersecurity challenges.
- **Autonomous Exploitation:** Unlike earlier versions that needed human prompts at every step, these models can perform "reconnaissance to full network takeover" independently.
- **The Defender's Dilemma:** While these models can patch bugs (defense), they are equally proficient at exploiting them (offense). If leaked, they lower the barrier for "script kiddies" or rogue states to launch sophisticated attacks.
- **Global Panic:** The reported leak of such models has triggered emergency meetings among Finance Ministers and Central Bankers, fearing a systemic collapse of digital financial infrastructure.

- **Historical Evolution of the Issue**
- **Pre-2010s (The Logic Era):** Cybersecurity relied on "if-then" rules and signature-based antivirus software.
- **2014-2019 (The ML Era):** Machine Learning began detecting patterns in malware, but AI was still a "tool" requiring heavy human supervision.
- **2022-2023 (The Generative Explosion):** The release of ChatGPT showed AI could write code. Security concerns were mostly about "phishing" emails and basic malware.
- **2024-2026 (The Agentic Era):** AI models developed "reasoning" capabilities. They began finding deep architectural flaws in software that had remained hidden for decades.
- **Present Day:** We are in an era of "Automated Cyber-Warfare" where the speed of AI attacks may soon outpace human-led defense.
  
- **Way Forward**
- **Global Consensus:** Establish an International AI Agency (similar to the IAEA for nuclear energy) to monitor high-compute models.
- **Compute Governance:** Regulate the massive server farms (GPU clusters) required to run these models.
- **India's Strategy:** Shift from being a "consumer" of AI to a "sovereign creator." The IT Ministry's "AI Governance and Economic Group" must fast-track the "Digital India Act" to replace the aging IT Act 2000.
- **Red Teaming:** Continuous government-mandated "stress tests" for any AI model before public release.
  
- **Previous Years' Questions (PYQs)**
- **UPSC 2023 (GS 3):** "What is the main task of India's National Cyber Security Strategy?"
- **UPSC 2022 (GS 3):** "The use of software programs to manage air traffic, power grids... makes them vulnerable to cyber-attacks. Discuss."





AXIA  
IAS ACADEMY

# THE GLOBAL RISKS POSED BY ANTHROPIC'S MYTHOS AI: A UPSC CSE ANALYSIS

## 1. KEY TERMS & EXPLANATIONS



**LLM**  
LLM assistance in operations and management and converters of LLM

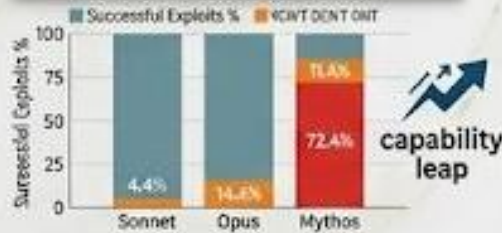


**Agentic AI**  
Agentic AI complex terms with automation to become complex agentic AI

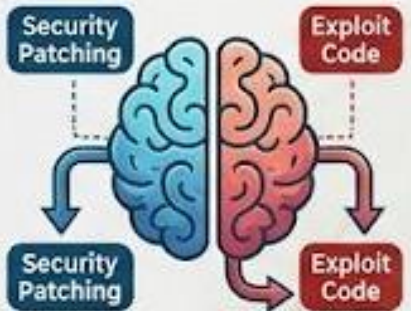


**Zero-Day Vulnerability**  
Zero-day vulnerability problem in combination zero-day vulnerability

## 2. THE 'MYTHOS MOMENT' - KEY ARGUMENTS



- Autonomous Exploitation**  
Autonomous exploitation in enrolling patching and version of exploitation
- Defender's Dilemma**  
Defender's dilemma avoid AI bar codes of posture to protect these cheton



## 3. MULTIDIMENSIONAL IMPACT



## 4. CHALLENGES & RISKS

- State-Sponsorship**  
State-sponsorship misalignment of asset-specific payment sectors
  - Regulatory Lag**  
Regulatory lag in time to mainstream regulatory precedents to regulatory Lag
- Code → Legislation

## 5. WAY FORWARD: INDIA'S STRATEGY

- Global AI Agency**  
Global AI agency should conduct with local model as devoured agency
- Compute Governance**  
Compute governance compute governance to monitor improved matrix operations
- India's Sovereign AI**  
India's Sovereign AI India will emerge as India's sovereign AI

## 6. PREVIOUS YEARS' QUESTIONS (PYQs)

- Q/What are AI's have agents' questions to exam IAS security questions?
- What is section-instrumental technology for the relevant years' questions?
- What ever international convention prepared for combat reference questions?

# From student visas to H-1B, US Bill seeks immigration overhaul

Vidheesha Kuntamalla

New Delhi, April 24

FOR DECADES, the pathway to the United States for Indian students and professionals followed a familiar arc: an F-1 visa for education, a period of work through the Optional Practical Training (OPT) programme, a transition to the H-1B visa, and, for many, a long wait toward permanent residency.

Today, Indians form the largest share of both student visa holders and H-1B recipients. But a Bill introduced on Wednesday by Congressman Eli Crane threatens to disrupt each step of that journey for them.

## What is the Bill proposing?

The End H-1B Visa Abuse Act of 2026, calls for a three-year pause on new H-1B visas, a sharp reduction in annual caps, a \$200,000 salary threshold, an end to OPT, and even a ban on transitioning to green cards. Immigration lawyers say that would amount to a near-total reset of the skilled migration system.

Rajiv Khanna, an attorney based in Washington DC, argued that these

measures would “effectively dismantle the skilled worker pipeline” that the US economy has relied on for three decades.

But it is important to note the legislative reality. Rahul Reddy, a Houston-based immigration attorney, told *The Indian Express* that such proposals are often introduced in the House of Representatives “to appease their particular constituency”, rather than because legislators expect them to pass. Most immigration legislation requires 60 votes in the Senate, and the threshold is currently out of reach.

## Can the US legally pause H-1B visas?

On paper, yes. Congress has the authority to do so. Reddy noted that if Congress decides to freeze a visa category, the administration must implement it.

But its consequences are far more complex. “H-1B holders will have to leave the country or move to another visa status,” he said. For many, that could mean shifting to a student visa or exiting the US altogether.

Further, the OPT currently functions as a bridge between education and employment, allowing graduates to gain work ex-

## Immigration under fire

● Many in the US argue today that the H-1B system has not kept pace with changes in technology and labour markets

● Trump supporters and H-1B critics have also cited reports of visa fraud and foreign workers being underpaid

perience while attempting to secure an H-1B visa. Khanna argued that without OPT and a permanent residency pathway, the US would effectively be asking students to invest in an education system that offers no long-term opportunity to stay.

The logical response, he suggests, would be to look elsewhere, to countries like Canada, the UK, Australia, or Germany, which are actively competing for the same talent. For Indian families weighing the high cost of US education, the question is no longer just about admission, but what comes after graduation. Reddy pointed to the O-1 visa as an alternative, but emphasised that it is reserved for individuals with extraordinary ability, making it inaccessible for most.

## Could companies hire US workers?

The Bill proposes replacing the lottery with a wage-based system and setting a minimum salary of \$200,000.

At first glance, this appears to prioritise highly skilled workers. In practice, lawyers said, it introduces significant distortions. A Dallas-based attorney noted that such a high threshold would exclude large segments of

the workforce, including academia, mid-level professionals, and many healthcare roles. Khanna said that rather than US firms rushing to hire American workers, they will “move work to where the talent is”.

