



NAMAN SHARMA
IAS ACADEMY

Daily

CURRENT AFFAIRS

 March 23rd, 2026



 **Offline Centre Location:**
SCO 173-174, Sector 17C, Chandigarh



Index

- 1. Will completely close Strait of Hormuz: Iran**
- 2. Modi assesses impact of West Asia conflict on India**
- 3. Rice, wheat procurement is ‘consistently’ low: panel**
- 4. ‘Double engine’ — cute slogan, a serious federal question**
- 5. Trump’s Section 301 weapon, lessons from the past**

1. Will completely close Strait of Hormuz: Iran

Why in the News?

The situation has escalated dramatically due to a public ultimatum between the United States and Iran. U.S. President Donald Trump threatened to “obliterate” Iran’s power plants unless Tehran fully reopened the Strait of Hormuz within 48 hours. In response, Iran’s military (Khatam Al-Anbiya) vowed to close the strait “completely” and strike U.S. infrastructure and Israeli power plants if its facilities are targeted. This exchange marks a sharp escalation, contrasting with previous rhetoric about “winding down” the ongoing war.



Background

The current crisis is rooted in the war that began with the U.S.-Israeli bombardment of Iran, now in its fourth week. The conflict has spread across West Asia, with Iran retaliating against Israel and U.S. regional interests. The Strait of Hormuz, a vital chokepoint through which about 20% of the world’s oil passes, has been effectively closed since the war started, with traffic dropping to roughly 5% of pre-war volume. Iran has been selectively allowing vessels while warning it will block ships from nations it deems hostile.

Feature

- **Iran’s Vulnerability:** Its power grid is deeply tied to its energy sector. Striking power plants could cause blackouts that cripple oil pumps, refineries, export terminals, and military command centres.
- **Gulf States’ Exposure:** While Saudi Arabia, Oman, and the UAE have alternative coastlines for desalination and exports, Qatar, Bahrain, and Kuwait are geographically

constrained along the Gulf shoreline, making them acutely vulnerable to a complete strait closure.

- **Expanded Targets:** Iran has threatened to strike not only Israeli power plants and ICT infrastructure but also power plants in regional countries hosting U.S. bases and companies with U.S. shareholders.
- **New Measures:** Iran's parliament is considering imposing tolls on shipping through the strait, with its Speaker stating maritime traffic will "not return to its pre-war status."

Challenge

The primary challenge is the risk of uncontrolled escalation. U.S. Treasury Secretary Scott Bessent articulated a strategy of "escalating to de-escalate," suggesting that military force is being viewed as a tool to force a faster end to the war. However, Iran's warning that critical West Asian infrastructure could be "irreversibly destroyed" signals that retaliation may target the economic lifelines of U.S. allies in the Gulf. The challenge for all parties is managing this cycle of threats without triggering a full-scale regional war that destabilises global energy markets and critical infrastructure.

Way Forward

- **Differentiated Targeting:** The exiled son of Iran's last shah, Reza Pahlavi, appealed to Trump and Israeli PM Netanyahu to avoid targeting civilian infrastructure, arguing it belongs to the future of a free Iran—highlighting internal pressure to separate civilian assets from military targets.
- **Maritime Diplomacy:** Iran's UN maritime representative stated the strait remains open to all shipping except vessels linked to "Iran's enemies," leaving room for selective de-escalation through third-party mediation.
- **Time Constraints:** With a 48-hour ultimatum issued on Saturday, the immediate window for diplomacy is extremely tight, requiring direct or back-channel communications to prevent the threatened military strikes from being executed.

Conclusion

The standoff represents a critical inflection point in the conflict. Iran's threat to permanently close the Strait of Hormuz and target Gulf energy infrastructure directly challenges the U.S. strategy of using military pressure to force de-escalation. While the U.S. believes it must escalate to end the war, Iran has made clear that any attack on its power grid will result in the irreversible destruction of regional infrastructure.

