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VIDHVATH IAS KAS ACADEMY & STUDY CENTRE

DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

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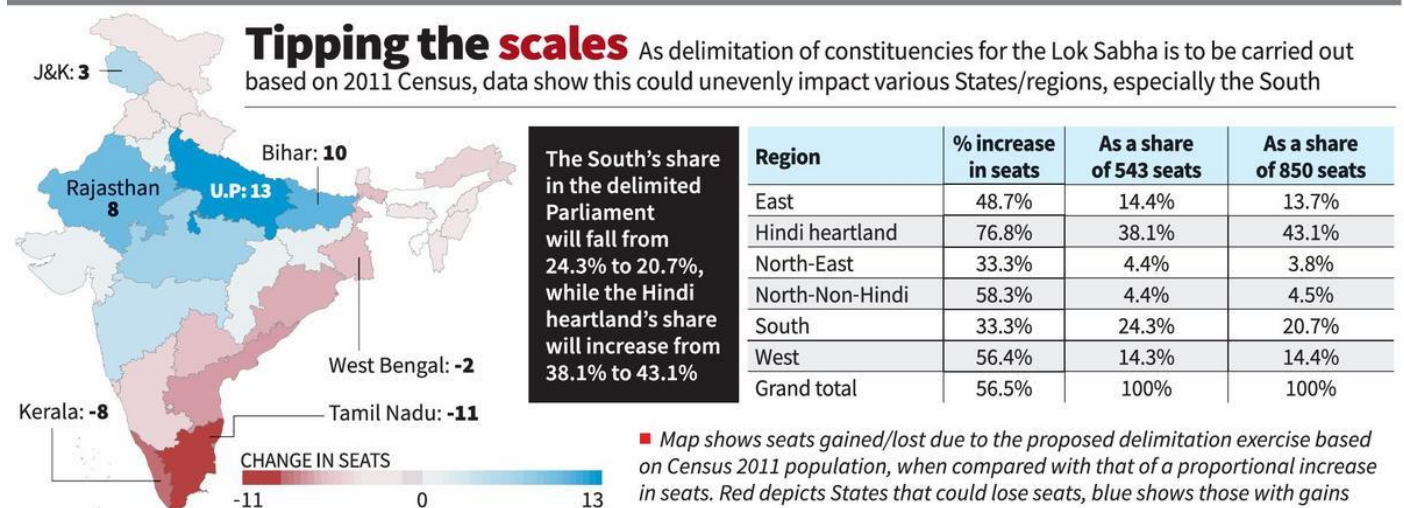
1. Delimitation and Proposed Expansion of Lok Sabha Seats

The Union Government has signaled a significant shift in India's representative democracy by proposing a 50% increase in Lok Sabha seats following the upcoming delimitation exercise. This move aims to address the long-standing freeze on seat allocation while ensuring that no State suffers a reduction in its relative political influence due to successful population control measures.

- **Proportional Increase:** The government plans to increase the total strength of the Lok Sabha by half, ensuring that every State sees its seat count rise by approximately 50% from its current levels.
- **Maintenance of Relative Strength:** A key assurance provided is that the "proportional strength" of States will remain intact, effectively addressing fears from Southern States regarding a loss of parliamentary voice.
- **Legislative Framework:** The changes are tied to the Constitution (131st Amendment) Bill and a specific Delimitation Bill, which provide the legal roadmap for the reorganization of constituencies.
- **Addressing North-South Parity:** By increasing seats across the board rather than merely redistributing them, the government intends to bypass the "population penalty" that high-performing States in family planning feared.
- **Clarification on Draft Bills:** Despite discrepancies in the initial draft language that suggested inter-State redistribution, the Home Ministry has committed to legislative clarity to ensure the 50% hike is uniform.
- **Post-2026 Timeline:** The delimitation process is constitutionally mandated to occur based on the first census data published after the year 2026.

Key Definitions

- **Delimitation:** The act or process of fixing limits or boundaries of territorial constituencies in a country or a province having a legislative body.
- **Quinquennial Census:** The decennial (ten-yearly) enumeration of the population which serves as the statistical basis for delimitation.



- **Proportional Representation:** In this context, it refers to the ratio of a State's population to its number of seats in the Lok Sabha, intended to be uniform across the country.

Constitutional and Legal Provisions

- **Article 81:** Defines the composition of the Lok Sabha. It originally stipulated that seats be allocated to States based on population.



- **Article 82:** Mandates the readjustment of seats in the Lok Sabha to the States and the division of each State into territorial constituencies after each census.
- **84th Amendment Act, 2001:** Extended the freeze on the number of seats in the Lok Sabha and State Assemblies until the figures of the first census after 2026 are published.
- **Article 170:** Provides for the composition of Legislative Assemblies in the States, which will also undergo changes post-delimitation.
- **Delimitation Commission Act:** Provides for the setup of an independent Commission (chaired by a retired Supreme Court judge) whose orders have the force of law and cannot be challenged in any court.

Conclusion

The proposal to increase Lok Sabha seats by 50% represents a pragmatic compromise between the constitutional requirement of "one person, one vote" and the political necessity of protecting the interests of States that have successfully implemented national population policies. By expanding the total size of the House rather than reallocating a fixed number of seats, the Union seeks to prevent regional polarization while enhancing democratic representation for a population that has nearly tripled since the last seat revision in the 1970s.

UPSC Relevance

- **GS Paper II:** Indian Constitution—historical underpinnings, evolution, features, amendments, significant provisions, and basic structure; Parliament and State Legislatures—structure, functioning, conduct of business, powers & privileges and issues arising out of these.
- **Prelims:** Articles 81, 82, 170; Delimitation Commission powers; 42nd and 84th Constitutional Amendment Acts.

2. Constitutional Amendments and the New Delimitation Framework

The Union Government is set to introduce three pivotal Bills in the Lok Sabha, including the Constitution (131st Amendment) Bill 2026, aimed at restructuring parliamentary representation. These legislative moves seek to amend seven core Articles of the Constitution to facilitate a nationwide delimitation exercise and the implementation of women's reservation. The proposed changes have sparked intense debate regarding the balance of federal representation and the timing of electoral reforms.

- **Amending Key Articles:** The legislative package targets Articles 55, 81, 82, 170, 330, 332, and 334A, which govern everything from Presidential elections to the composition of the Lok Sabha and State Assemblies.
- **Expansion of House Strength:** A primary objective is the readjustment of Lok Sabha seats, with government functionaries suggesting a potential 50% increase in total seats to ensure no State loses its current proportional weight.
- **Women's Reservation Linkage:** The bills are designed to advance the implementation of the 33% women's quota in legislative bodies, though critics argue that linking this to delimitation may delay its execution until 2029.





