

FWD

FORTUNE WEEKLY DIGEST



> INDIA-EU FTA

> UGC AND DISCRIMINATION

> ECONOMIC SURVEY 2025-26

26th JANUARY, 2025 - 01st FEBRUARY, 2026

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EDITOR'S NOTE

As UPSC aspirants, it is essential to stay updated on current affairs to excel in the examination. This **Fortune Weekly Digest (ForWarD)** brings you the latest news and developments from around the world, carefully curated and analyzed to help you prepare for the Civil Services (Main) Examination.

We understand that time is precious, and we have made sure to present the information in a concise and easy-to-understand manner.

The magazine is divided into different sections. Mains relevant topics have been covered in detail with a UPSC previous year question perspective. The jot downs are examples and interesting facts to enrich your answer writing. Cherrypicks has some key words from the week, helpful again in answer writing and essay. We have also included essay topics and sample questions to help you gauge your preparation.

We have designed this magazine to best supplement the daily current affairs notes we have launched by the name of **FIND (Fortune IAS News Daily)** and **FINDER (Fortune IAS News Daily Explainer)** and the **Fortune Prelims Precise** monthly compilation. This magazine will be explained in detail and your queries addressed in a live class we conduct.

At a time when there is no dearth of current affairs materials, our hope is help you get a one-stop solution for all your current affairs needs.

This magazine is a work in progress and your feedback will be appreciated.

We hope that this magazine will serve as a valuable resource for your exam preparation and contribute to your success in the UPSC examination.

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FIRST ATTEMPT TOPPERS FROM
OUR PRELIMS CUM MAINS BATCH

SWATHI S BABU
AIR 522

MANJIMA P
AIR 235

KASTURI SHA
AIR 68

FABI RASHEED
AIR 71

OORMILA J S
AIR 561

W O M E N I N P O W E R

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UGC AND DISCRIMINATION

Syllabus: GS II - Education

PYQ MAPPING

Q) “Development and welfare schemes for the vulnerable, by its nature, are discriminatory in approach.” Do you agree? Give reasons for your answer. (2023)

Q) The quality of higher education in India requires major improvements to make it internationally competitive. Do you think that the entry of foreign educational institutions would help improve the quality of technical and higher education in the country? Discuss. (2015)

WHY IN NEWS

The UGC has notified the **Promotion of Equity in Higher Education Institutions Regulations, 2026**, mandating all higher education institutions to establish equity committees with representation from OBCs, SCs, STs, persons with disabilities, and women to address discrimination complaints.

INTRODUCTION

The University Grants Commission notified the **Promotion of Equity in Higher Education Institutions Regulations, 2026** to strengthen institutional mechanisms against discrimination in Indian campuses. However, the regulations have triggered widespread debate over their scope, fairness, and constitutional validity, bringing higher education governance under judicial scrutiny.

SHORT TAKES

➤ University Grants Commission (UGC):

- A statutory body under the Ministry of Education, Government of India, established by the UGC Act of 1956 to coordinate, determine and maintain standards of higher education across Indian universities and colleges.
- It provides recognition to universities, disburses funds and grants for infrastructure, research, and scholarships, and frames regulations to uphold academic quality and standards in teaching, examinations and research.

BACKGROUND

- ➔ The **2012 regulations** defined discrimination as acts nullifying or impairing equality in education, including denial of access, imposing undignified conditions, or maintaining separate educational/social spaces based on caste, religion, gender, language, or disability.
- ➔ The 2012 framework mandated **Equal Opportunity Cells (EOCs)** and appointment of anti-discrimination officers as part of grievance redressal mechanisms.
- ➔ Petition (**Abeda Salim Tadvi v Union of India**) was filed by **Radhika Vemula** (mother of Rohith Vemula) and **Abeda Tadvi** (mother of Payal Tadvi), both cases involving alleged caste-based discrimination leading to suicide.
- ➔ Following the petition, a **UGC committee reviewed** the existing framework, culminating in the **2026 regulations**.

ABOUT THE LATEST REGULATIONS

- 🕒 **Notification of Regulation:** The University Grants Commission (UGC) notified the **Promotion of Equity in Higher Education Institutions Regulations, 2026** on **January 13, 2026**, replacing the earlier 2012 anti-discrimination advisory with binding regulatory provisions.
 - 🕒 **Definition of Caste-based Discrimination (Clause 3(c)):** The Regulations define caste-based discrimination as discrimination solely against members of SCs, STs, and OBCs, making a specific and narrower categorisation.
 - 🕒 **Broader Definition of Discrimination (Clause 3(e)):** Apart from caste, the Regulations define discrimination on wider grounds such as religion, race, gender, place of birth, and disability.
- ### Key Features
- 🕒 Each institution must set up an **Equal Opportunity Centre (EOC)** to promote equity and social inclusion.
 - 🕒 **Equity committees** are formed under EOCs, **chaired by the head of the institution**, with representation from SCs, STs, OBCs, persons with disabilities, and women.
 - 🕒 Equity committees must **meet at least twice a year**, while EOCs submit **bi-annual reports** of functioning.
 - 🕒 Institutions must submit an **annual report** on EOC

functioning to the UGC for review.

- 🕒 **24/7 grievance helplines** and campus equity squads.
- 🕒 The **head of the institution** is responsible for ensuring compliance.
- 🕒 **Initial action within 24 hours** of a complaint, with detailed inquiry reports and resolution systems to ensure timely redressal.
- 🕒 A **national-level monitoring committee** will be established, including representatives from statutory professional councils, commissions and civil society. The panel will meet **at least twice a year** to:

- Oversee implementation
- Review issues of discrimination
- Suggest preventive measures
- ➔ Non-compliance may result in:
 - Debarment from **UGC schemes**
 - Removal from offering **degree programmes, distance learning, and online programmes**
 - **Removal from UGC’s list of higher education institutions**

CASES OF ROHITH VEMULA & PAYAL TADVI

Rohith Vemula

- 🕒 **Identity & background:** Rohith Chakravarthi Vemula (born 30 Jan 1989) was a 26-year-old PhD scholar at the **University of Hyderabad**.
- 🕒 **Date & manner of death:** He **died by suicide on 17 January 2016**, hanging himself in his hostel room.
- 🕒 **Controversy over caste:** His death became a **national flashpoint on caste discrimination** in Indian campuses, with many student groups alleging harassment against Dalit students.
- 🕒 **Investigation & police position:** In 2024, **Telangana Police filed a closure report**, concluding there was **no evidence of caste-based harassment or abetment** and claiming Rohith was not a Scheduled Caste member.
- 🕒 **Suicide note & public reactions:** The suicide note recovered did **not explicitly blame others** for his death and focused on personal despair, though his family and supporters argued institutional discrimination played a major role

Payal Tadvi

- 🕒 **Identity & profession:** Dr **Payal Salim Tadvi** was a 26-year-old **postgraduate resident doctor** in obstetrics and gynaecology at **Topiwala National Medical College, Mumbai**.
 - 🕒 **Date & manner of death:** She **committed suicide on 22 May 2019**, found hanging in her hostel room.
 - 🕒 **Allegations of harassment:** Police reports and family accounts state she faced **regular humiliation, casteist slurs and professional obstruction** by three senior doctors.
 - 🕒 **Legal action:** Three senior colleagues were **arrested and charged** with abetment of suicide under the **SC/ST (Prevention of Atrocities) Act** and other laws.
- Evidence & statements:** The **Mumbai Crime Branch charge-sheet** included her suicide note and statements from nearly 180 witnesses noting harassment, denial of mandatory medical leave and repeated emotional abuse.

SIGNIFICANCE

- ☀️ **Recognition of Persistent Caste Discrimination:** The regulations address a real and continuing problem of discrimination faced by Dalit and historically oppressed students in higher education.
- ☀️ **Shift towards substantive equality:** By recognising caste-based discrimination as a distinct category, the regulations **align with Article 15’s enabling provisions** for special measures to protect historically disadvantaged groups.
- ☀️ **Legal Enforcement of Equity in Campuses:** The 2026 regulations convert anti-discrimination principles that were earlier only advisory into **binding rules**, making HEIs legally accountable for equity outcomes.
- ☀️ **Institutional Accountability:** Heads of institutions (VCs/Principals) are now directly responsible for compliance, breaking the practice where campus equity concerns were often sidelined.
- ☀️ **Data-Driven Necessity:** UGC data showed **caste discrimination complaints nearly doubled** (from about 173 in 2017-18 to around 378 in 2023-24) highlighting a steep rise in reported incidents and justifying institutional mechanisms.
- ☀️ **Inclusion of OBCs:** The 2026 regulations formally extend protections to OBC students and staff, covering **over 1.63 crore OBC students**, alongside **66.23 lakh SC** and **27.1 lakh ST** students (AISHE 2021–22), forming a

majority of higher education enrolments.

