



VAJIRAM & RAVI
Institute for IAS Examination

The Analyst

CURRENT AFFAIRS Handout

09th August 2026



World moving towards Tariff & Protectionism

CONTEXT: A new bill passed by US Senate puts 100% tariff on import of Russian Oil on countries like India, signalling at growing Trade protectionist measures adopted by the World

Mains Heading 1: Decoding the NEWS : "Tariff Threat" on India?

Context of News :

- ❑ The U.S. Senate has passed a Bill that could once again see **massive tariffs up to 100%** being levied on India for its import of Russian oil
- ❑ Tariffs would apply on a country that was among **5 largest importers** by total volume of crude oil or natural gas
- ❑ Originating from Russia during the **12 months** preceding the date of the enactment of the Act
- ❑ Then proceeds to import oil or gas from Russia after **30 days** of the Act's enactment

What are the challenges before the Indian economy when the world is moving away from free trade and multilateralism to protectionism and bilateralism ?
How can these challenges be met ?

10

(Answer in 150 words)

Burning issue

U.S. Senate passes Bill aiming to cut off funding for Russia's war in Ukraine

■ Bill proposes **100% tariffs** on countries 'heavily' importing Russian oil and gas

■ China and India are the **top two** importers of Russian crude oil

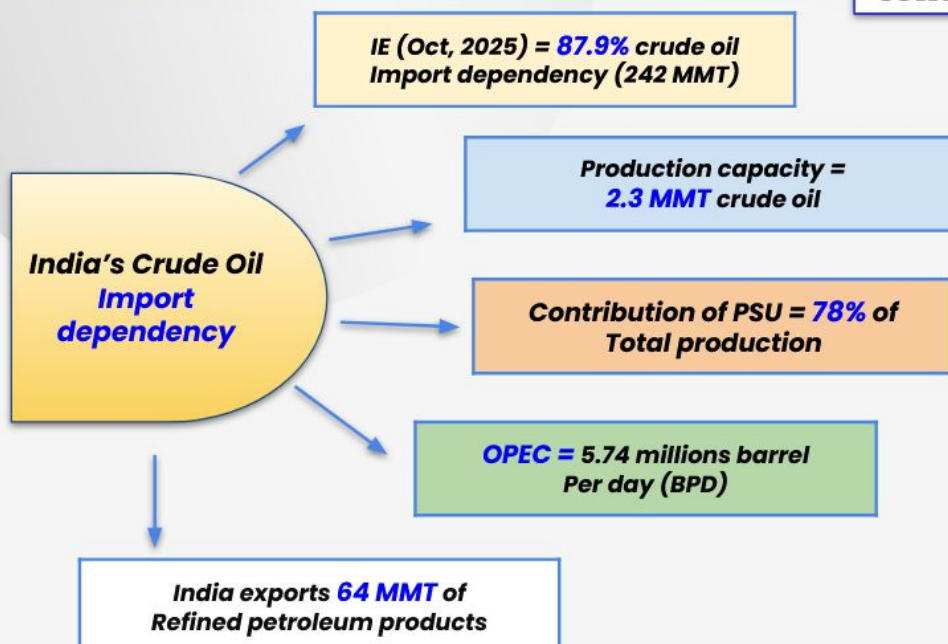
■ Russian crude accounted for more than **50% of Indian imports** in June 2026

■ The legislation **awaits approval** from the U.S. House of Representatives



Mains Heading 2: How Tariffs can Impact India's Growth prospect?

India's manufacturing sector activity growth falls to 5-year low in July amid challenging market condition: PMI



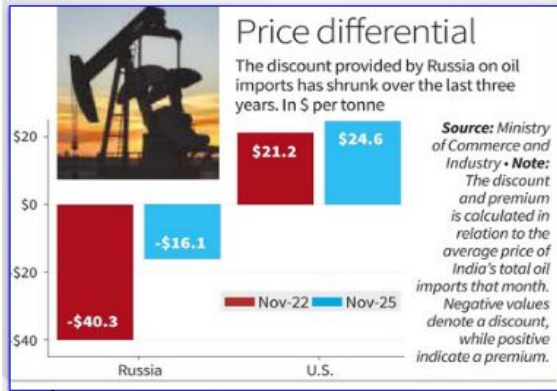
Impact on Indian Economy?

- ❑ **Cost - Push Inflation** : Increase in input cost = Increase in firm's marginal cost
- ❑ **Trade Shock** due to increase in Import expenditure : **Current Account Deficit (CAD)**
- ❑ **Negative Net Terms of Trade** leads to **"Imported Inflation"**
- ❑ **Fiscal slippage** & Crowding Out Pressure
- ❑ **Output - Growth Drag & Stagflation**



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CONTEXT: A new bill passed by US Senate puts 100% tariff on import of Russian Oil on countries like India, signalling at growing Trade protectionist measures adopted by the World



Mains Heading 3 : Moving away From Russian Oil?

Trade Tanager between India & Russia :

Top 5 Oil importer to India:

- Russia : 37%
- Iraq : 20%
- Saudi Arabia : 13%
- UAE : 8%
- USA : 3.2%

Bilateral trade to \$100 Bn by 2030 & bilateral investment to \$50 Bn by 2025

Bilateral Trade : \$68.7 Billion in 2024-25 (all time high)
88% import is crude oil

Russia's Share in Oil basket : 2% (2020) to 37% (2025)

Price of Russian Oil : \$482 per tonne
GTRI : Higher Sulfur content

Price of Trump's Oil : \$523 per tonne
GTRI : "What about superior quality"?

Average Cost : \$498 per tonne

Discount by Russia : \$16 per tonne
V. \$40 per tonne in 2022

Issue of "Oil" Diplomacy :

India cuts Russian oil imports by 38% in October 2025, sharpest fall so far

Russia still accounts for about 32% of India's total oil imports by value and volume

Published - December 04, 2025 03:52 pm IST

Huge trade deficit (\$61 Billion)

Overly reliant on Russia for "Energy security"

Inability of Service sector to penetrate Russia's market

USA's sanctions on Russian crude oil supply : BOP Crisis

Mains Heading 3 : Moving away From Russian Oil?

Issues with "Payment Mechanism" :

Nostro Account vs. Vostro Account



Nostro

- "Our money on deposit at your bank"
- Account held by our bank in foreign currency at another bank



Vostro

- "Your money on deposit at our bank"
- Account held by a foreign bank in domestic currency at our bank

