DAILY CURRENT AFFAIRS (DCA)

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BUILDING AN ATMANIRBHAR PHILANTHROPY ECOSYSTEM

Context

- India's philanthropic landscape is undergoing a structural transformation as domestic private giving increasingly surpasses foreign philanthropic inflows.

Atmanirbhar Philanthropy Ecosystem

- It refers to a system where **social development is financed, governed and driven primarily by Indian citizens, businesses, entrepreneurs and institutions,** while foreign philanthropy plays a complementary role.
    - **Example:** Azim Premji Foundation, Shiv Nadar Foundation etc.
- According to the **Bain–Dasra India Philanthropy Report 2026**, domestic private philanthropy **exceeds ₹1.18 lakh crore annually**, which is more than **five times** foreign philanthropic inflows.
- **Financial Inclusion as a Driver of Philanthropy:** India's growth in demat accounts, SIP investments and digital payments has created the infrastructure for large-scale citizen participation in philanthropy.

Ethical Dimensions of Philanthropy

- **Compassion and Empathy:** Philanthropy is rooted in the moral recognition of the suffering, deprivation faced by others which motivates individuals and institutions to act for public welfare.
- **Stewardship of Wealth:** Wealth is viewed as a public trust that carries obligations beyond personal consumption, and philanthropy becomes a means of converting private wealth into public value.
- **Accountability and Transparency:** Donors and philanthropic organizations have an ethical obligation to disclose how funds are raised, allocated and utilized, ensuring public trust and responsible stewardship of resources.
- **Justice and Equity:** Ethical philanthropy seeks not only to provide charity but also to address structural barriers related to poverty, education, health, gender and social exclusion.

Three Phases of Indian Philanthropy

- **Phase I (Foreign-funded development):** In the decades after independence, development work relied substantially on international donor agencies and foreign foundations.
- **Phase II (CSR-led institutionalization):** The CSR framework created a predictable domestic pool of development capital and professionalized corporate engagement with social issues. CSR now channels more than **₹40,000 crore** annually.
- **Phase III (Citizen and entrepreneur-led philanthropy):** The emerging phase is characterized by Indian families, entrepreneurs and ordinary citizens becoming the principal owners and financiers of social transformation.

Complementary Role of Foreign and Domestic Philanthropy

Foreign Philanthropy	Domestic Philanthropy
Supports **scientific research** and advanced knowledge creation.	Promotes **local ownership** of development initiatives.
Facilitates **public health collaboration** across countries and institutions.	Encourages **volunteer participation** and civic engagement.
Enables **technology transfer** and access to global best practices.	Fosters **innovation rooted in Indian realities** and local contexts.
Promotes **global knowledge exchange** and international partnerships.	Enhances **democratic legitimacy** by involving citizens directly in development outcomes.

Major Constraints Facing the Philanthropic Sector

- **Foreign Contribution (Regulation) Act (FCRA):** Delays in FCRA renewal, long approval processes, cancellation of registrations, and compliance requirements is affecting the functioning of many NGOs.
- **Wealth locked in shares:** Many entrepreneurs hold most of their wealth in company shares rather than cash, and the absence of a simple framework for donating shares limits the flow of philanthropic capital.
- **Limited Tax Incentives for Large-Scale Giving:** Under the **Section 80G** of current **Income Tax Act** framework generally provides a **50% deduction** with a ceiling of **10% of adjusted gross total income,** which many experts consider insufficient for encouraging substantial long-term philanthropic commitments.

Way Ahead

- **Institutional Strengthening:** Grassroots organizations require capacity building in governance, financial management, technology adoption and impact evaluation.
- **Fiscal Incentives:** Tax policy should encourage long-term philanthropy, equity-based donations and the creation of permanent philanthropic endowments.
- **Digital Participation:** UPI-based donation systems and transparent digital reporting platforms should be scaled nationwide.
- **Civic Culture:** India should promote a culture of regular giving across all income groups, making philanthropy a broad civic practice rather than limited to large corporations and billionaires.

What Is Corporate Social Responsibility?

- It is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.
- The CSR in India is **statutory obligation** and is governed by **Section 135** of the **Companies Act, 2013.**
  - It encourages companies to spend **2%** of their average net profit in the previous three years on CSR activities.
- The provisions of CSR applies to every **company fulfilling** any of the following conditions in the preceding financial year:
  - Net worth of more than **Rs.500 crore**,
  - Turnover of more than **Rs.1000 crore,**
  - Net profit of more than **Rs.5 crore.**

Source: TH

GOVERNMENT CLARIFICATION ON DESIGNATED AUTHORITY UNDER FCRA AMENDMENT BILL, 2026

Context

- Amid concerns raised by minority institutions against the **Foreign Contribution (Regulation) Amendment Bill, 2026 (FCRA)**, the government said that the **designated authority** would retain the religious character of places of worship in all cases.

