POLITY AND GOVERNANCE

RESTORE SPEECH IN FULL, RAHUL TELLS BIRLA; SAYS EXPUNCTION IS AGAINST DEMOCRACY

CONTEXT: Rahul Gandhi urges Speaker Om Birla to restore his expunged Lok Sabha speech, asserting that the removal of his critical remarks against BJP undermines parliamentary democracy and freedom of speech.

CONTEXT AND IMMEDIATE REACTION

- **Expunged Speech:** Portions of Rahul Gandhi's maiden speech as the Leader of the Opposition in the Lok Sabha were expunged.
- **Letter to Speaker:** Rahul Gandhi wrote to Speaker Om Birla, claiming the expunction action went "against the very tenets of parliamentary democracy".

Content of the Expunged Speech

- **Expunged Portions:** The Speaker removed 13 parts of Gandhi's speech from the records.

Argument Against Expunction

- **Rules of Procedure:** Gandhi argued that the Chair's power to expunge remarks pertains only to words specified in Rule 380 of the Rules of Procedure and Conduct of Business in the Lok Sabha.
- **Shock at Expunction:** He expressed shock at how considerable portions of his speech were removed under the guise of expunction.

Emphasis on Freedom of Speech

- **Scope of Rule 380:** Gandhi contended that the expunged portions did not fall under the ambit of Rule 380.
- **Ground Reality:** He emphasized that his speech conveyed the ground reality and factual position.
- **Article 105(1):** Gandhi stressed that every member of the House, representing the collective voice of the people, has the freedom of speech as enshrined in Article 105(1) of the Constitution of India.

DETAILED ANALYSIS OF RULE 380 AND ARTICLE 105(1) OF THE CONSTITUTION.

Rule 380 of the Lok Sabha

Authority of Rule 380

- **Constitutional Basis:** Derived from Article 118(1) of the Constitution of India, empowering each House of Parliament to make its own rules.
- **Framing of Rules:** Lok Sabha has framed its own set of rules, including Rule 380.

Application of Rule 380

- **Unparliamentary Language:** Used to expunge words deemed unparliamentary, indecent, vulgar, or defamatory.
- **Speaker's Discretion:** Speaker decides which words to expunge, ensuring decorum.
- **Maintaining Decorum:** Ensures debates are respectful and constructive.

Process

1. Identification of Words: Objections can be raised if language is unparliamentary.
2. Speaker's Decision: Speaker reviews and orders expunction if necessary.
3. Official Records: Expunged words are removed from official records, with an indication of the expunction.

Importance

- Ensures Civility: Maintains a respectful tone in debates.
- Protects Dignity: Prevents defamatory remarks from being recorded.
- Reflects Standards: Ensures official records uphold parliamentary discourse standards.

Handling of Expunged Remarks in the Lok Sabha

1. **Removal from Official Records**
   - **Debate Transcript:** Expunged words removed from the transcript.
   - **Hansard:** Indicates expunged words with a note.
2. **Documentation**
   - **Original Records:** Contain expunged remarks, marked for exclusion.
   - **Annotations:** Indicate expunction in printed/electronic versions.
3. **Access and Reference**
   - **Restricted Access:** Only authorized personnel can access original records.
   - **No Public Reproduction:** Expunged content cannot be publicly referenced.
4. **Impact on Members**
   - **Accountability:** Members remain accountable for their words.
   - **Continued Debate:** Debate continues without restating expunged content.

Comparison of Freedom under Article 105(1) and Rule 380

Article 105(1) of the Constitution

- **Provision:** Grants MPs freedom of speech in the House and committees.
- **Scope:**
  - **Absolute Privilege:** MPs cannot be prosecuted for anything said in Parliament.

- Purpose: Ensures free and robust debate.
- Limitations: Subject to parliamentary rules and orders.

Rule 380 of the Lok Sabha

- **Provision:** Empowers the Speaker to expunge unparliamentary words.
- **Scope:**
  - **Maintaining Decorum:** Ensures respectful debates.
  - **Discretionary Power:** Speaker decides what to expunge.
  - **Application:** Keeps official records free from inappropriate content.

Relationship and Balance

1. **Complementary Roles**
   - **Article 105(1):** Provides broad freedom of speech.
   - **Rule 380:** Regulates conduct to ensure order.
2. **Balancing Act**
   - **Freedom vs. Decorum:** Freedom within bounds of decorum.
   - **Speaker's Role:** Balances free expression with maintaining order.

Supreme Court Verdicts and Observations

Key Cases

1. **Keshav Singh Case (1965):** Parliamentary privileges are not absolute, subject to judicial review.
2. **P.V. Narasimha Rao Case (1998):** Immunity extends to voting and speaking within the House.
3. **Rajendra Sail v. MP High Court Bar Association (2005):** Privilege does not extend to comments outside Parliament.

Balancing Freedom and Decorum

The Supreme Court recognizes parliamentary privileges and the need for responsible exercise. It upholds the Speaker's role in maintaining decorum, intervening only if constitutional provisions or fundamental rights are violated.

