



DAILY CURRENT AFFAIRS 26-05-2026

Mapping Perspective

1. Amber Fort

Prelims Perspective

2. BHAVYA Scheme
3. Machkund Hydroelectric Project

Mains Perspective

4. Pyrite
5. RBI's State of the Economy Report

Amber Fort

Syllabus: GS-1; History

Context

US Secretary of State Marco Rubio and wife Jeanette visit Amer Fort in Jaipur



About

- Amer Fort, also known as Amber Fort, is a **UNESCO World Heritage Site** located in **the Aravalli Hills**, about 11 km from Jaipur, Rajasthan.
- It is one of the finest examples of **Rajput military architecture** and a major tourist attraction in India.

History

- Amer Fort was once the capital of the **Kachwaha Rajputs**.
- Construction began in the late 16th century under **Raja Man Singh I**.
- Later rulers such as Mirza Raja Jai Singh I and Sawai Jai Singh II expanded and renovated the fort.

Architecture

- The fort represents a blend of Rajput and Mughal architectural styles.

- Built mainly using yellow and pink sandstone along with white marble.
- The fort is divided into four major sections, each with its own courtyard.

Important Structures

- **Diwan-i-Aam** – Hall of Public Audience
- **Diwan-i-Khas** – Hall of Private Audience
- **Sheesh Mahal** – Famous Mirror Palace
- **Sukh Niwas** – Known for its natural cooling mechanism created by air flowing over water channels

BHAVYA Scheme

Syllabus: GS-2; Government policies and Interventions

Context

Recently, the Central Government announced the launch of guidelines for the BHAVYA (Bharat Audyogik Vikas Yojna) Scheme.

About BHAVYA Scheme

- **BHAVYA (Bharat Audyogik Vikas Yojna) is a Central Sector Scheme** aimed at developing investment-ready, world-class industrial parks across India.
- The scheme focuses on creating:
 - Plug-and-play industrial infrastructure
 - Multimodal logistics connectivity
 - Reliable utility systems
 - Worker-support infrastructure
 - Digital governance systems
 - Sustainable development features

Target

- Development of 100 industrial parks across the country.

Time Period

- The scheme will be implemented over six years, from 2026–27 to 2031–32.

Key Features of the BHAVYA Scheme

- The scheme supports the Centre's initiatives such as **Make in India and PM Gati Shakti**.
- It aims to create **integrated manufacturing zones with investment-ready infrastructure and strong logistics connectivity**.
- Both **greenfield** and eligible **brownfield** industrial parks can be developed under the scheme.
- Minimum land requirements:
 - 100 acres for non-hilly states
 - 25 acres for hilly states, northeastern states, Union Territories, and smaller states

Implementation

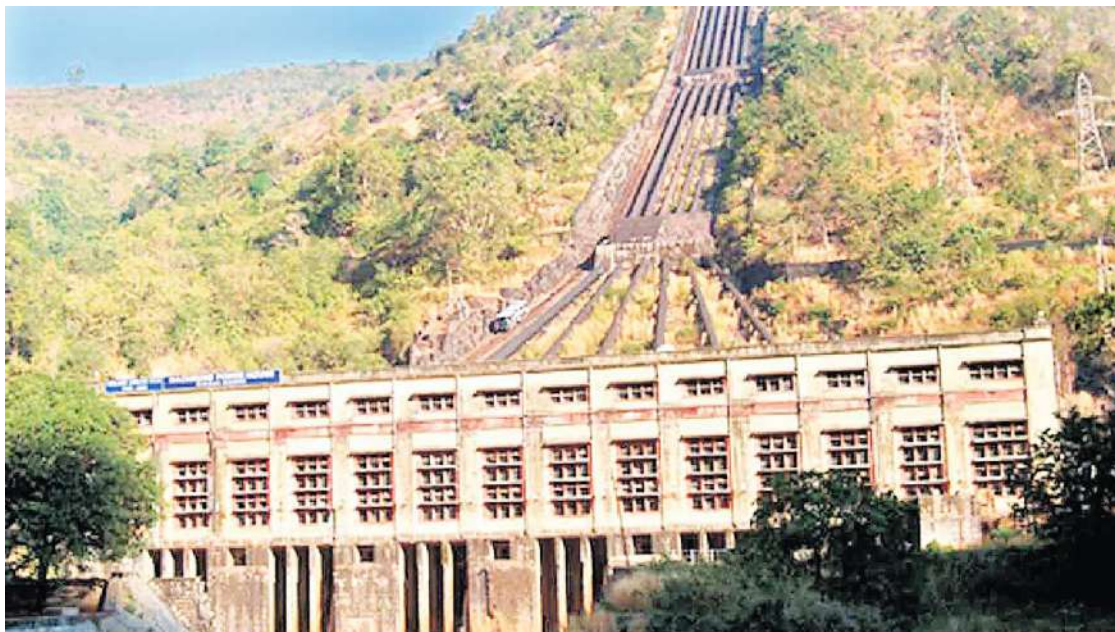
- The scheme will be implemented through Special Purpose Vehicles (SPVs) incorporated under the Companies Act, 2013.