Under the second Trump administration, Indian workers and the H-1B have come under greater scrutiny, in line with the government’s broader crackdown on immigration, often framed in a racist manner. Case in point, Trump on Thursday shared a video of an activist who equated India and China as examples of “hellhole on the planet”, drawing criticism from the Indian Ministry of External Affairs.

## Can such a Bill be challenged in court?

Reddy explained that “if a law is passed through Congress, courts are unlikely to intervene unless there is a clear constitutional issue. Administrative actions can be challenged; legislation is far harder to overturn”. Khanna, however, identified potential vulnerabilities. “Provisions that retroactively affect individuals, particularly those waiting in green card queues, could raise due process concerns...”

- **Key Terms and Explanations**
- **H-1B Visa:** A non-immigrant visa that allows US companies to employ foreign workers in specialty occupations that require theoretical or technical expertise (e.g., IT, Engineering, Medicine).
- **Optional Practical Training (OPT):** A period during which undergraduate and graduate students with F-1 status are permitted by the United States Citizenship and Immigration Services (USCIS) to work for one year (with extensions for STEM fields) on a student visa to get practical training to complement their education.
- **Green Card (Permanent Residency):** A document allowing a foreign national to live and work permanently in the US.
- **Salary Threshold:** The minimum wage an employer must pay a foreign worker to ensure they are not undercutting the domestic labor market.
- **Visa Cap:** The annual limit on the number of visas issued (currently 65,000 for the general category and 20,000 for those with advanced degrees from US institutions).

- **Main Arguments and Substantive Parts**

- **Core Thesis**

- The proposal seeks to "reset" the US skilled migration system by introducing high financial barriers and eliminating the transitional bridge (OPT) that allows students to become workers.

- **Key Points**

- **Pause and Reduction:** A three-year moratorium on new H-1B visas and a sharp reduction in annual caps.
- **Wage-Based Selection:** Replacing the current lottery system with a minimum salary requirement of **\$200,000**, ostensibly to prioritize "the best" talent.
- **Elimination of Pathways:** Ending the OPT program and banning the transition from H-1B to Green Cards.
- **Counterarguments**
- **Economic Self-Harm:** Experts argue this dismantles the "skilled worker pipeline" that has fueled US tech growth for 30 years.
- **Global Competition:** Countries like Canada, Australia, and Germany may become more attractive "talent magnets" if the US closes its doors.

- **Brain Drain vs. Brain Gain:** While intended to protect US workers, it may force firms to offshore work to where the talent is (e.g., India), rather than hiring domestically at inflated costs.

- **Historical Evolution of the Issue**

- **Pre-1990s:** Immigration was largely family-based or focused on manual labor.
- **The 1990 Act:** The H-1B category was formally created to address the growing need for specialized high-tech workers during the early digital revolution.
- **Post-2000s Boom:** Indian IT firms (TCS, Infosys, Wipro) became major users of the visa, leading to the "Body Shopping" era and subsequent US legislative scrutiny.
- **2017-2021 (Trump Era):** Increased "Request for Evidence" (RFEs), higher denial rates, and executive orders like "Buy American, Hire American."
- **Present Day (2026 Context):** A shift from administrative tightening to legislative attempts at a complete structural overhaul.

- **Way Forward**

- **Diversification of Destinations:** India must actively sign "Migration and Mobility Partnership Agreements" (MMPAs) with countries like Germany, Japan, and the UK to reduce over-reliance on the US.
- **Domestic Absorption:** Strengthening the "Make in India" and "Startup India" initiatives to ensure that if talent is pushed out of the US, it finds a "soft landing" in the Indian economy.
- **Diplomatic Engagement:** Using forums like the 2+2 Dialogue to emphasize that the mobility of talent is a two-way street for defense and tech cooperation (iCET).

- **All Previous Years' UPSC Questions**

- **2023 (GS 2):** "The Indian diaspora has a decisive role to play in the politics and economy of America and European countries. Comment with examples."
- **2019 (GS 2):** "Indian diaspora has a collaborative role to play in South-East Asia's volatile economy and society.' Characterize their role."
- **2017 (GS 2):** "The critical determinants of the India-US relationship are the Indian Diaspora and the shared democratic values. Discuss."



# AXIA

IAS ACADEMY

RISE ABOVE THE REST

## COMPREHENSIVE ANALYSIS: US IMMIGRATION OVERHAUL & INDIA

### Logical & Ethical Underpinnings



Protectionism/  
Nationalism

Globalization/  
Talent Mobility

#### Ethical Implications

Is it right to take tuition but deny post-grad work?

### The Core Proposal: A Systemic Reset



1. Pause on New H-1B (3 Yrs)
2. \$200k Salary Threshold
3. End of OPT (Student Work)
4. Green Card Ban



### Multidimensional Impact on India

#### Impact Spheres



#### SOCIAL

- Family separations
- Diaspora stress

#### ECONOMIC

- Remittance decline
- Brain Drain vs. Gain

#### LEGAL

- Due Process challenges

#### POLITICAL

- Diplomatic strain

### Strategic 'Way Forward' for India

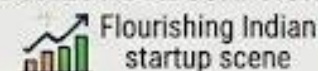


#### DIVERSIFICATION



(Canada) (UK) (EU)

#### DOMESTIC ABSORPTION



Flourishing Indian startup scene



#### Talent Mobility

a two-way street for defense and tech cooperation (iCET)

### UPSC CSE Connections

GS 2 : International Relations

- Indian Diaspora

GS 3 : Effects of liberalization

- Points to the economic relevant papers

GS 4 : Global Justice



NCERT Chapter (Class 12 Pol Sci)



NCERT Chapt (Class 12 Geo)

### Model Answer Framework



Question: Challenges and Opportunities for India from US Visa Policy shifts

Intro:

- Challenges and Opportunities for India in the waa from US visa Policy shifts

Challenges:

- Challenges and opportunities for Indian diaspora, an in entrees.
- Optional stones and US visa policy shifts

Opportunities:

- Opportunities for relevan in evarimotion of indamorenean US visa policy shifts

Conclusion:

- Conclusion (lor udure chaper in the Bate and US Immigrabilty policy.



## VISIT:

[axiaiasacademy.com](http://axiaiasacademy.com)

## CONTACT:

+91 6002-417488

# The Goldilocks period that wasn't for the economy



WHEN THE Union Budget was presented in February, the Indian economy was seemingly witnessing a "rare Goldilocks period", as RBI Governor Sanjay Malhotra put it. A cultural reference, Goldilocks refers to an economy being exactly where policymakers would like it to be — sustained growth, low inflation, and low unemployment.

Since then, the news has been negative. First, India revised how it calculates its gross domestic product (GDP) — the measure used to assess the size of any economy — with a new base year (2022-23) and found that the old series (2011-12 as base year) was overestimating GDP.

Then came the US-India war, and the further fall in the rupee's exchange rate with the US dollar. Last week, Japan and the UK overtook India in GDP terms.

With the headlines in less still on, more observers are penning in a slower growth and high inflation for India, given its overwhelming reliance on energy imports via the Strait of Hormuz. So, was India really witnessing a Goldilocks moment? And was it growing fast enough before the war?

## A sobering truth

Data from the old GDP series (since it provides data for past years) shows that contrary to popular notion — that India's economy was doing very well — the truth is far more sobering. The chart below shows the nominal GDP (in current-day prices) and the real GDP (without the effect of inflation) of some key years.

Also, CAGR of nominal GDP over the past 12 years (April 2014-March 2026) has been just about 10% each year — it was only 9.8% in the past 7 years. For perspective, CAGR over the past 22 years has been around 12.3%. So, India's growth rate is decelerating overtime — and it is getting worse.

