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PART I · HEADLINES TO ECONOMY

Thursday, 06 August 2026

"Every Topper's Last Read"

§1 · TOP HEADLINES

1. Lok Sabha passes the Taxation and Other Laws (Amendment) Bill, 2026 by voice vote — UPI MDR provision, REIT/InvIT relief, data-centre tax easing **GS3**
2. Supreme Court: Section 498-A IPC now covers live-in couples with a proven "intent to marry" (Dr. Lokesh B.H. v. State of Karnataka, 2026 INSC 784) **GS2**
3. Supreme Court clarifies media may report court proceedings; only circulation of audio-video clips of hearings remains barred **GS2**
4. Supreme Court upholds Rajasthan's private medical college fee structure, dismisses plea for an EWS fee cap **GS2**
5. Supreme Court revives insolvency proceedings against Parsvnath Developers — settlement talk cannot stall IBC admission once debt-default is proved **GS3**
6. India issues a 2,530-km NOTAM over the Indian Ocean for a long-range missile trial from Dr APJ Abdul Kalam Island, 6-7 August **GS3**
7. EAM Jaishankar, at Africa Day 2026, calls India-Africa "a powerful joint force for global progress"; confirms 17 new missions opened across the continent **GS2**
8. RBI consolidates rupee trade-settlement (SRVA) norms and issues a stricter bank fraud-liability and customer-protection framework **GS3**
9. Memory Hook: Semicon 2.0 (₹1.27 lakh crore) gets its first ANTIM feature — six-pillar chip ecosystem push, first fab by 2028 **GS3**
10. Memory Hook: Mobile Phone Manufacturing Scheme (₹62,500 crore) and National Investment Policy for Urea 2026 get first ANTIM coverage **GS3**
11. GI & Beyond 2.0 Summit concludes in Delhi — Digital Handloom Atlas launched, fresh GI certificates presented for Ladakh and Himachal crafts **GS3**
12. Kerala floods and landslides: toll climbs past 15 across Idukki, Kottayam, Malappuram and Kannur; over 5,700 in relief camps **GS1/GS3**

§2 · POLITY & GOVERNANCE

GS2 Fundamental Rights · Article 14 · Criminal Law Reform — Judgment 3 August, widely reported 4-5 August 2026 · Source: Supreme Court of India / PIB legal digest

Supreme Court Extends Section 498-A IPC Protection to Live-In Couples With Proven "Intent to Marry"

Why in News: A Bench of Justices Sanjay Karol and N. Kotiswar Singh, in *Dr. Lokesh B.H. v. State of Karnataka & Anr.* (2026 INSC 784), held that criminal protection against domestic cruelty extends to women in live-in relationships, provided the relationship qualifies as one "in the nature of marriage" and carries a demonstrable "intent to marry." The Court found no rational nexus between the married/unmarried distinction and the statute's underlying purpose of preventing domestic cruelty, grounding the extension squarely in Article 14. The initial burden of establishing "intent to marry" falls on the woman seeking protection, though the judgment does not lay down fixed evidentiary parameters for that subjective element.

Background: Section 498-A was inserted into the Indian Penal Code in 1983 specifically to criminalise cruelty by a husband or his relatives towards a "wife," and courts have historically read the provision narrowly along strict marital lines. The Supreme Court had already recognised live-in relationships as falling within the protection of the Protection of Women from Domestic Violence Act, 2005 (which defines a "relationship in the nature of marriage") and, separately, under Article 21 in cases such as *Indra Sarma v. V.K.V. Sarma* (2013), which laid down indicative criteria for such relationships. Today's ruling closes the remaining gap by importing that same "relationship in the nature of marriage" test into the criminal-law (498-A/BNS successor provision) context, rather than confining it to the civil DV Act remedy.

KEY FACTS

- Case: **Dr. Lokesh B.H. v. State of Karnataka & Anr.**, Neutral Citation **2026 INSC 784**.
- Bench: Justices **Sanjay Karol** (author) and **N. Kotiswar Singh**.
- New two-part test: (i) relationship "in the nature of marriage," AND (ii) a demonstrable **"intent to marry."**
- Constitutional basis: **Article 14** — no rational nexus between marital status and the cruelty-prevention purpose.
- Burden of proof for "intent to marry" rests, in the first instance, on the woman seeking protection.
- **Section 498-A IPC, 1983** is the criminal provision extended; its BNS 2023 successor is Section 85/86.
- Builds on the civil-remedy precedent of the **PWDVA, 2005** and **Indra Sarma v. V.K.V. Sarma (2013)**.
- No fixed evidentiary checklist prescribed for "intent to marry," leaving trial courts a case-by-case discretion.

MAINS DIMENSIONS / ANALYSIS

- **Equal protection versus certainty.** The ruling advances substantive equality for cohabiting women but introduces a subjective threshold ("intent to marry") that trial courts must now operationalise without statutory guidance — a genuine tension between rights-expansion and legal certainty.
- **Family-law modernisation.** The judgment sits alongside a broader judicial trend (maintenance rights, inheritance claims) of extending marriage-adjacent protections to live-in partners, reflecting changing social reality faster than legislative amendment.
- **Risk of misuse concerns.** Critics of 498-A have long flagged misuse risk even within marriage; extending it to a harder-to-verify "intent to marry" standard could compound evidentiary disputes, cutting both ways for genuine claimants and the accused.
- **Judicial legislation debate.** The ruling again raises the recurring separation-of-powers question of how far courts should go in reading additional categories into a criminal statute rather than leaving that expansion to Parliament.

LET'S REMEMBER THIS THROUGH A TRICK

Two-part test, two words: **"Nature + Intent."** Relationship "in the nature of" marriage (borrowed from the DV Act, 2005) PLUS "intent" to marry (new, from today's ruling) — miss either half and 498-A protection does not attach.

PYQ LINKAGE

GS2 2023: "Discuss the meaning of the term 'reasonable classification' with the help of relevant case law." · GS4 recurring: gender justice and equity in criminal law. Directly extends *Indra Sarma v. V.K.V. Sarma (2013).*

PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. Consider the following statements:

1. Section 498-A of the Indian Penal Code was inserted in 1983 to criminalise cruelty by a husband or his relatives.
2. The Protection of Women from Domestic Violence Act, 2005 defines a "relationship in the nature of marriage."
3. The Supreme Court has held that "intent to marry" is irrelevant to extending 498-A protection to live-in partners.

