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Guiding Dreams, Empowering Future
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EXCLUSIVE CURRENT AFFAIRS BULLETIN

NATIONAL PANCHAYATI RAJ DAY 2026

Introduction

National Panchayati Raj Day is celebrated annually on 24 April to promote grassroots democracy and decentralised governance. The 73rd Constitutional Amendment came into force on 24 April 1993, giving constitutional status to Panchayats.

Theme 2026

“Sashakt Panchayat, Sarvangeen Vikas” focuses on empowered local governance, inclusive development, and localisation of Sustainable Development Goals (SDGs).

- Constitutional Provisions**
- The 73rd Constitutional Amendment Act inserted Part IX (Articles 243 to 243O) in the Constitution.
 - It provided constitutional status to Panchayati Raj Institutions.
 - The 11th Schedule was added, containing 29 subjects for devolution to Panchayats.
 - Gram Sabha was recognised as the foundation of grassroots democracy.
 - Regular elections every 5 years were mandated.
 - State Election Commission was established for conducting PRI elections.
 - State Finance Commission was introduced for financial devolution.

Structure of Panchayati Raj System

- Three-tier system:
 - Gram Panchayat at village level
 - Panchayat Samiti at block level
 - Zila Parishad at district level

Significance of Panchayati Raj Institutions

Why in News

National Panchayati Raj Day (NPRD) was observed on 24 April 2026, marking 33 years of the 73rd Constitutional Amendment Act, 1992 which institutionalised Panchayati Raj Institutions (PRIs) in India.



- Promotes participatory democracy at grassroots level.
- Ensures inclusive governance with representation of women and marginalized communities.
- Strengthens accountability and transparency.
- Enhances responsiveness of governance.
- Acts as a bridge between government

and citizens.

Role in Development

- Facilitates bottom-up planning.
- Implements rural development schemes effectively.
- Supports sectors such as health, education, sanitation, and employment.

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INDIA–NEW ZEALAND FREE TRADE AGREEMENT (FTA) :

Why in News....?

India and New Zealand are negotiating a Free Trade Agreement (FTA) to enhance bilateral trade, economic cooperation, and strategic engagement in the Indo-Pacific region.

Introduction

A Free Trade Agreement (FTA) is a pact between two or more countries to reduce or eliminate tariffs, quotas, and trade barriers, thereby promoting trade and investment.

Features of

India–New Zealand FTA

- Reduction or elimination of tariffs on goods.
- Improved market access for services.
- Facilitation of investment flows between both countries.
- Cooperation in agriculture, dairy, and technology sectors.
- Provisions for intellectual property rights

► From P1

- Plays an important role in achieving Sustainable Development Goals.
- Promotes digital governance through platforms like e-Gram Swaraj.

Major Government Initiatives

- Rashtriya Gram Swaraj Abhiyan (RGSA) for capacity building.
- SVAMITVA Scheme for rural property ownership.
- e-Gram Swaraj platform for transparency and digital governance.
- People's Plan Campaign for decentralised planning.
- Model Youth Gram Sabha to enhance youth participation.

Challenges

- High dependence on government grants.
- Low own source revenue (OSR), limiting financial autonomy.
- Incomplete devolution of powers by states.
- Existence of parallel administrative

| SECTOR | PRE-FTA TARIFF (PEAK) | POST-FTA TARIFF |
|----------------------|-----------------------|---------------------|
| Textiles & Apparel | Up to 10% | 0% (ZERO) |
| Leather & Footwear | Up to 10% | |
| Engineering Goods | Up to 10% | |
| Pharmaceuticals | Up to 5% | |
| Agriculture & Allied | Up to 5% | |
| Marine Products | Up to 5% | |
| Plastics & Rubber | Up to 10% | |
| Electronics | Up to 10% | |
| Chemicals | Up to 5% | |

FTA SIGNED ON 27TH APRIL, 2026

(IPR) and geographical indications (GI).

Trade and Economic Relations

- Bilateral trade between India and New Zealand remains modest but has growth potential.
- India exports pharmaceuticals, textiles, and machinery.
- New Zealand exports dairy products, wool, and agricultural goods.

Strategic Significance

- Strengthens India's presence in the Indo-Pacific region.
- Enhances economic diversification beyond

traditional partners.

- Supports supply chain resilience.
- Aligns with India's Act East Policy.

Benefits for India

- Increased exports and market access.
- Opportunities for services sector, especially IT and professionals.
- Boost to investment and job creation.
- Access to advanced agricultural technology.

Benefits for New Zealand

- Access to large Indian market.
- Diversification of export destinations.
- Increased investment opportunities.
- Strengthened ties with a major emerging economy.

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bodies reducing PRI authority.

- Lack of administrative and technical capacity.
- Irregular functioning of State Finance Commissions.