2. Modi assesses impact of West Asia conflict on India

Why in the News?

Indian Prime Minister Narendra Modi convened an emergency meeting of the Cabinet Committee on Security (CCS) to address the escalating tensions in West Asia. This high-level response was triggered by the dramatic escalation between the U.S. and Iran, specifically the threats to close the Strait of Hormuz and target energy infrastructure. The meeting signifies New Delhi's recognition that the conflict poses a direct threat to India's energy security, economic stability, and supply chains.

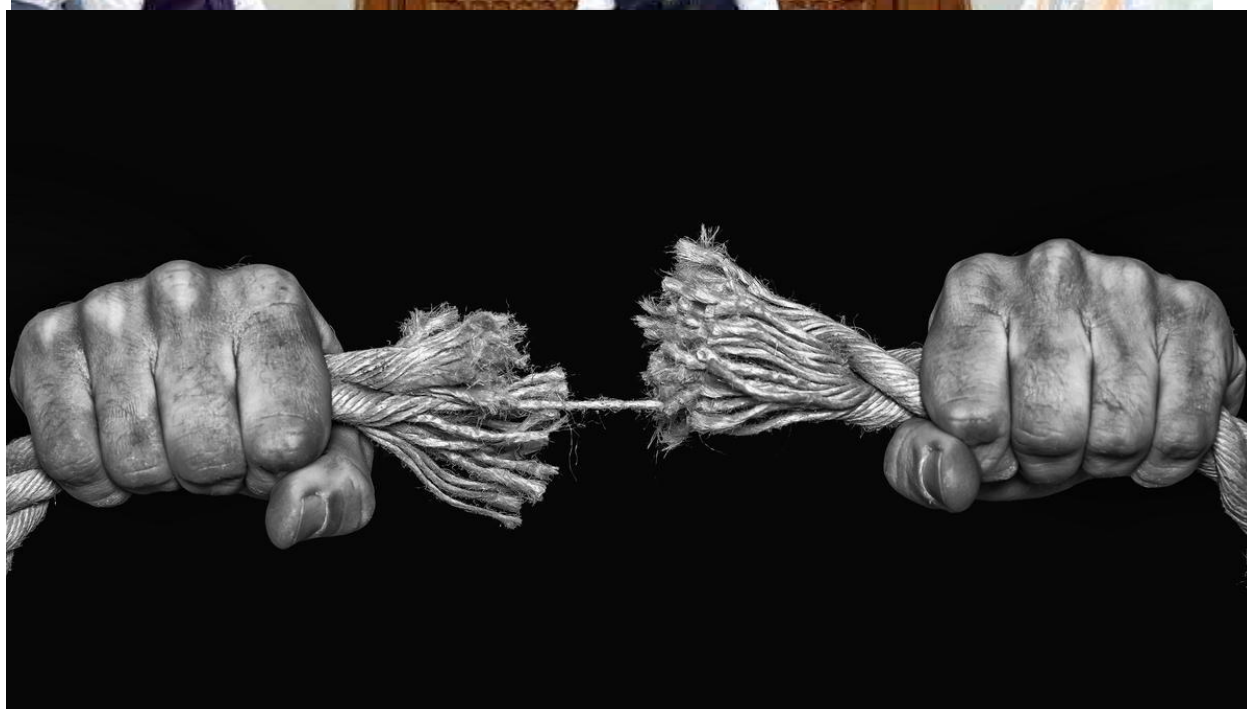
Background

West Asia is a critical region for India, serving as the source of approximately 60% of its crude oil imports and a massive market for its exports, home to about 9 million Indian expatriates. Historically,

India has maintained a delicate balancing act, engaging with Iran, Saudi Arabia, Israel, and the U.S. simultaneously. The current conflict—which has already disrupted maritime traffic through the Strait of Hormuz to just 5% of its pre-war volume—threatens to cut off these vital lifelines. The specific threats to target power plants in Qatar and other Gulf states directly impact India's natural gas and fertiliser supply chains.

