

P2. NATIONAL



Same-sex partners can be nominated for medical decisions, Centre tells Delhi HC: allowing competent adults to nominate partners, irrespective of sexual orientation, for medical decision-making.

P3 WORLD



China and the Emerging Security Architecture in West Asia- How China is seeking a greater role in shaping West Asia's security order through regional dialogue.

P6. ECONOMICS



FCNR(B) deposits saved India from a BoP deficit in July 2026: How the RBI's special forex swap facility used FCNR(B) inflows to strengthen India's foreign-exchange liquidity

P7. ECONOMICS



Govt. lifts registration rule for small exporters to ease compliance burden : How waiving RCMC requirements for exports can enable MSMEs, artisans and first-time exporters to enter global markets more easily.

Editor's Note

Another day, another edition of the Pala Civil Times arrives with a carefully curated set of articles covering national, international and economic developments that carry significance for the UPSC examination. We begin with the national section, where the Supreme Court's latest directive on allowing same-sex partners to be nominated for medical decision-making brings questions of autonomy, equality and legal recognition into focus. Alongside this, the Defence Ministry's call for greater collaboration with domestic industry highlights the growing importance of indigenous capabilities in the defence sector. Turning to the world page, we explore how China is realigning its global approach to remain a relevant player in an increasingly fluid and changing geopolitical landscape. Our decoded editorials take us to the strategic world of chess, examining the planning and team strategy that shape the game even before the timer begins. We also turn to the pygmy hog and the larger conservation question surrounding Assam's alluvial grasslands. The economy section brings us to FCNR(B) deposits and how they have helped India strengthen its capital account position amid external uncertainties arising from the West Asian conflict. We also examine the latest ease-of-doing-business measures aimed at helping MSMEs expand their presence in international markets. Taken together, these topics offer an opportunity to understand developments, connect them with broader concepts and critically examine the issues shaping India and the world today. Happy reading!

Editorials Decoded



Hog in the limelight



How conserving the world's smallest wild pig requires not only captive breeding but also restoration of the alluvial grasslands that support the species and several other threatened animals.



At Chess Olympiad, a gambit for Gukesh — and for India



The Chess Olympiad reflects India's strategic approach through a balanced mix of experienced players, emerging talent and carefully structured board-wise teams.

DRDO unveils framework to ease MSME, start-up entry into defence R&D

DRDO's VIMARSH 2026 framework seeks to move the DRDO-industry relationship from a transactional production model towards joint technology development across the value chain, covering research, design, testing, certification and manufacturing.

Focus Areas and Key Measures

MSMEs and start-ups: The new framework lowers entry barriers for smaller enterprises through direct funding, incubation support and dedicated access to DRDO testing facilities.

Software-defined defence: A standardised and secure mechanism for sharing DRDO-developed software source codes with licensed industries has been introduced to accelerate software-based defence capabilities and address technological obsolescence.

Technology transfer: Nine Licensing Agreements for Transfer of Technology (LAToTs) were handed over to 13 manufacturing partners to enable commercial production of advanced defence systems.

Industry outreach: Strategic MoUs with SIDM and Laghu Udyog Bharati aim to widen industry participation, particularly among smaller enterprises.

Manufacturing capability: DRDO and the Quality Council of India signed a contract for SAMAR 2.0, which will assess and benchmark the manufacturing maturity of domestic defence enterprises.

Private-sector R&D: The initiatives build on measures such as iDEX, ADITI, Positive Indigenisation Lists, Make in India and the allocation of 25% of the defence R&D budget to the private sector.

Same-sex partners can be nominated for medical decisions, Centre tells Delhi HC

The Centre has told the Delhi High Court that a competent adult may nominate a partner, including a partner in a same-sex relationship, to make medical decisions on their behalf if they become incapacitated.

What is the issue?

Medical Incapacity: An adult patient may become unable to make or communicate decisions during a serious medical emergency.

Representation: In such situations, someone may need to make decisions based on the patient's wishes and the circumstances of the treatment.

Legal Gap: The case highlights the difficulty faced by same-sex partners because existing rules do not clearly recognise such partners as decision-makers for each other during medical incapacity.

What is new?

Any medical decision concerning an incapacitated adult should be guided by the nature and circumstances of the treatment, the patient's known wishes, and the applicable legal and ethical framework governing representation.

What did the Centre Submit?

