



DATE: 12 MAY 2026

1 Foreign Exchange Reserves (Forex Reserves) (Source: The Indian Express)

Forex reserves are assets held on reserve by a central bank (RBI) in foreign currencies like the dollar, which can include bonds, treasury bills, and other government securities.

Need To Know

- They are an important component of the **Balance of Payment (BoP)**
- **Components of India's Forex Reserves**
 - **Foreign Currency Assets (FCA) (largest contributor)**
 - **Gold reserves (second largest contributor)**
 - **Special Drawing Rights:** It is not a currency but its value is determined by a basket of 5 major currencies: the US dollar, euro, Chinese renminbi, Japanese yen, and British pound sterling.
 - **Reserve Tranche Position (RTP) with the IMF :** RTP is a country's quota-based access to IMF resources, available for borrowing without strict conditions, used for BoPs or financial stability.





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2 Liberalised Remittance Scheme (Source: The Hindu)

- The Liberalised Remittance Scheme by the RBI allows resident Indians to remit up to USD 250,000 annually abroad for education, travel, healthcare, gifts, and investments.
- It is a foreign exchange policy initiative introduced by the Reserve Bank of India in 2004, intended to simplify and streamline the process of remitting funds outside India.

Liberalised Remittance Scheme Availability

- LRS is available to all resident individuals, including minors and students.
- The eligible citizens must have an Indian bank account, a valid Permanent Account Number (PAN), and a passport.
- The scheme excludes corporates, Hindu Undivided Family (HUFs), partnership firms, and trusts.

Liberalised Remittance Scheme Limit

- A resident individual can remit up to USD 250,000 per financial year for permissible transactions.
- Cannot use the remittances for margin trading, buying lottery tickets, real estate, etc.

Prohibited Transactions

- Purchase of lottery tickets, banned magazines, transactions with FATF non-compliant countries, gifting in foreign currency to another Indian resident's foreign account etc.

Budget 2026 Update

- The TCS on LRS for Health and Education has been reduced to 2% from the existing 5%.
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3 Kuno National Park (Source: The Hindu)

- It is a national park in Madhya Pradesh.
- It is nestled near the Vindhyan Hills.
- Major rivers in the region are the Kuno River, which is a tributary of the Chambal River.
- The region has tropical dry deciduous forests, savannah grasslands, and riverine forests.
- It was selected under the 'Action Plan for Introduction of Cheetah in India'.
- Major fauna in the region are the sloth bear, leopard, and tiger.
- The major tribe in the region is the Saharia tribal people.

