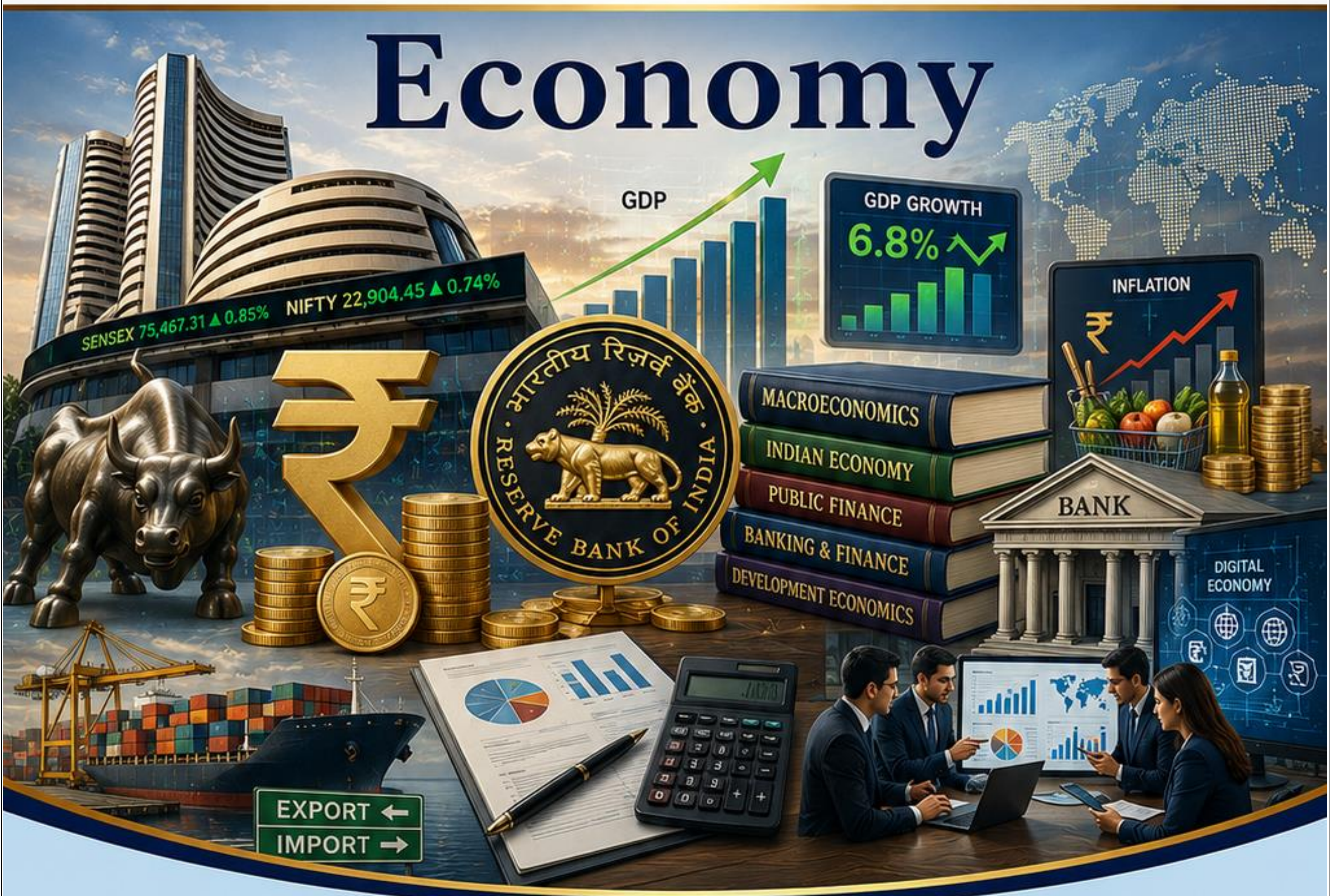
P.L. RAJ IAS & IPS ACADEMY

Civil Services Study Material

Economy



UPSC Prelims Current Affairs

(July 2026)

MONTHLY COMPILATION

1447 / C, 3rd Floor, 15th Main Road, H Block, Anna Nagar West, Chennai - 600040.
+91 9445132221, +91 9445032221 | 044 4232 3192

Contents

1. Centralised IT-Enabled System (CITES) Project – EPFO Modernisation

Prelims:

Polity & Governance, Economy

Mains:

GS Paper II-Governance, GS Paper III – Economy

Current relevance:

The **Employees' Provident Fund Organisation (EPFO**) is implementing a planned **database consolidation** and software upgrade under the **Centralised IT-Enabled System (CITES) project.**

Highlights:

1. **Centralised IT-Enabled System (CITES)** is a digital modernisation initiative of the **EPFO** aimed at improving operational efficiency through **automation, rule-based processing, and a single national database.**
2. **Objective:** To modernise EPFO services by providing **transparent, seamless, and citizen-centric digital service delivery** across the country.
3. **Key Features:**

i. It is designed and developed by **the Centre for Development of Advanced Computing (C-DAC).**
ii. It replaces the earlier decentralised system with a **single centralised national database,** enabling any EPFO office to process member service requests.
iii. Provides a **unified digital interface** for EPFO members.
iv. Enables **online KYC updates, claim submission, and grievance redressal.**
v. Allows members to access their PF balance, service records, pension details, and claim status using the existing **Universal Account Number (UAN).**
vi. Facilitates **electronic claim processing,** online query management, and digital communication for faster service delivery.

Source: THE HINDU- https://www.thehindu.com/news/national/what-is-epfos-new-system-explained/article71164453.ece

2. The fiscal tightrope for State government

Prelims:

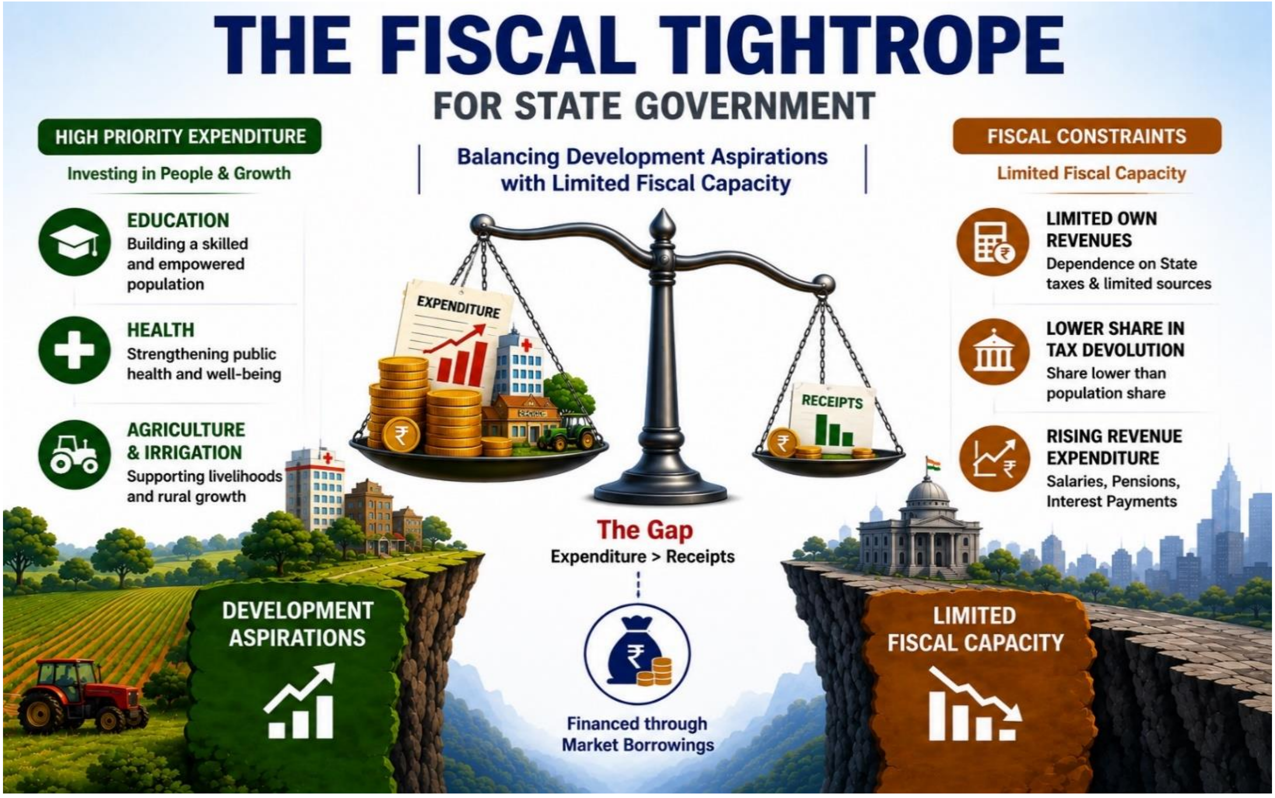
Indian Economy, Polity & Governance

Mains:

GS Paper II-Polity & Governance, GS Paper III-Indian Economy

Current relevance:

The **White Papers on State Finances** released by the **Kerala and Tamil Nadu Governments** have highlighted the growing debt burden and fiscal stress faced by State governments, reviving the debate on fiscal federalism, State borrowing, and development financing.



At a glance:

Fiscal Constraints:

1. States face **persistent fiscal deficits** as government expenditure continues to exceed revenue receipts.
2. **Limited fiscal autonomy** and a relatively **lower share** in **Central tax devolution** make States increasingly dependent on financial transfers from the Union Government.
3. A significant portion of State budgets is spent on salaries, pensions, and other revenue expenditure, leaving **limited resources for capital investment.**

4. **Lower capital expenditure** restricts investment in infrastructure and **long-term economic growth.**
5. **Higher borrowing costs** through **State Development Loans (SDLs)** increase the overall debt burden on State governments.

Measures to Strengthen State Finances:

1. Strengthen **fiscal federalism** by enhancing the fiscal autonomy of States.
2. Ensure **equitable tax devolution** and timely fiscal transfers from the Union Government to strengthen the **financial capacity of States**.
3. **Reduce borrowing costs** for State governments to improve **fiscal sustainability.**
4. **Increase investment in infrastructure**, higher education, research and innovation, public transport, and knowledge-based industries for long term growth.
5. Improve **public financial management** and strengthen revenue mobilisation to support sustainable and inclusive development.

Revenue Expenditure: Short-term expenses incurred during day-to-day operations to maintain the business or governmental body.

Capital Expenditure (Capex): Funds a company or government uses to acquire, upgrade, or maintain long-term physical assets, such as property, buildings, or equipment.

State Development Loans (SDLs): Marketable debt securities (bonds) issued by individual state governments in India to fund fiscal deficits and finance infrastructure or public welfare programs.

Source: THE HINDU https://www.thehindu.com/business/Economy/the-fiscal-tightrope-for-state-governments/article71167296.ece

3. New provident fund (PF) rules

Prelims:

Economy, Social Security

Mains:

GS Paper II-Governance, GS Paper III-Economy

Current relevance:

The **Ministry of Labour and Employment** has notified the **Employees' Provident Fund (EPF) Scheme, 2026**, **Employees' Pension Scheme (EPS), 2026**, and **Employees' Deposit Linked Insurance (EDLI) Scheme, 2026** under the **Code on Social Security, 2020**.

Highlights:

Background:

1. The **Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952** established the legal framework for social security benefits for organised sector employees.
2. The **Code on Social Security, 2020** consolidated and rationalised India's labour laws relating to social security.

New changes:

1. The Government has notified the **EPF Scheme, 2026, EPS, 2026, and EDLI Scheme, 2026** to align social security provisions with the **Code on Social Security, 2020.**
2. **Objective:** To provide a **legally sound, uniform, and modern framework** for administering provident fund, pension, and insurance benefits while ensuring continuity of social security.

Noticeable changes:

1. Mandatory EPF contributions will be capped at **Rs 1,800 a month** for employees earning above the **statutory wage ceiling.** Above which contributions are **voluntary increasing take-home income.**
2. The new framework is expected to give employers greater **flexibility in designing salary structures.**
3. Among other reforms, EPFO has **simplified withdrawal provisions** by reducing multiple withdrawal categories into three broad classifications, while continuing its push towards greater **digitalisation of services**.

