



## **DAILY CURRENT AFFAIRS 30-08-2025**

### **GS-1**

1. Shipki-La Pass
2. Kani Tribe

### **GS-2**

3. Psephology

### **GS-3**

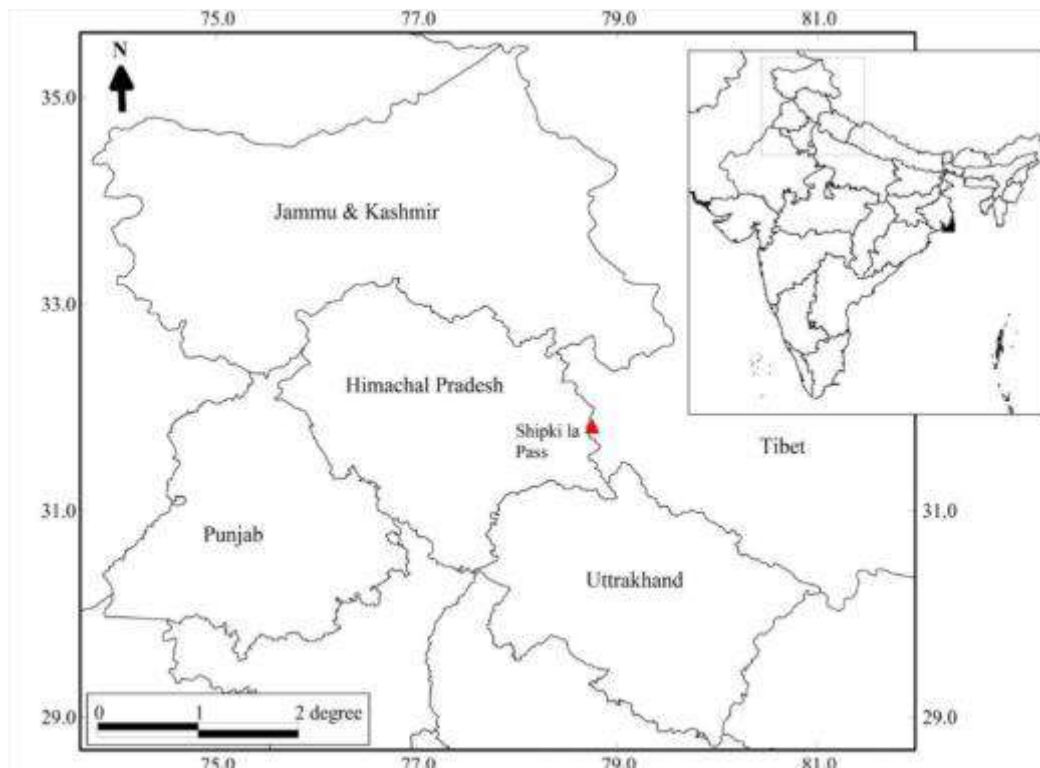
4. Inverted Duty Structure (IDS)
5. Vaquita

## Shipki-La Pass

Syllabus: GS-1; Geography

### Context

- During Chinese Foreign Minister Wang Yi's recent visit to India, **China has agreed "in principle" to resume cross-border trade through the Shipki-La Pass** in Himachal Pradesh's Kinnaur district.



- **What it means:** This is a significant diplomatic development, indicating a mutual intent to re-open a historic trade route that has been closed for decades, primarily since the 1962 Sino-Indian War.
- **The Agreement:** The term "in principle" suggests that both nations have agreed on the broad idea, but the specific details, timelines, protocols, and infrastructure requirements are still to be negotiated and finalized.
- **Broader Context:** This move is seen as a confidence-building measure (CBM) between the two nations, who have a complex relationship marked by both cooperation and border disputes (like the ongoing standoff in Eastern Ladakh). Re-opening trade can be a step towards stabilizing the relationship.

## Overview of Shipki-La Pass

Feature	Description
Location	Kinnaur district, Himachal Pradesh, India. Borders the Tibet Autonomous Region of China.
Altitude	3,930 meters (12,894 feet) above sea level.
Status	One of the <b>highest motorable passes</b> in India. It is an official <b>boundary post</b> on the Indo-China frontier.
Historical Name	Was historically known as <b>Pema La</b> (meaning "Shared Gate" or "Lotus Pass").
Post-1962 Status	After the 1962 war, it was declared part of the <b>Line of Actual Control (LAC)</b> . The Indo-Tibetan Border Police (ITBP) is stationed there and gave it its current name, Shipki La.
Geographical Significance	The <b>Sutlej River</b> (one of India's major rivers, called <b>Langqen Zangbo</b> in Tibet) flows into India through this pass.

