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A concise UPSC-focused compilation that analyses daily editorials to clearly explain their relevance and significance for UPSC exam preparation.



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MIDLIFE HABITS DECIDE LIFESPAN



A Recent research has revealed that simple midlife behaviours—especially movement and sleep—can serve as powerful predictors of lifespan. In a study conducted at the Stanford University under the Knight Initiative for Brain Resilience, scientists tracked the lives of short-lived fish to understand how ageing unfolds over time. The findings challenge the traditional view of ageing as a gradual process, showing instead that it occurs in sudden transitions between stages.
(Full report on page 8)

Land transfer policy for plantation workers in Assam

Tea bodies, led by the Tea Association of India, have sought clarity on Assam's amended land policy that aims to grant land rights to around 3.5 lakh plantation worker families across 800+ tea estates. This reform addresses a long-standing issue where workers residing in "labour lines" lacked ownership despite generations of residence. The Tea Association of India is a representative body of organized tea producers, mainly from North India. It serves as a crucial intermediary between the government and the tea industry.

Assam land reform initiative

While the intent of granting land rights has been welcomed as a step toward improving social dignity and economic security of plantation workers, significant concerns remain regarding its implementation. Many tea estates have mortgaged their land as collateral for loans, and transferring ownership under such conditions could create complex financial liabilities and legal disputes. Additionally, since plantation land is legally classified as industrial land, converting it into residential property is not straightforward. There are also ambiguities regarding the applicability of land ceiling laws and the treatment of company-built assets such as labour quarters, which fall outside the scope of land-only legislation.

Concerns over compensation

The industry has emphasized the need to ensure adequate compensation under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, especially where land transfers affect existing financial arrangements. At the same time, labour-related concerns have intensified due to recent labour code changes, as nearly 60% of tea production costs are tied to labour. The capping of in-kind benefits at 15% of wages is viewed as restrictive, with industry stakeholders arguing that such benefits—like housing and food—should be fully recognized to reflect the true cost structure and welfare provisions.



Broader condition of tea plantation workers

The issues in Assam reflect a wider national pattern where tea plantation workers remain among the most economically and socially vulnerable groups. Over the years, multiple plantations have shut down due to global price fluctuations, overproduction, and rising competition, leaving workers without stable income. This has led to severe humanitarian consequences, including malnutrition and even starvation in some regions. Despite legal provisions under the Plantation Labour Act, 1951, access to basic services such as healthcare, housing, and sanitation remains inadequate. Social challenges such as illiteracy, migration, and trafficking further exacerbate their vulnerability, highlighting the systemic neglect faced by these communities.



Granting land ownership

Providing land rights can significantly enhance the economic security and social status of plantation workers by giving them a tangible asset and access to institutional benefits such as credit and welfare schemes. However, the success of this reform depends on resolving legal ambiguities, ensuring fair compensation, and maintaining the financial viability of tea estates. A balanced approach that integrates worker welfare with industry sustainability is therefore essential for the long-term success of this policy initiative.

India's Transition to a Silver Economy: Need for Institutional Support

India, currently among the world's top five economies, has long benefited from its demographic dividend. However, this advantage is set to shift as the population ages rapidly. With nearly 19,500 people turning 60 every day, India's elderly population is projected to rise from 153 million today to 347 million by 2050, constituting about 21% of the population. This marks the emergence of a large-scale "silver economy" that will significantly shape future growth dynamics.

The Emerging Silver Economy - Opportunities and Structural Challenges

The rise in the elderly population is not merely a demographic shift but an economic transformation. The senior care industry, currently valued at \$10–15 billion, is expected to expand to \$30–50 billion in the coming decade. While this presents opportunities in healthcare, insurance, and eldercare services, India remains structurally underprepared to support this transition effectively.

Inadequate Financial and Social Security Systems

A major concern is the lack of formal social security mechanisms. Nearly 30% of Indians lack health insurance, life insurance penetration remains low at 2.7% of GDP, and pension coverage is limited to around 8% of the population. This creates a significant vulnerability, especially as longevity increases, with a massive retirement savings gap emerging across developing economies, including India.