- **Uniformity in Representation:** Amendments to Article 55 aim to maintain "uniformity in the scale of representation" across different States during the election of the President, ensuring parity despite population shifts.
- **Special Provisions for SCs/STs:** Articles 330 and 332 are being updated to ensure that the reservation for Scheduled Castes and Scheduled Tribes is adjusted in accordance with the new seat configurations in the Lok Sabha and Assemblies.
- **Federal Concerns:** Regional parties have raised concerns that population-based delimitation might unfairly penalize States (particularly in the South) that successfully implemented population control policies.

Key Definitions

- **Delimitation:** The process of redrawing boundaries of Lok Sabha and State Assembly seats to represent changes in population over time.
- **Constitutional Amendment:** A formal change to the text of the Constitution, requiring a special majority in Parliament and, in certain cases, ratification by State legislatures.
- **Proportional Strength:** The relative share of seats a State holds in the Parliament compared to other States, based on population ratios.

Constitutional and Legal Provisions

- **Article 81 & 82:** Article 81 defines the composition of the Lok Sabha, while Article 82 mandates the readjustment of seats after each census. The 84th Amendment (2001) had frozen this until the first census after 2026.
- **Article 170:** Governs the composition of State Legislative Assemblies and the number of seats within them.
- **Article 334A:** A newer provision specifically relating to the timeline and implementation of women's reservation contingent upon census and delimitation.
- **The Delimitation Bill 2026:** A statutory framework accompanying the Constitutional amendment to provide the mechanism for the new Delimitation Commission.

Conclusion

The proposed 131st Amendment Bill represents one of the most significant overhauls of India's representative architecture since the 1970s. While the government emphasizes a "win-win" scenario where total seats increase to prevent any State from losing influence, the political challenge remains in building consensus among States with varying demographic trajectories. The success of this move will depend on the transparent functioning of the future Delimitation Commission and the protection of the federal principle.

UPSC Relevance

- **GS Paper II (Polity):** Amendments to the Constitution, Federalism, Representation of People's Act, and the functioning of the Legislature.
- **Prelims:** Specific Articles (55, 81, 82, 170, 330, 332, 334A), the history of delimitation freezes (42nd and 84th Amendments), and the role of the Delimitation Commission.



3. India's Push for Maritime Security and Energy Resilience at AZEC

At the Asia Zero Emission Community (AZEC) Plus meeting convened by Japan, India's External Affairs Minister S. Jaishankar emphasized the critical need for safe and unimpeded transit in maritime trade routes. The discussion centered on recent disruptions in the Strait of Hormuz and their cascading effects on global energy markets and supply chain stability. India's stance underscores its growing role as a "net security provider" and a proactive stakeholder in Asian energy security.

- **Maritime Safety Advocacy:** India termed attacks on merchant shipping as "completely unacceptable," highlighting that global economic growth is contingent upon unconstricted energy markets and secure sea lanes.
- **Strait of Hormuz Significance:** The meeting specifically addressed disruptions in the Strait of Hormuz, a primary artery for global oil and gas supplies, emphasizing the vulnerability of Asian economies to chokepoint instability.
- **Asia Zero Emission Community (AZEC):** India participated in this Japan-led platform which aims to promote energy transition and supply chain resilience among Asian nations while addressing immediate resource shortages.
- **Strategic Collaboration:** India committed to working with "like-minded partners" to develop robust supply chains that can withstand geopolitical shocks and ensure energy resilience for the Global South.
- **Launch of 'POWERR Asia':** The summit saw the introduction of the 'Partnership On Wide Energy and Resources Resilience', a framework designed to provide both emergency responses and long-term structural solutions for energy security.
- **Global Energy Interconnectedness:** The forum acknowledged that disruptions in one region extend to all interconnected countries, necessitating a multilateral approach to safeguarding maritime corridors.

Key Definitions

- **Strait of Hormuz:** A narrow waterway between the Persian Gulf and the Gulf of Oman, serving as the world's most important oil transit chokepoint.
- **Chokepoint:** A strategic narrow passage that can be easily blocked to disrupt international traffic, particularly oil and trade.
- **Energy Resilience:** The capacity of an energy system to predict, absorb, and recover from shocks such as supply disruptions, price volatility, or infrastructure damage.
- **Net Security Provider:** A nation that addresses the security concerns of other countries in its region or beyond, through capacity building, military assistance, and active diplomacy.

Constitutional and Legal Provisions

- **Article 51 (c):** Under the Directive Principles of State Policy, the Indian Constitution mandates the State to foster respect for international law and treaty obligations in the dealings of organized peoples with one another.





- **UNCLOS (1982):** The United Nations Convention on the Law of the Sea provides the legal framework for "Transit Passage" through international straits, which India strongly advocates to ensure navigation rights.
- **Energy Conservation Act, 2001:** While domestic, it aligns with India's international commitments to transition toward cleaner energy and efficient resource management as discussed in AZEC.
- **BIMSTEC & IORA:** These regional groupings serve as the legal and diplomatic platforms where India enforces its maritime security doctrine (SAGAR - Security and Growth for All in the Region).

Conclusion

India's proactive engagement at the AZEC Plus meet reflects a strategic shift toward securing its energy future through active maritime diplomacy. By linking maritime security directly to economic stability and energy transition, India is positioning itself as a vital link in the Indo-Pacific security architecture. The focus on the Strait of Hormuz highlights the shift from traditional security to "comprehensive security," encompassing trade, energy, and environmental sustainability.

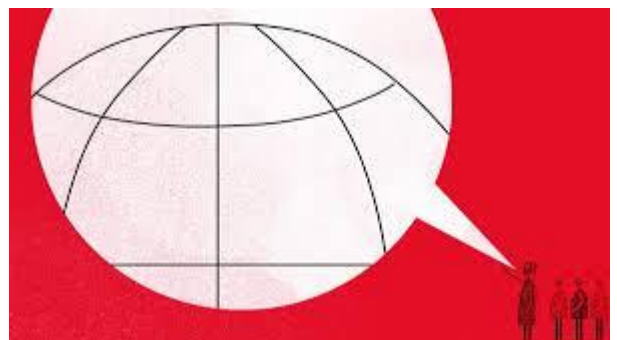
UPSC Relevance

- **GS Paper II:** International Relations—Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests; Effect of policies and politics of developed and developing countries on India's interests.
- **GS Paper III:** Security Challenges and their Management in Border Areas; Infrastructure: Energy, Ports, Roads, Airports, Railways etc.; Internal Security.