Nomination: The Ministry of Health and Family Welfare and the National Medical Commission stated that allowing a competent adult to nominate their partner to make medical decisions during incapacity can be accommodated within the existing legal and ethical framework.

Non-Discrimination: The Centre said there appears to be no medical or ethical rationale for excluding a nominated partner merely because of the partners' sex, gender or sexual orientation, or because their relationship does not fall within the conventional understanding of marriage.

Safeguards: Such nomination may remain subject to appropriate safeguards, the patient's wishes and the applicable legal framework.

PYQ Compass



Q. Which Article of the Constitution of India safeguards one's right to marry the person of one's choice? (2019)

- (a) Article 19
- (b) Article 21
- (c) Article 25
- (d) Article 29

China and the Emerging Security Architecture in West Asia

During Chinese President Xi Jinping's September 1–2, 2026 visit to Egypt, China proposed a four-point framework for a new Middle East security architecture, signalling a more active role in shaping regional security.

What is China's Four-Point Security Framework?

Regional Ownership: China calls for strengthening the internal momentum for common security by encouraging regional countries to resolve security issues through dialogue and reducing external interference.

Comprehensive Approach: Regional conflicts should be addressed together rather than in isolation, with the Palestinian question remaining central to the Middle East security problem.

Development: China argues that lasting security depends fundamentally on economic and social development, emphasising development cooperation, economic diplomacy and the security of international shipping lanes.

Multilateralism: Regional security efforts should operate within the UN framework, with the UN Charter and international law serving as fundamental principles.

Why is the Proposal Significant?

Regional Autonomy: The framework places greater responsibility on West Asian states to develop their own security arrangements rather than relying entirely on external powers.

Reduced External Dependence: China's emphasis on limiting external interference comes as regional countries reassess existing security relationships amid continuing conflicts and disruptions to trade and energy flows. Reuters reported that the Egypt visit came amid questions over the future extent of U.S. involvement in the region.

Economic Security: China links security with development and protection of trade routes. This fits its wider economic interests in a region critical to energy supplies, maritime trade and investment.

Diplomatic Space: By emphasising dialogue, development and the UN rather than military alliances, China can increase its diplomatic role without necessarily assuming the security commitments associated with a conventional military alliance.



How is the Regional Security Order Changing?

U.S. Role: The United States remains a major military power in West Asia, but regional states are increasingly exploring ways to diversify their strategic relationships.

Regional Arrangements: Emerging regional security initiatives indicate greater interest among West Asian states in developing their own security capabilities and partnerships.

China's Approach: Beijing has generally opposed bloc politics and military confrontation while seeking greater influence through diplomacy, economic cooperation and strategic partnerships.

Egypt as a Gateway: Egypt is particularly important because of its geographic position, its role in regional diplomacy and the strategic importance of the Suez Canal. During Xi's visit, China and Egypt also signed cooperation documents covering areas including AI, trade, industrial and supply-chain cooperation.

China seeks to shape a multipolar West Asian security order through regional dialogue, strategic autonomy, development cooperation and UN-based multilateralism. This approach expands its diplomatic and economic influence while limiting direct military commitments, but its ambitions face regional rivalries, continued U.S. presence and the challenge of providing credible security guarantees.