Addressing these challenges requires a fundamental shift in financial planning and policy design. Life insurance and pension systems must evolve to support longevity through annuity-based income, retirement savings solutions, and wellness-linked policies. A robust, integrated approach combining financial security, healthcare access, and social support will be essential to ensure that India can successfully navigate its transition into a sustainable and inclusive silver economy.



Erosion of Traditional Joint Family Systems - vulnerable Informal Support Structures

Historically, India's joint family system acted as an informal but effective social security net, where elderly care responsibilities were shared within households. However, urbanisation, migration, and globalisation have led to the fragmentation of these structures into nuclear families. As a result, elderly individuals increasingly live alone or away from their children, weakening traditional care arrangements.

Changing Social Norms Further Reduce Caregiving Capacity

The transformation of social roles has further intensified this shift. Women, who traditionally played a central role in caregiving, are now actively participating in the workforce, reducing the availability of informal care. At the same time, a cultural shift from savings-oriented behaviour to consumption-driven lifestyles has weakened long-term financial planning for old age.

Healthcare and Long-Term Care Infrastructure requirements

India's healthcare system is not yet equipped to meet the specific needs of an ageing population. Access to affordable and quality geriatric care, including long-term institutional and home-based care, remains limited. This gap increases the risk of inadequate support for the elderly, particularly in the absence of both family-based and state-backed systems.

Canada audit flags high approval rates for Indian student visas amid fraud concerns

A recent report by the Office of the Auditor General of Canada has raised serious concerns about the integrity of Canada's international student visa system. The audit found that while many high-risk countries had low visa approval rates, India stood out as a notable exception, with unusually high approval rates under specific schemes despite rising concerns about fraud and misuse.

The Student Direct Stream (SDS) Anomaly

The Immigration, Refugees and Citizenship Canada introduced the Student Direct Stream (SDS) in 2018 as a fast-track visa processing system. Although overall visa approvals for Indian students dropped sharply from 51.6% in 2023 to 8.1% in 2025 (till September), approval rates under SDS surged from 61% in 2022 to 98% in 2024. This was despite internal warnings that the SDS pathway was being exploited by non-genuine applicants. Recognising these risks, Canada discontinued the SDS programme by the end of 2024.

Concerns Over Fraud and Misrepresentation

The audit identified significant integrity issues within the system. Investigations revealed that out of 800 scrutinised study permits issued between 2018 and 2023, nearly 68% were linked to fraudulent documentation or misrepresentation. In many cases, applicants claimed to have attended institutions that were either non-existent or involved in selling fake qualifications, raising serious questions about verification mechanisms.

Weak Enforcement and Follow-Up

A major concern highlighted in the report was the lack of follow-up action by authorities. Even after identifying fraudulent cases, the IRCC failed to flag or act against many individuals. As a result, a large proportion of such applicants were able to continue in the system, with about 92% either receiving approvals or awaiting decisions for further immigration benefits, including permanent residency.

• Yearly foreign student arrivals in Canada (in %)

REGION	2023	2024	2025
Europe	3	8	21.2
China	4.8	10.3	18.9
Americas & Caribbean	6.4	8.5	13.7
India	51.6	33.6	8.1
Indo-Pacific	14	15.9	19.4
Africa	17.4	20.4	15.4
West Asia	2.8	3.4	3.3

Risks from Study Permit Extensions

The audit also pointed to vulnerabilities in the handling of study permit extensions. While new permit approvals ranged between 38% and 58%, extension approvals remained extremely high at 94–95%. These extensions were treated as low-risk, despite the possibility that earlier approvals may have involved irregularities, thereby allowing questionable cases to persist in the system.

