



La Excellence
— IAS Academy —

CONCISE ECONOMY

Volume - I

Current Affairs for Prelims 2026
(April 2025- September 2025)



Scan to download
or Visit

<https://laex.in/materials/concise/>



Ashok Nagar
9052 29 2929

Madhapur
9052 49 2929

Bangalore
9121 44 2929

Kolkata
kolkata@laex.in

Join Newly Launched Course IAS + Graduation  9052 99 2929

Our Resources in “CONCISE” Series for UPSC Prelims 2026

- 1. International Relations**
- 2. Economy**
- 3. Environment, Ecology & Geography**
- 4. Schemes/ Policies/ Programmes**
- 5. History, Art and Culture**
- 6. Polity and Governance**
- 7. Science and Technology**



La Excellence
— **IAS** Academy —



PREFACE

Concise Prelims Current Affairs 2026

Current Affairs-Sine Qua Non of UPSC Preparation

Proficiency in Current affairs is sine non qua for UPSC preparation. It is the basic foundation of any aspirant 's preparation. Knowledge and skill to relate current news with UPSC syllabus is quintessential part of the preparation.

Our new initiative - Concise

What if we told you we have panacea for all the problems related to preparation of current affairs!? A one stop solution for revising all current affairs material in a style where mains answer writing becomes very easy.

What is Concise

- Systematic segregation of monthly news in tandem with syllabus
- Contextual relation of topic in news with UPSC news.
- Brief and crisp explanation
- Extremely precise information which will make revision easy

Dear Aspirants

Join our official La Excellence IAS telegram channel

<https://t.me/CivilsPrepLaEx>

To get all value-added materials, RRP notes, workbook, slides, and Daily current affairs handout.

Index

Sl no.	Topic	Pg no.
01	Index of Industrial Production (IIP)	01
02	Purchasing Managers' Index (PMI)	01
03	Foreign Contribution Regulation Act (FCRA)	02
04	Drug Controller General of India (DCGI)	02
05	Corporate Social Responsibility (CSR)	02
06	Repo Rate Cut	03
07	Retail Inflation	03
08	Tariff	04
09	Liquidity Coverage Ratio (LCR)	04
10	About AGR (Adjusted Gross Revenue)	05
11	Aizawl: A New Milestone in Northeast Rail Connectivity	05
12	Konkan Railway Corporation Limited (KRCL)	06
13	Vizhinjam International Seaport	07
14	Directorate General of Foreign Trade (DGFT)	08
15	MSP (Minimum Support Price)	09
16	Maternal Mortality Ratio (MMR)	09
17	Economic Capital Framework (ECF)	10
18	Treasury Bills (T-Bills)	10
19	India's Trade Deficit	12
20	GST Council	12
21	Prevention of Money Laundering Act (PMLA), 2002	13
22	PM SHRI Scheme	14
23	RailOne App – Ministry of Railways (2025)	15
24	Great Nicobar Island Project (India)	15
25	National Overseas Scholarship Scheme (NOS)	16
26	Ekalavya Model Residential Schools (EMRS)	17
27	Financial Stability Report (FSR) – RBI	17
28	National Board for Wildlife (NBWL)	17
29	National Payments Corporation of India (NPCI)	18
30	Donkey Route & Money Laundering	19
31	CPI vs WPI	19
32	Foreign Portfolio Investment (FPI)	20
33	Monetary Policy Committee (MPC)	21
34	Famine Determination – IPC Global Hunger Monitor	21

Space for Notes:

Index of Industrial Production (IIP)

Why in News?

India's Index of Industrial Production (IIP) grew 3% in March, but FY25 saw a four-year low growth of 4%, reflecting sectoral slowdowns despite strong consumer durables performance.

Description:

- **Purpose:** IIP is a key indicator that measures the short-term changes in the volume of production of a basket of industrial products over a given period of time.
- **Published by:** It is compiled and published monthly by the **Central Statistical Office (CSO)** under the **Ministry of Statistics and Programme Implementation (MoSPI)**.
- **Base Year:** The current base year for IIP in India is **2011–12**, and an IIP value of 100 corresponds to the level of production in that base year.
- **Formula Used:** IIP is calculated using **Laspeyre's formula**, which is a weighted arithmetic mean of production relatives, with weights derived from the base year.
- **Deflation Method:** To remove the effect of price changes, production values (for items reported in value terms) are deflated using the **Wholesale Price Index (WPI)** before inclusion in IIP.

Purchasing Managers' Index (PMI)

Why in News?

India's Manufacturing PMI rose to 58.1 in March 2025, an 8-month high, driven by strong new orders despite slower international demand, marking 45 consecutive months of expansion, according to S&P Global and HSBC India.

Description:

- **Indicator of Business Activity:** PMI measures business activity in both the **manufacturing** and **services** sectors, helping assess economic trends.
- **Survey-Based Calculation:** It is derived from surveys sent to purchasing managers, who report on **key business variables** like new orders, output, employment, supplier deliveries, and inventories.
- **PMI Threshold:** A PMI **above 50** indicates economic expansion, while a **PMI below 50** signals contraction. The rate of change is determined by comparing the number with previous months.
- **Types of PMI:** There are **two types**—**Manufacturing PMI** (measuring factory production) and **Services PMI** (assessing service sector growth). A **composite PMI** is also calculated by combining both indices.
- **Released by S&P Global:** In India, S&P Global publishes PMI data monthly. Other organizations like the **Institute for Supply Management (ISM)** and **Singapore Institute of Purchasing and Materials Management (SIPMM)** release PMI data globally.



Foreign Contribution Regulation Act (FCRA)

Why in News?

The CBI registered an FCRA violation case against AAP leader Durgesh Pathak for allegedly receiving foreign donations illegally; searches were conducted based on ED inputs from the Home Ministry.

Description:

1. **Year of Enactment:** The FCRA was first enacted in 1976 during the Emergency to prevent foreign influence on India's internal affairs through financial contributions.
2. **Mandatory Registration:** NGOs and other entities must obtain FCRA registration or prior permission from the Ministry of Home Affairs to legally accept foreign funds.
3. **Key 2020 Amendments:**
 - Mandatory Aadhaar for office bearers.
 - Foreign contributions must be received only in a designated SBI branch in New Delhi.
 - Administrative expense cap reduced from 50% to 20%.
4. **FCRA Rules 2022 Update:** The limit for foreign remittances from relatives without mandatory reporting was increased from ₹1 lakh to ₹10 lakh per year.
5. **License Cancellations:** Since 1976, over 20,701 FCRA licences have been cancelled due to violations, including those of prominent NGOs like Oxfam India.

Drug Controller General of India (DCGI)

Why in News?

Experts have urged the DCGI to implement strict guidelines for new antibiotics to prevent misuse, as overuse of potent drugs like ceftazidime-avibactam is causing rising antimicrobial resistance.