CONCLUSION

The freedom granted under Article 105(1) and the regulatory mechanism provided by Rule 380 work together to ensure that parliamentary proceedings are both free and orderly. The Speaker's discretionary power to expunge remarks ensures that debates remain respectful and constructive, while the Supreme Court has upheld the sanctity of parliamentary privileges, emphasizing the need for a balanced approach. This balance allows for robust debate within a framework of respect and order, essential for the functioning of a democratic legislature.

INTERNATIONAL RELATIONS

JAISHANKAR TO REPRESENT INDIA IN PLACE OF MODI AT SCO SUMMIT IN KAZAKHSTAN

CONTEXT: External Affairs Minister S. Jaishankar represents India at the SCO Council of Heads of State in Kazakhstan, discussing regional cooperation, economic ties, and security issues amid significant geopolitical dynamics.

INDIAN DELEGATION AT SCO SUMMIT

Jaishankar Leads Delegation

- External Affairs Minister S. Jaishankar reached Astana, Kazakhstan, on Tuesday to lead the Indian delegation at the SCO Council of Heads of State on July 3 and 4.
- He represents Prime Minister Narendra Modi, according to the Ministry of External Affairs.

Attendance of Other Leaders

- Leaders of Eurasian countries, including newly added Belarus, will attend.
- Notable attendees: Russian President Vladimir Putin, Pakistan PM Shehbaz Sharif, Presidents of Uzbekistan, Kyrgyzstan, and Tajikistan.
- Chinese President Xi Jinping arrived for a state visit and bilateral meetings ahead of the summit.
- Iran's President might not attend due to elections in the country.

Bilateral Meetings

- Shortly after landing, Mr. Jaishankar met Kazakh Deputy Prime Minister and Foreign Minister Murat Nurtleu.
- Discussed expanding strategic partnership and India's engagement with Central Asia.

Summit Agenda

Plenary Session

- Mr. Jaishankar is expected to address the grouping during the plenary session on Thursday morning.

Review of Activities

- Leaders will review the SCO's activities over the past two decades.
- Discuss prospects of multilateral cooperation and topical regional and international issues.

Modi's Absence

Virtual Address

- Prime Minister Modi may address the summit virtually to avoid sharing the stage with the Chinese President and Pakistan PM.
- Modi is scheduled to meet the Russian President next week in Moscow.

Impact on Central Asian Relations

- Modi's absence may disappoint Central Asian leaders due to previously cancelled engagements.
- Future attendance at SCO events remains uncertain with upcoming meetings in Pakistan and China.

Astana Declaration

Focus Areas

- The declaration will emphasize economic ties, connectivity, fighting terrorism, and regional developments.

Chabahar Port and Trade Corridors

- Promoted during the May Foreign Ministers meeting by MEA Secretary Dammu Ravi.
- Discussed maximizing the use of Chabahar Port and the International North-South Transport Corridor (INSTC).

Pakistani Ports

- Pakistan PM Sharif may offer Qasim port and Gwadar port for Central Asia's trade routes.

Afghanistan Developments

Engagement with Taliban

- Leaders will discuss developments in Afghanistan.
- Most SCO members are closely engaged with the Taliban regime in Kabul.

ANALYSIS OF INDIA'S OBJECTIVES AT THE SCO SUMMIT

Strategic Context

Representation and Diplomacy

- **External Affairs Minister S. Jaishankar leading the delegation:** This move signals India's commitment to active participation in the SCO despite Prime Minister Narendra Modi's absence. Jaishankar's presence ensures that India's interests are well-represented at the summit.

Engagement with Key Leaders

- **Meeting with Kazakh Deputy Prime Minister and Foreign Minister Murat Nurtleu:** This bilateral meeting underscores India's focus on strengthening strategic partnerships and enhancing engagement with Central Asian countries. Such discussions are pivotal for India's regional diplomacy and economic ties.

Summit Agenda and India's Focus

Economic Ties and Connectivity

- **Astana Declaration:** The expected emphasis on economic ties and connectivity aligns with India's broader strategy of enhancing regional trade links. Promoting the use of the Chabahar Port and the International North-South Transport Corridor (INSTC) showcases India's intent to bolster trade routes and economic corridors that benefit the region.

Fighting Terrorism

- **Focus on combating terrorism:** This is a consistent theme in India's foreign policy, particularly within multilateral forums like the SCO. It reflects India's ongoing concerns about regional security and its commitment to collective efforts in countering terrorism.

Bilateral and Multilateral Dynamics

Avoiding Diplomatic Tensions

- **Modi's virtual address and absence:** By opting for a virtual address, Prime Minister Modi avoids potential diplomatic tensions with the Chinese President and Pakistan PM. This move is strategic in maintaining a balance between engaging in the summit and managing bilateral relations with countries India has complex ties with.

