CHAHAL ACADEMY

SUMMARY OF YOJANA

APRIL 2025

SKILLING INDIA'S WORKFORCE

- Transforming India's Financial Landscape
- National Manufacturing Mission
- Skill India: The Road Ahead
- Enhancing Skills for Export

TOPIC 1: ENHANCING SKILLS FOR INDIA'S EXPORTS

Introduction

India stands at a **critical juncture**, where embracing an **export-led growth strategy** can significantly reshape its economic destiny. Leveraging **digital skills**, increasing **industrial capacity**, and becoming a **reliable partner in global value chains (GVCs)** can transform India into a **leading export powerhouse**. To achieve the **$20 trillion economic target**, focused efforts must be made in:

- Green and space technology
- High-value manufacturing
- Infrastructure improvements
- Empowerment of MSMEs

Current Trends in Global and Indian Exports

(i) Global Trade Scenario:- Global merchandise trade growth slowed to 2% in the previous year.
(ii) India's Export Performance:

- **Non-petroleum exports** rose by 7%, driven by:
  - Chemicals
  - Electronics
  - Engineering products
  - Pharmaceuticals
- **Electronics exports** grew from **USD 11 billion (FY21)** to **USD 26 billion (FY25)**.
- **Textile exports** also rebounded with a **7.6% increase** (Ministry of Finance, 2025).
- Supportive factors include:
  - **Incentive-based policies**
  - **Improved regulatory frameworks**

Lessons from Global Examples

- Countries like **China, South Korea, and Vietnam** highlight the **positive impact of export-led growth** on economic prosperity.
- India needs to:
  - Move beyond its **services and capital-intensive dependence.**
  - Leverage its **labour force**
  - Attract **multinational corporations (MNCs)**
  - Generate over **200 million high-quality jobs**

Why Export-Led India is the Future

(i) Employment Generation and Inclusive Development

- Export industries **create jobs**, addressing underemployment.
- **PLI schemes** spurred smartphone manufacturing and job creation.
- Export-oriented growth promotes **industrialisation in Tier 2 & Tier 3 cities**, especially in:**Tamil Nadu , Karnataka, and Uttar Pradesh**

(ii) Technological and Competitive Advantage

- Participation in **global value chains** enables: Technology transfer, Higher productivity, and International competitiveness

(iii) Geopolitical Soft Power

- Enhancing exports boosts **economic diplomacy** and **bilateral ties**, especially with: **ASEAN & USA.**
- Emerging sectors like **renewables and green energy** can lead the **global energy transition**.

Challenges to India's Export Growth

(i) Infrastructure and Logistics Constraints

- High logistics costs
- **Inadequate trade infrastructure**
- Despite **PM Gati Shakti,** India's **logistics cost-to-GDP** remains high.
- **Issues** include:
  - Port congestion
  - Container shortages
  - Poor last-mile connectivity

(ii) Export Portfolio Limitations

- Over-dependence on:
  - IT services
  - Petroleum products
  - Gems and jewellery
- **Green energy exports** remain underdeveloped.
- **Lack of value-added exports** in agriculture and textiles.

(iii) Global and Domestic Trade Barriers

- **Protectionism**, taxation, and **geopolitical disruptions** (e.g., Russia-Ukraine war)
- New challenges from:
  - Carbon tariffs

- Environmental norms in developed countries

(iv) Constraints Faced by MSMEs

- Limited access to **export credit**
- Complex financial rules
- Lack of awareness about export schemes
- High compliance costs due to **non-tariff barriers** (NTBs)
- US Customs rejected **3,925 Indian shipments** over 5 years due to **sanitary and phytosanitary** issues.

Government Initiatives to Boost Exports

(i) Export Promotion Mission (Rs 2,250 crore)

- Enhance access to export finance
- Eliminate NTBs
- Address **structural and sectoral bottlenecks**

(ii) BharatTradeNet and Digital Reforms

- A **unified digital platform** for: Trade documentation and Financial transactions
- Inspired by systems in **Singapore** and **EU**
- Real-time monitoring for **cost reduction and transparency**

(iii) Infrastructure Development

- **Focus on:**
  - Air cargo improvements
  - Geospatial data integration
  - **Aim: Lower trade-related costs** and improve **global competitiveness**

(iv) Skill Development and Digital Empowerment

- **Recalibrated Skill India Mission (2025)** targeting:
  - Employment generation
  - Export-readiness
  - Support for manufacturing & digital sectors

Strategies for Enhancing Export Growth & Competitiveness

(i) Trade Infrastructure and Supply Chain Strengthening

- **PM Gati Shakti**, **Bharatmala**, and **Sagarmala** to improve **multi-modal connectivity**
- Adoption of:
  - **AI-based customs systems**
  - **Export hubs near ports**

(ii) High-Value Manufacturing & Technology Exports

- Diversify beyond traditional commodities by promoting:
  - Electronics
  - Solar equipment
  - Electric vehicles (EVs)
- Tap into **global demand for green technologies**

(iii) Leveraging Trade Agreements

- Expand markets through:
  - **India-Australia ECTA**
  - **India-UAE CEPA**
- Explore **non-traditional markets**: Latin America, Africa, Oceania

(iv) Empowering MSMEs

- MSMEs contribute **over 45% of India's exports**
- Integrate:
  - **TIES** with **RAMP**
  - **Low-interest export finance**
  - **Global access via GeM**
- Promote **automation, robotics, AI** for quality and cost efficiency

(v) Expanding Production Linked Incentives (PLI)

- Cover emerging sectors like **precision machinery**
- Merge **Digital India** with **smart manufacturing clusters**
- Support **joint ventures with MNCs** for:
  - FDI
  - Technology access

Future Competitiveness through Innovation and R&D

(i) Investment in Technological Advancements

- Rs 20,000 crore allocated for:
  - AI
  - Semiconductors
  - Geospatial technologies
- **Goals:**
  - Equip youth with **future-ready skills**
  - Support innovation ecosystems

(ii) Reforming Regulatory & Quality Frameworks

- Establish **domestic testing & certification systems**
- Sign **Mutual Recognition Agreements (MRAs)** with trading partners
- Partner **Quality Council of India (QCI)** with export councils

(iii) Tapping into Digital Trade & E-Commerce

- Promote **cross-border digital payments**
- Integrate Indian sellers into global platforms
- Leverage **Open Network for Digital Commerce (ONDC)**

(iv) Building the "Brand India"

- Global awareness campaigns to promote:
  - Indian goods and services
  - Quality and authenticity

Expanding Skilled Workforce and Service Exports

- Train Indian professionals in sectors like:
  - **Healthcare**
  - **IT**
  - **Construction**
- Collaborate with countries facing:
  - **Labour shortages**
  - **Ageing populations**
- Align skill development with **host country needs**

Conclusion

India's path to becoming a global export leader rests on a **multi-pronged strategy**: **Technological adoption, export diversification, regulatory reform and human capital development.** Future success will hinge on: **Consistent policy execution, Digitalisation, Green growth practices and strategic global partnerships** By aligning all stakeholders — **government, industry, and civil society** — India can drive **inclusive, sustainable, and resilient export-led economic development**.

