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Daily Current Affairs Analysis

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31 JULY 2026
THURSDAY

Compiled by **Sapna Chauhan**

GS 2 · GS 3 | PRELIMS + MAINS INTEGRATED

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DAILY EDITION

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How to use this booklet: Read each news analysis first, then study the gold “Static & Syllabus Linkage” boxes for Prelims facts, and finish with the Mains and MCQ sections for active revision. Every topic is paired with the actual Hindu clipping for source authenticity.

1 POLITY · FUNDAMENTAL RIGHTS · GOVERNANCE

Pellet Guns Part of a “Graded” Police Response, Says Supreme Court

GS 2 · POLITY

RIGHTS & JUDICIARY

PRELIMS + MAINS

WHY IN NEWS

On 31 July, a three-judge Bench of the Supreme Court, headed by CJI Surya Kant, orally observed that the use of pellet guns by police in “exceptional circumstances” forms part of a **graded approach** to disperse civilian protests, while hearing a petition seeking their ban.

- The Court **did not expand** on which “exceptional circumstances” justify the use of pellet guns, nor did it ask the Union government for an explanation during the hearing.
- Justice Joymalya Bagchi observed that **police rules permit their use** in exceptional circumstances, and that pellet guns are one of the graded responses available for crowd control.
- Hesitant to impose a **blanket ban**, the Bench said it would instead examine **particular incidents** where police allegedly used pellet guns indiscriminately or arbitrarily, in violation of standard regulations mapping graded responses.
- The petition — filed by former IPS officer Yashovardhan Azad and two pellet-injury victims — argued that projectile-activated guns (PAG) loaded with partly or wholly metallic pellets fail the constitutional tests of **necessity, proportionality and reasonableness**.
- The Court “completely agreed” that the State must meet students’ protests with **non-violence, not brutality**, but flagged the risk of unscrupulous elements “hijacking” a bona fide protest and driving it into a spiral of violence.

★ STATIC & SYLLABUS LINKAGE — Pellet Guns & Proportionality

- ▶ **What are pellet guns:** pump-action shotguns firing cartridges packed with hundreds of small lead pellets that disperse widely and do **not follow a definite path**, making them inherently indiscriminate.
- ▶ **Medical harm:** pellets penetrate soft tissue; the eye — being a delicate structure — is most vulnerable. A pellet entering the eye shatters tissue and causes multiple, often irreversible, damage.
- ▶ **Doctrine of proportionality:** State action restricting rights must be a suitable, necessary and balanced means to a legitimate aim (evolved via *Modern Dental College* and *Puttaswamy* judgments).
- ▶ **Rights at stake:** Article 21 (life & dignity) and Article 19(1)(b) (right to assemble peaceably) — reasonable restrictions permissible under Article 19(3).

REFERENCE · PAGE 1, GS 2

Pellet guns part of graded police response, says SC

GS 2

THE HINDU

Pellet guns part of graded police response, says SC

Top court touches on 'exceptional circumstances' for their use without expanding on it; state must not meet students' protests with brutality, Bench says, but flags the possible 'hijacking' of protests

Krishnadas Rajagopal
NEW DELHI

The Supreme Court on Thursday said the use of pellet guns by the police in "exceptional circumstances" was part of a graded approach to break civilian protests.

The court, however, did not expand on which "exceptional circumstances" justified the use of pellet guns, nor did it ask the Union government for an explanation during the hearing.

"Police rules allow the use [of pellet guns] in exceptional circumstances. One of the graded responses is the use of pellet guns," Justice Joymalya Bagchi, one of the three judges on the Bench headed by Chief Justice of India Surya Kant,

 The use of such projectile activated guns for crowd dispersal fails the constitutional tests of necessity, proportionality, and reasonableness

PETITION AGAINST PELLET GUNS

 Police rules allow the use [of pellet guns] in exceptional circumstances. One of the graded responses is the use of pellet guns

JUSTICE JOYMALYA BAGCHI
Supreme Court judge



observed orally. Hesitant to consider a blanket ban on pellet guns, the court said it would examine particular incidents during which the police had used pellet guns indiscriminately or arbitrarily in violation of the standard regulations mapping graded responses

for crowd control.

The court was hearing a petition filed by former Indian Police Service (IPS) officer Yashovardhan Azad, and two pellet injury victims, Prashant Kumar Singh and Shekh Irshad Mansoori, primarily for a direction to ban the use of

kinetic metallic pellets by law enforcement agencies on civilian assemblies.

The petition argued that the use of projectile-activated guns (PAG) or pellet guns loaded with partly or wholly metallic pellets for crowd dispersal fails the constitutional tests of necessity, proportionality, and reasonableness.

Though the court "completely agreed" that the state must meet students' protests with non-violence and not brutality, the Bench flagged the possibility of unscrupulous elements "hijacking" a *bona fide* students' protest, driving it into a spiral of violence.

CONTINUED ON

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KASHMIR'S PELLET VICTIMS

» **PAGE 14**

Source: The Hindu — Supreme Court on pellet guns as a graded crowd-control response.

★ VALUE ADDITION — Crowd Control & Alternatives

- ▶ **Graded/escalation of force:** warning → lathi charge → water cannon → tear gas → rubber bullets → pellet guns → live fire — each step must be justified by the threat level.
- ▶ **2018 expert committee** of the MHA recommended phasing out pellet guns and using chilli-based PAVA shells and tear smoke as less-lethal alternatives, especially in J&K.
- ▶ **Global standard:** UN Basic Principles on the Use of Force require law enforcement to apply non-violent means first and use force only when strictly necessary.

2 GOVERNANCE · TRANSPARENCY · RTI PM CARES Fund Withholds Audit Statements Since FY 2022-23

GS 2 · GOVERNANCE

TRANSPARENCY

PRELIMS + MAINS

WHY IN NEWS

The **PM CARES Fund** has not made public any audited financial statements for the past three fiscal years, even as activists raise concerns about its transparency and accountability.