Feature

- **Energy Security (Oil & Gas):** The conflict threatens the Strait of Hormuz, through which most of India's crude oil and LNG passes. Disruptions to natural gas imports are particularly acute after missile attacks devastated energy infrastructure in Qatar, a top LNG supplier to India.
- **Fertiliser Supply:** With the kharif (summer cropping) season approaching, disruptions to natural gas (the primary feedstock for urea and other fertilisers) could threaten agricultural output and food security.
- **Industrial Raw Materials:** The government is diversifying sources for chemicals, pharmaceuticals, and petrochemicals, sectors heavily reliant on imports from the Gulf region.
- **Power Generation:** With natural gas supplies potentially constrained, the committee directed a focus on ensuring adequate coal stocks at power plants to meet the expected peak in summer electricity demand.



Challenge

India faces the challenge of supply chain resilience versus geopolitical neutrality. The country cannot afford a prolonged closure of the Strait of Hormuz without facing inflationary pressures and energy shortages. However, it also cannot openly side with either the U.S.-led coalition or Iran without jeopardising its diplomatic relations and the safety of its 9 million citizens living in the region. The primary challenge is to secure alternative supply routes and stocks before the conflict escalates further—especially given the 48-hour ultimatum issued by the U.S. to Iran.

Way Forward

- **High-Level Coordination:** The formation of a Group of Ministers (GoM) and a group of secretaries to oversee the crisis response in real-time.
- **Diversification of Sources:** Actively seeking alternative sources for fertilisers, crude oil, and petrochemicals to reduce dependence on the immediate conflict zone.
- **Strategic Stockpiling:** Maintaining adequate fertiliser stocks for the upcoming agricultural season and ensuring sufficient coal reserves to offset potential gas shortages.
- **Diplomatic Engagement:** While not explicitly stated in the press release, the CCS's focus on "medium and long-term" impacts suggests India will intensify diplomatic efforts to protect its economic interests and advocate for the protection of civilian infrastructure in the region.

Conclusion

India's response reflects a shift from passive observation to active crisis management. The CCS meeting underscores that the West Asian conflict is no longer just a geopolitical issue but a direct threat to India's food security (via fertilisers), energy stability (via oil and gas), and economic supply chains. By adopting a "whole-of-government" strategy focused on stockpiling and diversifying import sources, New Delhi is attempting to build a buffer against the potential "irreversible destruction" of critical infrastructure in the Gulf, as warned by Iran.

3. Rice, wheat procurement is 'consistently' low: panel

Why in the News?

The Parliamentary Standing Committee on Consumer Affairs, Food, and Public Distribution, chaired by DMK MP Kanimozhi, has flagged a persistent shortfall in the procurement of rice and wheat. In its report on the Demands for Grants, the committee noted that actual procurement has consistently remained below official estimates and below state-wise targets for several years. This raises concerns about the effectiveness of the public distribution system (PDS) and the government's ability to manage food security and buffer stocks.

Background

India operates a centralised procurement system primarily to support the Public Distribution System (PDS) and maintain strategic buffer stocks. The Food Corporation of India (FCI), along with state agencies, procures rice and wheat from farmers at a Minimum Support Price (MSP). While the government has consistently expanded MSP and procurement infrastructure, the committee's report

reveals a widening gap between estimated procurement targets and actual grain upliftment. This gap has persisted across multiple marketing seasons since 2022-23.

Feature

The committee's report highlighted several specific data points and structural issues:

- **Persistent Gap:** Since 2022-23, total procurement of wheat and rice has remained less than 30% of total production.
- **Wheat Shortfall:** Actual wheat procurement was only 76.71%, 71.35%, and 87.29% of the estimates for 2023-24, 2024-25, and 2025-26, respectively.
- **Rice Shortfall:** Rice procurement has consistently missed targets since 2022-23.