TOPIC 2: A DECADE OF TRANSFORMATION AND THE ROAD AHEAD: SKILL INDIA MISSION AND THE FUTURE OF SKILLING

Introduction

The **Skill India Mission**, launched in 2015, marked a pivotal shift in India's approach to human capital development. It aimed to address the mismatch between the skill sets of the youth and industry demands. Over the past decade, it has transformed into a holistic, inclusive, and technology-driven ecosystem, aligning India's workforce with national goals and global opportunities. According to the Ministry of Skill Development and Entrepreneurship (MSDE), more than **5 crore individuals** have been trained under various schemes since 2015. This massive upskilling push, embedded within the broader framework of **Atmanirbhar Bharat** and **Viksit Bharat @2047**, reflects India's aspiration to emerge as the **"Skill Capital of the World."**

Building a Robust Skilling Framework

(i) Institutional Reforms

- **Ministry of Skill Development & Entrepreneurship (MSDE)**: Created in **2014** to consolidate 20+ fragmented skill programmes.
- **National Skill Development Mission (NSDM)**: Launched in **2015** to operationalize skill training in a structured, scalable, and sustainable manner.

(ii) Policy Integration

- **National Education Policy (NEP) 2020**:
  - Emphasizes **vocational integration** from Grade 6.
  - Promotes **multidisciplinary learning**, with credit-based skill learning.
- **National Credit Framework (NCrF), 2023:**
  - Facilitates mobility between formal education and skill tracks.
  - Introduced **Academic Bank of Credits (ABC)** and **academic equivalency** for ITI students.

Industry Linkages and Apprenticeship Expansion

(i) Strengthening Industry Connect

- **100+ industry consultations** led to revised curricula in line with market needs.
- Introduction of:
  - **Dual System of Training (DST)** in ITIs.
  - **Flexi MoUs** to enable customized training.

(ii) Revamping Apprenticeship Ecosystem

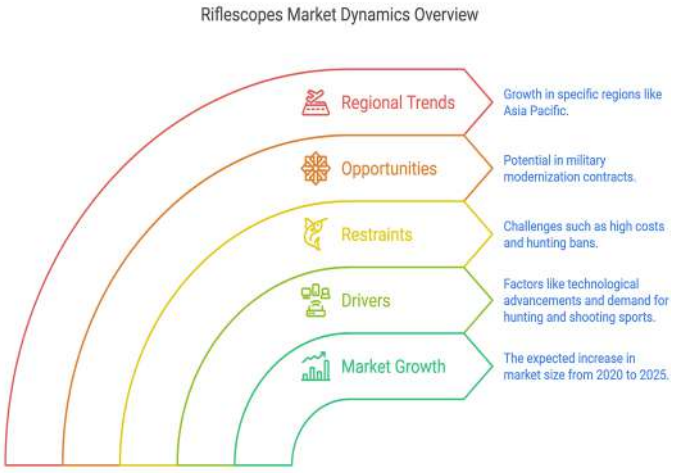
- **National Apprenticeship Promotion Scheme (NAPS)**:
  - Over **42 lakh apprentices** trained across 50,000+ establishments.
  - Direct Benefit Transfer (DBT) ensures transparency.

(iii) Accelerated Employment Development Programme (AEDP)

- Fast-tracks skilling in high-growth sectors.
- Industry partners: **Samsung, Dassault, IBM, Microsoft** have co-developed specialized modules.

Embracing Technology and Digital Skilling

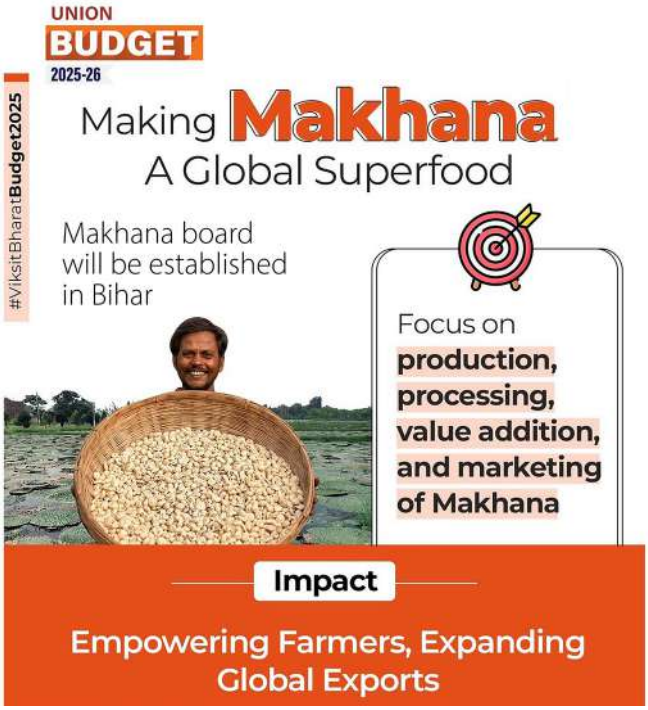
(i) Skill India Digital Hub (SIDH)



- AI/VR-powered learning, career mapping.
- Digital Skill Card with **portable credentials**.
- Real-time analytics on skill uptake and employability.

(ii) Focus Areas

- Skilling in emerging domains:
  - Artificial Intelligence (AI)
  - Internet of Things (IoT)
  - Electric Vehicles (EVs)
  - Renewable Energy (Green Hydrogen)
- Partnership with **Google, Microsoft, NVIDIA** for AI skilling access.



