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MCQs

THE HINDU

Centre's fiscal outlook faces geopolitical, revenue risks

Prelims: General Paper 1

Current events of national and international importance.

Mains: General studies 3

Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

Why in Focus?

- India's **fiscal position in 2026-27** is facing pressure because tax collections are weak, subsidies are rising and global tensions are affecting crude oil prices.
- However, higher **non-tax revenue, RBI dividends and government measures** may help keep the fiscal deficit under control.

Key Highlights

- The Centre's **Gross Tax Revenue (GTR)** grew by only **3.7% in the first quarter of 2026-27**. The main reason was slower growth in **Personal Income Tax (PIT)** and **Goods and Services Tax (GST)**.
- GST revenue fell by 11%** and **PIT increased by 6.8%** in the first quarter. **Excise duty from fuel also fell by 22.4%** because the government reduced fuel taxes to control the impact of high crude oil prices.

- To increase revenue, the government introduced the **Health Security and National Security (HSNS) Cess**, increased taxes on petroleum exports and raised import duties on some precious metals.
- The **Reserve Bank of India (RBI)** provided major support through dividends. The Centre received around **77% of its budgeted annual RBI dividend** within the first three months.
- Rising crude oil prices increased government spending on subsidies. **Major subsidies rose by 37.4%** and could be around **₹50,000 crore higher than the budget estimate** during the year.
- Despite these challenges, **capital expenditure increased by 23.7%** in the first quarter. The fiscal deficit is expected to remain around **4.6% of GDP**, while public debt is estimated at **55.8% of GDP**.

Implications

- Weak tax collections** may reduce the money available for welfare and development programmes.
- High crude oil prices** can increase subsidies, inflation and India's import bill.
- Lower transfers to States can reduce their ability to spend on **health, education and infrastructure**.
- If tax revenue remains weak while subsidies increase, the government may face **fiscal slippage**, meaning the fiscal deficit could become higher than planned.



- Continued borrowing and **rupee depreciation** may increase the government's debt burden.

Way Forward

- Improve **tax compliance and tax administration** to increase government revenue.
- Restore fuel taxes gradually** when crude oil prices become stable, while protecting poor and vulnerable households.
- Control unnecessary subsidies and focus government spending on **capital expenditure and productive investments**.
- Ensure **predictable financial transfers to States** and strengthen Centre-State fiscal coordination.
- Maintain **fiscal discipline** while keeping enough financial reserves to deal with geopolitical and economic shocks.

Mains Question

Q. India's fiscal position in 2026-27 is facing pressure from weak tax collections, rising subsidies and global uncertainties. Discuss the major challenges and suggest measures to maintain fiscal stability while supporting economic growth. (15 marks, 250 words)

The Vanashakti verdict is balanced and pragmatic

Prelims: General Paper 1

Current events of national and international importance.

Mains: General studies 3

Conservation, environmental pollution and degradation, environmental impact assessment.

Why in Focus?

- The Supreme Court's **Vanashakti vs Union of India (2026)** judgment clarified what should happen to projects that **started construction or operations without getting prior Environmental Clearance (EC)**.
- The judgment keeps **prior EC as a compulsory requirement**, but allows the government to consider a limited legal solution for old violations.

Key Highlights

- The Court said that **prior Environmental Clearance (EC)** is compulsory under the **Environment Impact Assessment (EIA) Notification, 2006**. Projects should not begin construction or operations before getting EC.
- Projects that started without EC **cannot now use the old methods** created under the **2017 Notification** and **2021 Office Memorandum (OM)** to get approval.

2017 Notification → provided a mechanism for certain projects that had started without EC to apply for **post-facto environmental clearance**.

2021 Office Memorandum (OM) → provided another administrative route for dealing with certain violation cases.

- The Court made an important distinction between an **Office Memorandum** and a **statutory notification**. An OM cannot change the legal requirement of prior EC.
- However, the government can use its power under **Section 3 of the Environment (Protection) Act, 1986** to create a **new statutory mechanism**, if it considers this necessary in the public interest.
- The Court did **not order the government to create such a scheme**. It only said that the government has the legal power to do so.
- If a new scheme is created, it should be **one-time and strictly controlled**. It should not encourage the practice of **"violate first, regularise later."**
- Any such mechanism should include **assessment of environmental damage, restoration of the environment, environmental compensation and strict conditions** before a project can continue.
- Altogether, prior EC is **mandatory**, old post-facto regularisation routes are **closed**, but a new statutory mechanism may be **created** by the government.

Implications

- Post-facto approval** can encourage companies to start projects without permission and seek approval later.