Source: THE HINDU – https://www.thehindu.com/news/national/labour-ministry-makes-epf-contributions-beyond-1800-voluntary/article71175645.ece

4. VISA'S OTP-less Payment Authentication

Prelims:

Economy, Science & Technology

Mains:

GS Paper II-Governance, GS Paper III-Economy

Current relevance:

Visa has launched **Visa Payment Passkey (VPP),** an **OTP-less payment authentication solution** that enables users to verify online card transactions.

Highlights:

1. **Visa Payment Passkey (VPP)** is an **OTP-less payment authentication system** that enables secure online card transactions using biometric and device-based verification.
2. **Objective:**

   To provide **faster, more secure, and seamless digital payment authentication** while reducing dependence on One-Time Passwords (OTPs).
3. **Regulatory Backing:**

   The initiative aligns with the **Reserve Bank of India's Alternative Factor Authentication (AFA)** framework.
4. **Authentication Methods:**

   Users can **authenticate transactions** using fingerprint recognition, facial recognition, device PIN, password, or pattern lock instead of an OTP.
5. **Significance:**

   i. Encourages wider adoption of **secure digital payments.**

   ii. Strengthens India's rapidly growing **FinTech ecosystem.**

iii. Supports innovation in **authentication technologies.**

iv. Contributes to a safer and more efficient digital economy.

Source: THE HINDU - https://www.thehindu.com/business/visa-rolls-out-otp-less-payment-method-for-partner-customer/article71175003.ece

5. Matcha Tea, Assam

Prelims:

Agriculture, Economy

Mains:

GS Paper III-Agriculture, Economy

Current relevance:

Chota Tingrai Tea Estate in Tinsukia district, **Assam**, has produced and auctioned India's first commercially manufactured **"matcha tea"** at the **Guwahati Tea Auction Centre (GTAC).**

Highlights:

About Matcha Tea:

1. A premium **powdered green tea** prepared from specially cultivated tea leaves.
2. It is traditionally originated in **Japan,** while the tea plant (*Camellia sinensis*) is native to **East Asia.**
3. Tea plants are shade-grown for **3–4 weeks before harvest,** reducing sunlight exposure and enhancing chlorophyll and amino acid content.
4. **Growing Conditions:** Thrives in **cool, humid climates** with well-distributed rainfall, **well-drained acidic soils,** and high-altitude or hilly regions.
5. **Processing:** Tender leaves are steamed, dried, de-stemmed, and finely ground into a **vibrant green powder** using specialized stone or mechanical grinders.
6. **Key Nutrients:** Rich in **catechins (especially EGCG),** chlorophyll, **L-theanine,** vitamins, minerals**, and natural caffeine.**
7. **Health Benefits:** Contains high antioxidant levels, supports sustained energy, improves concentration, and promotes overall well-being.
8. **Uses:** Widely used in **beverages, confectionery, bakery products, desserts, and health supplements.**

Source: THE HINDU - https://www.thehindu.com/news/national/other-states/assam-estate-sells-indias-first-matcha-tea/article71178771.ece

6. Modified UDAN Scheme

Prelims:

Indian Economy, Infrastructure

Mains:

GS Paper II-Governance, GS Paper III-Infrastructure

Current relevance:

Prime Minister Narendra Modi inaugurated the **new terminal building at Jodhpur Airport** and launched the **Modified UDAN Scheme**.

Highlights:

Background:

1. **UDAN (Ude Desh ka Aam Nagrik) Scheme** launched in 2016 under the **National Civil Aviation Policy (NCAP), 2016**.
2. **Nodal Ministry:** Ministry of Civil Aviation.
3. **Objective**: To make air travel affordable and connect underserved and unserved airports across India through the **Regional Connectivity Scheme (RCS).**
4. Operates through **Viability Gap Funding (VGF)** to airlines for selected regional routes.

Modified UDAN Scheme:

i. It is the next phase of the **Ude Desh ka Aam Nagrik (UDAN)** initiative launched by the **Government of India** to strengthen regional air connectivity.

ii. The scheme has an **outlay of ₹28,840 crore** for implementation over the **next 10 years**.

iii. It focuses on developing **airports, heliports, and water aerodromes**, while enhancing last-mile connectivity and supporting inclusive economic growth.

iv. The scheme seeks to accelerate **aviation-led development** by boosting tourism, trade, investment, and employment across the country.

New Jodhpur Airport Terminal:

i. It is a **modern passenger facility** designed to provide a seamless and comfortable travel experience.

ii. Its architecture reflects **Rajasthan's royal heritage** by blending traditional design elements with contemporary airport infrastructure.

Source: THE HINDU - https://www.thehindu.com/news/national/rajasthan/pm-modi-inaugurates-new-jodhpur-airport-terminal-launches-modified-udan-scheme/article71181992.ece

7. National Pension System (NPS) Withdrawal Rules

Prelims:

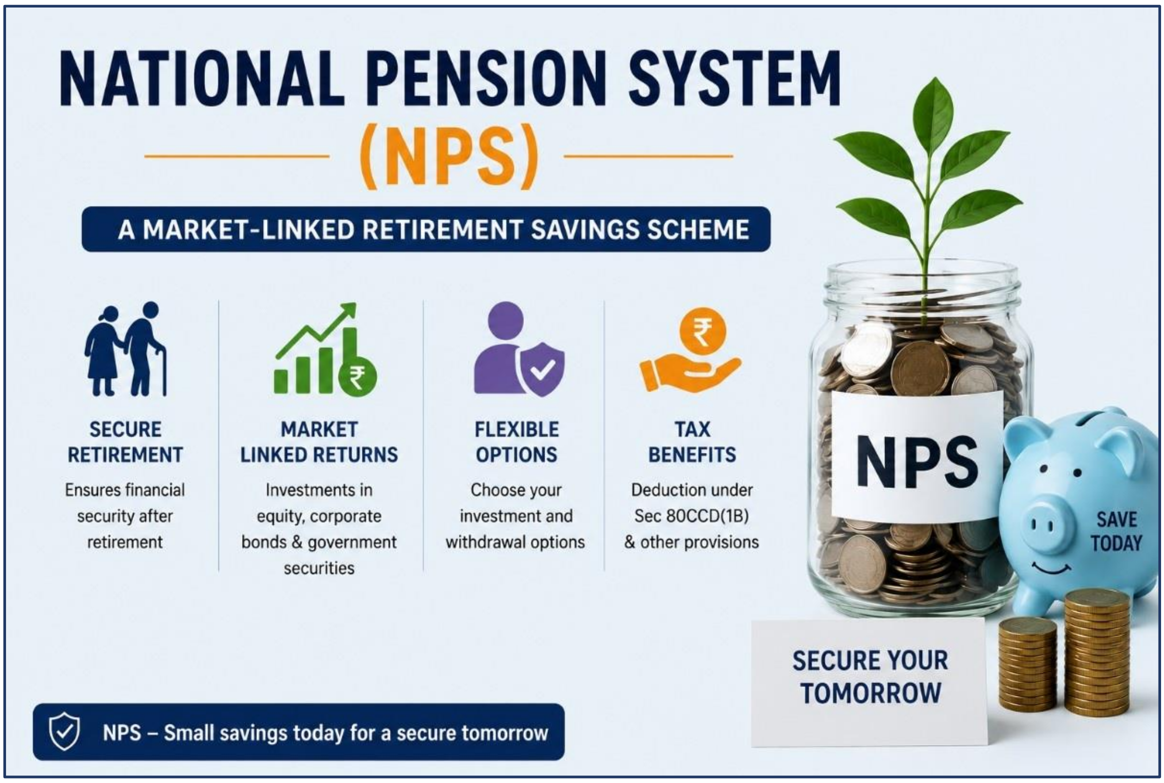
Economy, Government Schemes

Mains:

GS Paper II-Governance, GS Paper III-Economy

Current relevance:

The **Pension Fund Regulatory and Development Authority (PFRDA)** has introduced **new National Pension System (NPS) withdrawal norms.**



Highlights:

1. The **National Pension System (NPS)** is a **voluntary, market-linked retirement savings scheme** regulated by the **Pension Fund Regulatory and Development Authority (PFRDA).**
2. **Aim:** To provide financial security and a regular income after retirement.
3. **Key Changes:**
   i. The **mandatory annuity purchase** has been reduced from **40% to 20%** of the retirement corpus.
   ii. Subscribers can now withdraw **up to 80%** of the corpus as a **lump sum,** compared to **60% earlier.**
   iii. Revised withdrawal norms provide **greater flexibility** based on the size of the accumulated corpus.
4. **Retirement Income Scheme (RIS):**

It allows subscribers to receive **periodic withdrawals** while keeping the remaining corpus invested, enabling **market-linked returns** and a regular post-retirement income.

Types of RIS:

i. **Systematic Lump Sum Withdrawal (SLW):** Provides **fixed periodic withdrawals** at monthly, quarterly, half-yearly, or annual intervals.

ii. **Systematic Unit Redemption (SUR):** Allows redemption of a **fixed number of units**, with payouts varying according to the Net Asset Value (NAV).

5. **Tax Implications:**

   i. Under Section 10(12A) of the **Income Tax Act,** only **60% of the withdrawn corpus** remains tax-exempt.

   ii. The **additional 20% lump sum withdrawal** permitted under the new rules is **taxable.**

Source: THE HINDU - **https://www.thehindu.com/business/what-new-nps-withdrawal-rules-mean-for-retirement/article71185706.ece**

8. Sahkar Se Samriddhi

Prelims:

Indian Economy, Polity & Governance

Mains:

GS Paper II-Governance, GS Paper III-Indian Economy

Current relevance:

The Ministry of Cooperation aims to strengthen India's cooperative sector through the vision of **"Sahkar Se Samriddhi"** (Prosperity through Cooperation).

Highlights:

1. The cooperative movement is based on the philosophy of **"Vasudhaiva Kutumbakam" ("The World is One Family")** and promotes shared ownership, democratic management, mutual assistance and inclusive socio-economic development.
2. Cooperatives play a vital role in sectors such as: Agricultural credit, Dairy, Fisheries, Housing, Marketing, Rural livelihoods.
3. **Major Initiatives:**
   i. **Transformation of 50,000 PACS into e-PACS:**
      - **PACS (Primary Agricultural Credit Societies)** are the lowest tier of the Short-Term Cooperative Credit Structure (STCCS). They provide: Short-term agricultural credit, Farm inputs, Fertilizers and seeds, other rural financial services.
      - **e-PACS** aims to **digitize operations, improve transparency, efficiency and service delivery.**

   ii. **Grain Storage Infrastructure**

- Foundation stones laid for 47 cooperative grain storage godowns.
- **Objective:**
    - Strengthen **decentralized storage capacity.**
    - Reduce post-harvest losses.
    - Improve food security and **farmer incomes.**

iii. **Milk Supply Review Dashboard Portal**

- Launched for the **National Dairy Development Board (NDDB).**
- **Purpose:** Monitor milk procurement and distribution, Improve supply chain management, Support data-driven decision-making.

iv. **National Urban Cooperative Finance and Development Corporation (NUCFDC) Initiatives:**

- **Shaker CBS**

  Core Banking Solution (CBS), **centralized digital banking platform** for **Urban Cooperative Banks (UCBs)**. Enables standardized, secure and efficient banking operations.

- **Sahakar Sahyogi**

  A **Conversational Artificial Intelligence (AI) platform** which Improves customer service, grievance redressal and banking operations.

Source: PIB -

https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2281581&RegID=6&LID=1&reg=48&lang=2

9. SEBI Proposes to Ease Short Selling

Prelims:

Indian Economy

Mains:

GS Paper II-Governance, GS Paper III-Indian Economy

Current relevance:

The **Securities and Exchange Board of India (SEBI)** has proposed easing short selling by nearly doubling the number of stocks eligible for borrowing under the **Securities Lending and Borrowing (SLB) mechanism**.

