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GS Paper I – History

Before salt, there was water: why Mahad Satyagraha deserves its centenary

The republic must mark the centenary of the Mahad Satyagraha with the seriousness it deserves; it calls for a year of honest reckoning to ask whether the constitutional promise of dignity and freedom from untouchability has become a lived reality for all

Sanjay Hegde

Think of a child in school. He is thirsty. There is water in the classroom. But he cannot drink it. Not because the water is dirty. Not because there is a rule against drinking in class. He cannot drink because the peon who is supposed to pour the water into his cupped hands, from a height, so that the vessel is not polluted by his touch, happens to be absent that day.

No peon, no water

That was the rule that governed the childhood of Bhimrao Ramji Ambedkar. He wrote about it with quiet, devastating precision in his autobiographical essay *Waiting for a Visa*, and in the fragment known as *No Peon, No Water*. He and his siblings, travelling to meet their father, arrived at a railway station parched with thirst. No one would give them water. They were Mahars. They were "untouchable." The public tap was not for them.

Let that image stay with you for a moment: small children, thirsty, surrounded by water, unable to drink. Not in a desert, but in a school. Not in a time of famine, but in a time of plenty.

That boy grew up. He went to Columbia. He went to the London School of Economics. He read law at Gray's Inn. And then he came home and walked to a water tank.

What happened at Mahad

On March 20, 1927, Ambedkar led a procession of thousands through the streets of Mahad, a small town in the Konkan, in the Bombay Presidency. Their destination was the Chavdar Tale, a public water tank. The Bombay Legislative Council passed the Bole Resolution in 1923, and the Mahad Municipality opened the tank to the depressed classes in 1924. But resolutions on paper and water in the throat are different things. The upper castes ensured that the resolution



On March 20, 1927, Ambedkar led a procession of thousands through the streets of Mahad. FILE PHOTO

On December 12, 1927, even before the second conference began, Hindu residents filed a civil suit in the Kolaba District Court seeking a temporary injunction to prevent the depressed classes from using the Chavdar tank. The injunction was granted on December 14,

Salt versus water

Three years after Mahad, on March 12, 1930, Mahatma Gandhi set out from Sabarmati *ashram* on his march to Dandi. The Salt Satyagraha was a masterstroke of political mobilisation. It challenged the economic apparatus of the colonial state

the Constitution. The architecture of Part III bears the watermark of Mahad.

Article 15, which prohibits discrimination on grounds of caste and specifically addresses access to wells, tanks, bathing ghats, and places of public resort, reads as though Ambedkar had the Chavdar tank before his eyes.

Article 17, which abolishes untouchability and makes its practice a punishable offence, is the Mahad Satyagraha transmuted into constitutional text.

The Dandi March gave India the aspiration for Swaraj. Mahad gave India the grammar of equality. Swaraj could have been written by many hands. The grammar of equality could only have been written by one who had been denied water as a child.

The case for a centenary

The 100th anniversary of the Mahad Satyagraha falls on March 20, 2027. We are now in the 99th year. If this republic has any sense of its origins, any honest memory of the struggles that gave it a Constitution, it must mark this centenary with the seriousness and grandeur it deserves.

I would propose a year-long commemoration beginning on March 20, 2026, and culminating on March 20, 2027, with a great gathering at the Chavdar tank. Let citizens of every caste, creed, and class come to Mahad and drink together. Let it be a constitutional baptism: a re-immersion in the founding promise that no Indian shall be diminished by the accident of birth.

But let us not stop with only ceremonies.

Let the centenary year become a year of honest reckoning. Let us ask whether the child in a government school in rural India today, the Dalit boy, the Adivasi girl, the daughter of the sanitation worker, truly lives free of the "no peon, no water" principle, or whether that principle has merely found new vocabularies while retaining its venom.



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GS Paper II – International Relations

Israel won't hit key Iran gas facility again: Trump

President distances the U.S. from Israeli strike on gas field in Iran's South Pars, one of the largest in the world, after Iran launches missiles at energy facilities in Qatar, Saudi Arabia, the UAE and Israel

Stanly Johny

Distancing himself from an Israeli strike on Iran's South Pars gas field, U.S. President Donald Trump on Thursday said Tel Aviv would not target the "extremely important and valuable" site again and warned Tehran against attacking Qatar's energy facilities.

His remarks came after Iran launched missile attacks at energy facilities in Qatar, Saudi Arabia, the United Arab Emirates and Israel, following Israeli air strikes that caused a fire at South Pars in Iran's southern Bushehr province, one of the largest known gas fields in the world.

