



VAJIRAM & RAVI
Institute for IAS Examination

The Analyst

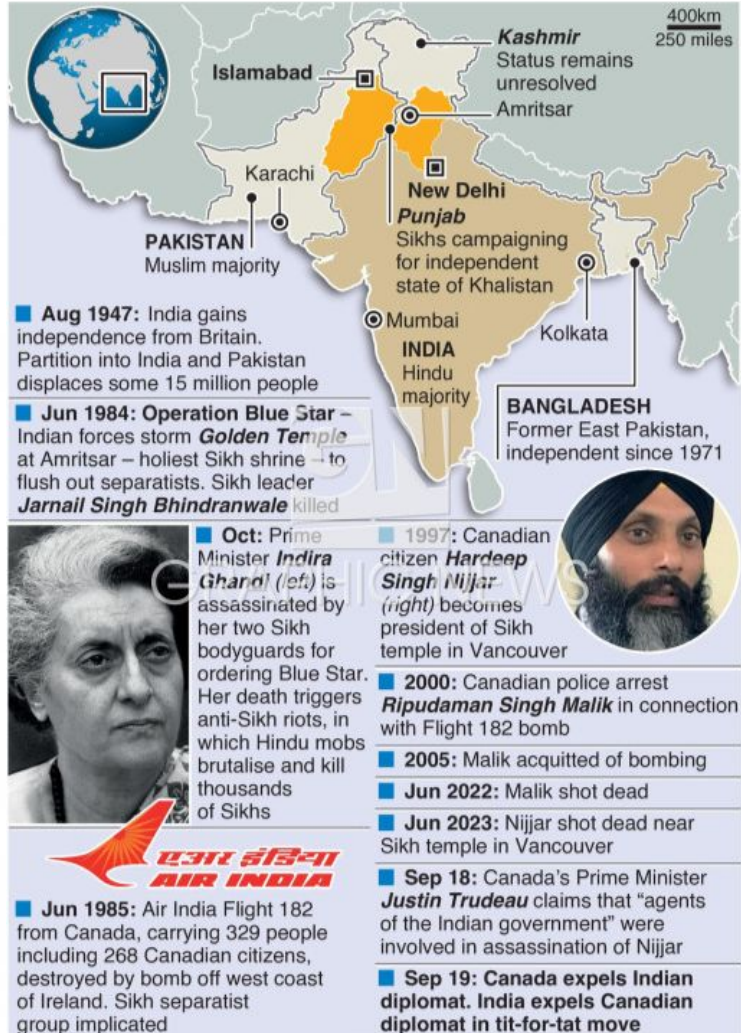
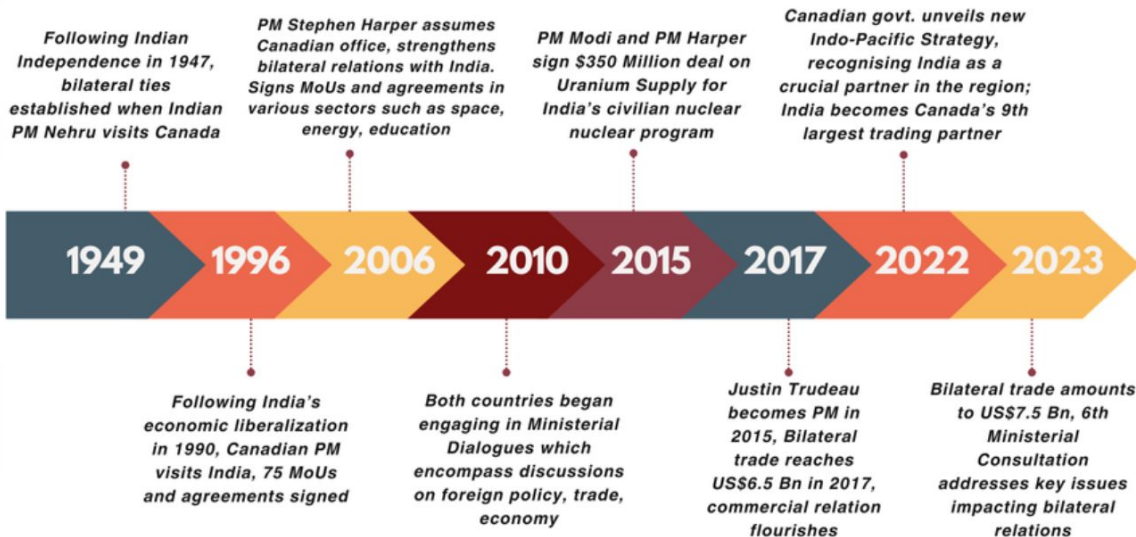
CURRENT AFFAIRS Handout