## Significance of Re-opening Trade

The resumption of trade through Shipki-La holds immense strategic and economic importance:

### 1. Economic Boost for Kinnaur & Lahaul-Spiti:

- a. The primary immediate benefit is for the remote tribal districts of Kinnaur and Lahaul-Spiti.
  - b. It will create new livelihood opportunities in trade, logistics, hospitality, and tourism.
  - c. It is a key part of the government's strategy to develop infrastructure and stimulate growth in these border regions.
2. **Strategic Connectivity:**
- a. Re-opening the pass enhances connectivity between India and Tibet, providing an alternative route to the existing Nathu La pass in Sikkim.
  - b. It strengthens India's presence and economic stakes in a sensitive border area.
3. **Tourism Potential:**
- a. Opening the pass to tourists (both domestic and international) would be a major draw, attracting adventure and cultural tourism to a previously restricted zone.
  - b. This would further contribute to the local economy.
4. **Diplomatic Symbolism:**
- a. Functioning trade routes act as a stabilizer in tense bilateral relationships. It creates mutual economic interdependence, which can serve as a deterrent to conflict.

### Challenges and Considerations

- **Infrastructure:** Significant investment will be needed on both sides to build the necessary roads, customs facilities, and security infrastructure to handle modern trade volumes.
- **Security:** Balancing open trade with stringent security protocols to prevent any misuse is a critical challenge that security agencies will need to address.
- **Geopolitical Volatility:** The progress on this initiative remains susceptible to the overall state of India-China relations. Any flare-up along the LAC (like in Ladakh) could delay or derail the implementation.

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### *Major Passes in India*

## **Kani Tribe**

**Syllabus: GS-1; Tribes**

### **Context**

- Kuttimathan Kani (72), a tribal elder from Chonampara settlement in Kottoor Agasthyavanam, who was part of the group that introduced the rare medicinal plant 'Arogyapacha' (*Trichopus zeylanicus*) to the outside world, has passed away.



## Kani Tribe

Aspect	Details
Community	Kani Tribals or Kanikarars
Location	Forests of the Agasthyamalai hills (Western Ghats) in Thiruvananthapuram district, Kerala.
Lifestyle	Traditionally nomadic, now settled in small tribal hamlets of 10-20 families.
Governance	<b>Community Council</b> for social control: <ul style="list-style-type: none"><li>• <b>Mootukani:</b> Hereditary chief (law giver, protector, judge).</li><li>• <b>Vilikani:</b> Hereditary convenor.</li><li>• <b>Pilathi:</b> Hereditary physician and priest, believed to have magical powers.</li></ul>

Aspect	Details
Occupation	Handicrafts, seasonal collection of forest products (honey, beeswax), cultivation of tapioca, banana, millets, and cash crops.
Language	Tamil and Malayalam.
Key Knowledge	<b>Vast knowledge of medicinal plants.</b> The right to transfer this knowledge traditionally rests solely with the <i>Plathies</i> .
Cultural Note	The <i>Plathi</i> performs rituals using an instrument called ' <b>Kokara</b> '.

### The Connection: Kani Tribe and Arogyapacha

The story of Arogyapacha is a landmark case in **bioprospecting** and **benefit-sharing**.

- After developing Jeevani, the TBGRI entered a historic agreement with the Kani tribe.
- The technology was licensed to an Ayurvedic company, and a portion of the license fee and royalties was transferred to the **Kani Samudaya Kshema Trust**, a community-owned body set up to manage the benefits.
- This was one of the first examples in India where a tribal community was formally recognized and compensated for sharing their traditional knowledge.

## Psephology

Syllabus: GS-2; Polity

### Context

The recent news involves a significant legal development concerning the freedom of expression for political analysts in India.

- **Who is involved?** Sanjay Kumar, a renowned psephologist and co-founder of the Centre for the Study of Developing Societies (CSDS).



- **What happened?** Kumar posted an analysis on social media (X/Twitter) concerning the **2024 Maharashtra Legislative Assembly election**. The analysis contained an error, which he later acknowledged and corrected.
- **Legal Action:** Despite the correction, a criminal complaint was filed against him, alleging offenses like promoting enmity between groups and cheating.
- **Supreme Court's Ruling:** The Supreme Court of India has **stayed** (temporarily halted) all criminal proceedings against him. The court's decision implies a protective view towards analytical errors made in good faith, distinguishing them from malicious intent. This is seen as a crucial step in safeguarding academic and analytical freedom.

### What is Psephology?

Psephology is the **statistical study of elections and voting behavior**. It is a sub-field of political science that uses quantitative data to understand:

- Why elections produce the results they do.
- The demographic patterns of voting.
- The impact of campaigns, issues, and leadership.
- Predicting electoral outcomes.

The term originates from the Greek word *psephos* (ψῆφος), meaning "pebble," which were used in ancient Athens for voting.

