
Today's Prelims Topics

Presumptive Taxation Plan

Context

The NITI Aayog (India's government think tank) has proposed introducing an **optional presumptive taxation scheme** for **foreign companies** operating in India.

What is Presumptive Taxation?

- Presumptive taxation means taxing income based on a presumed or estimated profit rate, rather than on actual profits shown in detailed books of accounts.
- **In simpler terms:**
 - Instead of maintaining and auditing detailed books,
 - The taxpayer declares income at a **fixed percentage (prescribed rate)** of turnover or revenue,
 - And pays tax on that presumed income.

What is the Presumptive Tax Plan Proposed by NITI Aayog?

- **Key Features:**
 - **Optional Scheme for Foreign Companies:** Foreign firms can choose to declare income at a **prescribed profit rate**.
 - In return, they will not need to maintain detailed books or face audits.
 - **Simplifies Permanent Establishment (PE) Rules:** The scheme would help resolve disputes over whether a foreign company has a "permanent establishment" (taxable presence) in India.
 - It would **codify PE and attribution principles** clearly in law, aligning with global norms.
 - **Different Profit Rates for Sectors:** Various industries (like digital, manufacturing, etc.) may have **different deemed profit rates** under the scheme.
 - **Certainty and Safe Harbour:** Tax authorities would **not litigate PE existence** separately, providing a "safe harbour" to foreign firms.
 - **Voluntary Participation:** Companies can **opt in** for simplicity, or **opt out** and file regular returns based on actual accounts.
 - **Policy Impact:** It aims to transform India's tax regime from a "**minefield**" (litigation-heavy) into a "**well-lit path**" (predictable and stable).
 - Expected to improve India's **global business rankings** and **foreign investment appeal**.

Source: [The Hindu](#)

Measures to boost Banking system proposed by RBI

Context

Reserve Bank of India (RBI) proposes four big measures to boost India's banking system

What are the measures?

Key Reform	About the Reform
Introduction of Risk-Based Premium Framework for Deposit Insurance	● Move from the current <i>flat-rate deposit insurance premium</i> to a <i>risk-based system</i>. ● Under this, better-rated banks will pay lower premiums, while riskier banks will pay higher ones ● Implemented through Deposit Insurance and Credit Guarantee Corporation (DICGC).
Expected Credit Loss (ECL) Provisioning Framework	● Application of Expected Credit Loss (ECL) model to all Scheduled Commercial Banks (excluding SFBs, Payment Banks, and RRBs) and All India Financial Institutions (AIFIs) from April 1, 2027. ● Requires banks to provision based on expected losses instead of realized defaults.
Revised Basel III Capital Adequacy Norms	● Implementation of revised Basel III norms using the Standardised Approach for Credit Risk from April 2027 ● Includes lower risk weights for certain sectors such as MSMEs and home loans.
Broadening the Scope for Capital Market Lending by Banks	● Banks allowed to finance acquisitions by Indian corporates. ● Enhanced limits for lending against shares, REITs, and InvITs. ● Regulatory ceilings removed on lending against listed debt securities.

Source: [Economic times](#)

Urban Flood Risk Management Programme

Context

A High-Level Committee chaired by the **Union Home Minister** has approved the **Urban Flood Risk Management Programme (UFRMP) Phase-II** for **11 cities**.

About it

- The **Urban Flood Risk Management Programme (UFRMP)** is a national initiative aimed at **reducing flood vulnerability in urban areas** through a combination of **structural** and **non-structural** measures.
- It seeks to build **flood-resilient cities** by improving urban drainage, strengthening flood protection infrastructure, and enhancing early warning and response systems.
- **Funding Pattern:** Implemented on a **cost-sharing basis** between the **Centre and States**.
 - **Centre:** 90% of project cost
 - **State:** 10% of project cost
 - As per **National Disaster Mitigation Fund (NDMF)** guidelines.
- **Cities Covered:** Bhopal, Bhubaneswar, Guwahati, Jaipur, Kanpur, Patna, Raipur, Thiruvananthapuram, Visakhapatnam, Indore, and Lucknow.
- **Structural Measures: Interlinking of water bodies** for better stormwater management.
 - **Construction of flood protection walls.**
 - **Erosion control and soil stabilization** through **Nature-Based Solutions (NBS)**.
- **Non-Structural Measures:** Establishment of **Flood Early Warning Systems**.
 - Development of **Data Acquisition Systems** for real-time monitoring.
 - **Capacity building** and training for effective flood management.