Which of the statements given above is/are correct? (a) 1 and 2 only (b) 2 and 3 only (c) 1 and 3 only (d) 1, 2 and 3

Answer: (a). "Intent to marry" is the Court's newly added, essential second condition — not irrelevant.

GS2 · Article 14 · Section 498-A · PWDVA 2005 · Live-in Relationships

GS2 | Judiciary · Open Courts · Press Freedom

5 August 2026 · Source: Supreme Court of India

Supreme Court Clarifies: Media May Report Court Proceedings, Only Circulation of Audio-Video Clips Stays Barred

Why in News: A Bench led by Chief Justice of India Surya Kant, with Justices Joymalya Bagchi and V. Mohana, clarified on 5 August 2026 that its 24 July interim order restricting the posting or uploading of audio-video recordings of judicial proceedings on social media and digital platforms does not stop recognised media houses from reporting on hearings. Outlets may continue informing the public of legal developments and pronouncements in writing or through anchor-led reporting; they simply cannot use the actual audio-video clips of the courtroom in that coverage. The clarification came after the Court noted "some confusion persists" over paragraph 11 of the July order; the underlying petition seeking a uniform live-streaming framework for courts across India was given four more weeks for counter-affidavits, with the next hearing on 18 September.

Background: India moved towards live-streaming of constitutional-importance cases after the Supreme Court's own 2018 judgment in *Swapnil Tripathi v. Supreme Court of India*, which recognised virtual access to court proceedings as part of the right to access justice under Article 21, read with the open-court principle in Section 327 CrPC/its BNSS successor. Rapid social-media circulation of unofficial court clips subsequently raised concerns about clips being taken out of context, selectively edited, or used to intimidate witnesses and lawyers — hence the narrower July restriction, which today's clarification calibrates without disturbing the broader transparency gains of live-streaming itself.

KEY FACTS

- Clarification dated **5 August 2026**; Bench of **CJI Surya Kant**, Justice **Joymalya Bagchi**, Justice **V. Mohana**.
- Underlying restriction traces to an **interim order of 24 July 2026**, paragraph 11.
- Restriction applies only to **circulating/uploading audio-video clips** — reporting in words remains fully permitted.
- Four weeks granted for counter-affidavits; next hearing **18 September 2026**.
- Traces its constitutional lineage to **Swapnil Tripathi v. Supreme Court of India (2018)**, which recognised live-streaming under Article 21.
- Open-court principle historically anchored in **Section 327 CrPC** (now under BNSS, 2023).
- Concern addressed: selective/out-of-context circulation of court clips on social media platforms.

MAINS DIMENSIONS / ANALYSIS

- **Open justice versus dignity of proceedings.** The clarification tries to hold two values together — public accessibility of courts and protection of witnesses/lawyers/litigants from decontextualised viral clips — rather than trading one off completely against the other.
- **Press freedom untouched, but narrowly.** By preserving the right to report while restricting only raw clip circulation, the Court draws a line between journalism (Article 19(1)(a)) and unmediated re-broadcast, though critics will ask who decides what counts as "recognised media."
- **Institutional self-regulation.** The episode shows the judiciary regulating its own proceedings' digital footprint in real time — a governance capacity most institutions lack, and a template other tribunals may eventually adopt.
- **The uniform live-streaming project still pending.** The core case — a nationwide live-streaming framework — remains unresolved till September, meaning today's news is a procedural clarification, not a final settlement of court-media relations.

LET'S REMEMBER THIS THROUGH A TRICK

Remember the split: **"Report yes, re-play no."** Words about the hearing = always allowed; the actual audio-video clip = not for circulation. That single distinction is the entire clarification.

PYQ LINKAGE

GS2 2019: "Discuss the role of Public Accounts Committee in improving the accountability mechanism" (institutional-accountability framing) · GS2 recurring: judicial transparency, live-streaming of court proceedings, media freedom versus fair-trial rights.

PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. Consider the following statements:

1. Live-streaming of Supreme Court proceedings was judicially recognised in Swapnil Tripathi v. Supreme Court of India (2018).
2. The Supreme Court's August 2026 clarification bars media from reporting on court hearings altogether.
3. The restriction on audio-video clips applies specifically to their circulation on social media/digital platforms.

Which of the statements given above is/are correct? (a) 1 and 2 only (b) 1 and 3 only (c) 2 and 3 only (d) 1, 2 and 3

Answer: (b). Reporting on hearings remains fully permitted; only clip circulation is restricted.

GS2 | Open Courts | Swapnil Tripathi 2018 | Article 19(1)(a) | Article 21

GS2 | Right to Education · Article 19(1)(g) · EWS | 5 August 2026 · Source: Supreme Court of India

Supreme Court Upholds Rajasthan's Private Medical College Fee Structure, Rejects EWS Fee-Cap Plea

Why in News: In *Harshvardhan Singh v. State of Rajasthan & Ors.*, a Bench of Justices B.V. Nagarathna and Joymalya Bagchi dismissed a plea questioning how the ₹8-lakh income ceiling used to define Economically Weaker Section (EWS) candidates could be reconciled with private medical college fees running up to ₹25 lakh a year. The Court upheld a Rajasthan High Court ruling that had found the fee structure fixed by the State Fee Regulatory Committee legally valid, holding that private colleges cannot be forced to charge fees at par with government institutions, since doing so would threaten their financial viability and, in turn, the availability of medical education seats.

Background: Every State constitutes a Fee Regulatory Committee (typically headed by a retired High Court judge) under State-specific private-professional-education Acts, following the framework the Supreme Court itself laid down in *T.M.A. Pai Foundation v. State of Karnataka (2002)* and *P.A. Inamdar v. State of Maharashtra (2005)* — judgments that balanced the Article 19(1)(g) right of private unaided institutions to reasonable autonomy against the State's power to prevent profiteering and capitation fees. The EWS ₹8-lakh income ceiling, in turn, derives from the 103rd Constitutional Amendment (2019) that introduced the 10% EWS reservation and was itself the subject of the *Janhit Abhiyan* constitutional challenge upheld in 2022.

