

RESET

REFOCUS

RESTART

Important Issues of the Day

- **Israel and Iran – Page No.1 , GS 2**
- **Sixteenth Finance Commission – Page No. 6, GS 2,3**
- **Selective outrage – Page No.6 , GS 2**
- **Skill India – Page No. 6, GS 3**
- **MPLADS funds – Page No. 7, GS 2**

Iran hits Israel, U.S. bases after killing of Khamenei

Iranian authorities say over 200 people have been killed since start of the U.S. and Israeli strikes; U.S. President says he will 'be talking' to Iran leaders, while Israel pledged 'non-stop' strikes

Associated Press
Agence France-Presse
TEHRAN/DUBAI

Iran vowed revenge on Sunday after the killing of its Supreme Leader, and traded strikes with Israel as part of a widening war prompted by a U.S. and Israeli bombardment a day earlier.

U.S. President Donald Trump warned that any retaliation would only lead to further escalation. He said he would “be talking” to Iranian leaders but was vague on the timing and noted that much of the country’s leadership was dead. “They want to talk, and I have agreed to talk, so I will be talking to them. They should have done it sooner,” he was quoted as saying by *The Atlantic*.

Blasts in Tehran sent a



A video grab from Israeli military footage shows strikes on what it calls ‘headquarters of the Iranian terror regime’ in Tehran. AFP

huge plume of smoke into the sky in an area where there are government buildings. Iranian state television said that it had been targeted by strikes.

“The technical team is assessing the damage,” said the broadcaster.

Iranian authorities say more than 200 people have been killed since the start of the U.S. and Israeli strikes that killed Ayatollah Ali Khamenei and other senior leaders.

Earlier, Iran fired missiles at an ever-widening

list of targets in Israel and Gulf Arab states in retaliation while Israel pledged “non-stop” strikes against Iran’s leaders and military.

In Israel, loud explosions caused by missile impacts or interceptions could be heard in Tel Aviv.

Israel’s rescue services said nine people were killed and 28 wounded in a strike that hit a synagogue in the central town of Beit Shemesh, bringing the overall death toll in the country to 11. The U.S. military said three service members have been killed and five seriously wounded in the Iran operation.

CONTINUED ON

» **PAGE 10**

EDITORIAL

» **PAGE 6**

RELATED REPORTS ON

» **PAGES 11, 14**



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- **The launch of what the Pentagon called Operation Epic Fury.**
- **The Israeli government has publicly named its offensive “Operation Roar Of The Lion”.**
- **Iran’s first wave of ballistic missiles launched toward Israel in retaliation has been tied to an operation name —“True Promise 4”.**

The term “two-state solution” is sometimes mentioned in the news in the context of the affairs of (UPSC CSE 2018)

(a) China

(b) Israel

(c) Iraq

(d) Yemen

What is the importance of developing Chabahar Port by India? (UPSC CSE 2017)

- (a) India's trade with African countries will increase enormously.**
- (b) India's relations with oil-producing Arab countries will be strengthened.**
- (c) India will not depend on Pakistan for access to Afghanistan and Central Asia.**
- (d) Pakistan will facilitate and protect the installation of a gas pipeline between Iraq and India.**

Mains Question

Energy security, diaspora protection and maritime trade routes are central to India's engagement with West Asia. Critically evaluate India's approach towards ensuring long-term strategic stability in the region.

ऊर्जा सुरक्षा, प्रवासी भारतीयों की सुरक्षा तथा समुद्री व्यापार मार्ग पश्चिम एशिया में भारत की नीति के प्रमुख आयाम हैं। क्षेत्रीय स्थिरता सुनिश्चित करने की दिशा में भारत की रणनीति का समालोचनात्मक मूल्यांकन कीजिए।
(250 शब्द)

Sixteenth Finance Commission — misses and concerns

Page No. 6, GS 2,3

The Sixteenth Finance Commission had significant flexibility in determining its approach and methodology, as its terms of reference followed directly from constitutional provisions, unlike earlier commissions that operated under detailed central directives. This Commission, as before, addressed the two key dimensions of fiscal transfers – namely the vertical and the horizontal.

