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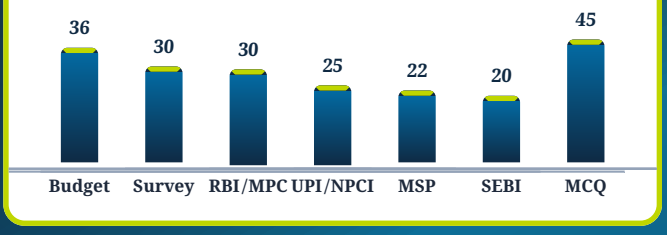
CURRENT AFFAIRS 2026 — INDIAN ECONOMY, BANKING, RBI & UNION BUDGET 2026-27

Union Budget 2026-27 (₹53.47 Lakh Cr) & Economic Survey 2025-26 Complete Data, Fiscal Deficit (4.3%), RBI Monetary Policy 2026, UPI Global Expansion, SEBI Reforms, Maharatna CPSEs, Agricultural MSP & External Sector

Topic-Wise Exam Weightage Distribution (%)



Previous Years' Question Trend Analysis



Target Competitive, Entrance & Departmental Examinations

UPSC CSE • State PCS • RBI Grade B • IBPS/SBI PO & Clerk • SSC • UPSC EPFO • NABARD • JAIIB/CAIIB

Core Syllabus Pillars & Exam Question Weightage (%)

- Union Budget 2026-27, Tax Reforms, Fiscal Path & Allocations (28%)
- Economic Survey 2025-26, GDP Growth, Inflation & Employment (22%)
- RBI Monetary Policy 2026, NPCI (UPI) & Digital Banking (22%)
- Capital Markets (SEBI Reforms), GST Council & PLI Schemes (14%)
- Agricultural MSP 2026-27, Forex Reserves & External Trade (14%)

Complete Theory
NCERT & Official Sources

Visual Flowcharts
Comparative Matrices

Memory Tricks
Exam Trap Alerts

75+ Solved MCQs
Rapid Revision Points

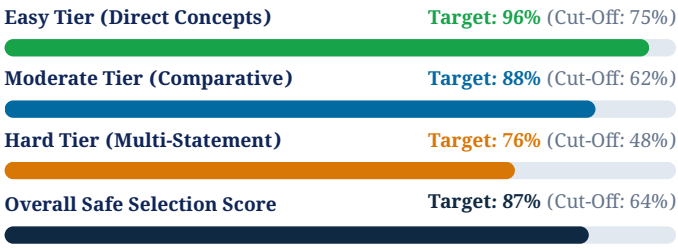
Preface, Exam Weightage Dashboard & Study Strategy — CURRENT AFFAIRS 2026 — INDIAN ECONOMY, BANKING, RBI & UNION BUDGET 2026-27

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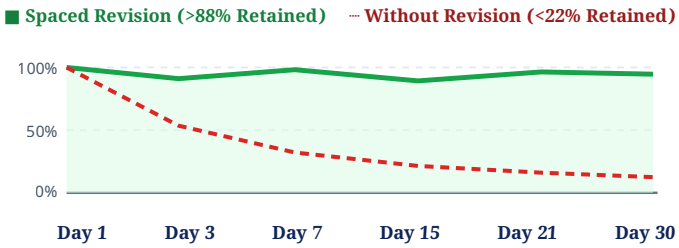
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Modern competitive, entrance, and departmental promotion examinations demand a combination of deep conceptual clarity, statutory precision, and rapid revision tools. Prepared by **Inclusive Universal Careers Academy (IUC Academy — www.iucacademy.com)**, these comprehensive English-medium study notes integrate **structured chapter theory, 4-node conceptual process flowcharts, multi-column comparative tables, inline mathematical/scientific formulas, 'Did You Know?' boxes, 'Exam Trap Alert' callouts, 'Memory Trick' mnemonics, Chapter-End Analytical Synthesis Matrices, 75+ Step-by-Step Solved MCQs, and Rapid-Fire Revision Points**.

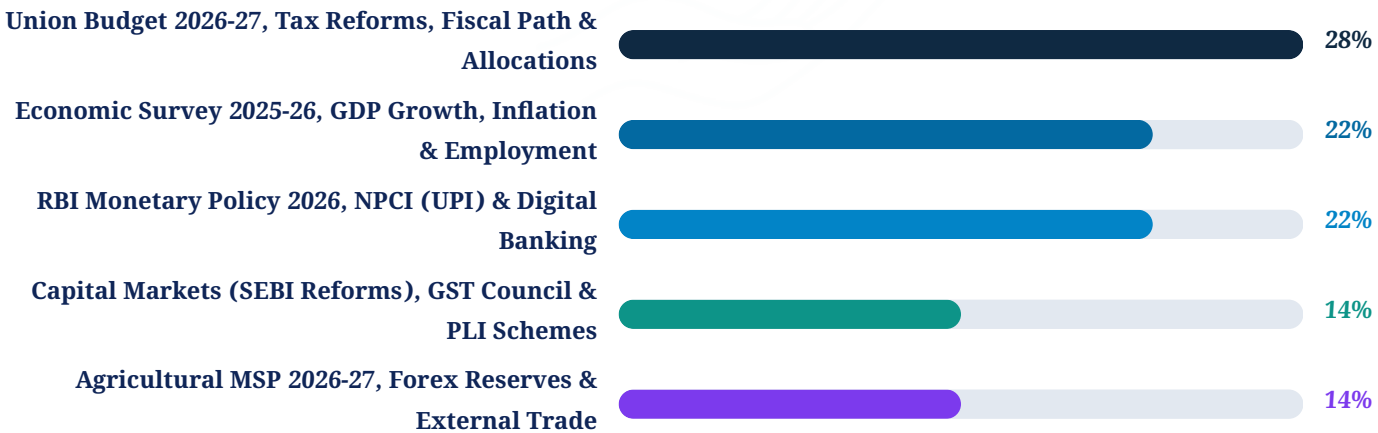
Target Accuracy vs Qualifying Cut-Off Benchmark (%)



Spaced Revision (1-3-7-21 Day Rule) & Retention Curve



Topic-Wise Exam Question Weightage Index (%)



Verified Official Curriculum & Statutory Reference Portals

- केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल (https://www.indiabudget.gov.in/)
- भारतीय रिज़र्व बैंक (RBI) (https://www.rbi.org.in/)
- भारतीय प्रतिभूति और विनिमय बोर्ड (SEBI) (https://www.sebi.gov.in/)
- भारतीय राष्ट्रीय भुगतान निगम (NPCI) (https://www.npci.org.in/)
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- 1.2 Fiscal Deficit Achievement & The New Debt-to-GDP Consolidation Path (2026–2031)

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Study Module Portal: IUC Academy Indian Economy & Banking Hub | **Official Reference Portals:** Union Budget & Economic Survey Portal | Reserve Bank of India (RBI) | Securities and Exchange Board of India (SEBI) | National Payments Corporation of India (NPCI)

Chapter 1: Union Budget 2026–27 & Revised Estimates 2025–26 — Complete Fiscal Architecture, Deficit Metrics & Debt Consolidation Glide Path

Chapter Key Study Pillars — Chapter 1: Union Budget 2026–27 & Revised Estimates 2025–26 — Complete Fiscal Architecture, Deficit Metrics & Debt Consolidation Glide Path

Key Study Pillar 1
Headline Fiscal Numbers of Union Budget 2026–27 (BE 2026–27) & Revised Estimates 2025–26 (RE 2025–26)

Key Study Pillar 2
Fiscal Deficit Achievement & The New Debt-to-GDP Consolidation Path (2026–2031)

1.1 Headline Fiscal Numbers of Union Budget 2026–27 (BE 2026–27) & Revised Estimates 2025–26 (RE 2025–26)

• **Constitutional Mandate & Presentation:** Presented to Parliament on February 1, 2026 by Union Minister of Finance and Corporate Affairs **Nirmala Sitharaman** under **Article 112** of the Constitution ("Annual Financial Statement"), **Union Budget 2026–27** is also the first budget of the five-year award period (**2026–27 to 2030–31**) of the **Sixteenth Finance Commission (SFC)** (Union Budget Speech 2026–27).

• **Total Expenditure & Capital Expenditure Outlay:**

1. **Total Expenditure in BE 2026–27:** Total expenditure of the Union Government in Budget Estimates (BE) 2026–27 is projected at **₹53.47 lakh crore** (**13.6 per cent of GDP**), registering a growth of **7.7 per cent** over the Revised Estimates (RE) 2025–26 figure of **₹49.65 lakh crore** (~₹49.6 lakh crore) (Statements of Fiscal Policy — Budget 2026–27).

2. **Capital Expenditure & SASCI Support to States:** In RE 2025–26, capital expenditure stood at about **₹11 lakh crore**. In BE 2026–27, capital expenditure is budgeted at **3.1 per cent of GDP**, which includes capital support to States through **SASCI (Special Assistance as Loan to States for Capital Expenditure — 50-year interest-free loans)** with an outlay of **₹2.0 lakh crore** (Statements of Fiscal Policy — Budget 2026–27).

3. **Exact Budgetary Outlays, Market Borrowings & Deficit Anchors in BE 2026–27:** In exact rupee terms, total expenditure in BE 2026–27 is estimated at **₹53,47,315 crore (~₹53.47 lakh crore)**, while total receipts other than borrowings (non-debt receipts) stand at **₹36,51,547 crore (~₹36.52 lakh crore, +7.2% over RE 2025–26)**. Including grants for creation of capital assets, effective public capital expenditure rises to **over ₹12.2 lakh crore**. To finance the **4.3% fiscal deficit** (**1.5% revenue deficit**), **Gross Market Borrowings** are estimated at **₹17.2 lakh crore** and **Net Market Borrowings** from dated securities at **₹11.7 lakh crore**, assuming a **10.0% nominal GDP growth rate** in FY 2026–27 (Union Budget).

• **Revenue Receipts, Net Tax Receipts & Non-Debt Capital Receipts (BE 2026–27 vs. RE 2025–26):**

1. **Receipts in RE 2025–26:** Total receipts other than borrowings in RE 2025–26 stood at **₹34 lakh crore**, of which the Centre's net tax receipts were **₹26.7 lakh crore** (during April–December 2025, total expenditure was ₹33.81 lakh crore) (Union Budget Speech 2026–27).

2. **Revenue Receipts in BE 2026–27:** Total Revenue Receipts of the Union Government in BE 2026–27 are estimated at **₹35.33 lakh crore** (assuming a growth of **5.7 per cent** over RE 2025–26), comprising **Tax Revenues (Net to Centre) of ₹28.67 lakh crore** (after transferring the 41% vertical share to States as recommended by the 16th Finance Commission) and **Non-Tax Revenues (NTR) of ₹6.66 lakh crore**. Gross indirect taxes are estimated at **₹17.07 lakh crore**, while Non-Debt Capital Receipts (comprising Recovery of Loans & Advances and Other Miscellaneous Capital Receipts) are estimated at **₹1.18 lakh crore** (Statements of Fiscal Policy — Budget 2026–27).

1.2 Fiscal Deficit Achievement & The New Debt-to-GDP Consolidation Path *(2026–2031)*

• **Fulfilling the Fiscal Consolidation Commitment (Fiscal Deficit at 4.4% in RE 2025–26 & 4.3% in BE 2026–27):** Fulfilling the commitment made in FY 2021–22 to reduce the fiscal deficit below **4.5 per cent of GDP by 2025–26** (down from 9.2% in FY21 and 6.7% in FY22), the Union Government achieved a fiscal deficit of **4.8 per cent of GDP in FY 2024–25**, estimated the **RE 2025–26 fiscal deficit at par with BE 2025–26 at 4.4 per cent of GDP**, and projected the **BE 2026–27 fiscal deficit at 4.3 per cent of GDP** (Union Budget Speech 2026–27).

• **New Fiscal Prudence Anchor — Central Government Debt-to-GDP Ratio Target (50± 1\% by 2030–31):**

1. **Long-Term Target for 2030–31:** To free up resources for priority sector expenditure by steadily reducing interest payment outgoes, the Central Government has adopted a debt consolidation path targeting a **Central Government Debt-to-GDP ratio of 50± 1 per cent by 2030–31** (Union Budget Speech 2026–27).

2. **Debt-to-GDP Ratio in RE 2025–26 and BE 2026–27:** The total Central Government debt-to-GDP ratio is estimated to decline to **55.6 per cent of GDP in BE 2026–27**, compared to **56.1 per cent of GDP in RE 2025–26** (excluding liabilities on account of investment in Special Securities of States under the National Small Savings Fund — which are 0.7% and 0.5% of GDP respectively — the net Central Government debt stands at **55.5% of GDP in RE 2025–26** and **55.1% of GDP in BE 2026–27**) (Statements of Fiscal Policy — Budget 2026–27).

1.3 Process Flowchart: India's Multi-Year Fiscal Consolidation & Debt-to-GDP Glide Path (FY*21* to FY*31*)

Step-by-Step Conceptual Process Flowchart

STEP 1
Stage 1: Post-Pandemic Fiscal Consolidation from Peak Deficit of 9.2% of GDP in FY21 & 6.7% in FY22 to 4.8% in FY25

STEP 2
Stage 2: Fulfilling the Sub-4.5% Commitment in RE 2025–26 — Fiscal Deficit at 4.4% of GDP & Debt-to-GDP Ratio at 56.1%

STEP 3
Stage 3: Union Budget 2026–27 (BE) — Total Outlay ₹53.47 Lakh Crore, Fiscal Deficit at 4.3% & Debt-to-GDP Ratio at 55.6%

STEP 4
Stage 4: Medium-Term Debt Consolidation Anchor — Reaching a Central Government Debt-to-GDP Ratio of 50±1% by 2030–31

1.4 Comparative Table: Official Fiscal Aggregates of Union Budget *2026–27* & Revised Estimates *2025–26*

Fiscal Aggregate / Budget Head	Revised Estimates (RE) 2025–26	Budget Estimates (BE) 2026–27	Key Metric / % of GDP / Growth Rate	Official Verification Source
Total Expenditure	**₹49.65 lakh crore** (~₹49.6 lakh crore)	**₹53.47 lakh crore**	**13.6% of GDP** in BE 2026–27 (**+7.7% growth** over RE 2025–26)	Statements of Fiscal Policy

Fiscal Aggregate / Budget Head	Revised Estimates (RE) 2025–26	Budget Estimates (BE) 2026–27	Key Metric / % of GDP / Growth Rate	Official Verification Source
Total Revenue Receipts	₹33.42 lakh crore (implied base)	**₹35.33 lakh crore**	Projected growth of **5.7%** over RE 2025–26	Statements of Fiscal Policy
Tax Revenues (Net to Centre)	**₹26.7 lakh crore**	**₹28.67 lakh crore**	After retaining **41% vertical devolution** to States under the 16th FC	Union Budget Speech 2026–27
Non-Tax Revenues (NTR)	—	**₹6.66 lakh crore**	Includes RBI surplus transfer, PSU dividends, and spectrum receipts	Statements of Fiscal Policy
Non-Debt Capital Receipts	—	**₹1.18 lakh crore**	Recovery of loans & advances and miscellaneous capital receipts	Statements of Fiscal Policy
SASCI Outlay (Capital Loans to States)	States maintained Capex at 2.4% of GDP	**₹2.0 lakh crore**	Part of Centre's capital expenditure budgeted at **3.1% of GDP**	Statements of Fiscal Policy
Fiscal Deficit (% of GDP)	**4.4% of GDP**	**4.3% of GDP**	Reduced by more than half from 9.2% in FY21	Union Budget Speech 2026–27
Central Government Debt (% of GDP)	**56.1% of GDP** (55.5% net of NSSF)	**55.6% of GDP** (55.1% net of NSSF)	Targeted to reach **50± 1\% of GDP by 2030–31**	Key Features of Budget 2026–27

Did You Know?: Under the **Fiscal Responsibility and Budget Management (FRBM) Act, 2003**, "GDP" for calculating fiscal indicators is defined as the **Gross Domestic Product at Current Market Prices (Nominal GDP)**, and Central Government Debt includes external public debt valued at current exchange rates plus total outstanding liabilities on the Public Account (Statements of Fiscal Policy — Budget 2026–27).

Exam Trap Alert: Candidates often confuse **Direct Capital Expenditure** with **Effective Capital Expenditure**. Remember that **Effective Capital Expenditure = Direct Capital Expenditure of the Union + Grants-in-Aid to States for Creation of Capital Assets**. Although Grants-in-Aid to States are accounted under the Revenue Expenditure head in the formal budget accounts, they create productive capital assets in the field and are therefore added to compute Effective Capex (which scaled up to **4% of GDP in FY25**) (Economic Survey 2025–26 Highlights).