29th August 2026



CONTEXT: Re-commitment to seal deal by 2026

LANDMARK MOMENTS IN THE INDIA-CANADA RELATIONSHIP



400km / 250 miles

PAKISTAN Muslim majority

INDIA Hindu majority

BANGLADESH Former East Pakistan, independent since 1971

Kashmir Status remains unresolved

Amritsar

New Delhi

Punjab Sikhs campaigning for independent state of Khalistan

Mumbai

Kolkata

Islamabad

Karachi

Aug 1947: India gains independence from Britain. Partition into India and Pakistan displaces some 15 million people

Jun 1984: Operation Blue Star – Indian forces storm **Golden Temple** at Amritsar – holiest Sikh shrine – to flush out separatists. Sikh leader **Jarnail Singh Bhindranwale** killed

Oct: Prime Minister **Indira Gandhi** (left) is assassinated by her two Sikh bodyguards for ordering Blue Star. Her death triggers anti-Sikh riots, in which Hindu mobs brutalise and kill thousands of Sikhs

1997: Canadian citizen **Hardeep Singh Nijjar** (right) becomes president of Sikh temple in Vancouver

2000: Canadian police arrest **Ripudaman Singh Malik** in connection with Flight 182 bomb

2005: Malik acquitted of bombing

Jun 2022: Malik shot dead

Jun 2023: Nijjar shot dead near Sikh temple in Vancouver

Sep 18: Canada's Prime Minister **Justin Trudeau** claims that "agents of the Indian government" were involved in assassination of Nijjar

Sep 19: Canada expels Indian diplomat. India expels Canadian diplomat in tit-for-tat move

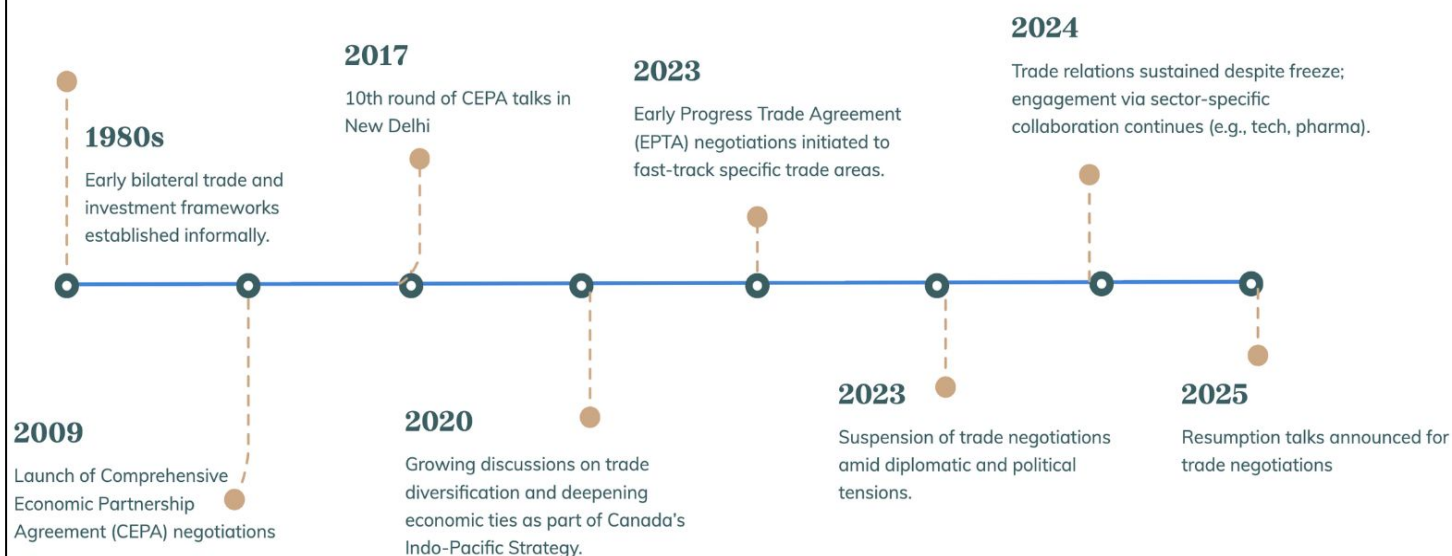
Jun 1985: Air India Flight 182 from Canada, carrying 329 people including 268 Canadian citizens, destroyed by bomb off west coast of Ireland. Sikh separatist group implicated

