



“ We help you reach for the star ”

**VIDHVATH IAS KAS ACADEMY**  
&  
**STUDY CENTRE**

# DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

**DATE: 29/05/2025 (THURSDAY)**



 **9972258970 & 9740702455**

**#317/A SKB Arcade, D. Subbaiah Road,  
Ramaswamy Circle, Mysuru-570004**



## Table of Contents

1. India–US Early Harvest Deal: Key Highlights .....	2
2. MSP Revisions for Kharif 2024: Key Highlights .....	3
3. Inter-Services Organisations Act, 2023 – Key Highlights .....	4
4. India's Power Demand Projection for FY26 – Key Highlights .....	6
5. BEML's Strategic Expansion in Defence and Rail Manufacturing – Key Highlights .....	7
6. Simplified IBBI Rules for Corporate Bankruptcy Cases – Key Points .....	9
7. RBI Sells Treasury Bills Below Policy Rate Corridor – Key Points .....	10
8. A Case of Practical, Pragmatic, and Innovative Education under NEP 2020 .....	11
9. Modified Interest Subvention Scheme (MISS) Continued for FY 2025–26 .....	13
10. Revival of Bhukhi River in Kutch .....	14
11. Promotion of 'Buddha Rice' (Kalanamak Rice) Exports .....	15
12. Importance of the Deputy Speaker in Indian Parliamentary Democracy .....	17
13. India's Financial Sector Reforms .....	18



## 1. India–US Early Harvest Deal: Key Highlights

### 1. What is an Early Harvest Deal (EHD)?

An *Early Harvest Deal* refers to a preliminary agreement between two countries focused on liberalizing trade in select sectors before finalizing a full-fledged Free Trade Agreement (FTA). It typically addresses tariff cuts and removal of non-tariff barriers.

### 2. Purpose of the India–US Interim Trade Deal

- Aims to revoke the **10% baseline tariff** imposed by the Trump administration from April 5.
- Seeks to **prevent the proposed 16% additional reciprocal tariffs** on Indian goods scheduled for 9 July.
- Offers **preferential market access for Indian labour-intensive exports** (like textiles, leather, and food products).
- In return, India may reduce tariffs on key US goods and address non-tariff trade barriers.

### 3. Timeline and Progress of Negotiations

- Commerce Minister **Piyush Goyal** and US counterpart **Howard Lutnick** held meetings in Washington.
- Final round of negotiations expected in **New Delhi in June**, with possible closure before **June 25**.
- If successful, this deal could be followed by a broader **Bilateral Trade Agreement (BTA)** by **September–October 2025**.

### 4. Strategic and Economic Implications

- A successful deal can help **double India–US bilateral trade to \$500 billion by 2030**.
- Will provide **clarity and stability for exporters**, crucial amidst global trade uncertainties.
- Strengthens **India's position in global trade diplomacy**, especially as India also moves forward with EU and EFTA (European Free Trade Association) trade agreements.

### 5. Constitutional & Legal Provisions Relevant to Trade Agreements

- **Article 246 & 246A** of the Indian Constitution: Allow the Union Government to legislate on foreign trade and commerce.
- **Foreign Trade (Development & Regulation) Act, 1992**: Empowers the Central Government to regulate imports and exports.
- **Customs Act, 1962**: Provides the legal framework for imposing, waiving, or revising import/export duties.

### 6. Broader Context and Future Outlook

- The **Monthly Economic Review (May 2025)** by the Finance Ministry acknowledges the negative impact of the 26% US tariff and highlights that a successful interim deal could **transform headwinds into tailwinds** by boosting Indian exports.
- India's trade diplomacy in the West (US, EU, EFTA) will be critical for meeting long-term export and GDP growth goals.

**Conclusion:**

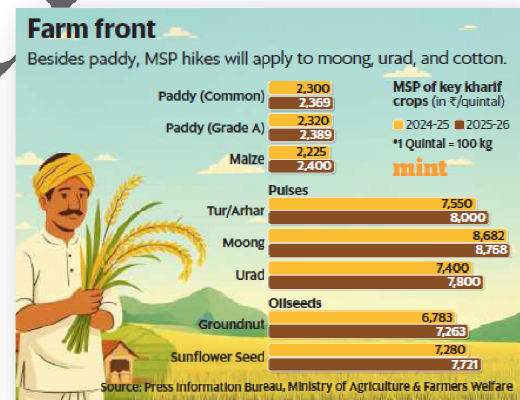
The proposed India–US Early Harvest Deal holds strategic and economic significance as it seeks to reduce trade frictions and build momentum toward a full-scale trade pact. It reflects India's proactive trade engagement with the West, aims to shield its export sector from tariff uncertainties, and aligns with its vision to become a global trade powerhouse. Understanding such deals is crucial for aspirants as they touch upon **international relations, economy, constitutional powers, and regulatory frameworks** — all key areas for the UPSC Civil Services Exam.

**2. MSP Revisions for Kharif 2024: Key Highlights****1. What is MSP and Its Legal Status?**

- **Minimum Support Price (MSP)** is the price at which the government commits to procure crops from farmers to safeguard them against sharp fall in market prices.
- **Declared by:** Government of India based on recommendations of **Commission for Agricultural Costs and Prices (CACP)**.
- **Legal Provision:** There is currently *no statutory guarantee* of MSP; it is an administrative decision.
- **Key Demands:** Farmers' protests have demanded a **legal guarantee** for MSP to ensure assured income.