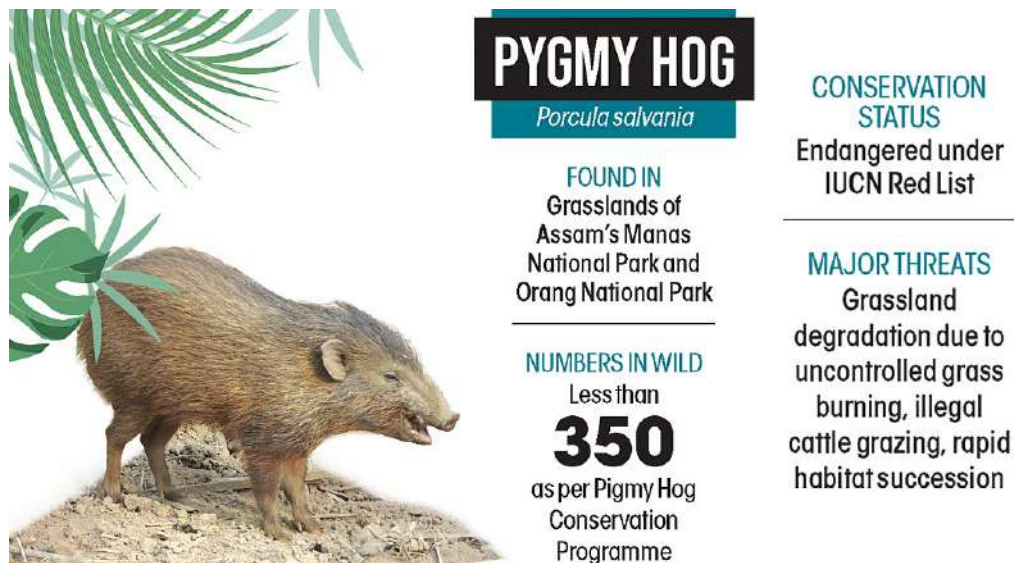
PYQ Compass



Q. "China's Belt and Road Initiative (BRI) has transformed South Asia from a regional space into a theatre of great power competition." Analyse the strategic implications of the BRI for India's security and regional influence in South Asia (250 words). (GS II - 2026)

Hog in the limelight (The Hindu : 17-09-2026)

The pygmy hog has made a major recovery through conservation breeding, but its long-term survival depends on restoring the alluvial grassland ecosystems on which the species depends.



What is the Pygmy hog?

Species: The pygmy hog (*Porcula salvania*) is the world's smallest and rarest wild pig and the sole surviving species of the genus *Porcula*.

Size: It is about 60–65 cm long and 25 cm high, with adult males weighing only around 8–9 kg.

Habitat: It depends on dense tall wet grasslands, which provide food, shelter from predators and breeding sites.

Distribution: It historically occurred across the grasslands south of the Himalayan foothills in Uttar Pradesh, Nepal, Bihar, North Bengal and Assam. It now survives in the grasslands of Assam, particularly around Manas and Orang National Parks.

Why is the Pygmy Hog Ecologically Significant?

Indicator Species: The pygmy hog is considered a barometer of grassland health because its survival depends on the availability and quality of dense alluvial grasslands.

Soil: Its foraging and digging for roots, tubers, and insects aerate the soil and improve soil quality.

Seed Dispersal: Its feeding and movement also contribute to seed dispersal, supporting grassland regeneration.

Ecosystem Link: Protecting its habitat also benefits other threatened species associated with these grasslands, including the Bengal florican, hispid hare, hog deer and greater one-horned rhinoceros.

Human Benefits: Tall wet grasslands help buffer monsoon floods and maintain groundwater levels during the dry season, providing ecological benefits to surrounding agricultural communities.

What are the Major Conservation Challenges?

Habitat Loss: Conversion for agriculture, tea plantations and flood-control infrastructure, along with fragmentation, has reduced suitable habitat.

Degradation: Invasive plants, altered floods, illegal grazing and habitat succession reduce the dense grass cover required by the species.

Burning: Unscientific dry-season fires destroy critical grass covers.

Genetic Risk: Small founder populations increase risks of low genetic diversity, inbreeding and harmful genetic variants.

Disease: Pygmy hogs are highly susceptible to domestic pig diseases, particularly African swine fever.

Monitoring: The species' secretive nature makes accurate estimation of its wild population difficult.

What Conservation Efforts are Underway?

PHCP: The Pygmy Hog Conservation Programme (PHCP) was launched in 1995 by the Assam Forest Department with the Durrell Wildlife Conservation Trust and IUCN/SSC Wild Pig Specialist Group, later joined by Aaranyak and EcoSystems-India.

Breeding & Reintroduction: Six wild hogs were captured from Manas in 1996 for conservation breeding at Basistha, Guwahati; 179 have since been reintroduced into four protected areas in Assam.

Pre-release & Monitoring: Hogs are conditioned for independent survival near Nameri National Park and monitored after release through field signs, camera traps and radio-telemetry.

PYQ Compass



Q. Consider the following (2013)

1. Star tortoise
2. Monitor lizard
3. Pygmy hog
4. Spider monkey

Which of the above is found in India?

- (a) 1, 2 and 3 only
- (b) 2 and 3 only
- (c) 1 and 4 only
- (d) 1, 2, 3 and 4

At Chess Olympiad, a gambit for Gukesh — and for India (I.E : 17-09-2026)

The 46th Chess Olympiad is being held at the Silk Road International Exhibition Centre, Samarkand, Uzbekistan, with India entering the tournament as the defending champion.

