



## **DAILY CURRENT AFFAIRS 03-06-2026**

### **Mapping Perspective**

1. Majuli Island

### **Prelims Perspective**

2. Design Linked Incentive (DLI) Scheme
3. Giant Malabar Squirrel (*Ratufa indica*)

### **Mains Perspective**

4. PM SVANidhi Scheme
5. MSCI Rebalancing

## **Majuli Island**

**Syllabus: GS-1; Indian Geography- Mapping, Art & Culture**

### **Context**

A recent scientific study has reconstructed nearly **4,000 years of climate and vegetation history** of **Majuli Island**, offering valuable insights into environmental changes in the Brahmaputra basin.

### **About Majuli Island**



- **Majuli** is a river island situated in the **Brahmaputra River system** in Assam.
- It is recognized as the **world's largest inhabited river island**.
- In **2016**, Majuli was officially declared a district of Assam.

### **Formation**

- The island is formed by:
  - The **Brahmaputra River** to the south.
  - The **Kherkutia Xuti**, a distributary of the Brahmaputra, to the north.
  - The **Subansiri River**, which joins the Kherkutia Xuti.

- Continuous fluvial processes, including erosion and deposition, have shaped the island over centuries.



### Agriculture

- Agriculture is the principal occupation of the island's inhabitants.
- **Rice cultivation** forms the backbone of the local economy.
- Notable indigenous rice varieties include:
  - **Komal Saul** (soft rice)
  - **Bao Dhan** (deep-water rice)

### People and Tribes

- The island is home to several indigenous communities, including:
  - **Mishing**
  - **Deori**
  - **Sonowal Kachari**
- A significant population of non-tribal Assamese communities also resides on the island.

### Cultural Significance

- Majuli is regarded as the cultural heartland of **Assamese Neo-Vaishnavism**.

- The movement was propagated during the 15th–16th centuries by Srimanta Sankardeva and his disciple Madhavdeva.
- They established **Satras** (Vaishnavite monastic institutions), which became centres of religion, education, art, and culture.

### Major Cultural Contributions of the Satras

- Preservation and promotion of:
  - **Sattriya Dance** (one of India's classical dance forms)
  - **Bhaona** (traditional theatrical performances)
  - Vaishnavite literature and music
  - Traditional mask-making
  - Boat-building craftsmanship

### Other Cultural Traditions

- Majuli is renowned for its:
  - **Mask-making tradition**
  - **Pottery-making practices**, often carried out without the use of a potter's wheel
  - Rich folk arts and festivals

## Design Linked Incentive (DLI) Scheme

**Syllabus: GS-2; Government policies and Interventions, GS-3; Science & Technology-Electronics and Semiconductor Sector**

### Context

The Union Government recently highlighted the positive outcomes of the **Design Linked Incentive (DLI) Scheme**, emphasizing its role in strengthening India's semiconductor ecosystem.

### About the DLI Scheme

- The scheme is a major initiative under the **Semicon India Programme**.
- Implemented by the **Ministry of Electronics and Information Technology (MeitY)**.
- **Nodal Agency: Centre for Development of Advanced Computing (C-DAC)**.

### Objectives

- Develop a robust **fabless semiconductor design ecosystem** in India.
- Reduce dependence on imported semiconductor technologies.
- Strengthen supply-chain resilience.
- Promote indigenous innovation and value addition in electronics manufacturing.

### Eligibility

- **Start-ups and MSMEs** are eligible for both financial incentives and design infrastructure support.
- Other domestic companies are eligible for financial incentives related to semiconductor design deployment.

### Coverage

The scheme supports semiconductor design activities across the entire lifecycle, including:

- Integrated Circuits (ICs)
- Chipsets
- Systems-on-Chip (SoCs)
- Systems and IP Cores
- Semiconductor-linked products and solutions

### Financial Support

#### 1. Product Design Linked Incentive

- Reimbursement of up to **50% of eligible expenditure**.
- Maximum support of **₹15 crore per application**.
- Applicable to entities engaged in semiconductor design and development.