Source: [Economic Times](#)

Draft Promotion and Regulation of Online Gaming Rules, 2025

Context

The Ministry of Electronics and IT draft rules aim to operationalize the Promotion and Regulation of Online Gaming Act, 2025.

Key Provisions

- **Ban on Online Money Games:** All forms of online money-based games (e.g., poker, fantasy sports) are prohibited. Only **e-sports** and **social games** are permitted.
- **Online Gaming Authority of India (OGAI):** A statutory authority to regulate the sector.
 - Functions: registration of games, deciding legality, maintaining registry, imposing penalties.
 - Composition: **Chairperson + 5 members** drawn from different ministries.
- **Registration of Games** All e-sports and social games must register with OGAI.
 - A **Certificate of Registration** is mandatory for legal operation.
- **Grievance Redressal Mechanism (3-Tiered):** Every registered provider must set up an internal grievance cell.
 - Appeals can move to the **Grievance Appellate Committee**, and finally to the **OGAI**.
- **Violation and Penalties:** Breach of rules will be treated as a **non-bailable offence**.
 - Entire company staff can be held liable for facilitating violations.

Other Related Measures

- **IT Act, 2000 (Sec. 69A):** Used to block illegal online gaming sites/apps (1,524 blocked between 2022–25).
- **Bharatiya Nyaya Sanhita, 2023:** Provides penal provisions against unlawful gaming and cybercrimes (Secs. 111, 112).
- **IGST Act, 2017:** Regulates offshore and illegal gaming platforms.
- **Consumer Protection Act, 2019:** Prohibits misleading or surrogate advertisements by gaming companies.

Source: [Hindustan Times](#)

Central Consumer Protection Authority (CCPA)

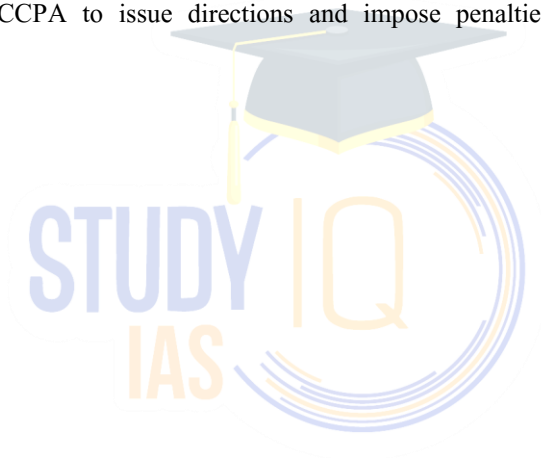
Context

The Central Consumer Protection Authority (CCPA) has imposed a ₹5 lakh penalty on Drishti IAS (VDK Eduventures Pvt. Ltd.) for publishing misleading advertisements.

About Central Consumer Protection Authority (CCPA)

- Set up under **Section 10 of the Consumer Protection Act, 2019**.
- **Nodal Ministry:** Ministry of Consumer Affairs, Food & Public Distribution.
- **Functions & Powers:**
 - Protects and enforces the **rights of consumers as a class**.
 - Prevents **unfair trade practices** and checks **false/misleading advertisements**.
 - Ensures that **no misleading advertisements** are published or promoted.
 - Can initiate **class-action suits** (including product recalls, refunds, or cancellation of licenses).
 - Conducts **inquiries and investigations** through its **Investigation Wing** (headed by a Director-General).
- **Section 21:** Power of CCPA to issue directions and impose penalties against false or misleading advertisements.

Source: [The Hindu](#)



Mains Topics

A Red Sunset - Decline of Maoist Insurgency in India

Context

The Maoist movement, which began with the 1967 Naxalbari uprising and once spanned India's heartland as its "biggest internal security threat," is now at a critical turning point, with sustained counter-insurgency and development efforts shrinking the "Red Corridor" into small remaining pockets.