AIR INDIA



CONTEXT: Re-commitment to seal deal by 2026

Milestones for the India-Canada Economic Partnership



SECTORS FOR COOPERATION

A. Agriculture

- MoU signed in 2009
- Complementarities in production & consumption needs
- Resilient sector
- Canada: lentils, peas, potash
- Potential in biotech, agri-tech, wastewater treatment
- FICCI India AgTech Business Delegation

B. Clean Energy and Critical Minerals

- Canada reserves of Li, Co, Ni
- Clean energy, EV, battery
- Outside China's supply chain dominance

- Indian EV sector 28.5% CAGR
- USA top consumer
- Threatened 25-50% tariffs on steel, AI
- India-Canada Collaborative Industrial R&D Programme (2025)

C. IT & Digital Services

- India global leader
 - WTO: India 5th largest exporter of digital services in 2024
- Canadian tech hubs: Toronto (AI & fintech), Montreal (AI research & cybersecurity)



Canada Trade Deal



CONTEXT: Re-commitment to seal deal by 2026

D. Pharmaceuticals & Healthcare

- Canada outsources drug development
- India major global supplier
- Trump 100% tariff on imported branded/patented pharma

E. Geopolitical Incentives

- Canada's Indo-Pacific Strategy
- Creating alternative supply chains
- Joint initiatives in mineral sourcing strategies, digital infra resilience, cybersecurity frameworks
- Canada's re-evaluating bilateral partnerships
- Trilateral frameworks with like-minded partners

CHALLENGES

A. Diplomatic Tensions:

- Allegations of Indian interference, Khalistan issue)

B. CEPA negotiations ceased post-2023

- Economic uncertainty affects biz & investors, undermined trust
- CBMs vital

C. Regulatory Barriers & Market Access Issues

- India's price sensitivities, complex infra
- Canada's stringent IP rules
- Non-tariff barriers, provincial variations

D. Absence of a CEPA

- a. Reliance on piecemeal sectoral agreements – issues in services trade, labor mobility, investment protection

RECOMMENDATIONS

A. Sector-Specific Fast-Tracks

- Tariff reduction & market access for high-performing sectors with highest complementarities

B. Regulatory Synergies

- Technical/ministerial/govt meetings to align standards, build dispute resolution mechanisms, standardised certifications

C. PPPs

- Leverage Canadian pension funds & Indian IT/pharma giants for co-investment in infras, green energy, urban development, innovation hubs

D. Align Negotiation Strategy with Indo-Pacific Policy

- Canada aims to diversify trade away from China

CONTEMPORARY CANADIAN GEOPOLITICS

- Trudeau Low
- Nijjar case
- Interference allegations
- Tolerance of Khalistani elements
- Mutual expulsions of diplomats
- Trump's attacks
- Liberal Party comeback
- Jagmeet Singh's exit
- Carney's pragmatism
- Power Dynamics & Economy
- India (4th largest economy) vs. Canada (9th largest)
- India exports more (\$5.37B)
- Diaspora: 600K Indian students; 1.4M Canadians of IO



CONTEXT: Re-commitment to seal deal by 2026

CONCERNS

- Comments on Kashmir
- Opposed Smiling Buddha
- Extradition of Khalistani Extremists (Talwinder Singh Parmar)
- Justin Trudeau
- Proximity to sympathisers
- Political reliance on Khalistani support
- Double Standards on Sovereignty
- Alliance with NDP
- 2015 - strategic partnership