"Israel, out of anger for what has taken place in the Middle East, has violently



Mourners at the funeral procession of Iran's national security chief Ali Larijani and Basij commander Gholamreza Soleimani. AFP

lashed out at South Pars Gas Field in Iran. A relatively small section of the whole has been hit. The United States knew nothing about this particular attack, and the country of Qatar was in no way, shape, or form, involved with it, nor did it have any

idea that it was going to happen," Mr. Trump wrote in a social media post.

'Iran didn't know this'
"Unfortunately, Iran did not know this, or any of the pertinent facts pertaining to the South Pars attack, and unjustifiably and un-

fairly attacked a portion of Qatar's LNG Gas facility," he added. "No more attacks will be made by Israel pertaining to this extremely important and valuable South Pars Field unless Iran unwisely decides to attack a very innocent, in this case, Qatar - In which instance the United States will massively blow up the entirety of the South Pars Gas Field."

Israeli media reported that an oil refinery in the northern port city of Haifa was hit. Saudi Arabia's Defence Ministry said a drone crashed into the Samref refinery in the Red Sea port of Yanbu. In Kuwait, drone attacks sparked fires at the Mina Abdullah and Mina Al-Ahmadi refineries.

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GS Paper II – Social Justice

Women and tuberculosis: a story of deprivation, discrimination and debt

Women in India face problems from the very beginning of their TB journey: late diagnoses or misdiagnoses are compounded by stigma, limited mobility, lack of finances and multiple barriers to care; a comprehensive approach to prioritising and tackling their health right through their lifespans could go a long way towards combating TB burden

Bindu Shajan Perappadan

Rekha (named changed) does not like being photographed, has no close friends, and is not on social media. This wasn't the case a few years ago though.

In 2020, Rekha was diagnosed with tuberculosis (TB), having contracted it from her father, who died two years later of the disease. Following the diagnosis, treatment, and cure, the now-28-year-old survivor says, "My diagnosis changed my life forever. The stigma attached to TB runs deep. I don't know if any person other than my own family will accept me." She adds that her close friends abandoned her, and her relatives, fearing shared financial responsibilities vanished. She has made the decision never to get married. Rekha adds that not being married at the time of her diagnosis and treatment was a real blessing. "It would have complicated and hampered my diagnosis, treatment, and recovery," she explains.

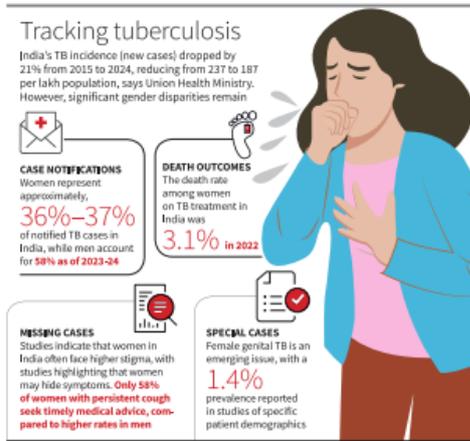
Rekha's TB story isn't unique in India. Here, women consistently face life-altering discrimination and stigma following a diagnosis.

Currently India bears the world's highest tuberculosis burden, accounting for over 25% of global cases, with an estimated 2.7 million new infections and over 3 lakh deaths in 2024, as per the World Health Organization's (WHO) Global TB Report 2025. The incidence dropped by 21% from 2015 to 2024, nearly double the global decline rate. The report states that 54% of people who developed TB in 2024 were men, 35% women, and 11% were children and young adolescents.

Social, emotional impacts

Blessina Kumar is a health activist and public health professional with over three decades of experience working with diverse communities across India. "While men carry the larger burden of TB, data alone doesn't tell the entire TB story in India," she says.

Education and financial capacity do not always protect a person from stigma: a TB diagnosis can adversely hit even highly educated, financially independent Indian women, she says. "We worked with a young woman physician from Maharashtra who was married and had enrolled for her specialised medical degree, when she was diagnosed with TB. Overnight she was abandoned by her husband, while the disease took a toll on her physical and mental health. She couldn't continue her studies. It took her a few



years to get her life back on track," shares Ms. Kumar. She says very few women, including this doctor who is now a practising paediatrician, are willing to talk about their diagnosis in public. For women, TB brings to the forefront questions about human rights and a woman's ability to make decisions about their own lives. Adequate nutrition, access to monetary resources, fear of social isolation, and hesitation to seek medical care are issues that most Indian women grapple with, Ms. Kumar explains. Alongside the actual disease, Indian women also fight delayed diagnosis, disrupted treatment and almost no mental health support. Ms. Kumar points out that despite the wins in TB elimination, the country has been able to achieve, women and their multi-fold problems persist.

Misdiagnosis, late diagnosis
Speaking about what doctors often encounter when dealing with female patients, Alpa Dalal, head of pulmonary medicine, Jupiter Hospital, Thane, explains that women often hide their TB symptoms, which leads to misdiagnosis and even death.

