



**VAJIRAM & RAVI**  
Institute for IAS Examination

# The Analyst

**CURRENT AFFAIRS Handout**

**24th June 2026**



# MSMEs - The Backbone of India's Economy



**CONTEXT:** RBI tweaks process to onboard MSMEs on TReDS Platform

## Significance of MSME's:

- **Contribution to GDP** - 30%
- **Enhancing India's Export Competitiveness: Exports** - 45%
- **Manufacturing output: Economic Survey 2025-26** - 35%
- **Engines of Employment: 2nd largest employer** after agriculture.
- **Rural Development:** 51% of MSMEs are located in rural areas.
- **Social Inclusion:** According to the **Annual Report of The Ministry of MSMEs (2021-22)**: the socially backward groups owned almost 66.27% of MSMEs. In rural areas, almost 73.67% of MSMEs were owned by socially backward groups.
- **Fostering Inclusive Growth:**
  - Women owned enterprises - Women now own 26.2% of proprietary MSMEs ( SIDBI, 2025 report )

## Issues faced by MSMEs :

- **Problem of Missing - Middle:** 6.5 crore MSME's - **99% of that is micro.**
- **Informalisation:** 91% unregistered - NITI Aayog
  - **Compliance fear, low digital literacy, and cost of formalisation** deter registration, restricting access to institutional credit, insurance, export incentives, and government procurement.
- **Access to credit:** NITI Aayog - Lack of collateral & high NPAs
  - **Credit gap:** Rs 20 to 25 lakh
  - 12% of which still depend on informal borrowings ( **SIDBI, 2025** )

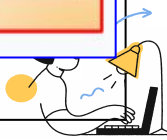
- **Problem of delayed payments:** MSME Development act, 2006 - within 45 days - **Samadhan Portal, 2024:** Rs 20K Cr of MSMEs stuck in pending cases against delayed payments
- **Poor integration with global value chain:**
  - **SIDBI survey - "Understanding Indian MSME Sector: Progress and Challenges, 2025:** 70% still remain dependent on local/traditional marketing channels.
- **Export Competitiveness Constraints:**
  - struggle to meet emerging ESG norms, carbon disclosure requirements, and product traceability standards - **EU CBAM.**
- **Lack of skilled labour:** *India Skill Report, 2024*
  - Only 4% of workforce formally skilled ( China - 47% & S.Korea - 96% )

## Steps Taken

- **Revised Classification Criteria:** scale operations and access better resource.

### New MSME Classification Criteria as per Union Budget 2025

ENTERPRISE CATEGORY	CURRENT INVESTMENT LIMIT	REVISED INVESTMENT LIMIT	CURRENT TURNOVER LIMIT	REVISED TURNOVER LIMIT
MICRO ENTERPRISE	₹1 crore	₹25 crore	₹5 crore	₹10 crore
SMALL ENTERPRISE	₹10 crore	₹25 crore	₹50 crore	₹100 crore
MEDIUM ENTERPRISE	₹50 crore	₹125 crore	₹250 crore	₹500 crore



**CONTEXT:** RBI tweaks process to onboard MSMEs on TReDS Platform

- **Udyam Registration Portal:** Provides simplified, online registration giving MSMEs **formal recognition, essential** for availing benefits across schemes.
- **Enhanced Credit Availability: Mudra Loan Scheme: launched in 2015:** earlier Rs 10 lakh
  - **Union Budget 2024-25: Tarun Plus :** Loans up to **Rs. 20 lakh** for entrepreneurs who have successfully repaid previous loans under the 'Tarun' category.
- **TReDS (Trade Receivables Discounting System) platform:**
  - **Mandatory TReDS Use:** All CPSE purchases from MSMEs to be settled via TReDS. ( Mandates 25% of government and PSU procurement)
  - **GeM-TReDS Integration:** to share government purchase data with financiers, enabling faster and cheaper MSME credit. **Union Budget 2026-2027: Corporate Mitras:** Accredited para-professionals who will help MSMEs meet compliance requirements at affordable costs.
- **MSME Sustainable (ZED) Certification Scheme:** Encourages sustainable and high-quality manufacturing with incentives for adopting energy efficiency and zero-defect practices.
- **MSME SAMADHAN:** to monitor and resolve issues related to delayed payments.
  - directly file cases against defaulting buyers
- **Sunset clause for incentives:** U.K.Sinha committee - infant firms ( 5 to 7 years) v/s dwarf firms
- **Shift from collateral-based lending to cash-flow based lending:** receipts
- **Fast-track MSME facilitation councils** - at state level to improve dispute resolution efficiency - delayed payments.
- **Address labour related issues:**
  - Grants for offsetting "skilling cost"
  - Conduct " skill census" - ascertain demand-supply mismatch
- **Expanding common facility centres:** shared R&D labs, and plug-and-play industrial infrastructure can raise productivity.
- **Incentivise greater adoption of e-commerce** and digital marketing tools to boost competitiveness.
- **Boosting Export Competitiveness:**
  - **Trade facilitation** - assistance for meeting global quality and ESG standards.
  - Creation of cluster-based export hubs - via PPP
  - Provide targeted market intelligence.