Step-by-Step Conceptual Process Flowchart

STEP 1

Memory Trick: Memorize the 5 core numbers of Union Budget 2026–27 (BE) with the formula: "Total Outlay ₹53.47L Cr, Revenue Receipts ₹35.33L Cr (Net Tax ₹28.67L Cr + Non-Tax ₹6.66L Cr), SASCI State Capex Loans ₹2.0L Cr, Fiscal Deficit 4.4%

STEP 2

4.3%, and Debt-to-GDP 56.1%

STEP 3

55.6% (Target 50± 1\% by 2030–31)!" (IUC Academy).**

Chapter 1 Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Headline Fiscal Numbers of Union Budget 2026–27 (BE 2026–27) & Revised Estimates 2025–26 (RE 2025–26)	**Constitutional Mandate & Presentation**	Presented to Parliament on February 1, 2026 by Union Minister of Finance and Corporate Affairs **Nirmala Sitharaman** under **Article 112** of the Constitution ("Annual Financial Statement"), **Union Budget 2026–27** is also the first budget of the five-year award period (**2026–27 to 2030–31**) of the **Sixteenth Finance Commission (SFC)** (Union Budget Speech 2026–27).
Fiscal Deficit Achievement & The New Debt-to-GDP Consolidation Path (2026–2031)	**Total Expenditure in BE 2026–27**	Total expenditure of the Union Government in Budget Estimates (BE) 2026–27 is projected at **₹53.47 lakh crore** (**13.6 per cent of GDP**), registering a growth of **7.7 per cent** over the Revised Estimates (RE) 2025–26 figure of **₹49.65 lakh crore** (~₹49.6 lakh crore) (Statements of Fiscal Policy — Budget 2026–27).
Process Flowchart: India's Multi-Year Fiscal Consolidation & Debt-to-GDP Glide Path (FY21 to FY31)	**Capital Expenditure & SASCI Support to States**	In RE 2025–26, capital expenditure stood at about **₹11 lakh crore**. In BE 2026–27, capital expenditure is budgeted at **3.1 per cent of GDP**, which includes capital support to States through **SASCI (Special Assistance as Loan to States for Capital Expenditure — 50-year interest-free loans)** with an outlay of **₹2.0 lakh crore** (Statements of Fiscal Policy — Budget 2026–27).
Comparative Table: Official Fiscal Aggregates of Union Budget 2026–27 & Revised Estimates 2025–26	**Exact Budgetary Outlays, Market Borrowings & Deficit Anchors in BE 2026–27**	In exact rupee terms, total expenditure in BE 2026–27 is estimated at **₹53,47,315 crore (~₹53.47 lakh crore)**, while total receipts other than borrowings (non-debt receipts) stand at **₹36,51,547 crore (~₹36.52 lakh crore, +7.2% over RE 2025–26)**. Including grants for creation of capital assets, effective public capital expenditure rises to **over ₹12.2 lakh crore**. To finance the **4.3% fiscal deficit** (**1.5% revenue deficit**), **Gross Market Borrowings** are estimated at **₹17.2 lakh crore** and **Net Market Borrowings** from dated securities at **₹11.7 lakh crore**, assuming a **10.0% nominal GDP growth rate** in FY 2026–27 (Union Budget).
Headline Fiscal Numbers of Union Budget 2026–27 (BE 2026–27) & Revised Estimates 2025–26 (RE 2025–26)	**Receipts in RE 2025–26**	Total receipts other than borrowings in RE 2025–26 stood at **₹34 lakh crore**, of which the Centre's net tax receipts were **₹26.7 lakh crore** (during April–December 2025, total expenditure was ₹33.81 lakh crore) (Union Budget Speech 2026–27).
Fiscal Deficit Achievement & The New Debt-to-GDP Consolidation Path (2026–2031)	**Revenue Receipts in BE 2026–27**	Total Revenue Receipts of the Union Government in BE 2026–27 are estimated at **₹35.33 lakh crore** (assuming a growth of **5.7 per cent** over RE 2025–26), comprising **Tax Revenues (Net to Centre) of ₹28.67 lakh crore** (after transferring the 41% vertical share to States as recommended by the 16th Finance Commission) and **Non-Tax Revenues (NTR) of ₹6.66 lakh crore**. Gross indirect taxes are estimated at **₹17.07 lakh crore**, while Non-Debt Capital Receipts (comprising Recovery of Loans & Advances and Other Miscellaneous Capital Receipts) are estimated at **₹1.18 lakh crore** (Statements of Fiscal Policy — Budget 2026–27).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
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Comparative Table: Official Fiscal Aggregates of Union Budget 2026–27 & Revised Estimates 2025–26	**Long-Term Target for 2030–31**	To free up resources for priority sector expenditure by steadily reducing interest payment outgoes, the Central Government has adopted a debt consolidation path targeting a **Central Government Debt-to-GDP ratio of 50± 1 per cent by 2030–31** (Union Budget Speech 2026–27).
Headline Fiscal Numbers of Union Budget 2026–27 (BE 2026–27) & Revised Estimates 2025–26 (RE 2025–26)	**Debt-to-GDP Ratio in RE 2025–26 and BE 2026–27**	The total Central Government debt-to-GDP ratio is estimated to decline to **55.6 per cent of GDP in BE 2026–27**, compared to **56.1 per cent of GDP in RE 2025–26** (excluding liabilities on account of investment in Special Securities of States under the National Small Savings Fund — which are 0.7% and 0.5% of GDP respectively — the net Central Government debt stands at **55.5% of GDP in RE 2025–26** and **55.1% of GDP in BE 2026–27**) (Statements of Fiscal Policy — Budget 2026–27).

Chapter *1* Multi-Statement Exam Verification Drills

Chapter 1 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (Constitutional Mandate & Presentation): Presented to Parliament on February 1, 2026 by Union Minister of Finance and Corporate Affairs **Nirmala Sitharaman** under **Article 112** of the Constitution ("Annual Financial Statement"), **Union Budget 2026–27** is also the first budget of the five-year award period (**2026–27 to 2030–31**) of the **Sixteenth Finance Commission (SFC)** (Union Budget Speech 2026–27).

Statement-II (Total Expenditure in BE 2026–27): Total expenditure of the Union Government in Budget Estimates (BE) 2026–27 is projected at **₹53.47 lakh crore** (**13.6 per cent of GDP**), registering a growth of **7.7 per cent** over the Revised Estimates (RE) 2025–26 figure of **₹49.65 lakh crore** (~₹49.6 lakh crore) (Statements of Fiscal Policy — Budget 2026–27).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 1 Statement-Verification Drill #2 — Both Statements Verified Correct

Statement-I (Capital Expenditure & SASCI Support to States): In RE 2025–26, capital expenditure stood at about **₹11 lakh crore**. In BE 2026–27, capital expenditure is budgeted at **3.1 per cent of GDP**, which includes capital support to States through **SASCI (Special Assistance as Loan to States for Capital Expenditure — 50-year interest-free loans)** with an outlay of **₹2.0 lakh crore** (Statements of Fiscal Policy — Budget 2026–27).

Statement-II (Exact Budgetary Outlays, Market Borrowings & Deficit Anchors in BE 2026–27): In exact rupee terms, total expenditure in BE 2026–27 is estimated at **₹53,47,315 crore (~₹53.47 lakh crore)**, while total receipts other than borrowings (non-debt receipts) stand at **₹36,51,547 crore (~₹36.52 lakh crore, +7.2% over RE 2025–26)**. Including grants for creation of capital assets, effective public capital expenditure rises to **over ₹12.2 lakh crore**. To finance the **4.3% fiscal deficit** (**1.5% revenue deficit**), **Gross Market Borrowings** are estimated at **₹17.2 lakh crore** and **Net Market Borrowings** from dated securities at **₹11.7 lakh crore**, assuming a **10.0% nominal GDP growth rate** in FY 2026–27 (Union Budget).

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Chapter 1 Statement-Verification Drill #3 Both Statements Verified Correct

Statement-I (Receipts in RE 2025–26): Total receipts other than borrowings in RE 2025–26 stood at **₹34 lakh crore**, of which the Centre's net tax receipts were **₹26.7 lakh crore** (during April–December 2025, total expenditure was ₹33.81 lakh crore) (Union Budget Speech 2026–27).

Statement-II (Revenue Receipts in BE 2026–27): Total Revenue Receipts of the Union Government in BE 2026–27 are estimated at **₹35.33 lakh crore** (assuming a growth of **5.7 per cent** over RE 2025–26), comprising **Tax Revenues (Net to Centre) of ₹28.67 lakh crore** (after transferring the 41% vertical share to States as recommended by the 16th Finance Commission) and **Non-Tax Revenues (NTR) of ₹6.66 lakh crore**. Gross indirect taxes are estimated at **₹17.07 lakh crore**, while Non-Debt Capital Receipts (comprising Recovery of Loans & Advances and Other Miscellaneous Capital Receipts) are estimated at **₹1.18 lakh crore** (Statements of Fiscal Policy — Budget 2026–27).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 1 Statement-Verification Drill #4 Both Statements Verified Correct

Statement-I (Fulfilling the Fiscal Consolidation Commitment (Fiscal Deficit at 4.4% in RE 2025–26 & 4.3% in BE 2026–27)): Fulfilling the commitment made in FY 2021–22 to reduce the fiscal deficit below **4.5 per cent of GDP by 2025–26** (down from 9.2% in FY21 and 6.7% in FY22), the Union Government achieved a fiscal deficit of **4.8 per cent of GDP in FY 2024–25**, estimated the **RE 2025–26 fiscal deficit at par with BE 2025–26 at 4.4 per cent of GDP**, and projected the **BE 2026–27 fiscal deficit at 4.3 per cent of GDP** (Union Budget Speech 2026–27).

Statement-II (Long-Term Target for 2030–31): To free up resources for priority sector expenditure by steadily reducing interest payment outgoes, the Central Government has adopted a debt consolidation path targeting a **Central Government Debt-to-GDP ratio of 50± 1 per cent by 2030–31** (Union Budget Speech 2026–27).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter *2:* Economic Survey *2025–26* — Real GDP Growth Outlook *(6.8%–7.2%* in FY*27)*, Effective Capex Scaling, Sectoral GVA & Viksit Bharat @ *2047*

Chapter Key Study Pillars — Chapter 2: Economic Survey 2025–26 — Real GDP Growth Outlook (6.8%–7.2% in FY27), Effective Capex Scaling, Sectoral GVA & Viksit Bharat @ 2047

Key Study Pillar 1
Macroeconomic Assessment & Real GDP Growth Projection in Economic Survey 2025–26

Key Study Pillar 2
Sectoral GVA Performance, Resolving Inverted Duty Structures & External Balance

2.1 Macroeconomic Assessment & Real GDP Growth Projection in Economic Survey *2025–26*

• **FY26 Real GDP Growth at 7.4%, Potential Growth at ~7% & Innovation/Banking Resilience:** According to the Economic Survey 2025–26 (tabled in Parliament on January 29–30, 2026), the First Advance Estimates place **FY 2025–26 (FY26) Real GDP growth at 7.4 per cent** and **Gross Value Added (GVA) growth at 7.3 per cent**, driven by the twin engines of consumption and investment. India's **medium-term potential GDP growth is assessed at around 7 per cent**, India's rank in the **Global Innovation Index (GII)** climbed to **38th** (from 66th in 2019), and the asset quality of Scheduled Commercial Banks (SCBs) strengthened markedly with the **NPA recovery rate doubling from 13.2 per cent in FY18 to 26.2 per cent in FY25** (Economic Survey).

• **Strong Growth Momentum — Real GDP Projected at 6.8% to 7.2% in FY27:** Prepared by the Economic Division of the Department of Economic Affairs under the Chief Economic Adviser and tabled in Parliament ahead of the Union Budget, the **Economic Survey 2025–26** highlights that despite deteriorating primary fiscal balances and rising sovereign bond yields across the world, **India retains strong macroeconomic growth momentum and is expected to grow by 6.8 to 7.2 per cent (6.8% – 7.2%) in FY 2026–27 (FY27)** (Economic Survey 2025–26 Highlights).

• **Core Thematic Chapters of Economic Survey 2025–26:** The Survey frames India's macroeconomic trajectory near key analytical themes: (1) *State of the Economy*: *Pushing the Growth Frontier*; (2) *Fiscal Developments*: *Anchoring Stability Through Credible Consolidation*; and (3) Monetary Management, External Balance, and Resolving Inverted Duty Structures to improve working capital (Economic Survey Portal).

• **Scaling Up of Public Capital Expenditure (Effective Capex at 4% of GDP & State Capex at 2.4%):**

1. **Centre's Effective Capex:** The Economic Survey 2025–26 notes that the **Centre's effective capital expenditure to GDP scaled up from a pre-pandemic average of 2.7% to 4.0% of GDP in FY25** (Economic Survey 2025–26 Highlights).

2. **Incentivizing State Capex via SASCI:** The Centre's **SASCI** (Special Assistance to States for Capital Investment) successfully incentivized the States to **maintain their aggregate capital expenditure at 2.4% of GDP** (Economic Survey 2025–26 Highlights).

3. **Credible Fiscal Consolidation:** The Union Government reduced its fiscal deficit by more than half from **9.2% of GDP in FY21** to **4.8% of GDP in FY25** (and further to **4.4% in RE FY26** and **4.3% in BE FY27**) (Economic Survey 2025–26 Chapter).

2.2 Sectoral GVA Performance, Resolving Inverted Duty Structures & External Balance

• **Sectoral GVA Engines (Services, Industry & Agriculture):** The **Services Sector** remains the largest contributor to Gross Value Added (GVA at ~54–55%), propelled by robust financial services, software/IT exports, and India's global leadership in **Global Capability Centres (GCCs)**. The **Industrial & Manufacturing Sector** (~27–28% of GVA) is supported by Production Linked Incentive (PLI) schemes across 14 sectors, the India Semiconductor Mission, and sustained public infrastructure capex. The **Agriculture and Allied Sector** (~17–18% of GVA, employing ~45.8% of the workforce) underpins rural demand and food security (Economic Survey Portal).

• **Resolving Inverted Duty Structures & Improving Working Capital:** A major policy priority highlighted in the Economic Survey 2025–26 is **resolving Inverted Duty Structures** (where customs or GST rates on raw materials and intermediate inputs are higher than the tax rate on finished manufactured goods, leading to blocked input tax credits and working capital stress for domestic manufacturers) (Economic Survey 2025–26 Highlights).

• **Improved External Balance (Current Account Deficit / GDP):** Supported by resilient net services exports and the world's highest inward remittance flows, India's **Current Account Deficit (CAD) to GDP ratio** has remained comfortable and well-contained (~1% of GDP), insulating the domestic economy from volatile global capital flows (Economic Survey 2025–26 Highlights).

2.3 Process Flowchart: The Economic Survey 2025–26 Capex-Led Growth & Structural Reform Transmission Engine

Step-by-Step Conceptual Process Flowchart

STEP 1
Stage 1: Scaling Up Centre's Effective Capex to 4% of GDP & Sustaining States' Capex at 2.4% of GDP via SASCI Loans

STEP 2
Stage 2: De-Bottlenecking Logistics Infrastructure & Resolving Inverted Duty Structures to Free Up Working Capital

STEP 3
Stage 3: Crowding-In of Private Corporate Investment, Manufacturing Value Addition & Services/ GCC Export Expansion

STEP 4
Stage 4: Sustaining 6.8%–7.2% Real GDP Growth in FY27 Alongside Credible Fiscal Consolidation (4.3% BE Deficit)

2.4 Comparative Table: Key Macroeconomic Metrics & Structural Highlights of Economic Survey 2025–26

Macroeconomic Indicator / Theme	Pre-Pandemic / Historical Baseline	Latest Official Metric (2026 Compendium)	Core Analytical Takeaway	Official Verification Source
Real GDP Growth Projection (FY27)	Global headwinds & elevated global yields	**6.8% to 7.2% in FY 2026–27 (FY27)**	India retains its position as the world's fastest-growing major economy	Economic Survey 2025–26
Centre's Effective Capex (% of GDP)	Pre-pandemic average: **2.7% of GDP**	**4.0% of GDP (in FY25)**	High-quality public capital expenditure driving asset creation	Economic Survey 2025–26
States' Aggregate Capex (% of GDP)	Prone to compression during downturns	**2.4% of GDP**	Incentivized by Centre's 50-year interest-free **SASCI** loans	Economic Survey 2025–26
Union Fiscal Deficit Reduction	**9.2% of GDP in FY21** (6.7% in FY22)	**4.8% (FY25) → 4.4% (RE FY26) → 4.3% (BE FY27)**	Cut by more than half from FY21 while scaling up capital investment	Economic Survey 2025–26
Inverted Duty Structure Rationalization	Higher tariffs on inputs than finished goods	Targeted customs & GST rationalization	Improves domestic manufacturers' working capital and export competitiveness	Economic Survey 2025–26

Did You Know?: India's **first Economic Survey** was presented in **1950–51** as part of the Union Budget documents; starting in **1964**, the Ministry of Finance delinked the Economic Survey from the Budget and began presenting it one day prior to the Union Budget to provide an objective macroeconomic context (Economic Survey Portal).

Exam Trap Alert: While the **Union Budget (Annual Financial Statement)** is a mandatory constitutional requirement under **Article 112**, the **Economic Survey** is **NOT** mandated by any Article of the Constitution of India; it is an authoritative flagship policy document prepared by the Department of Economic Affairs, Ministry of Finance (Constitution of India).

