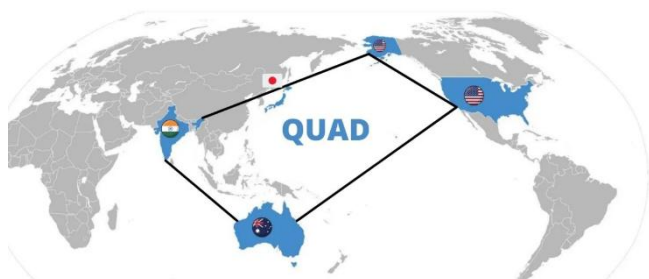


**PRELIMS EDGE 2025****02-07-2025****QUAD**

Context: EAM Dr. S Jaishankar's remarks about terrorism during the QUAD meeting raises India's stance against state sponsored terrorist activities of Pakistan

**About QUAD**

- The Quadrilateral Security Dialogue, is a diplomatic partnership among **Australia, India, Japan, and the US**.
- It focuses on stability and prosperity in the **Indo-Pacific region**, promoting an open, stable, and resilient environment
- The Quad aims to address pressing regional challenges including health security, climate change, infrastructure, technology, cybersecurity, humanitarian assistance, maritime security, countering disinformation, and counter-terrorism.
- It was established in 2007 by the Japanese Prime Minister **Shinzo Abe**, the group

went dormant due to concerns over China's reactions, particularly after Australia withdrew in 2008

- It was revived in 2017 amid shifting regional attitudes toward China's influence, culminating in its first formal summit in 2021
- The **Malabar naval exercise** is a military exercise between the navies of QUAD members.
- "Quad-plus" meetings have included nations like South Korea, New Zealand, and Vietnam, indicating potential for future expansion.
- The Quad remains an **informal grouping** without a formal secretariat or institutional framework
- China has criticized the grouping as a **'Asian-NATO'** and accused it of sowing discord in the region.
- India's traditional wariness of formal military alliances and preference for strategic autonomy, impedes the further deepening of cooperation on security issues.

Source : A more focused Quad will help deliver better, says Jaishankar (The Hindu)

SPACE-BASED SURVEILLANCE-III PROGRAMME

Context: The Union government recently ordered the fast-tracking of the launch of 52 dedicated surveillance satellites under the SBS-III programme

About Space-Based Surveillance-III Programme

- It was approved in October 2023, by the Prime Minister-led Cabinet Committee on **Security to develop next-generation satellites over the next decade.**
- It involves the construction and **launch of 21 satellites by India's space agency, ISRO, and 31 by three private companies.**
- The first satellite is expected to be launched by April 2026, with the full constellation targeted for completion by the end of 2029.
- The aim of SBS-3 is **to cover much larger areas of China and Pakistan, as well as the Indian Ocean Region**, with shorter revisit times (interval between two consecutive surveillance sweeps of the same location) and much better resolution. The space doctrine is also being fine-tuned.
- It enables the Indian Army, Navy, and Air Force to monitor adversary movements deep inside hostile territory — including airfields, bases, and staging areas.
- These new satellites will utilise AI and will be able to interact with each other and thus gather Geo Intelligence more effectively.
- A crucial aspect of the project is the planned transfer of **Small Satellite Launch Vehicle (SSLV)** technology from ISRO to

private players, which will allow for rapid satellite launches during emergencies.

- The satellites will operate in both low Earth and geostationary orbits, providing comprehensive coverage and countering China's advanced anti-satellite capabilities, including kinetic and electronic warfare systems.
- The project cost of SBS-III is pegged at ₹26,968 crore.
- The Defence Space Agency (DSA), which functions under the Integrated Defence Staff (IDS) of the Ministry of Defence, is leading the project.
- Formed in 2019, the DSA replaced the Integrated Space Cell and now oversees India's military space operations.
- It coordinates with ISRO, DRDO, and the armed forces to develop space warfare strategies and safeguard national space assets

Source: India to fast-track 52 military satellites for better surveillance at borders (The Hindu)

REPORTS IN NEWS

Financial Stability Report



About Financial Stability Report

- It is a **biannual report released by the Reserve Bank of India (RBI).**

- It reflects the collective assessment of the Sub-Committee of the Financial Stability and Development Council (FSDC) **on the resilience of the Indian financial system and risks to financial stability.**

Highlights of Financial Stability Report for June 2025

- The **Indian economy remains a key driver of global growth** on the back of sound macroeconomic fundamentals and prudent policies.
- The headwinds from protracted **geopolitical tensions, elevated uncertainty and trade disruptions**, and weather-related uncertainty pose downside risks to growth.
- The **non-performing loans ratio** is currently at a multi-decadal low, and the economy and financial system are relatively well positioned to bear the tariff-induced shocks.
- The report said that the **gross non-performing asset (GNPA)**, which is currently as of March 2025 at 2.3% levels, in the baseline scenario, could increase to 2.5% level.
- GNPA's for 46 banks accounting for 98 percent of the total assets of scheduled commercial banks (SCBs), may rise to 2.6 percent by March 2027.
- **Capital adequacy** across the banking sector remains well above regulatory thresholds, giving banks sufficient buffers to withstand adverse scenarios.
- Even under severe stress test conditions, the capital adequacy ratios of banks would stay comfortably above minimum requirements, a strong signal of the

sector's preparedness to absorb economic shocks.