Description:

- **Head of CDSCO:** The DCGI is the head of the Central Drugs Standard Control Organisation (CDSCO), which is the national regulatory body for pharmaceuticals and medical devices in India.
- **Licensing Authority:** The DCGI is the central licensing authority for drugs and medical devices under the Medical Device Rules, 2017.
- **Regulatory Functions:** The DCGI is responsible for approving new drugs, regulating clinical trials, and ensuring uniform enforcement of the Drugs and Cosmetics Act, 1940.
- **Quality Control and Standards:** The DCGI sets standards for drugs, oversees quality control, and acts as the appellate authority in disputes regarding drug quality.
- **Training and Reference Standards:** The DCGI supervises the training of Drug Analysts, maintains the national reference standards for drugs, and oversees the analysis of cosmetics received as survey samples.

Corporate Social Responsibility (CSR)

Why in News?

Listed firms' CSR spending rose 16% to ₹17,967 crore in FY24, with HDFC Bank leading at ₹945.31 crore, followed by Reliance Industries at ₹900 crore, driven by higher profits.

Description:

- **Corporate Social Responsibility (CSR)** is a business model where companies consciously operate in ways that enhance society and the environment, rather than harm them.

Space for Notes:

- CSR aims to:
 - Improve various aspects of society.
 - Promote a positive brand image for companies.
- **Legal Provision:** Section 135 of the **Companies Act, 2013** mandates CSR compliance.
- **Applicability:** Companies must comply if, during the immediately preceding financial year, they have:
 - **Net worth of ₹500 crore** or more, or
 - **Turnover of ₹1,000 crore** or more, or
 - **Net profit of ₹5 crore** or more.

Repo Rate Cut

Why in News?

Major banks, including SBI and HDFC Bank, have reduced lending and deposit rates following the RBI's 50-basis point repo rate cut, making loans cheaper in 2025.

Description:

- **Definition:** The repo rate is the rate at which the RBI lends money to commercial banks. A reduction makes borrowing cheaper for banks.
- **Impact on Economy:** Lower repo rates lead to cheaper loans, increased consumer spending, and business investment, helping stimulate economic growth.
- **Effect on Banks:** Major banks like SBI and HDFC responded by cutting lending and deposit rates, making credit more accessible.
- **Monetary Policy Tool:** Repo rate is a key monetary policy instrument used by the RBI to control inflation and manage liquidity in the economy.

Retail Inflation

Why in News?

Retail inflation hit a five-and-a-half-year low of 3.34% in March 2025 due to falling food prices, signaling price stability and boosting hopes for further RBI rate cuts.

Description:

1. **Retail Inflation (CPI) – Definition:**
 - Measured by the Consumer Price Index (CPI).
 - Reflects the change in prices of goods and services consumed by households.
 - Indicates cost of living and purchasing power.
2. **Authority Responsible:**
 - Compiled by: National Statistical Office (NSO) under Ministry of Statistics and Programme Implementation (MoSPI).
 - Published monthly.
3. **Types of CPI in India:**
 - CPI-Combined (Rural + Urban) – used for official retail inflation.
 - CPI-Rural
 - CPI-Urban
 - CPI for Agricultural Labourers (CPI-AL) and CPI for Industrial Workers (CPI-IW) – used for wage indexation.
4. **RBI's Inflation Targeting:**
 - Under Monetary Policy Framework Agreement (2016).
 - Target: 4% CPI inflation, with a tolerance band of $\pm 2\%$.
 - RBI uses repo rate to control inflation.
5. **Difference between CPI and WPI:**
 - CPI includes services and retail prices; reflects the impact on consumers.
 - WPI (Wholesale Price Index) tracks prices at the wholesale level, and does not include services.

Space for Notes:

Tariff

Space for Notes:

Why in News?

India imposed a 12% temporary safeguard tariff on steel imports for 200 days to curb unbridled imports, mainly from China, amid rising concerns over dumping and domestic industry protection.

Description:

- A tariff is a tax imposed on imported goods to protect domestic industries, generate revenue, or retaliate against trade practices of other countries.

Types of Tariffs:

- Ad Valorem Tariff: A percentage of the value of the imported good.
- Specific Tariff: A fixed amount per unit of the good.
- Mixed Tariff: A combination of both.

What is a Safeguard Duty?

- A safeguard duty is a temporary tariff allowed under the WTO Agreement on Safeguards.
- It is imposed when increased imports cause or threaten serious injury to the domestic industry.

Difference Between Anti-Dumping Duty & Safeguard Duty

- Anti-Dumping Duty: Imposed on goods sold below normal value (dumped) to a foreign market.
- Safeguard Duty: Imposed regardless of pricing, based on surge in imports harming local industry.

Constitutional Provision Related to Tariffs:

- Entry 83, Union List, 7th Schedule: The Parliament has the power to make laws regarding customs duties, including tariffs.

Liquidity Coverage Ratio (LCR)

Why in News?

RBI mandates 2.5% additional run-off factor on digital deposits.

Description:

- It refers to the proportion of highly liquid assets held by financial institutions to ensure that they maintain an ongoing ability to meet their short-term obligations (i.e., cash outflows for 30 days).
 - 30 days was selected because, in a financial crisis, a response from governments and central banks would typically take around 30 days.
- It is intended to make sure that banks and financial institutions have a sufficient level of capital to ride out any short-term disruptions to liquidity.
- LCR in banking resulted from the Basel III agreement, which is a series of measures undertaken by the Basel Committee on Bank Supervision (BCBS).
- In India, RBI issued Basel III liquidity guidelines in 2012.
- RBI implemented LCR in January 2015, and as per a circular in 2020, banks should maintain sufficient HQLA at all times to meet unexpected withdrawals.
- **Calculation:**
 - $LCR = \frac{\text{High Quality Liquid Assets (HQLA)}}{\text{(Total net cash outflows over the next 30 calendar days)}}$
 - Every asset that can be easily and instantly converted into cash at minimum or no cost of value is a HQLA.
 - These assets include cash, reserves with central banks, and central government bonds, which can easily be converted into cash.
 - In India, all Statutory Liquidity Ratio (SLR) eligible assets, which need to be maintained by the banks as per the Banking Regulation Act, 1949, are permitted to be considered HQLA under LCR requirements if they are in excess. This helps maintain and optimise both liquidity requirements.

About AGR (Adjusted Gross Revenue)

Why in News?

Bharti Airtel requested the government to convert its AGR dues of around ₹40,000 crore into equity under the 2021 telecom reforms, potentially giving the government a 3–4% stake.

Description:

- AGR is used to calculate the revenue share telecom operators owe to the government.
- Telecom operators pay a percentage of AGR as license fee and spectrum usage charges to the Department of Telecommunications (DoT).

AGR Calculation – The Dispute:

- **DoT's View:**
 - AGR should include all revenues of the company.
 - This includes telecom revenues + non-telecom revenues like:
 - Interest income
 - Dividend income
 - Profit from sale of assets
- **Telecom Companies' View:**
 - AGR should only include revenues from core telecom services.
 - Non-telecom income should be excluded.

Supreme Court Verdict (October 2019):

- The Court supported DoT's broader definition of AGR.
- It ruled that all revenues, except:
 - Interconnection charges
 - Roaming charges – should be included in AGR.

Aizawl: A New Milestone in Northeast Rail Connectivity

Why in News?