Step-by-Step Conceptual Process Flowchart

STEP 1

Memory Trick: Remember the four headline numbers of Economic Survey 2025–26: "FY27 Real GDP Growth = 6.8%–7.2%, Centre's Effective Capex = 2.7%

STEP 2

4.0% of GDP, States' Capex via SASCI = 2.4% of GDP, and Fiscal Deficit cut by over half from 9.2% (FY21) to 4.8% (FY25) / 4.4% (RE FY26)!" (IUC Academy).**

Chapter 2 Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Macroeconomic Assessment & Real GDP Growth Projection in Economic Survey 2025–26	**FY26 Real GDP Growth at 7.4%, Potential Growth at ~7% & Innovation/Banking Resilience**	According to the Economic Survey 2025–26 (tabled in Parliament on January 29–30, 2026), the First Advance Estimates place **FY 2025–26 (FY26) Real GDP growth at 7.4 per cent** and **Gross Value Added (GVA) growth at 7.3 per cent**, driven by the twin engines of consumption and investment. India's **medium-term potential GDP growth is assessed at around 7 per cent**, India's rank in the **Global Innovation Index (GII)** climbed to **38th** (from 66th in 2019), and the asset quality of Scheduled Commercial Banks (SCBs) strengthened markedly with the **NPA recovery rate doubling from 13.2 per cent in FY18 to 26.2 per cent in FY25** (Economic Survey).
Sectoral GVA Performance, Resolving Inverted Duty Structures & External Balance	**Strong Growth Momentum — Real GDP Projected at 6.8% to 7.2% in FY27**	Prepared by the Economic Division of the Department of Economic Affairs under the Chief Economic Adviser and tabled in Parliament ahead of the Union Budget, the **Economic Survey 2025–26** highlights that despite deteriorating primary fiscal balances and rising sovereign bond yields across the world, **India retains strong macroeconomic growth momentum and is expected to grow by 6.8 to 7.2 per cent (6.8% – 7.2%) in FY 2026–27 (FY27)** (Economic Survey 2025–26 Highlights).
Process Flowchart: The Economic Survey 2025–26 Capex-Led Growth & Structural Reform Transmission Engine	**Core Thematic Chapters of Economic Survey 2025–26**	The Survey frames India's macroeconomic trajectory near key analytical themes: (1) *State of the Economy*: *Pushing the Growth Frontier*; (2) *Fiscal Developments*: *Anchoring Stability Through Credible Consolidation*; and (3) Monetary Management, External Balance, and Resolving Inverted Duty Structures to improve working capital (Economic Survey Portal).
Comparative Table: Key Macroeconomic Metrics & Structural Highlights of Economic Survey 2025–26	**Centre's Effective Capex**	The Economic Survey 2025–26 notes that the **Centre's effective capital expenditure to GDP scaled up from a pre-pandemic average of 2.7% to 4.0% of GDP in FY25** (Economic Survey 2025–26 Highlights).
Macroeconomic Assessment & Real GDP Growth Projection in Economic Survey 2025–26	**Incentivizing State Capex via SASCI**	The Centre's **SASCI** (Special Assistance to States for Capital Investment) successfully incentivized the States to **maintain their aggregate capital expenditure at 2.4% of GDP** (Economic Survey 2025–26 Highlights).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Sectoral GVA Performance, Resolving Inverted Duty Structures & External Balance	**Credible Fiscal Consolidation**	The Union Government reduced its fiscal deficit by more than half from **9.2% of GDP in FY21** to **4.8% of GDP in FY25** (and further to **4.4% in RE FY26** and **4.3% in BE FY27**) (Economic Survey 2025–26 Chapter).
Process Flowchart: The Economic Survey 2025–26 Capex-Led Growth & Structural Reform Transmission Engine	**Sectoral GVA Engines (Services, Industry & Agriculture)**	The **Services Sector** remains the largest contributor to Gross Value Added (GVA at ~54–55%), propelled by robust financial services, software/IT exports, and India's global leadership in **Global Capability Centres (GCCs)**. The **Industrial & Manufacturing Sector** (~27–28% of GVA) is supported by Production Linked Incentive (PLI) schemes across 14 sectors, the India Semiconductor Mission, and sustained public infrastructure capex. The **Agriculture and Allied Sector** (~17–18% of GVA, employing ~45.8% of the workforce) underpins rural demand and food security (Economic Survey Portal).
Comparative Table: Key Macroeconomic Metrics & Structural Highlights of Economic Survey 2025–26	**Resolving Inverted Duty Structures & Improving Working Capital**	A major policy priority highlighted in the Economic Survey 2025–26 is **resolving Inverted Duty Structures** (where customs or GST rates on raw materials and intermediate inputs are higher than the tax rate on finished manufactured goods, leading to blocked input tax credits and working capital stress for domestic manufacturers) (Economic Survey 2025–26 Highlights).
Macroeconomic Assessment & Real GDP Growth Projection in Economic Survey 2025–26	**Improved External Balance (Current Account Deficit / GDP)**	Supported by resilient net services exports and the world's highest inward remittance flows, India's **Current Account Deficit (CAD) to GDP ratio** has remained comfortable and well-contained (~1% of GDP), insulating the domestic economy from volatile global capital flows (Economic Survey 2025–26 Highlights).

Chapter 2 Multi-Statement Exam Verification Drills

Chapter 2 Statement-Verification Drill #1 — **Both Statements Verified Correct**

Statement-I (FY26 Real GDP Growth at 7.4%, Potential Growth at ~7% & Innovation/Banking Resilience): According to the Economic Survey 2025–26 (tabled in Parliament on January 29–30, 2026), the First Advance Estimates place **FY 2025–26 (FY26) Real GDP growth at 7.4 per cent** and **Gross Value Added (GVA) growth at 7.3 per cent**, driven by the twin engines of consumption and investment. India's **medium-term potential GDP growth is assessed at around 7 per cent**, India's rank in the **Global Innovation Index (GII)** climbed to **38th** (from 66th in 2019), and the asset quality of Scheduled Commercial Banks (SCBs) strengthened markedly with the **NPA recovery rate doubling from 13.2 per cent in FY18 to 26.2 per cent in FY25** (Economic Survey).

Statement-II (Strong Growth Momentum — Real GDP Projected at 6.8% to 7.2% in FY27): Prepared by the Economic Division of the Department of Economic Affairs under the Chief Economic Adviser and tabled in Parliament ahead of the Union Budget, the **Economic Survey 2025–26** highlights that despite deteriorating primary fiscal balances and rising sovereign bond yields across the world, **India retains strong macroeconomic growth momentum and is expected to grow by 6.8 to 7.2 per cent (6.8% – 7.2%) in FY 2026–27 (FY27)** (Economic Survey 2025–26 Highlights).

✔ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 2 Statement-Verification Drill #2 — Both Statements Verified Correct

Statement-I (Core Thematic Chapters of Economic Survey 2025–26): The Survey frames India's macroeconomic trajectory near key analytical themes: (1) *State of the Economy: Pushing the Growth Frontier;* (2) *Fiscal Developments: Anchoring Stability Through Credible Consolidation;* and (3) Monetary Management, External Balance, and Resolving Inverted Duty Structures to improve working capital (Economic Survey Portal).

Statement-II (Centre's Effective Capex): The Economic Survey 2025–26 notes that the **Centre's effective capital expenditure to GDP scaled up from a pre-pandemic average of 2.7% to 4.0% of GDP in FY25** (Economic Survey 2025–26 Highlights).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 2 Statement-Verification Drill #3 — Both Statements Verified Correct

Statement-I (Incentivizing State Capex via SASCI): The Centre's **SASCI** (Special Assistance to States for Capital Investment) successfully incentivized the States to **maintain their aggregate capital expenditure at 2.4% of GDP** (Economic Survey 2025–26 Highlights).

Statement-II (Credible Fiscal Consolidation): The Union Government reduced its fiscal deficit by more than half from **9.2% of GDP in FY21** to **4.8% of GDP in FY25** (and further to **4.4% in RE FY26** and **4.3% in BE FY27**) (Economic Survey 2025–26 Chapter).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 2 Statement-Verification Drill #4 — Both Statements Verified Correct

Statement-I (Sectoral GVA Engines (Services, Industry & Agriculture)): The **Services Sector** remains the largest contributor to Gross Value Added (GVA at ~54–55%), propelled by robust financial services, software/IT exports, and India's global leadership in **Global Capability Centres (GCCs)**. The **Industrial & Manufacturing Sector** (~27–28% of GVA) is supported by Production Linked Incentive (PLI) schemes across 14 sectors, the India Semiconductor Mission, and sustained public infrastructure capex. The **Agriculture and Allied Sector** (~17–18% of GVA, employing ~45.8% of the workforce) underpins rural demand and food security (Economic Survey Portal).

Statement-II (Resolving Inverted Duty Structures & Improving Working Capital): A major policy priority highlighted in the Economic Survey 2025–26 is **resolving Inverted Duty Structures** (where customs or GST rates on raw materials and intermediate inputs are higher than the tax rate on finished manufactured goods, leading to blocked input tax credits and working capital stress for domestic manufacturers) (Economic Survey 2025–26 Highlights).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 3: Direct & Indirect Tax Reforms in Union Budget 2026–27 & 16th Finance Commission Devolution Formula

Chapter Key Study Pillars — Chapter 3: Direct & Indirect Tax Reforms in Union Budget 2026–27 & 16th Finance Commission Devolution Formula

Key Study Pillar 1
Direct Tax Reforms: Share Buyback Taxation, Minimum Alternate Tax (MAT) Finality & Dispute Settlement

Key Study Pillar 2
Indirect Tax & Customs Reforms: BCD Exemption on 17 Cancer Drugs & Customs Integrated System (CIS)

3.1 Direct Tax Reforms: Share Buyback Taxation, Minimum Alternate Tax (MAT) Finality & Dispute Settlement

• **Taxation of Share Buybacks as Capital Gains (with Additional Buyback Tax on Promoters):** In Union Budget 2026–27, the taxation of **share buybacks** has been rationalized to **tax buyback proceeds for all types of shareholders as 'Capital Gains'** (allowing shareholders to set off the cost of acquisition of shares). However, to prevent tax arbitrage by controlling shareholders, **promoters will pay an additional buyback tax** (Key Features of Budget 2026–27).

• **Minimum Alternate Tax (MAT) Reforms & 1/4th Credit Set-Off in the New Regime:**

1. **MAT Proposed as Final Tax:** Union Budget 2026–27 proposes to make **Minimum Alternate Tax (MAT) a final tax** (Key Features of Budget 2026–27).

2. **MAT Credit Set-Off up to 1/4th of Tax Liability:** Companies transitioning to or operating in the new corporate tax regime are now permitted **set-off using available MAT credit to an extent of one-fourth (1/4th / 25%) of the tax liability in the new regime** (Key Features of Budget 2026–27).

• **Dispute Settlement for Honest Taxpayers, Abolition of Angel Tax & Foreign Corporate Tax Reduction:**

1. **Closure of Cases in Lieu of Penalty:** Under Budget 2026–27, **honest taxpayers willing to settle tax disputes will now be able to close cases by paying an additional amount in lieu of penalty**, eliminating prolonged litigation (Key Features of Budget 2026–27).

2. **Abolition of Angel Tax & Reduction in Foreign Corporate Tax Rate:** To boost the Indian startup ecosystem, **Angel Tax (Section 56(2)(viib) of the Income Tax Act)** was abolished for all classes of investors, and the corporate income tax rate on **foreign companies** was reduced from 40% to **35%** (Press Information Bureau (PIB)).

3.2 Indirect Tax & Customs Reforms: BCD Exemption on 17 Cancer Drugs & Customs Integrated System (CIS)

• **Full Exemption of Basic Customs Duty (BCD) on 17 Cancer Drugs/Medicines:** Expanding affordable healthcare access for oncology patients, Union Budget 2026–27 **exempts Basic Customs Duty (BCD) on 17 drugs or medicines for cancer patients** (Key Features of Budget 2026–27).

• **Single Interconnected Digital Window for Cargo Clearance & Customs Integrated System (CIS):**

1. **Customs Integrated System (CIS) Rollout in 2 Years:** To modernize cross-border trade and customs administration, the **Customs Integrated System (CIS) will be rolled out in 2 years** (Key Features of Budget 2026–27).

2. **Single Digital Window for Cargo Clearance:** A **single and interconnected digital window for cargo clearance approvals** across all participating government agencies will be operationalized to reduce port dwell times (Key Features of Budget 2026–27).

• **Tariff Rationalization on Precious Metals & 25 Critical Minerals:** Basic Customs Duty was rationalized to **6%** on gold and silver and **6.4%** on platinum, while **25 Critical Minerals** (including lithium, cobalt, nickel, vanadium, and rare earth elements essential for clean energy, EV batteries, defence, and semiconductors) were fully exempted from Basic Customs Duty (Press Information Bureau (PIB)).

3.3 Process Flowchart: Union Budget 2026–27 Tax Reform & 16th Finance Commission Devolution Pipeline

Step-by-Step Conceptual Process Flowchart

STEP 1
Stage 1: Direct Tax Rationalization — Share Buyback Taxed as Capital Gains (Extra Tax on Promoters) & 1/4th MAT Credit Set-Off

STEP 2
Stage 2: Customs Modernization — BCD Exemption on 17 Cancer Drugs, Single Cargo Window & CIS Rollout in 2 Years

STEP 3
Stage 3: Mobilization of ₹28.67 Lakh Crore Net Tax Revenue to Centre & ₹17.07 Lakh Crore Gross Indirect Taxes in BE 2026–27

STEP 4
Stage 4: 16th Finance Commission Transfers — 41% Vertical Devolution Retained & ₹1.4 Lakh Crore Grants to States for FY27

3.4 Comparative Table: Major Direct & Indirect Tax Reforms in Union Budget (2026 Compendium)

Tax / Fiscal Reform Measure	Previous Provision	New Budget Provision (2026 Compendium)	Primary Economic & Taxpayer Impact	Official Verification Source
Share Buyback Taxation	Taxed as deemed dividend in hands of shareholders	**Taxed as Capital Gains** for all shareholders; **Promoters pay an additional buyback tax**	Allows cost-of-acquisition deduction for retail investors while curbing promoter tax arbitrage	Key Features of Budget 2026–27
Minimum Alternate Tax (MAT) & Credit Set-Off	MAT credit disallowed in the new corporate tax regime	**MAT proposed to be made final tax; set-off of available MAT credit allowed up to 1/4th of tax liability** in new regime	Facilitates smooth transition of capital-intensive companies to the new tax regime	Key Features of Budget 2026–27
BCD on Cancer Drugs / Medicines	Earlier exemption on 3 targeted cancer drugs	**Exempt BCD on 17 drugs or medicines for cancer patients**	Substantially lowers the cost of life-saving oncology treatments in India	Key Features of Budget 2026–27
Customs Integrated System (CIS) & Cargo Window	Multiple agency clearances for cargo	**CIS to be rolled out in 2 years** + Single interconnected digital window for cargo clearance approvals	Streamlines trade facilitation and cuts logistics completion time	Key Features of Budget 2026–27
Dispute Settlement for Honest Taxpayers	Prolonged penalty proceedings	Close cases by **paying an additional amount in lieu of penalty**	Reduces tax litigation backlog and promotes voluntary compliance	Key Features of Budget 2026–27
16th Finance Commission Devolution & Grants	41% vertical share under 15th FC	**Retained vertical share at 41%** + **₹1.4 lakh crore** Finance Commission Grants to States for FY27	Funds Rural Local Bodies, Urban Local Bodies, and State Disaster Management	Key Features of Budget 2026–27

Did You Know?: Under the **Provisional Collection of Taxes Act, 1931**, any declared provision in a Finance Bill imposing or increasing a customs or excise duty takes effect immediately from the midnight of Budget presentation, and the **Finance Bill must be passed by Parliament and assented to by the President within 75 days** of its introduction (Union Budget Portal).

Exam Trap Alert: Note the exact nuance in **Union Budget 2026–27 on Share Buybacks**: buybacks are now taxed for **all types of shareholders as Capital Gains**, AND **promoters pay an additional buyback tax**. Also note the exact fraction for **MAT Credit set-off** in the new regime: **one-fourth (1/4th) of the tax liability** (Key Features of Budget 2026–27).

★ **Memory Trick:** Remember the four flagship tax & customs highlights of **Budget 2026–27**: **"Buyback = Capital Gains (+ Promoter Tax), MAT = Final Tax (1/4th Credit Set-Off in New Regime), 17 Cancer Drugs = Zero BCD, and 2 Years = Customs Integrated System (CIS) Rollout!"** (IUC Academy).

Chapter 3 Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Direct Tax Reforms: Share Buyback Taxation, Minimum Alternate Tax (MAT) Finality & Dispute Settlement	**Taxation of Share Buybacks as Capital Gains (with Additional Buyback Tax on Promoters)**	In Union Budget 2026–27, the taxation of **share buybacks** has been rationalized to **tax buyback proceeds for all types of shareholders as 'Capital Gains'** (allowing shareholders to set off the cost of acquisition of shares). However, to prevent tax arbitrage by controlling shareholders, **promoters will pay an additional buyback tax** (Key Features of Budget 2026–27).
Indirect Tax & Customs Reforms: BCD Exemption on 17 Cancer Drugs & Customs Integrated System (CIS)	**MAT Proposed as Final Tax**	Union Budget 2026–27 proposes to make **Minimum Alternate Tax (MAT) a final tax** (Key Features of Budget 2026–27).
Process Flowchart: Union Budget 2026–27 Tax Reform & 16th Finance Commission Devolution Pipeline	**MAT Credit Set-Off up to 1/4th of Tax Liability**	Companies transitioning to or operating in the new corporate tax regime are now permitted **set-off using available MAT credit to an extent of one-fourth (1/4th / 25%) of the tax liability in the new regime** (Key Features of Budget 2026–27).
Comparative Table: Major Direct & Indirect Tax Reforms in Union Budget (2026 Compendium)	**Closure of Cases in Lieu of Penalty**	Under Budget 2026–27, **honest taxpayers willing to settle tax disputes will now be able to close cases by paying an additional amount in lieu of penalty**, eliminating prolonged litigation (Key Features of Budget 2026–27).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Direct Tax Reforms: Share Buyback Taxation, Minimum Alternate Tax (MAT) Finality & Dispute Settlement	**Abolition of Angel Tax & Reduction in Foreign Corporate Tax Rate**	To boost the Indian startup ecosystem, **Angel Tax (Section 56(2)(viib) of the Income Tax Act)** was abolished for all classes of investors, and the corporate income tax rate on **foreign companies** was reduced from 40% to **35%** (Press Information Bureau (PIB)).
Indirect Tax & Customs Reforms: BCD Exemption on 17 Cancer Drugs & Customs Integrated System (CIS)	**Full Exemption of Basic Customs Duty (BCD) on 17 Cancer Drugs/Medicines**	Expanding affordable healthcare access for oncology patients, Union Budget 2026–27 **exempts Basic Customs Duty (BCD) on 17 drugs or medicines for cancer patients** (Key Features of Budget 2026–27).
Process Flowchart: Union Budget 2026–27 Tax Reform & 16th Finance Commission Devolution Pipeline	**Customs Integrated System (CIS) Rollout in 2 Years**	To modernize cross-border trade and customs administration, the **Customs Integrated System (CIS) will be rolled out in 2 years** (Key Features of Budget 2026–27).
Comparative Table: Major Direct & Indirect Tax Reforms in Union Budget (2026 Compendium)	**Single Digital Window for Cargo Clearance**	A **single and interconnected digital window for cargo clearance approvals** across all participating government agencies will be operationalized to reduce port dwell times (Key Features of Budget 2026–27).
Direct Tax Reforms: Share Buyback Taxation, Minimum Alternate Tax (MAT) Finality & Dispute Settlement	**Tariff Rationalization on Precious Metals & 25 Critical Minerals**	Basic Customs Duty was rationalized to **6%** on gold and silver and **6.4%** on platinum, while **25 Critical Minerals** (including lithium, cobalt, nickel, vanadium, and rare earth elements essential for clean energy, EV batteries, defence, and semiconductors) were fully exempted from Basic Customs Duty (Press Information Bureau (PIB)).

