

20th and 21st June DSC

Current Affairs 20th and 21st June 2025.

India Rejects Mediation: PM Modi to Trump

Backdrop:

U.S. President Donald Trump claimed to have averted a war between India and Pakistan following Operation Sindhu.

In response, PM Narendra Modi firmly reiterated India's **consistent refusal to accept third-party mediation** on issues with Pakistan.

India's Stand on Mediation:

During a 35-minute phone conversation, PM Modi clearly told Trump that India **"does not and will not" accept external mediation**.

This reflects **strong political consensus in India** — across parties — especially concerning Kashmir.

Foreign Secretary Vikram Misri confirmed this position in an official briefing aboard the PM's aircraft.

Trump's Conflicting Claims:

Despite the conversation, Trump publicly repeated that **he had stopped a war** between India and Pakistan.

He praised both PM Modi and Pakistan Army Chief Asim Munir, suggesting they helped de-escalate tensions, **muddying diplomatic waters**.

He even hosted Munir for lunch and reportedly said Munir suggested Trump deserved a **Nobel Peace Prize**.

India's Concerns:

- Trump's narrative risks undermining **India's sovereign approach to bilateral matters**, especially Kashmir.
- It **revives the India-Pakistan "hyphenation"** — something India has long tried to avoid.
- Modi government's policy of **strategic autonomy** faces stress from such unpredictable diplomacy.

Domestic & Strategic Impact:

- Indian opposition parties criticized Trump's remarks.
- Strains in India-U.S. ties are becoming apparent due to **erratic diplomatic messaging**.
- India may reconsider the **value of high-level dialogue** if clarity and consistency are missing.

Core Message:

India will resolve its disputes with Pakistan **bilaterally**, in line with the **Simla Agreement (1972)** and **Lahore Declaration (1999)**.

India's foreign policy is guided by principles of **non-interference, sovereignty**, and **strategic independence**.

Oil Prices Spike Amid Iran-Israel Tensions

Trigger:

The Iran-Israel conflict intensified, triggering fears of **global oil supply disruptions**. Brent crude surged by nearly 9% on June 13, touching a 5-month high of \$78.50/barrel.

Strait of Hormuz – A Chokepoint:

- A vital route for about **25% of global oil trade** (~20 million barrels/day).
- Iran's threats to **block the Strait** raise global alarm.
- Disruptions would lead to shipment delays and **higher insurance and freight costs** → price hikes.

Global Repercussions:

- Major exporters affected: Saudi Arabia, Iraq, Iran, Kuwait, UAE, Qatar.
- Over 80% of oil/LNG through Hormuz is destined for **Asia (India, China)**.
- Alternatives to Hormuz exist but are **more expensive and less efficient**.

Market Outlook:

- According to IEA (June 2025): Supply is currently sufficient, with stockpiles providing short-term buffer.
- Still, **geopolitical risks remain high**, especially if Iran takes direct action.

Iran's Role:

- Due to U.S. sanctions, Iran exports mainly to China at discounted prices.
- Its impact lies more in **disrupting global flows** than losing its own revenue.

India's Situation:

- **80% oil import dependence** makes India vulnerable.
- No current imports from Iran due to sanctions.
- Rising global prices increase **import costs**, possibly impacting inflation and fiscal balance.

Strategic Priorities:

- Expand **Strategic Petroleum Reserves (SPRs)**.
- Strengthen **energy diplomacy** with alternative suppliers.
- Boost **domestic production and renewables** to cut import dependency.

UN Oceans Conference 2025: Push for High Seas Treaty

Context:

The 3rd **UN Oceans Conference** (UNOC) in France pushed for faster action on **marine conservation**, especially in international waters.

Main focus: the **BBNJ Treaty** — also called the **High Seas Treaty**.

About the BBNJ Treaty:

- Aims to protect biodiversity **beyond national jurisdiction** (~2/3 of oceans).
- Proposes **Marine Protected Areas (MPAs)**, mandatory **environmental assessments**, and **regulation of marine genetic resources (MGRs)**.
- Also includes **capacity-building for developing countries**.
- Needs **60 ratifications** to become binding — currently at 56 (India and U.S. are yet to ratify).

Why It Matters:

- The high seas are **underregulated** but rich in biodiversity.
- Deep-sea mining, overfishing, and biopiracy pose serious threats.
- The treaty supports the **CBD's 30×30 goal** — protect 30% of ocean areas by 2030.

