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2 ECONOMY

PRELIMS 2026



COVERAGE JUNE 2025 TO FEB2026

This file has month wise CA in compiled format.

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TOPICS COVERED-

- **Foreign Portfolio Investor (FPI)** – Investment by non-residents in Indian securities without management control.
- **Anti-Dumping Duty** – Tariff imposed on imports sold below fair market value to protect domestic industries.
- **World Wealth Report 2025** – Annual report highlighting global and Indian high-net-worth individuals (HNWIs) trends.
- **Monetary Policy Committee (MPC)** – RBI body that sets policy rates to achieve the inflation target.
- **Special Economic Zones (SEZs)** – Duty-free enclaves to promote exports and investment with eased regulations.
- **India's FDI Inflows (FY 2024–25)** – Foreign direct investment into India, highlighting top states and sectoral trends.
- **Financial Stability and Development Council (FSDC)** – Inter-regulatory body to maintain financial stability and coordination.
- **National Investment and Infrastructure Fund (NIIF)** – Sovereign-linked fund to enhance infrastructure financing in India.
- **SCORES Portal** – SEBI's online platform for investor grievance redressal and complaint tracking.
- **Front Running** – Illegal use of non-public information to trade securities ahead of large orders.
- **Reverse Flipping** – Process of foreign-domiciled startups shifting their legal base back to India.
- **Cotton Corporation of India (CCI)** – Government agency ensuring MSP procurement and cotton market stability.
- **India's Fiscal Balancing Amid Global Economic Uncertainties** – Efforts to manage fiscal deficit, debt, and expenditure sustainably.
- **RBI Transfers Surplus to Government** – RBI surplus dividend transfer under Economic Capital Framework supporting fiscal health.
- **India's WPI Inflation Falls to 13-Month Low** – Wholesale price inflation declining due to lower fuel and commodity prices.
- **First Monthly Periodic Labour Force Survey (PLFS)** – Detailed monthly labour and employment statistics including rural data.
- **India's Net FDI Drops by 96.5%** – Sharp fall in net foreign investment due to repatriation and IPO disinvestments.
- **World Investment Report 2025** – UNCTAD report highlighting global FDI trends and investment in digital and sustainable sectors.
- **India's Textile and Apparel Industry** – Overview of sector contribution, global trade share, and government support schemes.
- **Predatory Pricing** – Selling below production cost to eliminate competitors, regulated under Competition Act.
- **Microfinance in India** – Small loans to low-income households for financial inclusion and entrepreneurship.
- **Skills for the Future Report – India** – Highlights workforce skill gaps and recommendations for Industry 4.0 readiness.
- **Sustainable Development Report (SDR) 2025 – India** – India's SDG progress, ranking, and challenges globally.
- **Depot Darpan Portal, Anna Mitra App, and Anna Sahayata Platform** – Digital initiatives improving PDS transparency and grievance redressal.

- **World Energy Investment Report** – Global and India-specific investments in fossil fuels and clean energy.
- **19th Statistics Day & Contribution of P.C. Mahalanobis** – Celebration of statistics' role and Mahalanobis' contributions to planning and surveys.
- **Achieving Self-Sufficiency in Pulses** – India's efforts to boost domestic pulse production and reduce imports.
- **RoDTEP Scheme for Exporters Restored** – Refund scheme for embedded duties to improve export competitiveness.
- **Gaps in India's Irrigation System** – Issues in coverage, efficiency, and reliance on groundwater.
- **Agri Photovoltaics (APVs) to Boost Farmers' Income** – Combining solar energy and crop cultivation for dual income.
- **Rural India: The New Engine of India's Consumer Market** – Rising rural incomes and consumption driving economic growth.
- **Atal Mission for Rejuvenation and Urban Transformation (AMRUT)** – Urban infrastructure improvement scheme with focus on water and sewerage.
- **Modified Interest Subvention Scheme (MISS)** – Short-term affordable credit for farmers via Kisan Credit Card.
- **Kisan Credit Card (KCC)** – Credit facility for farmers' cultivation, allied activities, and household needs.
- **Wind Energy in India** – Expansion of wind power capacity to meet renewable energy targets.
- **India Meets Peak Power Demand of 241 GW** – Power sector milestone achieving surplus capacity and robust grid.
- **Centre Hikes Fair and Remunerative Price (FRP) for Sugarcane** – Minimum price for sugarcane to ensure timely farmer payments.
- **Digitalising India's Seed Value Chain: SATHI Portal** – Digital seed traceability, authentication, and subsidy linkage for farmers.



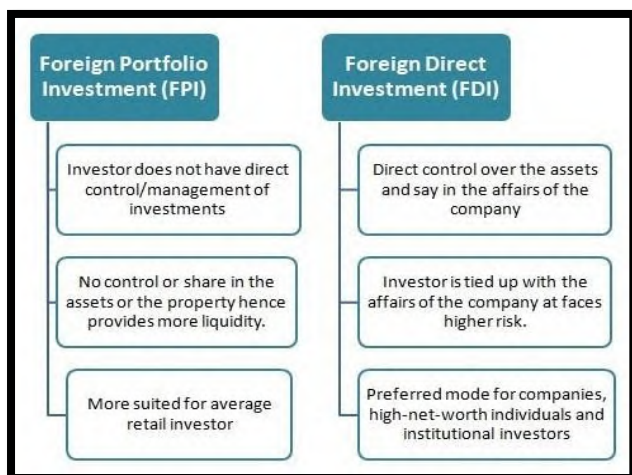
ECONOMY

SOURCE: THE HINDU

Foreign Portfolio Investor (FPI)

RECENT CONTEXT

In **2024**, the **RBI** issued a new operational framework for **reclassification of FPI to FDI**, guided by **FEMA Non-Debt Instruments Regulations, 2019**, to streamline compliance and reporting.



ABOUT

- Definition** – FPI refers to **investment by non-residents** in Indian securities without a controlling stake; includes **stocks, ADRs, GDRs, bonds, mutual funds, ETFs**.
- Nature** – Forms part of the **Capital Account** in the **Balance of Payments**; **more liquid, volatile, and riskier** than FDI; often termed **“Hot Money”**.
- Governance** – Primarily regulated by **SEBI**; must comply with **FEMA 1999** and the **Income-tax Act, 1961**.
- Categories** – Includes **Foreign Institutional Investors (FIIs)** and **Qualified Foreign Investors (QFIs)**, registered under **SEBI (FPI) Regulations, 2019**.
- Operational Framework (2024)** – RBI introduced rules for reclassification from FPI to FDI; based on **FEMA Mode of Payment & Reporting of Non-Debt Instruments Regulations, 2019**.
- Difference from FDI** –
 - **FPI**: No control, short-term, portfolio-based.

- **FDI**: Long-term, management influence, physical presence.

- Risk & Liquidity** – FPI inflows are highly sensitive to market sentiment, currency fluctuations, and global interest rate changes, making them **quick to enter and exit**.

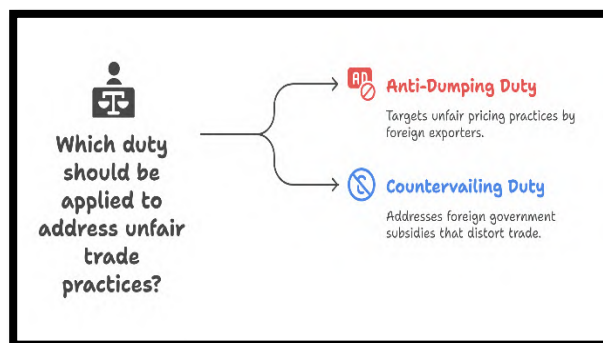
Anti-Dumping Duty

RECENT CONTEXT

India continues to impose **anti-dumping duties** on certain imported goods to protect domestic industries from unfair pricing practices by foreign exporters, with administration by the **DGTR**.

ABOUT

- Definition** – A **protectionist tariff** imposed on foreign imports priced **below fair market value**, aimed at safeguarding domestic industries from **unfair competition**.
- Dumping** – Occurs when a company exports goods at a **significantly lower price** than in its home market.
- Administering Authority in India** – **Directorate General of Trade Remedies (DGTR)** under the Ministry of Commerce.
- Legal Basis (Global)** – Permitted under **Article VI of the General Agreement on Tariffs and Trade (GATT) 1994**.
- WTO Rules** – Anti-dumping measures must follow the **WTO Anti-Dumping Agreement**, requiring proof of injury to domestic industry.
- Relation to MFN Principle** – Anti-dumping duties are **exceptions** to the **Most Favoured Nation (MFN) status** under WTO rules.



World Wealth Report 2025

RECENT CONTEXT

The **World Wealth Report 2025**, released by the **Capgemini Research Institute**, highlights a **2.6% rise**

in global high-net-worth individuals (HNWIs) in 2024, with **India's HNWI wealth** growing by **8.8%**.

ABOUT

1. **Publisher** – Released annually by the **Capgemini Research Institute**.
2. **Coverage** – Analyzes **71 countries**, representing **98% of global GNI** and **99% of world stock market capitalization**.
3. **Definition of HNWI** – Individuals with **investable assets of USD 1 million or more**, excluding primary residence, collectibles, consumables, and consumer durables.
4. **Global Trend 2024** – HNWI population grew by **2.6%**, reversing declines from previous years.
5. **India's Performance** – HNWI wealth in India rose by **8.8%**, driven by strong stock market performance and economic growth.
6. **Top Contributor** – **USA** added the largest number of millionaires in 2024.
7. **Significance** – Used by policymakers, financial institutions, and investors to assess **global wealth distribution, investment trends, and market potential**.

Monetary Policy Committee (MPC)

RECENT CONTEXT

The **Monetary Policy Committee** recently met under **Section 45ZB of the RBI Act, 1934** to decide the **policy repo rate** in line with India's inflation-targeting framework.

ABOUT

1. **Legal Basis** – Provided under **Section 45ZB** of the amended **RBI Act, 1934**.
2. **Composition** – **6 members**: 3 from RBI (including Governor) and 3 appointed by the Central Government.
3. **First Constitution** – The first MPC was set up in **2016**.
4. **Mandate** – Decides the **policy interest rate (repo rate)** to meet the **inflation target** set by the Government (currently $4\% \pm 2\%$).
5. **Meetings & Quorum** – Must meet **at least 4 times a year**; **quorum** is 4 members.

6. **Voting** – Each member has **one vote**; RBI Governor has a **casting vote** in case of a tie.
7. **Transparency** – MPC's resolution is **published after every meeting** as per the RBI Act.

Special Economic Zones (SEZs)

RECENT CONTEXT

The **Ministry of Commerce and Industry** notified the **Special Economic Zones (Amendment) Rules, 2025**, reducing the **minimum land requirement** for SEZs exclusively for **semiconductors/electronics** from **50 hectares** to **10 hectares**.

ABOUT

1. **Policy & Legal Framework** – SEZ Policy announced in **2000**, **SEZ Act** enacted in **2005**.
2. **Definition** – A **duty-free enclave** deemed to be **foreign territory** for trade operations, duties, and tariffs.
3. **Eligibility for Setup** – Can be established by **private, public, joint sector, or State Government agencies**.
4. **Global Presence** – Found in several countries including **China, India, Jordan, Poland, Kazakhstan, Philippines, Russia**.
5. **Types of Zones** – Includes **Export Processing Zones (EPZs)**, **Free Zones (FZ)**, **Industrial Estates (IE)**, **Free Trade Zones (FTZ)**, **Free Ports**, and **Urban Enterprise Zones**.
6. **Historical Fact** – Asia's first EPZ was set up in **1965 at Kandla, Gujarat**.
7. **2025 Amendment** – New rules specify **10 hectares** minimum for **semiconductor/electronics-only SEZs**.

India's FDI Inflows (FY 2024–25)

RECENT CONTEXT

Foreign Direct Investment (FDI) inflows into India grew **14%** in FY 2024–25 — the **highest in 3 years** — with **Maharashtra** topping the list at **\$19.6 billion** (31% share).

ABOUT

1. **Definition** – Cross-border investment where foreign entities **invest in and control** business operations in another country.

- Economic Role** – Acts as a **key non-debt financial resource** for India's economic development.
- Regulation** – Overseen by **DPIIT** under **automatic** and **government approval** routes.
- FY 2024–25 Growth** – **14% increase** in total inflows, marking the highest growth in **three years**.
- Top State** – **Maharashtra** led with **\$19.6 billion (31%** of total FDI).
- Other Major States** – **Karnataka** at **\$6.62 billion (20%)**, **Gujarat** share rose from **6% to 11%**, **Tamil Nadu** fell from **11% to 7%**.
- Delhi's Decline** – Share dropped from **32% in 2015–16 to 12% in 2024–25**.

Financial Stability and Development Council (FSDC)

RECENT CONTEXT

The **Finance Minister** recently chaired the **29th meeting** of the **Financial Stability and Development Council (FSDC)** to review the country's financial sector health and coordination among regulators.

ABOUT

- Establishment** – Constituted in **2010** based on recommendations of the **Raghuram Rajan Committee (2008)** on financial sector reforms.
- Legal Status** – **Not a statutory body**.
- Objective** – Maintain **financial stability**, enhance **inter-regulatory coordination**, and promote **financial sector development**.
- Funding** – No separate budgetary allocation; functions within existing institutional frameworks.
- Composition** – Chaired by the **Union Finance Minister**, members include **RBI Governor, Finance Secretary, Secretary of Financial Services, Chief Economic Adviser**, and Chairpersons of **SEBI, IRDAI, PFRDA**.
- Sub-Committee** – Headed by the **RBI Governor** to deal with operational issues.
- Additional Provision** – Can invite **experts** to its meetings when required.

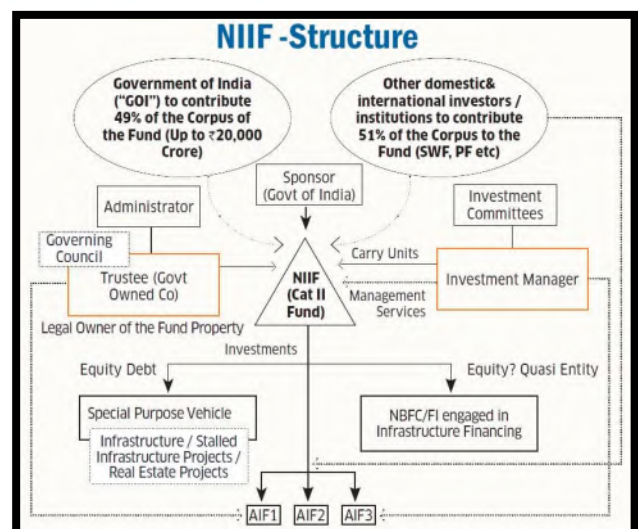
National Investment and Infrastructure Fund (NIIF)

RECENT CONTEXT

The **Union Finance Minister** recently chaired the **6th meeting** of the **Governing Council** of the **National Investment and Infrastructure Fund (NIIF)** to review infrastructure investment strategies.

ABOUT

- Establishment** – Set up in **2015** as **India's first-ever sovereign wealth fund (SWF)**.
- Structure** – A **Sovereign-linked Alternative Asset Manager** with the **Government of India holding 49%** equity.
- Objective** – Invest mainly in **equity and equity-linked instruments** to enhance infrastructure financing.
- Investment Scope** – Targets **greenfield (new), brownfield (existing), and stalled projects**.
- Collaborative Platform** – Anchored by **GoI**; brings together **international and Indian investors** for large-scale projects.
- Funds under NIIF** –
 - Master Fund** (core infrastructure)
 - Fund of Funds** (invests in other funds)
 - Strategic Opportunities Fund** (growth equity investments).
- Regulation** – Funds are registered as **Alternative Investment Funds (AIF)** with **SEBI**.



SCORES Portal

RECENT CONTEXT

The **Securities and Exchange Board of India (SEBI)** recently upgraded the **SCORES Portal** to **SCORES 2.0**,

introducing **automatic complaint forwarding** and a **21-day Action Taken Report (ATR) deadline**.

ABOUT

1. **Launch** – Introduced in **2011** by **SEBI** as an **online grievance redressal platform**.
2. **Objective** – To enable **investors** to **file and track complaints** against **listed entities** and **SEBI-registered market intermediaries**.
3. **Coverage** – Complaints can be lodged under the **SEBI Act, Securities Contract Regulation Act, Depositories Act**, and relevant provisions of the **Companies Act, 2013**.
4. **Functionality** – Allows market intermediaries and listed companies to **receive, resolve, and report** complaints entirely **online**.
5. **Upgraded Version** – **SCORES 2.0** automatically forwards complaints to concerned entities.
6. **Timeline for Resolution** – Entities must submit an **Action Taken Report (ATR)** within **21 days**.
7. **Transparency** – Complainants can **track the status** of their grievance in **real time** through the portal.

Front Running

RECENT CONTEXT

The **Securities and Exchange Board of India (SEBI)** continues strict enforcement against **front running**, with regulatory amendments in **2022** to **SEBI (Mutual Funds) Regulations, 1996** to counter such practices.

ABOUT

1. **Definition** – Use of **non-public information** to buy/sell securities or enter derivatives **before a substantial order** is executed.
2. **Regulation** – Governed and prohibited under **SEBI** regulations.
3. **Legality** – **Illegal** in India.
4. **Scope** – Includes **options, futures, and equity trades** executed with advance knowledge.
5. **Impact** – Leads to **market manipulation** and **unfair advantage** over ordinary investors.
6. **Amendment (2022)** – **SEBI (Mutual Funds) Regulations, 1996** updated to include specific anti-front running provisions.

7. **Penalty** – Violations can attract **monetary penalties** and **market bans**.



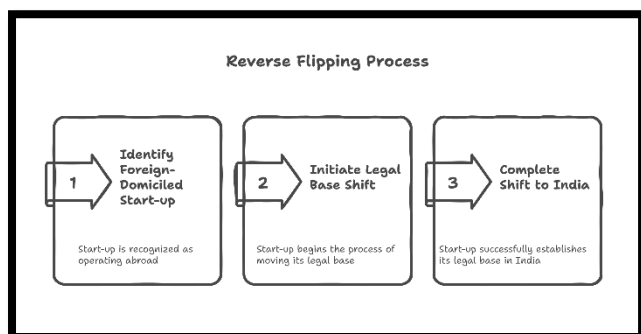
Reverse Flipping

RECENT CONTEXT

SEBI announced measures to **ease compliance** for companies in the **stock market ecosystem**, indirectly encouraging **reverse flipping** for foreign-domiciled start-ups.

ABOUT

1. **Definition** – Process of **foreign-domiciled start-ups** shifting their **legal base back to India**.
2. **Opposite of Flipping** – Flipping transfers Indian company ownership to a **foreign-incorporated entity**; reverse flipping does the opposite.
3. **Reasons** – To align with **domestic regulations**, **access Indian capital markets**, and reduce **tax complexities**.
4. **Structure 1 – Inbound Merger** – Foreign entity merges into its **Indian counterpart**.
5. **Structure 2 – Share Swap** – Foreign shareholders receive **shares in the Indian company** in exchange for their holdings.
6. **Benefits** – Better access to **domestic investors**, improved **regulatory environment**, and potential **valuation gains**.
7. **Trend** – Growing interest due to **India's expanding start-up ecosystem** and **government incentives**.



Cotton Corporation of India (CCI)

RECENT CONTEXT

Recently, CCI initiated large-scale **Minimum Support Price (MSP)** procurement operations due to a fall in **kapas** prices below MSP in several cotton-growing states.

ABOUT

- Establishment** – Set up in **1970** as a **Public Sector Undertaking** under the **Ministry of Textiles, Government of India**.
- Legal Status** – A Government of India **corporate agency** under the **Companies Act, 1956**.
- Governance** – Functions under the **Textile Policy, 1985** issued by the Ministry of Textiles.
- Core Role** – Undertakes **price support operations** without quantitative limits when **market prices** of kapas fall below **MSP**.
- Commercial Operations** – Purchases cotton to meet **raw material requirements** of the domestic textile industry, especially in the **lean season**.
- Trade & Export** – Engaged in **procurement, trading, and export** of cotton to ensure market stability.
- Related Institution** – **Central Institute for Cotton Research** established in **1976** under **ICAR**, HQ in **Nagpur, Maharashtra**.

SOURCE – INDIAN EXPRESS

India's Fiscal Balancing Amid Global Economic Uncertainties

Recent Context :

In Union Budget 2025, Centre announced lower market borrowings (₹14.13 lakh crore vs FY24 target)

due to buoyant GST collections, reflecting efforts to balance growth, welfare, and debt sustainability.

About:

- Fiscal Deficit** – Occurs when total expenditure > total revenue (excluding borrowings). Indicates government's dependence on borrowing.
- Debt-to-GDP Ratio** – Sustainability depends on whether GDP grows faster than debt accumulation.
- Revenue Sources** – Direct taxes (income, corporate), indirect taxes (GST, excise, customs), non-tax revenues (PSU profits, royalties, fees).
- Expenditure** – Salaries, pensions, subsidies, healthcare, infrastructure, and interest payments on borrowings.
- Borrowings FY25** – ₹14.13 lakh crore gross borrowings projected; reduction attributed to higher GST inflows.
- Risks of High Borrowing** – Crowding out private investment, higher interest costs, inflationary pressures, lower credit ratings.
- Productive Fiscal Deficit** – Spending on infrastructure, welfare, and emergencies can stimulate growth if within sustainable limits.

RBI Transfers Surplus to Government

Recent Context :

The **RBI** will transfer a record **₹2.68 lakh crore dividend** to the Union government for 2024–25 under the **Economic Capital Framework (ECF)**, raising the **Contingent Risk Buffer (CRB)** to 7.5%.

About:

- Economic Capital Framework (ECF)** – Decides RBI's **risk provisioning & surplus transfer**.
- Dividend Transfer (2025)** – ₹2.68 lakh crore, **27% higher** than 2023–24.
- Contingent Risk Buffer (CRB)** – Raised to **7.5%**, acts as RBI's **rainy-day fund**.
- Sources of RBI income** – Govt securities, forex assets, LAF operations, seigniorage, gold valuation.
- Bimal Jalan Committee (2019)** – Suggested CRB of **5.5–6.5%** of balance sheet.

6. **Surplus transfer** – Key part of **non-tax revenue** for government, helps fiscal deficit management.
7. **Impact** – Boosts **liquidity** and provides fiscal support to government.

India's WPI Inflation Falls to 13-Month Low

Recent Context :

India's **WPI inflation** fell to **0.85%** in **April 2025**, a **13-month low**, mainly due to a sharp decline in **fuel & power** and **primary articles** prices.

About:

1. **Wholesale Price Index (WPI)** – Tracks **inflation at wholesale level**; base year **2011–12**.
2. **Compiled by** – **Office of Economic Adviser**, Ministry of Commerce & Industry.
3. **WPI basket** – **Primary articles, fuel & power, manufactured products**.
4. **WPI Food Index** – Combines food items from **primary & manufactured products**.
5. **Comparison with CPI** – **WPI excludes services & indirect taxes**; **CPI includes both**.
6. **CPI targeted by RBI** – Inflation target **4% ± 2%** under **Monetary Policy Framework**.
7. **High weightage** – In WPI, **manufactured products** have the highest weight; in CPI, **food** has the highest.

First Monthly Periodic Labour Force Survey (PLFS)

Recent Context :

The **MoSPI** released India's **first monthly PLFS report (April 2025)**, providing **granular, rural-inclusive employment data**. **Unemployment rate** stood at **5.1%**, with urban UR higher than rural UR.

About:

1. **PLFS** – Launched **2017** by **NSO (MoSPI)**; replaced **NSSO's Employment–Unemployment Survey**.
2. **Reference Periods** – **Usual Status (365 days) & Current Weekly Status (7 days)**.
3. **First Monthly Release (April 2025)** – **Unemployment rate 5.1%**; urban higher than rural.
4. **LFPR** – **55.6%** (rural higher than urban).

5. **WPR** – **52.8%** overall (rural > urban).
6. **CWS Methodology** – A person is employed if worked **≥1 hour in last 7 days**.
7. **Significance** – Provides **frequent, dynamic labour market trends** for policymaking.

India's Net FDI Drops by 96.5%

Recent Context :

India's **net FDI** dropped by **96.5%** to **\$353 million in FY25**, lowest since 2014, due to high **repatriation, IPO disinvestments, and overseas investments** by Indian firms.

About:

1. **Net FDI** = (Gross inflows – Repatriation) – **FDI outflows abroad**.
2. **FY25 Net FDI** – Only **\$353 million** vs **\$10 billion in FY24**.
3. **Gross FDI inflows** – Concentrated in **manufacturing, financial services, energy, communications (>60%)**.
4. **Repatriation** – Foreign investors pulling profits back → reduces net inflows.
5. **Disinvestment via IPOs** – Major reason for outflow.
6. **FDI Outflows** – Indian companies investing abroad increased.
7. **Importance** – Net FDI decline impacts **BoP stability & foreign reserves management**.

SOURCE – INSIGHTS

World Investment Report 2025

Recent Context

Released by **UNCTAD**, the 2025 report shows **11% fall in global FDI**, strong **digital sector growth**, but **sharp decline in SDG investments** with uneven regional gains and losses.

7 Key Facts for UPSC Prelims

1. **Publisher** – **UNCTAD**; tracks global **FDI** and sustainable investment patterns.
2. **Global FDI** – Fell **11%** to **\$1.5 trillion** in 2024 (second consecutive decline).
3. **Digital Economy** – AI, data centres, semiconductors saw **FDI doubling**.
4. **SDG Investment Crisis** – Renewable energy, water, sanitation FDI down **25–33%**.

- Regional Trends** – Africa (+75%), ASEAN (+10%); China (-29%), South America (-18%).
- India's Position** – \$28B inflows; in **top 5 greenfield hubs**; strong in EVs, semiconductors, digital infra.
- Key Recommendation** – Invest in **digital infrastructure**, expand **SDG financing**, and use **blended finance** for developing markets.

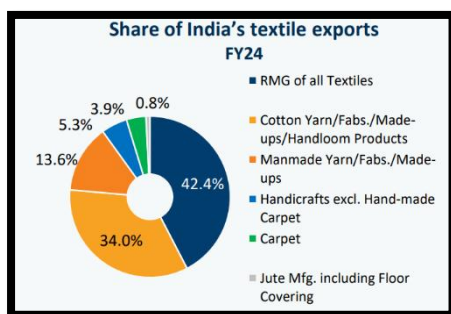
India's Textile and Apparel Industry

Recent Context

India's global apparel trade share remains stagnant at **3%**, prompting calls for policy innovation to meet the **\$40 billion export target by 2030**.

7 Key Facts for UPSC Prelims

- Contribution** – Employs **45 million**; contributes **2.3% of GDP** and **12% of manufacturing employment**.
- Global Share** – **4.2%** in total textile & apparel trade; **3%** in apparel alone.
- MSME Dominance** – Over **80%** of apparel units are small, fragmented, and lack global integration.
- Govt Schemes (Textiles)** – **PM MITRA Parks**, **Amended TUFs** for modernization.
- Govt Schemes (Apparel)** – **RoSCTL**, **SAMARTH**, **PLI Scheme** for MMF & technical textiles.
- Key Bottlenecks** – High capital costs (~9% interest), rigid labour laws, fragmented supply chain.
- Women-Centric Employment** – ~**70%** workforce in apparel hubs are women, aiding inclusive growth.



Predatory Pricing

Recent Context

On **May 6, 2025**, the CCI replaced 2009 cost rules with **ATC-based norms** to curb predatory pricing and

strengthen anti-monopoly enforcement under the **Competition Act, 2002**.

7 Key Facts for Prelims

- Definition** – Selling below production cost to drive out competitors and gain monopoly power.
- Example** – **NSE vs MCX case**: low-cost tactics used to push out rivals in stock exchange services.
- Core Features** – Prices below cost, short-term consumer benefit, long-term monopoly harm.
- Types** – Direct predation, cross-subsidisation, discriminatory pricing.
- Legal Provision** – Covered under **Section 4** of the Competition Act (abuse of dominant position).
- 2025 Reform** – **Average Total Cost (ATC)** as benchmark; ends vague “market value” metric; mandates expert involvement.
- Transparency & Monitoring** – CCI must record reasons for deviating from AVC; adds real-time market monitoring tools.

Microfinance in India

Recent Context

RBI Deputy Governor warned of a microfinance crisis as **gross loan portfolio fell 13.9%** and NPAs surged to **₹55,000 crore**, driven by defaults, over-indebtedness, and rising borrower distress.

7 Key Facts for Prelims

- Definition** – Small-ticket loans, savings, insurance for low-income households excluded from formal banking.
- Objective** – Financial inclusion, poverty alleviation, and entrepreneurship without collateral.
- History** – 1974: SEWA Bank (India's first MFI); 1976: Grameen Bank concept; 2010: Malegam Committee norms.
- Regulator** – **Reserve Bank of India** (NBFC-MFI regulations under RBI Act, 1934).
- crore; average loan size: ₹53,897; sharp fall in disbursals (-34% YoY).

- Key Challenges** – Over-indebtedness, high interest rates, coercive recoveries, weak credit appraisal, state policy uncertainty.
- Way Forward** – Risk profiling, regulated recovery code, interest rate ceiling, developmental finance focus, tech-based monitoring.

Skills for the Future Report – India

Recent Context

Union Minister launched the report highlighting **India's workforce crisis**: 88% in low-skill jobs, severe skill mismatch, low TVET penetration, regional disparities, and urgent need for Industry 4.0-ready talent.

Key Facts for Prelims

- Demographic & Economic Importance** – India's young population; 1% rise in tertiary GER → 0.511% GDP growth.
- Workforce Skill Distribution** – 88% in Skill Levels 1–2; only 10–12% in high-skill roles; 52.4% have primary education.
- Severe Skill Mismatch** – Only 8.25% graduates in matching roles; over 50% in lower-skill jobs.
- TVET Challenges** – Only 4.5% workforce formally trained; mostly limited to Skill Level 2; weak industry alignment.
- Income Inequality by Skill** – Skill 1 avg ₹98,835; Skill 4 avg ₹3.94 lakh; 46% earn <₹1 lakh/year.
- Regional & Sectoral Gaps** – Bihar/Assam: 95% low-skill; top sectors for vocational enrolment: Electronics, IT/ITeS, Textiles, Healthcare, Beauty.
- Recommendations** – Skill gap surveys, Central Skill Data Repository, TVET-curriculum overhaul, higher education expansion, inclusive & sector-specific skilling programs.

Sustainable Development Report (SDR) 2025 – India

Recent Context

India ranked **99th globally** in SDR 2025, entering the **top 100 for the first time**. The report focuses on **financing SDGs by 2030** and reforming the **Global Financial Architecture (GFA)**.

Key Highlights – Global

- Top Rankers**: Finland (1), Sweden (2), Denmark (3).
- Global Commitment**: 190/193 UN members submitted Voluntary National Reviews.
- Regional Leaders**: East & South Asia show fastest SDG progress.
- Top Improvers**: Nepal (+11.1), Benin (+14.5), UAE (+9.9), Peru (+8.7).
- Europe Dominates**: 19 of top 20 SDG performers are European nations.
- Global Lag**: Only 17% of SDG targets progressing; no SDG fully on track.
- Fiscal Gaps**: ~50% countries lack capacity to fund SDGs.
- Multilateralism Ranking**: Barbados 1st, USA 193rd.

India's Performance

- Rank & Score**: 99th, SDG Index 67.0 points.
- Regional Standing**: Behind China (49), ahead of Bangladesh (114) & Pakistan (140).
- Progress Areas**: SDG 3 (healthcare), SDG 7 (electricity access), SDG 9 (digital infrastructure).
- Challenges**: Rising obesity (SDG 2), climate action (SDG 13), press freedom (SDG 16).

SOURCE- DRISHTI MONTHLY

Depot Darpan Portal, Anna Mitra App, and Anna Sahayata Platform

Recent Context :

The Union Minister launched **Depot Darpan Portal, Anna Mitra App, and Anna Sahayata Platform** to improve **transparency, efficiency, and grievance redressal** in India's Public Distribution System benefiting 81+ crore people.

Key Points for Prelims

- Depot Darpan Portal** – Self-assessment & monitoring portal for FCI & CWC depots; uses **IoT, CCTV, live analytics**, and composite ratings; aims to optimize storage and save ₹275 crore.
- Anna Mitra App** – Mobile app for **FPS dealers, DFSOs, and Inspectors**; tracks stock, sales, grievances, and inspections; enhances

transparency and accountability; piloted in Assam, Uttarakhand, Tripura, Punjab.

3. **Anna Sahayata Platform – Grievance redressal system** for NFSA & PMGKAY beneficiaries; accessible via **WhatsApp, IVRS, ASR**; improves accountability and efficiency.
4. **Public Distribution System (PDS)** – Food security program under **NFSA, 2013**; provides **subsidized wheat, rice, sugar, kerosene** to vulnerable populations; covers ~2/3 population.
5. **Implementation – Centre:** FCI handles procurement, storage, transport; **States/UTs:** distribute food, issue ration cards, operate FPS.
6. **Other Digital Initiatives – Anna Chakra** (reduces transport, saves ₹250 crore), **SCAN** (streamlined subsidy claims), **ONORC** (One Nation One Ration Card).
7. **Technology Integration in PDS – SMART-PDS (2023–26)**, **computerized FPS with POS machines, Aadhaar linkage & DBT, GPS tracking** and SMS alerts for grain delivery.

World Energy Investment Report

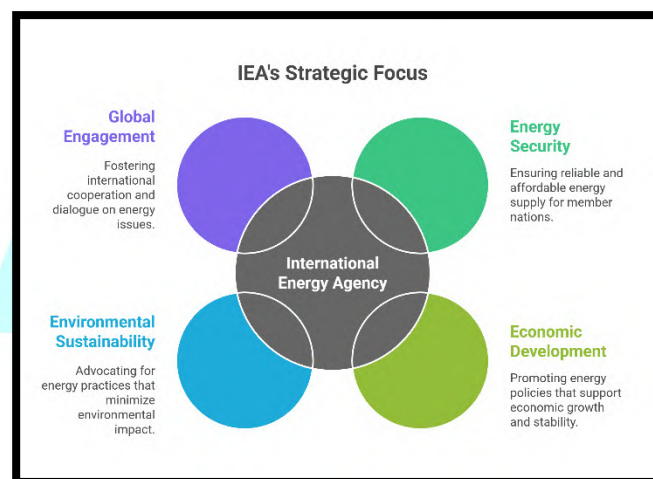
Recent Context

The IEA released the **10th World Energy Investment Report 2025**, highlighting record **global energy investment of USD 3.3 trillion**, with a major shift toward **clean energy technologies**.

Key Points for Prelims

1. **Global Energy Investment 2025** – Projected at **USD 3.3 trillion**, with **USD 2.2 trillion** in clean energy and **USD 1.1 trillion** in fossil fuels.
2. **Clean Energy Investments** – Led by **solar PV (USD 450 billion)**, **battery storage (>USD 65 billion)**, and **nuclear power (USD 75 billion)**; low-emission power generation spending nearly doubled in five years.
3. **India's Energy Investment** – Renewable power investment rose from **USD 13B (2015) → USD 37B (2025)**; fossil fuels from **USD 41B → 49B**; nuclear & other clean sources from **USD 1B → 6B**; grid & storage fell **USD 31B → 25B**.

4. **Regional Patterns – China:** >25% of global energy investment, equals US+EU combined; **Africa:** only 2% of global clean energy investment despite 20% of world population.
5. **Fossil Fuel Trends** – Oil exploration investment ↓6%, LNG investment rising (US, Qatar, Canada), coal remains strong (China starting 100 GW new coal in 2024).
6. **Grid Investment Gap** – Generation investment **USD 1 trillion**, grid only **USD 400 billion**; rising material costs nearly doubled in five years.
7. **International Energy Agency (IEA)** – Paris-based intergovernmental body (est. 1974), 32 members + 13 associations including India; focuses on **energy security, economic development, environmental sustainability, global engagement**.



19th Statistics Day & Contribution of P.C. Mahalanobis

Recent Context:

On 29th June 2025, India celebrated the 19th **Statistics Day** marking the 132nd birth anniversary of P.C. Mahalanobis, with the theme “75 Years of *National Sample Survey*”. The event saw the launch of the GoStat app, the 2025 Prof. C.R. Rao Award to Dr. Prajmitra Bhuyan, and release of the SDG National Indicator Framework Progress Report.

About:

1. **National Statistics Day:** Observed annually on 29th June since 2007 to honour P.C.

Mahalanobis and highlight the role of statistics in governance and development.

2. **P.C. Mahalanobis:** Eminent statistician (1893–1972), founder of the Indian Statistical Institute (1931) and statistical journal *Sankhya* (1933).
3. **Mahalanobis Distance:** A statistical measure to determine how far a point lies from the mean in multidimensional space; used in pattern recognition and data analysis.
4. **Economic Planning:** Architect of the *Mahalanobis Model* in the Second Five-Year Plan (1956–61), focusing on heavy industrialisation for long-term self-reliance.
5. **National Sample Survey (NSS):** Initiated in 1950 on Mahalanobis' recommendation; conducts nationwide household and industrial surveys for policy data.
6. **MoSPI:** Ministry of Statistics and Programme Implementation (est. 1999) oversees NSO, Programme Implementation Wing, National Statistical Commission, and ISI.
7. **Global Impact:** Feldman-Mahalanobis Model influenced economic strategies of developing nations by prioritising capital goods sector investment.

Achieving Self-Sufficiency in Pulses

Recent Context:

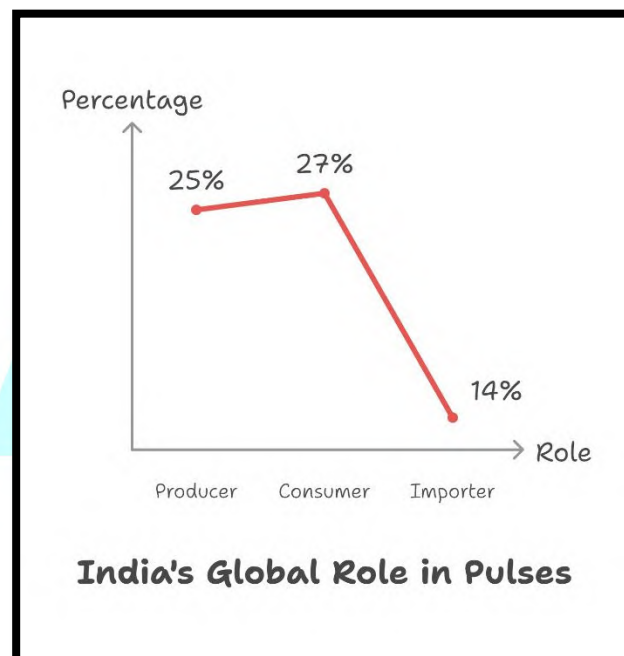
In 2024–25, India's pulses imports hit a record 7.3 million tonnes worth USD 5.5 billion due to drought-induced production drop. Farmers face low procurement despite MSP, leading to distress sales.

About:

1. **Definition:** Pulses are dry edible seeds of leguminous plants (family *Fabaceae*), rich in protein, fiber, and micronutrients, and improve soil fertility via nitrogen fixation.
2. **Climatic Needs:** Thrive at 20–27°C, 25–60 cm rainfall, sandy-loam soils; grown as Rabi (e.g., gram, masoor) and Kharif (e.g., moong, urad, arhar) crops.
3. **India's Status:** Largest producer (25%), consumer (27%), and importer (14%) globally;

key states—Madhya Pradesh, Maharashtra, Rajasthan, UP, Karnataka.

4. **Production Share:** Cover 20% of food grain area but contribute only 7–10% of production; gram is the dominant pulse (40%).
5. **Challenges:** MSP bias towards rice/wheat, climate vulnerability, low yields (660 kg/ha vs world avg. 909 kg/ha), fragmented holdings, and pest/disease susceptibility.
6. **Import Sources:** Canada, Russia, Australia, Mozambique, Tanzania, Myanmar, USA.
7. **Government Schemes:** NFSM-Pulses, PM-AASHA, National Mission on Sustainable Agriculture, Rashtriya Krishi Vikas Yojana, High Yielding Seeds Programme.



RoDTEP Scheme for Exporters Restored

Recent Context :

The government restored RoDTEP for Advance Authorisation, EOUs, and SEZs after its expiry in Feb 2025, aiming to refund embedded duties and boost export competitiveness.

ABOUT:

1. **RoDTEP** – Remission of **Duties & Taxes on Exported Products**; replaced MEIS (2021).
2. **Eligibility** – All sectors including **textiles, pharma, chemicals, iron & steel**; includes SEZ & EOU units.
3. **Exports via e-commerce/courier** – Eligible for refunds.

4. **Refund mechanism** – Transferrable e-scrips to pay **Basic Customs Duty**, not direct cash.
5. **Duties refunded** – Central/State excise on fuel, coal cess, mandi tax, tolls, stamp duty, VAT.
6. **Domestic Tariff Units (DTAs)** – Scheme valid till **Sep 30, 2025**.
7. **Objective** – Enhance **export competitiveness**, support **MSMEs** facing thin margins.

Gaps in India's Irrigation System

Recent Context:

Despite **52% irrigation coverage**, India faces **water scarcity**, over-reliance on groundwater, low irrigation efficiency (**38%**) and delayed projects, prompting **policy reforms and micro-irrigation adoption**.

ABOUT:

1. **Agriculture water use** – ~80% of total water withdrawal; 688 bcm annually.
2. **Irrigation coverage** – 73 mha out of 141 mha sown area (52%).
3. **Irrigation Potential Utilised (IPU)** – 80 mha vs Potential Created (IPC) 109 mha.
4. **Efficiency** – India 38%; developed countries ~55%.
5. **Challenges** – Uneven rainfall, outdated infrastructure, groundwater overuse, misaligned cropping patterns, weak regulations.
6. **Legal aspect** – Easement Act 1882 allows unrestricted water extraction by landowners.
7. **Way forward** – Micro-irrigation, participatory management, cropping pattern rationalisation, groundwater regulation, water harvesting.

Agri Photovoltaics (APVs) to Boost Farmers' Income

Recent Context :

APVs combine **solar energy generation with crop cultivation**, enabling dual income, efficient land use, and improved microclimate, supporting India's **renewable energy targets and Net Zero 2070 commitment**.

ABOUT:

1. **APV definition** – Solar panels installed above farmland; crops grow beneath.
2. **Designs** – Rows between panels or panels elevated ~2m above crops.
3. **Benefits** – Dual revenue: **crop + solar energy**, land-use efficiency, improved microclimate.
4. **Energy security** – Supports **India's Solar Mission**, rural electrification, and **Net Zero 2070**.
5. **Capital cost** – 11% higher than ground-mounted solar plants; ~₹3 crore/5-acre MW plant.
6. **Challenges** – Lack of standardised guidelines, low Feed-in Tariff, small landholdings.
7. **Policy support** – PM-KUSUM scheme; FIT ₹3.04/unit in Rajasthan; long payback discourages investors.

SOURCE – VISION MONTHLY

RURAL INDIA: THE NEW ENGINE OF INDIA'S CONSUMER MARKET

Recent Context :

Rural India's consumer market is **growing faster than urban markets**, driven by rising incomes, declining poverty, digital and physical infrastructure, and government schemes, positioning it as a new engine of consumption-led growth.

Key Points for Prelims

1. **Rural Demand Growth:** MPCE in rural India rose 9.2% (2023-24), higher than urban 8.3%; rural-urban MPCE gap fell to 69.7%.
2. **Urbanization of Rural Spending:** Non-food items (communication, education, healthcare) dominate rural consumption.
3. **Growth Drivers:** Rising incomes (non-farm, remittances), poverty decline (<5%), DBT & PM-KISAN, infrastructure (PMGSY, BharatNet), financial inclusion (UPI, Jan Dhan).
4. **Concerns:** Intra-rural inequality, infrastructure gaps, digital divide, climate vulnerabilities affecting farm income.
5. **Government Recommendations:** Focus on aspirational districts, converge skilling & entrepreneurship schemes, develop roads, internet, warehousing.
6. **Private Sector Role:** Localize products, promote rural micro-entrepreneurship, leverage low-cost tech (IVR, vernacular AI, WhatsApp commerce).

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

Why in the News:

- AMRUT has completed **10 years** since launch, aimed at improving urban infrastructure in India.



Ministry: Ministry of Housing and Urban Affairs (MoHUA)

Type: Centrally Sponsored Scheme

Coverage: Initially **500 cities and towns**.

AMRUT 2.0 (2021): Focuses on **water and sewerage only**, aiming for:

- Tap water for all households in statutory towns
- Improved sewerage management

Major Components of AMRUT 2.0

- Pey Jal Survekshan:** Assessment of service level benchmarks for water supply, reuse, sewerage, and water body conservation.
- Behaviour Change Communication:** Promotes water conservation and efficiency.
- Technology Sub-Mission:** Supports start-ups and private entrepreneurship via pilot projects.
- Public Private Partnership (PPP):** Mandatory in cities with population >1 million.
- Outcome-Based Funding:** Cities submit a roadmap to achieve targets.
- Community Participation:** Emphasis on women's self-help groups.
- Circular Economy of Water:** Focus on recycling treated sewage, water body rejuvenation, and conservation.

Modified Interest Subvention Scheme (MISS)

Why in the News:

- Union Cabinet approved the continuation of the **Interest Subvention (IS)** component under MISS for **2025-26**.

Type: Central Sector Scheme

Ministry: Ministry of Agriculture & Farmers Welfare

Implemented by: RBI and NABARD

Objective

- Ensure **short-term credit availability to farmers** at an **affordable interest rate** through Kisan Credit Card (KCC).

Key Features

- Variant of Interest Subvention Scheme (2006-07):** KCC loans at **7% interest**.
- Short-term Loans:** Up to **₹3 lakh** at subsidized interest of 7%.
 - 1.5% interest subvention** given to lending institutions.
- Prompt Repayment Incentive (PRI):**
 - Up to **3% interest reduction**, effectively lowering KCC loan rate to **4%** for timely repayment.
- Loans for Animal Husbandry/Fisheries:** Interest benefit applicable **up to ₹2 lakh**.

Kisan Credit Card (KCC)

Objective: Provide farmers credit for **agriculture inputs and production needs**.

History:

- Introduced in **1998**; expanded in **2019** to include **animal husbandry, dairying, and fisheries**.

Eligibility:

- Owner cultivators, tenant farmers, oral lessees, sharecroppers, Self-Help Groups (SHGs), and Joint Lending Groups.

Activities Supported:

- Cultivation & post-harvest operations
- Marketing loans
- Household consumption needs
- Working capital for farm assets
- Investment credit for allied activities (animal husbandry, dairying, fisheries)

Credit Limit:

- Calculated based on **cropping patterns and purpose**.

Issuing Institutions:

- Public & Private Sector Banks
- Small Finance Banks
- PACS (linked with SCBs)
- Regional Rural Banks & Rural Cooperative Banks

Duration:

- **5 years**, subject to periodic review

Digital Initiative:

- **Kisan Rin Portal (KRP)** enhances **transparency and efficiency** in loan management.



SOURCE – PIB

Wind Energy in India**Recent Context:**

- **Global Wind Day:** 15th June
- **Location:** Bengaluru
- **Organized by:** Ministry of New and Renewable Energy (MNRE)

India's Wind Energy Vision

- **Central to renewable energy policy.**
- **Targets:**
 - 50% power capacity from **non-fossil sources by 2030**
 - **Net-zero emissions by 2070**
- Supports **Atmanirbhar Bharat** in energy sector.

Prime Minister's Vision:

- Renewable energy powers **manufacturing**, conventional energy for **households**.
- Positions India as a **green energy manufacturing hub**.

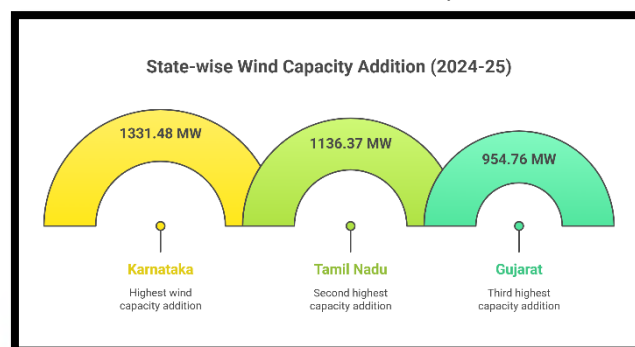
Global Standing

- **4th largest** installed wind power capacity globally

- **3rd largest** renewable energy producer
- Domestic wind turbine manufacturing: **225 kW to 5.2 MW**, 14 companies, 33 models
- Competitive in **global markets**

Five National Priorities

1. **Expand into new states:** Madhya Pradesh, Telangana, Odisha
2. **Offshore wind:** 4 GW leasing areas in Gujarat & Tamil Nadu
3. **Firm green power strategies:** Storage-linked models for reliability
4. **Modern grid:** AI-based forecasting to manage intermittency
5. **Boost domestic manufacturing:** Full value chain – turbines, blades, components

**India Meets Peak Power Demand of 241 GW****Context:**

- India achieved **historic transformation** in power sector: record capacity, robust grid, renewable integration.
- **Union Minister Shri Manohar Lal** highlighted India's emergence as a **power-surplus nation**.
- **Relevance:** GS 3 – Energy

Key Highlights

1. **Peak Power Demand Met:** 9 June 2025, 241 GW peak, 0 GW shortage → India now power-surplus.
2. **Capacity Addition (FY 2024-25):** 34 GW added (29.5 GW renewables); total installed 472.5 GW (2014: 249 GW).
3. **Battery Storage Push:** Rs 5,400 Cr VGF for 30 GWh BESS; private investment Rs 33,000 Cr; target 2028.
4. **ISTS Waiver for Storage:** Extended to 30 June 2028; covers PSPs & BESS to reduce costs.
5. **Ultra High Voltage AC (UHVAC) by 2034:** 9×1100 kV lines, 10 substations; Rs 53,000 Cr investment; CPRI for modernization.

6. **Transmission Reforms:** Land compensation 85→200%, Right of Way 15→30%; faster project execution & private participation.
7. **Key Projects:** Tehri PSP 250 MW adds grid flexibility; energy shortage April 2025 just 0.1% vs 4.2% in 2013–14.

Centre Hikes Fair and Remunerative Price (FRP) for Sugarcane

Recent Context :

CCEA approved FRP of ₹355/quintal for sugarcane for the 2025-26 season, ensuring timely payments to farmers while states can provide higher SAP for local support.

Prelims Points:

1. **FRP definition** – Minimum price sugar mills must pay under Sugarcane (Control) Order, 1966.
2. **Fixing authority** – Cabinet Committee on Economic Affairs (CCEA) on CACP recommendations.
3. **Purpose** – Guarantees timely payment, irrespective of mills' profits/losses.
4. **SAP (State Advised Price)** – States may set higher price to support farmers.
5. **Frequency** – Announced annually before sugar season (Oct–Sep).
6. **Legal framework** – Ensures mills' compliance with procurement obligations.
7. **Economic significance** – Protects farmers' income, stabilises sugar sector, affects inflation and sugar exports.

Digitalising India's Seed Value Chain: SATHI Portal

Recent Context :

SATHI Portal has integrated 24 states as of mid-2025 to digitalise seed traceability, authentication, and inventory, prevent spurious seeds, and link farmers with subsidies via DBT.

Prelims Points:

1. **SATHI full form** – Seed Traceability, Authentication and Holistic Inventory.
2. **Developed by** – Ministry of Agriculture & Farmers' Welfare in partnership with NIC.

3. **Scope** – Tracks entire seed supply chain: producers → distributors → dealers → retailers → farmers.
4. **QR code** – Each certified seed packet carries QR to access origin, grower, certifying agency.
5. **DBT integration** – Subsidy for seeds goes directly into farmers' bank accounts.
6. **Current status** – Uploading seed data optional, proposal to amend Seeds Act, 1966 to make mandatory.
7. **Objective** – Ensure quality seeds, prevent spurious/substandard seed circulation, improve transparency.



TOPICS COVERED-

- **India–UK CETA (Comprehensive Economic and Trade Agreement) – 2025 Overview** – Bilateral trade and investment agreement enhancing market access and economic ties.
- **India’s Economic Surge (2024–25)** – Growth drivers include **FDI inflows**, export performance, and domestic consumption.
- **Public Debt in India** – Trends, composition, and fiscal risks from rising borrowings.
- **India’s Sluggish Corporate Investment** – Causes include policy uncertainty, low capacity utilisation; measures proposed to boost investment.
- **India must fix weak trade & investment fundamentals** – Issues in **current account, FDI/FPI inflows, and manufacturing sector**.
- **Prime Minister Dhan-Dhaanya Krishi Yojana (PMDDKY)** – Targeting **low-performing districts** to improve agricultural productivity.
- **Initiatives Driving Agricultural Growth** – MSP, **Soil Health Cards, e-NAM, and credit access** enhancing farmer incomes.
- **CROPIC Initiative** – AI-based **geotagged crop monitoring** for precision agriculture.
- **Exploring Opportunities & Challenges of GM Crops** – Trade, biosafety, and regulatory considerations.
- **India debates genetically modified (GM) crops amid global pressure** – Balancing innovation, food security, and export concerns.
- **Employability and Skilling in India** – ELI Scheme and skill gap challenges in industry.
- **Future of Work** – Impacts of **automation, AI, layoffs**, and workforce transitions.
- **Female Labour Force Participation Paradox** – Literacy–employment gap; low participation despite rising education.
- **Adopt Formalisation to Power Productivity Growth** – Addressing contractualisation and implementing **Labour Codes**.
- **Financial Inclusion in India** – FI-Index, **JAM Trinity**, and SHGs promoting access to finance.
- **Digital India Mission** – Achievements in e-governance and connectivity; remaining challenges.
- **Digital Payments Index (DPI)** – Growth and penetration of digital payments in India.
- **India Becomes Global Leader in Fast Payments** – IMF recognition for instant payment systems.
- **Stablecoins** – Emerging **global and Indian regulatory landscape**.
- **VRRR Auction to Absorb Excess Liquidity** – RBI’s tool to manage monetary conditions.
- **Financial Conditions Index (FCI)** – Monitoring market tightness and liquidity conditions.
- **Global FDI is Falling and India Faces Challenges** – Slowing global investment impacting India’s growth.
- **Declining Household Savings & Rising Liabilities** – Implications for financial stability and consumption.
- **Indian Bank Credit Slows Amid Policy Shifts and Reforms** – Credit growth constrained despite reforms.
- **Research, Development, and Innovation (RDI) Scheme** – ₹1 lakh crore fund to promote innovation and R&D.
- **Redeeming India’s Nuclear Power Promise** – Deployment of **SMRs**, aiming for 100 GW nuclear capacity.
- **Draft Petroleum & Natural Gas Rules, 2025** – Regulations for upstream and renewable energy integration.

- **India Achieves 50% Installed Electricity Capacity from Non-Fossil Fuels** – Milestone in renewable energy transition.
- **Catastrophe Bonds for Natural Disasters** – Innovative financial instruments for disaster risk mitigation.
- **8 Years of GST** – Achievements, ongoing issues, and IGST refund delays.
- **GST Complexity Grows Despite Initial Simplicity** – Operational challenges and compliance burdens.
- **UN SDG Report 2025** – Highlights stagnation, challenges, and financing gaps in achieving targets.
- **Cooperatives and MSMEs Strengthen India's Economic Foundation** – Role in employment, production, and local development.
- **India's Inequality Claims** – Data gaps and alternative measures to assess inequality.



INDIAN ECONOMY

SOURCE – PIB

India–UK CETA (Comprehensive Economic and Trade Agreement) – Overview

Recent Context - Signed on July 24, 2025, India–UK CETA aims to double bilateral trade by 2030, offering duty-free access, professional mobility, and inclusive growth for MSMEs, farmers, artisans, and women-led enterprises.

About -

1. **Bilateral Trade:** USD 56 billion (merchandise USD 23B, services USD 33B); target: double by 2030.
2. **Tariff Elimination:** India – 99% exports duty-free; UK – 89.5% tariff lines opened; sensitive sectors phased.
3. **Services & Mobility:** 137 UK sub-sectors open; temporary professional entry (business, intra-corporate transferees, chefs, yoga instructors).
4. **Double Contribution Convention:** Indian workers exempt from UK social security for 3 years; saves INR 4,000 crore.
5. **Key Sectors Benefits:** Textiles, leather, marine products, gems & jewellery, engineering goods, chemicals, IT/ITES, healthcare, education.
6. **State-wise Gains:** Maharashtra – engineering/pharma; Gujarat – pharma/chemicals; Tamil Nadu – textiles/leather; Kerala – marine/spices; Rajasthan – handicrafts/gems.



Topic: India's Economic Surge (2024–25)

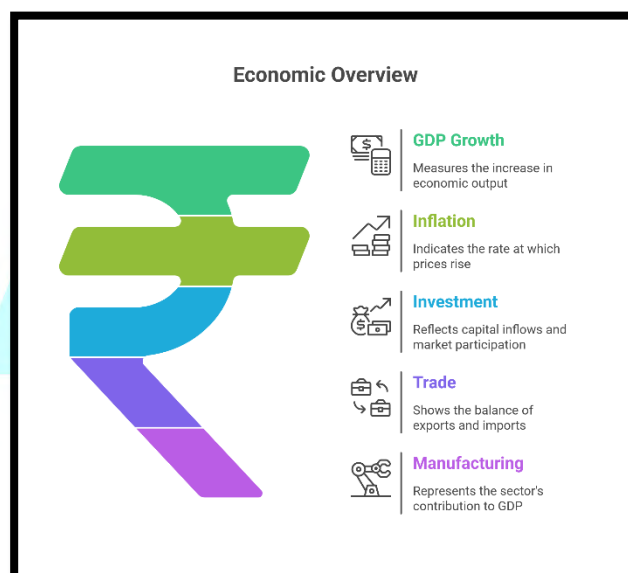
Recent Context -

India emerged as the fastest-growing major economy in 2024–25 with 6.5% GDP growth, low inflation

(2.82%), record FDI inflows (USD 81.04 bn), and robust exports, reflecting macroeconomic stability.

About -

1. Real GDP growth: 6.5%; nominal GDP growth: 9.9%
2. CPI inflation: 2.82% (May 2025); food inflation: 0.99%
3. Retail investors: 13.2 cr; IPO capital raised: ₹1.54 lakh crore
4. FDI inflows: USD 81.04 bn; top sectors – services, software, trading
5. Forex reserves: USD 697.9 bn; external debt: 19.1% of GDP
6. Total exports: USD 824.9 bn; services exports: USD 387.5 bn
7. Manufacturing GVA: ₹27.5 lakh crore; sector share stable at ~17.3%



SOURCE – VISION MONTHLY

Topic: Prime Minister Dhan-Dhaanya Krishi Yojana (PMDDKY)

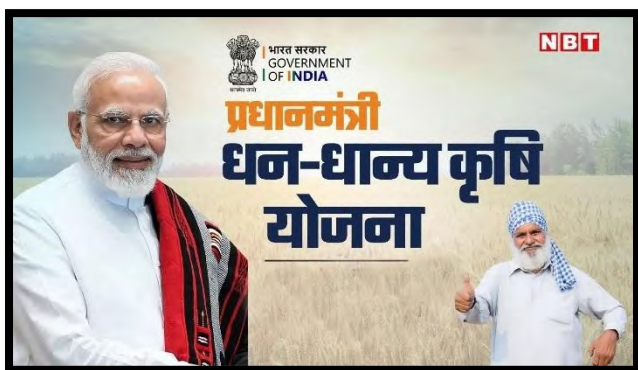
Recent Context -

Union Budget 2025–26 approved PMDDKY for six years with ₹24,000 crore annually to improve agriculture in 100 low-performing districts via convergence and modernization.

