



BAJIRAO IAS ACADEMY

# THE HINDU ANALYSIS

25th JANUARY  
2026



De-dollarization by BRICS  
currency

**What is the difference between Parole and Furlough**

**What lies behind Trump's Greenland moves?**

**BRICS countries trade through Central Bank digital currencies**

**Centre revises cadre allocation policy for All India services**

## What is the difference between Parole and Furlough



### Engineer Rashid gets custody parole to attend Parliament

A Delhi court on Saturday granted custody parole to jailed Lok Sabha MP Engineer Rashid to attend the upcoming Budget Session of Parliament. Custody parole entails a prisoner being escorted by armed police personnel to his place of visit. Additional Sessions Judge Prashant Sharma passed the order granting Mr. Rashid permission to attend the session that would begin on January 28. It is subject to conditions imposed earlier regarding travel costs. PTI

With reference to India, consider the following statements :

1. When a prisoner makes out a sufficient case, parole cannot be denied to such prisoner because it becomes a matter of his/her right.
  2. State Governments have their own Prisoners Release on Parole Rules.
- 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



Sanjay Dutt  
after reaching  
home in  
December last  
year. (Fotocorp)

## KNOW YOUR Fs AND Ps

### FURLough

- A matter of right but not many are aware of this. Usually granted after one year in jail. Maximum 21 days a year
- Granted periodically but can be denied if there is sufficient reason that it will go against the interests of society
- Period of furlough is treated as remission of sentence
- No reasons have to be cited for granting furlough
- Purpose is to enable prisoner to retain family association and keep up ties with society and avoid ill-effects of continuous prison life

### PAROLE

- Not a matter of right
- May be denied if the competent authority is satisfied on valid grounds that there is no sufficient cause for granting parole or it is against the interests of society
- Grant of parole does not disqualify a prisoner from the right to furlough. The grant of subsequent parole and furlough are subject to police report on the convict's conduct
- Period spent on parole is not counted as remission of sentence. Maximum 90 days a year
- Reasons for granting parole have to be specified by jail authorities

## Difference b/w Furlough and Parole

FURLough	PAROLE
It is a matter of right of prisoners	It's not a right and is granted on special conditions
Long term imprisonment	Short term imprisonment
Sentence continues with the period to furlough	Not included in sentence period
Granted by DIG of prisons	Granted by Divisional commissioner
Number is restricted	No limitation on the number of times a convict gets parole

## POWER OF PARDON

**ARTICLE 72** the President to grant pardons and to suspend, remit or commute sentences in all cases where the punishment is by a Court Martial or the punishment is for an offence against a law relating to a matter to which the executive power of the Union extends or in the case of death sentence.

**ARTICLE 161** a Governor can grant pardons, reprieves, respites or remissions of punishment or to suspend, remit or

commute the sentence of a person convicted of an offence against any law relating to a matter to which the executive power of the State extends.

- The exercise of power by President and governors under Article 72 and Article 161 respectively can be challenged before a constitutional court on the ground of arbitrariness, non-application of mind, mala fide and non-consideration of relevant material.

## Pardoning Powers of President and Governor

### PARDON

01

Removes both the sentence and the conviction.

Stay of the execution of a sentence

02

### REPRIEVE

### RESPITE

03

Awarding a lesser sentence in place of one originally awarded

Substitution of one form of punishment for a lighter form.

04

### COMMUTATION

### REMISSION

05

Reducing the period of sentence

# What lies behind Trump's Greenland moves?

## What lies behind Trump's Greenland moves?

Why does the U.S. want Greenland? What has been the U.S. President's recent rhetoric on the Arctic territory? Is there a comedown of sorts on tariffs? On the security aspect, isn't Greenland protected by NATO? What is Greenland rich in besides reserves of oil and natural gas?

