DAILY CURRENT AFFAIRS (DCA)

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DRAFT SHANTI RULES 2026

Context

- Recently, the government has released the **draft SHANTI Rules, 2026**, proposing detailed norms on nuclear operator liability, insurance and financial security amid plans to **expand nuclear power and private participation.**

About Draft SHANTI Rules, 2026

- The **draft SHANTI Rules, 2026** seek to operationalise the nuclear liability framework under the **SHANTI Act, 2025** and provide greater regulatory clarity for the expansion and diversification of India's nuclear sector.
- The rules combine **strict operator liability, mandatory financial protection and lifecycle financial planning** with provisions for wider applications of nuclear technology.

Key Provisions in Draft Rules

- **Strict and No-Fault Liability:** Nuclear installation operators would be **strictly liable** for nuclear damage, without requiring proof of fault.
  - Liability would also cover damage occurring during the **carriage of nuclear material**.
- **Mandatory Financial Protection:** Operators need to maintain an **insurance policy, financial security, or a combination of both**.
  - Financial security needs to be **irrevocable** and remain valid until all spent fuel is removed from the spent-fuel storage pool after removal from the reactor.
  - These would be pledged to the **Central Government**, with a **1:1.33 security margin** where shares, bonds or other financial instruments are used.
  - Any shortfall must be immediately covered through additional insurance or financial security.
- **Wider Nuclear Applications:** The framework envisages nuclear technology beyond electricity generation, including captive power and process heat, hydrogen production, medical isotopes, education, training and research.
  - Nuclear captive power for **hard-to-abate industries.**
  - Emerging applications such as data centres, semiconductor manufacturing, quantum technologies, high-performance computing and AI-enabled technologies.
- **Lifecycle Financial Planning:** Licensed facilities would need financial arrangements for **civil liability, operating costs, spent fuel and radioactive waste management, decommissioning and site remediation**.
- **Government-Owned Installations:** Specified Central Government-owned installations may be exempted from obtaining insurance or other financial security, with the **Central Government assuming liability** for attributable damages.
- **Periodic Review: An expert group** would review maximum civil-liability limits **every five years**, drawing expertise from nuclear science, engineering, actuarial science, insurance, law and public interest.

Related Concerns & Issues

- **Adequacy of compensation:** Liability caps and financial-security requirements must provide meaningful compensation without making nuclear projects financially unviable.
- **Private-sector risk:** High insurance costs and potentially long-tail nuclear risks could affect private investment.
- **Moral hazard:** Government-backed liability for certain installations must not weaken safety incentives.
- **Waste and decommissioning:** Long-term radioactive waste management requires stable institutions, funding and technical capacity.
- **Regulatory independence:** Greater private participation increases the importance of a strong, transparent and technically capable nuclear regulator.
- **Public trust and safety:** Expansion must remain anchored in stringent safety standards, emergency preparedness and environmental safeguards.

India's Nuclear Landscape

- Nuclear power is a key component of India's clean-energy strategy, providing reliable, low-carbon baseload electricity alongside renewables.
- India has set an ambitious target of **100 GW of nuclear power capacity by 2047**, as part of its long-term energy-transition strategy.
- The **Department of Atomic Energy (DAE)** and its public-sector undertakings have historically played a **central role** in India's nuclear power programme.
- India is pursuing **indigenous nuclear technologies**, including **Pressurised Heavy Water Reactors (PHWRs)** and the development of **Small Modular Reactors (SMRs)**.

- Nuclear technology has applications beyond electricity, including **healthcare, agriculture, food preservation, industry, research and isotope production**.
- The government is seeking **greater private-sector participation** to mobilise capital, technology and manufacturing capabilities and accelerate nuclear deployment.
- The **expansion of nuclear power** requires attention to **nuclear safety, radioactive-waste management, spent-fuel management, decommissioning and emergency preparedness**.

