UPSC
CURRENT AFFAIRS

FEBRUARY 2026 : WEEK-3

Contents

1. AgriStack, which FM Nirmala Sitharaman has termed as the 'next UPI'

AgriStack

India's Digital Public Infrastructure for Transforming Agriculture

- AgriStack is a Digital Public Infrastructure (DPI) initiative under the Digital Agriculture Mission (DAM), approved by the Union Cabinet in September 2024.
- Announced and reinforced by Finance Minister Nirmala Sitharaman, it aims to digitally integrate agricultural data to improve farm productivity, streamline services, and reduce risks for farmers.
- It is also being positioned as a major digital reform—comparable to India's UPI revolution in payments.

What is AgriStack?

- A centralized digital agriculture ecosystem consolidating farmer and land data.
- Launched in 2024 under India's Digital Public Infrastructure (DPI) Mission.
- Provides each farmer with a unique digital identity (Farmer ID) similar to Aadhaar.
- **Designed to:**
  - o Improve productivity
  - o Enable better decision-making
  - o Provide customized advisory support
  - o Reduce paperwork and physical visits to offices
- Three Foundational Registries of AgriStack
  - o AgriStack is built on three core databases, created and maintained by State Governments/UTs:

1. Farmer Registry

- **Issues Farmer ID linked dynamically to:**
  Land records (RoR – Records of Rights)

  - o Livestock ownership
  - o Crops sown

  - o Demographic & family details
  - o Schemes and benefits availed

- **Target:** 11 crore farmers
- **Created so far:** 8.62 crore IDs

- **Faster implementation in states like:**
  o Maharashtra, Madhya Pradesh, Rajasthan, Gujarat, Chhattisgarh
  o Andhra Pradesh, Karnataka, Tamil Nadu, Telangana
- **Timeline:**
  o **National target:** March 2027
  o **North Eastern States:** March 2028
  o Funded under Special Assistance to States for Capital Investment 2024–25

2. Crop Sown Registry

- Records details of crops planted each season.
- Data collected via mobile-based Digital Crop Surveys (DCS).
- Pilot conducted in 11 states (2023–24).
- **Target:**
  o Cover 30 crore farm plots
  o Across 604 districts
- **By Kharif 2026**
  Over 70% coverage achieved in targeted villages across 15 states including:
  o Chhattisgarh, Assam, Karnataka, Tamil Nadu, Odisha
  o Madhya Pradesh, Andhra Pradesh, Gujarat, Uttar Pradesh
  o Rajasthan, Bihar, Mizoram, Tripura, Sikkim, Jammu & Kashmir

3. Geo-Referenced Village Map Registry

- Contains geo-tagged land records with latitude & longitude.
- 5.4 lakh villages geo-referenced out of 6.75 lakh.
- Target: Complete coverage by March 2027

Digital Agriculture Mission (DAM)

- The Digital Agriculture Mission (DAM) is a flagship initiative of the Ministry of Agriculture & Farmers Welfare aimed at modernizing Indian agriculture through digital technologies, data integration, and farmer-centric services.

Objectives

- Create a centralized digital agriculture ecosystem
- Build a national farmer database
- Improve targeted delivery of subsidies and schemes

- Promote precision farming & smart agriculture
- Enable data-driven policymaking

Key Components

- AgriStack
- A federated farmers' database
- Unique digital ID for farmers
- Land records + crop data integration
- Krishi Decision Support System (DSS)
- Uses satellite imagery, AI, and GIS
- Crop monitoring & yield estimation
- Weather and pest advisories
- Digital Crop Survey
- Technology-based crop area estimation
- Real-time field data collection via mobile apps
- Integration with Other Schemes
- Links with programs like PM-KISAN
- Supports insurance schemes such as Pradhan Mantri Fasal Bima Yojana

Benefits

- Faster and transparent service delivery
- Reduced leakages in subsidy distribution
- Improved farmer access to credit and insurance
- Better disaster and risk management

Technologies Used

- Artificial Intelligence (AI)
- Remote sensing & satellite data
- GIS mapping
- Mobile applications
- Cloud-based platforms

Unified Payments Interface

- UPI (Unified Payments Interface) is a real-time digital payment system developed by NPCI that allows instant money transfers between bank accounts using a mobile device.
- It enables users to link multiple bank accounts into a single mobile application and transfer funds using a UPI ID, mobile number, QR code, or bank details.

Key Features of UPI

- **Instant Transfers** – 24/7 real-time money transfer
- **Single Mobile App Access** – Manage multiple bank accounts in one app

- **No Need for IFSC or Account Number** – Uses UPI ID (*e.g.*, name@bank)
- **Secure Authentication** – Two-factor authentication (MPIN + device binding)
- **QR Code Payments** – Scan and pay instantly
- **Interoperable** – Works across different banks
- **Popular UPI apps include:**
  - Google Pay
  - PhonePe
  - Paytm
  - BHIM

Benefits of UPI

Convenience: No need to carry cash or cards. Payments can be made anytime, anywhere.

Speed: Transactions are processed instantly, even on holidays.

Cost-Effective: Most UPI transactions are free for users.

Safe & Secure: Uses bank-level security and two-factor authentication.

Wide Acceptance: Accepted by small vendors, shops, e-commerce platforms, and service providers.

- **Supports Various Payments**
  - Person-to-person transfers
  - Utility bill payments
  - Online shopping
  - Merchant payments
  - Subscription payments

QUESTIONS

1. Consider the following statements regarding the Digital Agriculture Mission:

   1. The mission was approved by the Union Cabinet Committee in September 2024.

   2. It aims to create Digital Public Infrastructure (DPI) exclusively for crop insurance management.

   3. The mission includes AgriStack and the Krishi Decision Support System as foundational pillars.

   Which of the statements given above is/are correct?

   A. 1 and 3 only

   B. 2 only

   C. 1, 2 and 3

   D. 1 only

2. With reference to AgriStack under the Digital Agriculture Mission, consider the following statements:

   1. It provides a unique Farmer ID linked to farmer-related databases.

   2. The Farmer ID is issued and maintained by the Reserve Bank of India.

   3. It includes geo-referenced village maps and crop sown registries.

   Which of the statements given above is/are correct?

   A. 1 and 3 only

   B. 1 only

   C. 2 and 3 only

   D. 1, 2 and 3

3. Consider the following statements about the Krishi Decision Support System (DSS):

   1. It integrates remote sensing data related to crops, soil, weather, and water resources.
   2. It functions as a subsidy disbursement platform for fertilizers.
   3. It is designed to provide geospatial decision support for agriculture planning.

   Which of the statements given above is/are correct?

   A. 1 and 3 only
   B. 1 only
   C. 2 and 3 only
   D. 1, 2 and 3

4. Consider the following statements regarding Soil Profile Mapping under the Digital Agriculture Mission:

   1. Soil mapping is planned at a scale of 1:10,000.
   2. The mapping exercise aims to cover approximately 142 million hectares of agricultural land.
   3. The soil mapping is intended only for research purposes and not for farmer advisories.

   Which of the statements given above is/are correct?

   A. 1 and 2 only
   B. 2 only
   C. 1, 2 and 3
   D. 1 and 3 only

5. With reference to the benefits of the Digital Agriculture Mission, consider the following statements:

   1. It aims to reduce paperwork and physical visits through digital authentication.
   2. It will enable crop monitoring to improve disaster response and insurance claims.
   3. It eliminates the role of state governments in agricultural data management.

   Which of the statements given above is/are correct?

   A. 1 and 2 only
   B. 1 only
   C. 2 and 3 only
   D. 1, 2 and 3

2. World Radio Day 2026

- World Radio Day, observed annually on February 13 commemorates the establishment of United Nations Radio in 1946.
- The theme of World Radio Day 2026 is "Radio and Artificial Intelligence: AI is a tool, not a voice."
- The first Community Radio Station was inaugurated on February 1, 2004 by Bharat Ratna Shri Lal Krishna Advani.
- Ram Singh Bouddh from Amroha, Uttar Pradesh, known as the "Radio Man of India," was recognised by Guinness World Records in 2025 for owning the world's largest collection of 1,257 radios.

Introduction

- Radio has always carried a certain charm — intimate yet expansive, simple yet powerful.

- It slips quietly into daily life, asking for little but offering companionship, information and a sense of belonging.

- Long before screens dominated attention, radio was the trusted voice in the room — connecting distant geographies, diverse languages and countless lives through shared listening.

- Many historical moments are etched in collective memory through radio announcements.

- How can one forget the night of August 14-15, 1947 when the radio sets cackled to announce the independence of India.

- In that singular broadcast, radio did not simply deliver news — it united a vast, diverse nation in one shared sound of freedom.

Historical Background

- World Radio Day (WRD) was proclaimed by United Nations Educational, Scientific, and Cultural Organization (UNESCO) at its 36th General Conference in 2011 and was later adopted by the United Nations General Assembly during its 67th session in 2012, making it an officially recognised international observance.

- It is celebrated annually on 13th February, to commemorate the establishment of United Nations Radio in 1946, which began broadcasting soon after World War II and symbolised an early commitment to global communication and information sharing.

Theme of World Radio Day 2026

- The theme of World Radio Day 2026 — "Radio and Artificial Intelligence: AI is a tool, not a voice" — underscores the growing role of Artificial Intelligence in the broadcasting ecosystem.

- It highlights how AI can enhance content production, archiving, translation, audience engagement and accessibility, making radio more efficient and inclusive.

- At the same time, the theme emphasises that technology must remain a support system, not a substitute for the human voice, editorial judgement and credibility that define radio.

- By encouraging ethical and responsible use of AI, the theme reaffirms that innovation should strengthen radio's core values of trust, authenticity and community connection in the digital age.

All India Radio: India's Public Service Broadcaster

- All India Radio (AIR), popularly known as Akashvani, is the radio vertical of Prasar Bharati, India's national broadcaster and has been serving the nation since its inception with the motto "Bahujan Hitaya, Bahujan Sukhaya", (for the welfare and happiness of the masses).

- Established in 1936 and brought under public ownership after Independence, AIR has grown into one of the largest broadcasting organisations in the world, in terms of the number of languages broadcast and the diversity of audiences served.