 Investopedia

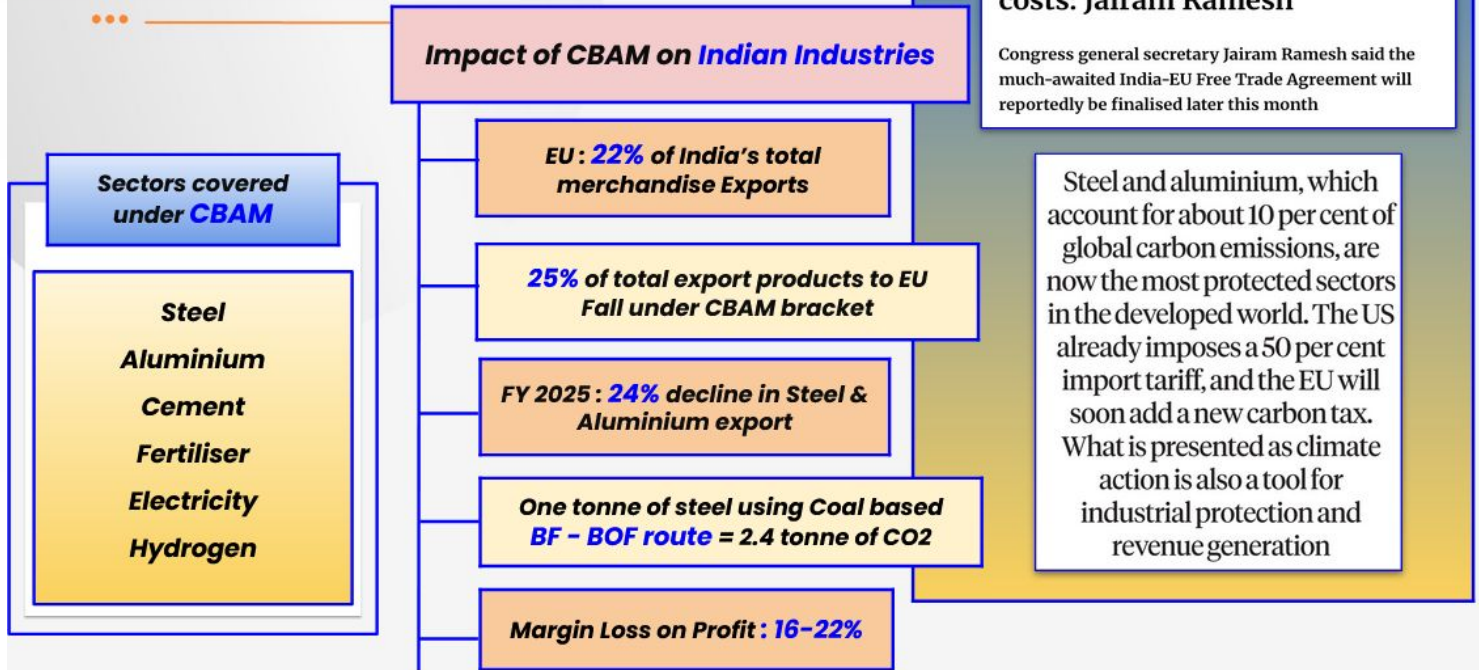


World moving towards Tariff & Protectionism

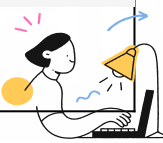
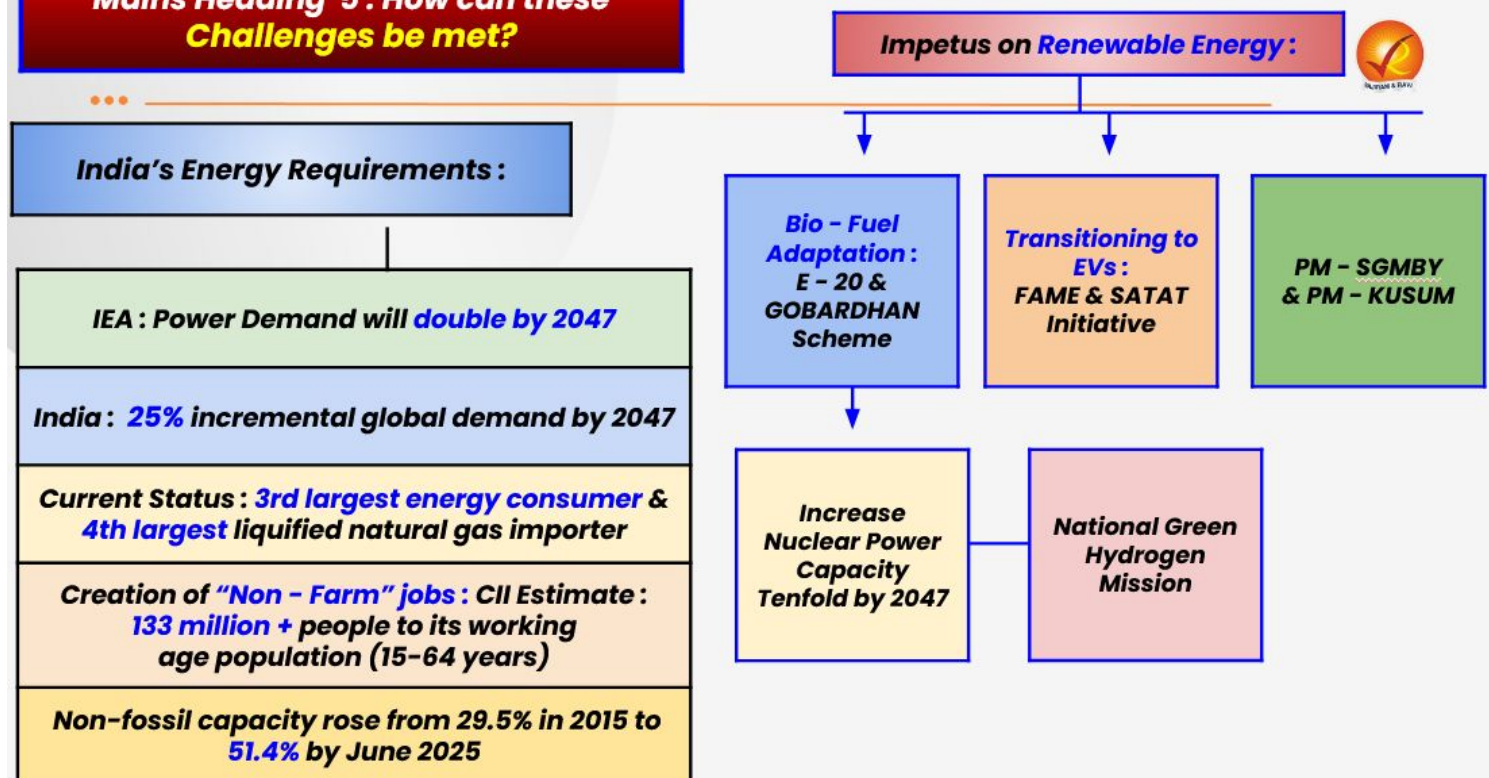


CONTEXT: A new bill passed by US Senate puts 100% tariff on import of Russian Oil on countries like India, signalling at growing Trade protectionist measures adopted by the World

Mains Heading 4 : Innovative ways Of Trade Protectionism :



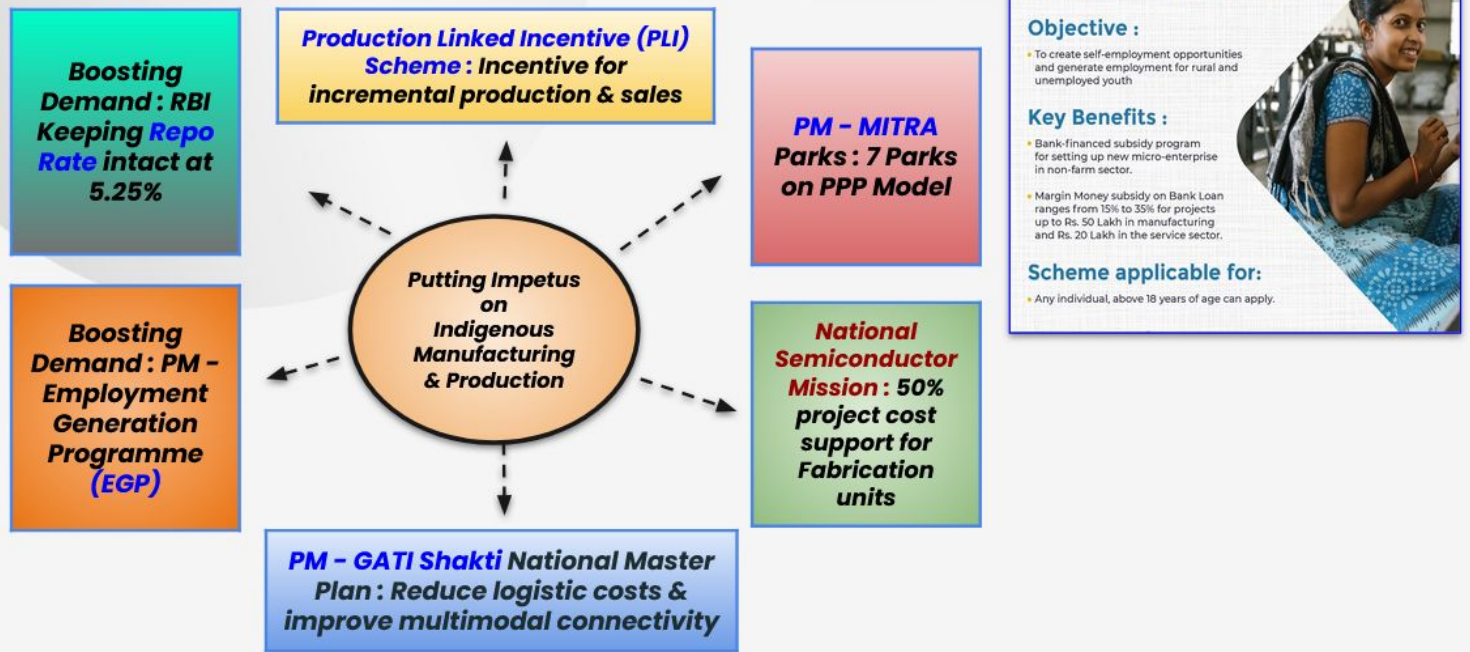
Mains Heading 5 : How can these Challenges be met?



World moving towards Tariff & Protectionism

CONTEXT: A new bill passed by US Senate puts 100% tariff on import of Russian Oil on countries like India, signalling at growing Trade protectionist measures adopted by the World

Mains Heading 5 : How can these Challenges be met?