SIGNIFICANCE

- Historical - freedom struggle
- Cooperation in Indo Pacific
- Trade - \$8.4 bn in 2024
- Energy - Nuclear Cooperation agreement
- Technology
- CSA MoUs
- Joint S & T Cooperation Agreement
- Multilateralism
- Geopolitical Leverage - Five Eyes
- Diaspora - 4% of its population, MPs

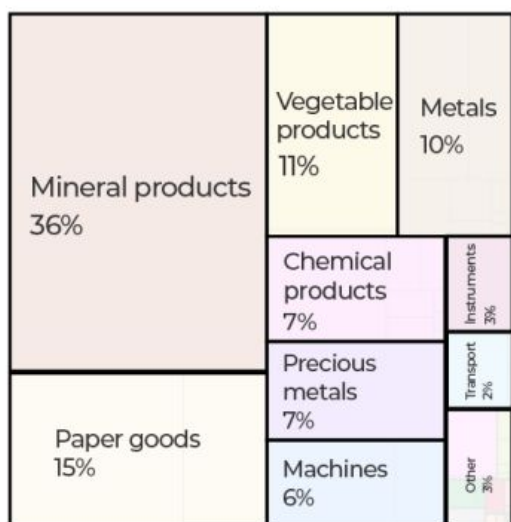
BUSINESS

Canada-India bilateral trade

Canada-India bilateral trade in goods reached nearly \$9bn in 2022, a substantial 57 percent increase over the previous year.

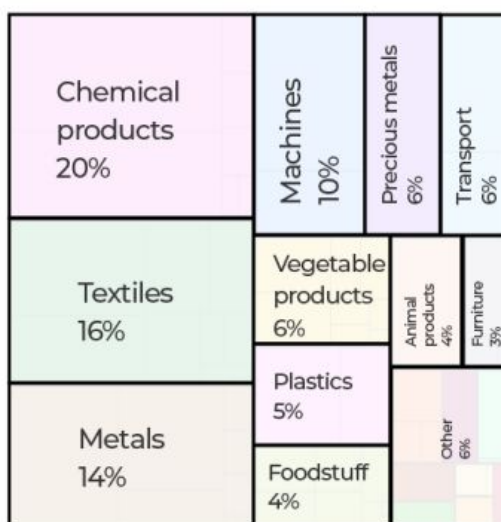
Top Canadian exports to India

(2021)



Top Indian exports to Canada

(2021)



Canada Trade Deal



CONTEXT: Re-commitment to seal deal by 2026

CHALLENGES

- Canadian Parliamentary Committee Report - India 2nd biggest foreign threat
- Khalistani separatism - balancing Sikh assertions & relations with India
- Attacks on Consulates & Diaspora
- Trade - protectionism, complex labour laws, No CEPA
- Relations with China

SUGGESTIONS

- Engaging with Sikh diaspora
- Dehyphenate - Khalistan & FTA
- Early Progress Trade Agreement
- Environmental & RE collab
- Track II Diplomacy

MAINS PRACTISE QUESTION

In light of recent geopolitical uncertainty, examine the significance of resetting India-Canada relations. Discuss the challenges impeding the relations and suggest viable pathways to rebuild mutual trust and cooperation.



CONTEXT: 5 year report card of Taliban & India's engagement

Afghanistan in past 5 years

ACHIEVEMENTS OF IEA 2.0

- No use of Afghan territory for operations against other countries
- 40 active diplomatic missions abroad
 - >20 countries represented in Kabul
 - Russia recognized IEA; opened an embassy in Kabul
 - Pakistan, China, Iran, India de jure links without formal recognition
- Economic
 - Currency (Afghani) stable
 - Consumer inflation 2% in 2025
 - GDP growth rate 4.3% in 2025
 - India-Afghan annual trade ~\$1 bn
 - Measures curbed corruption & smuggling
- Beginning to see unsustainability of hardline agenda

FAILURES

- Domestic policies: carbon copy of IEA 1.0
 - Socio-political regression from preceding Western-designed Republic
- Uncodified unitary theocracy
- Harsh rules in contemporary Islamic world
 - Ban on music, education for girls beyond class 6
- Narrow power base
- Global unanimity to withhold formal recognition until policies moderated
 - Most Western ODA suspended; only some NGOs
 - Negligible foreign investments