Analytical Insights

- Decentralisation is incomplete without fiscal and administrative autonomy.
- PRIs are critical for democratic deepening and inclusive development.
- Effective governance requires real transfer of functions, funds, and functionaries.
- Digital transformation can improve transparency and efficiency.
- Gap persists between constitutional provisions and ground-level implementation.

Conclusion

National Panchayati Raj Day 2026 highlights the importance of decentralised governance in India. While Panchayati Raj Institutions have strengthened grassroots democracy and inclusive development, issues like fiscal dependency, weak devolution, and capacity constraints continue to limit their effectiveness. Strengthen-

ing financial autonomy, administrative empowerment, and digital governance is essential for making Panchayats true engines of rural transformation.

Prelims Practice Question

Q.Consider the following statements regarding Panchayati Raj Institutions:

1. The 73rd Constitutional Amendment Act inserted Part IX in the Constitution.
2. Gram Sabha consists only of elected representatives.
3. State Finance Commission recommends financial devolution to Panchayats.

Which of the statements given above is/are correct?

- (a) 1 and 3 only
- (b) 2 only
- (c) 1, 2 and 3
- (d) 1 only

Answer: (a) 1 and 3 only

IMF FY27 GDP Forecast

Why in News...?

International Monetary Fund (IMF) raised India's FY27 GDP growth forecast to 6.5% in its April 2026 World Economic Outlook, up from 6.4% in January 2026.

Context

Global economic growth is weakening due to geopolitical tensions, especially in West Asia (Iran conflict/Middle East tensions). Despite global uncertainty, India remains a relatively high-growth economy. India's FY26 GDP growth revised upward to 7.6% by Government of India, indicating strong domestic economic momentum.

Forecast Details

FY27 Growth: 6.5% (increase of 0.1 percentage points from January; cumulative upward revision of 0.3 pp). Growth expected to remain stable into FY28.

Positive Drivers

- Strong carryover effect from FY26 performance.
- Reduction in US tariffs on Indian goods from 50% to 10% following Supreme Court intervention, boosting export competitiveness.

Offsetting Risks

- Middle East conflict increasing crude oil prices and inflationary pressures.
- However, export gains from tariff reduction outweigh risks in baseline projection.

Inflation Outlook

FY27 inflation projected at 4.7% (up from 2.1% in FY26).



Approaches RBI's target midpoint of 4%. FY28 inflation expected to stabilize at around 4%.

Inflation risks driven by energy prices and global commodity volatility.

Significance for India

India continues to outperform global growth averages.

Highlights structural strengths:

- Strong domestic consumption.
- Expanding services sector.
- Manufacturing push under Make in India initiative.

Supports policy direction

- Fiscal prudence.
- Public capital expenditure (capex).
- Structural reforms continuity.

Risks Highlighted

Downside risks remain significant:

- Prolonged West Asia conflict affecting oil supply.
- Impact on remittances and tourism flows.
- Imported inflation due to energy shocks.
- Possible demand slowdown in neighboring economies.

Conclusion

India's FY27 growth outlook of 6.5% reflects strong macroeconomic fundamentals and resilience amid global uncertainties. While external risks like geopolitical tensions and inflation persist, robust domestic demand, policy stability, and structural reforms position India as a key driver of global growth, provided risks are managed prudently.

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Challenges

- Concerns over dairy imports affecting Indian farmers.
- Trade imbalance risks.
- Regulatory and standards differences.
- Negotiation complexities in sensitive sectors.

Analytical Insights

- FTAs are tools of economic diplomacy.
- Balance between liberalisation and domestic protection is essential.
- Strategic partnerships often complement

trade agreements.

- Careful negotiation is required to safeguard vulnerable sectors.

Conclusion

The India–New Zealand FTA represents an important step in strengthening economic and strategic ties. While it offers opportunities for trade expansion and cooperation, careful negotiation is necessary to address domestic concerns and ensure mutual benefits.

Prelims Practice Question

Consider the following statements:

1. Free Trade Agreements aim to reduce trade barriers between countries.
2. India–New Zealand FTA focuses only on goods and excludes services.
3. FTAs can influence geopolitical and strategic relations.

Which of the statements given above is/are correct?

- (a) 1 and 3 only
- (b) 2 only
- (c) 1, 2 and 3
- (d) 1 only

Answer: (a) 1 and 3 only



PM e-DRIVE Scheme

Overview

The PM e-DRIVE Scheme, implemented by the Ministry of Heavy Industries, provides comprehensive support for electric vehicle adoption through subsidies, infrastructure, and ecosystem development.

Why in News...?

Government extended subsidies under PM e-DRIVE for electric two-wheelers till 31 July 2026 and electric rickshaws/carts till 31 March 2028.

This extension sustains EV demand, supports manufacturers, and accelerates clean mobility transition amid India's transport sector emissions challenges.

Background

India's transport contributes heavily to GHG emissions, oil imports, and urban pollution, prompting EV push for energy security, import reduction, and Paris Agreement commitments.

