



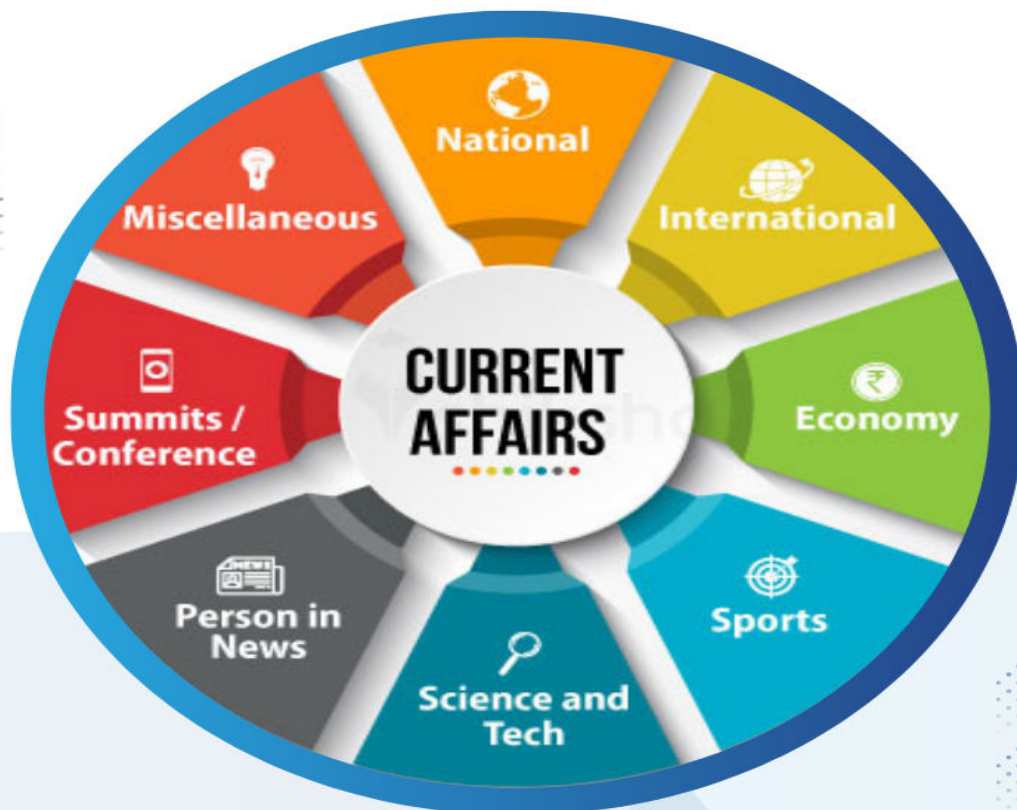
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VIDHVATH IAS KAS ACADEMY & STUDY CENTRE

DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

DATE: 25/07/2026 (SATURDAY)



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VIDHVATH IAS ACADEMY



1. Bharat Audyogik Vikas Yojana Rasayan (BHAVYA Rasayan)

Key Highlights & Summary

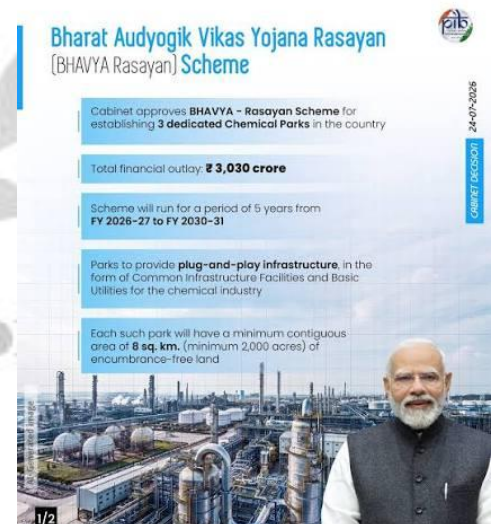
- **Union Cabinet Approval:** The Union Cabinet chaired by PM Narendra Modi approved the BHAVYA Rasayan Scheme to set up three dedicated Chemical Parks, as announced in the FY 2026–27 Union Budget.
- **Financial Outlay:** Total outlay of Rs.3,030 crore over 5 years (FY 2026–27 to FY 2030–31), comprising Rs.3,000 crore for Common Infrastructure Facilities (CIF) and Rs.30 crore for administrative expenses.
- **Funding & Cost-Sharing Pattern:** Central assistance of up to Rs.1,000 crore per park (50% grant), with a mandatory minimum contribution of Rs.500 crore from the respective State Government.
- **Competitive Selection:** Parks will be established via the Challenge Route. Selected states must provide a minimum contiguous area of 8 sq. km. (2,000 acres) of encumbrance-free land.
- **Plug-and-Play Infrastructure:** Focuses on centralized environmental infrastructure including Common Effluent Treatment Plants (CETP), Hazardous Waste Management, and Treatment, Storage, and Disposal Facilities (TSDF).
- **Strategic Goals:** Aims to boost global competitiveness, foster Global Value Chain (GVC) integration, lower logistics costs, drive import substitution, and support the vision of *Viksit Bharat @ 2047*.

