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DAILY CURRENT AFFAIRS

THE HINDU ANALYSIS

Current Affairs & Editorial Digest

13 August 2026

PRELIMS · MAINS · EDITORIALS · PRACTICE MCQs

COMPILED BY

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UPSC / STATE PCS | THE HINDU ANALYSIS

In This Edition — *13 August 2026*

HOW TO USE THIS BOOKLET

Each topic pairs a crisp analytical brief with the original *Hindu* clipping and a Syllabus Linkage box. Two reframed Mains questions and ten Prelims MCQs (with an explained answer key) close the edition. Revise the ★ fact-boxes the night before the exam.

01 31-member Parliamentary panel to review the FCRA Bill, 2026

GS PAPER 2 | Polity & Governance | NGOs

WHY IN NEWS

The Lok Sabha adopted a motion referring the **Foreign Contribution (Regulation) Amendment Bill, 2026** to a **Joint Parliamentary Committee (JPC)**, amid a strong Opposition uproar demanding the Bill's complete withdrawal on the ground that it targets minority-run institutions.

Key developments

- The **31-member JPC** will have **21 members from the Lok Sabha** (nominated by Speaker Om Birla) and **10 from the Rajya Sabha** (nominated by Chairman C.P. Radhakrishnan).
- The committee must submit its report to the Lok Sabha by the **last day of the first week of the Winter Session** of Parliament this year.
- Minister of State for Home **Nityanand Rai** moved the resolution referring the Bill to the JPC in both Houses.
- Congress MP **K.C. Venugopal** argued the Bill clearly targets NGOs run by minority communities and should be withdrawn, alleging a contradiction between the RSS collecting foreign donations and the government targeting NGOs.

31-member parliamentary panel to review FCRA Bill

Lok Sabha passes motion to refer the proposed legislation on foreign contributions to a JPC amid Opposition's demands for its withdrawal; panel must submit report in first week of Winter Session

Sreeparna Chakrabarty
NEW DELHI

The Lok Sabha on Wednesday adopted a motion referring the Foreign Contribution (Regulation) Amendment Bill, 2026, to a Joint Parliamentary Committee (JPC), amid a huge uproar by the Opposition, which demanded that the Bill be withdrawn completely as it was intended to target minority institutions.

The JPC will have 21 members from the Lok Sabha nominated by Speaker Om Birla and 10 from the Rajya Sabha nominated by Chairman C.P. Radhakrishnan.

The committee has to submit its report to the Lok Sabha by the last day of the first week of the Winter Session of Parliament this year.

Minister of State Nityanand Rai, who moved the resolution to refer the FCRA Bill to a JPC, speaking in the Lok Sabha on Wednesday. ANI

The motion to refer the Bill to the 31-member JPC was added to the List of Business of the Lok Sabha through a supplementary list just before the House was supposed to reconvene at 2 p.m., after being adjourned within minutes of assembling at 11 a.m. Though Union Home Minister Amit Shah was listed to move the motion, it was the Minister of State for Home, Nityanand Rai, who placed it before the House. Mr. Rai also presented a similar motion in the Rajya Sabha.

The Bill proposes to create a designated authority to manage and dispose of assets if an organisation loses its FCRA licence, which the Opposition claimed could affect legitimate foreign funding for Christian NGOs and other minority-run social welfare institutions.

Before the motion was adopted, Congress MP K.C. Venugopal said the Bill was clearly targeting NGOs, especially those run by minority communities, and demanded that it be withdrawn. "On the one hand, the RSS is collecting donations from foreign countries, and on the other the government is targeting NGOs. The government should withdraw the Bill," Mr. Venugopal said.

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SOFTENED STANCE
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The Hindu · Page 1 · "31-member parliamentary panel to review FCRA Bill"

What the Bill proposes

- It creates a **designated authority to manage and dispose of assets** if an organisation loses its FCRA licence — which the Opposition fears could hit legitimate foreign funding of Christian NGOs and other minority-run welfare bodies.
- A donee organisation can lose registration not only when it is **cancelled**, but also when renewal is **refused, not applied for, or not granted** before the old certificate lapses.
- On such lapse, the organisation's **foreign funds and the assets built with them pass automatically** to a government-designated authority.