Aizawl becomes the fourth Northeast capital linked to the national railway network via Bairabi–Sairang line. The trial run succeeded, with the official launch expected for a post-safety inspection in June.

Description:

- **Historic Milestone:** Aizawl became the 4th Northeast capital to be connected to the Indian Railways in May 2025, after:
 - Dispur (Assam)
 - Agartala (Tripura)
 - Itanagar (Arunachal Pradesh)
- **Project: Bairabi–Sairang New Line Project**
 - **Connectivity:** Links Bairabi (in Kolasib, Mizoram) to Sairang, ~20 km from Aizawl
- **Engineering Highlights:**
 - 5 Road Over Bridges (ROBs) and 6 Road Under Bridges (RUBs)
 - Bridge No. 196: Height of 104 meters (32 m taller than Qutub Minar)
- **Strategic Importance:**
 - Enhances rail connectivity in hilly terrain
 - Part of India's broader push to integrate all NE capitals
 - Supports border infrastructure and regional development

Space for Notes:

DEEPER CONNECTIVITY IN NORTH-EAST



General Information:

- Capital: Aizawl is the capital of Mizoram.
- Statehood: Mizoram became a full-fledged state on 20 February 1987 under the 53rd Constitutional Amendment Act (1986).
- Elevation: Approximately 1,132 meters above sea level.
- River Nearby: Tlawng River.
- Official Languages: Mizo and English.
- Major Religion: Predominantly Christian population.
- Dominant Tribe: Mizo tribe.
- Union Territory Era: Aizawl became the capital when Mizoram was declared a UT in 1972.

Konkan Railway Corporation Limited (KRCL)

Why in News?

Maharashtra approved merging Konkan Railway Corporation Limited with Indian Railways to address financial woes, enable infrastructure upgrades, and boost connectivity, services, and local economic development across the Konkan coast.

Description:

- KRCL is a special purpose vehicle (SPV) under the Ministry of Railways, established in 1990.
- It is distinct from Indian Railways, with independent functioning.

Coverage:

- The railway line covers 741 km.
- Connects Roha (Maharashtra) to Mangaluru (Karnataka).
- Passes through Maharashtra, Goa, Karnataka, and coastal Kerala.

Strategic Importance:

- Constructed through the challenging Western Ghats terrain.
- Showcases Indian engineering innovation and expertise.
- Serves as a lifeline for both passengers and freight in the Konkan region.
- Significantly reduces travel time and enhances economic integration of the coastal areas.

Why Separate from Indian Railways?

- Structured as a joint venture model:
 - Government of India: 51%
 - Maharashtra: 22%
 - Karnataka: 15%
 - Goa and Kerala: 6% each
- The separation enabled:
 - Independent decision-making
 - Faster project execution in difficult and remote geography.



Vizhinjam International Seaport

Why in News?

Vizhinjam International Deepwater Seaport was inaugurated by PM Modi; it is India's first dedicated container transshipment port, aiming to boost port economy and reduce reliance on foreign facilities.

Description:

1. **India's First Deep-Water Transshipment Port:** Designed for handling container and multi-purpose cargo.
2. **Development Model:** Developed under the Public-Private Partnership (PPP) on a Design, Build, Finance, Operate, and Transfer (DBFOT) basis.
3. **Strategic Location:**
 - Situated just 10 nautical miles from major international shipping routes connecting Europe, the Persian Gulf, and the Far East.
 - Supports large vessels with a depth of 18 to 20 meters.

4. Technological Advancement:

- India's first semi-automated port.
- Equipped with an AI-driven control room.
- Features India's first Indigenous Vessel Traffic Management System (VTMS).
- Enables real-time updates, reduces vessel turnaround time, and optimizes traffic flow.

5. Economic Impact:

- Aims to reduce India's dependence on foreign ports for transshipment.
- Currently, 75% of transshipment cargo is handled abroad.
- Expected to save India USD 200–220 million annually in revenue loss.

6. Future Development Plans: Capacity will expand from 1 million TEUs to 3 million TEUs annually by 2028 during second and third phases.



Directorate General of Foreign Trade (DGFT)

Why in News?

Bangladesh expressed concern after India, without prior notice, closed land ports for readymade garment exports, impacting bilateral trade. The action was taken by the Directorate General of Foreign Trade (DGFT).

Description:

- DGFT is an attached office of the **Ministry of Commerce and Industry**, Government of India.
- It is responsible for the **formulation and implementation of India's Foreign Trade Policy (FTP)**.
- **Headquartered in New Delhi**, DGFT operates through a **network of 24 regional offices**.
- Before 1991, it was known as the **Chief Controller of Imports & Exports (CCI&E)**.
- After economic liberalisation, it was restructured as **DGFT** to function as a **trade facilitator**.

Key Functions of DGFT:

- Implements India's **Foreign Trade Policy (Exim Policy)** through schemes, licenses, and notifications.
- Issues the **Importer Exporter Code (IEC)**—a 10-digit code mandatory for all Indian importers and exporters.
- **Regulates cross-border transit of goods** under bilateral treaties.
- Grants permission for **free export items** listed in **Schedule 2** of the export policy.
- Sets **standard input-output norms** to define allowed input quantities for specified export output.
- Promotes **regional trade**, especially with **neighbouring countries**.

Space for Notes:

MSP (Minimum Support Price)

Space for Notes:

Why in News?

The Centre approved MSP hikes for 14 Kharif crops for 2025–26, with the highest increase for ragi and jowar, aiming to support farmers ahead of the upcoming sowing season.

Description:

- MSP is the **minimum guaranteed price** offered by the government to farmers for their crops.
- It protects farmers from **distress sales** and ensures **income stability**, even if market prices fall.
- **Recommended by:** Commission for Agricultural Costs and Prices (CACP).
- **Approved by:** Cabinet Committee on Economic Affairs (CCEA).

When was MSP Introduced?

- Introduced in **1966–67** during the **Green Revolution**.
- Initially applied to **wheat and paddy**.

MSP Calculation Method

- **A2+FL Formula:**
 - **A2** = Paid-out costs (labour, seeds, fertilizers, irrigation, etc.)
 - **FL** = Imputed value of family labour
- **Margin:** Minimum **50% profit margin** over the production cost is ensured by the government.

Crops Covered Under MSP:

Kharif Crops:

- **Cereals:** Paddy, Jowar, Bajra, Ragi, Maize
- **Pulses:** Tur (Arhar), Moong, Urad
- **Oilseeds:** Groundnut, Sunflower, Soyabean, Sesamum, Niger-seed
- **Commercial:** Cotton

Rabi Crops:

- Wheat, Barley, Gram, Lentil (Masur), Rapeseed & Mustard, Safflower

Commercial Crops:

- Copra, Jute, Toria, and De-Husked Coconut (covered under related MSPs)

Key Features of MSP

- **Announced Twice Yearly:**
 - Before Kharif and Rabi sowing seasons to guide farmers' planting decisions.
- **Prevents Exploitation:**
 - Protects farmers from **market volatility** and ensures a **guaranteed price**.
- **Encourages Crop Diversification:**
 - Offers **higher MSPs** for pulses and oilseeds to reduce dependency on water-intensive cereals.
- **Budget 2018–19 Mandate:**
 - MSP fixed at **1.5 times (50% profit)** the cost of production (**A2+FL**) for fair farmer profits.
- **Promotes Nutritional Crops:**
 - Higher MSP for millets and Shree Anna to support **nutritional security** and **climate-resilient farming**.