SHANTI Act, 2025

- It provides the **statutory framework** for the next phase of India's nuclear-energy programme.
- It seeks to **enable wider participation in nuclear power generation**, while retaining strong government oversight over nuclear safety and security.
- The Act provides a framework for **licensing nuclear installations and activities** and establishes responsibilities for operators.
- It seeks to create greater **legal and regulatory certainty** for investment in the nuclear sector.
- The framework covers **civil nuclear liability**, including provisions relating to compensation for nuclear damage.
- It envisages mechanisms for **financial security/ insurance** to meet nuclear-liability obligations.
- The legislation also supports the wider use of nuclear technology for **non-power applications**, subject to the applicable regulatory framework.
- **Safety, security, environmental protection and safeguards** remain central to the regulatory architecture.
- The Act is intended to facilitate India's nuclear expansion while balancing **energy security, climate objectives, public safety and strategic considerations**.

Way Forward: Strengthening Liability and Enabling Private Participation

- India should pursue a **risk-sensitive nuclear liability regime** that balances investor certainty with public protection. It requires:
  - Clear and predictable liability limits and insurance mechanisms.
  - Independent and well-resourced nuclear safety regulation.
  - Ring-fenced funds for waste management and decommissioning.
  - Transparent emergency-response and public-disclosure mechanisms.
  - Strong supplier and operator safety accountability.
  - Periodic review of liability norms based on technological and actuarial evidence.
  - Greater domestic capacity in nuclear manufacturing, insurance, safety technology and waste management.

Source: ET

BALANCING RELIGIOUS SENTIMENTS AND CONSTITUTIONAL FREEDOMS

Context

- Punjab's new sacrilege law has reignited debate **over the criminalisation of religious offence in a secular state.**

About

- Recently, the Governor of Punjab gave his assent to the **Jaagat Jot Sri Guru Granth Sahib Satkar (Amendment) Act.**
  - It has introduced **stricter punishment against the sacrilege of Sri Guru Granth Sahib Ji.**
  - Anyone found involved in or supporting the sacrilegious acts can be **imprisoned for 10 years to life and fined between 5 lakh and 25 lakh rupees.**
- **Sacrilege under the Act:** It covers any **"wilful and deliberate" act** of desecration through **physical damage, defacement, burning, tearing or theft** of the Guru Granth Sahib and also extends sacrilege equally to a**cts committed in speech, writing and visual representation or through electronic means.**

What is Sacrilege?

- Sacrilege literally means **treating a religious object or place without the respect that it deserves.**
  - **It traditionally concerns conduct** i.e. physical desecration or violation of something considered sacred.
- **Blasphemy** concerns expression, including contemptuous or irreverent speech, writing or imagery about a god, a prophet, a scripture or a set of beliefs.
- **Legal Stand: Section 298 of the Bharatiya Nyaya Sanhita** punishes injuring or defiling a place of worship with intent to insult a religion, a sacrilege type offence aimed at conduct.
  - **Section 299 of the BNS** punishes deliberate and malicious insult to religious beliefs by words, signs or visible representation.

Origin of Blasphemy Laws in India

- **Enactment of Section 295A of the Indian Penal Code in 1927 criminalised** the "deliberate and malicious" acts intended to outrage the religious feelings of any class of citizens, whether by words, signs, or visible representation.
- In 1957, the **Supreme Court in Ramji Lal Modi versus State of Uttar Pradesh upheld the provision's constitutionality**.

Constitutional Take

- **Article 19(1)(a) (Freedom of speech):** The law can be challenged under the fundamental right to freedom of speech and expression.
    - Criminalising words, writings, signs or electronic representations can have a **chilling effect on legitimate criticism, academic discussion, satire and social reform.**
    - The State would have to demonstrate that the **restriction falls within one of the grounds specifically listed under Article 19(2).**
- **Article 19(2) (Public order is not the same as religious hurt):** The State could argue that the law is necessary to maintain public order, particularly given Punjab's history of sacrilege-related tensions.
- However, the constitutional question would be whether offence to religious sentiments is sufficient to constitute a threat to public order.
- **Article 14 (Equality and non-arbitrariness):** Expressions such as "disrespect" or conduct "of a nature to hurt religious feelings" may raise concerns about how objectively the offence can be determined.
    - Criminal law normally requires sufficient clarity so that citizens can reasonably understand what conduct is prohibited.
- **Principle of Proportionality:** A punishment extending to life imprisonment for physical desecration **would invite scrutiny under the principle of proportionality.**
    - The Court could examine the nature of the prohibited conduct, the harm caused, intention, availability of less restrictive measures and the severity of punishment.