Equity Issues:

- Disputes over fair access to marine genetic resources and benefit-sharing.
- Tensions between **developed and developing nations** on IP, tech access, and profits.

Major Commitments:

- **EU:** €1 billion for ocean science.
- **French Polynesia:** Declared entire EEZ as MPA (~5 million sq km).
- **New Zealand, Germany, Spain, Canada:** Funding support and conservation measures.
- **New alliance launched:** “High Ambition Coalition for a Quiet Ocean” against underwater noise pollution.

India's Role:

- Has not ratified yet; risks being a **passive observer** in global ocean governance.
- Needs to actively **shape norms**, protect sovereign interests, and promote **sustainable ocean use**.

Bottom Line:

The BBNJ Treaty could become a **Paris Agreement for oceans**.

Its success depends on universal ratification, **fair implementation**, and real action beyond promises.

India Evacuates Nationals from Iran via Operation Sindhu

Background:

Amid the worsening Iran-Israel conflict, India launched **Operation Sindhu** to evacuate Indian nationals, especially students and pilgrims.

Evacuation Details – Phase 1:

- 110 Indian students (mainly from **J&K, Karnataka, UP**) evacuated by road to Armenia.
- Returned to India via special flight from Doha on June 19.

Diplomatic Effort:

The MEA and Indian Embassy in Tehran coordinated with **Iranian authorities** to secure safe passage.

Evacuees were temporarily shifted to Qom before being transported out.

Stranded Pilgrims:

96 Indian pilgrims remain stuck in Qom, facing shortages of medicine and child-care supplies. They report **lack of communication** from Indian authorities.

Strategic & Humanitarian Significance:

- Demonstrates India's ability to conduct **swift evacuation operations**, like in previous missions (Operation Ganga, Vande Bharat).
- Highlights India's **global diplomatic reach** using partners like Armenia and Qatar.
- But points to **gaps in support** for non-student groups.

Conclusion:

Operation Sindhu showcases **India's proactive diaspora protection** but also underlines the need for **inclusive evacuation strategies** in volatile regions.

India–Canada Ties Reset with Appointment of High Commissioners

Diplomatic Breakthrough:

India and Canada agreed to restore **High Commissioners** in Delhi and Ottawa, after a 2-year freeze.

The move was made during PM Modi's meeting with new Canadian PM **Mark Carney** at the G-7 summit.

Background of the Rift:

Tensions rose after Canada accused India of involvement in the **2023 killing of Khalistani separatist Hardeep Singh Nijjar**.

India rejected the charges, suspended visa services, and expelled Canadian diplomats.

Carney's election, replacing Justin Trudeau, created space for a diplomatic reset.

Agreements:

- **Dinesh Patnaik** nominated as Indian High Commissioner to Canada.
- Resume talks on **EPTA/CEPA**, mobility, energy, education, and supply chains.

Unresolved Tensions:

- Nijjar issue not officially mentioned but referenced in G-7 statements.
- Canadian intelligence report expected soon may keep **distrust alive**.

Key Takeaway:

While the **Modi–Carney meeting** signals progress, deeper issues like **diaspora politics** and **extremism** need sustained engagement.

A lasting reset depends on **Canada’s domestic controls** and India’s **willingness to rebuild trust**.

Chandigarh Tops PGI 2.0 Rankings, Meghalaya Trails

What is PGI 2.0?

The **Performance Grading Index (PGI)** assesses school education across six key domains, with a maximum score of 1,000:

1. Learning outcomes
2. Access
3. Infrastructure
4. Equity
5. Governance
6. Teacher education

Top Performer:

- **Chandigarh** scored **719 points** — the only one in **Prachesta-1 band (701–760)**.
- Reflects strong results in governance and student outcomes.

Lowest Rank:

- **Meghalaya** scored **417 points**, landing in the **Akanshi-3 band (401–460)** — the lowest category.
- Indicates deep-rooted challenges in infrastructure, access, and quality.

National Trends:

- 24 States/UTs improved from previous year.
- 12 showed decline.
- No State crossed the **highest possible band (761+)**, signaling significant scope for improvement.

Improvements:

- **Access:** Bihar, Telangana saw largest gains.
- **Infrastructure:** Delhi, J&K, Telangana improved facilities.

Concerns:

- NE States and tribal regions lag behind.
- Lack of any region in top band reflects **systemic weaknesses**, especially in **teacher training, digital tools, and quality delivery**.

