Topic 1: Special Intensive Revision (SIR) and Electoral Rights (GS Paper 2: Polity & Governance – RPA)

Context & Core Issue: In West Bengal, an electoral roll re-verification known as the Special Intensive Revision (SIR) resulted in thousands of voters being categorized as **"under adjudication"**. Because these voters are neither confirmed on the electoral roll nor formally deleted, they are unable to exercise their voting rights or access appellate tribunals. Over 25,000 such individuals remain in districts like Murshidabad, Malda, Nadia, and Howrah.

Statutory & Constitutional Provisions:

Article 324 of the Constitution: Entrusts the Election Commission of India (ECI) with superintendence, direction, and control of the preparation of electoral rolls.

Section 21(3) of the Representation of the People Act (RPA), 1950: Empowers the ECI to order a special revision of electoral rolls at any time, for reasons recorded in writing.

Section 23(3) of the RPA, 1950: Mandates the freezing of the electoral roll on the last date for making nominations for an election in that constituency, preventing any inclusion or amendment thereafter until the completion of elections.

Institutional Process & Bottlenecks:

Following an initial round of deletions, the ECI identified approximately 60 lakh voters for "logical discrepancies". The Supreme Court directed judicial officers to adjudicate these cases,

which led to the re-addition of around 32 lakh names and deletion of 27 lakh.

Appellate tribunals (17 tribunals) were established under Supreme Court directions on March 20 to hear appeals from deleted voters. However, the appellate route is only accessible to those with a formal disposal decision; undecided cases have no statutory administrative remedy.

In September, the ECI informed the Supreme Court that only 1.26 lakh out of 38.31 lakh filed appeals had been disposed of.

Suggested Reforms / Way Forward: Mandating strict, time-bound judicial disposal; allowing interim inclusion on the roll if adjudication exceeds statutory deadlines; granting direct tribunal access to undecided voters; and maintaining public, booth-wise tracking of pending adjudications.

Topic 2: Female Labour Force Participation & Unpaid Care Economy (GS Paper 1: Indian Society / GS Paper 3: Employment)

Context: The Ministry of Statistics and Programme Implementation (MoSPI) has proposed incorporating granular questions into the **Periodic Labour Force Survey (PLFS)** and the **Annual Survey of Unincorporated Sector Enterprises (ASUSE)** to investigate the link between unpaid care work and female labour force participation.

Status of Female Labour Force Participation Rate (LFPR):

- India's female LFPR stands at **around 35%**, lagging significantly behind developed economies.
- Raising female LFPR to **above 50%** over the next two decades is considered vital for India to achieve developed country status.

The Burden of Unpaid Care:

- Data from the **Time Use Survey (2024)** highlights that working-age women (aged 15–59) spend **366 minutes per day** on unpaid activities (primarily childcare and elder care), compared to only **62 minutes per day** spent by working-age men—a nearly six-fold difference.
- Because unpaid domestic and care work is not accounted for within Gross Domestic Product (GDP), it remains largely invisible in core macroeconomic policymaking.

Methodological Features of PLFS:

- Conducted by the **National Statistical Office (NSO)** under MoSPI since 2017.

Evaluates activity status via the **Current Weekly Status (CWS)** approach, which determines economic activity based on the preceding seven days.

From January 2025, PLFS transitioned from an agricultural year (July to June) reporting framework to a **calendar year framework**, expanding its sample size by approximately **2.65 times**.

Policy Imperatives: Regularizing care-work inquiries across all PLFS rounds, incorporating questions that assess women's agency and decision-making mobility, and investing in public social care infrastructure such as affordable crèches and eldercare.

Topic 3: Insolvency and Bankruptcy Code (IBC) & Rights of Dissenting Financial Creditors (GS Paper 3: Indian Economy – Banking)

Context: In the Videocon group resolution matter (admitted claims of ~Rs 64,839 crore), the Supreme Court upheld an order by the National Company Law Appellate Tribunal (NCLAT) remitting a Rs 2,962-crore resolution plan back to the Committee of Creditors (CoC).

Core Principles Established by the Supreme Court:

Commercial Wisdom vs. Statutory Compliance: The "commercial wisdom" of the CoC—even when backed by an overwhelming majority (such as 95.09% in this case)—cannot override mandatory statutory protections provided under the Code.