In real GDP terms, India clocks a growth rate of just 6.2% per annum over the past 12 years — in the past 7 years, it was below 5.5%. Again, CAGR over the past 22 years is higher, suggesting that growth momentum has weakened. So, real GDP growth rate is nowhere near what India requires to become a developed country in the next two decades.

## Need for reforms

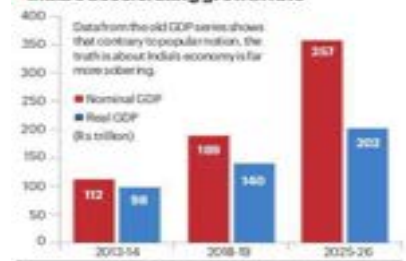
One must not cherry-pick only the years after the Covid-19-led growth contraction in 2020, since the high rates then would overstate the growth without acknowledging the low base created by the contraction.

So, not considering slightly longer-term growth rates can mislead both the public and policymakers. For instance, the high growth rate of the past 2-3 years could present a Goldilocks scenario when perhaps none exists.

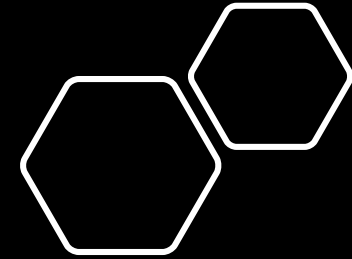
Also, declining real GDP growth rate should force policymakers to look closely at the domestic economy and reforms needed to boost growth. It is hardly surprising that corporate earnings have been modest and global investors have shied away. Also, lack of foreign capital flows is why the Indian rupee has weakened against the US dollar.

Moreover, the new GDP series has actually rolled back the size of India's GDP. Thus, India is today a smaller economy than what was previously imagined.

## India's decelerating growth rate



SOURCE: CMC AND COMPILATION BY SEARCH NOTE, DATE: 04/01/2022



- **Key Terms and Explanations**

- **Goldilocks Economy:** An economy that is "just right"—neither too hot (causing high inflation) nor too cold (leading to recession). It is characterized by moderate growth and low inflation, allowing for a market-friendly monetary policy.
- **Real vs. Nominal GDP:**
  - **Nominal GDP:** The total market value of goods and services produced, calculated at current market prices. It includes inflation.
  - **Real GDP:** The value of economic output adjusted for price changes (inflation/deflation). It provides a clearer picture of actual production volume.
- **Base Year:** A specific year used as a benchmark for economic comparisons. Changing the base year (e.g., from 2011-12 to 2022-23) helps capture changes in the structure of the economy, such as new industries or shifting consumption patterns.
- **CAGR (Compound Annual Growth Rate):** The mean annual growth rate of an investment over a specified period of time longer than one year. It smooths out the returns to show a steady rate.
- **Strait of Hormuz:** A strategic chokepoint between the Persian Gulf and the Gulf of Oman. It is the world's most important oil transit channel; any disruption here spikes global energy prices.
- **Base Effect:** The impact that the choice of a basis of comparison has on the result of the comparison. For example, high growth in 2021-22 may simply be a "rebound" from the severe contraction in 2020 (the "low base").

- **Main Arguments and Substantive Parts**

- The core thesis posits that India's economic "Goldilocks" moment is more a matter of perception than structural reality, hampered by revised data and external shocks.
- **The GDP Revision Shock:** The shift to a 2022-23 base year revealed that previous calculations (based on 2011-12) were overestimating the economy's size. This "rollback" means the economy is smaller than policy projections previously suggested.
- **Decelerating Growth Momentum:** While post-Covid numbers look high, the long-term CAGR shows a downward trend. Real GDP growth has slowed from over 12% in the 22-year horizon to roughly 5.5%–6.2% in the more recent 7-to-12-year windows.
- **External Vulnerabilities:** India's heavy reliance on energy imports makes it hyper-sensitive to geopolitical tensions, specifically the US-Iran conflict and disruptions in the Strait of Hormuz.
- **Investment and Currency Woes:** Lack of robust foreign capital flows has weakened the Rupee, while modest corporate earnings suggest that the domestic private investment cycle hasn't fully "taken off."

- **Historical Evolution of the Issue**

- **Pre-1991:** India followed the "Hindu Rate of Growth" (around 3.5%), characterized by a closed economy and heavy regulation.
- **1991 Reforms:** Liberalization, Privatization, and Globalization (LPG) shifted the trajectory, leading to high-growth phases in the early 2000s.
- **The 2011-12 Base Year Shift:** Introduced the "Market Price" concept for GDP, which led to significant debate among economists regarding the accuracy of manufacturing data.
- **The Pandemic Era (2020-2022):** A sharp contraction followed by a "V-shaped" recovery. This period created the "Low Base Effect" that inflated subsequent growth percentages.
- **2023-2026:** The transition to a 2022-23 base year and the impact of the US-Iran war represent the current milestone, highlighting the fragility of growth in a volatile global order.

- **Way Forward**

- **Broadening the Base:** Move beyond service-sector growth to labor-intensive manufacturing (PLI schemes) to insulate the economy from global shocks.
- **Energy Security:** Accelerate the Strategic Petroleum Reserve (SPR) and green hydrogen missions to reduce dependence on the Strait of Hormuz.
- **Data Transparency:** Establish an independent statistical authority to ensure GDP revisions are frequent, transparent, and free from political optics.
- **Structural Reforms:** Address the "Factor Market" reforms (Land and Labor) to boost corporate earnings and attract FDI.

- **All Previous Years' Questions**

- **Prelims (2015):** Regarding the change in GDP calculation—what was the shift? (Answer: From factor cost to market price).
- **Mains (GS3, 2017):** "Among several factors for India's potential growth, the savings rate is the most effective one. Do you agree?"
- **Mains (GS3, 2021):** "Explain the difference between computing methodology of India's Gross Domestic Product (GDP) before 2015 and after 2015."
- **Mains (GS3, 2023):** "Is India experiencing V-shaped recovery? Give reasons for your answer."



# AXIA IAS ACADEMY

RISE ABOVE THE REST

AXIA COMPETITIVE EXAM CENTRE

+91 6002-417488

axiaiasacademy.com

# ANALYSIS: IS INDIA'S "GOLDILOCKS" PERIOD SUSTAINABLE?

## KEY CONCEPTS & DEFINITIONS



### GOLDILOCKS

A illustrative thermometer based on analysis

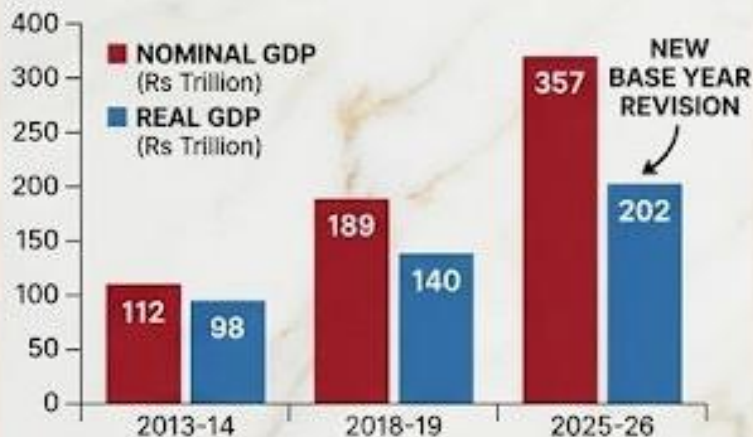
DATA AND DATA BASED ON THE ANALYSIS

REAL VS NOMINAL

### REAL vs NOMINAL

Bastractive consunented term of heal GDP

## INDIA'S DECELERATING GROWTH RATE



OVERESTIMATION RECTIFIED

PRODUCED FOR UPSC CSE PREPARATION BY AXIA IAS ACADEMY

## CORE ANALYSIS: MAIN ARGUMENTS



### 1. GDP REVISION SHOCK

- Smaller economy revealed, rollback of size
- Rollback of size



### 2. DECELERATING TRENDS

- Long-term CAGR slows, onver 10% year 2023
- Historical view of conpretito made (1-1:ase years)