Policy Changes and Systemic Challenges

Canada introduced caps on study permits in 2024, leading to a 30–35% reduction in intake, and discontinued the SDS to reduce over-reliance on specific countries. However, the large number of previously approved applicants continues to pose risks, especially as many seek extensions or transition to other immigration pathways.

In response to the audit, the IRCC has committed to strengthening scrutiny, including applying a stricter risk lens to extension applications and creating alert systems for flagged individuals. The report also revealed capacity constraints, with only a small fraction of flagged cases being investigated due to limited resources. Overall, the findings underline the need for stronger verification, monitoring, and enforcement mechanisms to maintain the credibility of Canada's student visa system.

The Indian EXPRESS

G7 meet underlines fractures in the West

At a recent Group of Seven foreign ministers' meeting in Paris, discussions were dominated by the US-Israeli war against Iran, while also warning that disruptions in key waterways like the Strait of Hormuz could threaten the global economy and require coordinated maritime security. The meeting exposed deep and structural divisions between the U.S. and its European allies over the war, with Europe expressing anger at exclusion from decision-making and questioning the war's legality. Amid this rift, India's participation, represented by S. Jaishankar, highlighted its growing global importance, as India engaged with partners on de-escalation efforts and coordination on securing critical energy routes, underlining its increasing responsibility in stabilising the West Asian region.

Editorials to Exam - Most probable question from this editorial

Q. As divisions deepen within the Western bloc, India's role in stabilising key geopolitical regions is becoming increasingly significant. Examine.



On a wing

The Modified UDAN scheme aims to boost regional aviation by increasing funding, extending subsidies to five years, and investing in infrastructure to enhance last-mile connectivity in underserved areas. By shifting subsidy support to the government and covering operational costs, it seeks to improve route viability. However, persistent challenges such as weak demand, high costs, competition from other transport modes, and poor route selection remain. Consequently, its long-term success hinges on better integration with broader transport networks and alignment with actual economic activity rather than continued state support.

Editorials to Exam - Most probable question from this editorial

Q. Examine the role of the UDAN scheme in promoting regional connectivity in India. What are the major challenges affecting its long-term viability?

Q. The UDAN scheme has improved regional air connectivity in India, but structural issues continue to limit its effectiveness. Critically examine.



Neighbours first

Narendra Modi and Nepal's new Prime Minister Balendra Shah have signalled willingness to strengthen ties. However, Nepal's emerging foreign policy is likely to mark a significant shift from the past. Representing a younger and Madhesi-led political movement, Nepal is expected to pursue an assertive external policy—balancing relations not only with India but also with China and the U.S., while emphasising nationalism. Although economic interdependence with India remains strong in trade, transit, and hydropower exports—past tensions over constitutional issues, blockades, and territorial disputes suggest that ties may not follow a predictable trajectory. Overall, Nepal's new foreign policy is likely to be pragmatic yet more self-assertive, seeking diversified partnerships while recalibrating its engagement with India on more equal and contemporary terms.

Editorials to Exam - Most probable question from this editorial

Q. India-Nepal relations have traditionally been guided by historical and geographic proximity. Examine how the rise of new political leadership in Nepal is reshaping the contours of bilateral ties.

Is more online presence less profitable for FMCG sector?

The global Fast-Moving Consumer Goods (FMCG) industry is undergoing a structural transformation driven by the rapid expansion of online channels. While this shift is evident worldwide, India stands out due to its relatively low online penetration—less than 5% in grocery—combined with the speed of disruption caused by emerging models like quick commerce. In comparison, countries such as China and the United States have already reached 15–16% online grocery penetration, reflecting more mature omnichannel ecosystems.

Lessons from China and the U.S.

Experiences from global markets offer useful insights into this transition. In China, the rise in online penetration between 2018 and 2022 led to significant margin pressures for FMCG companies due to higher platform commissions, increased promotional spending, and a shift away from traditional retail channels. In contrast, in the United States, much of the cost burden was absorbed by retailers because of high logistics and last-mile delivery expenses, allowing FMCG brands to remain relatively stable.