**Narayan Lakshman**

**The story so far:**

U.S. President Donald Trump originally mooted the idea of the U.S. taking over the Arctic territory of Greenland during his first term in office. He later cancelled a visit to Denmark after its Prime Minister, Mette Frederiksen, said Greenland was "not for sale". Early in his second term, in January 2025, Mr. Trump re-upped his demand for Greenland, vowing that Washington "would tariff Denmark at a very high level" if it played spoiler, adding that he would not rule out the use of military force to push the deal through.

**What happened next?**

In mid-January 2026, the White House proposed a plan to slap eight European countries with a 10% tariff on "any and all goods" beginning on February 1 which was then set to increase to 25% on June 1, until an agreement was reached on Greenland. However, speaking in recent days at the World Economic Forum at Davos, Mr. Trump backed down from this strident rhetoric, announcing "the framework of a future deal with respect to Greenland and, in fact, the entire Arctic region." At that forum, Mr. Trump suggested that the time frame of such a deal would be "infinite". He said additional discussions on Greenland were ongoing.



**Aggressive push:** U.S. President Trump meets with NATO Secretary General Mark Rutte at the World Economic Forum in Davos on January 21. AP

Greenland is primarily coveted by Trump for its rich natural resources and strategic location

including the Golden Dome missile defence plan, a \$175 billion system which aims to position U.S. weapons in space.

**Why does Greenland matter to the U.S.?**

Greenland is primarily coveted by the Trump administration for two broad reasons: its rich natural resources base and strategic location. The strategic location aspect is one that is claimed by the Trump administration, the access to resources less so. At Davos, Mr. Trump said that it is rightful for the U.S. to "have" Greenland "for security [and not] anything else." Commenting on the complexities of Arctic exploration, he noted, "You have to go 25ft down through ice to get it. It's not something that a lot of people are going to do or want to do." This argument is premised on the Trump White House's claim that Russian and Chinese influence in the region is expanding, one that is not substantiated by intelligence reports – especially given that Greenland is also protected by the security umbrella of NATO.

Similarly, there is regional reassurance for the U.S. and its allies in the fact that under the U.S.-Denmark pact of 1951, security threats to the Arctic territory could legally trigger the U.S.'s option to broaden its military presence in Greenland. Reports have noted that Washington had stationed close to 10,000 troops on the island in the Cold War period, compared to only 200 or so U.S. troops there currently.

However, there is little doubt that Greenland is home to considerable, and possibly vast, reserves of oil and natural gas, as well as certain raw materials vital for the military technologies sector, electronics industry, and clean energy outputs. Reports suggest that 25 of 34 minerals considered to be "critical raw materials" by the European Commission are present in Greenland, including graphite and titanium.

Thus, while some U.S. lawmakers have said that the Trump administration's apparent adventurism in forcing Denmark's hand on surrendering Greenland to Washington is based on protecting U.S. national security interests in areas such as shipping lanes, energy and fisheries, the true motivation for this quest likely has far more to do with striking bargains for the

extraction of natural resources than what public proclamations suggest.

**What about the latest agreement?**

The so-called "framework of a future deal with respect to Greenland" that Mr. Trump mentioned at Davos has been long on rhetoric and short on details. The only fact known is the meeting that Mr. Trump had with NATO Secretary General, Mark Rutte, and the latter's clear statement that the discussion had not touched upon the question of Danish sovereignty over Greenland. Yet it is hard to conceive of the terms of an agreement that would be acceptable to Mr. Trump that did not at least cede partial control of certain territories within Greenland to Washington. Anonymous U.S. officials have been quoted in certain reports suggesting exactly this – that any viable agreement would likely mirror the concept of the U.K.'s military establishments in Cyprus, considered to be part of British territory.