KEY FACTS

- Case: **Harshvardhan Singh v. State of Rajasthan & Ors.**; Bench: Justices **B.V. Nagarathna** and **Joymalya Bagchi**.
- Upholds a **Rajasthan High Court** ruling validating the State Fee Regulatory Committee's fee structure.
- Private medical college fees can run up to **₹25 lakh/year**, against an EWS income ceiling of **₹8 lakh/year**.
- Governing precedents: **T.M.A. Pai Foundation (2002)** and **P.A. Inamdar (2005)**, on autonomy of unaided private institutions.
- EWS 10% reservation flows from the **103rd Constitutional Amendment Act, 2019**, upheld in **Janhit Abhiyan v. Union of India (2022)**.
- Constitutional anchor for institutional autonomy: **Article 19(1)(g)** — right to carry on any occupation/trade.
- Court's rationale: forcing parity with government fees risks the financial viability of private colleges and, indirectly, overall seat availability.

MAINS DIMENSIONS / ANALYSIS

- **Autonomy versus access.** The ruling privileges institutional financial autonomy; the unresolved policy question is whether it leaves genuinely poor EWS-eligible students priced out of medical education despite qualifying academically.
- **The EWS ceiling's real-world adequacy.** An ₹8-lakh ceiling was calibrated years ago against very different tuition costs; the widening ceiling-to-fee gap this case highlights suggests the ceiling itself, or a differentiated scholarship/loan bridge, needs review — a distinct issue from the fee-regulation question itself.
- **Regulatory design, not just fee level.** A recurring reform proposal is graded fee-plus-scholarship models (cross-subsidisation within colleges) rather than a flat fee cap, which the Fee Regulatory Committee framework already partially permits but inconsistently enforces across States.
- **Federal variance.** Because each State runs its own Fee Regulatory Committee, medical-education affordability now varies significantly by State — a de facto lottery of geography for EWS aspirants.

LET'S REMEMBER THIS THROUGH A TRICK

Anchor the case-law chain: **Pai (2002) → Inamdar (2005) → Janhit Abhiyan (2022) → Harshvardhan Singh (2026)** — autonomy established, autonomy refined, EWS quota upheld, autonomy reaffirmed against an EWS fee-parity claim.

📋 **PYQ LINKAGE**

GS2 2022: "Discuss the desirability of joining Regional Comprehensive Economic Partnership (RCEP)" (institutional balancing framing) · GS2 recurring: right to education, private institution autonomy, reservation policy. Builds on *T.M.A. Pai Foundation (2002)*.

🎯 **PROBABLE PRELIMS MCQ (STATEMENT-BASED)**

Q. Consider the following statements:

1. The T.M.A. Pai Foundation case dealt with the autonomy of unaided private educational institutions.
2. The EWS reservation of 10% was introduced through the 103rd Constitutional Amendment Act, 2019.
3. State Fee Regulatory Committees for private professional colleges are typically headed by a sitting Supreme Court judge.

Which of the statements given above is/are correct? (a) 1 and 2 only (b) 2 and 3 only (c) 1 and 3 only (d) 1, 2 and 3

Answer: (a). Fee Regulatory Committees are typically headed by a *retired* High Court judge, not a sitting Supreme Court judge.

GS2 · Article 19(1)(g) · EWS Reservation · T.M.A. Pai 2002 · 103rd Amendment

§3 · INTERNATIONAL RELATIONS

GS2 · India-Africa Relations · Diplomatic Outreach · 5 August 2026, Africa Day 2026 · Source: MEA / EAM statements

EAM Jaishankar at Africa Day 2026: India-Africa "A Powerful Joint Force for Global Progress," 17 New Missions Confirmed

Why in News: Addressing an event marking Africa Day 2026 on 5 August, External Affairs Minister Dr. S. Jaishankar said India and Africa together represent "a powerful joint force for global progress," describing Africa as India's "partner" and "priority" that must get its due place in any reformed, multipolar global order. He confirmed India has opened 17 new diplomatic missions across Africa in recent years, reaffirmed continuing close contact with the African Union, and said India looks forward to reconvening the fourth India-Africa Forum Summit (IAFS-4), whose 2026 edition was jointly postponed by India and the AU earlier this year owing to an Ebola outbreak in the DRC.

Background: India's contemporary Africa policy is guided by the ten "Kampala Principles" articulated by Prime Minister Modi during his 2018 Uganda visit, which frame African priorities as being set by Africans themselves, with India as a demand-driven, capacity-building partner rather than an extractive one — a deliberate contrast with alternative external-power engagement models on the continent. The India-Africa Forum Summit process itself began in 2008, with IAFS-III (2015) bringing all 54 African states to Delhi for the first time; the postponed IAFS-4 would have been the first full summit-level edition in over a decade.

⚡ **KEY FACTS**

- Statement made on **Africa Day 2026 (5 August)** by EAM Dr. S. Jaishankar.
- India has opened **17 new missions** across Africa in the recent expansion drive.
- IAFS-4 postponed earlier in 2026 by joint India-AU decision, owing to an **Ebola outbreak in the DRC**; IAFS-III was held in **2015** with all 54 African states.
- Guiding framework: the **ten Kampala Principles**, articulated by PM Modi in **Uganda, 2018**.
- Jaishankar linked the outreach to support for **Africa's due representation** in a reformed global/multilateral order, including UNSC reform.
- Africa Day itself commemorates the founding of the **Organisation of African Unity (1963)**, predecessor of the African Union (est. 2002).

🎯 **MAINS DIMENSIONS / ANALYSIS**

- **Mission expansion as capacity signalling.** Seventeen new missions is a genuine diplomatic-footprint expansion, not just rhetoric — it materially improves India's ability to service trade, consular and strategic interests across a continent where India has historically been under-present relative to China.
- **Postponement management.** Framing the Ebola-driven IAFS-4 postponement as a joint, health-driven decision — rather than a diplomatic setback — is itself a piece of careful messaging management worth noting for GS4/ethics-adjacent analysis of diplomatic

communication.

- **Demand-driven partnership model.** The Kampala Principles' emphasis on African agenda-setting differentiates India's approach from debt-heavy infrastructure financing models, but India must still show it can deliver at comparable scale to sustain the contrast rhetorically and materially.
- **UNSC reform linkage.** Tying African representation to India's own UNSC reform push builds a coalition logic — India and Africa both seek permanent-seat-tier recognition, making this a mutually reinforcing diplomatic partnership rather than one-sided outreach.

🧠 **LET'S REMEMBER THIS THROUGH A TRICK**

Remember [redacted] The Kampala Principles (2018, Uganda) are the doctrine; the 17 missions are the delivery; IAFS-4's Ebola-postponement is the pending item to watch for a Memory Hook follow-up.

