

NEXT IAS

DAILY NEWS

ANALYSIS



19th December

Explained

1. Securities Markets Code (SMC), 2025
2. India - Oman Trade Agreement
3. RELOS
4. Ad hoc judges
5. BS VI

Decoded

6. DHRUV64
7. Passive Euthanasia

PRACTICE QUESTION

Playlist Link:



What to Read: <https://bit.ly/3FYdutC>

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EXPLAINED

1. SECURITIES MARKETS CODE (SMC), 2025

Backdrop : New Bill introduces replacing existing 3 acts

Relevance : GS III – Indian Economy, Financial Markets, Regulatory Reforms

About News

Securities Markets Code (SMC), 2025

Introduction & Legislative Context

- Finance Minister **Nirmala Sitharaman** tabled the **Securities Markets Code (SMC), 2025** in Parliament.
- The Bill aims to modernise and streamline India's securities market regulation.

Consolidation of Existing Laws

- Replaces three major securities laws:
 - Securities Contracts (Regulation) Act, 1956**
 - SEBI Act, 1992**
 - Depositories Act, 1996**
- Objective: **Consolidation, rationalisation and simplification** of the legal framework.

SEBI Board: Composition & Strength

- SEBI Board strength increased **from 9 to 15 members**.
- Composition:
 - Chairperson**
 - 2 Central Government representatives** (Finance & Companies Act administration)
 - 1 RBI officer**
 - 11 other members**, of whom:
 - At least 5 will be whole-time members

Stricter Conflict of Interest Norms

- SEBI empowered to **remove a Board member** if:
 - They acquire any financial or other interest prejudicial to official duties.
- Mandatory **disclosure of direct and indirect interests**, including:
 - Interests of **family members**.
- Members must **recuse themselves** from deliberations where conflicts exist.

Decriminalisation of Securities Laws

- Contraventions classified into **two categories**:
 - Fraudulent and Unfair Trade Practices**
 - No criminal liability.
 - Market Abuse**
 - Serious violations affecting market integrity and public interest.
 - May attract **civil penalties** and, in certain cases, be treated as offences.

Delegation of Regulatory Functions

- SEBI empowered to **delegate registration-related functions** to:
 - Market Infrastructure Institutions (MIIs)**
 - Self-Regulatory Organisations (SROs)**
- Aim: **More efficient and specialised regulation**.

Investor Protection Framework

- SEBI mandated to:**
 - Specify an **Investor Charter** to safeguard investor interests.
 - Establish an **Investor Grievance Redressal Mechanism**.
- SEBI can direct:**
 - Securities market service providers and issuers to set up **similar grievance mechanisms**.

Inter-Regulatory Coordination & Market Development

- Enabling framework for **inter-regulatory coordination**.
- SEBI, in consultation with other regulators, may:
 - Facilitate listing of **"other regulated instruments"**.
 - Ensure **better coordination and interoperability** among MIIs.
- Objective: Improve **investment climate** and promote **market making**.

2. INDIA - OMAN TRADE AGREEMENT

Backdrop : India signed a **Comprehensive Economic Partnership Agreement (CEPA)** with Oman

Relevance : GS III – External Sector, Trade Policy, Regional Economic Integration, Ease of Doing Business

About News

India–Oman CEPA and India's West Asia Trade Strategy

- India and Oman signed a **Comprehensive Economic Partnership Agreement (CEPA)**
- It is:
 - ♦ India's second trade pact in West Asia after the UAE CEPA (2022).
 - ♦ Oman's first bilateral trade agreement in nearly two decades (last with the US in 2006).

Significance of Deal

- **Global Trade Challenges**
 - ♦ Rising trade curbs and tariffs in the US
 - ♦ Carbon Border Adjustment Mechanism (CBAM) and stringent standards in the EU
- Fits India's strategy of:
 - ♦ Diversifying export markets
 - ♦ Reducing over-dependence on Western economies
 - ♦ Expanding footprint in West Asia, Africa, and beyond

Significance of Oman

- **Strategic location:**
 - ♦ Acts as a gateway to the GCC region, Africa, Central Asia and Eastern Europe
- **Trade**
 - ♦ Imports nearly \$40 billion annually
 - ♦ Imports two-thirds of its machinery needs
- Oman already has an **FTA with the US**, offering potential indirect value-chain advantages.