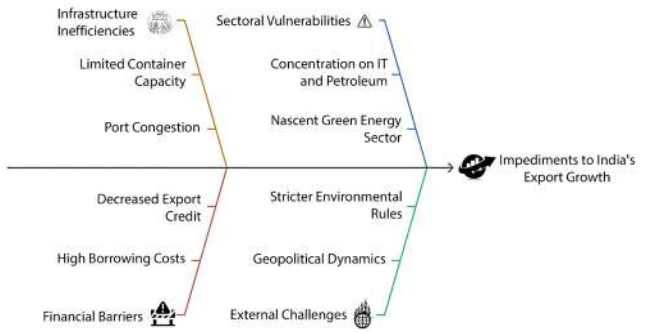
Internationalisation of Skilling

(i) Global Workforce Demand

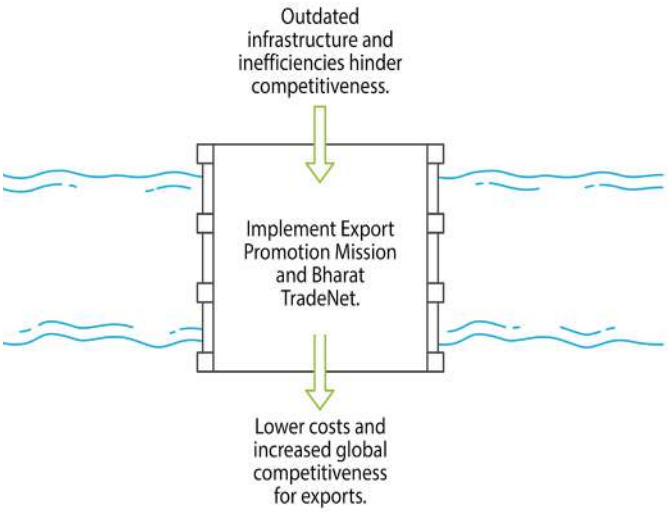
- **3.7 million jobs** identified across 16 countries (2023 study).
- Focus countries: **Japan, Germany, UAE, Israel, Australia**

(ii) Infrastructure for Global Mobility

- **30 Skill India International Centres (SIICs)** : Offer certification, foreign language training, and soft skills.
- India's WorldSkills rank improved from **39th (2011)** to **13th (2024)**, showcasing competitiveness.



Enhancing India's Export Competitiveness through Infrastructure Improvement



Inclusive Financing and Scheme Convergence

(i) Budgetary Commitment

- **₹18,800 crore** allocated in **Union Budget 2024–25.**
- Upgradation of **1,000 ITIs** and five **National Centres of Excellence.**

(ii) Innovative Financing Tools

- **Skill Loans**: Affordable access to vocational courses.
- **Skill Impact Bonds (SIBs)**: Outcome-based funding.
- **Skill Vouchers**: Learner-centric, demand-driven training.

(iii) Scheme Integration

- **38 Central + 133 State schemes** integrated on SIDH for convergence.
- Unified monitoring eliminates duplication and enhances transparency.

Revival of Traditional and Rural Skills

(i) PM Vishwakarma Scheme

- Supports **18 traditional trades** (e.g., carpentry, blacksmithing).
- Provides **toolkits, loans**, and **training** to artisans.

(ii) Craftsmen Training Scheme (CTS)

- Integration of heritage crafts like:
  - Basohli Painting
  - Shawl Weaving
  - Hand Embroidery
  - Paper Mache
- Implemented in partnership with the **Directorate of Skill Development, J&K**.

(iii) Rural and Tribal Skilling

- **PM-JANMAN** and **Van Dhan Yojana** empower tribal communities.
- Skill programmes run by **NIESBUD** improve value-addition and market linkages.

Data-Driven and Future-Oriented Planning

- MSDE, in collaboration with **NCAER**, identified **sectoral skill gaps** in growth areas like logistics, green economy, and digital services.
- Integration of skill-related data with **MoSPI** and **MoLE** surveys to align training supply with real-time demand. Use of AI and predictive analytics for job forecasting and curriculum design.

Key Challenges and Roadmap Ahead

Challenges	Way Forward
Fragmented delivery	Full operationalization of SIDH
Urban-rural divide	Strengthen Rural Skill Development Centres
Low post-training employability	Boost apprenticeship & on-the-job learning
Perception issues	National campaigns for aspirational skilling
Certification mismatch	Global benchmarking of NSQF

Policy Recommendations

- **Skilling as a Fundamental Right**: Consider inclusion in a concurrent list.
- **Link with MSMEs & Gig Economy**: Skilling must feed the growing informal and platform-based employment.
- **Skill University Expansion**: Focus on outcome-based, industry-driven curricula.

Conclusion

Over the last decade, **Skill India Mission** has evolved into a comprehensive ecosystem that fuses education, technology, industry, and inclusion. It has not only **empowered over 5 crore youth** but also laid a resilient foundation for **Viksit Bharat @2047**.As India aspires to be a global skill hub, the coming decade must be marked by: **Deeper digital integration**, **Global certifications**, and **Massive upskilling in AI, Green Tech, and global trades**.

TOPIC 3: THE DIGITAL PATH TO A DEVELOPED INDIA

Introduction

"In the long arc of human progress, some moments shine brighter as turning points. India is at one such inflection point in its digital journey."

India's path to becoming a developed nation by 2047—**Viksit Bharat @2047**—is being shaped not only by industrial growth and economic reforms but by a digital transformation rooted in inclusion, innovation, and infrastructure. From AI-powered farming in Baramati to the democratization of GPU access for startups and academia, India's digital renaissance is now a national mission.

Laying the Foundation: India's Digital Public Infrastructure (DPI)

(i) India's DPI Framework: A Global Blueprint

- India's DPI strategy, a unique **public-private hybrid model**, has enabled platforms like **Aadhaar (identity), UPI (finance), DigiLocker (documents)**, and **CoWIN (health)**.
- These platforms are interoperable, scalable, and built using **public funds**, allowing private innovation on top—fostering both **inclusion and innovation**.

(ii) Global Recognition

The G20 Summit and bilateral engagements have seen countries across Asia, Africa, and Latin America expressing interest in replicating India's DPI model.

Japan granting a patent to UPI reflects international trust in India's DPI reliability and adaptability.

