



Life begins at the end
of your comfort zone.

Neale Donald Walsch

Important Issues of the Day

- **Budget**
- **New START nuclear treaty – Prelims Fact**
- **New Consumer Price Index – Prelims Fact**
- **Rafah crossing – Places in News**

Budget



- **The term 'budget' has nowhere been mentioned in the Constitution. It is mentioned as 'Annual financial statement' in Article 112.**
- **The Budget Division of the Department of Economic Affairs in the Finance Ministry is the nodal body responsible for preparing the Budget.**
- **From the budget year 2017-18 and onwards, the Union Budget is presented by the Union Finance Minister on February 1 of every year.**
- **Prior to the budget year 2017-18, the Budget was presented in the last week of February as per the colonial practice.**

- **The Railway Budget was merged with the General Budget from the fiscal year 2017-18 based on the recommendation of the Bibek Debroy Committee.**
- **The Railway Budget was separated from the General Budget by the British in 1924 on the recommendations of the Acworth Committee.**
- **Presentation of the Budget: The Union Finance Minister presents the Union Budget in the Lok Sabha with a speech known as Budget Speech.**
- **General Discussion on the Budget: A few days after the presentation, the general discussion on the budget begins in both houses of the Parliament**

With reference to the Union Government, consider the following statements:

- 1. The Department of Revenue is responsible for the preparation of Union Budget that is presented to the Parliament.**
- 2. No amount can be withdrawn from the Consolidated Fund of India without the authorization from the Parliament of India.**
- 3. All the disbursements made from Public Account also need the authorization from the Parliament of India.**

Which of the statements given above is/are correct?

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

When the annual Union Budget is not passed by the Lok Sabha

(a) the Budget is modified and presented again

(b) the Budget is referred to the Rajya Sabha for suggestions

(c) the Union Finance Minister is asked to resign

(d) the Prime Minister submits the resignation of Council of Ministers

Mains Question

The Union Budget is often projected as a key instrument for accelerating India's economic growth.

Critically examine how recent Union Budgets have attempted to balance **growth imperatives with fiscal consolidation**. (250 words)

संघीय बजट को प्रायः भारत की आर्थिक वृद्धि को तेज़ करने के एक प्रमुख साधन के रूप में प्रस्तुत किया जाता है।

आलोचनात्मक रूप से परीक्षण कीजिए कि हाल के केंद्रीय बजटों ने **विकास की अनिवार्यताओं** और **राजकोषीय समेकन** के बीच संतुलन स्थापित करने का प्रयास किस प्रकार किया है।

(250 शब्द)

New Consumer Price Index



CPI
CONSUMER PRICE
INDEX



- **The Union Ministry of Statistics and Programme Implementation (MoSPI) has released details of a new Consumer Price Index (CPI) series, revising the base year from 2011–12 to 2023–24 and cutting the weight of food and beverages from ~46% to ~37%.**
- **The new CPI series is an updated framework for measuring retail inflation in India, with:**
 - **Base year revised from 2011–12 to 2023–24**
 - **Revised item weights based on the latest Household Consumption Expenditure Survey (HCES) 2023–24**
 - **Expanded item coverage and improved methodology to better capture current consumption behaviour, including digital services.**

Key features of the new CPI series:

- **Reduced food weight:**
- **Food + beverages weight falls from 86% to ~36.5–36.75%**
- **Reflects Engel's Law: rising incomes → lower food share in expenditure**
- **Higher housing weight: Housing (including water, electricity, gas) rises from 07% to 17.66%**
- **Greater services representation: Transport, health, education, communication gain prominence**
- **Digital economy inclusion: Prices from OTT platforms, telecom plans, online airfares included**
- **Lower inflation volatility: Reduced sensitivity of headline inflation to weather-driven food shocks**

Consider the following statements:

- 1. The weightage of food in Consumer Price Index (CPI) is higher than that in Wholesale Price Index (WPI).**
- 2. The WPI does not capture changes in the prices of services, which CPI does.**
- 3. Reserve Bank of India has now adopted WPI as its key measure of inflation and to decide on changing the key policy rates.**

Which of the statements given above is/are correct?

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

Mains Question

What is inflation targeting? Briefly explain its legal and institutional framework in India.

मद्रास्फीति लक्ष्यीकरण क्या है? भारत में इसके कानूनी और संस्थागत ढाँचे को संक्षेप में स्पष्ट कीजिए।

New START nuclear treaty



- **The New Strategic Arms Reduction Treaty (New START) is a bilateral nuclear arms control agreement between the United States and Russia that places legally binding limits on strategic nuclear weapons.**
- **It governs weapons designed to strike an adversary's core political, military, and industrial centres in the event of a nuclear war.**

- **Signed: April 2010**
- **Entered into force: February 2011**
- **Signed by: US President Barack Obama and Russian President Dmitry Medvedev**
- **Duration: 10 years, with a single five-year extension, exercised in 2021**
- **In February 2023, Russia suspended participation in New START following the Ukraine conflict, halting inspections and data exchanges, though both sides continued to observe core numerical limits.**

- **Aim of the New START treaty:**
- **The treaty was designed to:**
 - **Prevent a strategic nuclear arms race**
 - **Enhance predictability and transparency between the two largest nuclear powers**
 - **Reduce the risk of miscalculation or accidental escalation**
 - **Contribute to global strategic stability and nuclear risk reduction**

Warhead limits: Caps each side at 1,550 deployed strategic nuclear warheads.

Delivery system limits:

Maximum 700 deployed intercontinental ballistic missiles (ICBMs), submarine-launched ballistic missiles (SLBMs), and heavy bombers

800 total launchers, deployed and non-deployed combined

Thank You!