- PM CARES (Prime Minister's Citizen Assistance and Relief in Emergency Situations) is a **public charitable trust** established in March 2020 amid the COVID-19 crisis, chaired by the Prime Minister and funded entirely through **voluntary contributions**.
- The last publicly available audited statements — for FY 2022-23 — show an opening balance of **₹5,415.65 cr**, voluntary contributions of **₹909.64 cr**, total receipts of **₹6,723.07 cr**, total payments of **₹439.38 cr**, and a closing balance of **₹6,283.68 cr** as on 31 March 2023.
- The absence of publicly available audit statements after 2022-23 is “extremely concerning”, said Anjali Bhardwaj of the National Campaign for People's Right to Information.
- The government maintains the Trust is **not a public authority** under the RTI Act and remains outside the ambit of RTI, parliamentary scrutiny, and audit by the CAG.
- Former CIC Shailesh Gandhi argued that “legally speaking, the PM CARES Fund falls within the ambit of the RTI Act” — its trustees are Union Ministers, hence public servants who should be **accountable**.

★ STATIC LINKAGE — PM CARES Fund

- ▶ **Nature:** a public charitable trust set up to raise funds for national emergencies (e.g., COVID-19) and provide relief to the affected.
- ▶ **Funding:** entirely voluntary public contributions; **no budgetary support** from the Consolidated Fund of India.
- ▶ **Transparency:** government holds it is not a “public authority” under RTI 2005; its status is contested and **sub judice**.

REFERENCE · PAGE 1, GS 2

Activists raise transparency concerns as PM CARES withholds audits

GS 2

THE HINDU

Activists raise transparency concerns as PM CARES Fund withholds audit statements since FY 2022-23

Bindu Shajan Perappadan
NEW DELHI

The Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM CARES) Fund has not made public any audited financial statements for the past three fiscal years even as activists raise concerns about its transparency.

The fund, a public charitable Trust established in March 2020 amid the COVID-19 crisis to support relief efforts during public health emergencies and other disasters, is chaired by the Prime Minister and funded entirely through voluntary contributions, according to information released by the Centre.



Chaired by the PM, the fund was set up in 2020 to aid relief efforts during public health emergencies and other disasters. FILE PHOTO

The last publicly available audited financial statements, for the financial year 2022-23, show an opening balance of ₹5,415.65 crore, voluntary contributions of ₹909.64 crore, total receipts of ₹6,723.07 crore, total payments of ₹439.38 crore,

and a closing balance of ₹6,283.68 crore as on March 31, 2023. Audited financial statements for 2019-20, 2020-21, 2021-22, and 2022-23 are available on the PM CARES website.

The absence of publicly available audit statements after 2022-23 is "extremely

concerning", Anjali Bhardwaj, co-convenor of the National Campaign for People's Right to Information, told *The Hindu*.

"The fund was presented as having been set up by the Union government, making it appear to be a public authority. Government employees also contributed from their salaries," Ms. Bhardwaj said.

"However, when information regarding the funds collected and spent was sought, the government maintained that the Trust is not a public authority under the RTI Act... At present, PM CARES remains outside the ambit of the RTI Act, parliamentary scrutiny, and audit by the

Comptroller and Auditor-General," she said.

Information relating to the PM CARES Fund should be made available to the public, former Central Information Commissioner and RTI activist Shailesh Gandhi said.

'Falls in ambit of RTI'

"Legally speaking, the PM CARES Fund falls within the ambit of the RTI Act... In fact, anything associated with the Prime Minister, except matters affecting national security, should be open to public scrutiny. The trustees of the PM CARES Fund are Union Ministers. They are public servants and should be accountable," he said.

Source: *The Hindu* — PM CARES set up in 2020 to aid relief during health emergencies and disasters.

★ COMPARISON — Three National Relief Funds

- ▶ **PMNRF (1948):** set up by PM Nehru to assist Partition refugees; now funds relief for natural calamities, accidents and riots. Voluntary contributions only; RTI status **contested, sub judice**.
- ▶ **National Defence Fund (NDF):** exclusively for welfare of armed forces personnel and dependents; administered by an Executive Committee with PM as Chairperson; voluntary funding; **covered under RTI Act, 2005**.
- ▶ **PM CARES (2020):** emergency relief trust; voluntary funding; government claims it is **outside RTI** — the key distinction under debate.

3 GOVERNANCE · EDUCATION · FISCAL FEDERALISM

Kerala's UDF Backs PM SHRI, Citing Need for Federal Funds

GS 2 · GOVERNANCE

EDUCATION

PRELIMS + MAINS

WHY IN NEWS

Kerala's ruling **United Democratic Front (UDF)** revised its opposition to the NEP-linked **PM SHRI** scheme, citing the State's "desperate need" for Central funding for school education which has remained in limbo since the previous LDF government.

- UDF convener Adoor Prakash said the State could ill afford to lose significant Central funding; a government in power **cannot undo some decisions** of its predecessors because of the fiscal commitments involved.
- He denied a political U-turn, accusing the CPI(M) of a covert understanding with the BJP-led Centre and alleging its opposition to "saffronisation" of education was meant merely to mislead the public.
- The dispute highlights the **tension between political opposition to NEP 2020** and States' dependence on tied Central grants for school infrastructure.

★ STATIC LINKAGE — PM SHRI Scheme

- ▶ **What it is:** a Centrally Sponsored Scheme (2022) to develop over **14,500 PM SHRI schools** by upgrading existing schools as models for NEP 2020 implementation.
- ▶ **Funding pattern:** 60:40 (Centre:State/UT with legislature); **90:10** for NE & Himalayan States and J&K; 100% central for UTs without legislature.
- ▶ **Duration:** 2022-23 to 2026-27; thereafter States/UTs must maintain the benchmarks. States must sign an **MoU** with the Education Ministry to participate.