About -

1. **Objective:** Enhance crop productivity, farmer income, irrigation, storage, and sustainable farming in low-performing districts.

2. **Coverage:** 100 districts selected by NITI Aayog based on crop yield, cropping intensity, credit access, and geographic representation.
3. **Budget & Duration:** ₹24,000 crore per year for six years (FY 2025–26 onwards).
4. **Implementation Structure:** Three-tier monitoring – National bodies, State nodal committees, District Dhan-Dhaanya Samitis chaired by Collectors.
5. **Convergence:** Integrates 36 existing central schemes (e.g., PM-KISAN, PMFBY) across 11 ministries plus state schemes and private partnerships.
6. **Technology & Accountability:** Digital dashboard, farmer app, district ranking system, 117 KPIs for progress tracking.



Topic: Public Debt in India

Recent Context -

RBI's Financial Stability Report 2025 highlights India's rising public debt (over 80% of GDP) amid strong economic growth, low inflation, and declining NPAs, urging cautious fiscal management.

About -

1. **Definition:** Public debt is the total borrowing of the government (central + state, excluding inter-governmental liabilities) from domestic and foreign sources.
2. **Components:**
 - Internal debt: 96.59% of total debt (borrowed within India)
 - External debt: 3.41% of total debt (borrowed from foreign sources)
3. **Size:** Total public debt stood at ₹18,17,4284 crore (Union Budget 2025–26); >80% of GDP.
4. **Types:**

- Internal debt (loans from banks, bonds, savings schemes)
- External debt (sovereign bonds, multilateral/bilateral borrowings)

5. **Risks of High Public Debt:** Increased interest burden, limited fiscal space, crowding out private investment, inflationary pressures, intergenerational burden.
6. **Global Context:** IMF projects global public debt above 95% of GDP in 2025, reaching 100% by 2030; India still performing better than many EMEs.

Topic: Employability and Skilling in India

Recent Context -

Union Cabinet approved the Employment Linked Incentive (ELI) Scheme to enhance youth employability, create 3.5 crore jobs, promote skill development, and support job retention in the private sector.

About -

1. **ELI Scheme:** Nodal Ministry – Labour & Employment; targets 3.5 crore jobs, especially first-time employees in private sector; part of PM's five-scheme employment package.
2. **Purpose:** Promote job creation, skill enhancement, and expand social security coverage across sectors, particularly manufacturing.
3. **Current Employability:** India Skills Report 2025 shows 53.47% males and 46.53% females employable; improved from 33% a decade ago.
4. **Drivers of Improvement:** Focus on emerging technologies like AI, cloud computing, and automation.
5. **Soft Skills Deficit:** Limited emphasis on communication, teamwork, critical thinking; hampers workplace readiness despite technical knowledge.

Topic: Future of Work

Recent Context -

TCS announced 12,000 layoffs, highlighting skills mismatch risks. Global MNCs have cut 1,05,000 jobs in

2025, driven by automation, AI adoption, and evolving workforce requirements.

About -

1. **Legal Framework:** Industrial Disputes Act, 1947; four Labour Codes (Industrial Relations, Wages, Occupational Safety, Social Security) govern layoffs.
2. **Definition:** Transformation in work patterns driven by technology, economics, demographics.
3. **Economic Impact:** Shift from routine/manual to high-skill roles; vulnerable jobs include writing, translation, journalism.
4. **Productivity:** Generative AI could add \$2.6–\$4.4 trillion/year (McKinsey).
5. **Workforce Skills:** 39% core skills expected to change by 2030 (WEF); reskilling/upskilling essential.
6. **Social Impact:** Wage and opportunity gaps; gender pay gap ~34% in India (ILO); tribal communities affected.
7. **Govt Initiatives:** PMKVY, FutureSkills Prime, AI for India 2030, NM-ICPS, National Tele Mental Health Programme

Topic: Research, Development, and Innovation (RDI) Scheme

Recent Context -

Union Cabinet approved RDI Scheme with ₹1 lakh crore corpus to promote private sector R&D, deep-tech innovation, and strategic technology development, enhancing self-reliance and economic competitiveness.

About -

1. **Nodal Department:** Department of Science and Technology; managed under Anusandhan National Research Foundation (ANRF).
2. **Objective:** Scale private sector R&D in sunrise domains, strategic technologies, commercialization, and economic self-reliance.
3. **Funding:** ₹1 lakh crore via long-term loans, equity infusion, Deep-Tech Fund of Funds; grants/short-term loans excluded; up to 50% project cost for TRL ≥4.

4. **Implementation:** Special Purpose Fund under ANRF; Second-level Fund Managers include AIFs, DFIs, NBFCs, TDB, IIT Research Parks.
5. **Global Comparison:** Lower R&D spend vs South Korea (4.8%), Israel (5.6%); underutilization of existing funds (DBT 72%, DST 61% FY2022–23).

Topic: Financial Inclusion in India

Recent Context -

RBI's Financial Inclusion Index (FI-Index) rose to 67 in 2025, up 24.3% since 2021, reflecting improved access, usage, and quality across banking, insurance, pension, and digital finance sectors.

About -

1. **FI-Index:** Scale 0–100; 0 = complete exclusion, 100 = full inclusion; measures Access, Usage, and Quality; annual publication since 2021.
2. **Government Initiatives:** PMJDY (2014), NSFI 2019–24, Aadhaar-enabled KYC, Digital India drive.
3. **Digital Infrastructure:** JAM Trinity (Jan Dhan–Aadhaar–Mobile), UPI adoption (~38% in rural/semi-urban 18–35 age group).
4. **AI & ML in Finance:** Inclusive credit scoring, chatbots, fraud detection enhancing accessibility and efficiency.
5. **Microfinance & SHGs:** India is 2nd largest in microfinance outreach; 13.4 million SHGs (~84% women) support 160 million households.
6. **Bank Sakhis:** Women business correspondents provide last-mile financial services in rural areas.
7. **Priority Sector Lending:** Commercial banks mandated by RBI to lend to agriculture, MSMEs, and other critical sectors for financial inclusion.

Topic: Digital India Mission

Recent Context -

India marked 10 years of the Digital India Mission (2015–2025), highlighting achievements in digital economy, financial inclusion, language accessibility,

and e-governance, while challenges remain in literacy, connectivity, and cybersecurity.

About -

1. **Launch & Nodal Ministry:** Started in 2015, implemented by Ministry of Electronics and Information Technology (MeitY).
2. **Vision Pillars:** Digital infrastructure as utility, governance & services on demand, digital empowerment of citizens.
3. **Digital Economy:** India 3rd largest globally; projected to contribute ~20% to GDP by 2030.
4. **Internet Penetration:** 285% rise in connections (2014–2024); data costs dropped from ₹308/GB to ₹9.34/GB.
5. **Financial Inclusion:** India leads in real-time digital payments (49% global share, 2023); DBT transfers ₹44 lakh crore till May 2025.
6. **Language Empowerment:** BHASHINI initiative supports 30+ Indian languages, integrated into IRCTC, NPCI, police systems.



Topic: Digital Payments Index (DPI)

Recent Context -

India recorded 65,000+ crore digital transactions worth ₹12,000 lakh crore in 6 years. RBI's DPI shows fourfold growth in digital payment penetration since 2018, reflecting India's fintech revolution.

About -

1. **Developed by RBI,** published semi-annually.
2. **Measures adoption** of digital payments nationwide.
3. **Parameters:** Enablers, infrastructure (demand & supply), performance, consumer centricity.
4. **Index shows** 4x growth since 2018.
5. **Captures penetration** of UPI, IMPS, wallets, cards.

6. **Reflects policy impact** of Digital India, JAM Trinity, fintech push.
7. **Helps RBI monitor** digital financial inclusion & payment ecosystem.

Topic: Financial Conditions Index (FCI)

Recent Context -

RBI study proposed constructing India's Financial Conditions Index (FCI) for daily monitoring of money, G-secs, bonds, forex, and equity markets to track financial tightness or ease since 2012.

About -

1. **Developed by RBI** to track financial market trends.
2. **Introduced in 2025** for India.
3. **Market Segments:** Money, G-secs, corporate bonds, forex, equities.
4. **Positive FCI = tighter** conditions.
5. **Reference baseline:** Average since 2012.
6. **Daily frequency index.**
7. **Used for macro-financial stability monitoring.**

Topic: Global Findex 2025

Recent Context -

World Bank's Global Findex 2025 highlights India's ~90% account ownership, reduced inactive accounts, and challenges of phone cost and network access, reflecting progress in digital & financial inclusion.

About -

1. **Published by World Bank.**
2. **Covers financial inclusion** trends globally.
3. **India account ownership:** ~90%.
4. **Inactive accounts:** 16% vs global 4%.
5. **Gender gap** narrowed between 2021–24.
6. **Barriers:** Device cost & poor network.
7. **India among leaders** in digital inclusion.

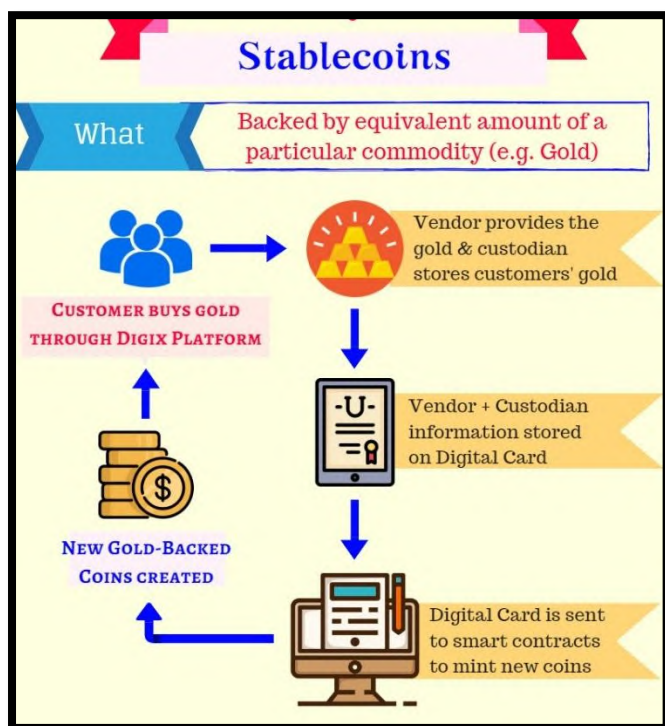
Topic: Stablecoins

Recent Context -

The US enacted GENIUS Act to regulate stablecoins, a crypto subset pegged to assets like USD, while India regulates VDAs via taxation and PMLA, without dedicated crypto regulation.

About -

1. **Stablecoins:** Crypto linked to asset/currency (e.g., USDT).
2. **Advantage:** Price stability vs volatile Bitcoin.
3. **Issuers:** Banks, NBFCs, tech firms.
4. **US Regulation:** GENIUS Act framework (2025).
5. **India:** No regulation, only taxation under Finance Act 2022.
6. **Taxation:** 30% on VDA gains.
7. **PMLA (2023):** VDAs under anti-money laundering rules.



Topic: CROPIC Initiative

Recent Context -

The Agriculture Ministry launched CROPIC under PMFBY, using AI and geotagged photos to monitor crop growth, funded through FIAT, boosting agri-insurance accuracy and financial resilience for farmers.

About -

1. **Full form:** Collection of Real-time Observations & Photos of Crops.
2. **Launched by:** Ministry of Agriculture.
3. **Linked with:** PM Fasal Bima Yojana.
4. **Uses:** AI-based cloud analysis of crop photos.
5. **Geotagging** during crop cycle (4–5 times).
6. **Funding:** FIAT (Fund for Innovation & Technology).

7. **Dashboard for visualisation & insurance decision support.**

SOURCE – INSIGHTS

Topic: Adopt Formalisation to Power Productivity Growth in India's Manufacturing Sector

Recent Context -

An ASI-based study (1999–2019) shows contractualisation in India's formal manufacturing rose from 20% to 40.7%, driven by cost-cutting and law avoidance, undermining productivity, skills, and long-term industrial growth.

About -

1. **Contract Labour Share:** Rose to 40.7% in formal manufacturing by 2022–23.
2. **Wage Gap:** Contract workers earn ~14% less; in large firms gap widens to 31%.
3. **Productivity Loss:** CLI firms show 31–42% lower productivity vs RLI firms.
4. **Training Deficit:** Short-term contracts reduce skilling, stability, innovation.
5. **Labour Codes Delay:** Industrial Relations Code, 2020 yet to be fully adopted by states.
6. **Social Security Gaps:** Many contract workers excluded from EPF, ESI, maternity benefits.
7. **Policy Fix:** Revive PMRPY, incentivise longer tenures, link skilling with formal jobs.

Topic: 8 Years of GST

Recent Context -

India marks 8 years of GST (2017–2025). Automation has improved IGST refund processing for exporters, while challenges remain in refund delays, compliance burden, tech integration, and state fiscal autonomy.

About -

1. **GST Launch:** 1st July 2017, under **101st Constitutional Amendment Act, 2016**.
2. **Nature:** **Destination-based, multi-stage indirect tax** subsuming excise, VAT, service tax.
3. **Model:** **Dual GST** – Centre levies CGST, States levy SGST.
4. **Technology Backbone:** **GSTN** for registration, returns, compliance.

5. **Taxpayer Base:** Over **1.45 crore** taxpayers by 2025.
6. **Revenue Milestone:** Monthly GST collections avg. **₹1.65 lakh crore (FY25)**, record ₹2.1 lakh crore (Apr 2025).
7. **Exports: Zero-rated** – refunds via ICEGATE within 7 days, ₹1.18 lakh crore refunded in FY25.



Topic: UN SDG Report 2025

Recent Context -

Released at the UN High-Level Political Forum, the 2025 SDG Report warns that 35% of measurable SDG targets are stagnating or reversing, with only five years left to 2030.

About -

1. **Global Hunger:** 9.1% population (713–757 million) hungry; **2.33 billion** food insecure.
2. **Water Access:** **2.2 billion** lack safe drinking water; **3.4 billion** lack sanitation.
3. **Employment:** **57.8% workers** in informal jobs; youth unemployment **12.9%** (2024).
4. **Life Below Water:** **40% targets regressing** – ocean acidification, overfishing, least funded SDG.
5. **Poverty:** Over **800 million** remain extremely poor; **8.9% projected in 2030**.
6. **Financing Gap:** **\$4 trillion annual shortfall** in SDG investments, worsened by 7.1% aid decline.
7. **Positive Gains:** HIV infections down **40% since 2010**, malaria prevention saved **12.7 million lives**.

Topic: Female Labour Force Participation Paradox in India

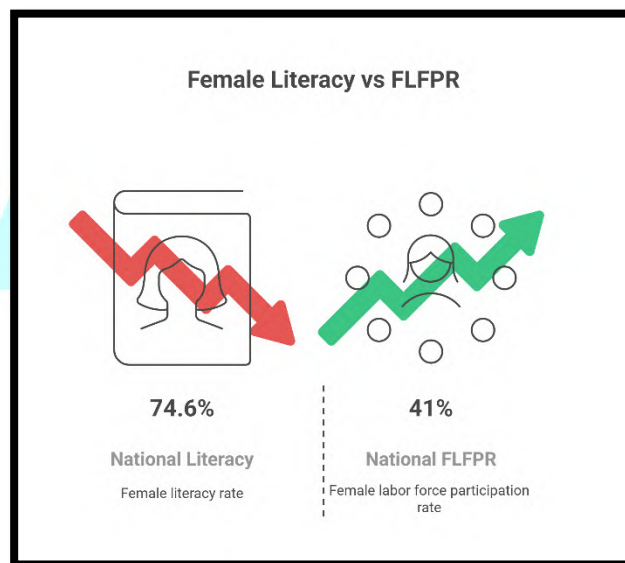
Recent Context -

PLFS 2023–24 highlights India's paradox: despite **high**

female literacy (urban 84.9%), labour force participation is only **28%**, with a widening literacy–employment gap, especially acute in urban India.

About -

1. **Urban FLFPR:** 28% (literacy–employment gap ~57%).
2. **Rural FLFPR:** Higher due to flexible farm/self-employment; literacy–employment gap ~22%.
3. **National Female Literacy:** 74.6% vs FLFPR ~41% → **33-point gap**.
4. **Global Position:** India lies between developed nations (40-point gap) & developing nations (25-point gap).
5. **Decline Trend:** 2005–2019 – fertility fell, education rose, but FLFPR declined due to rising incomes reinforcing gendered roles.
6. **Post-COVID Rural Spike:** Distress-driven participation, not systemic improvement; urban stagnation continues.



Topic: Redeeming India's Nuclear Power Promise

Recent Context -

Union Budget 2025–26 targets **100 GW nuclear capacity by 2047**, with **₹20,000 crore for Small Modular Reactors (SMRs)**, signalling nuclear energy's central role in India's net-zero and Viksit Bharat goals.

About -

1. **Apsara Reactor:** Asia's first, 1956; Tarapur Nuclear Plant, 1963 (India's first).
2. **Self-Reliance:** Indigenous **220 MW PHWRs** developed to bypass enriched uranium imports.

3. **NSG Waiver 2008:** Post Indo-U.S. Civil Nuclear Deal → fuel imports, foreign collaboration possible.
4. **Energy Role:** 24×7 base-load supply; low carbon; high energy density → critical for net-zero 2070.
5. **Legal Barriers:** Atomic Energy Act 1962 (state monopoly); **CLNDA 2010** (supplier liability deters FDI).
6. **Cost Hurdle:** Nuclear capital cost ~\$2 million/MW, vs < \$1m for coal; financing gap persists.
7. **Institutional Weakness:** AERB lacks statutory independence; foreign projects (U.S., France) stalled for 15 years.

Topic: Draft Petroleum & Natural Gas Rules, 2025

Recent Context -

The **Ministry of Petroleum & Natural Gas** unveiled draft rules (2025) to modernise India's **upstream oil and gas framework**, replacing outdated 1949/1959 laws, integrating renewables, ensuring investor stability, and aligning with net-zero.

About -

1. **Stabilisation Clause:** Protects licensees from future tax/royalty hikes via compensation/deductions.
2. **Third-Party Access:** Mandatory fair use of underutilised pipelines & facilities under govt oversight.
3. **Renewable Integration:** Solar, wind, hydrogen, geothermal allowed in oilfields for decarbonisation synergy.
4. **Environmental Norms:** GHG monitoring, CCS mandates, site restoration + 5-year closure monitoring.
5. **Data Governance:** GoI owns operational data; 7-year confidentiality; external use needs approval.
6. **Adjudicating Authority:** Joint Secretary rank for dispute resolution, compliance, and penalties.
7. **Replaces Old Rules:** Supersedes Petroleum Concession Rules, 1949 & PNG Rules, 1959; aligns with amended Oilfields Act, 1948.

Topic: India Achieves 50% Installed Electricity Capacity from Non-Fossil Fuels

Recent Context -

India achieved **50.08% power capacity from non-fossil fuels (242.78 GW)** in June 2025, surpassing its **2030 Paris NDC target** five years early, marking global clean-energy leadership.

About -

1. **Total Power Capacity:** 484.82 GW; Fossil 242.04 GW (49.92%), Non-fossil 242.78 GW (50.08%).
2. **Breakdown:** RE – 184.62 GW, Hydro – 49.38 GW, Nuclear – 8.78 GW.
3. **Paris NDC Target (2015):** 50% installed capacity from non-fossils by 2030.
4. **Key Drivers:** Policy push, private investment, state initiatives (Gujarat, Tamil Nadu), ISA partnerships.
5. **Challenges:** Grid instability, intermittency, land conflicts, storage gaps, cybersecurity risks.
6. **Solutions:** BESS, pumped hydro, AI-based smart grids, recycling of solar/wind assets.
7. **Future Pathways:** Green hydrogen scale-up, rooftop solar, microgrids, circular economy for energy sector.

Topic: India Becomes Global Leader in Fast Payments – IMF Report

Recent Context -

An **IMF–FIS Global Report (2025)** ranked India **No.1 in real-time digital payments** (FPAS: 87.5%), with **UPI processing 18.39 billion transactions in June 2025**, ahead of Brazil, Singapore, UK, USA.

About -

1. **Report:** IMF + FIS Global → *Fast Payments Report 2025* using *Faster Payment Adoption Score (FPAS)*.
2. **India's Rank:** Global No.1; FPAS 87.5%; surpassing Brazil, Singapore, UK, USA.
3. **UPI Scale:** 640M+ daily transactions; 491M users; 65M merchants; 675 banks onboard.
4. **Global Expansion:** UPI operational in 7 countries (e.g., UAE, France, Singapore); BRICS+ integration proposed.

- Key Features:** Interoperability, Aadhaar/eKYC integration, USSD access, real-time fraud detection, gov't-private fintech partnership.
- Limitations:** Low offline access, weak grievance redressal, cross-border regulatory gaps, data privacy risks, digital exclusion of elderly/non-smartphone users.

SOURCE- DRISHTI

Topic: India's Sluggish Corporate Investment**Recent Context -**

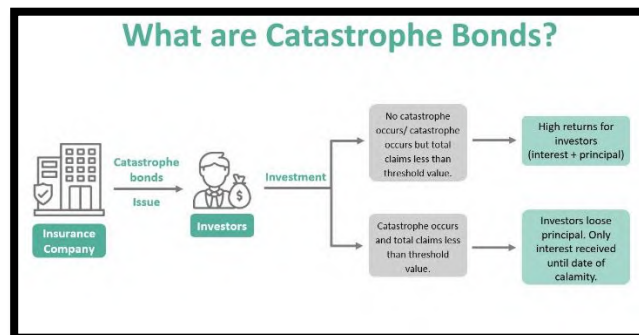
India's corporate investment remains sluggish despite reforms, as June 2025 IIP growth fell to a nine-month low of 1.2%, raising concerns over industrial slowdown, weak demand, and job creation.

About -

- Investment-GDP Ratio:** Fell to ~12% in FY23 vs. 16% (2004-08 growth surge); inadequate for 8%+ growth target.
- Weak Demand:** Despite 2019 corporate tax cut (30%→22%), low consumption and capacity underutilization deterred private investment.
- Government Capex:** FY26 allocation ₹11.21 lakh cr (3.1% of GDP), but low multiplier effect due to import dependence and limited job creation.
- Credit Trends:** Infrastructure credit growth slowed (2.1% in Nov 2023 vs. 11.1% in Nov 2022); personal loans grew 30.1%.
- Global Headwinds:** Trade protectionism and tariffs in US/EU hurt export-led investment opportunities.
- Economic Theories:** Kalecki → investment drives profits (demand-dependent); Luxemburg → underused capacity prevents reinvestment; Tugan Baranovsky → proportionate investment sustains growth.
- Policy Measures:** PLI Schemes, PM GatiShakti, NICDP, Make in India, NSWS, 100% FDI (automatic route in most sectors), Project Monitoring Group to ease bottlenecks.

Topic: Catastrophe Bonds for Natural Disasters**Recent Context -**

With India's disaster insurance coverage remaining limited, rising climate-induced risks highlight Catastrophe Bonds as a strategic tool to mobilize private capital for disaster resilience and rapid post-disaster financing.

**About -**

- Definition:** Cat Bonds are insurance-linked securities transferring disaster risk (cyclones, floods, earthquakes) from governments/insurers to investors.
- Investor Returns:** Offer high interest rates but investors lose principal if disaster triggers payout.
- Unique Feature:** Risks uncorrelated with stock markets → portfolio diversification benefit.
- Global Market:** \$180+ billion issued since late 1990s; ~\$50 billion active worldwide.
- Fiscal Role:** Provide quick post-disaster capital, reducing fiscal burden and dependence on aid.
- India Context:** Allocates \$1.8 bn annually (since FY22) for disaster mitigation → potential to pilot Cat Bonds with World Bank/ADB.
- Regional Cooperation:** India can lead a South Asian Cat Bond pool covering shared risks (Nepal quakes, Bay of Bengal cyclones).

Topic: Declining Household Savings & Rising Liabilities**Recent Context -**

India's gross domestic savings fell to 29.7% of GDP (2022-23), a four-decade low, while household debt

rose to 6.4% of GDP (FY24), raising concerns on stability and capital formation.

About -

1. **Household Savings Share:** Traditionally ~60% of India's total savings; declining in recent years.
2. **Current Level:** Gross savings fell from **34.6% (2011–12)** to **29.7% (2022–23)** of GDP.
3. **Household Debt:** Peaked at **6.4% of GDP in FY24**, near 2007's high (6.6%).
4. **Shift in Pattern:** **Physical savings** (71.5%) ↑, **financial savings** (28.5%) ↓ (FY24).
5. **Bank Deposits:** Share in household financial savings dropped from **58% (FY12)** to **37% (FY23)**.
6. **Urban vs Rural:** Urban → financial instruments; Rural → cash, gold, real estate.
7. **Policy Initiatives:** Sukanya Samridhi, Kisan Vikas Patra, Mahila Samman Certificate, **NPS** for boosting savings.

Topic: Initiatives Driving Agricultural Growth in India

Recent Context -

At the 16th Agriculture Leadership Conclave, the Union Minister highlighted initiatives like MSP hikes, soil health management, digital agriculture, FTAs, and credit access as key drivers of farm growth.

About -

1. **MSP Enhancements:** Pulses & oilseeds saw up to **98% MSP increase**, ensuring remunerative prices.
2. **Soil Health Cards:** **25 crore SHCs** distributed, guiding fertilizer use & soil management.
3. **Kisan Credit Card:** **7.75 crore active accounts**, ₹9.81 lakh crore loans; extended to fisheries & animal husbandry.
4. **PM-KISAN:** ₹6,000 annual DBT support; **11.8 crore farmers** covered (world's largest DBT scheme).
5. **e-NAM:** **1,400 mandis** integrated for transparent digital agricultural trading.
6. **Fertiliser Subsidy:** ₹1.67 lakh crore budgeted (FY25–26), ~70% of agri budget.
7. **FTAs:** With **Australia, UAE, EFTA, UK**, opening markets for Indian agri-products.

Topic: Exploring the Opportunities and Challenges of GM Crops

Recent Context -

During ongoing trade talks, the US urged India to open its market to GM crops, but India opposed citing farmer livelihoods, biosafety, and agriculture as non-negotiable red lines.

About -

1. **Definition:** GM crops = plants with DNA altered via genetic engineering for traits like pest resistance, drought tolerance, or higher nutrition.
2. **Global Adoption:** Cultivated in **29 countries**, across **190 million hectares** (ISAAA, 2019). First GM crop: **Flavr Savr tomato, 1994 (USA)**.
3. **Regulation in India:** Governed by **Rules 1989 under Environment Protection Act 1986**; monitored by **GEAC** (Genetic Engineering Appraisal Committee).
4. **India's Status:** Only **Bt cotton** approved (since 2002), covering 90% cotton area; yields peaked but later declined due to pest resurgence & outdated traits.
5. **Pending Approvals:** **Bt Brinjal** (moratorium), **HT-Bt Cotton** (illegal cultivation on 15–25% cotton land), **GM Mustard DMH-11** (SC pending), others under trials (chickpea, pigeonpea, sugarcane).
6. **Key Benefits:** Higher yields, reduced pesticide use, climate resilience (drought/heat tolerance), biofortification (e.g., Golden Rice, iron-rich rice), reduced post-harvest losses.

Benefits of GMOs	Risks of GMOs
Nutritional value of foods could be improved (e.g. by introducing proteins, vitamins or vaccines)	New traits could cause adverse health reactions (e.g. new proteins may cause allergic responses)
Crops can be produced that lack known allergens	Removal of traits could have unknown effects
Crops can grow in arid conditions for better yield (e.g. by introducing drought resistant genes)	Crops may limit biodiversity of local environment (increased competition with native species)
GM crops can produce herbicides to kill pests	Cross pollination could lead to 'super weeds'
Improve food supply / agriculture in poor countries (GM crops can be engineered for improved yields)	Patents restrict farmers from accessing GM seeds (biotech companies hold monopolies over crop use)
GM crops may have longer shelf lives (less spoil)	Foods with GM components may not be labeled
Reduces economic costs and carbon footprint – less need for land clearing and pesticide usage	Different governments may have conflicting regulatory standards concerning safe usage

Topic: VRRR Auction to Absorb Excess Liquidity

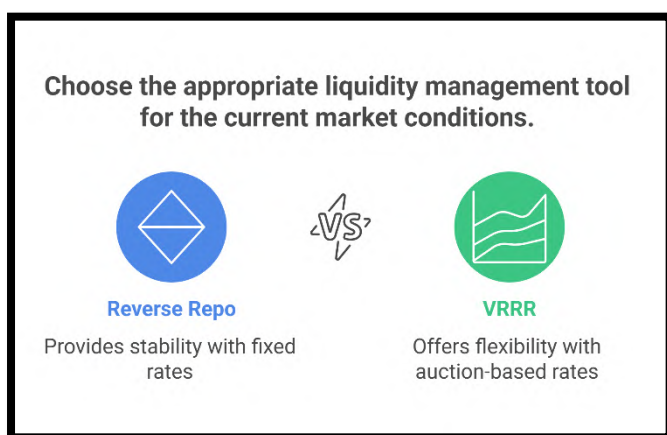
Recent Context -

The Reserve Bank of India (RBI) will conduct a ₹1 lakh

crore, 7-day Variable Rate Reverse Repo (VRRR) auction to absorb surplus liquidity from the banking system.

About -

1. **VRRR (Variable Rate Reverse Repo):** A liquidity absorption tool where banks bid at variable interest rates to park funds with RBI; unlike fixed reverse repo, it is market-driven.
2. **Reverse Repo vs. VRRR:**
 - Reverse Repo = fixed rate decided by RBI.
 - VRRR = auction-based, competitive bidding, more dynamic.



3. **Purpose of VRRR:** Keeps **overnight TREPS rates** aligned with the **LAF corridor's lower bound** (5.25%–5.75%).
4. **TREPS (Tri-Party Repo Dealing System):** RBI-regulated electronic platform (managed by CCIL) for short-term collateralized lending/borrowing between banks, NBFCs, MFs; involves borrower, lender & CCIL (3rd party).
5. **LAF Corridor:** Monetary policy tool with **Repo Rate (upper bound)** and **Reverse Repo Rate (lower bound)**; stabilizes short-term interest rates.

Topic: Reforming Global Sovereign Credit Rating System & MDBs

Recent Context -

At the **FFD4 conference in Seville, Spain (2025)**, India's Finance Minister urged reforms in **sovereign credit rating systems and MDBs** to address bias

against developing nations and ensure equitable, sustainable finance.

About -

1. **Sovereign Credit Rating (SCR):** Independent assessment of a country's debt repayment ability; impacts FDI inflows, borrowing costs, investor confidence.
2. **Global Agencies:** Big Three—**S&P, Moody's, Fitch**; others include DBRS (Canada), JCR (Japan), Dagong (China).
3. **Rating Scale: AAA (highest) → D (default);** Investment Grade = **BBB- & above (S&P/Fitch)** or **Baa3 & above (Moody's)**.
4. **India's Rating: Baa3 (Moody's), BBB- (S&P/Fitch)** = lowest investment grade despite strong fundamentals, \$600+ bn forex reserves, and 5th largest economy status.
5. **India's Concerns:** Bias against emerging markets, flawed debt assessment (domestic vs foreign), underweighting reforms (GST, IBC), pro-cyclical downgrades during crises.
6. **Indian Framework:** 6 domestic agencies (CRISIL, ICRA, CARE, SMERA, Fitch India, Brickwork); governed by **SEBI (CRA) Regulations, 1999**.
7. **MDB Reform Demand:** Greater role in **equitable, inclusive finance**; diversify governance beyond developed economies; reduce overdependence on biased rating agencies.

SOURCE – THE HINDU

Topic: India must fix weak trade & investment fundamentals

Recent Context -

India posted a **\$13.5 bn current account surplus in Q4FY25 (1.3% of GDP)**. However, it masks **weak trade performance, falling FDI/FPI, high repatriation, and fragile domestic growth fundamentals**.

About -

1. **Current Account Surplus:** Q4FY25 surplus = **\$13.5 bn (1.3% of GDP)**; mainly due to strong services exports & remittances, not merchandise trade.

- Export Structure Shift:** Services = **47% of exports**, goods = **53% (35-year low)**; merchandise exports contracted **4.3%** in Q4.
- Manufacturing Weakness:** Share of manufacturing in GVA = **13.9% (66-year low)** despite Make in India, PLIs, FTAs.
- Trade Deficit:** FY25 merchandise trade deficit = **\$287 bn (7.3% of GDP)**; trade-to-GDP ratio fell from **52.6% (FY23) → 43.2% (FY25)**.
- FDI/FPI Decline:** Net capital inflows down **81% (FY25)**; net FDI = **\$0.95 bn (lowest since FY01)**; FPI = **\$3.56 bn**.
- High Repatriation:** Gross FDI = \$81 bn, but repatriation **\$51.5 bn (63.5% of inflows)**; total outflows including income = \$104 bn.

Topic: Cooperatives and MSMEs together strengthen India's economic foundation

Recent Context -

On **July 5, 2025**, India marked the **International Day of Cooperatives** and four years of the Ministry of Cooperation, highlighting the convergence of cooperatives and MSMEs in driving **inclusive, grassroots-led economic development**.

About -

- Cooperative Presence:** India has **8.14 lakh cooperatives, 29 crore members**; sectoral role includes 20% in banking, 30% sugar, 35% fertilizer, 20% paddy procurement.
- PACS Contribution:** Primary Agricultural Credit Societies (PACS) disburse **15% of short-term farm credit to 13 crore farmers**.
- Employment Role:** Cooperatives generate **13.3% of direct employment**, aiding rural credit, procurement, and decentralisation.
- MSME Contribution:** MSMEs = **6.24 crore units**, employing **26 crore people**, contributing **33% of GDP and 48% of exports**.
- Cooperative MSMEs:** India has **34,897 cooperative MSMEs**, combining grassroots mobilisation with industrial-scale impact.
- PM Vishwakarma Scheme (2023):** Supports traditional artisans via training, finance, and digital inclusion; uses cooperatives as delivery mechanisms for cluster growth.

- Future Path:** Cooperative–MSME convergence supports **Viksit Bharat@2047**, with district-level cooperative registration, artisan formalisation, and **Sahkar Se Samridhi** as guiding principle



Topic: India debates genetically modified (GM) crops amid global trade pressure

Recent Context -

Ahead of **July 9 US trade talks**, India faces pressure to allow **GM crops**. India resists, citing **farmer livelihoods, food safety, and regulatory gaps**, delaying agricultural market access concessions.

About -

- Bt Cotton (2002):** Only approved GM crop; covers **90% of cotton area**; its oil/seed enters food chain indirectly.
- Cotton Growth & Decline:** Boom till 2014 (39.8 mn bales); decline post-2015 to **436 kg/ha**, below global average 770.
- Illegal HT-Bt Cotton:** Unapproved herbicide-tolerant variety covers **15–25% cotton acreage** in Gujarat, Maharashtra; weakens regulation.
- Policy Deterrents: 2015 Cotton Seed Price Control Order** slashed royalties; R&D investment declined, global biotech firms exited.
- Blocked GM Crops: Bt Brinjal (2009), GM Mustard (2022)** approved by GEAC but pending release due to activism, litigation.
- Trade Impact:** India turned **net cotton importer (\$0.4 bn, 2024–25)** due to policy paralysis, pest issues.

Topic: India's inequality claims ignore data gaps and reality

Recent Context -

Government cited **World Bank's 2022–23 Gini Index (25.5)** to claim India's equality, but experts highlight **data gaps, survey flaws, and alternate sources** showing rising inequality and wealth concentration.

About -

1. **Gini Index (2022–23):** Govt cited **25.5 (consumption-based)** → claimed India is **4th most equal society** globally.
2. **Alternate Data: World Inequality Database (WID):** Income Gini rose **52 (2004) → 62 (2023)**; **Top 10% earn 13× bottom 10%**.
3. **Consumption vs Income:** India uses **consumption-based Gini** → underestimates inequality as rich save more, spend less.
4. **Global Comparison Flaw:** Other nations use **income-based Gini**; India's method not comparable, distorts ranking.
5. **Survey Limitations:** Rich often **opt out** ("differential non-response"), skewing inequality measurement.
6. **Low Coverage of Ultra-rich:** Top **1% rarely sampled**, despite being key drivers of inequality.

Topic: Digital payments grow fast but GDP impact remains unclear

Recent Context -

India's **UPI transactions crossed 20 billion annually** (600 million daily). Despite exponential growth in digital payments, GDP growth remains modest, raising concerns about their real impact on economic activity.

About -

1. **UPI Growth:** Launched **2016**, now handles **₹7,800 billion daily value**; FM expects **1 billion/day** soon.
2. **GDP Disconnect:** Despite surge, **GDP growth modest**; velocity of money remained stable (RBI AR 2024–25).
3. **Nature of Payments:** Mostly **transfers, utility bills, merchant payments, e-commerce** → transfers improve convenience but don't create output.

4. **E-commerce Substitution:** Shift from local kirana to apps like **Blinkit** → demand displacement, not net growth.
5. **Cash-to-GDP Ratio:** Remains **unchanged**, showing **digital hasn't replaced cash** significantly.
6. **Productivity Angle:** Saves transaction time; but **without jobs/wages rising**, doesn't add to GDP.
7. **Credit Enablement:** UPI-credit lines **new, limited impact** on financial deepening; effects still under study.

Topic: Global FDI is falling and India faces growing challenges

Recent Context -

UNCTAD, OECD, World Bank reports (2024–25) show global FDI fell sharply, hurting developing economies. India, despite stable rank, faces **rising outflows, investor exits, and weak domestic investment confidence**.

About -

1. **Global Fall:** UNCTAD WIR 2025 → **11% decline in FDI (2024)**; share of global GDP fell from **5% (2007) → <1% (2023–24)**.
2. **Causes: Protectionism, policy unpredictability, GVC fractures, 2008 crisis aftereffects** drive structural decline.
3. **Developing Economies:** Most impacted; despite **\$500 bn digital FDI**, gains concentrated in few countries.
4. **FDI to India:** Rank improved to **15th (2024)**, but inflows fell **30% (non-OECD G20 trend)**; project finance inflows dropped **37%**.
5. **Investor Exits:** Examples – **Disney sold to Jio, Advent exited Bharat Serum** → asset buyouts by Indian firms.
6. **Outward FDI:** Indian overseas investments up **75% in 2024, 4× higher than 2016–17** → reflects **weak domestic prospects**.
7. **Policy Paradox:** Despite **FDI cap hikes, PLI schemes**, domestic investment lags → India shows **outward FDI like rich nations**, unusual with a **partially convertible rupee**.

Topic: GST Complexity Grows Despite Initial Simplicity

Recent Context -

On its **8th anniversary (2025)**, GST—once called a “good and simple tax”—has become complex due to its **dual federal structure, high compliance burden, IGST disputes, and fragmented registrations.**

About -

- Dual GST Model:** India adopted **CGST, SGST, IGST** under **destination-based taxation**, unlike earlier **origin-based VAT**.
- Concurrent Powers:** Both **Centre and States** can tax consumption → reflects federalism but adds **operational complexity**.
- Multiple Registrations:** Businesses need separate **GSTINs in each state**, raising compliance cost despite uniform SGST laws.
- IGST Settlement Issue:** Example – **₹10,659 cr over-allocation (Apr–Jul 2024)**; central-state committee set up.
- E-invoicing Expansion:** Mandatory for turnover **>₹5 cr**, likely to extend to **all B2B and B2C**; can eliminate **e-way bills**.
- PAN 2.0:** Unified taxpayer ID integrating compliance portals → opens scope for **single nationwide GSTIN**.
- Global Comparison:** **UAE VAT system** allows **single registration across emirates**, offering model for GST simplification.

Topic: Indian Bank Credit Slows Amid Policy Shifts and Reforms

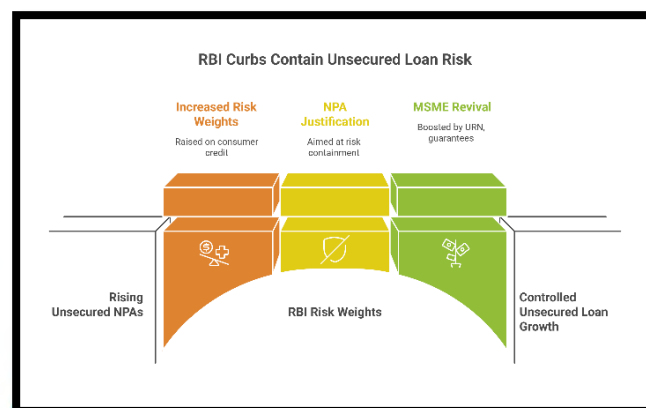
Recent Context -

As of **June 27, 2025**, bank credit growth slowed to **9.5% from 17.4% last year**. RBI curbs, PSU–private shifts, MSME revival, and rising off-bank borrowing shaped this decline.

About -

- RBI Risk Weights:** Raised on **consumer credit & NBFC lending (2023)** → unsecured loan growth fell **28.3% (2023) to 7.8% (2025)**.
- NPA Justification:** **Unsecured NPAs rose 1.5% → 1.8% (2025)**; RBI curbs aimed at **risk containment**.

- Public vs Private Banks:** PSBs steady at **12.2% FY25**, private banks slowed to **9.5% (lowest since FY21)**.
- PSBs' Credit Share:** Rose from **20% (FY18) to 56.9% (FY25)**; aided by **4Rs strategy**.
- MSME Revival:** Credit growth **18% (May 2025)** vs 5–7% a decade ago; boosted by **URN, guarantees, Samadhaan portal**.
- Private Credit & Off-bank Funding:** Rise in **commercial papers, ECBs, capital markets**; corporates diversifying from banks.
- Household Savings Shift:** Equity share rose **2.5% (FY20) → 5.1% (FY24)**; impacts **deposit-driven credit creation**.



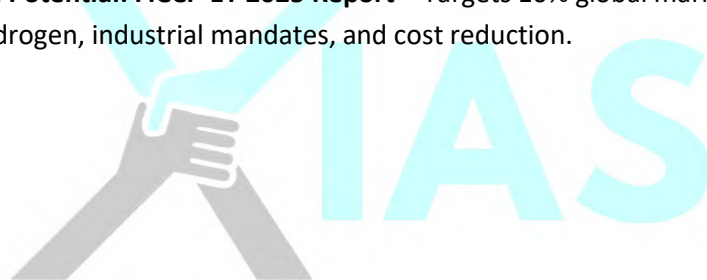


TOPICS COVERED-

1. **National Cooperative Policy 2025** – Modernises, digitises, and strengthens cooperatives for inclusive socio-economic development across India.
2. **Global Capability Centers (GCCs) in India** – India emerges as a strategic hub for MNC captive centres, contributing \$68 billion to GDP and 2.16 million jobs.
3. **India's Technical Textile Sector** – Rapidly growing sector with functional applications in meditech, indutech, sportstech, supported by PLI, PM MITRA parks, and NTTM.
4. **Why Corporate Investment is Lagging in India** – Despite high profits and stimulus, weak demand, underutilised capacity, and global uncertainty impede private investment.
5. **DAP Fertiliser Crisis – India-China Trade** – Acute DAP shortage due to China's export ban highlights India's dependence on critical fertiliser imports.
6. **Regulation of Biostimulants in Agriculture** – Ensures controlled use, efficacy, and safety of plant growth enhancers under FCO 1985.
7. **Poor Soil Health and Hidden Hunger** – Declining soil fertility and imbalanced fertiliser use cause nutrient-deficient crops and malnutrition.
8. **RBI's Financial Inclusion Index Hits 67 in FY25** – Shows deeper access, usage, and quality in banking, insurance, pensions, and digital payments.
9. **Is Gini Index the Right Way to Measure Inequality?** – Consumption-based Gini underestimates inequality; income-based measures show rising disparity.
10. **Employment-Linked Incentive (ELI) Scheme** – Aims to create 3.5 crore formal sector jobs via EPF-linked incentives over two years.
11. **India's Aluminium and Copper Vision Documents** – Targets scaling domestic production, recycling, and low-carbon technologies to support energy transition.
12. **Offshore Area Atomic Minerals Concession Rules 2025** – Regulates offshore exploration and mining of atomic minerals, prioritising strategic control and energy security.
13. **GI Tag and Cultural Misappropriation** – Protects region-specific products under the Geographical Indications Act, preventing unauthorised use.
14. **Product Nation** – Encourages India to produce high-value goods, enhance export capacity, reduce import dependence, and boost global competitiveness.
15. **Regional Imbalances in India** – Highlights uneven industrial distribution, economic disparities, and calls for infrastructure and incentive-based reforms.
16. **Internationalization of Rupee** – Expands use of INR in cross-border trade and finance, enhancing global standing and reducing currency risk.
17. **De-dollarization** – Seeks to reduce global dependence on the US dollar via rupee-based settlements, currency swaps, and international UPI linkages.
18. **Fiscal Responsibility and Budget Management (FRBM) Act** – Ensures fiscal discipline, debt management, and transparency in government finances.

19. **Blue Economy** – Promotes sustainable use of ocean resources for economic growth, jobs, and environmental resilience.
20. **Gig Workers** – Legal frameworks and welfare measures to protect platform and non-platform-based gig workers.
21. **Income Tax Act, 2025** – Simplifies tax laws, enables digital asset regulation, and enhances faceless assessment and dispute resolution.
22. **Environmental, Social, and Governance (ESG)** – Strengthens corporate sustainability practices, prevents greenwashing, and aligns with SDGs.
23. **Competition Commission of India (CCI)** – Regulates anti-competitive practices, merger control, and digital market dominance.
24. **Indian Ports Act, 2025** – Modernizes port governance, integrates development, and improves maritime trade management.
25. **Sagarmala Programme (10 Years & 2.0)** – Port-led economic development, coastal shipping growth, maritime innovation, and sustainability.
26. **Pradhan Mantri Gram Sadak Yojana (PMGSY)** – Provides all-weather rural road connectivity, especially in LWE and remote areas.
27. **M.S. Swaminathan (100th Birth Anniversary)** – Recognizes the architect of Green and Evergreen Revolutions, promoting sustainable agriculture and biohappiness.
28. **Sovereign Credit Ratings (SCR)** – Independent evaluation of India's creditworthiness, influencing investment, borrowing, and macroeconomic perception.
29. **GIFT City-Like Financial Centers** – International Financial Services Centres to boost global financial services, investment, and talent.
30. **RBI FREE-AI Committee Report (AI in Finance)** – Promotes responsible AI adoption in banking and financial services with ethical and inclusive guidelines.
31. **Banking Laws (Amendment) Act, 2025** – Modernizes banking governance, depositor protection, audit transparency, and cooperative bank regulation.
32. **Tourism as India's Growth Engine** – Tourism contributes 5% of GDP, 7.6 crore jobs, and is projected to reach USD 3 trillion by 2047, driving economic growth and employment.
33. **India's Patent Ecosystem** – India ranks 6th globally in patents; robust IP policies support Make in India, innovation, and global competitiveness.
34. **Benefits of Inland Waterways for MIV 2030** – Inland Water Transport offers cost-efficient, low-emission logistics, enhancing multimodal connectivity and disaster resilience.
35. **Mission for Cotton Productivity** – Enhances cotton yields using climate-smart and biotech varieties, supporting farmer income and Textile Vision 2030.
36. **India's Retail Inflation (CPI)** – CPI at 1.55% (lowest in 8 years) guides monetary policy, inflation targeting, and consumer cost management.
37. **RBI's FREE-AI Vision for Financial Sector** – Promotes responsible AI adoption in finance, balancing innovation, risk mitigation, and financial inclusion.
38. **Small Finance Bank (SFB) Universal Banking Licence** – Allows AU Small Finance Bank to provide full commercial and investment banking services.
39. **RBI Tightens Co-Lending Norms** – Revises risk-sharing, asset classification, and interest rate norms to improve co-lending transparency and safety.
40. **Civil Aviation Safety – Parliamentary Report** – Recommends DGCA autonomy, fatigue management, MRO promotion, enforcement, and whistleblower protection.
41. **Steel Scrap Recycling Policy (SSRP)** – Promotes circular economy, formalization, tech adoption, and dedicated data management in steel recycling.

42. **S&P Upgrades India's Sovereign Credit Rating to 'BBB'** – Reflects fiscal prudence, strong growth, and external stability, lowering borrowing costs and boosting investment.
43. **National Mission on Natural Farming (NMNF)** – Chemical-free, ecosystem-based farming covering 7.5 lakh hectares, promoting soil health, farmer income, and climate resilience.
44. **Rural Economic Revival (RECSS 2025)** – Shows record rural income and consumption growth, formal credit use, and optimism in jobs and income.
45. **System of National Accounts 2025 (SNA 2025)** – Expands GDP measurement to include natural capital, unpaid work, inequality, and sustainability indicators.
46. **India's GST Journey (2017–2025)** – Next-generation GST reforms aim to simplify slabs, ease compliance, and unify indirect taxation.
47. **RBI's Framework for Responsible and Ethical AI (FREE-AI)** – Ethical AI adoption in finance emphasizing trust, fairness, accountability, and safety.
48. **Inflation Targeting and the Test of Credibility** – RBI cautions that deviating from 4% CPI target could weaken policy credibility and macroeconomic stability.
49. **Should States Be Compensated for Revenue Loss from GST Reforms?** – GST rationalisation may reduce state revenues, raising debate on transitional compensation.
50. **Energy Sovereignty is the New Oil** – Reducing crude/gas import dependence and diversifying energy sources is central to India's economic security.
51. **Regulating Coal Operations** – Balances India's coal-based energy needs with environmental, social, and health considerations, advocating just transitions.
52. **India's Green Hydrogen Potential: FICCI–EY 2025 Report** – Targets 10% global market share by 2030 through renewable-powered hydrogen, industrial mandates, and cost reduction.



ECONOMY

SOURCE – THE HINDU

National Cooperative Policy 2025

Recent Context -

The Central Government launched the National Cooperative Policy 2025, urging States to align by January 31, 2026, aiming to modernise, digitise, diversify, and strengthen cooperatives for inclusive socio-economic growth.

ABOUT-

- Definition & Constitutional Recognition:** Voluntary associations for mutual economic, social, and cultural benefit; recognized under **Part IXB, Article 19(1)(c) via 97th Amendment (2011)**.
- Coverage & Types:** 8.6 lakh cooperatives, 30 crore members; includes PACS, dairy, fisheries, and urban cooperative banks.
- Benefits:** Promote economic inclusion, job creation, grassroots empowerment, rural development, credit access, and market linkages.
- Challenges:** Elite/political domination, lack of autonomy, regional skew, single-purpose societies, governance deficits, low capital, poor technology adoption.
- Government Initiatives:** Ministry of Cooperation (2021), PACS computerisation, MAT reduction (18%→15%), National Cooperative Database, urban cooperative bank regulation, GeM integration.
- Technology & Inclusivity:** **National Cooperative Stack (Agri-stack integration), ONDC/GeM integration, incubators, Centres of Excellence, participation of youth, women, SC/STs, and differently-abled.**

Global Capability Centers (GCCs) in India

Recent Context -

CII organised the inaugural GCC Summit in New Delhi; India emerges as a strategic hub for MNCs, with 1800+ GCCs contributing \$68 billion to GDP and employing 2.16 million.

ABOUT-

- Definition:** GCCs (or captive centres) are MNC subsidiaries handling IT, finance, HR, BPO, R&D, engineering, product development, and strategic services.
- Major Hubs:** Bengaluru, Hyderabad, Pune, Chennai, Mumbai, NCR; ~95% concentrated in these six cities.
- Economic Contribution:** \$68 billion direct GVA (1.6% of GDP); projected \$200 billion by 2030; employment: 2.16 million (2025), 2.8 million (2030).
- Growth Drivers:** Skilled talent (2.1 million STEM graduates/year), cost competitiveness (30–50% lower than US/UK/Australia), strong infrastructure, Digital India, Ease of Doing Business reforms.
- Government Initiatives:** National Framework for GCCs under discussion, safe harbour regime, tax incentives for R&D, single-window clearances, digital economic zones.



India's Technical Textile Sector

Recent Context -

India's technical textile market is growing rapidly, supported by NTTM, PLI, PM MITRA parks, and research grants, with exports and functional applications across automotive, medical, sports, and industrial sectors.

ABOUT-

- Definition:** Textiles designed for technical performance and functional properties rather than aesthetics; applications in meditech, indutech, sportstech, homotech, packtech.
- Economic Significance:** Textiles contribute ~2% of GDP, 3.9% of global exports; sector employs 45 million directly and 100 million indirectly.

- Market Growth:** Technical textiles CAGR 10–12%; projected \$29 billion (2024) → \$309 billion (2047); penetration rate 13–20% (2026) → 40–60% (2047).
- Government Initiatives:** National Technical Textiles Mission (NTTM) 2020, GIST 2.0, GREAT Scheme 2023, Production Linked Incentive (PLI), PM MITRA parks, duty rationalisation.
- Export Performance:** India is a net exporter; technical textile exports grew from \$1.99 billion (2019) → \$2.59 billion (2024), CAGR 5.3%.
- Emerging Opportunities:** Applications in aerospace, automotive, protective gear, organic fabrics, functional wearables, industrial belts, and 3D non-woven materials.

Why Corporate Investment is Lagging in India

Recent Context -

IIP growth fell to 1.2% in May 2025; despite record corporate profits and government stimulus, private investment lags due to weak demand, underutilised capacity, and global uncertainties.

ABOUT-

- IIP Trend:** Industrial Production growth at nine-month low (1.2% in May 2025).
- GFCF Growth:** Private-sector Gross Fixed Capital Formation rose only 35% cumulatively over four years (2021–25).
- Demand Deficit:** Weak post-COVID consumer demand reduces incentive for capacity expansion.
- Global Factors:** Slow export demand, trade protectionism, and tariffs discourage export-oriented investments.
- Capex Issues:** Government infrastructure projects have long gestation periods, high import content, and low labour intensity, limiting domestic multiplier effect.
- Kalecki Effect:** Higher profits do not automatically trigger investment without strong demand prospects.
- Way Forward:** Boost government expenditure, prioritise short-gestation and

labour-intensive projects, reduce import content, and revive domestic demand.

DAP Fertiliser Crisis – India-China Trade

Recent Context -

China's informal DAP export ban to India in 2025 caused acute shortages, price spikes, and highlighted India's dependence on China for critical fertilisers, risking crop damage and food inflation.



ABOUT-

- DAP Importance:** Second-most used fertiliser in India; contains 46% phosphorus (P) and 18% nitrogen (N).
- Imports from China:** Fell from 22.9 LT (FY24) → 8.4 LT (FY25); none imported since Jan 2025.
- Impact:** Price spike from ₹1,350 → ₹1,700/50 kg; distress among farmers; potential crop loss and food inflation.
- Alternatives:** APS (20:20:0:13) emerging as third-most consumed fertiliser; sourcing from Morocco, Saudi Arabia, Russia, Jordan.
- Strategic Risk:** Reveals dependence on China for upstream phosphate resources.
- Government Response:** Promote domestic production, subsidise green/nano-fertilisers, consider National Fertiliser Mission, improve digital tracking and subsidy transfers.
- Policy Lessons:** Diversify supply chains and reduce import dependence for strategic agricultural inputs.

Regulation of Biostimulants in Agriculture

Recent Context -

India regulates biostimulants under the 1985 Fertiliser Control Order; market projected to grow to \$1.13

billion by 2032, ensuring safety, efficacy, and controlled use in agriculture.

ABOUT-

1. **Definition:** Substances or microorganisms that enhance plant growth, nutrient uptake, stress tolerance, yield, and quality; not pesticides or growth regulators.
2. **Market Size:** USD 355.5 million (2024); projected USD 1,135.9 million by 2032, CAGR 15.64%.
3. **Fertiliser Regulation:** Included under amended FCO 1985 (2021) for controlled manufacture, sale, and import.
4. **Classification:** 8 categories, e.g., botanical extracts, seaweed extracts, biochemicals, vitamins, antioxidants.
5. **Testing Requirements:** Acute toxicity (oral, dermal, inhalation, skin, eye) and eco-toxicity (birds, fish, bees, earthworm); bio-efficiency trials across 3 agro-ecological zones.
6. **Central Biostimulant Committee:** Advises Centre on inclusion, specifications, sampling, lab standards, testing, and related regulatory matters.
7. **Regulatory Benefit:** Reduced unregulated products (~30,000 → 650); ensures farmer safety, product efficacy, and environmental compliance.

Poor Soil Health and Hidden Hunger

Recent Context -

Despite achieving food self-sufficiency, India faces malnutrition due to declining soil health and imbalanced fertiliser use, causing nutrient-deficient crops and hidden hunger among millions of children.

ABOUT-

1. **Food Self-Sufficiency:** India exported 20.2 MT rice in FY25; FCI stocks 57 MT (~4× buffer norm).
2. **Malnutrition Stats:** NFHS-5: 35.5% children stunted, 32.1% underweight, 19.3% wasted.
3. **Soil Deficiency:** <5% soils sufficient in N; 40% P; 32% K; 20% soil organic carbon; micro-nutrient deficits (Fe, Zn, B).

4. **Imbalanced Fertiliser Use:** Punjab example: N +61%, P -8%, K -89%; only 35-40% N absorbed by crops.
5. **Impact on Nutrition:** Nutrient-deficient soils → low crop nutrient content → hidden hunger (e.g., Zn deficiency → stunting).
6. **Public-Private Initiative:** ICRIER & OCP Nutricrops collaboration for region-specific soil nutrition solutions.
7. **Way Forward:** Promote soil testing, science-based fertilisation, customised strategies; linked to SDG-2 (Zero Hunger) and SDG-13 (Climate Action).

RBI's Financial Inclusion Index Hits 67 in FY25

Recent Context -

RBI's FI Index rose to 67 in March 2025 from 64.2 in 2024, reflecting deeper financial inclusion driven by PMJDY, JAM Trinity, UPI, insurance schemes, and digital literacy initiatives.

ABOUT-

1. **FI Index Components:** Access (35%), Usage (45%), Quality (20%) across banking, insurance, pensions, investments, postal services.
2. **Index Trend:** FI Index FY21: 53.9 → FY24: 64.2 → FY25: 67.
3. **PMJDY Accounts:** 558 million total; 311 million female beneficiaries.
4. **JAM Trinity:** Jan Dhan, Aadhaar, Mobile – backbone for direct benefit transfers.
5. **Digital Payment Platforms:** UPI, AePS; payments banks; business correspondent model.
6. **Social Security Schemes:** PMJJBY, PMSBY, Atal Pension Yojana, Sukanya Samridhi, Stand Up India.
7. **Financial Literacy:** Initiatives like PM Gramin Digital Saksharta Abhiyan strengthen inclusion quality.

Is Gini Index the Right Way to Measure Inequality?