Foreign Contribution Regulation Act (FCRA), 2010

- FCRA aims to **regulate the acceptance and utilization of foreign contributions** to prohibit activities detrimental to the national interest.
- **First enacted in 1976**, replaced in 2010, and further amended in 2016, 2018, and 2020.
- It is **administered by the Ministry of Home Affairs (MHA)**.
- FCRA registration is valid for 5 years and must be renewed before expiry.
- Around **16,000 NGOs are registered under FCRA**, receiving nearly 22,000 crore annually.

Provision of Designated Authority for Asset Management

- The Bill proposes the creation of a **Designated Authority** as the core institutional mechanism for **managing foreign-funded assets.**
- The authority will **take control of foreign contributions and assets** when an organisation's registration is cancelled, surrendered, expired, or not renewed.
- This authority will have the **powers of a civil court** and can order the transfer or sale of assets owned by NGOs to either the government or any other body.

Constitutional Provisions

- **Freedom of religion:** Any state action affecting religious institutions must satisfy tests of legality, necessity, and proportionality.
  - **Article 25:** Freedom of conscience and free profession, practice, and propagation of religion.
  - **Article 26:** Rights of religious denominations to manage their own affairs.
- **Freedom of association: Article 19(1)(c)** protects the right to form associations. The Supreme Court in **Noel Harper v. Union of India (2022)** case has held that receiving foreign contribution is not an absolute fundamental right, but regulation must not be arbitrary.

Other Key Provisions of the 2026 Amendment Bill

- **Government Power Over Assets:** If registration is not restored, the government can transfer assets to a government department.
  - It can also sell those assets, with proceeds **going to the Consolidated Fund of India.**

- **Automatic Cessation of Registration:** A **new Section 14B** is introduced, providing for **"deemed cessation" of FCRA** registration upon expiry or refusal of renewal.
- Registration automatically stops in three situations:
  - Organisation fails to apply for renewal.
  - Renewal application is rejected.
  - Validity period expires without renewal.
- **Time-Bound Utilisation of Funds:** The amendment introduces mandatory timelines for the receipt and utilisation of foreign funds to improve financial discipline and transparency.
- **Restrictions During Suspension:** A suspended organisation cannot sell, transfer, or mortgage its foreign-funded assets.
  - Prior government approval is mandatory for any such action.
- **Centralised Investigation Control:** Section 43 of the parent Act is amended, requiring any law enforcement agency or state government to obtain prior clearance from the Centre before beginning an inquiry into FCRA allegations.
- **Rationalisation of Penalties:** The amendment reduces the severity of penalties for violations under the Act. The maximum punishment is reduced from five years of imprisonment to one year, or fine, or both.
- **Individual Accountability:** The definition of "Key Functionary" now includes directors, partners, trustees, karta of Hindu Undivided Family (HUF), office-bearers of societies/trusts/trade unions, and any person with control over management.
  - They are personally liable unless they prove lack of knowledge or due diligence.
- **Permanent Vesting of Assets:** If an organisation shuts down, becomes inactive, or ceases to exist, its foreign-funded assets will permanently vest with the government through the Designated Authority.

Why is Regulating Foreign Contributions Necessary?

- **It protects national security** and sovereignty from outside interference.
- **It prevents money laundering** and diversion of money to illegal activities.
- It ensures that the funds are **utilised for developmental and charity purposes only.**
- **It offers transparency and accountability to the working of the NGO.**
- Prohibits foreign funding of **electoral candidates, journalists, judges, government personnel and political organisations** – all of which are barred under FCRA.

Concerns over regulating foreign contributions

- **Administrative Delays:** The registration and renewal process is time-consuming which affects NGOs' ability to access funds and carry out activities.
- **Political Interference:** The government's discretionary powers to cancel registrations or freeze accounts of NGOs can be **misused.**
- **Hinders development:** Stringent Compliance Requirements of foreign contributions affects the social and economic development in India.
- **Lack of Transparency:** Some NGOs have been criticized for lacking transparency in their utilization of foreign funds received under the FCRA.

Source: TH

INTERNET SHUTDOWN IN INDIA

In News

- Mobile Internet services were temporarily suspended in parts of Central Delhi during the Chalo Sansad protest staged by the Cockroach Janta Party (CJP).

What is an Internet shutdown?