Tariff Liberalisation & Market Access

Oman's Commitments

- **Zero-duty access on ~98% of tariff lines**
- Covers **over 99% of India's current exports to Oman**
- Expected to enable **~\$2 billion additional exports in the near term**
- Improves **price competitiveness** for Indian exporters where tariffs earlier went up to 100%.

India's Commitments

- Tariff liberalisation on **~77.8% of tariff lines**
- Sensitive sectors **excluded/protected**, including:
 - ♦ Dairy, tea, coffee, rubber, tobacco
 - ♦ Gold & silver bullion, jewellery
 - ♦ Certain labour-intensive products (footwear, sports goods)

Boost to Labour-Intensive Manufacturing

- **Full tariff elimination benefits:**
 - ♦ Gems & jewellery
 - ♦ Textiles and apparel
 - ♦ Leather and footwear
 - ♦ Sports goods
 - ♦ Plastics, furniture
 - ♦ Engineering goods, pharmaceuticals, medical devices, automobiles
- **Expected outcomes:**
 - ♦ Employment generation
 - ♦ Support to **MSMEs, artisans and women-led enterprises**

Trade Profile

India's Exports to Oman

- ~\$4–6 billion annually (doubled in last 5 years)
- Major items:
 - ♦ Machinery and parts
 - ♦ Petroleum products
 - ♦ Aircraft and parts
 - ♦ Rice, iron & steel articles
 - ♦ Beauty & personal care products
 - ♦ Ceramics

India's Imports from Oman

- ~\$6.5 billion annually
- Dominated by:
 - ♦ Crude oil & LNG
 - ♦ Fertilisers
 - ♦ Methanol, ammonia
 - ♦ Petroleum coke

Services Trade & Professional Mobility

Services Sector Opportunities

- Oman offers commitments across **127 sub-sectors**, including:
 - ♦ IT & computer services
 - ♦ Business and professional services
 - ♦ R&D, education, health
 - ♦ Audio-visual services
- Oman's global services imports: **\$12.52 billion**
 - ♦ India's current share: **~5.3%** (scope for expansion)

Enhanced Mode 4 Commitments

- **Intra-Corporate Transferees quota** increased:
 - ♦ From 20% → 50%

- **Contractual Service Suppliers' stay:**
 - ♦ Extended from **90 days to 2 years**
 - ♦ Further **2-year extension possible**
- More liberal entry and stay for professionals in:
 - ♦ Accountancy, taxation
 - ♦ Architecture
 - ♦ Medical and allied services

Investment & Long-Term Cooperation

- **100% FDI permitted** for Indian companies in major services sectors in Oman.
- Scope for future cooperation in:
 - ♦ **Energy transition**
 - ♦ **Green hydrogen**
 - ♦ **Renewable energy**
 - ♦ **Infrastructure development**
- Agreement to hold future talks on **social security coordination** once Oman's contributory system is operational.

Broader Economic Outcomes Expected

- CEPA aims to:
 - ♦ Deepen **economic and commercial integration**
 - ♦ Reduce trade barriers and compliance friction
 - ♦ Strengthen **regional value-chain integration**
 - ♦ Boost **investment flows, job creation and growth**
- Helps India:
 - ♦ Offset **Western protectionism**
 - ♦ Navigate **non-tariff barriers in EU markets**
 - ♦ Strengthen presence in **West Asia–Africa trade corridor**

3. RELOS

Backdrop : India and Russia have concluded a major **military logistics cooperation agreement**.

Relevance : GS III – Defence, Security Partnerships, Strategic Agreements, Geopolitics

About News

India–Russia Logistics Agreement - RELOS

- India and Russia have concluded a major **military logistics cooperation agreement**.
- **Reciprocal Exchange of Logistics Support (RELOS):**
 - ♦ Was **ratified by both houses of the Russian Parliament**.

- ♦ Received **presidential approval** from **President Vladimir Putin**.
- The agreement will **enter into force** after the **formal exchange of instruments of ratification** between India and Russia.
- Comes shortly after President Putin's **official visit to New Delhi (December 4–5, 2025)**.

Nature of the Agreement

- RELOS is a **reciprocal logistics support framework** between the armed forces of India and Russia.
- It establishes **standardised procedures** for military cooperation during operations, exercises, and deployments.

Key Provisions of RELOS

- Governs the **movement of military formations**, including:
 - ♦ Troops
 - ♦ Warships
 - ♦ Military aircraft
- **Enables:**
 - ♦ **Mutual use of airspace** by Indian and Russian military aircraft.
 - ♦ **Port calls** by warships of both countries.
- Covers logistics-related aspects such as:
 - ♦ Supply and services
 - ♦ Support during deployments on the other country's territory.