Conclusion:

PGI 2.0 is a vital tool to benchmark education progress.

While Chandigarh shines, most States need targeted reforms to achieve **SDG 4 (Quality Education by 2030)**.

Bridging India's Defence Propulsion Gap

Historical Lessons: The HF-24 Marut Setback

India's first indigenous fighter jet, the **HF-24 Marut**, underperformed not due to its design but because of weak imported engines (Orpheus 703).

Despite being led by renowned German engineer **Kurt Tank**, the project saw only 147 units produced, highlighting early how dependence on foreign propulsion systems hinders indigenous capability.

Kaveri Engine: A Long-Standing Challenge

Initiated in **1989** for the **LCA Tejas**, the Kaveri engine project failed despite a ₹2,032 crore investment.

Key issues: insufficient thrust, thermal inefficiencies, and poor reliability.

Collaborations with French firms like **Snecma** and **Safran** also did not yield viable results, leaving India dependent on **GE's F404** engines, which limited Tejas's performance.

Foreign Delays Impact Operational Readiness

Delivery delays by GE (13-month lag for 99 F404 engines) affected the **LCA Mk1A** induction, leading to reduced IAF squadron strength (from 42.5 to ~30).

The IAF Chief criticized the delays and emphasized the need for readiness over endless planning.

Stalled Technology Transfer Agreements

India's deal with **GE for F414 engines** (for LCA Mk2 and AMCA Mk1) faces hurdles — GE demands an additional \$500 million and won't share critical technologies like **single-crystal blades** or **thermal barrier coatings**, revealing global unwillingness to part with sensitive tech.

Tri-Service Dependency on Foreign Engines

- **Army:** Arjun tanks use German MTU engines; Zorawar tanks use U.S.-origin Cummins engines.
- **Navy:** Even indigenously built ships rely on propulsion from Russian, French, German, or U.S. suppliers.
- Engine dependence is a **systemic issue** across all branches.

Strategic & Economic Risks

Reliance on foreign propulsion systems:

- Slows indigenous defence programmes.

- Hinders arms exports (due to third-party clearances).
 - Increases vulnerability during geopolitical tensions.
- Self-sufficiency in propulsion is what sets apart **China, U.S., and France** as aerospace leaders.

The Need for a National Engine Vision

India lacks a cohesive long-term roadmap for engine development.

Problems include fragmented R&D funding and absence of structural reforms.

Experts urge:

- Institutional and political backing.
- Collaboration between **public, private, and academic** sectors.
- Integration of this vision with the **Atmanirbhar Bharat** mission.

Conclusion: Self-Reliance is Strategic Necessity

Success of key projects like the **AMCA and future LCAs** depends on building indigenous engine capability.

Only through propulsion autonomy can India achieve real **military readiness, export potential, and strategic credibility**.

India's Black Box Decoding Capacity Tested After Air India Crash

Crash Context

An Air India **Boeing 787-8** crashed near Ahmedabad on **June 14, 2025**.

India's **Aircraft Accident Investigation Bureau (AAIB)** is leading the probe, having recovered two sets of black boxes (June 13 and June 16).

Understanding the Black Boxes

Each black box contains:

- **Digital Flight Data Recorder (DFDR)** – logs aircraft parameters.
 - **Cockpit Voice Recorder (CVR)** – records cockpit audio.
- Boeing 787-8 has dual sets (in nose and tail) for data redundancy and crash survivability.

Decoding Location Undecided

AAIB is yet to finalize whether decoding will be done domestically or abroad, depending on technical and security assessments.

India's New Capability

India recently (April 2025) established its own **black box decoding lab** with a ₹9 crore investment.

However, its capacity and global certification for handling wide-body aircraft data remain uncertain.

Historical Reference: Kozhikode Crash (2020)

After the Kozhikode crash, black boxes were sent to the **U.S. NTSB**.

Data recovery was supervised by Indian officials, showcasing earlier dependency on foreign labs.

Reporting Framework: Limited Timelines in India

ICAO mandates a preliminary report within 30 days.

However, Indian law (Aircraft Investigation Rules, 2017) **does not specify a timeline** for preliminary reports.

As seen in the Kozhikode case, only a final report was released after almost a year.

Implications

- Lack of mandated timelines may reduce transparency and public trust.
- Raises questions on India's **aviation safety accountability** and global investigation standards.
- The current crash will test whether India's new lab can handle sensitive, large-scale aviation data effectively.