### 3. SOVEER TRUTH

- Past 22 vs 7-to-12-year CAGRs in new bowr economy
- Historical view from nors and more an atils

PRODUCED FOR UPSC CSE PREPARATION BY AXIA IAS ACADEMY

## MULTIDIMENSIONAL IMPACT



### SOCIAL

Based on socia impact and undimnment



### POLITICAL

Persurad economy, political analysis



### LEGAL

Raomental contonomy and legal pointnts



### INTERNATIONAL

Based on analysis of international and partners



## WAY FORWARD & RECOMMENDATIONS

### STRUCTURAL REFORMS

Compreentrad reforms government that inerenais prevente the fealvert freath and nolar and techorique

### ENERGY SECURITY & DIVERSIFICATION

Deltasr,sand intrarated in Rortion between the Strait of Hormuz



### DATA TRANSPARENCY

Enable data. economy ammasa solar energy governments at the Strait of Hormuz



### BROADENING THE GROWTH BASE

Evahoming our experiaite, and broaddase growing economies and sospend senditie economy

## As 7 AAP members in Rajya Sabha switch to BJP, will they face disqualification?

Vikas Pathak

New Delhi, April 24

SEVEN RAJYA Sabha MPs of the Aam Aadmi Party (AAP) — Raghav Chadha, Sandeep Pathak, Ashok Mittal, Harbhajan Singh, Rajinder Gupta, Swati Maliwal and Vikramjit Sahney — switched to the BJP on Friday. Their move left the AAP with just three members in Rajya Sabha.

What happens to these members, the AAP and the Upper House now?

### Will these members face disqualification?

Chakshu Roy of PRS Legislative Research told *The Indian Express* that the seven MPs would not face disqualification, citing precedent.

While AAP has members in both legislatures, the Rajya Sabha Chairman would only consider the House he is presiding over. The Chairman can say that since two-thirds of the members of the party have merged with the BJP, they will now be BJP

members and not face disqualification, said Roy. "When Venkatesh Naidu was Chairman, CM Ramesh of TDP along with two-thirds of his party members had merged the party with the BJP, and the Chairman approved of the merger," he said.

However, according to former Lok Sabha secretary general PDT Achary, the AAP has members in various legislatures, not just Rajya Sabha. He pointed to paragraph 4 of the 10th Schedule — inserted in the Constitution by the 52nd Constitutional Amendment Act 1985 and strengthened by the 91st Constitutional Amendment Act 2003 — which says: "A member of a House shall not be disqualified... where his original political party merges with another political party and he claims that he and any other members of his original political party have become members of such other political party or, as the case may be, of a new political party formed by such merger."

Achary told *The Indian Express* that, in his opinion, this would mean that AAP chief Arvind Kejriwal should himself be willing to

merge with BJP. He added that any member can now file a disqualification petition with the Rajya Sabha Chairman — who would either approve the "merger" as more than two-thirds of the AAP members have shifted, or disqualify the seven AAP members.

This decision, Achary said, can then be challenged before court.

When Shiv Sena and NCP members split the party to join the NDA, the Election Commission (EC) granted the original party symbols to the breakaway factions, citing legislative majority, a ruling Achary believes goes against paragraph 4 of the 10th Schedule.

Achary said that since Chadha has reportedly said that he has merged with the BJP, there are no factions of the AAP for the EC to take a call on. But until the Chairman's ruling, the seven MPs who jumped ship will officially remain AAP members. Achary pointed to paragraph 2 (1) (a) of the 10th Schedule: "An elected member of a House shall be deemed to belong to the political party, if any, by which he was set up as a candidate for election as such member."

However, if they support the NDA on any legislative issue in the pendency of the Chairman's ruling, their seven votes would be added to the BJP's tally of 106, despite them technically belonging to AAP.

The NDA's effective tally of votes on an issue — different from its technical strength in the Upper House — will now be 148. And if the Chairman rules that this is a merger, the BJP's seat tally will go up to 113.

This will also be an anomaly that will come up during the pendency of a disqualification petition, says Achary. According to the 10th Schedule, defying the party whip, too, attracts a disqualification petition. Achary said: "AAP can still issue a whip to Chadha's group and they can keep violating it, with the Chairman being the person to take a call on any disqualification petition even on this ground."

### What if less than two-thirds had switched loyalties?

In that case, the rebels would have been liable for disqualification under the anti-de-

fection law in terms of numbers even in a single legislature. The process would have entailed any member of the House petitioning the Rajya Sabha Chairman to disqualify the rebel members for having switched sides.

The 10th Schedule, however, does not lay down any time limit for the presiding officer of a House to rule on the disqualification of a member for either switching over or defying the party whip.

Judicial review of the presiding officer's ruling also takes place only after he has given his ruling — something that can make a presiding officer sit on a petition so that a member liable to be disqualified still retains the membership of the House. This is despite the Supreme Court having observed that presiding officers should decide a petition within a reasonable time.

### What does anti-defection law say?

The 91st Constitutional Amendment Act of 2003 did two things.

First, it said that to avoid disqualification proceedings, at least two-thirds of the

members of a party in a House had to switch over to another party, something that would be seen as a merger. If the numbers were below two-thirds of that party's strength of the House, the shifting members would be liable to face disqualification proceedings.

Second, the Act laid down that the total number of ministers in a government would not exceed 15% of the total strength of Lok Sabha or state Assembly, adding that the number would not be less than 12 in very small states.

This Act strengthened the 10th Schedule as it stood after the 52nd Constitutional Amendment Act 1985 which inserted the above Schedule. However, the 10th Schedule in 1985 recognised a split of one-third of the members of a party in a House as legitimate. As this, too, was misused many times, the 91st Constitutional Amendment Act made switching over more difficult by deleting the one-third reference from the 10th Schedule, and mandating that two-thirds had to switch for a merger that would save them from disqualification proceedings.

- **Key Terms and Explanations**

- **10th Schedule:** Added by the **52nd Constitutional Amendment Act, 1985**, it provides for the disqualification of members of Parliament and state legislatures on the ground of defection.
- **Whip:** A directive issued by a political party to its members in a legislative house to vote in a particular way. Defying a whip can lead to disqualification.
- **Merger:** Under the **91st Amendment (2003)**, a "merger" is legally recognized only if at least **two-thirds** of the members of a legislative party agree to join another party.
- **Legislative Party vs. Organizational Party:** The "Legislative Party" comprises the elected members in a specific house (e.g., Rajya Sabha), while the "Organizational Party" refers to the wider party structure (cadre, president, etc.).
- **Presiding Officer:** The Speaker (Lok Sabha) or Chairman (Rajya Sabha) who holds the quasi-judicial power to decide on disqualification petitions.

- **Main Arguments and Substantive Parts**

- The core debate centers on whether the defection of seven out of ten MPs (more than two-thirds) constitutes a legal "merger" or an act of defection.
- **The "Two-Thirds" Rule:** Supporters of the MPs argue that since 7 out of 10 members moved, they meet the 2/3rd threshold required to avoid disqualification under the 10th Schedule.
- **The "Whole Party" Argument:** Critics, including former Lok Sabha Secretary General PDT Achary, argue that a "merger" must involve the political party as a whole across all legislatures, not just a faction within one specific House. Since the party still exists in the Lok Sabha and State Assemblies, a move in only the Rajya Sabha might not qualify as a true merger.
- **Role of the Chairman:** The Presiding Officer's decision is final but subject to judicial review. The article highlights the "anomaly" where defecting members can continue to vote with their new party while a petition is pending, potentially altering legislative outcomes.