Mains Practise Question

What are the challenges before the Indian economy when the world is moving away from free trade and multilateralism to protectionism and bilateralism? How can these challenges be met?
(150 words, 10 marks)



60:40 Dilemma for Rural Jobs

CONTEXT: The article highlights the issue of “Fiscal stress” on states due to revamping of VB – GRAM G & its impact on Rural Employment

Chapter 1: Decoding the News : Problem with 60 : 40 Ratio?

Context of News :

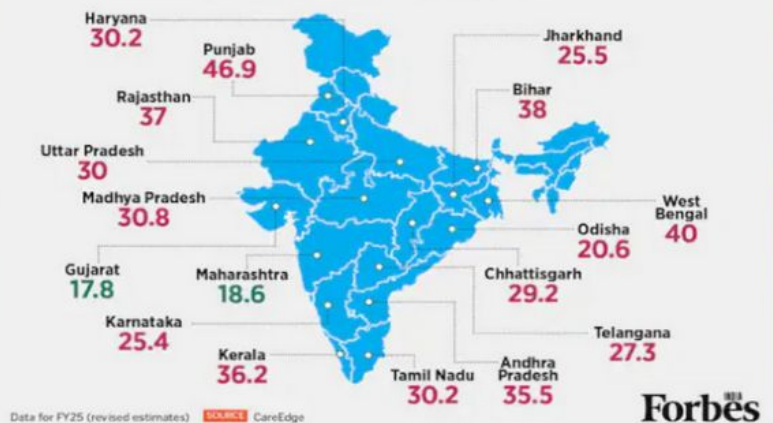
- ❑ **Viksit Bharat – Guarantee for Rozgar & Aajeevika Mission (VB – G RAM G) : Centrally sponsored Scheme**
- ❑ **Fiscal Stress faced by the States**
- ❑ **Race to Bottom : Fiscally unsustainable promises made during elections**
- ❑ **Telangana’s FM Budget Speech : “Focus on Decentralised Governance & restore 100% funding”**

FRBM Act 2003 : 60% Govt debt to GDP ceiling : 40% for Union & 20% for States

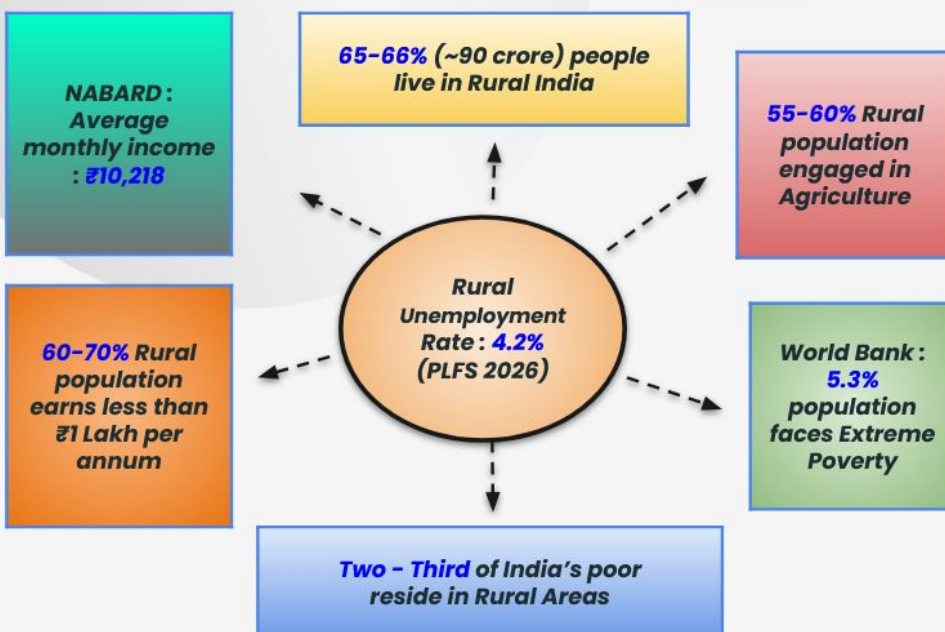
Tamil Nadu Budget: State’s outstanding debt pegged at ₹10.98 lakh crore in Revised Budget Estimates

Only Two States Under Debt Limit

Debt to GSDP ratio (In %)



Chapter 2: Snapshot on India’s Rural Economy :



Bottom 10% see sharpest rise in consumption, fall in poverty: Economic Survey

The Survey highlighted positive outcomes from subsidies, pensions, direct benefit transfers and public spending on education and healthcare, which have lifted the vulnerable out of deprivation

Preparation, not fear will combat El Nino: Agriculture Minister Chouhan

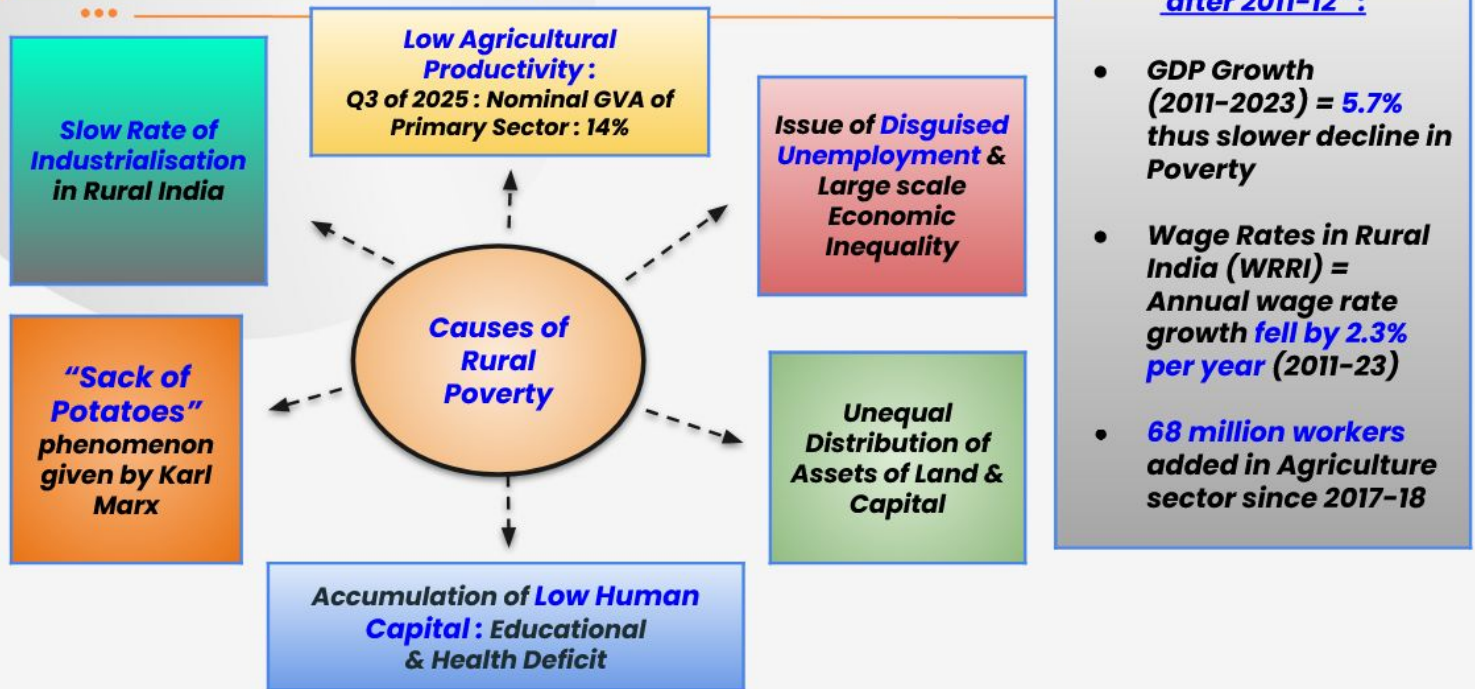
El Nino is not something to be feared but something that we must prepare for, says Minister at inauguration of the Kharif Conference in Delhi



60:40 Dilemma for Rural Jobs

CONTEXT: The article highlights the issue of "Fiscal stress" on states due to revamping of VB – GRAM G & its impact on Rural Employment

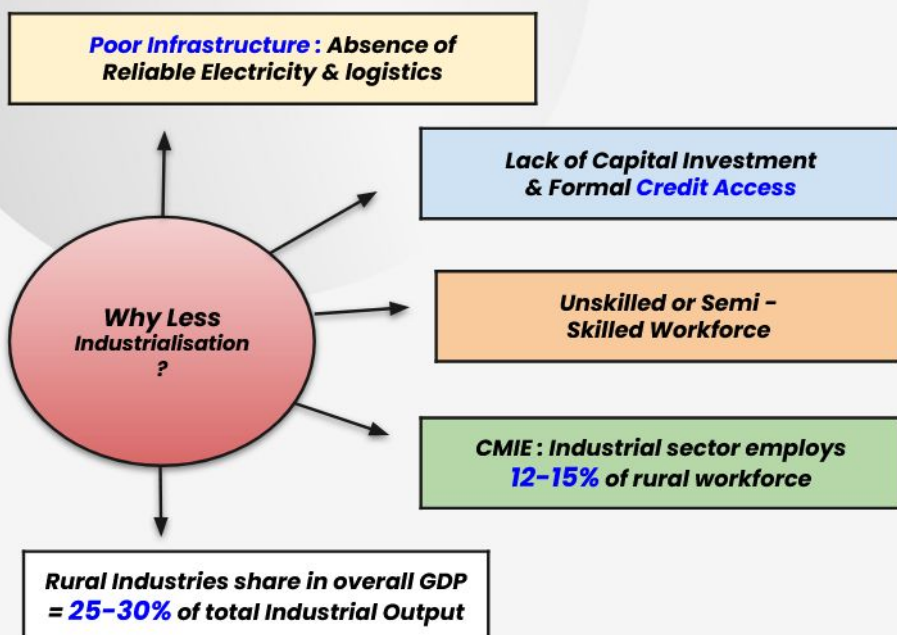
Chapter 3 : Causes for "Paradox of Plenty"?