**2. Major Announcements by Union Cabinet (May 2025)**

- Hike in **MSP for 14 kharif crops**, including major increases for *tur* (₹450 hike to ₹8,000/quintal), *moong*, *urad*, *nigerseed* and *cotton*.
- **Highest absolute hike:** Nigerseed.
- **Highest percentage hike:** Ragi (13.9%).
- All MSPs fixed at **1.5 times or more the weighted average cost of production**, aligning with the **FY19 Budget announcement**.

**3. Modified Interest Subvention Scheme (MISS)**

- Extension of **MISS for FY26** approved.
- Offers **short-term loans up to ₹3 lakh at 7% interest**, with **1.5% subvention** for lending institutions to keep borrowing affordable.
- Disbursed through **Kisan Credit Cards (KCCs)**, this scheme enhances **credit access for small and marginal farmers**.

**4. Related Institutional and Policy Frameworks**

- **M.S. Swaminathan Commission (2004–06)** recommended MSP at **C2 + 50%** (i.e., cost of production + 50%).



- **Sanjay Agrawal Committee on MSP (2022)** was formed to study legal frameworks and implementation mechanisms.
- The CACP considers input costs, demand-supply, price trends, and terms of trade for farmers in MSP calculations.

### 5. Political and Economic Context

- The decision follows **recent farmers' protests** and precedes **elections in Bihar and other states**.
- Critics argue the hike is symbolic as **procurement mechanisms are absent or weak** for many crops.
- MSP hike, if not backed by **actual procurement infrastructure**, may not benefit farmers meaningfully.

### 6. Other Key Development: Infrastructure Boost

- **Approval for Badvel–Nellore four-lane highway** in Andhra Pradesh at ₹3,653 crore.
- Will link major nodes of three industrial corridors and enhance connectivity to **Krishnapatnam Port**, supporting agricultural logistics.

### Conclusion:

The recent MSP hikes and extension of credit support schemes reflect the government's effort to address agrarian distress and enhance farmers' incomes. While the policy aligns with Swaminathan Commission recommendations and promises price support, its success depends on **efficient procurement, storage, and marketing infrastructure**. The **absence of legal backing for MSP**, however, remains a contentious issue. UPSC aspirants must understand MSP as a tool of **price support**, its **political economy**, and the **constitutional non-obligation**, making it a recurrent topic in both Prelims and Mains.

## 3. Inter-Services Organisations Act, 2023 – Key Highlights

### 1. What is the Inter-Services Organisations (Command, Control and Discipline) Act, 2023?

- This Act empowers **Inter-Services Organisations (ISOs)** such as the Andaman and Nicobar Command or Strategic Forces Command with **statutory authority**.
- It allows **Commanders-in-Chief (C-in-C)** or other heads of ISOs to **exercise disciplinary and administrative control** over **personnel from all three services (Army, Navy, Air Force)**, regardless of the parent service of the individual.



### 2. Key Features of the Notified Rules (Gazetted on 27 May 2025)

- Rules provide a **uniform framework for command, control, and discipline** across all ISOs.





- It institutionalizes the powers of ISO heads to take **administrative decisions**, including disciplinary action, across services.
- Ensures **better integration, synergy, and joint functioning** in multi-service commands and units.

### 3. Importance of Jointness in Armed Forces

- The notification supports the **theaterisation process**, where theatre commands are expected to pool resources and act jointly.
- Enables **operational flexibility and rapid deployment** through unified commands.
- Aids in meeting modern warfare requirements which demand **interoperability and integrated decision-making**.

### 4. Legal and Constitutional Basis

- **Article 33 of the Constitution** empowers Parliament to restrict or abrogate the fundamental rights of armed forces personnel to ensure proper discharge of duties and discipline.
- The Act draws legitimacy from this provision by **standardizing discipline and control mechanisms** in joint organisations.
- The law replaces earlier ad-hoc arrangements and removes legal ambiguity in exercising authority across services.

### 5. Strategic Implications and Reforms Agenda

- The Act is a part of India's **larger defence reforms**, including **creation of integrated theatre commands**, appointment of **Chief of Defence Staff (CDS)**, and **structural military modernization**.
- Reflects India's commitment to building a **lean, agile, and joint-force military posture**.

### 6. Other Noteworthy Aspects

- The rules aim to reduce **inter-service rivalry** and promote **operational cohesion**.
- Will have implications for **HR policies, disciplinary protocols, and resource optimization** in defence infrastructure.

### Conclusion:

The notification of rules under the Inter-Services Organisations Act, 2023 marks a crucial step in institutionalising jointness among India's armed forces. By providing statutory authority to ISO heads for disciplinary and administrative control across services, the government strengthens integrated defence management. For UPSC aspirants, this is an important example of **legislative intervention in defence reforms**, combining **constitutional provisions (Article 33)** with **administrative restructuring** to improve national security preparedness.

### Definition of Keyword:

- **Inter-Services Organisation (ISO):** A military body composed of personnel from more than one of the three services – Army, Navy, and Air Force – formed to carry out specific joint functions. Examples include the **Andaman & Nicobar Command** and **Strategic Forces Command**.