"The social stigma attached to TB reduces their marriage prospects. Married women face the danger of being abandoned by their husband and in-laws, and not getting any financial help for treatment and care. Women are also often expected to continue

with their daily household work despite the disease, and if they get pregnant during treatment they often stop medicines fearing the side-effects on the foetus," says Dr. Dalal. Doctors indicate that besides the socio-economic impact, women may experience TB differently from its typical manifestations and this has consequences for how TB is detected and treated. Evidence indicates that pulmonary TB can manifest differently in women, often leading to non-specific presentations such as fever and fatigue. As a result, women may not always exhibit the classic markers doctors associate with TB. Medical professionals who rely on verbal screenings are less likely to suspect women of suffering from TB when they initially reach out, contributing to further diagnostic delays.

Data from WHO's 2025 Global TB Report also shows that a higher proportion of men in India are diagnosed using bacteriological testing methods, whereas women are more likely to be diagnosed clinically, i.e., verbal symptom-based screening or using a chest X-ray without a confirmatory test. The male to female ratio of bacteriologically confirmed adult TB cases detected in India is 3:1.

Issues in diagnosis are further compounded by the reality that women are more likely than men to suffer from certain forms of extrapulmonary (non-lung) TB. While this form of TB is

non-infectious and hence overlooked in global TB prevention programmes that primarily focus on transmission control, it can be debilitating.

One particularly concerning form, genital or reproductive tuberculosis, presents symptoms such as subfertility or menstrual irregularity, which are rarely associated with a typical TB diagnosis. Diagnosis and management of extra pulmonary TB (EPTB) can thus be a problem given the non-specific and atypical symptoms. In 2023, EPTB constituted 24% of the total notified cases and is generally more prevalent in immuno-compromised people.

Healthcare-seeking

Public health professionals say that in India, a woman's lack of autonomy restricts her decision-making power and access to resources, including healthcare. Nutritionally, too, women face a double burden: gender disparities in food security combined with higher nutritional needs during pregnancy, lactation, and menstruation make adolescent girls and women of reproductive age especially vulnerable to malnutrition.

Doctors explain that undernutrition significantly increases women's vulnerability to TB. Undernutrition is recognised as the leading comorbidity among all people with TB in India.

Women's health is often de-prioritised in the family unit making it difficult for them to leave their households and seek professional help. "In India the compounded effects of gender roles, restricted mobility, and an overall lack of awareness places women in a position of vulnerability that is nearly impossible to escape," says Dr. Dalal.

For Meera Yadav, the cost was one lung. The drug-resistant TB survivor recalls the severe coughing, high fever, and chest pain she had 13 years ago. She was finally diagnosed with MDR-TB, but delays in proper testing and limited awareness made her recovery journey difficult.

"I faced severe stigma and discrimination from my family, who isolated and abandoned me instead of offering support. The emotional trauma was as painful as the physical suffering. Due to extensive damage caused by the disease, I lost one lung," she says, adding that her treatment lasted until 2018. She is now a strong TB activist advocating for patient rights and better access to care.

"There is a need to meaningfully engage TB survivors in programme implementation. Survivors can play an important role in providing mental health and psychosocial support,"

she says. The government in 2019 formulated a gender-responsive framework of TB prevention and diagnosis. Its recommendations called for immediate attention and implementation by stakeholders, including the TB programme, frontline workers, and survivor networks.

"The Ministry of Health and Family Welfare launched the TB Mukh Bharat Abhiyaan on December 7, 2024 and among other innovative strategies, is heavily relying on AI-powered chest X-rays to screen asymptomatic TB, also called sub-clinical TB, among high-risk groups, such as the elderly, people living with HIV and diabetes, among others," says a senior Health Ministry official.

Gaps need addressing

Issues with diagnosis apart, gaps in treatment continue to plague the system. As per the 2025 India TB Report, management of EPTB is primarily available at tertiary centres and medical colleges.

Moreover, healthcare providers often do not have up-to-date information on the latest way EPTB is managed. In 2023, the programme developed a training module on extrapulmonary TB. Training healthcare providers to identify non-lung TB at earlier stages will be critical to improve management of this type of TB.

Post-TB complications can also worsen due to late diagnosis. Nearly 50% of survivors develop long-term lung complications, points out Vikas Mittal, director - pulmonologist, CK Birla Hospital, Delhi. Many continue to experience persistent breathlessness and chronic cough even after completing treatment, a condition known as post-tuberculosis lung disease (PTLD).

Survivors are also at increased risk of developing chronic obstructive pulmonary disease (COPD), even if they have never smoked. "Late detection can result in more severe lung damage and higher risk of post-TB complications," he says.