"Poverty Decline in India after 2011-12" :

- GDP Growth (2011-2023) = 5.7% thus slower decline in Poverty
- Wage Rates in Rural India (WRI) = Annual wage rate growth fell by 2.3% per year (2011-23)
- 68 million workers added in Agriculture sector since 2017-18

Chapter 3 : Causes for "Paradox of Plenty"?



RAPIDLY SHRINKING AGRICULTURAL LANDHOLDING

% DISTRIBUTION OF OPERATIONAL LANDHOLDINGS

2005-06 2010-11 2015-16



Source: Agriculture Census 2010-11 & 2015-16



60:40 Dilemma for Rural Jobs



CONTEXT: The article highlights the issue of "Fiscal stress" on states due to revamping of VB – GRAM G & its impact on Rural Employment

Chapter 4 : VB – G RAM G : "Recipe" for "Reforms" or "Roadblocks"?

MGNREGA	VB – G RAM G?
Guarantees 100 Days of employment in financial year to every rural household	Act increases the guarantee to 125 days per financial year
Unemployment Allowance = Paid by State Government if work NOT provided within 15 days	Act retain this provision
Central government provides entire cost of wages for unskilled manual work & 75% of material cost	Centrally Sponsored Scheme : 60 :40 share & 90 :10 for Himalayan states
State Govt's share Administrative costs & compensation in case of delay in wage payments	Act retain this provision

Table 1: This shows the key changes in the funding pattern between the two schemes (Centre:State)

Category	MGNREGA	VB-G RAM G
Labour wages	100% by Centre	60:40 ratio
Material costs	75:25 ratio	60:40 ratio
Administrative expenses	75:25 ratio	60:40 ratio
Number of guaranteed workdays	100	125
Exceptions for any States or Union Territories	None	90:10 ratio in total expenditure for NE States, Himachal Pradesh, Uttarakhand, and Jammu and Kashmir. Full expenditure to be borne by the Centre for UTs without legislatures

Chapter 4 : VB – G RAM G : "Recipe" for "Reforms" or "Roadblocks"?

MGNREGA	VB – G RAM G?
Central government will determine state wise normative allocation for each financial year	State governments will announce in advance a period of up to 60 days for every financial year during which works under the scheme will not be undertaken
Establishes Councils at the Central and state levels to undertake implementation and monitoring	Constitutes the National Level Steering Committee which will provide high-level oversight

Similar features :

- ☐ Biometric authentication for transactions
- ☐ Geospatial technology for planning and monitoring
- ☐ Mobile application based dashboards for real time tracking

The Centre has also highlighted provisions such as:

- ▶ Mandatory appointment letters
- ▶ Free health check-ups for workers aged 40 years and above
- ▶ Equal work, equal pay and equal opportunity provisions for women working in different shifts
- ▶ Creation of a National Reskilling Fund for workers who lose jobs
- ▶ Weekly working hour cap of 48 hours
- ▶ Mandatory overtime payments



CONTEXT: The article highlights the issue of “Fiscal stress” on states due to revamping of VB – GRAM G & its impact on Rural Employment

Chapter 4 : VB – G RAM G : “Recipe” for “Reforms” or “Roadblocks”?

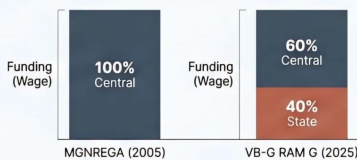
THE FINANCIAL & STRUCTURAL CRISIS

₹10,000 Crore
in Unpaid Wages

Almost no wage payments have been cleared across states since January 21, 2026.



The New 60:40 Funding Burden



FEATURE COMPARISON

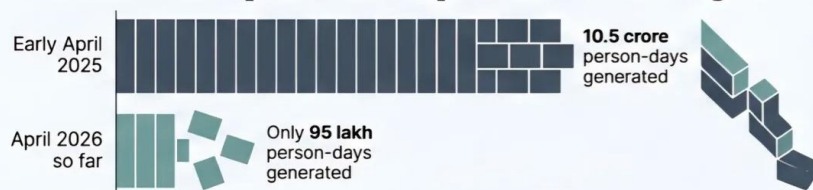
Feature	MGNREGA (2005)	VB-G RAM G (2025)
Legal Status	Justiciable Right	Schematic Entitlement
Guaranteed Days	100 Days	125 Days

The Rural Employment Collapse: The Transition to VB-G RAM G

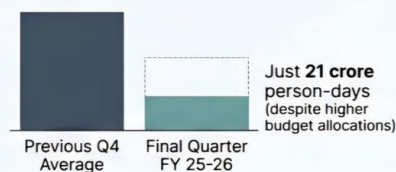
India's rural employment landscape is undergoing a structural shift from MGNREGA to the new VB-G RAM G Act. This transition has led to a near-total standstill in work generation and a massive backlog of unpaid wages.

THE EMPLOYMENT GAP (2025 vs. 2026)