AI-Powered Revolution: Technology Reaching the Margins

(i) Real-Life Transformation: The Baramati Farmer - In Baramati, Maharashtra, a small farmer's AI adoption is emblematic of India's grassroots digital revolution:

- **Reduced fertilizer use** by predictive soil data analytics.
- **Optimised irrigation** through AI-enabled weather forecasting.
- **Enhanced yields** via crop disease detection using image processing.

(ii) India's AI Infrastructure

- Launch of a common **compute facility** with **18,000+ GPUs**, available at subsidised rates (₹100/hour), democratizes AI research.
- Development of **anonymised, non-personal datasets** for training AI models in sectors like:
- **Agriculture:** Yield forecasting, pest detection.
- **Traffic management:** AI-based congestion solutions.
- **Disaster management & weather forecasting.**

The Rise of India's Semiconductor and Electronics Ecosystem

(i) From Software Superpower to Hardware Hub

- India has moved from being a **software services exporter** to building a **hardware manufacturing base**.
- **Five semiconductor plants** under construction aim to reduce dependence on imports.

(ii) Electronics as a Strategic Export

- Electronics have entered India's **top three export categories**.
- Expected launch of India's **first indigenous chip in 2025**, heralding an era of self-reliance under **Atma Nirbhar Bharat**.

AI in Governance: Tech for the People

(i) Mahakumbh 2025: A Live Lab for DPI + AI

- Largest human gathering managed with:
  - **AI-based crowd control** in coordination with Indian Railways.
  - **Bhashini-powered multilingual Chatbots** for lost-and-found and public assistance.
  - **Integration of police, railway, and health departments** for real-time governance.

(ii) Bhashini – India's Language AI Mission

- Supports over **22 scheduled languages**, enabling **voice and text translation**, digital literacy, and inclusion.

Skilling India: Building a Future-Ready Workforce

(i) Workforce as the Engine of the Digital Revolution

- India adds **one Global Capability Centre (GCC) per week**, attracting R&D and technology investments.
- By 2030, India's digital workforce is expected to be **the largest globally** (NASSCOM projections).

(ii) NEP 2020 and Skilling in Emerging Technologies

- University syllabi now include:
  - AI/ML, 5G, quantum computing, and semiconductor design.
- AI Centres of Excellence at **IITs, IIITs, and NITs** drive foundational and applied research.

Balancing Innovation with Responsibility: AI Regulation in India

(i) Techno-Legal Pragmatism

- **India rejects:**
  - **Over-regulation** that stifles innovation.
  - **Market-only models** that concentrate power.
- India's **techno-legal framework**:
  - Promotes **open innovation**.
  - Finances tools to detect **deep fakes, misinformation, and data privacy violations.**

(ii) Ethics and Governance

- Emphasis on **Responsible AI**, involving:
  - Ethical frameworks.
  - Algorithmic audits.
  - Diversity in training datasets to eliminate biases.

Vision 2047: Towards Viksit Bharat

India's digital transformation isn't merely about hardware or software—it is about **human empowerment**. It is about:

- **AI helping a farmer sow better.**
- **UPI enables a woman vendor in a remote village to access financial services.**
- **DPI ensures dignified access to government services for the differently-abled.**

(i) Target Outcomes by 2047

- **$1 Trillion digital economy** (MeitY vision document).
- **Full semiconductor supply chain** with design-to-fabrication capabilities.
- **AI-based public services** across health, education, and urban governance.
- **World's largest skilled tech workforce** through NEP-led initiatives.

Conclusion

India's digital journey is not just a chapter in its economic story—it is the spine of the narrative towards **Viksit Bharat @2047**. Through inclusive AI, citizen-first digital infrastructure, ethical governance, and robust manufacturing capabilities, India is setting global benchmarks in how technology can be harnessed to empower every citizen—from a farmer in Baramati to a coder in Bengaluru. The road ahead is digital—and decisively Indian.

TOPIC 4: INDIA'S TURF: A GLOBAL INVESTOR HAVEN

Introduction: From Aspiration to Execution

India's emergence as a global investment magnet has been shaped by proactive policy reforms, robust regulatory frameworks, and visionary leadership under Prime Minister Narendra Modi. In the last decade, India has transformed from a complex and restrictive investment environment into one of the top five global investment destinations. With over 1.4 billion aspirations and a dynamic democracy, India has pivoted from a **resource-constrained developing economy** to an **investment-driven growth engine**. The transformation is steered by:

- **Ease of Doing Business reforms**
- **Digitization and regulatory simplification**
- **Robust capital markets**
- **Geopolitical neutrality and economic resilience**

India's rise in global economic rankings and the trust it commands from global investors reflect not just economic parameters but strategic statecraft in positioning itself as an attractive investment hub.

Progressive Trends in India's Investment Ecosystem

(i) Domestic Production Over Dependence

- Promotion of **homegrown manufacturing** through *Make in India* and *Atma Nirbhar Bharat*.
- Strategic focus on reducing import dependence and promoting **local value chains**.
- Emphasis on **royalties for IP**, tech transfer, and indigenization of innovation.

(ii) Global Endorsement & Diplomatic Backing

- Endorsements by global leaders like **Donald Trump, Olaf Scholz, Pedro Sánchez** highlight India's credibility.
- Multinational leaders (e.g., Tim Cook, Borge Brende) acknowledged India's **economic stability and innovation potential**.

Rising Global Trust: PwC Global CEO Survey 2024

According to the **27th Global CEO Survey (PwC, 2024)**:

- India climbed from **9th to 5th** globally as an investment destination.
- **86% of Indian CEOs** foresee economic improvement — a 30% rise in optimism from 2023.
- Majority predict India will become the **3rd largest economy by 2030**.
- **Generative AI** and tech innovation are considered prime drivers of this growth.

Key Stats:

- Surveyed: **4,702 CEOs across 105 countries**
- Major confidence from Indian CEOs in **domestic economic fundamentals**, signaling sustainable growth.

India's Regulatory Strategy for Investment Magnetism

(i) Policy Innovations

Strategic Reform	Impact
Make in India + PLI Schemes	Encouraged local production and export-oriented industries
Sectoral FDI Liberalisation	Increased foreign participation in defence, telecom, and insurance
Tax Reforms – GST	Simplified indirect tax landscape; boosted compliance and revenue
Decriminalisation of Provisions	Reduced compliance burden; enhanced investor confidence
Digital Single-Window Clearance	Faster approvals; reduced bureaucratic delays

Statistical Evidence of Growth Outcomes

(i) FDI Inflows: A Decadal Comparison

Indicator	2004–2014	2014–2024	% Increase
Total FDI Inflow (USD Billion)	324	667	+106%
Manufacturing Sector FDI	98	165	+69%
Total Cumulative FDI (2000–2024)	-	991	-

Insight: Two-thirds of India's total FDI since 2000 came **only in the past decade**, demonstrating exponential growth and investor confidence.