★Background — FCRA & the 2020 Amendments

- **FCRA, 2010:** regulates the acceptance and utilisation of foreign contributions by individuals, associations and companies to ensure they do not affect national interest.
- **2020 amendments:** barred a registered body from **transferring funds to another FCRA-registered body**; cut the share of foreign funds usable for **administration from 50% to 20%**; and made an **Aadhaar and SBI New Delhi main-branch account mandatory**.
- **2026 Bill goes further:** allows the State to **take over assets** on the mere lapse of a certificate.

SYLLABUS LINKAGE

GS-II: Parliament & State legislatures — functioning, conduct of business, committees (JPC); statutory bodies; role of civil society & NGOs; government policies for various sectors and issues arising from their design and implementation.

02 Charges against Justice Yashwant Varma 'proved': inquiry panel

GS PAPER 2 | Judiciary | Accountability

WHY IN NEWS

A three-member inquiry committee constituted by Lok Sabha Speaker Om Birla found the charges **"proved"** against former Delhi High Court judge **Justice Yashwant Varma** over the discovery of **burnt currency** at his official residence, holding his explanations **"evasive and unsatisfactory"**.

Findings of the committee

- Report **tabled in both Houses on Wednesday**; the judge failed to satisfactorily explain the **presence, source or ownership** of the cash.
- Material evidence at the site had **not been properly secured or preserved**, and the storeroom's evidentiary condition was **disturbed before it was lawfully sealed** and inspected.
- The panel said Justice Varma **withdrew from the proceedings too late** — at the crucial point when he had to produce his defence evidence.

Charges against Justice Varma 'proved': panel

Sandeep Phukan
NEW DELHI

A three-member inquiry committee constituted by the Lok Sabha Speaker, Om Birla, has found the charges "proved" against former Delhi High Court judge Justice Yashwant Varma over the discovery of burnt currency at his official residence, holding that his explanations were "evasive and unsatisfactory".

The committee's report, tabled in both Houses of Parliament on Wednesday, said the judge had failed to provide a satisfactory explanation regarding the presence, source, or ownership of the cash.

Justice Yashwant Varma

The panel also found that material evidence at the site had not been properly secured or preserved, and that the evidentiary condition of the storeroom had been disturbed before it was lawfully sealed and inspected.

CONTINUED ON » PAGE 10
JUDGE'S WITHDRAWAL » PAGE 10

Justice Yashwant Varma. (The Hindu, Pg 1)

The site of the discovery of 'burnt currency notes' at the judge's official residence.

- In an **April 9 communication** (with parallel letters to the President and the CJI), the former Allahabad High Court judge conveyed his decision to withdraw, alleging **procedural unfairness, reversal of burden of proof and non-availability of CCTV footage**.
- The committee rebutted him, observing that **"silence may permit a partial account to assume the character of the whole"**, and said he ought to have **entered the witness box** rather than levelling allegations.
- **Substantial evidence already on record:** charges framed, defence statements received, material supplied and inspected, applications decided, **nine witnesses examined** and documents/electronic material marked — with witnesses even cross-examined on the judge's behalf.

- He **resigned with immediate effect on April 9**; the panel continued and submitted its report to Parliament even after he ceased to be a judge.

★Static Backgrounder — Removal of Judges

- **Article 124(4)** (SC) read with the **Judges (Inquiry) Act, 1968** lays down the removal framework; **Article 218** extends it to High Court judges.
- Grounds are only **"proved misbehaviour"** or **"incapacity"**.
- Motion needs **100 MPs (Lok Sabha)** or **50 MPs (Rajya Sabha)** and admission by the Speaker/Chairman.
- **Three-member inquiry committee:** a **Supreme Court judge (or CJI)**, a **Chief Justice of a High Court**, and an **eminent jurist**.
- No judge of a higher court has ever been removed via successful impeachment in India.

SYLLABUS LINKAGE

GS-II: Structure, organisation and functioning of the Judiciary; appointment and removal of judges; accountability and probity in governance.

03 Retail inflation hits a 19-month high of 4.45% in July

GS PAPER 3 | Economy | Inflation

WHY IN NEWS

Official data released on Wednesday show **retail (CPI) inflation rose to a 19-month high of 4.45% in July**, driven up by higher food and fuel prices.