- AIR's Home Service comprises 591 broadcasting centres across the country, covering nearly 92% of India's geographical area and 99.19% of its population.

- Terrestrially, it originates programming in 23 languages and 182 dialects, reflecting India's vast socio-economic and cultural diversity.

- Through Medium Wave (MW), Short Wave (SW), FM and digital platforms, AIR reaches audiences in metropolitan cities as well as in remote, rural and border regions.

- Its programming spans news, current affairs, agriculture, education, health awareness, youth content, classical and folk music, and cultural programming.

- During emergencies and natural disasters, AIR has consistently provided timely alerts and verified information.

- As the media landscape evolves, AIR continues to transform and expand its footprint while remaining committed to inclusivity, credibility and national integration, embodying the enduring spirit of World Radio Day.

- This was Evident during the COVID-19 pandemic, when schools in rural Bihar, Jharkhand and parts of Madhya Pradesh were shut and digital access remained limited, students relied on All India Radio (AIR) educational broadcasts to continue learning.

- In areas where smartphones and stable internet were scarce, radio quietly ensured continuity of education.

- Similarly, in disaster-prone coastal regions of Odisha and Tamil Nadu, fishermen routinely depend on AIR weather bulletins before venturing into the sea.

- During severe cyclones such as Fani (2019), timely radio alerts enabled many to return safely to the shore, reaffirming radio's role as a dependable emergency communication tool when mobile networks fail.

Private FM Radio — Expanding Reach and Local Content

- Private FM radio complements public broadcasting by delivering local entertainment and information across urban and regional India.

- In August 2024, the Union Cabinet approved the rollout of 730 new FM channels in 234 previously uncovered cities and towns, with a reserve price of Rs. 784.87 crore, marking a significant step toward expanding regional content and generating new employment opportunities.

- This expansion further reinforces the role of private FM radio in complementing public broadcasting by delivering local entertainment, news, and information across urban and regional India.

- As per the Ministry of Information & Broadcasting, 391 private FM channels are currently operational in 119 cities under the FM Phase-III policy.

Community Radio in India: Lifeline for Local Voices

- Community Radio Stations (CRSs) are low-power, non-commercial stations set up and operated by local communities to address their specific communication needs. Community Radio (CR) is the third tier of radio broadcasting in India, distinct from Public Service and Commercial Radio.

- The journey of Community Radio in India started in the year 2002, when the Government of India approved a Policy for the grant of licenses for setting up of Community Radio Stations to well established educational institutions including IITs/IIMs.

- The first Community Radio Station was inaugurated on February 1, 2004 by Bharat Ratna Shri Lal Krishna Advani. A key milestone followed in 2005 with the launch of Anna Community Radio (90.4 MHz) by Anna University.

- Community Radio serves as a platform for local voices, focusing on issues such as health, nutrition, education, agriculture, and social development. Broadcasting in local languages and dialects, it ensures wider reach and instant community connect. In a culturally and linguistically diverse country like India, CRSs also play a significant role in preserving folk traditions, local music, and cultural heritage, while providing opportunities for local artists.

- Over the years, the sector has grown steadily, and India currently has 528 Community Radio Stations, underscoring the role of Community Radio as an effective instrument of grassroots communication and community empowerment.

Indian Army's Community Radio Initiatives

- Demonstrating radio's strategic relevance in remote and border areas, the Indian Army launched "Ibex Tarana 88.4 FM" in Jyotirmath, Uttarakhand (June 2025) to amplify local voices and disseminate information on education, health and disaster preparedness.

- In January 2026, the Army, along with civil authorities and local residents, launched "Radio Sangam 88.8 FM" in Rajouri, Jammu & Kashmir, the first community radio station along the Line of Control, aimed at promoting verified information and counter cross-border propaganda.

Voices from the Ground — Radio in Everyday India

- Radio also plays a critical role during emergencies.

- When natural disasters or crises disrupt electricity, internet services, or other communication networks, radio often remains the most reliable source of trusted and timely information.

- Even today, it continues to be a lifeline for public safety and awareness. Radio's strength lies not only in its reach, but in its relevance.

- The following examples demonstrate how radio remains deeply embedded in India's social, developmental and emergency communication framework.

- Community participation further strengthens radio's grassroots impact.

- In Bundelkhand, women-led community radio initiatives have provided platforms to discuss girls' education, agriculture and welfare schemes, empowering first-time broadcasters to become local changemakers.

- In Kutch, community radio preserves dialects and oral traditions, safeguarding cultural heritage.

- In Kutch, Gujarat, community radio stations broadcast in the Kutchi dialect, airing folk songs, oral histories and storytelling sessions.

- As local dialects gradually decline, radio serves as a cultural archive and an emotional bridge for migrants living away from home.

- In Tihar Jail, Delhi, inmate-run radio initiatives produce programmes on legal awareness, mental health, music and poetry, fostering expression, confidence and rehabilitation through constructive engagement.

- In the hills of Uttarakhand, where internet connectivity is often unreliable, community radio provides landslide warnings, farming advisories, job information and folk music, remaining accessible and dependable for remote and elderly populations.

- In metropolitan cities like Delhi and Mumbai, FM radio continues to be part of daily urban life, with taxi and auto drivers tuning in for traffic updates, cricket commentary, music and interactive shows — underscoring radio's enduring relevance even in a highly digitised city.

Mann Ki Baat — Reinforcing the Power of Radio in the Digital Age

- In an era dominated by digital and social media platforms, the choice of radio by Prime Minister Narendra Modi as a primary medium for direct communication with citizens underscores the enduring relevance and trust associated with radio.

- Launched on 3 October 2014, Mann Ki Baat is a monthly radio programme broadcast on All India Radio (AIR) and carried across multiple languages and regions, ensuring its reach to the remotest corners of the country.

- Aired usually on the last Sunday of every month, Mann Ki Baat has completed 130 editions, making it one of the longest-running radio outreach initiatives by a head of government.

- The programme exemplifies how radio continues to be an effective tool for mass communication even in the digital age, transcending barriers of literacy, internet access and geography.

- Through Mann Ki Baat, the Prime Minister highlights grassroots innovations, social movements, cultural traditions and citizen-led initiatives, reinforcing participatory governance and national integration.

- Its simultaneous availability on digital platforms further demonstrates radio's ability to seamlessly integrate with new technologies while retaining its core strength—credibility, simplicity and inclusiveness.

- The sustained success of Mann Ki Baat reaffirms radio's unique capacity to connect with people at scale, making it a powerful and relevant medium in contemporary public communication, in line with the spirit of World Radio Day.

- World Radio Day highlights the continued relevance of radio as a trusted, easily accessible and inclusive medium.

- Despite rapid digitalisation, radio remains vital in reaching diverse and underserved populations, overcoming barriers of literacy, language and connectivity, and supporting public information, education and disaster communication.

- In India, public service and community radio strengthen participatory communication by amplifying local voices and contributing to development and social cohesion.

- As emphasised by UNESCO, sustained policy support and innovation are essential to preserve radio as a platform for free expression, credible information and inclusive dialogue, ensuring its enduring role in a rapidly evolving media landscape.

QUESTIONS

6. With reference to World Radio Day, consider the following statements:

   1. World Radio Day is observed annually on 13 February to commemorate the establishment of United Nations Radio.

   2. UNESCO proclaimed World Radio Day in 2011 and it was later adopted by the UN General Assembly.

   3. World Radio Day 2026 theme emphasises replacing human broadcasters with artificial intelligence.

   Which of the statements given above is/are correct?

   A. 1 and 2 only

   C. 1 and 3 only

   B. 2 and 3 only

   D. 1, 2 and 3

7. Consider the following statements regarding radio broadcasting in India:

1. All India Radio (Akashvani) functions under Prasar Bharati.
2. AIR was established in 1936 and later came under public ownership after Independence.
3. The first community radio station in India was inaugurated in 2014.

Which of the statements given above is/are correct?

A. 1 and 2 only

B. 2 only

C. 1 and 3 only

D. 1, 2 and 3

8. Consider the following pairs:

1. International Year of the Woman Farmer **: 2026**
2. International Year of Sustainable and Resilient Tourism **: 2027**
3. International Year of Peace and Trust **: 2025**
4. International Year of Asteroid Awareness and Planetary Defence **: 2029**

How many of the pairs given above are correctly matched?

A. Only one

B. Only two

C. Only three

D. All the four

9. Consider the following statements:

1. **21 February** is declared as *International Mother Language Day* by UNICEF.
2. The demand that **Bangla (Bengali)** be recognized as one of the national languages was raised in the Constituent Assembly of Pakistan.

Which of the statements given above is/are correct?

A. 1 only

B. 2 only

C. Both 1 and 2

D. Neither 1 nor 2

3. Tamil, Sanskrit and Prakrit names ended up on the walls of Egyptian Pharaohs' tombs

Landmark Discovery (2024–2025)

- Nearly 30 Indian inscriptions were identified in Egypt's Valley of the Kings.
- Documented by Charlotte Schmid (EFEO) and Ingo Strauch (University of Lausanne).
- Findings presented in their paper "From the Valley of the Kings to India: Indian Inscriptions in Egypt."
- Inscriptions date to the 1st–3rd centuries C.E.

Languages and Scripts Identified

20 inscriptions in Tamil-Brahmi (Tamili)

- **Remaining in:**
  - Sanskrit
  - Prakrit
  - Gandhari-Kharosthi
- Found across six tombs in the Theban Necropolis.