#### 2. Deployment Linked Incentive

- Incentive ranging from **6% to 4% of net sales turnover** for a period of five years.
- Maximum incentive of **₹30 crore per application**.
- Minimum cumulative net sales requirement:
  - **₹1 crore** for Start-ups and MSMEs.
  - **₹5 crore** for other domestic companies.

### Significance

- Encourages domestic semiconductor innovation.
- Supports the vision of making India a global semiconductor design hub.
- Enhances technological self-reliance and strategic manufacturing capabilities.

## **Giant Malabar Squirrel (*Ratufa indica*)**

**Syllabus: GS-3; Environment & Ecology-Species in News**

### **Context**

A rare sighting of the **Giant Malabar Squirrel** was recently reported from the **Devpur forest area of Barnawapara Wildlife Sanctuary, Chhattisgarh**.



### **About Giant Malabar Squirrel**

- Also known as the **Indian Giant Squirrel**, it is a large, multicoloured arboreal squirrel **endemic to India**.
- It is among the **largest squirrel species in the world**.
- **Scientific Name:** *Ratufa indica*
- It is the **State Animal of Maharashtra**, where it is popularly known as **Shekru**.

### **Habitat and Distribution**

- Found mainly in the **Western Ghats, Eastern Ghats, and Satpura Range**.
- Occupies **tropical deciduous, semi-evergreen, and evergreen forests** at elevations ranging from **180–2,300 metres**.
- It is a highly **arboreal species**, spending most of its life in the forest canopy.
- Capable of leaping up to **6 metres** between trees.
- Builds nests and shelters in **tree hollows and canopy branches**.

### **Key Features**

- Body length ranges from **25–45 cm**, while the tail is usually longer than the body.
- Displays striking colour variations with combinations of **black, brown, maroon, reddish-brown, cream, and white**.
- Characterised by **pink lips and nose**, large brown eyes, and short rounded ears.
- Possesses a **long bushy tail** with a lighter-coloured tip.
- Strong claws and broad paws help it grip tree bark and branches efficiently.
- Generally **solitary in nature**, except during the breeding season.
- When threatened, it often remains motionless or flattens itself against tree trunks rather than fleeing.

### Conservation Status

- **IUCN Red List: Least Concern (LC)**

## PM SVANidhi Scheme

**Syllabus: GS-2: Social Justice – Welfare Schemes.**

### Context:

- PM SVANidhi scheme has emerged as a major initiative supporting vendors working across India's informal urban economy.

### About PM SVANidhi Scheme

- The Prime Minister Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi) scheme was launched in June 2020.
- It is a Central Sector Scheme supporting street vendors through affordable working capital, financial inclusion and social protection measures.
- **Implementation:** Joint responsibility of the Ministry of Housing and Urban Affairs (MoHUA) and the Department of Financial Services (DFS).

### Key Features of PM SVANidhi Scheme

#### 1. Working Capital Loan

- Collateral-free loans of ₹15,000, ₹25,000 and ₹50,000 are provided in three progressive tranches with interest subsidy and credit guarantee support.

#### 2. UPI-linked RuPay Credit Cards

- Vendors successfully repaying the second tranche are eligible for UPI-linked RuPay Credit Cards with limits up to ₹30,000.

### 3. Digital Adoption

- Cashback incentives of up to ₹1,600 are provided to street vendors for retail/wholesale digital transactions to encourage digital adoption and financial literacy.

### 4. SVANidhi se Samriddhi (SSS)

- Socio-economic profiling of beneficiaries and their families is undertaken to link them with eight selected Central welfare schemes and create a holistic social security net.

### 5. Capacity Building & Entrepreneurship Development

- Vendors are provided training in financial literacy, digital literacy, and food safety & hygiene in collaboration with Food Safety and Standards Authority of India.