India's Likely Trajectory

India's path is expected to resemble China more closely than the U.S. model. The growth of quick commerce platforms has increased dependence on digital channels for product discovery and sales. As online penetration rises, FMCG companies in India are likely to face short-term pressure on profitability due to higher costs and changing channel dynamics, even as overall market growth accelerates.



Rise of Quick Commerce

A defining feature of India's transition is the leap into quick commerce—ultra-fast delivery models that cater to high-frequency, impulse-driven consumption. This has reshaped consumer behavior and accelerated the digital adoption curve. Currently, 50–60% of India's online grocery penetration is driven by quick commerce, indicating its central role in the evolving retail landscape.

Segmental Shifts and Growth Trends

Certain categories have adapted faster to online channels. Segments such as beauty and personal care (BPC), apparel, and footwear have achieved online penetration levels of 18–20%. Digital-first platforms have driven strong growth in these areas, significantly outpacing traditional FMCG players. However, even established companies are witnessing rapid expansion in their e-commerce segments, albeit with associated cost pressures.

Increasing Competition and Market Fragmentation

The growth of online and quick commerce platforms has lowered entry barriers for new brands. Platform-led discovery and reduced dependence on physical shelf space allow direct-to-consumer (D2C) brands to scale quickly. This has led to increased competition and market fragmentation, with newer players capturing niche segments and weakening the dominance of traditional incumbents.

Implications for Profitability and Strategy

The shift towards online channels has direct implications for margins, as these channels typically operate at lower profitability compared to traditional retail. While companies may attempt to offset these pressures through cost optimization, supply chain efficiencies, and controlled spending, such measures have limitations. In a highly competitive and fragmented market, sustained investment in branding and innovation remains essential, suggesting that FMCG firms may, at best, maintain current margin levels in the near term.

FATF report points to India's action against fraudulent entities

A recent report by the Financial Action Task Force (FATF) has highlighted the growing risks posed by offshore Virtual Asset Service Providers (oVASPs)—entities dealing in cryptocurrencies across jurisdictions. These platforms often exploit regulatory gaps to facilitate money laundering, fraud, and even terrorism financing, making them a key concern in the evolving global financial system.



India's Enforcement Actions

The report recognises India's proactive regulatory and enforcement approach in tackling such risks. Indian authorities, particularly the Financial Intelligence Unit (FIU), have leveraged Suspicious Transaction Reports (STRs) from domestic crypto platforms to detect unusual financial patterns. Investigations revealed that illicit funds were being routed through offshore wallets, converted into virtual assets, and then channelled back into India as legitimate money.

Shift to Offshore Platforms

Established in 1989 and headquartered in Paris, the FATF is a global body that sets standards to combat money laundering, terrorist financing, and proliferation financing. With over 200 jurisdictions committed to its framework, it evaluates countries' compliance and can place non-compliant nations on "grey" or "black" lists. Its reports guide global regulatory practices and promote coordinated international action.

The findings also highlights the need for continued vigilance and global coordination to effectively manage risks in the rapidly evolving virtual asset ecosystem.

Use of oVASPs in Illicit Networks

A key finding relates to the use of oVASPs in "scam compounds" operating in regions such as the Myanmar–Thailand border, Cambodia, and Laos. These centres, often linked to cybercrime and human trafficking, forced individuals—including Indians—into fraudulent activities. Offshore crypto platforms were used to launder proceeds from such operations. In another instance, an oVASP disguised as an online gambling platform was found exploiting regulatory blind spots before being blocked in India.

Regulatory Tightening in India

To strengthen oversight, India has mandated that Principal Officers of Virtual Asset Service Providers must be based within the country. These officers are legally responsible for compliance with anti-money laundering norms under the Prevention of Money Laundering Act (PMLA), including transaction monitoring and reporting obligations. This step aims to improve accountability and regulatory reach over digital financial activities.