- ☀️ **Structured Monitoring and Inclusion:** The introduction of proactive roles like **Equity Squads and Equity Ambassadors** reflects a shift toward pre-emptive campus safeguards rather than reactive complaint processing.

- ☀️ **Government Assurance of Constitutional Framework:** The Education Minister stated the rules are **within the constitutional framework** and under Supreme Court oversight to prevent misuse, attempting to balance equity with rights protection.

CRITICISMS

- ▼ **Vague and Broad Definitions:** The core terms, such as **“discrimination”** and **“impact on dignity or equality,”** are criticized for being **too broad and subjective**, increasing potential for arbitrary interpretation.
- ▼ **Exclusion of General Category Victims:** Critics assert that by defining caste discrimination only for SC, ST, and OBC students, the rules **do not provide grievance redressal for general category students**, which is seen as unequal protection
 - o **Example:** If a general-category fresher resists ragging by a Scheduled Caste senior, a complaint under the 2026 Regulations could turn into a police case, risking arrest and ruining the fresher’s academic future from day one.
- ▼ **Equity Committee concerns:**
 - o Head of the institution as chairperson may compromise **impartiality**.
 - o Discretionary powers given to internal committees can lead to **selective enforcement**.
- ▼ **Removal of Penalty for False Complaints:** Unlike earlier drafts, the final regulations **do not include penalties for filing false or frivolous complaints**, raising concerns that the grievance system could be misused.
- ▼ **Perception of Campus Surveillance:** The deployment of Equity Squads and helplines has been described by opponents as **over-monitoring**, potentially creating an atmosphere of suspicion rather than inclusion.
- ▼ **Risk of Social Alienation:** There is apprehension that fear of complaints may discourage inter-caste interaction, undermining social harmony on campuses.
- ▼ **Campus Unrest and Backlash:** General category student groups and community organisations (e.g., Savarna Sena, Karni Sena) have led widespread protests claiming the norms are discriminatory and threaten academic harmony

LEGAL STATUS

- ✍️ **Supreme Court Stay on Implementation:** On 29 January 2026, a Supreme Court bench led by Chief Justice Surya Kant stayed the 2026 Equity Regulations in ***Mritunjay Tiwari v. Union of India***.
- ✍️ **Article 14 Challenge:** Petitioners contended that Clause 3(c) violates the equality principle under Article 14 due to lack of intelligible differentia and reasonable nexus with the objective.
- ✍️ **Judicial Call for Clarity:**
 - o The apex court has emphasised that the **language of some key clauses is unclear** and requires expert review, underscoring the importance of precision in sensitive equity laws.
 - o Notices were issued to the Union government and the UGC on petitions **specifically challenging Regulation 3(c)**, which defines caste-based discrimination only against SCs, STs, and OBCs.
 - o The Chief Justice observed that the 2026 Regulations could have **“sweeping consequences”** and **potentially divide society** if implemented without adequate safeguards.
- ✍️ **Continuation of Earlier Framework:** Exercising powers under Article 142, the Supreme Court directed that the UGC’s 2012 equity regulations would continue to operate until further orders.
- ✍️ **Next Hearing Scheduled:** The Supreme Court is set to hear further submissions on March 19

WAY FORWARD

* Clarify Definitions and Scope:

- o Government and UGC should engage all stakeholders to **refine definitions, scope, and enforcement** mechanisms.
- o Narrowing and precise wording for terms like “discrimination” and “equity” can prevent ambiguity and reduce misuse while preserving protections.

* **Incorporate Safeguards for All Students:** Ensuring mechanisms to protect general category students and **include penalties for false complaints** would balance rights protection with equity objectives.

* **Ensure impartial committees:** Avoid conflicts of interest in **Equity Committees**, ensuring fair representation and independence.

* **Preventing Campus Polarisation:** The regulatory approach should foster dialogue, trust, and integration rather than fear-driven segregation among student communities.

* Strengthen enforcement and monitoring:

- o Introduce **clear procedures for complaints, interim relief, and accountability**.
- o Include **penalties for non-compliance** and false reporting safeguards with due process.
- o Consider **national-level social audits** tracking enrollment, dropouts, reservation policy, and grievance redressal effectiveness.

* **Education and sensitisation:** Incorporate **constitutional and moral education** in campuses to instill equality, liberty, and fraternity values.

CONCLUSION

While the UGC’s equity regulations reflect a necessary commitment to constitutional values of equality and dignity, their effectiveness depends on clarity, inclusiveness, and procedural safeguards. A consultative, legally precise, and balanced framework is essential to ensure equity without undermining fairness or academic freedom.

SAMPLE QUESTION

Q) Examine the constitutional and administrative challenges in addressing discrimination in higher education through regulatory frameworks
(10 marks) (150 words)

INDIA-EU FTA

Syllabus: GS II - International Relations

PYQ MAPPING

Q) Economic ties between India and Japan, while growing in recent years are still far below their potential. Elucidate the policy constraints which are inhibiting this growth. (2013)

Q) What are the key areas of reform if the WTO has to survive in the present context of 'Trade War', especially keeping in mind the interest of India? (2018)

WHY IN NEWS

India and the European Union concluded negotiations on a long-pending **Free Trade Agreement (FTA)** on **January 27, 2026**, after nearly **two decades of talks (since 2007)**. Prime Minister Narendra Modi termed it the **"largest FTA in India's history"**, while EU President Ursula von der Leyen called it the **"mother of all deals."** The agreement is now pending **legal scrubbing and ratification by the European Parliament**.

INTRODUCTION

The **India–EU FTA** aims to deepen economic integration between the **world's 2nd and 4th largest economies**, creating a combined market of **about 2 billion people**. It focuses on **tariff liberalisation, services market access, and supply chain diversification**, while carefully **excluding sensitive sectors** on both sides. The deal reflects a **strategic economic pivot** amid global trade fragmentation and geopolitical uncertainty.

FEATURES OF THE INDIA–EU FREE TRADE AGREEMENT

Market access for Indian exports:

- **Immediate zero duty on:**
 - **70.4% of tariff lines**
 - Covers **90.7% of India's export value**
- **Phased tariff elimination (3–5 years):**
 - **20.3% of tariff lines**
 - Covers **2.9% of export value**
- **Tariff reduction / quota-based access:**
 - **6.1% of tariff lines**
 - Covers **about 6% of export value**

Trade in Goods

- **EU Market Opening:** The European Union will remove import duties on 99.5% of India's exports by value, with 90.7% of export value receiving immediate duty-free access.
- **India's Tariff Commitments:** India will extend tariff concessions on 97.5% of EU imports by value, covering 92.1% of tariff lines through duty elimination or reduction.
- **Phased Tariff Reduction:** While 49.6% of EU tariff lines see immediate duty elimination, India will implement gradual tariff cuts over 5, 7, and 10 years for an additional 39.5% of lines.
- **Boost to Labour-Intensive Sectors:** Sectors such as textiles, garments, leather, footwear, gems and jewellery, and marine products will enjoy instant zero-duty access to EU markets.
- **Protection of Sensitive Sectors:** Key domestic

sectors including dairy, cereals, poultry, and sugar, are excluded from liberalisation to safeguard farmers and producers.

- **Automobile Imports:** Customs duties on European automobiles will be reduced in stages to 10%, subject to an annual import quota of 250,000 vehicles.

Trade in Services

- **Expanded Market Access:** India will gain entry into 144 service subsectors in the EU, including IT, professional services, and education, while the EU receives access to 102 Indian service subsectors.
- **Mobility of Professionals:** The EU makes binding commitments to facilitate visas for Indian professionals such as IT specialists, nurses, and management consultants.
- **Commercial Establishment:** European firms obtain enhanced access to India's financial, legal, and maritime services sectors.
- **Family and Work Rights:** Dependents and spouses of intra-corporate transferees are allowed both residence and employment rights.
- **AYUSH Recognition:** For the first time, AYUSH professionals may practice in EU member states under their home designations where such systems are not regulated.
- **Protection of Digital IP:** The agreement bars compulsory disclosure of source code as a precondition for market access, strengthening safeguards for Indian technology firms.