## 4. India's Power Demand Projection for FY26 – Key Highlights

### 1. Power Demand Forecast for FY26

- As per ICRA Ltd., India's **power demand is expected to grow by 5–5.5% in FY2025–26**, higher than the **4.2% growth in FY25**, but lower than the **7–9% growth observed during FY2022–24**.
- This indicates a **moderation in energy consumption growth**, reflecting both weather-related factors and stabilizing industrial activity.

### 2. Factors Influencing Demand Trends

- **Early onset of monsoon** has dampened summer power demand, especially from air-conditioning and irrigation usage.
- **Base effect** from high growth in the previous years and **moderating manufacturing activity** could also be contributors.
- Analysts suggest that in the absence of early rains, power demand may have better matched the **expected GDP growth rate of 6.5%** for FY26.

### 3. Economic and Policy Implications

- Power demand trends serve as an **economic activity indicator** and are closely watched by policymakers for planning infrastructure and energy security.
- Slower growth in demand can **impact revenues of distribution companies (Discoms)** and may affect investment in power generation and transmission.

### 4. Key Government Schemes and Reforms

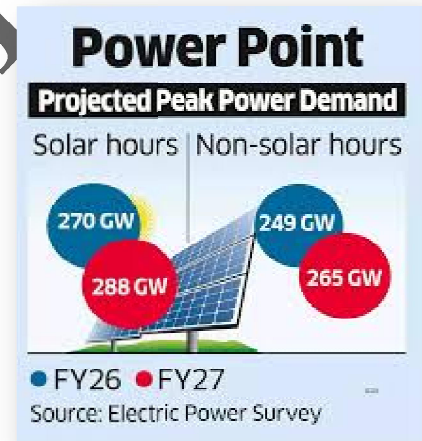
- **Revamped Distribution Sector Scheme (RDSS)** aims to improve Discoms' operational efficiency and financial sustainability.
- **National Electricity Policy, Energy Conservation Act**, and **UDAY Scheme** are central to addressing inefficiencies in the power sector.
- India is also focusing on **energy transition**, with ambitious targets for **renewable energy capacity (500 GW by 2030)**, which could diversify demand sources.

### 5. Constitutional & Legal Provisions

- **Electricity is a Concurrent List subject** under **Entry 38 of List III** in the **Seventh Schedule of the Constitution**, allowing both the Centre and states to legislate.
- The **Electricity Act, 2003** governs generation, transmission, distribution, trading, and use of electricity and is the primary legal framework for reforms.

### 6. Challenges & Outlook

- Key concerns include **Discom financial stress, infrastructure gaps, and energy access disparities** across regions.





- Climate variability (like monsoons and heatwaves) is increasingly impacting energy demand patterns.
- Focus is on **balancing power supply, decarbonisation, and economic growth** in future planning.

### Conclusion:

India's projected 5–5.5% power demand growth in FY26 signals a shift towards **stabilized yet moderate energy consumption**. It reflects both natural factors like monsoon onset and economic factors like base normalization. For UPSC aspirants, this topic touches on **energy policy, economic development, environmental sustainability, and constitutional governance of utilities**—making it highly relevant for both Prelims and Mains.

### Definitions of Key Terms:

- **Power Demand:** The total electricity required by all sectors—residential, commercial, industrial, and agricultural—in a given period.
- **Discoms:** Power Distribution Companies that deliver electricity to end-users and are crucial to the electricity value chain.
- **Concurrent List:** A list under the Indian Constitution where both the Centre and State Governments can legislate, subject to Article 254.

## 5. BEML's Strategic Expansion in Defence and Rail Manufacturing – Key Highlights

### 1. Development of Light Infantry and Combat Vehicles

- **BEML Ltd (formerly Bharat Earth Movers Ltd)** is working on **light-infantry vehicles** suited for **combat, reconnaissance, and patrol** missions.
- These vehicles will enhance **tactical mobility** of troops and support **defence preparedness**, particularly amid increasing demand for missile launch platforms (e.g., **BrahMos**) and high-mobility equipment.
- BEML also plans to develop **future-ready and possibly weaponized combat vehicles** in the coming years, aiming to reduce dependence on imports.



### 2. Indigenous High-Speed & Bullet Train Manufacturing

- BEML is designing and will manufacture India's **first semi-high-speed sleeper Vande Bharat trains and bullet trains**.
- The **bullet train** (280 km/h) will run on the **Mumbai-Ahmedabad corridor** and is expected to be rolled out by **December 2026**.
- Manufacturing of the bullet train car bodies will begin in **Bengaluru**, showing advancement in India's **Make in India** and **infrastructure modernization** initiatives.





### 3. Expansion into Naval and Maritime Defence

- BEML has entered the **maritime defence segment**, working on **critical components for aircraft carriers and submarines**.
- The firm has been designated as the **Indian lead agency** for indigenizing several high-value components currently imported for Indian Navy use.
- This is aligned with the **Aatmanirbhar Bharat** mission and the goal of increasing **strategic defence autonomy**.

### 4. Revenue Shift and Sectoral Reorientation

- In FY2025–26, **60% of BEML's revenue** is expected to come from **defence, trains, and metro segments**, up from 47% in FY2024–25.
- Share of **mining equipment**, once dominant, is expected to decline to **40%**.
- The current **order book stands at ₹14,610 crore**, with projections of crossing ₹22,000 crore by end of FY26—a **28% growth year-on-year**.