REFERENCE · PAGE 6, GS 2

Kerala's UDF backs PM-SHRI citing need for federal funds

GS 2

THE HINDU

Kerala's UDF backs PM-SHRI citing need for federal funds

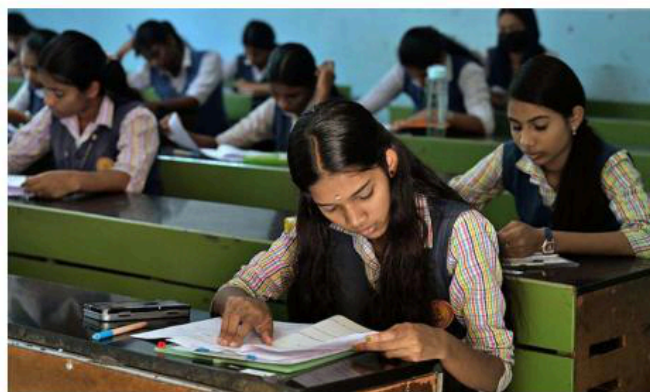
Government in power cannot undo some decisions of its predecessors due to fiscal commitments, UDF convener says, adding that govt. could ill afford to lose Central funding for school education

The Hindu Bureau

THIRUVANANTHAPURAM

The ruling United Democratic Front (UDF) on Thursday revised its vehement opposition to the allegedly pro-Hindutva New Education Policy (NEP)-linked Pradhan Mantri Schools for Rising India (PM SHRI), citing Kerala's "desperate need" for federal funding for school education.

UDF convener Adoor Prakash told a press conference that the Congress-led government could ill-afford to lose the significant Central funding, which has remained in limbo since the previous Communist Party of India (Marxist) [CPI(M)]-led



UDF convener Adoor Prakash says that LDF's opposition to the saffronisation of education intends to mislead the public. FILE PHOTO

government signed an MoU with the Central government, somewhat "furtively", and allegedly without "consultations" in the Left Democratic Front (LDF) or the Cabinet.

He denied that the UDF had executed a political U-

turn after accusing the CPI (M) of having a covert, mutually symbiotic understanding with the Bharatiya Janata Party (BJP)-led Central government, and that the LDF's vocal opposition to saffronisation of education was merely to

mislead the public.

Mr. Prakash said a government in power could not undo some decisions taken by its predecessors because of the fiscal commitments involved.

He attempted to lay the blame on the CPI(M) for creating the political quagmire for the UDF government. He said the CPI(M) had clandestinely dispatched the then General Education Secretary to the Centre to sign the PM SHRI agreement, without broad-based consultations.

He said CPI(M) walked the extra mile to keep the politically touchy decision secret from the UDF, then in the Opposition, given its potential impact in the run-up to the 2026 polls.

Source: The Hindu — UDF convener Adoor Prakash on the State's dependence on Central education funds.

★ VALUE ADDITION — PM SHRI Features & Selection

- ▶ **Focus:** holistic development — communication, collaboration, critical thinking; experiential, inquiry-driven, learner-centred pedagogy; competency-based assessment.
- ▶ **Facilities:** smart classrooms, computer/integrated science/vocational & Atal Tinkering Labs, libraries, and "green" initiatives (water conservation, waste recycling).
- ▶ **Selection — Challenge Mode (3 stages):** Stage-1 MoU with Centre → Stage-2 eligibility via UDISE+ data → Stage-3 challenge method; monitored via the **School Quality Assessment Framework (SQAF)**.
- ▶ **Eligible schools:** those run by Centre/State/UT/local bodies, and all non-project KVs & Navodaya Vidyalayas in permanent buildings.

4 POLITY · ELECTIONS · SEPARATION OF POWERS

Centre Defends CEC Selection Panel Without the CJI

GS 2 · POLITY

ELECTIONS

PRELIMS + MAINS

WHY IN NEWS

The Union government questioned in the Supreme Court the insistence on having the **Chief Justice of India (CJI)** on the Prime Minister's panel that selects the Chief Election Commissioner, arguing that if the PM's decision cannot be trusted, an outsider must then advise on the appointment of Cabinet Ministers too.

- The submission came while hearing petitions challenging the **CEC and other ECs (Appointment, Conditions of Service, and Term of Office) Act, 2023**.
- Petitioners contend the Act “defeated” the Constitution Bench judgment in **Anoop Baranwal (2023)**, which had constituted a selection panel of the PM, the Leader of Opposition in the Lok Sabha, and the CJI.
- The 2023 Act, passed within months of the judgment, **replaced the CJI** with a Cabinet Minister nominated by the Prime Minister.
- A Bench led by Justice Dipankar Datta had earlier questioned the lack of even “one absolutely neutral person” on the panel, noting a Cabinet Minister would hardly defy the PM — the **dominant presence of the Executive** would send wrong signals to the public.
- SG Tushar Mehta, quoting **Manoj Narula (2014)**, said the PM's office holds constitutional trust and high sanctity, and courts cannot presume abuse of power or mala fide intent on the part of constitutional functionaries.
- Justice Datta clarified the issue was not “lack of faith” in the PM but the principle that “**justice must not only be done, but be seen to be done**”; the Court reserved judgment on referring the case to a five-judge Bench.

★ STATIC LINKAGE — Election Commission & Appointments

- ▶ **Constitutional basis:** Article 324 — superintendence, direction and control of elections vested in the ECI; appointment of CEC/ECs by the President.
- ▶ **Anoop Baranwal (2023):** held appointments must be by a committee of PM + LoP + CJI “until Parliament makes a law” — a stop-gap to insulate the ECI.
- ▶ **2023 Act:** panel = PM + a Union Cabinet Minister + LoP; CEC to be a person of “fierce independence, neutrality and honesty”.