**What are the broader ramifications?**

The Trump climbdown from an aggressive posture on U.S. control of Greenland was quite likely precipitated by the prospect of a potential judicial ruling against the White House's use of the International Emergency Economic Powers Act to slap allies and partner nations with broad-based tariffs. Importantly, European nations had also signalled that in the event of such aggression, they would seriously consider bringing into force a hard-hitting counter-tariff mechanism that would negatively impact the trade in goods and services of large U.S. tech firms conducting business in the EU. Yet, the deeper concern for other countries, is the fact that there is a lingering possibility of a territory-hungry Washington interfering in the politics of not only Denmark and Venezuela, but other countries as well.

**What role should other nations play?**

The rules-based international order may not be what it was at the end of the first decade of the 21st century. However, it must be true that countries such as India, China, and others, still subscribe to certain basic principles of that order. These nations now need to find ways to push back on the neo-imperialist depredations of Washington, Moscow, and Tel Aviv, in terms of their brazen disregard of territorial sovereignty and human rights in the pursuit of commercial and strategic interests.

## Introduction

- Greenland, an autonomous territory under Danish sovereignty, has become an unexpected flashpoint in global geopolitics following repeated claims by U.S. President Donald Trump.
- First raised during his initial term and revived more forcefully in his second, Trump's interest in acquiring Greenland has raised serious concerns about territorial sovereignty, economic coercion, and the future of the rules-based international order.

# Trump's Renewed Push for Greenland

## 1. Early Proposals and Diplomatic Fallout

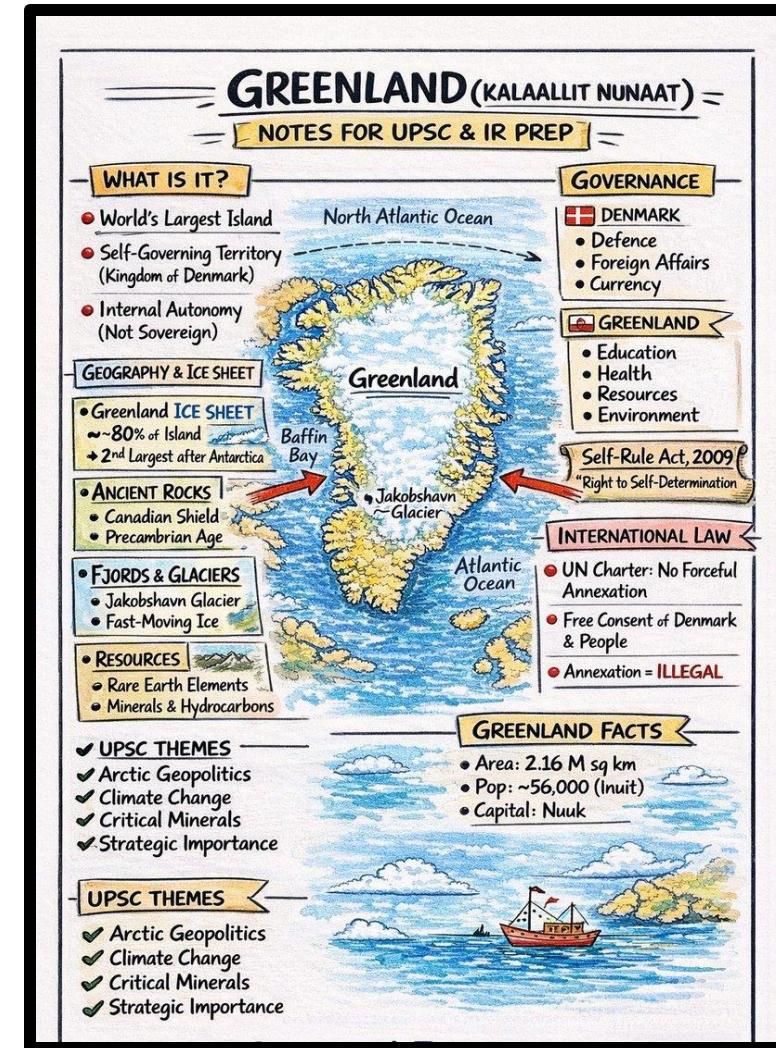
- President Trump first suggested the idea of purchasing Greenland during his first term, a proposal Denmark swiftly rejected.