India's Board Order — 2026

India's Men's Lineup

Board	Player
Board 1	Praggnanandhaa
Board 2	Arjun Erigaisi
Board 3	Nihal Sarin
Board 4	Gukesh D
Reserve	Vidit Gujrathi

India's Women's Lineup

Board	Player
Board 1	Koneru Humpy
Board 2	R. Vaishali
Board 3	Divya Deshmukh
Board 4	Vantika Agrawal
Reserve	Savitha Shri

What is the Chess Olympiad?

The Chess Olympiad is the premier international team chess competition, organised by **FIDE (International Chess Federation)**.

Origin : It was first officially held in 1927 in London and determines the leading chess nation through a team-based competition.

Latest : The 2026 edition is the 46th Chess Olympiad.

How does the team format work?

Representation : Each country registers five players, but only four players participate in a particular match with the fifth serving as the reserve. Therefore, each team match consists of four individual games.

Match Format : The tournament follows an 11-round Swiss-system format, meaning teams are paired with opponents having similar scores rather than being eliminated after a loss. Every team plays all 11 rounds.

Scoring format : The Olympiad gives greater importance to the team match result than to the number of individual games won.

A match win = 2 match points, a draw = 1 point each, and a loss = 0 points.

Hence, a 4-0 victory and a 2.5-1.5 victory both yield two match points.

Does Board Order Matter?

Before the tournament, teams submit a fixed board order for their players. The order remains unchanged throughout the tournament.

Board 1 normally features the team's strongest player and brings them against the strongest player of the opposing team.

Lower boards generally face relatively lower-rated opposition.

Indian Team's latest placement : The unusual feature is the placement of reigning World Champion Gukesh on Board 4, despite his having played on Board 1 at the previous two Olympiads.

Why it matters

Confidence building : Board 4 can potentially provide Gukesh with less formidable opposition than Board 1. This may give him more opportunities to rebuild confidence and experiment with his attacking style.

Strategic risk distribution : At the team level, India can distribute its strongest players across the four boards rather than concentrating the world champion on Board 1. Thus, board order itself becomes part of the team's competitive strategy.

PYQ COMPASS



- Q. Consider the following statements :
- In the finals of the 45th Chess Olympiad held in 2024, Gukesh Dommaraju became the world's youngest winner after defeating the Russian player Jan Nepomniachtchi
 - Abhimanyu Mishra, an American chess player, holds the record of becoming world's youngest ever Grandmaster.
- Which of the statements given above is/are correct?
- I only
 - II only
 - Both I and II
 - Neither I nor II

FCNR(B) deposits saved India from a BoP deficit in July 2026

India's capital account recorded a \$27.7 billion surplus in July 2026, nearly eight times the \$3.5 billion recorded in July 2025, largely due to a sharp rise in FCNR(B) inflows. These inflows helped India record an overall Balance of Payments surplus of \$20.8 billion, despite a \$7 billion current account deficit. Banks mobilised more than \$127 billion through the special FCNR(B) window.

What are FCNR(B) Deposits?

Meaning: FCNR(B) stands for Foreign Currency Non-Resident (Bank) deposits, which allow eligible NRIs and Persons of Indian Origin to maintain term deposits in foreign currencies with Indian banks.

Currency: Unlike ordinary rupee deposits, the principal and interest are maintained in a designated foreign currency, protecting the depositor from exchange-rate risk arising from rupee depreciation during the deposit tenure.

Tenure: FCNR(B) deposits are fixed-term deposits, generally ranging from one to five years, rather than ordinary savings accounts.

Why are FCNR(B) Deposits Important for India?

Foreign Currency: FCNR(B) deposits bring foreign currency into Indian banks, increasing the availability of foreign-currency resources within the domestic financial system.

Bank Funding: They provide banks with a source of foreign-currency funding, particularly useful when international borrowing becomes difficult or expensive.

BoP: Large FCNR(B) inflows constitute capital inflows in India's Balance of Payments, helping finance a current account deficit.

Reserves: When the foreign currency generated through such arrangements accrues to the RBI, it can strengthen the country's foreign-currency assets and external liquidity.

What did the RBI do in June 2026?

Facility: On June 8, 2026, the RBI introduced a special USD-INR forex swap facility covering FCNR(B) deposits, External Commercial Borrowings (ECBs) and certain other foreign-currency inflows.

Objective: The facility sought to encourage foreign-currency inflows and strengthen India's external-sector position amid global financial uncertainty and pressure on the rupee.

How does a Forex Hedge Work?