- GDP per capita is only \$448 – <1/6 of India's
 - ~50% population under national poverty line, acute food shortages
 - HDI score of 0.496
 - Formal unemployment at 13.3%
- In active conflict with Pak
- bridge SA – CA, fostering trade, cultural exchanges, alliances
- Hotspot for great power rivalries

HISTORICAL TIES

- Ancient Links
 - IVC trade, cultural exchange
 - Silk route
 - Shared heritage
 - Religious Epics
- Islamic Empires
 - Ahmad Shah Durrani
 - Mughals
- British era
 - Anglo Afghan wars
 - Pashtun Autonomy
- Post Indep
 - Indo-Afghan Friendship Treaty, 1950
 - Soviet Invasion in 80's
 - Indian Airlines Flight 814, 1999
- Post 2000
 - Strategic Partnership Agreement 2011



CONTEXT: 5 year report card of Taliban & India's engagement



SIGNIFICANCE

- Geostrategic
 - Gateway to CA
 - Countering Pak influence
 - Chabahar use
- Regional Stability & Security
 - Cross border terror
 - Taliban - Pak Nexus
- Economic
 - Air Freight corridor
 - Minerals - Li, Cu, rare earths
- P2P
 - Goodwill investments - infra, health, edu
 - Food Grains, vaccines, community projects
 - 14k Afghan students

AREAS OF ENGAGEMENT

- Strategic Partnership Agreement
 - Assistance to rebuild infra
 - Afghan-led, Afghan-owned, broad based, inclusive process of peace & reconciliation
 - Duty free access to Indian market
- Heart of Asia Process
 - Political consultations
 - CBMs
 - Cooperation with regional organizations
- Reconstruction efforts
- Defence
 - Training security forces, Mi-25 attack helicopters

PAIN POINTS

- Political Instability
 - 2021 - Taliban takeover & Operation Devi Shakti
- Pakistan Angle
 - Influence over the Taliban
 - Cross border Terror
- Geographical barrier
 - Land access
- Golden Crescent



India Afghanistan



CONTEXT: 5 year report card of Taliban & India's engagement

SUGGESTIONS

- Strategic Recalibration
 - No official recognition
 - Aid diplomacy
- Treading cautiously
 - limited embassy operations
 - High level engagement
- Principled Approach
 - UNSC Resolution 2593 – peace, counterterror, HR

MAINS PRACTISE QUESTION

Discuss the significance of Afghanistan for India's strategic, economic and security interests. What are the challenges in bilateral relations in the current regional context? How can India to safeguard its interests?



Newspaper : The Hindu Page Number : 10

Defence Sector Reforms under Aatmanirbhar Bharat

- **EoDB in Defence Manufacturing**
 - Initial validity of industrial license: 15+3 yrs
 - i. Earlier 7 years + 3 years
 - Arms Act licenses: valid for lifetime of co.
 - i. If Co. sets up manufacturing facility & other conditions within 7+3 years
- **Revamped Defence Exim portal**
 - End-to-end application processing
 - Automated company verification
 - Simplified registration, real-time tracking
- **Indigenisation through Industries**
 - **Srijan Defence Portal**
 - i. DPSUs, Service Headquarters offer defence items to industries, MSMEs & start-ups, for indigenisation
 - **Positive Indigenisation Lists**
 - i. Till May 2026, 5 Lists of 5,012 items

- **Srijan DEEP**
 - Defence Establishments and Entrepreneurs Platform
 - Digital Database of Defence Industries
 - Every industry/ vendor assigned a URN
 - Supply chain resilience & resource pooling during emergencies
- **FDI in Defence Sector**
 - Limit enhanced in 2020 up to 74% through Automatic Route for new defence industrial license
 - 100% through Govt Route
 - i. If access to modern technology
 - Co-development & co-production of niche defence technologies with Foreign OEMs



Acting CJs & Judicial Appointments



SYLLABUS : PRELIMS : Indian Polity and Governance–Constitution
Newspaper : The Indian Express **Page Number : 1**