REFERENCE · PAGE 14, GS 2

Centre defends CEC panel without CJI

GS 2

THE HINDU

Centre defends CEC panel without CJI

Union govt. says if the decision of the Prime Minister cannot be trusted, then an 'outsider' or a former judge must sit in to advice on the appointment of Cabinet Ministers too; Supreme Court says that it is not about 'lack of faith' in the PM, but about 'justice not only being done, but shown to be done'

Krishnadas Rajagopal
NEW DELHI

The Union government questioned in the Supreme Court on Thursday the insistence on having the Chief Justice of India (CJI) on the Prime Minister's panel which selects the Chief Election Commissioner (CEC), saying if the decision of the Prime Minister cannot be trusted then an "outsider" or a former judge must sit in to advise on the appointment of Cabinet Ministers too.

The Centre's submission came while hearing petitions challenging the Chief Election Commissioner and other Election Commissioners (Appointment, Conditions of Service, and Term of Office) Act of 2023.

The petitions have contended that the Act "defeated" a Constitution Bench judgment in the Anoop Baranwal case,

which had constituted a CEC selection panel chaired by the Prime Minister and including the Leader of the Opposition in the Lok Sabha and the CJI. The 2023 Act, passed within months of the judgment, had replaced the Chief Justice with a Cabinet Minister nominated by the Prime Minister.

'Lack of neutral person'

A Bench headed by Justice Dipankar Datta had, in past hearings, questioned the lack of even "one absolutely neutral person" on the Prime Minister's committee. The court had remarked that a Cabinet Minister would hardly defy the Prime Minister. The court had said the "dominant" presence of the Executive in the selection panel would send wrong signals to the public.

"If the Prime Minister's decision is not to be trusted, why not have someone



The appointment procedure should be shown to be fair... The issue is that the composition of this committee tilts in favour of one side. There is a two versus one here, two of the Executive and one of the Opposition. Should there not be a show of fairness in the appointment to one of the most important offices of this country?

JUSTICE DIPANKAR DATTA
Supreme Court judge



from outside or a former judge to select the Ministers also," Solicitor-General Tushar Mehta, for the government, asked on Thursday.

Mr. Mehta, quoting from a 2014 apex court judgment in the Manoj Narula case, said the Prime Minister's office held constitutional trust and high sanctity.

The law officer asked if a constitutional court, while deciding the composition of a committee in a statute,

could presume abuse of power, bad faith and *mala fide* intention on part of the constitutional functionaries.

Justice Datta said the question was not about "lack of faith" in the Prime Minister, but about the principle of "justice not only being done, but shown to be done".

"The appointment procedure should be shown to be fair... The issue is that the composition of this committee tilts in favour of

one side. There is a two versus one here, two of the Executive and one of the Opposition. Should there not be a show of fairness in the appointment to one of the most important offices of this country?" Justice Datta asked the Union government.

Baranwal judgment

Mr. Mehta queried whether the Anoop Baranwal judgment could really restrict the wisdom of Parliament to replace the CJI with a Cabinet Minister on the CEC selection panel. Like independence of the judiciary, the Constitution has also envisaged independence for the Legislative and Executive, the Solicitor-General said.

Justice Datta referred to the government's oft-repeated complaint about the Collegium system of "judges selecting judges".

"We wonder whether judges are really selecting

judges nowadays," Justice Datta said in a veiled comment about Executive interference in judicial appointments to the highest courts.

The court reserved judgment on the point whether the case should be referred to a five-judge Constitution Bench. Advocate Kaleeswaram Raj, on the petitioners' side, said a reference was uncalled for as no novel question relating to constitutional interpretation has been identified or framed, other than the ones already dealt with in the Anoop Baranwal judgment.

The judgment by a Constitution Bench in March 2023 had declared that the CEC should be a person of "fierce independence, neutrality and honesty". It had called for an end to government monopoly and "exclusive control" over appointments to the highest poll body.

Source: The Hindu — the Centre's defence of the CEC selection panel structure under the 2023 Act.

★ VALUE ADDITION — Independence of the ECI

- **Removal safeguard:** CEC removable only like a Supreme Court judge (by Parliament); ECs removable only on CEC's recommendation — a shield against Executive pressure.
- **Core debate:** balancing **parliamentary supremacy** to legislate against the judicially-crafted need for a neutral appointment process.
- **Judicial doctrine:** the "justice must be seen to be done" principle underpins institutional trust in independent constitutional bodies.

5 POLITY · FEDERALISM · GEOGRAPHY

Mahanadi Water Dispute — “Resolution Within Three Months”

GS 2 · POLITY

INTER-STATE RIVERS

PRELIMS + MAINS

WHY IN NEWS

Odisha CM Mohan Charan Majhi expressed confidence that the long-standing **Mahanadi river water dispute** between Odisha and Chhattisgarh would be resolved within the next three months, after a key meeting in New Delhi with Union Jal Shakti Minister C.R. Patil.

- The meeting was attended by the Union Jal Shakti Minister, Chhattisgarh CM Bishnu Deo Sai, CM Majhi, and senior officials from both States and the Centre; both CMs favoured a **negotiated settlement**.
- Follow-up meetings involving the **Central Water Commission** and both States will carry the momentum forward on distribution, management and preservation of Mahanadi waters.
- In April, the **Mahanadi Water Disputes Tribunal (MWDT)** expressed dissatisfaction after both States failed to submit a concrete settlement proposal, warning it would **impose its own formula** if they did not act.

★ STATIC LINKAGE — Inter-State River Disputes

- ▶ **Constitutional basis:** Article 262 empowers Parliament to legislate on inter-State river disputes and bar courts from jurisdiction — enacted as the **Inter-State River Water Disputes Act, 1956**.
- ▶ **Water in lists:** water is a **State subject** (Entry 17, State List); inter-State rivers fall under Entry 56 of the Union List.
- ▶ **MWDT:** constituted in 2018 to adjudicate the Odisha–Chhattisgarh dispute, centred on barrages/projects built by Chhattisgarh upstream reducing downstream flows.

REFERENCE · PAGE 16, GS 2

Hopeful Mahanadi water dispute will be resolved within three months: Odisha CM

GS 2

THE HINDU

Hopeful that Mahanadi water dispute will be resolved within three months, says Odisha CM

Satyasundar Barik

BHUBANESWAR

Odisha Chief Minister Mohan Charan Majhi on Thursday expressed confidence that the long-standing Mahanadi river water dispute between Odisha and Chhattisgarh would be resolved within the next three months.

