Daily news summary

UPSC daily news summary - 26 August 2026

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Key policy developments today include Supreme Court directives on GST fraud notices, SEBI's new IT Resilience Index for market infrastructure, and India-China security talks linking bilateral ties to LAC stability.

COMBINED SUMMARY

- SEBI IT Resilience Index for Market Infrastructure Institutions
- Decentralised Solar Initiatives Drive Capacity Growth
- CCI Cartelization Probe into Global Fragrance Majors
- India-China Security Talks and LAC Normalisation
- Tamil Nadu Institutional Restructuring for Artificial Intelligence

1. SEBI IT RESILIENCE INDEX FOR MARKET INFRASTRUCTURE INSTITUTIONS

WHY IN NEWS

- Securities and Exchange Board of India launched an IT Resilience Index to assess and enhance the operational stability and cybersecurity readiness of Market Infrastructure Institutions.

WHAT IS THE IT RESILIENCE FRAMEWORK?

- A regulatory tool created by SEBI under the SEBI Act, 1992, to measure software fault tolerance, system redundancy, and business continuity capabilities of key market entities.
- Applies to Market Infrastructure Institutions (MIIs) including stock exchanges, depositories, and clearing corporations.

KEY PROVISIONS AND DEADLINES

- Mandates real-time monitoring of critical service delivery and implementation of Early Warning Systems (EWS) for technical glitches.
- Sets February 28, 2027, as the deadline for MIIs to complete full system integration and operational rollout.

WHY IT MATTERS

- Protects market integrity and prevents financial systemic disruptions caused by recurring trading halts or technological outages.
- Enhances risk mitigation mechanisms across core capital market infrastructure.

KEY TERMS

- **Market Infrastructure Institutions (MIIs):** Key financial institutions like exchanges, depositories, and clearing houses that provide the operational network for capital market transactions.
- **Early Warning System (EWS):** An automated monitoring mechanism designed to detect operational anomalies or technical failures before they cause system breakdowns.

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PRELIMS FACTS

- Market Infrastructure Institutions (MIIs) include Stock Exchanges, Depositories, and Clearing Corporations regulated by SEBI.

MAINS DISCUSSION

- Role of technology risk management in protecting financial system stability.

KEY DATA

- **Regulator:** Securities and Exchange Board of India (SEBI) - Statutory body empowered under SEBI Act, 1992 to regulate Indian securities markets.
- **Compliance Deadline:** February 28, 2027 - Target date for complete adoption of IT Resilience Index and EWS by MIIs.

Official source

2. DECENTRALISED SOLAR INITIATIVES DRIVE CAPACITY GROWTH

WHY IN NEWS

- Decentralised solar programmes, led by PM-KUSUM and rooftop solar, contributed 40% of India's total solar capacity additions during the early months of FY27.

WHAT ARE PM-KUSUM AND PM SURYA GHAR SCHEMES?

- PM-KUSUM (Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan) was launched in 2019 by the Ministry of New and Renewable Energy to de-dieselise the farm sector through solar agricultural pumps and solarisation of grid-connected pumps.
- **PM Surya Ghar:** Muft Bijli Yojana provides central financial assistance for installing rooftop solar units on residential households.

CURRENT TRENDS IN SOLAR EXPANSION

- Decentralised additions are offsetting slowdowns in utility-scale solar parks caused by power evacuation and transmission corridor constraints.
- Shift from large land-intensive solar parks toward localized generation reduces transmission losses and land acquisition bottlenecks.

WHY IT MATTERS

- Supports India's updated NDC commitment under the Paris Agreement to achieve 50% non-fossil fuel cumulative electric capacity by 2030.
- Promotes grid decentralization and financial sustainability of state electricity distribution companies (DISCOMs).

KEY TERMS

- **Decentralised Renewable Energy:** Power generated on-site or near the point of use through small-scale systems rather than central power stations.
- **Utility-Scale Solar:** Large-scale solar power plants designed to feed generated electricity directly into the high-voltage transmission grid.

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PRELIMS FACTS

- PM-KUSUM contains components for standalone solar pumps, solarisation of grid pumps, and grid-connected RE power plants on barren farm land.

MAINS DISCUSSION

- Evaluate the structural challenges in **utility-scale solar** expansion versus the potential of decentralized solar power.

KEY DATA

- **Ministry:** Ministry of New and Renewable Energy (MNRE) - Nodal central ministry implementing PM-KUSUM and PM Surya Ghar schemes.

- **Climate Target:** 50% Non-Fossil Power by 2030 - India's updated Nationally Determined Contribution (NDC) under Paris Agreement.

Official source

3. CCI CARTELIZATION PROBE INTO GLOBAL FRAGRANCE MAJORS

WHY IN NEWS

- The Competition Commission of India initiated an investigation against international flavor and fragrance firms for alleged horizontal price-fixing and anti-competitive practices.

WHAT IS THE STATUTORY BASIS OF THE CCI ACTION?

- The probe is launched under Section 3 of the Competition Act, 2002, which prohibits agreements in respect of production, supply, distribution, storage, or acquisition of goods that cause an Appreciable Adverse Effect on Competition (AAEC).
- Covers cartels, price collusions, market sharing, and anti-poaching agreements among market competitors.