- It is defined as "an intentional disruption of Internet or electronic communications, rendering them inaccessible or effectively unusable, for a specific population or within a location, often to exert control over the flow of information."
- They take many forms, from full network disruptions to slowing down Internet speed ("throttling") or blocking platforms.

Reasons

- Most Internet shutdowns are ordered when large numbers of people are expected to gather for political reasons, peaceful demonstrations, violent protests or religious celebrations, according to the International Federation of Journalists.

- Some are preventive measures imposed in anticipation of an event, while others are introduced to control ongoing incidents.

Internet shutdowns Status in India

- Historically, Jammu & Kashmir has recorded the highest number of Internet shutdowns in the country, with about 449 since 2012, followed by Rajasthan (115) and Manipur (62), according to the SFLC Internet Shutdown Tracker.
  - India has recorded about 24 shutdowns in 2026.
- India continues to record one of the highest numbers of Internet shutdowns in the world.
- Access Now's 2025 report recorded 65 shutdowns across 12 States and Union Territories.
  - This was lower than in previous years; the scale remains exceptional for a constitutional democracy.

Arguments in Favour of Internet Shutdowns

- **Maintaining Public Order**: It stops the rapid spread of hate speech, rumours and provocative content on social media during periods of communal tension or civil unrest.
- **National Security:** Disrupts communication and coordination between hostile or terrorist groups in conflict-prone regions.
- **Avoiding Administrative Failure:** Deployed Locally to Prevent Organised Cheating and Large-Scale Question Paper Leaks in Competitive Exams

Arguments Against

- **Restriction of Rights:** Internet shutdowns restrict fundamental rights by limiting freedom of speech and expression, access to information, peaceful assembly, and the freedom to carry on trade and business.
- **Economic Losses**: Huge impact on digital economy, e-commerce, UPI transactions, gig workers and livelihoods of daily wage workers that depend on connectivity.
- **Civil Liberty Violations:** Reduces access to healthcare, online education, emergency services, and critical public information for citizens.
  - Closing official channels creates a vacuum often filled by dangerous rumours through offline channels.

Law governing Internet shutdowns in India

- Internet shutdowns in India were earlier governed by **Section 5(2) of the Indian Telegraph Act, 1885** and the Temporary Suspension of Telecom Services (Public Emergency or Public Safety) Rules, 2017.
- These have now been replaced by **Section 20 of the Telecommunications Act, 2023 and the Telecommunications (Temporary Suspension of Services) Rules, 2024.**
- Section 20(2)(b) of the Telecommunications Act, 2023 states that the government can suspend Internet or telecom services in a public emergency or in the interest of public safety, not simply because a protest is underway.
  - Such suspensions shall be made on specified legal grounds, supported by written reasons, issued by the competent authority under the Telecommunications (Temporary Suspension of Services) Rules, 2024 and published with details of the area, duration, date and time for transparency and accountability.
  - The authorities shall also examine whether the same objective can be attained by means of a less restrictive measure.

Do you know?

- Orders of Internet shutdown are now challengeable before the High Courts under **Article 226** or, in suitable cases, before the Supreme Court **under Article 32.**
- Courts assess whether the order is lawful, necessary, proportionate, and limited in scope and duration.
- The government has to issue the orders with reasons, look at less restrictive options, and follow the Telecommunication (Temporary Suspension of Services) Rules, 2024, under which a shutdown order cannot be valid for more than 15 days. Shutting down services for an indefinite time is unconstitutional.

Implementation Issues

- Several States have continued to issue Internet shutdown orders under the repealed Indian Telegraph Act, 1885 and the 2017 Rules, potentially bypassing the stronger procedural safeguards introduced in 2024.

- But despite safeguards, findings under the RTI and studies show that many States continue to withhold shutdown orders and review records, defeating transparency, judicial oversight and the principles laid down in Anuradha Bhasin and natural justice.
    - Examples are internet suspension orders issued by Uttar Pradesh (Bareilly) and Manipur in 2025 under the old framework.
- There are also concerns that local police sometimes undertake network jamming under criminal law without a clear statutory framework.

Observations of Supreme Court

- The Supreme Court in **Anuradha Bhasin v. Union of India (2020)** said that the right of access to the Internet is closely related to the fundamental freedoms of speech and expression and trade **under Articles 19(1)(a) and 19(1)(g).**
    - It said internet shutdowns should be "authorized by law, pursue a legitimate objective, meet the tests of necessity and proportionality, be the least restrictive measure and be limited in scope as well as duration".
    - The Court also held indefinite **shutdowns unconstitutional, ordered that shutdown orders be published** and a review conducted by a multi-member Review Committee within five working days.
    - It underlined that a complete shutdown of internet services should be a **last resort** and that less intrusive measures should be explored first.