The vertical dimension

The Commission took note of the increase in the share of States in the divisible pool of central taxes from 32% to 42% by the Fourteenth Finance Commission. The Fourteenth Finance Commission had justified it on account of a discontinuation of State plan grants, amounting to only 3% of the divisible pool of central taxes at the time of transition. The subsequent reduction to 41% was due to the change in the status of Jammu and Kashmir. The Sixteenth Finance Commission noted the Centre's concern about the reduction in its fiscal space. The Centre had responded to this substantial increase in the share of states by the Fourteenth Finance Commission by, first, increasing the non-shareable cesses and surcharges, second, reducing its share in the financing of centrally sponsored schemes and third, not accepting sector-specific/State-specific grants recommended by the Fifteenth Finance Commission. In the end, however, the Sixteenth Finance Commission retained the States' share at 41%, imparting to it a kind of semi-permanence.

The Sixteenth Finance Commission makes no recommendations regarding the non-shareable cesses and surcharges which, by their very nature, should be limited and levied for finite periods. These should be earmarked for specific purposes and not merged with the Centre's general funds. Instead, Sixteenth Finance Commission recommended a 'grand bargain' (paragraph 7.67) between the Centre and States saying that 'States would agree to a smaller share in the resulting larger divisible pool, with no loss of revenues to either side' provided the Centre agreed to merge a large part of the cesses and surcharges in the regular taxes.

The Commission did not take into account its constitutional duty as enumerated in Articles 270 and 280 for objectively determining the share of States in the shareable pool of central taxes while making its observations on the cesses and surcharges. It would have been better had the



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Evaluating the federal implications of the Sixteenth Finance Commission recommendations

Commission at least pointed out to the Centre that the steep increase in cesses and surcharges was not warranted and not in the spirit of the Constitution. Further, the Commission chose to discontinue the revenue deficit grants and did not recommend any State and sector specific grants. This became a route to lower the share of States in the Centre's revenue receipts as compared to the Fifteenth Finance Commission.

The average effective transfers covering tax devolution and Finance Commission grants to the States as a percentage of the Centre's pre-transfer gross revenue receipts were 27.0%, 27.2% and 28.3%, respectively during the Finance Commission periods (11, 12, 13). This share increased sharply to 35.6% during the Fourteenth Finance Commission period. In the Fifteenth Finance Commission period, covering the years 2020-21 to 2024-25, this share came down marginally to 34.4%, still considerably higher than those of the Eleventh and Thirteenth Finance Commission periods. This steep increase in resources transferred as a proportion of gross revenue receipts of the Centre should not be overlooked.

Looking at the first year of the Sixteenth Finance Commission's award period, 2026-27, this ratio is 32.7% as per the Centre's budget estimates. The Sixteenth Finance Commission's projections for later years may prove to be overestimates since the 2026-27 nominal GDP growth, assumed at 11%, is higher than the Budget estimate of 10%. The Commission also did not factor in the revenue reducing effect of the major Goods and Services Tax (GST) reforms undertaken in September 2025, while the Commission was still in session.

Horizontal dimension

The Sixteenth Finance Commission introduced a new criterion of contribution to reflect an efficiency consideration. But it measured it through the share of a State's Gross State Domestic Product (GSDP) in an all-State GSDP.

There is a need, however, to differentiate the efficiency of the production system from that of the fiscal system. In the production system, the inter-State distribution of GSDP depends on many factors which includes the inter-State movement of financial and human resources. It largely depends on market forces which tend to lead to a concentration of productive capital stock in a limited number of States. Human resources also move from less developed to the more developed States.

This change involved using GSDP in two opposite ways. In the income distance formula, the lower the per-capita GSDP of a State, the higher the per-capita share of that State. In the contribution criterion, the higher the per-capita GSDP of a State, the higher is its share. However, the Commission did not finally use the GSDP. Instead, it used its square root. This was meant to reduce the excessive effects of using GSDP to reflect contribution on some States.

In the devolution formula, the weights of some of the other criteria have also been changed. These are purely judgemental. Dropping the tax effort/fiscal discipline criterion, which was a fiscal efficiency criterion is not consistent with the Commission's own narrative.