Machkund Hydroelectric Project

Syllabus: GS-3; Infrastructure

Context

Recently, a major fire broke out at the Machkund Hydroelectric Project situated on the **Odisha-Andhra Pradesh border**.



About Machkund Hydroelectric Project

- It is a 120 MW hydropower project located in the Koraput district of Odisha along the Andhra Pradesh border.
- The project is situated on the western slopes of the Eastern Ghats near the famous **Duduma Falls, on the Machkund River**, which is a **tributary of the Godavari River** system.
- The Jalaput Dam and its reservoir support the project.
- It is an inter-state project jointly managed by the Governments of Andhra Pradesh and Odisha.

Construction and History

- The project was initially **proposed in the 1920s by Maharaja Vikram Dev Varma of Jeypore** to provide electricity to nearby villages.
- Construction of the project began in 1948, and it started commercial operations in 1955.
- The project was formally inaugurated by **Dr. Rajendra Prasad, the first President of India**.

Power Sharing Arrangement

- Initially, electricity generated from the project was shared between Andhra Pradesh and Odisha in a 70:30 ratio.
- Later, following negotiations and rising demand, the sharing arrangement was revised to an equal 50:50 ratio, ensuring fair benefits to both states.

Pyrite

Syllabus: GS-1: Geography – Resources.

Context:

- Geologists have discovered a rare, microscopic sunflower-shaped mineral, pyrite (commonly called fool's gold), within the lignite coal reserves of Gujarat.

About Pyrite

- Pyrite is a naturally occurring iron disulfide mineral.
- Chemical Formula: FeS_2
- It is the most common sulfide mineral.

- Appearance:
 - Brass-yellow colour
 - Bright metallic lustre
- The name originates from the Greek word *pyr* meaning “fire,” because pyrite emits sparks when struck by metal.
- It is called “fool’s gold” due to its deceptive resemblance to gold.
- Pyrite nodules found in prehistoric burial mounds indicate its use for fire production in ancient times.



Occurrence of Pyrite

- Found in diverse geological settings:
 - Igneous rocks
 - Sedimentary rocks
 - Metamorphic rocks
 - Hydrothermal mineral deposits
 - Coal beds
 - Fossils as replacement mineral
- In igneous rocks:
 - May occur disseminated throughout the rock
 - Or concentrated in layers depending on depositional conditions.
- In sedimentary rocks:

- Forms in oxygen-poor environments with iron and sulfur.
- Commonly associated with:
 - Coal
 - Black shale
- Decaying organic matter consumes oxygen and releases sulfur, facilitating pyrite formation.
- Pyrite commonly replaces:
 - Plant debris
 - Shells
 - Producing pyrite fossils and “pyrite dollars.”
- Oxidation:
 - Pyrite oxidizes into iron oxides/hydroxides such as limonite.
 - Produces rusty surface zones known as “gossan,” indicating pyrite-bearing rocks beneath.

Major Producers

- Historically: Spain was the largest producer.
- Present major producers:
 - Italy
 - China
 - Russia
 - Peru

Uses of Pyrite

- Source of iron and sulfur.
- Used in production of sulfuric acid.
- Used to produce iron sulfate for:
 - Nutritional supplements
 - Ink
 - Lawn conditioners
 - Water treatment and flocculation
 - Moss killers

- Other chemical processes
- Iron sulfate derived from pyrite is used to treat iron-deficiency anemia.
- Certain pyrite deposits contain microscopic gold and may be mined as gold ore.

RBI's State of the Economy Report

Syllabus: GS-3: Indian Economy – Macroeconomy

Context:

- The Reserve Bank of India (RBI) in its latest *State of the Economy* report noted that India's near-term economic outlook is "somewhat clouded" due to supply-side pressures arising from the West Asia crisis.
- Despite external challenges, domestic demand continues to remain the primary driver of economic growth.