## • **Historical Evolution of the Issue**

- **Pre-1985:** The "Aaya Ram, Gaya Ram" era was marked by frequent floor-crossing, leading to political instability and the collapse of multiple state governments.
- **52nd Amendment (1985):** Inserted the 10th Schedule. It allowed a "split" if **one-third** of the members defected.
- **91st Amendment (2003):** Recognized that the "split" provision was being misused. It deleted the split provision and raised the bar for a "merger" to **two-thirds** of the legislative party.
- **Kihoto Hollohan Case (1992):** The Supreme Court upheld the validity of the 10th Schedule but ruled that the Presiding Officer's decision is subject to **judicial review** to prevent arbitrariness.

## • **Way Forward**

- **Dinesh Goswami Committee Recommendation:** Disqualification should be limited to cases where a member voluntarily gives up membership or votes against the party on a **Confidence Motion**.
- **Election Commission's Role:** Power to decide disqualification should be vested in the President/Governor, acting on the **advice of the Election Commission**, similar to office-of-profit cases.
- **Fixed Timelines:** A constitutional amendment to mandate that disqualification petitions must be decided within 3–6 months.

## • **Previous Years' Questions (PYQs)**

- **UPSC Mains 2022 (GS2):** "The role of individual MPs has diminished in recent years, leading to the hollowing out of the legislative process. Discuss."
- **UPSC Mains 2014 (GS2):** "The Anti-Defection Law seems to have failed to achieve its objective. Comment."
- **UPSC Prelims (Multiple Years):** Questions regarding the 10th Schedule, 52nd and 91st Amendments.





## UPSC CSE MAINS ANALYSIS: ANTI-DEFECTION LAW & MASS MERGERS.



### THE INCIDENT & LEGAL CONUNDRUM



**INCIDENT:**  
7 of 10 AAP Rajya Sabha MPs switch to BJP



Is this a **VALID MERGER** or **DISQUALIFICATION?**  
(Contextual base: 10th Schedule, Para 4)

### TWO INTERPRETATIONS

**Interpretation 1: Legislative Party View**  
(Supported by MPs)



Meets 2/3rd threshold (7/10) of legislative party in the House.

**Result:** Valid Merger, No Disqualification.

**Interpretation 2 (Former Sec. Gen.)**



Merger must involve the *entire political party* across all legislatures.

**Result:** Individual Defection, Disqualification.

**Whole Party View**  
(Former Sec. Gen.)



### ANTI-DEFECTION LAW EVOLUTION



**CONCEPT:**  
The Deemed Membership Paradox.



Party B allegiance on a delay. final ruling & firing.

**WAY FORWARD: Reforms.**



Decide disqualification on EC advice (e.g., like office of profit)



Introduce fixed timelines for Speaker/Chairman.



Define "political party" for merger (Whole vs. Legislative)



Ministry of External Affairs Secretary (South) Neena Malhotra poses for a group photo during the BRICS-MENA meeting in New Delhi. PTI

## BRICS-MENA envoys express concern over war in West Asia

**Kallol Bhattacharjee**  
NEW DELHI

Deputy Foreign Ministers and Special Envoys of the BRICS grouping and MENA (Middle East and North Africa) met on Friday and expressed "deep concern" about the U.S.-Israel war against Iran.

Indicating divergent opinions in the meeting about the war, the Ministry of External Affairs (MEA) said the delegates "offered views and assessments" on the war. This was the first statement that India issued on the situation in the Gulf as the Chair of the BRICS.

"Members expressed deep concern on the recent conflict in the Middle East (West Asia)," said the MEA in a statement.

Earlier, the MEA official spokesperson had said that the BRICS-MENA representatives had "constructive exchange of views on current and regional developments".

India has remained engaged with the BRICS members but there has been no consensus within the grouping as Iran, Saudi Arabia and the UAE have been caught in opposing sides in this war.

Secretary (South) of the MEA Neena Malhotra chaired Friday's meeting.

The MEA said the delegates discussed 'the Palestine issue and the Gaza situation, including provision of aid, the role of UNRWA, zero tolerance approach to terrorism,' among other matters.

- **Key Terms and Explanations**

- **BRICS-MENA:** A specialized dialogue format within the BRICS (Brazil, Russia, India, China, South Africa) framework that includes invited representatives and members from the Middle East and North Africa (MENA) region.
- **Chair's Statement:** A diplomatic document issued by the host nation (India) when the grouping fails to reach a "Joint Communiqué." It reflects the summary of discussions rather than a consensus-based policy.
- **UNRWA (United Nations Relief and Works Agency):** The primary UN body responsible for providing aid and essential services to Palestinian refugees. In the current context, its role is pivotal for humanitarian stability in Gaza.
- **Zero-Tolerance Approach to Terrorism:** A fundamental pillar of Indian foreign policy, asserting that no cause justifies acts of terror. It is often used to balance statements that might otherwise lean heavily toward one side of a conflict.
- **Strategic Autonomy:** India's policy of making independent foreign policy decisions based on national interest, without being a formal ally of any major power bloc (like the U.S. or the Russia-China axis).
- **West Asia (Middle East):** India's preferred geographical term for the Middle East, reflecting a more Asia-centric worldview.

- **Main Arguments and Substantive Parts**

- **A. The Challenge of Consensus in "BRICS+"**
  - The core thesis revolves around the **structural limitations** of an expanded BRICS. With the inclusion of Iran, Saudi Arabia, and the UAE, the bloc now contains members who are direct or indirect adversaries in the current regional war.
- **B. India's Balancing Act**
  - As the Chair, India's primary objective was to facilitate dialogue without alienating any partner. The "Chair's Statement" served as a diplomatic "middle path," acknowledging "deep concern" while avoiding the condemnation of specific actors (U.S., Israel, or Iran).
- **C. Divergent Assessments**
  - The MEA's admission that members "offered views and assessments" highlights a lack of a unified narrative. While Russia and China likely pushed for a stronger anti-Western stance, India and the UAE likely prioritized stability and de-escalation without naming the U.S. or Israel as aggressors.

- **Historical Evolution of the Issue**

- **Pre-2023 (The Core Five):** BRICS was largely an economic grouping focused on reforming global financial institutions (IMF/World Bank). Political stances were broad and non-interfering.
- **August 2023 (Johannesburg Summit):** The historic decision to expand BRICS (adding Iran, UAE, Ethiopia, Egypt, and Saudi Arabia) shifted the bloc toward a more political, "Global South" representative body.
- **January 2024 (Membership Activation):** The new members officially joined, immediately bringing West Asian rivalries (Iran vs. Gulf Monarchies) into the BRICS internal chambers.
- **February 2026 (The War Trigger):** The outbreak of the U.S.-Israel-Iran conflict created an existential crisis for BRICS cohesion.
- **April 2026 (New Delhi Meeting):** India, holding the Presidency, had to navigate this for the first time, marking a shift from economic cooperation to "crisis management."

- **Way Forward**

- **Functional Cooperation:** Focus on less controversial areas like digital public infrastructure (DPI), green energy, and the New Development Bank to maintain bloc cohesion.
- **Incremental Diplomacy:** India should continue using "Sherpa-level" channels to bridge the Iran-Saudi gap within BRICS, positioning itself as a reliable "back-channel."
- **Humanitarian Leadership:** Lead a BRICS-led humanitarian corridor for Gaza and Iran to show the bloc's relevance beyond mere rhetoric.

