



PrepAlpine

— Preparation Meets Precision —

CURRENT AFFAIRS

For UPSC Civil Services Examination Aspirants



RESEARCH-DRIVEN
CONTENT



DAILY COVERAGE
WITH MAINS FOCUS



EXAM-READY
APPROACH

Stay **Informed**. Stay **Ahead**. Succeed.

Copyright © 2025 PrepAlpine

All Rights Reserved

No part of this publication may be reproduced, distributed, or transmitted in any form or by any means—whether photocopying, recording, or other electronic or mechanical methods—without the prior written permission of the publisher, except in the case of brief quotations embodied in critical reviews and certain non-commercial uses permitted by copyright law.

For permission requests, please write to:

PrepAlpine

Email: info@PrepAlpine.com

Website: PrepAlpine.com

Disclaimer

The information contained in this book has been prepared solely for educational purposes. While every effort has been made to ensure accuracy, PrepAlpine makes no representations or warranties of any kind and accepts no liability for any errors or omissions. The use of any content is solely at the reader's discretion and risk.

DAILY CURRENT AFFAIRS DATED 01.08.2026

GS Paper III: Economy

1. Samudra Manthan Scheme – Offshore Hydrocarbon Exploration

a. Introduction

The Union Cabinet has approved the ₹84,084-crore National Offshore Exploration Scheme (Samudra Manthan) till 2030-31 to accelerate deepwater and ultra-deepwater oil and gas exploration. It seeks to expand domestic production and reduce India's high hydrocarbon import dependence.

India is the world's third-largest crude-oil consumer, but imports over 88% of its crude oil and around 50% of its natural gas requirements. Promising offshore regions include the Krishna-Godavari, Cauvery, Mahanadi and Andaman basins.

OFFSHORE EXPLORATION: BENEFITS AND RISKS

ECONOMIC / STRATEGIC GAINS	RISKS & CONSTRAINTS	SAFEGUARDS
 Lower import exposure	 Geological uncertainty	 Scientific prospectivity
 Energy-security buffer	 High capital cost	 Risk-sharing with accountability
 Domestic production	 Oil spills	 Marine Environmental Impact Assessment (EIA)
 Offshore jobs	 Marine ecosystem damage	 Spill-response capacity
 Industrial ecosystem	 Long gestation	 Long-term planning
 Technology development	 Fossil-fuel lock-in	 Parallel clean-energy investment



Balanced approach: Maximise energy security and economic gains while minimising environmental risks through strong safeguards and long-term vision.



b. Key Features

Intervention	Purpose
₹43,200 crore	Support deep/ultra-deepwater exploratory drilling
₹28,534 crore	Offshore seismic-data acquisition
₹10,000 crore	Common production and evacuation infrastructure
₹2,000 crore	Oil & Gas Manufacturing and Services Zones
Drilling support	Up to 50% of cost or ₹675 crore/well, whichever is lower

The scheme targets:

- 600 mtoe+ reserve accretion;
- expansion of the hydrocarbon resource base from around 1,600 to 2,200 mtoe;

- increase in domestic oil and gas production from around 62 to 80 mtoe annually.

c. Why does India need offshore exploration?

Energy security and strategic autonomy

India's high import dependence exposes it to:

- geopolitical disruptions, particularly in West Asia;
- international crude-price volatility;
- shipping and supply-chain disruptions; and
- vulnerability of the current account and the rupee.

Greater domestic production therefore provides a strategic energy-security buffer, even if India cannot achieve hydrocarbon self-sufficiency.

Correcting the risk-investment problem

Deepwater exploration represents a classic high-risk, high-cost investment problem. A single well can cost \$100–250 million, while exploration may yield no commercially viable discovery.

Government cost-sharing effectively socialises part of the exploration risk, potentially crowding in private investment into frontier basins that firms may otherwise avoid.

Addressing information asymmetry

Large-scale government-supported seismic mapping and data acquisition can reduce geological uncertainty. Better prospectivity data lowers entry barriers and enables companies to make more informed investment decisions.

Thus, public expenditure creates a form of geological public infrastructure for private and public explorers.

Building an offshore industrial ecosystem

Common evacuation infrastructure and manufacturing/service zones can:

- reduce duplication of expensive infrastructure;
- develop domestic offshore engineering capabilities;
- create specialised employment;
- facilitate technology transfer; and
- strengthen India's upstream oilfield-services ecosystem.

d. Key Concerns

Limited impact on import dependence: Even successful implementation may reduce oil and gas import dependence by only around 3–5%, given India's rapidly growing energy demand.

Long gestation period: Offshore projects typically require 5–10 years between allocation and commercial production. The scheme therefore cannot provide immediate relief during current energy shocks.

Exploration risk: Public financial support cannot eliminate geological uncertainty; substantial expenditure may not necessarily produce commercially recoverable hydrocarbons.

Environmental risks: Deep-sea drilling carries risks of oil spills, marine pollution and damage to sensitive ecosystems. Expansion therefore requires robust environmental impact assessment, emergency-response capacity and liability frameworks.

Energy-transition dilemma: Large public investment in hydrocarbons must be calibrated against India's long-term decarbonisation and net-zero commitments, avoiding excessive fossil-fuel lock-in.

Strategic Policy Dilemma

India faces two simultaneous realities:

Growing economy → Rising near-term oil & gas demand → Need for energy security

while

Climate commitments → Renewable transition → Need to reduce fossil-fuel dependence

Hence, offshore exploration should be treated as a transitional energy-security strategy rather than an alternative to clean-energy transition.

e. Way Forward

- Prioritise exploration using high-quality seismic data and scientific prospectivity assessment to minimise wasteful drilling.
- Encourage global partnerships for deepwater technology and expertise, while developing domestic capabilities.
- Strengthen marine EIA, oil-spill preparedness and the polluter-pays framework.
- Ensure public support genuinely crowds in private investment rather than permanently subsidising commercial risks.
- Integrate Samudra Manthan with accelerated renewables, storage, electric mobility and energy-efficiency policies.

Conclusion:

Samudra Manthan can strengthen India's energy security by unlocking under-explored offshore resources and reducing exposure to external shocks. However, given the limited potential reduction in import dependence, domestic exploration must complement—not substitute—India's broader transition towards a diversified and low-carbon energy system.

Reader's Note — About This Current Affairs Compilation

Dear Aspirant,

This document is part of the PrepAlpine Current Affairs Series — designed to bring clarity, structure, and precision to your daily UPSC learning.

While every effort has been made to balance depth with brevity, please keep the following in mind:

1. Orientation & Purpose

This compilation is curated primarily from the UPSC Mains perspective — with emphasis on conceptual clarity, analytical depth, and interlinkages across GS papers.

However, the PrepAlpine team is simultaneously developing a dedicated Prelims-focused Current Affairs Series, designed for:

- factual coverage
- data recall
- Prelims-style MCQs
- objective pattern analysis

This Prelims Edition will be released separately as a standalone publication.

2. Content Length

Some sections may feel shorter or longer depending on topic relevance and news density. To fit your personal preference, you may freely resize or summarize sections using any LLM tool (ChatGPT, Gemini, Claude, etc.) at your convenience.

3. Format Flexibility

The formatting combines:

- paragraphs
- lists
- tables
- visual cues

—all optimised for retention.

If you prefer a specific style (lists → paras, paras → tables, etc.), feel free to convert using any free LLM.

4. Monthly Current Affairs Release

The complete Monthly Current Affairs Module will be released soon, optimized to a compact 100–150 pages — comprehensive yet concise, exam-ready, and revision-efficient.

PrepAlpine