Context

- Controversy over Rajasthan HC Acting CJ
 - Acting CJ since September 2025
 - SC Collegium must consider at least 4 names recommended by him
- Recurring SC Collegium question
 - How to treat HC judge recommendations sent by Acting CJ
- SC Collegium View 1
 - Names from Acting CJ must not be returned solely due to official title
 - Consider on merit
 - Aided by: Relatively long tenure as Acting CJ & Rajasthan his parent HC
- View 2
 - Will normalise long-term temporary tenures
 - Removing urgency to appoint permanent CJ
- Conventional practice
 - Acting CJs no recommendations as short tenures

Exceptional cases

- 2020: Justice Dharmadhikari – Acting CJ of Bombay HC
 - List of 22 names for HC judge
 - SC Collegium sent 18 of 22 recommendations to Centre
 - Centre returned the names, as reservations by consultee judges
 - Objecting judges
 - i. No CJ could properly vet 22 candidates in such short tenure, requiring Bar consultation

- 2022: Centre objected to 12 names by Rajasthan HC CJ
 - As made during fag end of his tenure
 - SC Collegium
 - i. Asked if specific objections against any name based on intelligence inputs – no response
 - Subsequently, Centre cleared 8 names
 - SC judge Justice Sandeep Mehta
 - i. 3 letters to CJI
 - ii. sought replacement by a CJ from outside the state
 - iii. Allegations: manipulation of case listings, threats to fellow judges citing closeness to CJI, misuse of administrative powers
 - iv. Headed Rajasthan HC in acting capacity – tenure “unusually long”
 - v. CJI Surya Kant responded: allegations against a sitting judge cannot be adjudicated through media; must go through institutional channels



Acting CJs & Judicial Appointments



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ARTICLES

- **Article 124 (2):** Appointment of SC judges
- **Article 217:** Appointment of HC judges

Evolution of the Collegium System

- **SP Gupta vs Uoi, 1981** – consultative, primacy of CJI else cogent reasons
- **Second Judges Case, 1993** – concurrence, CJI+2
- **Sp Reference No. 1 of, 1998** – collegium of CJI+4
- **Fourth Judges Case, 2015** – NJAC struck down



FCNR (B) deposits & Forex Reserves



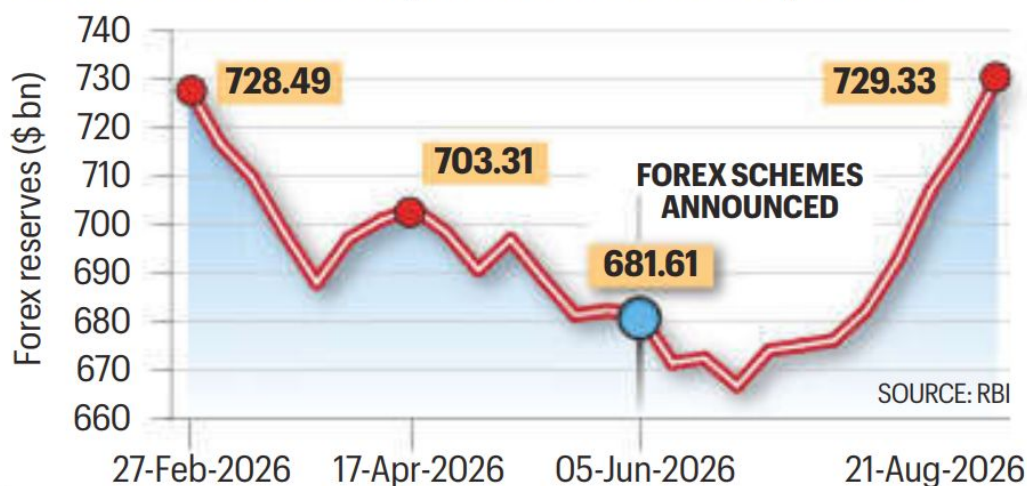
SYLLABUS : PRELIMS : Economic and Social Development
Newspaper : Indian Express **Page Number : 1**