4. India as a Principled Architect of a New World Order

The shifting geopolitical landscape, marked by conflicts like "Operation Epic Fury" and the resulting naval blockades in the Strait of Hormuz, has exposed the fragilities of the existing global security architecture. For India, this moment presents an existential choice between maintaining traditional strategic restraint and emerging as a proactive leader capable of shaping a new, durable world order. As old security structures prove ineffective, the global community increasingly seeks a credible voice that can balance national interest with moral authority and collective stability.

- **Fragility of Current Order:** The failure of international mechanisms to prevent surgical strikes and subsequent naval blockades highlights a vacuum in global leadership and the ineffectiveness of the UN Charter in its current state.
- **Energy and Economic Vulnerability:** The Strait of Hormuz serves as a primary "economic chokehold"; disruptions here directly impact the "Indian kitchen" through gas shortages and oil price volatility, making maritime security a domestic priority.
- **Geopolitical Realignment:** Russia and China have emerged as quiet beneficiaries of Western-led conflicts, accelerating trends like de-dollarization and shifting energy flows toward yuan-settled Iranian and Russian crude.
- **Strategic Autonomy vs. Passivity:** While India has historically practiced strategic restraint, remaining passive in the face of blatant violations of international law risks eroding its credibility as a leader of the Global South.





- **Need for Principled Diplomacy:** India must move beyond tactical maneuvering for survival toward a "diplomatic leadership" that prioritizes viable supply corridors, energy diversification, and a coherent regional security framework.
- **Stakeholder in Global Commons:** India is no longer merely an "affected country" but a central stakeholder whose internal growth is tied to the stability of the global commons, necessitating a claim to the role of a world order architect.

Key Definitions

- **Strategic Autonomy:** A state's ability to pursue its national interests and adopt its own preferred foreign policy without being constrained by other states or external dependencies.
- **Chokepoint:** A strategic narrow passage, such as the Strait of Hormuz, which if blocked, can significantly disrupt global trade and energy supplies.
- **Global South:** A term used to describe developing and emerging economies, often characterized by a shared history of colonialism and a push for more equitable international governance.
- **De-dollarization:** A process whereby countries reduce their reliance on the U.S. dollar as a reserve currency or medium of exchange in international trade.

Constitutional and Legal Provisions

- **Article 51:** A Directive Principle of State Policy (DPSP) that mandates India to promote international peace and security, maintain just and honorable relations between nations, and foster respect for international law.
- **UN Charter:** The foundational treaty of the United Nations; the article argues that frequent violations of its principles necessitate a revised global governance framework.
- **United Nations Convention on the Law of the Sea (UNCLOS):** The international legal regime governing maritime rights and duties, specifically relevant to the "freedom of navigation" in the Strait of Hormuz.
- **Panchsheel Principles:** The Five Principles of Peaceful Coexistence which have long been the bedrock of Indian foreign policy, emphasizing non-interference and mutual respect.

Conclusion

The transition from a passive observer to an active architect of global governance is not just a moral aspiration for India but a vital national interest. To secure its own energy needs and economic future, India must leverage its unique position—maintaining ties with all major powers—to advocate for a new security architecture. By aligning its strategic restraint with principled action, India can provide the "moral conscience" the world requires to navigate back from the brink of perpetual conflict.

UPSC Relevance

- **GS Paper II:** International Relations—India's foreign policy, bilateral and regional groupings, and the impact of global politics on India's interests; Important International institutions and their structure.
- **GS Paper III:** Internal Security and Economic Development—Energy security, impact of global supply chain disruptions on the Indian economy, and maritime security challenges.



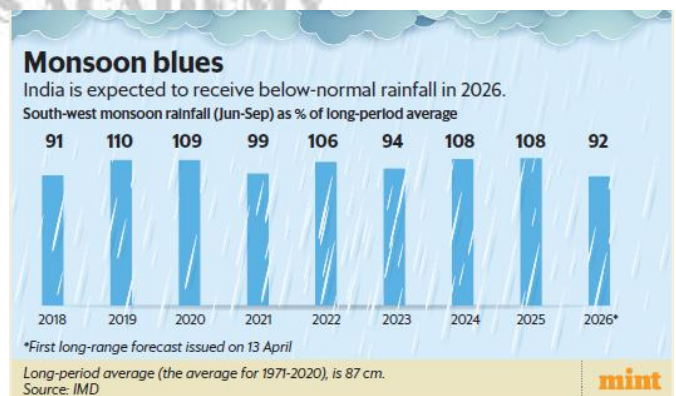
5. Crisis in Indian Agriculture: The Twin Challenge of Climate and Conflict

Indian agriculture is currently navigating a precarious "double whammy" as it faces a deficient monsoon forecast coupled with severe disruptions in the global fertilizer supply chain. The convergence of the El Niño phenomenon and the West Asia war poses a direct threat to the Kharif sowing season, potentially impacting food inflation, fiscal stability, and rural incomes. With nearly half of India's farmland lacking irrigation, the stakes for the 2026 agricultural cycle are exceptionally high.

- **Deficient Monsoon Forecast:** The IMD has projected the June-September monsoon at 92% of the Long Period Average (LPA). This "below normal" forecast is primarily driven by the emergence of El Niño, which typically suppresses precipitation over the Indian subcontinent, especially during the crucial second half of the season.
- **Fertilizer Supply Vulnerability:** The conflict in West Asia has choked the supply of Urea and Diammonium Phosphate (DAP). India currently holds about 18 million tonnes of fertilizer stock against a Kharif requirement of 39 million tonnes, creating a significant shortfall that necessitates urgent import diversification.
- **Input Cost Inflation:** Disrupted maritime routes have spiked the cost of raw materials like natural gas (essential for urea production) and sulphur. Spot gas prices have jumped to nearly \$20/mmBtu, significantly higher than pre-war levels, threatening to increase the government's subsidy burden and farmers' out-of-pocket expenses.
- **Threat to Crop Yields:** While foodgrain production has shown resilience in past deficit years, prolonged dry spells during the grain-formation stage could severely impact yields for rain-dependent pulses and oilseeds, leading to higher edible oil prices.
- **Rural Economic Distress:** Lower yields combined with higher cultivation costs (e.g., increased diesel use for irrigation pumps) risk denting farmer profitability. This comes at a time when rural demand is already sensitive to stagnant crop prices.
- **Strategic Diversification:** In response to the West Asian crisis, the government is exploring alternative supply sources, including Russia, Morocco, and Indonesia, while promoting "alternative fertilizers" like Single Super Phosphate (SSP) to mitigate the DAP shortage.