Essential Definitions

- **Plug-and-Play Infrastructure:** Pre-developed industrial sites equipped with essential utilities (power, water, waste management, connectivity) enabling units to commence operations immediately without long setup delays.
- **Challenge Route:** A competitive selection methodology where state governments bid for project allocations based on readiness, land availability, fiscal contributions, and policy support.
- **Common Infrastructure Facilities (CIF):** Shared industrial utilities (e.g., CETPs, testing labs, logistics hubs) designed to reduce operational and capital expenses for individual manufacturing units.

Legal and Constitutional Framework

- **Constitutional Domain (Seventh Schedule):**
 - **List II (State List):** Entry 24 covers 'Industries' (subject to List I Entries 7 and 52) and Entry 18 covers 'Land', placing site allocation and state-level execution under state jurisdiction.
 - **List I (Union List):** Entry 52 empowers the Central Parliament to regulate industries declared by law to be expedient in the public interest.
- **Environmental Legislation:** Infrastructure built under the scheme must strictly comply with the **Environment (Protection) Act, 1986**, **Water (Prevention and Control of Pollution) Act, 1974**, and **Hazardous and Other Wastes Rules, 2016**.





- **Foreign Trade Policy & FDI Framework:** Aligns with national trade priorities to facilitate up to 100% Foreign Direct Investment (FDI) under the automatic route for chemical manufacturing.

Conclusion

BHAVYA Rasayan acts as a vital policy nudge to overcome structural bottlenecks in India's chemical sector. By combining centralized environmental compliance with plug-and-play utilities, the scheme lowers the cost of doing business, attracts high-value investments, and serves as an economic multiplier for downstream sectors like textiles, agriculture, and pharmaceuticals.

UPSC Relevance

- **GS Paper II:** Federalism (Centre-State cooperative funding through Challenge Route); Scheme execution via central grants.
- **GS Paper III:** Indian Economy and issues relating to planning, mobilization of resources, growth, development, and employment; Industrial policy, infrastructure (Industrial Corridors & Parks), and environmental impact assessment.

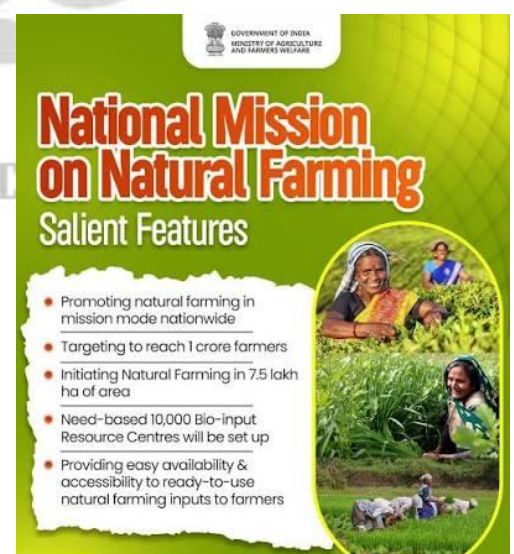
2. National Mission for Natural Farming (NMNF): Progress and Framework

Key Highlights & Summary

- **Scheme Architecture:** Approved by the Cabinet on 25th November 2024, NMNF is a Centrally Sponsored Scheme operating nationwide to scale up chemical-free, climate-resilient agriculture.
- **Core Philosophy:** Integrates livestock-based traditional Indian knowledge with diversified crop systems, targeting soil health restoration, ecosystem balance, and input cost reduction for farmers.
- **Holistic Ecosystem Recognition:** Emphasizes the ecological interdependence among soil, water, agricultural microbiome, flora, fauna, climate systems, and human needs.
- **Institutional Support Framework:** Ground-level rollout is supported across India through 527 Krishi Vigyan Kendras (KVKs), 76 Agricultural Universities (AUs), and 194 Local Natural Farming Institutes (LNFIs).
- **Capacity Building Architecture:** 18 Centres of Natural Farming Institutes (CoNFs) deliver specialized training to agricultural scientists, state/district officials, and Farmer Master Trainers (FMTs).
- **Grassroots Implementation:** Deploys trained Community Resource Persons (CRPs) and Krishi Sakhis—over 33,257 trained so far—to provide hands-on cluster-level support to farmers.