Impact on Central Asia Relations

- **Potential disappointment among Central Asian leaders:** Modi's absence might affect India's relations with Central Asian countries, given the cancellation of previous engagements. However, Jaishankar's active participation aims to mitigate this by demonstrating India's continued commitment to the region.

Regional Trade and Infrastructure

Promotion of Key Ports

- **Chabahar Port and Pakistani Ports:** India's promotion of the Chabahar Port is part of its strategy to establish a reliable trade route to Central Asia, bypassing Pakistan. Conversely, Pakistan's offer of Qasim and Gwadar ports reflects its own regional ambitions. This highlights the competitive aspect of regional connectivity projects.

Regional Security

Developments in Afghanistan

- **Discussion on Afghanistan:** Given the involvement of nearly all SCO members with the Taliban regime, this topic is crucial for regional stability. India's participation in these discussions is significant for aligning its security concerns and strategies with those of other SCO members.

Conclusion

India's objectives at the SCO Summit revolve around strengthening economic ties, promoting regional connectivity, combating terrorism, and engaging in strategic partnerships with Central Asian countries. By navigating complex diplomatic relations and promoting key infrastructure projects, India aims to enhance its regional influence and contribute to the stability and development of the broader Eurasian region.

POLITY & GOVERNANCE

COURTS ARE SUBSERVIENT ONLY TO THE MIGHT OF CONSTITUTION AND NO OTHER AUTHORITY: CJI

CONTEXT: Indian Chief Justice argues courts should be independent and serve the people, highlighting the need for climate action.

COURTS AND CONSTITUTIONAL AUTHORITY

Commitment to the Constitution

- **Chief Justice's Assertion:** Chief Justice of India D.Y. Chandrachud emphasized that courts should only be subject to the Constitution and should serve the litigants.
- **Foundation of Courts:** Courts must have a strong structural and philosophical foundation, adhering strictly to constitutional principles.

Role of Courts

- **Service to Litigants:** Courts are not merely expressions of sovereign power but essential public service providers.
- **Warning to Judges:** Judges were cautioned against delivering quick, unrefined justice and were reminded to uphold the rule

of law and procedural guarantees.

Climate Change and Judicial Infrastructure

Acknowledgment of Climate Change

- **Chief Justice's Statement:** Climate change cannot be ignored, as evidenced by extreme weather patterns experienced in Delhi.
- **Personal Reflection:** Chief Justice Chandrachud referred to the record heatwaves and subsequent heavy rainfall in Delhi.

Infrastructure Adaptation

- **Reality of Current Conditions:** Infrastructure must adapt to current climatic realities.
- **Green Lifestyle:** Incorporating a green lifestyle and reducing carbon emissions are crucial steps for sustainable living.

Foundation Stone-Laying Ceremony

New Court Buildings

- **Ceremony Locations:** The Chief Justice spoke at the foundation stone-laying ceremony of new court buildings at Karkardooma, Shastri Park, and Rohini.
- **Significance:** The event highlighted the judiciary's commitment to improving infrastructure and adapting to environmental challenges.

ANALYSIS: Chief Justice of India D.Y. Chandrachud underscored the judiciary's foundational commitment to constitutional principles and service to litigants, emphasizing that courts should serve no authority other than the Constitution. He cautioned against hasty justice delivery, stressing the importance of upholding the rule of law and procedural guarantees. Chandrachud also addressed climate change, acknowledging its impact on Delhi with severe heatwaves and heavy rainfall, advocating for infrastructure adaptation and promoting a green lifestyle to mitigate carbon emissions. The foundation stone-laying ceremony for new court buildings symbolized the judiciary's dedication to enhancing infrastructure while addressing environmental challenges.

CONCLUSION: Chief Justice D.Y. Chandrachud's remarks underscore the judiciary's unwavering commitment to constitutional integrity, equitable justice, and environmental responsibility. His call for courts to prioritize constitutional authority and adapt to climate challenges reflects a forward-thinking approach to both legal and societal stewardship in India.

POLITY & GOVERNNACE

FACT-CHECK UNIT NEEDED TO PROTECT PEOPLE FROM FAKE NEWS: CENTRE IN BOMBAY HC

CONTEXT: The Bombay High Court is hearing arguments on a rule allowing the Government of India to create a fact-checking unit for social media, with concerns raised about censorship and free speech.

Bombay High Court Considers Government Fact-Checking Unit

- **Rule Challenged:** The Bombay High Court is hearing arguments on a rule that allows the Indian government to establish a fact-checking unit (FCU) for social media.
  - Petitioners' Argument: Comedian Kunal Kamra and others argue the FCU is a form of censorship to suppress critical discussion of the government.
- **Government's Defense:** Solicitor-General Tushar Mehta defends the FCU, citing:
  - Need to Combat Misinformation: The right to know truthful information is balanced by the right to not be misled by fake news.
  - Existing Fact-Checking Practices: Many state governments, private firms, and news organizations already use fact-checking measures.
  - Real-World Example: Fake news about the Election Commission spread on social media, highlighting the potential dangers of misinformation.
  - Limited Government Role: The FCU won't be the final arbiter of truth. Social media platforms have the first say, and courts have the final say.
- **Next Steps:** The Indian government will continue its arguments in July, followed by the petitioners' rebuttal.