# MSMEs – The Backbone of India’s Economy



**CONTEXT:** RBI tweaks process to onboard MSMEs on TReDS Platform

## Mains PYQ

*“Faster economic growth requires increased share of the manufacturing sector in GDP, particularly of MSMEs. Comment on the present policies of the Government in this regard.” (10 Marks) 2023*

## Mains Practise Question

*“Critically analyze the major challenges faced by the MSME sector in India. What steps has the government taken recently to address these issues?”*

**(10 Marks, 150 words)**



# Reconnect public health with people's needs



**CONTEXT:** The write up talks about the inadequate access to health care in India

- **Consumer Education and Research Centre v. Union of India (1995)**
- **In:Re Proper Treatment of Covid-19 patients (2020)**

## Significance Of Public Health:

- **Improved health outcomes:** early detection & treatment
  - **SRS, 2023:** IMR - 37% drop in past decade
  - **Life expectancy at birth:** 49.7 (1976) to 70.3 (2023)
  - **Severe Wasting** (low weight for height) - NFHS-5 (7.7%) to NFHS-6 (5.2%)
- **Accessibility:** Ayushman arogya mandirs - over 1.86 lakh
- **Reduced financial burden: Preventive Health care**
  - **Generic medicines:** 50% to 90% less than brand price at "Jan aushadhi kendras"
  - **OOPE:** 62.6% (2014-15) to 39.4% (2021-22)
- **Attaining Universal Health coverage:** every individual has access to needed health services without suffering financial hardship. **AB-PMJAY** - ₹5 lakh per family per year
  - 12 Cr families & 40% of India's population
- **Reap Demographic dividend:** working-age population - 67% to 68% of the country's total population.

## Issues in Public Health care :

- **Low Public expenditure:** 2.1% of GDP
  - **below 2% of GDP - Union Budget 2026** allocated ₹1,04,559 crore towards the health-care sector, which is **only 0.26% of GDP.**
- **Quality Issues:** NSS - "Survey on Health"
  - **2025** - 61.25% of hospitalisation cases were at private hospitals.
- **Booming of "Profit - Driven model":**
  - Ineffective implementation of **Clinical Establishments (Registration and Regulation) Act, 2010**
- **Rural-Urban Divide:** Urban - 30% of Population & 70% of doctors
- **Issues with Health Insurance:**
  - **"missing middle":** NITI Aayog 40 crore people
  - **Lack of Comprehensive coverage:** covers mainly hospitalisation;
    - OOPE - medicines, outpatient care & rehabilitative therapy
- **Structural gaps:** "Health Dynamics of India", 2022-23 - 80% shortfall of specialist doctors.
- **Fragmented approach:** lack of focus on "One health concept"