Highlights:

1. **SEBI's Proposed Changes:**

SEBI is considering several important reforms to improve the existing framework.

i. The regulator plans to nearly **double the number of stocks eligible for lending and borrowing**. This would allow most liquid and actively traded shares to become part of the SLB system.

ii. SEBI intends to **reduce collateral requirements**. Lower collateral would decrease the amount of money or securities investors need to provide before borrowing shares, making participation more affordable and increasing market activity.

2. These reforms are intended

i. To strengthen India's cash equity market and

ii. Encourage investors to participate in stock trading instead of relying heavily on the derivatives market, which has grown rapidly but carries greater risks, especially for retail investors.

3. **Short Selling:**

It is an investment strategy in which an investor borrows shares, sells them at the current market price, and later buys them back at a lower price to earn a profit.

4. **Stock Lending and Borrowing (SLB) Mechanism:**

i. Short selling requires a **Stock Lending and Borrowing (SLB) mechanism**, which allows investors to borrow shares legally and securely before selling them.

ii. This system improves **market liquidity,** supports price discovery, and increases overall **market efficiency.**

Source: PIB - https://www.thehindu.com/business/sebi-said-to-ease-short-stocks-by-nearly-doubling-those-eligible-for-borrowing/article71190860.ece

10. PMFME Scheme (Prime Minister Formalisation of Micro Food Processing Enterprises Scheme)

Prelims:

Economy, Agriculture, Government Schemes

Mains:

GS Paper II-Government Policies & Interventions, GS Paper III Agriculture, Economy, Inclusive Growth

Current relevance:

The **Ministry of Food Processing Industries (MoFPI)** has announced that the **Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME) Scheme** has achieved a major milestone by **sanctioning loans to more than two lakh micro food processing enterprises** across the country.

Highlights:

1. PMFMPE is a **Centrally Sponsored Scheme** by the **Ministry of Food Processing Industries**. Designed to address the challenges faced by the **micro-enterprises** and to tap the potential of groups and cooperatives in supporting the upgradation and formalization of these enterprises.
2. **Beneficiaries:** Individuals, Farmer Producer Organizations (FPOs), Self Help Groups (SHGs), and Producers Cooperatives along their entire value chain.
3. To build the capability of microenterprises to enable:

   i. **Increased access to credit**

      Achieved:

      - Sanction of loans to **more than two lakhs+ beneficiaries**
      - **90 percent** of beneficiaries are **first-generation entrepreneurs** and **44 percent** are **women entrepreneurs**

   ii. **Integration with an organized supply chain by strengthening branding & marketing.**

      Achieved:

- Scheme calls for **One District One Product (ODOP)** approach.
- Under this scheme, support for **40 common brands** covering **nearly 200 products,** through which PMFME is building local value chains around products **such as Makhana, millets, spices and GI-tagged products** across the country.

iii. **Support for the transition of existing 2,00,000 enterprises into a formal framework.**

Achieved:

- Over 75,000 PMFME-supported enterprises have entered the formal economy through registrations such as ***Udyam Aadhaar, Udyam Assist, FSSAI and GST.***
- Under this scheme, there is Support for **Self-Help Groups (SHGs)** known as **Seed capital:**
- **Provision:** Seed capital **Rs40,000/- per member of SHG** for working capital and purchase of small tools would be provided under the scheme.

4. Increased access to common services like common processing facilities, **laboratories, storage, packaging, marketing,** and incubation services.
5. Strengthening of **institutions, research, and training** in the food processing sector; and
6. Increased access for the enterprises, to **professional and technical support.**

source: PIB -

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2283606&reg=48&lang=1

11. Index of Services Production (ISP)

Prelims:

Indian Economy

Mains:

GS Paper III-Indian Economy, Science & Technology

Current relevance:

The **Government of India** has introduced the **Index of Services Production (ISP)**, India's **first high-frequency indicator** to measure the performance of the formal services sector.

Highlights:

1. The **Index of Services Production (ISP)** has been introduced as India's first **high-frequency indicator** to track short-term changes in the output of the formal services sector.
2. The **Ministry of Statistics and Programme Implementation (MoSPI)** constituted a **Technical Advisory Committee (TAC**) in **2025** to develop the conceptual and methodological framework for the ISP.
3. The first trial index covers **19 service sub-sectors**, representing nearly **60% of the services sector.**

About Index of Services Production (ISP):

1. It is impotant because **services sector contributes** over **50%** of India's Gross Value Added (GVA).

2. The **base year** for the ISP is **2024–25.**
3. The ISP is released monthly, with a **time lag of approximately 60 days.**
4. It is compiled using **Administrative Data, GST data,** and the **Annual Survey of Incorporated Services Sector Enterprises (ASISSE).**
5. The index uses **price deflators (CPI and WPI)** to convert **nominal (value-based)** data into **real (volume-based) output.**
6. The ISP fills the gap left by the **Index of Industrial Production (IIP)** by providing a dedicated measure of **services sector performance.**

Source: PIB - https://www.pib.gov.in/PressReleasePage.aspx?PRID=2284646&reg=48&lang=2

12. National Investment Policy for Urea-2026 (NIPU-2026)

Prelims:

Economy, Agriculture

Mains:

GS Paper III – Indian Economy, Agriculture

Current relevance:

The **Cabinet Committee on Economic Affairs (CCEA**), chaired by the Prime Minister, has approved the **National Investment Policy for Urea-2026** for Atmanirbhar Bharat (NIPU-2026).

Highlights:

1. **National Investment Policy for Urea-2026 (NIPU-2026)** is a policy launched by the **Department of Fertilizers** to encourage investments in **gas-based urea manufacturing plants.**
2. **Objective:**
   i. Increase **domestic urea production** by encouraging investment in new gas-based urea manufacturing units.
   ii. Achieve **fertilizer self-reliance** by reducing import dependence and strengthening India's fertilizer security.
3. **Significance:**
   i. It **reduces India's dependence** on imported urea, strengthens the external sector, and promotes investment in the domestic fertilizer industry.
   ii. Ensures a **reliable supply of urea** for farmers, thereby improving agricultural productivity and supporting **national food security.**
   iii. It advances the **vision of Atmanirbhar Bharat** by enhancing self-reliance and strengthening India's **long-term fertilizer security.**

4. **About Gas-based urea manufacturing units:**
   i. The fertilizer plants that use **natural gas** as **the primary raw material (feedstock)** and energy source to produce urea fertilizer.
   ii. **Working Mechanism:**

   Natural gas is first converted into **ammonia** through a chemical process. The ammonia is then combined with **carbon dioxide (CO_2) to produce urea**, which is widely used as a **nitrogen-based fertilizer.**

Source: PIB -

https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2284801&reg=48&lang=1

13. India-UK CETA

Prelims:

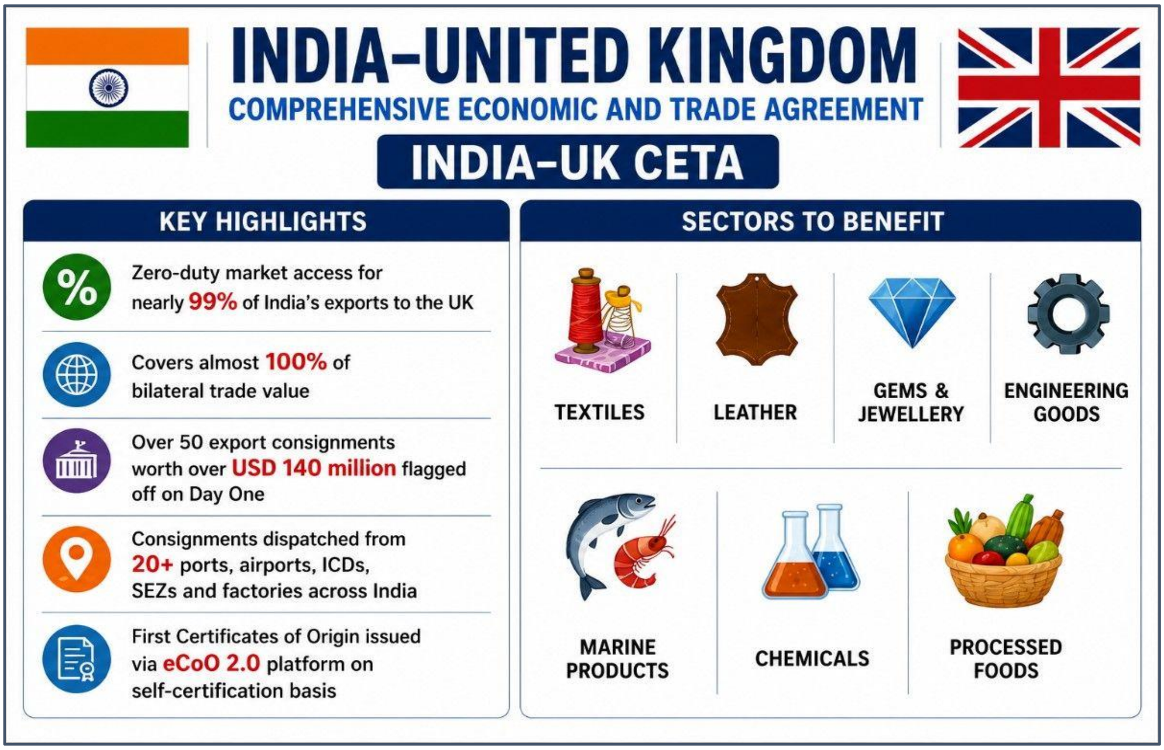
Economy, International Relations

Mains:

GS Paper II – Bilateral Relations, GS Paper III – Economy

Current relevance:

The India–UK Comprehensive Economic and Trade Agreement (CETA) and the Agreement on Social Security (Double Contribution Convention – DCC) entered into force on July 2026.



Highlights:

1. The Comprehensive Economic and Trade Agreement (CETA) is a **Free Trade Agreement (FTA)** between India and the United Kingdom.
2. **Aim:** To promote trade in goods and services, investment, market access, and economic cooperation between the two countries.
3. The Agreement grants **zero-duty access** to nearly **99%** of **India's exports**, accounting for almost **100% of bilateral trade value** with the UK.
4. The implementation of India–UK CETA commenced with the dispatch of over **50 export consignments** worth more than **USD 140 million** from over 20 ports, airports, ICDs, SEZs, and factories across India.
5. The first Certificates of Origin (CoO) were issued through the **eCoO 2.0 platform** on a **self-certification basis**, reducing compliance costs and facilitating easier trade.

About Double Contribution Convention (DCC):

i. It is a **bilateral social security agreement** that **exempts** employees on **temporary overseas assignments** from making social security contributions in both their home and host countries, thereby preventing double contributions.

ii. The exemption is available for up to **five years.**

iii. Enhances the **global competitiveness of India's skilled workforce** by reducing employment costs for Indian professionals working temporarily in the United Kingdom.

Source: PIB -

https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2285085&reg=48&lang=1

14. Data Governance Guidance Framework for Banks

Prelims:

Indian Economy, Governance

Mains:

GS Paper III: Indian Economy, Banking Sector, Digital Economy, Cyber Security, Data Governance

Current relevance:

The Reserve Bank of India (RBI) has issued the **Guidance on Regulatory Expectations for Data Governance** for banks and other Regulated Entities (REs).

Highlights:

Data Governance Guidance Framework (DGF)

1. It is a **regulatory framework issued by the RBI** that prescribes standards for the effective governance, management, protection, and utilisation of data by banks and other Regulated Entities (REs).

Need for Data Governance:

1. The rapid digital transformation of the banking sector has made **data a critical asset** for banks.
2. The growing **scale, diversity, and complexity of data** require robust governance practices to ensure its **quality, integrity, and security.**
3. Inadequate data governance can increase **operational, financial, regulatory, and reputational risks** for banks and other regulated entities.
4. The framework enables compliance with the **Digital Personal Data Protection (DPDP) Act, 2023,** and other applicable legal and regulatory requirements.

Key Features of the Framework:

1. **Comprehensive Data Governance Framework (DGF)**

   Every Regulated Entity (RE) is required to establish a DGF that is integrated with its **overall risk management** framework.

2. **Risk-Based and Proportionate Approach**

   The framework should be designed in proportion to the institution's **size, operational complexity, business model, and technological capabilities.**

3. **End-to-End Data Lifecycle Management**

   The DGF should govern the entire data lifecycle, including data creation, collection, storage, processing, sharing, retention, and secure disposal.