(ii) IPO Boom & Capital Markets

- **IPO funds in H1 FY25** more than **doubled** over FY24 (KPMG Report).
- High **retail investor participation** and robust **SIPs (Systematic Investment Plans)** continue despite global market volatility.
- India's inclusion in a **US-based global government bond index** boosted capital market credibility.

Sectoral Spread:

- IPOs across **technology, healthcare, manufacturing, energy**, and **fintech** indicate broad-based investor trust.

Ripple Effects: Employment, MSMEs & Infrastructure

(i) Employment Generation

- **17.9 crore jobs** created between 2014–2024 (including direct and indirect employment).
- Massive expansion in **infrastructure**, **logistics**, and **manufacturing clusters**.

(ii) Empowering MSMEs

- Employment by MSMEs rose from **10 crore (2013)** to **24 crore (2024)**.
- Over **6 crore MSMEs** integrated into national and global supply chains.
- Initiatives like **Udyam**, **Skill India**, **Digital MSME**, and **CGTMSE** enhanced financial and market access.

(iii) Skill & Innovation Ecosystem

- Investments in **Digital Public Infrastructure (DPI)** and **AI-driven platforms** like **Bhashini** and **ONDC** amplified innovation.
- 100+ **Unicorn startups** emerged, generating employment and attracting venture capital.

Aligning with Viksit Bharat @2047

India's investment-led growth model reflects the **broader development philosophy** under **Viksit Bharat @2047**, ensuring:

- **Inclusive growth** via job creation and MSME empowerment.
- **Sustainable development** by aligning with SDGs.
- **Geoeconomic assertiveness** by attracting capital and technology from global partners.

The efforts are aimed at transitioning from a **factor-driven economy to an innovation-driven economy**, thus creating a **future-ready Bharat**.

Conclusion

India's journey toward becoming a **global investor haven** is an outcome of structural reforms, investor-friendly governance, and a long-term vision for economic resilience. The rise in FDI, IPO growth, investor confidence, and the empowerment of domestic enterprises together create a **virtuous economic cycle**. With continued infrastructure investment, digital transformation, and geopolitical agility, India is poised to not just attract capital but to shape the global economic order — affirming its path towards **Viksit Bharat @2047**.

TOPIC 5: TRANSFORMING INDIA'S FINANCIAL LANDSCAPE

Introduction

India's financial sector is presently undergoing a paradigmatic transformation shaped by an orchestrated synergy of structural reforms, international capital infusion, technological disruption, and targeted financial inclusion strategies. These multidimensional developments converge upon the national ambition to elevate India to a $10 trillion economy, consistent with the Viksit Bharat @2047 vision. Recent interventions—ranging from the full liberalisation of the insurance sector and credit rating enhancements to the digital expansion of financial services and reform in rural credit mechanisms—are sculpting a resilient, future-ready financial ecosystem.

Full Liberalisation of the Insurance Sector

(i) Escalation of FDI Cap to 100%

- The foreign direct investment **(FDI) cap** in the insurance sector has been enhanced from **74% to 100%.**
- This strategic shift is poised to augment capital adequacy, diversify insurance offerings, and facilitate cross-border best practices in governance and actuarial precision.

(ii) Macroeconomic Ramifications

- With insurance penetration at merely **3.7%**—significantly below the global mean of **7%**—the sector reflects untapped potential.
- Entry of global insurers is anticipated to induce operational modernization, catalyze innovative insurance products, and drive penetration into **rural** and **peri-urban demographics**.
- Employment elasticity is expected to yield over 3 million new jobs by 2030.

(iii) Regulatory and Fiscal Engineering

- The **Insurance Regulatory and Development**

Authority of India (IRDAI) is crafting policy frameworks emphasizing rural outreach, financial prudence, and risk-based capital adequacy norms.

- Rationalizing the **Goods and Services Tax (GST)** on insurance from the prevailing 18% is imperative to broaden accessibility and affordability.

(iv) Digital Transformation Imperatives

- Artificial intelligence (AI) and advanced analytics are revolutionizing underwriting, claims adjudication, fraud mitigation, and customer segmentation.
- AI-enabled robo-advisors and chatbot interfaces are redefining the client interface architecture in real-time environments.

Financial Inclusion via India Post Payments Bank (IPPB)

(i) Nationwide Outreach and Infrastructure

- Over **200,000** postal operatives—including **Gramin Dak Sevaks**—are functioning as **mobile financial facilitators**.
- A decentralized network of **136,000 post offices** now acts as inclusive banking nodes.
- The **Financial Inclusion Index (FI-Index)** has risen from **53.9** in **2021** to **64.2** in **2024**, indicating substantive institutional progress.

(ii) Socioeconomic Beneficiaries

- Targeted populations include marginalized cohorts: agrarian communities, informal workers, senior citizens, micro-entrepreneurs, and homemakers.
- IPPB's suite encompasses savings instruments, digital remittances, microinsurance, and financial literacy dissemination.

Infrastructure Finance via NaBFID

(i) Deployment of Partial Credit Enhancement (PCE)

- The National Bank for Financing Infrastructure and Development (NaBFID) is introducing PCE instruments to elevate bond ratings and de-risk private capital engagement.
- This is expected to catalyze institutional participation in infrastructure finance.

(ii) Lending Milestones and Sectoral Allocations

- Cumulative loan approvals have reached ₹1.3 lakh crore as of September 2024.
- Approximately 75% has been directed toward transportation corridors and sustainable energy infrastructure.
- The lending target for FY26 stands at ₹3 lakh crore.

(iii) Deepening Capital Markets

- India's corporate bond market, at 16% of GDP, pales in comparison to the 40% threshold in advanced economies.
- PCEs are envisioned to attract pension funds, insurance entities, and sovereign wealth funds, enhancing market liquidity and tenure diversification.