Doctors also explain that women in India have poorer immunity when compared to men, due to lower muscle mass, high incidence of anaemia, poor health-seeking behaviour, unhealthy nutrition and eating habits, and emotional suppression and neglect by family. A comprehensive approach to prioritising and tackling women's health right through their lifespans could go a long way towards combating the TB burden while also ensuring a healthier future for new generations. (bindu.p@thehindu.co.in)





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Tracking tuberculosis

India's TB incidence (new cases) dropped by 21% from 2015 to 2024, reducing from 237 to 187 per lakh population, says Union Health Ministry. However, significant gender disparities remain



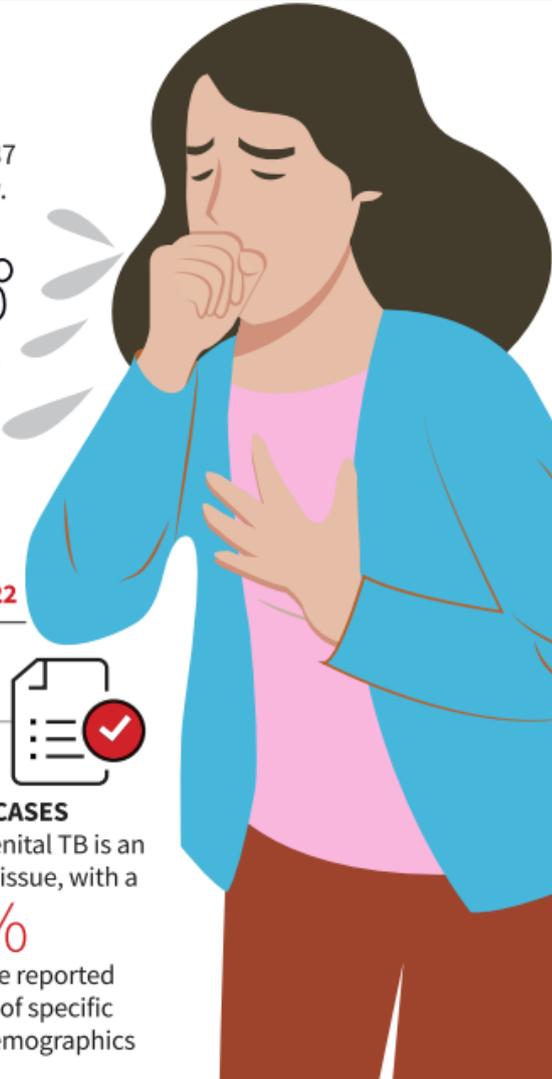
CASE NOTIFICATIONS

Women represent approximately, **36%–37%** of notified TB cases in India, while men account for **58% as of 2023-24**



DEATH OUTCOMES

The death rate among women on TB treatment in India was **3.1% in 2022**



MISSING CASES

Studies indicate that women in India often face higher stigma, with studies highlighting that women may hide symptoms. **Only 58% of women with persistent cough seek timely medical advice, compared to higher rates in men**



SPECIAL CASES

Female genital TB is an emerging issue, with a **1.4%** prevalence reported in studies of specific patient demographics



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GS Paper II – International Relations

Israel won't hit Iran gas facility again: Trump

The UAE suspended operations at Abu Dhabi's Habshan gas facility after authorities said debris of intercepted missiles fell on the site. The Bab oil field in the Emirate was also targeted by Iranian projectiles.

Qatar's state-run energy firm Qatar Energy said on Wednesday that its Ras Laffan Industrial City, one of the most critical energy hubs in the world which handles roughly 20% of the global LNG exports, came under attack. On Thursday, it said several of the company's LNG facilities were hit by Iranian missiles, causing "extensive damage".

Meanwhile, American media quoted Israeli officials as saying that the U.S. was informed in advance about the South Pars strike. South Pars is part of an offshore gas reservoir in the Persian Gulf shared by Qatar and Iran. Iran on Wednesday evening said it targeted energy facilities in Qatar, the UAE, Saudi Arabia and Israel after several phases at South Pars came under attack.

The Iranian attacks "constitute a dangerous escalation and a violation of international law", the UAE's Foreign Ministry said in a statement. "The UAE reserves its full right to take all necessary measures to protect its sovereignty and national security, and to safeguard its national interests." The Foreign Ministry of Qatar declared "the military attaché and the security attaché at the [Iranian] embassy [in Doha], in addition to the staff of the two attaché offices 'persona non grata'," and asked them to leave the country within 24 hours.

Saudi Foreign Minister Prince Faisal bin Farhan said the kingdom reserves the right to take military actions "if deemed necessary" in response to the Iranian attacks. "What little trust there was before has completely been shattered... We're going to use every lever we have... to get these attacks to stop," he said.

Later in the day, Iran's Foreign Minister Abbas Araghchi signalled that Iran was ready for restraint but threatened to escalate if its energy facilities were attacked again.



