

The Hindu Important News Articles For UPSC CSE

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India's status as one of the world's 17 mega-diverse nations has been further validated by a landmark study published by the **Zoological Survey of India (ZSI)** in the peer-reviewed journal Zootaxa. The detailed "Catalogue of Lepidoptera (Butterflies & Moths) of India" documents **13,703 species**—accounting for **8.25% of the world's total lepidoptera fauna**.

This comprehensive baseline database bridges a taxonomic gap spanning over a century. Beyond taxonomy, this milestone underscores the critical role of lepidopterans as ecological indicators, bio-monitors, and key components of natural ecosystems amidst increasing environmental pressures.

Key Highlights of the ZSI Cataloguing Milestone

- **Comprehensive Inventory:** India hosts 13,703 species of Lepidoptera, comprising **1,417 butterfly species** and **12,286 moth species**, spread across 3,705 genera, 240 subfamilies, 102 families, and 31 superfamilies.
- **Global Contribution:** India represents **8.25% of global lepidopteran diversity**. Furthermore, the superfamily Geometroidea (2,205 species) accounts for **8.8% of the world's total**, highlighting the immense nocturnal biodiversity of the subcontinent.
- **Effort and Methodology:** Completed over 12 years by ZSI scientists (Navneet Singh and Rahul Joshi), the study involved rigorous field exploration, museum curation, and literature verification.
- **Legal and Conservation Value:** A central, authoritative database gives these species a formal taxonomic voice, clear legal identity under wildlife protection frameworks, and a permanent scientific benchmark for future research.

A lepidoptera hotspot, India is home to 8.25% of the world's butterflies, moths

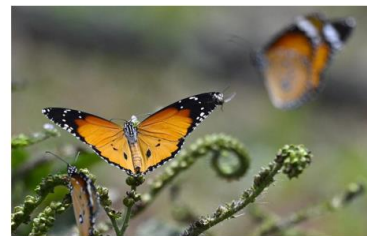
Shiv Sahay Singh
KOLKATA

India is home to 13,703 species of lepidoptera – butterflies and moths – which is about 8.25% of the total lepidoptera found across the globe.

Scientists of the Zoological Survey of India (ZSI) have come out with a detailed "Catalogue of Lepidoptera (Butterflies & Moths) of India", which has been published in the peer-reviewed journal Zootaxa.

ZSI scientists Navneet Singh and Rahul Joshi took almost 12 years to complete the monumental work of cataloguing, field exploration, museum curation, and rigorous literature verification.

"There have been attempts to classify and catalogue lepidoptera for over 100 years. There are 13,703 species of butterflies and moths across 3,705 genera,



Of the 13,703 species of lepidoptera found in India, 12,286 are moths and 1,417 are butterflies. M. PERIASAMY

240 subfamilies, 102 families, and 31 superfamilies," Mr. Singh said.

Of the 13,703 species of lepidoptera, 1,417 are butterflies, and the remaining 12,286 are moths, Mr. Singh said.

The scientific work bridges critical taxonomic gaps that have persisted for more than 100 years, since the first historical attempts to document the region's insect fauna, a Press Infor-

mation Bureau release stated. "It firmly positions India among a select group of megadiverse nations possessing a fully updated, centralised, and authoritative baseline inventory of its butterfly and moth diversity," the release said.

Crucial role

Butterflies and moths play crucial roles in maintaining ecological equilibrium, serving as essential herbi-

vores, detritivores, and pollinators, while acting as vital food resources for birds, bats, and other insectivores, the ZSI scientists said.

"These catalogue volumes will serve as a vital national asset for biodiversity research, ecological monitoring, and global conservation strategies. Such comprehensive catalogues ensure these species are given an authoritative voice, a clear legal identity, and a permanent place in scientific history," Dhriti Banerjee, Director, ZSI, said.

Among the 13,703 species of lepidoptera, the scientists have identified and catalogued 2,205 species of Geometroidea, nocturnal pollinators taking over the "night shift" when daytime butterflies rest. These 2,205 species account for 8.8% of the world's known species in this superfamily.

Ecological Significance of Lepidoptera (Butterflies & Moths)

Lepidoptera play indispensable roles in maintaining ecosystem balance and health across forest, agricultural, and urban landscapes:

1. Pollination and Ecosystem Services:

- **Daytime vs. Night Shift:** While butterflies pollinate diurnally, nocturnal moths (e.g., Geometroidea) perform essential nighttime pollination, maintaining plant biodiversity that would otherwise fail to reproduce.

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2. Food Web Foundations:

- They serve as primary consumers (herbivores and detritivores) and act as vital energy bridges, serving as a primary food source for birds, bats, amphibians, and insectivorous mammals.

3. Bio-Indicators of Climate and Environmental Health:

- Lepidopterans are highly sensitive to micro-climatic changes, temperature shifts, habitat fragmentation, and chemical pollution. Changes in their population patterns offer early warnings for broader ecosystem distress.

4. Agricultural Dynamics:

- Caterpillar larvae influence vegetation growth, while adult forms facilitate crop pollination. Understanding moth diversity is crucial for integrated pest management (IPM) in agriculture.

Related Static Dimensions (UPSC Mains Relevance)

1. Constitutional and Legal Provisions

- **Article 48A (Directive Principles of State Policy):** Mandates the State to protect and improve the environment and safeguard forests and wildlife.
- **Article 51A(g) (Fundamental Duties):** Imposes a duty on every citizen to protect and improve the natural environment, including forests, lakes, rivers, and wildlife.
- **Wildlife Protection Act (WPA), 1972:** Categorizes threatened butterfly and moth species under Schedules (specifically Schedule I and II) to provide legal protection against illegal trade and habitat destruction.
- **Biological Diversity Act, 2002:** Implements the mandates of the UN Convention on Biological Diversity (CBD) via the National Biodiversity Authority (NBA), State Biodiversity Boards (SBBs), and local Biodiversity Management Committees (BMCs).

2. Institutional Framework

- **Zoological Survey of India (ZSI):** Established in 1916 under the Ministry of Environment, Forest and Climate Change (MoEFCC), ZSI is the premier taxonomic research institution responsible for surveying and documenting animal life across India.

3. International Conventions

- **Convention on Biological Diversity (CBD):** Supports the Kunming-Montreal Global Biodiversity Framework (GBF) targets, specifically Target 1 (spatial planning/restoration) and Target 4 (halting species extinction).

- **CITES:** Regulates international trade in endangered species of wild fauna and flora, preventing commercial exploitation of rare butterfly species.

Threats Facing Lepidoptera Diversity in India

- **Habitat Loss and Fragmentation:** Deforestation, urbanization, and land-use change destroy larval host plants and adult nectar sources.
- **Chemical Agriculture:** Excessive use of systemic insecticides, pesticides, and weedicides devastates moth and butterfly populations in agro-ecosystems.
- **Light Pollution:** Artificial Light at Night (ALAN) severely disrupts nocturnal navigation, reproduction, and feeding habits of moths.
- **Climate Change:** Shifts in temperature regimes disrupt phenology—causing a mismatch between insect emergence dates and plant flowering times.

Way Forward

1. **Taxonomy to Policy Translation:** Utilize the ZSI catalogue to update species protection schedules under the Wildlife Protection Act, 1972, ensuring rare and endemic moths receive high-level protection.
2. **Habitat Restoration & Pollinator Corridors:** Establish urban butterfly parks, pollinator corridors along highways, and protect host-plant vegetation in key Biodiversity Hotspots (Western Ghats, Eastern Himalayas, Indo-Burma).
3. **Mitigating Light Pollution:** Introduce eco-friendly lighting regulations near ecologically sensitive areas to safeguard nocturnal pollinators like Geometroidea.
4. **Community and Citizen Science:** Encourage community participation via platforms like the Biodiversity Heritage Sites (BHS) mechanism and butterfly monitoring schemes to track species distributions over time.

Conclusion

The cataloguing of over 13,700 lepidopteran species by the Zoological Survey of India is more than a taxonomic milestone; it provides a vital baseline for scientific conservation in the 21st century. In an era marked by rapid biodiversity loss and climate volatility, establishing clear legal identities and ecological benchmarks for native pollinators ensures that conservation strategies are evidence-based, legally sound, and ecologically effective.

UPSC Prelims Practice Questions

Question: Which of the following legislations or frameworks are directly related to biodiversity conservation in India?

1. Biological Diversity Act, 2002
2. Wildlife (Protection) Act, 1972
3. Convention on Biological Diversity (CBD)

Select the correct answer using the code below.