State-wise Discrepancies:

- **Rice:** In the kharif marketing season of 2024-25, Andhra Pradesh procured 25.60 lakh tonnes against a target of 35 lakh tonnes; Karnataka procured a negligible 0.003 lakh tonnes against a target of 5.29 lakh tonnes; Punjab fell short of its 124 lakh tonne target.
- **Wheat:** In the rabi marketing season of 2025-26, procurement fell below targets in Bihar, Gujarat, Punjab, and Uttar Pradesh.



Challenge

The government attributed the fluctuation to multiple factors, including:

- Variations between estimated production and actual production.
- Market surplus dynamics.
- The interplay between MSP and prevailing market rates.
- Participation (or lack thereof) of private traders.
- Demand-supply mismatches.

The core challenge is that the current methodology for estimating procurement requirements appears to be misaligned with on-ground realities. States like Karnataka and Andhra Pradesh, historically significant contributors, are showing massive gaps, suggesting issues with state-level coordination, infrastructure, or farmer participation in the MSP regime.

Way Forward

- **Review Methodology:** The committee urged the Food Ministry to revisit the methodology used for estimating procurement requirements to make it more realistic.
- **Enhanced Monitoring:** It called for strengthening real-time monitoring of production and market arrivals to allow for dynamic adjustments during procurement seasons.
- **State Coordination:** The government was directed to work closely with state governments, especially in Bihar, Gujarat, Punjab, Uttar Pradesh, Andhra Pradesh, and Karnataka, where shortfalls have been significant, to ensure procurement operations become more responsive and effective.

Conclusion

The parliamentary panel's report highlights a critical vulnerability in India's food security architecture. While India maintains large buffer stocks, the consistent gap between procurement estimates and actuals particularly in major agricultural states, suggests weaknesses in planning and coordination.

4. 'Double engine' — cute slogan, a serious federal question

Why in the News?

Former Chief Election Commissioner S.Y. Quraishi has penned a critical analysis of the “double-engine sarkar” slogan, which has become a prominent campaign theme in Indian elections. While the phrase appears to be a harmless metaphor for cooperative governance between the Union and State governments, Quraishi argues that it conceals a serious constitutional question about the health of India's federal structure. The article gains relevance amid ongoing fiscal tensions between southern States and the Centre, as well as recent judicial interventions regarding gubernatorial delays in States ruled by opposition parties.

Background

The “double-engine” slogan suggests that development accelerates when the same political party governs both the Centre and a State. Quraishi notes that while inter-governmental coordination is unexceptionable and reflects cooperative federalism, the slogan carries a deeper implication: that development flows preferentially to States aligned with the ruling party at the Centre. This, he argues, contradicts the constitutional vision of India as a Union of States where resources are distributed based on objective criteria, not political loyalty.

Feature

- The Constitution, under Article 280, established the Finance Commission to ensure that tax revenues are shared with States based on objective criteria (population, income, distance, geographic size, fiscal capacity), not political negotiation.
- However, recent trends show increased resort by the Union government to cesses and surcharges, which fall outside the divisible pool and are not shared with States. This reduces the resources available for constitutionally mandated sharing and concentrates fiscal power at the Centre.
- Southern States (Tamil Nadu, Kerala, Karnataka, Andhra Pradesh, Telangana) have argued that using recent population data in allocation formulas penalises them for successfully

controlling population growth, reducing them to feeling like “beggars” for funds that constitutionally belong to them.

Gubernatorial Delays as Political Sabotage

- Quraishi highlights that Governors in States governed by opposition parties, particularly Tamil Nadu and Kerala, have sat for prolonged periods over Bills passed by elected legislatures.
- He cites two Supreme Court rulings:
 - State of Punjab vs Principal Secretary to the Governor of Punjab (2023): The Court held that a Governor cannot use inaction to stall the legislative process.
 - State of Tamil Nadu vs Governor of Tamil Nadu (2025): The Court observed that prolonged inaction in assenting to Bills is constitutionally impermissible.
- The pattern, he argues, amounts to “a second engine running in reverse.”