Essential Definitions

- **Natural Farming:** An ecological, chemical-free farming system drawing on traditional methods that avoid synthetic fertilizers and pesticides, relying on on-farm bio-inputs, crop diversity, and livestock integration.
- **Centrally Sponsored Scheme (CSS):** A scheme funded jointly by the Centre and State Governments (e.g., 60:40 or 90:10 ratio), where the central government provides funds and policy direction while state governments execute the implementation on the ground.





- **Community Resource Persons (CRPs) / Krishi Sakhis:** Trained local lead farmers or self-help group members who act as grassroots extension workers, offering peer-to-peer training and handholding to transition farmers toward natural farming practices.

Legal and Constitutional Framework

- **Constitutional Allocation (Seventh Schedule):** Agriculture falls under **List II (State List), Entry 14**, placing execution responsibilities on states, while central missions like NMNF foster cooperative federalism through CSS funding mechanism.
- **Directive Principles of State Policy (DPSP):**
 - **Article 48:** Directs the State to organize agriculture and animal husbandry on modern and scientific lines, aligning with livestock-integrated natural farming models.
 - **Article 48A:** Mandates protection and improvement of the environment, supporting sustainable, non-polluting farming practices.
- **Statutory Synergy:** Complements national conservation strategies under the **Environment (Protection) Act, 1986** and the **Biological Diversity Act, 2002** by preserving agricultural biodiversity and preventing soil contamination.

Conclusion

The National Mission for Natural Farming transitions Indian agriculture from chemical-intensive models toward ecological stability and input independence. By weaving local traditional knowledge with an organized institutional training network, NMNF boosts climate resilience, lowers farmer expenditure, and ensures long-term agricultural sustainability.

UPSC Relevance

- **GS Paper II:** Welfare schemes for vulnerable sections, issues relating to development and management of Social Sector/Services relating to Agriculture; Centrally Sponsored Schemes and Centre-State relations.
- **GS Paper III:** Major crops and cropping patterns; Sustainable agriculture, land degradation, climate resilience; Bio-inputs, soil health management, and peer-led agricultural extension services.

3. Intensifying European Wildfires and Climate Emergency

Key Highlights & Summary

- **Simultaneous Escalation:** Southwestern France and central Spain face severe, merging wildfires driven by tinder-dry conditions, prolonged heatwaves, and relentless high winds.
- **Unprecedented Evacuations:** Mass evacuations were ordered in France—notably across the Cap Ferret peninsula—forcing over 63,000 residents and tourists to flee via land and sea routes.
- **Historic National Emergency:** Spain declared its first-ever national emergency specifically for a wildfire as merging blazes threatened the outskirts of Madrid, unlocking federal relief funds.
- **Strain on Regional Capacity:** Severe intensity forced both nations to request assistance from the European Union (EU) civil protection mechanisms.





- **Anthropogenic Climate Link:** Scientists and regional leaders attribute the extreme fire behavior to compound climate events, calling it a "perfect storm" of surging temperatures and drought.

Essential Definitions

- **Wildfire / Forest Fire:** An uncontrolled, rapidly spreading fire in combustible vegetation that occurs in countryside or wilderness areas, often intensified by dry biomass and strong winds.
- **Compound Climate Event:** The combination of multiple weather hazards (e.g., severe heatwaves coupled with prolonged drought) occurring concurrently, magnifying ecological and socioeconomic impacts.
- **EU Civil Protection Mechanism:** A European framework that coordinates joint emergency responses among participating states during overwhelming natural or man-made disasters.

Legal and Constitutional Framework

- **Constitutional Directives (India Context):**
 - **Article 48A (DPSP):** Mandates the State to protect and improve the environment and safeguard forests and wildlife.
 - **Article 51A(g):** Imposes a Fundamental Duty on every citizen to protect natural environments including forests and lakes.
- **Statutory Disaster Framework:** Wildfires and extreme weather events are governed under the **Disaster Management Act, 2005**, empowering the National Disaster Management Authority (NDMA) and State Authorities (SDMAs) to execute mitigation and response plans.
- **Global Climate Commitments:** Aligns with international risk reduction strategies under the **Sendai Framework for Disaster Risk Reduction (2015–2030)** and climate adaptation goals under the **Paris Agreement**.