Grameen Credit Score (GCS): Expanding Credit Access in Rural Economies

(i) Inclusion of Informal Sector Borrowers

- The GCS framework operationalizes a structured methodology to assess **creditworthiness** of Self-Help Groups (SHGs) and rural borrowers lacking formal credit history.
- It complements traditional credit bureaus like **CIBIL** and **CRIF Highmark**, offering granular insights for micro-lending institutions.

(ii) Addressing Asymmetric Information

- Rural borrowers, often excluded from formal credit due to data asymmetry, will benefit from enhanced access and improved repayment analytics.
- GCS is expected to reduce **non-performing assets (NPAs)** and improve lender confidence in rural markets.

Role of Emerging Technologies and Skilling

(i) Institutionalizing Centres of Excellence

- A corpus of **₹500 crore** has been allocated to establish **AI Centres of Excellence** aimed at **pedagogical innovation** and **workforce development.**
- Five **national-level skilling hubs** specializing in **AI, cybersecurity, and robotics** are expected to serve as talent incubators for fintech and insurtech domains.

(ii) Technology Integration into Financial Services

- AI-based models are enhancing risk underwriting precision, improving fraud detection algorithms, and customizing consumer-facing financial products.

- Predictive analytics is being leveraged for customer segmentation and behavior-based financial planning.

Policy Blueprint and Strategic Outlook

(i) Regulatory Strengthening

- Augmenting IRDAI's institutional autonomy, risk-based supervision, and enforcement capacity remains essential.
- Promoting **environmental, social, and governance (ESG)** compliance within insurance portfolios is crucial for sustainable finance.

(ii) Fiscal Incentivization and GST Rationalization

- Streamlining tax incentives for long-term savings, annuities, and insurance is necessary to bolster retail investor participation.
- A calibrated reduction in **GST rates** on insurance premiums can expand market depth and demand elasticity.

(iii) Scaling Inclusive and Green Finance

- Universalizing frameworks like **GCS** to support inclusive credit underwriting.
- Introducing green incentives under **NaBFID's infrastructure pipeline** to crowd-in climate-aligned investments.

Conclusion

India's financial sector is evolving into a dynamic, digitally-enabled, and globally integrated architecture. Government-led reforms in capital liberalisation, rural finance, infrastructure credit, and digital skilling are establishing a comprehensive framework for equitable and sustainable growth. In its pursuit of Viksit Bharat @2047, India's capacity to harmonize global capital flows with indigenous developmental imperatives will determine its emergence as a global economic vanguard. A resilient financial ecosystem, anchored in technological innovation and inclusive principles, will be indispensable in this journey.

Annex: Key Performance Indicators and Trends

- **FDI inflows** into Insurance: **US$6.5 billion** (last nine years).
- Insurance Penetration: **3.7% (India) vs. 7% (Global Average)**.
- Projected Insurance Market: US$222 billion by 2026.
- FI-Index Progression: 64.2 (as of March 2024).
- NaBFID Lending: ₹1.3 lakh crore approved; 75% in roads and energy.
- IPPB Outreach: 1.36 lakh post offices; 2 lakh+ financial agents.
- Estimated Employment Creation: Over 3 million in the insurance sector by 2030.

TOPIC 6: ENHANCING INDIA'S MANUFACTURING AND TRADE: TOWARDS SELF-RELIANCE AND GLOBAL INTEGRATION

Introduction

India's strategic push toward enhancing domestic manufacturing and deepening its integration with global trade reflects its vision of becoming a global economic powerhouse. The dual objective of "**Make in India**" and "**Make for the World**" is central to achieving **Atmanirbhar Bharat** (Self-Reliant India) and realising the dream of **Viksit Bharat@2047**. This agenda integrates production-led growth, sustainability, MSME empowerment, and export competitiveness through a range of policy interventions and infrastructural support.

National Manufacturing Mission (NMM): Driving Industrial Growth

(i) Vision and Objectives

- **Aim**: To raise **manufacturing's share in GDP** from ~17% to **25% by 2030**.
- **Target Sectors**: Small, medium, and large-scale industries.
- **Five Pillars**:
  i. **Ease of Doing Business** (single window systems, regulatory reforms)
  ii. **Skilling for Future Jobs** (focus on automation, AI, green tech)
  iii. MSME Empowerment
  iv. Access to Advanced Technology
  v. Global Quality Standards

(ii) Addressing Trade Deficits

- India's **trade deficit (~$250 billion)** is driven by high imports of electronics, petroleum, and capital goods.

- The **NMM** promotes **domestic production of high-demand goods** like **semiconductors, solar panels, and machinery**, reducing import reliance.

(iii) Sustainability and Green Manufacturing

- Emphasis on **clean-tech industries**: solar PV, EV batteries, wind turbines.
- Push for **circular economy**: resource reuse, waste minimization, green logistics.
- Aligns with **India's net-zero emissions target by 2070**.

Customs Duty Rationalization: Encouraging Local Production

(i) Basic Customs Duty (BCD) Exemptions

- BCD abolished critical **minerals and waste/scrap** of antimony, cobalt, lithium, etc., to ensure low-cost raw material for industries.
- **10-year extension** for BCD exemption on inputs for **shipbuilding**.

(ii) Simplified Taxation

- Only **one cess/surcharge** allowed at a time to enhance **predictability and transparency**.
- Strengthens **FDI confidence** and improves India's rank in global investment climate indexes.

Smartphone Ecosystem Boost

(i) Component-Level Support

- **2.5% import duty** removed on key smartphone parts: PCBA, camera modules, USB connectors.
- Expected Outcome:
  - Lower production costs.
  - More affordable smartphones.
  - Increased local assembly and global exports.
  - Strengthening of **electronics supply chain** in India.

Production-Linked Incentive (PLI) Schemes: Catalysts for Scale and Innovation

(i) Sectoral Expansion

- Launched in 2020; now covers **14 strategic sectors**: **pharma, textiles, EVs, electronics, etc.**
- **Rs 8,885 crore** allocated to **electronics/IT hardware PLI (FY26)** — highest among sectors.

(ii) Impact

- India is now the **2nd-largest mobile phone manufacturer** globally.
- **Rs 2,819 crore** earmarked for PLI in the **auto sector** — to drive **EV production**.

(iii) Objectives

- Attract global firms.
- Create jobs.
- Enable **global value chain (GVC) integration**.

Empowering MSMEs: The Backbone of Indian Manufacturing

(i) MSME Sector Overview

- **6 crore+ MSMEs** registered; **35% share in manufacturing output**, **30% in GVA**.
- **25 crore+ jobs created**, with significant rural-urban penetration.