Conclusion

- Access to the internet is now a vital enabler of fundamental rights, economic activity, education, health care and democratic participation.
- The State has a legitimate role in the protection of public order and national security, but internet shutdowns should remain an exceptional measure.
- Any suspension must be in line with the Supreme Court's decision in Anuradha Bhasin v. Union of India (2020) and consistent with the principles of legality, necessity, proportionality, transparency, and judicial review, balancing security interests against constitutional freedoms.

Source: TH

STABLE INDIA-CHINA TIES WILL HELP BUILD 'MULTI-POLAR ASIA': EAM

Context

- External Affairs Minister discusses **India-China normalisation** with his Chinese counterpart and **joins Quad talks** backing a free and open Indo-Pacific.

Major Highlights

- EAM said that the **Stable India-China relations** will help foster a **"multi-polar Asia"** and a **"multi-polar world".**
- The Foreign Ministers of the Quad countries, Australia, India, Japan, and the U.S., met on the sidelines of the **59th ASEAN Foreign Ministers' Meeting in the Philippines.**

India-China Relations

- **2025 marked the 75 Years** of India-China diplomatic ties.
- **Historical Tensions:**
    - The relations have been strained since the **1962 Sino-Indian war,** and further deteriorated by recent clashes and mistrust.
    - **In 2020,** the clash between both armies in Galwan Valley further strained the relationship.
    - India restricted **Chinese investments, banned Chinese apps, and halted flights to China.**
- **Trade Relations:** In 2025, bilateral trade between China and India reached a record high of $155.6 billion, registering a year-on-year growth of over 12%. Despite tensions, economic ties continue to grow.
- **Ongoing Mechanisms:** Despite tensions, mechanisms like the Special Representatives (SR) and Working Mechanism for Consultation and Coordination (WMCC) have been in place to address the boundary issue.
- **Recent Developments:**
    - **2024 Disengagement:** India and China announced successful disengagement in eastern Ladakh.
    - **October 2024 Meeting:** PM Modi and President Xi Jinping emphasized "mutual trust, mutual respect, and mutual sensitivity."
    - In 2025 both Nations resumed direct flights and the Indian PM also visited China for the SCO summit.

Panchsheel Agreement

- In 1954, India recognised Tibet as part of China, and both countries signed the **Panchsheel Agreement.**
- **The Panchsheel Agreement** stated the five principles as:
    - Mutual respect for each other's territorial integrity and sovereignty.
    - Mutual non-aggression.
    - Mutual non-interference in each other's internal affairs.
    - Equality and cooperation for mutual benefit.
    - Peaceful co-existence.
- It was designed to promote trade and friendly relations, forming the basis of the bilateral ties.
    - With this, India assumed that it had settled its **northern border.**
- **In 2025** the Chinese President underscored that Panchsheel must be cherished and promoted by the two countries.
    - It came as India and China reset their ties and PM Modi visited China after seven years.

Areas of Concern

- **Ongoing Border Tensions:**
    - The unresolved border dispute spans over 2,000 miles, marked by frequent clashes that have strained the relationship.

- **Military Standoff and Infrastructure Build-up:** Large-scale troop deployment, rapid infrastructure construction, and militarisation along the LAC by both sides have increased the risk of escalation.
- **China–Pakistan Nexus:** Deepening strategic cooperation between China and Pakistan, especially under the China–Pakistan Economic Corridor (part of the Belt and Road Initiative) which passes through the Indian territory of Pakistan-occupied Kashmir.
- **Trade Imbalance:** India faces a significant trade deficit with China, with heavy dependence on Chinese imports in sectors such as electronics, APIs (pharmaceuticals), telecom equipment, and solar panels.
- **China's growing presence in the Indian Ocean Region: Sri Lanka:** China's presence at Hambantota Port and investments in an oil refinery raise concerns in India.
    - **Nepal:** China's investments in infrastructure (e.g., Pokhara airport) challenge India's strategic position.
    - **Bangladesh:** China's growing influence, including loan agreements, threatens India's regional influence.
    - **Myanmar:** China's deepening ties with Myanmar, including the China-Myanmar Economic Corridor, strengthen its presence in India's backyard.