Conclusion

The catastrophic European wildfires underscore the growing global frequency of compound climate disasters. Addressing such cross-border environmental crises requires transitioning from reactive emergency responses to proactive risk mitigation, enhanced early warning systems, and robust international cooperation.

UPSC Relevance

- **GS Paper III:** Disaster and Disaster Management (forest fires, heatwaves, mitigation strategies); Conservation, environmental pollution, and degradation (climate change impacts).
- **GS Paper I:** Physical Geography (world climatic patterns, factors influencing wildfire dynamics and heatwave frequency).

4. UNESCO Inscribes West Bank and Lebanese Heritage Sites to Endangered List

Key Highlights & Summary

- **Emergency Inscription:** The UNESCO World Heritage Committee, meeting in Busan, South Korea, voted to concurrently add West Bank and Lebanese historic sites to the World Heritage List and the List of World Heritage in Danger under emergency procedures.



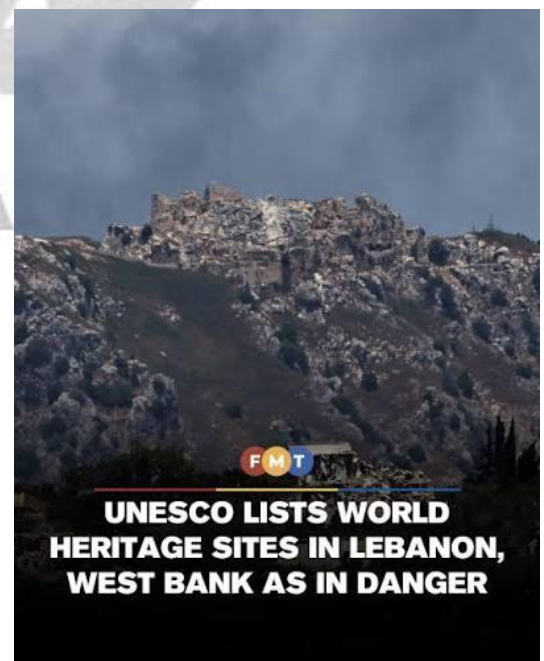
- **West Bank Archaeological Site:** The small hilltop town of Sebastia, located 10km northwest of Nablus, was granted status as a critical archaeological site representing ancient Samaria, capital of the biblical Kingdom of Israel.
- **Lebanese Fortified Architecture:** Five castles in southern Lebanon's Mount Amel (Jabal Amel) region, including Beaufort Castle, were inscribed for showcasing nine centuries of evolving military architecture.
- **Conflict Threat Invocations:** UNESCO invoked emergency mechanisms citing severe structural damage and ongoing war risks in West Asia threatening site destruction.
- **Diplomatic Counter-Claims:** The decision proceeded despite diplomatic objections from Israel, which characterized the nominations as a "weaponization of cultural heritage" and political maneuvering.
- **Multicultural Heritage Layers:** The newly designated sites reflect multi-era human history spanning Iron Age, Roman, Byzantine, Crusader, Ayyubid, Mamluk, and Islamic historical periods.

Essential Definitions

- **List of World Heritage in Danger:** A specialized list maintained by UNESCO under Article 11(4) of the 1972 World Heritage Convention to alert the global community of conditions threatening the core features of a property.
- **Emergency Listing Procedure:** An accelerated protocol allowing the World Heritage Committee to bypass standard evaluation cycles to grant immediate protection to sites facing imminent destruction from armed conflict or disasters.
- **Layered Architectural Heritage:** Historical structures displaying sequential architectural styles and defense modifications added across successive empires over centuries.

Legal and Constitutional Framework

- **International Treaties:**
 - **1972 UNESCO World Heritage Convention:** Sets the primary multilateral framework establishing legal protection and international conservation of heritage sites.
 - **1954 Hague Convention:** Mandates protection of cultural property during armed conflict, prohibiting military targeting or exploitation of historical monuments.
- **Constitutional Provisions (India Context):**
 - **Article 49 (DPSP):** Directs the State to protect monuments, places, and objects of artistic or historic interest declared to be of national importance.
 - **Article 51A(f):** Mandates a Fundamental Duty to value and preserve the rich heritage of composite culture.





Conclusion

The emergency listing of Sebastia and Mount Amel castles highlights the urgent necessity of global heritage conservation in active conflict zones. Protecting shared civilizational history against military destruction demands strict adherence to international humanitarian law and balanced multilateral heritage governance.

UPSC Relevance

- **GS Paper II:** Role and functioning of international bodies (UNESCO); International conventions on heritage protection and diplomatic disputes in West Asia.
- **GS Paper I:** World History and Cultural Heritage (architectural styles, conservation of ancient civilizational sites, and international protection frameworks).