CONCLUSION: The court will weigh the need for accurate information against concerns about free speech and government control.

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DEFENCE

ADVANCED MEDIUM COMBAT AIRCRAFT PROTOTYPE EXPECTED TO BE READY BY 2028-29

CONTEXT: India's indigenous 5th generation fighter jet (AMCA) is under development with a target completion date of 2034. The government is looking for private sector involvement to meet this ambitious schedule.

India's Advanced Medium Combat Aircraft (AMCA) Project

- **Project Progress and Timeline**
  - Design finalized, prototype expected by 2028-29
  - Production targeted to begin 2032-33
  - Goal for induction by 2034
- **Private Sector Involvement**
  - Crucial for timely project execution
  - Ministry developing a collaboration model (expected within 6 months)
  - 3 industry responses received after Expression of Interest (EoI)
- **Project Significance**
  - India's sole 5th generation fighter jet (FGFA) program
  - Counters similar programs worldwide, including China's J-20 FGFA deployment near the Indian border
- **AMCA Specifications**
  - Approved by Cabinet Committee on Security (CCS) in March
  - 25-tonne twin-engine stealth aircraft
  - Internal weapons bay and indigenously developed diverterless supersonic intake
  - Internal payload capacity of 1,500 kg and external capacity of 5,500 kg
  - 6,500 kg of internal fuel
- **Project Management**
  - Hindustan Aeronautics Limited (HAL) is the production agency and has begun manufacturing activities

ANALYSIS:

Why India's Advanced Medium Combat Aircraft (AMCA) is Important

Strategic Significance:

- **Maintaining Air Superiority:** Fifth-generation fighter jets like AMCA boast features like stealth, advanced avionics, and superior maneuverability. These are crucial for achieving and maintaining air superiority in potential conflicts with countries like China and Pakistan, which are also developing advanced fighter jets.
- **Countering Regional Threats:** China's deployment of the J-20 FGFA near the Indian border necessitates a credible response. AMCA's capabilities will deter aerial threats and prevent potential border incursions.

Technological Independence:

- **Reduced Reliance on Foreign Suppliers:** Currently, India relies on foreign jets like the Su-30MKI. AMCA's successful development will lessen dependence on foreign suppliers for critical military equipment.
- **Boost to Domestic Defense Industry:** The AMCA project will involve private sector participation and is expected to generate significant technological advancements and create jobs within the Indian aerospace and defense industry.

Geopolitical Considerations:

- **Projecting Strength:** Possession of an advanced indigenous fighter jet program like AMCA showcases India's growing military capabilities and strengthens its position as a regional power.

CONCLUSION: The AMCA transcends beyond a new fighter jet. It represents a critical step towards India's self-reliance in aerospace technology, strengthens its regional standing, and equips it with the airpower to address modern combat scenarios. The ambitious timeline necessitates private sector involvement to ensure this project takes flight as planned.

POLITY & GOVERNANCE

MIXED SIGNALS

CONTEXT: Core industries show mixed results. May data reflects the heatwave's impact, but private sector PMI suggests a rebound in June. Inflation and cost concerns remain.

Mixed Signals for Indian Industrial Activity

- **Core Sector Slowdown**:
  - May data shows a decline in activity across eight key industries due to a heatwave.
  - Only coal and electricity generation saw double-digit growth.
  - Construction materials (cement and steel) and fertilizers were particularly affected.
- **Heatwave's Impact:**
  - Forced afternoon breaks in construction and high power demand weakened steel and cement production.
  - Fertilizer output decline indicates continued weakness in agriculture.
- **Positive Private Sector Signs:**
  - June's PMI survey suggests a rebound in manufacturing activity after the heatwave.
  - The HSBC India Manufacturing PMI for June rose above its long-term average.
  - Manufacturers reported increased output, buying, and hiring.
- **Lingering Concerns:**
  - Rising staff expenses, material costs, and transportation costs are pushing up manufacturing prices.
  - Inflation and declining confidence in future output are potential roadblocks.
- **Policy Opportunity:**
  - The upcoming Union Budget offers a chance to address these challenges and strengthen momentum in key industrial sectors.

CONCLUSION: While the private sector shows promising signs, core sector struggles and inflationary pressures persist. The budget must address these issues to ensure sustainable industrial growth.

POLITY & GOVERNANCE

DIGITAL JURISPRUDENCE IN INDIA, IN AN AI ERA

CONTEXT: The emergence of Generative AI (GAI) presents legal challenges in India, spanning liability, copyright, privacy, and data rights amidst evolving digital jurisprudence and regulatory frameworks.