Current Status of Maoist Insurgency

- **Geographic contraction:**
 - In the late 2000s, Left Wing Extremism (LWE) affected **~180 districts across 92,000 sq km**.
 - As of **April 2024**, this has reduced to **38 districts**, with only **6 districts of concern** (e.g., parts of Bastar in Chhattisgarh, some areas in Jharkhand, Odisha, and Chhattisgarh–Telangana border).
- **Operational weakening:**
 - In 2025 alone: **270 Maoists killed, 680 arrested, and 1,225 surrendered** (MHA data).
 - Large weapons caches seized; guerrilla cadres face shortages of arms and logistics.
 - Leadership decapitated: multiple Central Committee members and senior commanders killed.
- **Recruitment collapse:**
 - No recruitment from non-tribal areas for over a decade.
 - Even tribal youth, once the backbone, now prefer education, jobs, and mobile connectivity over austere guerrilla life.

From Red Corridor to Red Pockets

Red Corridor (Peak in 2000s):

- In the late 2000s, Left Wing Extremism (LWE) spanned a **contiguous stretch of ~180 districts across 10 states**, from the Nepal border through Bihar, Jharkhand, Chhattisgarh, Odisha, Andhra Pradesh, parts of Maharashtra and West Bengal.
- This vast swathe was called the **"Red Corridor"**, where Maoists ran parallel administrations, levied taxes, recruited cadres, and carried out large-scale attacks.
- Their stronghold was the **Dandakaranya forests** (Chhattisgarh, Odisha, Maharashtra, Andhra-Telangana border).

Red Pockets (Current Situation)

- Today, LWE has contracted to **about 38 districts (2024 MHA data)**, with only **6 "districts of concern"**.
- Maoists are now confined to **small, isolated forest belts**:
 - Bastar (Chhattisgarh),
 - Dandakaranya region,
 - parts of Jharkhand, Odisha, and the Chhattisgarh–Telangana border.
- The once-contiguous corridor has **fragmented into isolated red pockets** with little interconnectivity or public support.

Reasons for the Current Decline of Naxalism

- **Sustained Security Pressure:**

- **Targeted counter-insurgency operations:** Central Armed Police Forces (CRPF, CoBRA units), and state-level elite forces (e.g., Greyhounds in Andhra–Telangana, C-60 in Maharashtra, DRG in Chhattisgarh) have inflicted heavy losses on Maoists.
- **Decapitation of leadership:** In recent years, many top CPI (Maoist) leaders, including Politburo and Central Committee members, have been killed. With ageing leaders and no effective second-line replacements, the organisational structure has weakened.
- **Advanced technology:** Use of drones, satellite imagery, electronic surveillance, and improved intelligence networks has limited Maoists' ability to move or regroup.

- **Decline in Recruitment & Popular Base:**

- **Loss of tribal support:** Once the backbone of the movement, tribal youth now prefer education, government jobs, and modern lifestyles over jungle life.
- **Improved access to state benefits:** Roads, schools, mobile networks, PDS, scholarships, and healthcare have reduced Maoists' appeal.
- **Social aspiration shift:** With Internet and mobile penetration, young people aspire to mainstream opportunities instead of austere guerrilla existence.

- **Developmental Interventions by Government:**

- **Special Central Assistance (SCA) Scheme** funds roads, bridges, telecom, and welfare projects in LWE districts.
- **Aspirational Districts Programme** improved service delivery in health, education, and skill development.
- **Focused tribal development:** FRA (Forest Rights Act), PESA, scholarships, and health programmes in Maoist areas reduced grievances.
- **Visible state presence:** Earlier, Maoists ran “parallel governments” in remote forests; now, governance and welfare outreach have displaced that legitimacy.

- **Effective State-Level Strategies:**

- **Andhra Pradesh & Telangana:** Greyhounds' surgical strikes and rehabilitation programmes nearly wiped out Maoists in the region.
- **Maharashtra (Gadchiroli):** C-60 commando force and civic action projects have weakened Maoist bases.
- **Chhattisgarh:** District Reserve Guards (DRG), composed of surrendered Maoists and tribal youth, have been effective in Bastar.
- **Jharkhand & Odisha:** Special surrender policies, focus on schools and welfare outreach in remote villages, and better intelligence have reduced Maoist activities.