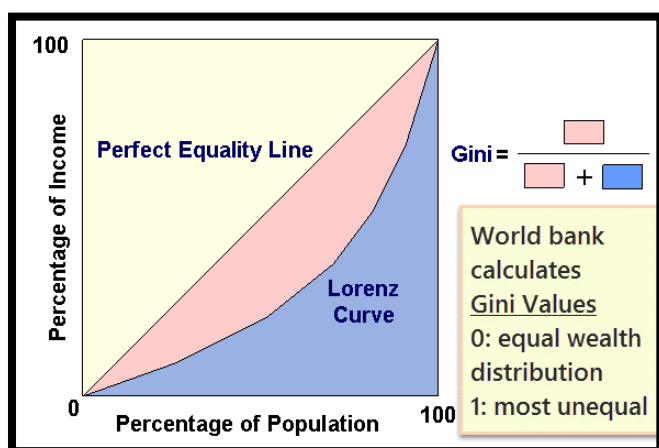
Recent Context -

India's reported Gini Index of 25.5 (2022) underestimates inequality due to reliance on

consumption-based data; income-based measures show rising disparity, with top 1% earning 22% of national income.

ABOUT-

1. **Gini Index:** Measures inequality 0–100; 0 = perfect equality, 100 = absolute inequality; visualised via Lorenz curve.
2. **India's Consumption-Based Gini:** 28.8 (2011) → 25.5 (2022); ranks 4th globally for equality.
3. **Income-Based Reality:** WID database: Gini 52 (2004) → 62 (2023); top 10% earn 13× bottom 10%; top 1% earn 22% of national income.
4. **Limitations:** Consumption-based index underestimates inequality; wealth inequality ignored; subsidies distort perception.
5. **Survey Data Bias:** Non-response by rich, sampling errors; top 1% often missed.
6. **Alternative Measures:** Palma Ratio – ratio of richest 10% income to poorest 40%.



SOURCE – INDIAN EXPRESS

Employment-Linked Incentive (ELI) Scheme

Recent Context -

Union Cabinet approved the ELI Scheme with ₹99,446 crore outlay to generate 3.5 crore formal sector jobs over two years, enhancing employability, social security, and formalisation of workforce.

ABOUT-

1. **Coverage:** First-time workers registered with EPFO earning ≤₹1 lakh/month; EPF-linked incentive up to ₹15,000.
2. **Employer Incentive:** EPFO-registered companies hiring additional staff get up to ₹3,000/month/employee for 2 years (manufacturing extended to 4 years).

3. **Eligibility:** Establishments <50 employees: ≥2 new hires; ≥50 employees: ≥5 new hires; continuous employment ≥6 months.
4. **Coverage Period:** Jobs created from 1 Aug 2025 to 31 Jul 2027.
5. **Objectives:** Address jobless growth, formalisation of workforce, complement National Manufacturing Mission.
6. **Significance:** Leverages demographic dividend, increases aggregate demand, enhances social security coverage.
7. **Focus Sector:** Labour-intensive manufacturing for sustained employment creation.

India's Aluminium and Copper Vision Documents

Recent Context -

India unveiled Aluminium and Copper Vision Documents at WMC, aiming to scale up domestic production, recycling, and low-carbon technologies to support energy transition and sustainable infrastructure.

ABOUT-

1. **Aluminium Status:** India 2nd largest producer but only 6% global output; Odisha produces ~73% of bauxite.
2. **Aluminium Targets:** Six-fold production increase by 2047, double recycling rate, low-carbon tech adoption.
3. **Copper Role:** Essential for solar, EVs, electricity grids, turbines; included in 30 critical minerals (2023).
4. **Copper Targets:** Six-fold demand increase by 2047; add 5 MTPA refining capacity by 2030; enhance domestic recycling.
5. **Import Reliance:** India imported \$3.3B copper ores/concentrates in FY23 (Chile, Indonesia, Australia, Peru).
6. **Strategic Significance:** Supports green technology, EVs, and energy transition.
7. **Policy Framework:** Vision documents guide scaling production, recycling, and raw material security.

Offshore Area Atomic Minerals Concession Rules 2025

Recent Context -

Government notified new rules to regulate offshore exploration and mining of atomic minerals like Uranium and Thorium, prioritising strategic control, energy security, and limiting private/foreign participation.

ABOUT-

1. **Purpose:** Regulate exploration licences & production leases in offshore areas and EEZs for atomic minerals.
2. **Nodal Authority:** DAE & Atomic Energy Regulatory Board oversee compliance and radiological safety.
3. **Eligibility:** Only central/state agencies or government-nominated companies; foreign firms restricted.
4. **Exploration:** Allowed without licence for notified government agencies only.
5. **Discovery Protocol:** Any significant find must be reported; government may reserve block for strategic use.
6. **Compensation:** Explorers compensated only for actual expenses; speculative activity discouraged.
7. **Strategic Control:** Government can revoke licences or acquire sites exceeding threshold grades.

GI Tag and Cultural Misappropriation

Recent Context -

Italian brand Prada's Kolhapuri chappal-inspired shoes raised cultural misappropriation concerns; India's GI system protects origin-linked products via the Geographical Indications of Goods (Registration & Protection) Act, 1999.

ABOUT-

1. **GI Definition:** Identifies goods linked to a specific region with distinctive qualities; form of IPR.
2. **Authority:** Department for Promotion of Industry & Internal Trade, Ministry of Commerce & Industry.

3. **Public Property:** Owned collectively by producers; cannot be assigned, licensed, or transferred.
4. **Registration:** Area-based, not trader-based; historical proof and product uniqueness required.
5. **Legal Protection:** TRIPS Agreement (1995) and Geographical Indications of Goods Act, 1999; prohibits unauthorised use.
6. **Limitation:** Territorial protection only; no automatic international GI right.

Product Nation

Context:

Standing Committee on Finance highlighted India's need to evolve into a product nation amid rising global trade uncertainties and protectionism (e.g., US 50% tariff on Indian products).

ABOUT-

1. **Definition:** Country producing and exporting high-value goods, shifting from consumer/assembler to global creator.
2. **Purpose:** Boost economic strength, reduce import dependence, enhance geostrategic standing.
3. **Smile Curve Insight:** Value lies in R&D, design, branding, distribution rather than assembly (e.g., Apple vs Foxconn).
4. **Global Examples:** South Korea, Japan, Southeast Asian nations became manufacturing hubs over decades.
5. **Challenges:** Low R&D (0.65% GDP), import dependence (semiconductors 65–70%), weak private investment, regulatory bottlenecks, structural constraints, employment mismatch, climate risks.

Regional Imbalances in India

Context:

Standing Committee recommended Centre to promote even industrial distribution across states to reduce disparities.

ABOUT-

1. **Definition:** Differences in economic development across geographical regions.

2. **Causes:** Historical (colonial concentration), geographical (difficult terrain), political (relocation of projects), policy disparities (Green Revolution), lack of ancillary industries, location-specific urban hubs, infrastructure deficit.
3. **Consequences:**
 - Security: **Insurgency in NE, left-wing extremism.**
 - Political fragmentation: **Telangana, Vidarbha, Bodoland demands.**
 - Economic: **Lower national growth, income gaps (Karnataka ₹2,04,605 vs MP ₹70,434).**
 - Environmental: Pollution concentration.
 - Social: Frustration among vulnerable groups.
 - Health: **Doctor-patient ratio disparity (Bihar 1:28,391 vs Delhi 1:2,203).**
4. **Performance-Based Funding:** Reward states reducing inequalities.
5. **Infrastructure Funds:** Additional funds for core infrastructure in backward regions.

Internationalization of Rupee

Context:

RBI removed prior approval requirements for banks to open Special Rupee Vostro Accounts (SRVAs), promoting rupee-based trade settlements.

ABOUT-

1. **Definition:** Internationalization of Rupee = wider use of INR in cross-border transactions (trade, current account, then capital account).
2. **SRVA Mechanism:** Allows importers/exporters to settle trade in INR via Vostro accounts.
3. **International Currency:** Used globally beyond domestic borders (US\$, Euro, Yen, Yuan, Pound). Performs 3 functions domestically + 3 internationally.
4. **Benefits:** Lower currency risk, reduced forex reserves, enhanced global standing, trade & policy flexibility, deeper financial markets.

5. **Challenges:** Exchange rate volatility, reduced RBI autonomy (Triffin Dilemma), capital flight risk, exposure to external shocks, competition with major reserve currencies, limited convertibility.
6. **Steps Taken:**
 - RBI Strategic Action Plan (2024–25), INR accounts outside India, INR-denominated loans.
 - **SPECTRA Project** for ECBs and trade credits.
 - Global UPI linkage (**Bhutan, France, Mauritius, Nepal, UAE, Singapore**).
 - ACU settlement proposals, GIFT City exchanges, Masala bonds.
 - **Liberalized FEMA regulations**, bilateral currency swaps.

De-dollarization

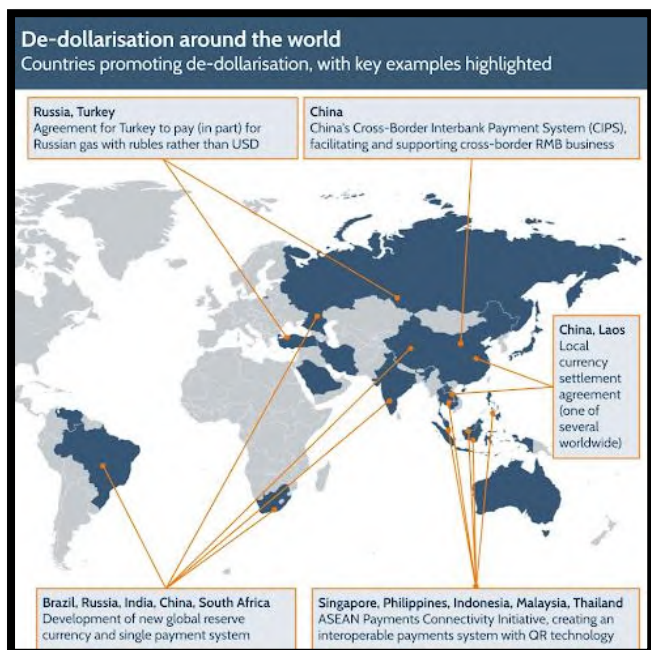
Recent Context -

RBI's internationalization of the INR via SRVAs, UPI linkages, currency swaps aims to reduce dependence on the US dollar, promoting rupefication and supporting global de-dollarization.

ABOUT-

1. **Definition:** Reduction of US dollar dominance in global trade, reserves, and financial transactions; reversing historical "dollarization."
2. **RBI's Role:** Supports de-dollarization via INR internationalization—SRVAs, UPI global linkages, bilateral currency swaps, Masala bonds.
3. **Key Reasons:**
 - Shrinking US share of global GDP (**~45% → 25%**) but dollar dominance persists.
 - **Weakening US credibility (debt ceiling issues).**
 - Spillover of US monetary policy causing global inflation and debt stress.
 - Dollar weaponization via sanctions (**~40 countries affected**).

- Desire for multipolar international economic order (NIEO).
- 4. **Global Alternatives:** Rising credibility of other currencies (e.g., Chinese Yuan) and reforms in emerging economies.
- 5. **Strategic Implication:** Supports multipolar global financial architecture and reduces vulnerability to US-centric monetary shocks.



**SOURCE – VISION MONTHLY
FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT
(FRBM) ACT**

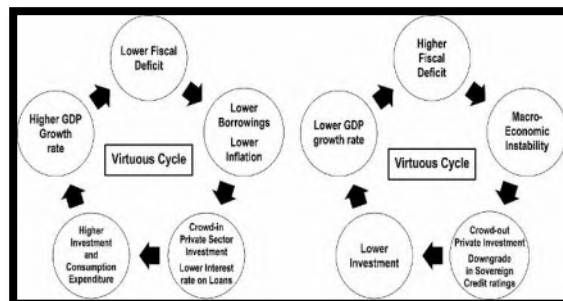
Recent Context -

CAG report highlights fiscal inconsistencies and transparency issues in government compliance with the FRBM Act, urging better fiscal management, tax recovery, and adherence to debt and deficit targets.

ABOUT-

1. **Enactment:** FRBM Act, 2003; aims for fiscal discipline, inter-generational equity, and macroeconomic stability.
2. **Mandatory Statements:** Macro-Economic Framework, Medium-Term Fiscal Policy, Fiscal Policy Strategy; laid with Budget.
3. **Targets:** Original fiscal deficit $\leq 3\%$ of GDP (2021), Central govt debt $\leq 40\%$, General govt $\leq 60\%$.
4. **Key Indicators:** Fiscal deficit, primary deficit, revenue deficit, effective revenue deficit, interest payments-to-revenue ratio.

5. **2023-24 Data:** Fiscal deficit 5.32%, Central debt 57%, General govt debt 81.3%, interest payments 35.35% of revenue.
6. **Challenges:** Unrealized tax revenue (₹21.3 lakh crore), discrepancies in deficit figures, transparency issues.



BLUE ECONOMY

Recent Context -

India's Ministry of Earth Sciences white paper outlines roadmap to 2035 for sustainable blue economy, leveraging coastline, EEZ, and ports for growth, jobs, and environmental resilience.

ABOUT-

1. **Definition:** Sustainable use of ocean resources for socio-economic development, environmental sustainability, and national security (TERI).
2. **Potential:** 11,098 km coastline, 2.4 million sq.km EEZ; contributes 4% of GDP; handles 95% trade by volume.
3. **Challenges:** Climate change, overfishing, marine pollution, infrastructure gaps, skill shortage, limited investment, poor governance.
4. **Success Stories:** Kochi Smart Port, Alang shipbreaking circular model, ANI sustainable tourism, Odisha seaweed cultivation.
5. **Policy Need:** Inter-ministerial coordination, modern regulations, Blue Bonds, carbon markets, public-private partnerships.
6. **Technological Gaps:** Limited cold storage, shipbuilding, offshore energy transmission, deep-sea biotech research.

GIG WORKERS

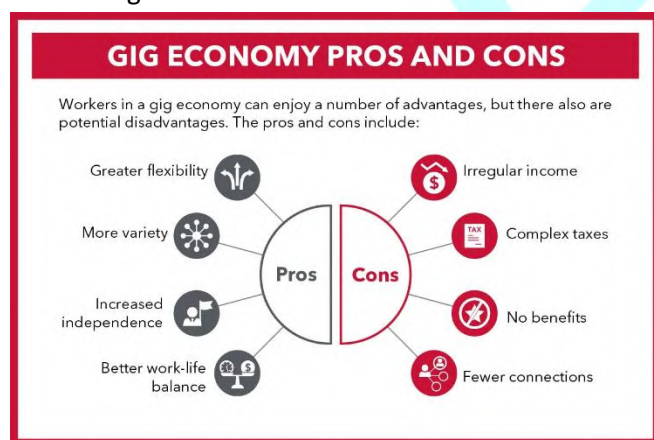
Recent Context -

Karnataka passed the Karnataka Platform-Based Gig

Workers (Social Security and Welfare) Bill, 2025, joining Bihar and Rajasthan to safeguard gig workers' rights, social security, and welfare schemes.

ABOUT-

1. **Definition:** Code on Social Security, 2020 – person working outside traditional employer-employee relationship.
2. **Types:** Platform-based (Ola, Uber, Zomato) and non-platform-based (casual or self-employed).
3. **Welfare Measures:** Gig Welfare Board, Social Security Fund, aggregator registration, work transparency, algorithmic accountability.
4. **Economic Significance:** Gig economy could reach \$250B by 2030 (~1.25% GDP); creates flexible employment, micro-entrepreneurship, and skill development.
5. **Social Impact:** Empowers women, youth, disabled; promotes financial inclusion.
6. **Challenges:** Lack of social security, income uncertainty, long hours, health risks, opaque algorithms.



INCOME TAX ACT, 2025

Recent Context -

President gave assent to **Income Tax Act 2025**, replacing **1961 Act**, simplifying tax laws, enabling virtual asset access, faceless procedures, and enhanced efficiency for collection, assessment, and dispute resolution.

ABOUT-

1. **Commencement:** From 1 April 2026; simpler language, shorter Act.
2. **Core Tax Stability:** Tax rates, regimes, offences, penalties unchanged; MAT and AMT separated.

3. **Undisclosed Income:** Includes virtual digital assets; authorities can access virtual digital space.
4. **MAT & AMT:** MAT – corporate taxpayers; AMT – non-corporates; targets “zero tax” companies.
5. **Dispute Resolution:** Draft orders can go to dispute resolution panels; transfer pricing, non-residents included.
6. **Tax Treaty Provisions:** Government can enter treaties for double taxation relief.
7. **Other Initiatives:** Unified Pension System exemptions; tax benefits to Saudi PIF; block assessment streamlining.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Recent Context -

Parliamentary Standing Committee recommended strengthening India's ESG framework to prevent greenwashing, harmonize reporting, improve compliance, and enhance sustainable corporate practices aligned with SDGs and Paris Agreement.

ABOUT-

1. **Definition:** Framework assessing environmental, social, and governance practices of firms.
2. **Significance:** Aligns with SDGs, improves financial access, operational efficiency, brand value, and competitive advantage.
3. **Challenges:** Greenwashing, inconsistent implementation, cost burden on SMEs, data quality, lack of awareness, fragmented regulations.
4. **Regulatory Mechanisms:** SEBI's BRSR for top 1000 listed firms; voluntary NGRBCs; CSR under Companies Act, 2013.
5. **Way Forward:** ESG oversight body, director fiduciary duties amendment, independent ESG committees.
6. **Capacity Building:** Training, consulting support, clear ESG goals (SMART criteria).
7. **Integration:** Embed ESG into business strategy for long-term sustainability and stakeholder trust.

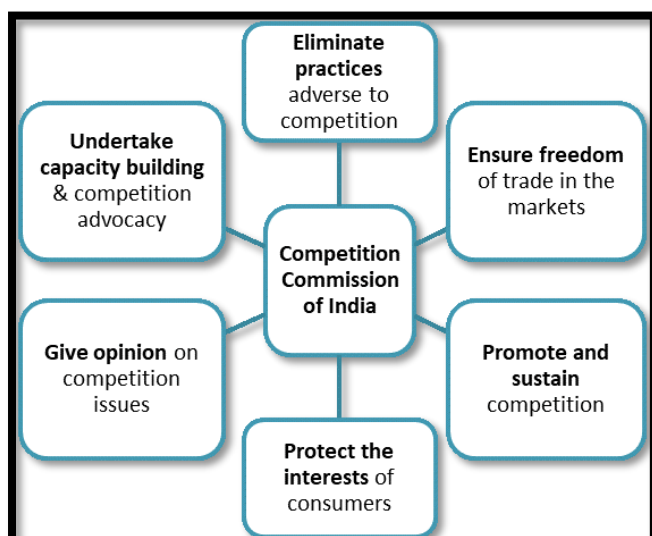
COMPETITION COMMISSION OF INDIA (CCI)

Recent Context -

Standing Committee report highlighted CCI's evolving role in digital markets, including anti-competitive practices, data dominance, merger control, and challenges of enforcing competition in tech-driven and cross-border ecosystems.

ABOUT-

1. **Mandate:** Eliminate anti-competitive practices, protect consumers, advise government, regulate mergers.
2. **Powers:** Investigative, civil court powers, penalty imposition, merger approvals.
3. **Digital Challenges:** Gatekeeper platforms, data advantage, self-preferencing, predatory pricing, ecosystem dominance, network effects.
4. **Legislative Support:** Competition (Amendment) Act, 2023 – deal value threshold, settlement mechanism, proportional penalties.
5. **Cross-Border:** Collaboration with global regulators for international digital markets.
6. **Capacity Gaps:** Human resources (113/195 posts), technical expertise for AI and digital assessment.
7. **Complementary Laws:** Digital Personal Data Protection Act, 2023 – safeguards personal data and regulates data-driven practices.



INDIAN PORTS ACT, 2025

Recent Context -

President gave assent to Indian Ports Act, 2025

replacing 1908 Act, aiming to modernize port governance, integrate port development, and improve efficiency and maritime trade management.

ABOUT-

1. **Maritime State Development Council (MSDC):** Statutory body chaired by Union Minister, includes coastal state ministers, Navy & Coast Guard officials, recommends policies for port sector growth.
2. **State Maritime Boards (SMB):** Administer non-major ports; adjudicate disputes via Dispute Resolution Committee; appeals to High Court within 60 days.
3. **Port Tariffs & Officers:** Major ports – tariffs fixed by board; non-major ports – SMB; conservator oversees vessel movement, berthing, anchoring, obstructions.
4. **Mega Ports:** Central govt. can classify ports as “mega” retaining original major/non-major status.
5. **Safety & Environment:** Emergency response plans, compliance with MARPOL (India a signatory) and BWM conventions (India not a party).
6. **Digital Integration:** Electronic port data management; prior clearance required for changes in port ownership/control.
7. **Port Coverage:** 12 major ports, 200+ non-major ports; 95% trade by volume, 70% by value handled via maritime routes.

SAGARMALA PROGRAMME (10 YEARS & 2.0)

Recent Context -

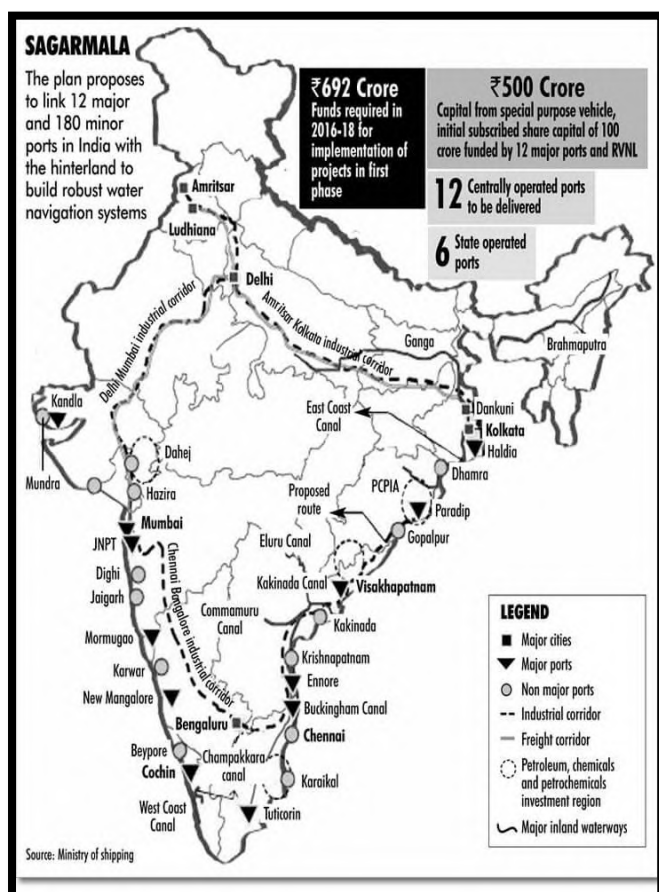
Sagarmala Programme achieved 118% growth in coastal shipping over a decade, reducing logistics costs and emissions; Sagarmala 2.0 launched in 2025 focusing on port modernization, shipbuilding, and maritime innovation.

ABOUT-

1. **Launch & Ministry:** 2015, Ministry of Ports, Shipping & Waterways; aims at port-led economic development, job creation, and skill development.
2. **Objectives:** Reduce logistics costs, enhance domestic waterways, promote multi-modal

transport, and optimize infrastructure investment.

- Institutional Framework:** NSAC (Apex Committee) – chaired by Minister of Shipping; SCSC – chaired by Cabinet Secretary; State Sagarmala Committees; SMFCL (NBFC).
- Funding:** PPP, internal/external MoPSW resources, grants-in-aid, SPV equity.
- Key Achievements (FY 2014-15 to 2024-25):** Output per Ship Berth Day +47%, Turnaround Time –48%, Idle Time –29%.
- Initiatives:** Startup Innovation Initiative (S2I2), Center of Excellence in Maritime & Shipbuilding (CEMS), Coastal Berth Scheme.
- Sagarmala 2.0 Focus:** Shipbuilding, repair, breaking, port modernization; innovation, sustainability, and blue economy promotion.



PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY)

Recent Context -

Parliamentary Committee flagged slow progress under PMGSY in Left Wing Extremism (LWE) areas; scheme aims to provide all-weather rural road connectivity to unconnected habitations.

ABOUT-

- Launch & Ministry:** December 2000, Ministry of Rural Development; centrally sponsored scheme for rural road connectivity.
- Objective:** Connect all eligible habitations; improve access to employment, education, health; 62,500 km of all-weather roads; bridge construction along alignment.
- Population Criteria:** 500+ in plains; 250+ in NE & hills; 100+ in LWE-affected areas.
- Implementation:** NRIDA – technical support; SRRDAs – state-level execution; decentralized planning with Panchayati Raj institutions, MPs, MLAs.
- Monitoring & Technology:** OMMAS – online management system; eMARG app – geo-tagged verification; Meri Sadak app – grievance redressal.
- Green Materials:** Fly ash, polymers, coir geotextiles, waste plastic, cold mix asphalt, bioengineering for slope & soil stabilization.
- Challenges & Recommendations:** Low bidding, poor quality, LWE delays, incomplete habitation connectivity, coordination lapses; stricter monitoring, innovative solutions.

M.S. SWAMINATHAN (100TH BIRTH ANNIVERSARY)

Recent Context -

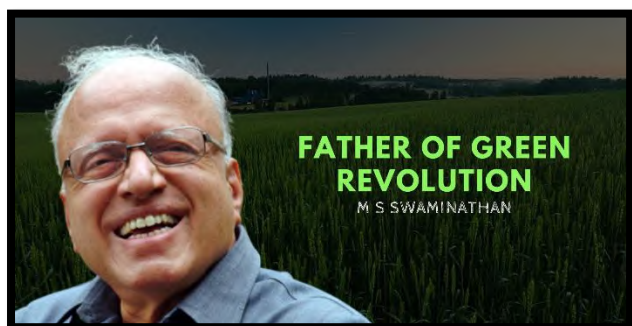
PM addressed MS Swaminathan Centenary Conference themed “Evergreen Revolution: Pathway to Biohappiness”; first M.S. Swaminathan Award for Food & Peace conferred to Nigerian scientist Prof. Ademola Adenle.

ABOUT-

- Green Revolution Architect:** Introduced high-yielding wheat (dwarf Mexican varieties) & rice (Pusa Basmati); enhanced food security in 1960s–70s.
- Evergreen Revolution:** Promoted sustainable agriculture, reducing chemical use, encouraging biodiversity, climate-resilient crops, soil fertility, rainwater conservation.
- Integrated Practices:** Integrated Pest Management (IPM), Integrated Nutrient

Management (INM), biofortification for nutrition security.

4. **Legislative Influence:** Protection of Plant Varieties & Farmers' Rights Act 2001; Biological Diversity Act 2002; Women Farmers' Entitlements Bill 2011.
5. **Biohappiness Concept:** Human well-being through ecological balance, biodiversity conservation, sustainable livelihoods, and nutrition security.
6. **National Initiatives:** Chaired National Commission on Farmers (2004–06), NAAS founder, promoted MSP linked to cost of production.
7. **Awards & Recognition:** Bharat Ratna 2024 (posthumous), Padma Shri/Padma Bhushan/Vibhushan, World Food Prize 1987, Ramon Magsaysay 1971; international orders in agriculture & environment.



SOVEREIGN CREDIT RATINGS (SCR)

Recent Context -

S&P upgraded India's long-term sovereign credit rating to 'BBB' from 'BBB-' and short-term rating to 'A-2', with a stable outlook—the first upgrade since 2007.

ABOUT-

1. **Definition:** Independent evaluation of a country's creditworthiness; assesses ability to meet debt obligations.
2. **Major Agencies:** S&P, Fitch, Moody's.
3. **Rating Grades:** Investment grade (BBB-/Baa3 to AAA/Aaa); Speculative grade – higher default risk.
4. **Significance:** Improves access to global capital markets, attracts foreign investment, lowers borrowing costs.

5. **Factors for Upgrade:** Fiscal consolidation, quality of public spending, strong corporate, financial, and external balance sheets.
6. **Issues:** Bias in rating processes, conflict of interest, rating ceiling limits corporate ratings within a country.
7. **Historical Context:** India first achieved investment grade at BBB- in 2007; current upgrade reflects stable macroeconomic fundamentals.

GIFT CITY-LIKE FINANCIAL CENTERS

Recent Context -

Parliamentary Committee recommended development of more GIFT City-like financial centers in major metros; India's first IFSC established in Gujarat in 2015 to boost global financial services.

ABOUT-

1. **Definition:** International Financial Services Centre (IFSC) provides onshore & offshore financial services to non-residents/residents in foreign currency.
2. **GIFT City:** SEZ established 2015 in Gandhinagar, Gujarat; operates under FEMA as non-resident zone.
3. **Functions:** Favourable tax structure, competitive financial products, trusted regulatory framework, ease of doing business.



4. **Regulator:** International Financial Services Centres Authority (IFSCA), established 2020 under IFSCA Act, 2019.
5. **Global Rankings:** GIFT IFSC – 46th in Global Financial Centres Index (up 5 ranks), 45th in FinTech rankings (up 4 ranks).

6. **Objective:** Promote inbound/outbound investment, attract international financial services, and provide skilled onshore talent.
7. **Future Recommendation:** Parliamentary Committee suggests replicating GIFT City model in other major metro cities to enhance India's global financial competitiveness.

SOURCE – DRISHTI MONTHLY

RBI FREE-AI Committee Report (AI in Finance)

Recent Context -

RBI released the **FREE-AI Committee Report**, promoting responsible and ethical AI adoption in financial services with 7 guiding principles to balance innovation, risk mitigation, and financial inclusion.

ABOUT-

1. **Definition:** FREE-AI – Framework for Responsible and Ethical Enablement of AI in financial sector.
2. **7 Guiding Sutras:** Trust, People-first, Innovation, Fairness, Accountability, Understandable by Design, Safety & Sustainability.
3. **Significance:** Drives revenue growth (Rs 8 lakh crore by 2027), efficiency, personalization, and financial inclusion.
4. **Use Cases:** Loan processing, fraud detection, credit scoring for thin-file borrowers, integration with UPI & Aadhaar.
5. **Challenges:** Model bias, “black box” audit issues, third-party risks, cyber threats, ethical & consumer protection concerns.
6. **Policy Measures:** MuleHunter AI for fraud detection, AI Innovation Sandbox, AI incident reporting framework.

Banking Laws (Amendment) Act, 2025

Recent Context -

Enacted to modernize banking governance, enhance audit transparency, depositor protection, and cooperative bank regulation; introduces 19 amendments across five core banking legislations.

ABOUT-

1. **Key Acts Amended:** RBI Act 1934, Banking Regulation Act 1949, SBI Act 1955, Banking Companies Acquisition Acts 1970 & 1980.
2. **Substantial Interest:** Threshold increased from Rs 5 lakh → Rs 2 crore.
3. **Director Tenure:** Cooperative bank directors' tenure extended from 8 → 10 years.
4. **Depositor Protection:** PSBs can transfer unclaimed shares/interests to IEPF.
5. **Audit Reforms:** PSBs can determine remuneration for statutory auditors.
6. **Constitutional Link:** Aligns with 97th CAA, 2011 – Right to form cooperative societies under Article 19(1).

Tourism as India's Growth Engine

Recent Context -

Tourism can offset US tariff impacts; contributes 5% to GDP, 7.6 crore jobs, and projected to reach USD 3 trillion by 2047 with 200 million tourism-related jobs.

ABOUT-

1. **Current Contribution:** 5% of GDP (FY23), 7.6 crore jobs.
2. **Foreign Tourist Arrivals:** 9.95 million (2024); FEEs ↑ 10%.
3. **Global Ranking:** 8th largest tourism economy (USD 231.6 bn, 2024–25).
4. **Source Markets:** US, UK, Australia, Bangladesh, Malaysia, Germany, France, Sri Lanka.
5. **Growth Potential:** Rs 42 trillion contribution by 2035; 64 mn jobs.
6. **Policy Measures:** e-Tourist Visa expansion, premium tourism circuits, wellness tourism, infrastructure, skill development.
7. **Challenges:** Visa hurdles, poor infrastructure, safety, cleanliness, weak global promotion, underutilized cultural assets.

India's Patent Ecosystem

Recent Context -

India ranks 6th globally in patent filings (2023); MAKE in India ambition and robust IP ecosystem drive innovation, though challenges remain in domestic R&D and patent processing.

ABOUT-

1. **Global Ranking:** 6th in patents, 4th in trademarks (WIPO 2024).
2. **Trend:** >1 lakh patents granted FY24; 44% rise in IP filings (last 5 years).
3. **University Role:** IITs and research institutions boost patent filings.
4. **CLOG Challenges:** Concentrated foreign filings, low R&D (0.67% GDP), outdated processes (58 months), gaps in enforcement.
5. **REFORM Strategy:** Regulatory/legal reform, ecosystem building, fuel R&D, optimize processes, resource mobilization, global partnerships.
6. **Innovation Focus:** Encourage AI, emerging technologies, IP protection, and patent commercialization.
7. **Significance:** Strong patent ecosystem supports Make in India, innovation, technology leadership, and economic competitiveness.

Benefits of Inland Waterways for MIV 2030**Recent Context -**

Inland Water Transport (IWT) offers **cost-effective, fuel-efficient, low-emission logistics**, enabling seamless multimodal integration, disaster resilience, and supporting India's aim to be a top 25 performer by 2030.

ABOUT-

1. **Cost Efficiency:** ₹0.25–0.30/ton-km vs ₹1 by rail, ₹1.5 by road; 105 ton-km/litre fuel efficiency.
2. **Climate Benefits:** Low CO₂, minimal noise/water pollution; supports Panchamrit climate commitments.
3. **Logistics Impact:** Faster cargo movement, decongested transport, last-mile access to remote/ecosensitive areas.
4. **Current Usage:** Only 3.5% of trade via IWT vs China 47%, Europe 40%, Bangladesh 35%.
5. **Challenges:** Non-perennial rivers, infrastructure gaps, high capital costs, siltation, limited first/last-mile connectivity.

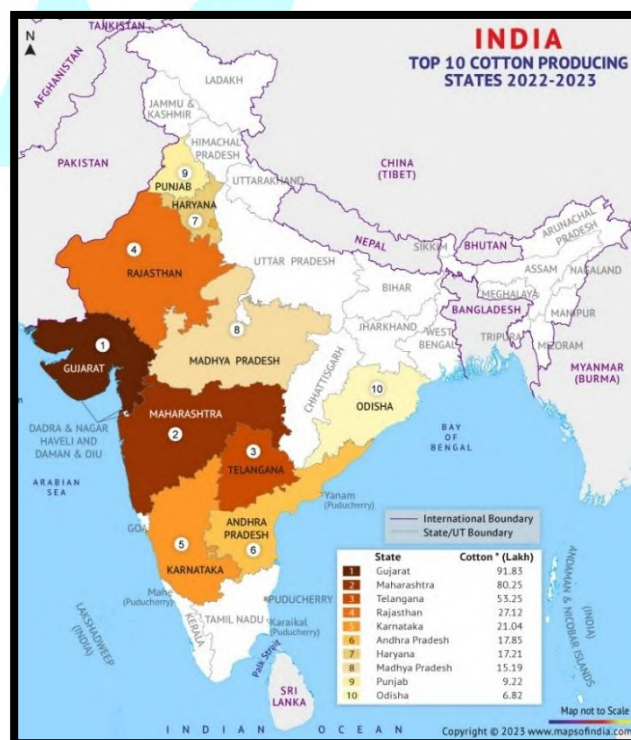
6. **Government Measures:** PM Gati Shakti & Sagarmala integration, PPPs, innovation via River Information Systems (RIS), GPS, e-logistics platforms.
7. **Significance:** Enhances multimodal transport, cost reduction, disaster resilience, and sustainability.

Mission for Cotton Productivity**Recent Context -**

Launched in **Budget 2025–26**, the mission targets higher cotton yields using **climate-smart, pest-resistant varieties**, boosting farmer income, supporting Textile Vision 2030, and enhancing India's global competitiveness.

ABOUT-

1. **Objective:** Improve yield & fibre quality using biotech, advanced breeding, and Extra Long Staple (ELS) cotton.
2. **Implementing Agency:** Department of Agricultural Research & Education (DARE) – nodal agency.



3. **Need:** Low yield (India 39th globally, 447 kg/ha), rising imports, declining exports, pest resistance (pink bollworm).

4. **Textile Vision 2030:** Build USD 250 bn textile industry; USD 100 bn in global exports.
5. **India's Position:** 1st in acreage (40%), 2nd in production (23.83%), 2nd largest consumer (22.24%).
6. **Strategic Focus:** Climate-smart cotton, biotech adoption, enhancing competitiveness against US & Brazil.
7. **Significance:** Boosts farmer income, ensures raw material for textile industry, aligns with Make in India & Atmanirbhar Bharat.

India's Retail Inflation (CPI)

Recent Context -

India's **retail inflation eased to 1.55%**, the lowest in 8 years; food inflation (CFPI) fell to **-1.76%**, driven by favorable base effects and price declines in essential commodities.

ABOUT-

1. **Definition:** CPI measures change in prices of goods/services consumed by households; key macroeconomic indicator of inflation.
2. **Published by:** Central Statistical Office (CSO) on the 12th of every month.
3. **Components:** CPI for Industrial Workers (IW), Agricultural Labourers (AL), Rural Labourers (RL), Urban Non-Manual Employees (UNME).
4. **Base Year:** 2012 (for CPI calculation).
5. **Significance:** Guides monetary policy, inflation targeting, national accounts deflators, and employee dearness allowance adjustments.
6. **Comparison with WPI:** CPI emphasizes food; WPI emphasizes fuel; CPI captures consumer-level inflation, WPI captures wholesale-level inflation.

RBI's FREE-AI Vision for Financial Sector

Recent Context -

RBI's **FREE-AI framework** promotes responsible AI adoption in finance, balancing innovation and risk, with investments expected to reach ₹8 lakh crore by 2027, covering banking, insurance, capital markets, and payments.

ABOUT-

1. **Objective:** Ensure safe, fair, accountable, and ethical AI adoption in financial services.
2. **7 Sutras:** Principles include trust, people-first, innovation, fairness, accountability, interpretability, and safety/resilience.
3. **Dual Approach – Innovation:** Shared data infrastructure (AI Kosh), AI Innovation Sandbox, policy guidance, capacity building, relaxed rules for low-risk AI.
4. **Dual Approach – Risk Mitigation:** Board-approved AI policies, product approval integration, audits, cybersecurity, incident reporting, consumer awareness.
5. **Financial Impact:** AI investment projected at ₹8 lakh crore by 2027; GenAI ₹1.02 lakh crore by 2033, growing 28–34% annually.
6. **Emerging Risks:** Data privacy, algorithmic bias, market manipulation, cybersecurity vulnerabilities, and governance failures.
7. **Significance:** Strengthens financial sector resilience, enhances inclusion, promotes innovation, and ensures consumer trust.

SOURCE – PIB

Small Finance Bank (SFB) Universal Banking Licence

Recent Context -

RBI granted **'in-principle' approval** to AU Small Finance Bank to become a universal bank, first SFB transition in a decade, allowing full commercial and investment banking services.

ABOUT-

1. **Universal Bank Licence:** Permits commercial + investment banking under one umbrella.
2. **Previous Licences:** 2014 – Bandhan Bank, IDFC Bank (now IDFC First Bank).
3. **Eligibility – Status:** Scheduled bank for ≥5 years.
4. **Stock & Net Worth:** Listed shares on recognized exchange; minimum net worth ₹1,000 crore.
5. **Financial Health:** Profitability for last 2 FYs; G-NPA ≤3%, N-NPA ≤1%.
6. **Promoter Requirements:** No addition or change in promoters during transition.

- Preference:** Diversified loan portfolio preferred for smooth transition.

RBI Tightens Co-Lending Norms

Recent Context -

RBI revised **Co-lending Arrangements (CLA)** between banks and NBFCs, ensuring risk sharing, uniform asset classification, weighted blended interest rates, and maintaining PSL benefits.

ABOUT-

- Definition:** CLA allows multiple regulated entities to jointly lend to borrowers.
- Minimum Share:** Each RE must retain $\geq 10\%$ of the loan.
- PSL Status:** Each lender can claim priority sector lending proportionate to contribution.
- Asset Classification:** NPA classification by one lender applies to all co-lenders.
- Interest Rate:** Borrower charged weighted average of each lender's internal rate.
- Regulatory Basis:** Banking Regulation Act (1949), RBI Act (1934), National Housing Bank Act (1987).
- Objective:** Reduce concentration risk, prevent evergreening, and improve risk management.

Civil Aviation Safety – Parliamentary Report

Recent Context -

Parliamentary Standing Committee reviewed **DGCA performance and civil aviation safety**, recommending enhanced autonomy, staffing reforms, fatigue management, MRO promotion, enforcement, and whistleblower protections.

ABOUT-

- DGCA Staff Shortage:** ~50% vacant positions; slow recruitment via UPSC.
- Autonomy Recommendation:** Full administrative & financial independence for DGCA; specialized recruitment body.
- ATCO Fatigue:** Introduce Fatigue Risk Management, audit staffing, expand training.
- Surveillance & Enforcement:** Time-bound closure of safety findings; financial penalties for non-compliance.

- Operational Risks:** Conduct detailed root-cause analysis for incidents; strengthen remedial programs.
- MRO Sector:** Promote domestic Maintenance, Repair, Overhaul; reduce taxes; infrastructure support; aviation skill development.
- Just Culture:** Whistleblower protection framework to encourage safety reporting without fear of penalties.

Steel Scrap Recycling Policy (SSRP)

Recent Context -

Standing Committee reviewed **SSRP**, focusing on circular economy, formalization, workforce skill development, technology adoption, and creation of dedicated steel scrap databases for boosting recycling efficiency and investment.



ABOUT-

- Objective:** Promote circular economy (6Rs – Reduce, Reuse, Recycle, Recover, Redesign, Remanufacture).
- Nodal Ministry:** Ministry of Steel to oversee scrap collection, processing, and data management.
- Formalization:** Roadmap to organize informal scrap sector; form cooperatives for dismantlers.

4. **Industry Status:** Grant sector status to attract investment, generate jobs, and develop skills.
5. **Technology Upgradation:** Promote AI sensors, Blockchain traceability, digital platforms for scrap management.
6. **Data Management:** Create portal with statewise, sector-wise, import/export data; benchmarking with global practices.

S&P Upgrades India's Sovereign Credit Rating to 'BBB'

Recent Context -

In 2025, S&P upgraded India's long-term sovereign rating from **BBB-** → **BBB** and short-term rating from A-3 → A-2, reflecting stronger growth, fiscal prudence, and external stability.

ABOUT-

1. **Definition:** Sovereign credit rating = independent assessment of a country's debt repayment capacity.
2. **Agencies:** S&P, Moody's, Fitch ("Big Three").
3. **India's Rating:** BBB (2025), first upgrade since 2007 (BBB-).
4. **Reasons:** Strong GDP growth (avg. 8.8% FY22–24), fiscal consolidation, controlled inflation, external stability.
5. **Fiscal Indicators:** Centre deficit 4.8% FY25; net debt/GDP 7.8%; capital expenditure ~5.5% GDP.
6. **Implications:** Lower borrowing costs, higher FDI/FPI inflows, rupee stability, more funds for infrastructure and jobs.
7. **Risks:** High public debt (~83–85% GDP), PSU bank NPAs, global headwinds, structural bottlenecks, jobless growth concerns.

National Mission on Natural Farming (NMNF)

Recent Context -

Launched in 2024–25, NMNF promotes **chemical-free, ecosystem-based farming** across India, targeting 7.5 lakh hectares, training 1 crore farmers, and establishing 10,000 bio-input centers.

ABOUT-

1. **Objective:** Promote chemical-free farming, improve soil health, strengthen farmer incomes, enhance climate resilience.
2. **Cluster Model:** 15,000 clusters (~50 ha each, ~125 farmers/cluster).
3. **Training & Handholding:** 3,900 scientists/trainers, 28,000 CRPs, 1,100 model farms.
4. **Incentives:** ₹4,000/acre/year for 2 years (max 1 acre per farmer).
5. **Certification:** Participatory Guarantee System (PGS) for NF produce.
6. **Institutional Partners:** NCONF (standards), MANAGE (extension), ICAR-KVKs (research & training), SHGs/FPOs (community mobilization).
7. **Significance:** Low-carbon, sustainable farming; cuts input costs; chemical-free produce; aligns with SDGs and India's Net Zero 2070 targets.

Rural Economic Revival (RECSS 2025)

Recent Context -

July 2025 RECSS shows **record rural income and consumption growth**—39.6% households report higher income, 76.6% higher consumption, rising savings, formal credit use, and optimism for income/jobs.

ABOUT-

1. **Survey:** RECSS – Rural Economic Consumption & Sentiment Survey, evaluates income, credit, savings, consumption, and welfare scheme impacts.
2. **Income Trends:** 39.6% households reported income rise; expenditure on consumption 65.57% (up from 60.87%).
3. **Consumption Growth:** 76.6% households reported increased consumption; only 3.2% decline.
4. **Credit & Savings:** 52.6% loans from formal sources; 20.6% households increased savings; informal loan rates declined to 17.53%.
5. **Government Support:** Fiscal transfers (~10% income) and rural infrastructure improved

roads, education, water, electricity, healthcare.

- Inflation Perception:** Rural CPI ~2.59–2.92%; 78.4% households believe inflation ≤5%.
- Optimism:** 74.7% expect income rise next year; 56.2% anticipate better job opportunities, reflecting confidence from monsoon, policy support, and local development.

SOURCE - INSIGHTS MONTHLY

System of National Accounts 2025 (SNA 2025)

Recent Context -

UNSC adopted **SNA 2025**, expanding GDP measurement to include natural capital, inequality, unpaid work, and sustainability. India's EnviStats, time-use surveys, and distributional data prepare it for adoption.

ABOUT-

- Objective:** Capture sustainability, income distribution, and non-market activities alongside traditional GDP.
- Natural Capital Accounting:** Depletion of minerals/oil counted as cost; renewables recognised as assets.
- Distributional Accounts:** Show income, wealth, consumption, savings by household groups to highlight inequality.
- Unpaid Work Inclusion:** Household and care work included to recognise women's contributions.
- India's Readiness:** EnviStats (2018–present), Time Use Surveys (2019, 2024), PLFS, AIDIS, consumption surveys.

India's GST Journey (2017–2025)

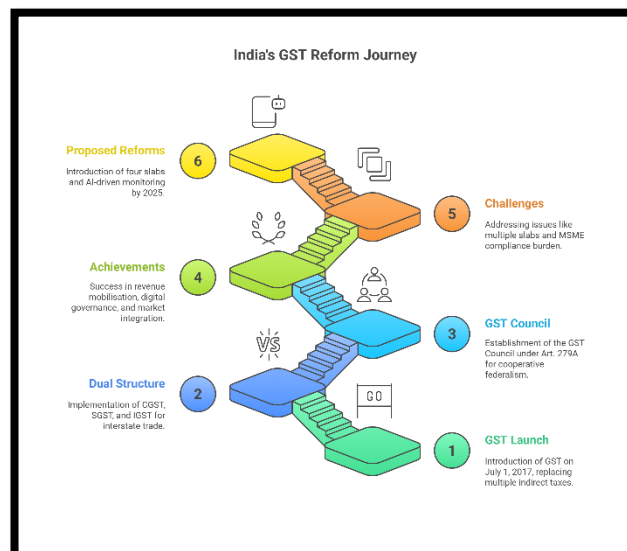
Recent Context -

India proposes **next-generation GST reforms by Diwali 2025**, rationalising slabs (4), easing compliance for MSMEs, reducing household tax burden, and moving toward a simpler, unified indirect tax system.

ABOUT-

- Launch:** 1 July 2017; replaced multiple indirect taxes (excise, VAT, service tax, luxury tax).

- Structure:** Dual GST – CGST, SGST; IGST for interstate trade.
- GST Council:** Art. 279A, cooperative federalism in rate decisions.
- Achievements:** Revenue mobilisation (₹1.84 lakh crore/month FY25), digital governance, interstate market integration, consumer relief.



- Challenges:** Multiple slabs, MSME compliance burden, state revenue stress post-compensation (2022), petroleum/alcohol outside GST.
- Proposed Reforms 2025:** Four slabs (<1%, 5%, 18%, 40%), simplification, ease of compliance, AI-driven monitoring.
- Rationale:** Simplify tax, prevent cascading, improve efficiency, promote equity, strengthen federal cooperation.

RBI's Framework for Responsible and Ethical AI (FREE-AI)

Recent Context -

RBI's **FREE-AI report (2024)** provides a framework for responsible AI adoption in financial services, balancing innovation with risk mitigation, consumer protection, transparency, fairness, and accountability.

ABOUT-

- Objective:** Ethical, safe, and accountable AI adoption in banking and finance.

2. **Committee:** Chaired by Dr. Pushpak Bhattacharyya; framed 7 guiding “sutras” and 26 recommendations.
3. **Need for AI:** Efficiency, automation, data-driven decisions, fraud detection, customer experience, regulatory compliance.
4. **7 Sutras:** Trust, People-first, Innovation, Fairness, Accountability, Explainable, Safety & Sustainability.
5. **Key Measures:** AI innovation sandbox, indigenous AI models, shared infrastructure, board-approved AI policies.
6. **Consumer & Risk Management:** AI-specific product approval, grievance audit, cybersecurity, and incident reporting.

Inflation Targeting and the Test of Credibility

Recent Context -

RBI’s August 2025 discussion paper reviews the flexible inflation targeting (FIT) framework, cautioning that raising the 4% CPI target beyond 2–6% tolerance band may dilute credibility.

ABOUT-

1. **Objective:** Anchor inflation expectations, ensure macroeconomic stability, and guide monetary policy.
2. **Current Target:** 4% CPI within a 2–6% tolerance band, valid until March 2026.
3. **Headline vs. Core Debate:** RBI maintains headline CPI focus as food/fuel shocks spill into core inflation.
4. **Credibility:** Inflation management cited in S&P rating upgrade to BBB; low and stable inflation supports external balance.
5. **Policy Benefits:** Anchored expectations, improved investor confidence, external stability, resilience to shocks, and fiscal discipline.
6. **Key Issues:** Target level, tolerance band, inflation volatility, policy certainty amid global/geopolitical risks.

Should States Be Compensated for Revenue Loss from GST Reforms?

Recent Context -

Centre proposes **GST rationalisation to 5% and 18% slabs** by Diwali 2025. Revenue loss (~₹45,000–1,00,000 crore) raises debate on whether industrialised States should get transitional compensation.

ABOUT-

1. **Proposed Reform:** Dual-slab GST (5% & 18%), ~40% on sin/luxury goods; average rate drops to ~10%.
2. **Revenue Loss Estimate:** ₹45,000 crore in FY2026; industrialised States more affected than agrarian States.
3. **Case for Compensation:** Fair transition, fiscal stability, asymmetric exposure, global precedents, smoother reform acceptance.
4. **Case Against Compensation:** Unsustainable for Centre, moral hazard, one-time transition already over, growth dividend offsets, alternative State-specific tools exist.
5. **Impact on States:** Manufacturing-heavy States (Maharashtra, Karnataka) more exposed; essentials-dominant States less affected.
6. **Suggested Measures:** Time-bound support, selective assistance, stabilisation fund, performance-linked aid, strengthen GST Council dialogue.
7. **Rationale:** Compensation ensures smoother reform adoption, maintains federal trust, and balances fiscal equity and economic efficiency.

Energy Sovereignty is the New Oil

Context -

India, with 85% crude and 50% gas import dependence, faces trade, inflation, and geopolitical vulnerabilities. Energy sovereignty is now central to national security and resilient economic growth.

ABOUT-

1. **Vulnerabilities – High import bill** (\$170 bn FY24), reliance on **Russia** (35–40%), **West Asia conflicts**.

2. **Global Lessons – 1973 Oil Embargo, Fukushima 2011, Texas Freeze 2021, Russia–Ukraine 2022.**
3. **Challenges – Tech gaps (SMRs, electrolysers), financing deficit (\$10 tn till 2070), weak transmission, policy fragmentation, mineral dependence.**
4. **Five Pillars – Coal gasification + carbon capture, biofuels (SATAT), nuclear + SMRs, green hydrogen (5 MMT by 2030), pumped hydro.**
5. **Measures – Diversify crude/LNG, expand reserves (77 → 90-day), balanced fossil-renewable mix till 2040.**
6. **Institutions – National Energy Sovereignty Council, global tech partnerships (Quad, BRICS, I2U2).**
7. **Outcome – Energy security, reduced imports, affordable, resilient, low-carbon supply.**

Regulating Coal Operations

Context -

Coal remains India's baseload (70% power) and industrial backbone, but environmental, health, and social costs are rising. NGT stresses community involvement, HIAs, and just transition strategies.

ABOUT-

1. **Reliance on Coal – 70% power, industries (steel, cement, aluminium), affordability, employment** in Jharkhand, Chhattisgarh, Odisha, WB.
2. **Environmental Impacts – Air pollution (PM10), water contamination (fly ash), biodiversity loss, forest disruption, soil decline.**
3. **Health Impacts – Silicosis, respiratory & neurological disorders; vulnerable communities face livelihood/migration risks.**
4. **Governance Gaps – Weak enforcement, ignored FRA rights, token community participation, poor compensation.**
5. **NGT Recommendations – HIAs, community oversight, monitoring, restoration, just transition.**

6. **Way Forward – Diversify energy, transition fund, health-centric planning, empower NGT/PCBs, circular economy, climate finance.**
7. **Conclusion – Balance energy security, sustainability, social justice in coal strategy.**

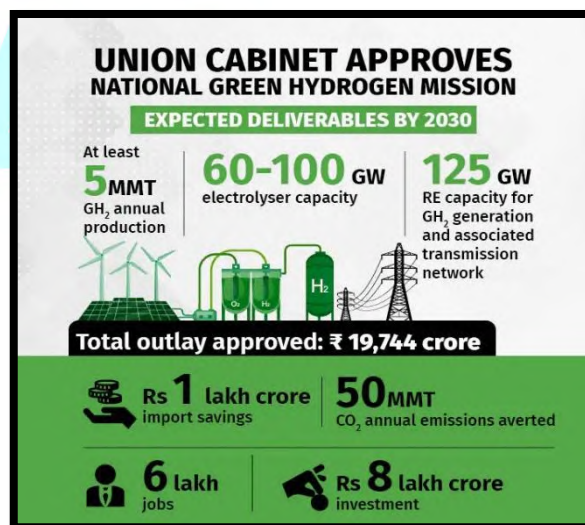
India's Green Hydrogen Potential: FICCI-EY 2025 Report

Context -

India aims to capture 10% of the global green hydrogen market by 2030. Challenges include high costs, infrastructure gaps, fossil fuel subsidies, and demand uncertainty, requiring strategic reforms and industrial mandates.

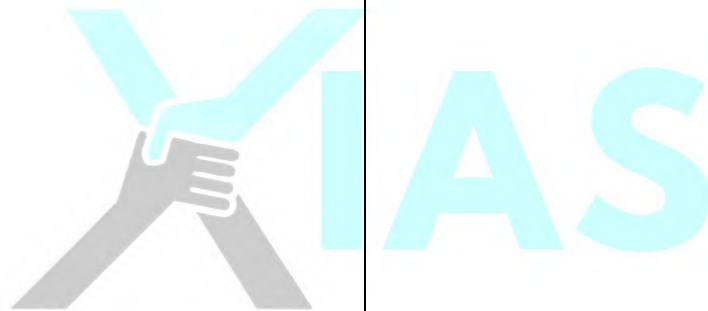
ABOUT-

1. **Definition & Significance:** Produced via water electrolysis using renewable energy → zero-emission fuel for steel, fertilisers, shipping, mobility; critical for net-zero and decarbonisation.



2. **National Green Hydrogen Mission (2023):** ₹19,744 crore outlay; target 5 MMT production annually by 2030; requires 125 GW renewable capacity, electrolysers, and water logistics.
3. **Pilot Projects:** 5 projects funded ₹208 crore; 37 hydrogen-powered vehicles deployed; 9 refuelling stations operational within 18–24 months.

4. **Cost Trends:** Current \$4–4.5/kg; projected \$3–3.75/kg by 2030 due to cheap renewable power, tax incentives, and efficiency gains.
5. **Policy Recommendations:** Redirect fossil fuel subsidies, introduce industry use mandates, implement carbon pricing, aggregate demand via structured procurement, and boost domestic R&D.
6. **Global & Strategic Potential:** Market size \$8.78 bn (2024) → \$199.22 bn (2034); India projected \$2.81 bn by 2030 (56% CAGR). Domestic reforms can secure 10% global market share.



ECONOMY

SOURCE: VISION MONTHLY

PUBLIC-PRIVATE PARTNERSHIP (PPP) MODEL IN INFRASTRUCTURE

RECENT UPDATE: The **Kailash Satyarthi Children's Foundation** criticized the use of the **PPP model** for **Child Care Institutions (CCIs)**, citing risks to child safety and profit-driven motives.

ABOUT:

1. PPP is an arrangement where a **government entity** and a **private entity** collaborate to provide public assets or services.
2. India's PPP framework is guided by the recommendations of the **Kelkar Committee (2015)**.
3. The **Viability Gap Funding (VGF) Scheme** provides **grant support** up to **40% of the project cost** to enhance commercial viability.
4. Benefits include **risk transfer** to the private sector and access to their **superior management skills** and **innovation**.
5. Challenges include **lack of a robust regulatory framework** and issues with **timely dispute resolution**.
6. The **PPP model in CCIs** is risky as it could prioritize profit over **child welfare and care quality**.
7. The **Way Forward** includes establishing an independent **PPP Authority of India** and moving towards a **uniform Model PPP Agreement**.
8. It also suggests using the **Hybrid Annuity Model (HAM)**, where the government pays 40% upfront and the remaining 60% as annuities.

GOODS AND SERVICES TAX (GST) REFORM

Recent Update: The 56th meeting of the GST Council approved Next-Gen GST Reform (GST 2.0) featuring rate rationalization with a simplified two-slab structure.

About:

- 1) **Single Indirect Tax:** GST is a unified tax on the supply of goods and services across India (101st Amendment Act, 2017).
- 2) **Components:** CGST, SGST, UTGST (intra-state), and IGST (inter-state).
- 3) **Destination-Based Tax:** Revenue accrues to the state where goods/services are consumed.
- 4) **New Rate Structure:** Two-slab system—5% and 18%, replacing 12% & 28%.
- 5) **Special Rate:** 40% demerit rate for sin goods and luxuries, replacing the cess.
- 6) **Outcome:** Median effective tax rate falls from 12% to 5%, aiming for simplicity and compliance.

INDIA'S SEMICONDUCTOR ECOSYSTEM

Recent Update: India designed its first 2 nm chip after ARM inaugurated its new semiconductor design office in Bengaluru.

About:

- 1) **Core of Modern Electronics:** Semiconductors power microchips used in all digital devices.
- 2) **Micro-scale Transistors:** Control electrical signals like brain neurons.
- 3) **Advantage of 2nm Chips:** More power in less space, lower energy use, higher speed.
- 4) **Strategic Value:** Vital for national security, AI, space, and defence sectors.
- 5) **Significance:** Marks India's move toward becoming a global semiconductor design hub.

PM MITRA SCHEME



Recent Update: Prime Minister laid the foundation stone for PM MITRA Park in Dhar District, Madhya Pradesh.