Way Ahead

- While criminalising deliberate physical desecration of sacred objects may be justified to protect public order and religious freedom, extending criminal liability to expression **risks infringing Article 19(1)(a).**
- A constitutionally sound approach would therefore require **clear definitions, proof of deliberate and malicious intent, proportionality in punishment, and equal application across religions,** consistent with India's secular and democratic constitutional framework.

Source: TH

INDIA'S TRADE AGREEMENTS

Context

- India's FTA journey is moving from expanding its **network of agreements to making fuller use of the market access.**

What is a Free Trade Agreement (FTA)?

- A Free Trade Agreement (FTA) is a **pact between two or more countries where they agree to:**
    - Reduce or eliminate customs duties on goods;
    - Liberalise trade in services;
    - Provide investment protection;
    - Ensure safeguards for intellectual property rights (IPR).

Major Highlights of India's Recent FTAs

- **In FY 2025-26,** combined merchandise and services exports reached a **record US$ 863.1 billion,** including merchandise exports of US$ 441.8 billion.
    - **UAE and Australia illustrate the early progress** under India's recent trade agreements.
- **India-UAE CEPA (2022):** India exported merchandise worth US$ 37,359.11 million to the UAE in FY 2025-26.
    - Among India's trade agreements, the **UAE was India's largest export destination.**
    - **Bilateral trade crossed US$ 100.06 billion** in FY 2024-25, recording a **19.6% growth.**
    - India and the UAE set a new target of **doubling trade to US$ 200 billion by 2032.**
- **India-Australia ECTA (2022):** Total bilateral trade reached US$ 24.1 billion in FY 2024-25. India's exports to Australia have increased from **US$ 4 billion in FY 2020-21 to US$ 7.28 billion in FY 2025-26,** recording **80%+ growth.**

- From 2026 onwards, all Indian exports are **now eligible for zero-duty access to the Australian market.**

Significance of FTAs

- **Facilitating Exporters' Access to FTA Benefits:** A trade agreement opens preferential market access, exporters generally need to provide proof of origin for their goods.
  - **A preferential Certificate of Origin (CoO)** confirms that the goods meet the prescribed rules of origin. **This allows qualifying goods to receive reduced or zero customs duties.**
- **A Wider Range of Products Reaching FTA Markets:** The reach of an FTA is also reflected in the range of products entering partner markets. This product-level expansion is visible across several of India's recent agreements.
- **Market Access:** These agreements expand market access across several labour-intensive sectors.
  - Wider opportunities in these sectors enable smaller producers and local enterprises to participate more actively in international trade.
- **Gains in Service Sector:** India's recent FTAs have expanded opportunities for service providers and professionals.
  - Services account for nearly 30% of India's employment and services exports stood at US$ 421.3 billion in FY 2025-26. Given its scale, the sector forms an important part of India's FTAs.

Way Ahead

- As recent agreements enter a deeper phase of implementation, **India is also widening its future trade agenda.**
  - **Around ten trade agreements are under discussion** including new negotiations with the Eurasian Economic Union, Peru, Chile, Israel, Canada and Maldives.
  - Further, existing agreements such as the India-Korea CEPA and India-Sri Lanka ETCA are being upgraded.
- As businesses make greater use of the access secured under these agreements, their impact will extend.
  - This will **widen export participation, diversify trade and strengthen commercial relationships with partner markets.**