Shift to Offshore Platforms

The report also notes a structural shift in user behaviour following India's introduction of a virtual asset tax regime in 2022. A significant portion of trading activity migrated to offshore, unregistered platforms that do not comply with Indian regulations. These platforms often encourage users to bypass domestic laws through tools like VPNs or shell companies, thereby creating enforcement challenges.

The findings underline how regulatory inconsistencies across countries create vulnerabilities that criminals exploit. FATF recommends an "activity-based approach" where jurisdictions regulate crypto service providers based on their operations rather than location. It also stresses stronger international cooperation, better supervision, and stricter enforcement against non-compliant entities. For India, the report validates its enforcement efforts.

PRELIMS CORNER :

1) Which one of the following situations best reflects “Indirect Transfers” often talked about in the media recently with reference to India? (2022)

a) An Indian company investing in a foreign enterprise and paying taxes to the foreign country on the profits arising out of its investment.

b) A foreign company investing in India and paying taxes to the country of its base on the profits arising out of its investment.

c) An Indian company purchases tangible assets in a foreign country and sells such assets after their value increases and transfers the proceeds to India.

d) A foreign company transfers shares and such shares derive their substantial value from assets located in India.

2) In India, which one of the following is responsible for maintaining price stability by controlling inflation? (2022)

a) Department of Consumer Affairs

b) Expenditure Management Commission

c) Financial Stability and Development Council

d) Reserve Bank of India

Midlife habits decide lifespan

The study focused on the African turquoise killifish, a species with a lifespan of just four to eight months but with biological features comparable to humans. Researchers continuously monitored 81 fish in controlled conditions, collecting extensive behavioural data. Despite identical genetics and environments, the fish displayed striking differences in how they aged. These differences became noticeable as early as midlife, particularly in patterns of activity and rest.

A key finding was that fish that remained active and maintained regular nighttime sleep patterns tended to live longer. In contrast, those that showed reduced movement and increased daytime sleep earlier in life had shorter lifespans. This suggests that behavioural rhythms are closely linked to underlying biological ageing processes. Importantly, sleep quality—not just duration—emerged as a critical factor influencing longevity.

Another significant insight was that ageing does not occur uniformly. Instead, individuals appear to shift abruptly between different physiological states. These transitions help explain why some individuals experience rapid declines while others maintain stability for longer periods. Behavioural tracking made it possible to detect these shifts early.

Although the research was conducted on fish, its implications for humans are substantial. With the growing use of wearable devices that monitor sleep and activity, similar patterns could be identified in people. Tracking such everyday habits may provide early warning signals about health decline and ageing trajectories.

Overall, the study highlights a crucial idea: small, consistent lifestyle patterns can offer deep insights into long-term health and longevity, opening new possibilities for preventive healthcare and ageing research.

Prelims Corner: Explanations

1) The correct answer is d)

A foreign company transfers shares and such shares derive their substantial value from assets located in India.

“Indirect transfers” refer to a taxation concept where the ownership of Indian assets changes hands indirectly through the transfer of shares of a foreign company that derives its value substantially from assets located in India.

In such cases, although the transaction technically occurs outside India (between two foreign entities), the underlying economic value being transferred is linked to Indian assets. Therefore, India asserts the right to tax such transactions.

This concept gained prominence after the landmark **Vodafone International Holdings v. Union of India case**, where a foreign company acquired shares of another foreign entity that indirectly controlled Indian telecom assets. Initially, the transaction escaped taxation because it occurred offshore. However, India later amended its tax laws (through retrospective amendments in 2012) to clarify that such indirect transfers are taxable if the value is substantially derived from Indian assets.