Mandatory Liquidation Value for Dissenting Creditors: Dissenting financial creditors who vote against a plan are legally guaranteed to receive at least their share of liquidation value. Paying dissenting creditors in instruments like deferred debentures (debt redeemable at a future date) violates mandatory provisions of the Code.

No Judicial Rewriting of Resolution Plans: Neither the National Company Law Tribunal (NCLT) nor the NCLAT possesses the statutory authority to modify, rectify, or rewrite a defective resolution plan; a legally deficient plan must be remitted back to the CoC.

Topic 4: Equity Taxation, Policy Predictability, and Capital Flows (GS Paper 3: Indian Economy – Capital Markets)

Context: Over a two-year period, while global benchmark indices rallied (e.g., South Korea's KOSPI up 160%, Pakistan's KSE-100 up 107%, Taiwan's TAIEX up 105%, Germany's DAX up 30%), India's **Nifty 50 delivered a return of -14%**. This has drawn scrutiny toward domestic equity taxation and policy volatility.

Evolution of Equity Tax Architecture:

Pre-2004 Structure: Long-term capital gains (LTCG) on listed equity were taxed at 20% with indexation or 10% without indexation, whichever was lower.

The 2004 Grand Bargain: The Finance Act, 2004 abolished LTCG on listed equities via **Section 10(38)** and introduced the **Securities Transaction Tax (STT)** to collect revenue upfront at the exchange level while eliminating disputes. Concessional short-term capital gains (STCG) were set at 10% under Section 111A.

Post-2018 Disruption: In 2018, LTCG was reintroduced at 10% without rolling back STT. In July 2024, LTCG on listed equities was raised to **12.5%**, and STCG was raised to **20%**.

Budget 2026 Adjustments: STT was further increased on futures and options (derivatives).

Key Issues for UPSC:

Stacked Taxation: Investors face simultaneous levies on transaction volume (STT) and net profits (LTCG/STCG).

Policy Uncertainty & Retrospective Legacy: Past tax demands (e.g., Vodafone case, Flipkart-Walmart 2018 transaction) and recurrent

alterations to capital market rules create perceived sovereign risk for foreign institutional investors.

Structural Capital Deficit: As a capital-deficit economy, India requires sustained external capital inflows alongside domestic SIP investments to meet funding needs.

Topic 5: Wholesale Price Index (WPI) Inflation Dynamics (GS Paper 3: Indian Economy – Inflation)

Context: Wholesale inflation surged to **12.3% in October 2026** (up from 11.39% in September), marking the second consecutive month of double-digit wholesale inflation and recording a 50-month high by one metric.

Drivers & Characteristics of Wholesale Inflation:

Fuel & Power: Primary catalyst; crude petroleum and natural gas recorded inflation in excess of **70%**.

Manufactured Products: Registered an inflation rate of **9.5%**, showing broad cost pressures in textiles, metals, chemicals, and electrical machinery.

Data Baseline: Compiled by the **Office of the Economic Adviser (Ministry of Commerce and Industry)**, the updated WPI series begins from **April 2024**.

Macroeconomic Implications & Monetary Transmission:

WPI-CPI Divergence: The spread between WPI and CPI inflation widened to **6.2 percentage points** in October.

Pass-Through Lag: Cost-push pressures from wholesale factory-gate prices generally transmit into retail consumer baskets within **three to six months**.

Monetary Policy Dilemma: The RBI's Monetary Policy Committee (MPC) adheres to a **Flexible Inflation Targeting (FIT)** mandate anchored to headline CPI (4% with a +/-2% tolerance band). Policy rate increases address demand-driven core inflation effectively, but have limited efficacy in cooling exogenous, imported supply-side shocks such as crude oil.

Topic 6: UNFCCC COP31 & The 1.5°C "Overshoot" Paradigm (GS Paper 3: Environment & Climate Change)

Context: The draft cover decision for COP31 in **Antalya, Turkey** (co-hosted by Turkey and Australia) acknowledges that limiting global warming strictly within 1.5°C above pre-industrial levels has become unfeasible. Negotiations are shifting toward managing a **temporary temperature overshoot**.

Key Scientific & Negotiating Elements:

Temperature Overshoot Concept: A scenario where warming temporarily exceeds the Paris target (UNEP assessments project unavoidable warming of **1.7°C to 1.8°C**) before carbon dioxide removal technologies pull it back down later in the century.