Losses and gains

Consequently, the main States that have lost on account of the Sixteenth Finance Commission devolution scheme as compared to the Fifteenth Finance Commission are Madhya Pradesh, Uttar Pradesh, West Bengal, Bihar, Odisha, Chhattisgarh and Rajasthan. The other group of losing States are Arunachal Pradesh, Meghalaya, Manipur, Nagaland, Tripura, Sikkim, and Goa (the north-east or extremely small States). The gain by other richer States has not been uniform.

Ideally, the losses of some States could have been mitigated through normatively determined revenue gap grants. Devolution is not enough to capture the finer details of cost and need differentials of India's highly differentiated States. Further, if a Finance Commission changes the tax devolution formulae, then the consequential loss of some of the States could be neutralised by the revenue gap grants.

In fact, Article 275 provides an important mode of fiscal transfers for the consideration of State-specific 'needs'. It should not be confused with revenue deficits. Needs can be estimated in order to equalise standards of critical services such as health and education.

This would have facilitated accommodating the performance argument of the richer States while still promoting the equalisation objective. Even if there are difficulties in estimating revenue gap grants since it involves normative assessment of States' needs and resources, the Sixteenth Finance Commission need not have taken the shortcut of dropping these altogether. While ad hoc State-specific grants are not appropriate, equalisation grants still have a place.

- **The Sixteenth Finance Commission had significant flexibility in determining its approach and methodology, as its terms of reference followed directly from constitutional provisions, unlike earlier commissions that operated under detailed central directives.**
- **This Commission, as before, addressed the two key dimensions of fiscal transfers — namely the vertical and the horizontal.**
- **The Commission took note of the increase in the share of States in the divisible pool of central taxes from 32% to 42% by the Fourteenth Finance Commission.**
- **The subsequent reduction to 41% was due to the change in the status of Jammu and Kashmir. The Sixteenth Finance Commission noted the Centre's concern about the reduction in its fiscal space.**

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The criteria for horizontal devolution among States over the last five FCs

Criteria	11th FC 2000-05	12th FC 2005-10	13th FC 2010-15	14th FC 2015-20	15th FC 2021-26
Income Distance	62.5	50	47.5	50	45
Population (1971 Census)	10	25	25	17.5	-
Population (2011 Census)	-	-	-	10	15
Area	7.5	10	10	15	15
Forest cover	-	-	-	7.5	-
Forest and ecology	-	-	-	-	10
Infrastructure index	7.5	-	-	-	-
Fiscal discipline	7.5	7.5	17.5	-	-
Demographic performance	-	-	-	-	12.5
Tax effort	5	7.5	-	-	2.5
Total	100	100	100	100	100

Criteria for Distribution of Central Taxes among States

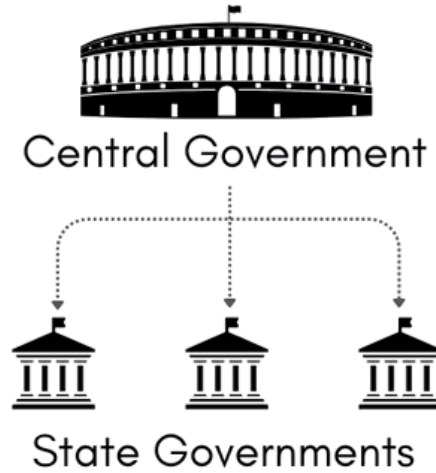
Criteria	15 th FC (2021-26)	16 th FC (2026-31)
Income Distance	45%	42.5%
Population (2011)	15%	17.5%
Demographic Performance	12.5%	10%
Area	15%	10%
Forest	10%	10%
Tax and Fiscal Efforts	2.5%	-
Contribution to GDP	-	10%
Total	100%	100%

Sources: Reports of the 15th and 16th Finance Commissions.

Finance Commission is a constitutional body under

ARTICLE 280

that recommends the **distribution of tax revenues** between the Central government and the States.



Central Government **Not Bound by**



वित्त आयोग
सत्यमेव जयते
FINANCE COMMISSION INDIA
suggestions made by Finance Commission.