5. Judicial Scrutiny of Election Commission Powers: Requisitioning Teachers for Electoral Duties

Key Highlights & Summary

- **Delhi High Court's Scrutiny:** A Division Bench of Chief Justice D.K. Upadhyaya and Justice Tejas Karia questioned the Election Commission of India (ECI) regarding the compulsory deployment of government school teachers as Booth Level Officers (BLOs).
- **PIL Against Mass Deployment:** A Public Interest Litigation (PIL) challenged the large-scale requisitioning of government and municipal school teachers for the Special Intensive Revision (SIR) of electoral rolls in Delhi.
- **Disruption of Education:** The plea highlighted that entire faculties in government schools were withdrawn during teaching hours, leaving classes to guest teachers and violating fundamental rights of students from weaker sections.
- **Judicial Observations on Article 324:** The Bench remarked, "Taking shelter under Article 324, can you do whatever you want?", emphasizing that election duties should be voluntary or restricted to non-teaching hours.
- **Health and Workload Concerns:** The PIL cited extreme stress and tragic incidents, including the fatal heart attack of a municipal school teacher balancing regular school responsibilities and BLO duties.
- **ECI's Stand:** ECI submitted that SIR is a nationwide exercise, engaging only 10–14% of teachers during non-teaching hours/holidays with honorarium under Section 13B of the Representation of the People Act, 1950.



Essential Definitions

- **Article 324:** Constitutional provision vesting the superintendence, direction, and control of the preparation of electoral rolls and conduct of all elections in the Election Commission of India.
- **Booth Level Officer (BLO):** A local government or semi-government functionary designated by the Electoral Registration Officer to maintain and update electoral rolls at the polling station level.
- **Special Intensive Revision (SIR):** A thorough, door-to-door verification drive conducted by the ECI to clean, update, and ensure the accuracy of voter lists.



Legal and Constitutional Framework

- **Constitutional Rights & Duties:**
 - **Article 21A:** Guarantees the Right to Free and Compulsory Education for children aged 6 to 14 years, which is severely compromised when classroom teaching is disrupted.
 - **Article 14:** Invoked due to discriminatory deployment, as government and municipal teachers are mass-requisitioned while private school staff remains unaffected.
- **Statutory Framework:**
 - **Section 27 of the RTE Act, 2009:** Prohibits deploying teachers for non-educational duties, except for decennial census, disaster relief, and elections to local bodies, state legislatures, and Parliament.
 - **Section 13B & 159 of RP Act, 1950/1951:** Grants authority to requisition staff from government departments and local authorities for electoral tasks.
- **Judicial Precedents:** *ECI v. St. Mary's School (2008)* established that teachers should primarily be deployed for election work on non-teaching days or holidays to preserve academic instructional hours.

Conclusion

The High Court's observations reiterate that while Article 324 grants broad powers to the ECI, such authority is not absolute and must be balanced against the constitutional right to education. Rationalizing deployment, utilizing non-teaching staff, and enforcing voluntary participation remain critical to safeguarding public education.

UPSC Relevance

- **GS Paper II:** Indian Constitution—significant provisions (Article 324, 21A); Structure, organization, and functioning of the Executive and Judiciary; Statutory, regulatory, and quasi-judicial bodies (ECI).
- **GS Paper II:** Issues relating to development and management of Social Sector/Services relating to Education and Human Resources.

6. Direct Public Appointments for Sportspersons: Bihar's "Medal Lao, Naukri Pao" Policy

Key Highlights & Summary

- **Direct Gazetted Appointments:** Indian national cricket team fast bowlers Akash Deep and Mukesh Kumar were directly appointed as Deputy Superintendents of Police (DSP) in Bihar.
- **Policy Implementation:** The appointments were executed under Bihar's flagship sports incentive initiative, the "Medal Lao, Naukri Pao" (Bring Medal, Get Job) scheme.
- **Broad Beneficiary Scope:** Chief Minister Samrat Choudhary distributed official appointment letters to a total of 19 national and international athletes across various sports disciplines.
- **Institutional Milestone:** Marks the first instance in Bihar where active elite sportspersons have been inducted directly into high-ranking State Police Service (DSP) roles.



- **Youth & Sports Incentive:** The state initiative aims to create structural socio-economic security for athletes, boosting youth participation and career longevity in sports.
- **Out-of-Turn Recruitment:** Demonstrates executive discretion under state recruitment rules to grant out-of-turn postings for extraordinary national achievements without conventional competitive exams.