What India gains

What India gets from EU

Most of the tariff reductions will take place in stages over the span of 10 years.

Product	Old tariff	Post FTA tariff
Marine products	Up to 26%	0% ↓
Chemicals	Up to 12.8%	0% ↓
Plastic, rubber	Up to 6.5%	0% ↓
Leather footwear	Up to 17%	0% ↓
Textiles	Up to 12%	0% ↓
Apparel, clothing	Up to 12%	0% ↓
Base metals	Up to 10%	0% ↓
Gems and jewellery	Up to 4%	0% ↓
Railway, aircraft, ships	Up to 7.7%	0% ↓
Furniture and allied consumer goods	Up to 10.5%	0% ↓
Toys	Up to 4.7%	0% ↓
Sports goods	Up to 4.7%	0% ↓

What India has conceded

What EU gets from India

Most of the tariff reductions will take place in stages over the span of 10 years.

Product	Old tariff	Post FTA tariff
Machinery and electrical equipment	Up to 4.4%	0% ↓ for almost all products
Aircraft and spacecraft	Up to 11%	0% ↓ for almost all products
Optical, medical and surgical equipment	Up to 27.5%	0% ↓ for 90% of the products
Plastics	Up to 16.5%	0% ↓ for almost all products
Pearls, precious stones and metals	Up to 22.5%	0% ↓ for 20% of the products and tariff reduction for another 36% of the products
Chemicals	Up to 22%	0% ↓ for almost all products
Motor vehicles	110%	10% ↓ (quota for 250k)
Iron and steel	Up to 22%	0% ↓ for almost all products
Pharmaceuticals	11%	0% ↓ for almost all products

WHY IT IS CALLED THE “MOTHER OF ALL DEALS”

- ➔ **Unmatched economic scale:** Brings together the world’s 2nd- and 4th-largest customs blocs, creating a combined market of about **\$24 trillion**.
- ➔ **EU’s outsized trade role:** The EU alone accounts for **nearly 12% of India’s total trade**, almost equal to all other recent FTAs combined.
- ➔ **Huge merchandise trade volumes:** India–EU goods trade stood at **\$136.5 billion** in 2024–25, with India

enjoying strong export presence.

- ➔ **Significant services trade:** Bilateral services trade touched **\$83.1 billion**, vital for India’s IT and professional sectors.
- ➔ **Depth and ambition of the pact:** Covers goods, services, mobility, and digital rules, making it far deeper than India’s earlier FTAs.

CHALLENGES AND CONCERNS OF THE INDIA–EU FTA

▼ Carbon Border Adjustment Mechanism (CBAM):

- o The agreement makes limited progress on CBAM, which may raise export costs for Indian **steel, aluminium, and cement** due to carbon-linked tariffs. While the EU refused country-specific exemptions, India has only secured a **most-favoured treatment clause**, any future CBAM concession given to others will extend to India.

requirements, risking exclusion from EU value chains despite improved market access.

▼ Stringent Regulatory Standards:

- o The EU’s high benchmarks on **environmental protection, labour norms, and data privacy** significantly increase compliance costs, particularly for Indian exporters unfamiliar with EU regulatory regimes.

▼ Limited Labour Mobility:

- o Although services market access has improved, **restrictions on movement of natural persons** limit India’s ability to fully capitalise on its comparative advantage in services.

▼ MSME Constraints:

- o Indian **MSMEs** face challenges in meeting **certification, quality, and traceability**

▼ Sector-Specific Competitive Pressures:

- o Domestic producers in **wine and premium automobile segments** may face intensified competition from European imports, even with tariff reductions being phased and quota-bound.

▼ Investment Readiness Gap:

- o To attract global firms seeking **tariff-free access to the EU via India**, rapid reforms are required in **ease of doing business, logistics, contract enforcement, and regulatory certainty**.

WAY FORWARD

- * **Boost Export Preparedness:** Enhance MSME competitiveness through easier credit access, standards hand-holding, and streamlined trade facilitation to fully leverage FTA benefits.
- * **Address CBAM Risks:** Fast-track industrial decarbonisation and establish robust carbon measurement frameworks to cushion exporters from CBAM-induced cost pressures.
- * **Align with EU Standards:** Strengthen SPS systems, quality infrastructure, and conformity assessment mechanisms to meet EU regulations and reduce export rejections.
- * **Build Digital & Data Confidence:** Work towards EU data adequacy or “data-secure” recognition to expand high-value digital, IT, and IT-enabled services exports.
- * **Ensure Effective Implementation:** Actively use the biennial joint review platform to simplify rules of origin, tackle non-tariff barriers, and fine-tune sector-specific safeguards.

CONCLUSION

The India–EU Free Trade Agreement marks a strategic economic realignment for India, enhancing export competitiveness, services mobility, and supply-chain resilience amid global fragmentation. Its long-term success, however, hinges on effective implementation, MSME preparedness, and alignment with EU regulatory and climate regimes.

SAMPLE QUESTION

Q) “The India–EU Free Trade Agreement is being described as the ‘mother of all trade deals’. Examine its key features and assess the opportunities and challenges it presents for India’s economy and strategic interests.”
(10 marks) (150 words)

ECONOMIC SURVEY 2025-26

GS III: Government Budgeting

GLOSSARY

- 🌀 **FY (Financial Year):** The **12-month period used for accounting and budgeting**, running from **1 April to 31 March** in India.
- 🌀 **AY (Assessment Year):** The **year following the financial year** in which income earned during the FY is **assessed and taxed**.
- 🌀 **GDP (Gross Domestic Product):** The total value of all **final goods and services** produced within a country in a given period, reflecting overall economic activity.
- 🌀 **GVA (Gross Value Added):** The value of output **minus intermediate consumption**, showing the contribution of a sector or producer to the economy.
- 🌀 **CPI (Consumer Price Index):** Measures changes in prices of a **fixed basket of goods and services** consumed by households, indicating retail inflation and cost of living.
- 🌀 **CRR (Cash Reserve Ratio):** The **percentage of a bank's total deposits** that must be kept as **cash with the RBI**, used to control liquidity and inflation in the economy.
- 🌀 **GNPA (Gross Non-Performing Assets):** It refers to the **total value of loans and advances that have remained overdue for more than 90 days**, reflecting the **overall asset quality and credit risk** of a bank before provisioning.
- 🌀 **CRAR (Capital to Risk-Weighted Assets Ratio):** Measures a bank's capital against its **risk-weighted assets**, where assets are assigned weights based on risk (low for government securities, high for loans), to ensure the bank can absorb potential losses
- 🌀 **Money Multiplier:**
 - The ratio of total money supply to reserve money, showing how banks expand deposits and credit from each unit of central bank money.
 - A higher multiplier increases liquidity and credit in the economy, which can boost economic activity but may also raise inflationary pressures.

INTRODUCTION

Union Finance Minister Nirmala Sitharaman tabled the Economic Survey 2025-26 in both the Lok Sabha and Rajya Sabha on **January 29, 2026**. The Survey proposes **"Disciplined Swadeshi for Strategic Resilience"**, a calibrated **three-tier strategy to build critical capabilities, reduce input costs, strengthen advanced manufacturing**, and move from self-reliance to strategic indispensability.

ABOUT ECONOMIC SURVEY

🌀 What is the Economic Survey?

- The **Economic Survey of India** is an **annual document** prepared by the **Economic Division, Department of Economic Affairs**, Ministry of Finance, reviewing the **state of the Indian economy**, major trends, challenges, and policy priorities.

🌀 Who prepares and writes it?

- The Survey is drafted under the leadership of the **Chief Economic Adviser (CEA)**; the **2025–26 Economic Survey** was prepared under **Dr. V. Anantha Nageswaran**, the current CEA, and is tabled in Parliament by the **Finance Minister**.

🌀 Purpose and significance

- It provides an **analytical foundation** for

economic policymaking by assessing growth, inflation, fiscal position, employment, and sectoral performance, and often introduces **reform ideas and conceptual frameworks**.

🌀 Why is it presented before the Union Budget?

- The Survey is presented **one day before the Union Budget** to serve as the **economic backdrop**, helping Parliament and policymakers understand macroeconomic conditions before finalising **taxation and expenditure proposals**.

🌀 Historical context

- First introduced in **1950–51** as part of Budget documents, the Economic Survey was **delinked from the Budget in 1964**, allowing independent discussion and scrutiny ahead of budgetary decisions.