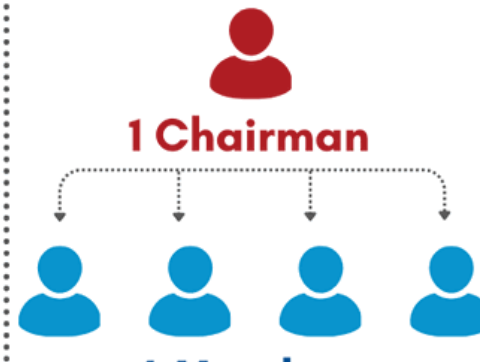


CONSTITUTION OF THE COMMISSION



UNDER ARTICLE 280 OF THE INDIAN CONSTITUTION

STRUCTURE



QUALIFICATIONS

FINANCE COMMISSION (MISCELLANEOUS PROVISIONS) ACT, 1951

specifies the qualifications for the Chairman and other

Mains Question

While fiscal discipline is essential for macroeconomic stability, excessive central control over finances may weaken sub-national governance. Critically analyse this statement in the context of India's fiscal federal framework.

*यद्यपि वित्तीय अनुशासन व्यापक आर्थिक स्थिरता के लिए आवश्यक है, परंतु अत्यधिक केंद्रीय नियंत्रण उप-राष्ट्रीय शासन को कमजोर कर सकता है। भारत की राजकोषीय संघीय व्यवस्था के संदर्भ में इस कथन का समालोचनात्मक विश्लेषण कीजिए।
(250 शब्द)*

Skill India as herculean challenges, Galgotian blunders

Page No.6 , GS 3

A once-in-a-lifetime opportunity requires a herculean effort. India's demographic dividend, that ends by 2040, is one such opportunity. Several European Union countries and China have successfully financed skill systems. In these countries, approximately 50% of secondary-level students are enrolled in vocational education streams. In India that share is 1.3%, reflective of an educational system that neglected school education till 1990, and vocational education till 2006.

However, in 2020, India's National Education Policy (NEP) said: "By 2025, 50% learners will be exposed to vocational education." "Exposed" still reveals an attitudinal problem among policy designers. Vocational education in most countries is around 2% of the education budget. For China and Germany it is 11%. India has no data that is publicly available due to fragmented training schemes in Ministries. India's strategy rests on Budget announcements which falter year-on-year. A scheme that was celebrated last year is forgotten the next year. Consider the internship scheme announced in Budget FY 2026: only 5% of the allocated funds were spent and its design proved ineffective.

CAG reports, issues raised

The herculean task of making India "the skill capital of the world" is inconsistent with "Galgotian" blunders. Issues of financing skills are crucial. The Comptroller and Auditor General of India (CAG) in 2025 audited the flagship Skill India scheme, Pradhan Mantri Kaushal Vikas Yojana (PMKVY)-2015-22. Ten years ago, it had similarly looked at compliance and oversight issues of skill institutions.

Both reports raise issues of financial impropriety. In 2015, the CAG dealt with financial reporting delays and unclear accountability of disbursed funds. In 2025, the report mentions that 94.5% of bank accounts were invalid and approximately 41% of trainees in short-term training achieved placement.

How have we evolved from 2015 through 2025? When the short-term skill ecosystem was started, the vision was to create a vibrant public-private market for skills. Over the past decade, however, the focus on quantity through short-term training

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Reforming skill financing is crucial to harness India's demographic dividend

has yielded limited results. Since the CAG's direct concern is fund use, we list three ideas for it.

Imagine a scenario where no operational funding was provided by the PMKVY. What if the amount upward of ₹10,000 crore spent annually was extended as skill loans to students? This would have led to more choices for students, improved the quality of institutions as they competed for enrolment, and promoted demand-driven skill development, benefiting students as they are from economically weaker backgrounds. A model similar to that for educational loans could have been followed. The worst case would be non-performing assets, which we have ways to handle. It is not too late. We can do so now and use skill loans better. There is already a policy framework in place. Priority needs to shift: part of PMKVY funding could be through skill loans. Of course, design work is needed to roll this out, but it is doable. It needs a product-market that has banks and non-banking financial companies on board. It is worth questioning why the National Skill Development Corporation began as a non-banking finance company, later became a funder for training partners, and now primarily implements government schemes.