Draft Commitments on Developed Economies: Demands developed nations achieve **net-zero greenhouse gas emissions by 2030** and **net-negative emissions by 2040** (removing more greenhouse gases than emitted).

Electrification Milestone: Proposes recognizing a global collective goal of expanding electricity's share of total final energy consumption to **35% by 2035** (up from the current ~23%).

India's Stance & Developing Country Concerns:

Just Transition Mechanism: India's Union Environment Minister emphasized that the Just Transition Mechanism—negotiated under the three-year-old Just Transition Work Programme—must remain confined to **technical assistance, capacity building, and knowledge-sharing**, without imposing mandatory mitigation burdens or non-tariff barriers on developing countries.

Irreversibility of Overshoot: Critical ecosystems, such as warm-water coral reefs, suffer non-linear, permanent collapse during an overshoot period, which cannot be reversed by subsequent cooling.

Dependence on Unscaled Tech: Net-negative pathways assume large-scale carbon removal deployments that are not yet commercially proven.

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Multiple Choice Questions (MCQs)

Q1. With reference to the Special Intensive Revision (SIR) of electoral rolls in India, consider the following statements:

Under Section 21(3) of the Representation of the People Act, 1950, the Election Commission of India has the power to order a special revision of electoral rolls for any constituency.

In accordance with Section 23(3) of the Representation of the People Act, 1950, names can continue to be included in the electoral roll up until the date of polling.

The power of superintendence, direction, and control over the preparation of electoral rolls is vested in the Election Commission under Article 324 of the Constitution.

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

Q2. Consider the following statements regarding the Periodic Labour Force Survey (PLFS):

It is conducted annually by the Labour Bureau under the Ministry of Labour and Employment.

The Current Weekly Status (CWS) approach measures a person's activity status based on the preceding seven days.

From 2025, the survey transitioned to a calendar-year reporting cycle.

Which of the statements given above is/are correct?
(a) 1 only
(b) 2 and 3 only
(c) 1 and 3 only
(d) 1, 2 and 3

Q3. In the context of the Indian economy, which of the following statements best explains the concept of "Temperature Overshoot" recently discussed in international climate negotiations?
(a) The temporary rise of ambient land temperatures in urban heat islands during peak summer months.
(b) A scenario where global warming temporarily exceeds a prescribed target before being brought down through greenhouse gas removals.
(c) The sudden spike in ocean heat content leading to severe coral bleaching and cyclonic intensification.
(d) The discrepancy between nationally determined climate pledges and actual greenhouse gas emissions.

Q4. With reference to the resolution process under the Insolvency and Bankruptcy Code (IBC), 2016, consider the following statements:

The commercial wisdom of the Committee of Creditors (CoC) cannot override the statutory requirement to pay dissenting financial creditors at least their liquidation value.

The National Company Law Tribunal (NCLT) possesses the inherent power to modify or rewrite a defective resolution plan to ensure statutory compliance.

Payment of dissenting financial creditors through deferred debentures satisfies the statutory requirements under the Code.

Which of the statements given above is/are correct?
(a) 1 only
(b) 1 and 2 only
(c) 2 and 3 only
(d) 1, 2 and 3

Q5. Consider the following statements regarding the Securities Transaction Tax (STT) and Capital Gains Tax in India:

The Securities Transaction Tax was introduced in 2004 to replace the tax on long-term capital gains on listed equities.

Under the provisions introduced in July 2024, long-term capital gains on specified listed equity are taxed at 12.5%.

Short-term capital gains under Section 111A of the Income Tax Act are currently levied at a rate of 10%.

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

Q6. With reference to the Wholesale Price Index (WPI) in India, consider the following statements:

1. It is compiled and released by the National Statistical Office (NSO) under the Ministry of Statistics and Programme Implementation.
2. The index tracks prices at the producer/factory-gate level and includes both goods and services.
3. In recent trends, the crude petroleum and natural gas sub-sector recorded an inflation rate exceeding 70%.

Which of the statements given above is/are correct?
(a) 1 and 2 only
(b) 3 only
(c) 1 and 3 only
(d) 2 and 3 only

Q7. Consider the following statements regarding the draft cover decision of COP31 held at Antalya:

1. It was co-hosted by Turkey and Australia.
2. It urges developed countries to achieve net-zero emissions by 2030 and net-negative emissions by 2040.
3. It proposes raising the share of electricity in total final energy consumption globally to 35% by 2035.