### 5. Key Constitutional and Legal Provisions

- **Defence production and procurement** fall under **Union List (Entry 1 and 7, Schedule VII)** — making them a **central government responsibility**.
- The **Defence Production Policy** and **Defence Acquisition Procedure (DAP)** guide private and public sector engagement in this domain.
- BEML, as a **central public sector enterprise (CPSE)** under the **Ministry of Defence**, plays a critical role in indigenous manufacturing under strategic and security imperatives.

### 6. Strategic Significance for National Security and Economy

- BEML's diversification supports **strategic deterrence, logistics modernization, and energy-efficient, indigenous mobility solutions**.
- Development of light-armoured vehicles, gun-towing platforms, and bullet trains are crucial for enhancing both **civilian and defence transport infrastructure**.
- Maritime indigenisation projects reduce foreign dependency and strengthen **India's blue water naval capabilities**.

### Definitions of Key Terms

- **Light Infantry Vehicles**: Tactical military vehicles designed for quick mobility, patrol, and light combat tasks, often used in border areas and low-intensity conflicts.
- **High-Mobility Vehicles (HMs)**: Heavy-duty vehicles used for transporting weapons, personnel, or equipment across rough terrain.
- **Vande Bharat Train**: India's semi-high-speed indigenous train set developed under the Make in India initiative.
- **Indigenisation**: The process of developing and producing products or systems domestically to reduce dependency on foreign imports, especially in defence.



## Conclusion

BEML's transition from a mining-focused company to a **defence and mobility-oriented PSU** underscores India's **drive towards self-reliance in defence manufacturing**, high-speed rail, and maritime capabilities. Its growing order book, innovative product portfolio, and strategic sectoral realignment reflect its central role in realizing the objectives of **Aatmanirbhar Bharat**, **Make in India**, and national security enhancement.

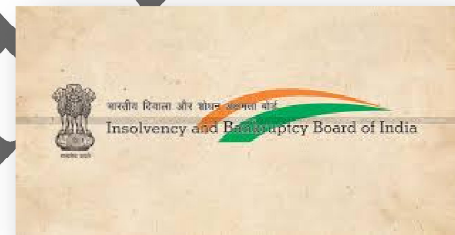
## 6. Simplified IBBI Rules for Corporate Bankruptcy Cases – Key Points

### 1. Ease of Compliance in Corporate Insolvency

- The **Insolvency and Bankruptcy Board of India (IBBI)** has streamlined compliance procedures in corporate bankruptcy cases by reducing the number of reporting forms from **nine to five**, effective from **1 June 2025**.
- These reforms aim to **reduce bureaucratic hurdles**, enhance efficiency, and **minimize the compliance burden** on Insolvency Professionals (IPs).

### 2. Introduction of Standardized Monthly Reporting

- A **monthly reporting cycle** has replaced the earlier **event-based reporting** system.
- All information must now be submitted **by the 10th of each month**, except for key events like **tribunal approval of a resolution plan or liquidation**, which must be reported **within 7 days**.
- This promotes **predictability and consistency** in the reporting framework.



### 3. Technology-Driven Monitoring Platform

- A new **electronic platform** for form submission will be hosted on the IBBI's website, allowing **auto-population of data** to eliminate duplication.
- The government is also developing a **comprehensive digital platform** to integrate **tribunals, creditors, insolvency professionals, and policymakers**, ensuring **real-time tracking and transparency** in the resolution process.

### 4. Transition Provisions and Regulatory Relief

- For the **September 2025 quarter**, **no penalties** will be imposed for delays in filing under the new system to allow professionals to adapt.
- This approach balances **regulatory flexibility** with the urgency for **compliance modernization**.

### 5. Performance of IBC Regime (2016–2025)

- Since the enactment of the **Insolvency and Bankruptcy Code (IBC), 2016**, a total of **8,308 corporate cases** have been admitted.
- Of these, **61% have seen closure** through **successful resolution, withdrawal, or liquidation**, reflecting the growing maturity and efficacy of India's insolvency regime.



## 6. Legal and Constitutional Context

- **Insolvency and Bankruptcy Code (IBC), 2016** is a comprehensive law aimed at **time-bound resolution of insolvency**, primarily governed by the **IBBI**.
- **Entry 9 of the Union List (List I, Schedule VII)** empowers the central government to legislate on bankruptcy and insolvency matters.
- The **National Company Law Tribunal (NCLT)** and **National Company Law Appellate Tribunal (NCLAT)** are quasi-judicial bodies for handling corporate insolvency under IBC.

### Definitions of Key Terms

- **Corporate Insolvency Resolution Process (CIRP)**: A process under the IBC by which creditors resolve corporate debtor insolvency, either by revival through a resolution plan or by liquidation.
- **Insolvency Professional (IP)**: A licensed individual who manages the resolution process on behalf of stakeholders.
- **Resolution Plan**: A proposal by an applicant to revive the insolvent company, which needs NCLT's approval.
- **Liquidation**: A legal process of winding up a company by selling off assets to repay creditors.

### Conclusion

The revamped IBBI rules mark a significant stride toward **simplifying India's insolvency ecosystem**, reinforcing transparency, accountability, and **ease of doing business**. By integrating technology and rationalizing compliance structures, the IBC framework is evolving into a **more agile and stakeholder-friendly mechanism**, essential for timely debt resolution and financial sector stability.