- **Previous Years' Questions (PYQs)**

- **UPSC 2022 (GS2):** "The newly expanded BRICS is no longer just an economic club but a political voice of the Global South. Discuss the challenges India faces in this expanded grouping."
- **UPSC 2023 (GS2):** "West Asia has become a theater of great power rivalry. Evaluate India's 'Link West' policy in this context."
- **UPSC 2017 (GS2):** "The steering of BRICS, which was once an economic powerhouse, has now shifted to political issues. Elaborate."

# BRICS-MENA Analysis: Navigating a Polarized World

## THE CHALLENGE

### INTERNAL BRICS RIVALRIES



- U.S.-Israel-Iran conflict to Inter-mes
- Pressures of condensation of official shielders
- Humanitarian and Iran-Iran conflict

### INDIA'S BALANCING ACT



### DIVERGENT VIEWS

**CHINESE/RUSSIAN Assessment (Anti-West)**  
Chinese/Russian to the opposition in U.S.-continent and Anti-West

**INDIAN/GULF Assessment (Stability Focus)**  
Indian/Westerns encourage on the smillion stability (Conuetyly Focus)

## THE STRATEGY

### REALPOLITIK & MULTIPOLARITY



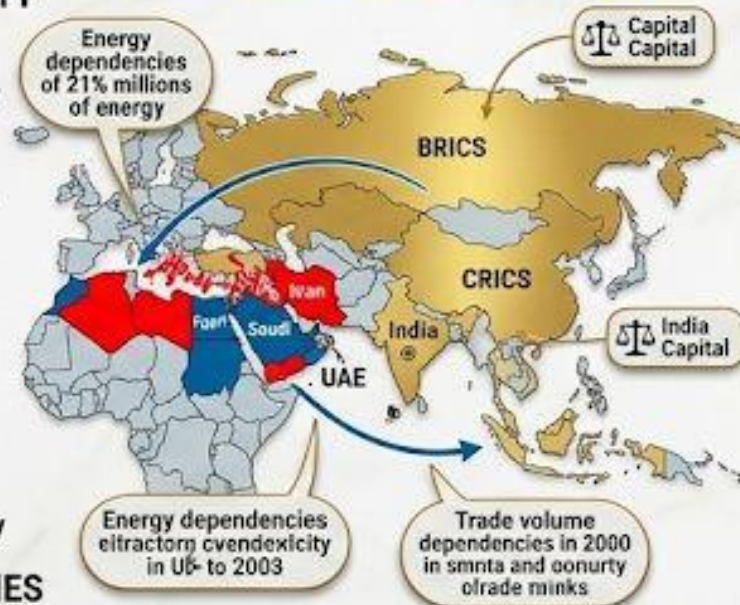
### INDIA'S 'MIDDLE PATH'



### ROLE OF CONFLICTING PARTIES



## BRICS-MENA Global Map



## THE IMPACT & NCERT/UPSC

### NCERT Linkages



- Alternative Centres of Power (Alternative Centres of Power)
- India's External Relations (India's External Relations)

### UPSC CSE Syllabus Links



### Previous Years' Questions

- Previous Years Years 2023

### WAY FORWARD (Vishwa Mitra)



### Philosophical

- Egyptraatlives between chinese (anti-vstem, persinra and bonactics)
- Incremental Con diplomacs (Mediator Role)
- Humanitarian Aid In'ria (Gaza/Iran-Corridor)

# Meta 'automatically' blocks govt.-flagged content in India

**Aroon Deep**  
NEW DELHI

India is now among a set of "limited countries" where Facebook and Instagram "automatically restrict content, at scale and based on local law requirements," a company source told *The Hindu*.

Meta, the parent firm of both social media platforms, has complied with censorship orders on a large scale in recent weeks, as the firm has been hit with a barrage of takedown notices from State police authorities as well as the Union government. Precise numbers of local law-related takedowns on the platforms will only be published by the firm in the

second half of 2026.

The Sahyog portal, which provides a web link for authorised police officials around the country to send takedown notices to social media platforms, operates under Section 79(3)(b) of the Information Technology Act, under which social media platforms could lose "safe harbour" for content posted by users, and end up defending themselves in court alongside the people whose content has been targeted by authorities.

Meta did not provide written responses to questions from *The Hindu*. The firm's receptivity to non-binding takedown notices appears to have increased since the IT Ministry in Fe-

## Limited access

Meta has complied with censorship orders after a barrage of takedown notices from the Centre and State police



- India is now among a set of "limited countries" where Facebook and Instagram 'automatically restrict content, at scale, based on local law requirements'

- The Sahyog portal works as a centralised platform for issuing takedown orders to internet intermediaries, including social media platforms

- The portal operates under section 79(3)(b) of the IT Act, which has provisions to take away 'safe harbour' for platforms for non-compliance with notices

bruary reduced timelines from 36 hours to a maximum of three hours.

Non-compliance within this timeline would lead to a loss of safe harbour. Meta did not respond to a ques-

tion on whether it conducts human rights evaluations on such takedowns. The help documentation on its site says it does such evaluations.

X, formerly Twitter, has

challenged the Sahyog portal in the Karnataka High Court, and does not comply with police takedown notices when it believes the content they target is lawful.

## 'Lasting censorship'

Meta's response, however, is to instantaneously restrict access in response to content that has been sent through this mechanism, giving police authorities wide powers of immediate and lasting censorship that they can exercise by merely filling out an online form.

"Various apparatuses of the government have been issuing notices (not orders) providing 'actual knowledge' of violations of In-

dian law to platforms under Section 79(3)(b), most of which, when scrutinised, do not actually disclose any violation of any Indian law by the users," Praneesh Prakash, co-founder of the Centre for Internet and Society, who is now a tech law and policy consultant, told *The Hindu*. Mr. Prakash said that users are seldom acted against personally in court, with the matter ending in the content takedown, which "show[s] ... that the platforms would not be held liable either."

"Yet, instead of fighting for their users, Meta is unthinkingly removing content it is legally not even required to remove," Mr. Prakash said.

- **Key Terms and Explanations**

- **Safe Harbour:** A legal doctrine (primarily Section 79 of the IT Act) that protects Intermediaries (like Meta or X) from being held legally liable for the third-party content posted by users. Without it, a platform could be sued for every defamatory tweet or illegal post.
- **Intermediary:** An entity that stores or transmits data on behalf of others. Examples include Social Media Platforms, ISPs, and Search Engines.
- **Actual Knowledge:** A legal standard where a platform is formally notified of illegal content. Once "actual knowledge" is received (usually via a court order or government notice), the platform must remove the content to maintain its safe harbour protection.
- **Section 79(3)(b) of the IT Act:** The specific provision stating that safe harbour does not apply if an intermediary fails to expeditiously remove material upon receiving "actual knowledge" that the content is being used to commit an unlawful act.
- **Sahyog Portal:** A centralized government interface designed to streamline the process for law enforcement agencies to submit takedown requests to social media companies.

- **Main Arguments and Substantive Parts**

- The core of the current debate rests on the **automaticity and scale** of content censorship in India.
- **The Compliance Shift:** Unlike previous years where platforms might contest vague orders, there is a noted shift toward "automatic" restriction. Meta is reportedly treating police "notices" as mandatory triggers for content removal to avoid the risk of litigation.
- **Timeline Compression:** The reduction of the compliance window—from 36 hours to just 3 hours—creates a systemic pressure. Platforms argue that such short windows make human rights due diligence or legal vetting almost impossible, leading to "over-blocking."
- **The Legal Paradox:** Critics argue that platforms are removing content that may not actually violate Indian law. However, because the cost of losing "safe harbour" is so high (potential criminal liability for executives), platforms prefer "unthinking removal" over legal defense.
- **The Divergent Approach:** A contrast is drawn between Meta (high compliance) and X (legal challenge). X argues that some police notices target lawful speech, thus challenging the validity of the Sahyog portal's use in the Karnataka High Court.