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GS Paper II - Governance

AI-powered tax governance in India and its challenges

A key tax policy challenge facing India has been the low tax-Gross Domestic Product (GDP) ratio and high levels of tax evasion. On average, during 2001-22, India's tax-GDP ratio (16.36%) was the lowest among emerging and developing economies. India loses around 4.3% of tax revenues due to tax evasion annually. At the India AI Impact Summit (February 2026), global leaders and tech titans hailed India's progress in utilising the power of Artificial Intelligence (AI) to solve real-world problems.

One problem area where the application of AI is worth examining is tax revenue mobilisation and tax governance. In this context, India's Income Tax Department (ITD)'s Project Insight (PI) initiative – aimed at leveraging AI and data analytics to strengthen tax administration and revenue mobilisation – warrants critical examination.

The benefits

Launched in 2017 and fully operational in 2019, the PI aims to encourage voluntary tax compliance, reduce high-risk cases of potential tax evasion, make tax enforcement fairer and equitable, and reduce prejudice in tax enforcement.

The PI has three components. The Income Tax Transaction Analysis Centre (INTRAC) is the analytical engine that utilises AI and advanced data analytics to process financial data from multiple sources, including banking and financial institutions, property and securities transactions, credit card and GST payments, and high-value purchases, to generate a 360-degree taxpayer financial profile.

Such information helps the ITD detect inconsistencies between taxpayers' declared income and their actual financial activities. The Compliance Management Centralized Processing Centre ensures behavioural compliance using information from the INTRAC. It nudges taxpayers who have filed incorrect tax returns to file correct returns using the Non-intrusive Usage of Data to Guide and Enable (NUDGE) strategy, which involves sending SMS or email reminders to the person pay taxes that match their actual economic activities. Taxpayers can either submit a revised tax return or stand by the initial returns



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Artificial Intelligence in India's tax administration is improving outcomes, but safeguards are needed

they filed. Deploying AI in tax administration has several benefits. First, it can assist tax agencies in accurately assessing taxpayers' risk profiles and identifying tax evasion. Second, it enables tax administrators to prioritise tax evasion cases based on the size and sophistication of evasion. Third, AI can automate routine tax administration tasks, freeing tax administrators to focus on those that require greater human judgment. Fourth, AI can enhance taxpayer services by assisting taxpayers with filing correct tax returns, answering queries through smart chatbots, and preventing tax scams.

Outcome of PI initiative, concerns and risks

The PI is beginning to show the results. After receiving nudges, many taxpayers utilised the ITD's updated-return feature to make voluntary changes to their original tax returns. Since 2020-21, over one crore revised returns have been filed, resulting in an additional ₹11,000 crore in taxes. Out of the 19,501 taxpayers contacted by the ITD as part of a targeted Foreign Income and Assets NUDGE campaign, 62% of them corrected the information originally reported in their tax returns. Also, 30,161 tax filers declared overseas assets totalling ₹29,208 crore and foreign income of ₹1,089 crore from cryptocurrencies or virtual digital assets.

The NUDGE campaign covering 6.25 lakh taxpayers resulted in corrections of false claims for income-tax deductions amounting to ₹963 crore for political donations, and the payment of additional taxes to the tune of ₹410 crore. The average time taken to process a tax refund has decreased from 93 to 17 days. Recently, using big data analysis and AI tools, the ITD discovered that restaurants across India had suppressed sales turnover of ₹70,000 crore since 2019-20 using sophisticated methods such as selective deletion of cash invoices, post-billing modifications, wiping of sales data, and manipulation of bill value.

Many advanced countries, such as Australia, Italy, the United Kingdom and the United States have successfully implemented AI-enabled platforms modelled on the PI and have generated additional revenue.

As India transitions to algorithmic tax

governance, several operational, ethical, and legal issues require serious attention.

The first is about data provenance and quality. AI systems such as the PI are only as good as the data they are trained on. They could identify outliers, but cannot always distinguish evasion from legitimate complexity. Data on variable-income professionals using prior savings, clerical errors, or joint family financial structures can trigger false positives. Without accessible human review, taxpayers must prove the legitimacy of flagged patterns.

The second is on the algorithmic bias. AI models trained on historical enforcement data can unintentionally duplicate existing socio-economic or geographic biases, identifying tax fraud more often in some taxpayer or geographic areas than others, as demonstrated by the Dutch childcare benefits scandal.

The third is on the issue of explainability and due process. For an AI-based tax compliance system to be legitimate, taxpayers need to know why they were identified, how their information is used, how the system arrives at its decisions, and have a clear, easy way to challenge decisions. There must be a human-in-the-loop evaluation for any decision with serious consequences for taxpayers.