Source: PIB

CORPORATE INVESTMENT IN INDIA

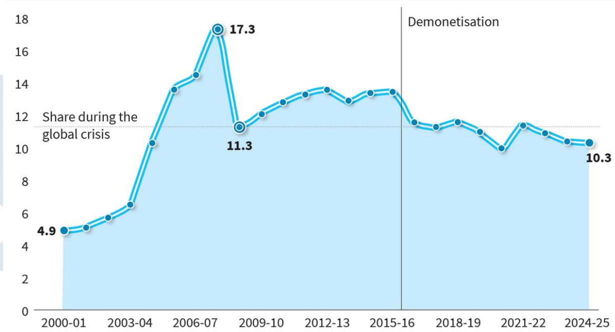
In News

- Corporate investment, as a share of GDP, has been declining in India.

Corporate investment

- It refers to the **acquisition of financial assets, business operations, or strategic projects** by a company to generate financial returns or add long-term value.
- Corporate investment as a **percentage of India's GDP has fallen**, especially following the 2016 demonetisation.
- Investment grew from 6.5% of GDP in 2004 to 10.3% but began a long slide back after a delayed recovery from the global financial crisis.
- Demonetisation was a domestic policy shock, the GFC was an external shock.
  - The investment collapse had already begun pre-COVID-19.

CHART 1: Corporate investment in India *As a share of GDP (in %)*



Source: Authors' calculations, Database on Indian Economy, RBI

Factors Influencing Investment

- **Expected profitability:** Firms invest when they expect sufficiently profitable sales to occur in the future.
- **Business confidence (animal spirits)**: More confidence about future demand and policy encourages investment.
- **Cost and availability of credit:** High interest rates and limited access to finance can discourage investment, particularly for smaller firms.

Strategic Importance

- **Job creation:** Capital spending on labour-intensive manufacturing and infrastructure brings millions of people into the workforce each year.
- **Technology & Knowledge Transfer**: Domestic ecosystems absorb advanced manufacturing norms, automation, and industrial R&D through foreign corporate equity.
- **Welfare Effect:** Private investment reduces the expenditure load of public debt, allowing the government to spend money on social welfare and health.

- **Export Capacity Building**: Infrastructure and capital generation scale up value-added manufacturing, thus promoting trade balances and foreign exchange reserves

Major Challenges

- **Concentration risk:** A considerable portion of capex is concentrated among a handful of large conglomerates, and mid-sized firm investment continues to be spotty.
- **Geopolitical unpredictability** and high input/ energy costs lead to a cautious stance on long-term discretionary investments.
- **Regulatory Bottlenecks**: Long land acquisition, local regulatory clearances, and slow contract enforcement delay project commissioning.4.
- **High Cost of Capital:** Benchmark interest rates are higher, leaving mid-sized companies with no choice but to rely on internal accruals rather than new borrowing.

Governments Steps

- **Production-Linked Incentive (PLI) Scheme**: The PLI scheme covers 14 major areas like electronics, solar modules, medicines and speciality steel.
  - It provides direct financial benefits for incremental manufacturing and has been successful in attracting domestic and worldwide supplier chains.
- **Infrastructure Push (NIP & GatiShakti)** – Government's investment in roads, railroads and ports is at an all-time high under National Infrastructure Pipeline and PM GatiShakti.
  - It is substantially decreasing logistical costs, enhancing ease and profitability of conducting business.
- **Tax Rationalisation**: The structural corporate tax rate reductions imposed in recent years have resulted in corporations retaining more of their earnings, so immediately enhancing their ability to internally finance investments via retained earnings.
- **FDI Liberalisation** has attracted the required foreign cash and latest technology by easing regulations on Foreign Direct Investment in key areas like defence, space and telecommunications.

Conclusion and Way Ahead

- India's corporate investment landscape is swiftly turning from recovery to expansion, supported by healthy balance sheets, resilient domestic demand and focused government incentives.
- Sustaining this momentum requires that large corporates incorporate MSMEs more effectively in their supply chains with timely payments and also connect capital allocation to encourage green infrastructure and renewable energy adoption.
- As growth proceeds, careful coordination of fiscal and monetary policy will be critical to ensure stable borrowing conditions and effective management of inflation.