India's Efforts to Address these concerns

- **Strengthening Military Preparedness:** Enhanced troop deployment and infrastructure along the LAC, induction of advanced weapons systems, and improved surveillance in border areas like Ladakh and Arunachal Pradesh.
- **Strategic Partnerships in Indo-Pacific:** Active participation in the Quadrilateral Security Dialogue (Quad) and deeper defence cooperation with the US, Japan, Australia, and France.
- **Technology & Cyber Security Safeguards:** Exclusion of high-risk vendors in telecom infrastructure and promotion of trusted, indigenous digital ecosystems.
- **Maritime Security:** India has prioritized maritime security, expanding its naval capabilities and strengthening defense ties with the U.S. and Japan.
- **Joining Infrastructure Projects:** India joined infrastructure projects such as the Global Infrastructure Facility and India-Middle East-Europe Economic Corridor to strengthen its economic expansion.
- **Trade Relations:** India seeks to reduce reliance on Chinese goods, especially in electronics and renewable energy.

Way Ahead

- India must maintain c**onstant surveillance of border areas** and the **Indian Ocean Region,** and closely monitor **geopolitical and technological developments** that may impact national security.

- The path forward lies in **combining firmness on sovereignty and territorial integrity** with calibrated diplomacy and strategic autonomy.
- As India and China look to build mutual trust, sustained dialogue will be essential to better align India's and China's intentions vis-à-vis the Asian security order.

Source: TH

INDIA USING TOO MANY POWERFUL ANTIBIOTICS: STUDY

Context

- As per a Study in the **Lancet India** may be using too many powerful **'watch' antibiotics.**

Major Highlights

- **Global Scenario:** Antibiotic use across 186 countries and territories, representing **99.8% of the world's population.**
    - They found that **72% of countries** used **more antibiotics overall than estimated to be necessary.**
    - **90% prescribed excessive quantities** of antibiotics that contribute most to antimicrobial resistance.
    - **60% continued to use antibiotics** the World Health Organisation (WHO) considers should no longer be routinely prescribed.
- **Indian Scenario:** It suggests **'reserve' antibiotics are being underused** despite the **country's resistance burden,** while antibiotics that are no longer recommended continue to be prescribed more than expected.
    - **Only 27%** of antibiotic use currently comes from the 'access category,' against an estimated requirement of 52.3%.
    - In India some **'watch' antibiotics are potentially being used unnecessarily** and some of this use could be replaced with 'access' antibiotics instead.

Antibiotics

- Antibiotics **are medications that destroy or slow down the growth of bacteria**. Doctors prescribe them to treat **bacterial infections.** They do this by killing bacteria and preventing them from multiplying.
    - Alexander Fleming discovered **penicillin, the first natural antibiotic, in 1928.**
    - Antibiotics cannot fight **viral infections.**

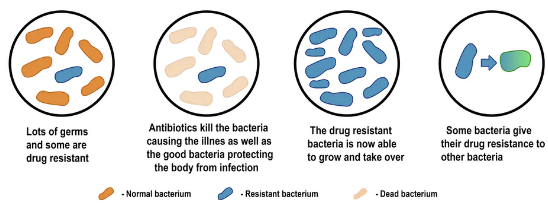
The World Health Organisation (WHO) groups antibiotics into three categories:

- **Access:** First-choice antibiotics for common infections that have a lower risk of driving resistance.
- **Watch:** Broad-spectrum antibiotics that should be used only for specific infections because they carry a higher risk of promoting antimicrobial resistance.
- **Reserve:** Last-resort antibiotics reserved for treating multidrug-resistant infections.

Antimicrobial Resistance (AMR)

- **Antimicrobials:** Antimicrobials are **agents used to prevent, control and treat infectious diseases in humans, animals and plants**.
    - They include antibiotics, fungicides, antiviral agents and parasiticides.
- Antimicrobial Resistance (AMR) occurs when **bacteria, viruses, fungi and parasites** no longer respond to medicines, making people sicker and increasing the risk of disease spread, illness and deaths.

HOW ANTIBIOTIC RESISTANCE HAPPENS



Causes for Antimicrobial Resistance

- **Overuse:** The excessive and inappropriate use of antibiotics in humans and animals is a major driver of antimicrobial resistance.
- **Self-Medication:** Self-prescription without proper medical guidance contributes to the misuse of antibiotics.
- **Antibiotics Consumption in Food-Animals:** Use of antibiotics as growth promoters in food animals and poultry is a common practice and later it evolves in the food chain.
- **Poor Sanitation:** The large proportion of sewage is disposed of untreated into receiving water bodies, leading to gross contamination of rivers with antibiotic residues, antibiotic-resistant organisms.