FAME I and II built initial foundation but faced issues like high costs, poor charging infra, and limited manufacturing; PM e-DRIVE launched October 2024 as next-gen framework.

Scheme Overview

PM e-DRIVE (Electric Drive Revolution in Innovative Vehicle Enhancement) effective from 1 October 2024 accelerates transport electrification via demand incentives, infrastructure, and manufacturing strengthening.

It creates holistic EV ecosystem beyond subsidies, focusing on capacity building and tech advancement.

Objectives

Accelerating EV adoption by reducing costs via incentives, competing with ICE vehicles.

Reducing carbon emissions for better urban air quality.

Enhancing energy security by cutting fossil fuel imports.

Developing domestic manufacturing aligned with Make in India.

Building charging infrastructure to address range anxiety.

Components

Demand Incentives (Subsidies)

Targeted financial aid reduces upfront EV costs, biggest adoption barrier.

Covers electric two-wheelers (e-2W, dominant market), three-wheelers (e-3W like autos/cargo), e-ambulances, e-trucks for public/logistics use.

Structured for mass adoption in high-usage passenger/commercial segments.

Grants for Capital Assets

Supports critical infrastructure: e-bus procurement for public transport, nationwide charging networks, testing/certification upgrades for quality/safety.

Ensures robust physical/institutional support for EV scaling.

Charging Infrastructure

Prioritises urban stations, highway corridors, renewable energy integration to ease commuter/inter-city travel and buyer hesitation.

Administrative Framework

Includes IEC campaigns for awareness, Project Management Agency (PMA) for implementation.

Project Implementation and Sanctioning Committee (PISC), chaired by Heavy Industries Secretary, monitors progress, resolves issues, approves adjustments for adaptive governance.

State Role

States complement via fiscal (road tax waivers, subsidies) and non-fiscal

(permits, tolls) incentives for nationwide ecosystem.

Eligibility Criteria

Vehicles must register under CMVR, use advanced battery tech for efficiency/safety/performance, directing subsidies to future-ready EVs.

EV Ecosystem Details

Types: BEV (fully electric), HEV (ICE+electric), PHEV (externally chargeable).

Batteries: Lithium-ion dominant (high density, long life); needs lithium, cobalt, nickel.

FAME: Prior scheme for demand/pilots.

Charging: Slow AC (homes), fast DC (commercial/highways).

Benefits: Zero tailpipe emissions, lower costs, reduced fossil dependence.

Significance

Environmental: Cuts pollution/GHG.

Economic: Reduces oil bill, boosts trade/manufacturing/jobs.

Urban: Cleaner public transport.

Challenges

High initial costs despite subsidies; infra gaps (rural); battery supply imports; grid strain; low awareness.

Opportunities vs Constraints

Opportunities: EV market growth, climate alignment, global hub potential.

Constraints: Supply chains, state implementation, tech innovation needs.

Way Forward

Short-term: Rapid charging expansion, timely subsidies, awareness drives.

Long-term: Domestic batteries, R&D, renewable integration.

Policy: PPPs, stability, localisation/self-reliance.

RBI MASTER DIRECTIONS ON BAD LOANS

Why in News

The Reserve Bank of India (RBI) has issued updated Master Directions on bad loans (NPAs) to strengthen credit discipline, improve transparency, and align Indian banking practices with global standards.

Concept

A Non-Performing Asset (NPA) is a loan where interest or principal remains overdue for more than 90 days. High NPAs weaken bank balance sheets and affect financial stability.

Major Provisions

Borrower-Level NPA Classification

- If one loan of a borrower turns NPA, all loans of that borrower must be classified as NPAs.
- Prevents evergreening and improves transparency.

90-Day Norm Retained

- Loan classified as NPA after 90 days of non-payment.
- Maintains consistency with existing norms.

Strict Upgradation

Norms

- NPA can be upgraded only after full repayment of all dues.
- Partial payments are not sufficient.

Automated NPA

Recognition

- Mandatory system-based identification of NPAs.

- Reduces human intervention and manipulation.

Expected Credit Loss (ECL) Framework

- Shift from incurred loss model to ECL model.
- Banks must estimate future losses in advance.

Three-Stage Classification

- Stage 1: Performing assets
- Stage 2: Increased credit risk
- Stage 3: Credit impaired assets

Provisioning Before Default

- Banks must provision funds based on expected losses.
- Enhances financial stability.

Effective Interest Rate (EIR)

- Used for accurate valuation of credit risk.

Global Alignment

- Aligns with IFRS and international banking standards.

Significance

- Improves transparency in banking system.
- Strengthens early risk detection.
- Reduces bad loan accumulation.
- Enhances global credibility of Indian banks.

Challenges

- Requires strong data systems and analytics.
- Higher provisioning may impact short-term profits.
- Smaller banks may face compliance issues.