Essential Definitions

- **Out-of-Turn Promotion/Appointment:** Administrative provision allowing state or central authorities to appoint individuals directly to civil or police posts based on exceptional merit in fields like sports or gallantry, bypassing standard recruitment routes.
- **Deputy Superintendent of Police (DSP):** A senior rank in Indian State Police Forces, serving as a Group-A/Class-I gazetted officer responsible for district-level law enforcement, public order, and crime investigation.
- **Sports Quota Policy:** Formal reservation or direct allocation of public sector employment posts designated by governments to incentivize professional sports talent.



Legal and Constitutional Framework

- **Constitutional Domain (Seventh Schedule):**
 - **List II (State List), Entry 1:** Law and Order, and **Entry 2:** Police, vesting state governments with regulatory power over police cadre recruitment and appointments.
 - **List II (State List), Entry 33:** Sports, entertainment, and amusement, enabling state legislatures and executive bodies to formulate sports promotion policies.
 - **List II (State List), Entry 41:** State Public Services, providing legislative competency regarding recruitment terms.
- **Constitutional Benchmarks:**
 - **Article 16(1) & 16(4):** Guarantees equality of opportunity in public employment; statutory rules permitting reasonable classifications (such as sports quotas) align with non-discriminatory governance principles.
- **State Police Rules:** Executed via executive orders framed under respective State Police Acts and Public Service Commission exemption provisions.

Conclusion

Direct induction of international athletes into senior public posts under state sports policies serves as a vital tool for human resource incentivization. By integrating career security with sporting excellence, states promote holistic youth development while leveraging national sports icons to inspire institutional reform and community engagement.

UPSC Relevance

- **GS Paper II:** Governance, Government policies and interventions for development in various sectors; Issues relating to management of Human Resources and Public Services; Role of State Police Services.



- **GS Paper II:** Welfare schemes for vulnerable and talented sections of society; Centre-State relations under the Seventh Schedule.

Legislative Evolution and Bipartisan Consensus: The Public Examinations (Prevention of Unfair Means) Act, 2024

Key Highlights & Summary

- **Legislative Objective:** Introduced to establish transparency, fairness, and credibility in national public examinations by strictly prohibiting paper leaks, impersonation, and answer key tampering.
- **Exemption for Candidates:** The Act explicitly excludes bona fide candidates from criminal liability, ensuring genuine students remain under administrative rules of exam bodies rather than penal laws.
- **Two-Tiered Penal Structure:** Prescribes 3 to 5 years of imprisonment with fines up to Rs.10 lakh for general malpractices, and 5 to 10 years of imprisonment with fines of at least Rs.1 crore for organized syndicates.
- **Service Provider Accountability:** Engaged service providers face fines up to Rs.1 crore, recovery of examination costs, and blacklisting for up to four years for complicity in leaks.
- **Bipartisan Parliamentary Support:** Passed with cross-party backing in February 2024 to safeguard the future of youth, though opposition members highlighted the need for robust preventive mechanisms alongside punitive measures.
- **Broad Agency Coverage:** Covers exams conducted by major authorities including UPSC, SSC, Railways, Banking recruitment boards, and National Testing Agency (NTA).

Essential Definitions

- **Unfair Means:** Unauthorized acts carried out for monetary or wrongful gains, including paper leaks, unauthorized access to OMR sheets, impersonation, and tampering with computer networks or candidate rank lists.
- **Organized Crime in Examinations:** Unlawful activities executed by individuals or syndicates acting in collusion or conspiracy to manipulate examination systems for shared financial gains.
- **Public Examination Authority:** Statutory or central bodies designated by the Union Government (e.g., UPSC, NTA, SSC) to conduct recruitment or entrance tests.

Legal and Constitutional Framework

- **Constitutional Allocation (Seventh Schedule):**
 - **List I (Union List), Entry 73:** Examination systems for Union services and central institutions.
 - **List III (Concurrent List), Entry 25:** Education, granting Parliament power to enact overarching standards for entrance examinations.
- **Statutory Synergy:** Addresses systemic gaps not explicitly defined in the **Bharatiya Nyaya Sanhita, 2023 (BNS)**, creating specialized, non-bailable, and cognizable criminal offenses.
- **Model Draft Functionality:** Serves as a central reference framework for State Governments to adopt and adapt for state-level public service commission tests.



Conclusion

The Public Examinations (Prevention of Unfair Means) Act, 2024 provides a critical statutory deterrent against organized paper-leak cartels. While harsh penalties deter systemic corruption, long-term success requires combining strict enforcement with secure digital infrastructure, administrative accountability, and robust preventive audits.