FCNR (B) Deposits

- RBI's concessional swap window for FCNR(B) deposits
 - Forex record high of \$729.33 bn
 - Previous all-time high: before West Asia conflict
 - i. Higher global energy prices
 - ii. India imports ~85% of crude
 - iii. Rupee already under stress as foreign fund outflows
- FCNR(B) deposits of \$65.4 bn since window opened in June
 - RBI bears full exchange rate risk
 - Money deposited in foreign currency
- Allowed banks to offer interest rates as high as 7.4%
- NRIs investing using leverage offered by banks
 - Borrow at lower rates
 - Deposit at high FCNR(B) rates

- Building forex: signal to foreign investors
 - Outflows: \$19 bn in 2025; \$24 bn in first 5 months of 2026
 - Rupee down 8.1% from a year ago
 - Higher forex indicate RBI ability to defend rupee
- Net FDI weak
 - Rising overseas investments of Indian cos
 - Foreign investors taking back profits on past investments
 - Rise in interest rates in developed economies
 - India less attractive destination for global investors
- Govt & RBI measures
 - Concessional swap facility
 - Removal of capital gains, withholding taxes on FPIs' investments in G-Secs
- Inflow in last 3 months, but rupee did not appreciate as in 2013

Forex reserves skyrocket on NRI deposits



SYLLABUS : PRELIMS : Economic and Social Development
Newspaper : The Hindu **Page Number : 1**

IIP

- Short-term changes in volume of production
- Insight into growth or contraction of industrial activity
- Published by CSO, under MoSPI
- Base year: 2022-23
 - Earlier: 2011-12
- Quick Estimate of IIP released on 28th of every month
 - Next working day if 28th is a holiday
- July 2026: 6.7 %
 - 7.3 % in June
 - 5.1% in May

Sector	2011-12 base		2022-23 base	
	Weight (%)	Item groups	Weight (%)	Item groups
Mining	14.4	1	11.0	3
Manufacturing	77.6	405	76.1	455
Electricity & Gas supply	8.0	1	10.9	3
Water Supply and waste mgt	-	-	2.0	2
Total	100	407	100	463

New IIP series with base year 2022-23 will include four sectors, against three in previous series

Mining



- Inclusion of minor mineral, rare earth mineral data to enhance coverage.
- Would entail sub-sectors: Fuel minerals, Metallic minerals and Non-metallic minerals.

Electricity



- MOSPI will publish disaggregated data by source of generation
- To effectively capture energy transition, it will publish data for conventional and renewable sources

Manufacturing



- Items are selected at NIC-3 digit level from Annual Survey of Industries 2022-23
- Weight is proportionally distributed among NIC 2-Digit items in proportion of their GVA in ASI

Water supply



- Water supply, sewerage and waste management is included for the first time in new IIP 2022-23 base series
- Source for this data is Department of drinking water and sanitation



SYLLABUS : PRELIMS : Indian and World Geography-Physical, Social, Economic Geography of India and the World

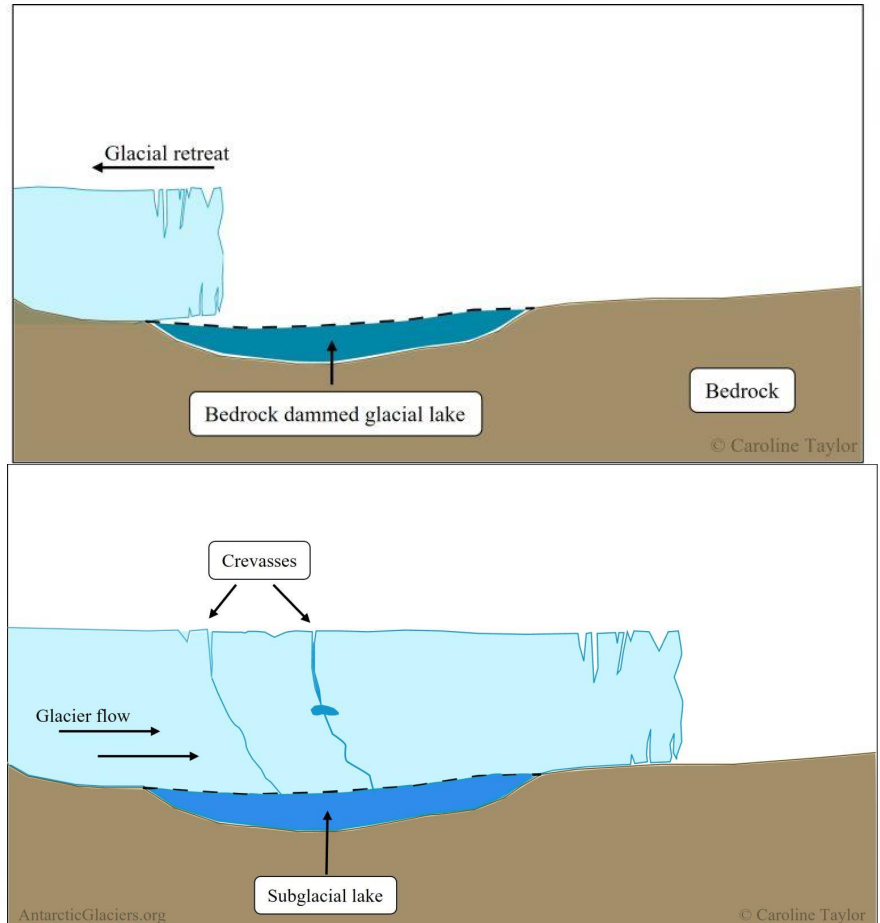
Newspaper : The Hindu **Page Number : 11**