Maternal Mortality Ratio (MMR)

Why in News?

India's Maternal Mortality Ratio declined to 93 (2019–21), reflecting improved reproductive healthcare, with highest deaths in 20–29 age group; WHO highlighted over 700 daily preventable maternal deaths globally.

Description:

1. **Definition:** Maternal Mortality Ratio (MMR) is the number of maternal deaths per 100,000 live births within a given time period, usually a year.
2. **India's Latest MMR:** As per the **Special Bulletin released by the Registrar General of India (RGI) in 2023**, India's MMR for 2019–21 is **97 deaths per 100,000 live births**, a significant improvement from 130 in 2014–16.
3. **Global Goal:** The **UN Sustainable Development Goal (SDG) 3.1** aims to reduce the global MMR to **less than 70 per 100,000 live births by 2030**.
4. **Top Performing States:** As per the latest data, states like **Kerala, Maharashtra, and Telangana** have already achieved the SDG target, with MMRs well below 70.
5. **Key Government Scheme:** Programs like **Janani Suraksha Yojana (JSY)** and **Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA)** have played a crucial role in reducing MMR in India by promoting institutional deliveries and maternal health check-ups.

Economic Capital Framework (ECF)
Why in News?

The RBI's Economic Capital Framework (ECF) is in news due to its review and the expected record surplus transfer of ₹2.5-3 lakh crore to the government for FY25, aiding fiscal management.

Description:

- **What is ECF?** A policy that guides how the **Reserve Bank of India (RBI)** manages:
 - Financial reserves
 - Risk provisioning
 - Surplus transfers to the government
- **Contingency Risk Buffer (CRB):**
 - A financial safety net maintained by RBI
 - Helps handle **economic shocks**, crises, and ensures financial stability
 - Supports RBI's role as **Lender of Last Resort (LoLR)**
- **Why ECF is Reviewed:**
 - To ensure the framework aligns with **evolving economic conditions**
 - To assess if the current **CRB level** is adequate
 - Recommended to be reviewed **periodically (5-year cycle)**
- **Impact of CRB Adjustments:**
 - **Higher CRB:**
 - Increases RBI's financial resilience
 - Reduces surplus funds available for government spending
 - **Lower CRB:**
 - Frees up more funds for government use
 - May raise financial risks for RBI
- **Balancing Act:** The ECF review is a balancing exercise between:
 - **Maintaining economic and financial stability**
 - **Supporting government's fiscal needs** for development and welfare programs
- **Why ECF Matters:**
 - Ensures RBI's readiness for **future financial crises**
 - Influences **government's budget planning**
 - Affects fiscal deficit management and economic growth

Treasury Bills (T-Bills)
Why in News?

India-Maldives Treasury Bill Support: India rolled over a \$50 million Treasury Bill to help Maldives tackle economic challenges, under a government-to-government financial assistance arrangement continuing since 2019.

Space for Notes:

Description:
1. Definition:

- Money market instruments.
- Short-term debt instruments issued by the **Government of India**.

2. Tenure:

- Issued in three tenors:
 - 91 days
 - 182 days
 - 364 days

3. Features:

- **Zero coupon securities** (no interest paid).
- Issued at a **discount** and redeemed at **face value** on maturity.

4. History:

- First issued in **India in 1917**.
- Auctions conducted by **Reserve Bank of India (RBI)** at regular intervals.

5. Who Can Buy?

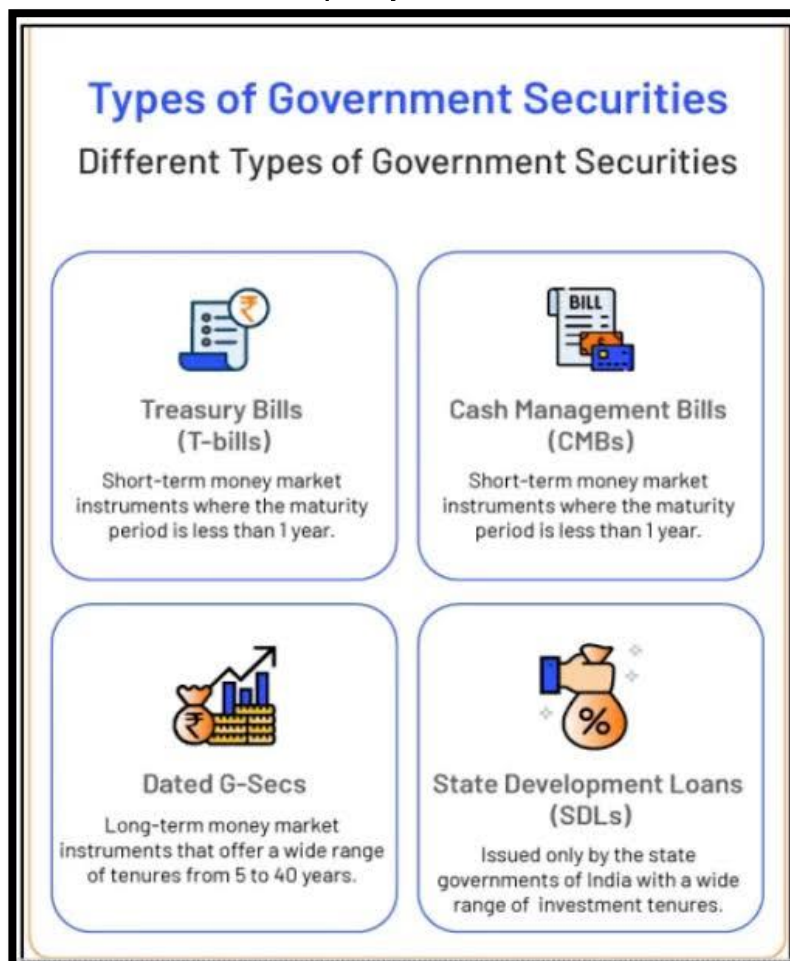
- **Individuals, trusts, institutions, and banks.**
- Predominantly held by **financial institutions**.

6. Uses in Banking:

- Used by banks to get funds from RBI under **Repo** operations.
- Held by banks to meet **Statutory Liquidity Ratio (SLR)** requirements.

7. Working Mechanism:

- Issued at a **discounted price** (e.g., Rs 95 for Rs 100 face value).
- On maturity, paid back at **full face value**.
- **Return (yield)** depends on **liquidity conditions** in the economy.
 - Higher returns during **liquidity crunch**.
 - Lower returns in **excess liquidity** situations.

Space for Notes:


India's Trade Deficit

Space for Notes:

Why in News?