Using skill vouchers

Use of skill vouchers is another trainee-based skills financing idea, more so for distribution of public funds. It allows flexibility for policymakers and a choice for students. There is no better way to implement the NEP priority of lifelong learning.

Since vouchers follow the trainee rather than the institution, it incentivises delivery and outcomes. It creates a competitive market. Vouchers can also be good tools to provide upskilling for Artificial Intelligence (AI)-led transition, providing targeted skills in AI, digital and green skills. They can be used for needed segments such as enhancing women workforce participation or provide foreign language learning for global labour markets.

Purchasing power in the hands of learners will drive quality and accountability and be a driver of a demand-based skills market. Singapore and Croatia have implemented them well. It will also

encourage school leavers to pursue vocational courses instead of defaulting to degrees, which often inflate tertiary enrolment.

The idea of skill levies

Skill levies on organised industries, used in more than 90-plus countries, is another fundamental idea. A well-designed skills levy can sustainably finance skills. In 2017, we had designed and recommended a Reimbursable Industry Contribution (RIC) to the Government of India for the Twelfth Five Year plan. At that time there were 62-plus countries doing it; now, 90-plus have adopted it, for good reasons.

Across Latin America, in Germany, Singapore, South Africa and South Korea, such models have been used to ensure industry ownership of skills and to create stable funding insulated from political and budgetary cycles. Linking contributions to firm size and payroll and then returning them to the industry when training has happened makes employers in-charge of skill development.

Today, skills programmes are supply-driven and government-financed.

Employer engagement in today's system is inadequate. We can move from an employer-engaged to an employer-owned system through the RIC reform. It is tested world-wide and there is a small demographic window for this policy choice.

Finally, real time skills demand must feed into policy. Understanding this trajectory needs transparent rules. A mandate for online job boards to share data in a form that safeguards their business interest but also provides aggregate understanding to the government is needed. Data mining and AI modelling can help. Periodic/one-off skill gap studies (as has been the norm) cannot achieve this goal. The data shared can be made public in the National Career Service (NCS) portal. India's goal to construct a labour market information system has not materialised. This may be the only workable way for skills planning.

Enough strategic errors have been made. By 2040, the demographic dividend will end. It is time for a course correction – we know we can. We hope, we will.

- **A once-in-a-lifetime opportunity requires a herculean effort. India's demographic dividend, that ends by 2040, is one such opportunity.**
- **Several European Union countries and China have successfully financed skill systems. In these countries, approximately 50% of secondary-level students are enrolled in vocational education streams.**
- **In India that share is 1.3%, reflective of an educational system that neglected school education till 1990, and vocational education till 2006.**
- **However, in 2020, India's National Education Policy (NEP) said: "By 2025, 50% learners will be exposed to vocational education." "Exposed" still reveals an attitudinal problem among policy designers.**
- **Vocational education in most countries is around 2% of the education budget. For China and Germany it is 11%.**

- **The herculean task of making India “the skill capital of the world” is inconsistent with “Galgotian” blunders. Issues of financing skills are crucial.**
- **The Comptroller and Auditor General of India (CAG) in 2025 audited the flagship Skill India scheme, Pradhan Mantri Kaushal Vikas Yojana (PMKVY)-2015-22.**
- **Ten years ago, it had similarly looked at compliance and oversight issues of skill institutions.**
- **Both reports raise issues of financial impropriety. In 2015, the CAG dealt with financial reporting delays and unclear accountability of disbursed funds.**
- **In 2025, the report mentions that 94.5% of bank accounts were invalid and approximately 41% of trainees in short-term training achieved placement.**

Mains Question

Demographic dividend without skill dividend may turn into a demographic burden. Critically analyse this statement in the context of regional disparities, female labour force participation and informal employment in India.