91% Collapse in April Workdays



31% Decline in Q4 Output



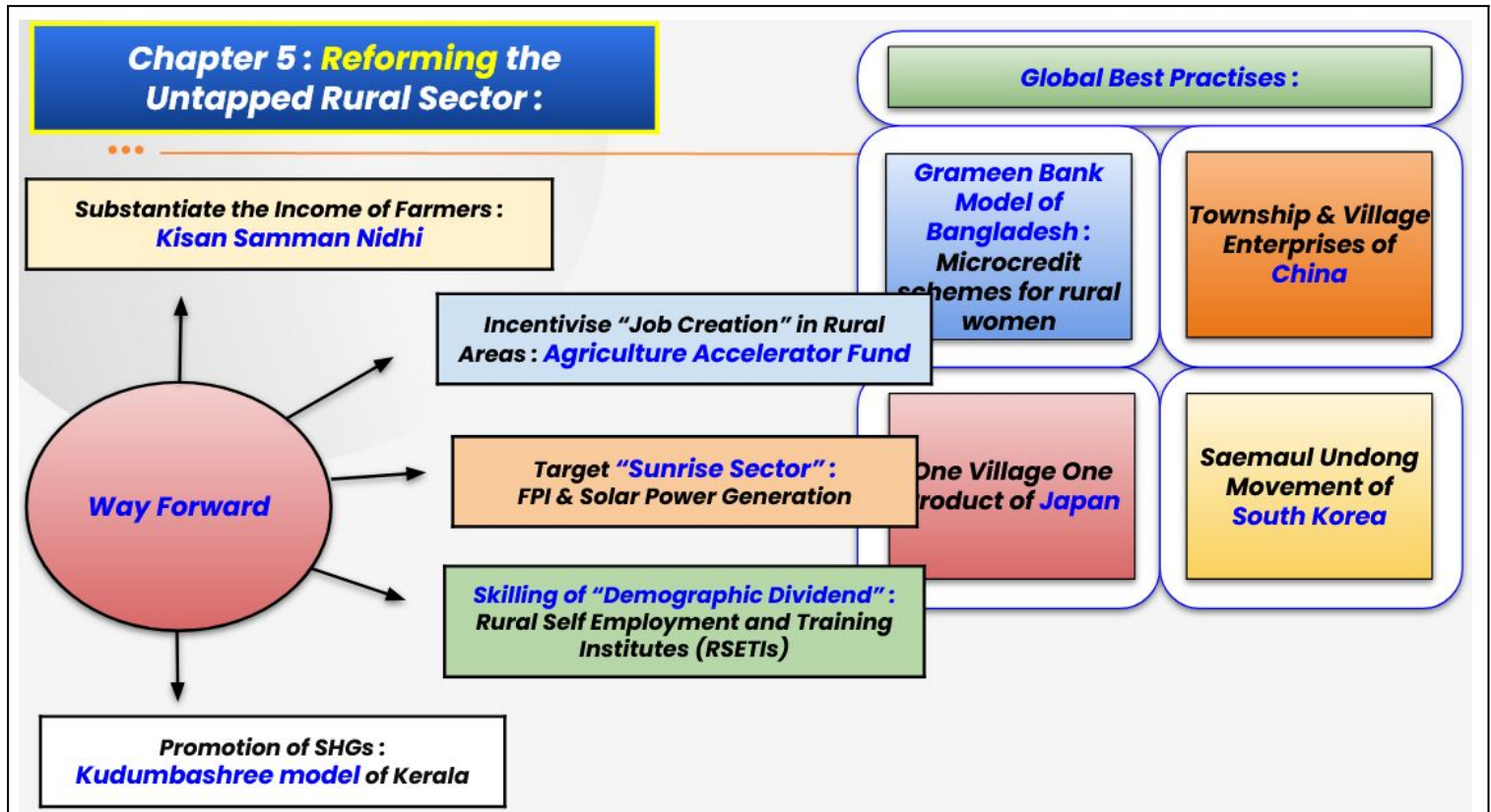
Stalled Transition Gaps

Local officials are refusing work applications due to a lack of central implementation guidelines.



60:40 Dilemma for Rural Jobs

CONTEXT: The article highlights the issue of “Fiscal stress” on states due to revamping of VB – GRAM G & its impact on Rural Employment



Mains Practise Question

Question : Despite noble aims and objectives, why the **MGNREGA scheme** has been unable to deliver the desired results at the **G?grassroot level**? What are the reforms brought under **VB – G RAM** (10 Marks, 150 words)



Newspaper : The Hindu, **Page No :** 4

Day after meeting PM, Akali Dal backs women's quota Bill linked to delimitation

Context of News :

*The Shiromani Akali Dal on Saturday demanded the immediate implementation of the **women's reservation Bill** & called for an equitable delimitation process to ensure equal representation for all States*

Global Gender Gap Index 2025 :
India's Rank : 131st out of 148

**Labour force
participation : 45%**

**Educational
Attainment : 97%
Gender Gap closed**

**Female
Representation in
Parliament:
14.7% to 13.8% in
2025**

**Share of Women in
Ministerial roles :
6.5% to 5.6% in 2025**

81. Consider the following statements regarding 'Nari Shakti Vandan Adhiniyam' :

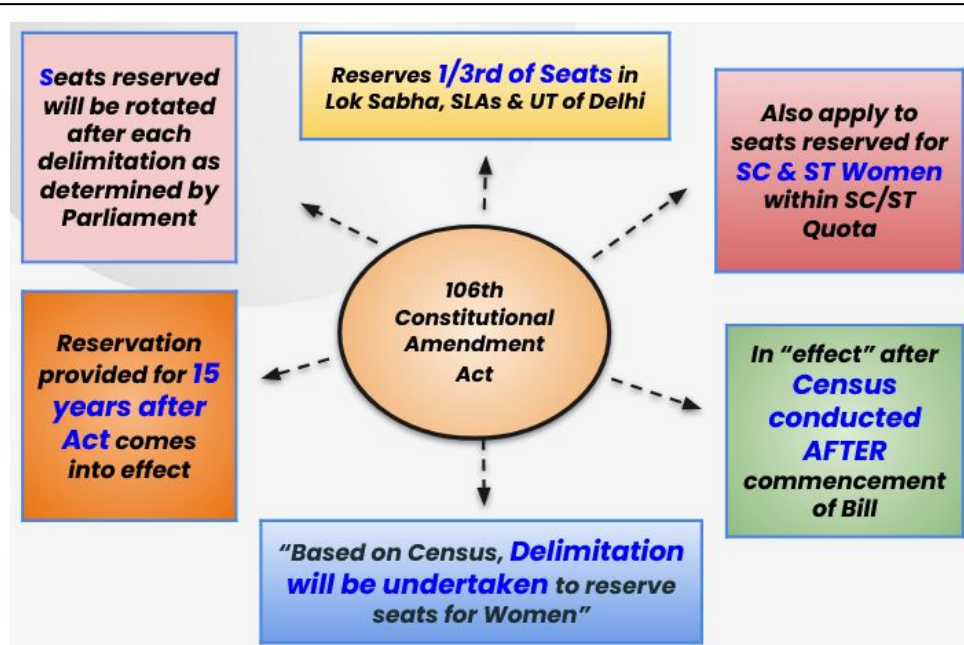
1. Provisions will come into effect from the 18th Lok Sabha.
2. This will be in force for 15 years after becoming an Act.
3. There are provisions for the reservation of seats for Scheduled Castes Women within the quota reserved for the Scheduled Castes.

Which of the statements given above are correct ?

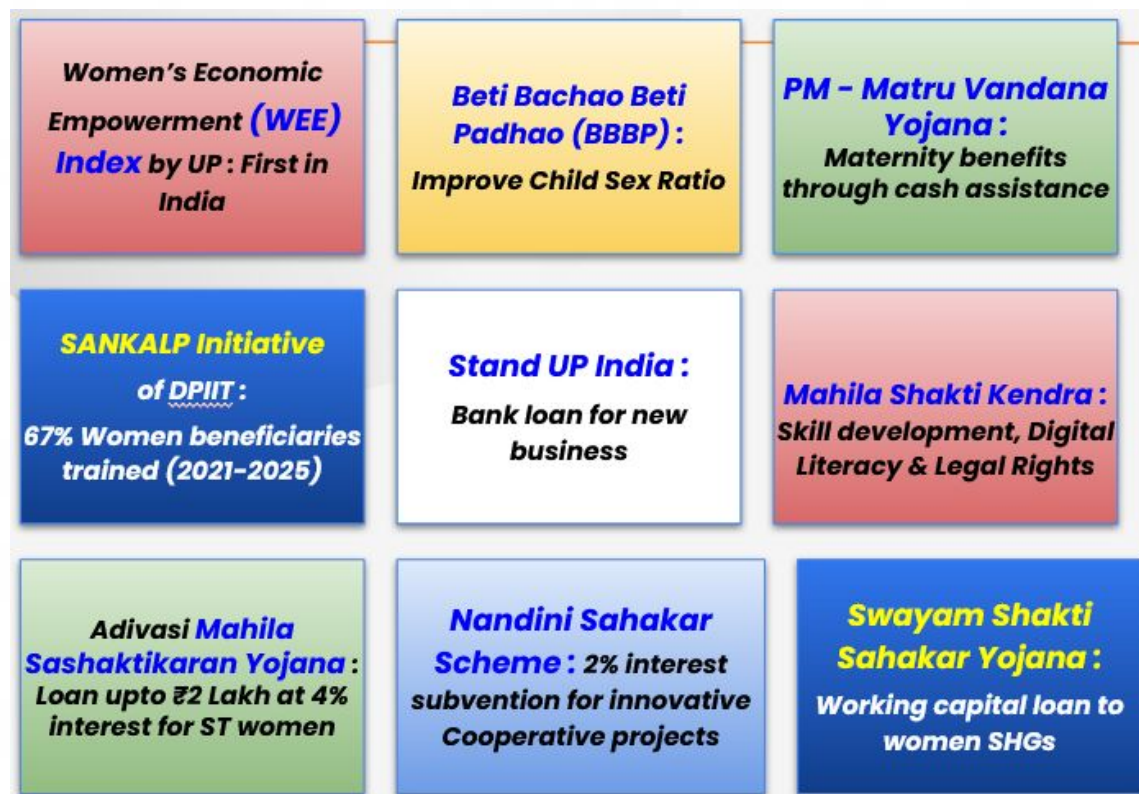
- (a) 1, 2 and 3
- (b) 1 and 2 only
- (c) 2 and 3 only
- (d) 1 and 3 only