Logistical Support Framework

- Regulates not only troop and equipment deployment but also:
 - ♦ **Fuel, maintenance and replenishment**
 - ♦ Other **support services** required during joint or cooperative operations.
- Applies when forces of one country operate from or transit through the territory of the other.

Strategic Significance

- Strengthens **India–Russia defence cooperation**.
- Enhances **operational interoperability** between the two armed forces.
- Holds strategic relevance for:
 - ♦ **Arctic region**
 - ♦ **Indo-Pacific**
- Complements India's growing network of **logistics agreements** with key strategic partners.
 - ♦ With US-
 - LEMOA (Logistics Exchange Memorandum of Agreement)

- COMCASA (Communications Compatibility and Security Agreement),
- BECA (Basic Exchange and Cooperation Agreement)

Broader Implications

- Facilitates smoother conduct of:
 - ♦ Joint exercises
 - ♦ Naval deployments
 - ♦ Long-range military operations
- Reinforces India's strategic flexibility amid evolving **global and regional security dynamics**.

4. AD HOC JUDGES

Backdrop: Chief Justice of India highlighted reluctance among **retired High Court judges** to return as **ad hoc judges**.

Relevance : GS II - Judiciary

About News

Reluctance of Retired Judges to Serve as Ad Hoc Judges

CJI's Observation

- Chief Justice of India highlighted reluctance among **retired High Court judges** to return as **ad hoc judges**.
- Primary reason: **embarrassment** in sitting as **junior judges alongside younger, serving judges**.

Pendency of Criminal Cases in High Courts

Extent of Backlog

- High Courts face **mounting arrears**, especially in **criminal cases**.
- As per **National Judicial Data Grid (NJDG)**:
 - ♦ **18,98,833 criminal cases** pending across **25 High Courts**.
 - ♦ **68.27% (12,96,374 cases)** pending for **over one year**.

Judicial Vacancies

Judge Strength

- **Sanctioned strength** of High Court judges: **1,122**.
- **Vacancies** as on **December 15**: **298**.

Constitutional Provision: Article 224A

Supreme Court Intervention

- The Supreme Court activated **Article 224A**.
- Provision allows **appointment of retired judges as ad hoc judges** to deal with **criminal appeals**.

- **Objective:** Reduce pendency and expedite disposal of cases.

April 2021 judgment:

- ♦ Two ad hoc judges, if appointed, should sit **together as a Division Bench**.

January 2025 judgment:

- ♦ Modified rule — **ad hoc judge must sit with a serving judge**.

Limited Response from High Courts

Implementation Challenges

- Several High Courts have shown a **lukewarm response**.
- Many courts **did not forward names** of retired judges for ad hoc appointments.

Bench Composition Concerns

Issues Raised

- **Retired judges:**
 - ♦ Hesitant to sit as **junior members** on **Division Benches**.
- **Serving judges:**
 - ♦ Question sitting under a **retired judge heading the Bench**.
 - ♦ Majority of criminal appeals are heard by **Division (two-judge) Benches**.

Attorney-General's View

- **High Court Chief Justices should:**
 - ♦ Hold **internal consultations**.
 - ♦ Build **concurrence among serving judges**.
- Issue can be resolved through **institutional understanding**.

CJI's Stand

- Chief Justices must be given **space and discretion** to manage the issue.

Additional Observations

- Justice **Joymalya Bagchi**:
 - ♦ Recruitment process and tenure of ad hoc judges need **fine-tuning**.
- Attorney-General:
 - ♦ **Memorandum of Procedure (MoP)** governs appointments.
 - ♦ Assured a **re-examination** of the process.

Article	Subject	Who Initiates / Appoints	Source of Judges
Article 127	Ad hoc Judges of the Supreme Court	CJI, with President's consent and consultation with concerned HC CJ	Sitting High Court Judge qualified for SC
Article 128	Attendance of retired Judges in Supreme Court	CJI with President's prior consent	Retired SC / Federal Court / HC Judge qualified for SC
Article 224	Additional & Acting Judges of High Courts for a period maximum for 2 years.	President in consultation with CJI	Duly qualified persons
Article 224A	Ad hoc (Retired) Judges of High Courts	Chief Justice, with President's consent	Retired Judge of same or another High Court

5. BS VI

Backdrop : Delhi's Pollution Control Measures

Relevance : GS III -Environmental Pollution and Degradation

About News

- Delhi government is enforcing **stricter vehicular pollution curbs** amid severe air quality.
- Non-BS VI private vehicles registered outside Delhi** barred from entering the Capital.
- Fuel to be sold **only to vehicles with valid Pollution Under Control Certificate (PUC)**.