SCOPE OF THE PROBE

- Investigates systematic sharing of commercially sensitive information and price-coordination across global fragrance suppliers operating in India.
- Complements ongoing regulatory actions against wage-fixing and non-compete employee poaching arrangements.

WHY IT MATTERS

- Demonstrates the extra-territorial reach of Section 32 of the Competition Act, 2002 regarding foreign anti-competitive practices affecting Indian consumer markets.
- Ensures fair market competition and prevents inflated input costs for downstream FMCG and cosmetic industries.

KEY TERMS

- **Cartel:** An association of producers or suppliers formed to fix prices, limit production, or share markets to restrict fair competition.
- **Appreciable Adverse Effect on Competition (AAEC):** A statutory benchmark used under the Competition Act to assess whether business agreements harm market competition in India.

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PRELIMS FACTS

- CCI is a statutory, quasi-judicial body consisting of a Chairperson and members appointed by the Central Government.

MAINS DISCUSSION

- Examine the regulatory framework governing anti-competitive cartels in India and challenges posed by multinational corporate collusion.

KEY DATA

- **Statutory Body:** Competition Commission of India (CCI) - Established under Competition Act, 2002 to enforce antitrust laws in India.
- **Parent Act:** Competition Act, 2002 - Replaced the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969.

Official source

4. INDIA-CHINA SECURITY TALKS AND LAC NORMALISATION

WHY IN NEWS

- India's National Security Adviser met China's Foreign Minister in Beijing, emphasizing that complete peace along the Line of Actual Control is a prerequisite for normalising bilateral ties.

BACKGROUND OF HIGH-LEVEL BILATERAL ENGAGEMENTS

- Diplomatic talks stem from unresolved military standoffs along the eastern Ladakh sector and disputed border segments in the Arunachal Pradesh sector.
- Special Representatives (SR) mechanism was created in 2003 to seek an agreed framework for a boundary settlement and maintain peace in border areas.

INDIA'S STATED POLICY POSITION

- India maintains a stance that overall bilateral relations, economic cooperation, and multilateral coordination (such as in BRICS) cannot proceed independently of border tranquility.
- Emphasized full disengagement and de-escalation along friction points across the LAC.

WHY IT MATTERS

- Reinforces India's strategic refusal to uncouple trade and diplomatic exchanges from territorial sovereignty disputes.

- Directly affects regional security dynamics in South Asia and regional economic integration efforts.

KEY TERMS

- **Line of Actual Control (LAC):** The demarcation line that separates Indian-controlled territory from Chinese-controlled territory in the border regions.
- **Special Representatives Mechanism:** A high-level dialogue forum established by India and China in 2003 to resolve the boundary question and ensure border peace.

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MAINS DISCUSSION

- Analyze India's strategic policy of linking political and economic ties with border tranquility along the LAC with China.

KEY DATA

- **Border Length:** 3,488 km - Length of the India-China border divided into Western, Middle, and Eastern sectors.
- **Disputed Sectors:** Western (Aksai Chin) & Eastern (Arunachal Pradesh) - Primary operational zones of boundary disagreement between India and China.

Official source

5. TAMIL NADU INSTITUTIONAL RESTRUCTURING FOR ARTIFICIAL INTELLIGENCE

WHY IN NEWS

- The Tamil Nadu government announced an institutional restructuring of its AI governance, creating a Section 8 non-profit company and a separate commercial entity.

INSTITUTIONAL DESIGN OF THE REORGANIZED MISSION

- Tamil Nadu AI Mission (TNAIM) will be registered as a Section 8 non-profit company under the Companies Act, 2013, to drive policy frameworks, skill development, and academic research.
- Tamil Nadu AI Vision (TNAIV) will function as a state-owned government commercial company acting as the operational and monetization arm for public AI solutions.

KEY OBJECTIVES

- Separates non-profit public policy, ethical oversight, and talent development from commercial AI deployment in e-governance.
- Facilitates public-private partnerships, technology transfer, and startup incubation in artificial intelligence applications.

WHY IT MATTERS

- Presents a state-level institutional template for separating regulatory and public-good functions of emerging technologies from commercial deployment.
- Aligns state administrative architecture with national objectives under **IndiaAI Mission**.

KEY TERMS

- **Section 8 Company:** A company registered under the Companies Act, 2013 for promoting charitable objects, arts, science, education, or technology, applying its profits to promote its objectives.
- **IndiaAI Mission:** Central government initiative by MeitY to build comprehensive compute infrastructure, dataset platforms, and safe AI applications.

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PRELIMS FACTS

- Section 8 companies under the Companies Act, 2013 are non-profit entities prohibited from paying dividends to their members.

MAINS DISCUSSION

- Role of state-level institutional models in fostering innovation while maintaining ethical governance of AI.

KEY DATA

- **Legal Form:** Section 8 Company (Companies Act, 2013) - Specific legal vehicle used for non-profit state technology development agencies.
- **National Program:** IndiaAI Mission (MeitY) - National umbrella framework for AI infrastructure and governance in India.

Official source