Analytical Insights

- Shift from reactive to proactive risk management.
- Strengthens governance and accountability.
- Enhances systemic stability.

Conclusion

RBI's Master Directions represent a major reform in banking regulation by focusing on early risk identification and global alignment. These measures will improve financial stability, though implementation challenges remain.

Prelims Practice

Question

Q. Consider the following statements:

1. RBI classifies loans as NPA after 90 days of non-payment.
2. Expected Credit Loss model focuses only on past defaults.
3. Borrower-level classification ensures all loans become NPA if one defaults.

Which is correct?

- (a) 1 and 3 only
- (b) 2 only
- (c) 1, 2 and 3
- (d) 1 only

Answer: (a) 1 and 3 only

BRICS Health Working Group 2026 & Urban Challenge Fund (UCF)



Why in News

First meeting of the BRICS Health Working Group (2026) held to strengthen cooperation in public health.

Operationalization of the Urban Challenge Fund (UCF) announced to promote planned urbanisation and infrastructure development in India.

BRICS Health Working Group (2026)

Forum under BRICS (Brazil, Russia, India, China, South Africa) focusing on health sector cooperation.

Aims to enhance collaboration in public health systems, disease surveillance, and

healthcare innovation.

India's participation highlights its leadership in global health diplomacy.

Key Focus Areas

- Strengthening pandemic preparedness and response mechanisms.
- Cooperation in vaccine research and development.
- Digital health systems and data sharing.
- Addressing non-communicable diseases (NCDs).
- Ensuring equitable access to healthcare services.

Significance of BRICS Health Cooperation

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India–Egypt Defence Cooperation

Overview

India–Egypt defence cooperation has become one of the fast-growing sub-components of India’s West Asia and Afro-Arab outreach, especially after the elevation of ties to a Strategic Partnership in 2023 and the formalisation of a 2022 MoU on Defence Cooperation. Recent developments, including the 11th India–Egypt Joint Defence Committee (JDC) meeting in Cairo (April 2026) and the ongoing Exercise Cyclone-IV, show that defence is now a structured, long-term pillar of the bilateral relationship.

India–Egypt defence cooperation:

1. India and Egypt have upgraded their overall relationship to a Strategic Partnership since 2023, which includes stronger coordination in political, security, defence, energy, economic, and scientific domains.
2. Within this Strategic Partnership, defence and security cooperation is explicitly recognised as a key pillar, with both countries emphasising joint counter-terrorism efforts and regional stability.
3. The institutional framework for defence ties is the India–Egypt Joint Defence Committee (JDC), which meets periodically to review progress and plan future cooperation.
4. The 11th JDC meeting was held in Cairo



in April 2026, where both sides reviewed earlier achievements and agreed on a bilateral defence cooperation plan for 2026–27, focusing on structured military interaction, joint training, exercises, and maritime security.

5. Under this plan, the two countries have decided to expand structured military interaction mechanisms, increase the frequency and complexity of bilateral military exercises, and strengthen joint training exchanges between their armed forces.
6. The cooperation plan also highlights maritime security cooperation, including exchanges on Indian Ocean security, freedom of navigation, and information-sharing through institutions like India’s Information Fusion Centre – Indian Ocean Region (IFC-IOR).
7. In addition, both sides have agreed to develop a defence industry cooperation plan to explore co-development and co-production in defence manufacturing, which links defence ties with India’s

“Make in India” and export-oriented defence strategy.

8. A major operational component of this defence relationship is the annual special-forces exercise “Cyclone”, held alternately in India and Egypt, focusing on counter-terrorism operations, desert/semi-desert warfare, and urban-warfare tactics.
9. The latest edition, Exercise Cyclone-IV (2026), was held in Egypt and involved Indian Army Para Special Forces and Egyptian special-forces units, aimed at improving interoperability and joint-operational skills.
10. India and Egypt also conduct Air Force-level exercises, such as Exercise Desert Warrior, which builds air-combat cooperation and mutual understanding between the two air arms.
11. Egypt’s location in the Eastern Mediterranean and North Africa gives it strategic importance for sea-lanes, energy routes, and connectivity to the Middle East and Europe, which makes its defence partnership with India relevant for India’s larger Indo-Pacific and Middle East security architecture.
12. For India, closer defence ties with Egypt help diversify partnerships in West Asia beyond traditional neighbours, support maritime security in the Indian Ocean–Red Sea–Mediterranean arc, and strengthen counter-terrorism and counter-insurgency cooperation under

» Continued on P7

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- Promotes South-South cooperation in healthcare.
- Reduces dependence on Western healthcare systems.
- Enhances collective capacity to respond to global health crises.
- Supports affordable medicines and vaccine equity.

Urban Challenge Fund (UCF)

Initiative aimed at supporting cities in planning and financing sustainable urban infrastructure.

Encourages innovation, competition, and performance-based funding among cities.

Objectives of UCF

- Promote planned urbanisation.