**CONTEXT:** The write up talks about the inadequate access to health care in India

## Way ahead

- **Increase public expenditure on health:** 2.5% of GDP
  - **Srinath Reddy committee** - 70% of healthcare budget to primary healthcare
- **Expanding workforce**
  - Link private medical college with District hospitals & PHCs
  - 10-year Service bond
- **Enhance Accessibility:**
  - **Leverage Technology:** telemedicine - **e- Sanjeevani**
  - **Mobile health clinics** - difficult terrain
- **Legal mandate “Inter-sectoral coordination”**
- **Address Regulatory gaps:** Clinical Establishments (Registration and Regulation) Act, 2010 - choice of tests and technology to be used, at all stages of treatment, is a crucial determinant of cost
  - E.g. **proton beam radiotherapy** - used to detect paediatric brain tumours with precision. **cost 80% to 90%** more than regular radiotherapy.
- **Strengthening decentralised institutions:** ASHA workers, ANM's & SHGs
- **Effective Feedback mechanism:** “service quality ratings”

## Mains PYQ

*“In a crucial domain like the public healthcare system, the Indian State should play a vital role to contain the adverse impact of marketisation of the system. Suggest some measures through which the State can enhance the reach of public healthcare at the grassroots level.” (2024, 15 marks)*

## Mains Practise Question

*“Primary healthcare must form the cornerstone of India's universal health framework.” Critically examine the institutional and financial challenges in translating this vision into reality.”*

(15 Marks, 250 words)



## Mains Syllabus : G.S 3: Environment

### Replicate 'zero-waste model' across city: L-G of Delhi to MCD:

- Replicate the **"zero-waste model"** developed in **south Delhi's Navjeevan Vihar** across the city, with a particular focus on low-income and unauthorised colonies.
- Navjeevan Vihar, one of **Delhi's certified zero-waste colonies**, where residents have been managing waste through **100% source segregation, composting on site and recycling for nearly eight years.**
- **Explore dedicated funding mechanisms:**
  - tap corporate social responsibility resources
- **Delhi currently has over 670 certified zero-waste areas** - Together, these process and compost around **100 tonnes of waste every day.**

## 5 STEPS TO ACHIEVE ZERO WASTE



**SYLLABUS : PRELIMS : Prelims:** Polity  
**Newspaper :** Indian Express **Page Number : 05**

## Foreign Contribution (Regulation) Act:

- The **MHA regulates** foreign donations in the country through the FCRA to ensure that such funds do not adversely affect the **country's internal security**.
- The legislation was **first enacted in 1976**.
- **Expansion to Civil Society:** In **1984**, NGOs were brought under the Act and required to register with the Ministry of Home Affairs, shifting them into a security-oriented regulatory framework.
- **Shift under the 2010 Law:** The 2010 Act replaced the earlier law and expanded state oversight. Registration, renewal, and compliance requirements became mandatory for organisations receiving foreign contributions.
- **Impact of the 2020 Amendments:** Foreign contributions were required to pass through a single SBI branch in New Delhi. Administrative expenditure limits were reduced from **50% to 20% of the foreign contribution received during that particular year**.

## Registration certificates:

- Specify the **exact purpose** and the **States or Union Territories** where an association will operate.
- Applicants will have to choose their activities **only from a predefined schedule**.

- **Existing associations** have been given **one year to file** an intimation in the **new Form FC-6F** saying which purpose and geography they want to retain.
- FCRA registration is **valid for five years**, after which the NGO has to apply for a renewal.
- Imposes a **fee to operate for each specified purpose and each State or Union Territory**.
- **Impact:** NGOs operating across multiple sectors or regions will face **higher registration costs**. – pay separate fees for each category, State and Union Territory they operate in, as opposed to the previous single fee for FCRA registrants.
- must disclose the **ultimate donors** (the original source of the money) in their applications.

## Funding check

Under the fresh changes to Rules of the Foreign Contribution Regulation Act, all NGOs are required to disclose specific activities and geographical scope of their programmes to receive contributions under 5 permitted categories:



### EDUCATIONAL

- Schools, colleges, and libraries
- Scholarships
- Research institutions and think tanks
- Civic-awareness and constitutional-rights programmes



### ECONOMIC

- Livelihood generation
- Skill development
- Agricultural sectors
- Entrepreneurship and micro-enterprises
- Financial and digital inclusion



### RELIGIOUS

- Places of worship
- Religious education
- Pilgrim services
- Meditation programmes
- Preservation of religious traditions



### SOCIAL

- Public health
- Rehabilitation
- Sanitation and nutrition
- Disaster relief



### CULTURAL

- Preservation of Indian arts and languages
- Museums, archives, and cultural festivals
- Heritage conservation