A forex hedge protects an institution against potential losses caused by adverse exchange-rate movements. Instruments such as forwards, futures, options and swaps can be used for this purpose. However, hedging has a cost, so an institution may choose to hedge only part of its exposure or remain unhedged.

How is Currency Risk Shared under the 2026 Swap Arrangement?

Principal: The RBI's swap arrangement protects banks against exchange-rate risk on the principal amount of FCNR(B) deposits, shifting this part of the currency exposure from banks to the RBI.

RBI Cost: The RBI bears the cost of hedging this exposure, estimated at around 3% annually, while the foreign currency received can be invested in foreign-currency assets and generate returns that may offset part of this cost.

Interest: The arrangement does not cover the interest payable to FCNR(B) depositors, leaving banks responsible for managing the foreign-exchange exposure associated with these future payments.

Bank Choice: Banks can hedge this interest exposure, but some may remain unhedged because of the cost and purchase dollars when the interest becomes payable.

However, Long-term external-sector strength requires stable foreign-exchange earnings and durable capital inflows, particularly through exports and FDI, rather than repeated dependence on exceptional FCNR(B) mobilisation.

PYQ Compass



Q. With reference to Foreign Direct Investment in India, which one of the following is considered its major characteristics? (2020)

- It is the investment through capital instruments essentially in a listed company.
- It is largely non-debt creating capital flow.
- It is the investment which involves debt-servicing.
- It is the investment made by foreign institutional investors in the Government securities.

Govt. lifts registration rule for small exporters to ease compliance burden

The Government has introduced a de minimis exemption from the requirement of a Registration-cum-Membership Certificate (RCMC) or Certificate of Registration for export consignments with a Free-on-Board (FOB) value of up to ₹3 lakh. The measure seeks to reduce compliance barriers for MSMEs, artisans, first-time and occasional exporters and facilitate exports through postal, courier and other emerging channels.

What is RCMC?

Meaning: An RCMC is a registration-cum-membership certificate obtained from the relevant Export Promotion Council (EPC) or Commodity Board, wherever required under the Foreign Trade Policy.

Purpose: It connects exporters with the institutional framework for export promotion, market access initiatives and other support services provided by the relevant council or board.

Compliance: For a new or occasional exporter, obtaining an RCMC can involve identifying the appropriate registering body, submitting documents and completing the registration process before undertaking exports.

What has changed?

Exemption: The DGFT has amended Para 2.57 of the Foreign Trade Policy, 2023 to exempt eligible export consignments with an FOB value up to ₹3 lakh from the RCMC or Certificate of Registration requirement wherever it would otherwise apply.

Threshold: The exemption applies only to consignments up to ₹3 lakh; exports exceeding this value continue to require the certificate wherever applicable.

De Minimis: The term de minimis refers to a small-value threshold below which a particular requirement is waived, thereby avoiding disproportionate compliance costs for relatively minor transactions..

How does it help MSMEs?

Access: The exemption lowers the initial barrier for MSMEs, artisans, small manufacturers and emerging businesses seeking to enter international markets.

E-Commerce: It can facilitate small-value exports through postal, courier and other emerging channels, which allow smaller businesses to reach individual customers and overseas markets.

Expansion: As an exporter expands and begins undertaking consignments above the threshold, it can obtain the relevant RCMC and enter the wider institutional export-promotion framework.

Targeting: Since low-value shipments constitute a large share of shipping transactions but a very small share of total export value, the measure can ease compliance for many transactions.

What does it mean for India's Export Strategy?

Participation: The measure seeks to broaden the base of exporters by making it easier for small businesses to begin exporting.

Diversification: A wider exporter base can allow India's export ecosystem to include more MSMEs, artisans and small enterprises, rather than relying predominantly on established exporters.

Formalisation: The policy creates a graduated pathway: small exporters can begin with reduced compliance, and as their operations scale, they can obtain RCMC membership and access institutional support.

Trade Facilitation: The measure therefore represents a shift towards reducing upfront compliance costs while retaining the registration framework for larger export activity.

Lowering the entry barrier can help businesses begin exporting, but sustained export growth will ultimately depend on their ability to compete internationally, expand production, meet quality standards and build durable overseas markets.