- Improve infrastructure in Tier-2 and Tier-3 cities.
- Enhance urban governance and service delivery.
- Encourage private sector participation (PPP model).

Features

- Competitive selection of cities based on proposals.
- Focus on transit-oriented development and compact cities.
- Funding linked to performance and reforms.
- Integration with existing schemes like Smart Cities Mission and AMRUT.

Significance of UCF

- Addresses challenges of rapid urbanisation.

- Reduces pressure on mega cities.
- Promotes balanced regional development.
- Improves quality of urban life and economic productivity.

Challenges

- Capacity constraints in urban local bodies.
- Financing and implementation issues.
- Coordination between multiple agencies.
- Ensuring inclusivity in urban development.

Way Forward

Strengthening ULBs through institutional capacity, technology, sustainability, and stakeholder engagement is vital for resilient smart cities.

Depreciation of the Indian Rupee:

Overview

The Indian rupee depreciated during the September-December 2021 quarter, and the Drishti IAS note states that the currency declined by 2.2% in this period. The same source links this fall to the withdrawal of about 4 billion US dollars by global funds from India's stock market and notes that the rupee became Asia's worst-performing currency in that phase.

Meaning of rupee depreciation

Rupee depreciation means the rupee loses value in comparison to another currency, especially the US dollar, under a floating exchange rate system.

In simple terms, more rupees are needed to buy one dollar after depreciation, which shows that the domestic currency has become weaker.

The Drishti IAS example explains this clearly: if 1 US dollar earlier equalled Rs. 70 and later became Rs. 76, the rupee is said to have depreciated. This is different from a fixed exchange rate change because depreciation happens mainly due to market forces such as demand and supply in the foreign exchange market.

Appreciation, depreciation and devaluation

Currency appreciation means the value of a currency rises in relation to another currency, while depreciation means its value falls in a floating exchange rate system.

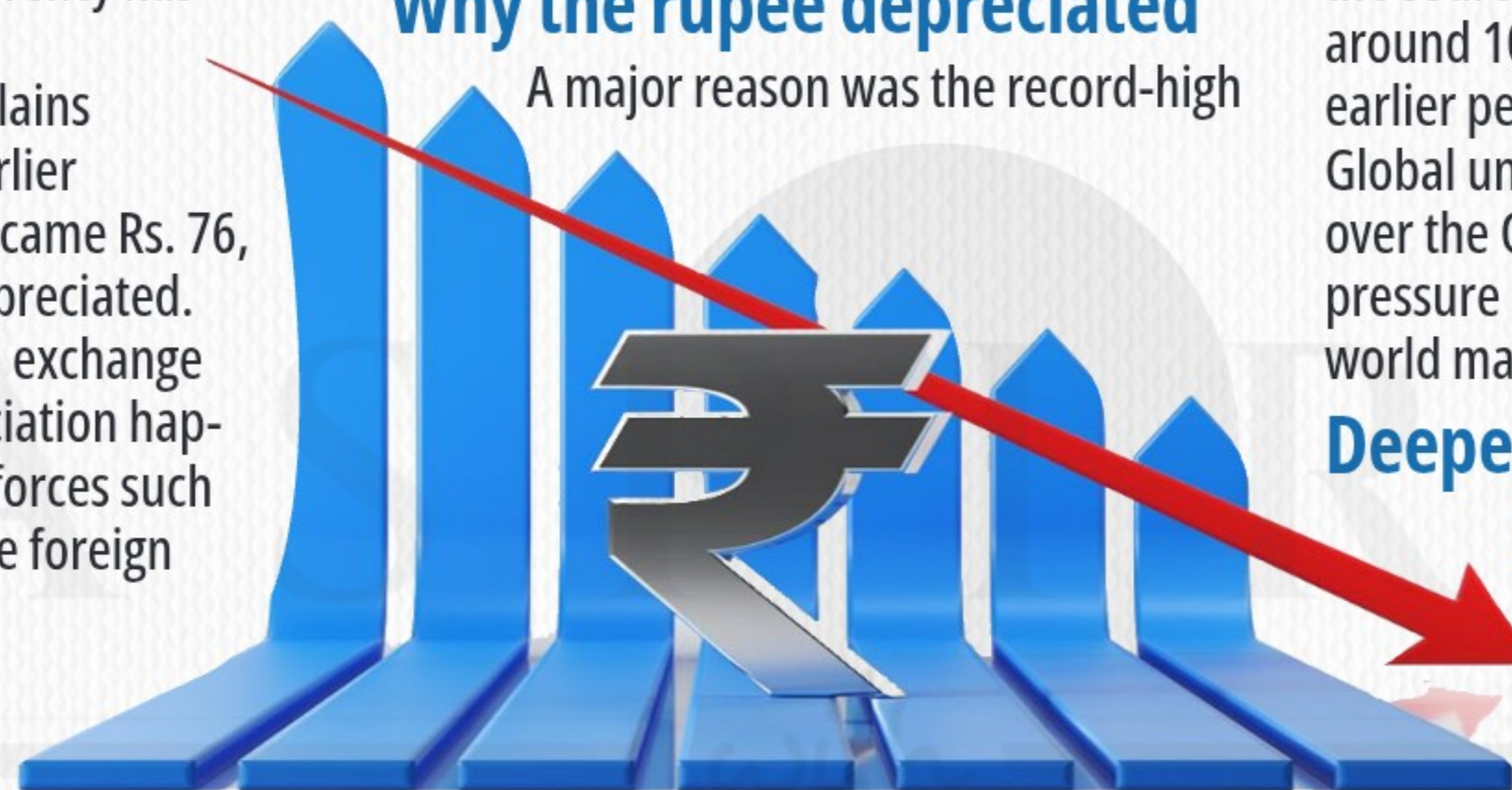
Appreciation generally makes exports costlier and less competitive in global markets, whereas depreciation can make exports cheaper and more competitive.