📋 **PYQ LINKAGE**

GS2 2021: "'Increasing formalisation of India's economy through Digitisation, GST and demonetisation has increased the tax base and revenue of the country.' Discuss" (institutional-outreach framing) · GS2 recurring: India's Africa policy, South-South cooperation, UNSC reform.

🎯 **PROBABLE PRELIMS MCQ (STATEMENT-BASED)**

Q. Consider the following statements regarding India's Africa policy:

1. The Kampala Principles were articulated by the Prime Minister during a visit to Uganda in 2018.
2. IAFS-III, held in 2015, was attended by all 54 African states.
3. The fourth India-Africa Forum Summit was held as scheduled in early 2026.

Which of the statements given above is/are correct? (a) 1 and 2 only (b) 2 and 3 only (c) 1 and 3 only (d) 1, 2 and 3

Answer: (a). IAFS-4 was postponed in 2026 due to an Ebola outbreak in the DRC, not held as scheduled.

GS2 · Kampala Principles · IAFS · India-Africa Relations · UNSC Reform

§4 · DEFENCE & SECURITY

GS3 | Strategic Deterrence · Missile Testing Protocol | NOTAM issued for 6-7 August 2026 · Source: NOTAM/DGCA filing, defence reporting

India Issues 2,530-km Indian Ocean NOTAM for a Long-Range Missile Trial From Dr APJ Abdul Kalam Island

Why in News: India has issued a Notice to Airmen (NOTAM) restricting a 2,530-kilometre air corridor over the Indian Ocean for 6-7 August 2026, in what defence reporting identifies as preparation for a long-range missile trial originating from Dr APJ Abdul Kalam Island (formerly Wheeler Island) off Odisha's coast — a facility jointly operated by DRDO and the Strategic Forces Command. The scale of the exclusion zone has triggered speculation of an advanced Agni-series or K-series trial, though as of this edition neither DRDO nor the Ministry of Defence has officially confirmed the specific missile system; this card reports only the verified NOTAM fact and its institutional context, not the unconfirmed missile identity.

Background: India's long-range strategic deterrent rests on the Agni family of ballistic missiles, developed under DRDO's Integrated Guided Missile Development Programme (IGMDP, 1983-2008) and its successor programmes, ranging from the short-range Agni-I to progressively longer-range variants. Every significant trial requires a NOTAM/maritime exclusion-zone notification under international civil-aviation and maritime-safety protocols (ICAO Annex 15) so commercial shipping and aircraft can route around the impact corridor — meaning the notice itself is a reliable, if indirect, indicator of trial scale, quite apart from any specific system being named. Dr APJ Abdul Kalam Island has hosted numerous Agni-series and other strategic trials over the past two decades and was renamed from Wheeler Island in 2015 in honour of India's former President and missile scientist.

KEY FACTS

- NOTAM covers a **2,530-km corridor** over the Indian Ocean, effective **6-7 August 2026**.
- Launch site: **Dr APJ Abdul Kalam Island** (renamed from Wheeler Island in **2015**), off the Odisha coast.
- Facility jointly run by **DRDO** and the **Strategic Forces Command (SFC)**.
- India's long-range deterrent stems from the **Agni series**, developed under the **Integrated Guided Missile Development Programme (1983-2008)**.
- NOTAM/exclusion-zone practice follows **ICAO Annex 15** aeronautical-information protocols.
- Specific missile system **not officially confirmed** at time of writing — reported here as a verified test-window fact only.

MAINS DIMENSIONS / ANALYSIS

- **Credible minimum deterrence.** Continued testing cadence sustains India's "credible minimum deterrence" doctrine and No First Use posture, both premised on demonstrated, reliable delivery-system capability rather than mere declaratory intent.
- **Transparency versus strategic ambiguity.** Publishing a NOTAM is a legal safety obligation, not a disclosure of capability — states routinely test without confirming specifics, illustrating how international safety law and strategic secrecy can coexist without contradiction.
- **Regional signalling effects.** Long-range trials from India's eastern seaboard are read closely by regional observers for range and payload inference, even absent official confirmation — a reminder that deterrence operates partly through perception management.
- **Indigenous missile ecosystem.** Each trial (confirmed or not) sits atop decades of indigenous propulsion, guidance and re-entry-vehicle R&D — a useful GS3 example of sustained defence-technology indigenisation outlasting any single scheme name.

LET'S REMEMBER THIS THROUGH A TRICK

Remember the rename: [redacted] And the safety-law trigger for any big test: [redacted] — UPSC likes testing whether students conflate the two.

PYQ LINKAGE

GS3 2020: "What is the state of the North Korean nuclear threat? Comment on the American strategy to counter the North Korean nuclear threat" (deterrence-framing analogy) · GS3 recurring: India's missile and strategic-deterrence programme, DRDO indigenisation.

PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. Consider the following statements:

1. Dr APJ Abdul Kalam Island was earlier known as Wheeler Island.
2. The island is operated jointly by DRDO and the Strategic Forces Command.
3. India's Agni missile series originated under the Integrated Guided Missile Development Programme.

Which of the statements given above is/are correct? (a) 1 and 2 only (b) 2 and 3 only (c) 1 and 3 only (d) 1, 2 and 3

Answer: (d). All three statements are correct.

GS3 · Agni Series · IGMDP · Strategic Forces Command · Deterrence

§5 · SCIENCE & TECHNOLOGY

Semicon 2.0: India's ₹1.27 Lakh Crore Push to Build a Complete Chip Ecosystem

Why in News (Static-style feature, honestly dated): The Union Cabinet approved "Semicon 2.0" — the next phase of the Semicon India Programme — on 15 July 2026, with a fiscal outlay of ₹1,27,500 crore, more than 1.6 times the ₹76,000 crore committed to the original India Semiconductor Mission launched in 2021. This is Semicon 2.0's first dedicated feature in ANTIM ASSURED, brought in now because it remains squarely current, has not been superseded by any later development, and pairs naturally with this week's electronics-manufacturing and fiscal news. The five-year programme moves beyond merely attracting fabrication plants to building a complete domestic ecosystem — chip design, fabrication, advanced packaging, equipment and materials, R&D, and talent — organised across six strategic pillars, with the first new fab under this phase targeted for commissioning in 2028.