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

Ans: d)

UPSC Mains Practice Questions

Question: Examine the role of taxonomic studies in biodiversity conservation with reference to the Zoological Survey of India's Lepidoptera catalogue. **(10 Marks, 150 Words)**

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India has made significant strides in high-technology domains, achieving milestones in space exploration (Chandrayaan-3, Aditya-L1), indigenous vaccine development, and supercomputing. However, the retention of skilled researchers in state-funded institutions like the Indian Space Research Organisation (ISRO), Council of Scientific and Industrial Research (CSIR), and autonomous bodies remains problematic.

While public expenditure on Research and Development (R&D) has risen, institutional health is undermined by a colonial administrative legacy, vertical power structures, and inadequate academic freedom.

Core Drivers of Scientific Brain Drain in India

Beyond Financial Remuneration

- **Autonomy vs. Pay:** While private sector or foreign opportunities offer better compensation, senior and mid-career researchers often leave public institutions due to a lack of professional dignity, creative freedom, and operational autonomy rather than salaries alone.
- **Bureaucratic Encroachment:** Administrative authorities often exert undue dominance over academic decision-making, converting scientific inquiry into compliance-driven procedures.

Feudal Hierarchies & Academic Class Systems

- **Subjugation of Junior Researchers:** Doctoral candidates and early-career investigators face career repercussions if they challenge hypotheses put forward by senior directors.
- **Symbolic Discrimination:** Scientific events frequently showcase non-academic distinctions (VIP badges, isolated dining zones, ceremonial protocols) that reinforce rank over intellectual merit.

Systemic Vulnerability & Conflict of Interest

- **Monopolized Power Networks:** Because the domestic peer-review and funding ecosystem is small, senior administrators frequently hold simultaneous roles as project reviewers, committee members, and funding arbiters, creating fear of professional retaliation.
- **Absence of Redressal Mechanisms:** Allegations of institutional harassment, vindictive evaluation, and administrative overreach often lack transparent, independent adjudication pathways.

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India produces smart scientists but is struggling to retain them

Research flourishes when ideas compete but suffers when people compete for proximity to power; many of India's laboratories continue to operate within rigid hierarchies that would appear strange in leading scientific institutions elsewhere in the world

THE GIST

Recent reports of nearly 120 scientists resigning from the Indian Space Research Organisation (ISRO) have ignited a debate on the state of India's scientific institutions and how to retain talent. The ISRO has been criticised for its rigid hierarchy and lack of autonomy, leading to a loss of talent to the private sector and abroad.

Many talented researchers are now moving to private research organisations, emerging startups, and/or abroad, and/or to other countries, where scientific autonomy has more scope than in India's institutions.

India must increase administrative transparency in its institutions, and reform its systems to ensure greater scientific autonomy, workplace harassment and mentoring-based leadership training.

India's great scientists is a very long process, often taking decades.

Contextual effects

Today, India must increase administrative transparency in its scientific institutions, and ensure robust systems to redress grievances concerning workplace harassment and mentoring-based leadership training.

In parallel, we need a conscious effort to break free of the colonial bureaucracy that remains in the daily life of institutions. Research should not disappear from scientific workplaces but it differs fundamentally from engineering defence.

India has reportedly demonstrated that its scientists possess extraordinary capability. Our achievement in space exploration, vaccines, supercomputing, mathematics, biotechnology, and engineering stand as testimony to that talent. The challenge today is not producing brilliant scientists – our universities and institutions have figured that out. The challenge is to ensure those scientists can still flourish after they enter India's laboratories.

If we fail to reform workplace culture, the next generation may simply leave our public institutions. That will be an immeasurable loss. Science has always advanced through ideas that challenged power – not by power that silenced people or ideas.

(Dr. Bhanu Prasad is a senior scientist, Indian Space Research Organisation, Bengaluru, and an adjunct faculty member at the National Institute of Advanced Studies, Bengaluru. bhanuprasad@nias.ac.in)

Realistic reasons

The most obvious explanation is salary. But it is not sufficient. Scientists who have spent decades building their expertise and reputation rarely leave only because another organisation is offering a higher paycheck. Many of those that are resigning are also in the latter half of their careers, and generally unwilling to risk financial and professional stability. No, what they want is something even greater: professional dignity, freedom of thought, and the freedom to work on their topics of choice.

Several researchers – many of whom are unwilling to go on record for fear of repercussions in private character – describe these institutions as places where bureaucratic power is increasing at the expense of that of science, and where it is becoming more risky to question authority. The tragedy is that while India's science inherited world-class institutions, it also inherited a colonial administrative mindset.

Research flourishes when ideas compete but suffers when people compete for proximity to power. Many of India's laboratories continue to operate within rigid hierarchies that would appear strange in leading scientific institutions elsewhere in the world. Young scientists often learn quickly that survival depends less on asking bold scientific questions than on understanding institutional administrative hierarchies. In some institutions, even simple acts of administrative enquiry are viewed as breaches of etiquette. Respect, instead of being earned through scholarship and mentorship, is demanded through hierarchy.

A class system

In order not to be creative, for example, a doctoral student should be able to challenge a senior scientist's hypothesis without fearing that his or her long-term career will be adversely affected. A young investigator should feel confident enough to question established ideas. The world's best research environments are the best because they allow just such interaction.

Attended an international scientific conference in Europe or the Americas and you will often witness something remarkably ordinary. Nobel laureates standing in the same cafeteria queue as graduate students, and young scholars openly questioning senior scientists during presentations. They are respectful and the sciences know that – but that respect flows from intellectual contributions rather than from ceremonial protocols.

However, many Indian scientific gatherings continue to have a hierarchical culture rather than academic culture. Distinguished speakers receive VIP badges, exclusive dining arrangements, and special hospitality while students and junior participants are treated as an entirely different class. Such symbolism is not harmless: it reinforces a hierarchy that has little place in science. Science has never progressed because someone occupied a larger office or enjoyed a separate lunch. Let us foster the many little hierarchies, they could make a big difference.

Sparking up

Rapidly worsening, scientists rarely speak openly about unhealthy workplace culture because they are not in the spotlight. But when buildings can be built in a few months and, with adequate funds, sophisticated instruments can be bought, building an environment that

Occasionally, some disturbing information emerges, including allegations of harassment, vindictive administrative actions, and attempts to publicly discredit accomplished scientists. Whether every allegation withstands scrutiny is far for process to determine – but the recurring perception is immediately damaging.

As a result, many talented researchers are now moving to private research organisations, emerging deep tech companies, universities abroad, and/or international collaborations where scientific autonomy has more room than administrative structures. India's growing innovation ecosystem benefits from this movement to some extent but it is not a panacea: our national laboratories have institutional memory and experienced mentors.

India is spending a historically unprecedented, but otherwise still insufficient, amount of money on scientific research. Excellent skills are now needed for new research missions, including those involving semiconductors, quantum technologies, artificial intelligence, biotechnology, and spaceflight. But when buildings can be built in a few months and, with adequate funds, sophisticated instruments can be bought, building an environment that

Related Static Dimensions (UPSC Syllabus Alignment)

A. GS Paper III: Science & Technology and R&D Policy

- **Gross Expenditure on R&D (GERD):** India's GERD hovers around **0.64% to 0.7% of GDP**, significantly lower than the US (~3.5%), China (~2.4%), or Israel (~5.4%).
- **National Research Foundation (Anusandhan NRF Act, 2023):** Designed to democratize research funding across universities and bridge academia-industry silos. However, administrative centralization remains a bottleneck.
- **Deep-Tech and Strategic Missions:** Advanced national missions (Semiconductors, National Quantum Mission, IndiaAI, BioE3 Policy) require institutional agility that rigid government structures struggle to provide.

B. GS Paper II: Governance, Civil Services & Institutional Reforms

- **Colonial Administrative Legacy:** Public research institutes are often governed by civil service rules (e.g., Fundamental Rules, CCS Rules) framed for administrative policing rather than open-ended academic inquiry.
- **Personnel Management in R&D:** The lack of performance-based lateral entries, flexible sabbatical policies for startups, and peer-led institutional leadership hinders organizational efficiency.

Key Bottlenecks & Impacts

- **Loss of Institutional Memory:** Attrition among mid-career and senior scientists disrupts long-term projects and deprives junior scholars of experienced mentorship.
- **Underutilization of Infrastructure:** State-of-the-art instruments purchased with public funds often sit idle or underutilized due to restrictive access rules and bureaucratic delays in procurement or maintenance.
- **Shift to Private & Foreign Ecosystems:** Talent migrates toward foreign universities, private deep-tech firms, and global laboratories where meritocracy takes precedence over administrative rank.