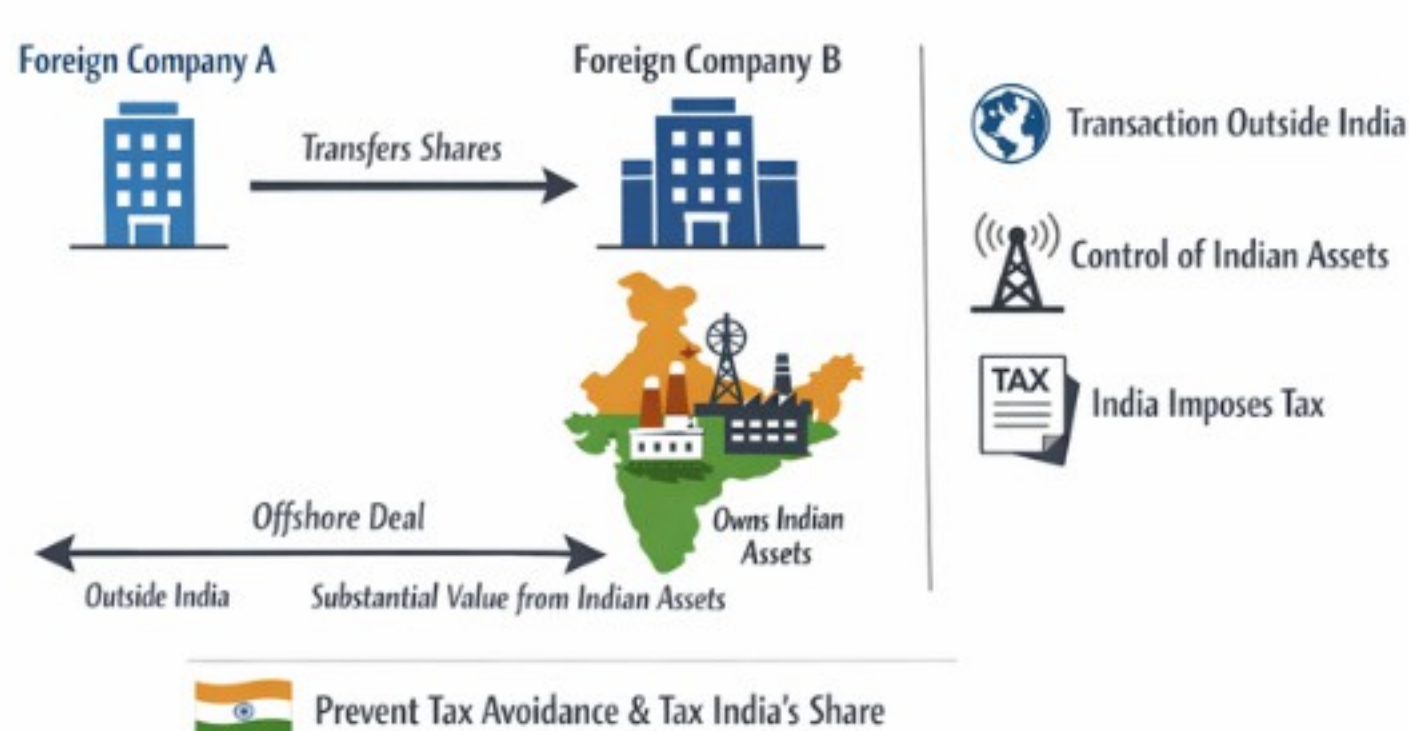
2) The correct answer is d) Reserve Bank of India.



In India, price stability—primarily controlling inflation—is the responsibility of the Reserve Bank of India (RBI), which acts as the country’s central bank. The RBI uses monetary policy tools such as repo rate, reverse repo rate, open market operations, and cash reserve ratio to regulate money supply and credit in the economy. By tightening or easing these tools, it influences demand levels, thereby controlling inflation. Since the adoption of the Flexible Inflation Targeting (FIT) framework in 2016, the RBI has been mandated to maintain inflation at 4% ($\pm 2\%$), with decisions taken by the Monetary Policy Committee (MPC).

Other bodies mentioned in the options have different roles: the Department of Consumer Affairs focuses on consumer protection, the Expenditure Management Commission deals with fiscal discipline, and the Financial Stability and Development Council oversees financial stability—not direct inflation control.

Indirect Transfers and Taxation of Indian Assets



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