- The **CPI data** (Ministry of Statistics and Programme Implementation) showed **transport, food, and restaurant & accommodation services** became costlier in July.
- The CPI series was **rebased to 2024** this year; overall index data goes back to August 2021, but **sector-wise data is available only from January 2026**.
- **Food & beverages inflation** quickened to **5.2%** in July from 5.05% a month earlier — driven by fresh spikes in onion and garlic and persistently high ginger prices, even as potato and tomato swung into deflation.
- **Restaurants & accommodation** inflation quickened to **7.7%** (highest this year, up from 6.9% in June) as high fuel prices raised costs.

Retail inflation hits 19-month high of 4.45% in July

T.C.A. Sharad Raghavan
NEW DELHI

Retail inflation in India rose to a 19-month high of 4.45% in July, driven up by higher food and fuel prices, official data released on Wednesday showed.

The Consumer Price Index (CPI) data released by the Ministry of Statistics and Programme Implementation showed that transport, food, and restaurant and accommodation services, became costlier in July, while inflation in other services such as healthcare, recreation, and sports and culture, cooled marginally.

The CPI series was updated earlier this year, with a new base year of 2024. As a result, while there is historical data for the overall index that goes back to August 2021, sector-wise data is available only from January 2026 onwards.

Inflation in the food and beverages category quickened to 5.2% in July 2026 from 5.05% a month earlier.

According to Rajeev Sharan, Head of Research at Brickwork Ratings, this was driven by "fresh spikes in onion and garlic alongside persistently high ginger prices, even as potato and tomato swung into deflation".

The expectation ahead is that food inflation will rise further, Madan Sabnavis, chief economist at the Bank of Baroda said.

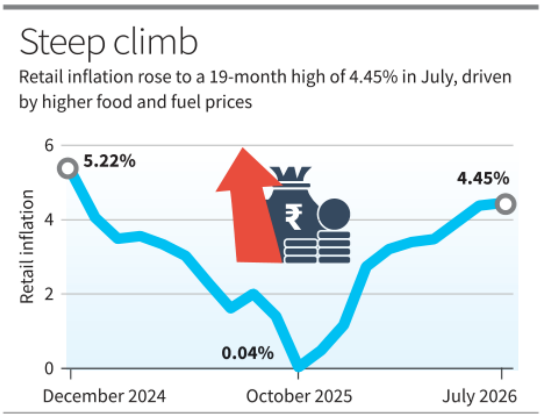
Monsoon impact

"While the monsoon has recovered substantially in July, there has been news of crop damage due to excess rain," Mr. Sabnavis said.

"This, combined with a longer cropping period and hence harvest, will push up prices of pulses in particular. Global prices of edible oils are also high, which is being felt in domestic markets," he said.

Driven by higher food and fuel prices, inflation in the restaurants and accommodation services segment quickened to 7.7% in July, the highest this year, up from a previous yearly-high of 6.9% in June.

"The war impact on prices can be seen from higher inflation for restaurants and food services where higher fuel prices have made units increase prices," Mr. Sabnavis explained. "While there is some normalisation in supply of fuel, prices remain where they are and tend to be inelastic in downward direction."



Inflation in the transport sector also quickened to 4.4% in July 2026 from 4.3% in June.

Cooling inflation

There were, however, some services that saw inflation easing in July.

The health segment, for example, saw inflation cooling to 1.3% in July 2026 from 1.4% in June. Inflation in this segment has been falling since February 2026.

The other segment that saw inflation easing was the 'recreation, sport and culture' category to 1.6% in July 2026 from 1.75% a month earlier.

While inflation in the 'personal care, social protection and miscellaneous goods & services' category – which includes gold and silver purchases – remained in double digits at 14.8% in July 2026, it was the lowest level recorded so far this year.

The Hindu · Page 1 · "Steep climb" — CPI rose to 4.45% in July from a low of 0.04% in Oct 2025.

Cooling segments

- **Health** eased to **1.3%** (from 1.4% in June) — falling since February 2026.
- **Recreation, sport & culture** eased to **1.6%** (from 1.75%).
- **Personal care & misc. goods** (includes gold & silver) stayed in double digits at **14.8%**, but the lowest so far this year.