4. **Robust Institutional Governance**

   Define clear organisational structures, governance policies, **roles and responsibilities**, operational processes, technology systems, and **audit** mechanisms.

5. **Periodic Review and Updation**

Banks are required to review and update the Data Governance Framework **atleast annually or more frequently**.

Source: THE HINDU - https://www.pressreader.com/india/the-hindudelhi9ww5/20260716/282123528271454?srsltid=AfmBOoqv7f8RMxKtWzLjwoSFZSsIDXGWOZpNys0XAkdTTvE8qwvUUnlj

15. Mobile Phone Manufacturing Scheme (MPMS)

Prelims:

Indian Economy, Government Schemes, Science & Technology

Mains:

GS Paper III: Indian Economy, Science & Technology

Current relevance:

The Union Cabinet, chaired by the Prime Minister, has approved the **Mobile Phone Manufacturing Scheme (MPMS)** with a **budgetary outlay of ₹62,500 crore** to boost domestic manufacturing.

Highlights:

1. **MPMS** is a **Central Sector Scheme** aimed at promoting large-scale mobile phone manufacturing in India by providing production-linked incentives, encouraging domestic value addition, strengthening supply chains, and supporting indigenous brands.
2. **Key Features:**
   i. The scheme also supports **Indian brands** by promoting indigenous design, **research & development (R&D),** technological self-reliance, and patent creation.
   ii. Eligible mobile phone manufacturers will receive **production incentives** ranging from **2.25% to 5%** on eligible sales.
   iii. An **additional incentive** of up to **1.5%** is provided for using domestically sourced components and sub-assemblies.
   iv. **Indian brands** will receive an **additional 3% incentive** for product design and research & development (R&D).
3. **Major Achievements:**
   i. Growth under **Make in India:** Since **FY 2014–15,** electronics manufacturing has grown **seven-fold,** while **electronics exports** have increased **eleven-fold** under the **Make in India** initiative.
   ii. India is the **world's second-largest** mobile phone manufacturer by volume.
   iii. **High Domestic Production:** Around **99.2%** of mobile phones used in India are now **manufactured domestically.**
   iv. **Leading Export Product:** In **2025, smartphones** became **India's largest exported product** category, surpassing traditional exports such as diesel fuel and cut diamonds.
   v. The **Production Linked Incentive Scheme for Large Scale Electronics Manufacturing (PLI-LSEM)** played a pivotal role in establishing India as a

global hub for mobile phone manufacturing before its conclusion on 31 March 2026.

Source: PIB -

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2284789&reg=48&lang=1

16. Investment Friendliness Index (IFI)

Prelims:

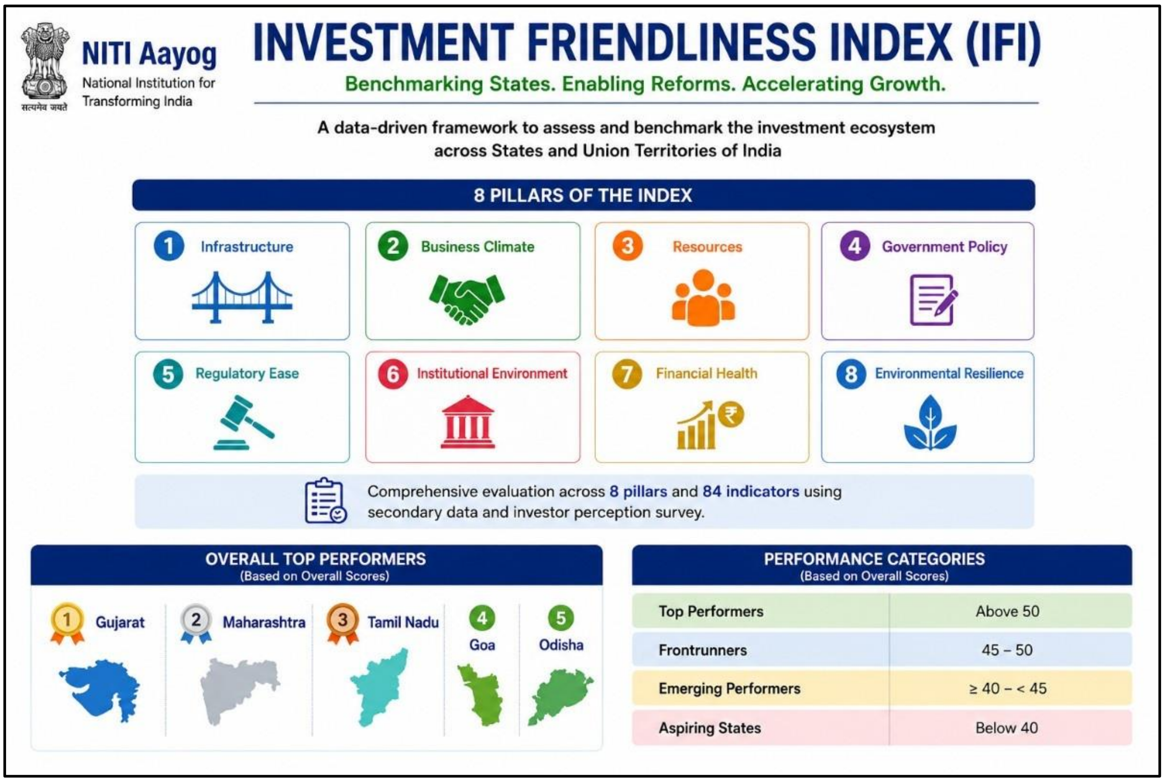
Indian Economy, Government Policies & Indices

Mains:

GS Paper II- polity and governance, GS Paper III-Indian Economy

Current relevance:

NITI Aayog has released **the Investment Friendliness Index (IFI)** to assess and benchmark the investment ecosystem across **States and Union Territories.**



Highlights:

1. **Background:**

Union Budget 2025-26 announced the development of an **Investment Friendliness Index** to strengthen the spirit of **competitive and cooperative federalism** by promoting reforms and fostering a conducive investment ecosystem across States.

2. **Definition:**
   I. IFI presents a **structured and data-driven framework** for assessing how effectively States and Union Territories create, enable, and sustain an environment conducive to investments.
   II. The Index **evaluates key policy, institutional, regulatory**, and **infrastructure**-related parameters that influence investment decisions and provides a comparative assessment of the investment ecosystem **across States and Union Territories**.
3. **IFI Evaluates investment attractiveness across the following Eight pillars:**
   I. Infrastructure
   II. Business climate
   III. Resources
   IV. Government policy
   V. Regulatory Ease
   VI. Institutional Environment
   VII. Financial Health; and
   VIII. Environment resilence
4. **Performance Categories**
   I. States and Union Territories have been classified into **four performance categories:**
      - Top Performers (scores above 50)
      - Frontrunners (45–50)
      - Emerging Performers (≥40 – <45)
      - Aspiring States (below 40)
   II. Overall Top Performers are **Gujarat, Maharashtra, Tamil Nadu**, Goa, Odisha.

III. Among the **Large States, Gujarat** secured the first rank, followed by Maharashtra and Tamil Nadu.

IV. In the **Hilly and North-Eastern States category**, **Uttarakhand** emerged as the highest-ranked State, followed by Assam and Himachal Pradesh

V. **City States and Union Territories**, **Goa** secured the top position, followed by Delhi and Chandigarh.

5. **State Profiles:**

I. The report provides **detailed State Profiles** that offer a comprehensive assessment of the investment ecosystem of each State and Union Territory across the eight pillars of the Investment Friendliness Index.

II. Highlights the **key indicators** and factors that contribute to a state's investment performance.

- Identifying areas requiring policy attention
- Insights of investor perspective
- Balanced and evidence-based assessment
- Acts as tool for policymakers, for targeted reforms
- Enable investor to understand investment climate of the particular state

The Investment Friendliness Index is therefore envisaged not merely as a periodic assessment exercise, but as **a strategic reform instrument** that will guide States in **strengthening their investment ecosystems** over time.

Source: PIB-
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2285847&reg=48&lang=1

17. Vizhinjam Port

Prelims:

Indian Economy

Mains:

GS Paper III-Infrastructure

Current relevance:

Vizhinjam International Seaport in Kerala will commence **Export-Import (EXIM) cargo operations** from August 2026.

Highlights:

About Vizhinjam International Seaport:

1. Located on the Arabian Sea coast near **Thiruvananthapuram in Kerala.**
2. It is the country's **first dedicated deep-water trans-shipment container port.**
3. Developed under the **Public-Private Partnership (PPP) model** by **Adani Ports** and **SEZ Ltd.**
4. Strategically located near the **East–West International Shipping Route,** a major global maritime trade corridor.
5. It serves as an **international trans-shipment hub**, facilitating the transfer of containers between mother vessels and feeder ships.

EXIM Cargo:

1. It refers to goods **transported across international borders** for export from or import into a country through maritime, air, rail, or land trade.

Significance:

1. Enhances **direct international shipping** access for exporters and importers in southern India.
2. Expected to reduce logistics and **cargo transportation costs** by nearly **50%,** improving trade competitiveness.
3. Strengthens India's **self-reliance** by reducing dependence on foreign trans-shipment hubs such as Colombo, Singapore, and Dubai.

Steps Ahead:

Accelerate **multimodal connectivity**, strengthen logistics infrastructure, establish supporting customs facilities, and expand port capacity to transform Vizhinjam into a **globally competitive trans-shipment and EXIM hub.**

Source: THE HINDU - https://www.thehindu.com/news/national/kerala/exim-operations-at-keralas-vizhinjam-seaport-set-to-begin-on-august-18/article71237203.ece#:~:text=EXIM%20operations%20at%20Kerala's%20Vizhinjam,on%20August%2018%20%2D%20The%20Hindu

18. Areko Cherries and Scent rose Plums

Prelims:

Agriculture, Government Institutions

Mains:

GS Paper III – Agriculture

Current relevance:

The **Agricultural and Processed Food Products Export Development Authority (APEDA)** facilitated the first export shipment of premium **Areko Cherries** and **Scent rose Plums** from Jammu & Kashmir to Singapore.

Highlights:

About Areko Cherries:

1. A premium sweet cherry variety, native to **Europe and Western Asia.**
2. It is cultivated under **high-density orchard systems** for improved productivity and fruit quality.
3. The variety is known for its **large size**, deep red colour, sweetness, firmness, and longer shelf life.
4. It is well suited to the **temperate climatic conditions** of Jammu & Kashmir.

About Scent rose Plums:

1. It is native to **China** and was later extensively cultivated and improved in **Japan.**
2. It is known for its attractive **reddish-purple skin**, sweet flavour, juicy pulp, and firm texture.
3. The variety has good shelf life and **transportability**, making it suitable for **long-distance exports.**
4. It is cultivated in the **temperate fruit-growing regions** of Jammu & Kashmir.
5. Its premium quality and export potential contribute to the **growth of India's horticultural exports.**

About APEDA:

1. **Agricultural and Processed Food Products Export Development Authority (APEDA),1986** is a **statutory body** established under the APEDA Act, 1985.
2. It functions under the **Ministry of Commerce & Industry,** Government of India.
3. **Objective:** To promote the export of agricultural and processed food products from India.
4. It provides **export promotion**, market development, **quality certification**, infrastructure development, and capacity-building support to exporters.
5. Facilitates compliance with international food safety, quality, and **phytosanitary standards** to enhance the global acceptance of Indian agricultural products.
6. Supports branding, packaging, **cold-chain infrastructure**, and **international market** access to strengthen India's agricultural exports.

Source: PIB -

https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2286073&reg=48&lang=1

19. E-Commerce Council of India (ECCI)

Prelims:

Indian Economy

Mains:

GS Paper II-Government Policies and Interventions, GS Paper III-Indian Economy, Infrastructure

Current relevance:

The **Internet and Mobile Association of India (IAMAI)** has launched the **E-Commerce Council of India (ECCI),** the country's first national platform to unify India's $120 billion digital commerce ecosystem.