Way Forward & Policy Measures

Structural & Governance Reforms

- **Separation of Academic and Administrative Roles:** Institute directors should focus on scientific vision, while professional operational managers handle routine logistics under clear peer accountability.
- **Administrative Modernization:** Update service rules for scientific institutions to ensure intellectual debate and questioning of methodology are protected from administrative penalties.

Workplace Culture & Equalization

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- **Flat Organizational Models:** Adopt egalitarian structures similar to global institutes (e.g., Max Planck Society, MIT), where research contributions dictate standing rather than administrative designation.
- **Egalitarian Scientific Forums:** Eliminate VIP protocols at academic conferences to encourage informal interactions between students and senior scholars.

Institutional Safeguards & Accountability

- **Independent Grievance Redressal:** Establish an autonomous Ombudsman for scientific institutions to address workplace harassment, unfair evaluation, and administrative vindictiveness without fear of career harm.
- **360-Degree Leadership Evaluations:** Introduce anonymous feedback mechanisms for institute leaders and department heads based on mentorship quality, accessibility, and research enablement.

Conclusion

Capital investment alone cannot build a robust scientific nation. While funding, laboratories, and computational infrastructure can be acquired in the short term, cultivating an environment that retains brilliant minds takes decades. To realize the vision of Viksit Bharat and establish leadership in high-technology sectors, India must reform the organizational culture within its research establishments—transitioning from administrative command and control to an ecosystem built on merit, autonomy, and open intellectual debate.

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UPSC Prelims Practice Questions

Question: India's Gross Expenditure on Research and Development (GERD) is primarily used as an indicator of:

- (a) Foreign Direct Investment
- (b) Public debt
- (c) National investment in research and innovation
- (d) Industrial production

Ans: c)

UPSC Mains Practice Questions

Question: Discuss how bureaucratic structures influence the functioning of scientific institutions in India. (10 Marks, 150 Words)

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Global public health financing is currently facing a dual challenge: declining international development assistance and rising fiscal stress in developing nations. While low- and middle-income countries (LMICs) have seen a widening per capita spending gap compared to high-income nations, external aid—such as Development Assistance for Health (DAH)—is shrinking due to budget cuts by major bilateral donors. Simultaneously, high public debt servicing reduces domestic fiscal space. In this landscape, optimizing efficiency, improving budget execution, and strategically reallocating existing resources present a practical approach to building resilient health systems.

Strong health systems for all with better public spending

The discourse on building strong public health systems tends to start with financing. Indeed, according to the World Bank, the per capita public spending on universal health coverage in low- and middle-income countries (LMICs) – including government expenditure and off-budget development assistance – is about half of the minimum benchmarks. As a share of gross domestic product (GDP), the health expenditure gap between LMICs and high-income countries narrowed from 2.05 percentage points in 2000 to 1.68 percentage points in 2023. While it may seem that LMICs are “catching up”, recent World Health Organization data show that in per capita terms the gap has in fact expanded more than three-fold during this period.

Health aid under pressure

Over the years, “development assistance for health” (DAH) has played a critical role in supplementing national budgets in LMICs with the amount of such aid peaking in 2021 during the COVID-19 pandemic. However, the trend of increasing DAH reversed sharply post the pandemic. Further, in early 2025, the United States, a country that has historically contributed over a third of all DAH globally per year, announced cuts to the tune of 67% to its foreign assistance programme. The United Kingdom, France, and Germany followed suit, with cuts of 39%, 35%, and 12%, respectively. As per the Organisation for Economic Co-operation and Development (OECD), health funding could drop by up to 60% from its 2022 peak.

At the same time, national budgets are strained due to rising public debt and its costs. Global public debt reached a record figure of \$102 trillion in 2024, with developing countries accounting for \$31 trillion of this total. Since 2010, the public debt of developing countries has grown twice as fast as that of advanced countries. In 2024, according to UN Trade and Development (UNCTAD), developing countries paid a record \$921 billion in net interest payments in public



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With foreign aid cuts and strained domestic budgets, the way forward may be to spend available money better

debt leaving less for other needs including health.

With public sources drying up, it is unlikely that more money will flow into health systems anytime soon and the way forward may be to spend available money better. There are three broad ways to make public health spending go further.

The first is to spend what is allocated. The World Bank reports that health budgets in LMICs are executed at around 85%-90%, rates that are lower than that for the general budget and for education. This effectively means that there is a deprioritisation of health at the implementation stage of budgets. In India, a parliamentary panel found that only about two-thirds of the allocation for the flagship health infrastructure mission was spent in 2024-25. Within the National Health Mission (NHM), the picture is worse: just 26% of the money earmarked for communicable and non-communicable disease programmes was actually used that year.

The right health investments

The second is to spend on the right things. Budget execution varies across expenditure categories. While wages and salary budgets tend to be implemented in full, there is underspending on goods and services. As a result, workers are not well-equipped to deliver quality health care. More broadly, there is a choice to be made in terms of the tiers of health care that are prioritised in public spending. A lot of the money goes to curative care at the secondary and tertiary levels – at the cost of preventive, primary health care. According to estimates from the London School of Hygiene & Tropical Medicine, India spends less than one-fourth of public health money on preventive care.

Purely from a health impact viewpoint, public health money is best spent on classic public goods such as infectious disease control or sanitation, where there is a ‘market failure’ – rather than on the expansion of relatively cheap curative health services (for instance, treating common illnesses) that the private sector is

already supplying competitively. Recent evidence bears this out: public health spending markedly improves infectious disease outcomes, through greater access, vaccination, and sanitation, but does far less for maternal and child health or non-communicable diseases, making a strong case for strategic allocation. As populations age, more will need to be done for chronic conditions in terms of addressing risk factors, early detection, and management.

Better governance, better health

The third is to improve governance and operational efficiency. Good governance is key: if corruption is reduced or the quality of bureaucracy improves, countries see greater positive effects of public health spending on desired health outcomes, such as child mortality. The converse also holds: simply increasing spending where governance is weak is unlikely to improve outcomes. Moreover, with the increasing decentralisation of public service delivery, it is becoming imperative to focus on improving governance at the subnational level.

Within governance, there is a crucial role for public finance management. While a well-formulated budget is a good starting point, impact will only be achieved if the budget is implemented efficiently. There is a need to improve budget credibility and cash disbursement. Involvement of public health providers in budget processes can enhance both their accountability and motivation. Improving procurement processes can help achieve greater value for money in health sector resources. As the pandemic has taught us, budgets should be flexible to respond to unforeseen circumstances.

That said, the case for enhanced spending remains: its returns are greatest precisely where health outcomes are poorest; hence, money that is well-directed can help narrow gaps across countries.

Both writers co-author 'The Care Gap', a living literature review supported by Coefficient Giving

Static & Structural Dimensions

1. Constitutional and Policy Framework in India

- **State Subject Status:** Health is primarily a State subject under Schedule 7 (Entry 6) of the Constitution of India. This requires strong sub-national administrative capacity and fiscal coordination via the Finance Commission.

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- **National Health Policy (NHP) 2017:** Envisages increasing public health expenditure to **2.5% of GDP**. Currently, India's public health expenditure hovers around 1.3% to 1.6% of GDP.
- **Directive Principles of State Policy (DPSP):** Article 47 mandates the State to regard the raising of the level of nutrition and the standard of living of its people and the improvement of public health as among its primary duties.
- **Sustainable Development Goals (SDGs):** Direct linkage to **SDG 3** (Good Health and Well-being) and **SDG 10** (Reduced Inequalities).

2. Economic & Public Finance Principles

- **Market Failure in Public Goods:** Classic public health interventions (sanitation, vector control, disease surveillance) are non-excludable and non-rivalrous. The private sector naturally under-provides these goods, making state intervention necessary.
- **Out-of-Pocket Expenditure (OOPE):** High OOPE (currently over 45–50% in India) acts as a regressive tax, pushing millions into poverty annually due to catastrophic health expenditures.