Source:TH

NEWS IN SHORT

TAMIRABHARANI RIVER

Context

- The Madurai Bench of the Madras High Court has declared **Tamil Nadu's Tamirabharani river a deity**, thereby granting it legal personhood to curb pollution from funeral rites and waste dumping.

About

- In **2017,** the Uttarakhand High Court recognised the **Ganga and Yamuna** as legal persons. However, the Supreme Court later stayed the order, citing **practical and administrative difficulties**, particularly since the rivers flow across multiple states.
- Globally, **New Zealand's Whanganui River** became the **first river** in the world to be recognised as a legal person in 2017.

Tamirabharani River

- The **Thamirabarani or Tamraparni or Porunai** is a perennial river that originates from the **Agastyarkoodam peak** of Pothigai hills of the Western Ghats.
- It flows through the Tirunelveli and Thoothukudi districts of **Tamil Nadu** in southern India before draining into the **Gulf of Mannar**.
- It was called the Tamraparni River in the pre-classical period, a name it lent to the island of Sri Lanka.

Source: DTE

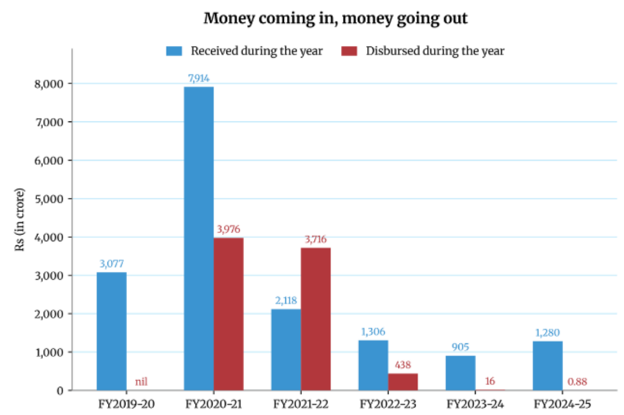
PM CARES FUND

Context

- The audited financial statements of Prime Minister's Citizen Assistance and Relief in Emergency Situations (PM-CARES) Fund showed that **while donations have dropped the utilisation of available funds was low.**

About

- The corpus grew by **25.8% between 2022-23 and 2024-25** from ₹ 6,722 crore to ₹ 8,453 crore.
  - However, in the same period, the **utilisation dropped from ₹437.9 crore to just ₹87.5 lakh,** which was just 0.01% or 10,000 times smaller than the available corpus.



About the PM CARES Funds

- **PM CARES** is a public charitable trust set up to **raise funds for national emergencies such as Covid.**
    - It was set up in **2020**, following the Covid outbreak.
    - The fund was registered as a Public Charitable Trust and its trust deed has been registered under the Registration Act, 1908.
- **PMNRF** provides immediate relief to people affected by natural calamities, major accidents, riots, etc.
- **The NDF** is meant specifically for the welfare of members of the armed and paramilitary forces and support to their families.

Source: TH

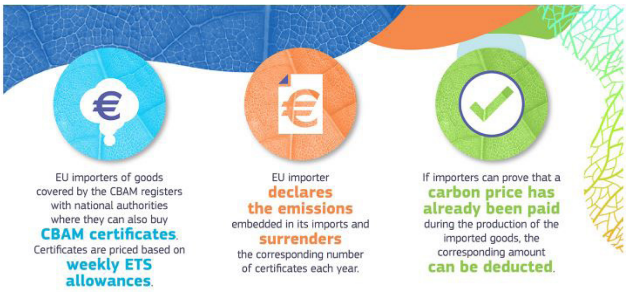
BRICS CALLS EU'S CARBON TAX PUNITIVE

Context

- BRICS environment and climate ministers opposed the **European Union's (EU) Carbon Border Adjustment Mechanism (CBAM)** calling it a discriminatory and protection measure that is **not in line with international law.**

CBAM

- CBAM is an **import duty** imposed by the European Union (EU) on **goods produced by processes** that lead to **more carbon emissions than domestic European manufacturers** are allowed to emit.
- It is introduced to put a "**fair price" on carbon-intensive goods** imported from **non-EU countries.**
    - It is to **create a level playing field** with EU companies that account for their carbon emission through the **bloc's Emission Trading System (ETS).**
- **Application:** It came into force on **January 1, 2026, on six items:** steel, aluminium, cement, fertilizer, hydrogen, and electricity.