PYQ Compass



Q. How are startups in India promoting entrepreneurship, innovation and employment ? Discuss the global and domestic challenges in their working and suggest suitable measures to overcome these challenges. (Answer in 250 words) (GS III - 2026)

PYQ Compass



Q. Consider the following statements :

- I. In the finals of the 45th Chess Olympiad held in 2024, Gukesh Dommaraju became the world's youngest winner after defeating the Russian player Jan Nepomniachtchi
- II. Abhimanyu Mishra, an American chess player, holds the record of becoming world's youngest ever Grandmaster.

Which of the statements given above is/are correct?

- (a) I only
- (b) II only
- (c) Both I and II
- (d) Neither I nor II

Ans : b

Indian contingent won Gold in both open and women's category at the 45th International Chess Federation (FIDE) Olympiad by defeating Slovenia. Hence statement 1 is not correct.

However, History was made on the small island of Sentosa in Singapore on December 12, 2024, as D. Gukesh became the youngest world chess champion ever after defeating Ding Liren of China in the World Chess Championship. The 18-year-old from Chennai broke the record held by the Russian Garry Kasparov for nearly four decades.

H Abhimanyu Mishra became the youngest chess grandmaster in history on Jul 4, 2021, who achieved the title at the age of 12 years, 4 months, and 25 days. He earned his title in 2021. The 12-year-old player from New Jersey scored his third GM norm in Budapest, having already crossed the required 2500 Elo rating barrier. Hence statement 2 is correct.

Q. Which Article of the Constitution of India safeguards one's right to marry the person of one's choice? (2019)

- (a) Article 19
- (b) Article 21
- (c) Article 25
- (d) Article 29

Ans : b

The right to marry the person of one's choice is safeguarded under Article 21 of the Indian Constitution, which guarantees the right to life and personal liberty. The Supreme Court has interpreted this article to include the right to choose a life partner as an essential aspect of individual freedom and autonomy.

PYQ Compass



Q. Consider the following (2013)

1. Star tortoise
2. Monitor lizard
3. Pygmy hog
4. Spider monkey

Which of the above is found in India?

- (a) 1, 2 and 3 only
- (b) 2 and 3 only
- (c) 1 and 4 only
- (d) 1, 2, 3 and 4

Ans : a

Star Tortoise: Found in dry areas of India, such as the Deccan plateau. It is vulnerable due to poaching and habitat loss.

Monitor Lizard: Widespread across India, particularly in forests, scrublands, and agricultural areas.

Pygmy Hog: Critically endangered and native to the grasslands of Assam.

Spider Monkey: Found in Central and South America, not in India.

Q. With reference to Foreign Direct Investment in India, which one of the following is considered its major characteristics? (2020)

- a) It is the investment through capital instruments essentially in a listed company.
- b) It is largely non-debt creating capital flow.
- c) It is the investment which involves debt-servicing.
- d) It is the investment made by foreign institutional investors in the Government securities.

Ans : b

Foreign direct investment or FDI is when a business receives investment from a foreign investor (individual or company). This foreign investor is based outside the country where the business is taking place. Foreign direct investments are characterized by a notion of 'lasting interest'. Having a lasting interest in the business where the investment is being done is a significant characteristic of FDI. Foreign direct investments are guided by the notion of 'controlling ownership'.

PRACTICE QUESTIONS

Q. Which of the following best captures the strategic logic behind China's emerging approach to security in West Asia?

- (a) Replacing all regional economic engagement with direct military intervention.
- (b) Combining economic and diplomatic engagement with support for regional strategic autonomy while limiting direct military commitments.
- (c) Establishing a permanent Chinese military alliance with all major West Asian states.
- (d) Reducing China's economic dependence on West Asia by withdrawing from regional trade routes.

Ans: (b)

China seeks greater influence through development cooperation, diplomacy, regional partnerships and multilateralism, while remaining cautious about becoming the principal military security guarantor.

Q. Which of the following are major conservation challenges specifically associated with the pygmy hog?

- 1. Habitat fragmentation
- 2. Invasive plants
- 3. Excessive cattle grazing
- 4. Unscientific dry-season burning
- 5. Low genetic diversity in captive populations
- 6. Susceptibility to domestic pig diseases

Select the correct answer using the code given below:

- (a) 1, 2, 3 and 4 only
- (b) 1, 2, 5 and 6 only
- (c) 1, 2, 3, 4, 5 and 6
- (d) 3, 4 and 6 only

Ans: (c)

All six are identified challenges. Conservation therefore requires both species-level interventions such as breeding and biosecurity and ecosystem-level interventions such as grassland restoration and fire and grazing management.