Newspaper : The Hindu, **Page No :** 4

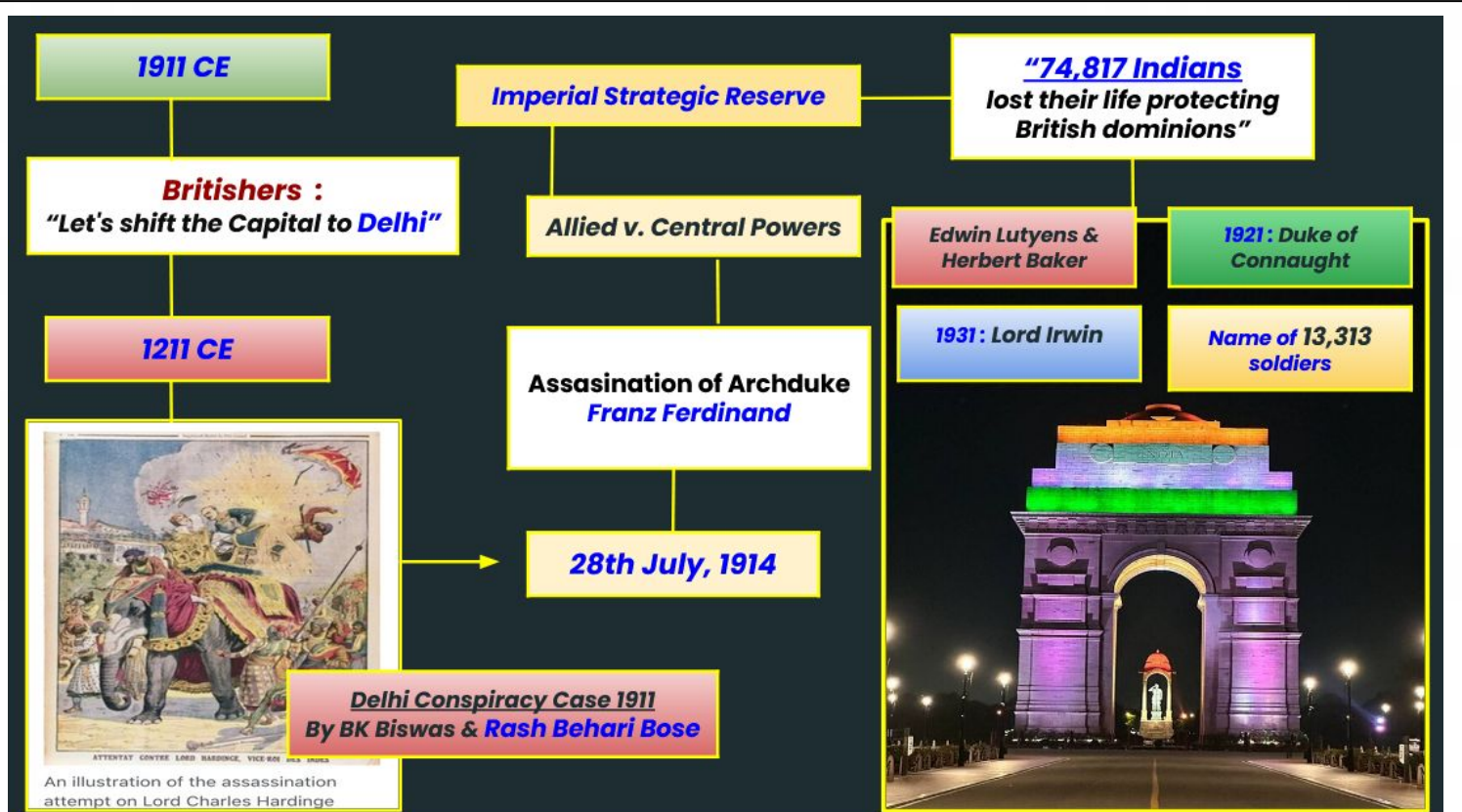


Mr. Modi launched the Swasth Nari Sashakt Pari-var Abhiyaan (SNSPA), a Union government initiative aimed at improving women's health through comprehensive screenings and services.



India's contribution in WW1

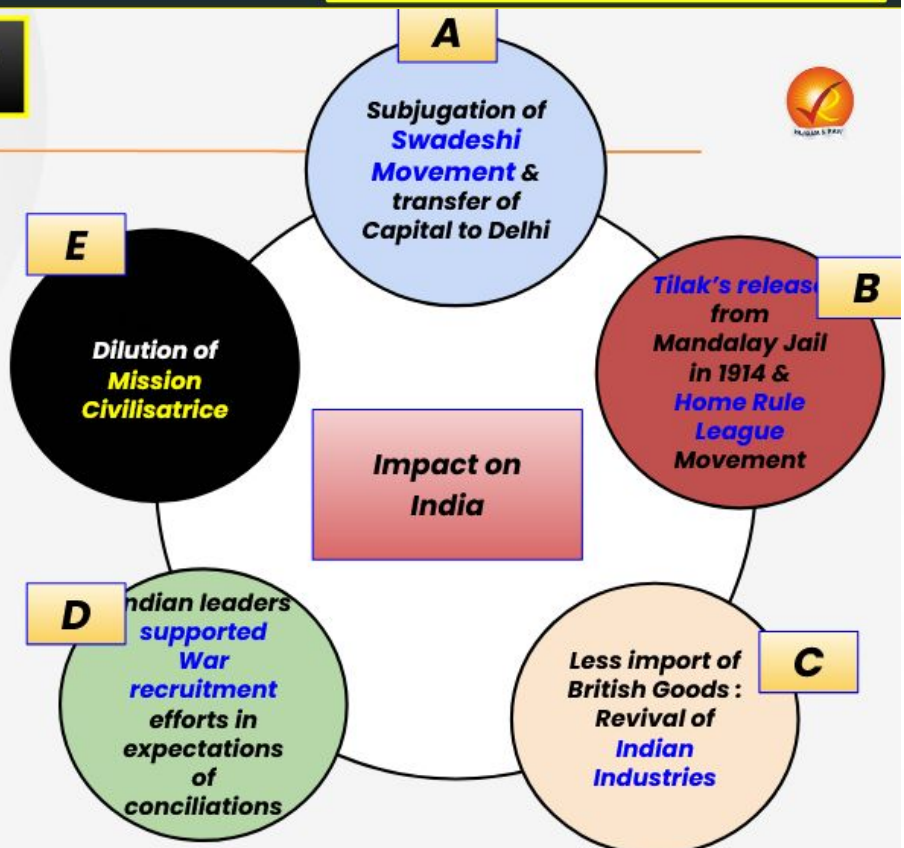
SYLLABUS: Prelims: Important events from Modern History
Newspaper : The Indian Express, **Page No : 12**



India's contribution in WW1

Context of News :

- ❑ Nearly **10,000** Punjabi Soldiers who sacrificed their life in World War 1 have been added to the casualty records for **FIRST time**
- ❑ **0.5 Million** Punjabi soldiers fought the gruelling **Mesopotamia Campaign** (1914-1918) battling the Ottoman Turks to capture strategic Oil fields of Iraq



SYLLABUS: Prelims: Important events from Modern History
Newspaper : The Indian Express, **Page No : 12**

Test Your Knowledge (TYK) :

14. With reference to the British colonial rule in India, consider the following statements :

1. Mahatma Gandhi was instrumental in the abolition of the system of 'indentured labour'.
2. In Lord Chelmsford's 'War Conference', Mahatma Gandhi did not support the resolution on recruiting Indians for World War.
3. Consequent upon the breaking of Salt Law by Indian people, the Indian National Congress was declared illegal by the colonial rulers.

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

59. Which one of the following best describes the 'Crowding Out Effect' in the context of fiscal policy ?

- (a) A situation where private investment increases due to increased Government spending
- (b) A situation where Government borrowing leads to higher interest rates, which reduces private investment
- (c) A situation where an increase in taxes leads to increased private sector investment
- (d) A situation where Government spending has no impact on aggregate demand



How to increase Uranium Output?

SYLLABUS: Prelims: Indian Economy & Issues
Newspaper : The Indian Express, **Page No :**

How to increase Uranium Output?

Context of News :

Parliamentary Committee recommended that Centre shall ensure participation of **Mine Developers cum operators (MDO)** in Uranium Mining

• MINING ROADMAP

THE RECOMMENDATION by a Parliamentary Committee comes at a time when the country seeks to expand its civil nuclear power capacity from the current 8.7 GWe to 100 GWe by 2047

URANIUM CORPORATION of India Ltd (UCIL) alone has the mandate to mine and process uranium ore in the country

MINE DEVELOPER-cum-operator (MDO) is a contractor engaged by the mine lease holder, typically a government or public-sector entity, to develop and operate the mine and undertake mining activities on its behalf

Recommendations

MDO Participation

- ❑ Strict regulation by **DoAE**
- ❑ UCIL operates mines in **Andhra Pradesh & Jharkhand**
- ❑ Sends to **National Fuel Complex (NFC)** for fuel fabrication

Requirement ?

- ❑ **SHANTI Act 2025** : 100 GW Nuclear Power capacity by 2047
- ❑ PHWR's require **5400 tonnes** of Uranium Oxide for 25 GW
- ❑ Only **30% is mined**
- ❑ Enriched Uranium used in LWR : **Entirely imported**

How to increase Uranium Output?