The Repeated Name: Cikai Koṟṟaṉ

- Appears eight times across five tombs.
- One inscription placed 4 metres high, suggesting deliberate visibility.
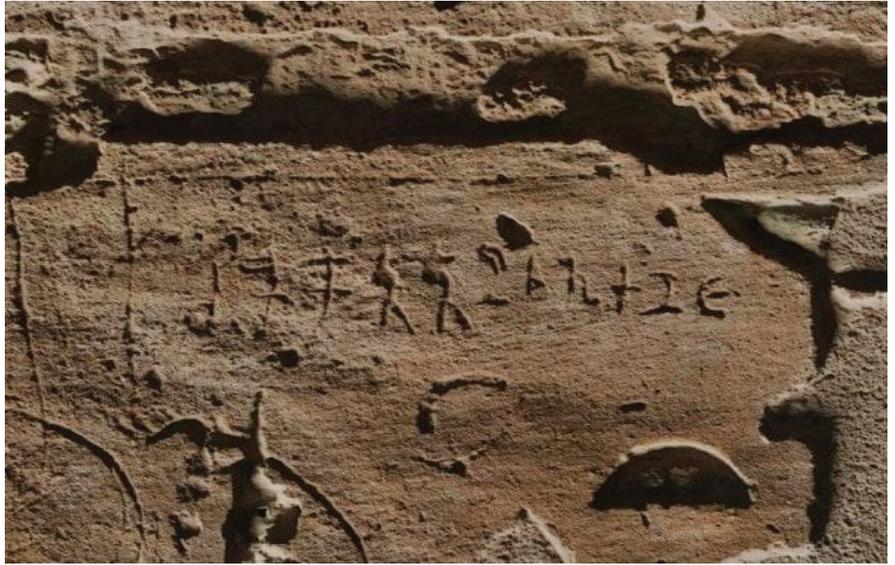
Linguistic significance:

- Cikai possibly linked to Sanskrit śikhā (tuft/crown).
- **Kotuft rooted in Tamil, meaning victory/slayer, linked to:**
  - Koooted
  - Reflects Tamil–Sanskrit hybridity, showing multilingual culture among merchants.
- **Name parallels found:**
  - At Berenike
  - In the Sangam corpus (*e.g.*, Chera king Piing Ping P).

"Kopāṉ Came and Saw"

- **Tamil inscription:** "Kopāl varata kantan" (Kopāp came and saw).
  - Mimics common Greek graffiti formula.
  - Suggests Indians adopted Mediterranean visitor customs.
- **Other Tamil names found:**
  - Cātar
  - Kirar

  (Both known from early Tamil-Brahmi inscriptions in South India.)

Not Just Tamil Traders

- Sanskrit inscription mentions an envoy of a Kshaharata dynasty king.
- **Indicates:**
  - Presence of northwestern and western Indian visitors (Gujarat, Maharashtra).
  - Possible links to ruling lineages — not just merchants.
  - Confirms pan-Indian participation in Indo-Roman trade networks.

From Port to Pharaohs: Beyond Coastal Trade

- Earlier evidence focused on Berenike (Red Sea trade hub).
- The Valley of the Kings lies far inland in the Nile Valley.

- **Shows Indians:**
  - Travelled deep into Egypt
  - Visited monumental/sacred sites
  - Participated in cosmopolitan travel rituals

Historical Significance

- Tamil-Brahmi inscriptions in India number only about 100 known examples.
- Adding 20 more from Egypt is substantial.
- **Suggests:**
  - Higher literacy among merchant communities.
  - Strong Indian presence in Roman Egypt.
  - Indians were not abstract trade partners — they were named individuals physically present in Egypt.

Rethinking Indo-Roman Trade

- **Classical writers like:**
- **Pliny the Elder**
- **Ptolemy**
  - had documented Indo-Roman trade.
  - These inscriptions provide direct archaeological proof of Indians in Egypt.
- **Evidence of:**
  - Mobility
  - Multilingualism
  - Cultural integration
- Early globalisation in the Indian Ocean world

Why This Discovery Matters

- Reveals a cosmopolitan Indian Ocean network 2,000 years ago.
- **Connects:**
  - Tamilagam
  - Western & Northwestern India
  - Roman Egypt
- **Demonstrates:**
  - Cultural exchange beyond commerce
  - Indian participation in Mediterranean travel culture
  - Deep historical roots of global connectivity

Egypt's Valley of the Kings

- The Valley of the Kings is one of the most famous archaeological sites in the world. Located on the west bank of the Nile River near Luxor, it served as the royal burial ground for Egypt's New Kingdom pharaohs.

Historical Background

- Used roughly between 1539–1075 BCE during Egypt's New Kingdom.
- Chosen because its remote desert location helped protect royal tombs from grave robbers.
- Contains 60+ tombs, ranging from simple pits to elaborate, richly decorated burial chambers.

Famous Tombs

- **Tutankhamun (KV62)** – Discovered in 1922 by Howard Carter, his tomb was nearly intact and filled with treasures, including the famous golden mask.
- **Ramesses II (KV7)** – One of Egypt's most powerful rulers.
- **Seti I (KV17)** – Known for having one of the most beautifully decorated tombs.

Why It Was Built Here

- The valley sits beneath a pyramid-shaped mountain called Al-Qurn, which may have symbolically resembled the pyramids of earlier periods.

What's Inside the Tombs?

- Wall paintings showing journeys to the afterlife
- Hieroglyphic texts like the Book of the Dead
- Burial chambers and sarcophagi
- Hidden corridors designed to deter thieves

UNESCO Status

- The Valley is part of the UNESCO World Heritage Site known as Ancient Thebes with its Necropolis.

10. Recent discoveries of inscriptions in the **Valley of the Kings** in Egypt have provided evidence of ancient contacts between India and the Mediterranean world. Consider the following statements:

    1. The inscriptions were found in the Theban Necropolis on the west bank of the Nile.

    2. Most of the inscriptions are written in Tamil Brahmi and record royal edicts issued by Chera rulers.

    3. The graffiti appear alongside Greek inscriptions, suggesting a shared visitor practice.

    Which of the statements given above is/are correct?

    A. 1 and 3 only
    B. 2 only
    C. 1, 2 and 3
    D. 1 only

11. The repeated appearance of the Tamil Brahmi name "Cikai Kooai " in Egyptian tomb graffiti is historically significant because it:

    A. proves the presence of Tamil mercenary soldiers in Egypt.

    B. indicates pilgrimage routes linking South India and Egyptian temples.

    C. reflects Indo-Roman trade networks connecting Tamilagam with Red Sea ports such as Berenike.

    D. confirms the political control of the Chera kingdom over Egyptian territories.

12. With reference to the **Classical Language status in India**, consider the following statements:

    1. The Government of India created the category of Classical Languages in 2004.

    2. Tamil was the first language to be declared a Classical Language.

    3. The criteria require the language to have borrowed its literary tradition from another speech community.

    Which of the statements given above is/are correct?

    A. 1 and 2 only
    B. 2 and 3 only
    C. 1 and 3 only
    D. 1, 2 and 3

13. Which of the following languages were granted **Classical Language status prior to 2015**?

    1. Telugu

    2. Kannada

    3. Malayalam

    4. Odia

    Select the correct answer using the code below:

    A. 1 and 2 only
    B. 1, 2 and 3 only
    C. 1, 2, 3 and 4
    D. 2 and 4 only

14. The revised criteria (2024) for granting Classical Language status include which of the following?

1. Antiquity of early texts dating 1500–2000 years.
2. Presence of prose texts along with poetic literature.
3. Mandatory continuity between classical and modern forms.
4. Epigraphical and inscriptional evidence.

Select the correct answer:

A. 1 and 2 only
B. 1, 2 and 4 only
C. 1, 3 and 4 only
D. 1, 2, 3 and 4

15. Which of the following languages were recommended by the Linguistic Experts Committee (2024) for Classical Language status?

1. Marathi
2. Pali
3. Prakrit
4. Assamese
5. Bengali

Select the correct answer:

A. 1, 2 and 3 only
B. 1, 2, 3 and 4 only
C. 1, 3, 4 and 5 only
D. 1, 2, 3, 4 and 5

4. The new Digital Personal Data Protection Act faces a constitutional challenge in the Supreme Court

- Three Public Interest Litigations (PILs) challenging the constitutionality of the Digital Personal Data Protection Act, 2023 have been admitted by the Supreme Court.
- Filed by the National Campaign for Peoples' Right to Information (NCPRI), transparency activist Venkatesh Nayak, and The Reporters' Collective Trust, the petitions argue that the law weakens the Right to Information (RTI), curtails investigative journalism, and expands state surveillance powers.
- A Constitution Bench of five judges will hear the matter in March. The Court has issued notice to the Centre but declined interim relief.

Core Objection: Privacy vs Transparency

Amendment to RTI Act, 2005

- Section 44(3) of the DPDP Act amends Section 8(1)(j) of the Right to Information Act, 2005.
- **Earlier:** Personal information could be denied only if it had no public interest link or caused unwarranted invasion of privacy.

- Crucially, there was a "public interest override", allowing disclosure if larger public interest justified it.
- **Now:** The amended provision broadly exempts all "personal information" from disclosure — removing the public interest balancing test.

Petitioners' Argument

- Converts a nuanced exemption into a blanket ban.
- Shields corruption-related records (asset disclosures, tenders, file notings).
- Undermines participatory democracy and open governance.
- Violates the proportionality doctrine laid down in the Justice K.S. Puttaswamy v. Union of India judgment.
- Termed "manifestly arbitrary" for creating an opaque class of information regardless of public interest.

Impact on Investigative Journalism

- Journalists as "Data Fiduciaries"
- The Act may classify journalists collecting personal data during investigations as data fiduciaries.
- **This requires:**
  o Prior notice to individuals being investigated.
  o Obtaining their consent.
  o Erasing data if consent is withdrawn (Section 12).

Concerns Raised

- Investigative reporting may become impractical or impossible.
- Post-publication validation could be blocked.

- Risk of penalties up to Rs. 250 crore may create a "chilling effect".
- Fear of self-censorship in reporting corruption or wrongdoing involving personal data.

Expansion of State Surveillance Powers

Challenge to Section 36

- Allows the Union government to call for information from any data fiduciary.

Petitioners' Concerns

- Enables "unreasonable digital searches".
- Lacks procedural safeguards and independent oversight.
- No appeal or review mechanism against government orders.
- Could compel media houses to disclose confidential sources.
- Raises fears of data centralisation and potential misuse for electoral or policy influence.

Independence of Data Protection Board

Appointment Process

- Under the notified Rules, the selection committee for the Data Protection Board consists solely of government officials and nominees.