Concerns of Developing Nations

- **Environmental Compliance:** Discussions on CBAM are under the Trade and Technology Council (TTC), with India and developing nations arguing that **environmental issues shouldn't be tied to trade.**
- **Impact on Exports:** CBAM could affect 43% of India's exports to the EU, including metals, textiles, chemicals, electronics, and vehicles.
    - **Iron and steel account for about 90% of India's exports to the EU** that fall within the CBAM framework.
- **Violation of International Agreements:** The Paris Agreement adopted in 2015 **protects developing countries from the social and economic impacts** of "response measures" against climate change.
    - **Dubai climate meeting (COP28) in 2023** acknowledged that "measures taken to combat climate change should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade".
- **Benefits Developed World:** Industries in developed economies with emissions standards comparable to the EU's stand will benefit from a CBAM-like measure.
    - CBAM, therefore, can have the net effect of helping industries in the developed world, while putting those in developing countries at a disadvantage.

About BRICS

- **BRICS** is an acronym that refers to a group of **five major emerging national economies: Brazil, Russia, India, China, and South Africa.**
    - **Egypt, Ethiopia, Iran, Indonesia, Saudi Arabia, and the United Arab Emirates** have joined BRICS as new full members **.**
- BRICS represents around **41%** of the global population, around **24%** of the global GDP and around **16% o**f global trade.
- **Origin:** BRIC started after the meeting of the Leaders of Russia, India and China in St. Petersburg on the margins of the **G8 Outreach Summit in 2006.**

- The term was originally coined by economist **Jim O'Neill in 2001.**
- Initially, the grouping was termed BRIC as **South Africa was inducted in 2010** and from there on it has been referred to as **BRICS**.
- **Summits:** The governments of the BRICS states have met annually at formal summits **since 2009.**
- **Decision Making:** All decisions are taken by BRICS member states in full consultation and consensus.
- **New Development Bank:** Formerly referred to as the BRICS Development Bank, is a multilateral development bank established by the BRICS states.
  - The Bank shall support public or private projects through loans, guarantees, equity participation and other financial instruments.

Source: TH

INTRODUCTION OF BLACKBUCKS INTO BANNI GRASSLAND

In News

- The Gujarat Forest Department, with technical support from Greens Zoological Rescue and Rehabilitation Centre, Vantara, released 20 **blackbucks (Antilope cervicapra) into the Banni Grassland of Kutch.**

Blackbucks

- Blackbucks are found **only in the Indian subcontinent.**
  - The animals are mainly seen in three broad clusters across India: northern, southern, and eastern regions.
- Males have corkscrew-shaped horns and black-to-dark brown coats, while the females are fawn-coloured.
- The species inhabits open grassland, dry thorn scrub, scrubland, and lightly wooded country as well as agricultural margins
- It is listed under **Schedule 1 of the Wildlife Protection Act, 1972**. Hunting and poaching blackbucks is a non-bailable offence and can invite a jail term of up to six years.
  - It is **worshipped by the Bishnoi community.**
  - It is listed as Least Concern by the IUCN Red List Threatened Species.

Banni grassland

- It is located in the **Kutch district of Gujarat**, and it is the largest grassland in Asia.
- It is a salt-tolerant grassland, meaning that it can survive and thrive in saline and arid conditions.
- It is home to more than 250 species of grasses, herbs, shrubs, and trees, some of which are endemic and endangered.
- It supports more than 350 species of birds, 50 species of mammals, 30 species of reptiles, and 10 species of amphibians.
  - Some of the notable wildlife found in Banni are the endangered Indian wild ass, the Asiatic lion, the blackbuck, the chinkara, the caracal, the desert fox, the flamingo, the great Indian bustard, the pelican, and the sarus crane.
- It is inhabited by about 40,000 people, belonging to various pastoral communities, such as the Maldharis, the Rabaris, the Jats, the Mutwas, and the Meghwals.