Devaluation and depreciation both reduce the value of a currency, but they are not exactly the same in policy terms.

Devaluation is a deliberate official decision by the central bank or government in a fixed or semi-fixed exchange rate system, whereas depreciation is a market-driven fall in value in a floating exchange rate system.

Why the rupee depreciated

A major reason was the record-high



trade deficit, which the source says widened to about 23 billion US dollars in November 2021.

This widening trade deficit was linked to higher imports, especially because of the rebound in global oil prices, which increased India's import bill.

Another reason was policy divergence between the Reserve Bank of India and the US Federal Reserve, as expectations of stronger growth in the United States and favourable interest rates supported a stronger dollar.

The Drishti IAS note also says that the RBI had been buying dollars to build foreign exchange reserves and prepare for volatility, which formed part of the broader exchange rate environment.

Foreign capital outflows from Indian stock markets also weakened the rupee, and the source connects this exodus to a fall of around 10% in the S&P BSE Sensex from its earlier peak.

Global uncertainty caused by concerns over the Omicron variant added further pressure by increasing risk aversion in world markets.

Deeper analysis for Civil Services preparation

India is structurally sensitive

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▶ From P6

- a South–South framework.
13. For Egypt, cooperation with India offers access to advanced training, new defence technologies, and a reliable partner in the Global South that can balance its ties with Western and Gulf powers.
 14. The relationship also reflects India's broader shift towards multilateralising defence diplomacy, where bilateral exercises and staff talks are overlaid on larger regional security frameworks such as counter-terrorism and maritime-domain awareness.
 15. The India–Egypt defence cooperation is therefore a useful example for the UPSC of how bilateral defence diplomacy, structured institutional mechanisms (JDC), joint military exercises, maritime security cooperation, and defence-industry collaboration are now

being used together to build long-term strategic partnerships.

Conclusion

India–Egypt defence cooperation has evolved from ad-hoc exercises into a structured Strategic Partnership, supported by a 2022 MoU on Defence Cooperation and regular Joint Defence Committee meetings that now produce a multi-year defence cooperation plan. Through annual special-forces drills like Exercise Cyclone, Air Force exercises such as Desert Warrior, and growing maritime-security and defence-industry collaboration, India and Egypt are building a robust South–South security partnership that strengthens regional stability, counter-terrorism coordination, and India's strategic footprint in West Asia and the wider Indian Ocean Region.

Prelims Practice Question

Q. Consider the following statements regarding India–Egypt defence cooperation:

1. India and Egypt have elevated their relationship to a Strategic Partnership with defence and security as one of its key pillars.
2. The India–Egypt Joint Defence Committee (JDC) has agreed on a bilateral defence cooperation plan for 2026–27, focusing on structured military interaction, joint training, and maritime security cooperation.
3. The annual special-forces exercise "Cyclone" is conducted only in India and does not rotate between India and Egypt.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Answer: (a) 1 and 2 only.

NEW PREHISTORIC ROCK ART SITE IN NILGIRIS



Why in News

A prehistoric rock art site named “Oor Pare” has been rediscovered in the Nilgiris district of Tamil Nadu, highlighting India’s rich prehistoric cultural heritage.

Location

- Located near Vellarikombai village in Kotagiri region, Nilgiris.
- Situated at around 1100 metres above sea level.
- Traditionally used by Irula and Kurumba tribal communities.

Features of Rock Art

- Around 30 identifiable figures along with faint drawings.
- Made using red ochre pigment (monochrome).
- Includes:
 - Fine line drawings
 - Thick stroke figures

- Geometric patterns

Depictions

- Anthropomorphic figures with conical headgear.
- Elongated human forms.
- Ladder-like structures.
- Rectangular patterns filled with dots.
- Indicates symbolic and ritualistic expression.

Chronology

- Evidence of repainting and overlapping.
- Suggests multiple phases of cultural activity.