About RBI's State of the Economy Report

- *State of the Economy* is a flagship article published in the RBI's monthly Bulletin.
- Prepared by economists and researchers within the RBI.
- Provides assessment of:
 - Domestic economic activity
 - Inflation trends
 - Financial conditions
 - External sector developments
 - Global economic environment
- Acts as an important reference for policymakers, analysts, and financial markets.

Key Findings of the Latest Report

Domestic Demand Remains Main Growth Driver

- Domestic demand continues to support India's economic growth.
- However, RBI cautioned that the near-term outlook is affected by:
 - Supply-side pressures
 - Rising geopolitical tensions in West Asia
 - Commodity and energy price volatility

Inflation Trends

CPI Inflation

- Headline inflation remained within RBI's tolerance band of:
$$2\% \leq \text{CPI Inflation} \leq 6\%$$
- CPI inflation increased to **3.5% in April** mainly due to food inflation.
- Core inflation remained broadly stable.

WPI Inflation

- WPI inflation surged to **8.3% in April** from **3.9% in March**, reaching a 42-month high.
- Major reasons:
 - Fuel and power price rise
 - Impact of West Asia conflict

Food Prices

- High-frequency food price data up to May 19 showed:
 - Marginal rise in wheat prices
 - Marginal rise in rice prices
- RBI stressed monitoring the pass-through of wholesale inflation into retail inflation.

External Sector Challenges

Major Risks

- Crude oil price volatility
- Tightening financial conditions
- Capital flow uncertainty

Capital Flows

- Foreign Portfolio Investors (FPIs) remained net sellers during April and May.
- Pace of outflows moderated gradually.
- Net Foreign Direct Investment (FDI) remained positive for the second consecutive month in March.

Foreign Exchange Reserves

India's Forex Position

- Forex reserves remain comfortable:
 - Cover around 11 months of imports.

- Cover nearly 90% of external debt outstanding (as of December 2025).

Trade Reconfiguration

Changing Trade Patterns

- Trade through the Strait of Hormuz declined in March but rebounded in April 2026.
- Exports to China continued double-digit year-on-year growth since April 2025.
- Exports to the US increased in April 2026 after prolonged contraction since September 2025.

Sectoral Performance

Agriculture

- Summer sowing progressed well due to:
 - Above-normal pre-monsoon rainfall
 - Comfortable reservoir levels
- Acreage exceeded normal full-season acreage.
- Acreage increased for all major crops except rice.

Industry

- E-way bills registered double-digit growth, indicating industrial momentum.
- Petrol and diesel consumption increased.
- Overall petroleum consumption declined due to fall in:
 - Naphtha demand
 - LPG consumption
- Rising temperatures increased electricity demand sharply.

Services Sector

- Services sector remained resilient in April.
- Services PMI accelerated due to:
 - Transportation activity
 - Domestic suppliers
 - New business orders
- Export orders weakened because of:
 - West Asia conflict
 - Weak inbound tourism

- Air passenger traffic declined due to higher aviation turbine fuel prices.

Rural Demand

- Rural demand remained broad-based.
- Rural automobile sales continued double-digit growth, though at a slower pace sequentially.

Labour Market Conditions

Key Trends (Jan–Mar 2026 Quarter)

- Labour Force Participation Rate (LFPR) declined.
- Worker Population Ratio (WPR) declined.
- Unemployment rate increased.

Global Economic Context

Major Global Concerns

- West Asia conflict disrupted:
 - Commodity markets
 - Global trade flows
 - Supply chains
- Elevated energy prices and geopolitical tensions remain key risks.
- Persistent uncertainty regarding global growth and inflation.
- Financial market volatility continues.

India's Position of Strength

RBI's Assessment

India entered the challenging phase from a relatively strong macroeconomic position due to:

- Robust services exports
- Positive net FDI inflows
- Comfortable forex reserves
- Proactive fiscal and monetary measures by Government and RBI

Implications and Way Forward

Short-Term Priorities

- Monitor inflation transmission from WPI to CPI.

- Manage crude oil price shocks.
- Address exchange rate pressures and capital outflows.
- Reduce supply-chain disruptions from geopolitical tensions.

Long-Term Strategy

- Diversify trade routes beyond the Strait of Hormuz.
- Strengthen services exports.
- Promote manufacturing through:
 - Make in India
 - PLI schemes
- Expand renewable energy capacity to reduce crude dependence.
- Improve labour market flexibility and employment generation.