HIGHLIGHTS OF ECONOMIC SURVEY 2025-26

STATE OF THE ECONOMY

- 🕒 India's growth outlook remains **robust**, underpinned by strong macroeconomic fundamentals and broad-based demand momentum.
- 🕒 According to the **First Advance Estimates**:
 - Real GDP growth is projected at **7.4 per cent** in Financial Year 2025–26.
 - Gross Value Added (GVA) growth is projected at **7.3 per cent**.
- 🕒 A **strong agricultural performance** has supported rural incomes and consumption.
- 🕒 Urban demand has strengthened, aided by:
 - Tax rationalisation measures
 - Improvement in disposable incomes
- 🕒 India's **potential growth rate** is estimated at around **7 per cent**.
- 🕒 Looking ahead, real Gross Domestic Product growth in **Financial Year 2026–27** is projected in the range of **6.8 to 7.2 per cent**, indicating sustained medium-term growth capacity despite global headwinds.

INFLATION TRENDS AND OUTLOOKS

- ♣️ **Historic low inflation:**
 - Average headline Consumer Price Index (CPI) inflation during **April–December 2025 stood at 1.7%**, the lowest since the beginning of the CPI series.
 - India recorded one of the steepest declines in inflation in 2025 over 2024, at around **1.8 percentage points among Emerging Markets & Developing Economies (EMDEs)**.
- ♣️ **Downward revision of forecasts:** RBI lowered its FY26 inflation forecast from **2.6% to 2.0%**, supported by a good kharif harvest and healthy rabi sowing.
- ♣️ **International projections:** IMF projects inflation at **2.8% in FY26** and **4.0% in FY27**, while RBI forecasts **3.9% and 4%** for Q1 and Q2 of FY27 respectively.
- ♣️ **Benign outlook ahead:** Favourable supply-side conditions and gradual GST rate rationalisation are expected to keep inflation contained.

SECTORAL DRIVERS OF GROWTH



AGRICULTURE



- ➔ **Growth support to rural economy:** Agriculture and allied activities are estimated to grow by **3.1% in FY26**, supported by a favourable monsoon.
- ➔ **Improved GVA performance:** Agricultural GVA expanded by **3.6% in H1 FY26**, higher than **2.7% in H1 FY25**.
- ➔ **Resilient allied sectors:** Livestock and fisheries grew at **5–6%**, providing income diversification and stability.
- ➔ **Record foodgrain output:** Foodgrain production reached **3577.3 lakh metric tonnes in AY 2024–25**, an increase of **254.3 LMT** over the previous year.
- ➔ **Direct income support:** Over **₹4.09 lakh crore** released to eligible farmers under **PM-Kisan** since inception.
- ➔ **Rural employment reform:** *Vikshit Bharat–GramG* introduced as a statutory overhaul of **MGNREGS**, aligning rural employment with the **Viksit Bharat 2047** vision.



INDUSTRY AND MANUFACTURING



- ➔ **Industrial growth acceleration:** Industrial sector growth is projected at **6.2% in FY26**, up from **5.9% in FY25**.
- ➔ **Above-trend performance:** Industrial growth in **H1 FY26 stood at 7.0%**, exceeding both H1 FY25 and pre-COVID averages.
- ➔ **Manufacturing resurgence:** Manufacturing GVA grew by **7.72% in Q1** and **9.13% in Q2 of FY26**, indicating structural recovery.
- ➔ **Impact of PLI schemes:** PLI across 14 sectors attracted **₹2 lakh crore investment**, generated **₹18.7 lakh crore incremental output**, and created **12.6 lakh jobs**.
- ➔ **Innovation boost:** India's Global Innovation Index rank improved from **66 (2019) to 38 (2025)**.
- ➔ **Semiconductor push:** India Semiconductor Mission advanced domestic capabilities with **10 projects worth ₹1.60 lakh crore**.

SERVICES

- ➔ **Accelerated growth:** Services sector grew by **9.1% in FY26**, up from **7.2% in FY25**.
- ➔ **Rising GDP share:** Services accounted for **53.6% of GDP** and **56.4% of GVA**, the highest on record.
- ➔ **Services export strength:**
 - o Services exports reached an all-time high of **\$387.6 billion in FY25**, growing by **13.6%**.
- o India became the **7th largest services exporter**, with global share rising to **4.3% in 2024**.
- ➔ **FDI magnet:** Services remain the largest recipient of foreign direct investment.
- ➔ **Sustained momentum:** H2 estimates indicate continued expansion supported by domestic demand and exports.

EMPLOYMENT AND LABOUR MARKET TRENDS

- ➔ **Job creation:** Total employment reached **56.2 crore** in Q2 FY26, with **8.7 lakh new jobs** added over Q1.
- ➔ **Rising participation:** Labour Force Participation Rate (LFPR) increased to **56.1%**, while female LFPR rose to **35.3%**, indicating improved inclusion.
- ➔ **Improved employment absorption:** Worker Population Ratio (WPR) rose to **53.4%**, while unemployment declined to **4.8%**.
- ➔ **Organised manufacturing jobs:** Annual Survey of Industries (ASI) FY24 shows a **6% YoY rise in manufacturing employment**, adding over **10 lakh jobs**.
- ➔ **Unorganised sector coverage:** e-Shram portal registered **31 crore workers**, with women forming **54%** of registrants.
- ➔ **Labour market intermediation:** National Career Service (NCS) platform mobilised **8 crore vacancies**, with a **200% rise** in FY24.

TRADE PERFORMANCE

- ➔ **Record exports:** Total exports reached **USD 825.3 billion in FY25** and **USD 418.5 billion in H1 FY26**.
- ➔ **Diversified trade partnerships:** Ranked **3rd in Global South** in trade partner diversity as per UNCTAD 2025.
- ➔ **Services export boom:** Services exports touched **USD 387.5 billion**, growing **13.6% YoY**.
- ➔ **Remittance leadership:** India received **USD 135.4 billion in remittances**, the highest globally.
- ➔ **Merchandise export expansion:** India's share of global merchandise exports increased from **1% (2005)** to **1.8% (2024)**.
- ➔ **Strong external buffers:** Forex reserves rose to **\$701.4 billion (January 16, 2026)**, covering **11 months of imports** and **94% of external debt**.

INDUSTRIAL OUTPUT

- ➔ **Index of Industrial Production (IIP) surge:** IIP grew by **7.8% in December 2025**, the highest in over two years.
- ➔ **Manufacturing-led growth:** Manufacturing expanded by **8.1%**, with Mining and Electricity also showing robust growth.
- ➔ **High-growth manufacturing segments:** Electronics, automobiles, and transport equipment recorded growth above **25–35%**.
- ➔ **Core sector recovery:** Cement (**13.5%**) and steel (**6.9%**) led growth, reflecting infrastructure demand.
- ➔ **Infrastructure expansion:** High-speed road corridors expanded nearly ten-fold from **550 km (FY14)** to **5,364 km (FY26)**; **3,500 km of railways** were added in FY26.
- ➔ **Aviation growth:** India became the **3rd largest domestic aviation market**, with airports increasing from **74 (2014)** to **164 (2025)**.
- ➔ **Energy transition:** India ranks **3rd globally** in overall renewable energy and installed solar capacity.
- ➔ **Power sector turnaround:** Distribution Companies (DISCOMs) recorded a **positive Profit After Tax (PAT) of ₹2,701 crore in FY25**, a historic first.

FISCAL DEVELOPMENTS

- ➔ **Global recognition:** India received **three sovereign credit rating upgrades in 2025**, reflecting fiscal prudence.
- ➔ **Improvement in Centre's Revenue Receipts:** Revenue receipts rose to **9.2% of GDP in FY25**, driven by non-corporate taxes.
- ➔ **Expansion of the Direct Tax Base**
 - **Rising tax buoyancy:** Direct taxes formed **58.8% of total taxes in FY25**.
 - **Wider compliance:** ITR filings increased from **6.9 crore (FY22) to 9.2 crore (FY25)**.
- ➔ **GST Performance and Transactions**
 - **Stable GST growth:** GST collections reached **₹17.4 lakh crore**, growing **6.7% YoY**.
 - **High economic activity:** E-way bill volumes rose by **21% YoY**.
- ➔ **Rise in Capital Expenditure:** Effective capital expenditure rose to **4% of GDP in FY25**.
- ➔ **Support to States' Capital Spending (SASCI) impact:** States maintained capital spending at around **2.4% of GDP**.
- ➔ **Reduction in Government Debt:** General government debt-to-GDP ratio declined by **7.1 percentage points since 2020**.