Measures Taken against Antimicrobial Resistance in India

- **National Action Plan on Antimicrobial Resistance (NAP-AMR):** It has a focus on the One Health approach & was launched with the aim of involving various stakeholders ministries/ departments.
- **AMR Surveillance Network:** Indian Council of Medical Research (ICMR) established the AMR surveillance and research network (AMRSN) to generate evidence and capture trends and patterns of drug resistant infections in the country.
- **FSSAI has set certain guidelines** limiting the antibiotics in food products such as fish and honey.
- **National Health Policy, 2017:** It terms antimicrobial resistance as one of the key healthcare issues and prioritizes the development of guidelines regarding antibiotic use and check on restricting the growth of antibiotics.
- **National Antibiotic Consumption Network (NAC-NET):** The network sites compile data on antibiotic consumption in their respective health facilities and send it to National Centre for Disease Control (NCDC).

Source: IE

PLASTIC CURRENCY IN INDIA

Context

- Recently, **Bharatiya Reserve Bank Note Mudran Pvt. Ltd. (BRBNMPL)** invited **Expressions of Interest (EoI)** for supplying polymer substrate sheets with embedded security features.

What are Polymer Banknotes?

- These are made from **biaxially orientated polypropylene (BOPP)**, not paper based on cotton.
- **Australia** became the **first country** to introduce polymer currency in **1988**, and today over **60 countries**, including the UK, Canada, Australia, New Zealand, Singapore, Malaysia and Vietnam, use polymer notes either fully or partially.
- The Reserve Bank of India (RBI) has revived its long-pending proposal to introduce **polymer (plastic) banknotes**, nearly 15 years after the first pilot project was announced.

Bharatiya Reserve Bank Note Mudran Pvt. Ltd. (BRBNMPL)

- It is a **wholly owned subsidiary of RBI**, established in **1995** under the Companies Act **to augment India's banknote printing capacity** and ensure a secure supply of currency.
- **Headquarters:** Bengaluru, Karnataka
- **Primary Role:** Printing banknotes for the RBI and supporting the country's currency management system.
- **Printing Presses:** BRBNMPL operates two high-security currency printing presses:
  - **Mysuru (Karnataka)**: Operational since 1996
  - **Salboni (West Bengal)**: Operational since 2000
- **Functions:**
  - Prints banknotes as per RBI's requirements.
  - Uses advanced security printing technologies to deter counterfeiting.
  - Procures specialised banknote paper, inks and other security materials.
  - Supports research and adoption of new currency technologies, including **polymer (plastic) banknotes**.

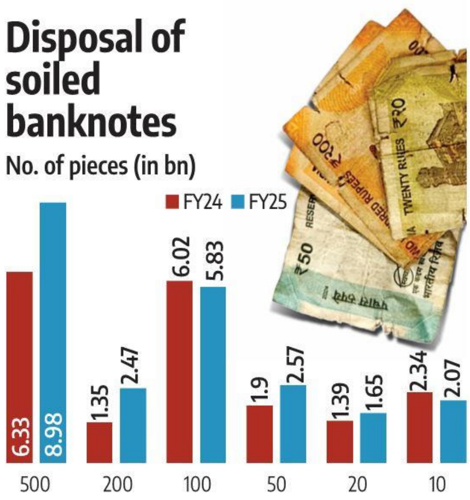
Historical Timeline

- **2009:** RBI proposed printing **100 crore ₹10 polymer notes**.
- **2012:** Pilot planned in Kochi, Mysuru, Jaipur, Bhubaneswar, and Shimla. These locations represented diverse climatic conditions.
- **2014-15:** RBI reported technical infirmities during evaluation, and the project stalled.
- **2016 onwards:** Demonetisation shifted priorities towards printing new banknote series.
- **2026:** BRBNMPL floated a fresh tender for polymer substrates, signalling renewed

Why is RBI Reviving the Proposal?

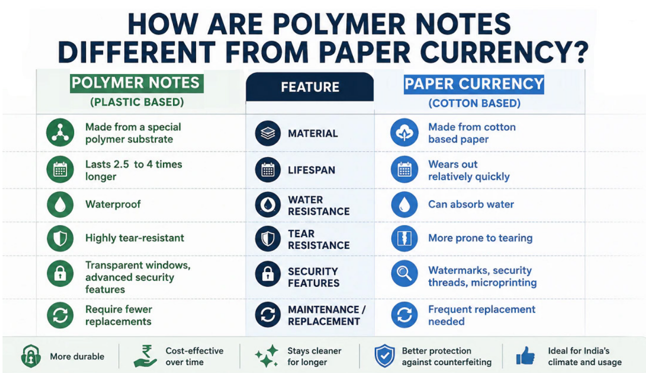
- **Longer lifespan:** Polymer notes last on average 2.5-4 times longer than cotton-paper notes.
  - India replaces **20-24 billion soiled notes under the Clean Note Policy every year & RBI spends about ₹5,000 crore a year on** printing and managing currency.