About:

- 1) **Launched by:** Ministry of Textiles (₹4,445 crore; 2021–22 to 2027–28).
- 2) **Objective:** Build mega textile parks integrating spinning to garmenting under one ecosystem.
- 3) **Vision:** “5F” model — *Farm* → *Fibre* → *Factory* → *Fashion* → *Foreign*.
- 4) **Goals:** Attract ₹70,000 crore investment and create 20 lakh jobs.
- 5) **Eligibility:** States offering contiguous 1000-acre land and strong textile policy.
- 6) **Impact:** Boosts exports, global competitiveness, and rural employment.

NATIONAL LOGISTICS POLICY, 2022

Recent Update: Third anniversary of the NLP celebrated by the Ministry of Commerce and Industry.

About:

- 1) **Linked with PM Gati Shakti:** Complements physical infrastructure with soft reforms.
- 2) **Vision:** Create a tech-enabled, integrated, cost-efficient, resilient logistics ecosystem.
- 3) **Targets:**
 - a) Reduce logistics cost to global benchmarks by 2030.
 - b) Rank among top 25 in World Bank’s LPI.

- 4) **Implementation:** Through *Comprehensive Logistics Action Plan (CLAP)* across 8 focus areas.
- 5) **Goal:** Enhance trade competitiveness and export efficiency.

SARFAESI ACT, 2002

Recent Update: Supreme Court highlighted contradictions in Section 13(8) of SARFAESI Act and Rules 8 & 9.

About:

- 1) **Purpose:** Enables banks to recover NPAs without court intervention.
- 2) **Key Mechanisms:**
 - a) *Securitisation:* Repackaging NPAs into tradable securities.
 - b) *Asset Reconstruction:* ARCs buy NPAs to clean bank balance sheets.
 - c) *Court-Free Enforcement:* Creditors can seize and sell assets except agricultural land.
- 3) **Borrower Rights:** Appeal to DRT under the Recovery of Debts Act, 1993.
- 4) **Central Registry:** Maintains records of securitisation transactions.
- 5) **SC Observation:** Clarify borrower’s redemption right pre-auction to ensure legal consistency.

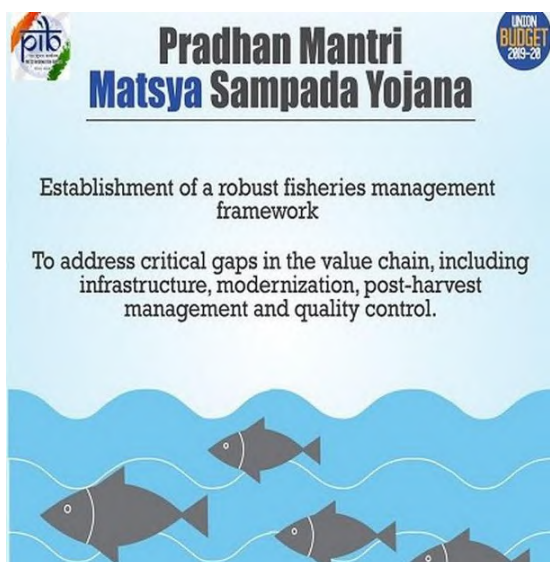
PRADHAN MANTRI MATSYA SAMPADA YOJANA (PMMSY)

Recent Update: PMMSY completed five years since launch.

About:

- 1) **Launched by:** Ministry of Fisheries, Animal Husbandry & Dairying (FY 2020–21 to 2025–26).
- 2) **Objective:** Bridge gaps in fish production, post-harvest infrastructure, and marketing.

- 3) **Nodal Agency:** National Fisheries Development Board (NFDB).



4) **Structure:**

- a) *Central Sector Scheme (CSS):* Fully funded by Centre.
 - b) *Centrally Sponsored Scheme:* Cost-shared with States.
- 5) **Focus Areas:** Production, infrastructure, and regulatory framework.
- 6) **Outcome:** Boosted fish exports and livelihood diversification in coastal regions.

STATE FINANCES 2022–23 REPORT

Recent Update: Released by the Comptroller and Auditor General (CAG).

About:

- 1) **Coverage:** 10-year fiscal trends across 28 states.
- 2) **Debt Level:** States' total debt = 22.17% of GDP (FRBM target: 20% by 2024–25).
- 3) **High Debt States:** Punjab (40.35%), Nagaland (37.15%), West Bengal (33.70%).
- 4) **Fiscal Deficit:** All states in deficit; Himachal highest (6.46%), Gujarat lowest (0.76%).
- 5) **Goal:** Improve fiscal prudence and compliance with FRBM norms.

ANNUAL SURVEY OF INDUSTRIES (ASI) 2023–24

Recent Update: Released by MoSPI.

About:

- 1) **Objective:** Analyse growth and structure of manufacturing industries.
- 2) **Legal Basis:** Conducted under the Collection of Statistics Act, 2017.
- 3) **Coverage:** Factories under the Factories Act, 1948 and Bidi/Cigar units.
- 4) **Exclusions:** Defence, railways, oil depots, and gas storage units.
- 5) **Output:** Provides state-wise and industry-wise insights into employment, output, and investment.

INDUSTRIAL PARK RATING SYSTEM (IPRS) 3.0

Recent Update: Launched by Ministry of Commerce and Industry.

About:

- 1) **Developed by:** DPIIT with ADB support.
- 2) **Objective:** Assess and enhance industrial park competitiveness.
- 3) **New Parameters:** Green infrastructure, logistics, digitalization, sustainability, tenant feedback.
- 4) **Categories:** Leaders, Challengers, and Aspirers.
- 5) **Integration:** Linked with India Industrial Land Bank (GIS-based mapping).
- 6) **Impact:** Promotes industrial growth and investor confidence.

UNIVERSAL POSTAL UNION (UPU)

Recent Update: India launched the **UPI-UPU Integration Project** to revolutionize cross-border remittances.

About:

- 1) **Established:** 1874; became a UN specialized agency in 1948.
- 2) **Headquarters:** Berne, Switzerland.
- 3) **Membership:** 192 countries, including India.

- 4) **Function:** Acts as the global forum for postal cooperation, ensuring a universal postal network and modern service standards.
- 5) **Significance:** Strengthens financial inclusion through postal-fintech convergence.

SOURCE: THE HINDU

CABINET PACKAGE FOR SHIPBUILDING

Recent Update: Cabinet approved a four-pillar package to boost shipbuilding.

About:

- 1) **Pillars:** Capacity, Financing, Technology & Skilling, Policy Reforms.
- 2) **Key Measures:**
 - a) Extend Shipbuilding Financial Assistance Scheme to 2036.
 - b) Create Maritime Development Fund (MDF).
 - c) Launch Shipbuilding Development Scheme (SbDS).
- 3) **National Shipbuilding Mission:** To coordinate implementation and expand shipbuilding capacity to 4.5 million GT annually.

ADVANCE AUTHORISATION SCHEME

Recent Update: Government extended Export Obligation Period for textile exporters.

About:

- 1) **Purpose:** Duty-free import of inputs used in export products.
- 2) **Coverage:** Manufacturer exporters or merchant exporters with supporting manufacturers.
- 3) **Norms:** Quantity allowed as per export product standards.
- 4) **Benefit:** Enhances export competitiveness and liquidity.

BHARATI INITIATIVE

Recent Update: APEDA launched BHARATI to boost agri-food exports and startups.

About:

- 1) **Full Form:** Bharat's Hub for Agritech, Resilience, Advancement & Incubation for Export Enablement.
- 2) **Goal:** Support 100 agri-food startups and reach \$50 billion exports by 2030.
- 3) **Focus Areas:** AI-based quality control, blockchain traceability, IoT cold chains, agri-fintech.
- 4) **Categories:** Organic, GI-tagged, AYUSH, and processed agri-products.
- 5) **Outcome:** Promotes innovation and sustainability in agri-export chains.

GLOBAL INNOVATION INDEX (GII) 2025

Recent Update: Released by the World Intellectual Property Organization (WIPO).

About:

- 1) **Measures:** 139 economies based on innovation capacity, investment, and outcomes.
- 2) **India's Performance:** Ranked 38th (up from 81st in 2015); among top innovation overperformers.
- 3) **Top Economies:** Switzerland, Sweden, USA, South Korea, Singapore.
- 4) **India's Innovation Clusters:** Bengaluru (21st), Delhi (26th), Mumbai (46th), Chennai (84th).
- 5) **Policy Support:** *Startup India, Atal Innovation Mission* foster innovation and R&D

EPFO PASSBOOK LITE

RECENT UPDATE: EPFO HAS LAUNCHED "PASSBOOK LITE" TO PROVIDE A SIMPLIFIED PF BALANCE VIEW ON ITS MEMBER PORTAL.

ABOUT:

1. **Passbook Lite** is a new facility within EPFO's **Member Portal** giving a quick **snapshot of PF contributions, withdrawals, and balance**.
2. Launched by **Union Labour & Employment Minister** on behalf of EPFO.

3. **Aim:** Simplify access to **PF information**, reduce login delays, enhance **transparency**, and improve **member satisfaction**.



4. **Single Login:** No need to log in to a separate **passbook portal**.
5. Provides a **Quick Snapshot** showing contributions, withdrawals, and current balance at a glance.
6. **Faster Access:** Reduces load on main portal for **quicker response times**.
7. Full passbook still available for those needing a **comprehensive view**.

HSBC-IBM QUANTUM-ENABLED ALGORITHMIC TRADING

RECENT UPDATE: HSBC AND IBM ANNOUNCED THE WORLD'S FIRST **QUANTUM-ENABLED ALGORITHMIC BOND TRADING TRIAL**.

ABOUT:

1. The trial uses a **hybrid quantum-classical computing approach** for real-world **algorithmic bond trading**.
2. **Algorithmic Trading** uses computer programs to automatically execute **buy/sell orders** based on predefined rules.
3. **Strategy Definition:** Trading strategies are designed using **technical indicators, historical data, and quantitative models**.
4. **Coding:** Strategy logic is converted into **automated computer code** (Python, Java, or C++).

5. Enables faster **decision-making, efficiency, and accuracy** in trading.
6. Marks a **milestone in fintech**, combining **quantum computing** with traditional trading methods.

MUMBAI-AHMEDABAD HIGH SPEED RAIL (MAHSR) CORRIDOR

RECENT UPDATE: A **4.88 KM TUNNEL BREAKTHROUGH** WAS ACHIEVED BETWEEN GHANSOLI AND SHILPHATA, MARKING A **CRITICAL MILESTONE** FOR THE MAHSR CORRIDOR.



ABOUT:

1. **Route:** 508 km covering **Gujarat, Maharashtra, and Dadra & Nagar Haveli**, ensuring regional connectivity.
2. **Stations:** 12 major stops including **Mumbai BKC, Thane, Surat, Vadodara, Ahmedabad**.
3. **Speed:** Operational speed of **320 kmph**, reducing travel time from **6-7 hours to just over 2 hours**.
4. **Infrastructure:** Features **21 km tunnels** (7 km undersea), 320 km viaducts, 17 river bridges, 9 steel bridges.
5. **Technology:** Uses **Japanese Shinkansen**, advanced signalling, automatic train control, and high **safety standards**.
6. Supports **regional development, economic growth**, and faster intercity travel.

LOGISTICS EASE ACROSS DIFFERENT STATES (LEADS) 2025

RECENT UPDATE: LEADS 2025 LAUNCHED TO ASSESS AND RANK THE LOGISTICS ECOSYSTEM OF INDIAN STATES AND UTs.

ABOUT:

- LEADS** is a national **index and survey** ranking and assessing **logistics performance** of States/UTs.
- Released by the **Ministry of Commerce & Industry, DPIIT**.
- Aim:** Benchmark logistics performance, lower **costs**, improve **efficiency**, and guide **infrastructure planning**.
- Assessment Criteria:** Infrastructure quality (roads, warehousing, multimodal connectivity).
- Services availability, quality, and reliability of **logistics services**.
- Efficiency measures such as timeliness, truck turnaround, and **ease of clearances**.
- Policy support and stakeholder perception including **industry feedback** on cost, speed, and reliability.

INDIA & FAO JOIN HANDS TO BUILD WORLD-CLASS BLUE PORTS

RECENT UPDATE: INDIA'S DEPARTMENT OF FISHERIES AND FAO SIGNED A TECHNICAL COOPERATION PROGRAMME TO DEVELOP WORLD-CLASS BLUE PORTS.

ABOUT:

- Collaborative initiative under **FAO's TCP** to upgrade fishing ports into **smart, sustainable, and inclusive Blue Ports**.
- Organisations involved: **Department of Fisheries (DoF), MoFAHD, and FAO**.
- Aim:** Modernise fishing harbour infrastructure, boost **post-harvest efficiency**, and ensure **traceability**.
- Enhance **food and nutritional security**, strengthen **export competitiveness**, empower **coastal communities**.

- Smart technology integration: **IoT sensors, AI, 5G, automation, real-time data analytics**.
- Eco-friendly infrastructure: **rainwater harvesting, energy-efficient lighting, waste management**.
- Climate resilience: Pollution control, debris cleanup, and **energy transition** in port operations.

BAIRABI-SAIRANG RAILWAY LINE

RECENT UPDATE: PRIME MINISTER INAUGURATED THE BAIRABI-SAIRANG RAILWAY LINE, GIVING MIZORAM DIRECT RAIL CONNECTIVITY.



ABOUT:

- Project cost: **₹8,000 crore**.
- Engineering marvel: **48 tunnels** (12.85 km total), **55 major and 87 minor bridges**.
- Bridge No. 196: **104 m tall**, taller than Qutub Minar by 42 m.
- Four sections: **Bairabi-Hortoki, Hortoki-Kawnpui, Kawnpui-Mualkhang, Mualkhang-Sairang**.
- 5 road overbridges, 6 road underbridges for **smooth traffic movement**.
- Passenger trains designed for **100 kmph speed**.
- Significance:** Enhances **regional integration, trade, tourism, and emergency mobility**.

SPECIAL AND DIFFERENTIAL TREATMENT (SDT)

RECENT UPDATE: CHINA ANNOUNCED IT WILL NO LONGER SEEK NEW S&D TREATMENT AT WTO TALKS.

ABOUT:

1. **S&DT** provisions give developing and least-developed countries **flexibility** in implementing WTO trade commitments.
2. Provides **longer transition periods, softer obligations**, and greater **policy space**.
3. Originated under **GATT (1960s)**, consolidated in **WTO Agreements (1995)**, reinforced in **Doha Development Agenda (2001)**.
4. **Aim:** Level the global trade playing field and protect **domestic development priorities**.
5. Key features: **Longer implementation periods, market access support, safeguard measures, capacity building**.
6. Supports **technical assistance, training**, and dispute-handling for weaker economies.

WORLD TRADE REPORT 2025

Recent Update: Released by the World Trade Organization (WTO), the report highlights Artificial Intelligence (AI) as a transformative general-purpose technology reshaping global trade and income distribution.

About:

- 1) **Reducing Trade Cost:** AI optimizes logistics, regulatory compliance, and contract enforcement—potentially boosting global trade by 34–37% by 2040.
- 2) **Reducing Skill Premium:** AI substitutes medium- and high-skilled tasks, lowering the global skill premium (wage gap) by 3–4%.
- 3) **Knowledge Diffusion:** A 10% rise in digitally deliverable trade increases cross-border AI patent citations by 2.6%.
- 4) **New Development Pathways:** Resource-rich economies can emerge as AI-linked production hubs for data hosting, annotation, and hardware manufacturing.

OECD ECONOMIC OUTLOOK REPORT

Recent Update: OECD upgraded India's GDP growth forecast for 2025 to **6.7%** while moderating inflation to **2.9%**.

About:

- 1) **Released by:** Organisation for Economic Co-operation and Development (OECD).
- 2) **Nature:** Biannual publication analysing global and national economic trends.
- 3) **Coverage:** Includes GDP, inflation, employment, trade, and investment indicators.
- 4) **Risks Highlighted:** Persistent inflationary pressures, geopolitical tensions, and financial market instability.

POLYMETALLIC SULPHIDES (PMS)

Recent Update: India signed a **15-year contract** with the International Seabed Authority (ISA) for PMS exploration in the **Carlsberg Ridge**, Indian Ocean.



About:

- 1) **Third Exploration Contract:** After Polymetallic Nodules (Central Indian Ocean Basin) and PMS (Indian Ocean Ridge).
- 2) **First Global Licence:** For exploring PMS nodules in Carlsberg Ridge (3,00,000 sq km).
- 3) **Composition:** PMS contains valuable metals like copper, iron, zinc, silver, and gold.
- 4) **Geological Location:** Carlsberg Ridge forms the tectonic boundary between Indian and Arabian plates.
- 5) **Pending Proposal:** India's application for **Afanasy-Nikitin Sea (ANS)** mount—also claimed by Sri Lanka.

HALLMARKING

Recent Update: Government introduced **voluntary HUID-based hallmarking** for silver jewellery to

align with gold standards.

About:

- 1) **Definition:** Official certification of the purity of precious metals (gold/silver).
- 2) **Purpose:** Ensures authenticity, consumer protection, and traceability.
- 3) **Regulator:** Bureau of Indian Standards (BIS) under the Ministry of Consumer Affairs.
- 4) **BIS Overview:**
 - a) Established under the BIS Act, 1986 (now 2016).
 - b) HQ: New Delhi.
 - c) Issues ISI mark, Hallmark certification, and product quality standards.

OPIUM CULTIVATION

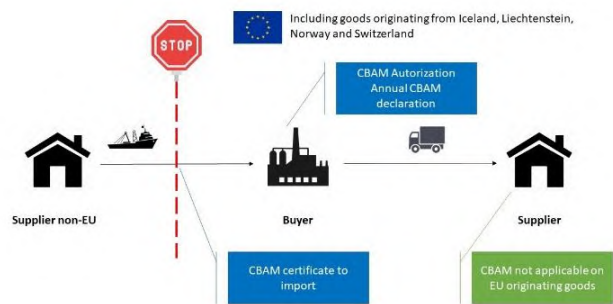
Recent Update: Union Government notified the **Annual Licensing Policy for 2025–26** under the **NDPS Rules, 1985**.

About:

- 1) **Source:** *Papaver somniferum* (opium poppy) produces gum containing morphine, codeine, and thebaine.
- 2) **Uses:** Morphine – analgesic; Codeine – cough syrup; Thebaine – pharmaceutical precursor.
- 3) **Other Uses:** Seeds and oil used for edible purposes.
- 4) **Global Status:** India is the **only country** authorized under the **UN Single Convention (1961)** to produce gum opium.
- 5) **Comparison:** 11 other countries cultivate opium poppy but extract alkaloids via concentrate processes, not gum.

CARBON BORDER ADJUSTMENT MECHANISM (CBAM)

RECENT UPDATE: India has intensified its push for global regulatory clarity and **exemptions** from the European Union's **Carbon Border Adjustment Mechanism (CBAM)**, citing trade distortions.



ABOUT:

1. **Definition:** A proposed EU tax on **carbon-intensive goods** imported from outside the EU that lack equivalent carbon pricing.
2. **Objective:** Aims to prevent '**carbon leakage**', where EU companies move production to countries with weaker climate policies.
3. **Scope:** Initially covers **six sectors**: cement, iron and steel, aluminum, fertilizers, electricity, and hydrogen.
4. **Mechanism:** Importers buy **CBAM certificates** corresponding to the embedded carbon of the imported goods.
5. **Impact on India:** India's exports in steel and aluminum, totaling **\$8.2 billion (2023)**, are highly exposed.
6. **India's Concern:** CBAM is seen as a **protectionist trade barrier** and a violation of the **Common but Differentiated Responsibilities (CBDR)** principle.
7. **Way Ahead:** India can implement a **domestic carbon tax/pricing** system to reduce its CBAM liability.
8. **Mitigation Strategy:** Promote **green technologies** and increase the use of **renewable energy** in its manufacturing processes.

SOURCE: DOWN TO EARTH

SOLAR PARKS & INDIA'S RENEWABLE ENERGY TRANSITION



RECENT UPDATE: Solar parks drive clean energy growth but face **land and community conflicts** in regions like **Karnataka**.

ABOUT:

1. Developed with **shared infrastructure** for multiple solar projects.
2. **MNRE's 2014 scheme** targeted **50 parks (≥500 MW)** for **~38 GW by 2025–26**.
3. India added **24.5 GW** solar in 2024, mostly from these parks.
4. **Rajasthan, Gujarat, Tamil Nadu** dominate with **71%** share.
5. Benefits include **lower costs** and **faster clearances**.
6. Issues include **displacement** and **loss of village commons**.
7. Alternatives: **agrivoltaics, canal-top panels, mine-site solar hubs**.

DECARBONISING INDIA'S COAL-BASED THERMAL POWER SECTOR

RECENT UPDATE: The **Supreme Court** has asked the **Ministry of Power** to chart a clear plan to **reduce emissions** from coal plants.

ABOUT:

1. India's coal capacity: **223 GW**, expected **307 GW by 2035**.
2. **66%** of plants are **subcritical** (less efficient).
3. **Efficiency upgrades** could cut emissions by **30%**.
4. **Biomass co-firing (7–20%)** helps lower carbon footprint.

5. Reforming **PPAs** to reward efficiency is essential.
6. Inclusion in **carbon markets** can drive cleaner tech.
7. Redirecting **coal cess funds** can support modernisation and climate goals.

UNIFORM RENEWABLE ENERGY TARIFF (URET) SCHEME

RECENT UPDATE: The government has **withdrawn URET**, ending centralised renewable tariff pooling.

ABOUT:

1. Aimed to set **uniform tariffs** for three years under **Electricity Rules, 2022**.
2. Managed by **SECI** to simplify **PPAs**.
3. Scrapped due to **market resistance** and **price variations**.
4. **Transmission gaps** left renewable projects stranded.
5. Marks shift toward **market-based flexibility**.
6. India still targets **500 GW non-fossil power by 2030**.
7. States will now lead **competitive auction mechanisms**.

MINES AND MINERALS (DEVELOPMENT AND REGULATION) AMENDMENT BILL, 2025

RECENT UPDATE: Parliament passed the **MMDR Amendment Bill, 2025**, unlocking new potential in **critical minerals**.

ABOUT:

1. Updates the **MMDR Act (1957)** to include **lithium, cobalt, nickel, and graphite**.
2. Allows **leaseholders** to add new minerals without extra cost.
3. Expands mining areas by **10–30%** for eligible players.
4. Lifts **50% sale cap** on captive mine output.
5. Launches **electronic mineral exchanges** for transparency.

- Empowers **National Mineral Exploration Trust (NMET)** to fund deep exploration.
- Strengthens India's role in **global clean energy supply chains**.

SOURCE: INSIGHTS MONTHLY

REIMAGINING GREEN ECONOMY THROUGH LANDSCAPES

RECENT UPDATE:

India's **bioeconomy** reached **\$165.7 billion (2024)**—a **16-fold growth in a decade**, contributing **4.25% of GDP**. Yet, uneven rural–urban growth demands a **landscape-driven green economy** model.

ABOUT:

- Definition:** A **green economy** fosters **sustainable development** while reducing **environmental and ecological risks**.
- Low-Carbon Growth:** Focus on **renewable energy, e-mobility, energy efficiency, and low emissions industries**.
- Resource Efficiency:** Promotes **circular economy, waste-to-energy, and sustainable agriculture** models.
- Inclusive Growth:** Integrates **women, rural communities, and MSMEs** into **green value chains**.
- Ecosystem Restoration:** Aims at **biodiversity protection, soil and water conservation, and forest regeneration**.
- Constitutional Basis:** **Articles 21 & 48A** guarantee the **right to a clean environment** and **State duty to protect it**.
- Decentralised Governance:** **Article 243G** empowers **Panchayats** for local resource management.
- Policy Anchors:** Supported by **National Bio-Energy Mission, BioE3 Policy (2024), NAPCC, and MGNREGA's green works**.

THE WEAKENING RUPEE

RECENT UPDATE:

Since **January 2025**, the **Indian Rupee** lost **3%** against the **US dollar**, reflecting a combination of **trade imbalance, weak capital inflows, and global tightening**.

ABOUT:

- Trend Overview:** INR weakened **3% vs USD**, and also against **Euro and Pound**, mirroring regional peers like **Bangladesh and Pakistan**.
- Trade Imbalance:** **High imports (oil, electronics)** and stagnant exports worsen **CAD**; India imports **85% of crude oil**.
- Investment Slowdown:** Weak **FPI/FDI inflows** and **\$1.5 billion FPI outflows** reduced **dollar liquidity**.
- Global Tightening:** **High US interest rates** attract capital outflows from emerging markets.
- Growth Concerns:** Subdued **GDP growth (~6.1% in Q1 FY26)** weakens investor confidence.
- Import Inflation:** A weaker rupee raises costs of **crude, fertilizers, and electronics**, increasing **domestic inflation**.
- Corporate Stress:** Firms with **unhedged foreign loans** face higher repayment burdens.
- Way Forward:** Improve **export competitiveness**, deepen **forex buffers**, and attract **long-term capital inflows** through reforms.

GST 2.0: A STRATEGIC REFORM FOR INDIA'S ECONOMIC FUTURE

RECENT UPDATE:

India plans to roll out **GST 2.0 (2025)**—simplifying slabs, reducing compliance, and focusing on **growth over short-term revenue**.

ABOUT:

- Origins:** Introduced in **2017**, GST unified **multiple indirect taxes** into one **nationwide system**.

2. **Current Structure:** Four slabs—5%, 12%, 18%, 28%—plus cess; leads to **classification disputes**.
3. **Revenue Health:** Monthly inflows of ₹1.6–1.7 lakh crore, showing **stability but untapped potential**.
4. **Structural Issues:** Inverted duty structure and heavy compliance burden **strain MSMEs**.
5. **Low Tax Effort:** India's tax-to-GDP ratio (~11–12%) is below global average (~15–18%).
6. **GST 2.0 Goals:**
 - Merge slabs into **3-tier structure (8%, 16%, 28%)**.
 - Simplify **refunds and filing processes**.
 - Curb **classification disputes** via automation.
7. **Digital Reforms:** Use of **AI-driven GSTN, invoice matching, and blockchain verification** for transparency.
8. **Way Forward:** Balance **fiscal federalism**, promote **ease of doing business**, and ensure **predictable tax policy**.

THE RISE AND RISKS OF HEALTH INSURANCE IN INDIA

RECENT UPDATE:

With rising budgets for **PMJAY and state health schemes (2024–25)**, debate intensifies on whether **insurance-driven models** undermine **public healthcare infrastructure**.

ABOUT:

1. **Historical Context:** Despite **Bhore Committee (1946)** vision of **Universal Health Care (UHC)**, India remains dependent on **insurance schemes**.
2. **PMJAY (2018):** Provides ₹5 lakh coverage per household/year; covers **58.8 crore people (2023–24)**.
3. **State Insurance Schemes (SHIPs):** Parallel coverage in states with ₹16,000 crore annual budgets.

4. **Combined Expenditure:** Total ₹28,000 crore, growing **8–25% annually** since 2018.
5. **Low Utilisation:** Only **35% of insured hospital patients** used coverage (HCES 2022–23).
6. **For-Profit Bias:** Nearly **2/3 of PMJAY funds** go to **private hospitals**, fostering **commercialisation and overcharging**.
7. **Neglect of Primary Care:** Focus on **hospitalisation** sidelines **preventive and rural healthcare**.
8. **Way Forward:** Strengthen **public health systems**, regulate **private sector practices**, and integrate **insurance with primary care**.

INDIA'S ENERGY TRANSITION: BALANCING GROWTH AND SUSTAINABILITY

RECENT UPDATE:

India's energy demand is projected to **double by 2045**, but **renewables already contribute 44%** of installed capacity (CEA, 2025). Balancing **economic growth** with **decarbonisation** remains a core policy challenge.

ABOUT:

1. **Energy Mix (2025):** Coal – 49%, Renewables – 44%, Gas – 6%, Nuclear – 1%; India ranks **3rd globally in renewable capacity**.
2. **Targets: 500 GW non-fossil capacity by 2030 and net zero by 2070** (COP26 commitment).
3. **Transition Drivers:**
 - **Falling solar tariffs (₹2.3/unit)**
 - **PLI for green hydrogen, solar modules, EVs**
 - **Corporate RE procurement via Green Open Access Rules (2023)**
4. **Challenges:**
 - Coal's dominance in **base load power**
 - **Transmission bottlenecks** for RE evacuation
 - **Financial stress** of DISCOMs (₹75,000+ crore dues)

- **Land-use conflicts** in solar/wind projects

5. Opportunities:

- **Green Hydrogen Mission** (\$2.4B investment)
- **Battery storage & pumped hydro** for grid stability
- **EV adoption** in 2- & 3-wheeler segment

6. **International Cooperation: ISA, LiFE Mission, and Japan's Asia Energy Transition Initiative** aid technology and funding.

7. **Way Forward:** Ensure **just transition, fiscal incentives for renewables, and local manufacturing ecosystems** to cut import dependency.

RURAL POVERTY AND DIGITAL EMPOWERMENT IN INDIA

RECENT UPDATE:

Digital public infrastructure like **UPI, DBT, and Jan Dhan** has revolutionised welfare delivery—lifting **271 million people out of multidimensional poverty** (NITI Aayog, 2023).

ABOUT:

1. **Digital Poverty Alleviation:** DBT ensures **leakage-free transfers** of ₹6.3 lakh crore annually to 1,100+ schemes.
2. **Access Expansion:** **Jan Dhan accounts (52 crore) + Aadhaar-linked payments** enable direct cash support.
3. **Rural Women Empowerment: PMMVY and SHG digitisation** expand financial inclusion; 70% SHG accounts now digital.
4. **Digital Skilling:** PMGDISHA trained **6.8 crore rural citizens** for basic digital literacy.
5. **Agri-Transformation:** Platforms like **eNAM, Kisan e-Mitra, AgriStack** digitise price discovery and credit access.
6. **Challenges:**
 - **Digital divide** persists across gender, caste, and geography.

- **Poor internet connectivity** in 1/3 of rural gram panchayats.

7. Way Forward:

- Expand **BharatNet 2.0** to all villages.
- Promote **digital literacy as a social right**.
- Localise content in regional languages.

ARTIFICIAL INTELLIGENCE ETHICS AND REGULATION IN INDIA

RECENT UPDATE:

With the rise of **generative AI** and deepfakes, India's **Digital India Act (DIA) 2025 draft** proposes strict **AI transparency norms and accountability frameworks**.

ABOUT:

1. **Why Needed:** AI systems impact **privacy, bias, employment, and misinformation**, demanding **human-centric regulation**.
2. **Ethical Challenges:**
 - **Bias & Discrimination:** Trained on skewed datasets.
 - **Accountability Gaps:** Unclear liability for harm or misinformation.
 - **Privacy Violations:** Facial recognition and profiling concerns.
 - **Deepfakes & Misuse:** Threaten trust in democracy and reputation.
3. **India's Policy Approach:**
 - **DIA 2025:** Mandates **AI model disclosures** and **audit trails**.
 - **NITI Aayog's AI for All Strategy (2021):** Emphasises **responsible innovation**.
 - **MeitY AI Sandbox:** Allows **testing under regulatory oversight**.
4. **International Linkages:** Aligned with **OECD AI Principles, EU AI Act, and G20 AI Framework (2023)**.

5. Way Forward:

- Establish **AI Ethics Board**.
- Encourage **Explainable AI (XAI)**.
- Mandate **risk classification for AI systems**.
- Foster **AI literacy and skilling** to democratise innovation.

FOOD INFLATION AND AGRI-MARKET VOLATILITY IN INDIA

RECENT UPDATE:

In 2025, **retail food inflation averaged 9.3%**, driven by **vegetables, pulses, and cereals**, even as wholesale prices moderated.

ABOUT:

1. Drivers of Inflation:

- **Supply disruptions** (climate shocks, floods).
- **High logistics costs and fuel price pass-through**.
- **Export curbs on rice and onions** reducing global price cushion.

2. Structural Factors:

- **Low productivity and post-harvest losses (15–20%)**.
- **Weak storage and cold chain infra**.
- **High mandi intermediation** despite e-NAM reforms.

3. Government Measures:

- **Stock limits under ECA (2023)** to curb hoarding.
- **Price Stabilisation Fund (PSF)** for key crops.
- **Boost to pulses and oilseed missions** for self-reliance.

4. Policy Challenges:

- Balancing **farmer income support** with **consumer protection**.

- Managing **global commodity linkages** and **export-import policy swings**.

CRYPTOCURRENCIES

RECENT UPDATE: The **G20 Leaders' Summit** endorsed the **IMF-FSB Synthesis Paper** on crypto, calling for a **global coordinated regulatory framework** and timely implementation.



ABOUT:

1. **Definition:** Decentralized **digital or virtual currency** secured by cryptography, making it nearly impossible to counterfeit.
2. **Mechanism:** Most operate on **Blockchain technology**, a distributed ledger system maintained by a network of computers.
3. **G20 Consensus:** Highlights the risks of **Money Laundering, Terror Financing (ML/TF)**, and **macroeconomic instability**.
4. **Taxation in India:** India taxes crypto assets at a **flat 30%** on gains, plus a **1% TDS** (Tax Deducted at Source) on every transaction.
5. **Global Regulation:** The **Financial Action Task Force (FATF)** recommends mandatory **KYC (Know Your Customer)** and a **"Travel Rule"** for virtual assets.
6. **RBI Concern:** The RBI maintains that **unbacked crypto assets** pose significant risks to **financial stability and sovereignty**, advocating for a complete ban.
7. **Way Ahead:** India must focus on **Digital Rupee adoption (CBDC)** as a safer alternative and enforce strict **AML/CFT** rules on crypto entities.

- Innovation Balance:** Regulators must avoid stifling the underlying **blockchain technology** while controlling speculative trading.

NATIONAL MONETISATION PIPELINE (NMP)

RECENT UPDATE: The **NMP** has crossed its **₹9 lakh crore target** for the period FY22-FY25, demonstrating strong private sector interest in public infrastructure assets.



ABOUT:

- Definition:** A four-year (FY22-FY25) roadmap for **monetizing core infrastructure assets** of the Central Government.
- Core Principle:** It involves **leasing** assets to the private sector for a specified period, not **selling** the underlying land or asset.
- Top Sectors:** The highest value assets identified are in **Roads, Railways, and Power transmission**.
- Objective:** To unlock value from underutilized assets and channel the proceeds into **new greenfield infrastructure** creation.
- Transaction Models:** Primarily uses the **InvIT/REIT model** and **Operate-Maintain-Transfer (OMT)** contracts.
- Challenges:** Includes **Asset-specific issues** (e.g., low traffic, lack of clear title) and the risk of **lack of private interest**.

- Way Ahead:** Need for a **robust institutional mechanism** to settle disputes and improve **due diligence** of assets.
- Transparency:** Creation of a **single-window clearance system** and an online dashboard for investors is required.

SOURCE: PIB

GST COUNCIL RECOMMENDATIONS (56th MEETING)

Recent Update

The **56th GST Council Meeting** recommended significant structural and rate changes, proposing a move from a complex four-tiered structure to a simplified system with **two main rates** (5% Merit Rate, 18% Standard Rate) and a 40% Demerit Rate.

About

- The central goal of the recommendations is to **simplify the Goods and Services Tax (GST) structure** and reduce compliance burden.
- It proposed a major relief by **exempting GST on all life and health insurance policies**.
- Significant rate reductions were recommended for essential goods, including lowering GST on **medicines** (12% → 5%) and **medical apparatus** (18/12% → 5%).
- Essential food items, such as **UHT milk and paneer**, were moved to the **NIL** rate category.
- The Council aims to boost the agricultural sector by reducing the GST on **agricultural machinery** from 12% to 5%.
- It provides relief to the common person by reducing the GST on **small cars/motorcycles** from the highest rate of 28% to 18%.
- The move towards a two-tier structure (plus Demerit Rate) is expected to **reduce classification disputes** and administrative complexity.
- The recommendations also included the operationalization of the **GST Appellate**

Tribunal (GSTAT), with appeals beginning by September 2025.

THE INCOME TAX ACT, 2025

Recent Update

The Parliament passed **The Income Tax Act, 2025** in September, a major reform set to replace the antiquated 1961 law and become effective from **April 1, 2026**.

About

1. The new act is set to **replace the existing Income-tax Act, 1961**, which had over 4,000 amendments and was highly complex.
2. The reform focuses on making the tax law **digital-ready** and significantly **simplifying** its complex provisions.
3. A core objective is to **reduce tax litigation** by providing clearer, unambiguous statutory language.
4. It promotes **faceless assessment** and online compliance to reduce corruption and streamline administration.
5. The law is designed to align with **global best practices** for tax legislation.
6. The reform involves **no major policy changes** to the existing tax slabs or basic rates; the focus is purely on textual and structural simplification.
7. The new law aims to boost the **investment climate** for businesses and reduce the compliance burden for all taxpayers.

COUNTERFEIT SEEDS & GI CROPS LIKE BASMATI

RECENT UPDATE: The government launched a plan using **digital seed traceability (SATHI system)** and amendments to the **Seeds Act, 1966** to curb counterfeit seeds threatening **GI-tagged crops** like Basmati.



ABOUT:

1. **Export Significance:** Basmati rice forms **60% of India's rice export value**, a vital **foreign exchange earner**.
2. **Cultural Branding:** GI crops reflect **unique agro-climatic traits** and traditional practices — serving as **agri-diplomatic tools**.
3. **Farmer Livelihoods:** Millions depend on **GI-certified seeds** for predictable yields and **premium market prices**.
4. **Threat from Fakes:** Counterfeit seeds reduce yields, **erode farmer trust**, and damage India's **export reputation**.
5. **Legal Safeguards:** Amendments to **Seeds Act (1966)** and GI laws strengthen enforcement and **certification checks**.
6. **Technological Interventions:** **SATHI digital tracking** ensures seed origin verification via **QR-coded labelling**.
7. **Soft Power:** GI crops like **Darjeeling Tea** and **Alphonso Mango** reinforce India's image as a **heritage-driven agri-leader** globally.

INDIA'S PATH TO ATMANIRBHARTA IN MILLETS

RECENT UPDATE: NITI Aayog's report (2025) outlined strategies to boost productivity and **self-reliance in pulses and millets**, complementing the "**Shree Anna**" initiative.

ABOUT:

1. **Global Leadership:** India produces **41% of global millets (~16 MT)**, leading world production.
2. **Regional Focus:** 5 states — **Rajasthan, Maharashtra, Karnataka, UP, MP** — contribute over **80% of output**.

3. **Consumption Decline:** Millet intake dropped from **32 kg/year (1960s)** to **4 kg/year** due to **PDS-driven cereal bias**.
4. **Export Rise:** India exported **1.8 MT (2022–23)** mainly to **UAE, Nepal, Saudi Arabia**.
5. **Policy Push:** Budget 2023–24 renamed millets as “**Shree Anna**”, promoting research, processing, and branding.
6. **Nutritional Importance:** Millets are **climate-resilient**, rich in **iron and fibre**, aligning with **SDG-2 (Zero Hunger)**.
7. **Way Ahead:** Focus on **value chains, FPOs, and export branding** under the **International Year of Millets momentum**.

WORLD TRADE REPORT 2025

RECENT UPDATE: The **WTO’s World Trade Report 2025** stated that **AI could increase global trade by 34–37% and GDP by 12–13% by 2040**, if digital divides are bridged.

ABOUT:

1. **AI as Growth Driver:** AI could enhance global trade in goods/services by **40% by 2040** through cost reduction and productivity.
2. **Global GDP Impact:** AI adoption may add **12–13% to GDP** if **digital inclusivity** is achieved.
3. **Trade in AI Goods:** AI-related goods (chips, servers, semiconductors) totalled **USD 2.3 trillion in 2023**.
4. **Digital Divide:** Low-income nations risk **AI exclusion** due to **poor compute infrastructure**.
5. **Labour Market:** Routine jobs decline; **AI oversight and data engineering roles** will surge.
6. **Regulatory Risks:** **Quantitative restrictions** on AI goods jumped from **130 (2012)** to **500 (2024)**, risking fragmentation.
7. **AI–Trade Synergy:** AI optimises **logistics, customs clearance, and supply chains**, empowering **MSMEs and SMEs** globally.

8. **Equity Focus:** WTO calls for **reskilling, social protection, and open data** for inclusive AI-led trade benefits.

INDIAN GENERICS – GLOBAL PUBLIC GOOD: PHARMA DIPLOMACY & TRADE STRATEGY

RECENT UPDATE: Amid US tariffs and stricter IP norms, India continues as the **world’s largest supplier of generics to 200+ countries**, saving global healthcare billions.

ABOUT:

1. **Market Share:** India supplies **47% of US generics** and **31.3% of India’s pharma exports** go to the US.
2. **Healthcare Impact:** Indian generics saved **USD 219 billion** in US healthcare costs (2022).
3. **Global Reach:** Indian drugs reach **200+ countries**, strengthening **pharma diplomacy**.
4. **Affordability Edge:** Indian generics cost **20–25% of branded drugs**, crucial for **HIV, cancer, diabetes** treatments.
5. **Challenges:** **US tariffs, Chinese API dependence, and rising competition** threaten margins.
6. **Strategic Role:** India’s generics underpin **UN SDG-3 (Health for All)** and cement India’s **soft power leadership**.
7. **Future Focus:** Promote **API self-reliance, R&D-led value addition, and bilateral pharma trade pacts**.

GROWING CHALLENGES ON INDIA’S EXPORT FRONT

RECENT UPDATE: The US imposed **50% tariffs** on major Indian goods, threatening stagnation in India’s **largest export market (~20% share)**.

ABOUT:

1. **Early Expansion (1990–2010):** Exports-to-GDP ratio grew from **7.1% → 20.4%**, powered by reforms and globalisation.
2. **Recent Stagnation:** Share fell to **17.7% (2020)**, recovering to **21.2% (2024)**—stuck near decade-old levels.

3. **Merchandise Share:** Rose from **0.51% (1990)** to **1.81% (2024)**, with gains front-loaded early.
4. **Tariff Barriers:** New US tariffs reduce competitiveness, risking **trade diversion to Vietnam/Bangladesh**.
5. **Structural Issues:** **Low export diversification**, high logistics cost (~14% GDP), and poor FTAs hinder growth.
6. **Geopolitical Factors:** Global slowdown and **supply chain reordering** hurt demand for Indian goods.
7. **Way Forward:** Diversify markets, focus on **value-added manufacturing**, and integrate into **GVCs via PLI schemes**.

SEMICONDUCTOR DESIGNERS POWER INDIA'S CHIP DREAMS

RECENT UPDATE: Under the **₹76,000 crore Semicon India Mission**, 10 fabrication projects cleared; India now hosts **20% of global chip designers**.

ABOUT:

1. **Strategic Push:** "China+1" strategy brings firms shifting production to India.
2. **Market Potential:** India = **2nd largest smartphone producer** and fastest-growing electronics hub.
3. **Policy Incentives:** **PLI, DLI, SPECS** neutralise cost disadvantages and attract global fabs.
4. **Talent Pool:** **8 lakh+ engineers** trained annually; access to **EDA design tools** fuels innovation.
5. **Academic Collaboration:** IITs, IISc, IIITs partner with **Synopsys, Cadence, Lam Research** on chip R&D.
6. **Strategic Relevance:** Semiconductors = **digital sovereignty**; key to defence, AI, and mobility.
7. **Next Steps:** Build **foundry ecosystem**, attract **fabless startups**, and ensure **supply chain localisation**.

SOURCE: DRISHTI MONTHLY

ENSURING BALANCED INDUSTRIAL DISTRIBUTION IN INDIA

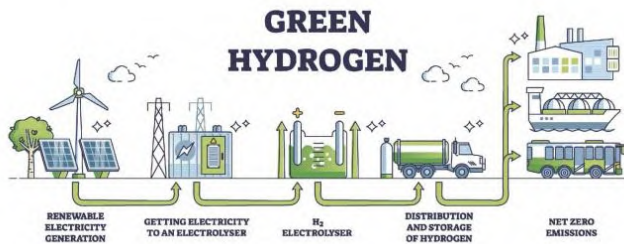
RECENT UPDATE:

The **Standing Committee on Finance (2025)** urged the Government to formulate a **National Action Plan** for equitable industrial distribution across all states to curb regional disparities.

ABOUT:

1. **Uneven Growth Legacy:** Industrial concentration since **colonial era** continues — Bengal (jute), Maharashtra (cotton).
2. **Infrastructure Gaps:** **Hilly and Northeastern states** face poor connectivity and high setup costs.
3. **Skill Disparities:** **Bengaluru and Chennai** attract skilled labour; **Jharkhand, Chhattisgarh** lag in technical education.
4. **Policy Variation:** Proactive states like **Tamil Nadu, Gujarat** lead; eastern states remain policy-deficient.
5. **Agglomeration Effect:** Industries cluster for **economies of scale**, reinforcing regional inequality.
6. **Fiscal Imbalance:** Industrial states contribute **72% of direct taxes**; underdeveloped states rely on **central transfers**.
7. **Social Implications:** Uneven growth fuels **migration, urban stress, and federal friction**.
8. **Way Forward:** Formulate **Industrial Location Policy**, invest in **corridors**, and promote **skill development** under **PM Gati Shakti** and **PLI** schemes.

GREEN HYDROGEN: INDIA'S CLEAN ENERGY FRONTIER



RECENT UPDATE:

India targets **10 million tonnes of Green Hydrogen (GH₂)** exports annually by **2030**, as per the **National Green Hydrogen Mission (2025)**.

ABOUT:

- Definition:** GH₂ is produced via **electrolysis** using **renewable energy** (solar, wind, hydro).
- Global Vision:** India aims to capture **10% of global GH₂ market** and reduce **CO₂ emissions by 50 MMT** annually.
- Key Hubs:** **Kandla, Paradip, Tuticorin** identified as **Green Hydrogen Hubs**.
- Challenges (CAGE):** **Cost barrier, Access to capital, Gaps in infrastructure, and Economic viability.**
- Measures (POWER):** **Pricing carbon, Obligation mandates, Widen infrastructure, Economic reallocation, Risk pooling.**
- Applications:** Used in **fertilizer, steel, aviation, shipping, and fuel cells.**
- Policy Support:** Backed by **Green Hydrogen Certification Scheme** and **carbon market roadmap.**
- Way Forward:** Build **electrolyser manufacturing**, promote **R&D**, and integrate **GH₂ in transport and heavy industries.**

FERTILIZER SECTOR IN INDIA

RECENT UPDATE:

The **Parliamentary Committee (2025)** urged reclassifying the fertilizer sector as **strategic**, citing its importance for **food security** and **Atmanirbhar Bharat**.

ABOUT:

- Economic Importance:** Contributes to **16% of GDP** and supports **46% of population**.
- Production Trends:** Fertilizer output rose from **385 LMT (2014–15)** to **503 LMT (2023–24)**.
- Import Dependence:** **87% self-sufficient** in urea, but **100% import dependence** for MOP.
- Policy Measures:** **One Nation One Fertilizer (ONOF)**, **PM-PRANAM**, **Soil Health Card**, **Bio-fertilizers**.
- Technological Advancements:** Use of **nano-urea, neem-coated urea**, and **digital systems (iFMS, mFMS)**.
- PSU Role:** PSUs produce only **25% of urea**, yet act as **price stabilizers** for farmers.
- Recommendations:** Classify as **strategic sector**, revive PSUs, and introduce **PLI for nano-fertilizers**.
- Way Forward:** Promote **R&D**, expand **biofertilizers**, and integrate **sustainability into nutrient management**.

RBI'S FLEXIBLE INFLATION TARGETING (FIT) FRAMEWORK

RECENT UPDATE:

RBI reaffirmed the **FIT framework's success** in keeping inflation around **4–5% (2016–2025)** despite global shocks.

ABOUT:

- Origin:** Adopted in **2016** based on **Urjit Patel Committee (2014)** recommendations.
- Structure:** **CPI-based target at 4% ±2%**, reviewed every 5 years.
- Key Body:** **Monetary Policy Committee (MPC)** established under **RBI Act, 1934 (amended)**.
- Successes:** Achieved **disinflation, anchored expectations**, and improved **transparency**.
- Challenges:** **Global shocks**, outdated **CPI base year (2012)**, and internal MPC disagreements.

- Debates:** Headline vs Core inflation, and **Point target vs Range-only** system.
- Policy Flexibility:** FIT allows **growth prioritization** during crises (e.g., COVID-19, Ukraine war).
- Way Forward:** Update **CPI base year**, retain **point target**, and manage **food-energy shocks** via coordinated policy.

WOMEN-LED ECONOMIC GROWTH FOR VIKSIT BHARAT 2047

RECENT UPDATE:

India's **female workforce participation** rose to **40.3% (2023–24)**; **gender budgets** increased by **429% (2013–2025)**.

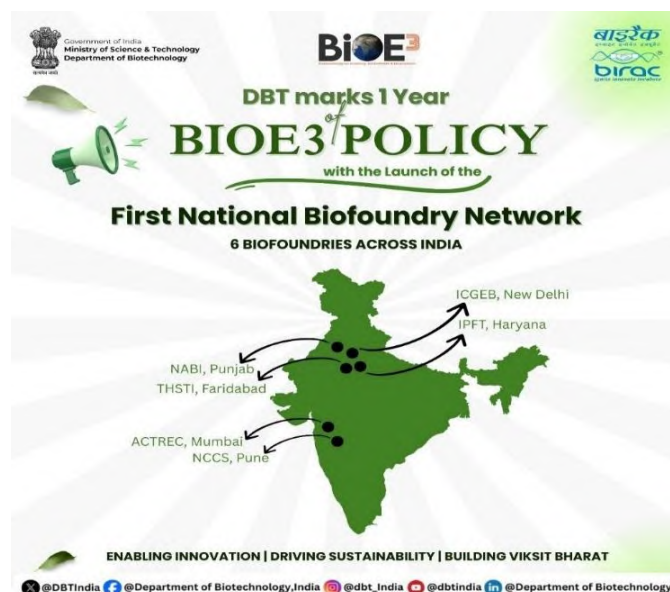
ABOUT:

- Rising Participation:** **1.56 crore women** joined formal workforce; **16.69 crore** in informal sector via **e-Shram**.
- Entrepreneurship:** **50% DPIIT startups** have women directors; **2 crore Lakhpati Didis** under **Self-Help Groups**.
- Financial Inclusion:** Women received **68% of MUDRA loans** worth ₹14.7 lakh crore.
- Education & Employability:** Female employability rose to **47.5% (2024)**.
- Challenges:** **Patriarchy, safety issues, unequal pay**, and **digital exclusion**.
- Policy Interventions:** Gender budgeting, **PMGDISHA, Startup India**, and **Drone Didi** initiatives.
- Way Forward:** Expand **care economy**, ensure **representation in governance**, and strengthen **digital empowerment**.
- Goal:** Move from **“Development for Women”** to **“Development by Women.”**

NATIONAL BIOFOUNDRY NETWORK AND BIOECONOMY IN INDIA

RECENT UPDATE:

In **2025**, India launched its **National Biofoundry Network (NBN)** under the **Department of Biotechnology (DBT)** to promote **bio-manufacturing, synthetic biology**, and a **circular bioeconomy** worth **USD 300 billion by 2030**.



ABOUT:

- Objective:** Establish India as a **global hub for bio-innovation** and reduce dependence on fossil-based industries.
- Institutional Framework:**
 - DBT, CSIR, and BIRAC coordinate R&D.
 - Biofoundries** as integrated facilities for **biodesign and biofabrication**.
- Economic Target:** Expand India's **bioeconomy** from **USD 219 billion (2023)** to **USD 300 billion (2030)**.
- Technology Focus:** **Genetic engineering, CRISPR, bioinformatics, bioreactors**, and **AI-based enzyme design**.
- Applications:** Sustainable **bioplastics, biofuels, pharmaceuticals, agriculture**, and **nutraceuticals**.
- Startup Ecosystem:** Over **6,300 biotech startups** under **Make in India–Biotech**.
- Challenges:** **Ethical regulation, biosafety norms, intellectual property issues**, and **high R&D cost**.

8. **Way Forward:** Promote **bio-industrial clusters, academic-industry linkages, and national biosecurity policy.**

INDIA'S EXPORT PROMOTION AND TRADE STRATEGY

RECENT UPDATE:

India's **merchandise exports reached USD 450 billion (2024–25)**, driven by **engineering goods, chemicals, and services exports** despite global slowdown.

ABOUT:

1. **Policy Framework: Foreign Trade Policy (FTP) 2023–28** emphasizes **ease of doing business, digitization, and market diversification.**
2. **Key Schemes:**
 - **Remission of Duties and Taxes on Exported Products (RoDTEP).**
 - **Export Credit Guarantee Corporation (ECGC).**
 - **Districts as Export Hubs (DEH).**
3. **Trade Agreements:**
 - **India–UAE CEPA (2022), India–Australia ECTA (2022), and ongoing India–UK FTA talks.**
4. **Top Export Sectors: Engineering, petroleum, chemicals, pharmaceuticals, textiles, and IT services.**
5. **Challenges: High logistics cost (13% of GDP), tariff barriers, and non-tariff measures.**
6. **Digital Boost: ICEGATE 2.0, ULIP, and Trade Connect Portal** enhance transparency and efficiency.
7. **Regional Focus:** Expanding into **Africa, Latin America, and ASEAN markets** for supply chain resilience.
8. **Way Forward:** Strengthen **Brand India**, develop **export-oriented clusters**, and integrate **ESG standards** in trade policy.

SOURCE: INDIAN EXPRESS

INDIA'S LABOUR MARKET REFORMS AND GIG ECONOMY

RECENT UPDATE:

The **Code on Social Security, 2020**, was partially implemented in **2025**, extending **social protection benefits** like **ESI, EPF, and accident coverage** to **gig and platform workers** for the first time.

ABOUT:

1. **Labour Code Reform:** Consolidated **29 labour laws into 4 codes** – Wages, Industrial Relations, OSHWC, and Social Security.
2. **Gig Workforce Size:** Estimated **7.7 million workers (2025)**, projected to reach **23 million by 2030** (NITI Aayog).
3. **Challenges:** **Lack of social security, irregular income, and algorithmic control** by digital platforms.
4. **Social Security Code 2020:** Introduced **National Social Security Board for Gig Workers**, enabling **portable benefits.**
5. **Technological Transition:** Rise of **Swiggy, Ola, UrbanClap** and other app-based platforms transforming labour patterns.
6. **Wages Code 2019:** Ensures **universal minimum wage**, improving formalization prospects.
7. **Skill Linkage:** **PM-DAKSH, Skill India, and Digital Skill Councils** addressing skill mismatch.
8. **Way Forward:** Implement **tripartite dialogue**, promote **platform regulation**, and establish **Gig Workers' Welfare Fund.**

MSME SECTOR AND CREDIT ACCESS REFORMS

RECENT UPDATE:

By **2025**, the **Udyam Portal** registered **over 3 crore MSMEs**, while the **Emergency Credit Line Guarantee Scheme (ECLGS)** disbursed **₹5.5 lakh crore** post-COVID recovery.

ABOUT:

1. **Economic Role:** MSMEs contribute **30% of GDP, 48% of exports**, and employ **11 crore workers**.
2. **Classification:** Revised in **2020** based on **investment and turnover**, promoting scalability.
3. **Credit Access:** Major challenge – **only 40%** of MSMEs have formal credit links.
4. **Policy Measures:**
 - **ECLGS, TReDS, Credit Guarantee Fund Trust (CGTMSE).**
 - **MSME SAMADHAN** for delayed payments.
5. **Digital Transformation:** **Udyam, GeM, and TReDS** integrated with **AI-based analytics** for creditworthiness.
6. **Cluster Development:** Focus on **tool rooms, testing centres, and technology parks**.
7. **Challenges:** **Delayed payments, informality, low productivity, and export vulnerability**.
8. **Way Forward:** Expand **credit guarantee schemes**, incentivize **digitization**, and promote **green MSMEs**.

INDIA'S MANUFACTURING PUSH UNDER PLI SCHEMES

RECENT UPDATE:

The **Production Linked Incentive (PLI)** scheme attracted **₹1.3 lakh crore in investments** and generated **6.4 lakh jobs (2025)** across **14 key sectors**.

ABOUT:

1. **Objective:** Boost **domestic manufacturing, exports, and import substitution**.
2. **Sectoral Coverage:** **Electronics, pharma, auto components, textiles, drones, and semiconductors**.
3. **Flagship Example:** **Apple** exported **iPhones worth \$10 billion (FY2025)** under **PLI–Electronics**.
4. **Fiscal Outlay:** **₹1.97 lakh crore** over 5 years; **70%** disbursed by 2025.

5. **Institutional Mechanism:** Implemented by **NITI Aayog, DPIIT, and respective ministries**.
6. **Achievements:** Boosted **export competitiveness, FDI inflows, and Make in India brand**.
7. **Challenges:** **Bureaucratic delays, compliance burden, and limited MSME inclusion**.
8. **Way Forward:** Simplify **approval process**, integrate **logistics efficiency**, and incentivize **green manufacturing**.

INDIA'S AGRI-INFRASTRUCTURE AND FOOD PROCESSING STRATEGY

RECENT UPDATE:

The **Agriculture Infrastructure Fund (AIF)** reached **₹75,000 crore disbursement (2025)**, supporting **33,000 projects** in storage, cold chains, and processing.

ABOUT:

1. **Objective:** Strengthen **post-harvest infrastructure** to minimize losses and enhance **value addition**.
2. **Policy Initiatives:** **PM Kisan SAMPADA Yojana, Operation Greens, and Mega Food Parks Scheme**.
3. **Investment Trends:** **FPI inflows reached USD 6 billion (2024)**, led by **Nestlé, ITC, PepsiCo**.
4. **Challenges:** **Supply chain gaps, low processing rate (10%), and cold storage shortfall (35%)**.
5. **Institutional Linkages:** **NABARD, FPI Ministry, and State Nodal Agencies** manage fund flow.
6. **Technology Integration:** **Blockchain traceability, IoT-based storage, and AI grading systems** emerging.
7. **Employment Impact:** Food processing sector employs **1.8 million people** directly.
8. **Way Forward:** Promote **PPP models**, expand **rural clusters**, and focus on **export-oriented agro-processing**.

INDIA'S RURAL DEVELOPMENT AND POVERTY REDUCTION STRATEGY

RECENT UPDATE:

NITI Aayog (2025) reported a **decline in multidimensional poverty to 8.5%**, driven by **MGNREGS, PMAY-G, and DBT reforms**.

ABOUT:

1. **Policy Framework:** Anchored in **National Rural Livelihoods Mission (NRLM)** and **Sansad Adarsh Gram Yojana (SAGY)**.
2. **Employment Generation:** **MGNREGS** provided **3.2 billion person-days (FY2025)**.
3. **Housing and Assets:** **PMAY-G** built **3.4 crore pucca houses** since 2015.
4. **Digital Governance:** **DBT and JAM Trinity** reduced leakage to **<2%**.
5. **Financial Inclusion:** **PMJDY** achieved **51 crore accounts**, enhancing **credit access**.
6. **Social Capital:** **Self Help Groups (SHGs)** under **NRLM** created **2 crore "Lakhpati Didis"**.
7. **Challenges:** **Low productivity, rural distress, climate vulnerability, and migration pressures**.
8. **Way Forward:** Integrate **rural enterprises**, enhance **digital literacy**, and ensure **climate-resilient livelihoods**.

INDIA'S TAX DECRIMINALISATION AND COMPLIANCE EASING INITIATIVES

RECENT UPDATE:

The **Finance Bill 2025** further **decriminalised 35 minor tax offences**, reinforcing **trust-based governance** and simplifying the **Ease of Doing Business** framework.