## **MSCI Rebalancing**

### **Syllabus: Indian Economy – Capital Market – Stock Market.**

#### **Context:**

- MSCI's quarterly rebalancing of its global benchmark indices came into effect recently, triggering a sharp sell-off in Indian stock markets, with benchmark indices ending 1.5% down.
- Foreign Portfolio Investors (FPIs) accounted for around 69% of the total NSE turnover of ₹2.87 lakh crore on the day of rebalancing, highlighting the significant influence of MSCI decisions on Indian markets.

#### **What is MSCI?**

- MSCI (Morgan Stanley Capital International) is a New York-based financial firm that creates and maintains global benchmark stock indices.
- These indices are lists of companies across countries and regions, assigned specific weights.
- Widely tracked by global investors, especially passive funds that replicate index composition rather than actively selecting stocks.

- Increase in a country's weight leads to automatic buying by passive funds; reduction results in selling.
- Such mechanical capital flows can trigger significant market movements.

### MSCI Rebalancing

- Conducted every quarter to review and adjust index composition.
- Involves:
  - Addition or removal of companies.
  - Changes in country weights.
- Based on factors such as:
  - Market capitalisation
  - Share price performance
  - Liquidity

### Latest Rebalancing: Key Changes

- Number of Indian companies in the MSCI Global Standard Index remained unchanged at 165.
- However, compositional changes occurred with some companies added and others removed.
- India's weight in MSCI Global Standard Index declined marginally from 12.4% to 12.3%.
- India's weight in MSCI Emerging Markets (EM) Index has been declining since its peak of around 21% in September 2024 and currently stands at 11.94%.

### India vs Asian Peers: The AI Gap

Country	Weight in MSCI EM Index
Taiwan	24.84%
China	23.05%
South Korea	18.69%
India	11.94%

- Declining Indian weight reflects a broader structural shift in global equity markets driven by Artificial Intelligence (AI).

### **Taiwan Story: AI and Semiconductors**

- Taiwan's rise is driven by AI-induced demand for semiconductors.
- Taiwan Semiconductor Manufacturing Company (TSMC), the world's largest chipmaker, has witnessed a sharp increase in share value.
- TSMC is among only two non-US entities in the world's top-10 most valuable companies; the other is Saudi Aramco.
- Taiwan recently overtook India to become the fifth most valuable stock market globally by market capitalisation.
- MSCI identified AI-driven semiconductor demand as the principal growth catalyst.

### **India's Structural Weakness: Absence of an AI Play**

- Lack of a significant AI or semiconductor manufacturing presence in Indian equity markets has emerged as a structural weakness.
- India's major MSCI-weighted companies:
  - HDFC Bank – 0.79% weight in EM Index.
  - Reliance Industries – 0.79% weight in EM Index.
- In contrast, TSMC alone accounts for 14.21% of the EM Index.
- Emerging Markets exposure has become increasingly concentrated in:
  - Technology
  - Semiconductors
  - AI-related sectors
- India's IT sector remains predominantly service-oriented rather than semiconductor manufacturing-based, limiting participation in the global AI-led wealth creation cycle.

### **FPI Exodus and Capital Flight**

- Declining MSCI weight and India's AI gap are reflected in sustained FPI selling of Indian equities.
- Rupee depreciation further reduces the attractiveness of Indian assets in dollar terms.

- This creates a negative feedback loop:
  - FPI selling → Rupee depreciation
  - Rupee depreciation → Lower dollar-denominated market capitalisation
  - Lower market capitalisation → Reduced MSCI weight
  - Reduced MSCI weight → Additional passive fund selling

### Significance for India

- MSCI weight directly influences global capital allocation.
- Reduced weight can lead to lower passive fund inflows and increased volatility.
- Highlights the growing importance of:
  - AI ecosystem development
  - Semiconductor manufacturing capability
  - Deep technology investments
- Reinforces the need to strengthen India's position in emerging technology value chains to maintain relevance in global equity markets.

### UPSC Value Addition

**MSCI Weight ↓ → Passive Fund Outflows ↑ → Rupee Depreciation ↑ → Market Cap ↓ → Further Weight Reduction**