(ii) Financial Support

- **Credit Guarantee Scheme**: Loans up to **Rs 100 crore per borrower**.
- **Credit access expansion**: From Rs 5 crore to Rs 10 crore guarantee.
- **Modified Interest Subvention Scheme**: Loan cap increased from Rs 3 lakh to Rs 5 lakh.
- **Rs 2 crore loans for 5 lakh first-time entrepreneurs**, with focus on **SC/ST and women**.

(iii) Regulatory Reforms

- **Investment/turnover thresholds** increased (2.5x and 2x respectively).
- Banks to build internal credit rating systems — reduce MSMEs' dependency on external agencies.

Labour-Intensive Sector Promotion

(i) Leather and Footwear

- **Focused Product Scheme**: Aims for **22 lakh jobs**, Rs 4 lakh crore turnover.
- **BCD Exemption** on wet blue leather; **export duty removed** on crust leather.

(ii)Textile and Garments

- **Mission for Cotton Productivity**: Targets high-yield, high-quality varieties.
- BCD on **knitted fabrics** revised to **20% or Rs 115/kg** (whichever is higher).
- **Textile Budget up 57.7%** (Rs 5,272 crore for FY26).

(iii) Toy Manufacturing

- Focus on **skill training, domestic hubs, and design innovation**.
- **Toy imports from China** reduced from USD 214 mn (FY13) to USD 41.6 mn (FY24).
- India's toy **export dipped** to USD 152 mn (FY24); revival needed through PLI and export support.

(iv) Food Processing

- **National Institute of Food Technology** in Bihar to support **farm-to-factory** value chains.
- Expected to generate rural jobs, raise farmers' income, and drive entrepreneurship.

Export Promotion and Trade Facilitation

(i) Export Promotion Mission

- **Outlay: Rs 2,250 crore** to boost:
  - Export credit access.
  - **Cross-border factoring** (receivables financing).
  - Tackling **non-tariff barriers** (NTBs) for MSMEs.

(ii) Handicrafts & Leather Exports

- **Duty-free access** to essential raw materials.
- Improves **price competitiveness and market reach**.

Bharat TradeNet (BTN): Digital Backbone for Trade

(i) Objectives

- Establish a **unified digital infrastructure** for trade documentation and financing.
- Integrate with **Unified Logistics Interface Platform (ULIP)** and **international best practices**.

(ii) Key Outcomes

- Streamlines customs, logistics, and credit facilitation.
- Reduces compliance costs.
- **Empowers MSMEs** to expand globally.

Trade Infrastructure Modernization

(i) Air Cargo and Warehousing

- **Budget provisions for:**
  - **Upgradation of air cargo facilities**.
  - Development of **special economic zones (SEZs)** and **logistics parks**.
  - Cold chain and warehousing support for perishables and high-value exports.

Conclusion

India's manufacturing and trade strategy is not merely a domestic growth driver but a blueprint for global economic integration. Through the National Manufacturing Mission, PLI schemes, MSME empowerment, digital infrastructure, and smart trade facilitation, India is transitioning from an **import-dependent economy to an export-competitive nation**. This multifaceted roadmap enhances resilience, fosters innovation, and positions India to emerge as a **global manufacturing leader by 2030**, aligned with the vision of **Viksit Bharat @2047**.

TOPIC 7: CABINET APPROVALS – INCENTIVE SCHEME FOR BHIM-UPI, NPDD & RGM

Incentive Scheme for Promotion of Low-Value BHIM-UPI Transactions (P2M) – FY 2024–25

(i) Background and Rationale

- India's digital payments ecosystem has seen exponential growth post-2016. As per RBI data, **UPI crossed 1,000 crore transactions/ month** in 2023.
- **Small merchants (P2M)** are the backbone of India's retail economy, but MDR charges and technical barriers limit UPI penetration in this sector.
- The scheme complements amendments to Section 10A of the Payment and Settlement Systems Act, 2007 and Section 269SU of the Income Tax Act, 1961 that mandated **zero MDR for RuPay and BHIM-UPI** transactions.

(ii) Key Features of the Scheme

Feature	Details
Timeline	April 1, 2024 – March 31, 2025
Total Outlay	₹1,500 crore

Eligibility	UPI P2M transactions ₹2,000 for small merchants
Incentive Rate	0.15% per transaction value
Payment to Banks	80% upfront; remaining 20% conditional
Performance Parameters for 20%	a) 0.75% technical decline rate; b) 99.5% system uptime

(iii) Benefits and Significance

- **Consumers**: Seamless, secure, and cost-free transactions.
- **Merchants**: Incentivizes UPI acceptance, ensures liquidity.
- **Banks & TPAPs**: Encourages investment in backend infrastructure.
- **Governance**: Promotes financial inclusion and transparency.

(iv) Broader Impact

- Supports **Digital India** & **Less-Cash Economy Vision**.
- Encourages innovation via **UPI 123Pay** (feature phones) & **UPI Lite/UPI LiteX (offline)**.
- Aims to achieve **₹20,000 crore transaction volume** in FY 2024–25.
- **II. Revised National Programme for Dairy Development (NPDD)**

(i) Background

- India is the **world's largest milk producer**, with dairying supporting **over 8 crore rural households**, primarily small/marginal farmers and women.
- **NPDD** is a **Central Sector Scheme(CSS)** to modernize dairy infrastructure and supply chains.

(ii) Revised Scheme Highlights

Element	Details
Total Outlay	₹2,790 crore (2021–26)
Recent Enhancement	₹1,000 crore approved
Coverage	All States, with focus on **NER, hilly, UTs**
Jobs Created	Over **30,000 direct/ indirect** jobs so far

(iii) Two Components

- **Component A**: Dairy infrastructure (milk chilling units, testing labs), cooperative formations, and support in underserved regions.
- **Component B (DTC)**: Cooperative development with **Japan/JICA support** in 9 key states.

(iv) Outputs Achieved So Far

Output	Achievement
Village Milk Testing Labs	**51,777**
Bulk Milk Coolers Installed	**5,123 units (123.33 lakh L/day)**
Advanced Adulteration Detection Labs	**232**
Expected Jobs by 2026	**12 lakh (70% women)**
New Cooperatives to be Formed	**10,000**

(v) Strategic Significance

- Enhances **milk quality**, traceability, and safety.
- Directly aligns with **White Revolution 2.0** and **Doubling Farmers' Income Vision**.
- Facilitates **women empowerment** in rural India.
- Strengthens **value addition** and **market linkages**.