Allegations

- "Complete executive dominance" undermines separation of powers.
- The Board performs quasi-judicial functions yet lacks institutional independence.
- Since the government is the largest data collector, executive control over the regulator raises impartiality concerns.

Public Interest Litigations (PILs)

PUBLIC INTEREST LITIGATION OF INDIAN CONSTITUTION

INTRODUCTION
Any citizen or organization can file cases to seek **COURT'S INTERVENTION** against any **PUBLIC ISSUE**

PURPOSE
To protect and promote the **PUBLIC INTEREST**

WHO CAN FILE
Citizen   Organization   Court

- Public Interest Litigations (PILs) are a unique legal mechanism in India that allows individuals or organizations to approach the courts to seek justice in matters where the public interest is at stake, even if the petitioner is not directly affected.
- They were introduced to make justice accessible to disadvantaged or marginalized sections of society who might not have the resources or ability to approach the courts themselves.

1. Origin and Concept

- PILs evolved from the traditional concept of locus standi, which required the petitioner to have a direct interest in the case.
- In the 1980s, the Supreme Court of India relaxed this principle, allowing concerned citizens and NGOs to file petitions for broader public interest issues.
- **The key idea:** the court intervenes in matters affecting public welfare, environmental protection, human rights, or government accountability.

2. Legal Basis

- PILs are not explicitly mentioned in any statute but have been recognized and developed through judicial activism.
- **They are primarily governed by:**
  - Article 32 of the Constitution (Supreme Court)
  - Article 226 of the Constitution (High Courts)
- These articles empower courts to protect fundamental rights and ensure justice.

3. Who Can File a PIL?

- Any public-spirited individual or organization.
- NGOs and civil society groups often file PILs on behalf of disadvantaged communities.
- Courts have discouraged PILs from being misused for personal or political gains.

4. Types of PILs

- **Environmental PILs** – Address pollution, deforestation, and ecological damage.
- **Human Rights PILs** – Focus on the rights of prisoners, bonded laborers, minorities, and marginalized groups.
- **Consumer Protection & Governance PILs** – Target corruption, maladministration, and public safety issues.
- **Social Justice PILs** – Address education, health, and access to basic services.

5. Key Features

- Reduces strict formalities of civil procedures.
- Courts can suo motu (on their own) initiate a PIL.
- Aim is to provide speedy remedies and protect public interest.
- PILs are tools for judicial activism, allowing courts to enforce social and economic rights.

6. Landmark PIL Cases in India

- **MC Mehta v. Union of India** – Environmental regulations and Ganga pollution.
- **Hussainara Khatoon v. Home Secretary, Bihar** – Rights of undertrial prisoners.
- **Vishaka v. State of Rajasthan** – Guidelines against sexual harassment at workplace.

QUESTIONS

16. With reference to the amendments made to the **Right to Information (RTI) Act, 2005** by the Digital Personal Data Protection Act, 2023, consider the following statements:

    1. The amendment removes the "larger public interest" override for disclosure of personal information.

    2. Public Information Officers retain full discretion to balance privacy with transparency.

    3. Personal information may now be denied disclosure more broadly than earlier.

    Which of the statements given above are correct?

    A. 1 and 2 only

    B. 1 and 3 only

    C. 2 and 3 only

    D. 1, 2 and 3

17. The petitions challenging the DPDP Act rely on the **Justice K.S. Puttaswamy judgment (2017)**. Which of the following principles were laid down in this judgment for restricting fundamental rights?

1. Legitimate state aim
2. Rational nexus with objective
3. Least restrictive means
4. Absolute executive discretion

Select the correct answer:

A. 1 and 2 only
B. 1, 2 and 3 only
C. 2, 3 and 4 only
D. 1, 2, 3 and 4

18. Under the DPDP Act, journalists collecting personal data during investigations may be treated as "data fiduciaries." Which of the following implications arise from this classification?

1. They may be required to seek consent from individuals.
2. Data collected may need to be erased if consent is withdrawn.
3. They are exempt from penalties for non-compliance.

Select the correct answer:

A. 1 only
B. 1 and 2 only
C. 2 and 3 only
D. 1, 2 and 3

19. With reference to the Digital Personal Data Protection Act, 2023, consider the following:

1. Section 36 allows the Union government to demand data from data fiduciaries.
2. The Act mandates prior judicial approval before such data access.
3. The Data Protection Board of India performs quasi-judicial functions.

Which of the statements given above are correct?

A. 1 and 2 only
B. 1 and 3 only
C. 2 and 3 only
D. 1, 2 and 3

20. Which of the following rights are guaranteed to individuals (Data Principals) under the DPDP framework?

1. Right to access personal data held by organisations.
2. Right to withdraw consent at any time.
3. Right to demand disclosure of all personal data under the RTI Act without restriction.
4. Right to nominate another person to exercise their data rights.

Select the correct answer:

A. 1 and 2 only
B. 1, 2 and 4 only
C. 2, 3 and 4 only
D. 1, 2, 3 and 4

21. With reference to the **Data Protection Board of India** under the DPDP framework, consider the following statements:

1. The Board will function through a fully digital system for complaints and case tracking.
2. Appeals against its decisions lie with the Telecom Disputes Settlement and Appellate Tribunal (TDSAT).
3. The Board consists of members elected by Parliament.

Which of the statements given above are correct?

A. 1 and 2 only

B. 2 and 3 only

C. 1 and 3 only

D. 1, 2 and 3

5. Architects of AI

- AI leaders including Sam Altman (OpenAI), Dario Amodei (Anthropic), and Yan LeCun attended the AI Impact Summit in New Delhi.
- The AI ecosystem is tightly interconnected, with shared mentors, academic backgrounds, and fluid talent movements between major labs.

Foundational AI Research

- Alan Turing (1950) laid the theoretical groundwork for AI and language processing.
- Google's Transformer paper (2017, 'Attention Is All You Need') became the blueprint for modern large language models (LLMs) and generative AI.
- Key institutions shaping AI breakthroughs: Stanford University, MIT, University of Toronto.

Talent and "Founder Factories"

- Major AI companies like Google DeepMind and OpenAI act as talent incubators.
- Many top AI leaders and founders studied under the same mentors or moved between labs.
- **Notable AI startup founders:**
  - Dario & Daniela Amodei → Anthropic
  - Ilya Sutskever → Safe Superintelligence
  - Mira Murati → Thinking Machines Lab
  - Aravind Srinivas → Perplexity
- Google DeepMind has spawned over 200 startups; OpenAI follows closely.

Intellectual Mentorship

- **Core mentors shaping deep learning:**
  - Geoffrey Hinton (University of Toronto / Google)
  - Yoshua Bengio (Université de Montréal)
  - Yan LeCun (NYU / ex-Meta)
- **Other influential figures:**
  - **Andrew Ng** – Google Brain, Baidu, Coursera, Stanford mentor
  - **Fei-Fei Li** – Created ImageNet, mentor to Andrej Karpathy
- Knowledge transfer and mentorship networks heavily influence AI leadership trajectories.

PayPal Parallels

- Just as former PayPal employees (Thiel, Musk, Hoffman) seeded multiple tech giants, early OpenAI investors and founders interconnected to create major AI companies.
- Peter Thiel backed Sam Altman's initial venture fund and was a founding investor in OpenAI ($1B pledge).

AI Funding Landscape

- Funding comes from big tech hyperscalers (Microsoft, Google, Meta, Amazon) and private equity (SoftBank, Andreessen Horowitz, Y Combinator).
- Microsoft invests in OpenAI, Anthropic, Anysphere; Nvidia supports Anthropic and Anysphere.
- Google Ventures funds Anthropic and AI21 Labs; Meta funds Scale AI; Amazon funds Anthropic and robotics startups.
- Funding cycles and interlinked investments contribute to "circular trading" and a potential AI bubble.

Google DeepMind

- Google DeepMind is a leading global artificial intelligence research laboratory and subsidiary of Alphabet Inc. (Google's parent company) focused on pioneering advanced AI technologies and systems with the goal of benefiting humanity.

What It Is

- Founded in 2010 in London by Demis Hassabis, Shane Legg, and Mustafa Suleyman.
- Acquired by Google (Alphabet) in 2014, and in 2023 merged with Google Brain to form a unified AI research unit under the name Google DeepMind.
- Its mission is to build "AI responsibly to benefit humanity," working on fundamental scientific problems and developing breakthrough technologies.

Major Contributions & Projects

- **Google DeepMind has produced some of the most influential AI systems and research breakthroughs, including:**
  - **AlphaGo** – A program that famously defeated a world champion Go player, heralding a new era in AI game-playing.
  - **AlphaFold** – An AI system that can predict the 3D structures of proteins with high accuracy, transforming biology and medical research.
  - **Gemini** – A family of advanced AI models (including multimodal and reasoning systems).
  - **Veo & Imagen** – AI models for video and image generation.
  - **Genie 3 & World Models** – AI that creates interactive virtual environments for training agents or complex simulations.

Research & Innovation

- DeepMind works on a wide range of fundamental AI research areas, such as:
- Reinforcement learning and deep learning.
- Neuroscience-inspired AI architectures and general reasoning systems.
- Climate, life sciences, and weather modeling with AI.

Global Impact & Growth

- The lab has expanded globally, including plans for new research hubs like the one announced in Singapore focused on regional collaboration in science, healthcare, and education.
- Its work influences both academic AI research and real-world applications across industries.

Challenges & Discussion

- While celebrated for innovation, DeepMind has faced scrutiny in areas such as transparency around AI safety testing and model rollouts—a topic raised by some UK lawmakers regarding safety commitments.

QUESTIONS

22. With reference to the **New Delhi Declaration on AI Impact (2026)**, consider the following statements:

    1. It was adopted at the AI Impact Summit held in New Delhi.
    2. The declaration emphasizes equitable sharing of AI benefits and respect for national sovereignty.
    3. It mandates uniform global regulations on AI for all participating countries.

    Which of the statements given above are correct?