Fissile Nuclear Fuel

Fissile isotopes can be directly used as fuel

U- 233, 235 & Pu - 239

Fertile Nuclear Fuel

Needs to be converted into fissile fuel

U - 238 & Th - 232

Jharkhand

- Jaduguda (Singhbhum)
- Narwapahar
- Turamdih & Bagjata

Andhra Pradesh

- Tummalapalle
- Lambapur - Peddagattu

Telangana

- Lambapur
- Peddagattu

Rajasthan

- Rohil Mine in Sikar district

Meghalaya

- Domiasiat
- Wakhyn

Thorium Reserves in India

"Placer deposits" along streams, rivers, beaches etc

Extracted from **Monazite Ore** : Rare Earth Phosphate mineral

Naturally in coastal districts : Tirunelveli, Thoothukudi & Kanyakumari

Coasts of **Kerala, TN, Odisha & Andhra Pradesh**

Indian Rare Earth Limited (IREL) under DoAE : **ONLY** authority to mine & produce Monazite in India

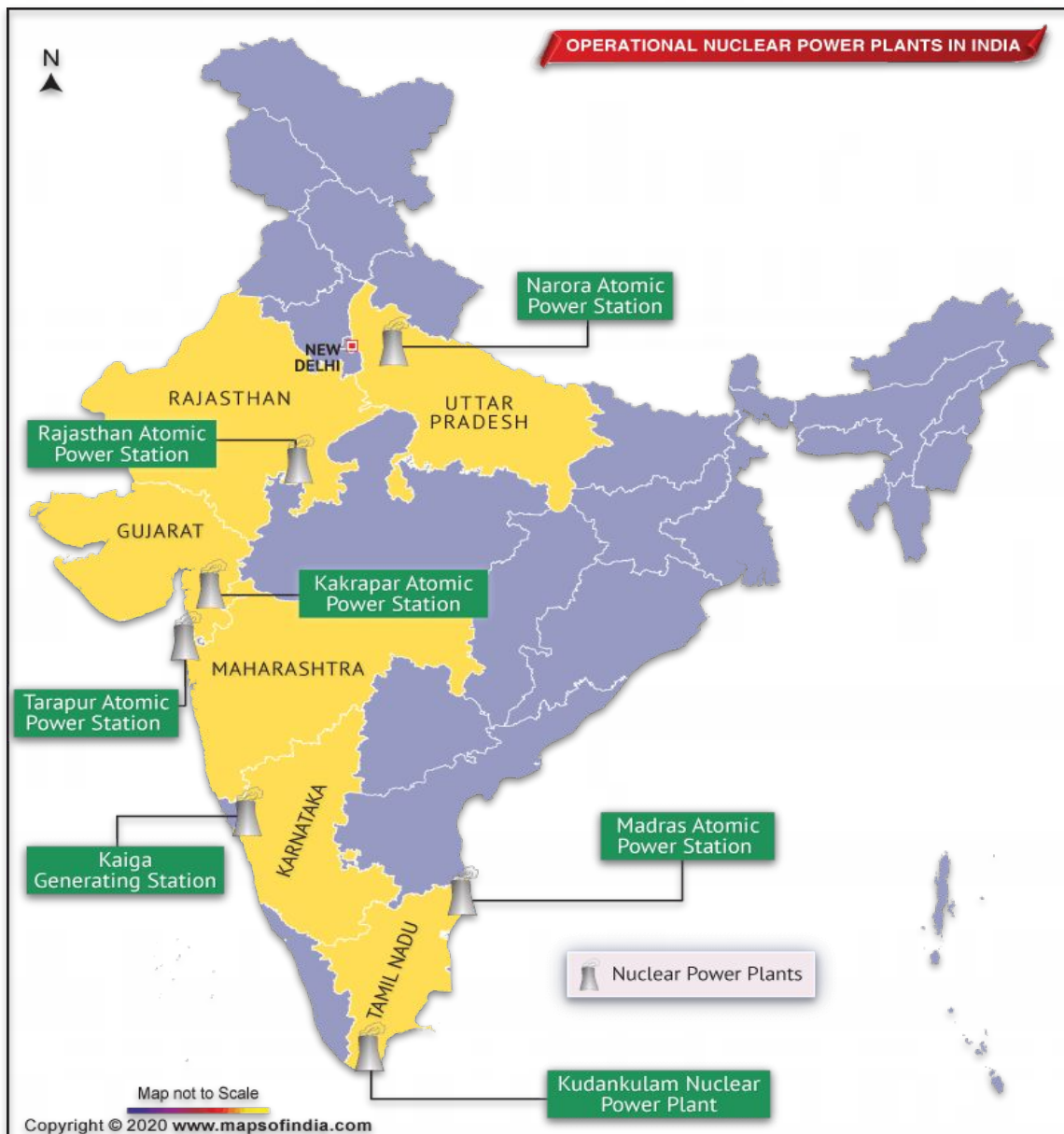


How to increase Uranium Output?

SYLLABUS: Prelims: Indian Economy & Issues
Newspaper : The Indian Express, **Page No :**