(250 Words)

यदि जनसांख्यिकीय लाभांश के साथ कौशल लाभांश न हो तो यह जनसांख्यिकीय बोझ में परिवर्तित हो सकता है। भारत में क्षेत्रीय असमानताओं, महिला श्रम बल भागीदारी तथा अनौपचारिक रोजगार के संदर्भ में इस कथन का समालोचनात्मक विश्लेषण कीजिए।

(250 शब्द)

Selective outrage

Judiciary seems quick to take offence only when it sees itself under attack

The Supreme Court Bench that took up the NCERT Class 8 social science textbook case might have overreacted when it saw the critical references to the judiciary as a “deep-seated conspiracy” and declared that it will not allow “anyone on earth” to tarnish the judiciary’s integrity. While the government has expressed remorse, Education Minister Dharmendra Pradhan’s statement that action will be taken against officials responsible for inserting references to case pendency and “judicial corruption” is an exercise in executive arbitrariness prompted by judicial overreach. In fairness to the Court, it would likely not have taken offence to the passages had these had been in any other book. But textbooks are official, authoritative accounts and the judiciary found the passages ill-motivated. Instances of judicial corruption are real and censoring textbooks is not a corrective measure.

Since the BJP came to power, rewriting school and college textbooks has been a key part of its agenda. Right-wing commentators often find court judgments, such as those giving precedence to the environment as against development, or worse, as against religious practices of Hindus, and therefore not nationalistic or beneficial to the vast majority of the people of India. An adviser to the Prime Minister recently called the judiciary the single biggest obstacle to deve-

lopment, or worse, as against religious practices of Hindus, and therefore not nationalistic or beneficial to the vast majority of the people of India. An adviser to the Prime Minister recently called the judiciary the single biggest obstacle to development. The Court, perhaps, saw the textbook as an attempt to intimidate the judiciary. Some of the sentences were indeed in the form of broad-brushing social media assertions not carefully constructed with rigour. The textbook, for instance, said, “People do experience corruption at various levels of the judiciary” and went on to describe complaints and redress mechanisms. But, such critical references had been used in chapters dealing with the government or the political executive as well. The chapter on elections had a picture of currency notes apparently found in the car of a candidate. The textbook writers probably aimed to spark critical awareness, not offer bland tutorials in civic studies. But as with other textbooks, there are problematic passages. The many history chapters uncritically valorise medieval Hindu kingdoms and portray their struggle to retain power as rightful resistances to Muslim rule. Wars for plunder and territorial expansion have always been part of history, and they did not begin with Muslim invaders. Chapters on Muslim kingdoms briefly refer to Akbar’s tolerance and Babur’s intellectual curiosity but remain largely negative. The chapter on penury under British rule and Mughal-era wealth is not balanced. The problem is not that the textbook selectively targets the judiciary; it is that the judiciary selectively targets certain portions.

- **Judiciary seems quick to take offence only when it sees itself under attack**
- **The textbook, for instance, said, “People do experience corruption at various levels of the judiciary” and went on to describe complaints and redress mechanisms.**
- **But, such critical references had been used in chapters dealing with the government or the political executive as well.**
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U.P. receives over 84% of all out-of-State MPLADS funds

Page No. 7, GS 2

Only 21 MPs, two of them from the Lok Sabha, accounted for all of the out-of-usual-area spending

DATA POINT

Nitika Francis
Vignesh Radhakrishnan

Twenty-one MPs recommended works outside the State or constituency they were elected from or are associated with, using their Members of Parliament Local Area Development Scheme (MPLADS) funds, an analysis by *The Hindu* has found. And of the more than ₹18 crore spent on works which were completed based on these recommendations, the vast majority – 84% – went to districts in Uttar Pradesh.

Of the 530 MPs for whom “completed works” data is available, these 21 MPs account for all of the out-of-usual-area spending. All other MPs used their allocated funds in the districts or States they represent or are associated with.

The analysis by *The Hindu* covered around 21,000 works completed between 2023 and 2026. The data were sourced from the Empowered Indian MPLADS dashboard and cross-verified with the mplads.gov.in website. It was collected on February 23, 2026.

An elected Lok Sabha MP can generally recommend works in the district(s) their constituency encompasses. An elected Rajya Sabha MP can recommend works only within the State they are elected from, while nominated MPs can recommend works anywhere in the country. There are also limited exceptions: MPs can recommend up to ₹50 lakh in a financial year outside their usual region (raised from ₹25 lakh after April 2023) and can also contribute up to ₹1 crore per annum for rehabilitation and reconstruction in areas affected by natural “calamities of severe nature”, as declared by the Government of India, subject to additional scrutiny.