    A. 1 and 2 only
    B. 2 and 3 only
    C. 1 and 3 only
    D. 1, 2 and 3

23. The **three foundational Sutras** guiding the AI Impact Summit 2026 include_____.

    A. People, Planet, Progress

    B. Privacy, Protection, Participation

    C. Innovation, Investment, Inclusion

    D. Security, Sustainability, Sovereignty

24. Which of the following is **NOT** one of the seven Chakras (pillars) of global AI cooperation identified at the AI Impact Summit 2026?

    A. Democratizing AI Resources

    B. Secure and Trusted AI

    C. Nuclear Technology Governance

    D. Human Capital Development

25. With reference to **BharatGen AI**, consider the following statements:

1. It is India's first government-funded multimodal large language model.
2. It supports multiple Indian languages and integrates text, speech, and image processing.
3. It is developed exclusively by private multinational technology firms.

Which of the statements given above are correct?

    A. 1 and 2 only

    B. 2 and 3 only

    C. 1 and 3 only

    D. 1, 2 and 3

26. With reference to **Sarvam AI**, consider the following statements:

1. It is a Bengaluru-based company working on applying generative AI to improve Aadhaar services.
2. It is collaborating with the Unique Identification Authority of India (UIDAI) to enhance security and service delivery.
3. It has been approved to build India's Sovereign Large Language Model (LLM) ecosystem as an open-source initiative.

Which of the statements given above are correct?

    A. 1 and 2 only

    B. 2 and 3 only

    C. 1 and 3 only

    D. 1, 2 and 3

27. With reference to the **IndiaAI Mission**, consider the following statements:

1. It aims to make India a global leader in Artificial Intelligence.
2. The mission includes expanding computing infrastructure such as GPUs.
3. It is implemented by the Ministry of Science and Technology.

Which of the statements given above are correct?

    A. 1 and 2 only

    B. 2 and 3 only

    C. 1 and 3 only

    D. 1, 2 and 3

6. Cabinet approves Rs. One Lakh Crore Urban Challenge Fund to Drive Market-Led Urban Transformation

- The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi, yesterday approved the launch of the Urban Challenge Fund (UCF) with a total Central Assistance (CA) of Rs. One lakh crore.

- CA will cover 25% of the project cost, subject to raising minimum 50% of the project cost from market.

- This will lead to a total investment of Rs. Four lakh crore in urban sector in next five years, marking a paradigm shift in India's urban development approach from grant- based financing to market-linked, reform-driven and outcome-oriented infrastructure creation.

- The Urban Challenge Fund will leverage market finance, private participation and citizen- centric reforms for delivery of high-quality urban infrastructure.

- The Fund aims to build resilient, productive, inclusive and climate-responsive cities, positioning those as key driver of the country's next phase of economic growth.

Cabinet approves ₹1 Lakh Crore Urban Challenge Fund

- Expected to catalyse ₹4 lakh crore urban investment in next 5 years
- ₹5,000 crore corpus to strengthen creditworthiness of Tier II & III cities, enabling first-time market access

Transformative, Outcome-Driven Urban Development

- Projects to be evaluated on transformative economic, social & climate outcomes
- Focus on revenue mobilisation, job creation, improved safety, inclusiveness, service equity and cleanliness
- Catalyses private investment, strengthens urban governance & accelerate the creation of future-ready cities

- The Fund will be operational from FY 2025–26 to FY 2030–31, with an extendable implementation period up to FY 2033–34.

- It gives effect to the Government's vision announced in Budget 2025–26 to implement proposals relating to Cities as Growth Hubs, Creative Redevelopment of Cities, and Water and Sanitation.

Salient Features of the Urban Challenge Fund:

- A minimum of 50 per cent of project financing have to be mobilised from market sources, including municipal bonds, bank loans and Public–Private Partnerships (PPPs).

- The remaining share may be contributed by States, Union Territories (UTs), Urban Local Bodies (ULBs) or other sources.
- Projects will be selected through a transparent and competitive challenge mode, ensuring support to high-impact and reform-oriented proposals.
- There will be a strong thrust on reforms across Urban Governance, Market & Financial systems, Operational efficiency, and Urban Planning
- Private sector participation will be encouraged through structured risk-sharing frameworks and benchmarking of service delivery standards
- A dedicated Rs. 5,000 crore corpus will enhance the creditworthiness of 4223 cities including Tier- II and Tier-III cities, particularly for first-time access to market finance.
- Positioning ULBs as Bankable Asset Class.

Credit Repayment Guarantee for Smaller Cities

- In order to facilitate first-time access to market finance for all Cities/ULBs in Northeastern & Hilly States and smaller ULBs (<1,00,000 population) in other States/UTs, a Credit Repayment Guarantee Scheme of Rs. 5,000 crore has been approved.
- The scheme will provide a Central guarantee of up to Rs. 7 crore or 70 per cent of the loan amount (whichever is lower) for first-time loans.
- On successful repayment of first loan, central guarantee of Rs. 7 crore or 50 per cent of the loan amount (whichever is lower) will be provided.
- This will effectively support projects of minimum Rs.20 crore for the first time and Rs.28 crore for subsequent projects in smaller cities.

Challenge-Based Project Selection

- Projects under the Fund will be selected through a challenge-based framework including transformative impact, sustainability & reform orientation.
- Funding will be linked to reforms, milestones and clearly defined outcomes.
- Continuation of reforms will be a prerequisite for further fund release. Paperless monitoring of projects and reforms will be facilitated through a single digital portal of the Ministry of Housing and Urban Affairs.

Project Verticals

- Cities as Growth Hubs, identification of city regions, important economic nodes, integrated spatial economic & transit planning - including greenfield and semi-greenfield developments, and development along transit and economic corridors, urban mobility, critical infrastructure projects to enhance economic competitiveness;
- Creative Redevelopment of Cities, covering renewal of central business districts and heritage cores, brownfield regeneration, Transit Oriented Development and retrofitting of legacy infrastructure, Climate resilience, disaster mitigation and countermagnets to decongest the existing cities in Northeastern & Hilly States; and
- Water and Sanitation, including upgradation of water supply, sewerage and stormwater systems, Rurban infrastructure, water grids and integrated solid waste management, including legacy waste remediation, focusing on swachhata.

Coverage:

- **The Fund will cover:**
  - All cities with a population of 10 lakh or more (2025 estimates);

- o All State and Union Territory capitals not covered above; and

- o Major industrial cities with a population of 1 lakh or more.

- o Additionally, all ULBs in hilly States, North-Eastern States, and smaller ULBs with population below 1 lakh will be eligible for support under the Credit Repayment Guarantee Scheme. In principle all cities will be covered under UCF

Reform-Linked Funding Framework

- **Funding under the Urban Challenge Fund is anchored to a comprehensive reform agenda covering:**

  - o Governance and digital reforms;

  - o Market and financial reforms to strengthen creditworthiness;

  - o Operational reforms for improved service delivery and utility efficiency;

  - o Urban planning and spatial reforms, including transit-oriented development and green infrastructure; and

  - o Project-specific reforms with defined Key Performance Indicators (KPIs), third-party verification and sustainable Operation & Maintenance mechanisms.

Outcome Orientation:

- Projects will be evaluated on their ability to deliver transformative outcomes- economic, social and climate, including revenue mobilization, private investment, job creation and, improved safety, inclusiveness, service equity and cleanliness.

- The Urban Challenge Fund is expected to catalyse large-scale private investment, strengthen urban governance, and accelerate the creation of future-ready cities aligned with national development priorities.

QUESTIONS

28. With reference to the Urban Challenge Fund (UCF) recently approved by the Union Cabinet, consider the following statements:

    1. The Fund provides Central Assistance covering up to 25% of the project cost.

    2. At least 50% of project financing must be mobilised from market sources.

    3. The scheme aims to shift urban infrastructure financing from grant-based to market-linked mechanisms.

    Which of the statements given above are correct?

    A. 1 only

    B. 1 and 2 only

    C. 2 and 3 only

    D. 1, 2 and 3

29. The Urban Challenge Fund aims to mobilise total investments of approximately_____ over five years.

    A. Rs. 1 lakh crore

    B. Rs. 2 lakh crore

    C. Rs. 4 lakh crore

    D. Rs. 10 lakh crore

30. Which of the following are among the key project verticals under the Urban Challenge Fund?

1. Cities as Growth Hubs
2. Creative Redevelopment of Cities
3. Water and Sanitate Systems
4. National Highway Expansion

Select the correct answer using the code below:

A. 1 and 2 only

B. 1, 2 and 3 only

C. 2 and 4 only

D. 1, 2, 3 and 4

31. Under the Credit Repayment Guarantee Scheme of the Urban Challenge Fund, smaller cities may receive:

A. 100% guarantee on loans

B. Guarantee up to Rs. 7 crore or 70% of the loan amount for first-time loans

C. Interest-free loans from the Centre

D. Only technical assistance without financial backing

32. Which of the following cities are eligible for coverage under the Urban Challenge Fund?

1. Cities with population of 10 lakh or more
2. State and UT capitals
3. Industrial cities with population above 1 lakh
4. Only metropolitan cities with population above 50 lakh

Select the correct answer:

A. 1 and 2 only

B. 1, 2 and 3 only

C. 2 and 4 only

D. 1, 3 and 4 only

7. Budget 2026–27 Sets the Stage for India as a Global Hub for Cloud and AI Infrastructure

- Tax holiday till 2047 proposed for eligible foreign cloud providers using India-based data centres for global operations
- Structured eligibility framework, including notified entities, use of Indian data centres, and Indian reseller requirement for domestic services
- Domestic transactions continue under existing tax provisions, with a proposed 15% safe harbour margin for related data centre entities

- Part of a broader digital and semiconductor ecosystem push under Budget 2026–27 to position India as a global cloud and AI infrastructure hub

Introduction

- The Union Budget 2026–27 introduces a major policy initiative to strengthen India's position as a global hub for digital infrastructure. Recognizing the central role of cloud computing, AI data centres and advanced electronics in economic growth, the Government has announced a tax holiday till 2047 for eligible foreign cloud service providers operating through India-based data centre infrastructure.

- Globally, data centres have emerged as a major driver of investment and economic activity.

- According to the United Nations Conference on Trade and Development (UNCTAD), data centres accounted for more than one fifth of global greenfield project values in 2025, with announced investments exceeding USD 270 billion.