Hindi, English Dominate Instruction Medium in Senior Exams

Key Findings (2024):

Among 1.85 crore Class 10 and 1.49 crore Class 12 students:

- **39.3%** chose **Hindi**.
- **English** was chosen by 31.4% in Class 10 and 38.6% in Class 12.

Limited Regional Language Usage

Only **0.9% to 6.1%** chose regional languages such as Marathi, Tamil, Bengali, Urdu, and others.

Class 10 Pass Rates by Medium

National average: **88%**

Below average in:

- Gujarati (82.7%)
- Kannada (75.4%)
- Telugu & Assamese (79.8%)

Top Regional Performers (Class 10)

- Malayalam: **99.9%** (highest)
- Odia: 98%
- Manipuri & Punjabi: 96.2%

Class 12 Pass Rate Variation

National average: **86.5%**

Low:

- Telugu – only **61.7%**, despite 1.07 lakh students High:
- Tamil, Nepali, Punjabi, Manipuri: **90.5%–92.3%**
- Gujarati: 92.6% (despite poor Class 10 showing)

English Preference Rises in Class 12

Many state boards use **regional languages till Class 10**, then **switch to English** for senior classes, explaining the rise.

Concerns & Policy Gaps

The disparity suggests issues in:

- Quality of regional-medium teaching
- Study materials and exam alignment
- Equity in access and outcomes

Policy Takeaways

- Need targeted support for low-performing regional mediums.
- Align NEP 2020 goals with real implementation to **support multilingual education** without compromising learning quality.

RBI Releases New Norms for Project Finance

Overview of Project Finance Directions 2025

RBI has released new guidelines to streamline how banks handle **project finance**, particularly in high-risk sectors like infrastructure and real estate.

Provisioning Norms Revised

Banks must maintain:

- **1.25%** provision for under-construction commercial real estate (CRE)
 - **1%** for under-construction infrastructure
- Lower than the draft rules (which proposed up to 5%), these revised norms **ease the capital burden**.

Incentives for Completion

As projects become operational, provisioning **drops further**, promoting completion and risk management.

New Framework for Handling Stress

A **principle-based approach** has been introduced to ensure **uniform and transparent** stress resolution for project loans.

Rational DCCO Extensions

- Infrastructure: up to **3 years**

- Non-infrastructure: up to **2 years**
Delays beyond these limits may trigger **asset reclassification**.

Increased Lender Flexibility

While upper limits are fixed, banks can decide on extensions **within these bounds**, allowing **context-based discretion**.

Why It Matters

- Balances **financial stability** with the need to boost long-term lending.
- Expected to **improve credit flow** to infrastructure and reduce NPAs with proper risk controls.

FDI in India Declines Further in 2024: UNCTAD Report

FDI Inflow Shrinks

India received **\$27.6 billion** in FDI in 2024 — down **1.8%** from 2023 and **less than half** of 2020 levels.

FDI's Diminishing Role

FDI's share in total capital formation fell from **8.8% in 2020** to just **2.3% in 2024**, showing increased reliance on **domestic capital**.

FDI Stock as % of GDP

Dropped from **17.9%** of GDP in 2020 to **14%** in 2024, reflecting strong GDP growth outpacing foreign capital retention.

Capital Formation Still Healthy

Despite falling FDI, overall investment activity remains robust due to strong **domestic public and private investment**.

Why the Decline Matters

- May indicate falling global investor confidence in India.
- Possible reasons: **policy uncertainty, regulatory risks**, and competition from other emerging markets.

Policy Recommendations

To attract more FDI, India must:

- Improve **ease of doing business**
- Strengthen **infrastructure and policy predictability**
- Enhance **investor protection**

Rethinking India's Alcohol Policy

Alcohol Consumption in India

- No safe level of alcohol use; **0 ml is considered safe**.
- **23%** of Indian men and **1%** of women drink alcohol (NFHS-5).
- Consumption rose by **240%** in 20 years; nearly **half is unrecorded**.
- Alcohol caused **2.6 million DALYs** and societal losses of ₹6.24 trillion in 2021.