Nearby Sites

- Eluthuparai
 - Tholikkiparai
 - Indicates continuous prehistoric artistic tradition in Nilgiris.
- Cultural Linkages

» Continued on P9

» From P7

to rupee depreciation because the country imports large quantities of crude oil, edible oil, electronics, machinery and other essential inputs, so a weaker rupee quickly raises the domestic cost of these imports.

When the import bill rises faster than export earnings, the trade deficit widens, and this can create more pressure on the current account balance as well as on the foreign exchange market.

Rupee depreciation often reflects both domestic weaknesses and global factors; therefore, it should not be seen only as an internal economic failure but also as a result of international capital flows, US monetary tightening, commodity prices and global risk sentiment.

The issue is important for macroeconomic stability because exchange rate movements affect inflation, investor confidence, external debt servicing and monetary policy choices.

Impact on the Indian economy

A weaker rupee can help exports because Indian goods and services become relatively cheaper for foreign buyers.

This export advantage is useful when the economy is recovering and needs support for production, employment and external demand.

At the same time, rupee depreciation in-

creases the cost of imports, and this creates imported inflation, especially in fuel, fertilisers, transport-related inputs and other sectors dependent on foreign goods. Imported inflation may reduce the ability of the RBI to keep interest rates low for a long period because rising prices can require a tighter monetary policy response.

Depreciation also raises the rupee cost of servicing external debt for companies or entities that have borrowed in foreign currency.

If the fall in the rupee is rapid or disorderly, it can reduce investor confidence and intensify capital outflows, creating a vicious cycle.

Significance for RBI and policy

The source describes rupee depreciation as a double-edged issue for the Reserve Bank of India because it offers some support to exports but also increases inflation risks. The RBI must therefore balance multiple objectives, namely exchange rate stability, inflation control, financial market confidence and adequate foreign exchange reserves.

Excessive intervention to defend the rupee can reduce foreign exchange reserves, while too little intervention can allow volatility to spread into trade and financial markets.

This makes exchange rate management a

matter of calibrated intervention rather than rigid control in a market-linked system.

Conclusion

Rupee depreciation is an important indicator of the health of the external sector and the wider economy. It can support exports to some extent, but for an import-dependent country like India it also raises inflation, worsens the trade balance and creates policy challenges for the RBI. For Civil Services preparation, the topic should be understood as a combination of exchange rate mechanics, global economic forces and domestic macroeconomic management.

Prelims Practice Question

Q. Which of the following statements regarding currency depreciation is/are correct?

1. Currency depreciation takes place in a floating exchange rate system.
2. Currency depreciation always reduces inflation in an import-dependent economy.
3. Devaluation is different from depreciation because devaluation is an official policy action.

Select the correct answer using the code below:

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

Answer: (b) 1 and 3 only.

Shekha Jheel Bird Sanctuary as INDIA'S 99TH RAMSAR SITE

Overview

The Indian wetland conservation framework gained a new milestone with the designation of Shekha Jheel Bird Sanctuary as India's 99th Ramsar Site on 22 April 2026. Located in Aligarh district of Uttar Pradesh, this recognition highlights the growing importance of inland freshwater wetlands in biodiversity conservation and ecological sustainability.

Meaning of Ramsar Site

A Ramsar Site is a wetland of international importance designated under the Ramsar Convention on Wetlands, an intergovernmental treaty adopted in 1971 at Ramsar, Iran. The convention focuses on conservation and wise use of wetlands.

Features of Shekha Jheel

- It is a freshwater wetland ecosystem.
- Supports both resident and migratory birds.
- Around 249 bird species reported.
- Important location along the Central Asian Flyway.

Ecological Importance

- Groundwater recharge
- Flood moderation
- Nutrient cycling
- Carbon storage
- Climate regulation

Significance of Ramsar Recognition



Location

Shekha Bird Sanctuary is a **freshwater lake** located in the **Aligarh district of Uttar Pradesh**.



- International visibility
- Improved conservation planning
- Encourages community participation
- Does not automatically grant stricter legal protection

Importance for India

- Strengthens wetland diplomacy
- Links biodiversity with climate resilience
- Supports water security and livelihoods

Importance for Uttar Pradesh

- Total Ramsar Sites increased to 12
- Enhances ecological recognition of Gangetic plains

Analytical Insights

- Highlights importance of small wetlands
- Shift from forest-centric conservation to

ecosystem-based approach

- Migratory birds give transboundary ecological value

Conclusion

Shekha Jheel's designation emphasizes the importance of wetlands in biodiversity conservation, climate resilience, and sustainable development.

Prelims Practice Question

Consider the following statements regarding Ramsar Sites in India:

1. Ramsar designation is given under an international convention focused on wetlands.
2. A Ramsar Site in India must necessarily be a National Park.
3. Wetlands may support migratory birds and ecosystem services.