ABOUT:

1. **Objective:** Shift from **tax enforcement to tax facilitation** for improving investor confidence.
2. **Policy Initiatives:** **Faceless Assessment, Vivad Se Vishwas, and Taxpayers' Charter (2020)**.
3. **Scope of Reform:** Offences like **delay in filing, minor mismatches, and clerical errors** decriminalised.

4. **Outcome:** Reduced **litigation backlog by 45%**, improving taxpayer–department relations.
5. **Institutional Setup:** **CBDT and CBIC** directed to adopt **trust-based verification systems**.
6. **Digital Monitoring:** Use of **AI-based risk analysis** and **real-time dashboards** for compliance tracking.
7. **International Comparison:** Aligns with **OECD best practices** on voluntary tax compliance.
8. **Way Forward:** Continue **ease of compliance**, promote **pre-filled returns**, and strengthen **dispute mediation mechanisms**.

INDIA'S FISCAL POLICY AND DEFICIT MANAGEMENT STRATEGY

RECENT UPDATE:

The **Union Budget 2025–26** projected a **fiscal deficit of 5.1% of GDP**, aiming to reach **4.5% by FY2026**, maintaining the path of **fiscal consolidation**.

ABOUT:

1. **Fiscal Rule:** Guided by **FRBM Act (2003)** to ensure **sustainable debt levels** and **macroeconomic stability**.
2. **Pandemic Impact:** Deficit peaked at **9.2% (FY2021)** but steadily declined post-recovery.
3. **Revenue Trends:** **Gross tax revenue** grew **16% (2024–25)** due to buoyant **direct and GST collections**.
4. **Expenditure Focus:** **Capital expenditure (Capex)** raised to **3.4% of GDP**, prioritizing **infrastructure and defence**.
5. **Debt Sustainability:** Public debt moderated to **83% of GDP (2025)** with improved fiscal discipline.
6. **State Finances:** States' combined deficit at **2.9% of GSDP**, aided by **conditional borrowings**.
7. **Institutional Support:** **Fifteenth Finance Commission** recommended performance-based fiscal incentives.

8. **Way Forward:** Expand **tax base**, promote **asset monetisation**, and maintain **countercyclical buffers**.

INDIA'S MONETARY POLICY AND LIQUIDITY MANAGEMENT

RECENT UPDATE:

In **October 2025**, RBI maintained the **repo rate at 6.5%**, focusing on **withdrawal of accommodation** to curb inflation without hurting growth.

ABOUT:

1. **Objective:** Maintain **price stability** while supporting **economic growth** under **Section 45Z of RBI Act**.
2. **Policy Framework:** Based on **Flexible Inflation Targeting (FIT)** with CPI target of **4% ± 2%**.
3. **Liquidity Tools:** **Repo, Reverse Repo, CRR, SLR, and Open Market Operations (OMOs)**.
4. **Recent Measures:** **Incremental CRR (2023)** and **fine-tuning operations** to manage excess liquidity post-COVID.
5. **Rupee Stability:** RBI used **forward interventions** to stabilise INR amid global volatility.
6. **Market Coordination:** Close alignment with **Fiscal Policy** and **Government Borrowing Programme**.
7. **Success:** Headline inflation eased from **7.4% (2022)** to **4.8% (2025)**.
8. **Way Forward:** Strengthen **monetary transmission**, use **AI-based forecasting**, and sustain **growth–inflation balance**.



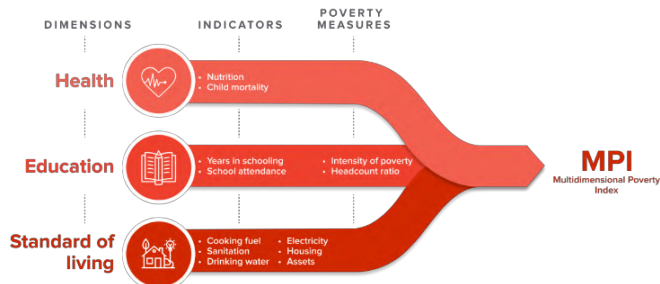
TOPICS COVERED-

1. Multidimensional Poverty — global burden, climate vulnerability, India's progress
2. Nobel Prize in Economic Sciences 2025 — creative destruction, innovation-led growth, patents
3. PM Dhan Dhaanya Krishi Yojana (PMDDKY) — 36 schemes merged, low-yield districts, ₹1.44 lakh cr
4. Mission for Aatmanirbharta in Pulses — self-sufficiency 2027, MSP procurement, seed strategy
5. WTO Agreement on Fisheries Subsidies — IUU ban, SDG 14.6, developing-country transition
6. India's Approach to AI & Employment — AI disruption, skill gaps, informal workforce inclusion
7. Incentive Scheme for Critical Mineral Recycling — NCMM, Li-ion recycling, capex-opex subsidy
8. Annual Survey of Industries (ASI) 2023–24 — 11.89% GVA rise, state leaders, employment growth
9. Payments Regulatory Board (RBI) — Section 3 PSS Act, 6-member body, quorum rules
10. Internationalisation of the Rupee — INR lending abroad, SRVA expansion, reference rates
11. Self-Regulatory Organisation (SRO) for NBFCs — FIDC, governance norms, sector discipline
12. RBI – Integrated Ombudsman Scheme (RB-IOS) — unified redressal, ₹20 lakh compensation, one-nation system
13. New RBI Initiatives (ULI, CBDC Sandbox, Tokenised CDs) — credit DPI, CBDC testing, digital CDs
14. SWAMIH Fund — stalled housing revival, AIF-II, SBICAP Ventures
15. Engels' Pause — growth–wage divergence, automation impact, inequality
16. Weighted Average Call Rate (WACR) — monetary policy target, liquidity indicator, LAF
17. World Economic Outlook (WEO) — IMF forecasts, global slowdown, India's 6.6% growth
18. Global Financial Stability Report (GFSR) — systemic risks, debt stress, contagion indicators
19. PM-SETU — ITI upgrade, hub-and-spoke model, industry partnership
20. RoDTEP Scheme — duty remission, WTO-compatible, e-scrip system
21. We Rise Initiative (WEP) — women entrepreneurs, global scaling, trade facilitation
22. Unemployment of the Educated — job mismatch, IIT placement fall, oversupply of degrees
23. Employability in Crisis — outdated curriculum, soft-skill gaps, low job-readiness
24. Towards a Unified National Employment Framework — gig sector, LFPR gaps, policy cohesion
25. Agriculture in the Age of Inequality — falling incomes, wealth gap, farmer exodus
26. NITI Report: AI for Inclusive Societal Development — informal workers, low productivity, digital divide
27. Restoring Fiscal Space for States — GST centralisation, cesses, revenue instability
28. India's Blue Economy Strategy — deep-sea potential, IUU regulation gap, high-seas fleet
29. Transformation of India's Logistics Sector — Gati Shakti, DFCs, cost efficiency
30. Global Innovation Index 2025 — India rank 38, STI strengths/weaknesses, top innovators
31. India's Tea Industry — low prices, weather shocks, global competition

32. World Food India 2025 — ₹1 lakh cr MoUs, PLISFPI, PMKSY
33. H-1B Visa Fee Hike — \$100k fee, Indian IT impact, STEM dominance
34. Food Grain Storage in India — FCI, CAP vs silos, 353.96 MT output
35. ASI 2023–24 (Reiteration) — industrial recovery, sector contribution, GVA–employment
36. Tackling Unemployment Trap — youth joblessness, PLFS data, GDP–jobs gap
37. Female Labour Force Participation — rural-driven rise, unpaid work, low formal jobs
38. Rise in India’s External Debt — \$747 bn, valuation effects, sustainable ratio
39. Credit Reforms to Deepen Financial Markets — M&A financing, rupee lending, Basel norms
40. Reorienting Private Capex — domestic shift, sector shares, motives
41. Decarbonising Indian Railways — 98% electrification, hydrogen trains, green bonds
42. Unified National Employment Framework (Reiteration) — demographic window, gig protections
43. Agriculture in Age of Inequality (Reiteration) — farm distress, input inflation, TOT fall
44. NITI AI Report (Reiteration) — informality, gig workers, low digital access
45. Restoring Fiscal Space (Reiteration) — compensation end, federal imbalance
46. APK (Android Package Kit) — Android app file, modular updates, third-party installs
47. REITs — rental income, SEBI norms, 90% payout
48. InvITs — infra assets, toll/tariff revenue, SARFAESI recognition
49. Anti-Dumping Duties — DGTR investigation, WTO rules, injury proof
50. Pulses in India — major pulses, imports, rainfed vulnerability
51. Nilgiri Tea — GI tag, aroma profile, high-altitude cultivation
52. Corporate Social Responsibility (CSR) — Section 135, 2% spend, unspent fund rules
53. Perpetual Bonds — no maturity, Tier-1 capital, high-risk
54. IREDA — renewable financing, MNRE agency, green energy support
55. Derivatives — futures/options/swaps, hedging, SEBI regulation
56. Blue Ports — smart harbours, IoT–AI integration, PMMSY
57. Ecomark Scheme — eco-label, BIS certification, LiFE mission
58. Shrimp Farming — MPEDA regulation, AP dominance, SAIME model
59. Maize — queen of cereals, top states, global producers
60. Ways and Means Advances (WMA) — temporary RBI loans, repo-linked, 90-day rule

SOURCE: VISION MONTHLY
MULTIDIMENSIONAL POVERTY

Recent Update: The **2025 Global Multidimensional Poverty Index (MPI)** was released by **UNDP and OPHI**, highlighting global and regional poverty–climate vulnerabilities.



About Multidimensional Poverty:

- Global Burden:** The report finds **1.1 billion people (18.3%)** across 109 countries living in **acute multidimensional poverty**, reflecting deprivation in health, education, and living standards.
- Concentration in MICs:** Nearly **half of the world’s poor** reside in six middle-income countries — **Bangladesh, China, India, Nigeria, Pakistan, Tanzania**, showing poverty persists despite economic growth.
- Child Poverty:** Children face **double the poverty rate of adults**, with **27.8%** of children poor vs **13.5%** adults, highlighting an intergenerational poverty trap.
- Poverty–Climate Nexus:** Around **887 million poor people** (8 out of 10) are exposed to **climate hazards** such as extreme heat, floods, drought, and air pollution, worsening vulnerability.
- Multiple Hazards:** About **309 million poor individuals** face **three or four overlapping climate hazards**, creating **triple/quadruple burdens** due to limited assets and weak social protection.
- Most Widespread Risks:** **High heat (608 million)** and **air pollution (577 million)** are the most common hazards affecting the poor globally.
- Regional Hotspots:** **Sub-Saharan Africa and South Asia** are the most affected regions by poverty combined with climate exposure, forming global vulnerability hotspots.
- India’s Progress:** India reduced poverty dramatically—from **55.1% (2005–06)** to **16.4% (2019–21)**—lifting **414 million people** out of poverty.

NOBEL PRIZE IN ECONOMIC SCIENCES 2025

Recent Update: The **2025 Nobel Prize in Economic Sciences** was awarded to **Joel Mokyr, Philippe Aghion, and Peter Howitt** for contributions to **innovation-driven economic growth**.



About Nobel Prize in Economic Sciences:

- Establishment:** Created in **1968** by **Sveriges Riksbank**; it is **not** part of Alfred Nobel’s original 1895 will but is awarded alongside Nobel Prizes.
- Awarding Body:** Conferred by the **Royal Swedish Academy of Sciences**, with the first award given in **1969** to **Frisch and Tinbergen**.
- Indian Laureate:** **Amartya Sen** won in **1998** for welfare economics and social choice theory.
- Joel Mokyr’s Contribution:** Identified **prerequisites for sustained technological progress**, including **science-technology co-evolution, mechanical competence, and openness to change**.
- Aghion–Howitt Model:** Developed the **1992 Creative Destruction model**, explaining innovation-led growth through cycles of technological replacement.
- Creative Destruction:** Innovation is **creative** (introduces new, better products) but **destructive** (makes older products obsolete), shaping long-run productivity.
- Patents and Incentives:** Their framework shows **temporary monopolies** from patents incentivize R&D despite risk of being overtaken by newer innovations.
- Policy Relevance:** Their research underpins modern debates on **AI disruption**, showing how innovation transforms economies while displacing outdated sectors.

PM DHAN DHAANYA KRISHI YOJANA (PMDDKY)

Recent Update: The Prime Minister launched **PMDDKY** to consolidate agricultural schemes and transform low-productivity districts.



About PM Dhan Dhaanya Krishi Yojana:

1. **Origins:** Announced in **Union Budget 2025–26**, inspired by **NITI Aayog’s Aspirational District Programme** for targeted interventions.
2. **Scheme Integration:** Merges **36 schemes across 11 ministries** (e.g., **PM-KISAN, PMFBY, PMKSY**) to remove duplication and improve efficiency.
3. **Coverage:** Targets **100 underperforming districts**, focusing on low yields, water scarcity, and limited credit access; **Uttar Pradesh** has the highest inclusion (12 districts).
4. **Beneficiaries:** **1.7 crore farmers**, especially **small & marginal farmers (86% of Indian farmers)**, plus women, youth, FPOs, and allied sectors.
5. **Financial Outlay:** **₹24,000 crore per year** for six years (**₹1.44 lakh crore total**), allocated as: **40% subsidies, 30% infrastructure, 20% loans, 10% training & markets**.
6. **Productivity Focus:** Prioritises districts below **3.5 t/ha wheat yield** and with cropping intensity **below 1.55** to raise agricultural output.
7. **Efficiency Gain:** Consolidation addresses low asset formation (only **45%** of capital expenditure yields assets in agriculture).
8. **State–Private Partnership:** Encourages convergence with **state schemes** and **private sector** participation to strengthen value chains and irrigation.

MISSION FOR AATMANIRBHARTA IN PULSES

Recent Update: The Prime Minister launched the **Dalhan Aatmanirbharta Mission** to eliminate India’s



dependence on pulse imports by 2027.



About Mission for Aatmanirbharta in Pulses:

1. **Aim:** Achieve **self-sufficiency in pulses by Dec 2027**, reducing import bills and enhancing food security.
2. **Duration & Outlay:** **6-year mission (2025–31)** with **₹11,440 crore** funding under Ministry of Agriculture.
3. **Focus Pulses:** **Tur/Arhar, Urad, Masoor**, which make up the bulk of India’s pulse imports.
4. **Cluster Approach:** Implements **region-specific strategies** tailored to agro-climatic needs to maximise productivity.
5. **Seed Strategy:** Plans to distribute **126 lakh quintals** of certified seeds and **88 lakh seed kits**, focusing on **high-yielding, pest-resistant, climate-resilient varieties**.
6. **Assured Procurement:** **100% MSP procurement** of Tur, Urad, and Masoor for **four years** via **NAFED and NCCF** under **PM-AASHA**.
7. **State Role:** States must prepare **rolling 5-year seed plans**, monitored via **ICAR** and the **SATHI seed-traceability portal**.
8. **Value Chain Strengthening:** Creation of **1,000 processing units** with subsidies up to **₹25 lakh per unit** to build storage, grading, and marketing capacity.

WTO AGREEMENT ON FISHERIES SUBSIDIES

Recent Update: The **WTO Agreement on Fisheries Subsidies** officially entered into force on **15 September 2025** after receiving ratification from two-thirds of WTO members.

About WTO Agreement on Fisheries Subsidies:

1. **Environmental Focus:** It is the **first WTO agreement explicitly centred on environmental protection**, targeting the sustainability of global marine ecosystems.
2. **Adoption:** Adopted during **MC12 (Geneva, 2022)** and is the world’s first **binding multilateral rule** curbing harmful fisheries subsidies.

3. **Alignment with SDG 14:** Directly advances **SDG 14.6**, which calls for eliminating subsidies that contribute to **overfishing, overcapacity, and IUU (Illegal, Unreported, Unregulated) fishing**.
4. **Key Prohibition:** Bans subsidies supporting **IUU fishing, fishing of overfished stocks, and unregulated high-seas fishing**, significantly tightening global fisheries governance.
5. **Top Subsidizers:** **China, EU, USA, South Korea, Japan** account for **58%** of global fisheries subsidies, making compliance critical.
6. **Special & Differential Treatment (S&DT):** Developing nations receive a **two-year transition period** to implement the agreement.
7. **WTO Fish Fund:** Establishes a **voluntary fund** to aid developing countries with capacity-building, monitoring, and policy implementation.
8. **Transparency Mandate:** Requires timely reporting of **subsidies, stock status, and management measures**, overseen by a **Committee on Fisheries Subsidies**.

INDIA'S APPROACH TO AI AND EMPLOYMENT

Recent Update: NITI Aayog released two landmark reports—"Roadmap for Job Creation in the AI Economy" and "Roadmap on AI for Inclusive Societal Development."

About India's Approach to AI and Employment:

1. **AI as Disruption & Opportunity:** AI is reshaping India's labour market by **displacing routine jobs** yet offering an unprecedented chance to **formalize and upgrade informal-sector productivity**.
2. **NITI Aayog Reports:** One provides a **job-creation pathway** using the **3W Framework**, while the other focuses on **inclusive upliftment** of informal workers using digital public infrastructure.
3. **Parallel with Nobel 2025:** Aligns with the Nobel Prize in Economics (2025) theme of **innovation-driven growth** and **creative destruction**, highlighting AI's dual nature.
4. **Skill Gaps:** India faces severe **curriculum gaps**, limited specialized courses, and **unequal access** to computer science education compared to countries like China & Russia.
5. **Research Weakness:** India's share in **AI patent grants fell to below 5%** (from 8–10% in 2010), indicating lagging R&D competitiveness.



6. **Talent Shortage:** AI talent supply meets only **50% of market demand**, projected to worsen unless upskilling accelerates.
7. **Inclusion Barriers:** Informal workers lack **verifiable identities, work histories, contracts**, limiting access to formal jobs, finance, and protections.
8. **Digital Divide:** Low digital literacy, linguistic barriers, and poor usability restrict adoption of **Digital Public Infrastructure (DPI)**, slowing inclusive AI transformation.

INCENTIVE SCHEME FOR THE PROMOTION OF CRITICAL MINERAL RECYCLING

Recent Update: The Ministry of Mines issued operational guidelines for the **₹1,500 crore Incentive Scheme** to boost India's recycling capacity.

About Incentive Scheme for Critical Mineral Recycling:

1. **Parent Mission:** Part of the **National Critical Mineral Mission (NCMM)** to reduce import dependence on minerals essential for **EVs, semiconductors, batteries, and renewable energy**.
2. **Tenure:** A **6-year scheme (FY 2025–26 to 2030–31)** targeting rapid expansion of domestic recycling infrastructure.
3. **Eligible Feedstock:** Covers **e-waste, lithium-ion battery scrap**, and high-value metal scraps like **catalytic converters**, spanning **27 critical minerals** (Li, Co, Ni, REEs, Graphite, etc.).
4. **Beneficiaries:** Both **large recycling firms** and **start-ups**; encourages domestic innovation and circular economy models.
5. **Capex Support:** Provides **up to 20% capital subsidy** on plant and machinery to accelerate facility creation.
6. **Opex Support:** Offers **opex subsidies** linked to incremental sales — **40% (Year 2)** and **60% (Year 5)** to incentivize sustained operations.

- Incentive Ceilings:** Large entities capped at **₹50 crore**, smaller/start-ups at **₹25 crore**, with specific ceilings for **opex support**.
- Strategic Importance:** Strengthens India's resilience in global supply chains dominated by China's refining and processing ecosystem.

SOURCE: THE HINDU

ANNUAL SURVEY OF INDUSTRIES (ASI) 2023–24

Recent Update: MoSPI released the **ASI 2023–24**, showing significant growth in industrial GVA, output, and employment.

About Annual Survey of Industries (ASI):

- Conducting Agency:** Administered annually by **NSO (MoSPI)** under the **Collection of Statistics Act, 2017**.
- Coverage:** Includes factories registered under the **Factories Act, 1948**, bidi/cigar units, certain electricity undertakings, and large establishments with **100+ employees** in State BREs.
- Exclusions:** Defence production units, oil depots, railway workshops, and gas storage units.
- GVA Growth:** Industrial **GVA rose 11.89%**, led by **basic metals, motor vehicles, chemicals, food products, and pharmaceuticals**.
- State Contribution:** **Maharashtra (16%)**, followed by **Gujarat, Tamil Nadu, Karnataka, and Uttar Pradesh**, contributed most to national GVA.
- Industrial Output:** Recorded a **5.80% increase**, reflecting recovery and robust manufacturing momentum.
- Employment Trends:** Added **5.7 million jobs** over the decade, with **5.92% YoY growth** in 2023–24; **Tamil Nadu, Gujarat, Maharashtra, UP, Karnataka** lead in employment.
- Significance:** ASI is India's **largest industrial data source**, informing policymaking on manufacturing, productivity, wages, and investment.

PAYMENTS REGULATORY BOARD (RBI)

Recent Update: RBI has constituted a **new 6-member Payments Regulatory Board**, replacing the earlier BPSS for regulating payment systems.

About Payments Regulatory Board:

- Legal Basis:** Formed under **Section 3 of the Payment and Settlement Systems Act, 2007** to regulate and supervise payment systems in India.
- Composition:** Includes **RBI Governor (Chairperson), Deputy Governor (Payments)**, one RBI officer, and **three Central Government-**

nominated experts in IT, cybersecurity, law, and payment systems.

- Tenure Rules:** Nominated members hold a **4-year term**, cannot be re-nominated, and may resign with **6 weeks' notice**; must meet strict eligibility criteria.
- Disqualifications:** Age above **70**, insolvency, major criminal conviction (≥ 180 days), or being an **MP/MLA** automatically disqualifies a person.
- Meetings:** Must meet **at least twice a year**, with a quorum of **three members**, including the Chairperson (or Deputy Governor in their absence).
- Decision-Making:** Decisions by **majority vote**; Chairperson holds a **casting vote** during a tie.
- Invitees:** RBI's **Principal Legal Adviser** is a permanent invitee; experts can be invited as needed.
- Significance:** Ensures structured oversight of India's rapidly growing **digital payments ecosystem** under a specialised regulatory body.

INTERNATIONALISATION OF THE RUPEE

Recent Update: RBI unveiled new measures to expand the **global use of the Indian Rupee (INR)** across trade and financial transactions.



About Internationalisation of Rupee:

- Concept:** Refers to expanding the Rupee's use in **cross-border trade, investment, lending, and global financial markets**.
- New Lending Provision:** Indian banks and their overseas branches may now **lend in INR** to residents of **Bhutan, Nepal, and Sri Lanka**, broadening regional financial integration.
- Transparent Reference Rates:** **FBIL** will now publish transparent INR reference rates for currencies beyond USD, EUR, JPY, and GBP.
- SRVA Expansion:** **Special Rupee Vostro Account (SRVA)** balances may now be used to invest in **corporate bonds and commercial papers**, diversifying usage.

5. **Earlier Rule:** SRVA funds were limited to investment in **central government securities**.
6. **SRVA Meaning:** It is an account foreign banks maintain with Indian banks for **direct Rupee settlement**, preventing the need for forex conversion.
7. **Impact on Trade:** Promotes **Rupee-based invoicing**, reducing India's dependence on USD-dominated settlements.
8. **Strategic Significance:** Enhances India's **monetary sovereignty**, reduces forex risks, and strengthens resilience in global payments.

SELF-REGULATORY ORGANISATION (SRO) FOR NBFCs

Recent Update: RBI granted **SRO status to FIDC (Finance Industry Development Council)** to improve governance in NBFCs.

About Self-Regulatory Organisation (SRO):

1. **Objective:** To enhance **sector discipline, transparency, compliance**, and responsible conduct among NBFCs.
2. **Legal Framework:** Operates under RBI's **Omnibus Framework (2024)** for recognising SROs for regulated entities (REs).
3. **Eligibility:** Must be a **Section 8 (not-for-profit) company**, have adequate net worth, diversified shareholding (no entity >10%), and sector-wide representation.
4. **Member Responsibilities:** Establishes a **code of conduct**, grievance redressal mechanism, and **arbitration procedures** for disputes.
5. **Regulator Interface:** Ensures compliance with RBI norms, fosters innovation, and identifies **early warning signals** in the NBFC sector.
6. **Governance:** Articles of Association (AoA) must define roles of Governing Body and SRO functioning; **1/3rd of Board including Chairperson must be independent**.
7. **FIDC Role:** As SRO, FIDC will help standardize NBFC practices and improve transparency for lenders and borrowers.
8. **Sector Significance:** Enhances stability and credibility of the **₹30-lakh-crore NBFC sector**, improving credit flow and consumer protection.

RESERVE BANK – INTEGRATED OMBUDSMAN SCHEME (RB-IOS), 2021

Recent Update: Coverage expanded to include **Central and State Co-operative Banks**, strengthening consumer protection.

About RB-Integrated Ombudsman Scheme (RB-IOS), 2021:

1. **Objective:** To provide a **speedy, cost-effective, jurisdiction-neutral grievance redress system** under the “**One Nation, One Ombudsman**” approach.
2. **Coverage:** Includes **commercial banks, RRBs, urban co-operative banks** (≥₹50 crore deposits), **NBFCs** (with customer interface, ≥₹100 crore assets), **system participants**, and **credit information companies**.
3. **Unification:** Merged three earlier schemes—**Banking Ombudsman (2006)**, **NBFC Ombudsman (2018)**, **Digital Transactions Ombudsman (2019)**.
4. **Jurisdiction Neutrality:** Customers can file complaints regardless of bank jurisdiction or location.
5. **Compensation Powers:** Ombudsman may award **up to ₹20 lakh + ₹1 lakh** for harassment, mental distress, and litigation expenses.
6. **Grounds for Complaint:** Covers delays, deficiencies in service, unfair practices, non-adherence to RBI directions, etc.
7. **Appeals:** Customers or regulated entities may appeal before the **Appellate Authority** within RBI.
8. **Significance:** Strengthens **consumer rights**, reduces delays, and improves accountability across financial institutions.

NEW INITIATIVES BY RBI – ULI, CBDC SANDBOX, TOKENISATION OF CDs

Recent Update: RBI launched the **Unified Lending Interface (ULI)**, **CBDC retail sandbox**, and **tokenisation pilot** for Certificates of Deposit.



About the New RBI Initiatives:

1. **ULI – Digital Public Infrastructure:** Serves as a unified system combining **multiple data sources** for lenders to improve **credit assessment** and expand access to formal credit.

- ULI Goal:** Strengthens digital lending, reduces information asymmetry, and improves MSME and retail credit flows.
- CBDC Retail Sandbox:** Allows fintech firms to **test innovative solutions** for **central bank digital currency (CBDC-Retail)** applications.
- CBDC Definition:** A **digital form of sovereign currency** issued by RBI with same legitimacy as physical notes.
- Tokenisation of Certificates of Deposit:** Converts CDs into **digital tokens** enabling faster settlement, improved transparency, and enhanced liquidity.
- What is Tokenisation?** Creating a **blockchain-based digital representation** of a real-world asset.
- About CDs:** Certificates of Deposit are **negotiable money market instruments**, issued in **demat or promissory note form**, maturing within **7 days to 1 year**.
- Significance:** These initiatives modernize India's **financial market infrastructure**, enabling efficiency, innovation, and secure digital finance.

SWAMIH FUND (SPECIAL WINDOW FOR AFFORDABLE AND MID-INCOME HOUSING)

Recent Update: RBI has **exempted the SWAMIH Fund** from tightened AIF investment rules, allowing smoother financing for stalled housing projects.

SWAMIH Fund



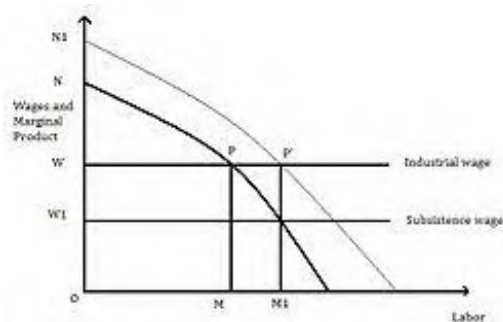
About SWAMIH Fund:

- Type:** It is a **Category II Alternative Investment Fund (AIF)** created to support stressed real estate projects.
- Objective:** Provides **priority debt financing** to complete stalled affordable and mid-income housing projects.
- Launch:** Introduced in **2019**, backed by the Government of India.
- Regulator:** While **SEBI regulates AIFs**, SWAMIH receives special regulatory exemptions due to its public-interest role.
- Fund Manager:** Managed by **SBICAP Ventures Limited**, a subsidiary of SBI.

- Eligible Projects:** Focuses on RERA-registered, net-worth-positive stalled projects in the affordable and mid-income category.
- Significance:** Has revived **over 300+ stressed housing projects**, ensuring homebuyers receive long-delayed flats.
- Systemic Impact:** Strengthens confidence in the **real estate + banking ecosystem** by reducing NPAs linked to incomplete projects.

ENGELS' PAUSE

Recent Update: Nobel Laureate Geoffrey Hinton warned that AI-driven economies may trigger a **modern-day Engels' Pause**, where growth rises but wages stagnate.



About Engels' Pause:

- Origin:** Coined by **Robert Allen**, based on **Friedrich Engels'** observations of Britain's early Industrial Revolution (1780–1840).
- Meaning:** A paradox where **economic output rose sharply but real wages stagnated**, worsening inequality.
- Cause:** Early industrial technologies increased productivity but replaced labour, reducing workers' bargaining power.
- Historical Evidence:** Despite booming factories and output, British workers faced poor living standards for decades.
- Relevance Today:** AI, automation, and digital technologies may similarly cause **job displacement** and **wage stagnation**.
- Distribution Problem:** Tech-driven gains may accrue to **capital owners**, not workers, widening inequality.
- Policy Implications:** Calls for **skill development, wage protection, and redistributive policies** in AI economies.
- UPSC Significance:** Connects technological disruption with **labour economics, inequality, and growth theory**.

SOURCE: INDIAN EXPRESS

WEIGHTED AVERAGE CALL RATE (WACR)

Recent Update: RBI reaffirmed that **WACR will continue as the operating target** for India's monetary policy.

About WACR:

1. **Definition:** WACR is the **average interest rate** at which banks **borrow and lend overnight funds** among themselves.
2. **Role in Monetary Policy:** Serves as the **operational target** for RBI to signal short-term liquidity conditions.
3. **Indicator of Money Tightness:**
 - **High WACR → tight liquidity, costlier money**
 - **Low WACR → easy liquidity, cheaper money**
4. **RBI Tools:** Repo, reverse repo, VRRR, and MSF operations influence WACR to maintain policy stance.
5. **Market Significance:** Reflects real-time demand–supply of banking system funds.
6. **Part of LAF:** Integral component of the **Liquidity Adjustment Facility**, guiding short-term interest rates.
7. **Volatility:** Sensitive to tax outflows, government borrowing, and systemic liquidity shocks.
8. **Significance:** Ensures RBI maintains **monetary stability and inflation anchoring**.

WORLD ECONOMIC OUTLOOK (WEO)

Recent Update: IMF projected India's GDP growth at **6.6% for 2025–26**, higher than its previous forecast.

About World Economic Outlook:

1. **Published By:** **International Monetary Fund (IMF)**.
2. **Purpose:** Provides global and national **economic projections**, policy analysis, and medium-term forecasts.
3. **Frequency:** Released **twice a year**, with interim updates.
4. **Key Variables Measured:** Growth, inflation, unemployment, trade, fiscal trends, and global risks.
5. **Recent Trends:** Global growth expected to slow from **3.3% (2024) → 3.2% (2025) → 3.1% (2026)**.
6. **Importance for India:** Influences investor sentiment, fiscal planning, and global trade expectations.
7. **Credibility:** Used by governments, central banks, and markets worldwide for macroeconomic planning.

8. **Companion Reports:** The IMF also publishes the **Fiscal Monitor** and **Global Financial Stability Report**.

GLOBAL FINANCIAL STABILITY REPORT (GFSR)

Recent Update: IMF's **GFSR 2025** warned that tightened global financial conditions have **raised systemic risks**.

About GFSR:

1. **Purpose:** Provides assessment of **global financial market vulnerabilities**, risks, and stability indicators.
2. **Publisher:** Released biannually by the **IMF**.
3. **Focus Areas:** Banking sector stress, debt risks, capital flows, asset prices, contagion indicators.
4. **Key Highlight (2025):** Geopolitical conflicts significantly increase **sovereign risk premiums** and depress markets.
5. **Early Warning Role:** Identifies risks before they escalate into **financial crises**.
6. **Macro Linkages:** Connects monetary tightening with debt distress, emerging market fragility, and capital outflows.
7. **Complement to WEO:** While WEO forecasts economic trends, GFSR focuses on **financial stability**.
8. **Significance:** Helps countries strengthen financial regulation and crisis-response mechanisms.

PM-SETU (PRADHAN MANTRI SKILLING AND EMPLOYABILITY TRANSFORMATION THROUGH UPGRADED ITIs)

Recent Update: Government launched **PM-SETU**, a mega ₹60,000 crore mission to upgrade **1,000 Government ITIs**.

About PM-SETU:

1. **Type:** A **centrally sponsored scheme** under the Ministry of Skill Development & Entrepreneurship.
2. **Aim:** Transform ITIs into **industry-aligned, high-skill training hubs** across India.
3. **Structure:** Based on **hub-and-spoke model**—200 hub ITIs + 800 spoke ITIs.
4. **Infrastructure Upgrades:** Hubs will get **innovation centres, incubation labs, production units**, and training facilities.
5. **Industry Role:** **SPVs with Anchor Industry Partners** will manage clusters for outcome-based training.
6. **Courses:** New demand-driven courses and revamped curriculum across emerging sectors.

7. **Vertical Mobility:** Offers pathways for **diplomas, short-term courses, and executive programmes.**
8. **National Skill Institutes:** Strengthens 5 NSTIs (Bhubaneswar, Chennai, Hyderabad, Kanpur, Ludhiana) as **Centres of Excellence.**

RODTEP (REMISSION OF DUTIES AND TAXES ON EXPORTED PRODUCTS)

Recent Update: The scheme has been **extended till March 2026.**



About RodTEP Scheme:

1. **Launch:** Introduced in **January 2021** by Ministry of Commerce and Industry.
2. **Objective:** To refund **unrebated taxes and duties** on exported products, reducing hidden costs.
3. **Coverage:** Includes **central, state, and local taxes** on production and distribution of export goods.
4. **Competitiveness:** Makes Indian exports **more competitive** globally by reducing embedded taxes.
5. **WTO-Compliant:** Designed to replace MEIS after WTO objections; fully aligned with **global trade norms.**
6. **Mechanism:** Refunds issued through **transferable electronic duty credit scrips.**
7. **Beneficiaries:** Covers exporters across sectors—MSMEs, agriculture, manufacturing.
8. **Significance:** Reduces cost burdens and enhances **export-led growth.**

WE RISE INITIATIVE

Recent Update: NITI Aayog's Women Entrepreneurship Platform launched 'We Rise' to help scale women-led enterprises globally.



**WOMEN
ENTREPRENEURSHIP
PLATFORM**

About We Rise Initiative:

1. **Launched By:** NITI Aayog – **Women Entrepreneurship Platform (WEP)** under the Award to Reward initiative.
2. **Partner:** **DP World**, providing global logistics and trade expertise.
3. **Objective:** Support women entrepreneurs to **scale businesses internationally.**
4. **Target Group:** Women-led MSMEs and startup founders.
5. **Support Areas:** Trade facilitation, mentorship, capacity building, export readiness.
6. **Global Market Access:** Helps women-owned enterprises enter **new global supply chains.**
7. **Bridging Barriers:** Addresses funding gaps, information asymmetry, and networking challenges.
8. **Significance:** Strengthens women's participation in **international trade and entrepreneurship.**

SOURCE: INSIGHTS MONTHLY

UNEMPLOYMENT OF THE EDUCATED IN INDIA

Recent Update: Large numbers of graduates applying for low-skill jobs indicate a **deep structural labour-market crisis.**

About Unemployment of the Educated in India:

1. **Severe Job Mismatch:** Over **46,000 graduates/PGs applied for sanitation jobs** (Haryana 2024), showing overqualification and lack of skilled jobs.
2. **Placement Collapse:** Nearly **40% IIT graduates unplaced** in 2024, reflecting weak high-skill job absorption across IITs, NITs, IIITs.
3. **Educated Youth Hit Most:** **66% of India's unemployed** are graduates or postgraduates.
4. **Corporate Hiring Slowdown:** IT firms cut **64,000 jobs in FY24**, worsening youth unemployment.
5. **Wage Stagnation:** Graduate salaries remain **₹3–4 lakh/year**, unchanged for a decade.
6. **Skill Mismatch:** **33% lack industry-relevant skills**, especially practical digital skills.
7. **Oversupply of Degrees:** Many colleges produce **degree-holders without employability.**
8. **Structural Crisis:** Reflects limited creation of **knowledge-intensive jobs.**

EMPLOYABILITY IN CRISIS

Recent Update: Only **42.6% of graduates** in India are job-ready, exposing the academia–industry gap.

About Employability in Crisis:

1. **Definition:** Employability = ability to **apply and adapt skills** in dynamic workplaces.
2. **Holistic Skillset:** Requires **technical + communication + teamwork + problem-solving**.
3. **Adaptability:** Necessitates readiness for **technological change**.
4. **Lifelong Learning:** Continuous **upskilling, reskilling, unlearning** are essential.
5. **Outdated Curriculum:** Colleges teach **obsolete content**, mismatched with industry needs.
6. **Theory-Heavy Learning:** Limited **hands-on projects** and practical exposure.
7. **Soft-Skill Deficit:** Weak communication/teamwork affects job performance.
8. **Industry Gaps:** Companies expect **job-ready graduates** but offer minimal onboarding.

TOWARDS A UNIFIED NATIONAL EMPLOYMENT FRAMEWORK

Recent Update: CII has urged creation of a **National Employment Framework** to address job–skill mismatch.

About Towards a Unified National Employment Framework:

1. **Demographic Surge:** India will add **133 million workers by 2050**.
2. **Rise of Gig Work:** Gig workforce may hit **9 crore by 2030**, lacking social protection.
3. **Urban Job Distress:** Automation + migration increase unemployment pressures.
4. **Female LFPR Challenge:** Women’s participation remains **below 35%**.
5. **Fragmented Schemes:** Skilling and job programmes work **in silos**.
6. **Need for Cohesion:** Aligns labour, industrial, and trade policies for job creation.
7. **Demographic Window:** Workforce peaks in **2043**—delay risks losing demographic dividend.
8. **Inclusive Growth:** Ensures gender-balanced, regionally equitable, tech-driven jobs.

AGRICULTURE IN THE AGE OF INEQUALITY

Recent Update: NSS & inequality data reveal **deep agrarian distress** and widening wealth gaps.

About Agriculture in the Age of Inequality:

1. **Income Decline:** Farm income at **₹10,218/month**, falling in real terms.
2. **Farmer Exodus:** **15 million cultivators** quit agriculture (1991–2011).

3. **Extreme Inequality:** Wealth of **217 billionaires = 58× agriculture budget**.
4. **Worsening Terms of Trade:** Cotton once bought **12 g gold/quintal**, now <1 g.
5. **Economic Backbone:** Agriculture supports **45% workforce** and ~18% GDP.
6. **Food Security Role:** Stabilises **inflation, grain supply, nutrition security**.
7. **Crisis Buffer:** Acts as a safety net during shocks like **COVID-19 migration**.
8. **Intersectoral Linkages:** Fuels MSMEs, transport, processing → **rural-urban demand chains**.

NITI AAYOG – “ROADMAP ON AI FOR INCLUSIVE SOCIETAL DEVELOPMENT”

Recent Update: NITI Aayog released a roadmap to use **AI for empowering informal workers**.

About the Report:

1. **Huge Informal Base:** **490 million informal workers**, ~50% of GDP output.
2. **Rural Dominance:** 80% rural workers lack **contracts or social security**.
3. **Women’s Informality:** Women form **55% of informal labour**.
4. **Low Productivity:** Informal productivity is **¼ of formal sector**.
5. **Gig Informality:** **7.5 million platform workers** without labour rights.
6. **Financial Vulnerability:** 75% earn **<₹10,000/month**, poor credit access.
7. **Digital Divide:** 70% lack **digital literacy**, affecting AI adoption.
8. **Market Barriers:** Only 12% access **digital/organised markets**.

RESTORING FISCAL SPACE FOR THE STATES

Recent Update: End of **GST compensation** has revived demands for stronger fiscal federalism.

About Restoring Fiscal Space for the States:

1. **GST Shift:** 101st Amendment centralised taxation, reducing State powers.
2. **GST Council Imbalance:** Centre holds **33% voting power**, shaping decisions.
3. **Compensation Ends:** Weak States face **revenue shocks** post-July 2025.
4. **Rate Restructuring:** Lower GST slabs shrink States’ tax base.
5. **Finance Commission:** States’ share cut **42% → 41%** after J&K bifurcation.
6. **Rise of Cesses:** ₹4.23 lakh crore collected outside the **divisible pool**.

7. **Fiscal Federalism Erosion:** Centralisation limits States' development spending.
8. **Reform Need:** States seek **greater transfers + reduced cesses + autonomy.**

INDIA'S BLUE ECONOMY – HARNESSING DEEP-SEA & OFFSHORE FISHERIES

Recent Update: NITI Aayog released a strategy to scale India's **deep-sea fishing capacity.**



About the Strategy:

1. **Huge Untapped Potential:** EEZ has **7.16 MT potential**, mostly unused.
2. **Weak High-Seas Fleet:** India has **4 vessels** vs Sri Lanka's 1,883.
3. **Regulatory Vacuum:** No law governs fishing **12–200 nmi**, enabling IUU fishing.
4. **Jurisdiction Limit:** States regulate only up to **12 nmi**.
5. **Export Boost:** Can exceed **₹60,523 crore** current marine export value.
6. **Higher Profits:** Deep-sea vessels earn **₹32 lakh/year**.
7. **Sustainability:** Offshore shift protects **inshore fish stocks**.
8. **New Resources:** Access to **lanternfish, deep-sea shrimp, squid.**

TRANSFORMATION OF INDIA'S LOGISTICS SECTOR

Recent Update: Gati Shakti, NLP, and DFCs are transforming logistics to cut costs and boost efficiency.

About Transformation of India's Logistics Sector:

1. **Economic Backbone:** Logistics worth **USD 215 billion**, spans all major sectors.
2. **Digital Integration:** Shift to **multimodal, tech-enabled** logistics.
3. **Employment Engine:** Employs **22 million workers**.
4. **GDP Contribution:** ~14% of GDP.

5. **Infrastructure Push:** Corridors, highways, ports improving network speed.
6. **Freight Efficiency:** DFCs raise **rail freight speed + capacity.**
7. **Trade Competitiveness:** Lower logistics costs boost exports.
8. **Regional Growth:** Enhances Tier-2/3 industrial development.

SOURCE: DRISHTI MONTHLY

GLOBAL INNOVATION INDEX 2025

Recent Update: India climbed to the **38th position** in the Global Innovation Index (GII) 2025 released by **WIPO**, rising from 48th in 2020.

About Global Innovation Index 2025:

1. **Introduced in 2007**, GII provides comprehensive metrics to evaluate innovation capacity and performance across economies.
2. **Published annually by WIPO**, it is recognized globally as an authoritative benchmark for Science, Technology & Innovation (STI) policies.
3. The **UN General Assembly acknowledges GII** as a critical tool for shaping STI frameworks worldwide.
4. **India's performance improved significantly**—from rank 81 in 2015 to **38 in 2025**, leading among lower-middle-income nations.
5. India's key **strengths** include *Knowledge & Technology Outputs (Rank 22)* and *Market Sophistication (Rank 38)*.
6. India's **weak areas** include *Business Sophistication (Rank 64)*, *Infrastructure (Rank 61)*, and *Institutions (Rank 58)*.
7. The **top five global innovators** are Switzerland, Sweden, USA, South Korea, and Singapore.
8. GII 2025 highlights **tech advancements** such as improvements in supercomputing and battery technology, alongside lagging progress in wind power and drug discovery.

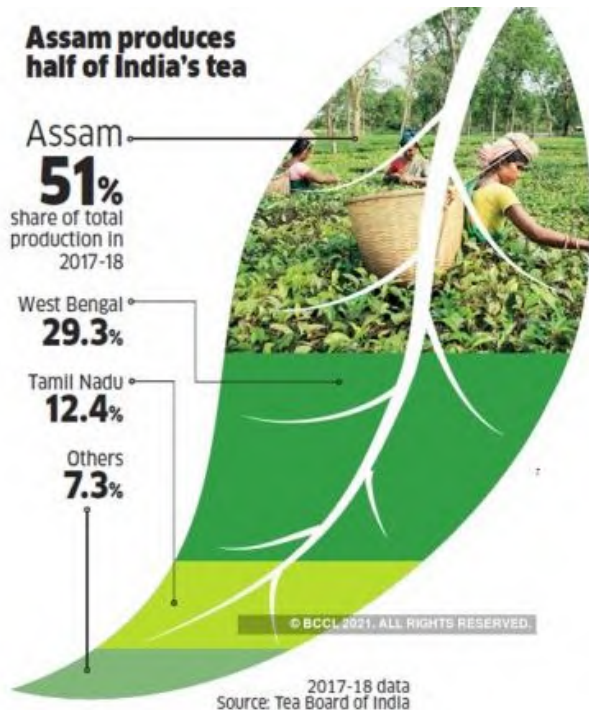
INDIA'S TEA INDUSTRY

Recent Update: The International Tea Committee stated that India can become a **global tea superpower** due to its strong production and rising export potential.

About India's Tea Industry:

1. Tea is produced from **Camellia sinensis** and is the **world's most consumed beverage after water.**

2. The **Tea Board of India**, set up under the Tea Act 1953, functions under the Ministry of Commerce with HQ in Kolkata.
3. India has favourable **growth conditions**—20–30°C temperature, 150–300 cm rainfall, and slightly acidic soils.
4. India is among the **largest global producers**,



especially in states like Assam and West Bengal.

5. The industry faces **weather volatility**, with 2024 heatwaves and floods reducing output by **30%**, the lowest in a decade.
6. A major crisis stems from **stagnant prices**, especially in Assam which produces **55% of India's tea**.
7. **Rising input costs** (9–15% increase over a decade) have reduced profitability; the ban on 20 pesticides raised costs further.
8. India faces **strong international competition**, particularly from Kenya.

WORLD FOOD INDIA 2025

Recent Update: World Food India 2025 concluded with **MoUs worth over ₹1 lakh crore**, boosting investment and innovation in the food processing sector.

About World Food India 2025:

1. **WFI is a flagship event** of the Ministry of Food Processing Industries, first held in 2017, now in its 4th edition.
2. It showcases India as the **“Food Basket of the World”**, promoting global investment and supply-chain partnerships.

3. Food processing converts raw farm produce into **value-added edible products** via primary, secondary, and tertiary processing.
4. India is the **largest producer of milk, onions, and pulses**, and the **second-largest producer of rice, wheat, sugarcane, tea, fruits & vegetables**.
5. The **PLISFPI** boosts Indian brands globally; **PLISMBP** promotes millet-based RTE/RTC foods.
6. **PMKSY** develops modern food processing infrastructure and reduces post-harvest losses.
7. **PMFME** supports micro-enterprises through financial and technical assistance.
8. **100% FDI** is permitted in food processing under the Make in India programme, enhancing global integration.

H-1B VISA FEE HIKE

Recent Update: The U.S. President signed an order increasing **H-1B visa fee to USD 100,000**, effective 21 September 2025, heavily impacting Indian IT firms.



About H-1B Visa Programme:

1. The **H-1B visa**, introduced in 1990, allows U.S. companies to hire foreign professionals in **specialized fields** requiring at least a bachelor's degree.
2. It is a **non-immigrant, temporary** visa valid for up to **6 years**, after which holders must leave or obtain a Green Card.
3. **Indians dominate H-1B approvals**, consistently accounting for **70%+** since 2015; China follows with ~12–13%.
4. Annual quota: **65,000 standard + 20,000 advanced degree exemptions**; certain institutions and continuing employees are exempt.
5. The visa fuels Indian dominance in **STEM and IT sectors**, with over 80% of computer-related H-1Bs going to Indians.
6. Indians also form **22% of international medical graduates** in the U.S., contributing significantly to healthcare.

- The visa is a key pathway for **Indian students transitioning to U.S. jobs**, boosting career prospects and global exposure.
- The **fee hike** will substantially increase costs for Indian IT companies, which file the majority of H-1B petitions each year.

FOOD GRAIN STORAGE IN INDIA

Recent Update: India achieved a **record 353.96 million tonnes** of foodgrain output (2024–25), highlighting urgent need for modern storage to reduce losses and stabilize prices.

About Food Grain Storage in India:

- Foodgrain storage is a **national system** ensuring preservation, safety, and year-round availability of grains for consumers and the **Public Distribution System (PDS)**.
- It includes **centralised, decentralised, and cold-storage** systems connecting farmers, state agencies, and markets.
- 60–70% of foodgrains** are stored at the household level using traditional indigenous systems like **Morai and Mud Kothi**.
- The **Food Corporation of India (FCI)**, established in 1965, is the main agency managing national storage through silos, godowns, and **Cover and Plinth (CAP)** facilities.
- FCI and state agencies currently manage **917.83 LMT** of storage capacity across India.
- Modern storage infrastructure is vital to reduce **post-harvest losses**, which significantly affect market supply and farmer incomes.
- Efficient storage helps in **price stabilization**, enabling buffer stocking for food security and emergency distribution.
- The system supports schemes like **NFSA**, ensuring subsidised grains reach beneficiaries consistently.

ANNUAL SURVEY OF INDUSTRIES 2023–24

Recent Update: MoSPI released the **ASI 2023–24**, showing strong industrial recovery with **11.89% GVA growth** and rising employment.

About Annual Survey of Industries (ASI) 2023–24:

- ASI is conducted annually by the **National Statistical Office (NSO)** under the **Collection of Statistics Act, 2017**.
- It covers factories under the **Factories Act 1948**, bidi/cigar units under the **1966 Act**, electricity undertakings outside CEA, and establishments with **100+ workers** in the BRE.

- Defense units, storage depots, and railway workshops** are excluded from the survey.
- GVA rose **11.89%**, outperforming output (5.80%) and input (4.71%), signalling higher industrial efficiency.
- Top GVA-contributing sectors:** basic metals, motor vehicles, chemicals, food products, and pharmaceuticals ($\approx 48\%$ of output).
- Top states:** Maharashtra (16%), Gujarat (14%), Tamil Nadu (10%), Karnataka (7%), Uttar Pradesh (7%).
- Employment grew **5.92%**, adding over **57 lakh jobs** in the past decade.
- ASI defines core concepts like **GVA** (output – input) and **total emoluments** (wages + salaries + bonus).

TACKLING UNEMPLOYMENT TRAP IN INDIA

Recent Update: A global financial firm reported India must grow at **12% annually** to generate adequate jobs, while RBI projects only **6.5% GDP growth** for FY25.

About Tackling Unemployment Trap in India:

- Unemployment** refers to individuals seeking work but unable to find jobs; measured using:
$$\text{Unemployment Rate} = (\text{Unemployed} \div \text{Labour Force}) \times 100.$$
- PLFS shows overall unemployment fell to **5.1%**, but youth unemployment remains high at **14.6%**.
- According to **ILO Employment Report 2024**, *1 in 3 unemployed Indians is a youth*, highlighting structural labour-market distress.
- India faces a **growth–employment gap**, where GDP growth is insufficient to generate proportional job creation.
- The youth cohort (15–29 years) faces barriers like **skill mismatch, automation, and shrinking formal job opportunities**.
- Asia's youth unemployment is **16%**, with India, China, Indonesia facing the most severe challenges.
- Rising underemployment and informal work indicate **job quality deterioration**, not just job scarcity.
- To escape the unemployment trap, India needs **skill reforms, labour-intensive manufacturing, MSME strengthening, and higher capex**.

FEMALE LABOUR FORCE PARTICIPATION IN INDIA

Recent Update: India's **FLFPR** surged to **41.7%** in 2023–24, driven mainly by rural women, but concerns remain over job quality and unpaid work.

About Female Labour Force Participation in India:

1. **FLFPR includes women employed or actively seeking work**, but higher participation does not always equal better economic empowerment.
2. FLFPR fell from **31.2% (2011–12)** to **23.3% (2017–18)**, then rose sharply to **41.7% (2023–24)**.
3. The recent rise is **rural-driven**, reflecting economic compulsions like inflation and income distress.
4. Women are returning predominantly to **agriculture**, not diversifying into industry or services—indicating limited non-farm opportunities.
5. Rural women's share in agriculture rose from **71.1% → 76.9%** between 2018–19 and 2023–24.
6. **Unpaid family labour** and self-employment account for most of the increase, not formal wage or salaried employment.
7. Urban female participation remains low due to **safety concerns, social norms, skill gaps, and childcare burdens**.
8. True empowerment requires **formal job creation, skilling, childcare support, and gender-inclusive labour policies**.

SOURCE: PIB

RISE IN INDIA'S EXTERNAL DEBT

Recent Update: India's external debt rose to **USD 747.2 billion** by June 2025, a **1.5% increase**, driven mainly by valuation effects from currency movements.

About Rise in India's External Debt:

1. India's external debt increased partly due to **valuation losses** of USD 5.1 billion caused by **US dollar depreciation**.
2. Despite the rise, external debt remains secure as **93% is covered by forex reserves**, ensuring resilience.
3. The **external debt-to-GDP ratio is 18.9%**, indicating sustainable liability levels.
4. **Long-term debt** dominates at USD 611.7 billion, while **short-term debt** declined to **18.1%**, lowering rollover risks.
5. Short-term debt as a share of reserves improved, reducing liquidity vulnerabilities.

6. Currency composition: **USD (53.8%), INR (30.6%), Yen (6.6%), SDR (4.6%), Euro (3.5%)**.
7. Sector distribution: **Non-financial corporations (35.9%)** are the largest borrowers, followed by government and financial institutions.
8. India's external debt remains manageable due to prudent borrowing and strong reserve buffers.

CREDIT REFORMS TO DEEPEN FINANCIAL MARKETS

Recent Update: RBI announced major credit reforms enabling banks to finance **M&As**, expand rupee lending abroad, and deepen capital markets.

About Credit Reforms to Deepen Financial Markets:

1. For the first time, banks may finance **Mergers & Acquisitions (M&As)**, a domain earlier restricted to prevent promoter misuse and concentration of risk.
2. Banks can now lend in **Indian Rupees** to Nepal, Bhutan, and Sri Lanka—strengthening **rupee internationalisation**.
3. Loan limits against shares raised to **₹1 crore**; IPO financing increased to **₹25 lakh**, boosting capital market participation.
4. **Special Rupee Vostro Account (SRVA)** balances can now be invested in **corporate bonds** and CPs, not just government securities.
5. **FBIL** will expand currency reference benchmarks beyond USD, EUR, GBP, JPY, reducing dollar dominance.
6. Revised **Basel III norms** take effect from April 2027, lowering risk weights for **MSME and housing loans**, improving credit flow.
7. Reforms aim to deepen debt markets, improve liquidity, and reduce dependence on offshore financing.
8. Collectively, these measures strengthen India's financial architecture amid global monetary uncertainty.

REORIENTING INDIA'S PRIVATE CAPITAL EXPENDITURE

Recent Update: As global tariffs rise, India is shifting focus toward **domestic private capex** to strengthen economic stability and growth.

About Reorienting India's Private Capital Expenditure:

1. **Capital Expenditure (Capex)** refers to long-term investment in physical assets (buildings, machinery, tech) that generate future returns.

- In FY25–26, India budgeted **₹11.21 lakh crore (3.1% of GDP)** for capex to stimulate high-multiplier growth.
- Capex boosts employment, productivity, and ancillary sectors; unlike Opex, it creates **long-term assets**.
- Historically, post-liberalisation, Indian firms expanded globally; current global trade barriers push a return to domestic investment.
- Private capex grew **66.3%** from FY22–25 but is projected to decline **25.5%** in FY25–26 due to external uncertainty.
- Investment motives: **49.6% for income generation, 30.1% for upgrades, 2.8% for diversification**.
- Manufacturing dominates private capex at **43.8%**, followed by IT (15.6%) and transport (14%).
- Gross Fixed Assets (GFA) rose **27.5%**, indicating long-term capacity expansion despite short-term volatility.

DECARBONISING INDIAN RAILWAYS

Recent Update: India successfully trialled its **first hydrogen-powered train coach** at ICF Chennai (July 2025), advancing its net-zero 2030 target.

About Decarbonising Indian Railways:

- Indian Railways has electrified **98% of broad-gauge routes**, cutting diesel dependence and emissions.
- Dedicated Freight Corridors aim to raise rail freight share to **45% by 2030**, reducing carbon-intensive road transport.
- Renewable energy push: **756 MW** installed, including solar (553 MW) and wind (103 MW).
- Over **2,000 stations** use solar power; many hold the **BEE Shunya (net-zero)** certification.
- Hydrogen for Heritage Initiative:** 35 hydrogen trains to be introduced; aligns with the **National Green Hydrogen Mission**.
- India issued **₹58,000 crore** sovereign green bonds since 2023; **IRFC** has supported major green financing.
- World Bank granted **USD 245 million** for rail logistics and freight efficiency upgrades.
- Collectively, these initiatives aim for a **net-zero, energy-efficient, and modern** railway ecosystem.

TOWARDS A UNIFIED NATIONAL EMPLOYMENT FRAMEWORK

Recent Update: CII experts urged creation of a **Unified National Employment Framework** to address

job–skill mismatches and harness the demographic dividend.

About Towards a Unified National Employment Framework:

- Demographic Edge:** India will add **133 million workers** by 2050—18% of the global workforce.
- Gig Sector Expansion:** Gig workers may reach **9 crore by 2030**, but mostly without formal protections.
- Growing Urban Distress:** Automation and migration pressures widen rural–urban employment gaps.
- Low Female Participation:** Despite rising education, female LFPR remains **below 35%**.
- Fragmented Schemes:** Skilling, labour, and welfare programmes operate in silos, reducing impact.
- Need for Policy Coherence:** Unified framework aligns trade, industrial, and labour policies for measurable job outcomes.
- Demographic Urgency:** Window of demographic dividend closes around **2043**; delay risks long-term unemployment.
- Inclusive Growth:** Ensures jobs are regionally balanced, gender-sensitive, and technology-driven.

AGRICULTURE IN THE AGE OF INEQUALITY

Recent Update: Rising inequality and corporate capture expose systemic vulnerabilities in India's farm economy.

About Agriculture in the Age of Inequality:

- Falling Farmer Incomes:** NSS 77th Round shows average farm income at **₹10,218/month**, 10% lower than 2012–13.
- Declining Cultivators:** India lost **15 million cultivators** (1991–2011); ~2,000 farmers quit farming daily.
- Extreme Wealth Gap:** Wealth of **217 billionaires = 58× agriculture budget**, reflecting structural inequality.
- Falling Terms of Trade:** Input inflation outpaces crop prices; cotton once bought **12g gold/quintal**, today <1g.
- Economic Backbone:** Agriculture supports **45% of workforce** and **18% of GDP**.
- Food Security:** Provides stability, price cushioning, and nutritional security.
- Social Safety Net:** Absorbs labour during crises (e.g., COVID-19 reverse migration).