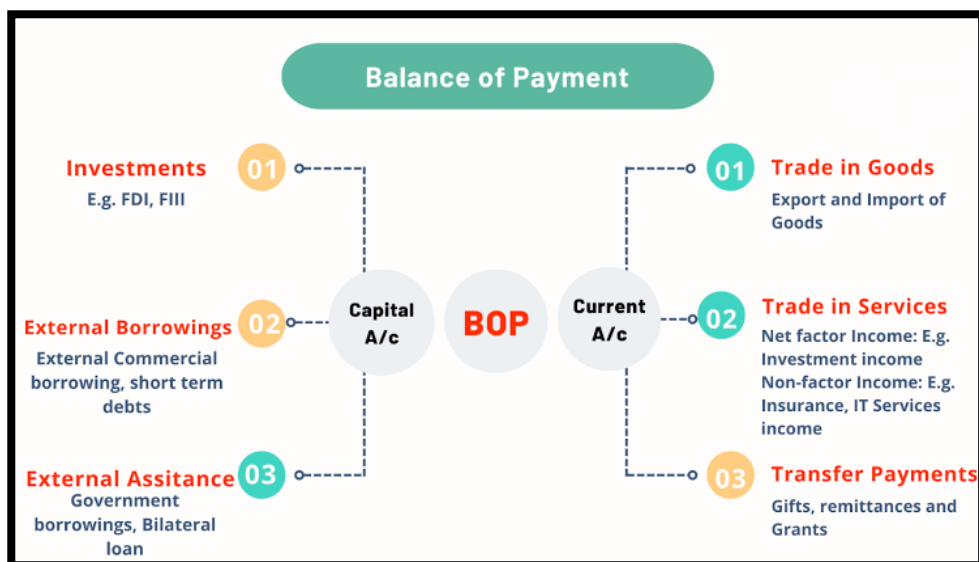
India's overall trade deficit narrowed to \$6.6 billion in May 2025, driven by lower oil prices and strong services exports, as total imports fell and non-petroleum exports recorded growth.

Description:

- **Definition: Trade Deficit**
- A trade deficit occurs when the value of a country's imports exceeds the value of its exports over a specific period.
- $\text{Trade Deficit} = \text{Imports} - \text{Exports}$
- If this value is positive, it indicates a deficit; if negative, it's a surplus.

Static Concepts Related to Trade Deficit:

1. **Current Account** – Trade deficit falls under the Current Account of the Balance of Payments (BoP).
 - Includes: Trade in goods, services, primary income, and secondary income (remittances).
2. **Capital Account** – Reflects capital inflows (like FDI, FPI) which help finance the current account deficit.
3. **Twin Deficit Hypothesis** – Suggests that a fiscal deficit (budgetary) can lead to a trade/current account deficit.
4. **Devaluation/Depreciation of Currency** – A trade deficit may cause the domestic currency to depreciate, making exports cheaper and imports costlier.
5. **Impact on Economy** – A moderate trade deficit is manageable if matched by strong capital inflows; a persistent and rising deficit may lead to a BoP crisis.



GST Council

Why in News?

The GST Council is set to meet in July 2025 to discuss reducing items under the 12% GST slab, possibly removing it entirely. The agenda includes tax relief on intermediate services, potentially benefitting the service industry significantly.

Description:**Space for Notes:**

1. **Constitutional Body:**
 - Established under **Article 279A** of the Indian Constitution.
2. **Constitution of Council:**
 - **Chairperson:** Union Finance Minister.
 - **Members:**
 - Union Minister of State for Revenue/Finance.
 - Finance/Taxation Ministers of all States (or nominated State Ministers).
3. **Purpose & Powers:**
 - Makes recommendations on **implementation and administration** of GST.
 - Covers issues like:
 - GST laws
 - Place of Supply principles
 - Threshold limits
 - GST rates and exemptions
 - Special provisions for States
 - Disaster cess/special rates
4. **Decision-making:**
 - **Quorum:** 50% of total members.
 - **Voting Rule:**
 - Decision needs **3/4th majority** of weighted votes.
 - **Central Government** vote weight = 1/3rd.
 - **All State Governments combined** = 2/3rd.
5. **Secretariat:**
 - Managed by officers from Centre and States (on deputation).
 - **Revenue Secretary** of India is **Ex-Officio Secretary**.
 - Secretariat expenses are **fully borne by the Central Government**.
 - Office located in **New Delhi**.

Goods and Services Tax (GST):

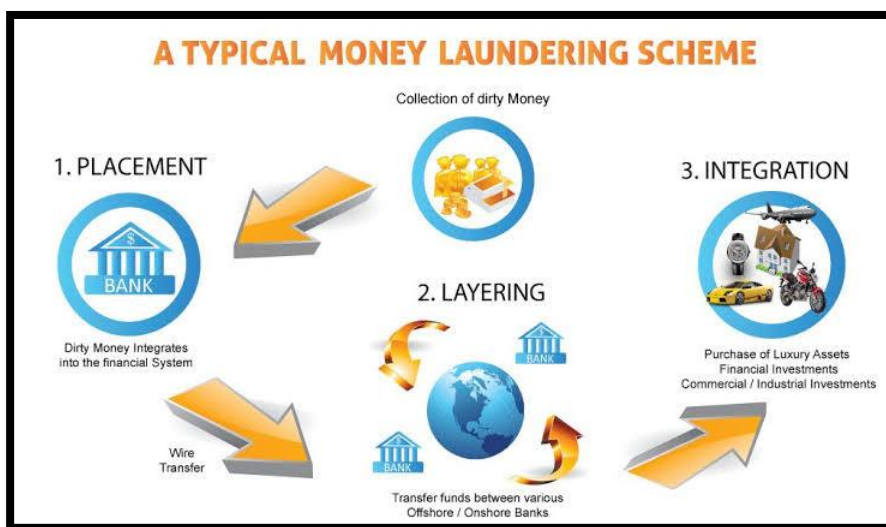
1. **Indirect Tax Reform:**
 - Replaced multiple taxes (excise, VAT, service tax etc.).
2. **Enactment:**
 - GST Act passed on **29th March 2017**, implemented from **1st July 2017**.
3. **Nature:**
 - **Comprehensive, multi-stage, destination-based** tax.
 - Levied on **supply** of goods and services.
4. **Types of GST:**
 - **Intra-state supply:**
 - Central GST (CGST) + State GST (SGST).
 - **Inter-state supply:**
 - Integrated GST (IGST).
5. **Input Tax Credit:**
 - Tax paid at each stage is **creditable** at the next stage.
 - Ensures **tax is paid only on value addition**.
6. **Consumer Impact:**
 - Final burden is on the consumer, but **businesses collect and remit** the tax.

Prevention of Money Laundering Act (PMLA), 2002
Why in News?

The Madras High Court raised concerns over ED officials expanding their powers under PMLA by sealing premises during searches, questioning the legal basis and unchecked enforcement authority.

Description:

1. **Objective:** PMLA aims to prevent and control money laundering, confiscate properties derived from laundered money, and address related issues.
2. **Offence Defined (Section 3):** Money laundering involves processing criminal proceeds to project them as untainted property.
3. **Enforcement Directorate (ED):** The ED is empowered under PMLA to investigate, attach, and confiscate property involved in money laundering.
4. **Special Courts:** PMLA provides for the designation of Special Courts to try offences under the Act.
5. **Stringent Bail Conditions (Section 45):** Bail can be denied unless courts believe the accused is *prima facie* not guilty and unlikely to reoffend, although exceptions exist for minors, women, and infirm individuals.