- **Surrender and Rehabilitation Policies:**

- Governments offer **cash incentives, housing, jobs, and education** to surrendered Maoists.
- Many senior leaders and their families have surrendered, disillusioned by harsh jungle life and health issues.
- This has created a **psychological impact:** desertions and weakening of Maoist morale.

- **Organisational Fatigue & Ideological Decline:**

- The Maoist leadership is **ageing and unhealthy**; new recruits are scarce.
- **Factionalism**: Some leaders (like Mallojula Venugopal Rao) openly call for ending armed struggle, while hardliners resist.
- **Ideological irrelevance**: Maoist rhetoric of class war is failing to resonate with new generations, especially in areas benefiting from development.
- **Loss of Safe Sanctuaries & Inter-State Cooperation**:
 - Earlier, Maoists thrived by moving across porous state borders. Now, **better interstate coordination** has reduced safe zones.
 - Increased road and telecom connectivity has made it difficult for them to operate in secrecy.

Government Interventions

Central Government Measures

- **Security Operations**:
 - Deployment of **Central Armed Police Forces (CAPFs)** with elite units (CoBRA commandos, Greyhounds).
 - Creation of **Unified Command** in affected states for coordination.
 - Use of UAVs, drones, and AI for surveillance.
- **Developmental Initiatives**:
 - **Aspirational Districts Programme** targeting LWE-affected areas.
 - **Special Central Assistance (SCA) Scheme** for LWE districts to fund infrastructure, schools, health, skill development.
 - Focus on **roads (RAPID programme)**, **telecom**, **banking inclusion**, and welfare schemes like PDS, health insurance.
- **Surrender and Rehabilitation Policy**:
 - Monetary incentives, housing, skill training, and livelihood support for surrendered cadres.

State-level Interventions

- **Chhattisgarh**:
 - Greyhounds-inspired **DRG (District Reserve Guards)** using surrendered Maoists as local fighters.
 - Bastar-specific civic action programmes, skill training for youth.
- **Telangana & Andhra Pradesh**:
 - **Greyhounds** as a specialised counter-insurgency force.
 - Successful combination of policing + political negotiations (2000s onwards).
- **Jharkhand**:
 - Jharkhand Jaguar anti-Naxal unit.
 - Village defence committees, welfare outreach.
- **Odisha**: Surrender policies, infrastructure push, focus on tribal education and welfare in Koraput–Malkangiri.
- **Maharashtra (Gadchiroli)**: C-60 commando force, effective local policing, and strong civic engagement.

Is This the End of Naxalism?**● Reasons for optimism:**

- Severe leadership losses and desertions.
- Collapse of recruitment base.
- Stronger state presence in core tribal areas.
- Growing irrelevance of ideology in changed socio-economic settings.

● Reasons for caution:

- Maoist ideology may not vanish; remnants could survive underground.
- Past peace talks (e.g., Andhra Pradesh 2004) collapsed, leading to resurgence.
- Underlying grievances - land alienation, tribal displacement, exploitation — remain unresolved.
- Maoists may regroup in new forms (urban networks, issue-based fronts, or alliances with other extremist groups).

Way Forward and Recommendations

- **Sustained Security Pressure:** Maintain area domination and prevent regrouping; focus on precision operations with minimal collateral damage.
- **Inclusive Development:** Accelerate welfare delivery - land rights, forest rights, healthcare, schools, jobs - in tribal belts.
- **Strengthen Local Governance:** Empower Gram Sabhas, strengthen PESA and FRA implementation, ensure local participation in development.
- **Credible Rehabilitation:** Transparent surrender packages, long-term livelihood opportunities, and social reintegration.
- **Civil-Military Fusion:** Combine modern surveillance, drones, and AI with local intelligence networks (surrendered cadres, villagers).
- **Address Structural Grievances:** Prevent displacement due to mining/industrial projects without fair compensation and consent.
- **Dialogue Preparedness:** Be open to credible peace talks if insurgents demonstrate sincerity; ensure verification mechanisms.
- **Prevent Ideological Revival:** Counter Maoist propaganda through education, digital access, youth engagement, and community leadership.

Source: [Indian Express](#)