- Intersectoral Linkages:** Feeds into MSMEs, food processing, transport, and rural markets.

NITI AAYOG REPORT: "ROADMAP ON AI FOR INCLUSIVE SOCIETAL DEVELOPMENT"

Recent Update: NITI Aayog released a framework to integrate **AI for informal workforce empowerment**, skilling, and social protection.

About the Report:

- Informal Workforce Dominance:** ~490 million workers (90%) remain informal, contributing ~50% to GDP.
- Rural Informality:** Over 80% lack contracts/social security; concentrated in construction, retail, handicrafts.
- Gender Imbalance:** Women form 55% of informal labour, often in low-paid home-based work.
- Low Productivity:** Informal productivity is ¼ of formal sector, keeping wages depressed.
- Urban Gig Expansion:** India has 7.5 million platform workers, mostly without protections.
- Financial Vulnerability:** 75% earn below ₹10,000/month; limited access to credit & insurance.
- Digital Divide:** 70% lack digital literacy, limiting participation in AI-enabled opportunities.
- Market Barriers:** Only 12% access digital markets; dependence on middlemen persists.

RESTORING FISCAL SPACE FOR THE STATES

Recent Update: End of **GST compensation** has triggered state concerns about shrinking fiscal autonomy.

About Restoring Fiscal Space for the States:

- GST Shift:** Move from origin-based to **destination-based taxation** reduced states' independent taxing power.
- GST Council Dynamics:** Centre holds 33% voting power, influencing decisions heavily.
- Loss of Compensation:** Post-July 2025, resource-poor states face revenue instability.
- Slab Restructuring Impact:** Provides consumer relief but reduces states' tax capacity.
- Finance Commission Role:** 15th FC cut state share from 42% to 41% after J&K bifurcation.
- Rise of Cesses & Surcharges:** ₹4.23 lakh crore collected but excluded from divisible pool—states lose revenue.
- Fiscal Federalism Erosion:** Increasing centralisation reduces state-level developmental flexibility.



- Need for Reform:** States demand expansion of divisible resources and compensation mechanisms.

APK (ANDROID PACKAGE KIT)

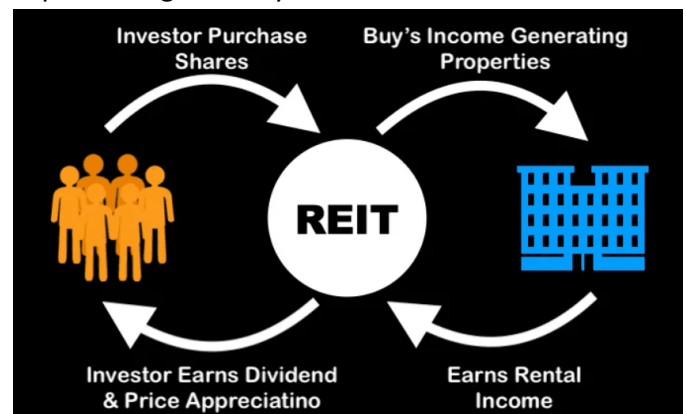
Recent Update: Discussions around sideloading apps and digital safety in Android systems.

About:

- APK = **Android Package Format**, used for app installation on Android OS.
- Contains **code, assets, and resources** required for application functioning.
- Technically an **archive file**, similar to **ZIP/JAR** formats.
- Cannot be installed on iOS normally, except under **beta testing developer options**.
- Core to **app distribution**, especially for third-party or unreleased versions.
- Supports modular packaging enabling faster updates.
- Part of Android's **open-source ecosystem**, enabling wide developer innovation.

REITs

Recent Update: REIT-linked commercial assets expanded significantly in 2025.



About:

- Real Estate Investment Trusts** pool investor money into **income-generating real estate**.
- Invest in **office spaces, malls, warehouses, hotels** etc.
- Allow small investors to earn **rental income** without owning property.

- REITs must distribute **90% of income** to unitholders.
- Governed by **SEBI (REIT Regulations 2014)**.
- Provide high **liquidity** as units are listed on stock exchanges.
- Lower investment threshold makes them **retail-friendly**.

INVITs

Recent Update: InvIT market expanded with major road and power sector listings.

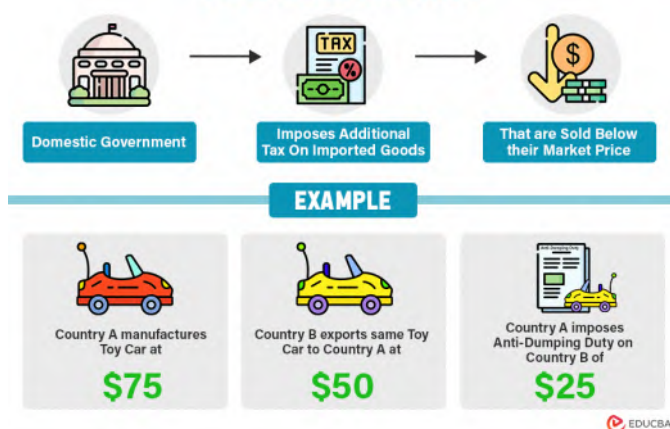
About:

- Infrastructure Investment Trusts** invest in **roads, power transmission, pipelines, telecom towers**.
- Provide income via **tolls, tariffs, rentals, interest**.
- Must distribute **90% of net distributable income**.
- Regulated by **SEBI (InvIT Regulations 2014)**.
- Allow retail and institutional participation in long-term **infrastructure assets**.
- Classified into **Public, Private Listed, and Private Unlisted** InvITs.
- Recognized borrowers under **SARFAESI Act**, enabling financial flexibility.

ANTI-DUMPING DUTIES

Recent Update: DGTR imposed anti-dumping duties on several Chinese products.

ANTI-DUMPING DUTY



About:

- Anti-dumping duty is a **tariff on imports sold below normal value**.
- Ensures **fair trade** and protects domestic industry from injury.
- Investigated and recommended by **DGTR**.
- Permitted under **WTO – GATT Article VI**.
- Requires proof of **dumping, injury, and causal link**.
- Duties are **temporary** and reviewed periodically.
- Different from **countervailing duties** (which address subsidies)

PULSES IN INDIA

Recent Update: India's pulse imports reached a **6-year high in FY 2024**, rising 84% YoY.

About:

- India is the **largest producer, consumer, and importer** of pulses globally.
- Major pulses: **Gram (40%), Tur/Arhar (15–20%)**, followed by urad, masoor, and moong.
- 80%** of pulse cultivation occurs in **rainfed regions**, making production climate-sensitive.
- Major producing states: **Madhya Pradesh, Rajasthan, Maharashtra, Karnataka, Uttar Pradesh**.
- Key import partners: **Australia, Canada, Russia, Turkey, Myanmar, Tanzania, Sudan, Malawi, Mozambique**.
- Nutritionally rich in **protein (20–25%), fibre, iron, and calcium**, crucial against malnutrition and anaemia.
- India exports mainly to **Bangladesh, China, UAE, USA, Nepal**.

NILGIRI TEA

Recent Update: Nilgiri Tea demand increased after global recognition of its **aroma and brisk flavour**.



About:

- A variety of **Camellia sinensis var. sinensis**, grown mainly in the **Nilgiris (Tamil Nadu)**.
- Recognised as a **GI product (2008)**.
- Known for **fragrant, brisk, full-bodied liquor**; widely used in **iced teas**.
- Produced as both **Orthodox** and **CTC** teas.
- Cultivated at **1,000–2,500 m** in the Western Ghats under **both monsoons**.
- Soil: **well-drained lateritic loam**, ideal for flavour development.
- Plucked frequently — nearly **32 harvest rounds annually**.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Recent Update: Compliance strengthened under **CSR Amendment Rules 2022**.

About:

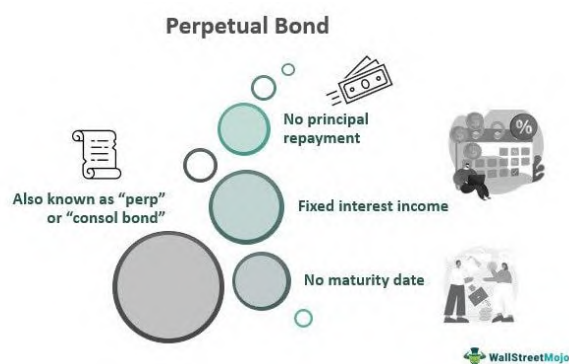
1. CSR governed by **Section 135 & Schedule VII** of Companies Act, 2013.
2. Mandatory for companies with **₹500 cr net worth, ₹1000 cr turnover, or ₹5 cr net profit**.
3. Must spend **2% of average net profit** of previous 3 years on notified activities.



4. Supervised by **Ministry of Corporate Affairs**.
5. Unspent CSR funds must be transferred to a **designated fund** after the fiscal year.
6. CSR committees oversee implementation and monitoring.
7. CSR cannot be fulfilled via **Social Stock Exchanges**, but through approved activities.

PERPETUAL BONDS

Recent Update: Increasing use by banks for **Tier-1 capital raising**.



About:

1. Bonds with **no maturity date**.
2. Pay **interest indefinitely** until issuer redeems voluntarily.
3. Investors recover principal through **secondary market** sale.
4. Offer **higher coupon rates** due to long-term risk.
5. Issuer not obliged to repay principal.
6. Used to strengthen **capital adequacy** of banks.
7. High-risk during financial stress; may face write-downs.

IREDA (Indian Renewable Energy Development Agency)

Recent Update: IREDA achieved record lending for **solar and wind projects** (2025).

About:

1. Established **1981** as a Public Limited Government NBFC.
2. Registered as **NBFC** & notified as **Public Financial Institution**.
3. Under **Ministry of New & Renewable Energy (MNRE)**.
4. Finances **renewable energy + energy efficiency** projects.
5. Supports **solar, wind, hydro, biomass, green hydrogen** sectors.
6. Provides loans, refinancing, and project development assistance.
7. Key driver of India's **green energy transition**.

DERIVATIVES

Recent Update: SEBI reviewed norms for derivatives to reduce volatility.

About:

1. Derivatives derive value from **underlying assets** (stock, index, commodity, currency).
2. Types: **Futures, Options, Swaps**.
3. Used for **hedging, arbitrage, speculation**.
4. Regulated by **SEBI** in India.
5. Markets: **Exchange-traded & Over-the-counter (OTC)**.
6. Exchange-traded derivatives follow **standardised contracts**.
7. OTC derivatives involve **private negotiation** between parties.
8. Derivative exchanges function as **Self-Regulatory Organisations (SROs)** under SEBI.

BLUE PORTS

Recent Update: India signed a **Technical Cooperation Agreement with FAO** to develop Blue Ports.



About:

1. Joint initiative of **India + FAO** under **Pradhan Mantri Matsya Sampada Yojana (PMMSY)**.
2. Aims to build **Smart, Integrated Fishing Harbours**.

- Pilot sites: **Vanakbara (Diu), Karaikal (Puducherry), Jakhau (Gujarat)**.
- Features include **IoT sensors, AI integration, 5G, automation**.
- Includes **rainwater harvesting, waste treatment, debris clean-up systems**.
- Enhances **fish value chain efficiency & export competitiveness**.
- Strengthens **coastal livelihood resilience**.
- Supports **sustainable fisheries & marine ecosystem management**.

ECOMARK SCHEME

Recent Update: Gol promoted **eco-labelling for Lakshadweep's tuna fisheries** under new rules.



About:

- Launched in **1991**, administered by **BIS** under MoEFCC.
- Voluntary scheme for **environment-friendly products**.
- Products must display **ECO Logo + ISI Mark**.
- Updated via **Ecomark Rules 2024** replacing 1991 scheme.
- Certifies products with **lower environmental impact**.
- Promotes **LiFE mission** sustainable consumption.
- Third-party **independent certification** model.
- Encourages global **eco-labelling practices** in India.

SHRIMP FARMING

Recent Update: SAIME and MPEDA promoting **sustainable shrimp aquaculture** in AP & Gujarat.



About:

- Aquaculture practice in **marine or freshwater** environments.
- Shrimps occur in **rivers, lakes, estuaries, and seafloor**; Merguia species semi-terrestrial.
- Nellore (AP)** known as India's "shrimp capital".

- AP (~70%)**, West Bengal, Gujarat are major producers.
- India is among **largest global exporters**; 2nd-largest producer of **Whiteleg shrimp**.
- Regulated by **MPEDA** (statutory body).
- SAIME (2019) promotes **mangrove-based sustainable farming**.

MAIZE

Recent Update: India hosted the **11th India Maize Summit 2025** in Delhi.

About:

- Known as the **Queen of Cereals** due to high yield potential.
- A **Kharif crop** used for food, fodder & fuel.
- Grows best at **21–27°C**, requires high rainfall.
- India: 4th in area, **7th in global production**.
- Top producing states: **Madhya Pradesh & Karnataka (15% each)**.
- Major global producers: **USA, Brazil, Argentina**.
- India's maize output has **tripled in two decades**.
- IIMR HQ: **Ludhiana, Punjab**.

WAYS AND MEANS ADVANCES (WMA)

Recent Update: RBI fixed the **WMA limit for the Central Government** for FY 2025–26 (H2).

About:

- WMAs are **temporary loans** from RBI to Centre and States.
- Introduced in **1997** to manage cash flow mismatches.
- Duration: **up to 90 days**; beyond that → **overdraft**.
- Interest rates linked to the **Repo Rate**.
- Two types: **Special WMA** and **Normal WMA**.
- States receive **Special WMA** first, then **Normal WMA**.
- Governed under **RBI Act, 1934**.
- WMA limits set by RBI in consultation with the **Central Government**.



TOPICS COVERED-

- 1. India's First National Policy on Geothermal Energy**
- 2. RBI Gold Reserves Surpass USD 100 Billion**
- 3. 8th Session of the International Solar Alliance**
- 4. Small Finance Banks**
- 5. Transit-Oriented Development**
- 6. Rising Household Debt in India**
- 7. Amul as World's Top Cooperative**
- 8. Revamping Special Economic Zones**
- 9. Diversification of India's Export Markets**
- 10. India's Rising Household Debt and Financial Risk**
- 11. Amul and India's Cooperative Movement**
- 12. Export Promotion Mission**
- 13. Manufacturing in India**
- 14. World Inequality Report 2026**
- 15. Protection of Plant Varieties and Farmers' Rights Act, 2001**
- 16. Maritime Sector of India**
- 17. Financial Sector Assessment Program Report**
- 18. 8.2% GDP Growth: India's Economic Momentum**
- 19. TEX-RAMPS (Textiles Research and Manufacturing Promotion Scheme)**
- 20. Manufacturing in India: Structural Transformation**
- 21. India's Labour Reforms**
- 22. Code on Wages, 2019**
- 23. Industrial Relations Code, 2020**
- 24. Code on Social Security, 2020**
- 25. Occupational Safety, Health and Working Conditions Code**
- 26. India Skills Report 2026**
- 27. India's IT Sector at a Crossroads**
- 28. Exploited Workers and Labour Policy Challenges**

- 29. Artificial Intelligence in Agriculture**
- 30. NITI Aayog – Reimagining Agriculture Report**
- 31. Payments Regulatory Board**
- 32. Clean Slate Doctrine under the Insolvency and Bankruptcy Code**
- 33. Unicorn Company**
- 34. Marine Stewardship Council Certification**
- 35. Income Tax Appellate Tribunal**
- 36. Foreign Currency Settlement System**
- 37. International Financial Services Centres Authority**
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- 39. LEAPS 2025**
- 40. Financial Action Task Force**
- 41. Authorised Economic Operator Programme**
- 42. Payment Aggregator**
- 43. Bonus Issue**
- 44. Windfall Profit**
- 45. Overnight Index Swap**
- 46. Periodic Labour Force Survey**
- 47. Inequality-Adjusted Human Development Index and India's HDI Performance**

SOURCE: DRISHTI MONTHLY

INDIA'S FIRST NATIONAL POLICY ON GEOTHERMAL ENERGY

Recent Update: India launched its first National Policy on Geothermal Energy in 2025 to unlock its vast untapped geothermal potential and support Net Zero 2070 goals.

About:

1. The policy aims to mainstream geothermal energy as a reliable renewable energy source in India's clean energy mix.
2. It covers power generation, direct-use applications, geothermal heat pumps, and use of abandoned oil wells.
3. The framework encourages advanced technologies such as Enhanced Geothermal Systems and geothermal storage.
4. Mineral by-products like lithium and silica will be regulated under the MMDR Act to ensure sustainable extraction.
5. A national geothermal data repository will be created through coordination among geological and energy agencies.
6. Financial incentives include up to 100% R&D support for public institutions and 70% for private players.
7. The policy supports energy security, emission reduction, and diversification of India's renewable portfolio.

RBI GOLD RESERVES SURPASS USD 100 BILLION

Recent Update: India's gold reserves crossed USD 100 billion after the RBI increased its gold holdings significantly.



About:

1. The RBI increased gold holdings to diversify foreign exchange reserves and reduce dollar dependence.
2. Gold acts as a hedge against inflation, currency volatility, and geopolitical uncertainty.
3. A significant portion of reserves is now held domestically to enhance financial security.
4. Rising global uncertainty has reinforced gold's role as a safe-haven asset.
5. India's strategy aligns with global central banks increasing gold purchases.
6. This move strengthens macroeconomic stability and investor confidence.
7. The policy reflects long-term prudence in reserve management.

8TH SESSION OF INTERNATIONAL SOLAR ALLIANCE (ISA)

Recent Update: The 8th ISA Assembly reaffirmed global commitment to solar-led energy transition.

About:

1. ISA launched the SUNRISE initiative to promote solar recycling and circular economy practices.
2. The One Sun One World One Grid vision advanced global grid interconnectivity.
3. New financing platforms were introduced to support developing countries.
4. ISA promoted solar manufacturing, innovation, and skill development.
5. The initiative aims to reduce fossil fuel dependence globally.
6. India reaffirmed leadership in global solar diplomacy.
7. ISA continues to strengthen South-South cooperation.

SMALL FINANCE BANKS (SFBs)

Recent Update: RBI declined a conversion request of an SFB into a universal bank citing regulatory gaps.

About:

1. Small Finance Banks aim to enhance financial inclusion for underserved populations.
2. They provide deposits, credit, and basic banking services.

3. SFBs must maintain higher priority sector lending norms.
4. Capital adequacy and governance norms ensure financial stability.
5. They serve MSMEs, farmers, and low-income households.
6. RBI closely monitors their compliance and asset quality.
7. SFBs strengthen grassroots financial inclusion architecture.

TRANSIT-ORIENTED DEVELOPMENT (TOD)

Recent Update: India's first major TOD project was launched in Delhi to promote sustainable urban mobility.

About:

1. TOD promotes compact, mixed-use development around mass transit hubs.
2. It reduces dependence on private vehicles and lowers emissions.
3. High-density zoning enhances land-use efficiency.
4. Pedestrian-friendly design improves urban liveability.
5. TOD supports affordable housing near employment centres.
6. It aligns urban planning with climate and sustainability goals.
7. India's urban policy increasingly integrates TOD principles.

RISING HOUSEHOLD DEBT IN INDIA

Recent Update: RBI data shows household debt rising faster than asset accumulation.

About:

1. Household borrowing has increased due to consumption and housing loans.
2. Asset growth has lagged behind debt accumulation.
3. Rising debt raises concerns over financial vulnerability.
4. Shift toward financial assets reflects evolving savings behaviour.
5. Mutual fund participation has increased significantly.

6. Digital finance has accelerated credit access.
7. Policy focus is shifting toward financial literacy and prudential oversight.

AMUL AS WORLD'S TOP COOPERATIVE

Recent Update: Amul ranked the world's top cooperative by GDP contribution.



About:

1. Amul represents a successful cooperative model driven by farmers.
2. It has strengthened rural incomes and dairy productivity.
3. Democratic ownership ensures equitable value distribution.
4. It has transformed India into the world's largest milk producer.
5. Cooperative governance enhances economic resilience.
6. Amul exemplifies inclusive growth through collective enterprise.
7. Its model is globally recognized for sustainability.

REVAMPING SPECIAL ECONOMIC ZONES (SEZs)

Recent Update: India is reviewing SEZ policies to boost competitiveness and exports.

About:

1. SEZs aim to attract investment and boost export-led growth.
2. Policy reforms seek flexibility and domestic market integration.

3. Reduced global demand has affected SEZ performance.
4. The new framework targets investment and technology inflows.
5. Focus is on integrating SEZs with global value chains.
6. Employment generation remains a core objective.
7. Reforms aim to align SEZs with global trade norms.

DIVERSIFICATION OF INDIA'S EXPORT MARKETS

Recent Update: India diversified exports amid declining shipments to traditional markets.



About:

1. India expanded trade with Africa, Southeast Asia, and Latin America.
2. Reduced dependence on the US improved trade resilience.
3. Government schemes supported market diversification.
4. New trade routes strengthened export competitiveness.
5. Sectoral diversification reduced vulnerability to global shocks.
6. Export growth boosted manufacturing and employment.
7. The strategy supports long-term trade sustainability.

INDIA'S RISING HOUSEHOLD DEBT AND FINANCIAL RISK

Recent Update: RBI data reveals household debt rising faster than income growth.

About:

1. Increased borrowing reflects consumption-led growth.
2. Household savings rates have declined.
3. Debt servicing pressures may affect future consumption.
4. Financial literacy remains uneven across demographics.
5. Policy intervention is needed to ensure credit sustainability.
6. Balanced growth requires income generation alongside credit expansion.
7. Monitoring household leverage is crucial for macroeconomic stability.

AMUL AND INDIA'S COOPERATIVE MOVEMENT

Recent Update: Amul retained global leadership among cooperatives.

About:

1. India's cooperative movement empowers farmers economically.
2. Constitutional recognition strengthens cooperative governance.
3. Amul demonstrates scale-driven efficiency and equity.
4. Cooperative models support rural employment.
5. Digital tools are modernizing cooperative operations.
6. Government initiatives support cooperative expansion.
7. Cooperatives remain pillars of inclusive growth.

SOURCE: VISION MONTHLY

EXPORT PROMOTION MISSION (EPM)

Recent Update: The Union Cabinet approved the Export Promotion Mission in the Union Budget 2025–26 to strengthen India's export competitiveness.



About:

1. The mission aims to create a comprehensive, digitally enabled framework to boost India's export performance.
2. It will be implemented over six years from FY 2025–26 to 2030–31 with an outlay of ₹25,060 crore.
3. Priority sectors include textiles, leather, gems and jewellery, engineering goods, and marine products.
4. The Niryat Protsahan component focuses on affordable export credit and financial support mechanisms.
5. The Niryat Disha component enhances market access, logistics, quality compliance, and branding.
6. It integrates existing schemes like the Interest Equalisation Scheme and Market Access Initiative.
7. The mission addresses challenges such as logistics inefficiencies, global tariff barriers, and export market diversification.

MANUFACTURING IN INDIA

Recent Update: NITI Aayog released a roadmap for advanced manufacturing to position India as a global manufacturing hub.

About:

1. The roadmap identifies frontier technologies such as AI, robotics, digital twins, and advanced materials as growth drivers.
2. It focuses on 13 priority sectors including electronics, semiconductors, clean energy, and pharmaceuticals.
3. Manufacturing is crucial for shifting labour from low-productivity agriculture to higher-productivity industry.

4. It enhances economic resilience by reducing import dependence in strategic sectors.
5. Manufacturing generates strong employment multipliers and supports MSME ecosystems.
6. Technological upgrading promotes innovation spillovers across the economy.
7. Regional development is supported by dispersing industrial activity beyond metropolitan areas.

WORLD INEQUALITY REPORT 2026

Recent Update: The World Inequality Lab released the 2026 report highlighting deepening global inequality.

About:

1. The richest 10% control nearly 75% of global wealth, while the bottom 50% hold just 2%.
2. Income inequality remains severe, with the top 10% earning more than the bottom 90% combined.
3. Climate inequality persists as the richest 10% account for over three-fourths of global emissions.
4. Poorer nations bear disproportionate climate impacts despite minimal historical emissions.
5. Global financial structures favour wealthy economies through capital flows and unequal returns.
6. Rising inequality threatens social cohesion, development, and political stability.
7. The report calls for progressive taxation, inclusive growth, and global cooperation.

PROTECTION OF PLANT VARIETIES AND FARMERS' RIGHTS ACT

Recent Update: India marked the silver jubilee of the PPV&FR Act, 2001.

About:

1. The Act protects plant breeders' innovations while safeguarding farmers' rights.
2. It enables registration of new, extant, and farmers' varieties.
3. Farmers can save, use, exchange, and sell seeds of protected varieties.
4. Benefit-sharing mechanisms ensure rewards for communities conserving genetic resources.

5. The law aligns with India's TRIPS obligations through a sui generis system.
6. It encourages agricultural innovation while protecting traditional knowledge.
7. The PPV&FR Authority oversees registration, enforcement, and benefit sharing.

MARITIME SECTOR OF INDIA

Recent Update: India launched major maritime reforms during India Maritime Week 2025.



About:

1. The maritime sector handles nearly 95% of India's trade volume.
2. Initiatives include the Maritime India Vision 2030 and Maritime Amrit Kaal Vision 2047.
3. Port capacity expansion and digitisation are improving logistics efficiency.
4. Green shipping initiatives aim to reduce emissions and enhance sustainability.
5. Inland waterways are being expanded to decongest road and rail networks.
6. Shipbuilding and repair are being promoted through investment incentives.
7. Maritime reforms strengthen India's role in global trade and logistics chains.

FINANCIAL SECTOR ASSESSMENT PROGRAM (FSAP) REPORT

Recent Update: The IMF–World Bank FSAP report assessed India's financial system resilience.

About:

1. India's financial system has expanded to nearly 175% of GDP in asset size.
2. Digital public infrastructure has enhanced financial inclusion and efficiency.

3. Banking sector resilience has improved through regulatory reforms.
4. Challenges remain in deepening bond markets and managing NBFC risks.
5. Regulatory coordination has strengthened supervision and stability.
6. The report highlights the need for stronger capital markets.
7. Continued reforms are vital to support India's long-term growth ambitions.

SOURCE: INSIGHTS MONTHLY

8.2% GDP GROWTH: INDIA'S ECONOMIC MOMENTUM

Recent Update: India recorded 8.2% real GDP growth in Q2 FY26, reaffirming its position as the world's fastest-growing major economy.

About:

1. The growth reflects strong domestic demand, resilient consumption, and investment momentum despite global slowdown.
2. Real GDP growth of 8.2% and nominal growth of 8.7% indicate both volume expansion and price stability.
3. Primary sector growth remained modest due to climatic constraints, while manufacturing and services drove expansion.
4. The tertiary sector emerged as the main engine, supported by IT, trade, transport, and financial services.
5. CPI inflation fell to 0.25%, signalling easing food prices and effective supply-side management.
6. WPI deflation reflected lower fuel, commodity, and food prices, easing input costs.
7. The macro trend indicates strong domestic resilience amid global uncertainty and monetary tightening elsewhere.

TEX-RAMPS (TEXTILES RESEARCH AND MANUFACTURING PROMOTION SCHEME)

Recent Update: The government launched Tex-RAMPS to modernise and future-proof India's textile and apparel sector.

About:

1. The scheme aims to boost innovation, R&D, and technology adoption across the textile value chain.
2. It focuses on high-value segments like smart textiles, technical textiles, and sustainable fibres.
3. The programme addresses low R&D investment and weak academia–industry linkages.
4. It promotes adoption of digital tools, green manufacturing, and circular economy models.
5. Support is provided for start-ups, research institutions, and industry clusters.
6. The scheme aligns with global sustainability standards and export competitiveness.
7. It strengthens India’s position in global textile value chains beyond low-cost manufacturing.

MANUFACTURING IN INDIA: STRUCTURAL TRANSFORMATION

Recent Update: NITI Aayog released a roadmap to position India as a global manufacturing hub.

About:

1. Manufacturing expansion is critical for job creation and economic diversification.
2. The roadmap emphasises advanced manufacturing, digitalisation, and innovation ecosystems.
3. Focus sectors include electronics, semiconductors, defence, clean energy, and pharmaceuticals.
4. Manufacturing boosts productivity through economies of scale and technology diffusion.
5. It reduces import dependence and strengthens strategic autonomy.
6. Regional industrialisation promotes balanced regional development.
7. Strong manufacturing underpins India’s long-term growth and export competitiveness.

INDIA’S LABOUR REFORMS

Recent Update: The Government highlighted progress in labour reforms through the implementation of four consolidated Labour Codes to simplify compliance and strengthen worker welfare.



About:

1. India consolidated 29 outdated labour laws into four simplified Codes to modernise labour governance and improve ease of doing business.
2. The reforms aim to balance labour protection with economic efficiency by streamlining compliance and reducing regulatory fragmentation.
3. They align labour laws with evolving work patterns such as gig work, platform economy, and contractual employment.
4. The framework enhances transparency, digital governance, and dispute resolution mechanisms.
5. It seeks to formalise employment while protecting worker rights across organised and unorganised sectors.
6. The reform supports economic growth by reducing regulatory uncertainty for employers.
7. It aligns labour regulation with global standards and India’s demographic transition.

KEY FEATURES – CODE ON WAGES, 2019

Recent Update: Implemented to ensure fair wages and uniform labour standards nationwide.

About:

1. Establishes a universal minimum wage covering all workers irrespective of sector or geography.
2. Introduces a national floor wage to prevent states from fixing wages below a basic living threshold.
3. Ensures gender-neutral pay, mandating equal wages for equal work across genders.

4. Mandates overtime wages at twice the regular rate to protect workers from exploitation.
5. Replaces punitive inspections with an inspector-cum-facilitator model to promote compliance.
6. Decriminalises minor offences, shifting towards monetary penalties and trust-based regulation.
7. Simplifies wage definitions to ensure transparent computation of benefits.

KEY FEATURES – INDUSTRIAL RELATIONS CODE, 2020

Recent Update: Introduced to modernise industrial relations and improve labour flexibility.

About:

1. Enables fixed-term employment with full statutory benefits, reducing informal hiring practices.
2. Introduces a re-skilling fund to support retrenched workers during job transitions.
3. Simplifies industrial dispute resolution through streamlined grievance mechanisms.
4. Raises the threshold for government approval of layoffs from 100 to 300 workers.
5. Recognises trade unions with majority support, improving collective bargaining clarity.
6. Mandates 14-day notice for strikes and lockouts to encourage negotiation-based resolution.
7. Balances worker security with enterprise flexibility to promote job creation.

KEY FEATURES – CODE ON SOCIAL SECURITY, 2020

Recent Update: Expanded coverage to include gig, platform, and unorganised workers.

About:

1. Establishes universal social security covering health, maternity, disability, and old age.
2. Extends EPFO and ESIC coverage nationwide, removing geographical limitations.
3. Creates a Social Security Fund financed by government and aggregator contributions.
4. Introduces self-assessed cess to reduce inspection burden and improve compliance.
5. Grants gratuity benefits to fixed-term employees after one year of service.

6. Standardises wage definitions to prevent under-reporting and benefit dilution.
7. Strengthens portability of benefits for migrant and platform workers.

KEY FEATURES – OCCUPATIONAL SAFETY, HEALTH AND WORKING CONDITIONS CODE

Recent Update: Introduced to modernise workplace safety standards across sectors.

About:

1. Expands protection to migrant and contract workers through nationwide portability.
2. Allows women to work night shifts with safety and consent safeguards.
3. Establishes a national database of workers for benefit delivery and policy planning.
4. Standardises working hours to 8 hours per day and 48 hours per week.
5. Enhances employer accountability for workplace safety and health standards.
6. Promotes digital registration and compliance to reduce informality.
7. Strengthens enforcement through technology-enabled inspections.

THE INDIA SKILLS REPORT 2026

Recent Update: The report highlights a rise in employability to 56.35%, reflecting improving workforce readiness.

About:

1. Assesses employability trends across education levels, sectors, and regions.
2. Indicates strong growth in job readiness driven by skilling initiatives and digital adoption.
3. Highlights higher employability among women, surpassing men for the first time.
4. Identifies growing demand for AI, digital, and emerging technology skills.
5. Emphasises alignment between academia, industry, and skill development institutions.
6. Signals positive outcomes of skilling reforms and industry-linked education.
7. Guides policymakers on future workforce planning and labour reforms.

SOURCE: THE INDIAN EXPRESS

INDIA'S IT SECTOR AT A CROSSROADS

Recent Update: India's IT sector faces structural transition amid automation and global slowdown.



About:

1. The sector contributes 7% to GDP and employs over 6 million people.
2. AI and automation are reducing demand for routine IT services.
3. Rising global protectionism and visa restrictions affect outsourcing models.
4. Skill mismatches have emerged as legacy skills lose relevance.
5. Firms are shifting towards high-value, innovation-driven service models.
6. Upskilling in AI, cloud, and cybersecurity is becoming essential.
7. The sector is transitioning from volume-based to value-based growth.

EXPLOITED WORKERS AND LABOUR POLICY CHALLENGES

Recent Update: Policy debates highlight persistent gaps in worker protection and enforcement.

About:

1. Labour exploitation persists through low wages, unsafe conditions, and informal contracts.
2. A large informal workforce remains outside formal social security coverage.
3. Draft Shram Shakti Niti aims to address structural vulnerabilities.

4. Proposes digital platforms for employment matching and welfare delivery.
5. Targets expansion of social security to informal and gig workers.
6. Highlights need for stronger enforcement and grievance redressal systems.
7. Emphasises dignity, equity, and protection as core labour principles.

ARTIFICIAL INTELLIGENCE IN AGRICULTURE

Recent Update: Global reports highlight AI's growing role in transforming agricultural productivity.

About:

1. AI enables precision farming through data-driven crop and soil management.
2. Use of satellite imagery and sensors improves yield forecasting and input efficiency.
3. AI supports climate-resilient farming through predictive analytics.
4. Smallholder farmers benefit from mobile-based advisory systems.
5. AI-driven models enhance supply chain transparency and market access.
6. Adoption reduces costs while improving sustainability and resilience.
7. Positions agriculture as a technology-led growth sector.

NITI AAYOG – REIMAGINING AGRICULTURE REPORT

Recent Update: NITI Aayog launched a roadmap to modernise Indian agriculture through frontier technologies.

About:

1. Envisions agriculture transformation through AI, IoT, drones, and digital platforms.
2. Proposes a three-pillar framework focusing on data, innovation, and policy alignment.
3. Targets higher productivity, sustainability, and farmer incomes.
4. Categorises farmers into aspirational, transitioning, and advanced segments for tailored support.
5. Addresses land fragmentation, low mechanisation, and climate vulnerability.

- Promotes convergence between research, industry, and government.



- Aims to build a resilient, technology-driven agricultural ecosystem by 2047.

LEAPS 2025

Recent Update: LEAPS 2025 is being used to benchmark logistics excellence aligned with PM Gati Shakti.

About:

- LEAPS 2025 is a flagship initiative of the **Department for Promotion of Industry and Internal Trade**.
- It aims to benchmark logistics excellence and best practices.
- The initiative aligns with the National Logistics Policy.
- It covers logistics players across air, road, rail and sea transport.
- Warehousing, MSMEs, startups and academia are included.
- LEAPS emphasises sustainability, ESG and green logistics.
- It supports collaboration between government, industry and academia.
- It complements PM Gati Shakti's ₹100 trillion multimodal infrastructure vision.

FINANCIAL ACTION TASK FORCE (FATF)

Recent Update: FATF continues monitoring countries for AML/CFT compliance through mutual evaluations.

About:

- FATF is an intergovernmental body established in 1989 at the G7 Summit in Paris.
- It sets global standards for anti-money laundering and counter-terror financing.

- Its recommendations are the global AML/CFT benchmark.
- India became a FATF member in 2010.
- FATF works with over 180 countries through regional bodies.
- Non-compliant countries are placed on the Grey List or Black List.
- Blacklisting leads to sanctions and loss of multilateral financial support.
- FATF protects the integrity of the global financial system.

AUTHORIZED ECONOMIC OPERATOR (AEO) PROGRAMME

Recent Update: India continues expanding AEO benefits to improve trade facilitation.



About:

- AEO is a voluntary compliance programme under the WCO SAFE Framework.
- It enhances security of the international supply chain.
- India launched the programme through **Central Board of Indirect Taxes and Customs**.
- It recognises compliant traders as trusted partners.
- Benefits include faster clearance and reduced inspections.
- Deferred duty payments are permitted.
- It helps Customs focus on high-risk consignments.
- The programme promotes secure and efficient global trade.

PAYMENT AGGREGATOR (PA)

Recent Update: RBI continues tightening regulatory oversight of non-bank payment aggregators.

About:

1. A Payment Aggregator enables merchants to accept multiple payment modes.
2. It provides a unified interface for cards, UPI, wallets and bank transfers.
3. The PA handles fund settlement between banks and merchants.
4. It facilitates payouts to partners, suppliers and employees.
5. PAs can be bank or non-bank entities.
6. Non-bank PAs require an RBI licence.
7. Examples include Razorpay, Pine Labs and Amazon Pay.
8. A payment gateway authorises transactions, while a PA manages end-to-end processing.

SOURCE: THE HINDU

PAYMENTS REGULATORY BOARD (PRB)

Recent Update: The RBI has formally constituted the Payments Regulatory Board under the Payment and Settlement Systems Act, 2007, replacing the earlier Board for Regulation and Supervision of Payment and Settlement Systems (BPSS).

About:

1. The PRB has been established by the **Reserve Bank of India** under the Payment and Settlement Systems Act, 2007 to regulate and supervise payment systems in India.
2. It is chaired ex officio by the RBI Governor, ensuring continuity of central bank oversight over the payments ecosystem.
3. The Deputy Governor in charge of payments and the concerned Executive Director are ex officio members of the Board.
4. The Central Government nominates three members, providing government representation in payments regulation.
5. The RBI's principal legal adviser participates as a permanent invitee, strengthening legal scrutiny of decisions.

6. The PRB is supported by the Department of Payment and Settlement Systems, which reports directly to the Board.
7. It regulates all payment systems, whether electronic or non-electronic, domestic or cross-border.
8. Decisions are taken by majority vote, with the Chairperson exercising a casting vote in case of a tie, and the Board must meet at least twice a year.

CLEAN SLATE DOCTRINE UNDER THE INSOLVENCY AND BANKRUPTCY CODE (IBC)

Recent Update: The Delhi High Court reaffirmed that a successful resolution applicant cannot be burdened with past criminal liabilities of a corporate debtor's previous management.

About:

1. The Clean Slate Doctrine is a core principle of the **Insolvency and Bankruptcy Code, 2016**, ensuring a genuine fresh start for a resolved company.
2. It provides that once a resolution plan is approved, the new owner is freed from all past debts, penalties and liabilities.
3. The doctrine aims to maximise value by encouraging resolution applicants to take over stressed assets without legacy risks.
4. The **Supreme Court of India** upheld this principle in the Essar Steel case, holding that all claims not included in the approved plan stand extinguished.
5. In the Edelweiss ARC case, the Court clarified that even government dues like taxes and duties lapse if excluded from the plan.
6. The Gujarat High Court in the Surya Exim case similarly quashed post-approval tax demands.
7. Approval of a resolution plan by the **National Company Law Tribunal** bars initiation or continuation of proceedings based on past claims.
8. The doctrine ensures certainty, finality and revival of viable businesses.

UNICORN COMPANY

Recent Update: The Defence Minister urged Indian startups to create the country's first defence-sector

unicorn to boost indigenous innovation.

About:

1. A unicorn is a privately held startup valued at over USD 1 billion.
2. The term was popularised in 2013 by venture capitalist Aileen Lee.
3. Unicorns typically exhibit rapid growth, disruptive technology and strong scalability.
4. Their valuation is driven more by future growth expectations than current profitability.
5. Unicorns attract significant venture capital and private equity funding.
6. Some unicorns later list through IPOs, while others remain private or get acquired.
7. As of July 2025, there are over 1,200 unicorns globally.
8. In startup taxonomy, gazelles and cheetahs represent earlier high-growth stages before attaining unicorn status.

**MARINE STEWARDSHIP COUNCIL (MSC)
CERTIFICATION**

Recent Update: Around 10 Indian marine and saline fish and shrimp species are expected to receive MSC certification soon.

About:

1. The Marine Stewardship Council is an international non-profit organisation promoting sustainable fishing practices.
2. It sets globally recognised, science-based standards for wild-capture fisheries.
3. MSC certification rewards fisheries following sustainable and responsible practices.
4. Fisheries are assessed by independent auditors on fish stock health, ecosystem impact and management effectiveness.
5. Certification is voluntary and open to all fisheries irrespective of size or gear type.
6. The certification is valid for five years with mandatory annual surveillance audits.
7. MSC is aligned with the FAO Code of Conduct for Responsible Fisheries and FAO eco-labelling guidelines.

8. India's first MSC-certified fishery was the Astamudi clam (*Paphia malabarica*).

INCOME TAX APPELLATE TRIBUNAL (ITAT)

Recent Update: The Chief Justice of India praised ITAT on its 84th anniversary for its role in efficient tax dispute resolution.

About:

1. ITAT is a quasi-judicial body established in January 1941 to hear appeals under direct tax laws.
2. It functions under the **Ministry of Law and Justice**.
3. From an initial six members, it now operates 63 benches across 27 cities.
4. Each bench comprises one Judicial Member and one Accountant Member.
5. Special benches with three or more members may be constituted for complex matters.
6. ITAT is the final fact-finding authority in income-tax disputes.
7. Appeals lie to the High Court only on substantial questions of law.
8. Both taxpayers and the Income Tax Department can file appeals before ITAT.

FOREIGN CURRENCY SETTLEMENT SYSTEM (FCSS)

Recent Update: The Union Finance Minister launched FCSS at GIFT IFSC to speed up cross-border settlements.

About:

1. FCSS is established under the Payment and Settlement Systems Act, 2007.
2. It is authorised by the **International Financial Services Centres Authority**.
3. It allows foreign currency transactions between IFSC banking units to be settled locally.
4. This replaces the traditional correspondent banking or Nostro route.
5. FCSS reduces settlement time from 36–48 hours to near real time.
6. Initially, the system supports USD settlements.

7. It is operated by CCIL IFSC Ltd., a subsidiary of the Clearing Corporation of India.
8. FCSS enhances efficiency, certainty and competitiveness of GIFT IFSC.

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (IFSCA)

Recent Update: IFSCA continues strengthening GIFT IFSC as India's global financial hub.



About:

1. IFSCA is a statutory authority established under the IFSCA Act, 2019.
2. It acts as the unified regulator for financial services in India's IFSCs.
3. It regulates banking, capital markets, insurance and fund management in IFSCs.
4. The authority aims to build global financial connectivity.
5. It addresses India's strategic financial market requirements.
6. IFSCA promotes innovation and ease of doing business.
7. Its headquarters is located at GIFT City, Gandhinagar.
8. It plays a key role in positioning India as an international financial centre.

FOMOFIATION

Recent Update: Episodes of panic buying during festive seasons have renewed focus on fomoflation.

About:

1. Fomoflation refers to inflation driven by fear, panic buying and fear of missing out.
2. It occurs when consumer psychology amplifies supply-side pressures.
3. Panic-driven demand creates artificial scarcity.



FOMOFIATION

Fear Of Missing Out (FOMO) + INFLATION = Increased due anticipated future price hikes, driving prices even higher.

4. This leads to rapid price surges beyond economic fundamentals.
5. Social media amplifies rumours and perceived shortages.
6. Consumers stockpile even when supply is adequate.
7. It has been observed in visa fees and festive essentials.
8. Fomoflation highlights the behavioural dimension of inflation.

BONUS ISSUE

Recent Update: Several listed companies announced bonus issues to reward shareholders.

About:

1. A bonus issue involves issuing free additional shares to existing shareholders.
2. Shares are allotted in a fixed ratio to current holdings.
3. Bonus issues increase share capital but not market capitalisation.
4. Share price adjusts downward proportionately.
5. Shareholder ownership percentage remains unchanged.
6. Bonus shares are issued from accumulated profits or reserves.
7. The issue itself is not taxable.
8. Capital gains tax applies when bonus shares are sold.

WINDFALL PROFIT

Recent Update: Governments are debating windfall taxes amid sectoral profit surges.



Windfall Tax

[win(d)-fól 'taks]

A surtax imposed by governments on businesses or economic sectors that have benefited from economic expansion.

About:

1. Windfall profit refers to sudden and unexpected gains.
2. It arises from external factors like price spikes or supply shocks.
3. Such profits exceed normal business expectations.
4. They may occur across industries or to individuals.
5. Firms may use windfall gains to pay dividends or reduce debt.
6. Governments may impose windfall taxes.
7. These taxes target profits not driven by efficiency.
8. The aim is equitable redistribution of extraordinary gains.

OVERNIGHT INDEX SWAP (OIS)

Recent Update: OIS markets are increasingly used to gauge interest rate expectations.

About:

1. OIS is a derivative contract exchanging fixed and overnight floating interest rates.
2. It helps manage short-term interest rate risk.
3. The floating leg is linked to a daily overnight reference rate.
4. Rates are averaged over the swap period.
5. No principal exchange takes place.
6. Institutions continue servicing original loans.
7. Settlement occurs on a net basis.
8. OIS reflects market expectations of policy rates.

PERIODIC LABOUR FORCE SURVEY (PLFS)

Recent Update: PLFS methodology was revamped in January 2025 to generate monthly labour indicators.

About:

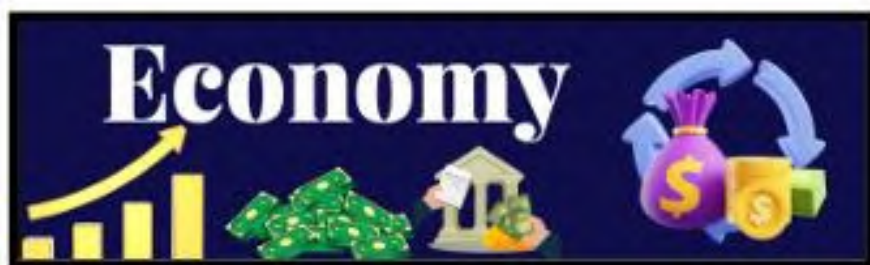
1. PLFS provides data on LFPR, WPR and unemployment rate.
2. A monthly rotational panel design has been introduced.
3. Each household is visited four times in four months.
4. Monthly indicators are generated under Current Weekly Status.
5. Quarterly estimates now cover both rural and urban areas.
6. Annual estimates are provided under usual status and CWS.
7. The survey is conducted by the **National Sample Survey Office**.
8. It functions under the **Ministry of Statistics and Programme Implementation**.

INEQUALITY-ADJUSTED HDI (IHDI) AND INDIA'S HDI PERFORMANCE

Recent Update: India ranked 130th in the Human Development Report 2025.

About:

1. IHDI measures loss in HDI due to inequality in health, education and income.
2. India experiences about 31% loss due to inequality.
3. Factors include low female labour participation and gender gaps.
4. India's HDI improved from 0.676 in 2022 to 0.685 in 2023.
5. Long-term progress is seen since 1990 across life expectancy and income.
6. India remains in the Medium HDI category.
7. Significant inter-state disparities persist.
8. Government schemes aim to improve human development outcomes.



TOPICS COVERED

1. Trend and Progress of Banking in India Report 2024–25
2. Indian Ocean as the Cradle of a New Blue Economy
3. Currency Depreciation
4. Reforming the Fertiliser Subsidy in India
5. India and a Strong Defence Industrial Base
6. Manufacturing in India
7. Nuclear Energy and the SHANTI Bill – Promise, Peril and Policy Choices
8. Surge in India's Ultra-Processed Food Market
9. Navigating the Coal Transition for Energy Security
10. India's Disaster Risk Financing
11. Fully Accessible Route (FAR) Bonds
12. Masala Bonds
13. Health Security & National Security Cess Bill, 2025
14. FDTL Norms and India's Aviation Sector
15. RBI Cuts Repo Rate – Goldilocks Phase
16. Export Promotion Mission (EPM)
17. National Mission on Edible Oils (NMEO)
18. Hybrid Mutual Funds
19. India's Shift to Domestic-Led Capital Markets
20. Hindu Rate of Growth
21. New Logo for Regional Rural Banks (RRBs)
22. UPI as World's Largest Real-Time Payment System
23. Initial Public Offering (IPO)
24. Open Market Operation (OMO) Purchase
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26. Bureau of Port Security (BoPS)
27. India's First PPP-Model Medical Colleges
28. CoalSETU Policy for Coal Linkage Auction
29. India's First Indigenous Hydrogen Fuel Cell Passenger Vessel
30. Dumping

31. China Files WTO Complaint Against India
32. WTO Dispute Settlement System (DSS)
33. Rapid Financing Instrument (RFI)
34. Trade Deficit
35. DHRUVA – Digital Address System
36. Sanchar Saathi App
37. Viksit Bharat Rozgar & Ajeevika Mission (GRAMIN) Act, 2025
38. Parliamentary Committee Report on Insolvency and Bankruptcy Code (IBC)
39. IMF Grading of India's National Accounts Data
40. Securities Markets Code (SMC) Bill, 2025
41. Corporate Bond Market in India
42. Financial Inclusion in India
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44. Self-Reliance in Minerals and Metals
45. Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
46. Pradhan Mantri Gram Sadak Yojana (PMGSY)
47. Shipbuilding Industry
48. Global Indices for Reforms and Growth (GIRG) Framework
49. Aravallis
50. Dynamic Groundwater Resources Assessment 2025
51. Solar Energy in India
52. Convention on International Trade in Endangered Species (CITES)
53. Seismic Zonation Map of India
54. Localisation of Disaster Risk Reduction (CBDRR Project)
55. Ramsar Wetlands (India)
56. International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA)
57. Tsunami-Ready Villages
58. GI Tag
59. Recently Awarded GI Tags (2025)
60. Financial Sector Assessment Program (FSAP) Report 2025
61. Electronics Development Fund (EDF)
62. Inheritance Tax
63. Viscose Staple Fibre (VSF)
64. Digital Gold
65. Double Taxation Avoidance Agreement (DTAA)
66. SWIFT System

TREND AND PROGRESS OF BANKING IN INDIA 2024–25 REPORT

Recent Update: RBI flags **multi-decadal low NPAs**, strong **credit growth**, and safer **digital-inclusive banking**

About

1. It is the **annual flagship assessment** by RBI evaluating performance of **banks, NBFCs, payments ecosystem, risks, regulation, supervision, technology adoption, and financial inclusion**.
2. **Balance sheets expanding** with **double-digit growth** in both **deposits and credit**, indicating strong intermediation capacity.
3. **Asset quality improved sharply** as **GNPA ratio declined to multi-decadal lows**, reflecting better risk management and recoveries.
4. Banks maintain **strong capital adequacy, leverage, and liquidity buffers**, remaining comfortably **above regulatory norms**.
5. **Digital inclusion deepened** with **514 districts fully digitally enabled**, ensuring at least one **digital payment mode for every citizen**.
6. **PRAVAAH portal** streamlines **centralised regulatory submissions**, improving **transparency and faster approvals**.
7. **Unified Lending Interface (ULI)** and **FREE-AI framework** promote **data-driven lending and responsible AI governance**.
8. **Risk-based deposit insurance** incentivises **prudent risk behaviour** and strengthens **systemic stability**.

THE INDIAN OCEAN AS THE CRADLE OF A NEW BLUE ECONOMY

Recent Update: Growing **climate risks, maritime trade shifts, and geopolitics** renew focus on **Blue Economy framework**

About

1. India championed **“Common Heritage of Mankind”** under **UNCLOS**, advocating seabed resources as **global commons**.



2. **Nehru’s maritime vision** embedded oceans into India’s **security and prosperity strategy** from the 1950s onward.
3. **Indira Gandhi’s Stockholm stance (1972)** linked **environmental protection with poverty eradication**, promoting **equitable governance**.
4. India consistently supports **multilateral cooperation platforms** like **IORA, IONS, and IOC** instead of power rivalry.
5. Commitment to **BBNJ Agreement and biodiversity conservation** enhances India’s image as a **responsible ocean steward**.
6. Proposed **Blue Ocean Strategy** stresses **rules-based governance, shared resources, and scientific collaboration**.
7. Focus on **ecosystem restoration** through **coral recovery, mangrove regeneration, and sustainable fisheries**.
8. Expansion of **Marine Protected Areas (MPAs)** safeguards **critical habitats and long-term ecological resilience**.

CURRENCY DEPRECIATION

Recent Update: Rupee crosses **₹90/\$**, emerging among **Asia’s weakest currencies despite strong GDP growth**

About

1. It refers to a **decline in domestic currency value** under a **market-determined floating exchange rate system**.

2. **Export slowdown and trade uncertainties** reduce **forex inflows**, weakening demand for the rupee.
3. **High crude oil and gold imports** widen the **trade and current account deficit**, increasing external vulnerability.
4. **Tight US monetary policy and strong dollar** attract global capital away from **emerging markets** like India.
5. **Geopolitical conflicts and risk aversion** push investors toward **safe-haven assets** such as the dollar and gold.
6. A weaker rupee may **boost export competitiveness** and encourage **import substitution under Make in India**.
7. However, it raises **imported inflation, external debt burden, and capital outflows**, hurting macro stability.
8. Sustained depreciation impacts **inflation, growth, and financial markets simultaneously**, requiring careful **RBI intervention**.

REFORMING THE FERTILISER SUBSIDY IN INDIA

Recent Update: Economists call for **targeted and efficient restructuring** of India's **ballooning fertiliser subsidy bill**

About

1. Fertiliser subsidy is a **government support mechanism** keeping **urea and other inputs artificially affordable** for farmers.
2. It bridges the **gap between production/import cost and retail price**, ensuring **input affordability and food security**.
3. It enabled the **Green Revolution**, dramatically raising **cereal productivity and national self-sufficiency**.
4. Over **85% small and marginal farmers** depend on subsidies to **absorb volatile global fertiliser prices**.
5. Lower input costs ensure **stable cultivation profitability**, especially in **rain-fed and low-income regions**.
6. It indirectly supports **food price stability** by preventing **cost-push inflation in agriculture**.

7. Subsidies act as **risk buffers against monsoon variability and climate shocks**, protecting farm incomes.
8. Reform focus includes **direct benefit transfer, nutrient-based pricing, and rational use**, reducing distortions and leakages.

INDIA AND A STRONG DEFENCE INDUSTRIAL BASE

Recent Update: Target set for **₹3 lakh crore production and ₹50,000 crore exports by 2029**

About

1. A defence industrial base comprises **public and private firms, MSMEs, R&D labs, testing facilities, and supply chains** enabling **end-to-end defence manufacturing**.
2. India achieved **record production of ₹1.54 lakh crore**, showing strong **domestic capacity expansion**.
3. **Indigenous output surged 174% since 2014–15**, reflecting success of **Make in India and Atmanirbhar Bharat**.
4. **Defence exports crossed ₹23,622 crore**, reaching **80+ countries**, enhancing strategic diplomacy.
5. Around **16,000 MSMEs and rising private participation (23%)** deepen ecosystem resilience and innovation.
6. Indigenous capacity ensures **strategic autonomy**, reducing dependence on **foreign sanctions or supply disruptions**.
7. Domestic production improves **operational readiness** through **faster repairs and customisation**, as seen in **Ladakh deployments**.
8. **Defence corridors, DAP 2020, and Buy (Indian-IDDM)** policies encourage **technology transfer and local procurement**.

MANUFACTURING IN INDIA

Recent Update: Debate revived over **industrial slowdown and Dutch Disease concerns**

About

1. Manufacturing transforms **raw materials into finished goods**, driving **employment-led structural transformation**.

2. It historically enables shift from **agrarian to high-productivity, export-oriented economies**.
3. **PLI scheme boosted electronics**, integrating India into **global value chains**.
4. **Mobile exports surged to USD 15+ billion**, indicating rapid **capacity creation**.
5. **China+1 strategy attracted higher FDI**, positioning India as an **alternative manufacturing hub**.
6. **Import substitution reduced electronics dependence**, improving **trade balance and resilience**.
7. **Defence and aerospace indigenisation** built **advanced technological capabilities**.
8. **Renewables manufacturing growth** aligns industrial expansion with **green transition goals**.

SOURCE: DRISHTI MONTHLY

SURGE IN INDIA'S ULTRA-PROCESSED FOOD MARKET

Recent Update: *The Lancet* reports **40-fold surge in UPF sales** with rising **obesity, diabetes and heart diseases**

About

1. **Ultra-Processed Foods (UPFs)** are **industrial formulations** designed for **convenience, long shelf life, and mass consumption** rather than nutrition.
2. They rely on **refined starches, additives, preservatives, flavours, emulsifiers, and artificial ingredients** instead of whole foods.
3. India's UPF market grew from **USD 0.9 billion (2006) to nearly USD 38 billion (2019)**, showing one of the **fastest global growth rates**.
4. Common items include **soft drinks, chips, chocolates, instant noodles, cereals, packaged soups, and ready-to-eat meals**.
5. **Aggressive marketing and celebrity endorsements**, especially targeting **children**, significantly boost consumption.

6. **Urban lifestyles and time scarcity** increase dependence on **quick and ready-to-cook foods**.
7. Growing **Western dietary preferences** accelerate shift away from **traditional home-cooked diets**.
8. Unlike minimally **processed foods**, UPFs contain **industrial additives**, making them **nutritionally poorer and disease-linked**.

NAVIGATING THE COAL TRANSITION FOR ENERGY SECURITY

Recent Update: Govt allows **Accredited Prospecting Agencies (APAs)** to boost **transparent coal exploration**

About

1. Coal forms over **55% of India's energy mix** and fuels **more than 74% of electricity generation**, ensuring **baseload reliability**.
2. It generates **₹70,000+ crore annually** through royalties and taxes and supports **railway freight revenues**.
3. **Anthracite** has **86–97% carbon** and highest heating value, found mainly in **Jammu & Kashmir**.
4. **Bituminous coal** contains **45–86% carbon** and dominates reserves in **Jharkhand, Odisha, Chhattisgarh, MP, West Bengal**.
5. **Sub-bituminous** has moderate carbon and lower heat output, used mainly for **power generation**.
6. **Lignite (brown coal)** has high moisture, low energy value, and risk of **spontaneous combustion**, limiting transport.
7. Private accredited agencies under **MMDR Act, 1957** improve **exploration efficiency and transparency**.
8. Coal remains vital for **energy security and industrial growth**, even as India pursues **clean energy transition**.

INDIA'S DISASTER RISK FINANCING

Recent Update: Kerala relief shortfall revives debate on **centralisation of disaster funds**

About

1. The **15th Finance Commission** expanded disaster financing beyond relief to include **mitigation and resilience building**.
2. Created **National & State Disaster Risk Management Funds (NDRMF/SDRMF)** alongside response funds.
3. **State Disaster Response Fund (SDRF)** is the primary fund for **immediate relief and compensation**.
4. Funding pattern is **75:25 (Centre:State)** for general states and **90:10** for **NE & Himalayan states**.
5. **National Disaster Response Fund (NDRF)** supplements states during **severe disasters**.
6. Allocation criteria include **population, area, and historical spending trends**.
7. Up to **10% of SDRF** can address **state-specific local disasters**.
8. Emphasis is shifting toward **risk reduction projects like flood control, landslide prevention, and seismic safety**.