The Delhi Impasse

- The decade-long conflict between the elected government of Delhi and the Lieutenant-Governor (appointed by the Centre) illustrates what happens when federal machinery is used to “punish a political opponent rather than serve the public.” Courts eventually had to intervene to delineate powers.

Challenge

The central challenge, according to Quraishi, is that India’s federal system is being “quietly hollowed out” while its form survives. Unlike the era of frequent Article 356 dismissals (curbed by the S.R. Bommai judgment), today’s federal friction is subtler: opposition governments remain in office, but governance itself becomes hostage to political alignment. Citizens in States governed by opposition parties face the implicit threat of slower development if they “choose the wrong party.” This corrodes the constitutional promise of equal citizenship.

Way Forward

- **Binding Finance Commission Recommendations:** Making the Finance Commission’s recommendations more binding to ensure rule-based fiscal transfers cannot be circumvented through political negotiation or the use of cesses.
- **Statutory Timeline for Governors:** Prescribing a fixed timeline, such as three months, for Governors to act on Bills passed by State legislatures, failing which assent would be deemed granted.
- **Revitalising Inter-State Councils:** Using Article 263 to revitalise Inter-State and Inter-governmental Councils as genuine forums for cooperative federalism, rather than ceremonial gatherings.

Conclusion

Quraishi concludes that while political slogans will always animate elections, a slogan that implicitly threatens citizens with slower development if they elect the “wrong” State government does more than distort electoral choice—it undermines the constitutional foundation of equal citizenship. Development, he argues, must rest on rules and institutions that treat every State and citizen with equal fairness. “That constitutional balance, not the number of engines pulling the same train, is the only engine India’s federal democracy truly needs.”

5. Trump's Section 301 weapon, lessons from the past

Why in the News?

The U.S. administration has invoked two sets of "Section 301" proceedings against multiple trading partners, including India, the European Union, Japan, South Korea, China, and others. This comes shortly after the U.S. Supreme Court ruled that President Donald Trump lacked authority to impose reciprocal tariffs, prompting the administration to turn to other legal instruments. The proceedings allege "Structural Excess Capacity and Production in Manufacturing Sectors" and "Failure to Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced with Forced Labour." The author argues that the factual and economic rationale for both is "specious," and that the use of Section 301 represents a dangerous return to unilateralism that undermines the multilateral trading system.

Background

Section 301 of the U.S. Trade Act of 1974 authorises the Office of the U.S. Trade Representative to investigate foreign trade practices and impose unilateral tariffs if it determines that such practices are unjustifiable, discriminatory, restrict U.S. commerce, or violate trade agreements. The provision's fundamental anomaly, as the author notes, is that it allows the U.S. to act as "judge of its own cause" in matters governed by international trade rules. Following the creation of the World Trade Organisation (WTO) in 1995, the European Union challenged Section 301, arguing that it violated WTO law. A WTO panel in 1999 declined to strike it down based on a U.S. assurance that it would render determinations "in conformity" with its WTO obligations—a deference that the author argues has now come to haunt WTO members.

Feature

The Shift from Enforcement to Weaponisation

- A 2020 report by the U.S. Congressional Research Service (CRS) acknowledges that until the first Trump administration (2016), the U.S. used Section 301 primarily to build cases and pursue dispute settlement at the WTO.
- The Trump administration changed this, using Section 301 as a "weapon" to impose punitive tariffs. In 2017, proceedings against China led to unilateral tariffs of up to 25%.
- A WTO panel in 2020 ruled that these tariffs violated U.S. commitments, but the U.S. appealed into a void, because it had single-handedly blocked the appointment of Appellate Body members, rendering the dispute settlement system inoperative.