Exhaustive list

Of the 21 MPs, only two are from the Lok Sabha. Mala Rajya Laxmi



In the works: Reconstruction of a road begins near NH-709B, Sisana village, in Baghat, Uttar Pradesh on February 4. ANI

Shah of the Bharatiya Janata Party (BJP), the Lok Sabha MP from Uttarakhand's Tehri Garhwal, spent ₹49,96,274 on footpaths and pedestrian ways built in two villages of Agra district. This amount is about 57% of her total spending of ₹87.4 lakh on all completed works. In other words, more than half of her spending on completed works went to Uttar Pradesh, with the rest spent in the Dehradun district, where parts of the Tehri Garhwal Lok Sabha constituency lie. When *The Hindu* reached out to her, she declined to comment.

Another Lok Sabha MP, Kirti Vardhan Singh from Uttar Pradesh, spent ₹10 lakh on a protective structure in Nagaland. Sadanand Mhalu Shet Tanavade, the sitting Rajya Sabha MP of the BJP from Goa, spent ₹48.6 lakh on street light poles installed in 20 locations across the Shahjahanpur district of Uttar Pradesh. The amount is about 27% of his total spending on all completed works.

Chunnilal Garasiya, the sitting Rajya Sabha MP of the BJP from Rajasthan, spent ₹98 lakh on LED lights installed in two districts of Uttar Pradesh, about 80% of his total spending on all completed works. He said he did not remember the specific areas for which he had recommended the works from the MPLADS funds. “I don't exact-

ly remember the sectors or areas for which I have made recommendations. These things are handled by my private secretary. I have not even completed two years in office,” Mr. Garasiya told *The Hindu* over phone. Mr. Garasiya was elected to the Rajya Sabha from Rajasthan in April 2024.

Sitting Rajya Sabha MP of the Jharkhand Mukti Morcha from Jharkhand, Sarfraz Ahmad, spent ₹92.03 lakh on installing LED lights and building roads in the Agra and Pilibhit districts. This is one of the very few instances of such “out-of-State” funding wherein the involved MP is from a regional party and has contributed such a substantial amount to a State where said party has no footing. “I have followed the rules of the Rajya Sabha and as a member I am entitled to recommend a certain percentage of the MPLADS funds to other States as well. I have recommended the funds to Jharkhand also,” Mr. Ahmad told *The Hindu* over phone. Asked about any other specific reason to recommend funds out of his usual area, Mr. Ahmad said, “The way I have my people in Jharkhand, in the similar way I have my people in Uttar Pradesh as well.”

Other sitting Rajya Sabha MPs who sent money to works in Uttar Pradesh include BJP's Rajendra

Ghlot and Congress's Pramod Tiwari, both from Rajasthan; BJP's Satish Chandra Dubey from Bihar; and Congress' K.T.S. Tulsani and Phulo Devi Netam from Chhattisgarh. Together, they sent around ₹75 lakh to various projects in Uttar Pradesh. Of the ₹18 crore out-of-usual-area funds, about 6% went to Bihar, and sitting BJP Rajya Sabha MP Dhananjay Bhimrao Mahadik from Maharashtra accounts for most of it. He spent close to ₹1 crore on works in Bihar, spread across two financial years.

The established norm

While nominated Rajya Sabha MPs are allowed to use their MPLADS funds anywhere in the country, few actually do so beyond the State they're associated with. Most concentrate spending in the States where they built their careers – the very achievements that led to their nomination.

For instance, ace track and field athlete P.T. Usha, who was nominated to the Rajya Sabha, has spent all of her MPLADS funds thus far on roads and playgrounds and to purchase school buses across Kerala. Similarly, Dharmas-thala's Veerendra Heggade spent all his funds till now in Karnataka.