Highlights:

1. **ECCI** is a national industry platform established to strengthen India's digital commerce ecosystem through stakeholder collaboration, policy engagement, research, and the promotion of best practices.
2. **Launched by**: Internet and Mobile Association of India (IAMAI).
3. **Objective:** Serve as a common platform for policy advocacy, industry research, best practices, and stakeholder consultation in the digital commerce sector.
4. **Stakeholders:** Policymakers, e-commerce marketplaces, retailers, brands, logistics providers, payment solution providers, technology companies, startups, MSMEs, exporters, industry experts, and academic institutions.
5. **Coverage:** Represents the broader digital commerce ecosystem, including online marketplaces, digital payments, logistics and supply chains, mobility services, travel-tech, Direct-to-Consumer (D2C) brands, cross-border e-commerce, and AI-enabled commerce.
6. **Industry Participation:** Expected to bring together major companies such as **Amazon, Flipkart, Meesho, Swiggy, IndiaMART, MakeMyTrip, Ixigo, Uber, Rapido, Shiprocket, eBay, Tata 1mg**, and others.

7. **Significance:**
   i. Provides a **unified industry voice** on key policy and regulatory issues.
   ii. Encourages **industry–government collaboration** for balanced and innovation-friendly regulations.
   iii. Supports **ease of doing business**, consumer protection, and digital trust.
   iv. Facilitates the growth of **MSMEs and exporters** by improving their integration into digital and global value chains.
   v. Strengthens India's vision of becoming a **globally competitive digital economy** through a collaborative and **future-ready e-commerce ecosystem.**
8. India's **digital commerce** sector has expanded beyond **online retail to become a key driver of economic growth**, encompassing services, logistics, digital payments, mobility, and AI-driven platforms.

Source: THE HINDU – https://www.thehindu.com/business/Industry/iamai-launches-e-commerce-council-of-india-to-unify-120-bn-digital-commerce-ecosystem/article71234602.ece

20. Electronic Gold Receipts (EGRs)

Prelims:

Indian Economy

Mains:

GS Paper III-Indian Economy

Current relevance:

The National Stock Exchange (NSE) introduced **Electronic Gold Receipts (EGRs)** as a new exchange-traded segment in May 2026.

Highlights:

About Electronic Gold Receipts (EGRs):

1. Electronic Gold Receipts (EGRs) are **exchange-traded securities** representing ownership of **physical gold** of specified purity stored in **SEBI-regulated vaults.**
2. They are held electronically in a **demat account** and can be traded on stock exchanges.
3. Investors can convert EGRs into **physical gold** through a prescribed redemption process.

Evolution of Electronic Gold Receipts (EGRs):

1. SEBI approved the regulatory framework for the **Gold Exchange** and notified the **SEBI (Vault Managers) Regulations, 2021.**
2. The Central Government notified **Electronic Gold Receipts (EGRs)** as **securities** under the **Securities Contracts (Regulation) Act, 1956.**
3. SEBI introduced a **Comprehensive Risk Management Framework** for EGRs in **2022.**
4. The **Bombay Stock Exchange (BSE)** launched **India's first EGR segment** in 2022**,** followed by the **National Stock Exchange (NSE)** in **2026.**

5. Initially, BSE introduced EGRs backed by **995** and **999 purity gold**, with trading in multiples of **1 gram** and physical redemption in **10-gram** and **100-gram** units.

Working mechanism:

1. Physical gold deposited in **SEBI-regulated vaults** is converted into **equivalent Electronic Gold Receipts (EGRs),** which are credited to investors' demat accounts.
2. EGRs can be **traded** through registered stockbrokers on **stock exchanges** and redeemed for physical gold through the prescribed process whenever required.

Advantages of EGRs:

1. Ensures the **purity and authenticity of gold** while eliminating the need for personal storage.
2. Facilitates transparent and **uniform price discovery** through exchange-based trading.
3. Offers **high liquidity** with a secure and guaranteed settlement mechanism.
4. Provides investors the **flexibility to convert** electronic holdings into physical gold through a prescribed process.
5. Enables **portfolio diversification** by adding gold as a regulated investment asset.
6. Promotes a **transparent, standardised, and efficient gold trading** ecosystem in India.

Source: THE HINDU - https://www.thehindu.com/business/electronic-gold-receipts-a-new-way-to-own-gold/article71242289.ece

21. The Employment Transition of India's Gen Z

Prelims:

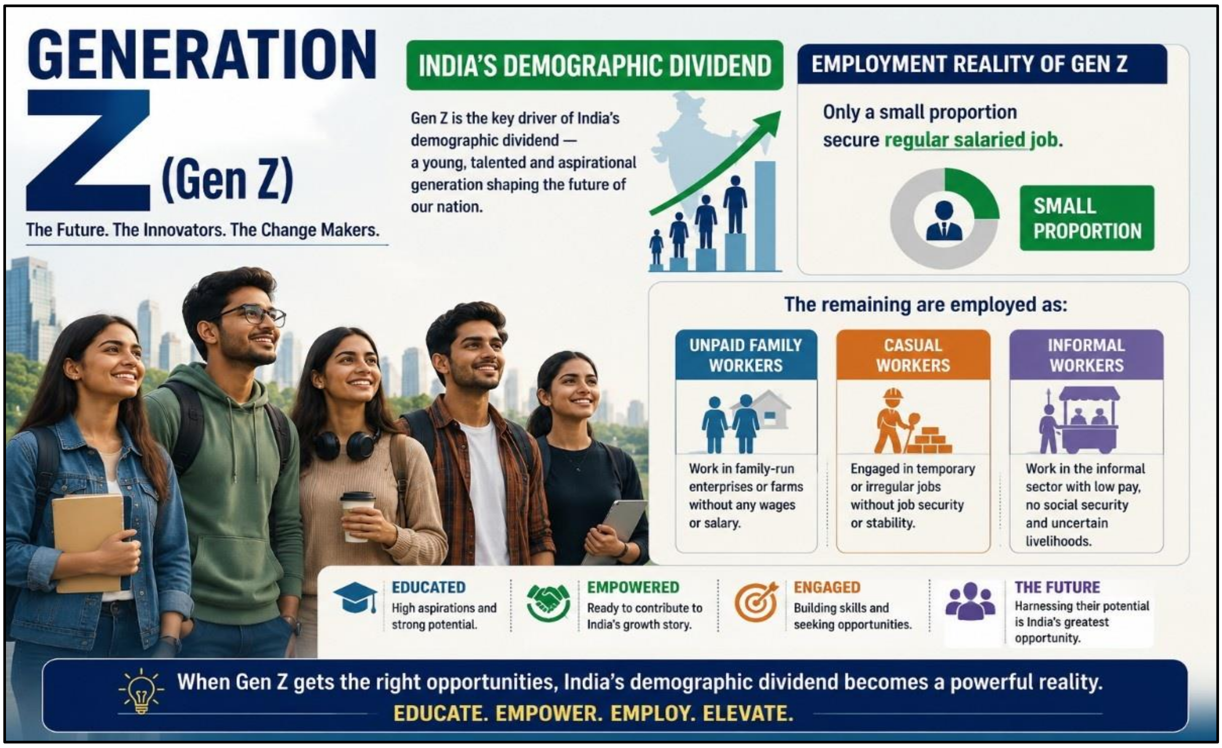
Indian Economy, Social Security

Mains:

GS Paper II- Issues Relating to Development and Management of Social Services relating to Education and Human Resources, GS **Paper III-** Indian Economy, Science and Technology

Current relevance:

Recent analysis based on the **Periodic Labour Force Survey (PLFS) 2023–24** highlights rising unemployment, informality, and poor labour market transition among **Generation Z (Gen Z)**, raising concerns over India's demographic dividend.



Highlights:

1. **Generation Z (Gen Z)** refers to individuals born between **1997 and 2012**. They represent the youngest generation entering India's workforce and are central to the **country's demographic dividend**.
2. According to **Periodic Labour Force Survey (PLFS) 2023–24**, India's working-age **Gen Z population (15–26 years)** is estimated at **29.94 crore**, making them a crucial component of India's demographic dividend.
3. **Employment Status of Gen Z:**

   A significant proportion of Gen Z remains engaged in education, while many who enter the labour market are employed as **unpaid family workers, casual workers,**

or informal workers. Only a **small proportion** secure regular **salaried employment**, reflecting limited access to formal job opportunities.

4. **Gender Disparities:**

   Young women have **lower labour force participation** than men, with many engaged in **unpaid domestic work** due to social norms, **childcare responsibilities**, safety concerns, and mobility constraints.

5. **The Graduate Employment Trap:**

   Graduate unemployment is **higher among Gen Z** than Millennials due to **skill mismatches and rapid technological changes**, including **automation and Artificial Intelligence**, which have widened the gap between education and labour market demand.

6. **Measures to Address the Challenge:**

   i. Expand **labour-intensive industries** to create large-scale employment opportunities for the growing youth workforce.

   ii. Strengthen **school-to-work transition pathways** by improving the linkage between education, vocational training, and employment.

   iii. **Align skill development programmes** with evolving industry requirements to enhance youth employability.

   iv. **Promote apprenticeships and formal employment** through incentives that encourage workforce participation and social security coverage.

   v. **Enhance women's workforce participation** by providing childcare support, safe transportation, and flexible work arrangements.

   vi. Expand **urban employment opportunities** to absorb the increasing number of educated young job seekers.

Source: THE HINDU - https://www.thehindu.com/opinion/lead/the-stark-reality-of-the-missing-jobs-for-indias-gen-z/article71241905.ece

22. Cotton Sector in India

Prelims:

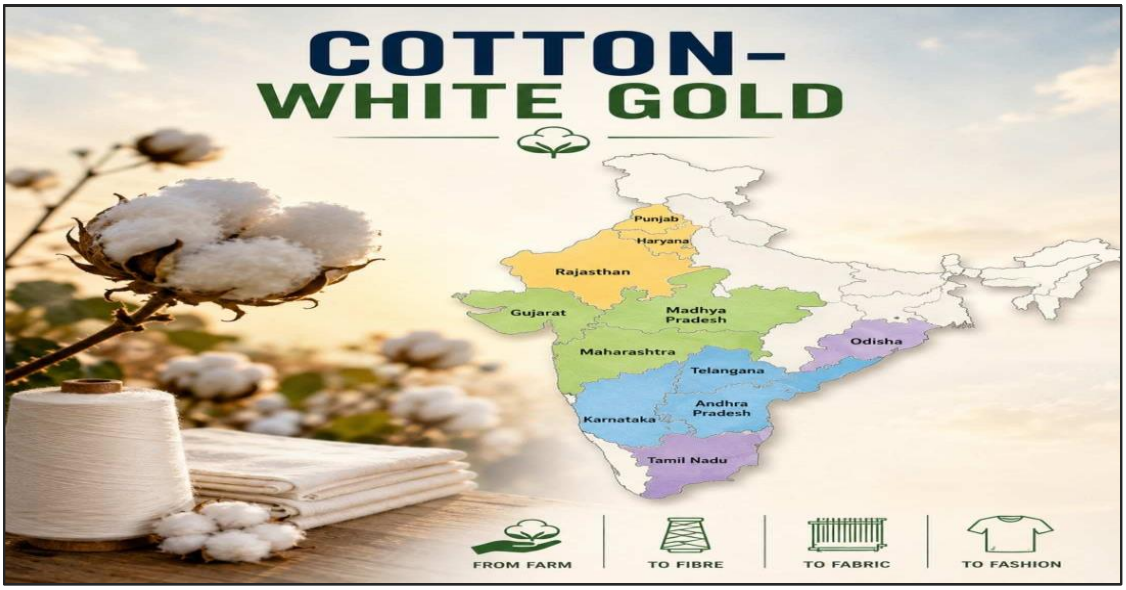
Agriculture, Indian Economy

Mains:

GS Paper II- Government Policies and Interventions, GS Paper III- Agriculture, Indian Economy and Inclusive Growth

Current relevance:

The Government of India has highlighted recent initiatives to strengthen the cotton sector through the **Mission for Cotton Productivity, MSP operations, digital procurement, and Kasturi Cotton Bharat,** while outlining India's position in the global cotton economy.