An important meeting held in New Delhi was attended by Union Jal Shakti Minister C.R. Patil, Chhattisgarh Chief Minister Bishnu Deo Sai, Mr. Majhi, and senior officials from both States and the Centre.

"We strongly presented Odisha's case, highlighting our rightful share of the river, the future of our farmers, and the need to protect water resources. Discussions have begun to find a permanent solution," Mr. Majhi told presspersons.



Union Jal Shakti Minister C.R. Patil, centre, with Odisha CM Mohan Charan Majhi, right, and Chhattisgarh CM Vishnu Deo Sai. PTI

He said follow-up meetings involving senior officials of the Central Water Commission and both States would carry the momentum forward over the next three months. "I am hopeful that, as agreed by the Chhattisgarh government, issues relating to the distribution, management, and preservation of Mahanadi waters will be resolved within this time-frame. By Diwali, the

dispute should be settled," he added.

Mr. Majhi noted that the Chhattisgarh Chief Minister also favoured a negotiated settlement.

In April, the Mahanadi Water Disputes Tribunal (MWDT) had expressed dissatisfaction after both States failed to submit a concrete proposal for settlement, warning it would impose its own formula if they did not act.

Source: The Hindu — Union Jal Shakti Minister C.R. Patil with the CMs of Odisha and Chhattisgarh.

6 ECONOMY · SCIENCE & TECHNOLOGY

The Next DPI — How India Can Commoditise Artificial Intelligence

GS 3 · ECONOMY

DIGITAL / SCI-TECH

MAINS

WHY IN NEWS (EDITORIAL)

An editorial argues that after making **identity, payments and data** free through its Digital Public Infrastructure (DPI) stack, India's next transformative move is to make **intelligence (AI)** affordable and ubiquitous — the fourth foundational utility.

- India's distinctive claim to global DPI leadership lies not in any single component but in the **integration of Aadhaar, UPI and DEPA/Account Aggregator** as interoperable public digital rails.
- Between 2016 and 2019, the cost of a gigabyte of data in India fell from ~\$4 to under 30 cents; **500 million people came online** in half a decade, powering payments, startups and direct-benefit transfers.
- Aadhaar enrolled 1.4 billion people; UPI processes **~20 billion transactions a month** at near-zero cost — showing how “free” public rails unlock mass participation.
- The global AI race operates on an **extractive model**: India supplies raw intelligence — its engineers fine-tune Silicon Valley's frontier models and its digitised public life becomes training data (the “digital quarry”).
- The proposed fix: the State should aggregate **anonymised public data** (legal rulings, agricultural data, curricula in all 22 scheduled languages) and make it available exclusively to researchers building **open-source models**.
- Just as UPI abstracted away inter-bank complexity, a national **API gateway** could abstract AI inference — letting startups, government and institutions plug in to open-source models for a fraction of a penny.

★ STATIC / VALUE ADDITION — India's DPI Stack

- ▶ **DPI defined:** shared, interoperable digital systems (identity, payments, data exchange) built as public goods on open standards — the “JAM + UPI + AA” foundation.
- ▶ **IndiaAI Mission:** ~₹10,372 cr outlay building a public-private GPU compute backbone (38,000+ GPUs, scaling to 1,00,000) to lower the cost of AI compute.
- ▶ **The “freemium” idea:** verified startups/students get free AI tokens (subsidised by the State); commercial users pay a slightly higher tier — mirroring UPI's zero-switching-cost design.

The next DPI — how India can commoditise AI

GS 3

THE HINDU

The next DPI — how India can commoditise AI

India made identity, payments, and data free. Intelligence is next. No other country has deliberately built all three as a digital public infrastructure (DPI) stack at India's scale. Others have developed only pieces of this. Estonia has a world-class digital identity system, but nothing comparable to UPI. Brazil's Pix is an excellent free payments rail, but it stands alone. Singapore has Singpass and SGFinDex, while Europe has open banking and data portability. India's genuine claim to global leadership in public digital infrastructure lies in this unique combination. Its distinctiveness is not any single component, but the integration of Aadhaar, the Unified Payments Interface (UPI), and DEPA/Account Aggregator as interoperable public digital rails.

Between September 2016 and 2019, the cost of a gigabyte in India fell from about \$4 to under 30 cents, making it among the cheapest in the world. The result was not a telecom story. It was a civilisational one: 500 million people came online in half a decade, powering India's digital economy such as payment volumes, the startup ecosystem, the direct-benefit transfers reaching the last village. Aadhaar enrolled 1.4 billion people and turned identity verification from an expensive paper process to a low-cost API call. UPI made digital payments effectively free, processing around 20 billion transactions a month at near-zero cost. India made data free not by subsidising it, but by letting one player absorb the fixed costs of a nationwide 4G network, price at marginal cost, and force every incumbent to match or die.

India should not be in the capital race to the bottom which we would lose to hyperscalers, and it is the intelligence equivalent of nationalising the telecoms. India crashed the price of data by engineering conditions and competition. So, the target is inference, not training: relentlessly drive down the cost of using a model. It released spectrum, created a demand shock, and let ferocious competition do the rest. The state built the road and set the rules; the market crashed the price. A billion people came online not because data was gifted, but because its cost fell below the threshold of thought. And the case for making it free — or as close to free as a gigabyte of data — is not utopian. It is the same case, run on the same playbook that worked three times before.

This is the model India should now apply to its fourth foundational utility: intelligence itself. Intelligence is no longer a luxury software product; it is foundational infrastructure.

The trade running against India

The global artificial intelligence (AI) race is currently operating under an extractive economic model, and India — despite its immense demographic dividend — is on the losing side of the trade. India serves as the world's digital quarry. India supplies an outsized share of the world's raw intelligence. Its engineers build and fine-tune the frontier models of Silicon Valley. Its



Srivatsa Krishna

IAS officer

digitised public life — languages, documents, transactions, behaviour — becomes training data.