- **Enhanced Security:** Polymer notes incorporate improved anti-counterfeiting technologies such as transparent windows, micro-printing, sophisticated holographic elements and embedded security features.
  - The RBI data indicated that the number of counterfeit notes detected climbed to **around 2.3 lakh pieces in 2025-26.**



Source: RBI

- **Lower Lifecycle Costs:** Higher cost of manufacture is offset by fewer replacement cycles, meaning less printing, transportation, storage and destruction of soiled notes.
  - The earlier **Life Cycle Impact Assessment** of polymer notes by TERI has shown that the **overall environmental footprint of polymer notes can be lower** as a lesser number of notes need to be manufactured and transported over time.



Major Concerns

- **High Production Cost:** Polymer notes are **30-60% more expensive** than cotton-paper notes.
  - In some countries manufacturing costs for lower denominations have been in the vicinity of **20-24% of face value of the note**, raising questions of cost-effectiveness.
- **Petrochemical Dependence:** The polymer substrates are made from polypropylene.
  - India still imports a lot of polypropylene and so costs are vulnerable to crude oil prices, geopolitical tensions and supply disruptions in West Asia.
  - **Reliance Industries and Indian Oil Corporation** are scaling up domestic capacities, but import dependence remains a strategic concern.
- **Transition costs:** The switch to polymer currency would require recalibration of ATMs, cash sorting machines, vending machines and currency processing equipment.
  - Commercial banks, retailers and cash logistics firms would also face costs of adapting.
- **Existing investments in paper currency:** India has made substantial investments in domestic currency infrastructure including **Bank Note Paper Mill India Pvt. Ltd** and indigenous ink manufacturing facilities.
  - Sudden shifts might mean these investments are under-utilised.

Digital Payments Paradox

- **UPI's Explosive Growth:** Over 24,000 crore transactions a year, close to 85% of retail digital payments.
- **RBI's Currency Demand Paradox:** Even if the growth of digital:
  - The currency outstanding has surged from **around ₹16-17 lakh crore** nearly a decade ago to **more than ₹41 lakh crore in 2025-26.**
  - Currency to GDP ratio is still **over 11%**, indicating physical cash is still in demand.
  - Reasons include the informal economy, rural areas with poor digital connectivity, cash preference by households and small retailers, and precautionary cash holdings.
  - It shows that **digital payments and cash are complements rather than perfect substitutes.**
- **Trends in Currency Printing Costs:** RBI Annual Reports indicated that the **cost of currency printing** was 5,101 crore (2023-24); 6,373 crore (2024-25); and 4,875 crore (2025-26).

Looking Forward

- **Deploy in Phases:** Don't replace all denominations, but begin with 10 and 20 notes where durability benefits are highest.
- **Build up domestic manufacturing:** Atmanirbhar Bharat: Promote indigenous production of polymer substrates to cut down strategic dependence on imports.
- **Full cost-benefit analysis:** RBI to weigh lifecycle and transition costs, environmental and security benefits.
- **Build recycling infrastructure:** Set up recycling facilities to maximise environmental benefits.
- **Continue with digital expansion:** Polymer notes are meant to supplement, not replace, India's digital payments strategy, ensuring financial inclusion where cash is still king.

NEWS IN SHORT

BAB EL-MANDEB STRAIT

In News

- The Bab el-Mandeb Strait is again under security threat after reports that Iran asked the Houthis to close the strategic waterway if the US attacks Iran.

Strait of Bab el-Mandeb

- It is a **narrow waterway** that connects the **Red Sea with the Gulf of Aden.**
- It **connects to the Suez Canal and the Mediterranean Sea i**n the north and the Arabian Sea and the Indian Ocean to the east.

Importance

- The Strait is one of the **world's most important shipping and energy passages.** Around 12% of global trade usually passes through it.
- In 2024 alone, about 4.1 billion barrels of oil and petroleum products passed through the Strait, roughly 5% of the global total.
- Closure of the route would force ships to sail around the Cape of Good Hope, adding 4,000–6,000 nautical miles and 10–20 days to transit times, increasing shipping costs and disrupting global supply chains.

Relevance for India

- Any disruption in this route could badly affect the Indian economy as almost **one-third of India's trade passes through this route.**
- Amid growing geopolitical uncertainty, India should take a proactive role in forging a rules-based naval task force with France, Japan, Egypt and Saudi Arabia to protect commercial shipping, ensure freedom of navigation and safeguard its maritime and economic interests under the SAGAR vision.