III. Revised Rashtriya Gokul Mission (RGM)

(i)Background

- Gokul Mission focuses on **indigenous breed improvement**, artificial insemination, and increasing productivity.

(ii) Key Provisions

Feature	Details
Total Outlay	₹3,400 crore (2021–26)
New Additions	a) 35% capital subsidy for Heifer Rearing Centres (15,000 heifers) b) 3% interest subvention on loans for IVF Heifers
Coverage	605 districts under AI programme

(iii) Technological Innovations

- **AI Coverage**: Over **8.39 crore animals**.
- **IVF Labs**: 22 labs; **2,541 HGM calves** born.
- **Atmanirbhar Technologies**:
  - **Gau Chip & Mahish Chip**: Indigenous **genomic solutions.**
  - **Gau Sort**: Indian **sex-sorted semen technology.**

(iv) Outcomes & Impact

Indicator	Growth
Milk Production (10 years)	63.55%
Per Capita Availability	from 307g to 471g/day
Productivity Increase	26.34%
Farmers Benefited	Over **5.21 crore**

(v) Strategic Importance

- Promotes **sustainable livestock productivity**.
- Ensures **climate-resilient dairy farming** through indigenous breeds.
- Builds **Atmanirbhar Bharat** in animal breeding and genomics.

(vi) Convergence with Other Government Initiatives

Scheme	Alignment
Digital India	BHIM-UPI promotion
PM Formalisation of Micro Food Processing Enterprises (PMFME)	Dairy value chain formalization
PM Matsya Sampada Yojana (PMMSY)	Synergized rural economy
Skill India Mission	Capacity building in rural dairying, fintech
Viksit Bharat @2047	Economic empowerment through digital, livestock, and rural value chains

Conclusion

The Cabinet's approval of these schemes collectively pushes India closer to becoming a digitally empowered, financially inclusive, and food-secure nation. From **incentivizing cashless small-value retail** to **empowering dairy farmers**, these initiatives support the **triple goals** of economic transformation:

- **Inclusive Growth**
- **Technology-driven Development**
- **Rural Empowerment**

They signify a strategic shift towards a **productive, equitable, and digitally resilient Bharat**—paving the way to realize the **Viksit Bharat @2047 vision**.

TOPIC 8 : TRIBAL CULTURE

Introduction

Tribal customary law, deeply embedded in the social and cultural fabric of tribal communities, forms an essential aspect of their identity. Despite the pervasive influence of state laws and processes of assimilation, these laws have not only survived but have shown resilience and adaptability. In India, with its multicultural and pluralistic ethos, the recognition and integration of tribal customary law are crucial for inclusive governance, justice, and sustainable development.

Colonial Perception and Codification Attempts

- **Fragmentary Approach**: The British colonial administration took a piecemeal view of tribal customary law, mostly codifying only civil matters and ignoring tribal conceptions of criminal law.
- **Documentation**: Ethnographers and

colonial officials documented aspects such as inheritance, land tenure, family, marriage, and justice, e.g., **CG Crawford** on **Kuki customs**, **WG Archer** on **Santhal law**.

- **Neglect of Natural Resource Rights**: Rights over land, forests, and water, integral to tribal economies and cosmologies, were subsumed under revenue and forest laws.
- **Administrative Recognition**: Tribal chiefs and headmen were given limited administrative and judicial authority in areas of significant tribal presence or unrest.

Constitutional and Postcolonial Framework

- **Constitutional Safeguards**: The Constitution of India recognized tribal autonomy through the Fifth and Sixth Schedules, protecting land rights, customs, and local governance structures.
- **Separate Administrative Systems**: Particularly in the Northeast, traditional tribal institutions were granted formal roles in governance.
- **Codification Initiatives**:
  - **Law Research Institute, Guwahati:** Codified laws of tribes like **Garo, Wancho, Riang, Mizo**, and others in the Northeast.
  - **Indian Law Institute:** Conducted **in-depth studies** of **Khasi** and **Garo laws.**
  - **Anthropological Survey of India (ASI):** Surveyed **70 tribal communities** across typologies to assess customary law, dispute resolution, and social norms.

Key Features of Tribal Customary Law

- **Institutional Authority**: Tribal councils and chiefs-in-council enforce customary law; roles vary across regions.
- **Scope of Law**: Encompasses marriage, kinship, inheritance, property, witchcraft, dispute resolution, and social order.
- **Flexibility and Resilience**: Laws are not rigid codes but evolving principles accepted by communities.
- **Coexistence with State Laws**: Customary and statutory systems often coexist. For example, in Manipur, the village headman serves as the ex-officio chairman of the village authority.
- **Gender Issues**: Traditionally patriarchal, though changing under external influences and increasing awareness of gender rights.

Contemporary Relevance and Challenges

- **Autonomy vs. Assimilation**: Tension between tribal autonomy and integration into the Indian legal system.
- **Encroachment by State Laws**: Especially regarding land rights and gender equity, where state norms challenge customary practices.
- **Modern Influences**: Hinduism, Christianity, and reform movements like the Brahma movement among **Bodo-Kacharis** have impacted tribal customs.
- **Statutory Panchayats vs. Tribal Councils**: Dual structures can cause friction but also provide hybrid governance.
- **Need for Codification**: Uniform codification that respects diversity is necessary for legal recognition and protection.

Way Forward

- **Strengthening Tribal Institutions**: Empower tribal panchayats and councils to administer justice effectively.
- **Gender-Sensitive Reforms**: Revise laws to reflect gender equality while respecting cultural traditions.
- **Participatory Codification**: Involve tribal communities in documenting and updating their laws.
- **Capacity Building**: Train tribal leaders and youth in legal literacy and rights-based governance.
- **Legal Pluralism**: Promote coexistence and cooperation between formal and informal legal systems.

Conclusion

Tribal customary law represents a dynamic, living tradition that embodies the worldview, justice mechanisms, and social order of tribal communities. Recognizing, protecting, and updating these laws in dialogue with constitutional values is essential for inclusive development, social justice, and sustaining India's multicultural identity. Rather than being relics of the past, tribal customary laws are evolving frameworks central to tribal resilience, identity, and self-governance.