UPSC Relevance

- **GS Paper II:** Statutory, regulatory, and various quasi-judicial bodies; Government policies and interventions aimed at maintaining integrity in public recruitment and governance.
- **GS Paper IV:** Probity in Governance, ethics in public examinations, administrative integrity, and protection of meritocracy in civil service selection.

7. Chandipura Virus Outbreak and Public Health Response

Key Highlights & Summary

- **Outbreak Escalation:** Rajasthan health authorities heightened disease surveillance across Dungarpur, Sirohi, and Udaipur districts following confirmed Chandipura virus (CHPV) fatalities.
- **Casualty Toll:** As of July 24, nine confirmed deaths were recorded in the regional outbreak, comprising seven fatalities in Gujarat and two in Rajasthan.
- **High Vulnerability Group:** The viral infection predominantly targets children under 15 years of age, exhibiting rapid clinical progression and high case fatality rates.
- **Vector and Origin:** Belonging to the *Rhabdoviridae* family, CHPV was first identified in 1965 at Chandipura village, Maharashtra, and transmits via bites of infected sandflies and rural insects.
- **Seasonal Manifestation:** Cases peak typically during the monsoon season due to increased vector breeding in rural and semi-urban habitations.
- **Field Interventions:** State health teams initiated door-to-door symptom screening, localized fogging drives, and community awareness campaigns to contain further spread.

Essential Definitions

- **Chandipura Virus (CHPV):** An RNA virus of the *Rhabdoviridae* family causing acute encephalitis, leading to rapid brain inflammation, seizures, altered consciousness, and high mortality among children.
- **Acute Encephalitis Syndrome (AES):** A severe neurological condition characterized by rapid onset of fever, neurological symptoms, and inflammation of brain tissues, triggered by viral, bacterial, or environmental toxins.
- **Vector Control:** Public health measures aimed at suppressing disease-transmitting organism populations (such as *Phlebotomine* sandflies) through insecticides, sanitation, and physical barriers.



Legal and Constitutional Framework

- **Constitutional Domain (Seventh Schedule):**
 - **List II (State List), Entry 6:** Public health and sanitation, hospitals and dispensaries, placing primary operational response under state authority.



- **List III (Concurrent List), Entry 29:** Prevention of the extension from one State to another of infectious or contagious diseases or pests affecting men, animals, or plants, enabling coordinated inter-state containment.
- **Statutory Machinery:**
 - **Epidemic Diseases Act, 1897:** Grants state governments emergency powers to take special measures and prescribe regulations to contain dangerous outbreak threats.
 - **National Health Policy, 2017:** Emphasizes disease surveillance, early diagnostic capability, and public health infrastructure resilience at the district level.

Conclusion

The Chandipura virus outbreak highlights the ongoing vulnerability of rural populations to tropical vector-borne pathogens. Combating seasonal encephalitis spikes requires strengthening early warning systems, integrated vector management, inter-state health coordination, and community-level diagnostic capabilities.

UPSC Relevance

- **GS Paper II:** Issues relating to development and management of Social Sector/Services relating to Health; Governance of inter-state health crises and Centre-State operational coordination.
- **GS Paper III:** Science and Technology—developments and applications in health; Emerging zoonotic and vector-borne viral diseases, disease management protocols, and biotechnology applications in diagnostics.

8. Karnataka's Proposal to Raise BPL Income Ceiling and Welfare Reforms

Key Highlights & Summary

- **Income Ceiling Revision:** The Karnataka government is considering increasing the annual income ceiling for Below Poverty Line (BPL) eligibility from ₹1.20 lakh to ₹3.00 lakh.
- **Administrative Recommendations:** This upward revision follows the recommendations of the Administrative Reforms Commission, chaired jointly with H.M. Revanna, head of the State Guarantee Schemes Implementation Committee.
- **Expansion of Welfare Access:** Civil Supplies Minister K.H. Muniyappa stated that the proposal aims to widen the net of welfare benefits for eligible families and will soon be tabled before the Cabinet.
- **Anna Bhagya Scheme Restructuring:** Under the Anna Bhagya scheme, 4.42 crore beneficiaries now receive 10 kg of foodgrains, adjusted regionally to include 7 kg rice and 3 kg ragi, or 8 kg rice and 2 kg jowar in North Karnataka based on dietary habits.
- **Indira Food Kit Rollout:** The state plans to roll out the proposed Indira food kit under the Anna Bhagya scheme within the next 2 to 3 months, alongside doorstep ration delivery via the 'Anna Suvidha' scheme.
- **Fair Price Shop Optimization:** Officials have instructed all 20,259 fair price shops to remain open from 6 a.m. to 10 p.m., supported by a toll-free helpline (1967) for grievance redressal.