The Current Proceedings Against India and Others

- India is listed in both new Section 301 investigations, alongside major economies.
- The author characterises the factual and economic basis for these investigations as "specious," suggesting they lack substantive justification under established trade norms.
- The invocation of Section 122 of the Trade Act, imposing a 10% temporary surcharge purportedly due to a balance of payments crisis, has already been challenged by 24 U.S. states in the U.S. Court of International Trade for lacking legal basis.

The Fragility of Multilateral Rules

- The author highlights that the U.S., as the “chief architect” of the WTO and its enforceable dispute settlement mechanism, has become its “chief decimator.”
- Events over the past year have demonstrated the fragility of multilaterally agreed rules and the significant systemic leverage the U.S. has exercised through “unabashed violation” of those rules.
- However, the author notes limits to this leverage: Malaysia has declared its reciprocal trade agreement with the U.S. “null and void” following the Supreme Court’s decision.

Challenge

- **Immediate Pressure:** The Section 301 proceedings create direct pressure on Indian businesses and exports. The administration’s invocation of “forced labour” and “excess capacity” allegations, regardless of their merit, imposes uncertainty and potential trade restrictions.
- **Systemic Vulnerability:** The WTO’s dispute settlement mechanism—the only forum where smaller nations could challenge U.S. unilateralism on equal footing—has been rendered non-functional by the U.S. blockade of the Appellate Body. Without a functioning appellate system, the multilateral rules-based order has been replaced by raw power dynamics where the U.S. acts as judge, jury, and enforcer.

Way Forward

Immediate: Active Participation in Proceedings

- Indian businesses must actively participate in both Section 301 proceedings and make “clear submissions exposing the absurdity of these so-called investigations.”
- Engaging in the investigatory process is essential to building a factual record and potentially limiting the scope or duration of any eventual tariffs.

Long-term: Reviving Multilateral Rules

- There is “no substitute for the strength that comes from coalition-building to dilute the U.S.’s raw power advantage.”
- India must step up and play a leadership role alongside other developing countries and like-minded trading partners to revive the multilateral trading system.
- This includes exploring options to restore a functioning dispute settlement mechanism, even if that requires working outside the current WTO framework with a coalition of willing members.

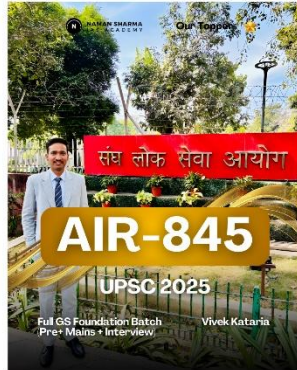
Conclusion

Anuradha concludes that the U.S. administration’s weaponisation of Section 301 represents a fundamental breakdown of the rules-based international trade order that the U.S. itself helped create. The WTO panel’s 1999 decision to defer to U.S. assurances—rather than requiring an amendment to Section 301—has left the multilateral system exposed to unilateral coercion. For India, the Section 301 proceedings demand not only immediate engagement to defend its economic interests but also a larger strategic role in rebuilding the coalition needed to restore the credibility of multilateral rules. “There is no substitute for the strength that comes from coalition-building to dilute the U.S.’s raw power advantage. India must step up and play that role.”

Our Recent Toppers



AIR-351
UPSC 2025
Full GS Foundation Batch (Pre+ Mains + Interview)
Aditi Arora



AIR-845
UPSC 2025
Full GS Foundation Batch (Pre+ Mains + Interview)
Vivek Kataria



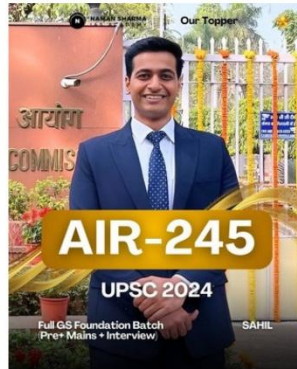
AIR-947
UPSC 2025
Full GS Foundation Batch (Pre+ Mains + Interview)
Ajushi Gupta