BANKING, FINANCIAL INCLUSION AND MARKETS

- ➔ **Policy easing:** RBI reduced repo rate by **100 bps to 5.25%**.
- ➔ **Liquidity infusion:** CRR cut to **3%** and durable liquidity injections ensured surplus liquidity.
- ➔ **Broad money expansion:** Broad money growth rose to **12.1%**, indicating effective transmission.
- ➔ **Improved intermediation:** Money multiplier increased to **6.21**, signalling banking efficiency.
- ➔ **Banking Sector Performance**
 - **Healthier balance sheets:** GNPA's declined to a **multi-decadal low of 2.2%** in September 2025.
 - **Strong capital adequacy:** CRAR stood at **17.2%**.
 - **Robust credit growth:** Bank credit grew by **14.5% YoY**, with MSME credit rising **21.8%**.
- ➔ **Financial inclusion scale:** **55.02 crore** bank accounts opened under **PMJDY** as of March 2025, with **36.63 crore** in rural and semi-urban areas.
- ➔ **Deepening capital markets:** Number of unique investors crossed **12 crore** in September 2025, with **nearly 25% women**.
- ➔ **Financial Inclusion Progress:** RBI's Financial Inclusion Index increased from **64.2 to 67.0**.
- ➔ **Market-based funding:** Primary markets mobilised **₹10.7 lakh crore in FY26**.
- ➔ **Shift in household savings:** Share of equity and mutual funds in household savings rose to **15.2%**, reflecting deeper financialisation.

HUMAN CAPITAL, SCIENCE AND SOCIAL OUTCOMES

- ➔ **Education access:** Gross Enrollment Ratio (GER) stands at **90.9% (primary)**, **90.3% (upper primary)**, and **78.7% (secondary)**.
- ➔ **Institutional expansion:** India now has **23 IITs**, **21 IIMs**, and **20 AIIMS**, with international IIT campuses in **Zanzibar and Abu Dhabi**.
- ➔ **Health outcomes:** India has accelerated reductions in **maternal and child mortality** since 1990, outperforming global averages.
- ➔ **Poverty reduction:** NITI Aayog's Multidimensional Poverty Index (MPI) declined from **55.3% (2005–06)** to **11.28% (2022–23)**.
- ➔ **Space capability:** India became the **4th nation** to achieve **autonomous satellite docking (SPADEX)**.

CHALLENGES

- **Global Political and Economic Turmoil:** Ongoing geopolitical conflicts, trade fragmentation, and economic uncertainty may affect India with a time lag, increasing risks of liquidity contraction and external shocks.
- **Dependence on Volatile Global Capital Flows:** As a capital-importing economy, India faces risks of capital flight, including emerging threats such as US dollar-linked stablecoins, which could weaken external financing stability.
- **Exchange Rate Vulnerabilities:** Despite strong fundamentals, the rupee hovering around ₹92/\$ does not reflect India's macroeconomic strength, but it causes investor hesitation and exposes India to currency-linked volatility.
- **Weakness in FDI Inflows:** Despite political stability and reform intent, FDI inflows remain below potential, particularly for infrastructure, with net FDI outflows recorded for three consecutive months till November.
- **Over-leveraged Technology Investments:** Heavy global investments in AI without assured efficiency gains pose contagion risks, creating concerns for monetary authorities and financial stability.
- **Fiscal Populism at the State Level:** Unconditional cash transfer schemes have expanded sharply, with 11 states spending ₹1.5 lakh crore in 2025–26, constraining fiscal space for capital and productivity-enhancing expenditure.
- **Manufacturing Constraints and MSME Competitiveness:** Manufacturing growth has lagged due to upstream protectionism, high input costs, and quality control orders that reduced MSME competitiveness.
- **Urban Fiscal Stress:** Cities suffer from poor own-revenue generation due to weak tax compliance and outdated property tax systems.
- **Balancing Growth with Green Transition:** Rapid economic expansion alongside climate commitments requires careful sequencing, institutional capacity, and access to climate finance.

WAY FORWARD

- * **Strategic Sobriety and Policy Agility:** India must avoid rigid alignments and adopt flexible, learning-based policymaking to navigate global disruptions.
- * **Adopting the 'Entrepreneurial State' Model:** Move from risk avoidance to risk structuring, enabling innovation and long-term economic resilience.
- * **Accelerate Pro-Investment Reforms:** Simplify processes, improve regulatory predictability, and ensure administrative discipline to sustain investor confidence in a volatile global environment.
- * **Strengthening Manufacturing and MSMEs:**
 - o Conduct transparent reviews of industrial schemes, identify bottlenecks in PLI disbursement, and recalibrate incentives to genuinely boost manufacturing scale and exports.
 - o Reduce excessive protection, lower input costs, and improve access to capital.
- * **Learn from Global Best Practices:** Adopt tools used by emerging FDI destinations such as tax holidays, customs exemptions, low-interest loans, R&D incentives, fast-track approvals, and visa concessions.
- * **Fiscal and Monetary Prudence:** Continue progressive fiscal consolidation, improve expenditure quality, reduce general government debt, and incentivise states toward fiscal discipline.
- * **Future-ready Workforce and Innovation Push:** Expand skilling, apprenticeships, labour reforms, and compute capacity while building safety frameworks and innovation ecosystems for emerging technologies.
- * **Strengthen Export Competitiveness:** Generate foreign currency earnings by improving export capacity to offset a rising import bill and reduce balance-of-payments vulnerability.
- * **Balanced Green Growth Strategy:** Align economic growth with climate goals by unlocking climate finance, strengthening institutions, and sequencing green transition reforms.
- * **Urban Governance and Growth Engines:** Empower cities through stronger municipal capacity, sustainable mobility, and modern urban planning to harness their economic potential.

CONCLUSION

Overall, the Economic Survey 2025–26 presents India as a resilient economy navigating global volatility through prudent macroeconomic management and adaptive policymaking. By embracing strategic sobriety and acting as an entrepreneurial state, India can sustain high growth while addressing structural weaknesses on its path to Viksit Bharat.

WEEKLY DOSSIERS

MINOR FOREST PRODUCE PROCUREMENT AT MSP: A SHARP DECLINE AND ITS IMPLICATIONS

Government procurement of **Minor Forest Produce (MFP)** at **Minimum Support Price (MSP)** witnessed a dramatic **92% decline in 2024–25**, raising concerns about tribal livelihoods, implementation gaps in welfare schemes, and the robustness of forest-based value chains. This is significant because MFPs form a crucial component of income and food security for tribal communities.

What is Minor Forest Produce (MFP)?

- ◆ Includes non-timber forest products such as **tendu leaves, mahua, tamarind, lac, bamboo, honey**, etc.
- ◆ Recognised under the **Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA)** as a livelihood right of forest-dwelling communities.
- ◆ Procurement at MSP is carried out under the **PM Van Dhan Yojana / PMJVM** through **TRIFED** and State agencies.

Key Data Highlights (Government Reply in Parliament)

- ◆ **2022–23:**
 - 26,744 MT procured
 - Value: ₹94.23 crore
- ◆ **2023–24:**
 - 51,400 MT procured (nearly doubled)
 - Value: ₹124.3 crore
- ◆ **2024–25:**
 - Only 3,920 MT procured
 - Value: ₹16.68 crore (**92% fall**)

Inter-State Variations

- ◆ **Increase reported** in: Mizoram, Nagaland, Chhattisgarh, Karnataka, Gujarat
- ◆ **Sharp decline** in: Odisha, Assam, Andhra Pradesh
- ◆ Indicates **uneven institutional capacity and state-level implementation gaps**.

Government Measures on Record

- ◆ **87 MFP items** notified under MSP (up from 10 in 2013–14).
- ◆ ₹319.65 crore released so far to States for MFP procurement.

- ◆ ₹612.12 crore sanctioned since 2019–20 for **4,125 Van Dhan Vikas Kendras (VDVKs)**.
- ◆ Additional **539 VDKs** for **Particularly Vulnerable Tribal Groups (PVTGs)**.
- ◆ About **12.79 lakh tribal members** are supported nationwide.
- ◆ **116 TRIFED retail outlets**, with **no current plan for expansion**.

Key Concerns Emerging from the Data

1. Livelihood Insecurity for Tribals

- ◆ MFP contributes **20–40% of annual income** for many tribal households.
- ◆ Sharp procurement decline weakens income assurance during lean agricultural seasons.