Source: TH

POLICE IDENTIFICATION DURING CROWD CONTROL

Context

- The deployment of some Delhi Police and Rapid Action Force (RAF) personnel in plain clothes or without visible nameplates during a recent protest in Delhi has sparked debate over police identification and accountability.

What does Indian law say?

- While certain operations, such as those involving intelligence collection, genuinely require hiding identification or even impersonation, regular policing is guided by statutory procedure and judicial guidelines.
- The Bharatiya Nagarik Suraksha Sanhita **(Sections 148 to 160)** allows only a Magistrate or a police officer to order the dispersal of an unlawful assembly. Although the law **does not explicitly** require officers to display their identity, legal experts argue that a police officer must be identifiable for such orders to carry legal authority.
- In **D.K. Basu v. State of West Bengal (1997)**, the Supreme Court held that police officers making an arrest must bear **clear and visible identification**, reinforcing the principle of police accountability.
- In **2025**, the **Andhra Pradesh High Court** questioned how citizens could recognise plainclothes personnel as police officers while they were performing official duties.
- So, while plain clothes may be justified in exceptional situations, their use during routine law-and-order duties remains a grey area.

Source: IE

INDIA UNVEILS ITS FIRST AIR TAXI PROTOTYPE

Context

- The ePlane Company, an IIT Madras-incubated startup, has unveiled India's first full-scale **electric vertical take-off and landing (eVTOL) prototype (PT-01) of the e200X aircraft model.**
    - The commercial operations will be commenced by **2028**, initially focusing on air ambulance services and subsequently expanding into passenger transportation.

What is an eVTOL?

- An eVTOL, **electric vertical take-off and landing aircraft,** is a **battery-powered aircraft** that can take off and land vertically like a helicopter before transitioning to forward flight like a conventional aeroplane.
- An eVTOLs does **not require long runways.** Most designs use multiple electrically powered propellers instead of a single large rotor, allowing them to lift off from relatively small spaces.

How is an eVTOL different from a helicopter?

- Both helicopters and eVTOLs can take off and land vertically, but they are built differently.
- Helicopters rely on one or two large rotors powered by aviation fuel. **eVTOL aircraft instead use multiple electric motors and propellers** powered by batteries.

- Many eVTOL developers also use **distributed electric propulsion**, where several propellers share the work of generating lift and thrust.
  - Such designs **improve redundancy because if one propeller fails, the remaining motors can continue generating lift,** which enables the aircraft to descend safely.

Challenges to Commercial eVTOL Passenger Operations

- **Aircraft Certification:** Before a commercial aircraft may transport passengers it must be certified as airworthy by the aviation authorities. But regulatory authorities are still working on separate certification schemes.
  - Regulatory standards vary, which might add costs and impede the international rollout.
- **Infrastructure:** eVTOL networks will necessitate purpose-built vertiports to accommodate aircraft take-off and landing, recharging and maintenance.
- **Limitations of batteries.** Batteries constitute a large percentage of the weight of an eVTOL, limiting the payload and flying range.
  - The more passengers in a vehicle, the bigger the battery pack it will need, and the bigger the battery pack, the more weight it adds to the vehicle, and the less efficient it becomes.
- **Regulations:** Commercial operations will also need operating rules covering pilot licensing, air traffic management, maintenance standards and flight operations.

Source: BS

PELLET GUNS

Context

- The Delhi Police has rejected reports of using pellet guns during the Cockroach Janta Party (CJP)-led student protest at Jantar Mantar.

What are Pellet Guns?

- They are a form of **non-lethal crowd-control method** used by police and military worldwide. The other popular measures are tear gas, water cannon, pepper spray, taser guns among others.
- Each cartridge contains **hundreds of small lead pellets** that spread over a wide area when fired.
- Although intended to minimise fatalities, pellet guns can cause **serious injuries**, particularly when fired at close range or when pellets strike sensitive body parts such as the eyes, as the pellets can penetrate soft tissues.
- In India, pellet guns were first introduced in **2010** during the unrest in **Jammu and Kashmir** as a less-lethal alternative to live ammunition, with the aim of reducing civilian fatalities.
- Standing operating procedures require security personnel to use **minimum force** and, where firing becomes unavoidable, to aim **below the waist**.
- Pellet guns used by Indian security forces are manufactured at the **Ordnance Factory, Ishapore**.
- Besides crowd control, pellet guns are also used for **hunting and pest control**.

Source: TH