Core Analytical Pillars

1. The Public Health Financing Gap and External Shocks

- **Per Capita Divergence:** Despite marginal narrowing of GDP-proportional health spending gaps between LMICs and high-income countries, the absolute per capita spending gap expanded more than three-fold between 2000 and 2023.
- **Contraction of DAH:** Foreign aid peaked during COVID-19 in 2021 but declined sharply afterward. Significant foreign assistance cuts by key donors (US, UK, France, Germany) contribute to an estimated drop in health funding of up to 60% from its 2022 peak (OECD).
- **Debt Servicing Squeeze:** Developing nations paid a record \$921 billion in net interest payments in 2024 (UNCTAD), crowding out social sector investments like health and education.

2. Priority 1: Addressing the Under-Execution of Budgets

- **Absorption Capacity Deficit:** LMICs execute health budgets at only 85%–90%, lagging behind execution rates in general administration and education.
- **The Indian Context:**
 - In FY 2024-25, only about two-thirds of the allocation for the flagship health infrastructure mission was utilized.
 - Within the National Health Mission (NHM), only **26%** of earmarked funds for communicable and non-communicable disease (NCD) control were utilized in 2024-25.

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- Policy Implication: Under-utilization acts as an implicit, unplanned budget cut at the implementation stage.

3. Priority 2: Re-aligning Allocations toward High-Impact Interventions

- **Skewed Expenditure Distribution:** Wage and salary budgets are generally fully spent, whereas procurement of operational goods and services (medicines, diagnostic kits, equipment maintenance) suffers from persistent under-spending, weakening overall service quality.
- **Curative vs. Preventive Imbalance:** Public expenditure heavily skews toward capital-intensive secondary and tertiary curative care. India allocates **less than one-fourth** of its public health budget to preventive and primary healthcare.
- **Addressing Market Failures:** Evidence from the London School of Hygiene & Tropical Medicine indicates public spending yields maximum health returns when directed at infectious disease control, immunization, and sanitation, rather than competing in cheap curative services already provided by the market.

4. Priority 3: Strengthening Governance and Public Financial Management (PFM)

- **Governance Multiplier:** Reduced corruption and higher bureaucratic capability magnify the impact of health spending on human development indicators (e.g., lower infant/child mortality).
- **Sub-national Decentralization:** As health delivery is decentralized to Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs), capacity constraints at the local level create operational bottlenecks.
- **PFM Reform Needs:** Poor cash flow disbursement mechanisms, rigid budget line items, and delayed procurement cycles lead to year-end "March rushes" and inefficiencies.

Key Challenges to Public Health Delivery in India

1. **Fiscal Federalism Asymmetry:** Central sector schemes (like PM-ABHIM or NHM) often face matching grant delays or rigid guidelines from state governments, slowing down utilization.
2. **Structural Human Resource Deficits:** While salary budgets are met, specialist shortages at Primary Health Centres (PHCs) and Community Health Centres (CHCs) exceed 70% in many rural belts.
3. **Epidemiological Transition:** India faces a dual burden of disease—unresolved communicable diseases alongside rising non-communicable chronic conditions (diabetes, cardiovascular diseases, cancers) requiring sustained, long-term primary management.
4. **Weak Local Procurement Chains:** Bureaucratic hurdles in state medical services corporations often cause stockouts of essential medicines despite available funds.

Way Forward & Strategic Recommendations

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- **Enhance Budget Credibility and Cash Flow:** Transition from rigid line-item budgeting to outcome-based budgeting. Ensure predictable and timely release of funds to state and district health societies to prevent implementation delays.
- **Pivot to Primary Health Care & Public Goods:** Reallocate at least **60%** of public health funds toward primary healthcare (via Ayushman Arogya Mandirs) and classic public health measures (sanitation, epidemiological surveillance, risk-factor awareness).
- **Involve Healthcare Providers in PFM:** Integrate grassroots healthcare workers, facility managers, and medical officers into the budget planning process to align funding allocations with local needs.
- **Leverage Strategic Purchasing:** Use public health insurance schemes (like Ayushman Bharat PM-JAY) to strategically purchase quality secondary and tertiary care services from both public and private sectors, freeing direct government funds for preventive infrastructure.
- **Strengthen Governance at Local Levels:** Build fiscal and management capacity in ULBs and PRIs to handle decentralized health functions under the 73rd and 74th Constitutional Amendment Acts.

Conclusion

Given current global debt pressures and declining development assistance, waiting for dramatic increases in health budgets is not a viable short-term strategy. While the long-term goal of allocating 2.5% of GDP to public health remains vital, immediate progress depends on spending existing allocations more effectively. By addressing budget under-execution, reprioritizing spending toward preventive primary care, and tightening public financial management, India and other developing nations can build resilient and equitable public health systems.

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UPSC Prelims Exam Study Questions

Question: The term Out-of-Pocket Expenditure (OOPE) refers to:

- Government expenditure on public hospitals.
- Direct payments made by households for healthcare services at the time of receiving care.
- Health expenditure financed through insurance companies.
- Financial assistance received from international donors.

Ans:b)

PSC Mains Exam Study Questions

Question: Despite increasing budgetary allocations, public health outcomes depend significantly on efficient public financial management. Discuss. (10 Marks, 150 Words)

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Education is the cornerstone of socio-economic mobility and inclusive growth in India. Recently, a NITI Aayog report revealed that approximately **94,000 government schools** were shut down or merged over the past decade—averaging **25 school closures a day**. This rationalisation drive has triggered a **2.26 crore decline in government school enrolments**, reducing the public sector's share of total student enrolment from **71% in 2005 to 49.24% in 2024-25**.

While framed as an administrative exercise under the **National Education Policy (NEP) 2020** to pool infrastructure and optimize resources, this trend raises critical concerns regarding equity, spatial access, gender disparity, and the constitutional obligation of the state under the **Right to Education (RTE) Act, 2009**.

Why are govt. schools shutting down?

Which States have witnessed the highest number of closures? How has school rationalisation affected children's access to education? Who bears the biggest burden of government school closures? Can the Centre step in to reverse the trend? Why has the Right to Education Act fallen short?

EXPLAINER

G. Ramakrishnan

The story so far:

A recent NITI Aayog report said some 94,000 government schools were closed over the past decade, an average of 25 a day, contributing to a 2.26 crore decline in government school enrolment. The government schools' share of total enrolment has fallen from 71% in 2005 to 49.24% in 2024-25.

Why are government schools shutting down?

School closures are happening across States on the grounds of rationalisation. The National Education Policy 2020 advocates such rationalisation but without endangering the concept of neighbourhood schools.

School closure numbers cannot be explained away as gradual demographic drift, urban migration and so on. Rather, it is a coordinated administrative decision taken in states where the poorest and most rural children have the least capacity to compensate for a school that has vanished.

Which States are among the worst affected?

Uttar Pradesh, Madhya Pradesh and Jammu and Kashmir lead in this.

In December 2025, Madhya Pradesh's School Education Department found that 7.37 lakh children in the state have no school records. They are not enrolled in any school – private or government. In Jhabua and Shivpuri, for instance, 29,000 children fall into the "Drop Box" category – the department's term for those at imminent risk of dropping out. Across the State's 55 districts, more than 3,500 government schools recorded zero new admissions this academic session. Another 6,500 schools saw fewer than 10 admissions.

The department's response was to



School closures are happening across States on the grounds of rationalisation. THULASI KAKKAT

instruct every district education officer to paste lists of unmapped children on school noticeboards, contact them directly, and upload their details to the State portal.

Statewide, 11.38 lakh children fall under the "Drop Box" category. Another 1.23 lakh are already recorded as dropouts. A further 1.55 lakh have left school because their families were displaced or migrated for work.

The department's flagship outreach programmes, School Chalen Hum and the Home Contact Campaign, were built to prevent exactly this. The State's own audit of its own scheme found three-quarters of a million children whom neither programme had reached.

Government data tabled in the Lok Sabha in February confirms the scale. UDISE+ figures show the national count of government schools falling from 11.07 lakh in 2014-15 to 10.17 lakh in 2023-24, a decline of roughly 89,000 that lines up almost exactly with NITI Aayog's own count. Private schools nationally grew from 2.88 lakh to 3.31 lakh over the same decade.

Madhya Pradesh's government schools fell from 1.22 lakh in 2018-19 to 99,411 the very next year – a drop of roughly 22,600

in twelve months. Uttar Pradesh's government schools fell from 1.63 lakh to 1.38 lakh in that identical year, a drop of over 25,000.

Reports on J&K's rationalisation programme documented children now travelling 4 to 6 km daily to reach a functioning school, violating neighbourhood school mandates of Right to Education Act (RTE).