AIR-122
UPSC CSE 2021
Full GS Foundation Batch (Pre+ Mains + Interview)
IPS Shivani



AIR-231
UPSC CSE 2020
Full GS Foundation Batch (Pre+ Mains + Interview)
IPS Vineet Ahlawat



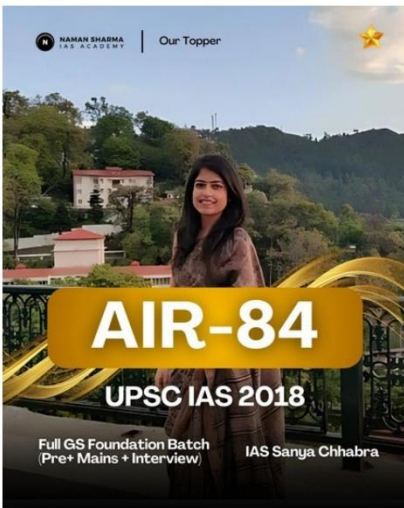
AIR-245
UPSC 2024
Full GS Foundation Batch (Pre+ Mains + Interview)
SAHIL



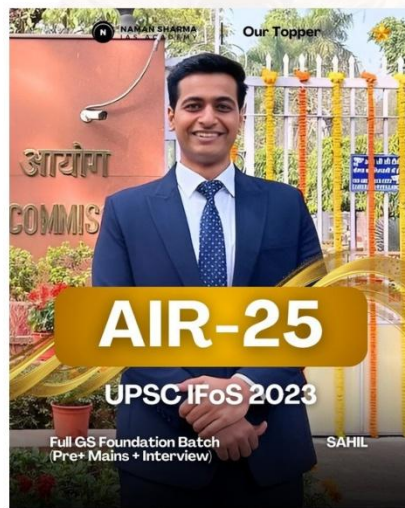
AIR-617
UPSC CSE 2021
Full GS Foundation Batch (Pre+ Mains + Interview)
IRS Rudraksh Ravi



AIR-914
UPSC 2024
Full GS Foundation Batch (Pre+ Mains + Interview)
GOURAV SABHARWAL



AIR-84
UPSC IAS 2018
Full GS Foundation Batch (Pre+ Mains + Interview)
IAS Sanya Chhabra



AIR-25
UPSC IFoS 2023
Full GS Foundation Batch (Pre+ Mains + Interview)
SAHIL



AIR-434
UPSC IAS 2023
Full GS Foundation Batch (Pre+ Mains + Interview)
IAS Manu Verma



Vipin Kumar
AIR-4, HPAS 2022



Anshul Shandil
AIR-7, HPPCS 2019



Arshiya Sharma
AIR-3, HPPCS 2019



Kirti Sharma
AIR-35, PCS 2021



IPS Vineet Ahlawat
AIR-231, CSE 2020



SDM Himani Sharma
AIR-2, HPAS 2024



WhatsApp Now +91-843-768-6541



Offline Centre Location: SCO 173-174, Sector 17C, Chandigarh

Admissions Now Open!



**Saarthi for
UPSC 2027/28**

- ✓ 1/2/3 Years Course with Lifetime access
- ✓ Inclusive of Crash Course + Test Series
- ✓ Full Prelims + Mains
- ✓ Offline + Online + Hybrid Mode

Enroll Now

+91-8437686541
www.namaniasacademy.com

Enroll
in just **₹2000**

- Mode: Offline/Hybrid/Online
- Medium: Hinglish (Notes in English)
- Timings:

Morning: 9 AM - 1 PM

Evening: 4 PM - 8 PM

Enrollment Process:

- Visit Our Website: **Naman IAS Academy**
- Call us at **+91-843-768-6541**
for Free Seminar

Free UPSC seminar

Saturday, 4PM



Offline Centre Location: SCO 173-174, Sector 17C, Chandigarh