Penalties Announced

- ₹20,000 fine** for non-BS VI vehicles entering Delhi.
- ₹10,000 fine** for BS-VI vehicles without a valid PUC.

- Enforcement aimed at curbing emissions from **older, high-polluting vehicles**.

Emission Norms by Vehicle Age

- Post April 2020** → BS VI
- Before April 2020** → BS IV
- 2005–2010** → BS III
- 2001–2005** → BS II

Bharat Stage (BS) Emission Norms: Overview

- India's standards to regulate **vehicular exhaust emissions**.
- Limit pollutants such as:
 - Carbon monoxide (CO)
 - Hydrocarbons (HC)
 - Nitrogen oxides (NOx)
 - Particulate matter (PM)
- Based on **European emission standards**.

Aspect	BS IV	BS VI
Implementation	Nationwide from 2017	Nationwide from 1 April 2020
Sulphur Content in Fuel	Up to 50 ppm	Up to 10 ppm
Emission Limits – Petrol Vehicles	Relatively higher limits	~25% lower NOx emissions
Emission Limits – Diesel Vehicles	Higher NOx and PM	~68% reduction in NOx and ~82% reduction in PM
Particulate Matter Control	Limited control	Diesel Particulate Filter (DPF) mandatory
NOx Control Technology	Not mandatory	Selective Catalytic Reduction (SCR) / Lean NOx Trap (LNT)
On-board Diagnostics (OBD)	Basic	Advanced OBD systems
Fuel Quality Requirement	Moderate refinement	Highly refined, ultra-low sulphur fuel
Real-world Emission Testing	Laboratory-based	Closer to real driving conditions
Impact on Vehicle Cost	Lower	Higher due to advanced emission-control technologies

6. DHRUV64

Backdrop : On **December 15, 2025**, the Ministry of Electronics and Information Technology (MeitY) announced the launch of **DHRUV64**, an indigenous microprocessor.

Relevance : Achievements of Indians in Science & Technology; Indigenization of Technology and Developing New Technology.

About News

On **December 15, 2025**, the Ministry of Electronics and Information Technology (MeitY) announced the launch of **DHRUV64**, an indigenous microprocessor.

DHRUV64

- A **fully indigenous microprocessor** developed by **C-DAC** under MeitY's **Microprocessor Development Programme**.
- Designed as a **general-purpose processor** for applications ranging from:
 - ♦ Consumer electronics
 - ♦ Industrial automation
 - ♦ Control systems and embedded platforms

DHRUV64

Key Technical Specifications

- **Architecture:** 64-bit
- **Cores:** Dual-core
- **Clock speed:** 1 GHz
- Capable of:
 - ♦ Running modern operating systems
 - ♦ Supporting embedded and industrial deployments

DHRUV64 - Significance

- Processors underpin **telecom networks, industrial control systems, and critical infrastructure**.
- Indigenous design ensures:
 - ♦ Greater **strategic autonomy**
 - ♦ Better **security control** over toolchains and updates
 - ♦ Higher resilience during **export controls or supply disruptions**
- Not intended to compete with **high-end smartphone or laptop processors**.
 - ♦ **Lacks features like:**
 - High core counts
 - GPUs for AI/ML workloads

Best suited for:

- Telecom base stations
- Industrial controllers
- Routers
- Automotive electronics

India's Indigenous Processor Ecosystem

Other Processors under development

- ♦ **SHAKTI** – IIT Madras
- ♦ **AJIT** – IIT Bombay
- ♦ **VIKRAM** – ISRO-SCL
- ♦ **THEJAS64** – C-DAC (2025)

Future Processor Roadmap

- **DHANUSH:**
 - ♦ 1.2 GHz, quad-core
 - ♦ Likely 28 nm process
- **DHANUSH+:**
 - ♦ 2 GHz, quad-core
 - ♦ Likely 14–16 nm process

Policy & Ecosystem Support

- Government initiatives to show scale and depth:
 - ♦ **Chips to Startup Programme** (₹250 crore)
 - ♦ **Design Linked Incentive (DLI) Scheme**
 - ♦ **INUP-i2i Initiative**
 - ♦ **India Semiconductor Mission:**
 - 10 approved projects across 6 States
 - Investment commitments of ~₹1.6 lakh crore

Way Forward

- **Focus on:**
 - ♦ System-on-chip (SoC) families
 - ♦ Better software and developer support
 - ♦ Reference designs and testing capacity
- **Long-term goal:**
 - ♦ Enable Indian consumers and industries to adopt **Indian-designed chips without high cost or risk**.
 - ♦ Build a **self-reliant and competitive semiconductor ecosystem** aligned with national strategic interests.