2. Implementation Gap in MSP Mechanism

- ◆ Absence of explanation for decline suggests **administrative bottlenecks**, delayed fund release, or weak State procurement agencies.
- ◆ No proposal for MSP procurement in **Wayanad constituency** highlights local governance gaps.

3. Weak Market Linkages

- ◆ MSP without assured procurement and storage leads to **distress sales** to private traders.
- ◆ Limited TRIFED outlets restrict last-mile market access.

4. Uneven Institutional Capacity

- ◆ Divergent State performance reflects differences in forest governance, SHG mobilisation, and cooperative strength.

5. Under-utilisation of VDKs

- ◆ Infrastructure creation not fully translating into procurement outcomes, indicating a **conversion gap between policy intent and outcomes**.

Way Forward

- ◆ **Strengthen State Procurement Capacity:** Dedicated MFP procurement agencies with timely fund flow.
- ◆ **Decentralised Planning:** Empower Gram Sabhas under PESA to lead procurement decisions.
- ◆ **Market Expansion:** Digital platforms, e-NAM-type

linkages, and branding of tribal products.

- ◆ **Value Addition Focus:** Processing, grading, and storage at VDVK level to improve realisation.
- ◆ **Monitoring & Transparency:** Public dashboards for State-wise procurement and MSP payments.

Conclusion

The steep fall in MFP procurement at MSP undermines the core objective of tribal income security and inclusive forest governance. Unless procurement mechanisms are strengthened and market linkages expanded, MSP for MFP risks becoming a **notional guarantee rather than a real safety net**.

WETLANDS AS A NATIONAL PUBLIC GOOD

Wetlands are among the most productive ecosystems, providing water security, livelihoods, biodiversity conservation, and disaster risk reduction. Despite their immense ecological and socio-economic value, nearly **40% of India's wetlands have disappeared in the last three decades**, while **half of the remaining wetlands show signs of degradation**, underscoring a governance and implementation deficit rather than a policy vacuum.

Significance of Wetlands for India

- ◆ **Ecological functions:** Groundwater recharge, flood moderation, water purification, carbon sequestration, and biodiversity support.
- ◆ **Livelihood support:** Fishing, agriculture, grazing, and collection of minor forest produce for millions, especially tribal and coastal communities.
- ◆ **Cultural heritage:** Traditional systems such as *kulams* in Tamil Nadu, *kenis* in Wayanad, and fishing wetlands in Srikakulam reflect sustainable water-culture linkages.
- ◆ **Disaster resilience:** Mangroves, floodplains, and urban wetlands act as natural buffers against cyclones, floods, and storm surges.

Policy and Institutional Framework

- ◆ **Wetlands (Conservation and Management) Rules, 2017:** Identification, notification, and regulation of activities.
- ◆ **National Plan for Conservation of Aquatic Ecosystems (NPCA):** Structured planning, monitoring, and outcome-oriented management.
- ◆ **Coastal Regulation Zone (CRZ) norms:** Protection of coastal wetlands.
- ◆ **Ramsar Convention:** India has **98 Ramsar sites**, reflecting global responsibility and national commitment.

Key Challenges in Wetland Conservation

1. Encroachment and Land Conversion

- ◆ Rapid urbanisation and infrastructure expansion have replaced wetlands with real estate and roads.
- ◆ Floodplains and riparian wetlands are treated as “vacant land” rather than active river space.

2. Hydrological Disruption

- ◆ Dams, embankments, channelisation, sand mining, and groundwater over-extraction alter natural water flows critical for wetland survival.

3. Pollution and Eutrophication

- ◆ Untreated sewage, industrial effluents, agricultural runoff, and solid waste degrade water quality and biodiversity.
- ◆ Urban wetlands are overburdened with multiple functions without legal buffers.

4. Climate Change Pressures

- ◆ Sea-level rise, cyclones, and shoreline changes threaten coastal wetlands such as mangroves and lagoons.
- ◆ Wetlands face a “double squeeze” between landward development and rising seas.

5. Institutional and Capacity Deficits

- ◆ State Wetland Authorities are understaffed and underfunded.
- ◆ Gaps in hydrology, GIS, legal enforcement, and community engagement weaken management plans.

Why Wetlands Must Be Treated as a National Public Good

- ◆ Benefits are **non-excludable and non-rival**, accruing to society at large.

- ◆ Degradation imposes costs through floods, water scarcity, biodiversity loss, and climate vulnerability.
- ◆ Market mechanisms alone cannot protect wetlands; **state stewardship and community participation** are essential.

Way Forward: From Projects to Programmes

- ◆ **Notification and Boundary Protection**
 - Enforce wetland demarcation with public maps, grievance redressal, and community ground-truthing.
- ◆ **Ensure Treated Inflows**
 - Wetlands must not replace sewage treatment plants; constructed wetlands can only complement treatment.
- ◆ **Watershed-Scale Governance**
 - Restore hydrological connectivity, protect catchments, and regulate extraction and dumping.
- ◆ **Disaster Risk Reduction Integration**

- Treat wetlands as nature-based infrastructure on par with grey infrastructure investments.

- ◆ **Capacity Building Mission**

- National training programme for wetland managers in hydrology, ecology, GIS, law, and participatory governance.

- ◆ **Leverage Science and Technology**

- Use satellite imagery, drones, and time-series data to monitor encroachment and ecological health.

- ◆ **Blend Traditional Knowledge with Science**

- Recognise community practices as evidence-based tools for restoration and compliance.

Conclusion

Wetlands are not wastelands but living systems central to India's water security, climate resilience, and cultural heritage. Treating them as a national public good—through watershed-scale governance, institutional capacity building, and community stewardship—is essential for sustainable development and disaster resilience.

WASTE TO ENERGY TECHNOLOGIES

Waste-to-Energy (WtE) refers to technologies that convert **non-recyclable waste** into usable forms of energy such as **electricity, heat, or fuel**. It is increasingly seen as a tool to address India's twin challenges of **urban waste management and energy generation**.

Major Waste-to-Energy Technologies

- ◆ **Incineration**
 - Municipal solid waste is burned at high temperatures.
 - Heat converts water into steam, which drives turbines to generate electricity.
 - Most commonly used WtE method worldwide.
- ◆ **Gasification**
 - Waste is heated with **limited oxygen**, converting it into **synthetic gas (syngas)**.
 - Syngas can be used for power generation or as industrial fuel.
- ◆ **Anaerobic Digestion**
 - Microorganisms break down **organic waste** in the absence of oxygen.
 - Produces **biogas**, which can be used for cooking,

electricity, or compressed biogas (CBG).

Environmental and Operational Benefits

- ◆ **Waste Volume Reduction:** Can reduce waste volume by **up to 90%**, extending landfill life.
- ◆ **Methane Prevention:** Diverts organic waste from landfills, preventing methane emissions.
- ◆ **Energy Recovery:** Generates power from waste that would otherwise be discarded.
- ◆ **Land Savings:** Reduces dependence on new landfill sites.

Environmental and Social Concerns

- ◆ **Air Pollution:** Incineration releases **carbon dioxide**, and in poorly managed plants, **dioxins, furans, and heavy metals**.
- ◆ **Health Risks:** Inadequate emission control can affect nearby communities.
- ◆ **Recycling Disincentive:** Continuous demand for waste may undermine recycling and composting efforts.
- ◆ **High Costs:** Advanced filtration and scrubbing systems raise capital and operational costs.

Waste-to-Energy in India

- ◆ **Operational Plants:**
 - At least **21 WtE plants** and **133 biogas facilities** are currently operational.
- ◆ **Regulatory Framework:**
 - Governed by the **Solid Waste Management Rules, 2026**.
 - Mandates **source segregation** and promotes

Refuse-Derived Fuel (RDF) to reduce landfill burden.

Conclusion

Waste-to-Energy technology offers a partial solution to India's growing waste crisis by reducing landfill dependence and recovering energy. However, its effectiveness depends on proper waste segregation, strict emission controls, and integration with recycling and composting, rather than replacing them.