Source: TH

INDIA'S MAKHANA SECTOR

In News

- Makhana has emerged as one of **India's fastest-growing agri-food sectors**, driven by rising health awareness, expanding domestic demand, and strong export potential.

Makhana

- It is scientifically called **Euryale ferox**. It is an aquatic crop that is primarily cultivated in shallow ponds, lakes, and wetlands.
  - The seed is the part of the plant that gets eaten.
- **Benefits:** Makhana is a nutrient-dense food that is rich in carbs, good-quality protein, dietary fibre and key minerals including magnesium, potassium, phosphorus and iron.
  - It is low in salt and cholesterol-free, which makes it a great option for a variety of dietary demands.
  - It has a reduced glycaemic load and can be used by those who are managing diabetes.
  - It is also good for the heart, helps with digestion, and has anti-aging qualities.

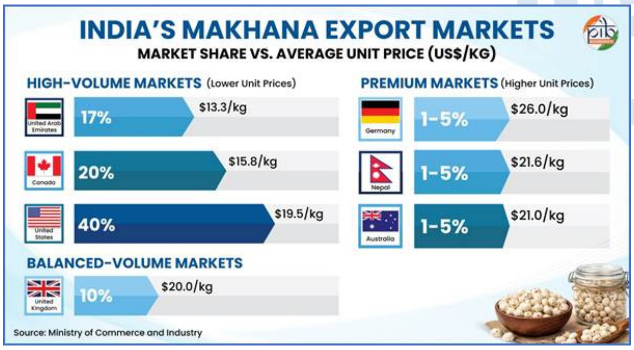
Present Status

- **Production**: India is the world's largest producer of makhana, and it is supported by suitable agro-climatic conditions and long-standing cultivation practices, mainly in Bihar, West Bengal, and Assam.
  - Bihar accounts for nearly three-fourths of India's Makhana production and contributes around 80-85% of the global supply.
  - Makhana cultivation is mainly concentrated in North Bihar.

Makhana-Geographical Indication (GI) Tag

"Mithila Makhana" has been granted a **GI tag**, recognizing the unique quality, reputation, and traditional knowledge associated with makhana produced in the Mithila region of Bihar. The GI status provides legal protection, enhances market differentiation, and strengthens branding potential in domestic and international markets.

- **Exports**: India's export markets are extremely concentrated. The United States (40%), Canada (20%), and the United Arab Emirates (17%) collectively account for 77% of the total makhana exports.
    - But the big volume markets have significantly lower unit prices: US ($19.5/kg), Canada ($15.8/kg) and UAE ($13.3/kg). Smaller markets such as Germany (26.0/kg), Nepal (21.6/kg) and Australia (21.0/kg) attract premium prices, albeit in restricted numbers (1-5%).
    - The United Kingdom is more mixed, with a 10 percent share of the market and average price realisations of $20/kg.
    - This provides an opportunity to look outside the US and Gulf sectors to pursue premium-paying regions to improve total realisations.



Governments Steps

- The Government announced the setting up of the **National Makhana Board** in the Union Budget 2025-26.
    - The Board was formally launched on 15th September 2025 in Bihar.
    - This project is a big step in strengthening and modernising the makhana value chain."
    - Government has approved a **Central Sector Scheme for Development of Makhana** with an outlay of Rs. 476.03 crore for the period 2025-26 to 2030-31. The scheme focuses on promotion of research and innovation, supply of excellent seeds and enhancing farmers' skills.
    - It also intends to update harvesting and post-harvest procedures, promote value addition, branding and marketing, improve exports and strengthen quality control systems.

Source: PIB