Background: The original India Semiconductor Mission (ISM), launched in December 2021 under the Ministry of Electronics and Information Technology, focused on attracting fabrication and packaging investment through capital subsidies; it recorded early wins including India's first commercial fabs and packaging units in Gujarat and Assam. Semicon 2.0 responds to a recognised gap in that first phase — heavy dependence on imported equipment, materials and design IP — by explicitly incentivising the upstream and midstream layers of the value chain (design software, chip architecture, specialty chemicals and gases, lithography-adjacent equipment) rather than fabrication alone.

KEY FACTS

- Cabinet approval: **15 July 2026**; outlay **₹1,27,500 crore** over five years.
- Original **India Semiconductor Mission (2021)** outlay was **₹76,000 crore** — Semicon 2.0 is roughly 1.6× larger.
- Organised across **six strategic pillars**, spanning design, fabrication, packaging, equipment/materials, R&D and talent.
- **105 chip-design startups** already active under the design pillar at the time of approval.
- First new fab under this phase targeted for commissioning in **2028**.
- Administered by the **India Semiconductor Mission (ISM)** under MeitY, as an Independent Business Division.
- Aims cited: economic growth across sectors, supply-chain resilience for national security, and technological leadership.
- Complements the parallel **Mobile Phone Manufacturing Scheme** and existing electronics PLI architecture.

MAINS DIMENSIONS / ANALYSIS

- **From fabs to ecosystem.** ISM 1.0's fab-first approach risked creating "silicon islands" dependent on imported inputs; Semicon 2.0's ecosystem framing directly targets that structural vulnerability, aligning with global lessons from Taiwan's and South Korea's decades-long ecosystem-building.
- **Strategic-autonomy dimension.** Semiconductors sit at the intersection of economic and national-security policy — supply-chain resilience here has direct implications for defence electronics, telecom and AI-hardware sovereignty, not merely consumer electronics.
- **Talent bottleneck.** Even generous capital outlay cannot instantly produce the specialised VLSI-design and fab-process engineering talent this ecosystem needs; the scheme's talent pillar is arguably its highest-execution-risk component.
- **Federal competition dynamics.** States compete intensely for fab/packaging investment (Gujarat, Assam, Uttar Pradesh, Odisha have all won projects), which can be read either as healthy competitive federalism or as risking uneven, politically-influenced allocation absent transparent criteria.

LET'S REMEMBER THIS THROUGH A TRICK

Remember the multiplier: **"76 becomes 127.5"** — ISM 1.0's ₹76,000 crore roughly doubles (with a bit more) to Semicon 2.0's ₹1,27,500 crore. And the shift in emphasis: **1.0 = fabs; 2.0 = ecosystem.**

PYQ LINKAGE

GS3 2023: "Craft a critical analysis on the recent phenomena of solar/electronics manufacturing incentivisation" (industrial-policy framing) · GS3 recurring: Make in India, electronics/semiconductor self-reliance, PLI schemes.

PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. Consider the following statements regarding Semicon 2.0:

1. It was approved with an outlay smaller than the original India Semiconductor Mission of 2021.
2. It is administered by the India Semiconductor Mission under the Ministry of Electronics and Information Technology.
3. Its design pillar includes over 100 chip-design startups.

Which of the statements given above is/are correct? (a) 1 and 2 only (b) 2 and 3 only (c) 1 and 3 only (d) 1, 2 and 3

Answer: (b). At ₹1,27,500 crore, Semicon 2.0's outlay is larger, not smaller, than ISM 1.0's ₹76,000 crore.

GS3 · Semicon 2.0 · India Semiconductor Mission · MeitY · Make in India

§6 · ECONOMY

GS3 | Taxation · Fiscal Policy · Digital Payments | Lok Sabha passage 6 August 2026 · Source: PIB / Sansad proceedings / PRS Legislative Research

Lok Sabha Passes the Taxation and Other Laws (Amendment) Bill, 2026 — UPI MDR, REIT/InvIT and Data-Centre Relief

Why in News: The Lok Sabha on 6 August 2026 passed the Taxation and Other Laws (Amendment) Bill, 2026 by voice vote amid continuing Opposition protests over unrelated issues, without extended discussion. Introduced by Finance Minister Nirmala Sitharaman on 4 August, the Bill amends the Income-tax Act 2025, the Finance Act 2026 and the Payment and Settlement Systems Act, 2007. It removes the mandatory zero Merchant Discount Rate (MDR) provision under Section 10A of the PSS Act — empowering the Centre to instead notify, sector by sector, which electronic-payment modes must remain charge-free — eases tax treatment for Indian-company-operated leased data centres, extends rough-diamond sale exemptions for eligible foreign mining/trading entities to 31 March 2041, and removes a restriction that had denied tax exemption on dividends received by REIT/InvIT unit-holders where the underlying SPV had opted for the new tax regime.

Background: Zero MDR on UPI transactions has been government policy since January 2020 to drive digital-payments adoption, funded instead through direct incentive payouts to banks and payment operators; today's amendment does not end that support but converts a rigid statutory zero-MDR mandate into a flexible, government-notified regime that can be calibrated by payment mode and merchant category. REITs and InvITs, introduced in India from 2014 (SEBI regulations) to let retail investors access real-estate and infrastructure income streams, have faced a series of such technical tax-exemption glitches since the 2025 direct-tax recodification, which this Bill is now cleaning up.

KEY FACTS

- Passed by Lok Sabha **6 August 2026**, by voice vote; introduced **4 August** by FM Nirmala Sitharaman.
- Amends three laws: **Income-tax Act 2025, Finance Act 2026, Payment and Settlement Systems Act 2007**.
- Removes the mandatory **zero-MDR mandate under Section 10A PSS Act**; Centre may now notify chargeable/non-chargeable payment modes.
- Eases tax provisions for **leased data centres** operated by Indian companies.
- Extends rough-diamond sale tax exemptions for eligible foreign entities to **31 March 2041**.
- Removes a restriction denying dividend tax exemption to **REIT/InvIT** unit-holders where the SPV chose the new tax regime.
- Zero-MDR-on-UPI policy itself dates to **January 2020**.
- REITs/InvITs were enabled in India via **SEBI regulations from 2014**.

MAINS DIMENSIONS / ANALYSIS

- **Digital-payments financing model.** Shifting from a rigid statutory zero-MDR rule to a notified, flexible regime lets the government fine-tune incentives (e.g., protecting small merchants while allowing large-value/corporate UPI transactions to carry a fee) — a more fiscally sustainable model than blanket zero-MDR.