BEYOND VERDICTS: KEY JUDICIAL INTERVENTIONS

Supreme Court on "Right to Be Forgotten" vs Freedom of Press

- ◆ The Supreme Court is examining whether news reports should be deleted after an accused is discharged, in the context of the **'Right to Be Forgotten' under Article 21** and its conflict with **Freedom of Press under Article 19(1)(a)**. The case arose after the Delhi High Court directed *Indian Express* to remove and de-index reports on a former banker's arrest following his discharge from a money-laundering case.
- ◆ The apex court granted **interim relief to Indian Express**, holding that the Delhi High Court's order **will not operate as a precedent** in future cases. The Court noted that truthful reporting of official actions like arrests and court proceedings forms part of public record and democracy. Citing *K.S. Puttaswamy v. Union of India*, the petitioners argued that the **right to privacy does not include a right to erase history**.
- ◆ The bench highlighted the need to **balance individual privacy with the public's right to information**, cautioning that excessive privacy claims could restrict democratic access to information. The final ruling is expected to clarify the scope of the **Right to Be Forgotten**, especially in cases involving factual media reporting.

Supreme Court on Rape Allegation Based on False Promise of Marriage

- ◆ The Supreme Court quashed a rape case against an advocate accused under **Section 376(2)(n) IPC**, holding that it was **difficult to believe a married woman was induced into sexual relations on a false promise of marriage**. The Court noted that since the complainant's **divorce was pending**, any promise of marriage was **legally void from the outset** under **Section 5(i) of the Hindu Marriage Act, 1955**, which prohibits marriage during the subsistence of a prior marriage.
- ◆ The Court reiterated that **rape on the pretext of marriage is made out only when the promise is false from the very beginning and made solely to obtain consent**, which was absent in this case. It found the relationship to be **consensual between two educated adults**, later turning acrimonious, and cautioned courts against **criminalising failed or broken relationships**. The judgment emphasised careful scrutiny to distinguish genuine cases of deception from consensual relationships gone sour.

High Court's Supervisory Jurisdiction under Article 227: Supreme Court Clarification

- ◆ The Supreme Court held that a **High Court cannot reject or strike off a plaint while exercising its supervisory jurisdiction under Article 227 of the Constitution** when a **specific statutory remedy is available under the Code of Civil Procedure (CPC)**. The Court ruled that **Order VII Rule 11 CPC**, which provides for rejection of a plaint, must be invoked before the trial court and cannot be bypassed by directly approaching the High Court.

RTE Act and Teachers' Honorarium: Supreme Court's Ruling

- ◆ The Supreme Court held that a **State government cannot justify paying low honorarium to teachers by citing the Centre's failure to release funds**, clarifying that the **primary responsibility to implement the Right to Education**

(RTE) Act lies with the State.

- ◆ Relying on **Section 7(5) of the RTE Act, 2009**, the Court ruled that the State must **pay teachers first** and may later **recover the Centre's share on a "pay and recover" basis**. Rejecting Uttar Pradesh's argument on the 60:40 funding pattern under the Samagra Shiksha Scheme, the Court directed payment of **₹17,000 per month** to part-time instructors, observing that financial disputes between governments **cannot be used to deny teachers a dignified livelihood**.

Supreme Court on Meta–WhatsApp Data Privacy Issue

- ◆ The Supreme Court strongly criticised Meta and WhatsApp over their 2021 privacy policy, stating that they cannot "play with the data of Indians." While hearing appeals against the ₹213.14 crore penalty imposed by the **Competition Commission of India (CCI)**, the Court questioned the validity of user consent in a monopolistic market like WhatsApp, calling the so-called "**opt-out**" choice illusory.
- ◆ The Bench raised serious concerns over the commercial exploitation and monetisation of users' personal and behavioural data for targeted advertising, observing that data has economic value beyond mere privacy.
- ◆ It noted that India's Digital Personal Data Protection Act, 2023 focuses mainly on privacy and does not address the value derived from data, unlike EU regulations. The Court sought affidavits from Meta and WhatsApp on their data-sharing practices, warned against misuse of citizens' data, impleaded MeitY in the matter, and signalled stricter judicial scrutiny of Big Tech's data practices in India.

ETHICS - CASE STUDY

Q) You are the Head of the IT Cell in a State Government implementing an AI-based facial recognition system to enhance public safety and trace missing persons. The project has shown early success and received strong political and media support. However, during implementation, you realize that the system is collecting biometric data without explicit informed consent, lacks a clear data retention and deletion policy, and allows a private technology partner access to raw citizen data, creating risks of surveillance, bias, and commercial misuse. Civil society groups have raised concerns about violations of privacy and fundamental rights, while senior officials are pressuring you to fast-track the project in the name of efficiency and law and order. As a public servant committed to constitutional values, ethical governance, and technological innovation, you face a dilemma between promoting effective digital governance and safeguarding citizens' rights, transparency, and accountability.

Questions:

- a. What are the ethical issues involved in this case?
- b. Who are the key stakeholders, and what are their interests?
- c. What options are available to you, and what are the ethical implications of each?
- d. What course of action would you adopt? Justify your answer using ethical principles.
- e. Suggest measures to ensure ethical and responsible use of AI in public administration.

ETHICS - EXAMPLES

- 1. Gender Rights:** The Supreme Court of India stated that menstrual health is a fundamental right under Article 21 (Right to Life and Personal Liberty). The Court has directed states to ensure the provision of menstrual hygiene products and facilities, framing it not just as a health issue but as one of basic human dignity and gender equity.
- 2. Environmental Ethics:** Kollakkayil Devaki Amma aged 92, from Muthukulam in Alappuzha district, Kerala, has been honoured with the Padma Shri 2026 for her lifelong environmental work, having spent over four decades converting about 4.5–5 acres of barren land into a lush man-made forest called *Tapovanam* with more than 3,000 trees and rare plants.
- 3. Resilience:** Anushka Kumari Munda, a 14 year old girl, from a small village in Jharkhand began playing football barefoot under her aunt's guidance, overcoming family hardships. She became India's top scorer in SAFF U-16 and U-17 Women's Championships and helped the team qualify for their first AFC U-17 Women's Asian Cup.
- 4. Social Responsibility:** Major General Ashim Kohli, after 37 years in the Indian Army, co-founded the Sewaj Neesim Foundation to recycle old army uniforms into school bags and other essentials for underprivileged children. To date, the initiative has repurposed over 40,000 uniforms.
- 5. Innovation:** Founded in 2018 by Kshitij Thakur and Rakesh Barai, Agrograde has developed an indigenous AI-powered crop grading and sorting machine that automatically classifies onions and other crops by size and defects, replacing manual grading. Now operating across 12 states, the technology reduces post-harvest losses, cuts costs, and helps farmers access premium and export markets.
- 6. Environmental Ethics:** The OCEAN initiative by the Gokhale Institute created a market-driven system along Maharashtra's Konkan coast where fishermen sell used lubricating oil from their boats to trained local partners, who transport it to licensed recyclers, preventing toxins from entering the sea. Since its launch, over 2,800 litres of oil have been collected, generating income for fishermen and OCEAN partners while protecting marine life.
- 7. Corporate Ethics:** In Madhepura, Bihar, the Indian Railways–Alstom public–private partnership established Madhepura Electric Locomotive Private Limited (MELPL), which manufactures 12,000 HP electric locomotives and runs initiatives such as Care on Wheels, STEAM Shakti labs, menstrual health programmes, and farmer training. Over ten years, these interventions have reached 14 villages and over 27,000 people, linking industrial growth with measurable social impact.

MODEL ESSAY

"No man ever steps in the same river twice, for it's not the same river and he's not the same man"

Introduction

- Quote attributed to **Heraclitus**, a pre-Socratic Greek philosopher - known for the doctrine of **constant change (Panta Rhei)**.
- Highlights two simultaneous transformations
 - **External change** in the world (the river keeps flowing).
 - **Internal change** in human beings (thoughts, body, experiences evolve).
- It challenges the idea of permanence and stresses that **change is the only constant** in life.

Relevance in the Modern World

- **Technological Obsolescence:** Technology evolves so rapidly that the tools we master today are different tomorrow **Eg:** An iPhone user in 2010 vs. 2024; the device, the software, and the user's reliance on it have completely transformed.
- **Gig Economy & Career Fluidity:** Change in the concept of a "job for life" - roles and industries shift constantly.
- **Neuroplasticity and Learning:** Science proves our brains physically change as we learn, meaning we process information differently over time.
- **Shifting Social Norms:** What is culturally acceptable changes rapidly, requiring us to adapt our language and behavior. **Eg:** The rapid normalization of remote work post COVID; an office culture that was standard is now often seen as obsolete.
- **Environmental Shift:** The physical world is not the same due to climate and geological changes.