## Inverted Duty Structure (IDS)

### Syllabus: GS-3; Economy

#### Context

- The fertilizer industry plans to make a representation to both the Centre and state finance ministers to seek clarity on the inverted duty structure (IDS) that persists in the sector and is likely to continue even if GST rates are rationalised.



### What is an Inverted Duty Structure (IDS)?

An Inverted Duty Structure arises when the **rate of tax on inputs (raw materials)** is **higher** than the **rate of tax on output (finished goods)**.

- **Normal Structure:** Input Tax (e.g., 12%) < Output Tax (e.g., 18%). The business uses the ITC to pay its output tax and may have a small liability to pay in cash.
- **Inverted Structure:** Input Tax (e.g., 18%) > Output Tax (e.g., 5%). The ITC accumulated is more than the output tax liability, leading to a pile-up of unused credit.

### Why is it a Problem?

- **Accumulation of Unutilized ITC:** The business cannot fully use its input tax credit to offset its output tax liability because the output tax is lower. This credit gets stuck on the company's electronic credit ledger.
- **Blocked Working Capital:** This accumulated credit represents money the business has already paid to its suppliers (as GST). Since it can't be used, it effectively becomes **blocked working capital**, harming cash flow and profitability.
- **Higher Costs:** Businesses may be forced to increase the price of their final goods to compensate for the blocked funds, leading to a **hidden tax cost for consumers**.
- **Refund Complexity:** While the law provides a refund mechanism, claiming it involves compliance, paperwork, and can lead to scrutiny from tax authorities.

### The Solution: Refund of Unutilized ITC

To mitigate the problem, the GST law allows registered persons to claim a **refund of unutilized Input Tax Credit** accumulated *due to an inverted duty structure*.

The formula to calculate the refund amount is:  
Maximum Refund Amount = (Turnover of inverted rated supply of goods and services × Net ITC ÷ Adjusted Total Turnover) - Tax payable on such inverted rated supply

- **Net ITC:** Total input tax credit availed on inputs *and* input services.
- **Adjusted Total Turnover:** Total turnover minus the value of exempt and non-taxable supplies (except zero-rated supplies).

### Exceptions - When is a Refund NOT Allowed?

As mentioned in your text, a refund under this provision is **not available** in the following cases:

- **Nil-Rated or Exempt Supplies:** If the output supplies are nil-rated or fully exempt. For example, a business processing certain exempt agricultural products cannot claim an IDS refund. (The government can notify specific exceptions to this rule).
- **Export Duty:** If the goods exported out of India are subject to export duty.
- **Refund of Output Tax:** If the supplier is claiming a refund of output tax paid (e.g., a refund of IGST paid on exports).
- **Duty Drawback:** If the supplier is availing **duty drawback** (a scheme to refund customs/excise duties on inputs used in exports) or claims a refund of IGST on supplies.

## Vaquita

### Syllabus: GS-3; Biodiversity

#### Context

- The most recent and critical news, as highlighted, comes from a report by the **Commission for Environmental Cooperation (CEC)**, an organization established under the US-Mexico-Canada Agreement (USMCA).
- The CEC report directly criticizes the Mexican government for failing to effectively enforce its own laws and regulations designed to protect the vaquita.

#### About the Vaquita

Based on the provided text, here are the key points about the vaquita:

Aspect	Details
Identity	The world's smallest and most endangered marine mammal. A shy member of the porpoise family.
Distribution	Has the smallest range of any cetacean. Found only in the northern Gulf

Aspect	Details
	of California (Sea of Cortez), Mexico. Prefers shallow waters (<50m deep).
Physical Features	<ul style="list-style-type: none"><li>- <b>Size:</b> Smallest cetacean (about 1.5 meters long).</li><li>- <b>Appearance:</b> Chunky body, rounded head with no snout.</li><li>- <b>Distinctive Trait:</b> Uniquely tall and wide dorsal fin.</li></ul>
Behavior	Elusive, avoids boats and human activity. Uses high-frequency clicks (echolocation) to navigate and communicate.
Status	<b>Critically Endangered (IUCN Red List).</b> The population is estimated to be as low as <b>10 individuals</b> .

## Critically endangered

World's smallest porpoise on the verge of disappearing forever



## The Primary Threat: Gillnets and the Totoaba Trade

The provided text mentions the link to the totoaba, but it's crucial to understand the connection:

1. **Illegal Gillnet Fishing:** The sole, immediate cause of the vaquita's decline is drowning in gillnets.
2. **The Totoaba Connection:** Fishermen illegally set these gillnets to catch the **totoaba**, a large fish also critically endangered and endemic to the Gulf.
3. **The Driver: International Black Market:** The totoaba's swim bladder is highly prized in traditional medicine in China and Hong Kong, where it can fetch astronomical prices (up to tens of thousands of dollars per bladder), earning it the nickname "cocaine of the sea." This lucrative trade fuels the illegal fishing that kills the vaquita.