## 2. Escalation During the Second Term

- In January 2025, Trump reassured his demand for Greenland, threatening Denmark with steep tariffs and refusing to rule out military force.
- By January 2026, the White House proposed tariffs of up to 25% on goods from eight European nations .

## 3 Retreat at Davos

- Facing potential legal challenges and European counter-measures, Trump softened his stance at the World Economic Forum in Davos.
- He announced a vague “framework of a future deal” on Greenland and the Arctic, suggesting prolonged discussions without revealing concrete terms.



## Strategic Importance of Greenland

### 1. Arctic Security and Military Positioning

- Greenland occupies a crucial strategic location in the Arctic, offering advantages in missile defence, surveillance, and emerging shipping lanes.
- The Trump administration has claimed that increasing Russian and Chinese influence necessitates greater U.S. control, though intelligence assessments have not substantiated these claims.

### 2 Existing Security Arrangements

- Under the 1951 U.S.–Denmark defence agreement, the United States already has the right to expand its military presence in Greenland during security emergencies.
- During the Cold War, nearly 10,000 U.S. troops were stationed there, compared to about 200 today, raising questions about the need for sovereignty to ensure security.

### RED FLAG OVER GREENLAND

Trump has had a tense call with Denmark's PM



Donald Trump



Mette Frederiksen

● Critical Raw Material (CRM) deposit

● Non-Critical Raw Material (CRM) deposit

● Important Occurrence



Source: Geological Survey of Denmark and Greenland, Government of Greenland. CRM as defined by EC2023.

## Economic and Resource Motivations

### 1. Natural Resources and Critical Minerals

- Greenland is believed to contain vast reserves of oil, natural gas, and minerals vital for defence, electronics, and clean energy technologies.
- Notably, 25 of the 34 critical raw materials identified by the European Commission—including graphite and titanium—are found in Greenland.

### 2. Strategic Resource Competition

- These resources make Greenland a key asset in global competition over supply chains and technological dominance.
- This suggests that economic and industrial interests, rather than security alone, drive Washington's ambitions.

#### GREENLAND

### Greenland at a glance

Greenland, the world's largest island, is an autonomous territory of Denmark. It spans an area roughly three times the size of the US state of Texas and has a population of 56,000, primarily Greenlandic Inuit.

#### Pituffik Space Base

US military base supports missile warning and space surveillance under a US-Denmark-Greenland agreement

2500 BCE – Inuit people first settle in Greenland

10th century – Norse explorers arrive and establish settlements

1721 – Denmark officially makes Greenland a colony

1941 – The US assumes Greenland's defence during World War II

2009 – Greenland gains self-rule but relies on Denmark for foreign policy, defence, and funding

2.17 million km<sup>2</sup> (836,330 sq miles)

Almost 80% covered by ice caps and glaciers

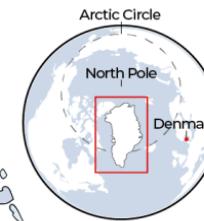
Sermersooq

Qeqertalik

Qeqqata

Nuuk

Kujalleq



Population: 56,000

Religion: 95% Protestants

Ethnic groups: Greenlandic Inuit 88%

Danish 7% Others 5%

Source: CIA, The ARDA, City population

March 11, 2025

@AJLabs ALJAZEERA

# BRICS countries trade through Central Bank digital currencies

## What is RBI nudging India to do at BRICS?

What are the pros and cons of using central bank digital currencies for cross-border payments?

T.C.A. Sharad Bagewadi

**The story so far:** India has reportedly suggested to the Indian government and encouraged it to push other BRICS countries to work together on using digital currencies for cross-border payments. This has several advantages, but could also face some near-term risks that will have to be considered.