# Centre tightens FCRA Norms for NGOs



**SYLLABUS : PRELIMS : Prelims:** Polity  
**Newspaper :** Indian Express **Page Number : 05**

## FCRA rules for NGOs :

- **Definition of “key functionary” of an NGO:**
  - beyond office bearers and directors to **include** trustees, partners, the Karta of a Hindu Undivided Family, governing body members, or anyone controlling or managing the organisation.
  - **Associations having foreign nationals (other than persons of Indian origin)** as key functionaries will ordinarily **not be considered eligible** for registration or prior permission, **unless specifically permitted** by the Central government, according to the new Rules.
- **Information regarding publications:**

Declare whether their association or any of their key functionaries brought out any publication during the year, which includes books, magazines, and newspaper articles.
- **To prevent inactive NGOs from holding on to licences:** minimum spending limit of **Rs 10 lakh on foreign contributions** for their chosen activities over the **last two financial years.**
  - For prior-permission cases, the **next instalment of funds** will now be released **only after 75 per cent of the previous tranche** has been spent and verified through a field inquiry.
- **Fines for FCRA violations:**
  - **violations** – excess administrative spending ( 20% limit ) , speculative investments, misuse of funds, unauthorised receipt/use of foreign contributions, and using funds for unapproved purposes or in unapproved States/UTs.
  - **Penalty** of up to **30% of the amount misused or ₹1 lakh**, whichever is higher.
  - Similar penalty for using foreign funds for purposes or in areas not covered under the NGO’s approval or registration.
  - **maximum imprisonment** – reduced from **five years to one year.**
- **Annual returns** must now include a **“detailed activity report”** alongside financial statements.
- **Automatic Cessation of Registration:** provides that registration will automatically cease if renewal is denied, renewal is not obtained before expiry.
- **Creation of a “Designated Authority”:** to seize and manage all assets built using foreign funds if an NGO loses its FCRA registration.



**SYLLABUS : PRELIMS : DEFENSE**

**Newspaper : Indian Express Page Number : 12**

## About Invisible "Drones":

- **Traditional drones emit radio frequency signals** and create their signatures owing to their **use of GPS or radio control**, they are susceptible to jamming, detection, and fixing of position.
- **What It Is?**
  - **Fibre-optic drones**, are connected to their operators through fibre-optic cables – these are high-speed, high-strength, and lightweight network cables that **transmit data as pulses of light (rather than open-air radio signals)** through tiny strands of glass or plastic.
  - Thus they are **highly resistant to traditional electronic countermeasures**, spoofing, and radar detection.
  - **Complete Immunity to RF Jamming:** Because they lack an open radio receiver, these drones completely bypass traditional electronic warfare systems, RF detection, and signal spoofing.

- **Can reach reasonable speeds:** distances of even 20 to 30 km.
- **Real-Time Video:** these cables can transmit operational data during flight, they enable a drone operator to see their target and the surrounding environment in real time.
- **All-Weather Vulnerabilities:** Due to their lightweight structural frames, these drones remain susceptible to severe weather like heavy rain and gusty winds



# Meaning of 'information' under the IT Act



**SYLLABUS : PRELIMS : POLITY**

**Newspaper : The Hindu Page Number : 18**

**Context:** Union government **temporarily blocked Telegram** to protect the sanctity of the **NEET-UG 2026 re-examination** - by interpreting an entire intermediary platform as "information".

- won the **endorsement of the Delhi High Court** by stretching the meaning of 'information' under the **IT Act, 2000**.
- **Earlier:** 'information' in diminutive units:
  - data, messages, text, image, sound, voice, codes, computer programme, software, and databases.
- The Telegram ban changed that legal interpretation.
- **Concern:** By reading entire platforms which were **legal entities by their own nature**, under the ambit of 'information' under the Act, the government has effectively **weaponised the content-blocking provision of Section 69A**.
- The platform's arguments are backed by the **Supreme Court's judgment in the Anuradha Bhasin case, 2020** on **digital freedoms**, holding that restrictions on fundamental rights must be **proportionate** and only the least restrictive measure must be employed.