7. PASSIVE EUTHANASIA

Backdrop : Supreme Court considered a plea for **passive euthanasia**.

Relevance : GS II - Governance

About News

Supreme Court considered a plea for **passive euthanasia** of a **31-year-old man**, Harish Rana, who has been in a **comatose state for 13 years**.

He suffered **severe head injuries and 100% quadriplegic disability** after a fall from the fourth floor in 2013 while studying at Panjab University

Passive Euthanasia

- Withdrawal or withholding of **life-sustaining treatment** (such as ventilator, feeding tube, or life-support systems), allowing the patient to **die naturally**.
- Death occurs due to the **underlying illness**, not due to any direct medical act.

Active Euthanasia

- **Deliberate medical intervention** to cause death, such as administering a **lethal injection or drugs**.
- Death occurs due to a **positive act** intended to end life.

Judicial Pronouncements on Euthanasia in India

1. Aruna Ramachandra Shanbaug v. Union of India (2011)

- ♦ **First landmark case** on euthanasia in India.
- ♦ **Passive euthanasia permitted** under exceptional circumstances.
- ♦ Required approval of **High Court** and opinion of a **medical board**.
- ♦ Distinguished **passive euthanasia (withdrawal of life support)** from **active euthanasia (illegal)**.
- ♦ Recognised the need to respect dignity but within strict safeguards.

Judicial Pronouncements on Euthanasia in India

2. Common Cause v. Union of India (2018) – Constitution Bench

- ♦ **Passive euthanasia constitutionally upheld**.
- ♦ Recognised **“Right to die with dignity” as part of Article 21** (Right to Life).
- ♦ Laid down a **detailed procedure** involving:
 - Hospital-level medical board
 - District Collector attestation
 - Judicial oversight (later simplified)
- ♦ Active euthanasia explicitly held **illegal**.

== PRACTICE QUESTION ==

1. Which of the following themes are addressed simultaneously by the Securities Markets Code (SMC), 2025?

1. Regulatory consolidation
2. Market governance and accountability
3. Investor protection
4. Inter-regulatory coordination

Select the correct answer using the code below:

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

2. The India–Oman CEPA is significant in India's trade policy primarily because it:

- (a) Establishes India's first trade agreement in West Asia
- (b) Completes India's Free Trade Agreement with the entire GCC
- (c) Strengthens India's export diversification amid rising Western protectionism
- (d) Focuses exclusively on petroleum and mineral trade

3. With reference to RELOS, consider the following statements:

1. It provides a framework for logistical cooperation during military operations and exercises.
2. It allows mutual access to airspace and ports for military assets.
3. It mandates permanent stationing of troops on each other's territory.

Which of the statements given above is/are correct?

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

4. With reference to the appointment of *ad hoc judges* in India, consider the following statements:

1. The Constitution permits the appointment of *ad hoc judges* both in the Supreme Court and the High Courts.
2. Such appointments are primarily intended to address temporary shortages or pendency of cases.

3. An ad hoc judge always becomes a permanent judge after the completion of the assignment.

Which of the statements given above is/are correct?

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

5. With reference to Bharat Stage (BS) emission norms, consider the following statements:
1. BS emission norms regulate pollutants such as carbon monoxide, nitrogen oxides and particulate matter from vehicles.
 2. The BS norms in India are broadly aligned with European emission standards.

Which of the statements given above is/are correct?

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

6. Which of the following best reflects the **intended application domain** of DHRUV64?

- (a) High-performance gaming and graphic-intensive applications
(b) Artificial intelligence training and large-scale data analytics
(c) Reliability-focused industrial and embedded systems
(d) Cloud-scale hyperscale computing infrastructure

7. In India, **active euthanasia** is considered:

- (a) Ethically permissible but legally unregulated
(b) Constitutionally protected under Article 21
(c) Illegal as it amounts to a positive act causing death
(d) Legal with consent of the patient and family

Answer

1. (d)	2. (c)	3. (b)	4. (a)
5. (c)	6. (c)	7. (c)	

■■■■