Chapter 3 Multi-Statement Exam Verification Drills

Chapter 3 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (Taxation of Share Buybacks as Capital Gains (with Additional Buyback Tax on Promoters)): In Union Budget 2026–27, the taxation of **share buybacks** has been rationalized to **tax buyback proceeds for all types of shareholders as 'Capital Gains'** (allowing shareholders to set off the cost of acquisition of shares). However, to prevent tax arbitrage by controlling shareholders, **promoters will pay an additional buyback tax** (Key Features of Budget 2026–27).

Statement-II (MAT Proposed as Final Tax): Union Budget 2026–27 proposes to make **Minimum Alternate Tax (MAT) a final tax** (Key Features of Budget 2026–27).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 3 Statement-Verification Drill #2 Both Statements Verified Correct

Statement-I (MAT Credit Set-Off up to 1/4th of Tax Liability): Companies transitioning to or operating in the new corporate tax regime are now permitted **set-off using available MAT credit to an extent of one-fourth (1/4th / 25%) of the tax liability in the new regime** (Key Features of Budget 2026–27).

Statement-II (Closure of Cases in Lieu of Penalty): Under Budget 2026–27, **honest taxpayers willing to settle tax disputes will now be able to close cases by paying an additional amount in lieu of penalty**, eliminating prolonged litigation (Key Features of Budget 2026–27).

✔ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 3 Statement-Verification Drill #3 Both Statements Verified Correct

Statement-I (Abolition of Angel Tax & Reduction in Foreign Corporate Tax Rate): To boost the Indian startup ecosystem, **Angel Tax (Section 56(2)(viib) of the Income Tax Act)** was abolished for all classes of investors, and the corporate income tax rate on **foreign companies** was reduced from 40% to **35%** (Press Information Bureau (PIB)).

Statement-II (Full Exemption of Basic Customs Duty (BCD) on 17 Cancer Drugs/Medicines): Expanding affordable healthcare access for oncology patients, Union Budget 2026–27 **exempts Basic Customs Duty (BCD) on 17 drugs or medicines for cancer patients** (Key Features of Budget 2026–27).

✔ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 3 Statement-Verification Drill #4 Both Statements Verified Correct

Statement-I (Customs Integrated System (CIS) Rollout in 2 Years): To modernize cross-border trade and customs administration, the **Customs Integrated System (CIS) will be rolled out in 2 years** (Key Features of Budget 2026–27).

Statement-II (Single Digital Window for Cargo Clearance): A **single and interconnected digital window for cargo clearance approvals** across all participating government agencies will be operationalized to reduce port dwell times (Key Features of Budget 2026–27).

✔ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 4: Reserve Bank of India (RBI) Monetary Policy 2026 — Governor Sanjay Malhotra's MPC Decisions, 5.50% Repo Rate, 100 bps CRR Cut & LAF Corridor

Chapter Key Study Pillars — Chapter 4: Reserve Bank of India (RBI) Monetary Policy 2026 — Governor Sanjay Malhotra's MPC Decisions, 5.50% Repo Rate, 100 bps CRR Cut & LAF Corridor

Key Study Pillar 1
Monetary Policy Committee (MPC — Section 45ZB) & Key Decisions of 2025–2026

Key Study Pillar 2
Liquidity Adjustment Facility (LAF Corridor), SDF, VRRR Auctions & HTM Portfolio Restoration

4.1 Monetary Policy Committee (MPC — Section 45ZB) & Key Decisions of 2025–2026

• **Statutory Architecture of the Monetary Policy Committee (MPC):** Constituted under **Section 45ZB of the Reserve Bank of India Act, 1934** (inserted by the Finance Act, 2016 on the recommendation of the **Urjit Patel Committee**), the **6-member MPC** comprises 3 internal RBI members — the **Governor of the RBI**

(Chairperson, ex-officio — Sanjay Malhotra), the Deputy Governor in charge of monetary policy, and one officer of the RBI nominated by the Central Board — and **3 external members appointed by the Central Government for a fixed 4-year term** (not eligible for re-appointment). Under the **Flexible Inflation Targeting (FIT)** framework, the statutory headline inflation target (measured by **CPI-Combined** released by NSO, MoSPI) is **4\% ± 2\% (a tolerance band of 2% to 6%)** (Reserve Bank of India (RBI)).

• Governor Sanjay Malhotra's Monetary Policy Statements & 100 bps Phased CRR Reduction:

1. **Phased Reduction in Cash Reserve Ratio (CRR) by 100 Basis Points (June 2025):** Following Governor **Sanjay Malhotra's** Monetary Policy Statement on June 6, 2025, the Reserve Bank of India issued a notification announcing a **phased reduction in the Cash Reserve Ratio (CRR) of all banks by 100 basis points (1.0 per cent)** to inject durable primary liquidity into the banking system and support productive credit expansion (RBI Annual Report Publications).

2. **October 2026 Monetary Policy Statement & LAF Rates (MSF & Bank Rate at 5.75%):** As recorded in the RBI's official Monetary Policy Press Release dated **October 7, 2026 (*PRID*=63744)** and accompanying circulars (*RBI*/2026-2027/282 & 283), the **Marginal Standing Facility (MSF) rate and the Bank Rate stood at 5.75 per cent**, while the Weighted Average Call Rate (WACR) traded on average 14 basis points below the policy repo rate since the August policy (RBI Press Release — October 2026).

3. **Complete 2026 RBI MPC Policy Rate Trajectory — From 5.25% (February & June 2026) to 5.50% Repo Rate (63rd MPC Meeting, October 5–7, 2026):** In the February 6, 2026 and June 5, 2026 bi-monthly reviews, the **Governor Sanjay Malhotra-led MPC** voted unanimously to maintain the **Policy Repo Rate at 5.25%** with a **Neutral Stance**. Subsequently, in its **63rd MPC Meeting held from October 5 to 7, 2026**, responding to evolving inflation dynamics and global geopolitical headwinds, the MPC raised the **Policy Repo Rate by 25 basis points (25 bps) to 5.50 per cent**. Consequent to this decision, the **Standing Deposit Facility (SDF) rate stands adjusted to 5.25 per cent**, and the **Marginal Standing Facility (MSF) rate and the Bank Rate stand at 5.75 per cent** (Reserve Bank of India (RBI)).

4.2 Liquidity Adjustment Facility *(*LAF Corridor*)*, SDF, VRRR Auctions & HTM Portfolio Restoration

• Operating Target & The LAF Corridor (Repo, SDF & MSF):

1. **Weighted Average Call Rate (WACR):** Serves as the **operating target** of monetary policy in India, anchored near the **Policy Repo Rate** (Reserve Bank of India (RBI)).

2. **Standing Deposit Facility (SDF — Section 17 of RBI Act):** Introduced in April 2022 as the **floor of the LAF corridor (25 bps below the Policy Repo Rate)**, the SDF enables the RBI to absorb excess overnight liquidity from banks **without offering any Government Securities as collateral (collateral-free)** (Reserve Bank of India (RBI)).

3. **Marginal Standing Facility (MSF) & Bank Rate (Section 49 of RBI Act):** Serving as the **ceiling of the LAF corridor (25 bps above the Policy Repo Rate — at 5.75% in October 2026)**, MSF allows scheduled banks to borrow overnight in emergencies by dipping into their **Statutory Liquidity Ratio (SLR) portfolio up to a specified limit**. Penal interest on shortfalls in CRR and SLR maintenance is linked directly to the **Bank Rate** (Bank Rate + 3% on the first day and Bank Rate + 5% on subsequent days) (RBI Index to Circulars — November 2026).

4. **Weekend/Holiday Reversal of SDF/MSF & VRRR Auctions (November 2026):** To facilitate better fund management by banks, the RBI enabled **reversal of liquidity facilities under both SDF and MSF even during weekends and holidays**, and actively conducted 2-day **Variable Rate Reverse Repo (VRRR)** auctions under LAF in November 2026 to absorb surplus system liquidity (RBI Press Releases — November 16, 2026).

• **Phased Restoration of Held-to-Maturity (HTM) Limits (from 23% to 19.5% of NDTL):** Having temporarily enhanced the Held-to-Maturity (HTM) ceiling for SLR-eligible government securities to 23% of Net Demand and Time Liabilities (NDTL) during the pandemic, the RBI initiated the **phased restoration of HTM limits from 23 per cent to 19.5 per cent of NDTL** (RBI Annual Report Publications).

4.3 Process Flowchart*:* RBI's Liquidity Management & Monetary Policy Transmission Mechanism *(2026* Compendium*)*

Step-by-Step Conceptual Process Flowchart

STEP 1
Stage 1: Bi-Monthly Review by 6-Member MPC Chaired by Governor Sanjay Malhotra Anchored to 4% ± 2% CPI Target

STEP 2
Stage 2: Durable Liquidity Injection via 100 bps Phased CRR Cut & Calibration of LAF Corridor (MSF/Bank Rate at 5.75%)

STEP 3
Stage 3: Fine-Tuning of Surplus Liquidity via 2-Day VRRR Auctions & Collateral-Free SDF (with Weekend/Holiday Reversal)

STEP 4
Stage 4: Alignment of Overnight WACR with Policy Repo Rate & External Benchmark Lending Rate (EBLR) Transmission

4.4 Comparative Table*:* RBI Monetary Policy Instruments, Reserve Ratios & Foreign Exchange Relaxations *(2026* Compendium*)*

Monetary Instrument / Measure	Statutory Section / Act	Core Operational Mechanism	Latest Status / Policy Action (2026 Compendium)	Official Verification Source
Monetary Policy Committee (MPC)	**Section 45ZB**, RBI Act, 1934	6 members (3 RBI + 3 Govt-appointed external members); quorum of 4; Governor has casting vote	Statutory CPI inflation target of **4\% ± 2\%**; failure occurs if inflation breaches 2%–6% for **3 consecutive quarters**	Reserve Bank of India (RBI)
Cash Reserve Ratio (CRR)	**Section 42(1)**, RBI Act, 1934	Share of NDTL kept by banks with RBI strictly in **cash** (earns zero interest from RBI)	**Phased reduction of CRR by 100 basis points (100 bps)** announced by Governor Sanjay Malhotra on June 6, 2025	RBI Annual Report
Statutory Liquidity Ratio (SLR)	**Section 24**, Banking Regulation Act, 1949	Share of NDTL (18%) maintained by banks in cash, gold, or unencumbered approved G-Secs	**HTM limit restored in a phased manner from 23% to 19.5% of NDTL**	RBI Publications
Standing Deposit Facility (SDF)	**Section 17**, RBI Act, 1934	Floor of the LAF corridor (Repo - 25 bps); **collateral-free** overnight liquidity absorption	Reversal of SDF & MSF allowed even during **weekends and holidays**	RBI Publications

Monetary Instrument / Measure	Statutory Section / Act	Core Operational Mechanism	Latest Status / Policy Action (2026 Compendium)	Official Verification Source
Marginal Standing Facility (MSF) & Bank Rate	**Section 49**, RBI Act, 1934 (Bank Rate)	Ceiling of the LAF corridor (Repo + 25 bps); overnight emergency borrowing against SLR securities	**MSF rate and Bank Rate at 5.75%** (October 2026); penal interest on CRR/SLR shortfall tied to Bank Rate	RBI Press Release — Oct 2026
Advance Remittance for Import of Shipping Vessels	FEMA Foreign Exchange Regulation	Relaxation of bank guarantee / standby Letter of Credit requirements for maritime imports	Importers allowed advance remittance up to **USD 50 million** without bank guarantee (Circular dated June 13, 2025)	RBI Annual Report

Did You Know?: Under **Section 45ZN of the RBI Act, 1934**, the RBI is deemed to have **failed to meet the inflation target** only if average headline CPI inflation remains **above 6.0% (upper tolerance level) or below 2.0% (lower tolerance level) for three consecutive quarters**. In such an event, the RBI must submit a statutory report to the Central Government stating the reasons for failure, remedial actions proposed, and an estimate of the time-period within which the target shall be achieved (Reserve Bank of India (RBI)).

Exam Trap Alert: While **CRR** is governed by **Section 42(1) of the RBI Act, 1934** (with no statutory floor or ceiling since the 2006 Amendment), **SLR** is governed by **Section 24 of the Banking Regulation Act, 1949** (where the 25% statutory floor was removed in 2007, but the **statutory ceiling of 40% of NDTL** still remains in force). Furthermore, banks earn **no interest** on CRR balances held with the RBI, whereas banks earn interest on Government Securities held under SLR (Reserve Bank of India (RBI)).

★ **Memory Trick:** Remember the LAF Corridor hierarchy from bottom to top: **"Floor = Collateral-Free SDF (Repo - 0.25%), Middle = Policy Repo Rate (Operating Anchor for WACR), and Ceiling = Emergency MSF & Bank Rate (Repo + 0.25% = 5.75% in October 2026)!"** (IUC Academy).

Chapter 4 Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Monetary Policy Committee (MPC — Section 45ZB) & Key Decisions of 2025–2026	**Statutory Architecture of the Monetary Policy Committee (MPC)**	Constituted under **Section 45ZB of the Reserve Bank of India Act, 1934** (inserted by the Finance Act, 2016 on the recommendation of the **Urjit Patel Committee**), the **6-member MPC** comprises 3 internal RBI members — the **Governor of the RBI (Chairperson, ex-officio — Sanjay Malhotra)**, the Deputy Governor in charge of monetary policy, and one officer of the RBI nominated by the Central Board — and **3 external members appointed by the Central Government for a fixed 4-year term** (not eligible for re-appointment). Under the **Flexible Inflation Targeting (FIT)** framework, the statutory headline inflation target (measured by **CPI-Combined** released by NSO, MoSPI) is **4\% ± 2\% (a tolerance band of 2% to 6%)** (Reserve Bank of India (RBI)).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Liquidity Adjustment Facility (LAF Corridor), SDF, VRRR Auctions & HTM Portfolio Restoration	**Phased Reduction in Cash Reserve Ratio (CRR) by 100 Basis Points (June 2025)**	Following Governor **Sanjay Malhotra's** Monetary Policy Statement on June 6, 2025, the Reserve Bank of India issued a notification announcing a **phased reduction in the Cash Reserve Ratio (CRR) of all banks by 100 basis points (1.0 per cent)** to inject durable primary liquidity into the banking system and support productive credit expansion (RBI Annual Report Publications).
Process Flowchart: RBI's Liquidity Management & Monetary Policy Transmission Mechanism (2026 Compendium)	**October 2026 Monetary Policy Statement & LAF Rates (MSF & Bank Rate at 5.75%)**	As recorded in the RBI's official Monetary Policy Press Release dated **October 7, 2026 (*PRID*=63744)** and accompanying circulars (*RBI*/2026-2027/282 & 283), the **Marginal Standing Facility (MSF) rate and the Bank Rate stood at 5.75 per cent**, while the Weighted Average Call Rate (WACR) traded on average 14 basis points below the policy repo rate since the August policy (RBI Press Release — October 2026).
Comparative Table: RBI Monetary Policy Instruments, Reserve Ratios & Foreign Exchange Relaxations (2026 Compendium)	**Complete 2026 RBI MPC Policy Rate Trajectory — From 5.25% (February & June 2026) to 5.50% Repo Rate (63rd MPC Meeting, October 5–7, 2026)**	In the February 6, 2026 and June 5, 2026 bi-monthly reviews, the **Governor Sanjay Malhotra-led MPC** voted unanimously to maintain the **Policy Repo Rate at 5.25%** with a **Neutral Stance**. Subsequently, in its **63rd MPC Meeting held from October 5 to 7, 2026**, responding to evolving inflation dynamics and global geopolitical headwinds, the MPC raised the **Policy Repo Rate by 25 basis points (25 bps) to 5.50 per cent**. Consequent to this decision, the **Standing Deposit Facility (SDF) rate stands adjusted to 5.25 per cent**, and the **Marginal Standing Facility (MSF) rate and the Bank Rate stand at 5.75 per cent** (Reserve Bank of India (RBI)).
Monetary Policy Committee (MPC — Section 45ZB) & Key Decisions of 2025–2026	**Weighted Average Call Rate (WACR)**	Serves as the **operating target** of monetary policy in India, anchored near the **Policy Repo Rate** (Reserve Bank of India (RBI)).
Liquidity Adjustment Facility (LAF Corridor), SDF, VRRR Auctions & HTM Portfolio Restoration	**Standing Deposit Facility (SDF — Section 17 of RBI Act)**	Introduced in April 2022 as the **floor of the LAF corridor (25 bps below the Policy Repo Rate)**, the SDF enables the RBI to absorb excess overnight liquidity from banks **without offering any Government Securities as collateral (collateral-free)** (Reserve Bank of India (RBI)).
Process Flowchart: RBI's Liquidity Management & Monetary Policy Transmission Mechanism (2026 Compendium)	**Marginal Standing Facility (MSF) & Bank Rate (Section 49 of RBI Act)**	Serving as the **ceiling of the LAF corridor (25 bps above the Policy Repo Rate — at 5.75% in October 2026)**, MSF allows scheduled banks to borrow overnight in emergencies by dipping into their **Statutory Liquidity Ratio (SLR) portfolio up to a specified limit**. Penal interest on shortfalls in CRR and SLR maintenance is linked directly to the **Bank Rate** (Bank Rate + 3% on the first day and Bank Rate + 5% on subsequent days) (RBI Index to Circulars — November 2026).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Comparative Table: RBI Monetary Policy Instruments, Reserve Ratios & Foreign Exchange Relaxations (2026 Compendium)	**Weekend/Holiday Reversal of SDF/MSF & VRRR Auctions (November 2026)**	To facilitate better fund management by banks, the RBI enabled **reversal of liquidity facilities under both SDF and MSF even during weekends and holidays**, and actively conducted 2-day **Variable Rate Reverse Repo (VRRR)** auctions under LAF in November 2026 to absorb surplus system liquidity (RBI Press Releases — November 16, 2026).
Monetary Policy Committee (MPC — Section 45ZB) & Key Decisions of 2025–2026	**Phased Restoration of Held-to-Maturity (HTM) Limits (from 23% to 19.5% of NDTL)**	Having temporarily enhanced the Held-to-Maturity (HTM) ceiling for SLR-eligible government securities to 23% of Net Demand and Time Liabilities (NDTL) during the pandemic, the RBI initiated the **phased restoration of HTM limits from 23 per cent to 19.5 per cent of NDTL** (RBI Annual Report Publications).