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

Q8. With reference to the Time Use Survey conducted in India, consider the following statements:

It is conducted every year to assess seasonal variations in unpaid domestic labour.

The survey considers the working-age population as individuals between 15 and 59 years of age.

In the 2024 survey, working-age women were found to spend nearly six times more time on unpaid care and domestic activities than working-age men.

Which of the statements given above is/are correct?
(a) 1 and 2 only
(b) 2 and 3 only
(c) 3 only
(d) 1, 2 and 3

Q9. Which of the following statements is/are correct regarding the Just Transition Work Programme under the UNFCCC?

It was established as a mechanism to mandate binding emission cuts for developing countries in the energy sector.

India's position is that the Just Transition Mechanism should focus strictly on technical assistance, capacity building, and knowledge sharing without creating new obligations.

Select the correct answer using the code given below:
(a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2

Q10. In the context of Indian macroeconomics, what does a widening positive gap between the Wholesale Price Index (WPI) and the Consumer Price Index (CPI) typically indicate?

(a) Immediate reduction in corporate operating profit margins followed by wholesale deflation.

(b) Accumulation of cost pressures at the producer level that may pass through to retail consumer prices over the medium term.

(c) A sharp contraction in the service sector compared to manufacturing.

(d) Automatic appreciation of the nominal exchange rate due to terms of trade improvements.

Q11. With reference to the Intergovernmental Panel on Climate Change (IPCC), consider the following statements:

1. It was established jointly by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP) in 1988.
2. It conducts its own primary research and field experiments to measure atmospheric greenhouse gas concentrations.
3. Its headquarters are located in Geneva, Switzerland.

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

Q12. Under the Insolvency and Bankruptcy Code (IBC), 2016, what is meant by the term "haircut" in a corporate insolvency resolution plan?

(a) The percentage of equity transferred from the promoter to resolution applicants.

(b) The mandatory discount applied to asset valuation during liquidation proceedings.

(c) The write-off or reduction of admitted financial claims that lenders agree to absorb.

(d) The legal fee ceiling paid to Resolution Professionals during the CIRP timeline.

Q13. Consider the following statements regarding the Flexible Inflation Targeting (FIT) framework in India:

The formal inflation target is anchored to the Wholesale Price Index (WPI).

The headline target is set at 4% with a tolerance band of +/- 2 percentage points.

Monetary policy rate adjustments are primarily effective in tackling demand-driven core inflation rather than exogenous food and fuel supply shocks.

Which of the statements given above is/are correct?

(a) 1 and 2 only

(b) 2 and 3 only

(c) 2 only

(d) 1, 2 and 3

Q14. Which of the following statements regarding the historical changes in India's Capital Gains Tax regime is INCORRECT?

(a) Prior to October 2004, long-term capital gains on listed shares could be taxed with the benefit of indexation.

(b) Section 10(38) of the Income Tax Act provided an exemption for long-term capital gains on listed equities.

(c) The 2018 Union Budget reintroduced LTCG tax on listed equities while simultaneously abolishing the Securities Transaction Tax.

(d) The Union Budget 2026 raised the Securities Transaction Tax on derivatives trading (futures and options).

Q15. Consider the following consequences of a global "temperature overshoot" beyond 1.5°C above pre-industrial levels:

Permanent and irreversible mortality of warm-water coral reef ecosystems.

Heavy reliance on carbon dioxide removal (CDR) techniques not yet operational at scale.

Accelerated risk of crossing ecological tipping points during the period of higher temperatures.

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

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Answer Key & Explanations

Question	Correct Option
Q1	(c)
Q2	(b)
Q3	(b)
Q4	(a)
Q5	(a)
Q6	(b)
Q7	(d)
Q8	(b)
Q9	(b)
Q10	(b)
Q11	(c)
Q12	(c)
Q13	(b)
Q14	(c)
Q15	(d)

Detailed Explanations

Q1: Correct Option (c)

Statement 1 is correct: Section 21(3) of the Representation of the People Act, 1950 authorizes the ECI to direct a special revision of electoral rolls at any time.

Statement 2 is incorrect: Under Section 23(3) of the RPA, 1950, the electoral roll freezes on the last date for making nominations, not on polling day.

Statement 3 is correct: Article 324 vests the superintendence, direction, and control of electoral roll preparation in the ECI.