DIGITAL JURISPRUDENCE IN INDIA IN THE AI ERA

Challenges to Existing Legal Frameworks

- **Impact of Generative AI (GAI):** Poses significant challenges to existing legal frameworks and precedents designed for a pre-AI world.
- **Transformative Potential:** GAI can revolutionize society but strains current legal structures.

Safe Harbour and Liability Fixation

- **Persistent Issue:** Fixing liability on internet intermediaries for hosted content.
- **Shreya Singhal Judgment:** Upholds Section 79 of the IT Act, providing intermediaries with safe harbour protection contingent on due diligence.
- **Application Challenges:** Difficulty in applying these rules to Generative AI tools.

Role of GAI Tools

- **Intermediary or Conduit?:** Debate whether GAI tools act as intermediaries akin to search engines or mere conduits for user prompts.
- **Legal Ambiguity:** Classification challenges complicate liability assignment, particularly in cases of user-generated reposts.

Legal Conflicts and Ambiguity

- **Jurisdictional Issues:** GAI outputs leading to legal disputes globally, including defamation cases.
- **Classification Challenges:** Courts face complexity in categorizing GAI tools as intermediaries, conduits, or active creators.

The Copyright Conundrum

- **Indian Copyright Act:** Section 16 restricts copyright protection except under specific Act provisions.
- **Global Debate:** Reluctance globally in granting copyright protection to AI-generated works.
- **Parliamentary Report:** Highlights inadequacy of current laws in addressing AI authorship and ownership issues.

Privacy and Data Protection Challenges

- **Privacy Jurisprudence:** K.S. Puttaswamy judgment and the Digital Personal Data Protection Act, 2023.
- **New Layer of Complexity:** GAI raises concerns over data erasure and control, given its ability to retain absorbed information.

Proposed Steps

- **Learning by Doing:** Advocate for temporary immunity for GAI platforms to foster responsible development.
- **Data Rights:** Reform data acquisition processes to ensure legal compliance and fair compensation.
- **Licensing Solutions:** Explore centralized platforms for GAI data licensing akin to existing copyright societies.

CONCLUSION

- **Jurisprudential Evolution:** Urges comprehensive re-evaluation of digital jurisprudence to effectively govern GAI.
- **Government and Judicial Role:** Emphasizes the need for a cohesive approach to maximize benefits while safeguarding individual rights and addressing legal complexities.

DEFENCE

FRANCE: INDIA'S STEADY PARTNER IN GREEN GROWTH

CONTEXT: France and India's collaboration through the AFD Group highlights a strong partnership focused on sustainable development, spanning sectors like energy, urban development, biodiversity, and gender equality.

France-India Partnership for Green Growth

1. **Strategic Focus and Commitment**
- AFD Group's €4 billion commitment to India since 2008 for sustainable development.
- Elevating 'Partnership for the Planet' as a cornerstone in Indo-French relations.

2. **AFD's Holistic Approach**
- Operational arm includes AFD, Proparco, and Expertise France.
- Focus on SDGs through 4,200 projects globally, with €13.5 billion in new projects annually.

3. **Key Areas of Cooperation**
- Prioritizing sectors: energy transition, urban development, biodiversity, and inequality reduction.
- Emphasis on climate change mitigation (83% of portfolio) and gender equality (63%).

4. **Impactful Projects in India**
- €400 million in new loans for climate projects in 2023.
- Initiatives include forest cover expansion, urban water resilience, and circular economy advancements.

5. **Private Sector Contributions**
- Proparco's investments in Sahyadri and Quadria highlight private sector's role in SDG achievement.
- Improving farming practices and enhancing healthcare accessibility across South and Southeast Asia.

6. **Future Directions**
- Indo-Pacific cooperation expanding through biodiversity initiatives and green technology scaling.
- Innovation-focused initiatives in the Indo-French Year of Innovation 2026 to promote sustainable solutions.

CONCLUSION

- France's commitment through AFD and Proparco underscores a robust partnership for India's sustainable and equitable future.

ECONOMY

IS THE BAD LOAN PROBLEM SHIFTING TO INDIVIDUALS FROM INDUSTRIES?

CONTEXT: India's banking sector, having tackled industrial bad loans, now faces rising concerns over retail sector delinquencies and loan slippages, prompting RBI vigilance.