Highlights:

1. India is the **only country cultivating all four recognised cotton species** and ranks **first globally in cotton acreage** and **second in production and consumption.**
2. Cotton is one of India's most important commercial crops and is popularly known as **"White Gold"** due to its significant contribution to agriculture, textiles, exports, and rural livelihoods.

3. It supports around **6 million cotton farmers** and provides employment to **40–50 million people** in allied activities.
4. **Bt Cotton:**
   i. It is a **genetically modified** cotton variety containing genes from **Bacillus thuringiensis** that provide resistance against bollworms.
   ii. Commercially introduced in **2002**, it helped improve yields while **reducing insecticide use and pest-control costs**.
5. Cotton is used for **textiles, edible cottonseed oil, animal feed, biomass fuel, and absorbent surgical cotton,** making it valuable beyond the textile industry.
6. **Government Initiatives:**
   i. **Minimum Support Price (MSP) Operations**
   MSP ensures remunerative prices to cotton farmers during market downturns, with procurement undertaken by the **Cotton Corporation of India (CCI).**
   ii. **Mission for Cotton Productivity**
   Launched in **2025–26,** the five-year mission focuses on developing **climate-resilient, pest-resistant, and high-yielding cotton varieties**, with a target of increasing production to **498 lakh bales** by **2031.**
   iii. **Special Project on Cotton (NFSM)**
   Implemented under the **National Food Security Mission (NFSM)** to improve productivity through **High-Density Planting System (HDPS), Closer Spacing Planting System, and Extra Long Staple (ELS) cotton technologies.**
   iv. **Kapas Kisan App**
   A digital platform enabling farmer **self-registration, procurement slot booking, Aadhaar-linked payments, and real-time updates**, making MSP procurement transparent and paperless.
   v. **Kasturi Cotton Bharat**

A branding and traceability initiative that promotes **certification, QR-based traceability, blockchain technology, and quality assurance** to enhance the global positioning of Indian cotton.

Source: PIB -
https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2286497&reg=48&lang=1

23. Mission Golden Spice

Prelims:

Agriculture

Mains:

GS Paper II- Government Policies and Interventions for Development, GS Paper III- Agriculture

Current relevance:

The Ministry of Development of North Eastern Region (MDoNER) launched Mission Golden Spice, an initiative to transform Meghalaya's GI-tagged Lakadong Turmeric into a globally competitive premium spice brand under the vision of "Brand North East".

Highlights:

1. **Lakadong Turmeric:**
   i. **Indigenous turmeric** variety grown mainly in Jaintia Hills, Meghalaya.
   ii. Has received **Geographical Indication (GI) Tag** (2024)
   iii. Known for:
      1. Very **high curcumin content** (7–10%), nearly four times the global average.
      2. **Rich aroma** and bright colour.
      3. High medicinal and **nutraceutical value.**
      4. Organic cultivation practices.
   iv. Considered Meghalaya's flagship **"Brand North East"** product with premium export potential.
2. **Mission Golden Spice:**
   i. The Mission is designed as a **five-year roadmap** (2025–2030) with two phases: **Value Chain Strengthening** (Phase 1) and **Expansion and Scale-up** (Phase 2).
   ii. Targets **tripling** the existing **cultivation area** and **doubling** the direct financial returns for **local farmers** through value addition and premium pricing.
   iii. It advances the '**Ashtalakshmi initiative'**, which identifies a Unique Selling Proposition (USP) for each of the northeastern states.
   iv. Position Lakadong Turmeric as a **global luxury spice brand**.
   v. Develop a complete **farm-to-market value chain**.
   vi. Strengthen processing, branding, exports, and GI monetisation.

Source: PIB -

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2287186&reg=1&lang=1

24. FinTech Regulatory Framework

Prelims:

Indian Economy

Mains:

GS Paper II-E-Governance, GS Paper III-Science and Technology,

Indian Economy

Current relevance:

The Government and the **Reserve Bank of India (RBI)** have strengthened India's **FinTech ecosystem** through enhanced regulatory frameworks, cybersecurity measures, consumer protection initiatives, and AI-based fraud detection mechanisms.

Highlights:

1. To curb the operations of fake or illegal loan apps, following steps were taken,
    i. RBI has operationalized a directory on **'Digital Lending Apps (DLAs)'** on its website, to help customers verify whether a lending app is associated with an RBI-regulated entity.

ii. RBI issued the **Digital Lending Directions, 2025**, providing a comprehensive regulatory framework for digital lending.

iii. **MeitY** blocked 87 illegal loan apps under Section 69A of the **Information Technology Act, 2000**.

iv. Sectoral regulators have been empowered under the **Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2025** to direct the blocking of unlawful online content.

2. **Government Initiatives**

i. Continuous engagement with internet intermediaries and messaging platforms to **curb unauthorised lending apps**.

ii. **Indian Cyber Crime Coordination Centre (I4C)** proactively analyses digital lending apps to detect fraudulent platforms.

iii. Citizens can report cyber fraud through:

- National Cyber Crime Reporting Portal.
- National Cybercrime Helpline – 1930.

iv. **SACHET Portal** and **State Level Coordination Committees (SLCCs)** facilitate complaints against illegal deposit-taking and unauthorised financial entities.

v. Consumer Awareness by RBI and Bank

- SMS-based awareness campaigns.
- Radio campaigns on cyber fraud prevention.
- **e-BAAT (Electronic Banking Awareness and Training)** programmes to educate customers about digital banking risks and fraud prevention.

Source: PIB -

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2286607&reg=48&lang=1

25. Special Swap Facility

Prelims:

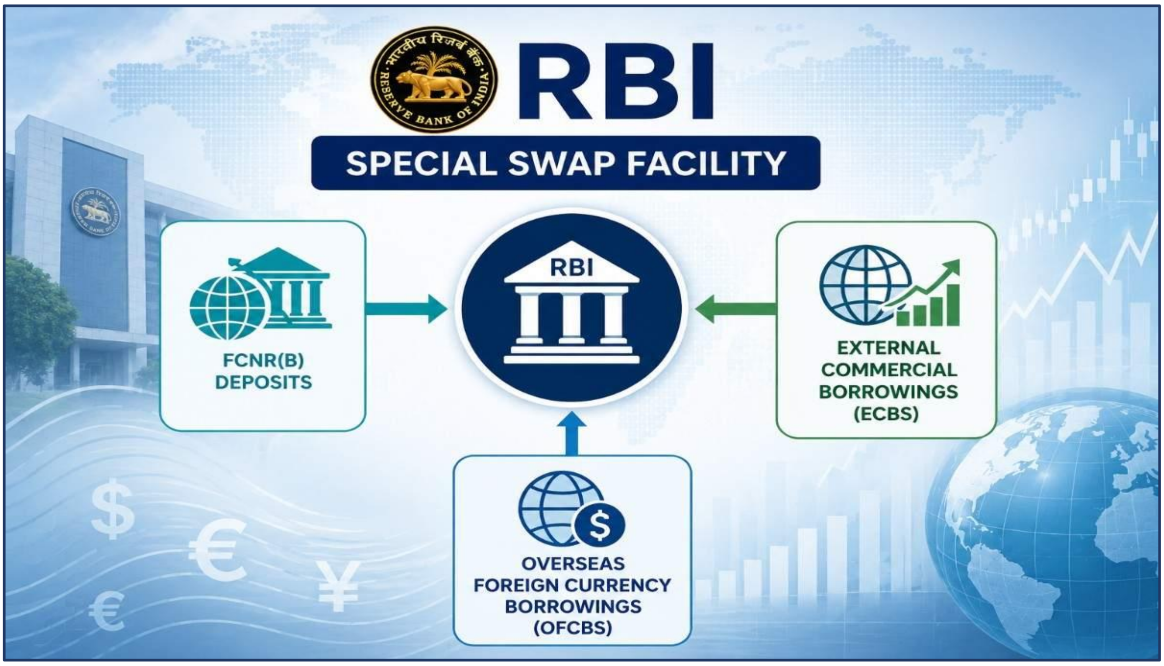
Indian Economy

Mains:

GS Paper III-Indian Economy

Current relevance:

The **Reserve Bank of India (RBI)** has mobilised over US$20 billion through its **special foreign exchange swap facility**.



Highlights:

1. The RBI stated that the scheme has seen strong investor interest and has attracted **steady foreign exchange inflows** since it became operational on June 8, 2026.
2. The initiative was launched to:
   i. Strengthen India's **balance of payments (BoP)**
   ii. Increase foreign exchange reserves
   iii. Encourage banks to mobilize foreign currency from overseas sources.
3. **Sources of Foreign Exchange Mobilisation**
   i. Foreign Currency Non-Resident (Bank) [FCNR(B)] deposits
   ii. External Commercial Borrowings (ECBs)

iii. Overseas Foreign Currency Borrowings (OFCBs)

4. **Special Swap Facility:**
   i. Mechanism that allows eligible **foreign currency deposits and overseas borrowings** to be swapped with the RBI.
   ii. Banks mobilize foreign currency which they deposit (the dollars) with the RBI through a currency swap.
   iii. The RBI provides rupees to the banks at a concessional swap rate, reducing the banks' hedging cost.
   iv. At maturity, the transaction is reversed at the pre-agreed exchange rate. Easing out exchange rate risks.
   v. This makes it **cheaper and more attractive for banks** to raise foreign currency from abroad.

Source: THE HINDU - https://www.thehindu.com/business/over-20-billion-mobilised-through-rbis-special-swap-facility/article71245998.ece

26. Plastic Banknotes

Prelims:

Indian Economy

Mains:

GS Paper III-Indian Economy

Current relevance:

The **Reserve Bank of India's (RBI)** currency printing arm has invited global **Expressions of Interest (EOI)** for supplying **polymer substrates with embedded security features**, marking a significant step towards the possible introduction of plastic banknotes in India.

Highlights:

Historical Background:

1. The **RBI** initially proposed the **introduction of polymer banknotes** in **2009** to enhance the durability and lifespan of currency notes.
2. In **2012**, a pilot programme for **₹10 polymer banknotes** was planned in **Kochi, Mysuru, Jaipur, Bhubaneswar, and Shimla** to evaluate their performance under diverse climatic conditions.
3. The pilot initiative was **subsequently discontinued** owing to **technological challenges** encountered during implementation.
4. The **proposal has now been revived**, with polymer banknotes once again under **active consideration** through fresh procurement initiatives.

Plastic Banknotes:

5. They are **polymer-based currency notes** made from **biaxially oriented polypropylene**, a material derived from **petroleum and natural gas.**
6. **Advantages:**
    i. Have a lifespan that is **2.5–4 times longer** than conventional cotton-paper banknotes.
    ii. Enhance **durability** reduces the need for frequent replacement, improving the **efficiency of currency management**.

iii. **Advanced security features** provide greater protection against counterfeiting and currency fraud.

iv. Their extended circulation life can **lower overall lifecycle** costs despite higher initial manufacturing expenses.

v. The reduced requirement for repeated printing and transportation may result in a **lower overall carbon footprint.**

Source: THE HINDU – https://www.pressreader.com/india/the-hindu-international-9bn2/20260722/282132118219797

27. Index of Core Industries

Prelims:

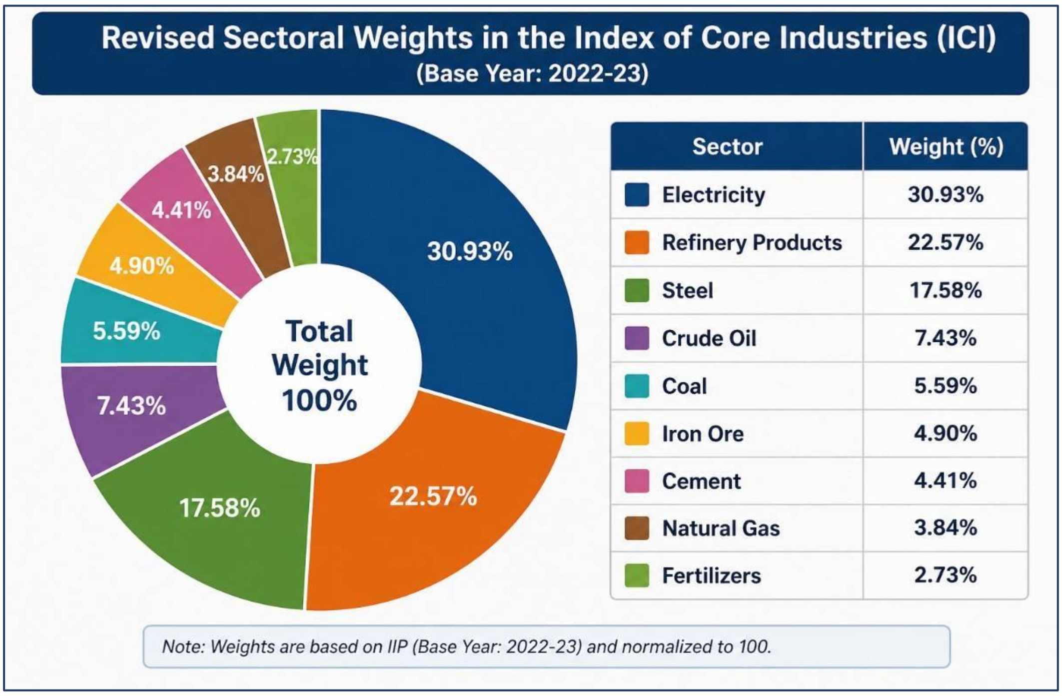
Indian Economy

Mains:

GS Paper III-Indian Economy

Current relevance:

The Union Government has released an **updated series of the Index of Core Industries (ICI)** by revising the base year to **2022–23**.