The fourth is about the concerns over data privacy and security. Accessing sensitive financial and personal information about taxpayers creates a big attack surface for potential exploitation.

There is no ombudsman

Finally, India lacks an AI ombudsperson to review contested decisions, a requirement for algorithmic impact assessments and public reporting of false-positive and appeal-success rates, and external audits of risk-scoring models.

Without such strong AI governance guardrails outlined above, the PI might turn into a hidden surveillance system that compromises accountability and tax system fairness, making taxpayers less trusting and more resistant. India must make a clear choice: to pursue a modern tax intelligence system that is both ethical and effective.

The views expressed are personal



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GS Paper III – Economy

Stock markets crash over 3% as oil price spikes to \$114 a barrel

Market meltdown

BSE Sensex registered a **massive 3.26% drop**. A look at commodity-wise performance



Sector	% change	Sector	% change
Auto	-4.07%	Fast Moving Consumer Goods	-2.40%
Realty	-3.79%	Healthcare	-2.34%
Finance	-3.66%	Oil and gas	-2.17%
Industrials	-3.49%	Energy	-1.73%
IT	-3.41%	Power	-1.67%
Capital goods	-2.88%		
Telecom	-2.70%		

SOURCE: BSE INDIA

Ashokamithran T.
MUMBAI

Indian stock markets experienced a meltdown, crashing over 3%, as oil price spiked to \$114 a barrel and the U.S. Federal Reserve signalled higher inflation on Thursday. This was the worst day since June 2024 when markets crashed over 5% in a session.

This is also the fifth instance since 2021, when benchmark indices dipped lower than 3%.

Nifty opened at 23,197.75 and Sensex at 74,750.92 points, down about 2.4% from the previous close. Both the indices maintained the level before crashing to the day's low of 22,930.35 and 73,950.95 points before closing at 23,002.15 and 74,207.24 points. These were levels that markets were trading at in mid-2024.

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GS Paper III – Economy

Stock markets crash as oil hits \$114 a barrel

The sudden slump towards the final trading hours was due to soaring Brent crude futures price hitting a new high of \$114 a barrel and the rupee depreciating to a new low of ₹92.89 a dollar.

All the 21 sectoral indices were down with Nifty Auto down more than 4%.

Increasing risk of inflation due to the war in West Asia led gold tumbling 3% to \$4,650 an ounce. “The decline was largely driven by the Federal Reserve’s hawkish stance, with any potential easing now contingent on clear signs of moderating inflation,” said Kaynat Chainwala, AVP Commodity Research, Kotak Securities.

Markets witnessed the perfect storm when Israel attacked the world’s largest gas field in Iran and the latter retaliated by attacking major energy sites in the Gulf region. This sent crude prices soaring to \$114 a barrel.

On the global macro front, the U.S. central bank - the Federal Reserve - held interest rates steady ranging between 3.5% and 3.75%, signalling higher inflation could stymie further rate cuts in 2026. But a rate hike by the U.S. Fed would make American markets more attractive for foreign funds, intensifying their current exit from the Indian market.

“Going ahead, markets appear to be in a phase of heightened fragility, where sentiment is being driven by rapidly evolving geopolitical developments and a sharp rise in crude prices. Given the intensifying tensions around energy infrastructure in West Asia, we remain cautious on the market in the near term and expect volatility to persist,” said Siddhartha Khemka, Head of Research, Wealth Management, Motilal Oswal Financial Services Ltd.

“Nifty breached its key prior swing low of 22,955, confirming bears’ return with a vengeance...,” said Vinay Rajani, Senior Technical Research Analyst, HDFC Securities.



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GS Paper III – Economy

New GDP series, charting the path ahead

A much-awaited new GDP series with the base year as 2022-23 is now available in the public domain. On February 27, 2026, the Ministry of Statistics and Programme Implementation came out with a press note on a new series of GDP estimates and related aggregates for the financial years 2022-23, 2023-24 and 2024-25. This addresses the long-standing demand for a more accurate and realistic picture of the size of the Indian economy by updating the base year. It overcomes the limitations of earlier estimates, which relied on the outdated 2011-12 base year.

The overall size of the Indian economy in terms of GDP as per the new series at current prices (in rupees lakh crore) is estimated to be 261.18 (financial year 2022-23), 289.84 (FY 2023-24) and 318.07 (2024-25), respectively (first revised estimate). These aggregates are marginally (between 3% and 4%) lower than what were released earlier based on the previous series. The relative shares of primary, secondary and tertiary sectors in total Gross Value Added (GVA) at current prices during 2024-25 remained at 21.4%, 25.8% and 52.9%, respectively. The manufacturing sector depicts a high growth rate (more than 9%) in real GVA for both the years; 12.7% in 2023-24 and 9.3% in 2024-25. As regards the expenditure side estimates, the share of private financial consumption expenditure in GDP is around 56%, both at current and constant prices during the years 2023-24 and 2024-25.