The charts are based on data sourced from the Financial Stability Report - June 2024, the Trend and Progress of Banking in India, the press releases of the Reserve Bank of India, and the Rajya Sabha

Chart 1: The Gross Non-Performing Assets (GNPA) was at a decadal-low in March this year. NPA is the share of total loans that are overdue for more than 90 days

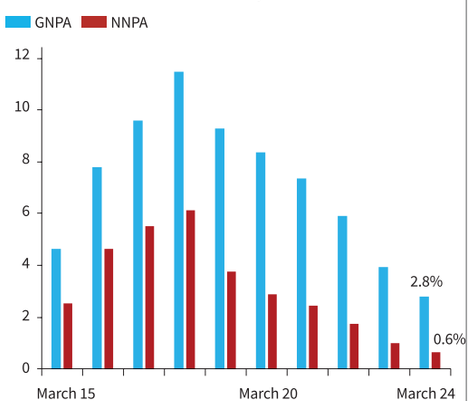


Chart 2: The GNPA ratio of personal loans has been reducing consistently, reaching 1.2% in March 2024 — the lowest across sectors and within the segment

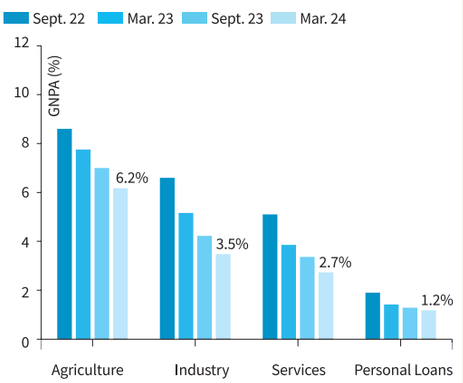


Chart 3: The bank-type wise split of the share of slippages from retail loans in the overall new additions of NPAs. The chart excludes slippages in home loans. Slippages are fresh additions of bad loans in a year

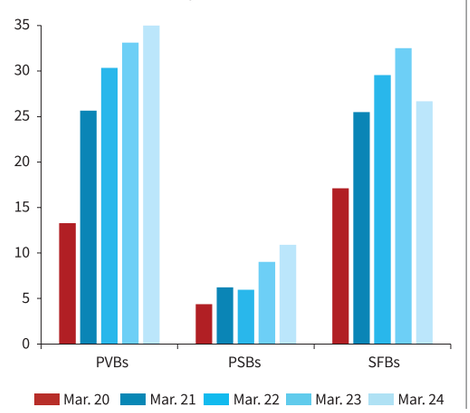
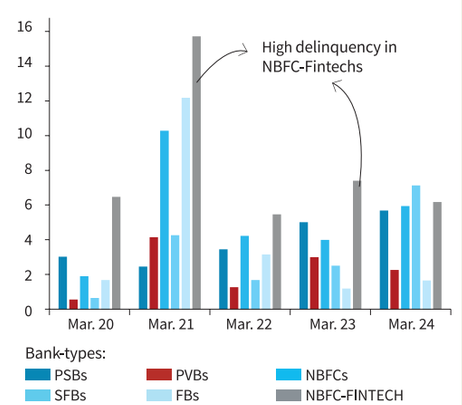


Chart 4: The delinquency levels for personal loans below ₹50,000 are persistently high in small finance banks and NBFC-Fintechs. Even if dues are overdue for a day, an account can be termed delinquent



Shifting Loan Dynamics

- Historically, Indian banks faced significant bad loans from large industries.
- Post-2015 RBI review exposed high bad loan ratios, reaching 10% by 2017.
- Insolvency and Bankruptcy Code, 2016, facilitated recovery efforts.

Transition to Retail Sector

- Banks reduced lending to industries, leading to improved financial health by 2024.
- Focus shifted to retail sector loans like personal loans, credit cards, and housing loans.
- Rapid rise of instant loan apps increased consumer debt risks, especially among digital-savvy youth.

Growing Retail Sector Challenges

- Retail loans now exceed those to industries and services combined.
- RBI intervened with regulatory measures to manage escalating retail loan risks.
- Despite concerns, personal loan NPAs decreased to 1.2% by March 2024.

RBI's Concerns

- Rising slippages in retail loans constitute 40% of new NPAs in FY24.
- Persistent delinquency levels, especially among small borrowers and loans below ₹50,000.
- NBFC-Fintechs played a key role, with many digital loan apps facing scrutiny and removal.

Overall Assessment

- While banking system health appears robust, RBI flags concerns over increasing retail loan vulnerabilities.
- Continued monitoring needed to mitigate risks posed by slippages and delinquencies in the retail sector.

CONCLUSION: while India's banking sector has successfully managed industrial bad loans, it now confronts mounting challenges from rising retail sector delinquencies and loan slippages, necessitating vigilant oversight and risk mitigation measures by the RBI.

INTERNATIONAL RELATIONS

IRAN: LIMITED DEMOCRACY, UNLIMITED THEOCRACY

CONTEXT: The context of Iran's political system reflects a blend of democratic elections and theocratic control under the Supreme Leader, evolving from the 1979 Islamic Revolution amid ongoing challenges and protests.