- Rapid growth in AI compute demand and data-intensive digital services is intensifying international competition to attract such infrastructure.

- In this context, India's long-term tax framework aims to provide investment certainty, anchor high-value digital infrastructure within the country, and strengthen India's role in global digital value chains in line with the vision of Viksit Bharat by 2047.

Why This Policy Was Introduced

- Data centres and cloud infrastructure require high upfront capital investment, long gestation periods, and sustained policy certainty.

- AI-oriented data centres, in particular, involve significant expenditure on computing hardware, energy systems, cooling infrastructure, and skilled manpower.

- With global demand for AI compute capacity rising rapidly, countries are competing to attract large-scale data centre investments.

- The tax holiday till 2047 is intended to provide long-term visibility and certainty, enabling India to attract global cloud service providers while anchoring critical digital infrastructure within the country.

BUDGET 2026–27:
Promoting India as a Trusted Global Digital Hub

A tax holiday up to 2047 is proposed for foreign companies delivering global cloud services through India-based data centre infrastructure.

Objective:
- Encouraging global investment in digital infrastructure.
- Accelerating India's digital and AI growth.
- Providing long-term policy certainty till 2047.

Understanding the Tax Holiday Provision

- The Budget proposes that a foreign company providing cloud services globally, while utilizing data centre services located in India, will be eligible for a tax holiday extending up to 2047.

Under this framework:

- Income of such foreign cloud service providers from global cloud operations routed through India-based data centres will not be subject to Indian taxation, subject to specified conditions.

- Services to Indian customers must be delivered through an Indian reseller entity, ensuring that domestic transactions remain within the tax net.

- The exemption applies from Tax Year 2026–27 to Tax Year 2046–47, providing a stable, predictable tax environment for global cloud players investing in India's data centre infrastructure.

Defined Eligibility Framework

- The exemption is available to foreign companies providing cloud services under a structured framework.
- **A foreign cloud service provider may avail the tax holiday where:**
  - The foreign company is notified under the relevant provisions.
  - Data centre services are procured from an Indian company operating a data centre in India.
  - The data centre facility is notified by the Ministry of Electronics and Information Technology (MeitY).
  - The services by the foreign company to Indian users are provided through an Indian reseller entity, being an Indian company.
  - This framework establishes regulatory oversight and ensures that the incentive operates within defined policy parameters.

BUDGET 2026
Tax Holiday For Foreign Cloud Service Providers
Exemption Period: Tax Year 2026-27 To 2046-47

ESSENTIAL CONDITIONS FOR FOREIGN COMPANIES

Notified Foreign Company — Data Centre Services From Indian Company — Data Centre Notified By MeiTY — Services To Indian Users Via Indian Reseller Entity

No Risk Of Global Income Being Taxed In India On This Account

Source: Tax Department, Government of India

Tax Treatment of Domestic Operations

- Under the proposed framework, profits arising from domestic economic activities will remain taxable as in the case of any other domestic company.
- **These include:**
  - Data centre services provided to the global entity by the resident Indian data centre company; and
  - Resale of cloud services to Indian customers by the resident Indian reseller entity.
  - Further, where the Indian data centre is a related entity of the foreign company (operating as a cost-plus centre), a safe harbour margin of 15 percent on cost has been proposed.

Safe Harbour Margin

- A "Safe Harbour Margin" (under the Income Tax Act) refers to a specified profit margin declared by a taxpayer for certain international transactions, without detailed checking, if it meets prescribed conditions and provisions.

TAXABLE DOMESTIC ECONOMIC ACTIVITIES

Data centre services to global entity by resident data centre

Resale of cloud services to Indian customers by resident reseller entity

RELATED ENTITY — INDIAN RELATED ENTITY OF FOREIGN COMPANY (COST PLUS DATA CENTRES) SAFE HARBOUR MARGIN: 15% PROVIDED

Source - Tax Department, Government of India

Linkage with Broader Technology Ecosystem Initiatives

- The tax holiday is part of a broader set of Budget 2026–27 measures to strengthen India's technology and digital manufacturing ecosystem. Together, these initiatives address different layers of the technology value chain, from semiconductor design and materials to electronics components, IT services and digital infrastructure.

India Semiconductor Mission (ISM) 2.0

- The Budget announces the launch of India Semiconductor Mission 2.0, building on earlier efforts to establish semiconductor manufacturing capabilities in India.
- The programme focuses on:
  - Design and manufacturing of semiconductor equipment in India
  - Manufacturing of materials used in semiconductor production
  - Expansion of the semiconductor design ecosystem
  - Strengthening of talent development initiatives
  - A provision of Rs. 1,000 crore has been made for ISM 2.0 in FY 2026–27.
  - The initiative supports the development of core electronics manufacturing capabilities that underpin digital infrastructure, including data centres and advanced computing systems.

Electronics Components Manufacturing Scheme (ECMS)

- The allocation for the Electronics Components Manufacturing Scheme has been increased from about Rs. 22,000 crore to Rs. 40,000 crore in Budget 2026–27. The scheme has received 149 applications, exceeding earlier expectations and reflecting strong industry participation.
- The enhanced allocation is intended to strengthen domestic production of electronics components under the scheme as part of the broader electronics manufacturing ecosystem.

IT Services Simplification and Safe Harbour Provisions

- IT services remain one of India's largest export sectors, with exports exceeding USD 220 billion.
- To provide tax certainty and support industry growth, the Budget proposes:
- Grouping software development services, IT-enabled services, knowledge process outsourcing and contract R&D services under a single category of Information Technology Services
- A common safe harbour margin of 15.5 percent
- Increasing the threshold for availing safe harbour from Rs. 300 crore to Rs. 2,000 crore
- Approvals through an automated, rule-based process
- Fast-tracking the Unilateral Advance Pricing Agreement (APA) process for IT services

Unilateral Advance Pricing Agreement (APA)

- Unilateral Advance Pricing Agreement (under the Income-tax Act) refers to an agreement entered into between a taxpayer and the Central Board of Direct Taxes (CBDT) to determine, in advance, the price charged, for specified international or domestic transactions, for a fixed period of time.

India's Expanding Cloud and Digital Infrastructure Base

- India's cloud and data centre ecosystem is expanding in line with the country's digital transformation and growing use of AI-enabled applications across sectors.
- Under the Digital India initiative, the national cloud infrastructure GI Cloud (MeghRaj) has been established to meet government cloud requirements. MeghRaj provides secure, scalable, and elastic cloud

facilities for delivery of e-Governance services through the National Informatics Centre (NIC). National Data Centres operate with layered security frameworks supported by empanelled providers meeting international security standards.

- Industry estimates indicate that India's cloud data centre capacity has reached around 1,280 MW and is projected to grow four to five times by 2030, reflecting rising demand for digital and AI infrastructure.

Expanding AI and Cloud Data Centre Infrastructure

- Data centres, especially AI-focused facilities, form the backbone of modern digital infrastructure. Investments of nearly USD 70 billion are already underway in India's data centre sector, with an additional USD 90 billion in announced projects, highlighting the scale of expansion.

- The proposed tax framework extending to 2047 provides long-term policy visibility for such capital-intensive investments.

- The tax holiday for foreign cloud providers complements broader technology initiatives announced in Budget 2026–27, including India Semiconductor Mission 2.0 and enhanced allocation for the Electronics Components Manufacturing Scheme, complementing digital infrastructure expansion.

- Together, these measures strengthen both digital infrastructure and electronics manufacturing capacity.

India's Data Centre Sector at a Glance

- India's data centre capacity has reached 1,280 MW
- Projected to grow 4–5 times by 2030
- USD 70 billion investments underway
- Additional USD 90 Billion announced

Global Policy Momentum in AI Data Centre Infrastructure

- Across major economies, AI data centres and related digital infrastructure are increasingly being supported through policies that enable large-scale deployment and long-term investment.

- In the United States, a Presidential Executive Order titled "Accelerating Federal Permitting of Data Center Infrastructure" outlines steps to expedite the development of large AI data centre projects.

- **The Order provides for:**
  o Faster regulatory and permitting processes
  o Use of federally owned land to support data centre development

- o Support for energy systems, semiconductors, networking equipment and data storage infrastructure linked to data centres
- o Financial support mechanisms such as loans, grants, tax incentives and offtake agreements
- o The Order defines large-scale data centre projects as those requiring more than 100 megawatts of new load, indicating the scale at which AI infrastructure is being planned.
- o At the same time, Goldman Sachs Research notes that Chinese AI and cloud providers are entering a phase of accelerated infrastructure build-out. Chinese firms are projected to make substantial investments in data centres, alongside expansion in AI chips, hardware supply chains and overseas data centre capacity.
- o The research indicates that infrastructure development is being treated as a foundational requirement for AI growth and digital services expansion.
- o These developments underscore the strategic centrality of AI and cloud data centre infrastructure within national technology and industrial strategies.
- In this context, India's long-term tax framework for cloud services using India-based data centres provides policy clarity and investment visibility in a capital-intensive sector characterised by long project cycles and rapidly expanding demand.
- The tax holiday announced in Budget 2026-27 provides long-term policy certainty till 2047 for global cloud and AI infrastructure investments in India.
- While offering investment visibility in a capital-intensive sector, the framework retains safeguards through clearly defined eligibility conditions and continued taxation of domestic operations.
- Aligned with semiconductor, electronics manufacturing and IT sector reforms, the measure reflects a coordinated strategy to strengthen India's digital ecosystem.
- In a period of intensifying global competition for AI infrastructure, the policy positions India as a credible and long-term destination for cloud and data centre investment.

QUESTIONS

33. With reference to the tax holiday proposed in Budget 2026–27 for foreign cloud service providers, consider the following statements:

1. The tax exemption applies to income from global cloud operations routed through India-based data centres.

2. Services to Indian customers must be delivered through an Indian reseller entity.

3. The exemption applies indefinitely without any time limit.

Which of the statements given above are correct?