Chapter 4 Multi-Statement Exam Verification Drills

Chapter 4 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (Statutory Architecture of the Monetary Policy Committee (MPC)): Constituted under **Section 45ZB of the Reserve Bank of India Act, 1934** (inserted by the Finance Act, 2016 on the recommendation of the **Urjit Patel Committee**), the **6-member MPC** comprises 3 internal RBI members — the **Governor of the RBI (Chairperson, ex-officio — Sanjay Malhotra)**, the Deputy Governor in charge of monetary policy, and one officer of the RBI nominated by the Central Board — and **3 external members appointed by the Central Government for a fixed 4-year term** (not eligible for re-appointment). Under the **Flexible Inflation Targeting (FIT)** framework, the statutory headline inflation target (measured by **CPI-Combined** released by NSO, MoSPI) is **4\% ± 2\% (a tolerance band of 2% to 6%)** (Reserve Bank of India (RBI)).

Statement-II (Phased Reduction in Cash Reserve Ratio (CRR) by 100 Basis Points (June 2025)): Following Governor **Sanjay Malhotra's** Monetary Policy Statement on June 6, 2025, the Reserve Bank of India issued a notification announcing a **phased reduction in the Cash Reserve Ratio (CRR) of all banks by 100 basis points (1.0 per cent)** to inject durable primary liquidity into the banking system and support productive credit expansion (RBI Annual Report Publications).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 4 Statement-Verification Drill #2 — Both Statements Verified Correct

Statement-I (October 2026 Monetary Policy Statement & LAF Rates (MSF & Bank Rate at 5.75%)): As recorded in the RBI's official Monetary Policy Press Release dated **October 7, 2026 (*PRID*=63744)** and accompanying circulars (*RBI*/2026-2027/282 & 283), the **Marginal Standing Facility (MSF) rate and the Bank Rate stood at 5.75 per cent**, while the Weighted Average Call Rate (WACR) traded on average 14 basis points below the policy repo rate since the August policy (RBI Press Release — October 2026).

Statement-II (Complete 2026 RBI MPC Policy Rate Trajectory — From 5.25% (February & June 2026) to 5.50% Repo Rate (63rd MPC Meeting, October 5–7, 2026)): In the February 6, 2026 and June 5, 2026 bi-monthly reviews, the **Governor Sanjay Malhotra-led MPC** voted unanimously to maintain the **Policy Repo Rate at 5.25%** with a **Neutral Stance**. Subsequently, in its **63rd MPC Meeting held from October 5 to 7, 2026**, responding to evolving inflation dynamics and global geopolitical headwinds, the MPC raised the **Policy Repo Rate by 25 basis points (25 bps) to 5.50 per cent**. Consequent to this decision, the **Standing Deposit Facility (SDF) rate stands adjusted to 5.25 per cent**, and the **Marginal Standing Facility (MSF) rate and the Bank Rate stand at 5.75 per cent** (Reserve Bank of India (RBI)).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 4 Statement-Verification Drill #3 — Both Statements Verified Correct

Statement-I (Weighted Average Call Rate (WACR)): Serves as the **operating target** of monetary policy in India, anchored near the **Policy Repo Rate** (Reserve Bank of India (RBI)).

Statement-II (Standing Deposit Facility (SDF — Section 17 of RBI Act)): Introduced in April 2022 as the **floor of the LAF corridor (25 bps below the Policy Repo Rate)**, the SDF enables the RBI to absorb excess overnight liquidity from banks **without offering any Government Securities as collateral (collateral-free)** (Reserve Bank of India (RBI)).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 4 Statement-Verification Drill #4 — Both Statements Verified Correct

Statement-I (Marginal Standing Facility (MSF) & Bank Rate (Section 49 of RBI Act)): Serving as the **ceiling of the LAF corridor (25 bps above the Policy Repo Rate — at 5.75% in October 2026)**, MSF allows scheduled banks to borrow overnight in emergencies by dipping into their **Statutory Liquidity Ratio (SLR) portfolio up to a specified limit**. Penal interest on shortfalls in CRR and SLR maintenance is linked directly to the **Bank Rate** (Bank Rate + 3% on the first day and Bank Rate + 5% on subsequent days) (RBI Index to Circulars — November 2026).

Statement-II (Weekend/Holiday Reversal of SDF/MSF & VRRR Auctions (November 2026)): To facilitate better fund management by banks, the RBI enabled **reversal of liquidity facilities under both SDF and MSF even during weekends and holidays**, and actively conducted 2-day **Variable Rate Reverse Repo (VRRR)** auctions under LAF in November 2026 to absorb surplus system liquidity (RBI Press Releases — November 16, 2026).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 5: Indian Banking Sector Reforms, Revised RRB Internet Banking Criteria, Basel-III Norms, Priority Sector Lending (PSL) & RBI Digital Portals

Chapter Key Study Pillars — Chapter 5: Indian Banking Sector Reforms, Revised RRB Internet Banking Criteria, Basel-III Norms, Priority Sector Lending (PSL) & RBI Digital Portals

Key Study Pillar 1
Revised Eligibility Criteria for Offering Internet Banking by Regional Rural Banks (RRBs)

Key Study Pillar 2
Electronic Trading Platforms (ETP) Directions 2025, Basel-III, PSL Targets, PIDF & RBI Portals

5.1 Revised Eligibility Criteria for Offering Internet Banking by Regional Rural Banks (RRBs)

• **Ownership Structure & Origin of RRBs:** Established on October 2, 1975 on the recommendation of the **M. Narasimham Working Group (1975)** and governed by the Regional Rural Banks Act, 1976, every RRB is jointly owned by the **Central Government (50%)**, the **Sponsor Bank (35%)**, and the **concerned State Government (15%)** (Reserve Bank of India (RBI)).

• **RBI's Liberalized Financial Criteria for RRBs to Offer Transactional Internet Banking:** To deepen digital banking penetration in rural India, the Reserve Bank of India significantly rationalized the eligibility criteria for RRBs to offer full internet banking facilities:

1. **Minimum Capital to Risk-Weighted Assets Ratio (CRAR):** Reduced from the earlier requirement of at least 10% to the **minimum prescribed CRAR (currently 9 per cent)** (RBI Annual Report Publications).

2. **Minimum Net Worth:** Halved from ₹100 crore or more to **₹50 crore or more as on March 31 of the previous financial year** (RBI Annual Report Publications).

3. **Asset Quality (NPA Threshold):** Replaced the dual requirement of "GNPA less than 7% and NNPA not more than 3%" with a single streamlined criterion: **Net NPA (NNPA) ratio not more than 5 per cent (≤ 5\%) as on March 31 of the previous financial year** (RBI Annual Report Publications).

4. **Profitability Track Record:** Relaxed from "net profit in the immediately preceding year and in at least 3 out of 4 preceding financial years" to **"net profit in two immediately preceding financial years"** (with no accumulated losses) (RBI Annual Report Publications).

5.2 Electronic Trading Platforms *(ETP)* Directions *2025,* Basel-III, PSL Targets, PIDF & RBI Portals

• **Reserve Bank of India (Electronic Trading Platforms) Directions, *2025*:** Issued on June 16, 2025 following a comprehensive review of the *2018* Directions, the **RBI (Electronic Trading Platforms) Directions, *2025*** govern authorization, algorithmic risk controls, market integrity, and reporting standards for ETPs executing transactions in eligible instruments such as Government Securities, money market instruments, foreign exchange derivatives, and rupee interest rate derivatives (RBI Annual Report Publications).

• **PIDF Scheme Extension & Inclusion of PM Vishwakarma Beneficiaries:** To promote digital transactions at the grassroot level in Tier-3 to Tier-6 centres and the North-Eastern states, the RBI extended the **Payments Infrastructure Development Fund (PIDF) Scheme** and specifically **included the beneficiaries of the PM Vishwakarma Scheme** under the PIDF framework (RBI Annual Report Publications).

• **Priority Sector Lending (PSL) Mandates & Basel-III Capital Adequacy:**

1. **PSL Targets (% of ANBC / CEOBE): 40%** for Domestic Scheduled Commercial Banks and Foreign Banks with 20 or more branches (including **18% for Agriculture** with **10% for Small and Marginal Farmers**, **7.5% for Micro Units**, and **12% for Weaker Sections**); **75%** for **Regional Rural Banks (RRBs)** and **Small Finance Banks (SFBs)**; and **60%** for **Primary Urban Co-operative Banks (UCBs)** (Reserve Bank of India (RBI)).

2. **Basel-III Norms & D-SIBs in India:** Scheduled Commercial Banks in India must maintain a minimum **CRAR of 9%** (plus a **2.5% Capital Conservation Buffer**, totaling **11.5%**). The RBI designates three banks — **State Bank of India (SBI), HDFC Bank, and ICICI Bank** — as **Domestic Systemically Important Banks (D-SIBs)** (Reserve Bank of India (RBI)).

• **Flagship RBI Citizen & Supervisory Portals (UDGAM, PRAVAAH, DAKSH & MuleHunter.AI):**

1. **UDGAM Portal (*Unclaimed Deposits — Gateway to Access inforMation*):** Enables citizens to search across multiple banks in one place for unclaimed deposits (accounts inactive for 10 years or more transferred to the Depositor Education and Awareness Fund — DEA Fund) (Reserve Bank of India (RBI)).

2. **PRAVAAH Portal (*Platform for Regulatory Application, Validation and AutHorisation*):** A centralized, secure web portal for individuals and regulated entities to seek regulatory authorizations, licenses, and approvals from the RBI with time-bound tracking (Reserve Bank of India (RBI)).

3. **DAKSH Portal & MuleHunter.AI: DAKSH** is the RBI's advanced Supervisory Technology (**SupTech**) application for monitoring compliance and cyber incident reporting by banks and NBFCs, while **MuleHunter.AI** (developed by the Reserve Bank Innovation Hub — RBIH, Bengaluru) is an AI/ML system designed to detect and eliminate **mule bank accounts** used in digital financial fraud (Reserve Bank of India (RBI)).

5.3 Process Flowchart: Revised RBI Regulatory Approval Pipeline for RRBs Offering Transactional Internet Banking

Step-by-Step Conceptual Process Flowchart

STEP 1
Stage 1: Fulfilling Capital & Net Worth Norms — Minimum Prescribed CRAR (9%) & Minimum Net Worth of ₹50 Crore as on March 31

STEP 2
Stage 2: Fulfilling Asset Quality & Profit Norms — Net NPA (NNPA) Ratio ≤ 5% & Net Profit in Two Immediately Preceding FYs

STEP 3
Stage 3: Core Banking Solution (CBS) Readiness, Zero Accumulated Losses & CISA Cyber-Security Audit Certification

STEP 4
Stage 4: Grant of RBI Approval to Regional Rural Bank for Launching Full Transactional Internet Banking Services

5.4 Comparative Table: Revised RRB Internet Banking Criteria, PSL Mandates & RBI Digital Portals

Regulatory Parameter / Portal	Previous Financial Criteria / Mandate	Revised Criteria / Current Mandate (2026 Compendium)	Core Banking & Exam Significance	Official Verification Source
RRB Internet Banking: Minimum CRAR	10 per cent	**Minimum prescribed CRAR (currently 9 per cent)**	Aligns internet banking threshold with statutory RRB capital adequacy	RBI Annual Report
RRB Internet Banking: Minimum Net Worth	₹100 crore or more as on March 31	**₹50 crore or more** as on March 31 of the previous financial year	Halves the net-worth barrier for rural banks to offer digital banking	RBI Annual Report
RRB Internet Banking: Asset Quality (NPA)	GNPA < 7\% and NNPA ≤ 3\%	**NNPA ratio not more than 5 per cent (≤ 5\ %)** as on March 31	Drops the GNPA sub-ceiling and relaxes NNPA cap from 3% to 5%	RBI Annual Report
RRB Internet Banking: Profitability	Net profit in preceding FY and in 3 of 4 preceding FYs	**Net profit in two immediately preceding financial years**	Simplifies profitability qualification for recovering RRBs	RBI Annual Report
Priority Sector Lending (PSL) Quotas	SCBs: 40% \	RRBs & SFBs: 75%	Agriculture: **18%** (SMF: **10%**), Micro Units: **7.5%**, Weaker Sections: **12%**; UCBs: **60%**	Payments Banks have 0% lending quota as they are barred from lending	Reserve Bank of India (RBI)
PIDF Scheme Expansion	Tier-3 to Tier-6 centres & North-East states	**Beneficiaries of PM Vishwakarma Scheme** included under PIDF	Subsidizes PoS, soundbox, and QR deployment for traditional artisans	RBI Annual Report	

Did You Know?: Under the RBI's **Scale-Based Regulation (SBR) framework for NBFCs**, Non-Banking Financial Companies are categorized into four layers: **Base Layer (NBFC-BL)** (non-deposit taking NBFCs with asset size below **₹1,000 crore**), **Middle Layer (NBFC-ML)** (all deposit-taking NBFCs and non-deposit taking NBFCs with assets of **₹1,000 crore and above**), **Upper Layer (NBFC-UL)** (top systemically significant NBFCs identified by RBI), and **Top Layer (NBFC-TL)** (ideally empty, populated only if extreme systemic risk emerges) (Reserve Bank of India (RBI)).

Exam Trap Alert: Never confuse **Small Finance Banks (SFBs — Usha Thorat Committee)** with **Payments Banks (Nachiket Mor Committee)**: Payments Banks can accept demand deposits (savings and current accounts) up to **₹2 lakh per customer**, can issue ATM/debit cards, and must invest at least **75% of their demand deposit balances in SLR-eligible Government Securities/Treasury Bills**, but they **CANNOT accept time deposits (FDs/RDs), CANNOT lend (grant loans), and CANNOT issue credit cards** (Reserve Bank of India (RBI)).

★ **Memory Trick:** Remember the revised **4-Point RRB Internet Banking Formula**: **"9% CRAR + ₹50 Crore Net Worth + ≤ 5% Net NPA + 2 Consecutive Years of Net Profit!"** (IUC Academy).