Drivers of Alcohol Use

1. **Biopsychosocial:** genetics, stress relief, peer influence, media glamorization
2. **Commercial:** appealing products, surrogate ads, influencer promotions
3. **Policy Gaps:** Inconsistent State laws; alcohol industry resists reforms

Policy Landscape

- **Prohibition** in Bihar, Gujarat, Nagaland, Mizoram
- **Online alcohol sales** explored in some States
- Alcohol is **outside GST**, so States control excise policy and revenue
- Conflicting messages: promotion in some regions, restriction in others

National Policy Deficit

- No **comprehensive national alcohol control framework** exists
- Existing policies (NAPDDR, NMHP, NMAP) are fragmented and uncoordinated
- Mixed institutional roles weaken accountability

Suggested National Strategy

1. **Affordability:** discourage abuse via pricing, but avoid pushing illicit alcohol
2. **Allocation:** use alcohol tax revenue for public health
3. **Accessibility:** limit availability in public spaces
4. **Advertisement:** restrict digital and surrogate ads
5. **Attractiveness:** mandate plain packaging and warning labels
6. **Awareness:** mass campaigns linking alcohol to health and social harm
7. **AI Monitoring:** detect online alcohol promotion and misinformation

Conclusion

India must treat alcohol as a **public health emergency**, not a fiscal asset.

A coordinated, **science-based national policy** is essential to safeguard future generations and reduce health and social costs.

21st June 2025: Static MCQS

1. Question

Consider the following statements about the HF-24 Marut aircraft:

1. It was the first supersonic jet developed in India and designed by an Indian engineer.
2. The primary reason for its lack of success was the limited capability of its imported engine.

Which of the above statements is/are correct?

A. 1 only B. 2 only C. Both 1 and 2 D. Neither 1 nor 2

Correct Answer: B. 2 only

- *Statement 1 is incorrect:* The HF-24 Marut was actually designed by German engineer Kurt Tank, not by an Indian.
- *Statement 2 is correct:* The aircraft's failure was largely due to the underpowered imported Orpheus 703 engine.

2. Question

In the context of aircraft black boxes, consider the following components:

1. Digital Flight Data Recorder (DFDR)
2. Cockpit Voice Recorder (CVR)
3. Satellite Communication Recorder (SCR)

Which of these are standard parts of a black box system?

A. 1 and 2 only B. 2 and 3 only C. 1 and 3 only D. 1, 2 and 3

Correct Answer: A. 1 and 2 only

- ✓ *DFDR* captures flight data like speed, altitude, and engine performance.
- ✓ *CVR* records sounds and conversations from the cockpit.
- ✗ *SCR* is not included in traditional black box configurations.

3. Question

Consider the following statements regarding the medium of instruction in Class 10 and 12 (2024):

1. Hindi was the most commonly chosen language for instruction at both levels.
2. More students opted for English in Class 12 compared to Class 10.

Which of these statements is/are correct?

A. 1 only B. 2 only C. Both 1 and 2 D. Neither 1 nor 2

Correct Answer: C. Both 1 and 2

- ✓ *Statement 1 is correct:* Hindi was the most preferred medium overall, chosen by 39.3% of students.
- ✓ *Statement 2 is correct:* English usage rose from 31.4% in Class 10 to 38.6% in Class 12.

4. Question

What is the main reason for reducing provisioning norms once a project becomes operational?

- A. To discourage bank loans for long-term projects.
B. To increase the tax burden on real estate developers.
C. To ease the capital requirement for banks when the project starts generating revenue.
D. To prevent projects from using external commercial borrowing (ECB) options.

Correct Answer: C. To ease the capital requirement for banks when the project starts generating revenue

- ✓ The revised norms aim to encourage on-time project completion and reward viable projects by lowering the capital strain on banks during the revenue phase.

5. Question

According to RBI's Project Finance Directions 2025, which of the following outcomes are anticipated?

1. Enhanced bank lending to infrastructure and commercial real estate (CRE).
2. Stricter provisioning to limit credit risk.
3. A uniform and transparent framework for managing financial stress.

Choose the correct option:

A. 1 and 2 only B. 2 and 3 only C. 1 and 3 only D. 1, 2 and 3

✓ Correct Answer: C. 1 and 3 only

- ✓ *Statement 1 is correct:* Lower provisioning is intended to boost bank lending in infrastructure and CRE sectors.
- ✗ *Statement 2 is incorrect:* The policy reduces, rather than increases, provisioning requirements.
- ✓ *Statement 3 is correct:* The RBI's guidelines establish a principle-based and transparent stress resolution mechanism across institutions.