Key Definitions

- **Long Period Average (LPA):** The average rainfall recorded over a particular region for a long period (usually 50 years). A forecast of 92% LPA is classified as "below normal."
- **El Niño:** A climate pattern describing the unusual warming of surface waters in the eastern tropical Pacific Ocean, which historically correlates with weaker monsoons in India.
- **Kharif Season:** The summer cropping season (June to October) in India, coinciding with the Southwest Monsoon.
- **Nutrient Based Subsidy (NBS):** A government policy where a fixed amount of subsidy is provided on each grade of subsidized Phosphatic and Potassic (P&K) fertilizers based on their nutrient content.





Constitutional and Legal Provisions

- **Article 39(b) & (c):** Directive Principles of State Policy (DPSP) that guide the State to ensure that the ownership and control of material resources are distributed to subserve the common good and prevent the concentration of wealth, relevant to food security and subsidy distribution.
- **Essential Commodities Act, 1955:** Empowers the government to regulate the production, supply, and distribution of essential commodities like fertilizers and foodgrains to prevent hoarding and price spikes during shortages.
- **Fertilizer Control Order (FCO), 1985:** A legal instrument under the Essential Commodities Act that ensures the quality of fertilizers sold to farmers and regulates their movement and pricing.

Conclusion

The interplay of geopolitical instability and climate variability underscores the urgent need for structural reforms in Indian agriculture. While short-term measures like importing spot gas and diversifying fertilizer sources are necessary, long-term resilience will require shifting toward "Climate-Smart Agriculture" and reducing import dependency on critical inputs. The government's ability to manage the fiscal strain of rising subsidies while protecting rural incomes will be the defining economic challenge of 2026.

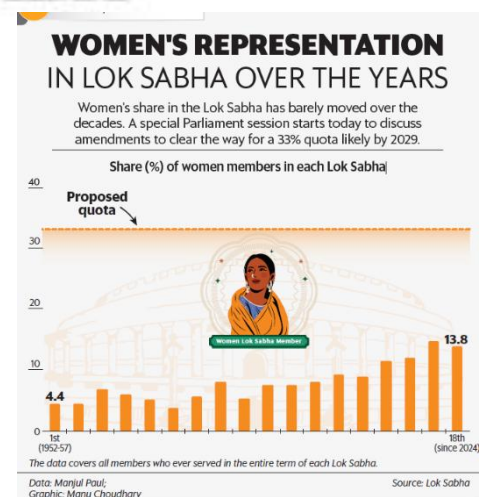
UPSC Relevance

- **GS Paper I:** Geography—Changes in critical geographical features (monsoon, El Niño); Geographical distribution of resources.
- **GS Paper II:** Governance—Government policies and interventions for development in various sectors (subsidies, food security).

6. Historical Trends and the Road to 33% Women's Representation

The representation of women in the Lok Sabha has remained historically low, showing only marginal improvements over the last seven decades. Despite the 18th Lok Sabha seeing a higher number of women than its early predecessors, the percentage remains far below the global average and the proposed 33% threshold. The introduction of the Constitution (131st Amendment) Bill 2026 marks a decisive, though delayed, attempt to bridge this gender gap in India's highest legislative body through a mandatory quota system.

- **Stagnant Growth Trajectory:** Since the first Lok Sabha in 1952, where women occupied only about 4.4% of seats, the share has struggled to cross the 15% mark even in the most recent general elections.
- **Legislative Bottlenecks:** Previous attempts to introduce women's reservation, such as those in 1996, 1998, and 2010, failed due to a lack of political consensus and demands for "quotas within quotas" for backward classes.
- **Global Comparison:** India's current female representation in the Lower House (approx. 14-15%) lags significantly behind several developing nations and the global average of roughly 26%.
- **The 2029 Implementation Timeline:** While the 128th/131st Amendment Bills have been prioritized, the actual





implementation of the 33% reservation is contingent upon the completion of the next census and the subsequent delimitation exercise.

- **Rotation of Seats:** The proposed reservation model includes a provision for the rotation of reserved seats after every delimitation exercise, aimed at ensuring equitable distribution of female representation across all constituencies.
- **Impact of Local Governance:** The success of 33-50% reservation in Panchayati Raj Institutions (PRIs) since the 1990s serves as a foundational precedent for the current push toward national-level legislative reservation.

Key Definitions

- **Nari Shakti Vandan Adhiniyam:** The official name for the Women's Reservation Bill, which seeks to reserve one-third of all seats for women in the Lok Sabha and State Legislative Assemblies.
- **Horizontal Reservation:** A type of reservation that cuts across vertical categories (like SC/ST); in this context, 33% of seats reserved for SCs and STs will also be reserved for women within those categories.
- **Delimitation-Linked Quota:** A provision where the implementation of the reservation is legally tied to the redrawing of constituency boundaries based on fresh census data.

Constitutional and Legal Provisions

- **Article 15(3):** Empowers the State to make special provisions for women and children, providing the constitutional basis for gender-based reservation.
- **Article 330A & 332A:** Proposed new articles to be inserted via the latest Amendment Bill to provide reservation for women in the Lok Sabha and State Assemblies respectively.
- **Article 334A:** A sunset clause provision specifying that the reservation shall remain in force for an initial period of 15 years, subject to extension by Parliament.
- **73rd and 74th Amendments (1992):** Mandated 1/3rd reservation for women in rural and urban local bodies, which has since been increased to 50% in many Indian States.

Conclusion

The journey of women's representation in India is moving from "symbolic presence" to "structural mandate." While the data highlights a slow evolutionary process, the current legislative push addresses the core issue of political gatekeeping. However, the linkage of this reservation to the delimitation process suggests that the true transformative impact on the Lok Sabha's composition will only be realized in the 2029 general elections. Ensuring that this leads to genuine empowerment rather than "proxy representation" remains the next democratic challenge.

UPSC Relevance

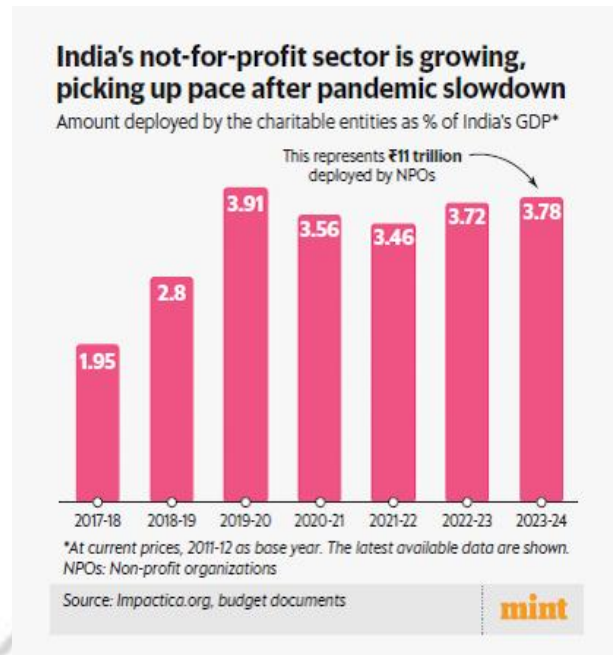
- **GS Paper II:** Constitution and Polity—Significant amendments and their implications; Issues related to vulnerable sections; Functions and responsibilities of the Union and the States.
- **GS Paper I:** Social Issues—Role of women and women's organizations; Population and associated issues.
- **Prelims:** Articles 15(3), 330, 332, 334A; History of the Women's Reservation Bill; Current percentage of women in the 18th Lok Sabha.