Chapter 5 Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Revised Eligibility Criteria for Offering Internet Banking by Regional Rural Banks (RRBs)	**Ownership Structure & Origin of RRBs**	Established on October 2, 1975 on the recommendation of the **M. Narasimham Working Group (1975)** and governed by the Regional Rural Banks Act, 1976, every RRB is jointly owned by the **Central Government (50%)**, the **Sponsor Bank (35%)**, and the **concerned State Government (15%)** (Reserve Bank of India (RBI)).
Electronic Trading Platforms (ETP) Directions 2025, Basel-III, PSL Targets, PIDF & RBI Portals	**RBI's Liberalized Financial Criteria for RRBs to Offer Transactional Internet Banking**	To deepen digital banking penetration in rural India, the Reserve Bank of India significantly rationalized the eligibility criteria for RRBs to offer full internet banking facilities
Process Flowchart: Revised RBI Regulatory Approval Pipeline for RRBs Offering Transactional Internet Banking	**Minimum Capital to Risk-Weighted Assets Ratio (CRAR)**	Reduced from the earlier requirement of at least 10% to the **minimum prescribed CRAR (currently 9 per cent)** (RBI Annual Report Publications).
Comparative Table: Revised RRB Internet Banking Criteria, PSL Mandates & RBI Digital Portals	**Minimum Net Worth**	Halved from ₹100 crore or more to **₹50 crore or more as on March 31 of the previous financial year** (RBI Annual Report Publications).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Revised Eligibility Criteria for Offering Internet Banking by Regional Rural Banks (RRBs)	**Asset Quality (NPA Threshold)**	Replaced the dual requirement of "GNPA less than 7% and NNPA not more than 3%" with a single streamlined criterion: **Net NPA (NNPA) ratio not more than 5 per cent (≤ 5\%) as on March 31 of the previous financial year** (RBI Annual Report Publications).
Electronic Trading Platforms (ETP) Directions 2025, Basel-III, PSL Targets, PIDF & RBI Portals	**Profitability Track Record**	Relaxed from "net profit in the immediately preceding year and in at least 3 out of 4 preceding financial years" to **"net profit in two immediately preceding financial years"** (with no accumulated losses) (RBI Annual Report Publications).
Process Flowchart: Revised RBI Regulatory Approval Pipeline for RRBs Offering Transactional Internet Banking	**Reserve Bank of India (Electronic Trading Platforms) Directions, 2025**	Issued on June 16, 2025 following a comprehensive review of the 2018 Directions, the **RBI (Electronic Trading Platforms) Directions, 2025** govern authorization, algorithmic risk controls, market integrity, and reporting standards for ETPs executing transactions in eligible instruments such as Government Securities, money market instruments, foreign exchange derivatives, and rupee interest rate derivatives (RBI Annual Report Publications).
Comparative Table: Revised RRB Internet Banking Criteria, PSL Mandates & RBI Digital Portals	**PIDF Scheme Extension & Inclusion of PM Vishwakarma Beneficiaries**	To promote digital transactions at the grassroot level in Tier-3 to Tier-6 centres and the North-Eastern states, the RBI extended the **Payments Infrastructure Development Fund (PIDF) Scheme** and specifically **included the beneficiaries of the PM Vishwakarma Scheme** under the PIDF framework (RBI Annual Report Publications).
Revised Eligibility Criteria for Offering Internet Banking by Regional Rural Banks (RRBs)	**PSL Targets (% of ANBC / CEOBE)**	40% **for Domestic Scheduled Commercial Banks and Foreign Banks with 20 or more branches (including** 18% for Agriculture **with** 10% for Small and Marginal Farmers**,** 7.5% for Micro Units**, and** 12% for Weaker Sections**);** 75% **for** Regional Rural Banks (RRBs) **and** Small Finance Banks (SFBs)**; and** 60% **for** Primary Urban Co-operative Banks (UCBs)** (Reserve Bank of India (RBI)).
Electronic Trading Platforms (ETP) Directions 2025, Basel-III, PSL Targets, PIDF & RBI Portals	**Basel-III Norms & D-SIBs in India**	Scheduled Commercial Banks in India must maintain a minimum **CRAR of 9%** (plus a **2.5% Capital Conservation Buffer**, totaling **11.5%**). The RBI designates three banks — **State Bank of India (SBI), HDFC Bank, and ICICI Bank** — as **Domestic Systemically Important Banks (D-SIBs)** (Reserve Bank of India (RBI)).
Process Flowchart: Revised RBI Regulatory Approval Pipeline for RRBs Offering Transactional Internet Banking	**UDGAM Portal (*Unclaimed Deposits — Gateway to Access inforMation*)**	Enables citizens to search across multiple banks in one place for unclaimed deposits (accounts inactive for 10 years or more transferred to the Depositor Education and Awareness Fund — DEA Fund) (Reserve Bank of India (RBI)).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Comparative Table: Revised RRB Internet Banking Criteria, PSL Mandates & RBI Digital Portals	**PRAVAAH Portal (*Platform for Regulatory Application, Validation and AutHorisation*)**	A centralized, secure web portal for individuals and regulated entities to seek regulatory authorizations, licenses, and approvals from the RBI with time-bound tracking (Reserve Bank of India (RBI)).
Revised Eligibility Criteria for Offering Internet Banking by Regional Rural Banks (RRBs)	**DAKSH Portal & MuleHunter.AI**	DAKSH **is the RBI's advanced Supervisory Technology (**SupTech**) application for monitoring compliance and cyber incident reporting by banks and NBFCs, while** MuleHunter.AI **(developed by the Reserve Bank Innovation Hub — RBIH, Bengaluru) is an AI/ML system designed to detect and eliminate** mule bank accounts** used in digital financial fraud (Reserve Bank of India (RBI)).

Chapter *5* Multi-Statement Exam Verification Drills

Chapter 5 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (Ownership Structure & Origin of RRBs): Established on October 2, 1975 on the recommendation of the **M. Narasimham Working Group (1975)** and governed by the Regional Rural Banks Act, 1976, every RRB is jointly owned by the **Central Government (50%)**, the **Sponsor Bank (35%)**, and the **concerned State Government (15%)** (Reserve Bank of India (RBI)).

Statement-II (RBI's Liberalized Financial Criteria for RRBs to Offer Transactional Internet Banking): To deepen digital banking penetration in rural India, the Reserve Bank of India significantly rationalized the eligibility criteria for RRBs to offer full internet banking facilities

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 5 Statement-Verification Drill #2 — Both Statements Verified Correct

Statement-I (Minimum Capital to Risk-Weighted Assets Ratio (CRAR)): Reduced from the earlier requirement of at least 10% to the **minimum prescribed CRAR (currently 9 per cent)** (RBI Annual Report Publications).

Statement-II (Minimum Net Worth): Halved from ₹100 crore or more to **₹50 crore or more as on March 31 of the previous financial year** (RBI Annual Report Publications).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 5 Statement-Verification Drill #3 — Both Statements Verified Correct

Statement-I (Asset Quality (NPA Threshold)): Replaced the dual requirement of "GNPA less than 7% and NNPA not more than 3%" with a single streamlined criterion: **Net NPA (NNPA) ratio not more than 5 per cent (≤ 5\%) as on March 31 of the previous financial year** (RBI Annual Report Publications).

Statement-II (Profitability Track Record): Relaxed from "net profit in the immediately preceding year and in at least 3 out of 4 preceding financial years" to **"net profit in two immediately preceding financial years"** (with no accumulated losses) (RBI Annual Report Publications).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 5 Statement-Verification Drill #4 — Both Statements Verified Correct

Statement-I (Reserve Bank of India (Electronic Trading Platforms) Directions, 2025): Issued on June 16, 2025 following a comprehensive review of the 2018 Directions, the **RBI (Electronic Trading Platforms) Directions, 2025** govern authorization, algorithmic risk controls, market integrity, and reporting standards for ETPs executing transactions in eligible instruments such as Government Securities, money market instruments, foreign exchange derivatives, and rupee interest rate derivatives (RBI Annual Report Publications).

Statement-II (PIDF Scheme Extension & Inclusion of PM Vishwakarma Beneficiaries): To promote digital transactions at the grassroot level in Tier-3 to Tier-6 centres and the North-Eastern states, the RBI extended the **Payments Infrastructure Development Fund (PIDF) Scheme** and specifically **included the beneficiaries of the PM Vishwakarma Scheme** under the PIDF framework (RBI Annual Report Publications).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 5 Statement-Verification Drill #5 — Both Statements Verified Correct

Statement-I (PSL Targets (% of ANBC / CEOBE)): 40% **for Domestic Scheduled Commercial Banks and Foreign Banks with 20 or more branches (including** 18% for Agriculture **with** 10% for Small and Marginal Farmers**,** 7.5% for Micro Units**, and** 12% for Weaker Sections**);** 75% **for** Regional Rural Banks (RRBs) **and** Small Finance Banks (SFBs)**; and** 60% **for** Primary Urban Co-operative Banks (UCBs)** (Reserve Bank of India (RBI)).

Statement-II (Basel-III Norms & D-SIBs in India): Scheduled Commercial Banks in India must maintain a minimum **CRAR of 9%** (plus a **2.5% Capital Conservation Buffer**, totaling **11.5%**). The RBI designates three banks — **State Bank of India (SBI), HDFC Bank, and ICICI Bank** — as **Domestic Systemically Important Banks (D-SIBs)** (Reserve Bank of India (RBI)).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 5 Statement-Verification Drill #6 — Both Statements Verified Correct

Statement-I (UDGAM Portal (*Unclaimed Deposits — Gateway to Access inforMation*)): Enables citizens to search across multiple banks in one place for unclaimed deposits (accounts inactive for 10 years or more transferred to the Depositor Education and Awareness Fund — DEA Fund) (Reserve Bank of India (RBI)).

Statement-II (PRAVAAH Portal (*Platform for Regulatory Application, Validation and AutHorisation*)): A centralized, secure web portal for individuals and regulated entities to seek regulatory authorizations, licenses, and approvals from the RBI with time-bound tracking (Reserve Bank of India (RBI)).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter *6:* Digital Payments Revolution, NPCI *2026* Circulars, UPI LITE, UPI Circle, MyUPI *(*UPI Help *2.0),* Vyapaar Saksham & Digital Rupee

Chapter Key Study Pillars — Chapter 6: Digital Payments Revolution, NPCI 2026 Circulars, UPI LITE, UPI Circle, MyUPI (UPI Help 2.0), Vyapaar Saksham & Digital Rupee

Key Study Pillar 1
National Payments Corporation of India (NPCI) & UPI Ecosystem Innovations (2026 Compendium)

Key Study Pillar 2
High-Value UPI Limits, Global UPI Footprint (NIPL) & Central Bank Digital Currency (e-Rupee / CBDC)

6.1 National Payments Corporation of India (NPCI) & UPI Ecosystem Innovations (2026 Compendium)

• **Institutional Mandate of NPCI:** Established in **2008** as an umbrella organization for operating retail payments and settlement systems in India under the **Payment and Settlement Systems Act, 2007** (promoted by the RBI and the Indian Banks' Association, and incorporated as a not-for-profit **Section 8 Company** under the Companies Act, 2013), NPCI operates **Unified Payments Interface (UPI)**, **RuPay Card**, **IMPS**, **NACH**, **AePS**, **NETC FASTag**, **CTS**, and **Bharat BillPay (BBPS)** (NPCI Official Portal).

• **UPI LITE — Faster, PIN-less Transactions Below ₹1,000:**

1. **Per-Transaction Limit & Core Banking Offloading:** As officially documented on the NPCI UPI LITE portal, **UPI LITE is an on-device payment solution designed to process low-value transactions that are below ₹1,000 in a faster and PIN-less manner**, reducing real-time load on banks' Core Banking Systems (CBS) (NPCI — UPI Lite).

2. **Wallet Ceiling (₹5,000), Auto-Replenishment & Device Change Protocol:** The overall UPI LITE on-device balance limit has been enhanced to **₹5,000** with an e-mandate-backed **auto-replenishment** feature. Because UPI LITE balance is treated equivalent to cash on the mobile device, if a user changes their mobile device or mobile number, they must first **disable the LITE account on the old device** so that the remaining LITE balance is automatically pushed back to the user's linked bank account (NPCI — UPI Lite).

• **FY 2026–27 NPCI Operating Circulars — UPI Circle, UPI Vyapaar Saksham, MyUPI (UPI Help 2.0) & Tap & Pay:**

1. **UPI Circle (Delegated Payments):** Enables a primary UPI bank account holder to delegate payment rights to trusted secondary users (family members, children, senior citizens, or staff who may not have a bank-linked UPI account) under two modes: **Full Delegation** (up to a monthly limit of **₹15,000** and a per-transaction limit of **₹5,000** without requiring the primary user's PIN for each payment) or **Partial Delegation** (where the primary user approves each payment request with their UPI PIN) (NPCI UPI Circulars).

2. **UPI Vyapaar Saksham Scheme (*UPI OC 242 | FY 26–27*):** Launched by NPCI in FY 2026–27 specifically for **promoting UPI acceptance among small merchants** across the country (NPCI UPI Circulars).

3. **'MyUPI' — AI-Powered Support for UPI Payments (*UPI HELP 2.0 — OC No. 227A | FY 2026–27*):** Introduces an AI-powered dispute and customer support framework (**"MyUPI" / UPI HELP 2.0**) alongside standardized dispute management and P2M dispute routing logic (*UPI OC 239, 240 & 241 | FY 26–27*) (NPCI UPI Circulars).

4. **UPI Tap & Pay on Point of Sale (PoS) (*UPI OC No. 186A | FY 2026–27*) & ISD GSTIN Option (*OC-229A*):** Enhances NFC-enabled contactless **UPI Tap & Pay on PoS terminals** and incorporates the **Input Service Distributor (ISD) GSTIN option** in the UPI URCS back-office system (NPCI UPI Circulars).

6.2 High-Value UPI Limits, Global UPI Footprint (NIPL) & Central Bank Digital Currency (e-Rupee / CBDC)

• **Tiered UPI Transaction Limits (₹1 Lakh, ₹2 Lakh & ₹5 Lakh):** While standard peer-to-peer (P2P) and general merchant (P2M) UPI transactions have a ceiling of **₹1 lakh per day**, the limit is **₹2 lakh** for capital markets, collections, insurance, and foreign inward remittances, and has been raised to **₹5 lakh per**

transaction for **hospitals, educational institutions, tax payments, IPO subscriptions, and RBI Retail Direct schemes** (Reserve Bank of India (RBI)).

• **Global Expansion of UPI & Permitted International Mobile Numbers (*UPI OC No. 161A | FY 2026–27*):** Through **NPCI International Payments Limited (NIPL)**, UPI QR and cross-border acceptance operate across **France, UAE, Singapore (linked with PayNow), Bhutan, Nepal, Sri Lanka, Mauritius, and Qatar**, while *UPI OC No. 161A (FY 2026–27)* expanded the list of countries whose international mobile numbers are permitted by NRIs (NRE/NRO account holders) to operate UPI directly (NPCI UPI Circulars).

• **Central Bank Digital Currency (CBDC — Digital Rupee / e₹):** Issued by the RBI as sovereign legal tender recorded directly as a liability on the RBI's balance sheet, the **Digital Rupee (e₹)** operates in two segments: **Retail CBDC (e₹-R)** (token-based digital cash for citizens and merchants, supporting offline functionality and programmable end-use subsidies) and **Wholesale CBDC (e₹-W)** (account-based settlement of inter-bank call money and secondary market Government Securities trades) (Reserve Bank of India (RBI)).

6.3 Process Flowchart: End-to-End Architecture of NPCI's Next-Gen UPI Ecosystem (FY *2026–27*)

Step-by-Step Conceptual Process Flowchart

STEP 1
Stage 1: Onboarding via Bank Account, RuPay Credit Card or International Mobile Number (OC 161A) with BHIM-UPI Brand Compliance

STEP 2
Stage 2: Execution of Low-Value PIN-less Payments (< ₹1,000) via On-Device 'UPI LITE' (₹5,000 Wallet) & NFC 'UPI Tap & Pay on PoS'

STEP 3
Stage 3: Family Inclusion via 'UPI Circle' Delegated Payments (₹15,000/Month Full Delegation) & Merchant Growth via 'UPI Vyapaar Saksham'

STEP 4
Stage 4: Automated Dispute Resolution via AI-Powered 'MyUPI (UPI HELP 2.0)' (OC 227A) & Standardized P2M Routing (OC 240/241)

6.4 Comparative Table: NPCI Flagship Digital Payment Products, Transaction Ceilings & FY *2026–27* Circulars

NPCI Product / Circular	Core Functional Mechanism	Per-Transaction / Overall Ceiling	Latest FY 2026–27 Update / Circular Reference	Official Verification Source	
UPI LITE (On-Device Wallet)	Processes low-value transactions in a faster, PIN-less manner off-CBS	**Below ₹1,000 per transaction** |	**₹5,000 wallet balance limit**	Auto-replenishment via e-mandate; disabling LITE before changing phone refunds balance to bank account	NPCI — UPI Lite
UPI Circle (Delegated Payments)	Primary account holder delegates UPI payment access to secondary users	**₹15,000/month** & **₹5,000/txn** under Full Delegation	Supports up to 5 secondary users per primary user (Full or Partial Delegation)	NPCI UPI Circulars	

NPCI Product / Circular	Core Functional Mechanism	Per-Transaction / Overall Ceiling	Latest FY 2026–27 Update / Circular Reference	Official Verification Source		
UPI 123Pay (Feature Phones)	Voice/IVR, missed-call, sound-wave, and app-based UPI without internet	Enhanced from ₹5,000 to **₹10,000 per transaction**	Enables 40+ crore feature-phone users to make digital UPI payments	**Reserve Bank of India (RBI)**		
UPI Vyapaar Saksham Scheme	Incentive and onboarding drive for small retail merchants	Targeted at Small Merchants (P2M ecosystem)	Issued under **UPI \	OC 242 \	FY 26–27**	**NPCI UPI Circulars**
MyUPI (UPI HELP 2.0)	AI-powered customer support and automated dispute resolution for UPI	Real-time P2M/P2P grievance tracking and MCC dispute resolution	Issued under **UPI \	OC No. 227A \	FY 2026–27* *and* OC 239–241*	**NPCI UPI Circulars**
High-Value UPI Categories	Direct high-ticket payments via verified merchant categories	**₹5 lakh per transaction** (vs. ₹1 lakh standard limit)	Covers **Hospitals, Educational Institutions, Tax Payments, IPOs & RBI Retail Direct**	**Reserve Bank of India (RBI)**		

Did You Know?: According to NPCI's **Updated BHIM-UPI Branding Guidelines (June 4, 2026)**, in every UPI payment app interface, the **font size of the displayed UPI ID must be clearly visible and equal to the size of the app logo in height** to ensure clear legibility for users (**NPCI BHIM-UPI Guidelines — June 2026**).

Exam Trap Alert: Be careful with **UPI LITE device transfers**: NPCI explicitly stipulates that **UPI LITE balance will NOT be automatically fetched onto a new mobile device** if a user changes their phone; the user must first **disable the LITE account on the old device** (which pushes the balance back to the bank account) and then enable a new LITE account on the new phone (if the phone is lost, the user can approach their bank for a refund after verification) (**NPCI — UPI Lite**).

★ **Memory Trick:** Remember the ascending pyramid of **UPI Transaction Limits**: **"Below ₹1,000 = UPI LITE (PIN-less), ₹5,000 = UPI LITE Wallet & UPI Circle per-txn, ₹10,000 = UPI 123Pay (Feature Phone), ₹15,000 = UPI Circle Monthly Limit, ₹1 Lakh = Standard UPI, ₹2 Lakh = Capital Market/Insurance, and ₹5 Lakh = Hospitals, Education, Taxes & IPOs!"** (**IUC Academy**).