## 7. RBI Sells Treasury Bills Below Policy Rate Corridor – Key Points

### 1. T-Bills Sold Below RBI Policy Rate Corridor

- The **Reserve Bank of India (RBI)** recently sold **91-day T-bills at 5.62%**, and **182-day & 364-day T-bills at 5.63%**—yields significantly **below the RBI's monetary policy rate corridor**.
- This marks the **lowest yield levels in nearly three years**, reflecting surplus liquidity and short-term market sentiment.

### 2. Monetary Policy Rate Corridor – Explained

- RBI's policy rate corridor lies **between the Standing Deposit Facility (SDF)** (floor rate) and **Marginal Standing Facility (MSF)** (ceiling rate).
- As of May 2025, the **repo rate** (the main policy rate) stands at **6.50%**, SDF at **6.25%**, and MSF at **6.75%**.
- Hence, the T-bill yields are below even the **SDF rate**, indicating **excess liquidity** and weak short-term borrowing demand.





### 3. Implications for Financial Markets

- **Low T-bill yields** suggest **market participants expect interest rates to stay low or fall**, possibly due to slowing economic momentum or strong foreign inflows.
- These rates also reflect **strong demand from banks, mutual funds, and institutions** with idle funds, pushing yields downward.

### 4. Legal & Institutional Framework

- The issuance of Treasury Bills is governed under the **Government Securities Act, 2006**, and managed by RBI on behalf of the Government of India.
- The **RBI Act, 1934** empowers the central bank to conduct open market operations (OMOs), manage liquidity, and maintain price stability.

### 5. Definitions of Key Terms

- **Treasury Bills (T-Bills)**: Short-term government securities with maturity of **91, 182, or 364 days**, issued at discount and redeemed at face value.
- **Monetary Policy Rate Corridor**: The band defined by **SDF (floor)** and **MSF (ceiling)** around the **repo rate**, within which the overnight call money rate usually fluctuates.
- **Yield**: The return an investor earns on a security, inversely related to its price.

### 6. Additional Key Points

- The cut in yields may impact **short-term borrowing costs** for the government positively.
- However, persistently low yields **below the policy corridor** could affect the **transmission of monetary policy** and signal **anomalies in the market liquidity structure**.

### Conclusion

The RBI's recent sale of T-bills at rates below its policy corridor highlights a **high liquidity surplus** and a **softening interest rate environment** in the short-term money market. While beneficial for government borrowing, such trends may raise questions about **monetary transmission and liquidity management**. This development offers a key insight into the **interaction between monetary policy, market expectations, and government financing operations**, crucial for understanding India's financial architecture.

## 8. A Case of Practical, Pragmatic, and Innovative Education under NEP 2020

### 1. New Education Policy (NEP) 2020: Structural Reform

- **NEP 2020** is a long-term policy reform aiming to revamp India's education ecosystem by promoting **innovation, research, multidisciplinary learning, and industry-academia collaboration**.
- It enables **flexibility** in higher education, allowing students to **earn and return**, earn micro-credentials, and re-enter degree programmes later—enhancing inclusivity and employability.

### 2. Focus on Employability and Skill Development

- NEP introduces **vocationalisation of education, internships, and apprenticeships** with industry to bridge the skill gap.





- Over **224 universities** and **101 colleges** offer **multidisciplinary programmes**, while **197 universities** and **93 colleges** provide internships, boosting practical learning.
- Apprenticeship schemes (with stipends) allow diploma holders and dropouts to engage in **on-the-job training** within five years of graduation.

### 3. Strengthening Research and Innovation Ecosystem

- **R&D cells** have been set up in **242 universities** and **113 colleges**; **patent filings** rose by **158%** from 2021–22 to 2022–23.
- **ANRF Act 2023**, **AICTE's IDEA Labs**, and **SPARC (Scheme for Promotion of Academic and Research Collaboration)** promote research collaboration with 28 countries.
- Initiatives like the **Smart India Hackathon** have involved **13.9 lakh students**, fostering grassroots innovation.

### 4. Global Competitiveness of Indian Education

- As per **QS Rankings 2025**, **11 Indian universities** feature in the **global top 500**, and India tops the **QS Asia University rankings** with **163 institutions**.
- Indian higher education institutions saw a **25.7% rise** in subject-specific global entries, with IITs and IIMs breaking into the **global top 50** in various disciplines.

### 5. Positive Employment Trends and Structural Shifts

- **Employment rate** for educated youth has improved since **2018–19**, with male employment at **53.4%** and female at **22.7%** in 2023–24.
- The **proportion of regular workers** rose (men: **17.2% in 2004–05** to **24.88% in 2023–24**), while **casual labour** saw a significant decline, especially among women.
- Indicates a shift toward **formal, sustainable, and better-paying jobs**, aligned with NEP's objective of **employment-oriented education**.

### 6. Key Legal and Institutional Framework

- NEP 2020 was formulated under **Article 21A** (Right to Education) and implemented by the **Ministry of Education**.
- Institutional support provided by bodies like **UGC**, **AICTE**, **National Skill Development Corporation (NSDC)**, and **National Education Technology Forum (NETF)**.

### Key Definitions

- **Multidisciplinary Education**: An integrated learning approach combining sciences, arts, and vocational subjects.
- **R&D Cells**: Institutional hubs for promoting research culture, innovation, and patent generation.
- **Apprenticeship**: Practical training in industries where learners gain experience with partial government support.