- On the other hand, closing every old project may cause **economic losses, job losses and disruption of important infrastructure**.
- Many old projects may now have **no legal route to obtain approval** unless the government creates a new mechanism.
- A new regularisation scheme could be criticised if it is seen as **weakening environmental laws**.
- The case shows the importance of **Environmental Impact Assessment (EIA)** in identifying environmental risks before a project begins.
- The main challenge is to balance **economic development with environmental protection and the rule of law**.

Way Forward

- Strictly enforce the rule that **Environmental Clearance must be obtained before starting a project**.
- **Improve monitoring** so that authorities can identify projects that begin construction without the required approval.
- If necessary, introduce a **one-time statutory mechanism** for genuine old cases, with strict eligibility conditions.
- Make **environmental damage assessment, restoration and compensation** compulsory for projects considered under such a mechanism.
- Ensure that regularisation is **transparent and exceptional**, so that future violations are not encouraged.

Mains Question

Q. The Supreme Court's Vanashakti judgment has reaffirmed the importance of prior Environmental Clearance while leaving limited scope to address old violations. Discuss how India can balance environmental protection with the need to deal with legacy projects. (15 marks, 250 words)

Why are South Asians missing from global health databases

Prelims : General Studies Paper I

Economic and Social Development- Sustainable Development, Poverty, Inclusion, Demographics, Social Sector Initiatives, etc.

Mains: General Studies 3

Achievements of Indians in science & technology; indigenization of technology and developing new technology.

Context

- **South Asians face a higher risk of diabetes and cardiovascular diseases**, but global genomic research is heavily based on European populations.
- The growing use of **AI and machine learning in healthcare** makes diverse and representative genomic data essential for accurate disease prediction and treatment.

Key Highlights

- More than **86% of participants** in genome-wide association studies between 2005 and 2025 were of **European ancestry**, while **South Asians accounted for less than 1%**.
- South Asians are under-represented in major genomic resources such as the **UK Biobank** and several single-cell databases used for biomedical research.
- AI and genetic tools developed mainly from European data may be **less accurate for South Asian populations**, including in predicting disease risks.
 - ◆ **Polygenic risk scores** for diseases such as multiple sclerosis have shown **lower accuracy in South Asian populations**.
- **Polygenic risk scores** combine the effects of **multiple genetic variants** to estimate a person's **overall genetic risk of a disease**.
- **South Asia is genetically diverse**, and treating it as a single population can hide important differences among ethnic, tribal, and endogamous groups.
- The **GenomeIndia Project** has identified more than **40 million genetic variants unique to the Indian population**, highlighting the need for more representative datasets.
- Existing initiatives such as **GenomeIndia, Phenome India, Longevity India, Sri Lankan Twin Registry Biobank, and Pakistan Genome**



Resource are expanding regional genomic research.

Implications

- Under-representation of South Asians in genomic datasets can lead to **less accurate AI-based disease prediction and healthcare tools**.
- Biased genomic data could **reproduce existing health inequalities** as AI becomes more widely used in medicine.
- Better representation of South Asian populations can improve **disease understanding, drug development, and personalised healthcare**.
- South Asian countries face **limited funding, infrastructure, and trained researchers** for genomic research.

Way Forward

- Increase **genomic research and biobanking infrastructure** across South Asian countries.
- Build **harmonised regional databases** that allow different cohorts and biobanks to work together.
- Ensure adequate representation of **ethnic, tribal, and endogamous communities** in genomic studies.
- Promote **regional research collaboration** while ensuring that South Asian researchers have a meaningful role in the use of their data.
- Make AI-based healthcare tools undergo **population-specific validation** before widespread use.

Mains Question

The under-representation of South Asian populations in global genomic datasets can undermine the fairness and accuracy of AI-driven healthcare. Discuss the challenges and suggest measures to ensure greater genomic data equity. (150 Words)

The 'Vimal Elaichi' promotion question

Prelims : General Studies Paper I

Current events of national and international importance

Mains: General Studies 2

Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Context

- The Maharashtra **Food and Drugs Administration (FDA)** has issued notices to **Shah Rukh Khan, Ajay Devgn and Tiger Shroff** over their endorsement of **Vimal Elaichi**.
- The FDA suspects the advertisement may amount to **surrogate or indirect promotion of Vimal Pan Masala**, a tobacco-related product.

Key Highlights

- The FDA said the **brand name, presentation and visual elements** of the advertisement could reinforce the identity of a restricted tobacco-related product.
- **Section 24 of the Food Safety and Standards Act, 2006** restricts misleading food advertisements and unfair trade practices.
- The **FSS (Advertising and Claims) Regulations, 2018** require food advertisements to be **truthful, clear and non-misleading**.
- The agency said the advertisement violates the **Central Consumer Protection Authority's 2022 guidelines** on misleading advertisements and endorsements.
- It also violates the provisions of **Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (COTPA)**.
- Under the **Consumer Protection Act, 2019**, endorsers can face penalties of up to **₹10 lakh for the first violation** and **₹50 lakh for subsequent violations**.
- Endorsers can also be prohibited from endorsing products for **up to one year**, rising to **three years for subsequent violations**.
- The actors can submit a **written explanation with supporting documents** and may request a personal hearing.