Chapter 6 Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
National Payments Corporation of India (NPCI) & UPI Ecosystem Innovations (2026 Compendium)	**Institutional Mandate of NPCI**	Established in **2008** as an umbrella organization for operating retail payments and settlement systems in India under the **Payment and Settlement Systems Act, 2007** (promoted by the RBI and the Indian Banks' Association, and incorporated as a not-for-profit **Section 8 Company** under the Companies Act, 2013), NPCI operates **Unified Payments Interface (UPI)**, **RuPay Card**, **IMPS**, **NACH**, **AePS**, **NETC FASTag**, **CTS**, and **Bharat BillPay (BBPS)** (NPCI Official Portal).
High-Value UPI Limits, Global UPI Footprint (NIPL) & Central Bank Digital Currency (e-Rupee / CBDC)	**Per-Transaction Limit & Core Banking Offloading**	As officially documented on the NPCI UPI LITE portal, **UPI LITE is an on-device payment solution designed to process low-value transactions that are below ₹1,000 in a faster and PIN-less manner**, reducing real-time load on banks' Core Banking Systems (CBS) (NPCI — UPI Lite).
Process Flowchart: End-to-End Architecture of NPCI's Next-Gen UPI Ecosystem (FY 2026–27)	**Wallet Ceiling (₹5,000), Auto-Replenishment & Device Change Protocol**	The overall UPI LITE on-device balance limit has been enhanced to **₹5,000** with an e-mandate-backed **auto-replenishment** feature. Because UPI LITE balance is treated equivalent to cash on the mobile device, if a user changes their mobile device or mobile number, they must first **disable the LITE account on the old device** so that the remaining LITE balance is automatically pushed back to the user's linked bank account (NPCI — UPI Lite).
Comparative Table: NPCI Flagship Digital Payment Products, Transaction Ceilings & FY 2026–27 Circulars	**UPI Circle (Delegated Payments)**	Enables a primary UPI bank account holder to delegate payment rights to trusted secondary users (family members, children, senior citizens, or staff who may not have a bank-linked UPI account) under two modes: **Full Delegation** (up to a monthly limit of **₹15,000** and a per-transaction limit of **₹5,000** without requiring the primary user's PIN for each payment) or **Partial Delegation** (where the primary user approves each payment request with their UPI PIN) (NPCI UPI Circulars).
National Payments Corporation of India (NPCI) & UPI Ecosystem Innovations (2026 Compendium)	**UPI Vyapaar Saksham Scheme (*UPI OC 242 | FY 26–27*)**	Launched by NPCI in FY 2026–27 specifically for **promoting UPI acceptance among small merchants** across the country (NPCI UPI Circulars).
High-Value UPI Limits, Global UPI Footprint (NIPL) & Central Bank Digital Currency (e-Rupee / CBDC)	**'MyUPI' — AI-Powered Support for UPI Payments (*UPI HELP 2.0 — OC No. 227A | FY 2026–27*)**	Introduces an AI-powered dispute and customer support framework (**"MyUPI" / UPI HELP 2.0**) alongside standardized dispute management and P2M dispute routing logic (*UPI OC 239, 240 & 241 | FY 26–27*) (NPCI UPI Circulars).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Process Flowchart: End-to-End Architecture of NPCI's Next-Gen UPI Ecosystem (FY 2026–27)	**UPI Tap & Pay on Point of Sale (PoS) (*UPI OC No. 186A | FY 2026–27*) & ISD GSTIN Option (*OC-229A*)**	Enhances NFC-enabled contactless **UPI Tap & Pay on PoS terminals** and incorporates the **Input Service Distributor (ISD) GSTIN option** in the UPI URCS back-office system (NPCI UPI Circulars).
Comparative Table: NPCI Flagship Digital Payment Products, Transaction Ceilings & FY 2026–27 Circulars	**Tiered UPI Transaction Limits (₹1 Lakh, ₹2 Lakh & ₹5 Lakh)**	While standard peer-to-peer (P2P) and general merchant (P2M) UPI transactions have a ceiling of **₹1 lakh per day**, the limit is **₹2 lakh** for capital markets, collections, insurance, and foreign inward remittances, and has been raised to **₹5 lakh per transaction** for **hospitals, educational institutions, tax payments, IPO subscriptions, and RBI Retail Direct schemes** (Reserve Bank of India (RBI)).
National Payments Corporation of India (NPCI) & UPI Ecosystem Innovations (2026 Compendium)	**Global Expansion of UPI & Permitted International Mobile Numbers (*UPI OC No. 161A | FY 2026–27*)**	Through **NPCI International Payments Limited (NIPL)**, UPI QR and cross-border acceptance operate across **France, UAE, Singapore (linked with PayNow), Bhutan, Nepal, Sri Lanka, Mauritius, and Qatar**, while *UPI OC No. 161A (FY 2026–27)* expanded the list of countries whose international mobile numbers are permitted by NRIs (NRE/NRO account holders) to operate UPI directly (NPCI UPI Circulars).
High-Value UPI Limits, Global UPI Footprint (NIPL) & Central Bank Digital Currency (e-Rupee / CBDC)	**Central Bank Digital Currency (CBDC — Digital Rupee / e₹)**	Issued by the RBI as sovereign legal tender recorded directly as a liability on the RBI's balance sheet, the **Digital Rupee (e₹)** operates in two segments: **Retail CBDC (e₹-R)** (token-based digital cash for citizens and merchants, supporting offline functionality and programmable end-use subsidies) and **Wholesale CBDC (e₹-W)** (account-based settlement of inter-bank call money and secondary market Government Securities trades) (Reserve Bank of India (RBI)).

Chapter *6* Multi-Statement Exam Verification Drills

Chapter *6* Statement-Verification Drill #1 — **Both Statements Verified Correct**

Statement-I (Institutional Mandate of NPCI): Established in ***2008*** as an umbrella organization for operating retail payments and settlement systems in India under the **Payment and Settlement Systems Act, *2007*** (promoted by the RBI and the Indian Banks' Association, and incorporated as a not-for-profit **Section 8 Company** under the Companies Act, 2013), NPCI operates **Unified Payments Interface (UPI)**, **RuPay Card**, **IMPS**, **NACH**, **AePS**, **NETC FASTag**, **CTS**, and **Bharat BillPay (BBPS)** (NPCI Official Portal).

Statement-II (Per-Transaction Limit & Core Banking Offloading): As officially documented on the NPCI UPI LITE portal, **UPI LITE is an on-device payment solution designed to process low-value transactions that are below ₹1,000 in a faster and PIN-less manner**, reducing real-time load on banks' Core Banking Systems (CBS) (NPCI — UPI Lite).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 6 Statement-Verification Drill #2 Both Statements Verified Correct

Statement-I (Wallet Ceiling (₹5,000), Auto-Replenishment & Device Change Protocol): The overall UPI LITE on-device balance limit has been enhanced to **₹5,000** with an e-mandate-backed **auto-replenishment** feature. Because UPI LITE balance is treated equivalent to cash on the mobile device, if a user changes their mobile device or mobile number, they must first **disable the LITE account on the old device** so that the remaining LITE balance is automatically pushed back to the user's linked bank account (NPCI — UPI Lite).

Statement-II (UPI Circle (Delegated Payments)): Enables a primary UPI bank account holder to delegate payment rights to trusted secondary users (family members, children, senior citizens, or staff who may not have a bank-linked UPI account) under two modes: **Full Delegation** (up to a monthly limit of **₹15,000** and a per-transaction limit of **₹5,000** without requiring the primary user's PIN for each payment) or **Partial Delegation** (where the primary user approves each payment request with their UPI PIN) (NPCI UPI Circulars).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 6 Statement-Verification Drill #3 Both Statements Verified Correct

Statement-I (UPI Vyapaar Saksham Scheme (*UPI OC 242 | FY 26–27*)): Launched by NPCI in FY 2026–27 specifically for **promoting UPI acceptance among small merchants** across the country (NPCI UPI Circulars).

Statement-II ('MyUPI' — AI-Powered Support for UPI Payments (*UPI HELP 2.0 — OC No. 227A | FY 2026–27*)): Introduces an AI-powered dispute and customer support framework (**"MyUPI" / UPI HELP 2.0**) alongside standardized dispute management and P2M dispute routing logic (*UPI OC 239, 240 & 241 | FY 26–27*) (NPCI UPI Circulars).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 6 Statement-Verification Drill #4 Both Statements Verified Correct

Statement-I (UPI Tap & Pay on Point of Sale (PoS) (*UPI OC No. 186A | FY 2026–27*) & ISD GSTIN Option (*OC-229A*)): Enhances NFC-enabled contactless **UPI Tap & Pay on PoS terminals** and incorporates the **Input Service Distributor (ISD) GSTIN option** in the UPI URCS back-office system (NPCI UPI Circulars).

Statement-II (Tiered UPI Transaction Limits (₹1 Lakh, ₹2 Lakh & ₹5 Lakh)): While standard peer-to-peer (P2P) and general merchant (P2M) UPI transactions have a ceiling of **₹1 lakh per day**, the limit is **₹2 lakh** for capital markets, collections, insurance, and foreign inward remittances, and has been raised to **₹5 lakh per transaction** for **hospitals, educational institutions, tax payments, IPO subscriptions, and RBI Retail Direct schemes** (Reserve Bank of India (RBI)).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 6 Statement-Verification Drill #5 Both Statements Verified Correct

Statement-I (Global Expansion of UPI & Permitted International Mobile Numbers (*UPI OC No. 161A | FY 2026–27*)): Through **NPCI International Payments Limited (NIPL)**, UPI QR and cross-border acceptance operate across **France, UAE, Singapore (linked with PayNow), Bhutan, Nepal, Sri Lanka, Mauritius, and Qatar**, while *UPI OC No. 161A (FY 2026–27)* expanded the list of countries whose international mobile numbers are permitted by NRIs (NRE/NRO account holders) to operate UPI directly (NPCI UPI Circulars).

Statement-II (Central Bank Digital Currency (CBDC — Digital Rupee / e₹)): Issued by the RBI as sovereign legal tender recorded directly as a liability on the RBI's balance sheet, the **Digital Rupee (e₹)** operates in two segments: **Retail CBDC (e₹-R)** (token-based digital cash for citizens and merchants, supporting offline functionality and programmable end-use subsidies) and **Wholesale CBDC (e₹-W)** (account-based settlement of inter-bank call money and secondary market Government Securities trades) (Reserve Bank of India (RBI)).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 7: Goods and Services Tax (GST) Architecture, 56th & 57th GST Council 2026 Decisions, GSTAT Operationalization & Section 128A Amnesty

Chapter Key Study Pillars — Chapter 7: Goods and Services Tax (GST) Architecture, 56th & 57th GST Council 2026 Decisions, GSTAT Operationalization & Section 128A Amnesty

Key Study Pillar 1
Constitutional Framework of GST (101st Amendment) & Voting Structure of the GST Council (Article 279A)

Key Study Pillar 2
GST Council Reforms (53rd to 57th Meetings — October 2026), Decriminalization, Section 128A Waiver & GSTAT Thresholds

7.1 Constitutional Framework of GST (101st Amendment) & Voting Structure of the GST Council (Article 279A)

• **101st Constitutional Amendment Act, 2016 & Dual GST Structure:** Enacted on the foundation of the **Vijay Kelkar Task Force** recommendations and enforced from **July 1, 2017**, the **101st Constitutional Amendment Act, 2016** replaced cascading indirect taxes with a **destination-based, multi-stage, value-added Dual GST** comprising **CGST** (levied by the Centre), **SGST/UTGST** (levied by States/UTs under **Article 246A**), and **IGST** (levied and collected by the Centre on inter-state supplies and imports under **Article 269A** and apportioned between the Union and the destination State) (Constitution of India).

• **Composition and Weighted Voting of the GST Council (Article 279A):**

1. **Composition:** Chaired by the **Union Finance Minister**, with the Union Minister of State in charge of Revenue or Finance and the Finance/Taxation Ministers of all States and Union Territories with legislatures as members (who elect one among themselves as Vice-Chairperson) (Constitution of India).

2. **Quorum & Weighted Voting Formula: One-half (50%) of the total number of members** constitutes the quorum (**Article 279A(7)**). Every decision of the GST Council must be taken by a majority of **not less than three-fourths (3/4th = 75%) of the weighted votes** of the members present and voting, where the vote of the **Central Government has a weightage of one-third (1/3rd = 33.33\%)** of the total votes cast, and the votes of **all the State Governments taken together have a weightage of two-thirds (2/3rds = 66.67\%)** (**Article 279A(9)**) (Constitution of India).

7.2 GST Council Reforms (53rd to 57th Meetings — October 2026), Decriminalization, Section 128A Waiver & GSTAT Thresholds

• **56th & 57th GST Council Meetings (2026) — Rate Rationalization ('GST 2.0') & Landmark Decriminalization Reforms (October 8, 2026):**

1. **56th GST Council Meeting ('GST 2.0' Slab & Rate Rationalization):** Focused on comprehensive rate rationalization, pruning exemptions, correcting inverted duty structures across manufacturing value chains, and simplifying the multi-rate GST architecture (Press Information Bureau (PIB)).

2. **57th GST Council Meeting (Held on October 8, 2026, Chaired by FM Nirmala Sitharaman):** Marked a paradigm shift from punitive enforcement to trust-based compliance (rolled out in phases from November 1, 2026): (i) **Prosecution Threshold Raised Fivefold:** Increased the minimum monetary threshold of tax evasion

for launching criminal prosecution under the CGST Act from **₹1 crore to ₹5 crore**; (ii) **Removal of Arrest Powers for Procedural Contraventions:** Rationalized arrest provisions under Section 69/132 to shield genuine taxpayers; (iii) **Reduction in Maximum General Penalty:** Cut the maximum general penalty under GST from **₹25,000 to ₹10,000**; and (iv) **Automated Refunds & ITC Relief:** Approved faster automated GST refunds for exporters, simplified registration/cancellation workflows, and expanded Input Tax Credit (ITC) eligibility for e-commerce sellers and MSMEs (**Press Information Bureau (PIB)**).

• **Pan-India Biometric-Based Aadhaar Authentication & Form GSTR-1A:** To curb fake invoicing and fraudulent Input Tax Credit (ITC) claims by shell entities, the GST Council rolled out **pan-India biometric-based Aadhaar authentication** and document verification at GST Suvidha Kendras for high-risk applicants. Additionally, **Form GSTR-1A** was introduced to allow taxpayers to amend or add outward supply details of the current tax period before filing Form GSTR-3B (**Press Information Bureau (PIB)**).

• **New Section 128A of the CGST Act — Conditional Waiver of Interest & Penalties for FY 2017–18 to FY 2019–20:** To clear legacy litigation from the initial years of GST implementation, **Section 128A** grants a **100% waiver of interest and penalties** for non-fraud demand notices issued under **Section 73** pertaining to Financial Years **2017–18, 2018–19, and 2019–20**, provided the taxpayer pays the full principal tax amount demanded by the notified cutoff date (**Press Information Bureau (PIB)**).

• **Operationalization of GST Appellate Tribunal (GSTAT), Reduced Pre-Deposits & Departmental Appeal Limits:**

1. **GSTAT Architecture:** Headquartered at its **Principal Bench in New Delhi** (with Justice (Retd.) Sanjaya Kumar Mishra appointed as the first President) alongside State Benches across the country, each GSTAT bench comprises **2 Judicial Members, 1 Technical Member (Centre), and 1 Technical Member (State)** (**Press Information Bureau (PIB)**).

2. **Reduction in Mandatory Pre-Deposit for Taxpayers:** The GST Council reduced the mandatory pre-deposit for filing appeals before the **GSTAT from 20% to 10%** of the disputed tax (and reduced the maximum cap from ₹50 crore to **₹20 crore CGST + ₹20 crore SGST**), while also lowering the maximum pre-deposit cap before the first Appellate Authority from ₹25 crore to **₹20 crore** each (**Press Information Bureau (PIB)**).

3. **Monetary Limits for Filing Departmental Appeals:** To reduce government litigation, the GST Council prescribed minimum monetary thresholds below which the tax department shall not file appeals: **₹20 lakh for GSTAT**, **₹1 crore for the High Court**, and **₹2 crore for the Supreme Court** (**Press Information Bureau (PIB)**).