## Conclusion

NEP 2020 marks a **paradigm shift** in India's education system, focusing on **practical learning, innovation, global relevance, and employability**. The increasing integration of **industry-academia partnerships, vocational training, and flexible curriculum structures** is helping align education with **real-world competencies**. The resulting **improvements in employment data, research output, and global rankings** indicate that India is moving toward a **self-reliant, knowledge-driven economy** rooted in sustainable and inclusive education reform.

## 9. Modified Interest Subvention Scheme (MISS) Continued for FY 2025–26

### 1. About the Modified Interest Subvention Scheme (MISS)

- MISS is a **Central Sector Scheme** aimed at providing **short-term agricultural credit** at subsidized interest rates through **Kisan Credit Cards (KCC)**.
- The Cabinet has approved the continuation of the **1.5% interest subvention** for FY 2025–26 without any structural changes.
- It ensures affordable credit to farmers, particularly **small and marginal farmers**, enhancing **agricultural productivity and financial inclusion**.

### 2. Key Provisions under MISS

- Farmers can avail **KCC loans up to ₹3 lakh** at a base interest rate of **7%**, with **1.5% subvention** to lending institutions.
- Those who **repay promptly** are eligible for an additional **3% Prompt Repayment Incentive (PRI)**, reducing the effective interest to **4%**.
- For loans specifically for **animal husbandry and fisheries**, the benefit applies up to **₹2 lakh**.

### 3. Impact on Agricultural Credit

- The number of **KCC accounts** has surpassed **7.75 crore**, underlining the scheme's wide reach.
- Institutional credit disbursed via KCC rose from **₹4.26 lakh crore in 2014** to **₹10.05 lakh crore in December 2024**.
- Total **agriculture credit flow** increased from **₹7.3 lakh crore in 2013–14** to **₹25.49 lakh crore in 2023–24**, signifying enhanced rural credit penetration.

### 4. Digital Reforms and Efficiency Measures

- **Kisan Rin Portal (KRP)** was launched in **August 2023** to streamline claim processing and bring transparency to the subvention mechanism.
- The scheme supports **cooperative and rural banks** by reducing their interest burden through subvention, ensuring **sustainable institutional lending**.

### 5. Relevance to Government's Broader Agricultural Policy

- The scheme is integral to achieving the **goal of doubling farmers' income**, aligning with the **Doubling Farmers' Income (DFI) Strategy**.
- It strengthens the rural credit ecosystem, crucial for **food security, rural livelihoods, and agriculture-led growth**.



## 6. Constitutional & Legal Provisions

- **Article 48** (Directive Principles) directs the state to organize agriculture and animal husbandry on modern lines.
- The scheme complements goals under **Article 39(b)** – distribution of material resources to subserve the common good.
- The **RBI** regulates agricultural credit under the **Banking Regulation Act, 1949** and **Priority Sector Lending (PSL)** norms.

## Definition of Key Terms

- **Interest Subvention:** A financial support wherein the government bears part of the interest cost on loans to reduce the borrower's burden.
- **Kisan Credit Card (KCC):** A government-initiated credit card for providing short-term formal credit to farmers at subsidized interest rates.
- **MCLR:** Marginal Cost of Funds based Lending Rate, the benchmark interest rate below which banks cannot lend.

## Conclusion

The Cabinet's approval of the **MISS for FY 2025–26** underlines the government's continued focus on **timely and affordable agricultural credit**, especially for **small and marginal farmers**. By maintaining **interest subvention rates**, ensuring **digital transparency**, and expanding credit access, the scheme contributes significantly to **inclusive rural development** and **sustainable agricultural transformation** in India.

## 10. Revival of Bhukhi River in Kutch

### 1. About the Bhukhi River Revival Project

- A tripartite collaboration between **Deendayal Port Authority (DPA)**, **KRIDA**, and **Global Kutch** aims to revive the **Bhukhi River** in the drought-prone **Kutch region of Gujarat**.
- The project is part of a **Corporate Social Responsibility (CSR)** initiative under DPA and is driven by a **formal Memorandum of Understanding (MoU)**.

### 2. Key Objectives and Components

- **Water conservation and sustainability** are at the core, addressing the **severe water scarcity** in the arid Kutch region.
- Restoration efforts include:
  - **Cleaning and strengthening of riverbanks**
  - **Deepening of village tanks**
  - **Repair of old check dams**
  - **Construction of groundwater recharge borewells**





### 3. Significance of the Project

- The Bhukhi River, once vital to the local ecosystem, had dried up due to **erratic monsoons and falling rainfall**.
- Its revival aims to prevent **migration due to water shortages**, boost **agricultural productivity**, and restore **local cultural and ecological balance**.
- Minister Shantanu Thakur termed it a step towards **reviving water heritage** and ensuring **inter-generational environmental justice**.

### 4. Role of Stakeholders

- **Deendayal Port Authority**: Financial backing and strategic direction via CSR.
- **KRIDA**: On-ground implementation and operational leadership.
- **Global Kutch**: Liaison with the community, ensuring participatory development.

### 5. Legal and Constitutional Provisions

- **Article 48A (DPSP)**: Mandates the State to protect and improve the environment.
- **Article 51A(g)**: Fundamental duty of citizens to protect natural resources and the environment.
- Aligned with **SDG 6 (Clean Water and Sanitation)** and **SDG 13 (Climate Action)**.
- The project reflects the spirit of the **Environment (Protection) Act, 1986** and the **Water (Prevention and Control of Pollution) Act, 1974**.