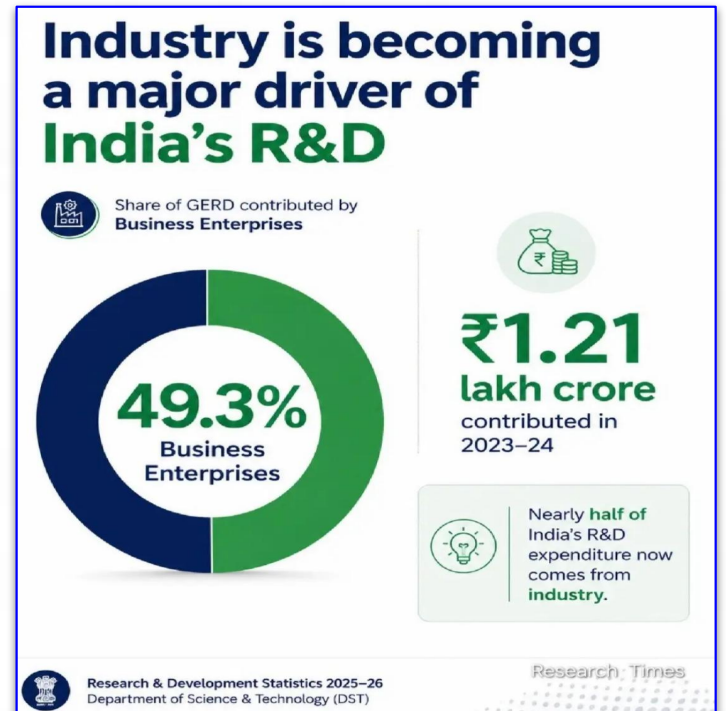
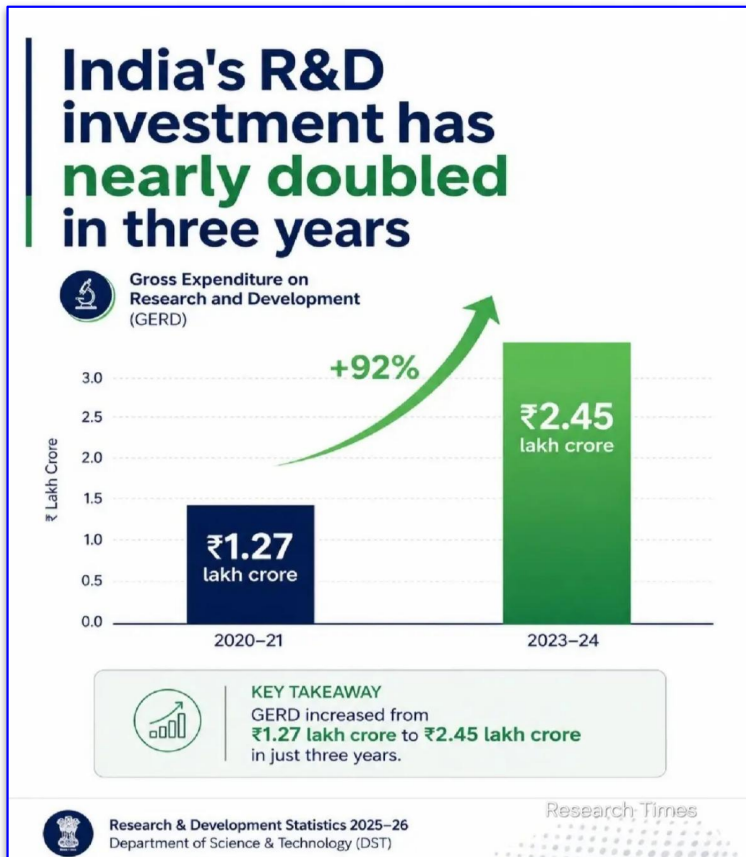
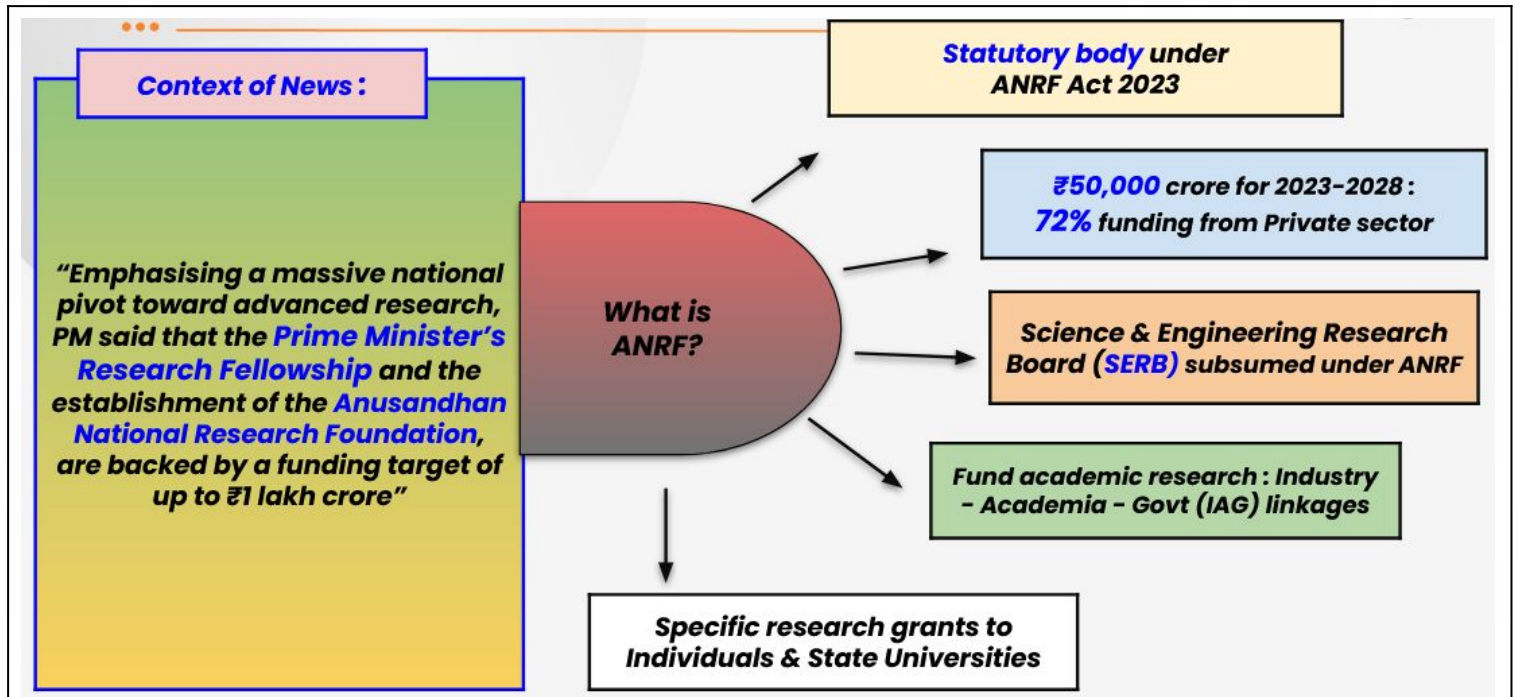
Pressurised Heavy Water Reactor (PHWR)

- **Fuel:** Natural Uranium (7 kg of U- 235 & 993 kg of U- 238)
- **Nuclear fission reaction**
- Heavy Water (D₂O): Used as both moderator & coolant
- **22 Nuclear reactors works upon PHWR**
- **U-238 absorbs Neutron : Transforms into Pu- 239 (spent fuel)**



09th August 2026

SYLLABUS: Prelims: Important Acts & Policies of the Government
Newspaper: The Indian Express, **Page No : 1**



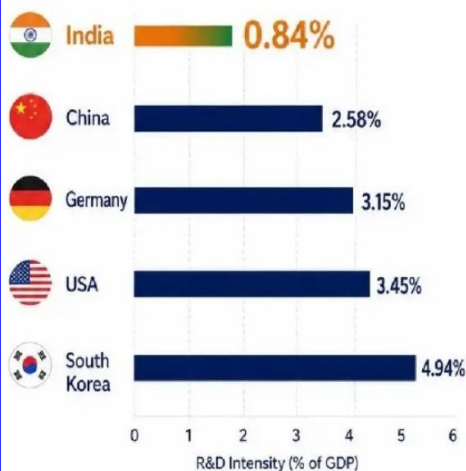
09th August 2026

SYLLABUS: Prelims: Important Acts & Policies of the Government
Newspaper : The Indian Express, **Page No : 1**

India has made significant progress— but there is still room to grow



R&D Intensity (GERD as % of GDP)
Latest Available



Source: UNESCO Institute for Statistics (UIS),
Latest available data

The Road to 1% of GDP



Competitive
research funding



Stronger
universities



Industry–
academia
partnerships



Global
innovation



1% of GDP invested in R&D
is now within reach—

but sustained commitment will determine
how quickly **India** gets there.



Urban Cooperative Banks (UCBs)



SYLLABUS: Prelims: Important Institutions
Newspaper : The Hindu, **Page No : 12**

Urban Cooperative Banks (UCBs)

Salient features of UCBs?

Primary cooperative banks
serving urban &
semi-urban areas

Registered under **cooperative
societies** under State or Central Act

Members have a **dual role** as
owners and users/borrowers

RBI banking licence under the
Banking Regulation Act, 1949

Operating in a single district require
minimum net worth of **₹2 crore**

while all other UCBs
require **₹5 crore**

Minimum CRAR is 9% for
Tier 1 UCBs and 12% for Tier
2-4 UCBs

**Prioritise 75% of Priority
Sector Lending (PSL)**

Covered by the Deposit Insurance
and Credit Guarantee Corporation
(**DICGC**) framework

Context of News :

- ❑ Reserve Bank of India (**RBI**) has decided to **resume issuing licenses** to Urban cooperative banks (UCBs)
- ❑ Union **Cooperation Minister** Amit Shah asked UCBs to join the umbrella body of National Urban Cooperative Finance and Development Corporation Limited (**NUCFDC**) for technological support & increasing the confidence of depositors



Q1. With reference to the impact of World War I on India, consider the following statements:

1. Reduced imports of British goods led to the revival of Indian industries.
2. Indian political leaders supported war recruitment efforts in expectation of political concessions.
3. No Indian soldier participated in Mesopotamia Campaign against the Ottoman Turks.

How many of the statements given above is/are correct?

- a) Only One
- b) Only Two
- c) All Three
- d) None

Answer: b

Q2. Match the following Uranium Mines with their Locations:

State	Uranium Mines
1. Jharkhand	A. Narwapahar, Turamdih
2. Andhra Pradesh	B. Tummalapalle
3. Meghalaya	C. Domiasiat, Wakhyn

Select the correct answer using the codes given below.

- a) 1-A; 2-B; 3-C
- b) 1-B; 2-A; 3-C
- c) 1-C; 2-B; 3-A
- d) 1-B; 2-C; 3-A

Answer: a

Q3. With reference to the Anusandhan National Research Foundation (ANRF), consider the following statements:

1. It is a statutory body established under the ANRF Act, 2023.
2. It aims to strengthen Industry-Academia-Government linkages for research.
3. 100% of its funding will be from the Central Government.
4. The Science and Engineering Research Board (SERB) has been subsumed under it.

How many of the statements given above is/are correct?

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

Answer: c

Q4. With reference to Urban Cooperative Banks in India, consider the following statements:

1. They are primary cooperative banks serving urban and semi-urban areas.
2. UCBs operating in a single district require a minimum net worth of ₹5 crore.
3. Minimum Capital to Risk (Weighted) Assets Ratio (CRAR) is 9% for Tier 1 UCBs.

Which of the above given statements is/are correct?

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

Answer: c

Q5. With reference to the Viksit Bharat - Guarantee for Rozgar & Aajeevika Mission (VB - G R A M G), consider the following statements:

1. It guarantees at least 125 days of wage employment in a financial year to every rural household.
2. If employment is not provided within 15 days, an unemployment allowance must be paid.
3. State Governments share administrative costs & compensation for delays in wage payments.

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: d





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