7. India's ₹11-Trillion Non-Profit Economy: Trends and Challenges

A recent comprehensive study by Impactica.org has unveiled the scale and structural nuances of India's non-profit organization (NPO) sector. While the sector has grown into a multi-trillion rupee economy, it faces significant challenges regarding geographical concentration, funding disparities, and operational sustainability in underserved regions. As of June 2025, India hosts over 360,000 registered NPOs, playing a critical role in grassroots development and the Aspirational Districts Programme (ADP).

- **Economic Scale and Growth:** The NPO sector deployed approximately ₹11.3 trillion in 2023-24, accounting for 3.78% of India's GDP. This marks a significant rise from 1.95% in 2017-18, signaling a maturing philanthropic landscape.
- **Geographical Concentration:** A stark "NPO desert" exists in India, with five states—Maharashtra (16.6%), Tamil Nadu (12.7%), Gujarat (11.3%), Uttar Pradesh (8.7%), and Karnataka (7.2%)—accounting for nearly 60% of all registered entities.
- **Aspirational Districts Paradox:** While 106 out of 112 Aspirational Districts have at least one active NPO, they account for only 5% of total registrations. In these regions, there is only one NPO for every 14,000 people, compared to the national average of 1:4,000.
- **Funding Divergence:** Newer clusters like technology incubators have seen a 17% CAGR in funding, whereas traditional NGOs focused on last-mile delivery have hit a plateau with a modest 6% growth, highlighting a shift toward "innovation-led" philanthropy.
- **Youthful Sector Profile:** Nearly 60% of analyzed NPOs are less than 15 years old. This "startup" nature of the sector suggests high dynamism but also points to a lack of institutional longevity and established monitoring networks.
- **Regional Silver Linings:** Jharkhand stands out with a localized concentration, where 84.5% of the state's NPOs are active within its 19 aspirational districts, showcasing a high alignment of civil society with developmental needs.



Key Definitions

- **Non-Profit Organization (NPO):** A legal entity organized and operated for a collective, public, or social benefit, rather than as a business aiming to generate profit for its owners.
- **Aspirational Districts Programme (ADP):** A NITI Aayog initiative launched in 2018 to transform 112 of India's most underdeveloped districts through convergence, collaboration, and competition.
- **Absorptive Capacity:** The ability of a region or organization to effectively utilize available funding and resources for development purposes.
- **Incubators:** In the NPO context, these are organizations that provide support, resources, and mentorship to early-stage social enterprises or startups to ensure their sustainability.



Constitutional and Legal Provisions

- **Article 19(1)(c):** Guarantees the fundamental right to form associations or unions, which forms the bedrock of the NPO sector's existence in India.
- **Foreign Contribution (Regulation) Amendment Bill, 2026:** Proposed legislation that introduces a "designated authority" to manage assets of NGOs whose registration is cancelled, and narrows the definition of "key functionaries" to increase accountability.
- **Income Tax Act, 1961 (Sections 12A/12AB & 80G):** Provides the framework for tax exemptions for charitable trusts and deductions for donors, which are vital for the sector's financial viability.
- **Societies Registration Act, 1860 / Indian Trusts Act, 1882:** The primary colonial-era statutes under which most NPOs in India are still registered and regulated.
- **Companies Act, 2013 (Section 8):** Governs companies formed for charitable objects, often preferred by larger NPOs and incubators for better corporate governance.

Conclusion

India's non-profit sector is at a crossroads where its immense financial scale must be met with better geographic and sectoral equity. The concentration of NPOs in industrialized states creates a structural barrier to inclusive growth, leaving the most vulnerable regions reliant on a thin spread of local partners. To fulfill the vision of "Viksit Bharat," the focus must shift from "convenience-based giving" to "need-based distribution," supported by a robust digital infrastructure and a transparent regulatory environment that fosters trust and long-term institutional stability.

UPSC Relevance

- **GS Paper II:** Governance—Role of NGOs, SHGs, various groups and associations, donors, charities, institutional and other stakeholders; Development processes and the development industry.
- **GS Paper III:** Indian Economy—Issues relating to planning, mobilization of resources, growth, development, and employment; Role of NPOs in achieving Sustainable Development Goals (SDGs).

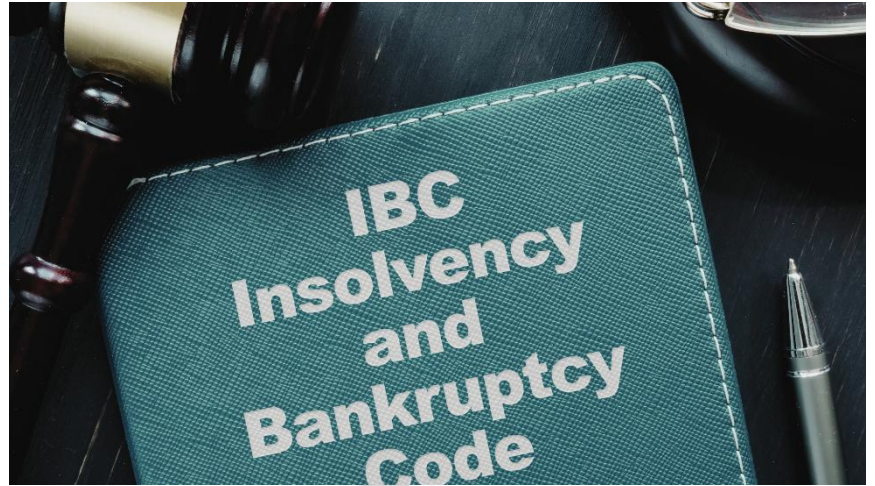
8. Conglomerates and the Decade of IBC: Patterns in Stressed Asset Resolution

As of December 2025, a decade since the inception of the Insolvency and Bankruptcy Code (IBC), a significant trend has emerged where four major Indian conglomerates—Adani, JSW, Reliance, and Tata—have come to dominate the resolution landscape. Despite accounting for only a small fraction of the total number of successful resolutions, these groups have acquired assets representing nearly 25% of the total admitted claims. This concentration of high-value buyouts reflects a strategic consolidation in key industrial sectors like power, steel, and telecommunications.