**About Section 69A of IT Act:**

- Allows the government to **issue content-blocking orders** to online intermediaries such as ISPs, telecom service providers, search engines, online marketplaces, etc.
- Section requires the information or content being blocked to be deemed a **threat to India's national security, sovereignty, or public order**.
- **Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009:**
  - **Rule 8** - set out the procedure under which ordinarily **requires a hearing before a block**
  - **Rule 9** - government can **bypass the mandatory pre-decisional hearing** for intermediaries in cases of strict emergency, allowing for immediate enforcement.
- **Shreya Singhal vs. Union of India, 2015:**
  - SC upheld the **constitutional validity of Section 69A**, noting that it contains adequate **procedural safeguards:**
    - requirement to **record reasons in writing** and the provision of a **review committee** to oversee the blocking orders.



**SYLLABUS : PRELIMS :** *International organisations*

**Newspaper :** The Hindu **Page Number :** 1

## About International Maritime Organisation

- **Genesis:** Established in 1948 as the Inter-Governmental Maritime Consultative Organization (name changed to IMO in 1982).
- **Membership:**
  - **176 Member** States and 3 Associate Members.
  - India has been a member since **1959**.
- **HQ:** London, UK
- **Role:** *United Nations specialized agency* with responsibility for the safety and security of shipping.
- **Key IMO Conventions:**
  - **International Convention for the Prevention of Pollution from Ships (MARPOL, 1973):** It aims to reduce pollution from ships, including oil spills, sewage, and hazardous cargo residues.
  - **SOLAS (Safety of Life at Sea) Convention (1974):** establishes international standards for ship construction, equipment, and operational procedures to ensure the safety of ships and passengers..
  - **Hong Kong Convention, 2009:** Safe and Environmentally Sound Recycling of Ships



**Q1. With reference to the International Maritime Organisation (IMO), consider the following statements:**

1. It was established in 1948 as the Inter-Governmental Maritime Consultative Organisation.
2. It is responsible for the safety, security, and environmental performance of international shipping.
3. India is one of the current 186 members and has been a member since 1959.

**Which of the above given statements are correct?**

- a) 1 and 3 only
- b) 2 and 3 only
- c) 1 and 2 only
- d) All of the above

**Answer: c**

**Q2. Which of the following statements regarding the Foreign Contribution (Regulation) Act (FCRA) is not correct?**

- a) The FCRA was first enacted in 1976 to regulate foreign donations.
- b) Non-Governmental Organisations (NGOs) under the Act are required to register with the Ministry of Home Affairs.
- c) The FCRA 2010 reduced state oversight over organisations receiving foreign contributions.
- d) The FCRA 2020 reduced the permissible limit of administrative expenditure from 50% to 20% of the foreign contribution received during a financial year.

**Answer: c**

**Q3. With reference to Section 69A of the IT Act, consider the following statements:**

1. It allows the government to issue content-blocking orders to online intermediaries such as ISPs, telecom service providers, search engines, online marketplaces, etc.
2. Section requires the information or content being blocked to be deemed a threat to India's national security, sovereignty, or public order.

**Which of the statements given above is/are correct?**

- a) 1 Only
- b) 2 Only
- c) Both 1 and 2
- d) Neither 1 nor 2

**Answer: c**

**Q4. With reference to the revised classification criteria for Micro, Small and Medium Enterprises (MSMEs) announced in the Union Budget 2025, consider the following statements :**

1. The investment limit for Micro Enterprises has been increased from ₹50 crore to ₹100 crore.
2. The turnover limit for Small Enterprises has been increased from ₹1 crore to ₹2.5 crore.
3. The investment limit for Medium Enterprises has been increased from ₹50 crore to ₹125 crore.

**Which of the statements given above is/are correct?**

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

**Answer: d**

**Q5. With reference to fibre-optic drones, consider the following statements:**

1. Fibre-optic drones are connected to their operators through fibre-optic cables rather than conventional radio links.
2. Data in fibre-optic cables is transmitted as pulses of light through thin strands of glass or plastic.
3. Fibre-optic drones rely heavily on GPS signals for navigation and communication

**How many of the statements given above is/are correct?**

- a) Only One
- b) Only Two
- c) All Three
- d) None

**Answer: b**





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