More than 4,300 schools were closed or merged under a rationalisation scheme, with the Lok Sabha's own UDISE+ figures showing the state's school count falling from 23,167 in 2020-21 to 18,785 by 2022-23, alongside nearly 13,000 vacant teaching posts reported separately in the state assembly.

What is the impact of the shutdown of government schools?

Government schools in India are not a neutral public utility used evenly across classes. They are, disproportionately, the schools of the poor – of Scheduled Castes, Scheduled Tribes, and the poorer strata of backward-class communities. India is home to roughly 60% of the world's below-poverty-line population, and it is their children who fill government classrooms.

A 2019 National Sample Survey analysis found access to free education declining unevenly, with Muslim and Scheduled Caste and Scheduled Tribe households disproportionately marginalised from the schools nearest to them.

The burden falls disproportionately on girls who are the first to be withdrawn when the nearest school stops being nearby. What consolidation looks like on the ground is often a single teacher covering five classes at once – unable to know an individual child's background or tailor instruction, technically in breach of the Right to Education Act's staffing and quality norms.

Who is responsible for this trend?

In Lok Sabha, the concerned minister said education is on the concurrent list, and the responsibility for this trend lies entirely with States. But the RTE is a Central Act and the mandates on neighbourhood schools are the Centre's responsibility.

Further, the Centre seeks to intervene in State school education by making Central fund allocation for schools conditional on NEP implementation and also imposes a language policy. There are avenues for the Centre to step in against this trend.

The RTE Act, in force since 2010, guarantees free and compulsory education from age six to 14. RTE says nothing binding about the quality of what is delivered once a child is inside the classroom. It creates entitlements that children, by definition, cannot assert on their own – and parents, particularly poor and rural parents, often lack the legal and institutional capacity to enforce either. RTE assumes a symmetry of power between the state, the school, and the family that does not exist on the ground. RTE is not justiciable, in practice. School Management Committees, the one mechanism written into the RTE to give parents and communities a formal voice, largely go unconvened.

(The author is Chairman, Central Control Commission, CPI(M))

THE GIST

Nearly 94,000 government schools have closed over the past decade under State-led rationalisation drives, with Uttar Pradesh, Madhya Pradesh and Jammu and Kashmir among the worst affected, leading to falling enrolment and rising dropout risks.

The closures have disproportionately affected poor, rural, Scheduled Caste, Scheduled Tribe and girl students, while questions remain over the Centre's role in enforcing neighbourhood school norms under the Right to Education Act.

1. Drivers of Government School Closures: Rationale vs. Reality

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Daily News Analysis

- **Administrative Rationalisation:** States are merging low-enrolment schools under the pretext of pooling infrastructure, learning equipment, and teaching staff to improve cost efficiency.
- **Shrinking Enrolment Loops:** Sub-optimal learning outcomes and poor infrastructure in rural schools drive parents toward low-fee private schools, leading to zero/low admissions (e.g., over 3,500 schools in MP recorded zero admissions in 2025–26). This low enrolment is subsequently used by administrators to justify closures.
- **Coordination Gaps:** Rather than addressing root causes like teacher shortages, closures act as a bureaucratic shortcut to manage under-resourced public systems.

2. Worst-Affected States and the Scale of Dislocation

- **Uttar Pradesh & Madhya Pradesh:** Between 2018–19 and 2019–20 alone, MP lost ~22,600 government schools, while UP lost over 25,000.
- **Jammu & Kashmir:** Over 4,300 schools were merged or closed between 2020 and 2023, while nearly 13,000 teacher posts remained vacant.
- **Severe Out-of-School Fallout:** In MP alone, **11.38 lakh children** fall into the "Drop Box" (imminent dropout risk) category, and **1.23 lakh** are confirmed dropouts. flagship outreach schemes like School Chalen Hum failed to reach 7.5 lakh unmapped children.
- **Geographical Barriers:** In regions like J&K, school closures force children to travel **4 to 6 km daily**, directly violating the RTE mandate of primary schools within a **1 km radius**.

3. Socio-Economic and Gender Impact

- **Disproportionate Burden on Marginalised Groups:** Over 60% of India's below-poverty-line population relies on public schooling. The primary victims of school closures are children belonging to **Scheduled Castes (SC), Scheduled Tribes (ST), and Muslim communities**.
- **Gender-Disaggregated Risk:** Girls face the highest risk of withdrawal from formal schooling when proximity drops. Safety concerns, lack of safe transport, and domestic burdens mean distance directly translates to dropouts for young girls.
- **Compounded Classroom Crisis:** Mergers often result in multigrade teaching—where a single teacher handles five grades simultaneously in overcrowded facilities—violating RTE pupil-teacher ratio (PTR) norms.

4. Institutional Accountability: Role of the Union vs. States

- **Federal Friction (Concurrent List):** Education falls under the Concurrent List (Entry 25). The Union Government often frames school closures as a purely State-level administrative issue.
- **Union's Normative Responsibility:** The RTE Act is a Central legislation. The Centre exercises significant leverage over State education through **Samagra Shiksha Abhiyan** funding allocations, NEP implementation mandates, and language policies.

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- **Avenue for Intervention:** The Union Government can establish binding guidelines to prevent arbitrary school closures and enforce statutory neighborhood norms before disbursing central funds.

5. Structural Shortcomings of the Right to Education (RTE) Act, 2009

- **Focus on Input vs. Outcome:** RTE guarantees access (free and compulsory education for ages 6–14) but lacks binding legal mechanisms regarding the quality of learning delivered inside classrooms.
- **Lack of Practical Justiciability:** The socio-economically marginalized families affected by closures lack the institutional capacity, legal literacy, and financial resources to litigate RTE violations in court.
- **Failure of Participatory Governance: School Management Committees (SMCs)**—conceived under Section 21 of RTE to give parents a voice in school governance—remain largely non-functional or un-convened on the ground.

Static Dimensions & Constitutional Core

Dimension	Key Provisions / Context
 Constitutional Framework	• Article 21A: Fundamental Right to free and compulsory education for children aged 6–14. • Article 39(f): Directive Principle urging state policy toward healthy child development. • Article 46: Special care for educational and economic interests of SCs, STs, and weaker sections. • Article 51A(k): Fundamental Duty of parents/guardians to provide education opportunities.
Legislative Backing	• RTE Act, 2009: Mandates neighborhood schools (1 km for Primary, 3 km for Upper Primary), minimum Pupil-Teacher Ratio (PTR), and mandatory SMCs.
Policy Links	• NEP 2020 (School Complexes): Advocates resource sharing through clusters, but explicitly warns against violating neighborhood access.
SDG Alignment	• SDG 4: Quality Education (Ensure inclusive and equitable quality education and promote lifelong

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Dimension	Key Provisions / Context
	learning opportunities for all). • SDG 5: Gender Equality (Eliminating gender disparities in education access).

Recommended Policy Roadmap

1. **Re-evaluating 'Rationalisation':** School consolidation must be based on rigorous local impact assessments rather than arbitrary enrolment cut-offs. Neighborhood accessibility must take precedence over cost efficiency.
2. **Strengthening Ground-Level Governance:** Revitalise **School Management Committees (SMCs)** by empowering local parents and Panchayati Raj Institutions (PRIs) to audit school status before any closure decision is finalised.
3. **Union-State Coordination Framework:** Formulate national standard operating procedures (SOPs) under Samagra Shiksha to regulate school mergers and mandate alternative transport arrangements where mergers are unavoidable.
4. **Addressing Root Causes:** Focus on improving learning outcomes, infrastructure, and filling teacher vacancies to reverse the enrolment drain toward private institutions.

Conclusion

Aim, Think & Achieve

The aggressive rationalisation of government schools threatens to transform a administrative efficiency measure into a crisis of educational exclusion. Closing state schools without viable, local alternatives effectively privatises education by default—excluding those who can least afford it. To achieve the goals of **Article 21A** and **SDG 4**, India must shift its focus from closing underperforming schools to reforming and adequately resourcing them, ensuring that no child is priced out or distanced out of their constitutional right to learn.

UPSC Prelims Practice Questions

Question: Which of the following Sustainable Development Goals (SDGs) are directly related to school education?

1. SDG 4 – Quality Education
2. SDG 5 – Gender Equality
3. SDG 10 – Reduced Inequalities

Select the correct answer using the code below.

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

Ans: d)

UPSC Mains Practice Questions

Question: Examine the role of the Right to Education (RTE) Act, 2009 in ensuring universal access to school education. What are its major implementation challenges?(10 Marks, 150 Words)

Aim, Think & Achieve

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The trajectory of economic growth in an emerging market relies heavily on Gross Fixed Capital Formation (GFCF). For the past decade, India's investment landscape was sustained predominantly by state-led counter-cyclical public capex. However, fiscal space limits long-term government borrowing.