- **Value over Volume:** While the top four groups completed only 28 of the 1,376 successful resolutions, they captured a "lion's share" of value, acquiring companies that accounted for roughly 1/4th of the ₹13 trillion in total admitted claims.
- **Sectoral Leadership and Synergy:** Conglomerates have leveraged their multi-sectoral presence to outbid competitors, deriving "synergistic value" that allows for higher bids. For instance, JSW Steel and Adani Power used IBC acquisitions to become market leaders in their respective sectors.
- **Large-Scale Debt Resolution:** These conglomerates are most active in the "High-Value" segment (claims over ₹1,000 crore). Although these large cases represent only a small portion of the total count, they account for 86% of the total debt value within the IBC ecosystem.



- **The Adani Lead:** Adani Group emerged as the most prolific acquirer with 13 acquisitions, primarily in the thermal power sector, significantly scaling its capacity to become India's largest private thermal power producer.



- **JSW's Value Dominance:** By value of admitted claims, the JSW Group leads with approximately 8%, underscored by the landmark acquisition of Bhushan Power and Steel Ltd, which has since seen a doubling of its production capacity.
- **Legal and Recovery Hurdles:** Despite the successes, several high-value resolutions (like Videocon and Jaiprakash Associates) remain entangled in legal disputes, highlighting the ongoing challenges of litigation-induced delays in the Corporate Insolvency Resolution Process (CIRP).

Key Definitions

- **Corporate Insolvency Resolution Process (CIRP):** The recovery mechanism for creditors. If a corporate debtor defaults on payments, creditors can initiate CIRP to either revive the company or liquidate it.
- **Admitted Claims:** The total amount of debt verified and accepted by the Resolution Professional (RP) as being owed by the bankrupt company to its various creditors.
- **Synergistic Value:** The additional value created by combining two companies, where the combined entity is more efficient or profitable than the two separate parts.
- **Stressed Assets:** Assets (usually loans) that are not performing well or are at risk of default, often leading the company into the bankruptcy process.

Constitutional and Legal Provisions

- **Insolvency and Bankruptcy Code (IBC), 2016:** The overarching legal framework that consolidated existing laws to create a time-bound process for insolvency resolution of companies and individuals.
- **Insolvency and Bankruptcy Board of India (IBBI):** The regulatory body that oversees IBC proceedings, registered insolvency professionals, and information utilities.
- **Section 29A (IBC):** A crucial provision that prevents "errant promoters" or related parties from bidding for their own stressed companies, ensuring that only credible external bidders or clean promoters can acquire assets.
- **National Company Law Tribunal (NCLT):** The adjudicating authority for corporate insolvency cases. Its decisions can be appealed at the NCLAT (Appellate Tribunal) and finally the Supreme Court.

Conclusion

The dominance of major conglomerates in the IBC process signifies a "formalization and consolidation" of the Indian economy. While the IBC has been successful in cleaning up bank balance sheets and reallocating



productive assets, the concentration of these assets among a few large players raises questions about long-term market competition. However, the ability of these groups to infuse capital and double the capacity of stressed plants—as seen in the steel and power sectors—demonstrates the Code's efficacy in preventing the "death" of productive industrial infrastructure.

UPSC Relevance

- **GS Paper III:** Indian Economy and issues relating to planning, mobilization of resources, growth, development, and employment; Investment models; Effects of liberalization on the economy.
- **GS Paper II:** Statutory, regulatory, and various quasi-judicial bodies (IBBI, NCLT).
- **Prelims:** Understanding of IBC, CIRP, and the role of IBBI; Identifying chokepoints in the resolution process like "haircuts" and legal delays.

9. Rise in India's Unemployment Rate: March 2026 Trends

The Ministry of Statistics and Programme Implementation (MoSPI) recently released the Periodic Labour Force Survey (PLFS) Monthly Bulletin, indicating a marginal uptick in India's unemployment figures. The data reveals that the national unemployment rate for individuals aged 15 years and above reached 5.1% in March 2026, primarily driven by a surge in urban joblessness. This trend highlights the ongoing challenges in the secondary and tertiary sectors to absorb the growing urban workforce despite overall economic growth.

- **National Upswing:** The composite unemployment rate increased to 5.1% in March from 4.9% in February, reflecting a tightening labor market.
- **Urban vs. Rural Divergence:** The urban unemployment rate climbed to 6.8% (up from 6.6%), whereas rural areas maintained more stability, though disguised unemployment remains a structural concern there.
- **Youth Vulnerability:** The age group of 15 years and above is the primary focus of the PLFS, and the rise suggests that new entrants to the workforce in cities are facing longer transition periods into formal employment.
- **Sectoral Shifts:** The rise in urban joblessness often correlates with fluctuations in the construction, manufacturing, and service sectors, which are the main employers in metropolitan areas.
- **Policy Implications:** The data serves as a critical indicator for the government to reassess urban employment schemes and skill development initiatives like PMKVY to bridge the employability gap.
- **Data Source Reliability:** The PLFS Monthly Bulletin is the official statistical tool used to estimate labor market indicators in the short interval between annual reports.

Key Definitions

- **Unemployment Rate (UR):** The percentage of persons unemployed among the persons in the labor force (those who are either working or seeking work).
- **Periodic Labour Force Survey (PLFS):** An initiative by the National Sample Survey Office (NSSO) to estimate key employment and unemployment indicators at frequent intervals.

FINANCIAL EXPRESS WATCHLIST

Youth unemployment rises to 4-month high of 14.8% in February

Youth unemployment in India rose to a four-month high of 14.8% in February, highlighting persistent challenges in job creation for the 15-29 age group.





- **Labor Force Participation Rate (LFPR):** The percentage of the population that is either employed or actively looking for work.
- **Worker Population Ratio (WPR):** The percentage of employed persons in the total population.

Constitutional and Legal Provisions

- **Article 41:** A Directive Principle of State Policy (DPSP) that directs the State to secure the right to work, education, and public assistance in cases of unemployment, old age, sickness, and disablement.
- **Article 39(a):** Mandates that the State shall direct its policy towards securing that the citizens, men and women equally, have the right to an adequate means of livelihood.
- **Article 21:** While not explicitly mentioning "work," the Supreme Court has interpreted the "Right to Life" to include the "Right to Livelihood."
- **MGNREGA, 2005:** A legal guarantee for at least 100 days of unskilled manual work in rural areas, though no such statutory equivalent exists for urban areas yet (outside of state-specific schemes).