A. 1 only

B. 1 and 2 only

C. 2 and 3 only

D. 1, 2 and 3

34. The primary objective of the proposed tax holiday for foreign cloud providers is to:

A. Reduce electricity consumption in data centres

B. Promote domestic cloud companies by restricting foreign players

C. Attract global investment and anchor digital infrastructure in India

D. Replace existing IT service taxation frameworks

35. Under the proposed framework, profits arising from which of the following activities remain taxable in India?

1. Data centre services provided by an Indian company to the foreign cloud provider
2. Cloud services sold to Indian customers through an Indian reseller
3. Global cloud operations routed through Indian data centres

Select the correct answer:

A. 1 only

B. 1 and 2 only

C. 2 and 3 only

D. 1, 2 and 3

36. Consider the following statements regarding the Safe Harbour Margin proposed under Budget 2026–27:

1. A 15% safe harbour margin is proposed for related data centre entities.
2. Safe harbour provisions reduce transfer pricing scrutiny if conditions are met.
3. The margin applies only to domestic retail cloud service providers.

Which of the statements given above are correct?

A. 1 and 2 only

B. 2 and 3 only

C. 1 and 3 only

D. 1, 2 and 3

37. Which of the following measures were announced in Budget 2026–27 to strengthen India's digital and electronics ecosystem?

1. Launch of India Semiconductor Mission 2.0
2. Increase in allocation for the Electronics Components Manufacturing Scheme
3. Creation of GI Cloud (MeghRaj) under the new budget
4. Simplified safe harbour provisions for IT services

Select the correct answer:

A. 1 and 2 only

B. 1, 2 and 4 only

C. 2, 3 and 4 only

D. 1, 2, 3 and 4

8. Government of India launches CBDC-based Digital Food Coupon Pilot in Gujarat

Government of India Launches CBDC-Based Digital Food Currency Pilot in Gujarat

Inauguration & Leadership

- Launched by the Government of India in Gujarat.
- Inaugurated by Amit Shah, Union Home Minister.
- **Presence of:**
  - Pralhad Joshi, Union Minister for Consumer Affairs, Food & Public Distribution

- o   Bhupendra Patel, Chief Minister of Gujarat
- o   Nimuben Jayantibhai Bambhaniya, Minister of State for Consumer Affairs

Objective of the Initiative

- Introduction of Central Bank Digital Currency (CBDC) in the Public Distribution System (PDS).
- **Aimed at:**
    - o   Enhancing transparency
    - o   Improving efficiency
    - o   Empowering beneficiaries
- Strengthens India's food security system serving over 80 crore beneficiaries.
- **Slogan launched: "Har Dana, Har Rupiya, Har Adhikar"**

How the CBDC-Based Digital Food Currency Works

- Digital coupons issued under the Reserve Bank of India framework.
- Benefits credited as programmable Digital Rupee (e₹) directly to beneficiaries.
- **Redemption at Fair Price Shops (FPS) via:**
    - o   QR code-based payments
    - o   Coupon/voucher codes
    - o   Eliminates repeated biometric authentication.

- **Ensures:**
  - Secure and traceable transactions
  - Real-time digital records
  - Immediate margin payments to FPS dealers

Pilot Implementation Details

- **Implemented in collaboration with:**
  - Government of India
  - Reserve Bank of India
  - Government of Gujarat
- **Initially launched in districts of:**
  - Ahmedabad
  - Anand
  - Valsad
  - Surat
- **Planned expansion to Union Territories:**
  - Chandigarh
  - Puducherry
  - Dadra & Nagar Haveli and Daman & Diu

Key Benefits of the System

- Reduces dependency on biometric authentication and e-POS issues.
- Generates real-time digital trail for monitoring and accountability.
- Enhances awareness of entitlements among beneficiaries.
- Promotes leak-proof and corruption-free distribution.
- Supports the vision of Minimum Government, Maximum Governance.

Digital Transformation of PDS (Background Reforms)

- End-to-end digitisation of ration cards.
- Nationwide portability under One Nation One Ration Card (ONORC).
- Deployment of e-POS devices for Aadhaar-based authentication.
- Data validation via Rightful Targeting Dashboard.
- Supply chain optimisation through Ann Chakra.
- Grievance redressal system via Ann Sahayata.

Significance of the Pilot

- Integrates a programmable sovereign digital payment layer into welfare delivery.
- Represents the next phase in India's technology-driven governance reforms.
- Expected to strengthen last-mile service delivery with improved transparency and accountability.

Conclusion

- The CBDC-based Digital Food Currency pilot marks a transformative step in modernising India's Public Distribution System by leveraging digital currency to ensure secure, transparent, and efficient delivery of food subsidies to millions of beneficiaries.

Central Bank Digital Currency (CBDC)

- A Central Bank Digital Currency (CBDC) is a digital form of a country's official currency issued and backed by its central bank.
- Unlike cryptocurrencies such as Bitcoin, a CBDC is centralized and represents legal tender, just like physical cash.

Key Characteristics

- Issued by a central bank (*e.g.*, Federal Reserve, European Central Bank)
- Digital form of fiat money
- Government-backed and stable in value
- Legal tender
- Can be designed for retail use (public) or wholesale use (banks and financial institutions)

What is CBDC?

- Digital Rupee (e₹) is India's official Central Bank Digital Currency issued by the RBI.
- Stored in digital wallets provided by banks and works both online and offline.
- Pilot launched in 2022, now includes 15 major banks like SBI, ICICI, and HDFC.
- Supports programmable features for targeted schemes and subsidies.
- Promotes financial inclusion and strengthens India's move toward a cashless economy.

Types of CBDCs

Retail CBDC

- Used by the general public
- Functions like digital cash
- Can be stored in digital wallets

Wholesale CBDC

- Used by financial institutions
- Designed for interbank settlements and large transactions

Examples around the World

- **China** – Digital Yuan (e-CNY)
- **Bahamas** – Sand Dollar
- **Nigeria** – eNaira
- **India – Digital Rupee pilot by Reserve Bank of India**
- **Many other countries are researching or piloting CBDCs.**

Potential Benefits

- Faster and cheaper payments
- Financial inclusion
- Reduced reliance on cash
- Improved transparency
- Better cross-border transactions

Potential Concerns

- Privacy issues
- Cybersecurity risks
- Government control over transactions
- Impact on commercial banks

38. With reference to the CBDC-based Digital Food Currency pilot launched in Gujarat, consider the following statements:

1. Beneficiaries receive programmable digital coupons in the form of eR issued through the Reserve Bank of India.

2. The digital currency can be used only through biometric authentication at Fair Price Shops.

3. The system creates a real-time digital trail to improve transparency and accountability.

Which of the statements given above are correct?

A. 1 only

B. 1 and 3 only

C. 2 and 3 only

D. 1, 2 and 3

39. The primary objective of introducing Central Bank Digital Currency (CBDC) in the Public Distribution System (PDS) is to:

A. Replace food subsidies with direct cash transfers.

B. Ensure transparency, efficiency, and beneficiary empowerment in food distribution.

C. Promote private participation in foodgrain procurement.

D. El iminate the role of Fair Price Shops in welfare delivery.

40. Which of the following initiatives are part of India's broader digital transformation of the Public Distribution System (PDS)?

1. One Nation One Ration Card (ONORC) portability

2. Ann Chakra for supply-chain optimisation

3. Unified Payments Interface (UPI) subsidy transfers

4. Ann Sahayata grievance redressal mechanism

Select the correct answer:

A. 1 and 2 only

B. 1, 2 and 4 only

C. 2, 3 and 4 only

D. 1, 2, 3 and 4

1. A 1 and 3 only

- o **Statement 1 — Correct:** Approved on **September 2, 2024**, under PM Narendra Modi.
- o **Statement 2 — Incorrect:** DPI is **not limited to crop insurance**; it supports service delivery, advisories, loans, schemes, and more.
- o **Statement 3 — Correct:** **AgriStack** and **Krishi Decision Support System** are the two core pillars.

2. A 1 and 3 only

- o **Statement 1 — Correct:** Farmer ID acts like a digital identity linked to land, crops, and benefits.
- o **Statement 2 — Incorrect:** IDs are created and maintained by **State Governments/UTs**, not RBI.
- o **Statement 3 — Correct:** AgriStack includes **geo-referenced maps** and **crop registries**.

3. A 1 and 3 only

- o **Statement 1 — Correct:** DSS integrates remote sensing data on multiple agricultural parameters.
- o **Statement 2 — Incorrect:** It is not a subsidy platform.
- o **Statement 3 — Correct:** It provides **geospatial decision support** for planning and advisories.

4. A 1 and 2 only

- o **Statement 1 — Correct:** Mapping at **1:10,000 scale** is planned.
- o **Statement 2 — Correct:** Target coverage is ~**142 million hectares**.
- o **Statement 3 — Incorrect:** Data will support **advisories, planning, and productivity improvements**, not just research.

5. A 1 and 2 only

- o **Statement 1 — Correct:** Digital authentication simplifies access to services.
- o **Statement 2 — Correct:** Crop mapping improves disaster response and insurance accuracy.
- o **Statement 3 — Incorrect:** States play a **central role** in data creation and management.

6. A 1 and 2 only

- o **Statement 1 — Correct:** The day marks the establishment of **UN Radio in 1946**.
- o **Statement 2 — Correct:** UNESCO proclaimed it in **2011**, and the UNGA adopted it in **2012**.
- o **Statement 3 — Incorrect:** The 2026 theme stresses that **AI is a tool, not a replacement for the human voice**.

7. A 1 and 2 only

- o **Statement 1 — Correct:** AIR is the radio arm of **Prasar Bharati**, India's public broadcaster.
- o **Statement 2 — Correct:** Established in **1936**, it was nationalised after Independence.
- o **Statement 3 — Incorrect:** The first community radio station was inaugurated in **2004**, not 2014.

8. D All the four

- o **All four pairs are correctly matched, as they reflect official proclamations or resolutions adopted by the** United Nations General Assembly (UNGA)**.**

  - **Pair 1: International Year of the Woman Farmer — 2026:** The UN has declared **2026** as the International Year of the Woman Farmer to highlight the critical role women play in agriculture, food security, nutrition, and rural livelihoods.