Glacial Lakes

- body of water that originates from a glacier
- Usually at the foot of a glacier, but may form on, in, or under it.
- ISRO categorised
 - Moraine-dammed
 - Ice-dammed
 - Erosion-based
 - others
- Dams formed by moraines - dense and stable, holding sizable lakes behind them for years
- Leaky - lake drain slowly into nearby rivers
- crucial sources of freshwater for rivers
- Risks of GLOFs
 - release large volumes of meltwater due to failure of natural dams

Causes of GLOFs

- Global warming
 - Glacier melting and retreat
 - Expansion of lake beyond capacity
 - i. Number, area, volume up by 53%, 51%, & 48%
- Glacial Surging
 - Gilkey Glacier, Alaska



- Structural Failure
 - Unstable moraines breach
 - Internal erosion, hydrostatic pressure, thawing permafrost
 - i. South Lhonak GLOF, Sikkim
- Mass Movement >> displacement waves
 - 2021 Chamoli GLOF.
- Cascading Events: Earthquakes
- Anthropogenic
 - Urbanization, mining, deforestation, hydro projects
 - Drainage patterns, stability of slope

IIT Roorkee study

- > 31k glacial lakes growing in High Mountain Asia
 - a. Area increase of 5.5%
- Highest area in Eastern Himalaya



Q1. With reference to the evolution of the Collegium System in India, consider the following statements:

1. The Second Judges Case established a collegium consisting of the CJI and two senior-most judges.
2. The 1998 Presidential Reference expanded the Supreme Court collegium to the CJI and four senior-most judges.
3. The Fourth Judges Case upheld the National Judicial Appointments Commission.

Which of the statements given above are correct?

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

Answer: a

Q2. Consider the following statements regarding FCNR(B) deposits:

1. The money deposited under FCNR(B) accounts is denominated in foreign currency.
2. Under the concessional swap window discussed by the RBI, the RBI bears the full exchange-rate risk.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer: c

Q3. Consider the following statements regarding the new Index of Industrial Production (IIP) series:

1. The new series uses 2022–23 as its base year.
2. Water supply and waste management have been included as a sector in the new series.

Which of the statements given above are correct?

- a) 1 only
- b) 2 only
- c) Both 1 & 2
- d) Neither 1 nor 2

Answer: c

Q4. Consider the following pairs of sectors and their weights in the new IIP series with base year 2022–23:

Sectors	Weights
Mining Weight	11%
Manufacturing	76.1%
Electricity and Gas Supply	10.9%
Water supply and waste management	2%

How many of the above pairs is/are matched correctly?

- a) Only One
- b) Only Two
- c) Only Three
- d) All Four

Answer: d

Q5. Consider the following statements regarding India–Canada economic cooperation:

1. Canada is an important source of lentils, peas and potash for India.
2. Canada possesses reserves of lithium, cobalt and nickel that are relevant to clean-energy and battery supply chains.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer: c





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