Conclusion

The marginal increase in the March 2026 unemployment rate to 5.1% underscores the volatility of urban labor markets. While the national figure remains relatively low compared to historic peaks, the 6.8% urban rate points toward a mismatch between skill sets and available formal job opportunities. Addressing this requires a dual focus on labor-intensive manufacturing and the expansion of urban social security nets to ensure that demographic dividends do not turn into demographic liabilities.

UPSC Relevance

- **GS Paper III:** Indian Economy and issues relating to planning, mobilization of resources, growth, development, and employment; Inclusive growth and issues arising from it.
- **GS Paper II:** Social Justice—Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

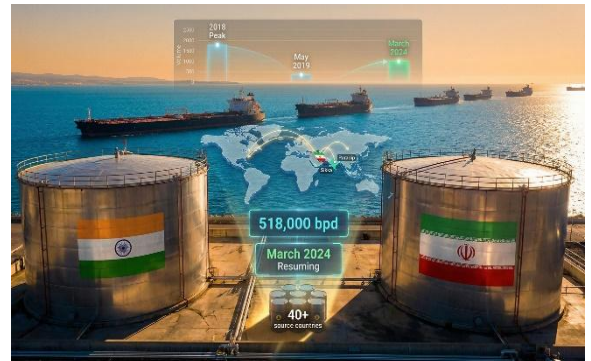
10. Resumption of India-Iran Oil Trade: Strategic Energy Securitization

India has received approximately 4 million barrels of Iranian crude oil, the first such imports in nearly seven years, as the country moves to secure energy volumes before a critical US sanctions waiver expires. This development comes amid the 2026 Middle East conflict and serves as a vital strategic maneuver to stabilize domestic fuel prices and ensure supply consistency during global energy volatility. The unloading of the sanctioned tankers *Jaya* at Paradip and *Felicity* at Sikka underscores India's tactical use of narrow diplomatic windows to bolster national resource security.

- **Strategic Energy Inflow:** The arrival of 4 million barrels of Iranian crude marks a major policy reversal since 2019, aimed at mitigating supply gaps caused by the 2026 maritime disruptions in the Strait of Hormuz.
- **Waiver-Driven Urgency:** India utilized a temporary 30-day "grace period" or general license provided by the US Treasury, which authorized the sale of Iranian oil already "at sea" prior to March 20, 2026.
- **Navigation of Blockades:** The imports occurred despite an ongoing US naval blockade of Iranian ports and the closure of the Strait of Hormuz (March 1-18, 2026), demonstrating India's successful diplomatic and logistical "workarounds."



- **Logistical Infrastructure:** Key Public Sector Undertakings (PSUs) like Indian Oil Corporation (IOCL) at Paradip and private entities at Sikka have been instrumental in discharging these volumes from sanctioned Very Large Crude Carriers (VLCCs).
- **Payment Mechanism Innovations:** The government has dismissed rumors of payment hurdles, indicating that flexible commercial arrangements, potentially involving alternative currencies or clearing systems, have been reactivated to facilitate the trade.
- **Global Sanctions Context:** The move coincides with the US "Economic Fury" campaign targeting Iranian regimes, highlighting India's "Strategic Autonomy" in prioritizing domestic energy needs over external geopolitical pressures.



Key Definitions

- **Sanctions Waiver:** A legal provision that allows a party to temporarily bypass specific trade restrictions or sanctions without facing penalties.
- **VLCC (Very Large Crude Carrier):** Massive tankers capable of carrying between 2 million and 3 million barrels of oil, essential for long-haul maritime trade.
- **Economic Chokepoints:** Narrow channels along widely used global sea routes, such as the Strait of Hormuz, where transit can be easily blocked or disrupted.
- **Strategic Autonomy:** A foreign policy doctrine where a nation makes decisions based on its own interests and independent assessments rather than under pressure from external powers.

Constitutional and Legal Provisions

- **Article 51:** A Directive Principle of State Policy (DPSP) that encourages the promotion of international peace and security and the maintenance of just and honorable relations between nations.
- **Petroleum Act, 1934:** The primary Indian law governing the import, transport, and storage of petroleum and other inflammable substances.
- **Foreign Trade (Development and Regulation) Act, 1992:** Empowers the Central Government to formulate and implement the Foreign Trade Policy, including restrictions or relaxations on imports from specific countries like Iran.
- **UNCLOS (United Nations Convention on the Law of the Sea):** International law that defines the rights and responsibilities of nations with respect to their use of the world's oceans, particularly regarding "innocent passage" through straits.

Conclusion

The resumption of Iranian oil imports signifies a calculated shift in India's energy diplomacy. By capitalizing on short-term US waivers, New Delhi has managed to cushion the impact of the 2026 energy crisis while asserting its right to source affordable energy from diverse geographies. However, with the lapse of these waivers, India faces the immediate challenge of diversifying its supply further and negotiating long-term exemptions to prevent a return to high-cost energy imports that could derail fiscal stability.



UPSC Relevance

- **GS Paper II:** International Relations—Effect of policies and politics of developed and developing countries on India's interests; Bilateral, regional and global groupings and agreements involving India.
- **GS Paper III:** Indian Economy—Infrastructure: Energy; Internal Security—Challenges to energy security and maritime trade routes.
- **Prelims:** Mapping of the Strait of Hormuz, Kharg Island, and Paradip Port; Understanding the role of the US Treasury's OFAC (Office of Foreign Assets Control); Concepts like "oil on water" and VLCC capacities.

11. India's GDP Rankings: Statistical Revisions and Future Projections

The International Monetary Fund (IMF) in its latest World Economic Outlook has revised India's global GDP ranking, placing the country at the 6th position for the years 2025 (FY26) and 2026 (FY27). This marginal slippage, which sees India falling behind the United Kingdom after a three-year stint as the 5th largest economy, is attributed to technical adjustments rather than a fundamental economic slowdown. However, the medium-term outlook remains positive, with projections suggesting a swift ascent to the 4th position by FY28.