Iran: Limited Democracy, Unlimited Theocracy

1. **Revolutionary Origins and Historical Context**
   - Iran's political system evolved from the 1979 Islamic Revolution.
   - The revolution aimed to replace the Shah's monarchy with an Islamic state led by Shia clergy.
2. **Historical Symbolism: Ebrat Museum**
   - Former SAVAK headquarters turned museum showcasing past regime's atrocities.
   - Symbolizes the revolution's narrative of liberation from the Shah's oppressive rule.
3. **Election Dynamics and Public Participation**
   - Declining voter turnout reflects growing discontent and legitimacy challenges.
   - 2021 presidential election saw a record-low turnout of 48%, indicating widespread disillusionment.
4. **Unique Political System: Theocratic Control**
   - Supreme Leader holds ultimate authority over state matters, appointed for life.
   - Guardian Council vetoes candidates and legislation, ensuring adherence to Islamic principles.
5. **Divisions in Political Class: Principalists vs. Reformists**
   - Principalists backed by clergy advocate conservative policies.
   - Reformists seek incremental political and social reforms from within the system.
6. **Challenges and Resilience**
   - Systematic protests highlight public dissatisfaction despite regime stability efforts.
   - Economic challenges persist amid efforts to project stability and continuity.
7. **Future Directions: Election Dynamics and Political Outlook**
   - Runoff elections between reformist Masoud Pezeshkian and conservative Saeed Jalili signify ongoing political dynamics.
   - Iran's leadership faces ongoing challenges balancing theocracy, democratic participation, and socio-economic pressures.

CONCLUSION: Iran's political landscape combines democratic elements with theocratic control, navigating historical narratives, electoral dynamics, and societal challenges amid protests and economic uncertainties, shaping governance under the Supreme Leader's influence.

"Education is the ability to listen to almost anything without losing your temper or your self-confidence." - Robert Frost

INTERNATIONAL RELATIONS

NEPALI CONGRESS, CPN-UML ARRIVE AT AGREEMENT TO OUST PRACHANDA AS PM

CONTEXT: Nepal's political landscape sees a coalition agreement between the Nepali Congress and CPN-UML to oust Prime Minister Prachanda, aiming to form a new government amid political maneuvering and challenges.

Political Standoff in Nepal: Prachanda's Decision and Coalition Agreement

- **Prachanda's Stance**
  - Despite an agreement between Nepali Congress and CPN-UML to form a new coalition government, Prime Minister Pushpa Kamal Dahal 'Prachanda' refuses to resign.
  - Prachanda opts to face a parliamentary vote of confidence instead of stepping down, according to party Secretary Ganesh Shah.
- **Political Landscape**
  - Prachanda, a former guerrilla leader aged 69, has secured four votes of confidence during his one-and-a-half-year tenure.
  - Nepali Congress holds 89 seats, CPN-UML has 78 seats, and Prachanda's Maoist party controls 32 seats in the 275-member House of Representatives, totaling 167 seats—a majority surpassing the required 138 seats.
- **Agreement on Rotating Prime Ministership**
  - Nepali Congress President Sher Bahadur Deuba and CPN-UML chairman K.P. Sharma Oli agree to rotate the Prime Ministerial position for the remainder of the parliamentary term.
- **Fragile Political System**
  - Nepal has witnessed 13 governments in the past 16 years, underscoring the instability in its political framework.
- **Agreed Terms**
  - Oli and Deuba finalize plans to form a new government, amend the Constitution, and establish a power-sharing arrangement, shared with select confidants, as per media reports.
- **Resignation Speculations**
  - Sources close to CPN-UML suggest that ministers aligned with their party in Prachanda's cabinet are likely to resign collectively.
- **Accusations of Political Maneuvering**
  - Deputy Prime Minister and Home Minister Ravi Lamichhane alleges that the Nepali Congress and CPN-UML formed their alliance in response to Prachanda's government initiating probes into corruption cases involving political figures.

CONCLUSION: Amidst Nepal's political maneuvering, the agreement between Nepali Congress and CPN-UML reflects a quest for stability through coalition governance, navigating challenges and accusations in the country's dynamic political environment.