PM SHRI Scheme
Why in News?

During PM Modi's visit to Tamil Nadu, CM M.K. Stalin submitted a memorandum demanding release of Samagra Shiksha funds without PM SHRI MoU, railway and metro project support, fishermen's safety, and return of unutilised land for the defence corridor.

Description:

- The Pradhan Mantri Schools for Rising India (PM SHRI) scheme is a **centrally-sponsored** program by the Government of India to enhance the quality of education in schools across the country:
- **Objectives:** Build schools that are inclusive, welcoming, and enriching for students and make good citizens out of them.
- **Theme:** The scheme is to be executed with the National Education Policy of 2020 under which there is a vision of safe and stimulating learning environments to meet the needs of all children.
- **Schools:** The scheme is to be implemented in schools already maintained by Central Governments, State Governments, Union Territory Governments, and Local Governments.
- **Duration:** The scheme is to come into operation from 2022-23 to 2026-27.
- **Cost:** The total scheme cost is estimated to be Rs 27,360 crore and the central share will be Rs 18,128 crore.
- **Beneficiaries:** More than 20 lakh students will be benefitted by the scheme.
- **Impact:** The scheme will develop exemplary schools that would mentor other schools in the region on how to increase the quality of education.

RailOne App – Ministry of Railways (2025)

Why in News?

Railways Minister Ashwini Vaishnaw launched the RailOne app in New Delhi. Designed as a one-stop solution for passenger services, it integrates ticketing, tracking, grievances, and more, supporting Indian Railways' digital upgrade and improved passenger experience.

Description:

Purpose / Features:

- One-stop solution for all *passenger services* on Indian Railways.
- Available on *Android Play Store* and *iOS App Store*.
- User-friendly, single-sign-on interface (login via mPIN or biometric).
- Supports existing *RailConnect* & *UTS* credentials.

Integrated Services on RailOne:

- Unreserved tickets (UTS) via *R-Wallet* with 3% discount.
- Live train tracking.
- Grievance redressal.
- E-catering.
- Porter booking.
- Last-mile taxi.
- Space-saving (avoids installing multiple apps).

Important Point:

- *Reserved tickets* will continue via IRCTC.
- RailOne is **authorised by IRCTC**, like other partner commercial apps.

Future Upgrade (PRS System):

- Modern Passenger Reservation System (PRS) planned by **December 2025**.
- Features:
 - Agile, multilingual, scalable.
 - 10x current load capacity.
 - 1.5 lakh ticket bookings and 40 lakh enquiries per minute.
 - Advanced seat choice, fare calendar.
 - Inclusive features for *Divyangjan*, students, patients.

Great Nicobar Island Project (India)

Why in News?

The Environment Impact Assessment for the ₹72,000-crore Great Nicobar Infrastructure Project downplays earthquake and tsunami risks, despite warnings by scientists. Experts urge site-specific studies, citing high seismic vulnerability and lack of detailed geological assessments in the region.

Description:

- ₹80,000 crore project on Great Nicobar Island (Andaman & Nicobar).
- Includes International Container Transshipment Terminal (ICTT) at Galathea Bay, greenfield airport, township, tourism, gas power plant.

Strategic Importance:

- Near Malacca, Sunda, Lombok Straits.
- Enhances Indo-Pacific security.
- Reduces reliance on foreign ports (e.g. Singapore, Colombo).
- Part of Maritime India Vision 2030.

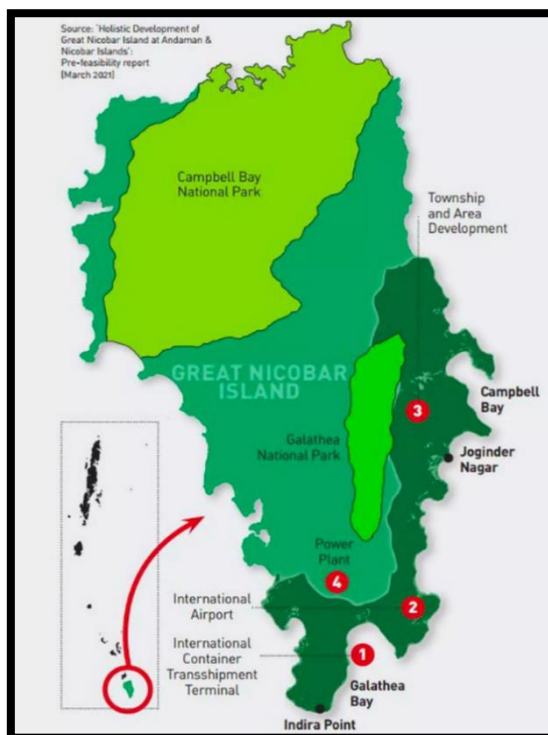
Space for Notes:

Environmental Concerns:

- ~130 sq km primary rainforest loss.
- Threat to leatherback sea turtle nesting in Galathea Bay Wildlife Sanctuary (denotified in 2021).
- Coral reef damage (CRZ 1A area).
- Poor compensatory afforestation (in Haryana/MP).

Legal/Social Concerns:

- Violates Shekhar Singh Commission (2002) recommendations.
- Limited tribal consultation (Shompen).
- Withholding of clearance details citing security.
- CRZ 1A = Ecologically sensitive coastal areas.
- Marine Turtle Action Plan 2021.
- Ten Degree Channel separates Andaman and Nicobar Islands.



Space for Notes:

National Overseas Scholarship Scheme (NOS)

Why in News?

The Union Social Justice Ministry is seeking additional funds for the National Overseas Scholarship scheme after selecting 106 students but issuing provisional award letters to only 40, citing limited availability of funds for the 2025-26 academic cycle.

Description:

Nodal Ministry: Ministry of Social Justice and Empowerment

Type: Central Sector Scheme

Objective:

To support students from marginalized communities to pursue **Master's and Ph.D. programs abroad**, thereby improving their **economic and social status**.

Eligible Beneficiaries:

- Scheduled Castes (SCs)
- Denotified Nomadic and Semi-Nomadic Tribes (DNTs)
- Landless Agricultural Labourers
- Traditional Artisans

Key Features:

- 30% of scholarships reserved for women candidates
- Only Master's and Ph.D. courses are covered; Bachelor's degrees are not eligible
- Must have unconditional admission offer from a top 500 QS-ranked foreign university (for 1st round)
- Students already studying abroad (through other funds/scholarships) are not eligible

Eligibility Criteria:

- Minimum 60% marks in the qualifying examination
- Upper age limit: 35 years (as on 1st April of selection year)
- Annual family income ceiling: ₹8.00 lakh (from all sources)
- Focus is on **uplifting weaker sections through international higher education access**
- Helps promote **social justice and empowerment** through education

Ekalavya Model Residential Schools (EMRS)

Why in News?

Nearly 600 tribal students from Ekalavya Model Residential Schools cleared IIT-JEE and NEET this year. The Tribal Affairs Ministry will now assist them with scholarship applications, highlighting the impact of reforms and coaching under NESTS.