Criticism

- **Challenges personal identity and responsibility:** If a person is never the same, it undermines **moral, legal, and social accountability**

- **Underestimates institutional stability:** Social and political institutions change gradually but retain **core structures** **Eg:** Indian Constitution evolving yet continuous since 1950.
- **Conflicts with scientific consistency:** Science relies on **stable natural laws** even amid material change **Eg:** laws of gravity and thermodynamics.
- **Change does not erase identity:** Philosophers argue that replacement of parts does not destroy identity. **Eg:** A university replacing faculty over decades is still considered the *same institution* with a continuous legacy.

Way Forward

- **Adopt adaptive thinking:** Individuals and societies should remain **flexible and responsive** to change without losing ethical anchors. **Eg:** ECI adopted EVMs and VVPATs -retaining core principles of free and fair elections.
- **Cultivate reflective awareness:** Encourage self-awareness and learning so individuals grow **consciously through change** rather than resist it **Eg:** Professionals reskilling for the **digital and AI economy** (coding, data skills).
- **Use data and science to manage change:** : India's shift from blanket COVID lockdowns to **data-driven vaccination and containment strategies**.

Conclusion

- Change is constant in both nature and human life -Yet, continuity through values, institutions, and identity ensures stability over time.
- Reality is best understood as a dynamic balance between transformation and persistence.

Sample Quotes

- *Experience is simply the name we give our mistakes - Oscar Wilde*
- *A man should always consider how much he has more than he wants - Joseph Addison*
- *Man is what he reads - Joseph Brodsky*

MAINS JOT DOWN



GS I: INDIAN SOCIETY

- The **National Statistics Office (NSO)** will conduct an all-India Survey on Migration from July 2026 to June 2027 to capture detailed data on the extent and nature of migration, including rural–urban and inter-state movements and their key drivers. Recent estimates from the Periodic Labour Force Survey (PLFS) 2020–21 show an overall migration rate of about 28%, with stark gender differences, 10.7% among males and 47.9% among females.



GS II: JUDICIARY

- The **Supreme Court Collegium** has approved the appointment of **five retired judges as ad hoc judges** for the **Allahabad High Court**.
- Under **Article 224A of the Constitution**, the Chief Justice of a High Court, with the prior consent of the President, may request a retired High Court judge to sit and act as a judge. Such appointments are **temporary**, and while in office, ad hoc judges enjoy the **same powers, jurisdiction, and privileges** as regular High Court judges.



GS III: DEFENCE

- India has successfully test-fired the **Agni-III intermediate-range ballistic missile** from the **Integrated Test Range, Odisha**.
- Developed by **DRDO**, Agni-III is a **two-stage, solid-fuelled** ballistic missile with a range of **over 3,000 km**, and is capable of carrying **both conventional and nuclear warheads**.



GS II: GOVERNMENT POLICIES AND INTERVENTIONS

- The Union Home and Cooperation Minister has launched **India's first cooperative-based taxi service, 'Bharat Taxi'**, which is planned to operate nationwide within the next three years. Based on a **cooperative ownership model**, drivers called **Sarathis**, are the real owners rather than corporations.
- The initiative rests on four core principles: **ownership, security cover, dignity, and equitable distribution**. Each Sarathi becomes a shareholder with a maximum share capital of **₹500**, while Bharat Taxi retains only **20% of profits** for operations, with the rest going directly to drivers.
- The service also includes a **'Sarathi Didi'** option for women passengers, along with benefits such as health coverage up to **₹5 lakh**



GS II: INTERNATIONAL RELATIONS

- The **Delhi Declaration** was adopted with the participation of India's External Affairs Minister, the Foreign Ministers of Arab states, and the Secretary-General of the League of Arab States.
- It reaffirmed commitment to **peace and security**, emphasizing multilateralism, respect for sovereignty, counter-terrorism cooperation, and reforms of the UN Security Council.
- On **economic stability**, it highlighted the **Suez Canal–Red Sea Economic and Maritime Development Initiative (STREAM)** as a framework for regional integration. **Country-specific concerns** included support for a sovereign and viable **State of Palestine** and the 2025 Sharm El-Sheikh Peace Summit on Gaza, as well as condemnation of Houthi attacks in **Yemen** and the need to protect the strategic **Bab al-Mandab Strait**.



GS III: SCIENCE & TECHNOLOGY

- ➔ DRDO has successfully demonstrated **Solid Fuel Ducted Ramjet (SFDR) technology** at the Integrated Test Range, Chandipur, Odisha, marking a major advance in missile propulsion.
- ➔ SFDR combines the advantages of solid-fuel rockets with air-breathing ramjet engines, using atmospheric oxygen for combustion and reducing the need for onboard oxidisers.
- ➔ This enables sustained high-speed flight and longer engagement ranges, making it ideal for advanced long-range air-to-air missiles, and places India among a select group of countries with this capability.



GS III: INDIAN ECONOMY

- ➔ India has joined the **BRICS Centre for Industrial Competencies (BCIC)** to strengthen manufacturing and support MSMEs.
- ➔ BCIC, launched in partnership with **UNIDO**, acts as a one-stop platform offering integrated support to manufacturing firms and MSMEs across BRICS countries, with a focus on building **Industry 4.0** capabilities.
- ➔ The **National Productivity Council (NPC)** has been designated as India's nodal centre for BCIC, reinforcing India's role within the BRICS grouping of Global South nations.



GS III: ENERGY

- ➔ The **Economic Survey 2025–26** referred to the **Power Gap Index** to highlight that India is operating below its full strategic potential.
- ➔ The index is a secondary analysis drawn from the **Asia Power Index**, published annually by Australia's Lowy Institute, which ranks 27 countries and territories in Asia based on their resources and influence.
- ➔ It uses 131 indicators across eight thematic areas, including military capability and defence networks, economic strength and relationships, diplomatic and cultural influence, and resilience with future resources. In the **2025 edition**, India recorded a power gap score of **-4.0**, indicating unrealised strategic capacity.



GS- III - DISASTER MANAGEMENT

- ➔ The **National Disaster Management Authority (NDMA)** has issued the **National Disaster Management Guidelines on Comprehensive Disaster Victim Identification and Management**, marking India's first Standard Operating Procedure for identifying victims in **mass fatality incidents**.
- ➔ The guidelines recommend measures such as establishing a **National Dental Data Registry** and using **forensic archaeology** and other scientific methods to aid accurate identification of bodies.



GS- III - INFRASTRUCTURE

- ➔ To accelerate highway development in **2026–27**, the government plans to expand **public–private partnerships (PPP)**, with priority given to the **Build–Own–Transfer (BOT)** model. In this model, a private developer finances, designs, builds, and operates the highway for a fixed concession period, during which it collects user charges to recover investment and earn returns.
- ➔ After the concession ends, the asset is transferred to the government, with major risks, such as financing and traffic volume, largely borne by the private sector.

CHERRYPICKS OF THE WEEK

CELPHOS

- It is commonly known as aluminium phosphide, is a grain fumigant that releases highly toxic phosphine gas on exposure or ingestion. Used to control pests in stored grains, its extreme toxicity makes it dangerous to humans. Aluminium phosphide poisoning remains a serious public health concern, especially in agricultural states like Punjab, Haryana, and Uttar Pradesh.

MINIMUM ALTERNATE TAX (MAT)

- It is a tax that ensures companies pay a minimum tax based on their book profits when their regular income-tax liability is low or nil. Companies are required to pay whichever is higher, MAT or normal corporate tax. It is levied under the Income Tax Act, 1961, and applies to both domestic and foreign companies.

GRAVITATIONAL LENSING

- It occurs when a massive object, such as a galaxy cluster, bends and distorts space-time, causing the light from distant objects to curve, magnify, or appear distorted as it passes around it.

NATIONALLY NOTIFIED DISASTERS

- They are specific categories of disasters recognised under the Disaster Management Act, 2005 to enable relief, response, and financial assistance from government disaster funds such as the State Disaster Response Fund (SDRF) and the National Disaster Response Fund (NDRF).
- At present, these include cyclones, droughts, earthquakes, fires, floods, tsunamis, hailstorms, landslides, avalanches, cloudbursts, pest infestations, as well as frost and cold waves.

DEBT-TO-GDP RATIO

- It is a financial indicator that compares a country's public debt with its gross domestic product (GDP), reflecting its capacity to service and repay debt. A higher debt-to-GDP ratio signals greater difficulty in repayment and a higher risk of default.