Major refinements in the new series

Some of the most significant refinements in the methodology adopted in the new series include: first, segregation of activities of multi-activity enterprises belonging to non-financial private corporate sector by apportioning the total GVA of the enterprise across its business activities using the corresponding revenue share information of the company available in the form of MGT 7/7A data (as against entire GVA being allocated to the major activity of the enterprise in 2011-12 series); second, use of a separate blown up factor at the industry x size class level, based on paid-up capital, for scaling up the GVA of the reported active companies to account for the contribution of the active companies which did not file returns; third, a comprehensive coverage of Limited Liability Partnerships (LLPs) using Ministry of Corporate Affairs (MCA) data; and fourth, the use of high-frequency (annual) data on GVA per worker (GVAPW) as per the Annual Survey of Unincorporated Sector Enterprises



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Updating the ASI sampling frame and refining the ASUSE survey methodology can further enhance the accuracy and reliability of GDP and GSDP estimates

(ASUSE) in conjunction with the estimates of the number of workers utilising the information available through **Periodic Labour Force Survey (PLFS) to estimate the GVA contribution of the Household Sector. In this context, it is worthwhile to mention that in the 2011-12 series, base year (2011-12) GVA estimates at the activity level for the Household Sector were extrapolated using suitable indicators to derive GVA for subsequent years.**

The new series also introduces significant improvements in the estimation of real GVA through the expanded application of 'double deflation' and 'volume extrapolation' methods, bringing the estimates more in line with international guidelines. In addition, the benchmark estimates for 2022-23 private final consumption expenditure (PFCE) are now derived more directly by utilising data from the Household Consumption Expenditure Survey (HCES 2022-23), especially for items that are widely consumed across household groups and tend to exhibit low income elasticity.

The challenges ahead

Among the four institutional sectors, namely, general government, public corporations, private corporations and households for which GVA estimates are separately computed and then aggregated, the database of the first two sectors is quite robust. Coming to the private corporate sector, particularly the private non-financial corporate segment, for which GVA is compiled using the MCA database – a critical issue lies in allocating the national-level total GVA of companies across States to derive the corresponding Gross State Value Added (GSVA), given that the primary data are available only at the enterprise level.

In the 2011-12 series, total manufacturing GVA at the national level was allocated proportionately over States by using their shares in GVA as per the Annual Survey of Industries (ASI). In the new series, apart from ASI data (confining to manufacturing sector), the GST data is also available for this purpose. A major limitation with the ASI data is the inadequacy of the ASI frame. To illustrate, the number of companies in 2011-12, as on December 15, 2014, as per the MCA database classified under 'Manufacturing' was 135,802 (source: Changes in Methodology and Data Sources in the New Series of National Accounts, Base Year 2011-12, Central Statistics Office, 2015) as against only 67,649 factories covered under the corporate sector in ASI, 2011-12

(Table 7, Principal Characteristics by Type of Organisation in ASI 2011-2012 (Revised)). Accordingly, the proportionate shares of different States in the total GVA derived from the ASI based on a truncated frame may not reflect the reality and hence affect the State GDP figure. Remedial measures to improve the sampling frame of ASI by utilising the MCA and GST databases can be a step in the right direction. In parallel, a properly designed sample survey of active companies could be worth exploring to derive the percentage shares of different States in total GVA by the companies.

Resolving fluctuations

As regards the Household Sector, its GVA at the activity, i.e., 'compilation category' level in the new series is derived as the product of GVAPW as per the ASUSE and number of workers based on the Periodic Labour Force Survey (PLFS). This necessitates that the corresponding estimates from the surveys are fairly reliable. However, available results from the ASUSE indicate a certain volatility in the estimates across the years for some industries and States.

For example, the all-India annual estimates of GVAPW (rural and urban combined) as per the ASUSE (covering both household sector and 'quasi-corporate' units) for the years 2021-22, 2022-23 and 2023-24 were found to be ₹163,078; ₹255,447; and ₹201,930, respectively, for the 'manufacture of rubber and plastic products' which is a distinct compilation category in GDP calculations.

Similarly, the annual estimates of GVAPW pertaining to the manufacturing industry in respect of Bihar were found to be ₹89,638; ₹117,021; and ₹100,101, respectively, for the three years. To address this problem, the methodology in the new series recommends the use of three years' moving average, wherever necessary, except for the base year. However, in resolving the issue of such fluctuations in the annual estimates of GVAPW, it may be worth exploring whether a rotating panel design in the ASUSE with a substantial overlap in the samples between any two consecutive years – similar to the procedure adopted in the PLFS – can yield better estimates.