- **Investment-instrument stability.** Fixing the REIT/InvIT dividend-exemption glitch matters disproportionately to retail investors in these instruments, and signals the government's intent to keep correcting recodification-era drafting gaps quickly rather than letting them fester into litigation.
- **Data-centre policy as digital infrastructure strategy.** Tax relief for Indian-company-run leased data centres is part of a broader push to keep data-processing infrastructure and associated economic value onshore, relevant to data-localisation and digital-sovereignty debates.
- **Legislative process concern.** A tax Bill amending three separate statutes, passed by voice vote without extended debate, again raises the scrutiny-deficit question already flagged in recent editions regarding India's legislative process.

🧠 **LET'S REMEMBER THIS THROUGH A TRICK**

Four changes, one line: **"MDR flexible, data centres easier, diamonds till 2041, REIT/InvIT dividends fixed."** Four unrelated-looking fixes, one omnibus Bill — that omnibus structure itself is worth flagging in an answer.

📋 **PYQ LINKAGE**

GS3 2021: "How would the recent phenomena of protectionism and currency manipulations in world trade affect macroeconomic stability of India?" (fiscal-policy framing) · GS3 recurring: digital payments architecture, tax policy, REITs/InvITs as investment vehicles.

🎯 **PROBABLE PRELIMS MCQ (STATEMENT-BASED)**

Q. Consider the following statements:

1. The zero-MDR mandate for UPI transactions was a statutory requirement under Section 10A of the Payment and Settlement Systems Act, 2007.
2. REITs and InvITs were first enabled in India through SEBI regulations from 2014.
3. The Taxation and Other Laws (Amendment) Bill, 2026 permanently retains the mandatory zero-MDR provision.

Which of the statements given above is/are correct? (a) 1 and 2 only (b) 2 and 3 only (c) 1 and 3 only (d) 1, 2 and 3

Answer: (a). The 2026 Bill removes, not retains, the mandatory zero-MDR provision.

GS3 | UPI MDR | REIT/InvIT | PSS Act 2007 | Digital Payments

GS3 | Electronics Manufacturing · Make in India | Cabinet approval ~16 July 2026 (first ANTIM coverage) · Source: PIB / PM India

Mobile Phone Manufacturing Scheme (MPMS): ₹62,500 Crore to Deepen Domestic Value Addition

Why in News (honestly dated, first coverage): The Union Cabinet approved the Mobile Phone Manufacturing Scheme (MPMS) on approximately 16 July 2026, with a budgetary outlay of ₹62,500 crore running from FY 2026-27 to FY 2030-31. The scheme follows the expiry of the Production Linked Incentive Scheme for Large Scale Electronics Manufacturing (PLI-LSEM) on 31 March 2026, and is designed to deepen domestic value addition, strengthen supply-chain resilience, and — distinctively — actively promote Indian mobile-phone brands with indigenous design and R&D, rather than only incentivising assembly of foreign brands.

Background: PLI-LSEM (2020) is widely credited with turning India from a net mobile-phone importer into one of the world's largest producers and a growing exporter, but its incentive structure favoured contract manufacturing of established global brands over India-origin brands or deep component localisation. MPMS explicitly corrects that by tiering incentives toward domestic sourcing and brand-building, positioning it as PLI-LSEM's more sophisticated, value-chain-aware successor rather than a simple renewal.

⚡ **KEY FACTS**

- Cabinet approval: **~16 July 2026**; outlay **₹62,500 crore**; tenure **FY 2026-27 to FY 2030-31**.
- Follows expiry of **PLI-LSEM** on **31 March 2026**.
- Base incentive on eligible sales: **2.25% to 5%**, differentiated by category.
- Additional incentive of up to **1.5%** linked to domestic sourcing of key components/sub-assemblies.
- Additional **3%** incentive on eligible sales for design and R&D — specifically to build Indian-origin brands.
- Expected cumulative mobile-phone production of roughly **₹39 lakh crore** over the five-year tenure.

- Projected to generate around **60,000 direct jobs**.

🎯 **MAINS DIMENSIONS / ANALYSIS**

- **From assembly to ownership.** The explicit brand-building incentive (3% for design/R&D) marks a policy pivot from "manufacture in India" to "designed and owned in India" — a materially harder but more durable form of value capture.
- **Complementarity with Semicon 2.0.** MPMS and Semicon 2.0, approved within a day of each other, are designed to reinforce one another — domestic chip capacity feeds domestic phone manufacturing, closing part of the electronics value chain end-to-end.
- **Jobs versus capital intensity.** A ₹62,500-crore outlay yielding ~60,000 direct jobs implies a relatively high capital-to-job ratio typical of high-tech manufacturing — raising the standard debate on whether India's employment challenge is better served by capital-intensive or labour-intensive incentive design.
- **Export competitiveness test.** The scheme's real test will be whether India-designed brands can compete on export markets, not merely domestic market share — a harder benchmark than PLI-LSEM's production and export volume metrics alone.

🧠 **LET'S REMEMBER THIS THROUGH A TRICK**

Remember the incentive ladder: **base 2.25-5% → +1.5% for local sourcing → +3% for Indian-brand design/R&D.** The higher the value-chain rung, the higher the incentive — that design logic is the exam-worthy insight.

📋 **PYQ LINKAGE**

GS3 2020: "What are the salient features of 'inclusive growth'? Has India been experiencing such a growth process?" (industrial-policy framing) · GS3 recurring: PLI schemes, electronics manufacturing, Make in India value addition.

🎯 **PROBABLE PRELIMS MCQ (STATEMENT-BASED)**

Q. Consider the following statements regarding the Mobile Phone Manufacturing Scheme (MPMS):

1. It replaces the PLI Scheme for Large Scale Electronics Manufacturing, which expired on 31 March 2026.
2. It offers an additional incentive specifically for design and R&D aimed at building Indian mobile phone brands.
3. Its tenure runs for ten years, from FY 2026-27 to FY 2035-36.

Which of the statements given above is/are correct? (a) 1 and 2 only (b) 2 and 3 only (c) 1 and 3 only (d) 1, 2 and 3

Answer: (a). MPMS runs for five years (FY 2026-27 to FY 2030-31), not ten.