  - **Pair 2: International Year of Sustainable and Resilient Tourism — 2027:** In February 2024, the UNGA adopted a resolution declaring **2027** as the International Year of Sustainable and Resilient Tourism.

  - **Pair 3: International Year of Peace and Trust — 2025:** The UN has proclaimed **2025** as the International Year of Peace and Trust.

  - **Pair 4: International Year of Asteroid Awareness and Planetary Defence — 2029:** In 2024, the UNGA declared **2029** as the International Year of Asteroid Awareness and Planetary Defence.

9. B 2 only

- o **Statement 1: Incorrect**

  - International Mother Language Day is observed on **21 February**.

  - It was proclaimed by **UNESCO**, not UNICEF.

  - The idea originated from Bangladesh and was approved at UNESCO's 1999 General Conference.

  - The day has been observed globally since 2000 to promote linguistic and cultural diversity.

- o **Statement 2: Correct**

  - In 1948, Pakistan's leadership declared **Urdu** as the sole official language.

  - During the Constituent Assembly debates, **Dhirendranath Datta**, a representative from East Bengal, demanded that **Bengali** be included alongside Urdu and English.

  - The proposal was rejected, leading to the Bengali Language Movement.

  - Bengali was eventually granted official status in Pakistan under the **1956 Constitution**.

10. A 1 and 3 only

- o **Statement 1: Correct.** The inscriptions were discovered in tombs in the Valley of the Kings, part of the Theban Necropolis on the Nile's west bank.

- o **Statement 2: Incorrect.** The inscriptions are brief graffiti—mainly personal names—not royal edicts.

- o **Statement 3: Correct.** They appear alongside Greek graffiti, showing that Indian visitors followed an existing tradition of marking their presence.

11. C reflects Indo-Roman trade networks connecting Tamilagam with Red Sea ports such as Berenike.

- o The name element **Korran** is linked to Tamil traditions and appears in inscriptions from **Berenike**, a major Red Sea port involved in Indo-Roman trade.

- o This supports evidence from Sangam literature and archaeology that merchants and travellers from Tamilagam participated in long-distance trade networks linking India, Egypt, and the Roman world.

- o Options A, B, and D exaggerate the evidence and are not supported by historical findings.

12. A 1 and 2 only

- o **Statement 1: Correct.** The Classical Language category was introduced in 2004.
- o **Statement 2: Correct.** Tamil became the first Classical Language on 12 October 2004.
- o **Statement 3: Incorrect.** The literary tradition must be **original**, not borrowed.

13. C 1, 2, 3 and 4

- o Telugu and Kannada were declared Classical Languages in **2008**.
- o Malayalam received the status in **2013**.
- o Odia was granted the status in **2014**.
- o All four were recognised before 2015.

14. B 1, 2 and 4 only

- o Antiquity of 1500–2000 years remains essential.
- o The revised criteria emphasise **knowledge texts (including prose)** and inscriptional evidence.
- o **Statement 3 is incorrect:** discontinuity between classical and modern forms is acceptable.

15. D 1, 2, 3, 4 and 5

- o The Linguistic Experts Committee under Sahitya Akademi recommended **Marathi, Pali, Prakrit, Assamese, and Bengali** as fulfilling the revised criteria for Classical Language status, recognising their antiquity and literary heritage.

16. B 1 and 3 only

- o **Statement 1: Correct.** The amendment removes the public interest override.
- o **Statement 2: Incorrect.** PIO discretion is reduced due to the broader exemption.
- o **Statement 3: Correct.** The exemption has expanded, potentially restricting access to information.

17. B 1, 2 and 3 only

- o The **Puttaswamy judgment** established the **proportionality test**, requiring:
  - ▪ legitimate aim,
  - ▪ rational connection,
  - ▪ least restrictive means,
  - ▪ procedural safeguards.
- o Absolute executive discretion is not permitted.

18. B 1 and 2 only

- o Journalists may need to **seek consent** and follow purpose limitations.
- o Withdrawal of consent may require erasure of data.
- o They are **not exempt** from penalties; fines can be substantial.

19. B 1 and 3 only

- o **Statement 1: Correct.** Section 36 authorises government access to data.
- o **Statement 2: Incorrect.** No mandatory judicial approval is specified.
- o **Statement 3: Correct.** The Board adjudicates disputes and imposes penalties, giving it quasi-judicial powers.

20. B 1, 2 and 4 only

o Individuals can **access data**, **withdraw consent**, and **nominate another person**.

o Personal data disclosure is subject to privacy safeguards and legal balancing under RTI provisions.

21. A 1 and 2 only

o **Statement 1: Correct.** The Board operates through a digital platform for efficiency.

o **Statement 2: Correct.** Appeals go to **TDSAT**.

o **Statement 3: Incorrect.** Members are appointed through executive processes, not elected by Parliament.

22. A 1 and 2 only

o **Statement 1: Correct.** The New Delhi Declaration was adopted at the AI Impact Summit 2026.

o **Statement 2: Correct.** It stresses equitable benefits, cooperation, and respect for sovereignty.

o **Statement 3: Incorrect.** It promotes cooperation and frameworks, not binding uniform global regulations.

23. A People, Planet, Progress

o The Summit is guided by three core principles:

▪ **People** – human-centric AI and rights protection

▪ **Planet** – environmentally sustainable AI

▪ **Progress** – inclusive economic and technological advancement

24. C Nuclear Technology Governance

o The seven pillars include:

▪ Democratizing AI resources

▪ Economic growth & social good

▪ Secure & trusted AI

▪ AI for science

▪ Access for social empowerment

▪ Human capital development

▪ Resilient & efficient AI systems

o Nuclear technology governance is unrelated.

25. A 1 and 2 only

o **Statement 1: Correct.** BharatGen AI is the first government-funded multimodal LLM initiative.

o **Statement 2: Correct.** It supports multiple Indian languages and multimodal capabilities.

o **Statement 3: Incorrect.** It is government-supported and built using domestic datasets; not exclusively by multinational firms.

26. D 1, 2 and 3

o **Statement 1: Correct.** Sarvam AI is a Bengaluru-based company working on generative AI solutions for governance services.

o **Statement 2: Correct.** It is partnering with **UIDAI** to improve Aadhaar services through AI-enabled efficiency and security.

o **Statement 3: Correct.** In April 2025, it received approval to build India's **Sovereign LLM Ecosystem**, aimed at improving public service delivery and strengthening digital trust.

o This initiative supports India's broader goal of building indigenous AI capabilities and strengthening digital governance.

27. A 1 and 2 only

o **Statement 1: Correct.** IndiaAI Mission aims to build global AI leadership.

o **Statement 2: Correct.** GPU expansion (from 10,000 target to ~38,000) improves AI compute access.

o **Statement 3: Incorrect.** It is implemented under **MeitY**, not the Ministry of Science & Technology.

28. D 1, 2 and 3

o **Statement 1:** Correct. Central Assistance covers **25% of project cost**.

o **Statement 2:** Correct. Minimum **50% funding must come from market sources** such as bonds, loans, PPPs.

o **Statement 3:** Correct. The scheme marks a shift toward **market-linked, reform-driven infrastructure financing**.

29. C Rs. 4 lakh crore

o The Fund provides **Rs. 1 lakh crore Central Assistance**, expected to leverage about **Rs. 4 lakh crore total investment** in urban infrastructure over five years.

30. B 1, 2 and 3 only

o The UCF focuses on:

▪ Cities as Growth Hubs

▪ Creative Redevelopment of Cities

▪ Water and Sanitation systems

o National highway expansion is not part of the Fund.

31. B 1, 2 and 3 only

o To enable smaller cities and ULBs to access market finance:

▪ Central guarantee up to **Rs. 7 crore or 70% of loan** (whichever lower) for first loan

▪ Encourages creditworthiness and access to capital markets.

32. B 1, 2 and 3 only

- o Coverage includes:
    - Cities with population ≥ **10 lakh**
    - **State & UT capitals**
    - Major industrial cities ≥ **1 lakh population**
- o The scheme is not limited to mega metros.

33. B 1 and 2 only

- o **Statement 1:** Correct. Income from global operations using Indian data centres qualifies for exemption.
- o **Statement 2:** Correct. Domestic services must be routed through an **Indian reseller**.
- o **Statement 3:** Incorrect. The exemption applies **up to tax year 2046–47 (till 2047)**, not indefinitely.

34. C 2 and 3 only

- o The policy aims to:
    - Attract global cloud infrastructure investment
    - Anchor high-value digital infrastructure in India
    - Strengthen India's position in global digital value chains.

35. B 1 and 2 only

- o Domestic economic activities remain taxable:
    - Indian data centre services
    - Resale to Indian customers
- o Global operations routed through India-based data centres qualify for exemption.

36. A 1 and 2 only

- o **Statement 1:** Correct. A **15% margin** applies to related data centre entities.
- o **Statement 2:** Correct. Safe harbour reduces detailed transfer pricing scrutiny.
- o **Statement 3:** Incorrect. It applies to international related-party arrangements, not retail providers.

37. B 1, 2 and 4 only

- o **Statement 1:** Correct — ISM 2.0 announced.
- o **Statement 2:** Correct — allocation increased to Rs. 40,000 crore.
- o **Statement 3:** Incorrect — MeghRaj was created earlier under Digital India.
- o **Statement 4:** Correct — safe harbour provisions simplified for IT services.

38. B 1 and 3 only

- o **Statement 1:** Correct — RBI-generated CBDC coupons are credited to beneficiaries.
- o **Statement 2:** Incorrect — the system reduces dependence on biometric authentication and allows QR/coupon redemption.
- o **Statement 3:** Correct — transactions are traceable and recorded in real time.

39. B 1 and 3 only

o The CBDC pilot aims to improve transparency, reduce leakages, simplify access, and empower beneficiaries while strengthening accountability in the PDS.

40. B 1, 2 and 4 only

o **Statement 1:** ONORC enables nationwide portability of ration benefits.

o **Statement 2:** Ann Chakra improves supply chain optimisation.

o **Statement 3:** UPI subsidy transfer is not a core PDS reform initiative.

o **Statement 4:** Ann Sahayata strengthens grievance redressal.