Recent high-frequency indicators—such as **17.5% YoY corporate credit growth (May 2026)**, a rising **capex-to-depreciation ratio (~1.9x to 2.0x)**, and an **operating cash-flow-to-capex ratio of 1.5x**—signal that India Inc. has transitioned from "maintenance capex" (asset replacement) to "expansionary greenfield capex." This revival strengthens economic momentum, expands manufacturing capacity, and generates employment.

Core Drivers of the Private Capex Surge

1. Fundamental Shift: Growth Capex over Maintenance Capex

- **Capex-to-Depreciation Ratio:** The ratio rising above 1.9x–2.0x (up from a trough of 1.0x) indicates that companies are investing in net new capacity rather than merely replacing worn-out machinery.
- **Internal Accruals:** A cash-flow-to-capex ratio of 1.5x demonstrates that expansion is largely anchored in internal cash generation rather than excessive debt creation.

2. Clean Corporate and Banking Sector Balance Sheets

- **The De-leveraging Phase:** Unlike the 2008–2012 exuberance—which resulted in the Twin Balance Sheet problem (stressed corporates and non-performing bank assets)—the current cycle follows a decade of debt reduction (e.g., JSW Steel lowering net debt by over ₹22,600 crore).
- **Credit Demand Transformation:** Banks are recording higher risk appetite for long-gestation greenfield funding across data centers, warehouses, and renewable energy ecosystems.

3. Sectoral Diversification and Sunrise Areas

India Inc.'s huge capital expenditure surge

By Bureau MUMBAI

India's long-awaited private sector capital expenditure (capex) cycle is gathering force, signalling growing confidence in the country's long-term growth prospects despite global uncertainties.

Companies across infrastructure, manufacturing, automobile, energy, food processing and digital infrastructure sectors are unveiling investment plans worth several lakh crore.

A key indicator of this trend is the sharp acceleration in corporate credit. Reserve Bank of India (RBI) data shows credit to industry grew 17.5% year-on-year in May 2026 compared with just 5.3% a year earlier, reflecting rising demand for funding large expansion projects across sectors.

Borrowing shift

Bankers say the nature of corporate borrowing has also changed significantly. "We are seeing a healthy demand for borrowing for setting up greenfield projects. Corporate credit demand is coming from renewable energy, data centres, warehouses, and food processing, among others," said Kalyan Kumar, Managing Director and CEO, Central Bank of India, recounting how the bank had, jointly with another public sector bank, recently sanctioned a loan to a company for setting up a data centre.

Central Bank of India's own performance is marked by a stronger growth in corporate lending, alongside retail and MSME loans.

Industry-wide credit data also points to broad-based investment recovery. Lending has accelerated across medium and large industries, with infrastructure, engineering, construction, textiles, petroleum products and chemicals emerging among the fastest-growing sectors.

Market participants believe the current investment cycle differs fundamentally from the previous one because it is driven by expansion rather than maintenance spending.

"The private capex has crossed public capex after a long time. The best indicator is the capex-to-depreciation ratio, which has crossed 2x from a bottom of 1x, indicating that capex is now more than about maintenance," said Manish Bhandari, Managing Director and Portfolio Manager, Valium Capital.

This view finds an echo in an ICICI Securities report which estimates that listed companies will spend almost ₹12.6 lakh crore on capex in FY26, taking corporate investment close to historic highs. The research firm notes that the capex-to-depreciation ratio has risen to 1.9x, reflecting a shift towards growth-oriented investments rather than asset replacement.

Corporate India's strengthened financial position is an added support. According to the report, the ratio of cash flow from operations to capex stands at 1.5x, indicating companies possess sufficient internal resources to fund expansion while maintaining healthy balance sheets.

The number of companies investing more than ₹1,000 crore annually has reached a record 168, compared with 91 at the previous peak in 2012.

The combined capex of listed firms, the Centre and states is estimated at nearly ₹32 lakh crore in FY26, creating a powerful investment multiplier across the economy.

Adani to the fore

The infrastructure and energy sectors remain central to the emerging capex cycle, with the Adani Group alone outlining investment plans cumulatively exceeding ₹3 lakh crore across the power, airports, renewable energy, aluminium, defence, logistics and industrial manufacturing segments. For FY27, the group's listed companies have guided capital expenditure exceeding ₹1.47 lakh crore.

Among its largest planned investments is the recently announced ₹1.08 lakh crore aluminium project in Odisha, developed by Adani Enterprises in partnership with Abu Dhabi-based International Resources Holding (IRH). The conglomerate has also broken ground on a ₹2,500-crore integrated missile manufacturing ecosystem in Madhya Pradesh, while separately unveiling a ₹2-lakh-crore investment programme over five years in its power business, including proposed entry into nuclear energy segment.

The expansion follows a record ₹1.53 lakh crore capital expenditure in FY26, which Chairman Gautam Adani recently said accounted for more than 30% of private-sector capex during the year.

The group's financial position has strengthened alongside its investment programme. After spending ₹1,52,967 crore on new projects in FY26, the Adani Group has expanded its total asset base to ₹7,85,098 crore while maintaining cash and cash equivalent of ₹55,852 crore, which is about 15% of total debt. Its average borrowing cost has declined to 7.8% from 9% two years ago, aided by multiple credit-rating upgrades.

Auto rev up

Automobile manufacturers are also driving private investment. Tata Motors has outlined a nearly ₹35,000-crore passenger vehicle investment programme through FY30, while Mahindra & Mahindra plans to invest about ₹27,000 crore over the next three years to strengthen its SUV and electric vehicle portfolios.

Maruti Suzuki has committed ₹44,000 crore for capacity expansion, while Hyundai Motor India recently announced ₹7,500 crore investment in its manufacturing operations in Maharashtra.

Steel, FMCG and more

ITC has outlined a ₹20,000-crore investment pipeline spanning manufacturing and food processing. JSW Steel has announced some of the country's largest manufacturing investments as part of its strategy to double domestic steel-making capacity to 62 million tonnes by FY32. The company recently approved a ₹16,350-crore, two-phase electric arc furnace-based steel plant in Andhra Pradesh, including a first-phase investment of ₹4,500 crore.

This comes on the heels of a ₹65,000-crore greenfield steel project in Paradip, Odisha, and a proposed ₹69,000-crore joint venture with South Korea's POSCO to establish a six-million-tonne integrated steel plant in the State. Collectively, these projects represent more than ₹1.5 lakh crore of planned investment.

Significantly, JSW Steel reduced net debt by more than ₹22,600 crore in FY26, supported by strong profitability and asset monetisation.

Green power

Recently, ACME Solar Holdings secured ₹3,405 crore in long-term project financing from State-owned Power Finance Corporation (PFC) for its 250 MW 'firm and dispatchable renewable energy' (FDRE) project across Rajasthan and Gujarat, taking the company's total project financing raised this fiscal to ₹6,051 crore.

Meanwhile, Tata Power is maintaining an intense investment pace, with second-quarter capex expected to touch ₹6,500 crore, of which nearly half would be earmarked for renewable energy projects.

The company is also targeting rapid growth in rooftop solar with Managing Director and CEO Praveer Sinha stating, "Year before last we were ₹2,300 crore, last year we did ₹4,800 crore. I think we will cross ₹30,000 crore in 2029 itself and not in 2030."

The investment revival is also visible in sections of the real estate market. According to Anarock, housing launches across the top seven cities increased 7% year-on-year to around 1.06 lakh units during the April-June quarter, even though housing sales declined 6%. Mumbai Metropolitan Region and Bengaluru accounted for more than half of new supply.

New lending landscape

Bankers say healthier corporate balance sheets are a defining feature of the current cycle. Unlike the previous investment boom, many large companies are entering expansion phases with lower debt levels, stronger cash flows and improved credit profiles.

This has increased lenders' willingness to finance long-gestation projects in infrastructure, manufacturing, clean energy and digital infrastructure.

The sectors attracting the strongest financing demand closely mirror the government's policy priorities around production-linked incentives, energy transition and industrial development. Analysts believe the ingredients for a sustained capex cycle are in place. After nearly a decade of cautious spending, India Inc appears to be entering a new growth phase.