Highlights:

1. The **Index of Core Industries (ICI)** is a key indicator that measures the performance of India's core industrial sectors and serves as an important gauge of industrial activity.
2. It is Compiled by the **Office of the Economic Adviser (OEA), Ministry of Commerce & Industry.**
3. The Index of Core Industries (ICI) forms part of the **Index of Industrial Production (IIP)**, with its nine core industries accounting for **32.88%** of the total weight in the IIP.
4. Both the ICI and the IIP are released on a **monthly basis** to monitor trends in India's industrial growth.
5. **Major changes:**
    i. The Office of Economic Adviser (OEA), Ministry of Commerce and Industry, has released the **first provisional Index of Core Industries (ICI)** under the revised series with the **base year 2022–23.**
    ii. The revised **Index of Core Industries (ICI)** has expanded from **eight to nine core industries** with the inclusion of **Iron Ore**, based on the recommendations of the **Praveen Mahto Committee (2025),** recognizing its critical role in steel production and industrial development.
    iii. The **Steel Index** is now compiled using **Gross Production Data** instead of **Net Production Data**, ensuring consistency with the revised IIP methodology.
    iv. To eliminate **double counting**, the coal index now includes **only Raw Coal**, while **Washed Coal** and **Coal Middling's** have been excluded.
    v. The sectoral weights have been **revised** and normalized to **100** in line with the **revised IIP (Base Year: 2022–23)**, reflecting the current structure of the economy.

Source: THE HINDU - https://www.thehindu.com/business/Industry/indias-index-of-core-industries-gets-an-updated-series-what-has-changed-explained/article71248264.ece

28. Review of Cross-Ownership Norms Between Airports and Airlines

Prelims:

Indian Economy

Mains:

GS Paper III- Indian Economy, Infrastructure

Current relevance:

The **civil aviation ministry** is considering to lift restrictions on airport ownership, which when implemented allows **Airport owing companies to also own/buy stakes** in an airline company.

Highlights:

1. Current Rules restrict airline ownership in airports and vice versa (Airport operators from owning airlines).

2. In India, Cross-ownership restrictions between airport operators and airlines are primarily governed by **project-specific Concession Agreements, Operation, Management and Development Agreements (OMDAs),** and **privatization frameworks** rather than a single standalone statutory act.
3. These rules cap cross-stakes at **10% to 26%** to prevent conflicts of interest in slot allocation and pricing.

   Example:

   i. Concessional agreements for Noida and Navi mumbai International Airport caps equity to 26%.

   ii. Under Privitaization framework for delhi and mumbai airports aggregate equity was capped to 10%, and no permissions for foreign airlines.
4. The Ministry of Civil Aviation is currently preparing a concept note for consultations with NITI Aayog and other government ministries on the proposed changes.

Source: THE HINDU – https://www.thehindu.com/news/national/centre-weighs-easing-cross-ownership-rules-between-airlines-and-airports/article71254520.ece

29. India's Resilient Economy Amid a Weakening Rupee

Prelims:

Indian Economy

Mains:

GS Paper III – Indian Economy

Current relevance:

The **RBI's July 2026 Bulletin** hig hlighted that **the Indian economy remains resilient,** supported by strong domestic demand, industrial and services sector growth. However, despite this resilience, **the Indian rupee depreciated to ₹96.53 per US dollar.**

Highlights:

1. **RBI's Assessment of Economic Resilience:**
   i. The **RBI's July 2026 Bulletin** states that India has effectively navigated global uncertainties and supply chain disruptions.
   ii. Growth is supported by **robust domestic demand**, **Strong industrial production**, **Resilient services sector**.
2. **Domestic Indicators Reflect Economic Strength**

   The health of the domestic economy is reflected through:
   i. GDP growth,
   ii. Industrial production,
   iii. Expansion of the services sector,
   iv. Private consumption,
   v. Investment,
   vi. Employment,
   vii. Agricultural output

   Strong performance in the above indicates that economic activity within the country continues to expand despite an uncertain global environment.

3. **Why Is the Rupee Under Pressure?**

   The recent depreciation of the rupee is largely driven by **external sector developments** rather than weaknesses in the domestic economy.

4. **Factors Behind the Rupee's Depreciation**

   i. **Crude Oil Imports:** International crude oil is largely traded in US dollars, **rising crude oil prices** therefore **increase the demand for dollars**, putting downward pressure on the rupee.

   ii. **Net FDI** turned **negative in May 2026** as outward investments exceeded fresh inflows. This reduced the net availability of foreign capital.

   iii. **Foreign Portfolio Outflows (FII/FPI):** FII may withdraw investments from Indian financial markets during periods of global uncertainty or when higher returns become available in advanced economies**,** Such outflows increase the **demand for dollars**, leading to **rupee depreciation.**

   iv. A **strong US dollar globally,** geopolitical tensions, and changes in US monetary policy often strengthen the dollar against most currencies, including the rupee.

Source: THE HINDU -https://www.thehindu.com/business/markets/rupee-rises-5-paise-to-9648-against-us-dollar-in-early-trade/article71256595.ece

30. BHAVYA Rasayan Scheme

Prelims:

Indian Economy, Environment

Mains:

GS Paper II-Government Policies and Interventions for Industrial Development, GS Paper III- Environmental Conservation.

Current relevance:

The **Union Cabinet** has approved the **BHAVYA Rasayan Scheme (Bharat Audyogik Vikas Yojana Rasayan)** to establish **three dedicated Chemical Parks** across India for promoting the sustainable and globally competitive growth of the chemical industry. The scheme was announced in the Union Budget 2026–27.

Highlights:

1. BHAVYA Rasayan aims to establish **three dedicated Chemical Parks** to strengthen India's **chemical manufacturing ecosystem** through world-class industrial infrastructure.
2. **Central Financial Assistance**

   The **Central Government** will provide up to **₹1,000 crore per Chemical Park,** subject to a **minimum contribution of ₹500 crore** from the respective State Government.
3. Each Chemical Park will provide **plug-and-play infrastructure**, including:
   i. Common Effluent Treatment Plant (CETP),
   ii. Treatment, Storage and Disposal Facility (TSDF),
   iii. Water supply and distribution systems,
   iv. Solvent recovery and distillation facilities,

v. Steam generation and distribution network,

vi. Interconnected pipeline network,

vii. Logistics and warehousing facilities

4. The scheme will strengthen the **entire chemical value chain**, including upstream, downstream, and ancillary industries, while improving resource efficiency and reducing logistics costs.
5. Shared infrastructure will enhance **cost competitiveness**, facilitate integration into **Global Value Chains (GVCs)**, promote exports, and encourage import substitution.
6. The parks will support **environment-friendly industrial development** through centralized pollution-control infrastructure, hazardous waste management, and improved compliance with environmental regulations.
7. The scheme will support the production of chemicals and petrochemicals that serve key downstream industries such as **agriculture, textiles, pharmaceuticals, nutraceuticals, construction, automobiles, and electronics.**

Source: PIB -

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2288863&reg=3&lang=1

31. Start-up Village Entrepreneurship Programme (SVEP)

Prelims:

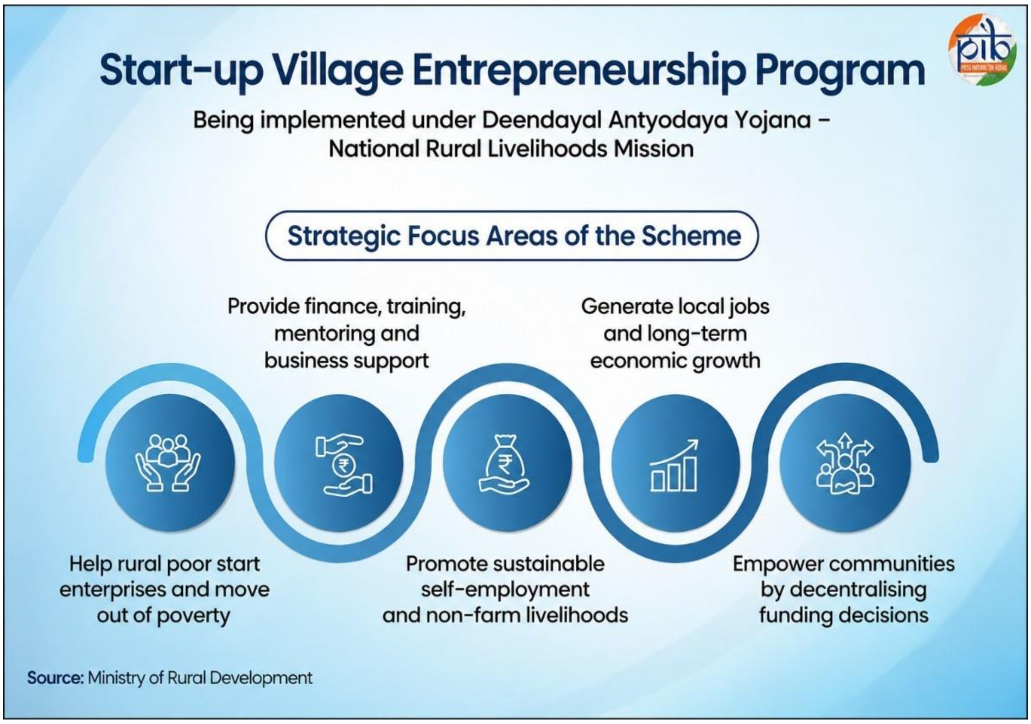
Indian Economy

Mains:

GS Paper II-Government Policies and Interventions for Rural Development, GS Paper III-Indian Economy

Current relevance:

The **Start-up Village Entrepreneurship Programme (SVEP)** has significantly expanded rural entrepreneurship, supporting **4.32 lakh rural enterprises** across the country.



Highlights:

1. **Background:**

   Start-up Village Entrepreneurship Programme (SVEP) was launched in 2016 as a sub-scheme of **the Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM)** to promote non-farm enterprises in rural areas through training, finance, mentoring, and institutional support.

2. **Objective:**

   To promote sustainable livelihoods and self-employment by supporting rural households, particularly Self-Help Group (SHG) members and their families, in establishing non-farm enterprises.

3. **Beneficiaries:**

   The programme prioritizes **women, SCs, STs, OBCs, minorities, persons with disabilities, and first-generation entrepreneurs**, ensuring equitable access to entrepreneurship opportunities.

4. It provides **financial assistance**, business management training, **soft-skill development**, mentoring, banking linkages, and convergence with government schemes to support the establishment and growth of rural enterprises.