- **Impact of Base Year Revision:** The government updated the GDP base year from 2011-12 to 2022-23. This "revamping" led to a correction in previous overestimations, resulting in a slightly smaller nominal GDP figure in dollar terms.
- **Currency Depreciation:** A sharp 10% depreciation of the Indian Rupee against the US Dollar in FY26 significantly impacted the GDP valuation when measured at current prices in USD, leading to the temporary loss of the 5th rank.
- **Nominal GDP Estimates:** India's GDP is estimated at \$3.92 trillion for FY26 and \$4.15 trillion for FY27. In comparison, the UK is projected at \$4 trillion and \$4.26 trillion respectively for the same period.
- **Temporary Nature of Slippage:** The IMF expects India to overtake both the UK and Japan by 2027 (FY28) to become the world's 4th largest economy, reaching an estimated \$4.58 trillion.
- **Comparison with Previous Projections:** The October 2025 IMF update was more optimistic; however, the April 2026 update reflects the ground realities of currency volatility and the revised statistical base.
- **Narrow Margins of Recovery:** The projected jump to 4th place by FY28 rests on a thin margin—approximately \$113 billion over the UK and a mere \$17 billion over Japan—making actual growth rates and rupee stability crucial.

Key Definitions

- **Nominal GDP:** The market value of all final goods and services produced within a country in a given period, measured at current market prices without adjusting for inflation.
- **Base Year Revision:** The process of changing the reference year for calculating economic data to better reflect the current structure of the economy, including new industries and consumption patterns.
- **Currency Depreciation:** The decrease in the value of a currency relative to another currency, usually driven by trade deficits, interest rate differentials, or market speculation.



- **Current Prices:** Evaluation of economic variables at the prices prevailing at the time of measurement, often used for international GDP comparisons.

Constitutional and Legal Provisions

- **Article 112:** Relates to the Annual Financial Statement (Budget). While it does not mention GDP directly, the fiscal targets and revenue receipts are fundamentally tied to GDP projections.
- **FRBM Act, 2003:** The Fiscal Responsibility and Budget Management Act mandates the government to place a Medium-term Fiscal Policy Statement in Parliament, which relies on nominal GDP growth estimates to set deficit targets.
- **Collection of Statistics Act, 2008:** Provides the legal framework for the government to collect data for various socio-economic parameters, including those used by the MoSPI to calculate GDP.
- **National Statistical Commission (NSC):** A body mandated to serve as a nodal agency for all core statistical activities, ensuring the integrity of data like the base-year revisions.

Conclusion

India's descent to the 6th position is a classic example of "statistical and currency-led slippage" rather than a loss of productive momentum. The revision of the base year to 2022-23 ensures that India's economic data is more accurate and reflective of the post-pandemic era. While the rupee's volatility remains a challenge for dollar-denominated rankings, the underlying growth trajectory suggests that the goal of becoming the world's 3rd largest economy remains achievable in the coming decade, provided structural reforms and currency stability are maintained.

UPSC Relevance

- **GS Paper III:** Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment; Inclusive growth and issues arising from it.
- **GS Paper II:** Statutory, regulatory and various quasi-judicial bodies (MoSPI, NSC, IMF).
- **Prelims:** Difference between Nominal and Real GDP; Factors affecting currency depreciation; Significance of base year revision; IMF's World Economic Outlook.

12. Uniform Civil Code: Chhattisgarh's Legislative Initiative

Following in the footsteps of Uttarakhand and Gujarat, the Chhattisgarh Cabinet has formally approved the constitution of a high-level committee to draft the Uniform Civil Code (UCC). The committee, headed by retired Supreme Court Justice Ranjana Prakash Desai, is tasked with creating a legal framework that unifies personal laws across all religious communities within the state. This move signifies an accelerating trend among Indian states to fulfill the mandate of Article 44, though it faces significant scrutiny regarding its impact on the state's substantial tribal population.

- **Committee Leadership:** Justice Ranjana Prakash Desai (retd.), who also headed the Uttarakhand UCC drafting committee, will lead the Chhattisgarh panel, ensuring a degree of procedural continuity in state-level UCC frameworks.
- **Core Objectives:** The primary stated goals are the simplification of complex personal laws and the promotion of religious and gender equality in matters of marriage, divorce, inheritance, and adoption.
- **State-Level Adoption:** Chhattisgarh is now the third state to initiate formal UCC drafting, reflecting a decentralized approach to a legal reform that has historically been debated as a central subject.



- **Consultative Approach:** The committee is mandated to engage in extensive public consultations, including feedback from citizens, subject experts, and digital portals, to ensure a diverse range of perspectives.
- **Tribal Concerns:** A significant point of contention is the potential impact on the state's tribal population (32%), whose traditional customs and special constitutional protections could potentially clash with a standardized code.
- **Legislative Path:** Once the draft is finalized by the committee, it will undergo cabinet review before being introduced as a Bill in the State Legislative Assembly for formal enactment.

Key Definitions

- **Uniform Civil Code (UCC):** A common set of laws governing personal matters such as marriage, divorce, adoption, and inheritance for all citizens, regardless of their religion.
- **Personal Laws:** Laws applied to a specific group of people based on their religion, faith, or culture, often originating from religious texts or long-standing customs.
- **Gender Equality:** In the context of UCC, it refers to removing discriminatory practices within various personal laws that may disadvantage women in matters of property rights or divorce.
- **Tribal Customary Laws:** The set of unwritten rules and practices followed by indigenous communities, which often govern their social and familial structures and are protected under specific constitutional schedules.

Constitutional and Legal Provisions

- **Article 44:** A Directive Principle of State Policy (DPSP) which states that "The State shall endeavour to secure for the citizens a uniform civil code throughout the territory of India."
- **Article 162:** Relates to the executive power of the State, which extends to matters on which the State Legislature has the power to make laws (Concurrent List subjects).
- **Entry 5, Concurrent List (Seventh Schedule):** Covers marriage and divorce, infants and minors, adoption, wills, intestacy and succession, joint family and partition—all areas where both Center and States can legislate.
- **Fifth Schedule:** Provides special protections and administrative frameworks for Scheduled Areas and Scheduled Tribes, which critics argue must be exempted from a general UCC.
- **Article 25-28:** Guarantees freedom of religion; the challenge for UCC is to balance legal uniformity without infringing upon the right to practice religious customs.

Conclusion

The constitution of the UCC drafting committee in Chhattisgarh marks a significant step toward legal standardization in a diverse state. While the move aligns with the constitutional vision of Article 44, the ultimate success of the code will depend on how effectively it integrates or exempts tribal customary practices. The choice of Justice Ranjana Desai suggests a desire for a rigorous legal template, yet the political challenge lies in reconciling "legal uniformity" with "cultural diversity" in a way that strengthens social cohesion without alienating protected communities.



UPSC Relevance

- **GS Paper II:** Indian Constitution—historical underpinnings, evolution, features, and significant provisions (DPSP vs. Fundamental Rights); Federalism—State’s power to legislate on Concurrent List subjects.
 - **GS Paper I:** Social Issues—Secularism, Communalism, and the role of women in society; Diversity of India and tribal issues.
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