**What is the proposal by the RBI?** While no official document or report has circled around in the central bank, saying that it has written to the Ministry of Finance to take advantage of India's chairmanship of the BRICS in 2026 to encourage the BRICS nations to use their Central Bank Digital Currencies (CBDCs) to facilitate cross-border payments. If this were to take off, it would be a payments system spanning not just the five founding members of BRICS – Brazil, Russia, India, China, and South Africa, but also other BRICS nations such as Egypt, Ethiopia, Iran, United Arab Emirates, and Indonesia. Several more countries are waiting in the wings to join the grouping.

**What are central bank digital currencies?** CBDCs are legal tender issued by a central bank entirely in digital form. In India, for example, the RBI has been issuing the e-rupee on a limited basis.

Where theUPI facilitates the transfer of rupees from one bank account to another, CBDCs move from a wallet to another, with each transaction recorded on a blockchain – in essence a digital ledger.

CBDCs differ from private cryptocurrencies in that, where private cryptocurrencies like Bitcoin are issued by a private entity, there is no central issuer and no regulator. CBDCs have a very definite issuer and regulator: the central bank. Also, while most cryptocurrencies (apart from stable coins) are not pegged to any real world asset from which they can derive value, CBDCs are backed by the central bank and have a set value. That is, one e-rupee equals one rupee.

## Central Bank Digital Currencies and Cross-Border Payments in BRICS

- Recent media reports suggest that the Reserve Bank of India (RBI) is encouraging the Indian government to use India's BRICS chairmanship in 2026 to promote the use of Central Bank Digital Currencies (CBDCs) for cross-border payments among BRICS nations.
- While this proposal has not been officially announced, it signals India's growing interest in leveraging digital currencies to enhance transparency, efficiency, and financial sovereignty in international transactions.

## 1. The RBI's Proposal for BRICS

### 1.1 Using India's BRICS Chairmanship

According to reports, the RBI has written to the Ministry of Finance suggesting that India use its 2026 BRICS presidency to push for a shared CBDC-based payment system.

This system would cover not only the five founding BRICS members—Brazil, Russia, India, China, and South Africa—but also newer members such as Egypt, Ethiopia, Iran, the UAE, and Indonesia, with more countries likely to join in the future.

### 1.2 A Multi-Nation Digital Payments Network

If implemented, such a framework would allow member countries to settle cross-border trade directly using their respective CBDCs, reducing dependence on existing international payment systems dominated by the U.S. dollar.



## 2. Understanding Central Bank Digital Currencies

### 2.1 What Are CBDCs?

- CBDCs are legal tender issued by a central bank entirely in digital form.
- In India, the RBI has introduced the e-rupee on a limited scale.
- Unlike money held in bank accounts, CBDCs are stored in digital wallets and act as an independent store of value.

### 2.2 How CBDCs Differ from Other Digital Systems

- While systems such as UPI transfer money between bank accounts, CBDCs move directly from one digital wallet to another.
- Each transaction is recorded on a blockchain, which functions as a secure, immutable digital ledger.
- Unlike private cryptocurrencies such as Bitcoin, CBDCs are centrally issued, regulated, and backed by the central bank, with a fixed value equal to the national currency.



### **3. Benefits of CBDCs for Cross-Border Payments**

#### **3.1 Transparency and Control**

- Blockchain-based CBDCs offer high transparency, as transactions are permanently recorded and cannot be altered.
- This makes them effective tools for tracking illicit financial flows, money laundering, and black money—areas where cross-border transactions are particularly vulnerable.

#### **3.2 Programmability and Efficiency**

- CBDCs can be programmed for specific purposes, such as restrictions based on geography, merchant type, expiry dates, or transaction categories.
- Additional details about payers and payees can also be embedded, enhancing regulatory oversight.

#### **3.3 Geopolitical and Trade Advantages**

- CBDCs could help India and other BRICS nations manage trade with countries like Iran and Russia, which face restrictions under the U.S. dollar-based SWIFT system.
- While national currency settlements are currently used, they are limited in scope. CBDCs offer a more sustainable and technologically robust alternative.