Why it matters

- Rising food inflation is expected as **monsoon crop damage** and a longer cropping period push up pulse prices.
- Global **edible-oil prices are high**, feeding into domestic markets.
- Higher CPI narrows the RBI's room for **rate cuts** despite growth concerns.

★Prelims Pointers — CPI & Inflation

- **CPI** is released by **NSO under MoSPI**; the **RBI's flexible inflation target** is **4% (±2%)** based on CPI.
- **WPI** is released by the **Office of the Economic Adviser, Ministry of Commerce & Industry**.
- **Core inflation** excludes food & fuel; **headline** includes them.
- New CPI base year: **2024** (earlier 2012).

SYLLABUS LINKAGE

GS-III: Indian economy — issues relating to inflation, monetary policy, and growth; mobilisation of resources; effects of price rise on different sections.

04 A timely reset for the Food Security Act

GS PAPER 3 | Food Security | Editorial


A timely reset for the Food Security Act

The Hindu · Editorial page · "A timely reset for the Food Security Act"

WHY IN NEWS

The **draft National Food Security (Amendment) Bill, 2026** proposes to link **Antyodaya Anna Yojana (AAY)** entitlements to household size — reopening the debate on how to correct inequity without cutting existing foodgrain access, and how to move from food security to **nutrition security**.

- The share of households unable to afford the **ICMR-NIN recommended diet** fell from **~52% (2011-12) to ~25% (2023-24)** — substantial progress, yet crores still cannot afford an adequate healthy diet.
- **Poverty, hunger and inability to afford a healthy diet overlap but are not identical** — a modern policy must recognise this.

Designing a fairer entitlement

- **Priority Households:** 5 kg/person/month; **AAY:** flat **35 kg/household** — which gives less per person as households grow (a seven-member AAY house gets ~5 kg/person; eight-member ~4.4 kg).
- The draft proposes **7 kg/person, capped at 35 kg** — reducing support for 1–4-member households by 20–80%, leaving 5+-member ones unchanged.
- **Tamil Nadu example:** 15.75 lakh of its 18.64 lakh AAY households (84.5%) have fewer than five members — the change would cut its AAY allocation by ~35.6%.

Coverage gap

- The NFSA allows up to **75% rural / 50% urban** coverage, but its **81.35-crore ceiling is based on Census 2011**.
- Against an estimated **146.4-crore** population (2025), this ceiling now covers only **55.6%**.
- It should be **recalculated once Census 2027 figures** are available, with transparent inclusion and appeal mechanisms.

Protecting grain while diversifying diets

- Protecting the grain entitlement must not mean a **cereal-only** idea of food security: NFHS-6 shows **stunting fell (35.5% → 29.3%)** but **wasting and underweight barely changed**.
- The **PDS** can best provide affordable, shelf-stable food; States should be supported to offer **pulses, local rice/wheat, millets** and, where feasible, healthy edible oils, backed by **MSP procurement** for pulse, millet and oilseed growers.
- Link food access with nutrition support via **PM POSHAN**, Anganwadi services and health systems.

SYLLABUS LINKAGE

GS-III: Issues of buffer stocks and food security; PDS — objectives, functioning, limitations, revamping; MSP; technology missions. **GS-II:** welfare schemes and hunger.

05 Keeping India's carbon money at home — CBAM & a proposed IBAM

GS PAPER 3 | Economy & Environment | Trade


Keeping India's carbon money at home

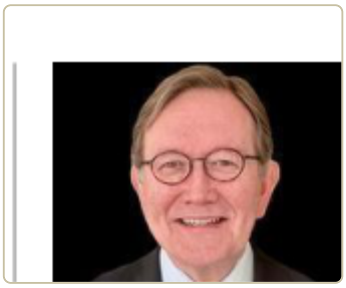
The Hindu · Editorial page · "Keeping India's carbon money at home"

WHY IN NEWS

The EU's **Carbon Border Adjustment Mechanism (CBAM)** came fully into force on **January 1, 2026**. Billed as "fairness", it in practice tilts the field against Indian exporters — prompting the argument for an **India Border Adjustment Mechanism (IBAM)**.