### 6. Definition of Key Terms

- **CSR (Corporate Social Responsibility)**: A legal obligation under the **Companies Act, 2013** for certain companies to spend a portion of profits on social development.
- **Check Dam**: A small dam constructed across a minor water channel to slow water flow and improve groundwater recharge.
- **Recharge Borewell**: A deep vertical structure designed to channel rainwater into underground aquifers.

### Conclusion

The revival of the **Bhukhi River** is a landmark initiative combining **ecological restoration, community welfare, and corporate accountability**. It exemplifies a **pragmatic and participatory model of environmental governance**, crucial for water-stressed regions. For UPSC aspirants, it underscores the relevance of **local water heritage, public-private-community partnership, and integrated water resource management** in India's development narrative.

## 11. Promotion of 'Buddha Rice' (Kalanamak Rice) Exports

### 1. What is Kalanamak Rice ('Buddha Rice')?

- **Kalanamak rice**, also known as '**Buddha rice**', is a **traditional, non-basmati aromatic variety** grown primarily in **eastern Uttar Pradesh**, especially **Siddharthnagar**, where it is classified as an **ODOP (One District One Product)**.



- It has a **Geographical Indication (GI) tag**, marking it as exclusive and linked to its origin.
- Historically believed to have been gifted by **Lord Buddha**, enhancing its appeal in Buddhist-majority countries.



## 2. Nutritional and Economic Importance

- Rich in **iron, antioxidants, low glycemic index**, and **naturally gluten-free**—making it beneficial for diabetics and health-conscious consumers.
- Offers an **alternative to polished white rice**, with rising **global demand** due to its unique health benefits and heritage value.
- Plays a crucial role in **rural agrarian economy**, especially in the eastern UP belt.

## 3. Government Initiatives and Export Strategy

- **Uttar Pradesh government**, in consultation with the **Ministry of Commerce**, is promoting Kalanamak rice exports to **Buddhist-majority countries** like **Thailand, Vietnam, Sri Lanka, Japan, Nepal, and Singapore**.
- The Centre has approved a **special export quota of 1,000 tonnes** post the **April 2024 waiver on export restrictions**.
- Over **500 tonnes** have already been exported since the waiver, highlighting rising global interest.

## 4. Institutional Support and Policy Framework

- A **Kalanamak Rice Research Centre** is being established in **Siddharthnagar** in collaboration with the **International Rice Research Institute (IRRI)** to improve seed quality and yield.
- UP's **Draft Export Policy (2025–30)** targets tripling exports from ₹1.7 trillion (2023–24) to over ₹5 trillion by 2030 through **product diversification, subsidies, and market expansion**.

## 5. Constitutional, Legal & International Relevance

- **Article 39(b)**: Directive Principle encouraging the distribution of community resources to best serve the common good.
- **GI Tag protection** is enabled under the **Geographical Indications of Goods (Registration and Protection) Act, 1999**.
- Aligned with **SDG 2 (Zero Hunger)** and **SDG 8 (Decent Work & Economic Growth)** by promoting **agricultural diversification, exports, and rural income**.

## 6. Key Definitions

- **GI Tag (Geographical Indication)**: A sign used on products with a specific geographical origin and possessing qualities or a reputation due to that origin.
- **ODOP (One District One Product)**: A government initiative to promote specialization and market linkages of unique products from individual districts.



- **Export Quota:** A limit set by the government on the quantity of goods that can be exported to regulate domestic supply and pricing.

### Conclusion

The focused promotion of **Kalanamak rice exports** combines **economic strategy, cultural diplomacy, and agricultural innovation**. It reflects India's intent to **leverage traditional products** for **global outreach**, strengthen **agri-based rural livelihoods**, and enhance **India's soft power**, especially in countries with **cultural ties to Buddhism**. For UPSC aspirants, this is an important example of **GI-based export promotion, cultural branding in trade, and sustainable rural development** through value-added agriculture.

## 12. Importance of the Deputy Speaker in Indian Parliamentary Democracy

### 1. Role and Constitutional Provisions

- The **Deputy Speaker** is not a ceremonial figure but plays a **vital role in maintaining legislative continuity** and ensuring **neutral conduct** in sensitive debates.
- **Article 93** of the Indian Constitution mandates the **election of the Speaker and Deputy Speaker "as soon as may be"** after the Lok Sabha is constituted.
- **Article 94** ensures continuity in office until resignation, removal, or disqualification.
- **Article 180** empowers the Deputy Speaker to discharge the functions of the Speaker in their absence.
- The position also carries **administrative responsibilities**—presiding over committees like **Private Members' Bills Committee** and the **Budget Committee**.

### 2. Vacancy and Democratic Concerns

- The post has been **vacant since 2019** (17th Lok Sabha), and it appears likely to remain so in the 18th Lok Sabha too.
- This **prolonged vacancy violates constitutional spirit** and undermines **democratic checks and balances**.
- Absence of a Deputy Speaker centralizes legislative authority in the **ruling party**, contradicting the **Westminster parliamentary model**, which India follows.



### 3. Convention and Opposition's Role

- By **convention**, the **Speaker is from the ruling party**, and the **Deputy Speaker from the Opposition** to foster **political balance and cooperation**.
- This tradition promotes **consensus-based governance** and is a **hallmark of mature parliamentary democracies**.