## 4. Risks and Challenges

### 4.1 Regulatory and Legal Complexity

- Coordinating legal and regulatory frameworks across multiple countries will be time-consuming.
- As a result, the benefits of a BRICS-wide CBDC system may not materialise in the near term.

### 4.2 Potential U.S. Response

- A more immediate risk lies in possible U.S. retaliation. President Donald Trump has previously threatened additional tariffs on BRICS nations pursuing alternatives to the U.S. dollar.
- Moving towards CBDC-based trade could invite further economic pressure, especially given existing high tariffs on Indian exports.



## Centre revises cadre allocation policy for All India services

# Centre revises cadre allocation policy with new group structure

Mahender Singh Manral  
New Delhi, January 24

IN A significant administrative reform, the central government has revised the cadre allocation policy for the three All-India Services – the IAS, IPS and Indian Forest Service (IFoS) – introducing a new grouping structure as per alphabetically that replaces the earlier zonal arrangement for allocation of cadres.

The new framework, notified by the Department of Personnel and Training (DoPT) after consultations with states, revises the system in place since 2017. It introduces a new grouping structure that replaces the earlier zonal arrangement for allocation of cadres to successful candidates of the civil services exam. "To ensure a fair and transparent system, all State Cadres and Joint Cadres have been arranged alphabetically and divided into four groups," the DoPT said in the notification. The allocation will now be based on these four groups, with candidates to mark their preferences among them.

The new groups are:

- **Group I:** AGMUT (Arunachal Pradesh-Goa-Mizoram and UTs), Andhra Pradesh, Assam-Meghalaya, Bihar, and Chhattisgarh.

- **Group II:** Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, and Madhya Pradesh.

- **Group III:** Maharashtra,

### New groups

**GROUP I:** AGMUT (Arunachal Pradesh-Goa-Mizoram and UTs), Andhra Pradesh, Assam-Meghalaya, Bihar, and Chhattisgarh.

**GROUP II:** Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, and Madhya Pradesh.

**GROUP III:** Maharashtra,

Madhya Pradesh & Chhattisgarh

**GROUP IV:** Telangana, Tripura, Uttarakhand, Uttar Pradesh, and West Bengal.

**GROUP V:** Telangana, Andhra

Pradesh, Karnataka, Tamil Nadu and Kerala

### Earlier zones

**ZONE-I:** AGMUT, J&K, Himachal Pradesh, Uttarakhand, Punjab, Rajasthan and Haryana.

**ZONE-II:** Uttar Pradesh, Bihar, Jharkhand and Odisha

**ZONE-III:** Gujarat, Maharashtra, Madhya Pradesh & Chhattisgarh

**ZONE-IV:** West Bengal, Sikkim, Assam-Meghalaya, Manipur, Tripura and Nagaland

**ZONE-V:** Telangana, Andhra

Pradesh, Karnataka, Tamil Nadu and Kerala

will annually determine the number of vacancies in each service. These vacancies will be distributed among various categories, including Unreserved (UR), SCs, STs and OBCs.

The new framework, issued by DoPT, aims to bring greater transparency and consistency to the system of vacancy determination and cadre allocation.

Under the new policy, an official said now cadre allocation will proceed through a rotational cycle system – corresponding to the 25 states and joint cadres – with each cycle covering 25 candidates in merit order.

"If multiple candidates fall within the same cycle, allocation priority will go to the one with the higher rank, while the others move to subsequent cycles," the official added.

An official said after insiders are placed, allocation for outsider candidates will be done per the roster system in two

stages – first for Persons with Benchmark Disabilities (PWD) and then for others. "The move

is expected to bring greater objectivity to the cadre allocation process, which has long been a sensitive subject among aspirants and state governments alike," the official said.