GS3 · MPMS · PLI-LSEM · Electronics Manufacturing · Make in India

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GS3 · Fertilizer Policy · Self-Reliance — Cabinet approval ~15-16 July 2026 (first ANTIM coverage) · Source: PIB

National Investment Policy for Urea 2026 (NIPU-2026): Targeting 10 Million Tonnes of New Capacity

Why in News (honestly dated, first coverage): The Union Cabinet approved the National Investment Policy for Urea-2026 for Atmanirbhar Bharat (NIPU-2026) in mid-July 2026, as the programmatic successor to the New Investment Policy (NIP)-2012, whose investment window had expired in October 2019. NIPU-2026 aims to revive, expand and support construction of natural-gas-based urea plants, targeting eight to nine new plants and 10 million tonnes of additional indigenous urea capacity, directly addressing India's persistent ~10-million-tonne urea supply deficit that is currently met through imports.

Background: India's urea sector has been shaped for decades by administered pricing (the Nutrient Based Subsidy regime for other fertilizers, but urea remains under statutory price control) and investment-policy cycles designed to periodically re-incentivise capacity addition once existing investment windows lapse. NIP-2012 successfully triggered a wave of gas-based urea plant revivals and greenfield additions (including Ramagundam, Gorakhpur, Sindri and Barauni brownfield revivals), but its investment window closing in 2019 left a policy gap that NIPU-2026 now fills, with design lessons drawn directly from NIP-2012's implementation experience.

⚡ **KEY FACTS**

- Cabinet approval: **mid-July 2026**; successor to **NIP-2012** (investment window expired **October 2019**).
- Target: **8-9 new gas-based urea plants**, adding **10 million tonnes** of fresh capacity.
- Return-on-equity band for investors: **12%-16%**, providing predictable but capped returns.

- Estimated savings of over **₹250 crore per new plant** compared with NIP-2012 norms.
- Subsidy calculations will separate **fixed and variable costs explicitly**, improving transparency.
- Forex-risk mitigation: fixed costs convert to rupee terms after **four years** at prevailing exchange rates.
- Aims to substantially close India's **~10-million-tonne urea import dependency**.

🎯 **MAINS DIMENSIONS / ANALYSIS**

- **Import substitution versus fiscal cost.** Domestic capacity addition reduces import-bill volatility and forex exposure, but new capacity still draws on the same subsidy pool as imports — the real fiscal test is whether domestic gas-based production costs stay durably below import parity price over the plants' operating life.
- **Gas-price dependency.** Gas-based urea economics are acutely sensitive to domestic natural-gas pricing formulas and global LNG price cycles — a structural vulnerability NIPU-2026's forex/cost-separation design tries to manage but cannot eliminate.
- **Environmental trade-off.** Expanding urea capacity runs somewhat counter to parallel government messaging on balanced fertilizer use (soil-health cards, nano-urea promotion) to curb urea over-application's soil and groundwater impacts — a genuine policy tension worth flagging in a balanced answer.
- **Lessons-learned framing.** Explicitly designing NIPU-2026 around NIP-2012's implementation experience (cost savings, transparency, forex protection) is a good example of iterative, evidence-informed policy design rather than mere policy repetition.

🧠 **LET'S REMEMBER THIS THROUGH A TRICK**

Chain the policies: [redacted]. Lock the target number [redacted] — matches almost exactly the size of India's current urea import dependency.

📋 **PYQ LINKAGE**

GS3 2019: "What are the reformative steps taken by the Government to eliminate Naxalism?" (policy-succession framing, structurally similar) · GS3 recurring: fertilizer subsidy regime, Nutrient Based Subsidy, Atmanirbhar Bharat in agriculture inputs.

🎯 **PROBABLE PRELIMS MCQ (STATEMENT-BASED)**

Q. Consider the following statements regarding NIPU-2026:

1. It is the direct successor to the New Investment Policy of 2012 for urea.
2. It targets exclusively naphtha-based urea plants.
3. It permits investors a defined Return-on-Equity band of 12% to 16%.

Which of the statements given above is/are correct? (a) 1 and 2 only (b) 1 and 3 only (c) 2 and 3 only (d) 1, 2 and 3

Answer: (b). NIPU-2026 targets natural-gas-based plants, not naphtha-based ones.

GS3 | NIPU-2026 | Fertilizer Subsidy | Atmanirbhar Bharat | Gas-Based Urea

GS3 | Banking Regulation · Consumer Protection · Rupee Internationalisation | 5 August 2026 · Source: Reserve Bank of India circulars

RBI's August 2026 Regulatory Push: Rupee Trade-Settlement Consolidation and a Tighter Bank Fraud-Liability Framework

Why in News: The Reserve Bank of India on 5 August 2026 issued two significant regulatory instruments. First, it consolidated and rationalised earlier circulars on rupee-denominated cross-border trade settlement, reaffirming that Authorised Dealer banks may open Special Rupee Vostro Accounts (SRVAs) for foreign bank branches/correspondents, through which all permissible current- and capital-account transactions under FEMA — not merely trade invoicing — may be settled in INR. Second, the RBI placed clear responsibility on banks for establishing customer liability in fraud disputes: lenders must examine complaints, correctly classify disputed transactions, and provide provisional credit through a "shadow reversal" mechanism upon a fraud notification, alongside mandatory instant SMS alerts for electronic transactions above ₹500 and round-the-clock fraud-reporting channels.

Background: The SRVA mechanism was introduced in July 2022 to promote rupee-based international trade settlement, initially framed narrowly around invoicing and payment for exports/imports; today's consolidation broadens and clarifies its permissible use to the full range of FEMA-permitted transactions, advancing India's longer-term rupee-internationalisation objective without a full, formally announced "internationalisation policy." On consumer protection, the "shadow reversal" concept builds on RBI's 2017 limited-liability-of-customers-in-unauthorised-transactions framework, tightening bank accountability at a time of rising digital-payment fraud volumes.

⚡ **KEY FACTS**

- Both instruments dated **5 August 2026**; issued by the **Reserve Bank of India**.
- **SRVA mechanism** originally introduced **July 2022**; today's circular consolidates and broadens permissible use to all FEMA-permitted current/capital transactions.
- SRVAs are opened by **Authorised Dealer (AD) banks** for foreign bank branches/correspondents.
- New fraud framework: banks must provide provisional credit via a **"shadow reversal" mechanism** on receiving a fraud notification.
- Mandatory **instant SMS alerts** for electronic transactions above **₹500**.
- Banks must maintain **round-the-clock channels** for reporting fraudulent transactions.
- Builds on RBI's **2017 limited customer liability** framework for unauthorised electronic transactions.