- India's growth is largely dependent on **domestic demand**, and the outlook for food inflation remains favorable as the prices have started to soften and the crop production is at a record level.
- On the domestic front, the financial system remains stable, with healthy balance sheets of both banks and non-banking financial institutions.
- **NBFCs remain healthy** with good capital buffers, robust earnings, and improving asset quality

TERMS IN NEWS

India Energy Stack

- It is a pioneering initiative **aimed at creating a unified, secure, and interoperable digital infrastructure for India's energy sector.**
- It is a **Digital Public Infrastructure (DPI)** that will provide a standardized, secure, and open platform to manage, monitor, and innovate across the electricity value chain.
- This initiative is being spearheaded by the **Ministry of Power.**

The India Energy Stack will offer:

- Unique IDs for consumers, assets, and transactions
- Real-time, consent-based data sharing
- Open APIs for seamless system integration
- Tools for consumer empowerment, market access, and innovation



- Apart from conceiving the IES, the Ministry will undertake a 12-month Proof of Concept (PoC) to demonstrate IES through real-world use cases in partnership with selected utilities.
- This includes piloting the Utility Intelligence Platform (UIP), a modular, analytics-driven application built on IES to support utilities, policymakers, and consumers with real-time insights and smarter energy management.
- To guide these above initiatives, the Ministry has constituted a dedicated Task Force comprising experts from the technology, power sector, and regulatory domains,
- It will steer the development, pilot implementation, and nationwide scale-up of the India Energy Stack.

Mud Volcano



- A mud volcano is a small volcano-shaped cone of mud and clay, of height usually less than a few meters, and often a few decimeters.
- It is built by a mixture of hot water and fine sediment that either pours gently from a vent in the ground, like lava fluid flow, or is ejected into the air like a lava fountain by escaping volcanic gas and boiling water.
- The craters are usually shallow and may intermittently erupt mud.
- These eruptions continuously rebuild the cones, which are eroded relatively easily.
- The term "**mud dome**" is similar to that of mud volcano. It refers to land formations created by geologically excreted liquids and gases, with temperatures much cooler than comparable igneous processes.
- The gases released are **usually methane, carbon dioxide, and nitrogen, and the liquid is usually water, frequently acidic or salty.**
- Mud volcanoes, also known as "**sedimentary volcanoes**" or "**gas-oil volcanoes**," are close cousins to magmatic volcanoes.
- Like magmatic volcanoes, they can erupt powerfully and hurl flames to great heights, sometimes even several hundred meters.
- They spew out millions of cubic meters of **hydrocarbon gases** and tons of mud.
- Mud volcanoes also exist on the floor of the sea and can form islands and banks that alter the topography and shape of the coastline.
- Approximately 1,000 mud volcanoes have been identified on land and in shallow water.

- In Europe and Asia, mud volcanoes are known to exist in southeastern Ukraine, Italy, Romania, Azerbaijan, Iran, Pakistan, Indonesia, and China.
- In North and South America, mud volcanoes have been documented in Alaska, California, the Island of Trinidad, Venezuela, and Colombia
- The only mud volcanoes in India are located on **Baratang Island in the Andaman and Nicobar Islands.**

PRACTICE QUESTIONS

Q1: Which among the following countries is not part of the QUAD grouping?

- India
- USA
- Australia
- France

Q2: Consider the following statements regarding Space-Based Surveillance-III Programme of India

1. It involves the construction and launch of 21 satellites by India's space agency, ISRO, and 31 by three private companies.
2. The aim of SBS-3 is to cover much larger areas of China and Pakistan, as well as the Indian Ocean Region.
3. A crucial aspect of the project is the planned transfer of Small Satellite Launch Vehicle (SSLV) technology from ISRO to private players

How many of the above statements are incorrect?

- Only One
- Only Two

- All of the Above
- None of the Above

Q3: The Financial Stability Report is released by which of the following institutions?

- RBI
- SEBI
- Ministry of Finance
- Ministry of Commerce and Industry

Q4 : In India Mud Volcanos are found only in which of the following regions?

- Western Himalayas
- Eastern Ghats
- Lakshadweep Islands
- Andaman and Nicobar Islands

Q5 : Consider the following statements regarding India Energy Stack

1. It is a pioneering initiative aimed at creating a unified, secure, and interoperable digital infrastructure for India's energy sector.
2. This initiative is being spearheaded by the Ministry of Commerce and Industry

How many of the above statements are incorrect?

1. Only Statement 1
2. Only Statement 2
3. Both the statements
4. None of the Above

Answers

1. D
2. D
3. A
4. D
5. B