(Inputs from Ram Kumar, Suresh Iyengar, Amit Vijay Mohile and Aneesh Phadnis in Mumbai and Avinash Nair in Ahmedabad)

Daily News Analysis

- **Infrastructure & Energy:** Conglomerates like Adani, Tata Power, and ACME Solar are deploying capital across green hydrogen, nuclear, airports, and renewable energy (e.g., Firm and Dispatchable Renewable Energy projects).
- **Automobile & EV Transition:** Major players (Tata Motors, M&M, Maruti Suzuki, Hyundai) have committed over ₹1 lakh crore toward manufacturing expansion and EV platforms.
- **Heavy Manufacturing:** Large-scale capacity double-downs in steel (JSW Steel) and aluminium point to long-term optimism regarding domestic industrial and construction demand.

Key Challenges & Structural Vulnerabilities

- **Global Headwinds and Geopolitical Friction:** External demand volatility, fragmented global supply chains, and rising protectionism could impact export-oriented manufacturing units.
- **K-Shaped Consumption Dynamics:** While housing launches in top cities show supply growth, soft mass-market real estate sales and persistent rural consumption pressures could temper domestic final demand.
- **Capital Intensity vs. Job Creation:** A significant share of the modern capex surge is directed toward capital-intensive or high-tech domains (Data Centres, Automation, Renewable Infrastructure) which generate fewer direct, low-skilled jobs compared to traditional labor-intensive manufacturing.
- **Input Cost and Interest Rate Risks:** Capital expenditure remains sensitive to global commodity price swings (coking coal, rare earths, logistics) and real borrowing costs.

Static Dimensions & Core Concepts (UPSC Syllabus Alignment)

1. Macroeconomics & Growth (GS Paper III)

- **Gross Fixed Capital Formation (GFCF):** Capital expenditure directly boosts GFCF, increasing the economy's Potential Output (Y^*) without generating immediate demand-pull inflation.
- **Multiplier Effect:** Public capex creates initial demand for raw materials (steel, cement), while crowded-in private capex amplifies the output multiplier across secondary and tertiary industries.

2. Banking & Financial Sector (GS Paper III)

- **Twin Balance Sheet (TBS) Solution:** The transition from the Twin Balance Sheet problem to the "Twin Balance Sheet Advantage"—where both corporate balance sheets and bank non-performing asset (NPA) ratios are at multi-year lows.
- **Credit Growth Dynamics:** Shift from retail-driven credit expansion toward industrial and infrastructure project finance.

3. Industrial Policy & Government Schemes (GS Paper II & III)

- **Production-Linked Incentive (PLI) Scheme:** Acts as a catalyst across 14 key sectors to lower greenfield setup risks.

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- **National Infrastructure Pipeline (NIP) & PM Gati Shakti:** Creates the physical logistics backbone (ports, dedicated freight corridors) required for private capital to yield viable Return on Capital Employed (ROCE).

Logical Structure & Sequence of the Capex Cycle

1. Balance Sheet Repair Phase

- Corporates reduce excessive leverage.
- Banks resolve Bad Loans via IBC (Insolvency and Bankruptcy Code).

2. Public Capex Catalyst Phase

- Government increases capital spending on roads, railways, and utilities.
- Capacity utilization in private firms approaches the critical 75% threshold.

3. Private Greenfield Investment Phase

- High internal cash flows + low bank NPAs lead to fresh borrowing.
- Shift from maintenance capex to new manufacturing plants, technology, and energy transition.

4. Economic Multiplier Phase

- Industrial credit accelerates (e.g., 17.5% growth).
- Job creation expands domestic demand, driving sustainable GDP growth.

Way Forward

- **Sustaining Structural Reforms:** Streamline land acquisition and state-level regulatory approvals through integrated single-window portals to shorten the period between project announcement and commissioning.
- **Deepening Corporate Bond Markets:** Expand institutional participation (pension and insurance funds) in corporate bonds to reduce long-term infrastructure funding dependencies on commercial banks.
- **Boosting Mass Consumption:** Policy support aimed at bottom-of-the-pyramid income growth will ensure that capacity additions find steady end-user market absorption.
- **Focus on Labor-Intensive Greenfield Projects:** Encourage private investments in textile, food processing, and leather hubs via targeted incentives to maximize employment generation.

Conclusion

The resurgence of private capital expenditure marks a crucial structural transition for India Inc. By shifting from balance-sheet repair to growth-oriented greenfield investments, corporate India is demonstrating confidence in long-term domestic fundamentals. Supported by high corporate cash flows, healthy bank balance sheets, and targeted policy frameworks, a

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sustained capex cycle can raise India's potential growth trajectory, strengthen manufacturing resilience, and provide the bedrock for long-term economic expansion.

UPSC Mains Exam Study Questions

Ques: Explain the significance of private capital expenditure (Capex) in sustaining India's long-term economic growth. **(10 Marks, 150 Words)**

Page : 08 : Editorial Analysis

The state against its students, lessons to remember

On July 26, 1876, 150 years ago almost to the day, Surendranath Banerjee founded the Indian Association in Calcutta. Its first great agitation was, at its core, a student grievance. The colonial government had lowered the maximum age for the Indian Civil Service examination from 21 to 19, a change that quietly shut young Indians out of the highest offices open to them. The state treated the complaint as an administrative footnote. Banerjee treated it as a constitutional question, toured the country, and turned the anger of examination-going youth into the first genuinely pan-Indian political mobilisation. The Raj never recovered the loyalty of the generation it dismissed.

Fifty years ago, in the winter and monsoon of 1976, two states on two continents were teaching the opposite lesson in real time. On June 16, schoolchildren in Soweto, South Africa, who marched against the imposition of Afrikaans as the medium of instruction were met with live ammunition; hundreds died in the weeks that followed. In India, the Emergency had already emptied the campuses by other means: student unions stood suspended, and activists of every persuasion sat in jail under the Maintenance of Internal Security Act (MISA). Pretoria used bullets, New Delhi used preventive detention, and both were confident they had restored order. Within a decade and a half, the generation of Soweto had made apartheid ungovernable, and the generation of the Emergency had produced much of India's post-1977 political leadership. Order purchased through the suppression of the young turned out to be the most expensive commodity either state ever bought.

The pattern repeats again

This July, the streets around Parliament and Jantar Mantar have supplied the third panel of the triptych. What began as an online satire has become one of the largest student mobilisations in years, built on grievances that are neither manufactured nor abstract: a leaked National Eligibility cum Entrance Test (Undergraduate), or NEET-UG, paper that forced the cancellation of an undergraduate medical examination taken by over 20 lakh aspirants, and an on-screen marking controversy that left thousands of school students in limbo. So far, the state's response has followed the familiar pattern of barricades, tear gas, a baton charge that injured more than 100 students during the march on Parliament, and rhetoric from the highest levels of the establishment comparing protesters to vermin.



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History suggests three lessons that the state would do well to learn before the pattern completes itself. Lesson one: force does not disperse a genuine grievance, it organises it. The Soweto uprising did not begin as a revolution. It began as a march by schoolchildren over the language of instruction. It was the shooting that made it a revolution. Every image of a fallen student became a recruitment poster, exile camps filled with teenagers who had left the country in the months after June 1976. The regime's own commission later conceded that the police response, not the original grievance, had transformed a protest into an insurrection.

The mechanism is not South African, it is universal. When the state answers a specific, bounded demand with generalised violence, it converts a policy dispute into a question of dignity, and dignity disputes do not settle. The students who returned to Jantar Mantar the morning after the lathi charge, and said so to every camera available, were following a script written in Soweto and in a hundred places since. A government that reads their return as defiance to be broken, rather than as evidence that force has already failed, is preparing its own sequel.

The politics of disrespect

Lesson two: contempt delegitimises the state faster than it delegitimises the students. The colonial government's error in 1876 was not primarily one of policy. It was one of register. By treating the civil service age question as beneath serious engagement, it told an entire educated generation that their aspirations had no standing before the state. Banerjee understood that the insult was more mobilising than the injury, and the Indian Association was built on that understanding.

The instinct to belittle is alive today. When constitutional functionaries such as the Chief Justice of India reach for the vocabulary of pest control to describe a section of youth, they repeat the Raj's mistake with less excuse. Dehumanising language aimed at the young does not shrink a movement but hands the movement its identity, its symbols and its moral high ground in a single gesture. The protesters outside Parliament this week did not have to manufacture the charge that the state holds them in contempt. The state made the charge for them, on the record. A government serious about de-escalation would begin not with concessions but with a change of register by acknowledging, plainly and publicly, that the integrity of public examinations is a legitimate constitutional concern of every citizen who sits

for one, and that those raising it are stakeholders, not enemies.