5. **Implementation:** Through **State Rural Livelihoods Missions (SRLMs)** in collaboration with **Block Resource Centres–Enterprise Promotion (BRC-EPs)**, **Community Resource Persons–Enterprise Promotion (CRP-EPs), Self-Help Groups (SHGs), banks,** and **Community Enterprise Funds (CEF)** to facilitate enterprise development.
6. It is monitored through quarterly reviews, periodic assessments, and a **centralized Management Information System (MIS)** to track enterprise performance, fund utilization, and overall programme progress.
7. It promotes **community-led entrepreneurship** by generating employment, strengthening local economies, reducing poverty, and advancing the **vision of a self-reliant** and developed India.

Source: PIB -

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2289268&reg=48&lang=1

32. India Placed in Lower Tariff Tier

Prelims:

Indian Economy

Mains:

GS Paper II-India and its Bilateral Relations, GS Paper III-Indian Economy

Current relevance:

The **United States Trade Representative (USTR)** announced the final measures under **Section 301 of the U.S. Trade Act, 1974**, imposing an **additional 10% ad valorem duty on imports from India**, while placing India in the lower tariff tier.

Highlights:

1. **Sustained diplomatic engagement** by the Government of India, the proposed **12.5%** additional tariff has been **reduced to 10%,** placing India in the **lower tariff tier** among the affected economies.
2. The decision limits the impact on Indian exports while **preserving India's relative competitiveness** in the U.S. market.
3. **Section 301 of the U.S. Trade Act, 1974:**

   Empowers the **United States Trade Representative (USTR)** to investigate foreign government acts, policies, or practices that are considered unreasonable, discriminatory, or harmful to U.S. commerce.
4. **Final Measures favourable for India:**
   i. Provides India with a relative advantage over several other economies facing higher tariff incidence.
   ii. However, an additional tariff has been imposed, the overall impact remains limited because **several major export sectors have been kept outside its scope** ie, Exports Exempt from the Additional Tariff.

iii. Nearly **45% of India's exports** to the United States remain exempt from the additional 10% Section 301 duty. Major Exemptions are **generic pharmaceuticals, smartphones**, certain specified products.

5. **Implications for India:**
    i. Around **55%** of exports to the U.S. will face the additional **10%** duty.
    ii. India's tariff burden is **lower than** that of many **competing economies**, helping preserve export competitiveness.
    iii. The proposed **textile-specific mechanism** under the final measures is yet to become operational.
    iv. India continues to engage with the U.S. on **sector-specific issues.**
    v. The tariff decision is also linked to the broader objective of strengthening bilateral economic ties through an ongoing trade agreement, **India–U.S. Bilateral Trade Agreement (BTA).**

Source: PIB -
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2289348&reg=48&lang=1

33. Corporate Mitra Scheme

Prelims:

Economy

Mains:

GS Paper II-Government Policies and Interventions for Development, GS Paper III-Indian economy

Current relevance:

The **Indian Institute of Corporate Affairs (IICA),** Shillong, under the **Ministry of Corporate Affairs**, organised an awareness webinar on the **Corporate Mitra Scheme** for the youth, students, MSMEs, professionals, and enterprises of **Arunachal Pradesh** as part of the **Corporate Mitra Scheme Awareness Campaign for the North East Region (NER).**

Highlights:

1. The **Corporate Mitra Scheme**, launched by the **Ministry of Corporate Affairs**, aims to strengthen the **MSME sector**, particularly in **Tier-2** and **Tier-3** cities, by creating a robust support ecosystem of trained and accredited Corporate Mitras.
2. **Objective:**

   Promote a **formalized, financially sustainable MSME sector** by facilitating access to **qualified, accredited, and trusted para-professionals** for business support.
3. **Role of Corporate Mitras:**

   They are expected to assist enterprises in:

   i. Regulatory compliance

   ii. Financial management

   iii. Taxation

   iv. Accounting

v. Governance-related requirements

This enables MSMEs to focus on **innovation, expansion, and business growth** while meeting regulatory obligations.

4. **Skill Development and Employment**
   i. The scheme seeks to create a **pool of trained para-professionals** by equipping young graduates with **industry-relevant knowledge and practical skills.**
   ii. It is expected to strengthen the MSME ecosystem while enhancing employment opportunities, particularly in the **North Eastern Region (NER).**
5. **Implementation:**
   i. The scheme has an **initial pan-India target of 2,000 participants,** including **200 participants** exclusively from the **North Eastern Region.**
   ii. A **50% fee concession** has been provided for candidates from the **North Eastern Region**.

Source: PIB -
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2289729&reg=48&lang=1

34. Purabi Ice Cream

Prelims:

Agriculture

Mains:

GS Paper II-Government Policies & Initiatives, GS Paper III-Agriculture

Current relevance:

Assam exported its **first international consignment** of 5,627 litres of **Purabi Ice Cream** to **Bhutan.**

Highlights:

1. Assam exported its first international consignment of Purabi Ice Cream to Bhutan, opening new avenues for **value-added dairy exports** from the **North Eastern Region**.
2. **Purabi Ice Cream:**
   i. Manufactured by **West Assam Milk Producers' Cooperative Union Limited (WAMUL).**
   ii. Produced using milk procured through **Purabi Dairy's cooperative network of dairy farmers** across Assam.
3. **Role of APEDA:**
   i. The **Agricultural and Processed Food Products Export Development Authority (APEDA)** supported the export by facilitating export documentation, regulatory compliance, market access, stakeholder coordination.
   ii. It plays a key role in **regional export promotion** by facilitating exports of agricultural and processed food products from the **North Eastern Region** through compliance with **international standards** and improved access to **global markets**.

4. **Gateway to International Markets:**

   Bhutan's geographical proximity provides a natural advantage for expanding Made-in-Assam dairy exports to neighboring countries.

5. **Economic Benefits:**

   i. Strengthen the international presence of dairy products from the North Eastern Region.

   ii. Create sustainable export opportunities for the dairy industry.

   iii. Enhance income prospects for thousands of dairy farmers associated with Assam's cooperative milk network.

Source: PIB-

https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2290979&reg=48&lang=1

35. The Coal Exchange Rules, 2026

Prelims:

Indian Economy

Mains:

GS Paper II-Government Policies and Interventions, GS Paper III-Energy

Current relevance:

The **Ministry of Coal** notified the **Coal Exchange Rules, 2026** under Section 18B of the **Mines and Minerals (Development and Regulation) Act, 1957**, establishing a regulatory framework for transparent and efficient trading of coal and lignite.

Highlights:

Objective:

The Rules establish a **comprehensive regulatory framework** to promote **transparent, efficient** and **competitive trading of coal**, lignite and their processed forms.

Salient features:

1. The **Coal Controller Organization (CCO)** has been designated as the Authority to register, regulate, renew and revoke Coal Exchanges, approve exit schemes, and issue operational guidelines in consultation with the Central Government.
2. A **Coal Exchange** is an **online platform** where buyers and sellers transact, trade and enter into contracts for coal and its processed forms.
3. **Administrative Control:** The Authority will approve bidding and price discovery mechanisms, contract specifications, delivery schedules, coal quality standards, transaction fee ceilings, bye-laws and operating procedures.
4. **Market Surveillance:**
   i. The Authority will monitor the market to prevent **market manipulation, cartelization, insider trading, abuse of dominant position.**
   ii. It is empowered to conduct **inspections**, issue **interim orders** and intervene in cases of non-compliance.

5. **Settlement Guarantee Fund (SGF):**
   i. Every Coal Exchange will maintain a **Settlement Guarantee Fund (SGF)** managed by an independent committee.
   ii. At least **50% of the fund** must be invested in **safe and liquid instruments**, including fixed deposits with Scheduled Public Sector Banks, treasury Bills, government Securities.
6. **Market Surveillance Mechanism:**
   Coal Exchanges will establish a **market Surveillance Committee**, **surveillance Department**, **automated audit trails**, **IT security audits**, disaster recovery sites, alternate trading facilities for business continuity.
7. Every Coal Exchange will have a **Grievance Redressal Forum**, and the Authority may seek information on grievance resolution.

Source: PIB-

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2291193&reg=48&lang=1

36. Protection & Indemnity (P&I) Insurance

Prelims:

Indian Economy

Mains:

GS Paper III-Indian Economy, Infrastructure

Current relevance:

The Department of Financial Services (DFS), Ministry of Finance, launched **India's first sovereign-backed Protection & Indemnity (P&I) insurance product** under the **Bharat Maritime Insurance Pool (BMIP)** to strengthen India's maritime insurance ecosystem.

Highlights:

1. The Department of Financial Services launched India's first sovereign-backed **Protection & Indemnity (P&I) Insurance** product under the **Bharat Maritime Insurance Pool (BMIP)**, designed by **The New India Assurance Company Limited**.
2. **About Protection & Indemnity (P&I) Insurance:**
   i. **Protection & Indemnity (P&I) Insurance** is a specialised form of **marine liability insurance** that provides financial protection to shipowners and operators against **third-party liabilities** arising from the operation of ships.
   ii. It typically covers liabilities related to **crew, cargo, pollution, wreck removal, collisions, and damage to third-party property** that are generally not covered under standard hull insurance.
   iii. It provides financial protection against legal liabilities and compensation arising from **maritime accidents** and **operational risks,** while supporting **financial security, international maritime trade, and effective risk** management in the shipping sector.
3. **Bharat Maritime Insurance Pool (BMIP):**
   i. It is a **sovereign-backed maritime insurance mechanism**, operationalised by the Department of Financial Services (DFS) on 12 May 2026, to ensure

uninterrupted war risk insurance coverage for India's maritime sector during periods of heightened geopolitical risk.

ii. The introduction of BMIP has reduced **war risk premium rates by approximately 35–40%** compared to the levels observed during the peak of the West Asia conflict.

iii. The addition of **P&I coverage** further strengthens India's maritime risk management framework and improves the resilience of the maritime insurance ecosystem.

4. **Significance:**

The initiative advances the **vision of Aatmanirbhar Bharat** by strengthening **domestic insurance capabilities**, **reducing dependence on foreign insurance markets**, and retaining greater value from India's maritime trade within the domestic economy.

Source: PIB -
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2291922&reg=48&lang=1

37. Export of Value-Added Flavoured Makhana

Prelims:

Agriculture

Mains:

GS Paper III-Agriculture, Food Processing

Current relevance:

The **Agricultural and Processed Food Products Export Development Authority (APEDA)** facilitated the **first-ever sea shipment of value-added flavoured Makhana (fox nuts)** from Darbhanga**, Bihar, to Canada.**

Highlights:

1. The initiative aims to expand **Bihar's value-added agricultural exports** and strengthen its presence in international markets.
2. **Benefits to Farmers:**
   i. The export of value-added flavoured Makhana has enabled associated farmers to realise **over 50% higher returns.**
   ii. It demonstrates the potential of **processing, branding and export-oriented value addition** in improving the competitiveness of India's agricultural products and **integrating farmers with global value chains**.
3. **About Makhana:**
   i. **Makhana,** commonly known as **Fox Nut**, is the dried edible seed of the prickly water lily, often referred to as the **"Black Diamond."**
   ii. It is native to **South-East Asia and China** and is now distributed across several parts of the world.
   iii. It grows best in regions receiving an annual rainfall of **100–250 cm** and requires **smooth loamy soil** for optimum cultivation.
   iv. **Bihar contributes nearly 90%** of India's Makhana production.

v. Besides Bihar, it is cultivated in **Assam, Manipur, West Bengal, Tripura and Odisha**, as well as in **Nepal, Bangladesh, China, Japan and Korea**.

vi. Gained popularity as a **nutrient-rich superfood** owing to its **rich nutritional profile**, being low in fat, high in protein, and an ideal healthy snack.

vii. **Health Benefits:**

- It is **high in fibre**, has a **low glycaemic index**, and contains **phytochemical constituents**.
- It contains **very little fat** and is **rich in protein**.
- It helps in managing **high blood pressure** and **blood sugar levels**.
- Its **high calcium content** and low saturated fat support **bone and muscle health**.
- Its **low sodium** and **high potassium** content contribute to better cardiac health.

Source: PIB -
https://www.pib.gov.in/PressReleasePage.aspx?PRID=2292004&reg=48&lang=1