The determination of vacancies will be based on the cadre gap as of January 1 of the year following the Civil Services Examination (CSE). States must submit their vacancy requirements by January 31 of the same year. The new norms also clarify that vacancies earmarked for the Economically Weaker Sections (EWS) will be treated as part of the Unreserved category and reflected accordingly in the cadre roster," an official said.

The policy reiterates that allocation of "insider" candidates – those opting for their home state cadre – will strictly follow order of merit and vacancy availability. "A candidate's willingness to serve in their home State is now a mandatory condition for eligibility against an insider vacancy," the official said.

### Time-bound exercise

"The vacancies so determined would be communicated to the State governments and published on the concerned Ministry's websites. Both the re-

The UPSC Cadre Allocation Policy 2026 has been released by the Department of Personnel & Training, under the Ministry of Personnel, Public Grievances and Pensions, on 23rd January 2026 at the official portal.

The Central Government, after due consultation with the State Governments, has revised the cadre allocation policy for the All India Services.

## What is UPSC Cadre Allocation Policy?

The UPSC Cadre Allocation Policy is a framework under which candidates selected for All India Services are assigned to a particular State Cadre or Joint Cadre. The allocation is done after the final result of the UPSC Civil Services Examination and before the commencement of training.

## Grouping of States/Cadres Under UPSC Cadre Allocation Policy 2026

- Under the UPSC Cadre Allocation Policy 2026, all State Cadres and Joint Cadres are arranged in alphabetical order and systematically divided into four distinct groups.
- This grouping helps in ensuring balanced cadre distribution and smooth implementation of the insider-outsider principle.

### New groups

**GROUP I:** AGMUT (Arunachal Pradesh-Goa-Mizoram and UTs), Andhra Pradesh, Assam-Meghalaya, Bihar, and Chhattisgarh.

**GROUP II:** Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, and MP.

**GROUP III:** Maharashtra, Manipur, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, and Tamil Nadu.

**GROUP IV:** Telangana, Tripura, Uttarakhand, Uttar Pradesh, and West Bengal.

### Earlier zones

**ZONE-I:** AGMUT, J&K, Himachal Pradesh, Uttarakhand, Punjab, Rajasthan and Haryana

**ZONE-II:** Uttar Pradesh, Bihar, Jharkhand and Odisha

**ZONE-III:** Gujarat, Maharashtra, Madhya Pradesh & Chhattisgarh

**ZONE-IV:** West Bengal, Sikkim, Assam-Meghalaya, Manipur, Tripura and Nagaland

**ZONE-V:** Telangana, Andhra Pradesh, Karnataka, Tamil Nadu and Kerala

## **Allocation Against Insider Vacancies**

Allocation against insider vacancies is done first and strictly in the order of merit, subject to availability of vacancies and the candidate's willingness to be allotted to their home State/Cadre. Separate category-wise merit lists (UR/OBC/SC/ST) are prepared, and only willing candidates are considered for insider allocation.

- Insider allocation follows rank, category, and vacancy availability.
- Allocation is done in cycles of 25 based on the number of cadres.
- Only the highest-ranked candidate occupies a cycle; others move to the next cycle.
- Reserved category candidates are allotted using the same cycle-based method.
- PwBD candidates of the relevant category get priority during adjustments.
- Unfilled insider vacancies are converted into outsider vacancies and not carried forward.

## Allocation Against Outsider Vacancies

Allocation against outsider vacancies is carried out after completing insider allocation and follows a roster-based system to ensure balanced distribution across cadres. The process is conducted in two stages: first for PwBD candidates and then for non-PwBD candidates.

- Outsider allocation starts only after all insider vacancies are filled/adjusted.
- PwBD candidates are considered first and may get allocation in a preferred cadre other than their home cadre.
- If required, an additional vacancy can be created for PwBD candidates.
- Remaining vacancies are filled by non-PwBD candidates in order of merit.
- Allocation follows a group-wise rotational cycle (Group I, Group II, Group III and Group IV).
- If a candidate is allotted their home cadre as an outsider, an exchange with the next candidate is done.



# Thank you

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