Implications

- Action against surrogate advertising can strengthen **tobacco-control measures** and protect consumers from misleading brand promotion.



- Greater accountability for celebrity endorsers can discourage the **indirect promotion of restricted products**.

Way Forward

- Strengthen monitoring of **surrogate and indirect advertising** across media platforms.
- Ensure **strict enforcement** of food safety, consumer protection and tobacco-control laws.
- Improve awareness among **celebrities and advertisers** about their legal responsibilities.
- Ensure regulatory action follows **due process and principles of natural justice**.

Mains Question

Surrogate advertising can undermine tobacco-control measures by indirectly promoting restricted products. Discuss the legal framework governing such advertisements in India. (150 Words)

KEYWORDS

Central Consumer Protection Authority (CCPA)

- The **CCPA** was established under the **Consumer Protection Act, 2019**, and came into force on **24 July 2020**, established under the Ministry of Consumer Affairs, Food, and Public Distribution
- It regulates matters related to the **violation of consumer rights, unfair trade practices, and false or misleading advertisements**.
- The CCPA works to **prevent unfair trade practices** and to ensure that businesses do not engage in them.
- It ensures that **false or misleading advertisements** for goods and services are not made in violation of the law.
- It also prevents persons from **publishing or participating in the publication of false or misleading advertisements**.

UNICORN

- **UNICORN (Unified Complex Radio Antenna)** is an integrated antenna system designed for **warships**.
- It combines **multiple communication antennas** into a **single consolidated structure**.
- The system helps reduce the ship's

electromagnetic signature while improving **communication capabilities**.

- **India and Japan** signed an **Implementation Arrangement** for the transfer of UNICORN technology in **November 2024**.
- Japan considers the project an important outcome of **bilateral defence equipment and technology cooperation**.
- The programme could strengthen **India-Japan defence technology cooperation** and facilitate future **defence technology transfers**.

NAMASTE (National Action for Mechanised Sanitation Ecosystem) scheme

- It is a **Central Sector Scheme** jointly implemented by the **Ministry of Social Justice and Empowerment** and the **Ministry of Housing and Urban Affairs**, with the core objective of **eliminating hazardous manual cleaning and achieving zero fatalities** in sewer and septic tank operations.
- The scheme supports **sanitation workers and manual scavengers** in setting up **mechanised sanitation enterprises** by providing **capital subsidies of up to 50%** for acquiring modern cleaning equipment under the **Safai Udyami Yojana**.

- It undertakes **nationwide enumeration and profiling** of **Sewer and Septic Tank Workers (SSWs)** as well as **waste pickers** to connect them with **occupational training, Personal Protective Equipment (PPE) kits and social safety nets**.
- It assists **Urban Local Bodies (ULBs)** in setting up dedicated **Emergency Response Sanitation Units (ERSUs)** equipped with professional cleaning gear and **standardised safety protocols**, ensuring that only **certified, mechanised teams** handle emergency blockage clearance.

Places in News

Nigeria



- **Nigeria** is located on the **western coast of Africa** and has a diverse geography ranging from **arid to humid equatorial climates**.
- **Abuja** is the **national capital**, located in the **Federal Capital Territory**.
- Nigeria is bordered by **Niger** to the north, **Chad and Cameroon** to the east, **Benin** to the west, and the **Gulf of Guinea** to the south.
- Its topography includes **plains in the north and south**, with **plateaus and hills** in the central region.
- The major drainage areas are the **Niger-Benue Basin, Lake Chad Basin, and Gulf of Guinea Basin**.
- Nigeria has a **tropical climate** with varying **rainy and dry seasons** depending on the region.

Neptun Deep

- It is the **largest offshore natural gas project currently under development in the European Union**, located approximately **160 km off the coast** in the **Romanian sector of the Black Sea**.
- The project is a **joint venture between OMV Petrom and Romania's state-owned ROMGAZ**, with initial gas production scheduled to begin in **2027**.
- Once fully operational, **Neptun Deep** is expected to make Romania the **largest natural gas producer in the EU**, significantly boosting **economic growth and regional energy security**.
- The development has drawn criticism from **environmental groups**, who argue that **drilling noise and pipeline construction** could harm the **Black Sea's fragile ecosystem**, posing a threat to **local dolphins and migratory birds**.