Its universities and diaspora furnish a disproportionate slice of the research talent behind every major laboratory. Each day, Indians generate vast data; Indian engineers build Silicon Valley's frontier models; and Indian workers label datasets to make them safer. Yet, Indian startups must rent that intelligence back as dollar-priced API tokens, subject to export controls and hosted on distant servers. India exports talent, data, and usage, then imports the finished intelligence at high-margin, per-token prices on terms set in San Francisco. The pattern is familiar. Ship out the cotton, buy back the cloth. India recognised that trap in textiles centuries ago. It should recognise it in intelligence now.

India's AI token economy

India's national AI token economy should be built on the following pillars. First, making intelligence free is raw compute power. Through the IndiaAI Mission, backed by an outlay of about ₹10,372 crore, the government is building a public-private partnership model — not a state-run data centre monopoly. By empanelling private cloud providers and aggregating demand, it has onboarded over 38,000 GPUs, with plans to scale to 1,00,000. Eligible startups and researchers can access compute for about ₹65 per GPU hour, a fraction of global market rates.

India's grid planning does not yet treat AI load as a category. The single highest-leverage intervention available to the government is boring: fold compute into the National Electricity Plan, fast-track transmission to data-centre clusters, and dedicate renewables generation, including nuclear, to inference the way it once dedicated coal linkages to steel. Cheap electrons are the new cheap spectrum.

Second, cheap compute is useless without models to run on it. Currently, the most capable foundation models are closed source and owned by western tech giants. If Indian startups build their businesses on top of these proprietary APIs, they remain economically subservient. A single pricing change or policy shift in San Francisco can wipe out an entire sector in Bengaluru. India must mandate that foundational AI models become public goods.

The government must leverage its most valuable asset: linguistic and demographic data. The state should aggregate anonymised public data (legal rulings, agricultural data, educational curricula in all 22 official/scheduled languages) and make them available exclusively to researchers building open-source models. Further, any AI model developed using state-subsidised compute or public datasets must be released under an open-weights license. This mirrors the UPI philosophy: the government builds the rails, makes the protocol free, and lets private companies (Google Pay) compete on the user experience. By flooding the market with highly capable, open-source Indic LLMs (Large

Language Models), India commoditises the "intelligence" layer. When foundational models are free and open, the economic value shifts from the model creators to the application builders — exactly where India's strength lies.

Third, the unified intelligence interface (UII) or distribution. How does a rural farmer or a Tier-3 developer access this free intelligence? An API gateway built on the principles of DPI, a UPI for AI. UPI's genius was not free payments as such; it was interoperability. A common protocol let any app talk to any bank, and switching costs fell to zero. Intelligence needs the same: an open, standardised interface through which any application can call any model — sovereign or private, open or proprietary — with shared standards for identity, consent, billing and safety.

Just as UPI abstracts away the complexity of inter-bank transfers, a national API gateway would abstract away the complexity of AI inference. Startups, government agencies, and educational institutions could plug into this gateway to access a suite of open-source models (translation, vision, text generation) for fractions of a penny.

To kickstart the ecosystem, the government could offer a national "freemium" model. Verified Indian startups or students through Aadhaar-linked digital identity could get monthly free API tokens, subsidised by the state. When startups scale and become profitable, they move to a commercial tier, paying slightly more for compute, which subsidises the free tier.

Additionally, a tenth of the fertilizer subsidy could be diverted to tokens for research and development institutions and schools. When intelligence becomes nearly free, sectors constrained by scarce human capital transform. A rural doctor, aided by AI trained on Indian data, can treat more patients with fewer errors; India's 300 million students get 24x7 personalised AI tutors in local dialects; a Karnataka farmer can settle a crop-insurance claim by voice in Kannada, with AI accessing land records.

The next great equaliser

In sum, free identity and cheap data did not make Indians rich; they made mass participation frictionless. Free intelligence can do the same. Nobody foresaw that near-free data would create the world's largest payments system, short-video platforms, and QR-code vegetable vendors.

Near-free intelligence could be just as generative if the state primes it with token entitlements for students and teachers, citizen services in local languages, and affordable tools for 60 million small businesses. India's leadership in the AI economy is contingent on developing an open-source ecosystem with open weights no-kill switch models that expand competition, choice, opportunities and innovation. The goal is not better chatbots; it is making cognition no longer a class privilege.

The views expressed are personal

Source: The Hindu (Editorial) — making AI India's next transformative public infrastructure. Views are personal.

★ MAINS ANGLE — The "Great Equaliser" Thesis

- **Argument:** free identity + cheap data made participation frictionless (payments, short-video, QR-vendors); near-free intelligence could do the same for services, education and MSMEs.
- **Public-goods logic:** foundational AI models should be public goods; the State builds the rails, keeps the protocol free, and lets private players compete on the user experience.
- **Critique to note:** concerns over data privacy, quality of anonymisation, compute sustainability, and the risk of crowding out private innovation.

7 INTERNATIONAL RELATIONS · MARITIME SECURITY

The Bay of Bengal as India's SHANTI Anchor

GS 2 · IR

INDO-PACIFIC

MAINS

WHY IN NEWS (EDITORIAL)

On 13 July, EAM S. Jaishankar introduced **SHANTI** — Securing Holistic Advancement through Norms, Trust and Integrity — while launching India's candidature for the UNSC (2028-29 term), positioning the Bay of Bengal as the ideal region to operationalise it.