Essential Definitions

- **Below Poverty Line (BPL):** An economic benchmark used by governments to identify individuals and households living in poverty and determine eligibility for targeted state subsidies and welfare programs.
- **Fair Price Shop (FPS):** A local retail outlet licensed under the Public Distribution System (PDS) to distribute essential foodgrains and commodities to eligible cardholders at subsidized rates.

Legal and Constitutional Framework

- **Constitutional Mandate:**
 - **Article 21:** The Right to Life encompasses the right to food, livelihood, and basic human dignity, laying the constitutional foundation for state welfare interventions.
 - **Directive Principles of State Policy (DPSP): Article 38** directs the State to secure a social order for promoting public welfare, while **Article 47** mandates the State to raise levels of nutrition and living standards.
- **Statutory Framework:** Executed via state-level executive policy decisions in synchronization with the broader operational guidelines of the **National Food Security Act (NFSA), 2013**, and state PDS control orders.



Conclusion

Karnataka's proposed elevation of the BPL income ceiling reflects an adaptive approach to social policy, ensuring that inflation and changing economic realities do not exclude deserving households from welfare nets. By streamlining PDS delivery and expanding nutritional support, the state reinforces grassroots economic security.

UPSC Relevance

- **GS Paper II:** Welfare schemes for vulnerable sections of the population by the Centre and States; Performance of welfare mechanisms, laws, and institutional frameworks.
- **GS Paper III:** Inclusive growth and related issues; Public Distribution System (PDS) objectives, functioning, limitations, and food security architecture in India.

9. Rupee Internationalisation: Surge in Rupee-Denominated Import Settlements

Key Highlights & Summary

- **Unprecedented Import Settlement Volume:** India settled nearly \$15 billion (Rs 1.38 lakh crore) worth of merchandise imports in Indian Rupees (INR) during the March–May period, accounting for 7.1% of total inbound shipments.
- **Primary Driver:** The sharp surge was primarily driven by record purchases of discounted Russian crude oil, following US sanctions waivers and West Asian supply disruptions impacting the Strait of Hormuz.
- **Significant Year-on-Year Growth:** Rupee-settled imports during this three-month window exceeded full-year figures for FY 2023–24 (Rs 99,680 crore) and FY 2024–25 (Rs 1.13 lakh crore).



- **Mitigating Exchange Rate Pressure:** Settling trade in domestic currency reduces foreign exchange outflow, helping cushion the rupee against volatility caused by global geopolitical conflicts and capital flight.
- **Asymmetry in Two-Way Trade:** While rupee usage for imports surged, rupee-denominated export settlements remained relatively modest, standing at 3.22% (Rs 1.87 lakh crore) of total exports in FY 2025–26.
- **Strategic Trade Balance Mechanism:** Rupee accumulation by trading partners like Russia incentivizes them to utilize surplus INR balances for purchasing Indian goods and software exports.

Essential Definitions

- **Rupee Internationalisation:** A process aimed at increasing the cross-border use of the Indian Rupee in international trade, financial transactions, and as a reserve currency.
- **Special Vostro Account:** An account held by a foreign bank with a domestic bank in the domestic currency, enabling foreign entities to settle trade transactions directly in INR.
- **Exchange Rate Pass-Through:** The degree to which domestic import costs change in response to fluctuations in foreign exchange rates.

Legal and Constitutional Framework

- **Statutory Framework:**
 - **Foreign Exchange Management Act (FEMA), 1999:** Provides the overarching legal regulatory framework for cross-border trade transactions, capital flows, and currency convertibility.
 - **RBI Rupee Settlement Mechanism (July 2022 Circular):** Authorizes authorized dealer banks to open Special Rupee Vostro Accounts (SRVA) to enable INR invoicing and trade settlement.
- **Policy Guidance:** Governed under the **Foreign Trade Policy (FTP) 2023**, which explicitly promotes invoicing, payment, and settlement of international trade in Indian Rupees.

Conclusion

The milestone expansion in rupee-settled import payments marks a critical step forward in reducing dollar dependency and shielding India's economy from geopolitical sanctions. Achieving full rupee internationalisation will require expanding export acceptance, deepening domestic bond markets, and balancing bilateral trade flows.

UPSC Relevance

- **GS Paper III:** Indian Economy and issues relating to planning, mobilization of resources, growth, development; Foreign trade, balance of payments, exchange rate volatility, and energy security.
- **GS Paper II:** Bilateral, regional, and global groupings involving India and affecting India's interests (India-Russia trade relations and West Asian geopolitics).