Finally, to conclude, updating the ASI frame and refinements in the survey methodology of ASUSE can be effective in further improvement of the GDP and GSDP estimates.

The views expressed are personal



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GS Paper III – Economic Development

24 States, U.T.s set aside funds for new rural jobs scheme

They use past expenditure under the MGNREGA as the baseline as the Centre is yet to notify the formula for determining the State-wise normative allocations under the VB-GRAM (G) Act

Sobhana K. Nair
NEW DELHI

With the Centre yet to notify the formula for determining State-wise normative allocations under the Viksit Bharat Guarantee for Rozgar and Aajeevika Mission (Gramin) Act, 2025, at least 24 States and Union Territories have nevertheless earmarked funds for the new rural employment programme.

Under the Act, States must bear 40% of the scheme's expenditure, except in the northeastern and hilly States and UTs such as Jammu & Kashmir, which receive a relaxation.

Union Rural Development Minister Shivraj Singh Chouhan informed the Rajya Sabha on Tuesday that 27 States and UTs are making provisions for the new scheme, though he read out allocations for only 24 of them, amounting to a little over ₹31,000 crore. The Union Budget for 2026-27 has set aside



Under the Act, States must bear 40% of the scheme's expenditure, except in the northeastern and hilly States. AFP

The Union Budget for 2026-27 has set aside ₹95,652 crore as the Centre's share

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Responding to criticism that States may struggle to shoulder their share of the financial burden, Mr.

normative allocation. Section 4(5) of the Act mandates that the Union government determine State-wise allocations annually based on "objective parameters".

The clause aims to ensure equitable distribution, following complaints from economically weaker States that they receive disproportionately lower funding.

In the absence of clarity, most States have used their past expenditure under the MGNREGA as the baseline while also accounting for the additional 25 workdays promised under new Act, which extends guaranteed employment from 100 to 125 days. For instance, Rajasthan has spent over ₹7,597 crore under the MGNREGA so far, this financial year. Its 40% share comes to roughly ₹3,038 crore. The State, keeping a margin for the expanded work guarantee and anticipating uncertainty in Central allocations, has set aside ₹4,000 crore.

Chouhan highlighted that even Congress ruled Himachal Pradesh, despite its opposition to the Act, had allocated ₹143 crore. Karnataka, he noted, was the only major outlier. "Many members asked where States will find the money. I am only addressing their anxiety," he said.

A key pending element is the Centre's formula for



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GS Paper III - Environment

Lack of 'sustainable water sources' will thwart Jal Jeevan Mission: panel

Jacob Koshy
NEW DELHI

A parliamentary committee has said that the objectives of the Jal Shakti Ministry's flagship ₹8.69-lakh-crore Jal Jeevan Mission (JJM) – that aims to provide consistent and potable water supply to all rural households – will remain “unfulfilled” if sustainable sources of water supply are not found.

This comes after an official in the Department of Drinking Water and Sanitation – an arm of the Ministry – told the committee that despite taps under the scheme having been installed at many places, there was an “...issue of water availability due to shortage of sources” and that in some places “...water sources were being exhausted within a year or two”.

This prompted the committee to observe that “...the objective of providing water for the next 25-30 years under JJM will remain unfulfilled due to lack of source sustainabili-



The programme, originally envisioned to achieve 100% coverage by 2024, has been stuck at around 81% since 2025. K. MURALI KUMAR

ty”. Sources include rivers, lakes, ponds or any natural pool.

The committee recommended that the Ministry implement “source to tap” schemes, under which the entire chain of water supply such as the source of water, tank, supply, were accounted for. There are 6.83 lakh sanctioned schemes under the JJM.

The committee “note(d) with concern” that there was no information from the States on how many of these schemes were “source to tap”. The panel said it was “...of the view

that to maintain a long-term steady supply of safe drinking water, source sustainability is of paramount importance otherwise assets created under JJM will come to naught after extinguishment of available sources”.

Govt. nod for extension

The Union Cabinet last week approved extending the JJM programme to 2028 and allocated additional funds to meet its target. A press note from the Ministry had noted that the programme's focus will change “...from infrastruc-

ture creation to service delivery, supported by drinking water governance and institutional ecosystem for sustainable rural piped potable water supply”.

“To this end, a uniform national digital framework, namely ‘Sujalam Bharat’, shall be instituted, under which every village shall be assigned a unique Sujal Gaon/Service Area ID digitally mapping the complete drinking water supply system from source to tap,” a Ministry statement said.

The programme, originally envisioned to achieve 100% coverage by 2024, has been stuck at around 81% since 2025. As *The Hindu* has previously reported, covering the remaining 20% requires more money than has already been spent so far.

From the baseline of 3.23 crore (17%) rural households with existing tap water connections in 2019, more than 12.56 crore additional rural households have been provided with tap water connections so far under the JJM.