Description:

- **Initiation:** Established in 1997-98 to provide quality education to ST children in remote areas, helping them access better opportunities and bridge the gap with the general population.
- **Funding:** EMRS are funded by grants received under **Article 275(1)** of the Indian Constitution, allocated to States and Union Territories.
- **Objective:** To promote educational equality for tribal students and support their all-round development.
- **Structure:** Co-educational residential schools for Classes VI to XII, with 480 students per school (50% boys and 50% girls).
- **Free Education:** Completely free, including lodging and boarding.

Financial Stability Report (FSR) – RBI

Why in News?

RBI's latest Financial Stability Report highlights India's role as a key driver of global growth despite global uncertainty, citing strong domestic demand, sound macroeconomic policies, robust banking resilience, and improved capital buffers with low levels of non-performing assets.

Description:

- **Released by:** Reserve Bank of India (RBI)
- **Frequency:** Twice a year (biannual)
- **Purpose:** Assesses India's financial system stability, banking resilience, and risks.
- **Includes:**
 - Systemic Risk Survey (SRS)
 - Inputs from all financial sector regulators
- The **latest FSR** highlights that **India remains a key driver of global growth** despite a challenging global backdrop.
- Released amid rising global public debt and financial tightening in other countries.

National Board for Wildlife (NBWL)

Why in News?

The National Board for Wildlife's standing committee approved 30 critical Defence projects along India's border with China, from Ladakh to Arunachal Pradesh, balancing strategic needs with wildlife safeguards, including measures to limit forest loss in tiger reserves.

Description:

- Statutory body under **Section 5A** of the **Wildlife (Protection) Act, 1972 (WLPA)**.
- Constituted via **2022 amendment** to the WLPA.
- **Replaced** the **Indian Board for Wildlife** (formed in 1952).
- India's apex **advisory body** on **wildlife conservation**, especially for **Protected Areas (PAs)**.
- Guides Government decisions on wildlife issues and **approves projects in PAs**.

Space for Notes:

Key Functions / Powers:

- Mandatory NBWL approval needed for:
 - Construction of **tourist lodges** in PAs.
 - **Alteration** of PA boundaries.
 - **Destruction/diversion** of wildlife habitat.
 - **De-notification** of Tiger Reserves.
- Advises on **policy** and strategy for wildlife conservation.

Organisational Structure:

- **47-member committee.**
- **Chairperson:** Prime Minister of India.
- **Vice-Chairperson:** Minister of Environment, Forest, and Climate Change.
- Members include:
 - Chiefs of Army Staff, Defence Secretary, Expenditure Secretary.
 - Institutions involved in wildlife conservation.
 - **10 eminent** conservationists, ecologists, environmentalists (nominated by Central Government).
 - **Member-Secretary:** Additional Director General of Forests (Wildlife) & Director, Wildlife Preservation.

Standing Committee of NBWL:

- Subset of NBWL.
- Comprises ≤ **10 NBWL members.**
- Chaired by **Minister of Environment, Forest, and Climate Change.**
- **Key difference in role:**
 - **NBWL:** Policy and advisory body.
 - **Standing Committee:** Project clearance body (evaluates, clears individual projects in PAs).

National Payments Corporation of India (NPCI)
Why in News?

NIPL has added 13 more banks to the UPI-PayNow real-time payment linkage, enhancing cross-border remittances between India and Singapore. This will go live on July 17, allowing users to remit funds more easily using UPI-enabled apps.

Description:

Established: 2008

Under: Payment and Settlement Systems Act, 2007

By:

- Reserve Bank of India (RBI)
- Indian Banks' Association (IBA)

Objectives:

- Operate **retail payment** and **settlement systems** in India
- Promote a **cashless economy**
- Enhance **financial inclusion**
- Offer safe, secure, accessible, and real-time digital transactions

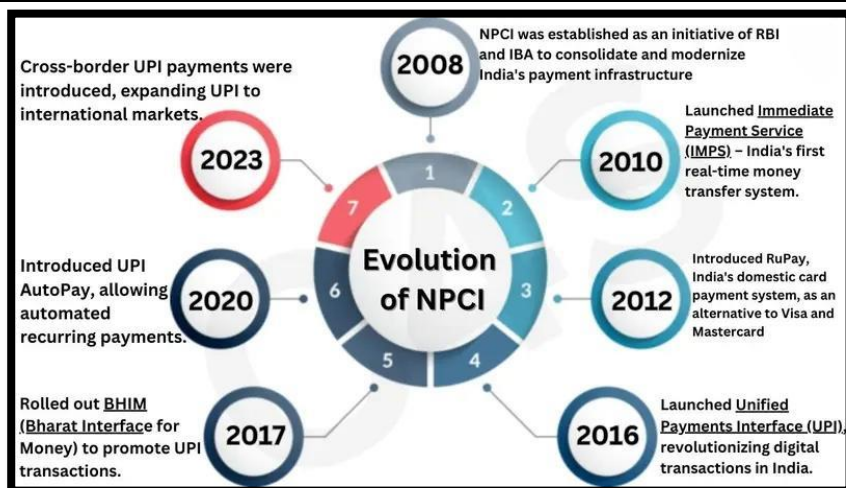
Promoter Banks (10 Core Banks):

SBI, PNB, Canara Bank, BoB, Union Bank, BOI, ICICI, HDFC, Citibank, HSBC

Space for Notes:

Major Initiatives by NPCI:

System	Launched	Purpose
UPI	2016	Real-time interbank P2P and P2M transactions via mobile
RuPay	2012	India's domestic card scheme (debit, credit, prepaid)
IMPS	2010	24x7 instant interbank fund transfer
AePS	—	Aadhaar-based banking via biometric authentication
BBPS	—	Integrated utility bill payment platform
NFS	—	Interbank ATM switching network
NETC/FASTag	—	Electronic toll collection using RFID tags

Space for Notes:

Donkey Route & Money Laundering
Why in News?

The Enforcement Directorate (ED) conducted raids in Punjab and Haryana related to illegal immigration via the "donkey route", invoking the Prevention of Money Laundering Act (PMLA), 2002.

Description:
What is the Donkey Route?

- Also known as "Dunki", it's an **illegal migration pathway** involving long, risky, and indirect travel routes to reach countries like the **US, Canada, UK**.
- Migrants often **lack proper visas or financial resources**, and rely on **human traffickers**.
- The term popularized due to **Punjabi migrants** undertaking perilous journeys, often through Central America or Europe, to reach the US.

CPI vs WPI
Why in News?

CPI-based retail inflation dropped to a 77-month low of 2.1% in June 2025, while WPI contracted after 20 months. The decline was driven by easing food prices for the eighth consecutive month and deflation in key items like vegetables and crude oil.