- The Bay of Bengal, one of the world's most disaster-prone regions, lacks coordinated mechanisms for natural disasters; non-traditional threats (climate disasters, illegal fishing, cyber, supply-chain) demand **cooperation beyond bilateral aid or tonnage**.
- SHANTI builds on **SAGAR (2015)** — 'equity in development' — and **MAHASAGAR (2025)**, which expanded the vision to the wider Indo-Pacific and Global South, recognising the interconnectedness of security.
- The Bay links India's **Act East policy** with ASEAN, provides access to the strategically vital **Malacca Strait**, and connects the eastern Indian Ocean to global trade and energy routes.
- China's reliance on the Strait — the "**Malacca dilemma**" — drives its regional port and infrastructure push, intensifying geopolitical competition.
- SHANTI reframes security itself: from **deterrence to resilience**, from rivalry to shared responsibility, and from crisis management to governance of the shared maritime commons.
- This was reflected at the **July 2026 BIMSTEC NSAs' meeting**, which adopted common principles for maritime law enforcement and humanitarian assistance, and agreed to a first joint maritime security exercise in the Bay in November 2026.

★ STATIC LINKAGE — India's Maritime Doctrines

- ▶ **SAGAR (2015):** Security and Growth for All in the Region — India's Indian Ocean vision of equitable, cooperative security.
- ▶ **MAHASAGAR (2025):** Mutual and Holistic Advancement for Security and Growth Across Regions — scaled-up successor to SAGAR.
- ▶ **BIMSTEC:** Bay of Bengal Initiative for Multi-Sectoral Technical & Economic Cooperation — 7 members (India, Bangladesh, Myanmar, Sri Lanka, Thailand, Nepal, Bhutan); secretariat at Dhaka.

The Bay of Bengal as India's SHANTI anchor

GS 2

THE HINDU

The Bay of Bengal as India's SHANTI anchor

The Bay of Bengal region, one of the world's most disaster-prone regions, lacks coordinated mechanisms to respond to natural disasters. Non-traditional threats such as climate-induced disasters, illegal fishing, cyber vulnerabilities, and supply chain disruptions require regional cooperation beyond bilateral aid or maritime power. This gap – growing capacity without shared norms – highlights the need for stronger maritime security.

On July 13, External Affairs Minister S. Jaishankar introduced Securing Holistic Advancement through Norms, Trust and Integrity (SHANTI) while launching India's candidature for the UN Security Council (UNSC) for the 2028-29 term. Building on Security and Growth for All in the Region (SAGAR) and Mutual and Holistic Advancement for Security and Growth Across Regions (MAHASAGAR), SHANTI provides a normative framework for shared maritime spaces, with the Bay of Bengal serving as the ideal region to operationalise it before expanding it across the wider Indo-Pacific.

The Bay's centrality

In recent years, the Bay of Bengal has moved from the margins to the centre of India's strategic thinking. Historically, it connected South and Southeast Asia through trade, culture, religion, and the exchange of ideas long before the Indo-Pacific entered diplomatic vocabulary.

Today, it links India's Act East policy with the Association of Southeast Asian Nations (ASEAN), provides access to the strategically vital Malacca Strait, and connects the eastern Indian Ocean to major global trade and energy routes. China's heavy reliance on the strait – often described as the "Malacca dilemma" – has driven its expanding regional presence through ports and infrastructure projects, intensifying geopolitical competition. As economic connectivity, maritime



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The Bay of Bengal is an ideal testing ground for SHANTI's security vision

governance, and strategic rivalry converge in the Bay, SHANTI offers a framework that places norms, trust, and integrity – not tonnage – as the currency of durable advantage.

A maritime security evolution

As such, SHANTI can be best understood as a logical evolution of its maritime outreach. SAGAR, articulated in 2015, supplied the vision of 'equity in development' and MAHASAGAR, announced in 2025, expanded that vision's scope recognising the interconnectedness of security (both vertically among nations and horizontally in threat perception) in the wider Indo-Pacific and the Global South. SHANTI offers the grammar of maritime security framework, the norms, trust and integrity in cooperation through which vision can be translated into tangible action that is well received and reciprocated. It shifts the emphasis from competition to demand driven cooperation, from influence to non-prescriptive institution-building, and from episodic crisis management to long-term resilience. This shift – from protecting maritime spaces to governing shared maritime commons – reflects India's new security mantra. If SAGAR was a statement of intent and MAHASAGAR a statement of reach, SHANTI is a statement of method to situate India as the "preferred security partner" and "first responder".

Because the Bay of Bengal is a single interconnected system, its cyclones, fish stocks, shipping lanes and pollution cross national boundaries almost by default, and its littoral states face remarkably similar challenges and concerns – disaster risk reduction and response, coastal erosion, fisheries management, port resilience, undersea cable protection and climate adaptation.

Unlike the western Indian Ocean, which is marked by active conflict, fragile economy and

contested spaces, the Bay of Bengal's strategic geography encourages cooperation. Yet, the region suffers less from a lack of institutions than from institutional fragmentation. What is missing is a common framework to align existing mechanisms. SHANTI fills this gap by providing principles to strengthen cooperation in maritime security, disaster response, the blue economy, and environmental resilience. India's geography gives it a natural convening role, but its centrality should rest on regional stewardship – not dominance – through trust-based, rules-based cooperation among states with shared challenges and opportunities.

Principles to practice

Taken together, these conditions make the Bay of Bengal India's most governable maritime sub-region – a natural laboratory where SHANTI can move from principle to practice before shaping wider cooperation across the Indian Ocean. This was reflected at the July 2026 BIMSTEC National Security Advisers' meeting in New Delhi, where member-states adopted common principles for maritime law enforcement and humanitarian assistance and disaster relief. BIMSTEC also agreed to hold its first joint maritime security exercise in the Bay, in November 2026, while a white shipping information-sharing agreement remains under discussion. These initiatives reflect the norm-building and trust-based cooperation that SHANTI seeks to promote. Its lasting contribution, therefore, will not be another acronym in India's maritime lexicon, but a redefinition of security – from deterrence to resilience, from rivalry to shared responsibility, and from crisis management to governance of the shared maritime commons.

The views expressed are personal

Source: The Hindu (Editorial) — SHANTI as a norms-and-trust framework for the Bay of Bengal. Views are personal.