Lesson three: protest is the symptom; blocked accountability is the disease. Students do not camp on pavements because they enjoy tear gas. They do so when every institutional channel for redress has been tried and found closed. The 1876 agitation arose because Indians had no representative forum in which the civil service rules could even be debated and the Association became the forum the constitution did not provide. The Emergency-era campuses went silent because the ordinary machinery of accountability, the courts, the press, the legislature, had been suspended; when it was restored in 1977, the verdict was unambiguous.

The Gen Z-led education reform movement has been explicit that it wants action rather than assurances: credible investigations, examination reform, and accountability for the institutional failures that preceded the leak. These are demands that a functioning system of parliamentary and regulatory oversight should have been capable of processing without a single barricade. The durable answer to this protest is therefore not a better crowd-control strategy but a stronger accountability architecture, wherein an examination authority enjoys genuine independence, evaluation and reevaluation are subject to statutory transparency, parliamentary committee scrutiny produces published findings, and consequences attach to officials rather than only to invigilators and middlemen. A state that builds those channels makes the street redundant. A state that refuses to build them makes the street inevitable.

Ensure genuine accountability

It is an accident of the calendar, but a useful one, that the July 2026 crackdown falls in the same week as the sesquicentenary of the Indian Association. The men who governed India in 1876 could not have imagined that a students' grievance about an examination would seed the movement that ended their rule. Public officials who governed India and South Africa in 1976 could not have imagined that the teenagers they jailed and shot would inherit their states. No government ever believes the pattern applies to itself. That is precisely how the pattern survives.

The young people at Jantar Mantar were not asking the state to surrender. They were asking it to be worthy of the examinations it conducts. On the evidence of a century and a half, the governments that listen to that request are the ones that last.

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GS Paper II: Governance and Social Justice

UPSC Mains Exam Practice Questions: Transparent and accountable public examination systems are essential for preserving constitutional values. Discuss.
(10Marks, 150 Words)

Context : Youth-led protests and student agitations have historically served as crucial barometers of state-citizen dynamics and constitutional health. The recent widespread student mobilisations surrounding exam paper leaks (such as NEET-UG) and systemic evaluation failures reflect a recurring historical template: **policy or administrative grievances escalating into broader questions of dignity, governance, and democratic accountability when met with state repression.**

Examining this phenomenon through a historical lens—from the 1876 Indian Civil Service agitation to the 1976 Soweto uprising and the Indian Emergency—reveals that state responses relying on coercive force or dismissive rhetoric often backfire, converting administrative missteps into systemic crises of legitimacy.

Core Themes & Historical Triptych (Analytical Comparison)

The article constructs a historical triptych spanning 150 years to illustrate how the state's handling of youth grievances follows a predictable, recurring pattern.

Comparative Framework of the Three Historic Moments

- **1876 (The Colonial Precedent - Indian Association):**
 - Trigger: Reduction of the maximum age for the Indian Civil Service (ICS) examination from 21 to 19 by the British Raj.
 - State Stance: Treated as a minor administrative rule change.
 - Outcome: Surendranath Banerjee framed it as a constitutional issue of equal opportunity, founding the Indian Association and launching India's first nationwide political mobilization.
- **1976 (The Authoritarian Trap - Soweto & Emergency):**
 - Soweto (South Africa): Protests against Afrikaans language imposition were met with bullets, killing hundreds. Instead of quelling dissent, it filled exile camps and galvanized the anti-apartheid movement.

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Daily News Analysis

- India (Emergency): Student union suspensions and mass arrests under the Maintenance of Internal Security Act (MISA) suppressed campuses temporarily, but ultimately forged the political leadership that defeated the Emergency in 1977.
- **2026 (The Contemporary Mirror - Exam Integrity Crisis):**
 - Trigger: NEET-UG paper leaks affecting over 20 lakh aspirants and structural flaws in high-stakes testing.
 - State Stance: Heavy-handed crowd control (tear gas, barricades, lathi-charge) paired with belittling rhetoric comparing student protesters to public nuisances or vermin.

Key Lessons for Governance & Statecraft

Lesson 1: Coercion Converts Policy Disputes into Dignity Struggles

- **Mechanism of Escalation:** When the state meets specific, policy-bounded demands (e.g., re-examination, fair evaluation) with generalized police violence, the core issue shifts from administrative failure to personal and institutional dignity.
- **The Recruitment Effect:** As demonstrated in Soweto and historical Indian student movements, harsh police action generates symbols of martyrdom and institutional injustice, broadening the base of the protest rather than dispersing it.

Lesson 2: Administrative Contempt Delegitimizes State Authority

- **The Register of Rhetoric:** Dismissive or dehumanizing language used by high constitutional functionaries destroys trust far more rapidly than the initial administrative failure.
- **Moral High Ground:** When public officials frame aspirants and youth as "troublemakers" or "vermin" rather than equal citizens and stakeholders, the state abdicates its moral authority and hands the movement its moral legitimacy.

Lesson 3: Street Protests Signify Blocked Institutional Accountability

- **Symptom vs. Cause:** Mass street demonstrations do not happen because students prefer protest to study; they occur when every statutory and administrative channel for grievance redressal (courts, regulators, internal review committees) is perceived as closed or compromised.
- **Redundancy of the Street:** A state that builds transparent, independent, and accountable institutions makes street protests redundant. A state that shuts down these channels makes street protests inevitable.

Static Dimensions & Syllabus Linkages

A. Indian Constitution & Polity (GS Paper II)

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1. **Article 14 (Equality Before Law) & Article 16 (Equal Opportunity):** Systemic flaws in competitive examinations undermine the constitutional promise of meritocracy and fair competition for public employment/higher education.
2. **Article 19(1)(a) & 19(1)(b) (Freedom of Speech & Peaceful Assembly):** The constitutional validity of state restrictions (reasonable restrictions under Art 19(2) and 19(3)) versus the overreach of police power during peaceful student demonstrations.
3. **Institutional Autonomy & Regulatory Governance:** Issues surrounding statutory testing bodies (like NTA), their accountability under the Right to Information (RTI) Act, and parliamentary oversight mechanisms.

B. Governance & Institutional Frameworks (GS Paper II)

1. **Grievance Redressal Architectures:** The imperative for statutory transparency in evaluation, re-checking mechanisms, and time-bound whistle-blower protection in public testing agencies.
2. **Citizen-Centric Governance:** Shifting state posture from "command-and-control" or colonial administrative arrogance to a democratic stakeholder model.

C. Ethics & Public Administration (GS Paper IV)

1. **Ethical Leadership & Compassion in Administration:** The requirement for administrative empathy when dealing with vulnerable populations (e.g., student aspirants facing intense socio-economic stress).
2. **Crisis Management vs. Coercive Power:** De-escalation tactics, public communication ethics, and the duty of constitutional post-holders to maintain civil discourse.

Structural Roadmap for Reforms

To break the historical pattern of conflict between the state and its youth, the administrative architecture requires systemic reform:

1. **Statutory Testing Autonomy:** Establish independent, statutory national testing authorities governed by an independent board with judicial oversight, reducing political and bureaucratic control.
2. **Transparency & Evaluation Reforms:** Mandate standard operating procedures for question paper security, open-source audit logs for digital evaluations, and a time-bound statutory revaluation process accessible to every candidate.
3. **Strict Whistleblower & Fraud Legislation:** Enforce stringent legislation targeting institutional corruption, paper-leak syndicates, and administrative negligence with punitive measures for officials, not just low-level invigilators.
4. **Institutionalized Dialogue Channels:** Create statutory Student Advisory Councils within regulatory education bodies to process student grievances before they spill over into street agitations.

5. **Police Training & De-escalation Protocols:** Shift crowd management strategies from colonial-era dispersion methods (lathi-charge, tear gas) to modern de-escalation protocols when handling non-violent youth demonstrations.

Conclusion

The lessons of 1876, 1976, and the present day underscore a single historical truth: **order maintained through the suppression and belittling of young citizens is an illusion that damages long-term state legitimacy.** High-stakes public examinations are not mere administrative procedures; they represent the socio-economic aspirations and constitutional faith of millions of families. A mature democratic state must realize that students demanding fair and transparent testing are not enemies seeking to destabilize authority, but vital stakeholders asking the state to live up to its own constitutional promises. Listening to them is not a sign of state surrender, but a requirement for enduring governance.