Why the tilt is unfair

- EU steel, aluminium and cement producers enjoy large **decarbonisation subsidies** and **free ETS allowances** (phased out only 2026–2034), lowering their effective carbon cost even as CBAM phases in.
- Indian exporters face the **full weight of CBAM without equivalent state support**.
- This sits uneasily with **GATT Article III**, which bars internal charges that shield domestic producers.
- The new **India-EU FTA** (concluded Jan 27, 2026) gives **no CBAM exemption**; its Annex 14-A only sets up a technical dialogue.



Archie Parnell, Professor of Law, O.P. Jindal Global University.

The counter-move: IBAM

- Rather than accept CBAM as an inescapable external levy, India could impose its **own carbon-based charge on CBAM-covered exports, collected at the point of export**.
- India is **not starting from zero**: the **Carbon Credit Trading Scheme (CCTS, 2023)** sets a domestic carbon price via tradable certificates; under **CBAM Article 9**, EU importers may deduct emissions that have **already borne a carbon price** at origin.
- **IBAM revenue should stay in India**, ring-fenced for verifiable green projects — modernising blast furnaces, low-carbon electricity, green hydrogen and scrap-based steel — so exporters face **no higher net carbon cost** while India keeps its carbon money.

★Quick Facts — CBAM

- **CBAM:** EU levy on the embedded carbon of imports (steel, aluminium, cement, fertiliser, electricity, hydrogen).
- **Definitive regime from 1 Jan 2026** (transitional reporting ran 2023–25).
- **CCTS (India, 2023):** compliance carbon market with a rupee-denominated value per tonne.

SYLLABUS LINKAGE

GS-III: Effects of liberalisation on the economy; changes in industrial policy; environment and climate-change economics; India's trade and WTO/GATT commitments. **GS-II:** effect of developed-country policies on India's interests.

06 Great Nicobar Project: tribal council says its concerns are overlooked

GS PAPER 1 | Tribal Rights | GS 3 · Environment

WHY IN NEWS

Tribal leaders have accused the Andaman & Nicobar administration of seeking to drag the **Shompen**, an isolated indigenous community, into a “modern lifestyle” as part of the ₹91,000-crore **Great Nicobar Island (GNI)** development project — which includes a proposed power plant at **Galathea**, near Shompen settlements.

- Per the **Tribal Council of Great and Little Nicobar**, at a July 16 meeting the then-Chief Secretary said the Shompen **“cannot continue”** living as they do and must **“adopt a modern lifestyle”** with GNI’s development.
- The Council alleges its concerns were **omitted from later directions** issued by the administration.
- Members reiterated their demand to **relocate to ancestral villages** on the west coast of Greater Nicobar and asked why their **consent was not sought** with regard to wildlife-reserve notifications.
- The **Shompen** are a hunter-gatherer tribe of **fewer than 300** members, recognised as a **Particularly Vulnerable Tribal Group (PVTG)**.
- Two years ago the Environment Minister had stated in writing that the GNI project **“will not disturb or displace”** any Shompen — a claim the Council now contests.

Nicobar project: tribal council says its concerns are being overlooked

Abhinay Lakshman
NEW DELHI

Tribal leaders have accused the Andaman and Nicobar island administration of seeking to drag the Shompen, an isolated indigenous community into a “modern lifestyle” as part of the controversial Great Nicobar Island (GNI) development project. The project includes a proposed power plant at Galathea, located near Shompen settlements.

According to the Tribal Council of Great and Little Nicobar, when its members raised concerns about the Shompen being disturbed by the ₹91,000-crore project at a meeting on July 16, then-Chief Secretary Chandra Bhushan Kumar said that the Shompen “cannot continue” living the way they do and that they must also “adopt a modern lifestyle” that will come with GNI’s development. He added that a settlement for the Shompen may be built when the project comes up, the Council alleged in a statement on Monday.

Mr. Kumar, who was appointed Union Labour Secretary two weeks after that meeting, did not respond to *The Hindu*’s queries about the Council’s allegations.