★ VALUE ADDITION — Why the Bay is a "Natural Laboratory"

- ▶ **Single interconnected system:** cyclones, fish stocks, shipping lanes and pollution cross national boundaries by default — littoral states share near-identical challenges.
- ▶ **Shared concerns:** disaster risk reduction, coastal erosion, fisheries management, port resilience, undersea cable protection and climate adaptation.
- ▶ **India's role:** a natural convening role resting on regional stewardship — not dominance — through trust-based, rules-based cooperation.

8 ACTIVE REVISION Mains Practice Questions

GS 2

GS 3

APPROACH NOTES

Attempt these within the word limit, structure with an intro-body-conclusion, and enrich answers with the static linkages, data and committee references from today's topics.

Q1

10 MARKS · 150 WORDS

The use of less-lethal weapons for crowd control must satisfy the constitutional tests of necessity, proportionality and reasonableness. In this context, critically examine the debate over the use of pellet guns by police.

APPROACH: Define pellet guns and “graded response”; explain the proportionality doctrine (Puttaswamy/Modern Dental); cite the SC’s reluctance to impose a blanket ban vs. the risk of indiscriminate harm; suggest alternatives (PAVA shells) and SOP-based accountability.

Q2

10 MARKS · 150 WORDS

“A relief fund created for a public purpose and administered by public servants ought to be publicly accountable.” Discuss with reference to the transparency debate surrounding the PM CARES Fund.

APPROACH: Contrast PM CARES with PMNRF and NDF on RTI coverage; present arguments for treating it as a “public authority” (Union Minister trustees, PM chairmanship) and the government’s counter; conclude on the sub judice status and the principle of accountability.

CONTINUED — MAINS PRACTICE

Q3

15 MARKS · 250 WORDS

The independence of the Election Commission depends as much on the appearance of neutrality as on legal safeguards. Analyse this statement in light of the constitutional debate over the composition of the CEC selection panel.

APPROACH: Trace Article 324 and the Anoop Baranwal (2023) verdict; explain the shift from CJI to a Cabinet Minister under the 2023 Act; balance parliamentary supremacy vs. “justice must be seen to be done”; reference Manoj Narula on constitutional trust; conclude on institutional credibility.

Q4

15 MARKS · 250 WORDS

“After making identity, payments and data free, India’s next great equaliser could be free intelligence.” Examine how Digital Public Infrastructure can be extended to Artificial Intelligence, and the challenges involved.

APPROACH: Explain the DPI stack (Aadhaar-UPI-AA) and its “free rails” logic; describe the extractive AI model and the “digital quarry” problem; outline the IndiaAI Mission, open-source models and a national AI API gateway; flag risks — privacy, compute sustainability, crowding out private innovation.

9 PRELIMS 2027 · FACTUAL REVISION

Prelims Practice — 10 MCQs

PRELIMS

ANSWER KEY OVERLEAF

Q1. With reference to the PM CARES Fund, consider the following statements:

1. It receives budgetary support from the Consolidated Fund of India.
2. It is a public charitable trust chaired by the Prime Minister.
3. The government maintains it is a public authority under the RTI Act.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) 2 and 3 only
- d) 1, 2 and 3

Q2. The National Defence Fund (NDF) is:

- a) Chaired by the Defence Minister
- b) Outside the ambit of the RTI Act
- c) Administered by an Executive Committee with the PM as Chairperson
- d) Funded from the Union Budget

Q3. The PM SHRI scheme's Centre-State funding pattern for a general category State is:

- | | |
|----------|-----------------|
| a) 50:50 | b) 60:40 |
| c) 90:10 | d) 100% central |

Q4. "Challenge Mode" selection of PM SHRI schools uses data from:

- | | |
|-----------|---------|
| a) NAS | b) ASER |
| c) UDISE+ | d) PGI |

Q5. The doctrine that State action restricting a right must be a necessary and balanced means to a legitimate aim is the doctrine of:

- | | |
|-----------------------|---------------------------|
| a) Basic structure | b) Proportionality |
| c) Pith and substance | d) Colourable legislation |

CONTINUED — MCQs 6–10

Q6. The Anoop Baranwal (2023) judgment is associated with the appointment of:

- a) Judges of the High Courts
- b) The CAG
- c) The Chief Election Commissioner and ECs
- d) Governors

Q7. Consider the following about the Mahanadi river:

1. It rises in the Sihawa hills of Chhattisgarh.
2. The Hirakud Dam is built on it.
3. It drains into the Arabian Sea.

Which are correct?

- a) 1 and 2 only
- b) 2 and 3 only
- c) 1 and 3 only
- d) 1, 2 and 3

Q8. Which is a left-bank tributary of the Mahanadi?

- a) Tel
- b) Ong
- c) Jonk
- d) Hasdeo

Q9. Inter-State river water disputes are dealt with under which Article of the Constitution?

- a) Article 262
- b) Article 263
- c) Article 280
- d) Article 356

Q10. SHANTI, recently launched by India, is best described as a framework for:

- a) Semiconductor manufacturing
- b) Maritime security & cooperation in the Bay of Bengal
- c) River interlinking
- d) Space diplomacy

ANSWER KEY & EXPLANATIONS

1 — b Only statement 2 is correct. PM CARES gets **no** budgetary support and the government holds it is **not** a public authority under RTI.

2 — c NDF is administered by an Executive Committee chaired by the PM, funded by voluntary contributions, and is **covered** under the RTI Act.

3 — b PM SHRI funding for general States is **60:40** (90:10 for NE/Himalayan States & J&K; 100% for UTs without legislature).

4 — c Stage-2 identifies eligible schools using **UDISE+** data.

5 — b This is the doctrine of **proportionality**, central to the pellet-gun debate.

6 — c Anoop Baranwal dealt with the appointment mechanism for the **CEC and ECs**.

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7 — a Statements 1 and 2 correct; the Mahanadi drains into the **Bay of Bengal**, not the Arabian Sea.

8 — d **Hasdeo** is a left-bank tributary; Tel, Ong and Jonk are right-bank tributaries.