INTERNATIONAL RELATIONS

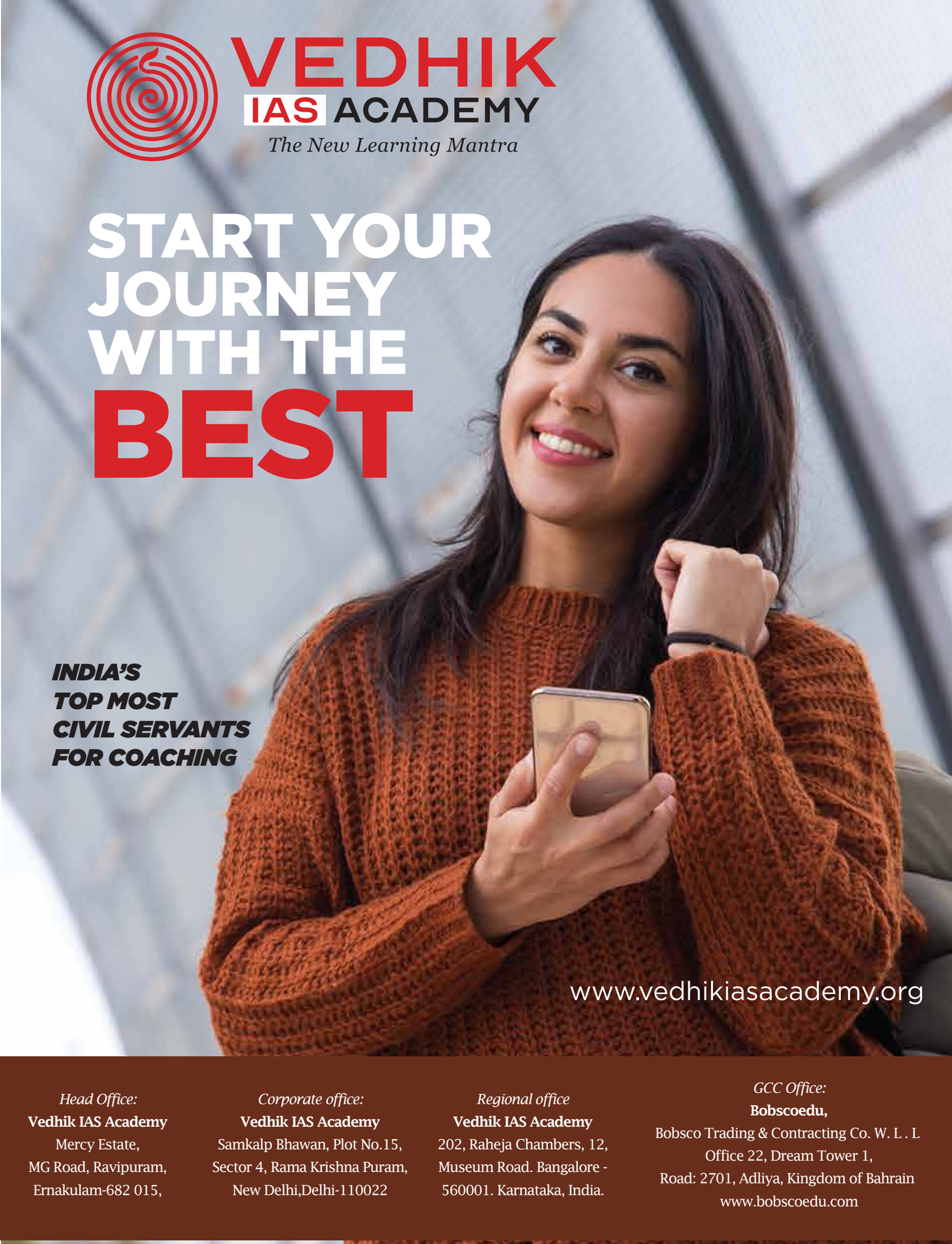
CRITICS OF BURKINA FASO JUNTA RECALL DAYS OF TORTURE BY MILITARY AFTER CONSCRIPTION

CONTEXT: Burkina Faso's junta, led by Ibrahim Traore since a September 2022 coup, faces criticism and accusations of rights abuses, including the forced conscription and alleged torture of dissenting voices amid ongoing security challenges.

Burkina Faso's Political Repression: Conscription and Torture

1. **Targeting Critics**
   - Rights groups accuse Burkina Faso's junta of conscripting and kidnapping its critics.
   - Anaesthesiologist Arouna Loure, critical of the junta, was conscripted in September and went missing in June after release.
2. **Arbitrary Conscription**
   - Loure and eight others were forcibly conscripted at the Kaya military camp, aiming to silence dissent.
   - Victims were abducted by armed forces, some in military uniforms, others in civilian attire claiming authority.
3. **Torture and Abuse**
   - Before arriving at Kaya, conscripts endured days of torture in Ouagadougou, including waterboarding and asphyxiation.
   - At Kaya, they faced demeaning tasks, bullying, and physical abuse, reflecting a punitive agenda.
4. **Government Silence**
   - Junta leaders and military officials implicated in abuses have not responded to media requests or accusations.
   - Amnesty International and Human Rights Watch have documented the junta's tactics but received no official rebuttal.
5. **Authoritarian Crackdown**
   - Junta leader Ibrahim Traore's regime has intensified repression amid security challenges and public discontent.
   - Emergency decrees allowing conscription signal a hardening stance against dissent since seizing power in 2022.
6. **International Concern**
   - Analysts warn of Burkina Faso's deteriorating human rights situation amidst ongoing insurgency and military operations.
   - The junta's actions, including media censorship and extrajudicial killings, draw condemnation but limited international intervention.
7. **Civil Society Response**
   - Local movements like Balai Citoyen highlight a return to authoritarianism, contrasting with hopes for democratic progress post-2014.
   - Critics and activists, including visually-impaired leader Boukare Ouedraogo, targeted for speaking out against junta policies.

CONCLUSION: Burkina Faso's junta under Ibrahim Traore continues to face international condemnation for its severe repression of dissent, including arbitrary conscription and torture of critics. With limited international intervention, civil society movements like Balai Citoyen persist in advocating against authoritarian measures, striving for democratic freedoms amid ongoing challenges.



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