- Refusal to allocate the post to the Opposition breaches **constitutional convention**, which although not legally binding, has **quasi-legal sanctity** in democratic functioning.

#### 4. Legal Framework and Rules of Procedure

- As per **Rule 8 of the Lok Sabha Rules of Procedure (1952)**, the **Speaker fixes the date for Deputy Speaker's election** after a motion is moved.
- The Deputy Speaker **enjoys all powers of the Speaker** when presiding over sessions.
- The **failure to act on Rule 8 and Article 93** creates a **constitutional vacuum** and reflects **executive indifference to parliamentary propriety**.

#### 5. Broader Constitutional and Democratic Implications

- The **phrase "as soon as may be"** has been **misinterpreted as discretionary**, leading to delays and potential **governance paralysis** in the Speaker's absence.
- A **vacant Deputy Speaker post** can cause a **constitutional crisis**, especially during unexpected resignation, illness, or incapacity of the Speaker.
- **Centralization of legislative power** contradicts Article 75's spirit of **collective responsibility** and weakens the **Opposition's voice**.

#### 6. Definitions and Context

- **Deputy Speaker**: An elected MP of the Lok Sabha who presides in the absence of the Speaker and has similar powers when doing so.
- **Constitutional Convention**: An unwritten practice that has developed over time and has binding moral authority in parliamentary functioning, especially in the Westminster model.
- **Westminster Model**: A democratic parliamentary system of governance based on the UK model, emphasizing checks and balances, opposition role, and responsible government.

#### Conclusion

The **non-appointment of the Deputy Speaker** in recent Lok Sabhas not only raises **constitutional questions** but also **weakens India's democratic ethos**. It undermines **parliamentary conventions**, **Opposition participation**, and risks **legislative disruptions**. Ensuring timely appointment of the Deputy Speaker is vital for upholding the **spirit of the Constitution**, **institutional integrity**, and the **principles of cooperative federalism and democratic resilience**. For UPSC, this is a **key case study on constitutional values, democratic practices, and institutional checks and balances**.

### 13. India's Financial Sector Reforms

#### 1. Structural Weaknesses in the BFSI Sector

- Despite decades of **incremental reforms**, India's **Banking, Financial Services and Insurance (BFSI)** sector faces **persistent systemic frictions**.
- These frictions **discourage investors, deter savers**, and hinder **economic growth**.
- Core areas needing reform include:





- **Corporate bond market**
- **Nomination processes**
- **Retirement instruments**
- **Shadow banking regulations**

## 2. Nomination Policy: Fragmented and Confusing

- Nomination rules **vary across banks, mutual funds, and insurance**, leading to **legal ambiguity**.
- Lack of a **harmonised nomination framework** often results in **litigation between nominees and legal heirs**.
- A **uniform nomination policy** is urgently needed for clarity, transparency, and **protection of depositor rights**.

**Definition:** *Nominee* – A person legally authorized to receive the financial assets of the account holder upon their demise, though not always the legal heir.

## 3. Corporate Bond Market: Underdeveloped and Opaque

- India's bond market is **illiquid, shallow**, and lacks transparency, leading to **high cost of capital**.
- A deep bond market can **reduce funding costs by 2–3%**, fostering industrial and employment growth.
- Regulatory apathy (e.g., NSE ignoring RBI directives) and preference for **equity trading profits** hamper development.

**Constitutional Angle:** Financial inclusion and development fall under **Article 39(b)** (Directive Principles) — distribution of material resources for the common good.

## 4. KYC, UBO & FATF Compliance Challenges

- India, as an **FATF member**, must comply with norms on **Know Your Customer (KYC)** and **Ultimate Beneficial Ownership (UBO)** disclosure.
- Current **UBO thresholds** (10% for companies, 15% for partnerships) create **loopholes** for hiding true ownership.
- Failure to enforce transparency in capital flows (e.g., Mauritius-based funds) **undermines regulatory oversight and market integrity**.

## 5. Retirement Planning: High Costs, Missed Opportunities

- Current annuity-based retirement options are **costly** due to high intermediation fees by insurance companies.
- **Zero-coupon government securities**, if promoted, can offer **low-cost, secure retirement solutions**.
- Lack of government/RBI initiative is a **missed opportunity** to develop a sovereign-backed retirement ecosystem.

**Definition:** *Zero-Coupon Bond* – A bond that doesn't pay periodic interest but is issued at a discount and matures at face value, ideal for long-term saving.



## 6. Shadow Banking: Unregulated and Risky

- Shadow banking includes **NBFCs, brokers, and margin lenders** offering bank-like services **without full regulation**.
- Investors unknowingly face **over 20% interest rates**, risking financial instability.
- India lacks **data and transparency**; unlike the EU, it hasn't legislated to monitor shadow banking comprehensively.

**Definition:** *Shadow Banking* – Financial activities by non-banking institutions that perform bank-like roles without being subject to equivalent regulations.

### Conclusion

India's financial sector needs **deep structural reforms**, not cosmetic changes. Key priorities include:

- **Unified and transparent nomination laws**
- **A robust and liquid corporate bond market**
- **Enhanced compliance with FATF-KYC-UBO norms**
- **Affordable, sovereign-backed retirement planning tools**
- **Regulation and data-driven oversight of shadow banking**

Such reforms are essential for **investor confidence**, **economic resilience**, and the **sustainable development** of India's financial architecture, aligning with **constitutional mandates of equity, transparency, and economic justice**.