The lion's share

Gulam Ali Khatana is a notable ex-

ception. He was born and educated in Jammu & Kashmir and has his permanent residence in the Union Territory. He is identified as a BJP member in his Rajya Sabha profile and has served as a spokesperson of the party's J&K unit. At the time of appointment, he was the lone member representing the State in the Upper House. Of the 20 questions he has raised in the Rajya Sabha, 16 relate specifically to matters in J&K, including questions on welfare funds for tribal communities and their forest rights. Mr. Khatana is a member of the Scheduled Tribe (Gurjar/Gujjar) community, according to his Rajya Sabha profile. Yet he spent nearly ₹12 crore of his MPLADS funds to install LED lights in various districts of Uttar Pradesh, accounting for over 95% of his total MPLADS expense. Of the 21 MPs analysed for mismatched funds, Mr. Khatana accounts for the largest share. Uttar Pradesh already receives a large share of MPLADS funds because it sends the most MPs to Parliament. Of the 20,858 works completed between 2023 and 2026, 26% were in Uttar Pradesh. Around a fifth of the utilised funds also went to the State. Uttar Pradesh utilises more than twice as much MPLADS funds as the second-ranked Tamil Nadu, with the latter accounting for around 9%.

Against this background, the mismatch is more pronounced: over 84% of the out-of-usual-area funds were directed to Uttar Pradesh. In several instances, the funds came from MPs elected from or associated with States with lower per capita incomes and a smaller share of MPLADS funds. J&K, with which Mr. Khatana is so strongly associated, received only 0.6% of the MPLADS utilised funds and accounted for only about 1% of completed works.

With inputs from Mohammed Iqbal, Ishita Mishra, Amit Bhelari, who are reporters at The Hindu, and Suman Raj L., Shriram N., and Nivedha M. who interned with the Data Team.

- **Twenty-one MPs recommended works outside the State or constituency they were elected from or are associated with, using their Members of Parliament Local Area Development Scheme (MPLADS) funds, an analysis by The Hindu has found.**
- **And of the more than ₹18 crore spent on works which were completed based on these recommendations, the vast majority — 84% — went to districts in Uttar Pradesh.**
- **An elected Lok Sabha MP can generally recommend works in the district(s) their constituency encompasses.**
- **An elected Rajya Sabha MP can recommend works only within the State they are elected from, while nominated MPs can recommend works anywhere in the country.**
- **There are also limited exceptions: MPs can recommend up to ₹50 lakh in a financial year outside their usual region (raised from ₹25 lakh after April 2023) and can also contribute up to ₹1 crore per annum for rehabilitation and reconstruction in areas affected by natural “calamities of severe nature”, as declared by the Government of India, subject to additional scrutiny.**

- **MPLAD is a Central Sector Scheme, launched in 1993, which enables Member of Parliament (MPs) to recommend developmental works in their constituencies, focusing on durable community assets based on local needs.**
- **Rajya Sabha MPs may recommend works in any district(s) of their state of election, while nominated MPs can choose any district(s) in any one state of the country.**
- **Implementation: The state nodal department supervises the scheme, while district authorities are responsible for project sanction, fund allocation and execution.**
- **Funding Allocation: Each MP is allocated Rs 5 crore per year since 2011-12, released by the Ministry of Statistics and Program Implementation (MoSPI) to district authorities in two installments of Rs 2.5 crore.**
- **This fund is non-lapsable and can be carried forward if not utilised in a given year.**
- **MPs must allocate a minimum of 15% and 7.5% of their funds to create assets for Scheduled Castes (SCs) and Scheduled Tribes (STs), respectively.**

Q. With reference to the funds under the Members of Parliament Local Area Development Scheme (MPLADS), which of the following statements are correct? (2020)

- 1. MPLADS funds must be used to create durable assets like physical infrastructure for health, education, etc.**
- 2. A specified portion of each MP's fund must benefit SC/ST populations.**
- 3. MPLADS funds are sanctioned on a yearly basis and the unused funds cannot be carried forward to the next year.**
- 4. The district authority must inspect at least 10% of all works under implementation every year.**

Select the correct answer using the code given below:

- (a) 1 and 2 only**
- (b) 3 and 4 only**
- (c) 1, 2 and 3 only**
- (d) 1, 2 and 4 only**

Thank You!