Description:

Feature	Consumer Price Index (CPI)	Wholesale Price Index (WPI)
Meaning	Measures retail inflation paid by consumers	Measures wholesale inflation faced by producers
Published by	National Statistical Office (NSO), Ministry of Statistics & Programme Implementation	Office of Economic Adviser, Ministry of Commerce & Industry

Base Year (as of 2025)	2012 (for CPI-Combined)	2011–12
Frequency	Monthly	Monthly
Price Level Captured At	Retail level	Wholesale level
Weightage – Food Items	High ($\approx$ 45% in CPI-Combined)	Low ($\approx$ 24%)
Coverage	Goods & services (includes health, education, housing, etc.)	Goods only (excludes services)
Used by RBI for Inflation Targeting?	Yes – CPI (Combined) is the benchmark for RBI's inflation targeting	No
Types of Indices	CPI-Rural, CPI-Urban, CPI-Combined, CPI for Industrial Workers (IW), Agricultural Labourers (AL), etc.	Single WPI index with major groups: Primary Articles, Fuel & Power, Manufactured Products
Reflects Impact On	Consumers (end users)	Producers and distributors

Space for Notes:

Foreign Portfolio Investment (FPI)

Why in News?

Foreign Portfolio Investors (FPIs) withdrew ₹77,901 crore from Indian equities in H1 2025, led by outflows in the IT, FMCG, and Power sectors. Despite this, FPIs remained net buyers in telecom and financial services during April–June.

Description:

- **Foreign Portfolio Investment (FPI)** refers to investment by foreign entities in a country's financial assets such as stocks, bonds, mutual funds, etc.
- It is distinct from Foreign Direct Investment (FDI) as it does not confer ownership/control over a business.

Key Characteristics of FPI:

- **Passive investment:** No involvement in company management
- **Short-term focus:** Aimed at quick capital gains
- **Enhances market liquidity**
- **Highly volatile:** Sensitive to global/economic events

FPI Policy in India:

- **Limit:** Foreign investor can hold up to **10%** of a company's paid-up capital under FPI
 - If it exceeds **10%**, it is treated as FDI
- **Regulator:** SEBI (under FPI Regulations, 2019)

FPI vs FDI – Key Differences:

Feature	FDI	FPI
Nature of Investment	Physical assets (factories, offices)	Financial assets (stocks, bonds)
Control	Involves management/control	No management involvement
Duration	Long-term	Short-term/speculative
Exit Difficulty	Difficult	Easy and liquid
Economic Impact	Boosts jobs, tech	Adds market liquidity
Market Type	Primary market	Secondary market

FII vs FPIs:

- **FII (Foreign Institutional Investors)** are a subset of FPIs.
- FII include mutual funds, pension funds, insurance companies, hedge funds, etc.
- All FIIs are FPIs, but not all FPIs are FIIs.

Monetary Policy Committee (MPC)

Space for Notes:

Why in News?

The RBI's Monetary Policy Committee maintained the repo rate at 5.5%, citing inflation control and economic resilience. Despite global uncertainties, GDP growth for 2025-26 was retained at 6.5%, while CPI inflation is projected at 3.1%, indicating balanced risks.

Description:

Feature	Details
Type	Statutory Body
Legal Backing	Section 45ZB of RBI Act, 1934 (Amended by Finance Act, 2016)
Purpose	Inflation targeting via benchmark policy (repo) rate
Replaced	Technical Advisory Committee
Total Members	6
Members from RBI	RBI Governor (Chair), Deputy Governor, 1 RBI Board nominee
Members from Government	3 external members nominated by Central Government
Tenure of External Members	4 years
Voting System	Majority vote; Governor has casting vote in case of tie
Quorum	Minimum 4 members (must include Governor or Deputy Governor)
Decision Binding On	RBI
Support Department	RBI's Monetary Policy Department (MPD)

- MPC is part of India's inflation-targeting framework agreed between RBI and Government.
- It meets at least four times a year.
- Decisions are made public with each member's vote and reasoning.
- Enhances accountability and transparency in monetary policymaking.
- External members cannot be re-appointed.
- The Inflation Target is set by the Central Government in consultation with RBI (currently 4% $\pm$ 2%).

Famine Determination – IPC Global Hunger Monitor

Why in News?

On 22 August 2025, the Integrated Food Security Phase Classification (IPC) determined that famine is taking place in Gaza – the first such confirmation outside Africa. Nearly 2 years after Israel's military campaign (post Hamas attack of 7 Oct 2023), food insecurity has worsened.

Description:

About IPC:

- **Full Form:** Integrated Food Security Phase Classification.
- **Nature:** Independent global body (funded mainly by Western countries).
- **Recognition:** Widely accepted as the primary global system for measuring severity of hunger crises.
- **Oversight:** By 19 humanitarian organisations & regional bodies.
- **Partnerships:** Works with national governments, UN World Food Programme (WFP), relief agencies.
- **Purpose:**
 - Provide scientific, standardised hunger assessment.
 - Sound the alarm before mass starvation.
 - Guide policy & relief operations.

IPC Classification System:

- Hunger is measured on a **five-phase scale**:
 - Minimal
 - Stressed
 - Crisis
 - Emergency
 - Catastrophe/Famine (most severe)

Famine Criteria (Phase 5):

- $\geq 20\%$ of the population are facing extreme food shortages.
- $\geq 30\%$ children acutely malnourished.
- ≥ 2 deaths per 10,000 per day (starvation/malnutrition + disease).

Note:

IPC does not “declare” famine formally; it provides analysis for governments, UN agencies, etc.

Precedents of IPC-confirmed famines:

1. Somalia – 2011
2. South Sudan – 2017, 2020
3. Sudan – 2024
4. Gaza – 2025 (first outside Africa)

Significance:

- First famine classification outside Africa.
- Brings **global attention** to humanitarian crises.
- Highlights role of **independent, science-based food security monitoring**.

Space for Notes:



La Excellence
— IAS Academy —

Interview Guidance Program **2026**

A Comprehensive Approach Towards the UPSC Personality Test

Wrote Mains?

Get ready for the next stage — **The Interview!**

- ✓ Finalise hobbies & activities for your DAF
- ✓ Build perspective-based preparation on current issues
- ✓ Develop clarity & confidence through guided mentoring



Hyderabad - 8977 71 64 97 / Bengaluru - 9121 23 99 92



Before Results:



Review of Current Issues through Assignments



40 Key Topics → 20 before results & 20 after



Help in DAF filling and hobby finalisation



Guidance on interview-oriented preparation

After Results:



Board-based Mock Interviews



One-on-One Sessions



DAF-based Question Listing



Board-wise Transcript Discussions



Expert & Bureaucrat Guest Sessions



3-Day Interview Hackathon (learning in a calm, focused environment)



Dedicated space (study hall/conference room) for interview going students to interact and prepare.

Scan Here



Enroll Here



La Excellence
— IAS Academy —

**YOUR UPSC SUCCESS NEEDS MORE THAN NOTES.
IT NEEDS A MENTOR.**

MEET THE FACES BEHIND SIKSHA PERSONAL MENTORSHIP



Ram Mohan Sir



Sai Praveen Sir



Kalyan Sir



Anush Sir



Yashwanth Sir



Sudheer Sir



Rajashekhar Sir



Rama Krishna Sir



Ram Gopal Sir

THIS ISN'T A BATCH. IT'S A SYSTEM — BUILT AROUND YOU.



9052 29 2929 , 7207955035



www.laex.in