FULLY ACCESSIBLE ROUTE (FAR) BONDS

Recent Update: FPI inflows of **₹5,760 crore** highlight growing interest in **Indian G-secs**

About

1. **FAR framework (2020)** allows **unrestricted foreign investment** in select **Government of India securities**.
2. **No quantitative limits** enable FPIs, NRIs, and eligible entities to invest freely.
3. Offers **free buy-sell access**, improving **liquidity and price discovery**.
4. Enhances **global integration of India's bond market**.
5. Inclusion of **29 Indian G-secs in JP Morgan's global bond index** increased visibility.
6. Expected to attract **large and stable foreign capital inflows**.
7. Complements other routes like **General Route (GR)** and **Voluntary Retention Route (VRR)**.
8. Supports **lower borrowing costs and deeper debt markets**.

MASALA BONDS

Recent Update: ED probes alleged **FEMA violations** linked to issuance of Masala Bonds

About

1. **Masala Bonds** are **rupee-denominated bonds issued overseas** to raise funds from foreign investors.
2. **Currency risk is borne by investors**, protecting Indian issuers from **rupee depreciation**.
3. Popularised by **IFC**, aiming to **internationalise the rupee**.
4. Regulated under **RBI's ECB framework** and **SEBI norms**.
5. Listed on exchanges like **London and Singapore** to attract global investors.
6. First issuance occurred in **2014 by IFC**.
7. Funds can be used for **infrastructure, refinancing, and working capital**.
8. Restricted uses include **speculative real estate and equity investments**.

HEALTH SECURITY SE NATIONAL SECURITY CESS BILL, 2025

Recent Update: Parliament approves **special cess on pan masala manufacturing**

About

1. Introduces a **special excise cess** to fund **national security and public health infrastructure**.
2. Revenue credited to the **Consolidated Fund of India**.
3. Levy applies to **machinery capacity and manufacturing processes**, over and above existing taxes.
4. Initially targets **pan masala**, with power to notify additional goods.
5. Government may **raise cess up to twice the rate** or grant exemptions.
6. Applies to **all operators controlling production machinery**, ensuring broad coverage.
7. Strict **penalties, prosecution, confiscation, and arrests** for evasion.

8. Provides **multi-tier appellate mechanism** ensuring legal remedy.

FDTL NORMS AND INDIA'S AVIATION SECTOR

Recent Update: DGCA grants **temporary exemptions** after cancellations linked to revised FDTL rules

About

1. **Flight Duty Time Limitation (FDTL)** norms regulate **pilot duty hours, rest periods, and night operations** for safety.
2. Revised norms increased **crew requirements**, exposing staffing gaps in airlines.
3. Leads to **flight cancellations and delays** when adequate pilots are unavailable.
4. Major airports face **capacity constraints and congestion**, worsening disruptions.
5. Airlines struggle with **high ATF prices, dollar-denominated leases, and maintenance costs**.
6. Aggressive scheduling without backup crews increases **operational risk**.
7. India is the **3rd largest domestic aviation market globally**.
8. Sector supports **7.7 million jobs and ~1.5% of GDP**, making stability crucial.

RBI CUTS REPO RATE TO SUSTAIN 'GOLDILOCKS PHASE'

Recent Update: MPC reduces **repo rate to 5.25%** citing **low inflation and strong growth**

About

1. A **Goldilocks economy** balances **steady growth with low inflation**, avoiding overheating.
2. **Repo rate** is the rate at which **banks borrow short-term funds from RBI**.
3. Lower repo rate **reduces borrowing costs**, boosting **consumption and investment**.
4. Higher rates **cool inflation** by discouraging excess credit.
5. Tool central to **monetary policy transmission**.
6. India follows **Flexible Inflation Targeting (FIT)** framework.
7. RBI targets **CPI inflation at 4% ±2% band**.

8. Policy supports **stable growth with price control**.

EXPORT PROMOTION MISSION (EPM)

Recent Update: Govt launches **integrated digital framework** to boost **MSME and labour-intensive exports**

About

1. **EPM merges fragmented export schemes** into a **single coordinated mission**.
2. Focuses on **textiles, leather, gems, engineering goods, marine products**.
3. Supports **MSMEs, first-time exporters, and interior districts** under **Niryat Disha**.
4. RBI complements with **trade finance relief measures**.
5. Strengthens **quality certification and global branding**.
6. Encourages **market diversification beyond traditional destinations**.
7. Aligns with **Atmanirbhar Bharat and Viksit Bharat 2047 vision**.
8. India's exports reached **USD 778 billion in 2023–24**, showing strong momentum.

NATIONAL MISSION ON EDIBLE OILS (NMEO)

Recent Update: Govt expands **NMEO-Oilseeds (2024)** to reduce **56% import dependence**

About

1. Mission aims at **self-sufficiency in edible oils** through domestic production expansion.
2. **NMEO-Oil Palm (2021)** promotes large-scale **oil palm cultivation** with price assurance.
3. Provides **Viability Price mechanism** to protect farmers from global volatility.
4. Subsidies for **planting material and rejuvenation of old gardens** increased.
5. Focus on **NE states and traditional oil-palm regions**.
6. **NMEO-Oilseeds (2024)** boosts mustard, soybean, groundnut and secondary sources.
7. Uses **cooperatives, FPOs, and private partnerships** for yield improvements.

8. Enhances **import substitution, farmer income, and food security.**

HYBRID MUTUAL FUNDS

Recent Update: Rising markets increase investor preference for **balanced asset allocation funds**

About

1. Hybrid funds invest across **equity, debt, gold, REITs, and InvITs** for diversification.
2. Aim to balance **growth (equity) with stability (debt).**
3. Follow **pre-decided or flexible asset allocation strategies.**
4. Fund managers **rebalance portfolios regularly** to maintain risk levels.
5. Exhibit **lower volatility than pure equity funds.**
6. Suitable for **moderate-risk investors and beginners.**
7. Provide **automatic diversification and professional management.**
8. Equity-oriented hybrids enjoy **favourable LTCG tax treatment**, improving tax efficiency.

INDIA'S SHIFT TO DOMESTIC-LED CAPITAL MARKETS

Recent Update: Household savings increasingly replace FPIs as main liquidity source

About

1. Domestic investors are becoming the **primary drivers of market capital.**
2. Primary markets booming with **₹1 lakh crore+ IPO fundraising.**
3. Provides **greater stability against volatile foreign flows.**
4. Gives RBI **more policy autonomy and reduced currency pressure.**
5. Reflects rising **domestic risk appetite and savings mobilisation.**
6. However, many retail investors lack **financial literacy**, increasing vulnerability.
7. Over-valued IPOs create **bubble and correction risks.**
8. Inclusive growth requires **investor education and protection mechanisms.**

SOURCE: INDIAN EXPRESS

HINDU RATE OF GROWTH

Recent Update: PM calls the term "**Hindu rate of growth**" colonial and communal, arguing it mislabels India's past stagnation

About

1. The term refers to India's **slow GDP growth of around 3–3.5% annually** during the **1950s–1980s**, seen as prolonged economic stagnation.
2. It was **coined by economist Raj Krishna**, using the phrase critically to describe **structural inefficiencies**, not culture.
3. Growth remained low despite **wars, droughts, political changes and policy shifts**, suggesting a **deep systemic equilibrium trap.**
4. The **Licence–Permit–Quota Raj** imposed heavy controls, industrial licensing, high tariffs and import substitution, suppressing **private enterprise and productivity.**
5. A **state-led mixed economy** dominated core sectors like credit, trade and heavy industry, limiting **competition and foreign participation.**
6. Compared with **East Asian miracle economies** (South Korea, Taiwan) growing at **7–10%**, India underperformed at **~3.5%.**
7. Gradual **deregulation and reforms in the 1980s** raised growth to **5.6–5.8%**, signalling early recovery before 1991 reforms.
8. Today, the term is criticised as **misleading and communal**, as stagnation stemmed from **policy choices, not religion.**

NEW LOGO FOR REGIONAL RURAL BANKS (RRBs)

Recent Update: Govt & NABARD launch "**One RRB, One Logo**" for unified rural banking identity

About

1. A **single common logo** adopted by all **28 Regional Rural Banks**, creating a **modern and recognisable brand.**
2. The **upward arrow** symbolises **growth and economic progress of rural India.**

3. **Hands motif** reflects **nurturing support and financial inclusion** for communities.
4. **Flame symbol** represents **knowledge, empowerment and awareness**.
5. **Dark blue colour** denotes **trust, stability and financial strength**, while **green** signifies **agriculture and prosperity**.
6. RRBs are **specialised banks serving rural and semi-urban areas**, blending **local outreach with commercial banking expertise**.
7. Established under **RRB Act, 1976**, with ownership: **Centre 50%, State 15%, Sponsor Bank 35%**.
8. Support **farmers, artisans, SHGs, MSMEs and DBT delivery**, acting as pillars of **financial inclusion**.

UPI AS WORLD'S LARGEST REAL-TIME PAYMENT SYSTEM

Recent Update: IMF recognises **UPI as world's largest real-time payment system**, accounting for **49%** of global transactions

About

1. **Unified Payments Interface (UPI)** is an **instant, interoperable, bank-to-bank digital payment system**.
2. Operated by **NPCI** and regulated by **RBI**.
3. Enables **real-time 24x7 transfers within seconds**.
4. Offers **interoperability across banks, apps, QR codes, and merchants**.
5. **Zero/low MDR structure** promotes mass adoption among small vendors.
6. Handles **billions of monthly transactions** through scalable architecture.
7. Supports **P2P, P2M, autopay, credit lines, RuPay linkage, and cross-border payments**.
8. Strengthens **digital inclusion and cashless economy transformation**.

INITIAL PUBLIC OFFERING (IPO)

Recent Update: India raises **₹3.8 lakh crore** through **701 IPOs**, marking record capital mobilisation

About

1. An **IPO** is when a **private company offers shares to the public** for the first time to raise equity capital.
2. Converts the firm into a **publicly listed company on NSE/BSE**.
3. Two types: **Fixed Price Issue** and **Book Building (price band discovery)**.
4. Process begins with **due diligence and appointment of merchant bankers**.
5. **DRHP filed with SEBI**, disclosing financials, risks and business details.
6. Investors bid during **subscription period**, determining demand.
7. Shares allotted category-wise to **QIBs, NIIs and Retail Investors**.
8. Listing enables **secondary market trading and liquidity**.

OPEN MARKET OPERATION (OMO) PURCHASE

Recent Update: RBI announces **₹1 trillion OMO purchase** and **\$5 billion swap** to inject liquidity

About

1. **OMO purchase** occurs when **RBI buys government securities** to inject **durable liquidity**.
2. Increases **bank reserves and lowers short-term interest rates**.
3. Supports **smooth monetary transmission of repo rate cuts**.
4. Stabilises **money-market rates like WACR**.
5. **Expansionary OMOs** inject liquidity, while **contractionary OMOs** absorb liquidity.
6. **Operation Twist** reshapes yield curve by buying long-term and selling short-term bonds.
7. Helps during **currency stress or capital outflows**.
8. Strengthens **bond market stability and credit flow to the economy**.

COPPER

Recent Update: Prices cross **USD 12,000/tonne** amid **AI, EV and clean-energy demand surge**

About

1. **Copper (Cu, Atomic No. 29)** is a metal known for **excellent electrical and thermal conductivity**.
2. Highly **ductile and malleable**, ideal for wiring and shaping.
3. Forms important **alloys like brass and bronze**.
4. **100% recyclable** without quality loss, supporting sustainability.
5. Used extensively in **power grids, renewables, transformers and batteries**.
6. EVs require **twice the copper** compared to conventional vehicles.
7. Vital for **data centres and AI infrastructure cooling systems**.
8. Critical mineral for **green energy transition and modern industry**.

BUREAU OF PORT SECURITY (BOPS)

Recent Update: Govt establishes **BoPS under Merchant Shipping Act, 2025** to enhance maritime security

About

1. **BoPS** is a **statutory authority overseeing port and ship security** nationwide.
2. Modelled on **Bureau of Civil Aviation Security (BCAS)** for unified regulation.
3. Functions under **Ministry of Ports, Shipping and Waterways**.
4. Addresses threats like **terrorism, smuggling, trafficking, piracy and illegal migration**.
5. Creates dedicated **cybersecurity division** for port IT protection.
6. **CISF** designated for **audits, planning and training**.
7. Implements **risk-based graded security measures**.
8. Reduces **fragmentation among agencies** and boosts **maritime trade safety**.

INDIA'S FIRST PPP-MODEL MEDICAL COLLEGES

Recent Update: First **PPP medical colleges** launched in **tribal MP districts**

About

1. Medical colleges set up through **Public-Private Partnership (PPP)** to expand healthcare access.
2. Linked with **district hospitals** to integrate **education and service delivery**.
3. PPP shares **investment, risks and operations between government and private sector**.
4. Models include **BOT/DBFOT, O&M, Lease-Develop-Operate**.
5. **Viability Gap Funding (VGF)** provides capital support.
6. **IIPDF and IIFCL** offer project development and financing assistance.
7. Improves **medical infrastructure in underserved tribal regions**.
8. Enhances **doctor availability, training capacity and health outcomes**.

COALSETU POLICY FOR COAL LINKAGE AUCTION

Recent Update: Cabinet approves **CoalSETU window** for long-term industrial coal linkages

About

1. **CoalSETU** is an **auction-based linkage system** under **Non-Regulated Sector (NRS) Policy**.
2. Allows **industrial consumers to secure coal for own use or up to 50% export**.
3. Ensures **transparent and competitive allocation**.
4. Reduces **import dependence and supply uncertainty**.
5. Promotes **washed coal use and efficient utilisation**.
6. Excludes **coking coal and speculative traders**.
7. Supports **ease of doing business**.
8. Strengthens **energy security and domestic industry competitiveness**.

INDIA'S FIRST INDIGENOUS HYDROGEN FUEL CELL PASSENGER VESSEL

Recent Update: Launched in **Varanasi** for **commercial service on Ganga**

About

1. A **24-metre hydrogen fuel cell-powered catamaran** for **zero-emission inland transport**.
2. Uses **PEM fuel cell technology** producing only **water as by-product**.
3. Enables **silent, vibration-free and pollution-free navigation**.
4. Operates **around 8 hours per refill**.
5. Integrates **fuel cells, batteries and solar panels** for efficiency.
6. Catamaran design offers **stability and higher deck space**.
7. Promotes **green mobility and decarbonised waterways**.
8. Demonstrates India's push toward **clean maritime innovation**.

DUMPING

Recent Update: US considers tariffs alleging **Indian rice dumping**

About

1. **Dumping** occurs when exports are sold **below domestic price or production cost**.
2. Used to **capture market share and undercut competitors**.
3. Hurts **domestic producers**, causing losses and job cuts.
4. Consumers benefit short-term through **cheaper imports**.
5. Long-term effects include **industry decline and dependency**.
6. WTO allows action only if **dumping + injury + causal link** are proven.
7. Countries may impose **anti-dumping duties equal to price margin**.
8. Governed by **WTO Anti-Dumping Agreement procedures**.

CHINA FILES WTO COMPLAINT AGAINST INDIA

Recent Update: China challenges **India's solar subsidies and tariff measures** at the **WTO**

About

1. China has sought **formal consultations under WTO rules**, alleging India's **photovoltaic (solar) support policies** distort trade.
2. Claims India **violates bound tariff commitments and national treatment obligations** under WTO agreements.
3. Alleges presence of **prohibited import-substitution subsidies**, favouring **domestic manufacturers over foreign firms**.
4. Follows earlier disputes on **EV and battery subsidies**, reflecting rising **green industrial policy tensions**.
5. Such measures may conflict with **Agreement on Subsidies and Countervailing Measures (ASCM)**.
6. Highlights global contest over **renewable supply chains and strategic industries**.
7. Raises risks of **retaliatory tariffs and trade frictions**.
8. Tests India's balance between **Atmanirbhar policies and WTO compliance**.

WTO DISPUTE SETTLEMENT SYSTEM (DSS)

Recent Update: Increasing trade disputes revive attention on **WTO's rules-based dispute mechanism**

About

1. The **Dispute Settlement System (DSS)** is a **compulsory, rules-based mechanism** to resolve trade disputes among WTO Members.
2. Operates under the **Dispute Settlement Understanding (DSU)**, integral to the WTO Agreement.
3. Ensures **predictability, stability and security** in global trade relations.
4. **Consultations stage** encourages negotiated settlement before litigation.
5. If unresolved, an **independent expert panel** examines facts and WTO rule violations.
6. **Appellate review** allows appeal on legal grounds, though currently stalled due to a non-functional Appellate Body.
7. Reports adopted by **Dispute Settlement Body (DSB)** become **legally binding**.

8. Non-compliance may lead to **authorised retaliation or countermeasures**, banning unilateral sanctions.

THE RAPID FINANCING INSTRUMENT (RFI)

Recent Update: IMF approves **USD 206 million emergency aid to Sri Lanka** under RFI

About

1. **Rapid Financing Instrument (RFI)** is an **IMF emergency lending facility** for countries facing **urgent balance-of-payments (BoP) stress**.
2. Designed for **natural disasters, external shocks, or sudden crises**.
3. Provides **single, quick disbursement** without lengthy negotiations.
4. Requires **no comprehensive reform programme**, unlike full IMF arrangements.
5. Supports **short-term liquidity and macroeconomic stabilisation**.
6. Repayment period ranges **3¼ to 5 years** at standard IMF rates.
7. Monitoring is **light and focused on stability**, not heavy conditionality.
8. Acts as a **bridge finance tool** until normal financing resumes.

TRADE DEFICIT

Recent Update: India's trade deficit narrows to **\$6.6 billion** amid higher exports and lower gold imports

About

1. A **trade deficit** occurs when **imports exceed exports**, resulting in a **negative Balance of Trade (BoT)**.
2. Formula: **BoT = Exports – Imports**; negative value indicates deficit.
3. Types include **merchandise, services, and bilateral deficits**.
4. Reflects **net external demand and competitiveness** in global markets.
5. Highly **cyclical**, influenced by oil prices, exchange rates, and domestic demand.
6. Persistent deficits may cause **currency depreciation and imported inflation**.

7. Large deficits widen **Current Account Deficit (CAD)**, increasing reliance on capital inflows.
8. Not always harmful if driven by **productive imports like machinery and technology**.

DIGITAL HUB FOR REFERENCE AND UNIQUE VIRTUAL ADDRESS (DHURVA)

Recent Update: India proposes **UPI-like digital addressing system** using virtual labels

About

1. **DHURVA** is a **digital address platform** enabling users to share **virtual address labels like name@entity**.
2. Introduces **Address-as-a-Service (AaaS)** for seamless government and private integration.
3. Eliminates repeated form filling by using **proxy digital identifiers**.
4. **Consent-based access** ensures privacy with **time-bound authorisation**.
5. Built on **DIGIPIN**, a **10-character geocode mapping 14 sq. m. areas nationwide**.
6. Enables accurate addressing in **rural and remote regions**.
7. Operated by **Section 8 not-for-profit entity** with Address Service Providers and Agents.
8. Supports **e-commerce, logistics, fintech, and governance efficiency**.

SANCHAR SAATHI APP

Recent Update: Govt mandates **pre-installation on all smartphones from March 2026**

About

1. **Sanchar Saathi** is a **telecom security and citizen protection platform** developed by DoT.
2. Helps users **report scams, fraud, and suspicious communications** via **Chakshu tool**.
3. Allows checking of **all SIMs linked to Aadhaar/identity**, preventing misuse.
4. Enables **IMEI blocking of lost or stolen devices**, aiding recovery.
5. Verifies **device authenticity**, detecting fake or blacklisted handsets.

6. Supports reporting of **spoofed international calls and phishing links**.
7. Provides tools to tackle **spam, malware APKs, and fraudulent apps**.
8. Strengthens **digital trust, cybersecurity awareness, and telecom fraud prevention**.

SOURCE: VISION MONTHLY

VIKSIT BHARAT – GUARANTEE FOR ROZGAR AND AJEEVIKA MISSION (GRAMIN) ACT, 2025

Recent Update: Parliament enacted **VB-GRAMG Act, 2025** replacing **MGNREGA**

About

1. Provides **125 days of statutory wage employment** to rural households, expanding livelihood security beyond MGNREGA's 100 days.
2. Focuses on building a **Rural Infrastructure Stack** including **water security, climate resilience and livelihood assets**.
3. Balances **agriculture–labour needs**, allowing pause of works during **sowing and harvesting seasons**.
4. Promotes **Viksit Gram Panchayat Plans (VGPPs)** integrated with **PM Gati Shakti** for convergent planning.
5. Aggregates all works under **Viksit Bharat National Rural Infrastructure Stack (VB-NRIS)** for prioritised outcomes.
6. Implemented as a **Centrally Sponsored Scheme**, with shared Centre–State responsibilities.
7. Uses **normative rule-based fund allocation** ensuring equity and fiscal discipline.
8. Ensures **digital transparency through biometrics, GIS tracking, real-time dashboards and social audits**.

PARLIAMENTARY COMMITTEE REPORT ON INSOLVENCY AND BANKRUPTCY CODE (IBC)

Recent Update: Standing Committee flagged **low recovery rates and systemic delays in IBC functioning**

About

1. IBC (2016) consolidates laws for **insolvency resolution of companies, LLPs and individuals**.
2. Introduced **creditor-in-control model**, shifting power from defaulting debtors.
3. Improved India's **Resolving Insolvency rank from 136 to 52**, enhancing investor confidence.
4. Post-resolution firms showed **76% rise in sales and 50% asset growth**, reflecting operational revival.
5. Led to **better credit discipline**, reducing overdue periods drastically.
6. However, recovery against claims remains only **~32.8%**, implying **excessive haircuts**.
7. Operates through **four pillars – IBBI, Insolvency Professionals, Information Utilities and NCLT/DRT**.
8. CIRP mandates **180–330 day timelines**, with CoC approving plans by **66% voting share**.

IMF GRADING OF INDIA'S NATIONAL ACCOUNTS DATA

Recent Update: IMF assigned **“C” grade** citing **methodological weaknesses in GDP statistics**

About

1. IMF's **Data Adequacy for Surveillance** evaluates reliability of macroeconomic statistics.
2. India's data is **timely and granular**, but suffers from **methodological gaps**.
3. GDP base year remains **2011–12**, failing to capture **digital and gig economy dynamics**.
4. Uses **single deflation method**, ignoring separate input-output cost adjustments.
5. Lack of **Producer Price Index (PPI)** forces reliance on **WPI**, distorting service sector estimates.
6. Informal sector estimates rely on **outdated benchmarks and extrapolated surveys**.
7. Absence of updated **Census frames reduces survey accuracy**.
8. Discrepancies persist between **production (GVA) and expenditure-side GDP estimates**.

THE SECURITIES MARKETS CODE (SMC) BILL, 2025

Recent Update: Bill referred to Standing Committee to consolidate three securities laws

About

1. Seeks to replace **SCRA 1956, SEBI Act 1992 and Depositories Act 1996**.
2. Aims at **legal simplification, rationalisation and investor protection**.
3. Strengthens **SEBI's regulatory and enforcement powers**.
4. Promotes **ease of compliance and faster dispute resolution**.
5. Builds on reforms like **T+1 settlement cycle and pilot instant settlements**.
6. Enabled **dematerialisation**, eliminating physical share risks.
7. Introduced **ASBA, SCORES 2.0 and Algo-trading regulations** for safer markets.
8. Enhances **transparency, investor confidence and global competitiveness**.

CORPORATE BOND MARKET IN INDIA

Recent Update: NITI Aayog released report on deepening corporate bond market

About

1. Corporate bonds are **debt securities** issued by firms for **long-term capital**.
2. Provide **interest payments and principal repayment at maturity**.
3. Corporate yields fluctuate with **interest rate movements and market conditions**.
4. Market reduces **dependence on bank financing**, diversifying funding sources.
5. Size reached **₹53.6 trillion in FY25**, growing at **~12% CAGR**.
6. However, remains small at **15–16% of GDP**, far below peers like Korea or Malaysia.
7. Deep markets improve **infrastructure financing and risk sharing**.
8. Essential for **capital market maturity and economic resilience**.

FINANCIAL INCLUSION IN INDIA

Recent Update: RBI launched **National Strategy for Financial Inclusion 2025–30**

About

1. Ensures **affordable access to banking, credit, insurance and pensions** for vulnerable groups.
2. RBI's **Financial Inclusion Index** reached **67**, showing steady progress.
3. **Account ownership at 89%** reflects near-universal basic banking access.
4. Expansion of **Business Correspondents network** improved last-mile outreach.
5. **Digital Payments Index** surged to **493**, indicating rapid digitisation.
6. Supports schemes like **Jan Dhan, DBT and UPI ecosystem**.
7. Enhances **women empowerment, MSME credit and social security coverage**.
8. Aims for **deepening usage, not just account opening**.

INSURANCE SECTOR IN INDIA

Recent Update: Parliament passed **Sabka Bima Sabki Raksha (Amendment) Act, 2025**

About

1. Amends **Insurance Act 1938, LIC Act 1956 and IRDAI Act 1999**.
2. Seeks **ease of doing business and stronger regulatory oversight**.
3. Insurance penetration remains low at **3.7% of GDP**.
4. High **capital requirements** limit new entrants, especially in rural areas.
5. Restrictions on **FDI and reinsurance capacity** constrain capital inflows.
6. Past **weak governance and mis-selling issues** reduced trust.
7. Limited **product innovation** hampers coverage of emerging risks.
8. Reforms aim at **greater competition, transparency and financial protection**.

SELF-RELIANCE IN MINERALS AND METALS

Recent Update: Parliamentary report outlined roadmap for **Atmanirbhar mineral security**

About

1. India produces **95 minerals**, including fuel, metallic and atomic categories.
2. Ranks **top globally in steel, aluminium, zinc and chromite production**.
3. Mining contributes only **~2% to GDP**, indicating untapped potential.
4. Self-sufficient in **iron ore, chromite, limestone and bauxite**.
5. Fully import-dependent for **lithium, cobalt, nickel and gallium** (critical minerals).
6. Significant imports required for **rock phosphate and manganese ore**.
7. Encourages **exploration, private participation and value addition**.
8. Critical for **EVs, renewable energy and strategic manufacturing security**.

PRADHAN MANTRI KAUSHAL VIKAS YOJANA (PMKVY)

Recent Update: CAG flagged **data lapses and low placement outcomes**

About

1. Launched in **2015 by MSDE**, implemented by **NSDC**.
2. Provides **industry-relevant skill training and certification** to youth.
3. Recognises **prior learning (RPL)** for informally skilled workers.
4. Operates through **75% central and 25% state allocation model**.
5. Over **1.6 crore youth trained nationwide** since inception.
6. Focuses on **employability and livelihood enhancement**.
7. Issues include **poor infrastructure and weak tracking of placements**.
8. Requires stronger **quality control and industry linkage**.

PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY)

Recent Update: Scheme completed **25 years of rural connectivity success**

About

1. Launched in **2000** to provide **all-weather rural road connectivity**.
2. Implemented as **Centrally Sponsored Scheme by MoRD**.
3. Phase-I connected **unserved habitations**.
4. Phase-II upgraded **economically important routes**.
5. RCPLWEA targeted **Left Wing Extremism areas**.
6. Phase-III improved **major rural links to markets, schools and hospitals**.
7. Phase-IV (2024–29) continues **network expansion and upgradation**.
8. Boosts **rural mobility, markets access and socio-economic inclusion**.

SHIPBUILDING INDUSTRY

Recent Update: MoPSW notified **SBFAS and Shipbuilding Development Scheme guidelines**



About

1. Provides **15–25% financial assistance** on vessel costs to domestic yards.
2. Establishes **National Shipbuilding Mission** for coordinated planning.
3. Introduces **Shipbreaking Credit Notes** incentivising recycling in India.
4. SbDS supports **100% infrastructure funding for greenfield clusters**.

5. Sets up **Indian Ship Technology Centre (ISTC)** for R&D and skills.
6. India holds **<1% global share**, far behind China and Korea.
7. Target to raise capacity to **4.5 million GT by 2047**.
8. Critical for **maritime trade security and blue economy growth**.

GLOBAL INDICES FOR REFORMS AND GROWTH (GIRG) FRAMEWORK

Recent Update: Government strengthened **global index monitoring for evidence-based reforms**

About

1. Tracks **26 global indices** across economy, governance, development and industry.
2. Helps identify **performance gaps and reform priorities**.
3. Managed by **17 nodal ministries** with coordinated action.
4. **DMEO (NITI Aayog)** oversees data quality and evaluation.
5. Encourages **evidence-based policymaking**.
6. Enhances **international rankings and investor perception**.
7. Supports **cooperative and competitive federalism**.
8. Improves **transparency and accountability in governance**.

SOURCE: PIB

DYNAMIC GROUNDWATER RESOURCES ASSESSMENT 2025

Recent Update: CGWB reported **marginal rise in extraction with Stage of Extraction at 60.63%**

About

1. Annual **groundwater recharge increased to 448.52 BCM**, showing slight improvement.
2. **Extractable resources at 407.75 BCM**, indicating usable supply.
3. **Total extraction reached 247.22 BCM**, reflecting growing dependence.

4. India remains **largest global groundwater user (~25% of world extraction)**.
5. About **64% irrigation, 85% rural drinking and 50% urban needs** depend on groundwater.
6. **87% extraction used for agriculture**, highlighting irrigation stress.
7. Quality issues include **nitrate, fluoride, arsenic and uranium contamination** in several states.
8. Calls for **sustainable management, crop diversification and aquifer recharge**.

SOLAR ENERGY IN INDIA

Recent Update: Parliamentary panel recommended **accelerated solar deployment for energy transition**

About

1. Installed capacity stands at **~129 GW**, targeting **292 GW by 2030**.
2. Non-fossil capacity crossed **50% of total installed power mix**.
3. India ranks **3rd globally in solar capacity (IRENA)**.
4. **PM Surya Ghar** promotes rooftop solar for **1 crore households**.
5. **National Solar Mission (2010)** drives large-scale solar adoption.
6. **PLI scheme** boosts domestic manufacturing of high-efficiency PV modules.
7. **PM-KUSUM** supports solar pumps and decentralised farming energy.
8. **ISA & OSOWOG initiatives** promote global solar cooperation and grid integration.

CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES (CITES)

Recent Update: CoP20 added **77 species to protection lists and approved budget expansion**

About

1. CITES is an **international treaty regulating wildlife trade** to prevent species extinction.
2. Agreed in **1973 (Washington)** and entered into force in **1975**.
3. Has **185 Parties**, including India.

- Species are categorised under **Appendices I, II and III** based on threat levels.
- Appendix I offers **strictest protection with near-total trade ban**.
- Recent additions include **oceanic sharks, manta rays and Galápagos iguanas**.
- Secretariat functions under **UNEP**.
- Balances **conservation goals with sustainable livelihoods and legal trade frameworks**.

SEISMIC ZONATION MAP OF INDIA

Recent Update: BIS introduced **new Seismic Zone VI for entire Himalayan arc**

About

- Based on **Probabilistic Earthquake Hazard Assessment (PEHA)**.
- Introduces **Zone VI as highest seismic risk category**.
- Now **61% of India's area under moderate to high hazard zones**.
- About **75% population lives in seismically active regions**.
- Avoids boundary anomalies by **placing towns into higher-risk category automatically**.
- Accounts for **long-unruptured fault segments**, especially Central Himalayas.
- Includes **multi-hazard and exposure-based assessment (PEMA)**.
- Mandates anchoring of **heavy non-structural elements for building safety**.

LOCALISATION OF DISASTER RISK REDUCTION (CBDRR PROJECT)

Recent Update: Government approved **₹507 crore national project to strengthen PRIs in DRR**

About

- Community-Based Disaster Risk Reduction (CBDRR)** engages locals in planning and preparedness.
- Recognises communities as **first responders during disasters**.
- Promoted under **Sendai Framework (2015–30)**.

- Implemented jointly by **MoPR and NDMA**.
- Covers **20 states and 81 disaster-prone districts**.
- Uses **cluster model of 20 Gram Panchayats per district**.
- Develops **Model Gram Panchayats for hazard-specific resilience**.
- Integrates **bottom-up planning with local governance structures**.

RAMSAR WETLANDS (INDIA)

Recent Update: India added **Gogabeel, Siliserh and Kopra wetlands; total now 96 Ramsar sites**

About

- Ramsar List recognises **wetlands of international ecological importance**.
- Based on **Ramsar Convention (1971, Iran)**.
- Sites gain **global recognition and conservation priority**.
- Siliserh Lake (Rajasthan)** – man-made wetland near Sariska Tiger Reserve.
- Kopra Reservoir (Chhattisgarh)** – nutrient-rich habitat for migratory birds.
- Gogabeel (Bihar)** – oxbow lake and state's first community reserve.
- Wetlands support **biodiversity, flood control, carbon storage and livelihoods**.
- India among **largest Ramsar networks globally**, reflecting conservation commitment.

INTERNATIONAL TREATY ON PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE (ITPGRFA)

Recent Update: Talks on **enhancing Multilateral System failed at Lima session**

About

- Treaty ensures **conservation and sharing of plant genetic resources for food security**.
- Covers **35 major crops and 29 forages**, forming **80% of global diet**.
- Operates through **Multilateral System (MLS)** for access and benefit sharing.
- Members share **public gene bank resources freely among parties**.

5. Uses **Standard Material Transfer Agreement (SMTA)** to regulate exchanges.
6. Ensures **equitable sharing of commercial benefits**.
7. Issues like **payment mechanisms and digital sequence info remain unresolved**.
8. India advocates **sovereign rights and fair benefit-sharing**.

TSUNAMI-READY VILLAGES

Recent Update: India targets **100 tsunami-ready villages; 24 already recognised in Odisha**

About

1. Recognised under **UNESCO-IOC Tsunami Ready Recognition Programme (TRRP)**.
2. Focuses on **community-level preparedness and awareness**.
3. Requires **evacuation maps, mock drills and 24x7 warning systems**.
4. Uses **12 standard preparedness indicators for evaluation**.
5. Recognition renewed **every four years**.
6. Implemented in India through **National Tsunami Ready Recognition Board (NTRB)**.
7. Supported by **Indian Tsunami Early Warning Centre (INCOIS)**.
8. Strengthens **last-mile disaster resilience and coastal safety**.

SOURCE: THE HIDNU

GI TAG

Recent Update: Several new products were awarded **GI Tags in 2025** across Indian states.



About

1. GI Tag identifies products with **unique qualities linked to geographical origin**.
2. It is governed by the **Geographical Indications of Goods Act, 1999**.
3. GI registration is administered by the **Controller General of Patents, Designs and Trademarks**.
4. GI is part of **Intellectual Property Rights (IPRs)** under **WTO-TRIPS Agreement**.
5. **Darjeeling Tea (2004)** was India's first GI-tagged product.
6. **Handicrafts (~45%) and agriculture (~30%)** dominate India's GI portfolio.
7. GI protection preserves **cultural heritage and rural livelihoods**.

RECENTLY AWARDED GI TAGS (2025)

Recent Update: Multiple traditional products received **GI Tags in 2025**.

About

1. **Ambaji White Marble** from Gujarat received GI recognition.
2. **Lepcha Tungbuk** and **Lepcha Puntong Pulit** from Sikkim were GI-tagged.
3. **Kannadippaya** bamboo mat from Kerala was granted GI status.
4. **Apatani Textile** from Arunachal Pradesh received GI protection.
5. **Marthandam Honey** from Tamil Nadu was GI-tagged.
6. **Bodo Aronai** scarf from Assam gained GI recognition.
7. **Bedu and Badri Cow Ghee** from Uttarakhand received GI status.

FINANCIAL SECTOR ASSESSMENT PROGRAM (FSAP) REPORT 2025

Recent Update: The **FSAP Report 2025** urged India to accelerate financial reforms.

About

1. FSAP is a **joint World Bank–IMF programme** launched in **1999**.
2. It assesses **financial stability and development needs** of countries.
3. In advanced economies, FSAPs are led by the **IMF alone**.
4. In developing economies, FSAPs are conducted **jointly by IMF and World Bank**.
5. India's previous FSAP was conducted in **2017**.
6. The 2025 report links reforms to India's **USD 30 trillion economy target by 2047**.
7. It emphasises **financial resilience and regulatory strengthening**.

ELECTRONICS DEVELOPMENT FUND (EDF)

Recent Update: The **Electronics Development Fund** continues to support India's electronics innovation ecosystem.

About

1. EDF was launched by the **Government of India in 2016** to boost electronics manufacturing.
2. It promotes **research, development, and entrepreneurship** in electronics and IT sectors.
3. The fund operates as a **Fund of Funds (FoF)** model.
4. It invests in professionally managed **Daughter Funds**, including VC and angel funds.
5. All supported funds must be registered under **SEBI AIF Regulations, 2012**.
6. Eligible funds fall under **Category I or Category II Alternative Investment Funds**.
7. EDF strengthens **startup financing and deep-tech innovation in India**.

INHERITANCE TAX

Recent Update: Policy debates resurfaced, but **India continues to have no inheritance tax**.

About

1. Inheritance tax is levied on **assets received by beneficiaries after a person's death**.
2. It differs from **estate tax**, which taxes the deceased's total estate.
3. Liability is borne by the **beneficiary**, not the estate.
4. Many advanced economies impose inheritance or estate taxes.
5. India abolished inheritance tax in **1985**.
6. Currently, **no such tax exists under Indian law**.
7. Discussions persist around **wealth inequality and fiscal fairness**.

VISCOSE STAPLE FIBRE (VSF)

Recent Update: In **2025**, the **Central Government revoked the Quality Control Order (QCO)** requirement for **VSF**.

About

1. **Viscose Staple Fibre** is a **biodegradable fibre of natural origin** with **chemical similarities to cotton**.
2. It is manufactured by **regenerating cellulose** obtained from **cotton linters or wood pulp**.
3. The production process involves conversion of cellulose into **cellulose xanthate**, followed by spinning into fibres.
4. VSF is known for **excellent breathability, high moisture absorption, and comfort**, making it suitable for **tropical climates**.
5. It has **superior dye affinity** and **excellent colour retention**, increasing its appeal in textiles.
6. VSF is widely used in **fashion apparel, home textiles, and dress materials**.
7. Removal of QCO aims to **ease compliance burden, improve availability, and support the textile industry**.

DIGITAL GOLD

Recent Update: Digital gold products continue to operate **outside SEBI's regulatory framework**.

About

1. **Digital Gold** refers to buying gold **electronically without physical possession**.

2. Its price is **directly linked to physical gold market rates**.
3. These products are often **enabled through blockchain-based platforms**.
4. Investors can **buy, sell, and store gold digitally** via online applications.
5. Digital gold is **neither notified as a security nor regulated as a commodity derivative**.
6. It does **not fall under SEBI regulation**, unlike ETFs or Sovereign Gold Bonds.
7. As a result, **investor protection and grievance redressal remain limited**.

DOUBLE TAXATION AVOIDANCE AGREEMENT (DTAA)

Recent Update: India continues to expand and modernise its **DTAA network** to improve tax transparency and investment flows.

About

1. **DTAA** is a **bilateral tax treaty** signed between two or more countries.
2. It ensures that the **same income is not taxed twice** in different jurisdictions.
3. It applies when a taxpayer **resides in one country but earns income in another**.
4. Agreements may be **comprehensive** or **limited to specific income sources**.
5. Relief is provided through **tax exemption or tax credit mechanisms**.
6. DTAA helps **prevent tax evasion and promotes foreign direct investment**.
7. India has signed **DTAA with more than 90 countries worldwide**.

SWIFT SYSTEM

Recent Update: The **SWIFT system** continues to be central to **global financial messaging**, despite emerging alternatives.



About

1. **SWIFT** stands for **Society for Worldwide Interbank Financial Telecommunication**.
2. It was founded in the **1970s** to enable secure bank-to-bank messaging.
3. SWIFT does **not transfer money**, but transmits **verified transaction messages**.
4. Each institution has a unique **SWIFT/BIC code**.
5. Headquarters is located in **Belgium**, with oversight by **11 central banks**.
6. It handles nearly **40% of global US-dollar payment flows**.
7. Exclusion from SWIFT severely affects a country's **global financial access**.



TOPICS COVERED –

1. NITI Aayog Report
2. Enhancing Circular Economy of ELVs in India Report
3. Roadmap for Green Transition of MSMEs
4. Climate-Resilient Agriculture (CRA)
5. Agricultural Subsidy and Need for Reform
6. Digitalising India's Dairy Sector
7. Rising State Borrowings and Their Impact on Bond Yields
8. ILO Employment and Social Trends 2026 Report
9. New FIU-IND Guidelines for Virtual Digital Assets (VDAs)
10. Decade of the Startup India Initiative
11. Gati Shakti Cargo Terminals (GCTs) and India's Logistics Transformation
12. Gross Domestic Product (GDP) and Net Domestic Product (NDP)
13. Achieving Sustainability in Rice Production
14. Report on Trend and Progress of Banking in India 2024–25
15. Open Market Operations and Dollar–Rupee Swap
16. Central Bank Digital Currency (CBDC)
17. India as the 4th Largest Economy
18. Schrödinger's Economy
19. Economic Census (EC)
20. Gold-Backed Digital Trade Currency ("The Unit")
21. Rupee Depreciation
22. Health Security Se National Security Cess
23. India Becomes World's Largest Rice Producer
24. Payments Regulatory Board (PRB)
25. Export Preparedness Index (EPI)
26. Agarwood
27. Small Industries Development Bank of India (SIDBI)
28. Urban Co-operative Banks (UCBs)
29. Indian Railways Becomes the Biggest Electrified Rail System Globally
30. Wings India 2026
31. India's Fisheries & Aquaculture Sector
32. Economic Survey 2025–26
33. State Finances
34. Public Private Partnership (PPP)
35. Consumer Price Index (CPI) Revision
36. Startup India
37. Gig Workers
38. Duopoly in Indian Markets
39. Non-Performing Assets (NPA)
40. RBI Integrated Ombudsman Scheme (RB-IOS) 2026
41. Priority Sector Lending (PSL) Norms
42. Star Labelling Programme
43. Global Minimum Tax (OECD)

Recent Update: NITI Aayog released a January 2026 report recommending **convergence of 18 centrally administered MSME schemes** to improve efficiency and last-mile delivery.

About

1. The report is a **policy blueprint prepared by ASCI for NITI Aayog** analysing fragmentation in MSME scheme implementation.
2. MSMEs contribute nearly **29–30% of GDP and 45% of exports**, highlighting their economic centrality.
3. The sector employs over **28.7 crore people**, second only to agriculture in job creation.
4. Around **6.3 crore MSMEs operate nationwide**, with nearly 51% located in rural areas.
5. The report proposes **information and process convergence** to reduce duplication and resource wastage.
6. A **centralised AI-enabled digital portal** is recommended for unified scheme access and compliance.
7. Cluster, skill, marketing and innovation schemes should be rationalised for better coordination.
8. The core issue identified is **fragmented delivery rather than lack of schemes**.

ENHANCING CIRCULAR ECONOMY OF ELVS IN INDIA REPORT

Recent Update: NITI Aayog warned that India's **End-of-Life Vehicles (ELVs) may reach 50 million by 2030**, raising safety and pollution concerns.

About

1. End-of-Life Vehicles are those **unfit for roads, invalidly registered, or voluntarily declared scrap**.
2. ELVs are projected to rise from **23 million in 2025 to nearly 50 million by 2030**.
3. Older BS-I vehicles emit **up to eight times more pollutants than BS-VI vehicles**.
4. Nearly **98 million tonnes of steel** can potentially be recovered from scrapped vehicles.

5. India requires **500 Automated Testing Stations by 2027**, but only 156 were operational by 2025.
6. Formal scrappers face competition from the **informal sector evading GST and compliance costs**.
7. Digital deregistration gaps create **"ghost vehicles" on the VAHAN database**.
8. The report recommends Aadhaar-linked transfers and **carbon credit mechanisms for formal scrapping**.

ROADMAP FOR GREEN TRANSITION OF MSMEs

Recent Update: NITI Aayog unveiled a **10-year green transition roadmap for 69 million MSMEs**, aligned with India's net-zero 2070 target.

About

1. MSMEs contribute nearly **30% of GDP and 45.7% of exports**, making decarbonisation critical.
2. The sector accounts for **over 25% of industrial energy use** and emitted 135 Mt CO₂e in 2022.
3. The roadmap focuses on **energy efficiency, green electricity, and alternative fuels**.
4. It proposes a **National Project Management Agency (NPMA)** for coordinated implementation.
5. Decarbonisation supports compliance with the **EU Carbon Border Adjustment Mechanism (CBAM)**.
6. Financial tools like the **Climate Sister Impact Fund (CSIF)** are suggested for green investments.
7. Demand aggregation is proposed to lower costs of green technologies.
8. Standardised Monitoring, Reporting and Verification (MRV) tools will track emission reductions.

CLIMATE-RESILIENT AGRICULTURE (CRA)

Recent Update: India is scaling **Climate-Resilient Agriculture** to address intensifying droughts, floods, and monsoon variability.

Climate Resilient Agriculture



About

1. CRA integrates **climate-smart seeds, bio-inputs, precision irrigation and AI advisories**.
2. Around **51% of India's net sown area is rainfed**, making farming climate-sensitive.
3. Over **75% of annual rainfall occurs in four monsoon months**, increasing volatility.
4. CRA enhances food security for a population projected to reach **1.7 billion**.
5. Programmes like **NICRA and NMSA** support research and sustainable farming practices.
6. Micro-irrigation under **Per Drop More Crop** improves water efficiency.
7. Challenges include high upfront costs and limited digital literacy among small farmers.
8. Expansion of weather-based insurance under **PM Fasal Bima Yojana** strengthens resilience.

AGRICULTURAL SUBSIDY AND NEED FOR REFORM

Recent Update: Policy discussions emphasise reforming India's **input and price subsidies** to reduce fiscal and environmental distortions.

About

1. Agricultural subsidies lower input costs and stabilise prices through **MSP and fertiliser support**.
2. Excess urea subsidies distort the **Nitrogen–Phosphorus–Potassium (N:P:K) ratio**.
3. Subsidies ensure food security under the **National Food Security Act (NFSA)**.
4. India approaches the WTO's **10% de minimis limit under Amber Box support**.
5. Large farmers benefit disproportionately compared to eastern smallholders.
6. Digital reforms like **PM-KISAN DBT** reduce leakages and improve targeting.

7. Nutrient-Based Subsidy (NBS) expansion encourages balanced fertiliser use.
8. Reform aims to shift toward WTO-compliant **Green Box investments in irrigation and R&D**.

DIGITALISING INDIA'S DAIRY SECTOR

Recent Update: NDDDB generated over **35.68 crore Pashu Aadhaar IDs**, marking a milestone in dairy digitalisation.

About

1. India produces nearly **25% of global milk output**, leading the world in dairy production.
2. Dairy supports over **80 million rural households**, ensuring steady income streams.
3. Pashu Aadhaar provides **12-digit unique identification for livestock traceability**.
4. Automatic Milk Collection Systems enable **digital fat testing and instant farmer payments**.
5. The National Digital Livestock Mission maintains breeding and health records.
6. Women play a dominant role in dairy, promoting **financial inclusion and empowerment**.
7. Challenges include low per-animal productivity and fragmented informal supply chains.
8. Digital data integration enhances credit access and export competitiveness in dairy markets.

SOURCE: DRISHTI MONTHLY

RISING STATE BORROWINGS AND THEIR IMPACT ON BOND YIELDS

Recent Update: In FY 2025–26, States' gross borrowing touched **₹12.5 trillion**, keeping bond yields elevated despite RBI repo rate cuts.

About

1. Bond yield is the **return earned on a bond**, reflecting borrowing costs and overall market interest rates.
2. Bond prices and yields move in **opposite directions**, depending on prevailing interest rates.
3. Large government borrowing increases bond supply, thereby **pushing yields upward**.

- Elevated yields weaken **monetary transmission**, limiting the impact of RBI rate cuts.
- Higher inflation expectations raise yields as investors seek **real return protection**.
- A steepening yield curve signals **higher long-term interest rates and fiscal pressures**.
- Global factors like US Treasury yields influence **capital flows and domestic bond markets**.
- Rising state borrowings complicate fiscal coordination in India's **federal structure**.

ILO EMPLOYMENT AND SOCIAL TRENDS 2026 REPORT

Recent Update: The ILO projected global unemployment at **4.9% in 2025**, with 186 million unemployed worldwide.

About

- Extreme working poverty declined marginally to **7.9% in 2025**, affecting 284 million people.
- Informal employment is rising, expected to reach **2.1 billion workers by 2026**.
- The global jobs gap stands at **408 million**, reflecting structural employment challenges.
- Youth unemployment remains high at **12.4% in 2025**, with 257 million NEETs.
- Women account for only **two-fifths of global employment**, with lower labour force participation.
- Labour income share declined to **52.6% in 2025**, below pre-pandemic levels.
- India shows strong GDP growth but contributes only **3% of global manufacturing output**.
- The report highlights a widening **green talent gap in renewable energy sectors**.

NEW FIU-IND GUIDELINES FOR VIRTUAL DIGITAL ASSETS (VDAs)

Recent Update: FIU-IND introduced stringent **AML and KYC norms** for crypto exchanges under PMLA compliance.

About

- Mandatory live selfie verification with **liveness detection and geo-tagging** prevents deepfake onboarding fraud.

- Multi-layer KYC requires **PAN, secondary ID, OTP validation, and bank account confirmation**.
- High-risk users require KYC updates every **six months**, with enhanced due diligence norms.
- Crypto exchanges must register as **PMLA reporting entities** and maintain five-year records.
- Anonymous crypto tumblers and mixers are **strictly discouraged** to curb transaction opacity.
- VDAs are defined under **Section 2(47A) of the Income Tax Act, 1961**.
- Income from VDAs is taxed at a **30% flat rate**, with 1% TDS on transactions.
- The framework strengthens financial integrity within India's **cryptocurrency ecosystem**.

DECADE OF THE STARTUP INDIA INITIATIVE

Recent Update: On National Startup Day 2026, India marked **10 years of Startup India**, with over 2 lakh DPIIT-recognised startups.

About

- Startup India was launched on **16 January 2016** to promote entrepreneurship and innovation.
- India now hosts over **120 unicorns valued above USD 350 billion collectively**.
- Nearly **44,000 startups were registered in 2025**, the highest annual addition.
- About 50% of startups originate from **Tier II and Tier III cities**, reflecting decentralisation.
- The Fund of Funds for Startups has a **₹10,000 crore corpus** managed by SIDBI.
- The Startup India Seed Fund Scheme provides **₹945 crore for early-stage funding**.
- Challenges include low R&D spending at **0.64% of GDP** and funding slowdowns.
- Deep-tech scale-up requires stronger **industry-academia linkages and domestic risk capital**.

GATI SHAKTI CARGO TERMINALS (GCTs) AND INDIA'S LOGISTICS TRANSFORMATION

Recent Update: India's logistics cost declined to **7.97% of GDP**, driven significantly by expansion of Gati Shakti Cargo Terminals.

About

1. GCTs are **multi-modal railway cargo hubs** developed under the GCT Policy, 2021.
2. They integrate **rail, road, ports, and airports**, ensuring seamless freight connectivity.
3. The Engine-on-Load system reduces **turnaround time and cargo detention**.
4. Rail-based freight lowers costs to nearly half and cuts **carbon emissions by 90%**.
5. Since 2014, freight modal shift saved **143.3 million tonnes of CO₂ emissions**.
6. Indian Railways approved **306 GCTs**, with 118 already commissioned.
7. Freight revenues from GCTs rose to **₹12,608 crore in 2024–25**.
8. GCTs support **PM Gati Shakti National Master Plan** for integrated logistics planning.

GROSS DOMESTIC PRODUCT (GDP) AND NET DOMESTIC PRODUCT (NDP)

Recent Update: India projected **7.4% real GDP growth for FY 2025–26** and plans to shift focus to **NDP under SNA 2025**.

About

1. GDP measures the total value of **final goods and services produced domestically**.
2. India revised its GDP base year to **2011–12**, with another revision to 2022–23 underway.
3. GDP at market prices includes **taxes and subsidies**, unlike earlier factor cost method.
4. NDP deducts **depreciation of physical capital**, reflecting true net income.
5. GDP ignores **environmental degradation and natural resource depletion**.
6. India became the **fourth-largest economy with USD 4.18 trillion nominal GDP**.
7. Per capita GDP remains low at **USD 2,694**, indicating income disparity.
8. The NDP transition aims to align with **United Nations System of National Accounts 2025**.

ACHIEVING SUSTAINABILITY IN RICE PRODUCTION

Recent Update: India became the world's largest rice producer in 2025, contributing **40% of global exports**.

About

1. Rice cultivation requires **3,000–4,000 litres of water per kilogram**, stressing groundwater.
2. Major aquifers in Punjab and Haryana face **severe over-exploitation**.
3. Paddy cultivation contributes **10–20% of agricultural greenhouse gas emissions**.
4. Methane emissions from flooded fields worsen **climate change impacts**.
5. Direct Seeding of Rice saves water and reduces **labour and energy intensity**.
6. Excessive urea use leads to **soil nutrient imbalance and toxicity**.
7. Climate variability may reduce yields by **6–10% due to heat stress**.
8. Sustainable reforms include **crop diversification, precision irrigation, and MSP alignment**.

REPORT ON TREND AND PROGRESS OF BANKING IN INDIA 2024–25

Recent Update: RBI reported a multi-decadal low **GNPA ratio of 2.1% in September 2025**.

About

1. Scheduled Commercial Banks recorded **11.2% balance sheet expansion** in 2024–25.
2. Net profits rose to nearly **₹4 lakh crore**, reflecting improved asset quality.
3. Banking fraud amounts increased to **₹34,771 crore despite fewer cases**.
4. NBFCs achieved **19.4% credit growth**, maintaining strong capital buffers.
5. Urban Cooperative Banks reduced GNPA to **6.2%**, showing moderate recovery.
6. Climate risks were termed a **material threat to financial stability**.
7. RBI emphasised ethical AI use and strengthened **consumer protection norms**.
8. Inflation moderation and over **8% growth** created favourable macro conditions.

OPEN MARKET OPERATIONS AND DOLLAR–RUPEE SWAP

Recent Update: RBI announced simultaneous **OMO purchases and Dollar–Rupee swap auctions** to ease liquidity pressures.

About

1. OMO purchases inject rupee liquidity by buying **government securities from markets**.
2. Rupee–Dollar swaps provide **durable but reversible liquidity support**.
3. RBI sold USD 11.88 billion in October 2025 to stabilise the rupee.
4. High forward premiums signal expectations of **rupee depreciation pressures**.
5. OMOs directly influence **domestic bond yields and interest rates**.
6. Swaps help stabilise forex reserves without disrupting **government securities markets**.
7. Combined tools enhance flexibility in **monetary policy transmission mechanisms**.
8. These measures balance **exchange rate stability and domestic liquidity management**.

CENTRAL BANK DIGITAL CURRENCY (CBDC)

Recent Update: RBI proposed linking **BRICS CBDCs** for cross-border interoperability at the 2026 summit.



About

1. CBDC is a **digital form of sovereign fiat currency**, issued by the central bank.
2. It represents a **direct liability of the central bank**, unlike bank deposits.
3. Retail CBDC supports daily payments, while **wholesale CBDC aids interbank settlements**.
4. India's e-Rupee pilot has reached nearly **7 million retail users**.
5. CBDCs use encryption and **digital signatures for secure transactions**.
6. They aim to counter private cryptocurrencies and improve **financial inclusion**.
7. Over 90% of central banks globally are **exploring or piloting CBDCs**.
8. Interoperable CBDCs may reduce **cross-border transaction costs within BRICS economies**.

SOURCE: THE HINDU

INDIA AS THE 4TH LARGEST ECONOMY

Recent Update: India became the **world's 4th largest economy** with a nominal GDP of **\$4.18 trillion**, surpassing Japan in 2025.

About

1. India now ranks after the **United States, China, and Germany** in nominal GDP terms globally.
2. Projections suggest India may overtake Germany by **2027**, strengthening its global economic position.
3. GDP is expected to reach nearly **\$7.3 trillion by 2030** under sustained high growth momentum.
4. Under **Viksit Bharat 2047**, India aims to achieve high-income developed nation status.
5. Achieving developed status requires **GNI per capita above \$14,005** as per World Bank criteria.
6. On a **Purchasing Power Parity basis**, India ranks third globally with GDP of \$17.71 trillion.
7. India's per capita nominal GDP stands at **\$2,820**, ranking 136th worldwide.
8. Sectoral composition shows **services 55%, industry 27.6%, and agriculture 17.7%** of GDP.

SCHRÖDINGER'S ECONOMY

Recent Update: India's latest GDP data shows strong **real GDP growth** but slowing **nominal GDP growth**, creating mixed signals.

About

1. The term describes an economy appearing **simultaneously strong and weak at the same time**.
2. It reflects contradictory trends between **real output expansion and monetary value slowdown**.
3. Strong real GDP indicates rising **production volumes and economic activity levels**.
4. Slowing nominal GDP suggests moderation in **price levels and inflation dynamics**.

5. The divergence complicates assessment of **true macroeconomic health and demand conditions**.
6. Policymakers face difficulty balancing **growth stimulation with inflation management strategies**.
7. Investors interpret such signals cautiously, affecting **capital flows and market sentiment**.
8. The concept highlights complexities in interpreting **post-pandemic recovery patterns**.

ECONOMIC CENSUS (EC)

Recent Update: India will conduct its **8th Economic Census in 2027**, following the upcoming Population Census cycle.

About

1. The Economic Census enumerates all **entrepreneurial units and establishments nationwide**.
2. It is conducted every five years as a **Central Sector Scheme**.
3. The exercise is implemented by the **Ministry of Statistics and Programme Implementation (MoSPI)**.
4. Data collection occurs through **door-to-door surveys under the Collection of Statistics Act, 2008**.
5. It captures detailed information on **ownership, employment size, and geographic distribution**.
6. India has conducted seven Economic Censuses, with the latest held in **2019**.
7. The upcoming census will help create a **Statistical Business Register (SBR)**.
8. The SBR will serve as a unified database mapping enterprises across **all states and sectors**.

GOLD-BACKED DIGITAL TRADE CURRENCY ("THE UNIT")

Recent Update: BRICS members are informally exploring a **gold-backed blockchain settlement currency**, though no official announcement exists yet.

About

1. "The Unit" is a proposed **BRICS trade settlement currency backed by gold**.

2. Its value is anchored to **40% gold and 60% BRICS national currencies**.
3. The price is recalibrated daily based on **global gold prices and currency movements**.
4. It operates on a **permissioned Cardano blockchain platform** for secure transactions.
5. It is designed solely as a **neutral settlement mechanism**, not legal tender.
6. The objective is to reduce excessive **dependence on the US dollar in trade**.
7. It minimizes **single-currency exposure and exchange rate volatility risks**.
8. It does not interfere with **national monetary sovereignty of member countries**.

RUPEE DEPRECIATION

Recent Update: The rupee faced renewed pressure amid global uncertainty and rising **US Federal Reserve interest rates**.

About

1. Rupee depreciation refers to a fall in the **value of the rupee against foreign currencies**.
2. In a floating exchange rate system, value depends on **demand and supply in forex markets**.
3. Key causes include inflation, capital outflows, trade deficits, and **high crude oil prices**.
4. Depreciation may boost exports but raises **imported inflation risks**.
5. Higher oil and palm oil prices widen the **Current Account Deficit (CAD)**.
6. Persistent depreciation puts pressure on **foreign exchange reserves**.
7. RBI measures include promoting **Masala Bonds and easing External Commercial Borrowings**.
8. Currency devaluation differs as it is a **deliberate government policy action**.