The Shompen are a hunter-gatherer tribe with less than 300 members on Nicobar island, recognised as a Particularly Vulnerable Tribal Group (PVTG). Two years ago, Environment Minister Bhupendra Yadav had said in a written statement that the GNI infrastructure project “will not disturb or displace” any of the Shompen people.

The Tribal Council also says its concerns about the GNI project raised at the July 16 meeting were ignored, with any mention of them omitted in later directions issued by the administration. Later this week, the Council is set meet with administration officials again to discuss plans for the township that is part of the GNI project.

At the July 16 meeting, which was meant to discuss the concerns of the Nicobarese tribe, a larger indigenous community on the islands, about the proposed GNI project, Council members reiterated their demand to relocate to their ancestral villages along the west coast of Greater Nicobar and asked why their consent had not been sought with regard to the notification of wildlife reserves in the Nicobar group of islands.

In a recent letter to the administration, the Tribal Council said that instructions issued by the tribal welfare department referring directly to this July 16 meeting have not mentioned these issues

Officials of the tribal welfare department did not respond when reached for a comment.

The meeting with the Chief Secretary did nothing to clarify concerns that the Council raised expressed about the GNI project, it said, adding that on issues of relocation and project-affected villages, there were contradictory versions being given by the Chief Secretary and a member of the Andaman Adim Janjati Vikas Sangathan.

Construction workers build a road cutting through forest land, as part of the Great Nicobar Island Project. AFP

The Hindu · Page 12 · “Nicobar project: tribal council says its concerns are being overlooked”.

★Static — Particularly Vulnerable Tribal Groups (PVTGs)

- A sub-classification of **Scheduled Tribes** that are more vulnerable; created as **PTGs in 1975** on the **Dhebar Commission** recommendation and **renamed PVTGs in 2006**.
- **75 PVTGs** across 18 States & the UT of A&N Islands; population ~**45.56 lakh**.
- Largest populations: **Madhya Pradesh, Maharashtra, Andhra Pradesh**.
- **Criteria:** pre-agricultural technology, low literacy, economic backwardness, and a declining/stagnant population.

SYLLABUS LINKAGE

GS-I: Salient features of Indian society & diversity; tribal communities. **GS-III:** Environmental impact assessment; conservation vs. development; infrastructure & ecologically sensitive areas.

07 Panel asks government if it will push a de-dollarisation agenda

GS PAPER 2 | International Relations | BRICS

WHY IN NEWS

The **Parliamentary Standing Committee on External Affairs**, headed by **Shashi Tharoor**, questioned the government on whether it plans to push a **de-dollarisation agenda** at the **18th BRICS Summit** to be held in **New Delhi in September**.

- The query follows the **RBI's repeated advocacy** for linking BRICS countries' **official digital currencies** to ease cross-border trade and tourism payments — a framework it argues could reduce reliance on the **U.S. dollar**.
- Members asked why the government was not pursuing greater **"financial sovereignty"** that could help countries **bypass U.S. sanctions**.
- India's local-currency trade mechanism with **Russia had not taken off**; members sought to know if India, as host, would push a **"BRICS-led de-dollarisation agenda"**.
- U.S. President **Trump** has repeatedly warned BRICS against an alternative currency, threatening punitive tariffs.

Panel asks govt. if it will push agenda for de-dollarisation

Sobhana K. Nair

NEW DELHI

Members of the Parliamentary Standing Committee on External Affairs, headed by senior Congress leader Shashi Tharoor, on Tuesday questioned the government on whether it plans to push a de-dollarisation agenda at the 18th BRICS Summit to be held in New Delhi in September.

The questions come against the backdrop of the Reserve Bank of India's repeated advocacy for linking the official digital currencies of BRICS countries to facilitate cross-border trade and tourism payments. The Central bank has argued that such a framework could reduce reliance on the U.S. dollar amid rising geopolitical tensions.

Members of the committee questioned why the government was not pursuing greater "financial sovereignty" that could help countries bypass U.S. sanctions, sources said.

India's efforts to establish a similar local currency trade mechanism with Russia had not taken off, they said, and sought to know whether India, as the host nation, would push a "BRICS-led de-dollarisation agenda".