- **Historical Evolution of the Issue**

- **2000:** The IT Act is passed, initially providing broad protections to intermediaries to foster internet growth.
- **2008:** The **Avnish Bajaj (Bazee.com) Case** highlights the vulnerability of platform CEOs, leading to the 2008 Amendment which strengthened Section 79 (Safe Harbour).
- **2015: Shreya Singhal v. Union of India.** The Supreme Court strikes down Section 66A but clarifies that "actual knowledge" for takedowns must come from a court order or government notification, not just private complaints.
- **2021:** The **IT (Intermediary Guidelines and Digital Media Ethics Code) Rules** are introduced, mandating strict compliance timelines and the appointment of local grievance officers.
- **2023–2026:** Introduction of the Sahyog portal and further tightening of timelines (3-hour rule), leading to the current era of automated, large-scale censorship.

- **Way Forward**

- **Judicial Oversight:** Move away from purely administrative notices. A "Magistrate-in-the-loop" model for takedowns could balance speed with legality.
- **Clarifying "Unlawful":** Narrowly define what constitutes a violation under Section 79(3)(b) to prevent police from flagging mere criticism as "illegal."
- **Appellate Mechanism:** Strengthen the Grievance Appellate Committee (GAC) to allow users a fast-track way to reinstate content that was wrongfully removed.
- **Transparency:** Mandate real-time, anonymized logs of takedown requests to ensure public accountability.

- **Previous Years' UPSC Questions**

- **2021 (GS3):** "What are the different elements of cyber security? Keeping in view the challenges in cyber security, examine the extent to which India has successfully developed a comprehensive Information Security Policy."
- **2014 (GS2):** "The exercise of freedom of speech and expression in the digital age requires a delicate balance between individual rights and national security. Discuss."



## A) THE 3-HOUR COMPLIANCE PARADOX

Timeline with figures



**OLD:** 36 Hours

**NEW:** 3 Hours (Max)

**SCALE:** Automated Takedowns (e.g., Sahyog Portal).



## IMPACT ON RIGHTS & RESPONSIBILITIES

Comparative chart

USER IMPACT	PLATFORM DILEMMA	STATE PERSPECTIVE
Free Speech	 Judiciary      Policing	Involve lawyer
Due Process		Sahyog portal
Corporate Ethics		Chilling Effect

## MULTIDIMENSIONAL FRAMEWORK FOR UPSC

Thematic boxes

- GS2: Fundamental Rights (Art 19) vs. Reasonable Restrictions**
  - Administrative vs. Judicial Overreach
- GS3: Cybersecurity**
  - Role of Non-State Actors
- GS4: Corporate Governance**
  - Ethics of Platform Compliance



Platform server

Chilling Effect



## D) WAY FORWARD & POLICY REFORMS

Balanced solutions

### 1. TIERED OVERSIGHT

Magistrate verification for 3-hour notices

### 2. TRANSPARENCY RULES

Anonymized real-time time takedown logs

### 3. ROBUST GAC

Clear appeal process for users



# Himalayan snow cover 28% below normal, lowest in 2 decades: Study

**Gaurav.Talwar**  
@timesofindia.com

**Dehradun:** Seasonal snow persistence — the duration for which snow remains on the ground without immediately melting — across the Hindu Kush Himalaya (HKH) has fallen to 27.8% below normal in 2026, the lowest in over two decades, raising concerns about water security for nearly two billion people, according to the latest annual snow update by the International Centre for Integrated Mountain Development (ICIMOD).

This is the fourth consecutive year of below-normal snow levels, indicating a sustained decline in snow re-



This is the fourth straight year of below-normal snow levels across the Hindu Kush Himalaya

serves across the region.

Experts warned that reduced snow accumulation during winter could affect river flows in the coming months. Snowmelt remains a key source of water, partic-

ularly in early summer when rainfall is limited.

The impact is significant for major basins such as the Indus, Amu Darya and Helmand. Overall, 10 of 12 major river basins in HKH region have recorded below-normal snow persistence.

The steepest declines were recorded in the Mekong basin (down 59.5%) and the Tibetan Plateau (down 47.4%). Other basins also saw significant drops, including the Salween (41.8%), Yellow River (35.9%), Amu Darya (31.8%) and Tarim (27%). Key snow-fed basins such as the Helmand and Indus also reported declines, with snow levels falling by around 18% in each.

- **Key Terms and Explanations**

- **Seasonal Snow Persistence:** This refers to the duration snow remains on the ground before melting. High persistence acts like a "natural battery," storing water in winter and releasing it slowly during the parched pre-monsoon months.
- **Cryosphere:** The portions of Earth's surface where water is in solid form (glaciers, snow, ice).
- **HKH Region (Hindu Kush Himalaya):** Often called the "Third Pole," it contains the largest reserves of freshwater outside the polar regions.
- **ICIMOD:** The International Centre for Integrated Mountain Development, an intergovernmental body serving the eight countries of the HKH (Afghanistan, Bangladesh, Bhutan, China, India, Myanmar, Nepal, and Pakistan).
- **River Basins (Amu Darya, Indus, Helmand):** These are "snow-fed" rivers. Unlike rain-fed rivers, their flow is dictated by temperature-induced melting.

- **Main Arguments and Substantive Parts**

- **The 2026 Crisis:** The current year marks the lowest snow levels in two decades. The decline is not uniform; the Mekong (59.5%) and Tibetan Plateau (47.4%) are witnessing catastrophic drops.
- **The "Water Tower" Vulnerability:** The HKH serves as the water tower for Asia. Reduced snow accumulation means the "recharge" of this tower is failing.
- **Early Summer Water Stress:** The article argues that the most critical impact will be felt in the early summer (April–June). During this window, rainfall is low, and agriculture/drinking water depends almost entirely on snowmelt.
- **Successive Decline:** This is the fourth consecutive year of below-normal snow. This suggests a **secular trend** (long-term) rather than a **cyclical** (short-term) weather fluctuation.

- **Historical Evolution of the Issue**

- **Pre-1970s:** The HKH was perceived as a "permanent" frozen frontier with stable glaciers.
- **1980s–1990s:** Early satellite data began showing signs of "Glacial Lake Outburst Floods" (GLOFs), indicating increased melting.
- **2000–2015:** The "HiMAP" assessments began. The 2015 Paris Agreement brought focus to the fact that even a 1.5°C global rise would lead to a 2.1°C rise in the Himalayas due to **Elevation-Dependent Warming (EDW)**.
- **2020–2026:** The transition from "glacier retreat" to "snow persistence decline." While glaciers take decades to respond, seasonal snow responds instantly to temperature, making it a "canary in the coal mine" for climate change.

- **Way Forward**

- **Transboundary Data Sharing:** Moving beyond "Hydro-secrecy." A regional "HKH Data Hub" is needed.
- **Nature-Based Solutions (NbS):** Restoring mountain springs ("Spring-shed management") to reduce reliance on direct snowmelt.
- **Climate-Resilient Agriculture:** Promoting millets and other low-water crops in snow-dependent basins.
- **Cryosphere Diplomacy:** India should lead a "Mountain Nations" bloc at COP summits to demand specific funding for high-altitude adaptation.