HEALTH SECURITY SE NATIONAL SECURITY CESS

Recent Update: The proposed cess aims to replace the **GST Compensation Cess on sin goods** after its expiry.

About

1. It maintains taxation on **demerit goods without increasing overall burden**.

- Revenue will fund **public health programmes and national security expenditure**.
- The levy is calculated based on **manufacturing machine capacity rather than output volume**.
- Proceeds are credited to the **Consolidated Fund of India**.
- The Union Government retains exclusive control over **revenue collection and utilisation**.
- The cess is not shared with **State Governments under GST framework**.
- It ensures continuity of taxation after the **GST compensation mechanism ends**.
- The proposal aligns fiscal policy with **health resilience and security priorities**.

SOURCE: INDIAN EXPRESS

PAYMENTS REGULATORY BOARD (PRB)

Recent Update: The first meeting of the **Payments Regulatory Board** was held in Mumbai under RBI Governor Sanjay Malhotra.

About

- The PRB is the statutory body through which the **Reserve Bank of India regulates payment systems**.
- It was created under **Section 3 of the Payment and Settlement Systems Act, 2007**.
- It replaced the earlier **Board for Regulation and Supervision of Payment and Settlement Systems (BPSS)**.
- The Chairperson is the **RBI Governor**, with members from government and fintech sectors.
- It grants and revokes authorisation for systems like **UPI, RTGS, cards, and digital wallets**.
- It prescribes **technical, operational, and cybersecurity standards** for payment infrastructure.
- It addresses systemic risks, ensures **settlement finality and consumer protection safeguards**.
- It strengthens governance of India's rapidly expanding **digital and non-cash payments ecosystem**.

EXPORT PREPAREDNESS INDEX (EPI) 2024

Recent Update: NITI Aayog released the **Export Preparedness Index 2024** assessing state-level export readiness.

About

- EPI evaluates export readiness using **4 pillars, 13 sub-pillars, and 70 indicators**.
- Pillars include **Export Infrastructure, Business Ecosystem, Policy & Governance, and Performance**.
- It assesses logistics, utilities, finance access, innovation, and **cost competitiveness factors**.
- States are classified as **Leaders, Challengers, and Aspirers**.
- It incorporates official data from **central ministries and state governments**.
- It emphasises districts as the real units of **export competitiveness and value-chain growth**.
- It supports cluster-based and place-based **export development strategies**.
- It aims to promote **export-led growth, employment generation, and regional development**.

AGARWOOD

Recent Update: The government launched an **₹80 crore Agarwood Value Chain Development Scheme** in Tripura.



About

- Agarwood is a fragrant **resinous heartwood formed in Aquilaria trees after fungal infection**.
- It is historically mentioned in **Ayurvedic texts and early Islamic trade records**.
- Found mainly in **Northeast India, Southeast Asia, and tropical evergreen forests**.

4. Only around **10% of wild trees naturally produce resin**, making it highly valuable.
5. It is listed under **CITES Appendix II due to overexploitation risks**.
6. It is widely used in **luxury perfumery, incense, and cultural rituals**.
7. Bioactive compounds like **chromones and terpenoids** support traditional medicinal use.
8. It is among the most expensive forest products in **global fragrance markets**.

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)

Recent Update: SIDBI continues expanding refinance and digital lending to strengthen India's MSME ecosystem.

About

1. SIDBI is the principal institution for **promotion and financing of MSMEs in India**.
2. It was established in **April 1990 through an Act of Parliament**.
3. It provides refinance support to **banks, SFBs, and NBFCs for MSME lending**.
4. It offers direct loans for **fixed capital and working capital requirements**.
5. It promotes collateral-free and **digitally-enabled credit products**.
6. It supports startups through **venture debt and non-equity financing mechanisms**.
7. It runs facilitation platforms like **Udyami Mitra for advisory and credit linkage**.
8. It plays a central role in strengthening India's **inclusive and formal MSME financing framework**.

URBAN CO-OPERATIVE BANKS (UCBS)

Recent Update: RBI proposed reopening the **licensing window for Urban Co-operative Banks** after two decades.

About

1. UCBS are member-owned banks operating mainly in **urban and semi-urban areas**.
2. They function on cooperative principles of **mutual help and democratic control**.
3. The first urban cooperative credit society was registered in **Kanchipuram in 1904**.

4. They came under partial RBI regulation via the **Banking Regulation Act, 1949 amendment (1966)**.
5. They mobilise deposits from **local communities and small savers**.
6. They provide credit to **small businesses, traders, professionals, and MSMEs**.
7. Recent reforms strengthened governance through the **Banking Regulation (Amendment) Act, 2020**.
8. They play a vital role in promoting **financial inclusion in urban informal sectors**.

WINGS INDIA 2026

Recent Update: Wings India 2026 was held in Hyderabad, highlighting India's emergence as a global aviation hub.

About

1. Wings India is a biennial **civil aviation exhibition and global conference**.
2. It is organised by the **Ministry of Civil Aviation** at Begumpet Airport.
3. The event features **air displays, static aircraft exhibitions, and policy dialogues**.
4. It facilitates over **500 B2B and B2G meetings and investor sessions**.
5. It promotes aircraft manufacturing, **MRO, cargo, and digital air navigation systems**.
6. It emphasises Sustainable Aviation Fuel and **green airport infrastructure initiatives**.
7. It supports technology transfer and **international aviation partnerships**.
8. It showcases India's ambition to become a leading **global aviation and aerospace hub**.

SOURCE: PIB

INDIAN RAILWAYS: NEAR-COMPLETION OF 100% ELECTRIFICATION

Recent Update: Indian Railways achieved **~99.2% Broad Gauge electrification (69,427 of 70,001 RKM)** by November 2025 under Mission 100%.

About

1. Electrification pace accelerated from **1.42 km/day (2004–14) to over 15 km/day (2019–25)**, reflecting tenfold expansion.

- Railway electrification replaces diesel engines with **electric traction powered through Overhead Equipment (OHE)**.
- Electric traction is nearly **70% more energy-efficient than diesel**, reducing operational expenditure.
- Solar capacity expanded from **3.68 MW (2014) to 898 MW (2025)**, integrating renewable energy.
- Electrified network share rose from **24% (2000) to 99.2% (2025)**, showing structural transformation.
- Electrification reduces **fuel import dependence and greenhouse gas emissions significantly**.
- Higher acceleration and haulage capacity improve **speed, reliability, and network efficiency**.
- India now ranks among the most electrified rail systems globally, comparable to **Switzerland's 100% network**.

INDIA'S FISHERIES & AQUACULTURE SECTOR

Recent Update: Fish production doubled to **197.75 lakh tonnes (FY 2024–25)**, reflecting 106% growth since 2013–14.



About

- Fisheries output rose from **95.79 lakh tonnes to 197.75 lakh tonnes**, strengthening food security.
- The sector generated **74.66 lakh employment opportunities** since 2014–15.
- India is the **2nd largest fish producer globally**, contributing about 8% of global output.
- Fisheries account for **7.43% of Agriculture GVA**, the highest among allied sectors.

- Exports reached **₹62,408 crore (US\$ 7.45 billion)** in FY 2024–25 despite global trade shocks.
- Policy support includes **PMMSY, FIDF, PMMKSSY, and Blue Revolution initiatives**.
- Productivity improved to **4.77 tonnes per hectare in aquaculture systems**.
- Governance integrates **cluster-based development and National Fisheries Digital Platform formalisation**.

ECONOMIC SURVEY 2025–26

Recent Update: Economic Survey 2025–26 projects **6.8–7.2% real GDP growth for FY27** with historically low inflation.

About

- FY26 GDP growth estimated at **7.4%**, supported by agriculture recovery and manufacturing acceleration.
- CPI inflation averaged **1.7% (April–December 2025)**, marking historic disinflation.
- Industrial growth projected at **6.2% in FY26**, exceeding pre-pandemic trends.
- Manufacturing GVA rose **7.72% in Q1 and 9.13% in Q2 FY26**, driven by PLI schemes.
- Services sector grew **9.1%**, with GDP share rising to 53.6%.
- Total employment reached **56.2 crore persons**, with unemployment declining to 4.8%.
- Total exports touched **USD 825.3 billion in FY25**, led by services exports.
- The Survey underscores strong fiscal credibility and **resilient financial buffers amid global volatility**.

SOURCE: VISION MONTHLY

STATE FINANCES

Recent Update: The **Comptroller and Auditor General (CAG)** released the **second edition of the State Finances Report 2023–24**, presenting an audited overview of the fiscal position of all 28 states.

About

- The **State Finances Report 2023–24** provides a **comprehensive analysis of fiscal trends across states**, including revenue, expenditure,

deficits, and debt sustainability over the last decade.

2. **States' Own Tax Revenue (SOTR)** forms the largest component of revenue receipts, contributing around **47% of total revenue receipts between 2014–15 and 2023–24**.
3. Other major revenue sources include **share in Union taxes (28%), grants-in-aid from the Centre (17%), and states' non-tax revenue (8%)**.
4. The **share in Union taxes increased from 21.34% in FY2014–15 to 29.77% in FY2023–24**, reflecting higher devolution recommended by the **14th and 15th Finance Commissions**.
5. **Public debt receipts accounted for 94–99% of capital receipts**, indicating heavy dependence of states on borrowing for financing expenditures.
6. States' **total expenditure ranged between 16.15% and 17.49% of combined Gross State Domestic Product (GSDP)** over the decade.
7. **Revenue expenditure constituted 80–87% of total expenditure**, with committed expenditure such as salaries, pensions, interest payments, and subsidies accounting for more than half.
8. In **FY2023–24**, 16 states recorded revenue surplus while 12 states had revenue deficits, and 18 states exceeded the fiscal deficit limit of **3% of GSDP** recommended by the **Fifteenth Finance Commission**.

PUBLIC PRIVATE PARTNERSHIP (PPP)

Recent Update: The Department of Economic Affairs (DEA) created a **three-year PPP project pipeline** to accelerate infrastructure development.

About

1. **Public Private Partnership (PPP)** refers to a **collaborative arrangement between the government and private sector entities for financing, building, and operating public infrastructure or services**.
2. PPP models aim to combine **public sector oversight with private sector efficiency, innovation, and capital investment**.
3. India's PPP pipeline currently includes **852 projects with a combined investment of over ₹17 lakh crore** across central ministries and states.

4. The initiative follows the **Union Budget 2026–27 announcement of ₹12.2 lakh crore public capital expenditure** to boost infrastructure growth.
5. Public capital expenditure has increased significantly from **₹2 lakh crore in FY2014–15 to ₹11.2 lakh crore in FY2025–26**, reflecting infrastructure prioritization.
6. According to the **World Bank's Private Participation in Infrastructure (PPI) Report 2024**, India consistently ranks among the **top five countries globally for private investment in infrastructure**.
7. India accounts for **over 90% of South Asia's total private infrastructure investment**, highlighting its dominance in regional PPP projects.
8. The **Public Private Partnership Appraisal Committee (PPPAC)** has recommended **129 projects worth ₹5.6 lakh crore between 2014–15 and 2025–26**.

CONSUMER PRICE INDEX (CPI) REVISION

Recent Update: The **Ministry of Statistics and Programme Implementation (MoSPI)** released the **Consumer Price Index with a new base year of 2024**.
About

1. **Consumer Price Index (CPI)** measures the **average change over time in retail prices of goods and services consumed by households**.
2. CPI is the **primary indicator of inflation in India** and is used by the **Reserve Bank of India for inflation targeting under monetary policy**.
3. The CPI series covering **rural, urban, and combined households** has been released since **January 2011 with base year 2010**.
4. CPI (Combined), which integrates **both rural and urban consumption patterns**, serves as the **headline inflation measure in India**.
5. Each item in the CPI basket is assigned a **specific weight reflecting its share in household consumption expenditure**.
6. The index uses the **Laspeyres Index formula**, which compares current prices with base-year prices using base-year consumption weights.
7. Updated CPI weights are derived from the **Household Consumer Expenditure Survey using the Mixed Modified Reference Period (MMRP) method**.

8. Updating the base year reflects **structural economic changes such as urbanisation, digital commerce growth, and shifting consumption patterns**, ensuring accurate inflation measurement.

STARTUP INDIA

Recent Update: National Startup Day 2026 marked a decade of the Startup India initiative, launched to promote entrepreneurship and innovation.

About

1. **Startup India**, launched on **16 January 2016**, aims to build a strong startup ecosystem that promotes **innovation, job creation, and economic growth**.
2. An entity qualifies as a **startup if it is registered as a private limited company, partnership firm, LLP, or cooperative society in India**.
3. The startup must be **less than 10 years old and have an annual turnover below ₹200 crore** since incorporation.
4. It must focus on **innovation, development, or improvement of products and services or operate a scalable business model with high employment potential**.
5. The **Fund of Funds for Startups (FFS)** with a corpus of **₹10,000 crore**, managed by SIDBI, provides capital support through SEBI-registered Alternative Investment Funds.
6. The **Startup India Seed Fund Scheme (SISFS)** with **₹945 crore** provides early-stage funding for proof of concept, prototyping, and product trials.
7. The **Credit Guarantee Scheme for Startups (CGSS)** enables startups to access **collateral-free loans through financial institutions**.
8. Digital platforms such as **Startup India Hub, MAARG mentorship portal, and Startup India Investor Connect** facilitate networking, mentoring, and investment opportunities.

GIG WORKERS

Recent Update: Major delivery platforms have agreed to **remove the 10-minute delivery deadline**, raising renewed debate about gig worker welfare.

About

1. The **Code on Social Security, 2020** introduced legal recognition for **gig workers and platform workers in India's labour framework**.

2. A **gig worker** is a person engaged in work arrangements outside traditional employer-employee relationships and paid on a task or contract basis.
3. A **platform worker** performs work through digital platforms where organizations or individuals access services via online applications.
4. The Code empowers the government to **design social security schemes covering health benefits, insurance, and welfare support for gig and platform workers**.
5. Previously gig workers were treated as part of the **informal sector without coverage under laws such as Minimum Wages Act, EPF Act, or ESI Act**.
6. The rise of gig work is driven by **digitalisation, expansion of online platforms, and evolving labour market structures**.
7. According to the **Economic Survey 2025–26**, gig workers represent **over 2% of India's workforce**, growing from **77 lakh in FY2021 to 120 lakh in FY2025**.
8. **NITI Aayog projects the gig workforce to reach 2.35 crore by 2029–30**, indicating rapid expansion of platform-based employment.

DUOPOLY IN INDIAN MARKETS

Recent Update: The **Indigo aviation crisis** highlighted concerns about duopoly in several sectors such as **telecom, food delivery, and aviation**.

About

1. A **duopoly** refers to a market structure where **two dominant firms control the majority of supply of a product or service**.
2. In India, several sectors display duopolistic tendencies, such as **telecom, cab services, aviation, and food delivery platforms**.
3. **High capital requirements and economies of scale** make entry difficult for smaller firms, enabling dominance by large corporations.
4. **Network effects** allow early entrants to capture large customer bases, making it difficult for competitors to survive.
5. Duopolies may lead to **higher prices and reduced affordability due to limited competitive pressure**.

6. Consumers face **restricted choices and fewer alternatives**, reducing overall market efficiency.
7. Dominant firms may gain **excessive lobbying power and influence regulatory frameworks**, discouraging innovation and new entrants.
8. India regulates such market concentration through the **Competition Act 2002**, enforced by the **Competition Commission of India (CCI)** along with sectoral regulators such as **TRAI and DGCA**.

NON-PERFORMING ASSETS (NPA)

Recent Update: According to the **RBI Report on Trend and Progress of Banking 2024–25**, India's **Gross NPA ratio declined to 2.1% by late 2025**, the lowest in decades.

About

1. **Non-Performing Assets (NPAs)** are loans where **principal or interest payments remain overdue for more than 90 days**.
2. **Gross NPA (GNPA)** represents the total value of such bad loans, while **Net NPA (NNPA)** is obtained after deducting provisions made by banks.
3. India's GNPA ratio had **peaked at 11.18% in 2018** before declining due to structural reforms in the banking sector.
4. Major causes of NPAs include **economic slowdowns, corporate defaults, fraud, and weak credit monitoring systems**.
5. High NPAs force banks to **increase provisioning requirements**, reducing their ability to lend and support economic growth.
6. The **Insolvency and Bankruptcy Code (IBC), 2016** introduced a **time-bound resolution framework for stressed assets**.
7. The **SARFAESI Act, 2002** allows banks to **seize and sell collateral assets of defaulting borrowers without court intervention**.
8. Other measures such as **Asset Reconstruction Companies (ARCs), Debt Recovery Tribunals, and the Indradhanush banking reform plan** have helped improve asset quality.

RBI INTEGRATED OMBUDSMAN SCHEME (RB-IOS) 2026

Recent Update: The **RBI Integrated Ombudsman Scheme (RB-IOS) 2026** will come into force from **1 July 2026** to strengthen grievance redress for banking

customers.

About

1. The scheme provides a **cost-effective, quick, and non-adversarial mechanism for resolving complaints against RBI-regulated entities**.
2. The **RBI appoints Ombudsman and Deputy Ombudsman officers**, usually for a tenure of **three years**.
3. RBI will establish a **Centralised Receipt and Processing Centre (CRPC)** to receive and process complaints digitally.
4. Customers can file complaints for **deficiency in service by banks, NBFCs, payment system operators, or other regulated entities**.
5. The Ombudsman has authority to **award compensation up to ₹30 lakh to the complainant**.
6. The scheme removes earlier limits on the **dispute amount that can be brought before the Ombudsman**.
7. Both the complainant and the regulated entity can **appeal the Ombudsman's decision within 30 days before the Appellate Authority**.

PRIORITY SECTOR LENDING (PSL) NORMS

Recent Update: The **RBI issued revised Priority Sector Lending Directions 2025**, updating targets and compliance mechanisms.

About

1. **Priority Sector Lending (PSL)** ensures that banks provide credit to **vulnerable sectors such as agriculture, MSMEs, housing, and weaker sections of society**.
2. The new guidelines require **external audit certification to ensure that the same loan exposure is not counted multiple times as PSL**.
3. The **PSL target for Small Finance Banks (SFBs) has been reduced from 75% to 60% of Adjusted Net Bank Credit (ANBC)**.
4. Loans provided by banks to the **National Cooperative Development Corporation (NCDC)** for on-lending to cooperatives will now qualify as PSL.
5. Banks are permitted to enter into **co-lending arrangements with other financial institutions to meet PSL targets**.

6. **Export credit to agriculture and MSMEs** is now eligible to be counted under priority sector lending.
7. These reforms aim to **improve transparency, expand rural credit access, and strengthen agricultural and MSME financing.**

STAR LABELLING PROGRAMME

Recent Update: The Bureau of Energy Efficiency (BEE) introduced revised **energy efficiency star ratings for appliances.**

About

1. The **Star Labelling Programme** is a key component of the **Standards and Labelling initiative under the Energy Conservation Act 2001.**
2. It aims to **inform consumers about the energy efficiency and electricity consumption of appliances.**
3. Appliances are rated from **one star to five stars, with five stars indicating the highest energy efficiency.**
4. The program helps consumers **reduce electricity costs while promoting energy conservation and climate mitigation.**
5. Several appliances such as **ceiling fans, electric geysers, televisions, and fluorescent lamps** fall under mandatory labelling.
6. Other appliances like **industrial motors, computers, and microwave ovens** are covered under voluntary labelling.
7. The scheme encourages **manufacturers to adopt energy-efficient technologies and reduce environmental impact.**
8. Energy efficiency labeling contributes to **lower carbon emissions and improved national energy security.**

GLOBAL MINIMUM TAX (OECD)

Recent Update: The **OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS)** finalized arrangements for implementing the **Global Minimum Tax system.**

About

1. The **Global Minimum Tax** aims to ensure that **multinational enterprises pay a minimum level of corporate tax regardless of where they operate.**

2. It is based on the **Global Anti-Base Erosion (GloBE) model rules**, which prevent profit shifting to low-tax jurisdictions.
3. **Base Erosion and Profit Shifting (BEPS)** refers to tax strategies used by multinational firms to **artificially move profits to low-tax countries.**
4. The global tax framework introduces a **minimum effective corporate tax rate to reduce harmful tax competition between countries.**
5. The agreement includes **simplification measures to reduce compliance burden on multinational companies and tax authorities.**
6. It introduces **safe harbour provisions for qualifying multinational enterprises operating in jurisdictions with adequate taxation.**
7. The framework promotes a **level playing field between developed and developing economies in global taxation.**

INDIA BECOMES WORLD'S LARGEST RICE PRODUCER

Recent Update: India has become the **largest rice producer globally, surpassing China**, with production reaching about **150 million tonnes.**

About

1. **Rice is one of the most important staple food crops**, especially in tropical and subtropical regions of Asia.
2. India is also the **largest exporter of rice**, exporting about **20.1 million tonnes in 2024–25.**
3. Major rice-producing states include **Uttar Pradesh, Telangana, West Bengal, Punjab, and Chhattisgarh.**
4. Key export destinations include **Saudi Arabia, Iran, Iraq, Benin, and the United Arab Emirates.**
5. Rice grows best in **warm and humid climates with temperatures around 20–30°C and annual rainfall of 100–150 cm.**
6. Paddy cultivation requires **standing water of around 10–15 cm during much of the growing period.**
7. Rice can grow in **various soil types including silty, loamy, and clay soils**, with an ideal pH between **5.5 and 6.5.**



SOURCE: INSIGHTS MONTHLY

BUDGET 2026–27: RARE EARTH CORRIDORS

Recent Update: Union Budget 2026–27 announces Rare Earth Corridors in coastal states

About:

1. **Rare Earth Corridors** are integrated industrial ecosystems linking **mining, processing, research, and manufacturing** of rare earth elements.
2. Focus on **coastal states – Odisha, Kerala, Andhra Pradesh, Tamil Nadu**, rich in **monazite-bearing beach sands**.
3. Targets **Light Rare Earth Elements (REEs)** like **Neodymium and Praseodymium**, critical for advanced technologies.
4. Expands exploration to **inland deposits** in states like **Arunachal Pradesh and Rajasthan**, especially for Heavy REEs.
5. Aims to build a **domestic value chain** from extraction to finished products like **rare earth magnets (REPMs)**.
6. Supports **clean energy transition**, including EVs, wind turbines, and solar technologies.
7. Aligns with the **National Critical Minerals Mission**, enhancing resource security.
8. Strengthens India's **strategic autonomy in critical minerals and high-tech manufacturing**.

MSME MINISTRY UPGRADES NSIC TO SCHEDULE 'A' CPSE

Recent Update: NSIC upgraded to Schedule 'A' category CPSE for excellent performance

About:

1. **Central Public Sector Enterprises (CPSEs)** are companies with **≥51% government ownership**.
2. Categorized into **Schedule A, B, C, and D** based on size, importance, and performance.

3. **Schedule 'A'** represents the **highest tier**, including strategically important and large enterprises.
4. **National Small Industries Corporation (NSIC)** upgrade reflects its strong operational and financial performance.
5. Classification is managed by the **Department of Public Enterprises (DPE)** under Ministry of Finance.
6. Most CPSEs are governed under the **Companies Act, 2013** or specific statutory Acts.
7. Higher category provides **greater autonomy, higher pay scales, and strategic importance**.
8. Enhances NSIC's role in **supporting MSMEs and industrial development**.

NEW GDP SERIES (BASE YEAR FY23)

Recent Update: MoSPI shifts GDP base year from 2011-12 to 2022-23

About:

1. **GDP base year revision** updates the reference year to measure **real economic growth accurately**.
2. New base year is **2022-23 (FY23)** replacing **2011-12**, reflecting current economic realities.
3. Aligns with **global standards (System of National Accounts – SNA)**.
4. Captures **emerging sectors** like digital economy and gig work more accurately.
5. Uses improved methodologies like **double deflation** for better value-added estimation.
6. Reflects **changing consumption patterns and technological advancements**.
7. Improves **policy formulation and macroeconomic analysis**.
8. Provides a **more realistic picture of India's economic performance and structural changes**.

EXPORT PROMOTION MISSION (EPM)

Recent Update: New interventions launched to boost MSME exports

About:

1. **Export Promotion Mission (EPM)** is a flagship initiative to enhance **MSME participation in global trade**.

2. Implemented by the **Department of Commerce** with a holistic ecosystem approach.
3. Combines **financial support and trade facilitation** under dual pillars – **Niryat Protsahan & Niryat Disha**.
4. Provides **trade finance tools** like export factoring, credit guarantees, and interest subvention.
5. Supports compliance through **TRACE** for global certification standards.
6. Enhances logistics via **FLOW and LIFT initiatives**, including warehousing and freight support.
7. Builds capacity through **INSIGHT programme** and district export hubs.
8. Aims for **inclusive export growth, global competitiveness, and market integration**.

NATIONAL MONETISATION PIPELINE 2.0 (NMP 2.0)

Recent Update: Launched to accelerate infrastructure financing through asset monetisation

About:

1. **NMP 2.0** provides a roadmap for monetising **existing brownfield infrastructure assets**.
2. Developed by **NITI Aayog** and implemented under Ministry of Finance oversight.
3. Focuses on **asset recycling** to generate funds for new infrastructure without increasing fiscal burden.
4. Uses models like **PPP, InvITs, securitisation, and strategic disinvestment**.
5. Covers sectors like **roads, railways, power, ports, telecom, and urban infrastructure**.
6. Revenue flows into **Consolidated Fund, PSUs, or reinvestment projects**.
7. Improves **investment opportunities for private sector participation**.
8. Ensures **efficient capital utilisation and sustainable infrastructure development**.

PETROLEUM AND NATURAL GAS REGULATORY BOARD (PNGRB)

Recent Update: PNGRB approves guidelines for injecting CBG into gas networks

About:

1. **PNGRB** is a statutory body established under **PNGRB Act, 2006**.
2. Regulates the **downstream petroleum and natural gas sector** in India.
3. Aims to protect **consumer interests and promote fair competition**.
4. Authorises and regulates **pipelines, LNG terminals, and city gas distribution (CGD) networks**.
5. Sets **tariffs, access codes, and safety standards** for infrastructure.
6. Maintains a **data bank and oversees sectoral development**.
7. Ensures **adequate and uninterrupted supply of petroleum products**.
8. Plays a key role in **energy security and transition to cleaner fuels like CBG**.

BUSINESS READY (B-READY) ASSESSMENT

Recent Update: India included in B-READY 2026 assessment

About:

1. **B-READY** is a **World Bank benchmarking tool** assessing business and investment climate.
2. Replaced the earlier **Doing Business Report** with a more transparent methodology.
3. Evaluates **regulatory environment, public services, and operational efficiency**.
4. Based on **firm-level surveys and expert consultations**.
5. Pillar 1 assesses **laws and regulations (de jure framework)**.
6. Pillar 2 evaluates **infrastructure and public services support**.
7. Pillar 3 measures **ease of compliance and real-world implementation (de facto)**.
8. Aims to promote **inclusive, sustainable, and digitally driven economic growth**.

MINIRATNA CATEGORY-I STATUS

Recent Update: Yantra India Limited granted Miniratna Category-I status

About:

1. **Miniratna status** grants **financial and operational autonomy** to profit-making CPSEs.

2. Divided into **Category-I and Category-II**, with Category-I having higher autonomy.
3. Requires **continuous profit for 3 years and positive net worth**.
4. Category-I needs **₹30 crore pre-tax profit in at least one year**.
5. Ensures **independent directors and financial discipline**.
6. Enables CPSEs to make **investment decisions without prior government approval up to limits**.
7. Improves **efficiency, competitiveness, and managerial flexibility**.
8. Acts as a stepping stone toward **Navratna and Maharatna status**.

SBI 'CHAKRA' CENTRE OF EXCELLENCE

Recent Update: SBI launches CHAKRA CoE for sunrise sectors

About:

1. **CHAKRA CoE** is a knowledge-driven platform by **State Bank of India** for financing emerging sectors.
2. Focuses on **8 sunrise sectors** including renewable energy, EVs, semiconductors, and green hydrogen.
3. Aims to enhance **institutional expertise in technology-driven industries**.
4. Develops **innovative financing models and risk assessment frameworks**.
5. Encourages **collaboration with global institutions, NBFCs, and academia**.
6. Supports **policy-aligned investment strategies**.
7. Publishes **research reports and industry insights**.
8. Strengthens India's **financial ecosystem for future industries and economic transformation**.

CONSUMER PRICE INDEX (CPI) BASE 2024

Recent Update: MoSPI releases CPI (Base 2024=100); inflation at 2.75% (Jan 2026)

About:

1. **CPI** measures **retail inflation** based on a basket of goods and services consumed by households.
2. New base year updated to **2024=100**, replacing **2012=100**.
3. Uses **HCES 2023-24 data** for updated consumption weights.
4. Applies methods like **Jevons index and Modified Laspeyres** for accurate calculation.
5. Expands basket to **358 items**, reflecting modern consumption trends.
6. Includes **more services and digital consumption**, like online platforms.
7. Provides **state-wise, rural-urban monthly inflation data**.
8. Enhances **accuracy, transparency, and relevance of inflation measurement** in policymaking.

SOURCE: DRISHTI MONTHLY

BANK-CENTRIC TO CORPORATE BOND-BASED FINANCE

Recent Update: Budget 2026–27 introduces reforms to deepen corporate bond market

About:

1. The reform aims to shift India from a **bank-dominated credit system** to a **market-based corporate bond financing ecosystem**.
2. Addresses **excessive burden on banks**, which currently absorb long-term corporate risks unlike developed economies.
3. Introduces **market-making frameworks** to improve liquidity through continuous buy-sell quotes in bond markets.
4. Enables advanced instruments like **Total Return Swaps (TRS)** and **bond index derivatives** for risk hedging and investor participation.
5. Establishes **Infrastructure Risk Guarantee Fund** to reduce risk in infrastructure financing.
6. Promotes **CPSE asset monetisation via REITs**, unlocking capital tied in underutilised assets.
7. Seeks to improve **monetary policy transmission**, which is currently distorted due to banks' long-term exposure.

8. Aims to expand corporate bond market beyond **15–16% of GDP**, aligning with global benchmarks for financial stability.

REFORMING INDIA'S POWER DISTRIBUTION SECTOR

Recent Update: DISCOMs show financial turnaround in FY 2024–25

About:

1. **DISCOMs recorded positive PAT**, reversing heavy losses seen in earlier years, indicating improved financial health.
2. **AT&C losses reduced significantly**, reflecting better operational efficiency and billing systems.
3. Improvements partly driven by **state government subsidies and financial support**, raising sustainability concerns.
4. **Late Payment Surcharge (LPS) Rules** improved payment discipline and reduced outstanding dues.
5. Rising **electricity demand and fuel cost volatility** continue to exert financial pressure.
6. Implementation of **Revamped Distribution Sector Scheme (RDSS)** enhanced accountability and performance.
7. Sector still faces structural issues like **inefficient tariffs and cross-subsidisation**.
8. Reform focus is on achieving **financial sustainability, efficiency, and reliable power supply**.

INDIA'S AVIATION SECTOR

Recent Update: Sector faces disruptions, safety concerns, and profitability challenges

About:

1. India is the **3rd-largest domestic aviation market**, with rapid growth in passenger traffic.
2. Passenger numbers expected to reach **715 million by 2030 and 1.1 billion by 2040**.
3. Airport infrastructure expanded significantly from **74 (2014) to 163 (2025)**.
4. Contributes around **1.5% of GDP and supports millions of jobs**.
5. Governed by policies like **Open Sky Policy and Bharatiya Vayuyan Adhiniyam, 2024**.

6. Faces issues of **high operational costs, safety concerns, and declining airline profitability**.
7. Entry of new players increases competition but also **financial stress in sector**.
8. Requires reforms in **regulation, infrastructure, and financial sustainability**.

RBI CREDIT AND CONSUMER PROTECTION REFORMS

Recent Update: RBI introduces measures to boost MSMEs and strengthen consumer protection

About:

1. **Collateral-free loan limit for MSMEs doubled** to ₹20 lakh, improving access to formal credit.
2. Banks now allowed to lend to **Real Estate Investment Trusts (REITs)**, expanding investment avenues.
3. Introduces **customer protection measures** like compensation up to ₹25,000 for small-value fraud.
4. Proposes guidelines to curb **mis-selling of financial products** by banks.
5. Plans **harmonised regulations for recovery agents** to ensure fair practices.
6. Launches **Mission SAKSHAM** for capacity building in cooperative banks.
7. Strengthens **digital financial security and consumer trust**.
8. Enhances financial ecosystem by balancing **credit growth with consumer protection**.

RBI MPC – REPO RATE DECISION

Recent Update: RBI MPC keeps repo rate unchanged at 5.25% (Feb 2026)

About:

1. RBI maintained **repo rate at 5.25%**, indicating a cautious and data-driven approach.
2. Adopted a **neutral monetary policy stance**, allowing flexibility for future rate changes.
3. Projects **GDP growth at 7.4% for FY26**, reflecting strong economic momentum.
4. Retail inflation remains **low and within target range**, supporting policy pause.
5. Stable rates mean **no immediate change in EMIs or lending rates**.
6. Supported by **strong domestic demand and fiscal stimulus measures**.

7. External risks like **geopolitical tensions and global uncertainty** warrant caution.
8. Reflects balance between **growth support and inflation control**.

ECONOMIC SURVEY 2025–26: INDIA'S DEVELOPMENTAL PATH

Recent Update: Economic Survey outlines long-term strategy for Viksit Bharat

About:

1. Emphasises **strategic sobriety and resilience** in managing global economic uncertainties.
2. Advocates **institutional quality and state capacity** as key drivers of development.
3. Promotes transition from **“Ruler’s Raj to Citizen’s Raj”**, focusing on enabling governance.
4. Encourages **trust-based regulatory systems** over compliance-heavy frameworks.
5. Highlights **intelligent indigenisation and friendshoring** in global supply chains.
6. Focuses on **servicification of manufacturing** and integration with global markets.
7. Stresses **balanced approach between short-term shocks and long-term growth**.
8. Aligns development strategy with **Viksit Bharat @2047 vision**.

CAPITAL GOODS SECTOR BOOST

Recent Update: Budget 2026–27 increases support for capital goods sector

About:

1. **Public capital expenditure increased to ₹12.2 lakh crore**, driving infrastructure-led growth.
2. Establishes **hi-tech tool rooms** for advanced manufacturing support.
3. Introduces **container manufacturing scheme** to strengthen logistics ecosystem.
4. Provides **tax exemptions for electronics and toll manufacturing sectors**.
5. Supports **energy transition** through duty exemptions for battery and critical minerals.
6. Promotes **domestic manufacturing capacity and technological upgradation**.
7. Aims to reduce **import dependence and enhance global competitiveness**.

8. Plays a key role in **industrial growth and economic transformation**.

CIRCULAR ECONOMY IN MOBILITY

Recent Update: NITI Aayog releases reports on circular economy in mobility sector

About:

1. Circular economy focuses on **6Rs – Reduce, Reuse, Recycle, Refurbish, Recover, Repair**.
2. Addresses India’s **resource constraints and rising waste generation**.
3. Promotes **End-of-Life Vehicle (ELV) recycling ecosystem** through policy measures.
4. Encourages formalisation of **informal recycling sector** for efficiency and safety.
5. Introduces standards for **waste tyre recycling and pyrolysis products**.
6. Expands **EPR framework for e-waste and lithium-ion batteries**.
7. Supports **urban sustainability and reduction in greenhouse gas emissions**.
8. Generates employment and promotes **sustainable economic growth**.

CONSUMER CONFIDENCE IN INDIA

Recent Update: Consumption remains resilient despite underlying stress

About:

1. Consumer confidence supported by **GST cuts and lower inflation**, boosting demand.
2. Surge in **consumer durable loans** indicates rising spending capacity.
3. **Rural wage growth improvement** contributes to increased consumption.
4. However, **household debt levels remain high**, weakening financial stability.
5. Income growth remains uneven, leading to **K-shaped recovery patterns**.
6. Urban wage stagnation limits **disposable income growth**.
7. Structural issues like **inequality and rising costs** affect demand sustainability.
8. Requires focus on **inclusive growth, financial stability, and employment generation**.

INDIA ENERGY WEEK 2026

Recent Update: IEW 2026 highlights India's energy transition strategy

About:

1. **India Energy Week (IEW)** is a global platform for **energy dialogue and cooperation**.
2. Focuses on **energy addition strategy**, combining fossil fuels with clean energy.
3. Promotes **investments in oil, gas, LNG, biofuels, and green hydrogen**.
4. Strengthens **India-UAE energy partnership** and global trade relations.
5. Highlights India's role in **global energy demand and supply chains**.
6. Emphasises **energy security and transition to renewables**.
7. India ranks high globally in **solar and wind energy capacity**.
8. Balances **economic growth with sustainability and energy resilience**.

LOW PUBLIC HEALTH SPENDING IN INDIA

Recent Update: India fails to meet National Health Policy targets

About:

1. Public health spending remains **below 1% of GDP**, far from **NHP 2017 target of 2.5%**.
2. Decline in **central government contribution** has led to fiscal imbalance.
3. States have increased spending but face **resource constraints**.
4. **Health and Education Cess (HEC)** often substitutes rather than supplements spending.
5. India lags behind peers in **per capita health expenditure**.
6. Low spending affects **health infrastructure and service quality**.
7. Leads to **high out-of-pocket expenditure for citizens**.
8. Highlights need for **increased investment and systemic reforms in healthcare**.

STATE FINANCES REPORT 2025-26

Recent Update: RBI highlights demographic and fiscal challenges for states

About:

1. States face **diverse demographic challenges**, requiring tailored fiscal strategies.
2. Fiscal deficit widened to **3.3% of GDP**, reflecting revenue pressures.
3. Increasing reliance on **market borrowings for financing deficits**.
4. Capital expenditure rising, supporting **infrastructure development**.
5. Social sector spending remains a **major component of revenue expenditure**.
6. Debt levels moderate but expected to **rise in coming years**.
7. Calls for focus on **education, health, and employment depending on demographic stage**.
8. Emphasises need for **fiscal discipline, revenue diversification, and long-term planning**.

SOURCE: THE HINDU

CENTRAL BANK DIGITAL CURRENCIES (CBDCs)

Recent Update: RBI proposes linking CBDCs of BRICS nations for cross-border use

About:

1. A **CBDC is legal tender issued by a central bank in digital form**, representing sovereign currency liability.
2. In India, the **Digital Rupee issued by the Reserve Bank of India** is the official CBDC.
3. Unlike cryptocurrencies, CBDCs have **stable value backed by the central bank**, ensuring trust and stability.
4. Categorized into **Wholesale CBDC (interbank settlements)** and **Retail CBDC (for general public use)**.
5. Retail CBDC includes **Token-based (anonymous transactions)** and **Account-based (linked to identity)** systems.
6. Enhances **payment efficiency, financial inclusion, and cross-border transactions**.
7. Appears on the **central bank balance sheet**, unlike private digital currencies.

8. Emerging tool for **digital financial architecture and monetary policy transmission**.

GIG ECONOMY

Recent Update: Expansion of social security coverage for gig workers

About:

1. Defined under **Code on Social Security, 2020** as workers outside traditional employer-employee relationships.
2. Includes **platform-based workers** (e.g., delivery partners) and **non-platform informal workers**.
3. Government provides **social security benefits via e-Shram portal and Ayushman Bharat**.
4. Eligible workers receive **accidental insurance under PMSBY (₹2 lakh cover)**.
5. Funded through **aggregator contributions, penalties, and government support**.
6. Promotes **flexibility and employment generation**, especially in urban economies.
7. Faces challenges like **job insecurity, lack of labour rights, and income volatility**.
8. Represents a key shift towards **digital and platform-based labour markets**.

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)

Recent Update: Strengthening MSME financing and sustainability initiatives

About:

1. **SIDBI** is a statutory body established in 1990 for **promotion and development of MSMEs**.
2. Acts as the **principal financial institution** for MSME financing in India.
3. Regulated by the Reserve Bank of India and functions under the Ministry of Finance.
4. Took over **Small Industries Development Fund and National Equity Fund** from IDBI.
5. Focuses on **credit flow, refinancing, and capacity building of MSMEs**.
6. Promotes **green financing and energy-efficient production practices**.
7. One of the **five All India Financial Institutions (AIFIs)** in India.

8. Plays a critical role in **inclusive industrial growth and entrepreneurship development**.

RBI PRIORITY SECTOR LENDING (PSL) DIRECTIONS, 2025

Recent Update: RBI revises PSL norms to improve compliance and inclusion

About:

1. PSL ensures **credit flow to priority sectors** like agriculture, MSMEs, exports, and weaker sections.
2. New rules mandate **external audit certification to prevent double counting of loans**.
3. PSL target for **Small Finance Banks reduced from 75% to 60% of ANBC**.
4. Loans to **NCDC for cooperative societies now classified under PSL**.
5. Allows **co-lending arrangements** between banks and NBFCs.
6. Export credit to **MSMEs and agriculture now included under PSL**.
7. Enhances **transparency, accountability, and financial inclusion**.
8. Strengthens role of banking sector in **inclusive economic development**.

BLUE CATEGORY OF INDUSTRIES

Recent Update: CPCB classifies CETPs under Blue Category

About:

1. **Blue Category** includes **Essential Environmental Services (EES)** crucial for pollution control.
2. Examples include **STPs, waste-to-energy plants, composting and biomining units**.
3. Classified by Central Pollution Control Board based on Pollution Index (PI).
4. PI evaluates **air pollution, water pollution, and waste generation potential**.
5. Complements existing categories: **Red, Orange, Green, and White industries**.
6. Recognises environmental services as **critical infrastructure for sustainability**.

- Encourages investment in **waste management and pollution control technologies**.
- Supports India's transition to a **clean and circular economy**.

LIBERALISED REMITTANCE SCHEME (LRS)

Recent Update: Continued facilitation of outward remittances under FEMA

About:

- Introduced by the Reserve Bank of India in 2004 under **FEMA, 1999**.
- Allows resident individuals to remit up to **USD 250,000 per year abroad**.
- Covers **current account transactions** like travel, education, medical expenses.
- Includes **capital account transactions** like investments, property purchase abroad.
- Not applicable to **corporates, HUFs, and trusts**.
- Subject to **Tax Collected at Source (TCS)** beyond ₹7 lakh threshold.
- Prohibits activities like **lottery, margin trading, and remittances to high-risk countries**.
- Facilitates **global financial integration and individual investment opportunities**.

OPEN NETWORK FOR DIGITAL COMMERCE (ONDC)

Recent Update: ASI enables ticket booking via ONDC

About:

- ONDC** is an open digital network launched in 2022 to **democratise e-commerce**.
- Initiative of Department for Promotion of Industry and Internal Trade.
- Enables **interoperability between buyers and sellers across platforms**.
- Reduces **platform monopolies and promotes fair competition**.
- Supports **MSMEs and small sellers** with wider market access.
- Expands use cases beyond retail, including **services and ticketing (e.g., ASI monuments)**.
- Built on **open-source protocols for scalability and innovation**.

- Key pillar in India's **Digital Public Infrastructure (DPI)** ecosystem.

REVISED RBI INTEGRATED OMBUDSMAN SCHEME (RB-IOS), 2026

Recent Update: RBI strengthens grievance redress mechanism

About:

- Introduced by the Reserve Bank of India to provide **speedy and cost-effective complaint resolution**.
- Covers banks, NBFCs, digital wallets, and cooperative institutions.
- Establishes **Centralised Receipt and Processing Centre (CRPC)**.
- No **minimum monetary limit for complaints**, improving accessibility.
- Ombudsman can award compensation up to **₹30 lakh**.
- Mandates **Principal Nodal Officers in each entity**.
- Appeals allowed within **30 days to Appellate Authority**.
- Enhances **consumer protection and trust in financial system**.

EU ANTI-COERCION INSTRUMENT (ACI)

Recent Update: France urges first use against US tariffs

About:

- ACI is a regulation of the European Union to counter economic coercion.
- Targets countries using **trade or investment pressure to influence EU policies**.
- Allows measures like **trade restrictions, investment controls, and market access limits**.
- Known informally as "**Bazooka**" tool due to its strong retaliatory powers.
- Aims at **deterrence rather than frequent usage**.
- Reflects growing **goeconomic competition globally**.
- Strengthens EU's **strategic autonomy in trade policy**.

8. Highlights shift towards **economic security frameworks in global trade.**

CENTRE FOR FOURTH INDUSTRIAL REVOLUTION (C4IR)

Recent Update: New C4IR centre announced in Andhra Pradesh

About:

1. Initiative of the World Economic Forum to promote Industry 4.0 technologies.
2. Focuses on **AI, IoT, robotics, blockchain, and advanced manufacturing.**
3. India will host its **third centre after Mumbai and Telangana.**
4. Coordinated by **NITI Aayog** in India.
5. Aims to support **policy innovation and technology adoption.**
6. Facilitates **public-private collaboration in emerging technologies.**
7. Drives **digital transformation in governance and industry.**
8. Strengthens India's role in the **global innovation ecosystem.**

EUROZONE

Recent Update: Bulgaria becomes 21st member of Eurozone

About:

1. The **Eurozone** comprises EU countries that use the euro as a common currency.
2. Established under the Maastricht Treaty.
3. Managed by the **European Central Bank (ECB).**
4. Includes **21 member countries after Bulgaria's entry.**
5. Ensures **monetary integration and stable currency system.**
6. Distinct from **EU (political union)** and **Schengen Area (visa-free zone).**
7. Promotes **economic coordination and financial stability.**
8. Key pillar of **global financial system and trade.**

MUSTARD CROP

Recent Update: Rising infestation of *Orobanche aegyptiaca* affecting yield

About:

1. Mustard is a **Rabi oilseed crop**, widely cultivated in India.
2. Grows best in **cool climate (10–25°C)** and **sandy loam soil.**
3. Major producing states include **Rajasthan, UP, Gujarat, and Haryana.**
4. Used for **edible oil, vegetables, and cattle feed (oilcake).**
5. Contributes to **nutritional security and agricultural economy.**
6. Faces threat from parasitic weed **Orobanche aegyptiaca.**
7. Important for **domestic edible oil self-sufficiency.**
8. Supports **farmer income and agro-based industries.**

TEXTILE SECTOR IN INDIA

Recent Update: Continued policy push through PM MITRA and technical textiles

About:

1. Second-largest employment generator after agriculture.
2. Contributes around **2.3% to GDP** and significant export earnings.
3. India is the **6th largest exporter of textiles globally.**
4. Supported by schemes like **PM MITRA Parks and ATUFS.**
5. Covers **cotton, silk, wool, synthetic fibres, and technical textiles.**
6. Promotes **Make in India and global competitiveness.**
7. Faces challenges like **global demand fluctuations and competition.**
8. Key sector for **inclusive growth and employment generation.**

STEEL SECTOR IN INDIA

Recent Update: Target set for 500 million tonnes production by 2034

About:

1. India is the **2nd largest steel producer globally**.
2. Steel contributes around **2% to GDP**.
3. Essential for **infrastructure, construction, and manufacturing sectors**.
4. Steel is an alloy of **iron and carbon with additional elements**.
5. Sector has **17.92% weight in Index of Core Industries**.
6. Government promotes **capacity expansion and green steel initiatives**.
7. Faces challenges like **raw material costs and carbon emissions**.
8. Critical for achieving **industrial growth and economic development**.

SOURCE: INDIAN EXPRESS

BUDGET 2026–27: ANNOUNCEMENT FOR RARE EARTH CORRIDORS

Recent Update: Union Budget 2026–27 announced establishment of Rare Earth Corridors in coastal states

About

1. **Rare Earth Corridors** are **integrated industrial ecosystems** that connect mining, refining, research, and manufacturing activities within a defined geographic cluster.
2. The initiative focuses on **Light Rare Earth Elements (REEs)** like **Neodymium and Praseodymium**, which are crucial for **permanent magnets and high-tech industries**.
3. Identified states include **Odisha, Kerala, Andhra Pradesh, and Tamil Nadu**, all of which possess rich **monazite-bearing beach sand deposits**.
4. **Odisha's Chhatrapur (OSCOM) region** currently leads in **processing capacity and operational infrastructure** for rare earth extraction.
5. **Kerala (Chavara and Vizhinjam)** is being developed as a **major hub for refining and logistics support** under the corridor framework.
6. The corridors aim to build a **complete domestic value chain** from raw mineral

extraction to **finished advanced products like REPMs**.

7. The initiative directly supports **clean energy technologies** such as **electric vehicles, wind turbines, and solar systems**.
8. It aligns with the **National Critical Minerals Mission** to ensure **resource security and reduce dependence on imports**, especially from China.

EMERGING RARE EARTH POTENTIAL IN INDIA

Recent Update: Geological Survey of India identifies new inland REE deposits in multiple states

About

1. **Arunachal Pradesh (Papum Pare district)** has emerged as a **high-potential zone with Neodymium-rich deposits in river valley soils**.
2. **Rajasthan (Balotra region)** has discovered over **1 lakh tonnes of in-situ rare earth oxides**, indicating strong inland reserves.
3. Ongoing exploration in **Sirohi and Bhilwara districts** is expected to further strengthen India's **rare earth mineral base**.
4. **West Bengal (Purulia district)** is witnessing exploration in the **South Purulia Shear Zone**, showing promising REE presence.
5. **Gujarat (Amba Dongar and Kamthai complexes)** are identified as **carbonatite-based sources rich in rare earth minerals**.
6. **Madhya Pradesh (Singrauli coalfields)** has revealed REE deposits associated with **coal-bearing geological formations**.
7. **Jharkhand and Chhattisgarh regions** contain **heavy REE-rich stream placers within granite-gneiss complexes**.
8. Inland deposits are especially important for **Heavy REEs**, which are **strategically more valuable and scarce globally**.

NSIC UPGRADED TO SCHEDULE 'A' CPSE

Recent Update: National Small Industries Corporation upgraded to Schedule A category due to excellent performance

About

1. **Central Public Sector Enterprises (CPSEs)** are entities where the **Central Government holds at least 51% ownership and control**.

2. The upgrade of **NSIC** signifies its **consistent financial performance and strategic importance in MSME development**.
3. CPSEs are categorized into **Schedule A, B, C, and D** based on **size, turnover, and national importance**.
4. **Schedule A category** includes **large-scale enterprises with significant economic and strategic roles** in the country.
5. Most CPSEs are incorporated under the **Companies Act, 2013** or established through **specific Parliamentary Acts**.
6. The **Department of Public Enterprises (DPE)** acts as the **nodal authority for classification, guidelines, and performance monitoring**.
7. Classification ensures **better administrative control, structured pay scales, and performance benchmarking**.
8. The upgrade enhances **decision-making autonomy, financial powers, and institutional credibility of NSIC**.

NEW GDP SERIES (BASE YEAR 2022–23)

Recent Update: MoSPI revises GDP base year to 2022–23 with methodological improvements

About

1. The **GDP base year** is used as a **reference year to calculate real GDP by eliminating the impact of inflation**.
2. India has updated its base year from **2011–12 to 2022–23** to reflect **current economic realities and structural changes**.
3. The revision captures **modern consumption trends including digital services, gig economy, and new industries**.
4. It aligns India's national accounts with the **International System of National Accounts (SNA)** for global comparability.
5. Introduction of **double deflation method** improves accuracy in estimating **value added in manufacturing sectors**.
6. The new series better represents **technological advancements and evolving industrial structures**.
7. It provides policymakers with **more accurate data for fiscal planning and economic decision-making**.

8. Overall, the update enhances the **credibility, transparency, and international acceptance of India's GDP estimates**.

EXPORT PROMOTION MISSION (EPM)

Recent Update: Government launched new interventions to strengthen MSME exports under EPM

About

1. The **Export Promotion Mission (EPM)** is a flagship initiative aimed at **enhancing export capabilities of MSMEs in global markets**.
2. It is implemented by the **Department of Commerce** with a **holistic ecosystem-based approach combining finance, logistics, and policy support**.
3. The mission provides **trade finance assistance**, including **credit guarantees, interest subvention, and export factoring services**.
4. It introduces **TRACE framework** to support **testing, inspection, and certification for international standards compliance**.
5. Logistics support is strengthened through **FLOW and LIFT initiatives**, enabling **overseas warehousing and freight cost reduction**.
6. The **INSIGHT component** enhances **market intelligence and promotes district-level export hubs**.
7. It provides **credit support up to ₹5 crore** and encourages **digital export platforms and e-commerce participation**.
8. The mission aims to achieve **inclusive export growth, reduce trade barriers, and integrate India into global value chains**.

NATIONAL MONETISATION PIPELINE 2.0

Recent Update: Government launched NMP 2.0 to accelerate infrastructure financing through asset monetisation

About

1. **NMP 2.0** is the second phase of India's **asset monetisation programme focusing on brownfield infrastructure assets**.
2. It is developed by **NITI Aayog** and implemented under the **Ministry of Finance with inter-ministerial coordination**.
3. The primary objective is to **unlock value from existing assets and generate funds for new infrastructure projects**.

4. It utilizes multiple models such as **Public-Private Partnerships (PPP), InvITs, securitisation, and strategic disinvestment.**
5. The pipeline covers sectors including **highways, railways, ports, power, telecom, aviation, and urban infrastructure.**
6. Funds generated are directed towards **capital expenditure and infrastructure expansion without increasing fiscal deficit.**
7. It enhances **private sector participation and investment confidence in infrastructure development.**
8. A dedicated monitoring mechanism ensures **transparency, accountability, and time-bound execution of projects.**

DOUBLE TAXATION AVOIDANCE CONVENTION (DTAC)

Recent Update: India and France amended DTAC to align with global tax standards

About

1. A **Double Taxation Avoidance Convention (DTAC)** is a **bilateral agreement to prevent the same income from being taxed twice.**
2. It allocates taxing rights between the **source country (where income is earned) and the residence country (where taxpayer resides).**
3. Under the **Exemption Method**, income is taxed in only one country and exempt in the other.
4. Under the **Tax Credit Method**, tax paid in the source country is credited against tax liability in the residence country.
5. DTACs promote **cross-border investments and economic cooperation between nations.**
6. They reduce **tax evasion, disputes, and legal uncertainties for multinational businesses.**
7. These agreements are aligned with **OECD and international taxation frameworks.**
8. They enhance **ease of doing business and global financial integration.**

PETROLEUM AND NATURAL GAS REGULATORY BOARD (PNGRB)

Recent Update: PNGRB approved new guidelines for injection of Compressed Biogas into gas networks

About

1. **PNGRB** is a **statutory regulatory authority established under the PNGRB Act, 2006.**
2. It regulates the **downstream petroleum and natural gas sector including pipelines and distribution networks.**
3. The board ensures **fair competition, consumer protection, and efficient market functioning.**
4. It authorizes entities to **build and operate pipelines, LNG terminals, and city gas distribution systems.**
5. PNGRB regulates **tariffs and access to common carrier pipelines to ensure equitable usage.**
6. It lays down **technical standards and safety norms for infrastructure development.**
7. The board maintains **sectoral data and oversees expansion of gas infrastructure across India.**
8. It plays a crucial role in ensuring **energy security and sustainable fuel transition.**

SOURCE: PIB

REVISED GDP SERIES (BASE YEAR 2022–23)

Recent Update: Government released revised GDP estimates with base year shifted to 2022–23 (Feb 2026)

About

1. **GDP (Gross Domestic Product)** measures the **total monetary value of final goods and services produced within a country**, excluding intermediate goods to avoid double counting.
2. The base year has been revised from **2011–12 to 2022–23** to reflect **current economic structure, consumption patterns, and technological changes.**
3. The revision follows **SNA 2008 standards** and is compiled by the **National Statistical Office (NSO) under MoSPI.**
4. India recorded **real GDP growth of 7.6% (FY 2025–26)** and **nominal growth of 8.6%**, indicating strong macroeconomic performance.
5. Introduction of **double deflation method** improves accuracy by separately deflating **output and intermediate inputs.**

- Integration of **GST data, PFMS, e-Vahan and surveys (PLFS, ASUSE)** enhances **data reliability and real-time estimation**.
- The new series captures **digital economy, gig work, informal sector, and multi-activity firms** more accurately.
- It improves **policy planning, fiscal calculations, and global comparability**, though challenges remain in **informal sector estimation and inequality measurement**.

RURAL TRANSFORMATION THROUGH DECENTRALISATION (BUDGET 2026–27)

Recent Update: Union Budget 2026–27 increased rural development outlay to ₹2.73 lakh crore

About

- Rural transformation is driven by **decentralisation under 73rd Constitutional Amendment**, empowering **Panchayati Raj Institutions (PRIs)** for grassroots governance.
- Fiscal devolution has increased significantly, strengthening **local autonomy and participatory planning mechanisms**.
- Introduction of **legal employment guarantees and SHG-led development models** enhances **livelihood security and inclusive growth**.
- Digital governance tools like **Aadhaar-enabled DBT, geo-tagging, and e-payments** improve **transparency and reduce leakages**.
- Schemes like **SVAMITVA** formalise rural property rights, enabling **credit access and asset monetisation**.
- Women-led initiatives such as **Self-Help Groups (SHGs)** strengthen **financial inclusion and social empowerment**.
- Public investment in rural infrastructure promotes **connectivity, employment generation, and economic diversification**.
- Challenges include **limited devolution of functions, funds, and functionaries (3Fs)** and **capacity gaps in local governance institutions**.

EASE OF DOING BUSINESS (EoDB) REFORMS

Recent Update: Budget 2026–27 introduced major compliance reduction and digital reforms

About

- Ease of Doing Business (EoDB)** refers to the **quality of regulations affecting business**

lifecycle from entry to exit, aiming to reduce transaction costs.

- Constitutional backing comes from **Article 19(1)(g)** ensuring freedom of trade, subject to reasonable restrictions.
- Reforms include **decriminalisation of minor offences (Jan Vishwas Act)** and reduction of **47,000+ compliances**.
- Digital platforms like **National Single Window System (NSWS) and PARIVESH** streamline approvals and improve transparency.
- India attracted **USD 748 billion FDI (2014–25)**, indicating improved investment climate and regulatory certainty.
- Tax reforms such as **MAT reduction, simplified dispute resolution, and decriminalisation** enhance business confidence.
- Trade facilitation measures like **AI-based customs clearance and risk management systems** reduce logistics costs and delays.
- Challenges remain in **implementation gaps, policy unpredictability, and balancing growth with labour and environmental safeguards**.

UNION BUDGET 2026–27: OVERALL FRAMEWORK

Recent Update: Budget 2026–27 focuses on growth, inclusion and capacity-building

About

- The Budget is structured around **“Yuva Shakti” and three Kartavya pillars** focusing on **growth, capacity building, and inclusive development**.
- Fiscal deficit is targeted at **4.3% of GDP**, ensuring **fiscal consolidation with growth support**.
- Public capital expenditure increased to **₹12.2 lakh crore**, driving **infrastructure-led economic growth**.
- Major focus on **manufacturing, MSMEs, logistics and infrastructure development** to enhance competitiveness.
- Introduction of **City Economic Regions (CERs)** promotes **cluster-based urban-industrial growth**.
- Social sector initiatives target **education, healthcare, gender equality, and regional development**.

7. Tax reforms emphasise **simplification, compliance reduction, and trust-based governance.**
8. The Budget aligns with **Directive Principles of State Policy**, promoting **welfare, equity, and sustainable development.**