U.S. President Donald Trump has repeatedly warned BRICS countries against creating an alternative currency or taking steps that could challenge the dollar's dominance, threatening punitive tariffs and other measures.

India assumed the rotating chairship of BRICS on January 1 and will lead it till end of 2026.

The Hindu · Page 12 · India assumed the rotating BRICS chairship on January 1.

★Static Backgrounder — BRICS

- **Members (11):** Brazil, China, Egypt, Ethiopia, India, Indonesia, Iran, Russia, Saudi Arabia, South Africa, UAE.
- **Origins:** BRIC formalised in **2006** (UNGA sidelines); first summit at **Yekaterinburg, 2009**; South Africa joined (BRICS) in 2010–11.
- **Expansion:** Egypt, Ethiopia, Iran, Saudi Arabia, UAE (Jan 2024); Indonesia (Jan 2025); 10 **partner countries** added in 2025.
- **India's 2026 chairship theme:** "Building for **Resilience, Innovation, Cooperation and Sustainability**" (BRICS acronym).

SYLLABUS LINKAGE

GS-II: Bilateral, regional & global groupings and agreements involving India and/or affecting its interests; important international institutions. **GS-III:** international financial architecture; sanctions and currency.

MAINS PRACTICE QUESTIONS

Answer-writing practice — reframed from today's themes

Question 1 **GS-II · 10 Marks · 150 words**

The proposed amendment to the Foreign Contribution (Regulation) Act, allowing the State to take over the assets of an organisation on the mere lapse of its FCRA certificate, raises concerns about civil-society space. Critically examine the balance between regulating foreign funding of NGOs and safeguarding legitimate voluntary activity.

Hint: trace FCRA 2010 → 2020 amendments (transfer bar, 50%→20% admin cap) → 2026 asset takeover & auto-vesting on lapse; weigh national-security/transparency rationale against due process, federal and minority-institution concerns; note the JPC referral as a democratic safeguard; suggest safeguards (appeal, judicial review, proportionality).

Question 2 **GS-III · 15 Marks · 250 words**

"The EU's Carbon Border Adjustment Mechanism shifts part of Europe's decarbonisation burden onto developing-country exporters." In this light, discuss the case for an India Border Adjustment Mechanism (IBAM) and how India's Carbon Credit Trading Scheme can be leveraged to keep carbon revenues at home.

Hint: explain CBAM & its definitive regime (2026); the free-allowance/subsidy asymmetry and GATT Article III concern; India-EU FTA Annex 14-A & CBAM Article 9 offset route; design IBAM via CCTS with ring-fenced green-transition funding; assess feasibility, WTO-compatibility and revenue sovereignty.

PRELIMS PRACTICE — 10 MCQs

Based on today's edition · answer key with explanations follows

Q1. With reference to the Foreign Contribution (Regulation) Act, consider the following:

1. The 2020 amendments barred transfer of foreign funds from one FCRA-registered body to another.
2. They reduced the share of foreign funds usable for administrative expenses from 50% to 20%.
3. The FCRA is administered by the Ministry of External Affairs.

a) 1 and 2 only
b) 2 and 3 only
c) 1 and 3 only
d) 1, 2 and 3

Q2. The Joint Parliamentary Committee (JPC) constituted to review the FCRA Bill, 2026:

1. Has 31 members in all.
2. Includes members from both the Lok Sabha and the Rajya Sabha.
3. Members from the Rajya Sabha are nominated by the Vice-President.

a) 1 and 2 only
b) 2 and 3 only
c) 1 and 3 only
d) 1, 2 and 3

Q3. Regarding the removal of judges in India, consider the following:

1. Article 124(4) provides the grounds for removal of Supreme Court judges.
2. The provisions are extended to High Court judges by Article 218.
3. A removal motion in the Rajya Sabha requires the support of at least 100 members.

a) 1 and 2 only
b) 2 and 3 only
c) 1 and 3 only
d) 1, 2 and 3

Q4. The inquiry committee under the Judges (Inquiry) Act, 1968 comprises:

1. A Supreme Court judge or the Chief Justice of India.
2. The Chief Justice of a High Court.
3. An eminent jurist.

a) 1 and 2 only
b) 2 and 3 only
c) 1 and 3 only
d) 1, 2 and 3

Q5. With reference to retail inflation (CPI) in India, consider the following:

1. The CPI is released by the National Statistical Office under MoSPI.
2. The RBI’s flexible inflation target is 4% with a tolerance band of +/- 2%.
3. The new base year of the CPI series is 2024.

a) 1 and 2 only
b) 2 and 3 only
c) 1 and 3 only
d) 1, 2 and 3

Q6. Consider the National Food Security Act (NFSA) and its proposed amendment:

1. Priority Households currently receive 5 kg of foodgrains per person per month.
2. AAY households currently receive a flat 35 kg per household.
3. The NFSA coverage ceiling is based on the 2011 Census.

a) 1 and 2 only
b) 2 and 3 only
c) 1 and 3 only
d) 1, 2 and 3

Q7. The Carbon Border Adjustment Mechanism (CBAM) is:

1. A levy by the European Union on the embedded carbon of certain imports.
2. In its definitive (fully in-force) phase from January 1, 2026.
3. Applicable to India with a country-specific exemption under the India-EU FTA.

a) 1 and 2 only
b) 2 and 3 only
c) 1 and 3 only
d) 1, 2 and 3

Q8. With reference to Particularly Vulnerable Tribal Groups (PVTGs), consider the following:

1. They were created on the recommendation of the Dhebar Commission.
2. The Shompen of the Nicobar Islands are recognised as a PVTG.
3. There are 75 PVTGs in India at present.

a) 1 and 2 only
b) 2 and 3 only
c) 1 and 3 only
d) 1, 2 and 3

Q9. Which of the following are criteria for identifying a PVTG?

1. Pre-agricultural level of technology.
2. A growing population.
3. Low level of literacy.

a) 1 and 2 only
b) 1 and 3 only
c) 2 and 3 only
d) 1, 2 and 3

Q10. With reference to BRICS, consider the following:

1. The first BRIC summit was held at Yekaterinburg in 2009.
2. Indonesia became a full member in January 2025.
3. India assumed the rotating chairship of BRICS for 2026.

a) 1 and 2 only
b) 2 and 3 only
c) 1 and 3 only
d) 1, 2 and 3

☑Answer Key

Q1	(a)	Q2	(a)	Q3	(a)	Q4	(d)	Q5	(d)
Q6	(d)	Q7	(a)	Q8	(d)	Q9	(b)	Q10	(d)

Q1 (a) — The 2020 amendments barred inter-NGO transfer of foreign funds and cut the admin-expense cap from 50% to 20%. FCRA is administered by the **Ministry of Home Affairs**, not External Affairs — so 1 & 2 only.

Q2 (a) — The JPC has 31 members drawn from both Houses (21 LS + 10 RS). Rajya Sabha members were nominated by the **Chairman (C.P. Radhakrishnan)**, not the Vice-President in that capacity — so 1 & 2 only.

Q3 (a) — Article 124(4) gives the grounds and Article 218 extends them to HC judges. A removal motion needs **100 members in the Lok Sabha** or **50 in the Rajya Sabha** — statement 3 is wrong.

Q4 (d) — The three-member committee comprises an SC judge (or CJI), a Chief Justice of a High Court, and an eminent jurist — all three correct.

Q5 (d) — CPI is released by the NSO/MoSPI; the RBI target is 4% (+/- 2%); and the rebased CPI uses 2024 as base year — all three correct.

Q6 (d) — Priority Households get 5 kg/person/month, AAY households get a flat 35 kg/household, and the NFSA coverage ceiling rests on the 2011 Census — all correct.

Q7 (a) — CBAM is an EU levy on embedded carbon, in its definitive phase from 1 Jan 2026. The India-EU FTA gives **no country-specific exemption** — so 1 & 2 only.

Q8 (d) — PVTGs trace to the Dhebar Commission; the Shompen are a recognised PVTG; and there are 75 PVTGs — all correct.

Q9 (b) — Criteria include pre-agricultural technology and low literacy; the population must be **declining or stagnant**, not growing — so 1 & 3 only.

Q10 (d) — The first BRIC summit was at Yekaterinburg (2009), Indonesia became a full member in Jan 2025, and India holds the 2026 chairship — all correct.