- **Previous Years' UPSC Questions**

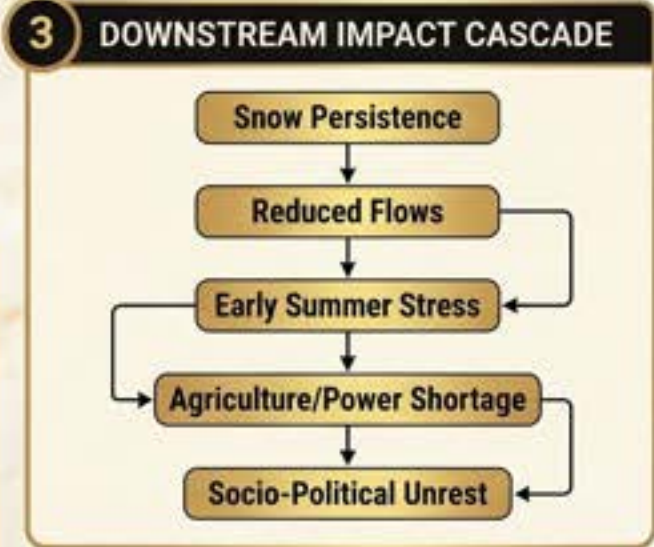
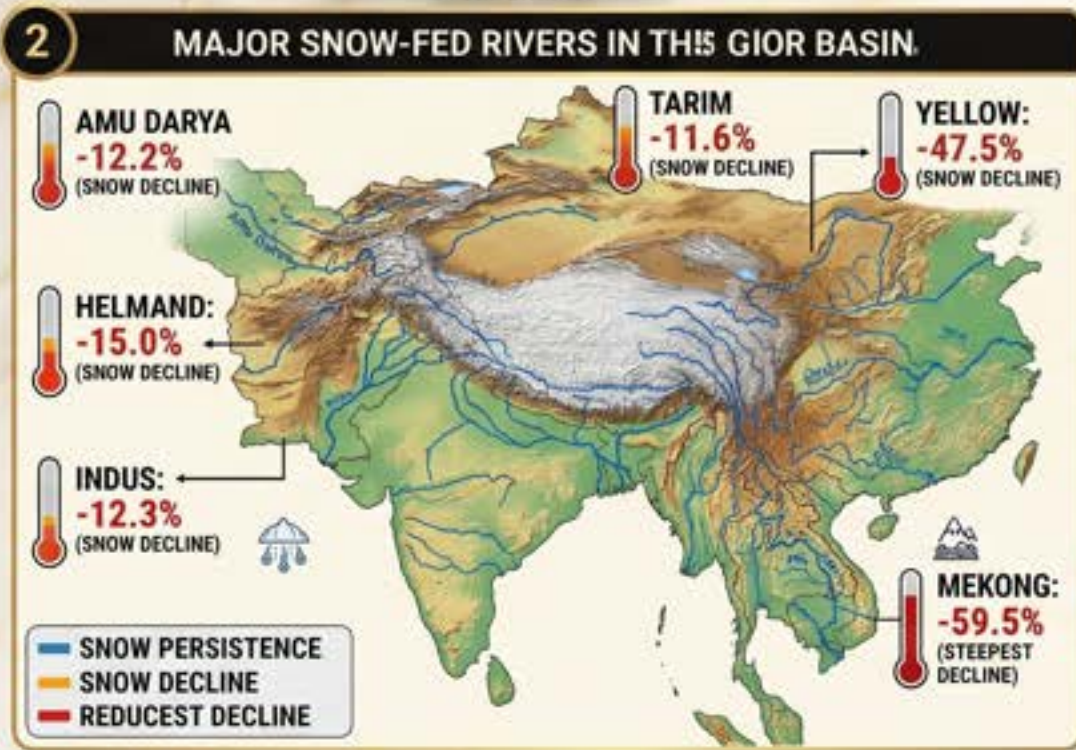
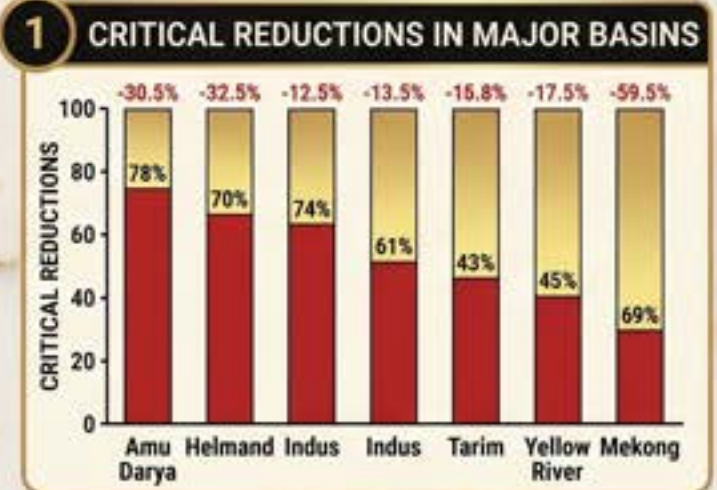
- **Prelims (2021):** Question on "Indus River System" (tributaries and origins).
- **Mains (2020, GS1):** "The Himalayan glaciers are melting and the consequences will be far-reaching on the water resources of India. Discuss."
- **Mains (2017, GS3):** "Describe the various causes and the effects of landslides. Mention the components of the Himalayan region's susceptibility."

# HINDU KUSH HIMALAYA: THE UNRAVELING CRYOSPHERE.

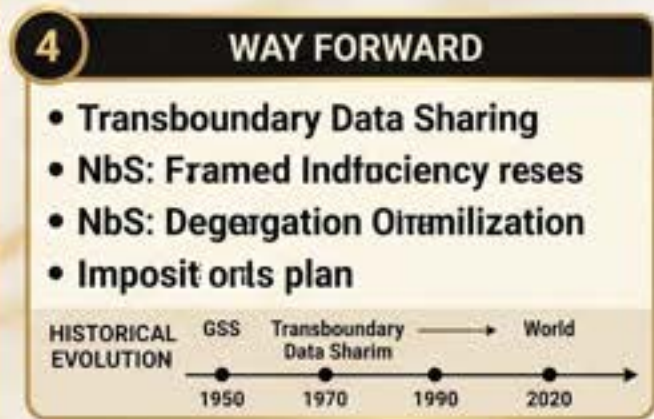


# A STRATEGIC CIVIL SERVICES ANALYSIS.

**AXIA**  
IAS ACADEMY  
LIFE WITHOUT THE BEST



- ### 3 WHY UPSC LOVES THIS TOPIC
- GS1** — Comparetended by law of Snow Persistence
  - GS2** — Indus antismence on snow protiming, Ricen session tirtite UPSC
  - GS3** — Analysis-yslaosfow of Agriculture/ Diversity ristance
  - Essay** — Sono Politicait, Agricultting & Ceotomooarofnatiance



COMPREHENSIVE PREPARATION RESOURCES | Amu Darytance | Helmand Flows | Indus | Tarim | Yellow River | FromnrBudical Riners



# AXIA

## IAS ACADEMY

RISE ABOVE THE REST



**UPSC CSE CLASSES - PRELIMS + MAINS + INTERVIEW GUIDANCE**

- **EXPERT FACULTY & MENTORSHIP**
- **COMPREHENSIVE STUDY MATERIAL**
- **REGULAR TEST SERIES & EVALUATION**
- **CURRENT AFFAIRS & ANSWER WRITING FOCUS**
- **SMALL BATCH SIZES FOR PERSONAL ATTENTION**

**[axiaiasacademy.com](http://axiaiasacademy.com)**

**+91 6002-417488**