Answer: (a) 1 and 3 only.

►► From P8

- Associated with Irula and Kurumba tribes.
- Shows continuity between prehistoric and present traditions.
- Sites used for resting and rituals.

Rock Art in India

- Includes pictographs (paintings) and petroglyphs (carvings).
- Major sites:
 - Bhimbetka
 - Jogimara caves
 - Bagh caves

Significance

- Provides insight into prehistoric human life.
- Reflects belief systems and social structures.

- Establishes Nilgiris as a cultural landscape.

Challenges

- Natural weathering.
- Human interference and vandalism.
- Lack of awareness and conservation.

Insights

- Rock art represents symbolic communication.
- Indigenous communities act as custodians.
- Importance of integrating archaeology with living culture.

Conclusion

The Nilgiri rock art discovery highlights India's deep cultural past and the continu-

ity of tribal traditions. Conservation and documentation are essential to preserve this heritage.

Prelims Practice Question

Consider the following statements:

1. Rock art includes both paintings and carvings.
2. Red ochre was used in prehistoric paintings.
3. Rock art sites are found only in central India.

Which is correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 1, 2 and 3
- (d) 1 only

Answer: (a) 1 and 2 only

3rd SYNCHRONISED NILGIRI TAHR SURVEY

Why in News...?

The 3rd Synchronised Nilgiri Tahr Survey was conducted in 2026 to assess the population and conservation status of the Nilgiri Tahr in the Western Ghats.

About Nilgiri Tahr

- Nilgiri Tahr (*Nilgiritragus hylocrius*) is an endemic species to the Western Ghats.
- It is the only mountain ungulate found in southern India.
- It inhabits montane grasslands and shola ecosystems.
- Conservation Status:
 - IUCN: Endangered
 - Wildlife Protection Act, 1972: Schedule I

About the Survey

- The survey is conducted synchronously across different habitats to ensure accuracy.
- It covers major Nilgiri Tahr habitats in Tamil Nadu and Kerala.
- It uses scientific methods such as direct sightings, block count method, and habitat mapping.

Findings

- The Nilgiri Tahr population shows a gradual increase due to conservation efforts.
- Major populations are found in Anamalai, Nilgiris, and Agasthyamalai landscapes.
- Habitat fragmentation and human interference remain key threats.
- Climate change is affecting high-altitude grassland ecosystems.

Project Nilgiri Tahr

- Launched by Tamil Nadu Government for species conservation.
- Focus areas include:
 - Habitat restoration
 - Population monitoring
 - Awareness generation
 - Anti-poaching measures

Significance of the Survey

- Helps in scientific population estimation.
- Assists in policy formulation for conservation.
- Strengthens ecosystem-based conservation approach.
- Supports biodiversity protection in Western Ghats (a UNESCO World Heritage Site).

Challenges


Nilgiritragus hylocrius

Nilgiri tahr

Mountain ungulates from southern India

Goat or Sheep?

Looks similar to a goat but genetically much closer to sheep



GEOGRAPHIC RANGE

In the Nilgiris (north of the Palghat Gap) and in the southern Western Ghats — (Tamil Nadu and Kerala)

HABITAT

Open, high altitude (or montane) grasslands above 1,200 m up to 2,600 m

POPULATION

3,122 (WWF report, 2015)


WEIGHT

50-100 kg

LIFESPAN


up to 9 years (in the wild)
up to 17.3 years (in captivity)

MATING AND CHILDREN



- Polygynous mating system: Males mate with several females
- Males fight to gain access to females
- Births peak in winter
- Females give birth to one offspring

APPEARANCE



- Short, coarse fur
- Adult males are generally larger than females, with thick horns, bristly mane and a darker coat
- Large males have a silvery saddle, referred to as saddlebacks

HERD SIZE

6 to over 100

THREATS

- Habitat loss due to agriculture and plantations
- Habitat fragmentation
- Competition from livestock grazing
- Poaching for meat

PROTECTION STATUS

Endangered on the IUCN Red List

EAT

Primarily grazers; feed on grass, herbs



- Habitat loss due to plantations and infrastructure development.
- Human-wildlife conflict.
- Invasive species affecting grasslands.
- Climate change impacts on habitat.

Conclusion

The 3rd Synchronised Nilgiri Tahr Survey highlights progress in conservation while

underlining persistent ecological challenges. Sustained scientific monitoring, habitat restoration, and inter-state coordination are essential to ensure long-term survival of this endemic species.

Prelims Practice Question

Q. Consider the following statements:

1. Nilgiri Tahr is endemic to the Western Ghats.
2. It is classified as Vulnerable under IUCN.
3. It is listed under Schedule I of the Wildlife Protection Act, 1972.

Which of the statements given above is/are correct?

- (a) 1 and 3 only
- (b) 2 only
- (c) 1, 2 and 3
- (d) 1 only

Answer: (a) 1 and 3 only