🎯 **MAINS DIMENSIONS / ANALYSIS**

- **Quiet rupee internationalisation.** Broadening SRVA use to all FEMA-permitted transactions is a substantive step toward rupee internationalisation, achieved through regulatory consolidation rather than a headline policy announcement — a useful illustration of how monetary reform often proceeds incrementally.
- **Shifting the burden of proof.** Placing the onus on banks (not customers) to establish liability in fraud disputes reverses a historically customer-disadvantageous default, aligning India's framework closer to global best practice on digital-fraud consumer protection.
- **Digital-payment-growth externality.** As transaction volumes rise (UPI, cards, wallets), fraud-management infrastructure must scale correspondingly; today's rules are a direct regulatory response to that growth externality rather than a standalone initiative.
- **Cross-border payment competitiveness.** A more flexible SRVA regime supports India's trade-settlement diversification away from dollar-dependence for select bilateral corridors (e.g., with sanctioned or currency-constrained partners), with direct relevance to India's broader de-dollarisation-adjacent economic diplomacy.

🧠 **LET'S REMEMBER THIS THROUGH A TRICK**

Two reforms, one date: "SRVA widens, liability shifts" — remember 5 August 2026 gave rupee settlement more room to work AND gave bank customers more protection in the same stroke.

📋 **PYQ LINKAGE**

GS3 2015: "Indian Diaspora has a decisive role to play in the politics and economy of America and European Countries" (adapted to rupee-internationalisation framing) · GS3 recurring: banking regulation, RBI's monetary and payment-system role, financial-consumer protection.

🎯 **PROBABLE PRELIMS MCQ (STATEMENT-BASED)**

Q. Consider the following statements:

1. Special Rupee Vostro Accounts (SRVAs) were first introduced in July 2022.
2. SRVAs can now be used only for invoicing and payment of exports and imports, and for no other transaction type.
3. RBI's new framework requires banks to send instant SMS alerts for electronic transactions above ₹500.

Which of the statements given above is/are correct? (a) 1 and 2 only (b) 1 and 3 only (c) 2 and 3 only (d) 1, 2 and 3

Answer: (b). The August 2026 consolidation broadens SRVA use to all FEMA-permitted transactions, not just trade invoicing.

GS3 · SRVA · Rupee Internationalisation · RBI · FEMA

GS3 · Insolvency and Bankruptcy Code · Corporate Law

5 August 2026 · Source: Supreme Court of India

Supreme Court Revives Insolvency Proceedings Against Parsvnath Developers — Settlement Talks Cannot Stall IBC Admission

Why in News: The Supreme Court ruled on 5 August 2026 that once debt and default are established under Section 7 of the Insolvency and Bankruptcy Code, 2016, mere ongoing settlement negotiations between the corporate debtor and financial creditor cannot be used to stall admission into the Corporate Insolvency Resolution Process (CIRP). Applying this principle, the Court upheld the revival of insolvency proceedings against real-estate company Parsvnath Developers, rejecting arguments that pending settlement talks should have kept the company out of insolvency.

Background: Section 7 of the IBC, 2016 allows a financial creditor to trigger CIRP against a corporate debtor on establishing debt and default, and the Supreme Court's own jurisprudence — notably *Innoventive Industries v. ICICI Bank (2017)* and *Swiss Ribbons v. Union of India (2019)* — has consistently held that once these two ingredients are shown, the National Company Law Tribunal has limited discretion to refuse admission. The real-estate sector has been a recurring IBC flashpoint because homebuyers are treated as financial creditors (since a 2018 amendment) alongside banks, making real-estate insolvencies procedurally more complex than typical corporate cases.

KEY FACTS

- Ruling dated **5 August 2026**; company involved: **Parsvnath Developers** (real estate).
- Core holding: once **debt and default** are established under **Section 7, IBC 2016**, settlement talks cannot stall CIRP admission.
- Key precedents applied: **Innoventive Industries v. ICICI Bank (2017)** and **Swiss Ribbons v. Union of India (2019)**.
- Homebuyers were brought within the definition of **"financial creditors"** by a **2018 amendment** to the IBC.
- CIRP stands for **Corporate Insolvency Resolution Process**, adjudicated by the **National Company Law Tribunal (NCLT)**.
- IBC's stated objectives: time-bound resolution, maximising asset value, and balancing stakeholder interests.

MAINS DIMENSIONS / ANALYSIS

- **Certainty over indefinite negotiation.** The ruling closes a common debtor delay tactic — perpetually "ongoing settlement talks" — reinforcing the IBC's foundational design goal of time-bound resolution over protracted, uncertain workouts.
- **Creditor discipline effect.** A bright-line rule (debt + default = admission, regardless of settlement talks) increases predictability for lenders and, in theory, improves credit discipline system-wide by removing a soft-negotiation escape valve for defaulting debtors.
- **Real-estate-specific stakes.** Because homebuyers are financial creditors in real-estate insolvencies, admission into CIRP directly affects thousands of individual flat-buyers' claims — making the "no stalling via settlement talk" rule especially consequential in this sector.
- **NCLT discretion narrowed further.** The ruling continues a consistent judicial pattern of narrowing NCLT's discretion to refuse admission, reinforcing the IBC's summary, non-adversarial admission-stage design as intended by Parliament.

LET'S REMEMBER THIS THROUGH A TRICK

Remember the formula: **"Debt + Default = Admission."** No third variable — not settlement talks, not part-payment promises — can override that two-part test at the admission stage under Section 7.

PYQ LINKAGE

GS3 2020: "What are the impediments in Indian Banking Sector? How far RBI reforms have addressed the problem?" (credit-discipline framing) · GS3 recurring: IBC framework, NPA resolution, corporate insolvency jurisprudence.

PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. Consider the following statements regarding the Insolvency and Bankruptcy Code, 2016:

1. Homebuyers were brought within the definition of "financial creditors" by a 2018 amendment.
2. The National Company Law Tribunal adjudicates the Corporate Insolvency Resolution Process.
3. Ongoing settlement negotiations automatically bar admission of an insolvency application under Section 7.

Which of the statements given above is/are correct? (a) 1 and 2 only (b) 2 and 3 only (c) 1 and 3 only (d) 1, 2 and 3

Answer: (a). Per the 5 August 2026 ruling, settlement talks do not automatically bar admission once debt and default are proved.

GS3 · IBC 2016 · Section 7 · NCLT · Financial Creditors

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