Q2: Correct Option (b)

Statement 1 is incorrect: The PLFS is conducted by the National Statistical Office (NSO) under the Ministry of Statistics and Programme Implementation (MoSPI), not the Labour Bureau.

Statement 2 is correct: Current Weekly Status (CWS) assesses economic activity over the preceding seven days.

Statement 3 is correct: From January 2025, the PLFS shifted to a calendar year basis and expanded its sample size ~2.65 times.

Q3: Correct Option (b)

Explanation: Temperature overshoot describes a trajectory where global average warming first surpasses the 1.5°C ceiling before being brought back down in subsequent decades via greenhouse gas removals.

Q4: Correct Option (a)

Statement 1 is correct: The Supreme Court held that the commercial wisdom of the CoC cannot contravene mandatory provisions requiring dissenting financial creditors to receive at least their liquidation value.

Statement 2 is incorrect: Tribunals (NCLT/NCLAT) do not have the power to rewrite or modify a defective resolution plan; they must remit it to the CoC.

Statement 3 is incorrect: Paying dissenting lenders in deferred debentures fails to satisfy the mandatory requirements of the Code.

Q5: Correct Option (a)

Statement 1 is correct: STT was introduced under the Finance Act, 2004 as an exchange-level levy designed to replace LTCG on listed equities.

Statement 2 is correct: In July 2024, the LTCG tax rate on specified listed equities was adjusted to 12.5%.

Statement 3 is incorrect: In July 2024, the short-term capital gains tax rate under Section 111A was raised from 15% to 20% (not 10%).

Q6: Correct Option (b)

Statement 1 is incorrect: WPI is compiled and released by the Office of the Economic Adviser, Ministry of Commerce and Industry.

Statement 2 is incorrect: Unlike the CPI, WPI does not capture price changes in services; it tracks bulk physical goods.

Statement 3 is correct: The crude petroleum and natural gas sub-index recorded wholesale inflation above 70% in October.

Q7: Correct Option (d)

Statements 1, 2, and 3 are correct: Turkey and Australia co-hosted COP31 in Antalya. The draft cover text calls on developed countries to target net-zero by 2030 and net-negative by 2040, alongside a global goal of lifting electricity's share in final energy consumption to 35% by 2035.

Q8: Correct Option (b)

Statement 1 is incorrect: The Time Use Survey has been conducted only twice (in 2019 and 2024), not annually.

Statement 2 is correct: The survey defines working age as 15 to 59 years.

Statement 3 is correct: Working-age women spent 366 minutes/day on unpaid work compared to 62 minutes/day for men (~6 times more).

Q9: Correct Option (b)

Statement 1 is incorrect: The Just Transition Work Programme was not established to impose binding mitigation cuts on developing nations.

Statement 2 is correct: India has consistently maintained that the Just Transition Mechanism must focus strictly on capacity building, knowledge exchange, and technical assistance without creating new legal obligations.

Q10: Correct Option (b)

Explanation: WPI tracks wholesale prices at the factory gate. A large positive divergence with retail prices indicates that input cost inflation has not yet fully transmitted to retail markets, which generally occurs over a 3-to-6-month lag.

Q11: Correct Option (c)

Statements 1 and 3 are correct: The IPCC was established in 1988 by WMO and UNEP and is based in Geneva, Switzerland.

Statement 2 is incorrect: The IPCC does not perform primary research or monitoring; it assesses existing peer-reviewed scientific literature.

Q12: Correct Option (c)

Explanation: In IBC terminology, a haircut refers to the percentage discount or portion of admitted financial claims that lenders write off during a resolution plan.

Q13: Correct Option (b)

Statement 1 is incorrect: The RBI's FIT framework is anchored to headline Consumer Price Index (CPI) inflation, not WPI.

Statements 2 and 3 are correct: The mandate targets 4% CPI inflation with a +/- 2% band. Monetary policy adjustments primarily moderate domestic core inflation and are less effective against supply-side imported fuel or food shocks.

Q14: Correct Option (c)

Explanation: When the 2018 Union Budget reintroduced LTCG at 10% on listed shares, it left the Securities Transaction Tax (STT) untouched rather than abolishing it.

Q15: Correct Option (d)

Statements 1, 2, and 3 are correct: Temperature overshoot entails risks of permanent biodiversity loss (e.g., tropical coral reefs), relies heavily on unscaled carbon dioxide removal (CDR) mechanisms, and increases the likelihood of triggering ecological tipping points

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