7.3 Process Flowchart: Three-Tier GST Dispute Resolution, Section 128A Amnesty & Appellate Monetary Thresholds

Step-by-Step Conceptual Process Flowchart

STEP 1
Stage 1: Adjudicating Authority Order & Section 128A Amnesty Option (100% Waiver of Interest/ Penalty for FY18–FY20 Section 73 Demands)

STEP 2
Stage 2: First Appeal Before Appellate Authority (10% Pre-Deposit of Disputed Tax, Capped at ₹20 Crore CGST + ₹20 Crore SGST)

STEP 3
Stage 3: Second Appeal Before GST Appellate Tribunal (GSTAT Principal/ State Benches — 10% Additional Pre-Deposit; Dept Limit ₹20 Lakh)

STEP 4
Stage 4: Appeal on Substantial Question of Law to High Court (Dept Limit ₹1 Crore) & Supreme Court (Dept Limit ₹2 Crore)

7.4 Comparative Table: Constitutional GST Provisions, Appellate Reforms & Recent GST Council Decisions

GST Provision / Reform Measure	Constitutional / Statutory Basis	Key Quantitative Rule / Threshold	Impact on Federalism & Taxpayers	Official Verification Source		
GST Council Voting & Quorum	**Article 279A** (101st Amendment Act, 2016)	Quorum: **50%** |	Decision Majority: **≥ 75\ % (3/4th)** |	Weights: **Centre 1/3 (33.33%) + States 2/3 (66.67%)**	Ensures cooperative federalism (*Mohit Minerals v. Union of India*, 2022)	**Constitution of India**
Items Excluded / Deferred from GST	**Article 366(12A)** & **Article 279A(5)**	**Alcohol for human consumption** constitutionally excluded; **5 petroleum products** deferred till GST Council notifies	Crude oil, petrol, diesel, ATF, and natural gas require only GST Council notification, not a new Amendment	**Constitution of India**		
Section 128A GST Amnesty Scheme	**Section 128A**, CGST Act	Covers **FY 2017–18, 2018–19, and 2019–20** non-fraud (Section 73) tax demand notices	Full waiver of interest and penalties upon payment of principal tax	**Press Information Bureau (PIB)**		
Departmental Appeal Monetary Limits	CBIC / GST Council Litigation Policy	**GSTAT: ₹20 lakh** |	**High Court: ₹1 crore** |	**Supreme Court: ₹2 crore**	Prevents routine departmental appeals in low-value tax disputes	**Press Information Bureau (PIB)**

GST Provision / Reform Measure	Constitutional / Statutory Basis	Key Quantitative Rule / Threshold	Impact on Federalism & Taxpayers	Official Verification Source
Pre-Deposit for GSTAT Appeals	Section 112, CGST Act	Reduced from **20% to 10%** of disputed tax (maximum cap halved from ₹50 cr to **₹20 cr each**)	Unlocks working capital for MSMEs and corporate appellants	Press Information Bureau (PIB)
Mandatory ISD & Biometric Aadhaar	CGST Amendment & GSTN Rollout	Mandatory **Input Service Distributor (ISD)** from April 1, 2025; pan-India biometric Aadhaar verification	Ensures transparent ITC distribution and eliminates fake GSTIN registrations	Press Information Bureau (PIB)

Did You Know?: In ***Union of India v. Mohit Minerals Pvt. Ltd.*** **(May 2022)**, the Supreme Court of India ruled that under **Article 246A** and **Article 279A**, the recommendations of the GST Council are the product of "unworkable rigidity" if treated as binding mandates superseding legislative sovereignty; instead, they possess **persuasive value** embodying the spirit of **cooperative federalism** (Supreme Court of India).

Exam Trap Alert: Remember the sharp constitutional distinction between **Alcohol for human consumption** and the **5 Petroleum products**: **Alcoholic liquor for human consumption** is explicitly **excluded from the constitutional definition of GST under Article 366(12A)** (bringing it under GST would require a Constitutional Amendment under Article 368 with State ratification); whereas **5 petroleum products (crude oil, high-speed diesel, motor spirit/petrol, natural gas, and aviation turbine fuel)** are already within the constitutional definition of GST, and under **Article 279A(5)** the GST Council is empowered to recommend the date from which GST shall be levied on them (Constitution of India).

★ **Memory Trick:** Remember the **5 Petroleum Products under Article 279A(5)** with the acronym **C-D-P-N-A**: **C**rude Petroleum, High-Speed **D**iesel, **P**etrol (Motor Spirit), **N**atural Gas, and **A**viation Turbine Fuel (ATF); and the **Departmental Appeal Limits**: **₹20 Lakh (GSTAT) – ₹1 Crore (HC) – ₹2 Crore (SC)** (IUC Academy).

Chapter 7 Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Constitutional Framework of GST (101st Amendment) & Voting Structure of the GST Council (Article 279A)	**101st Constitutional Amendment Act, 2016 & Dual GST Structure**	Enacted on the foundation of the **Vijay Kelkar Task Force** recommendations and enforced from **July 1, 2017**, the **101st Constitutional Amendment Act, 2016** replaced cascading indirect taxes with a **destination-based, multi-stage, value-added Dual GST** comprising **CGST** (levied by the Centre), **SGST/UTGST** (levied by States/UTs under **Article 246A**), and **IGST** (levied and collected by the Centre on inter-state supplies and imports under **Article 269A** and apportioned between the Union and the destination State) (Constitution of India).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
GST Council Reforms (53rd to 57th Meetings — October 2026), Decriminalization, Section 128A Waiver & GSTAT Thresholds	**Composition**	Chaired by the **Union Finance Minister**, with the Union Minister of State in charge of Revenue or Finance and the Finance/Taxation Ministers of all States and Union Territories with legislatures as members (who elect one among themselves as Vice-Chairperson) (Constitution of India).
Process Flowchart: Three-Tier GST Dispute Resolution, Section 128A Amnesty & Appellate Monetary Thresholds	**Quorum & Weighted Voting Formula**	One-half (50%) of the total number of members **constitutes the quorum (**Article 279A(7)**). Every decision of the GST Council must be taken by a majority of** not less than three-fourths (3/4th = 75%) of the weighted votes **of the members present and voting, where the vote of the** Central Government has a weightage of one-third (1/3rd = 33.33\%) **of the total votes cast, and the votes of** all the State Governments taken together have a weightage of two-thirds (2/3rds = 66.67\%) **(**Article 279A(9)**) (Constitution of India).
Comparative Table: Constitutional GST Provisions, Appellate Reforms & Recent GST Council Decisions	**56th GST Council Meeting ('GST 2.0' Slab & Rate Rationalization)**	Focused on comprehensive rate rationalization, pruning exemptions, correcting inverted duty structures across manufacturing value chains, and simplifying the multi-rate GST architecture (Press Information Bureau (PIB)).
Constitutional Framework of GST (101st Amendment) & Voting Structure of the GST Council (Article 279A)	**57th GST Council Meeting (Held on October 8, 2026, Chaired by FM Nirmala Sitharaman)**	Marked a paradigm shift from punitive enforcement to trust-based compliance (rolled out in phases from November 1, 2026): (i) **Prosecution Threshold Raised Fivefold:** Increased the minimum monetary threshold of tax evasion for launching criminal prosecution under the CGST Act from **₹1 crore to ₹5 crore**; (ii) **Removal of Arrest Powers for Procedural Contraventions:** Rationalized arrest provisions under Section 69/132 to shield genuine taxpayers; (iii) **Reduction in Maximum General Penalty:** Cut the maximum general penalty under GST from **₹25,000 to ₹10,000**; and (iv) **Automated Refunds & ITC Relief:** Approved faster automated GST refunds for exporters, simplified registration/cancellation workflows, and expanded Input Tax Credit (ITC) eligibility for e-commerce sellers and MSMEs (Press Information Bureau (PIB)).
GST Council Reforms (53rd to 57th Meetings — October 2026), Decriminalization, Section 128A Waiver & GSTAT Thresholds	**Pan-India Biometric-Based Aadhaar Authentication & Form GSTR-1A**	To curb fake invoicing and fraudulent Input Tax Credit (ITC) claims by shell entities, the GST Council rolled out **pan-India biometric-based Aadhaar authentication** and document verification at GST Suvidha Kendras for high-risk applicants. Additionally, **Form GSTR-1A** was introduced to allow taxpayers to amend or add outward supply details of the current tax period before filing Form GSTR-3B (Press Information Bureau (PIB)).
Process Flowchart: Three-Tier GST Dispute Resolution, Section 128A Amnesty & Appellate Monetary Thresholds	**New Section 128A of the CGST Act — Conditional Waiver of Interest & Penalties for FY 2017–18 to FY 2019–20**	To clear legacy litigation from the initial years of GST implementation, **Section 128A** grants a **100% waiver of interest and penalties** for non-fraud demand notices issued under **Section 73** pertaining to Financial Years **2017–18, 2018–19, and 2019–20**, provided the taxpayer pays the full principal tax amount demanded by the notified cutoff date (Press Information Bureau (PIB)).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Comparative Table: Constitutional GST Provisions, Appellate Reforms & Recent GST Council Decisions	**GSTAT Architecture**	Headquartered at its **Principal Bench in New Delhi** (with Justice (Retd.) Sanjaya Kumar Mishra appointed as the first President) alongside State Benches across the country, each GSTAT bench comprises **2 Judicial Members, 1 Technical Member (Centre), and 1 Technical Member (State)** (Press Information Bureau (PIB)).
Constitutional Framework of GST (101st Amendment) & Voting Structure of the GST Council (Article 279A)	**Reduction in Mandatory Pre-Deposit for Taxpayers**	The GST Council reduced the mandatory pre-deposit for filing appeals before the **GSTAT from 20% to 10%** of the disputed tax (and reduced the maximum cap from ₹50 crore to **₹20 crore CGST + ₹20 crore SGST**), while also lowering the maximum pre-deposit cap before the first Appellate Authority from ₹25 crore to **₹20 crore** each (Press Information Bureau (PIB)).
GST Council Reforms (53rd to 57th Meetings — October 2026), Decriminalization, Section 128A Waiver & GSTAT Thresholds	**Monetary Limits for Filing Departmental Appeals**	To reduce government litigation, the GST Council prescribed minimum monetary thresholds below which the tax department shall not file appeals: **₹20 lakh for GSTAT**, **₹1 crore for the High Court**, and **₹2 crore for the Supreme Court** (Press Information Bureau (PIB)).

Chapter 7 Multi-Statement Exam Verification Drills

Chapter 7 Statement-Verification Drill #1 — **Both Statements Verified Correct**

Statement-I (101st Constitutional Amendment Act, 2016 & Dual GST Structure): Enacted on the foundation of the **Vijay Kelkar Task Force** recommendations and enforced from **July 1, 2017**, the **101st Constitutional Amendment Act, 2016** replaced cascading indirect taxes with a **destination-based, multi-stage, value-added Dual GST** comprising **CGST** (levied by the Centre), **SGST/UTGST** (levied by States/UTs under **Article 246A**), and **IGST** (levied and collected by the Centre on inter-state supplies and imports under **Article 269A** and apportioned between the Union and the destination State) (Constitution of India).

Statement-II (Composition): Chaired by the **Union Finance Minister**, with the Union Minister of State in charge of Revenue or Finance and the Finance/Taxation Ministers of all States and Union Territories with legislatures as members (who elect one among themselves as Vice-Chairperson) (Constitution of India).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 7 Statement-Verification Drill #2 — Both Statements Verified Correct

Statement-I (Quorum & Weighted Voting Formula): One-half (50%) of the total number of members **constitutes the quorum (**Article 279A(7)**). Every decision of the GST Council must be taken by a majority of** not less than three-fourths (3/4th = 75%) of the weighted votes **of the members present and voting, where the vote of the** Central Government has a weightage of one-third (1/3rd = 33.33\%) **of the total votes cast, and the votes of** all the State Governments taken together have a weightage of two-thirds (2/3rds = 66.67\%) **(**Article 279A(9)**) (Constitution of India).

Statement-II (56th GST Council Meeting ('GST 2.0' Slab & Rate Rationalization)): Focused on comprehensive rate rationalization, pruning exemptions, correcting inverted duty structures across manufacturing value chains, and simplifying the multi-rate GST architecture (Press Information Bureau (PIB)).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 7 Statement-Verification Drill #3 — Both Statements Verified Correct

Statement-I (57th GST Council Meeting (Held on October 8, 2026, Chaired by FM Nirmala Sitharaman)): Marked a paradigm shift from punitive enforcement to trust-based compliance (rolled out in phases from November 1, 2026): (i) **Prosecution Threshold Raised Fivefold:** Increased the minimum monetary threshold of tax evasion for launching criminal prosecution under the CGST Act from **₹1 crore to ₹5 crore**; (ii) **Removal of Arrest Powers for Procedural Contraventions:** Rationalized arrest provisions under Section 69/132 to shield genuine taxpayers; (iii) **Reduction in Maximum General Penalty:** Cut the maximum general penalty under GST from **₹25,000 to ₹10,000**; and (iv) **Automated Refunds & ITC Relief:** Approved faster automated GST refunds for exporters, simplified registration/cancellation workflows, and expanded Input Tax Credit (ITC) eligibility for e-commerce sellers and MSMEs (Press Information Bureau (PIB)).

Statement-II (Pan-India Biometric-Based Aadhaar Authentication & Form GSTR-1A): To curb fake invoicing and fraudulent Input Tax Credit (ITC) claims by shell entities, the GST Council rolled out **pan-India biometric-based Aadhaar authentication** and document verification at GST Suvidha Kendras for high-risk applicants. Additionally, **Form GSTR-1A** was introduced to allow taxpayers to amend or add outward supply details of the current tax period before filing Form GSTR-3B (Press Information Bureau (PIB)).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 7 Statement-Verification Drill #4 — Both Statements Verified Correct

Statement-I (New Section 128A of the CGST Act — Conditional Waiver of Interest & Penalties for FY 2017–18 to FY 2019–20): To clear legacy litigation from the initial years of GST implementation, **Section 128A** grants a **100% waiver of interest and penalties** for non-fraud demand notices issued under **Section 73** pertaining to Financial Years **2017–18, 2018–19, and 2019–20**, provided the taxpayer pays the full principal tax amount demanded by the notified cutoff date (Press Information Bureau (PIB)).

Statement-II (GSTAT Architecture): Headquartered at its **Principal Bench in New Delhi** (with Justice (Retd.) Sanjaya Kumar Mishra appointed as the first President) alongside State Benches across the country, each GSTAT bench comprises **2 Judicial Members, 1 Technical Member (Centre), and 1 Technical Member (State)** (Press Information Bureau (PIB)).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 7 Statement-Verification Drill #5 — Both Statements Verified Correct

Statement-I (Reduction in Mandatory Pre-Deposit for Taxpayers): The GST Council reduced the mandatory pre-deposit for filing appeals before the **GSTAT from 20% to 10%** of the disputed tax (and reduced the maximum cap from ₹50 crore to **₹20 crore CGST + ₹20 crore SGST**), while also lowering the maximum pre-deposit cap before the first Appellate Authority from ₹25 crore to **₹20 crore** each (Press Information Bureau (PIB)).

Statement-II (Monetary Limits for Filing Departmental Appeals): To reduce government litigation, the GST Council prescribed minimum monetary thresholds below which the tax department shall not file appeals: **₹20 lakh for GSTAT**, **₹1 crore for the High Court**, and **₹2 crore for the Supreme Court** (Press Information Bureau (PIB)).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 8: Financial & Capital Markets (SEBI Reforms 2026) and External Sector Dynamics — 22.2 Crore Demat Accounts, LEAPS Derivatives, US$ 734.6 Billion Forex Reserves & Greenfield FDI

Chapter Key Study Pillars — Chapter 8: Financial & Capital Markets (SEBI Reforms 2026) and External Sector Dynamics — 22.2 Crore Demat Accounts, LEAPS Derivatives, US$ 734.6 Billion Forex Reserves & Greenfield FDI

Key Study Pillar 1	Key Study Pillar 2	Key Study Pillar 3	Key Study Pillar 4
Securities and Exchange Board of India (SEBI) Capital Market Milestones & Reforms (2026 Compendium)	India's External Sector Dynamics (2026) — US$ 734.6 Billion Forex Reserves, 3rd Rank in Greenfield FDI & ECB Inflows	Special Appendix: Constitutional-Economic Interlinkages, Parliamentary Budget Control & Landmark Financial Committees (2026 Compendium)	Consolidated Exam Reference Table: Flagship Socio-Economic Schemes, Commissions & Global Institutions (2026 Compendium)

8.1 Securities and Exchange Board of India (SEBI) Capital Market Milestones & Reforms (2026 Compendium)

• **Total Demat Accounts Surge to 22.2 Crore (SEBI Monthly Bulletin — March 2026):** Established in 1988 and conferred statutory powers on January 30, 1992 under the **SEBI Act, 1992** (on the recommendation of the Narasimham Committee), SEBI regulates India's securities and commodity derivatives markets. According to SEBI's official Monthly Bulletin (March 2026), at the end of **February 2026, the overall tally of Demat accounts in India stood at 22.2 crore (222 million)**, comprising **17.8 crore Demat accounts at CDSL (Central Depository Services Ltd.)** and **4.4 crore Demat accounts at NSDL (National Securities Depository Ltd.)** (with 23.8 lakh net accounts added at CDSL and 4.3 lakh net accounts added at NSDL during February 2026 alone) (**SEBI Monthly Bulletin — March 2026**).

• **Commodity Derivatives Rally — MCX iCOMDEX Up 69.1% Y-o-Y:** As reported by SEBI, on a year-on-year basis at the end of February 2026, the returns on the composite commodity index **MCX iCOMDEX stood at 69.1 per cent**, driven primarily by a stellar **101.5 per cent rally in the Bullion index** and a **19.3 per cent increase in the Metal index** (while the Energy index dipped by 3.5 per cent over the same period) (**SEBI Monthly Bulletin — March 2026**).

• SEBI's Structural Market Reforms (T+0 Settlement, Mutual Fund Net Settlement, New ₹10 Lakh Asset Class & BMC Refund):

1. **Optional T+0 (Same-Day) Settlement Cycle & Mutual Fund Net Settlement:** After becoming the first major global jurisdiction to transition fully to a **T+1 (Trade plus 1 business day)** equity settlement cycle, SEBI rolled out an **optional T+0 (same-day) settlement cycle** alongside a **framework for net settlement of funds for transactions undertaken by mutual fund schemes in the cash segment** and updated Master Circulars for Mutual Funds and Registrars to an Issue and Share Transfer Agents (RTAs) in February 2026 (**SEBI Circulars Portal**).

2. **New Regulated Asset Class (Minimum ₹10 Lakh Investment) & F&O Investor Protection:** To bridge the regulatory gap between retail Mutual Funds and Portfolio Management Services (PMS — minimum ₹50 lakh ticket size), SEBI introduced a new regulated asset class (**Specialized Investment Fund**) with a minimum investment threshold of **₹10 lakh per investor**, while strengthening equity index derivatives (F&O) safeguards by raising the minimum contract size to **₹15 lakh** and limiting weekly index options expiries to one benchmark index per exchange (**Securities and Exchange Board of India (SEBI)**).

3. **Refund of Excess Base Minimum Capital (BMC) over ₹1 Lakh (August 2026):** Under SEBI's August 2026 Settlement and Risk Management framework, the **excess of the Base Minimum Capital (BMC) over ₹1 lakh** may be refunded to a stock-exchange member who has been **inactive for the past 12 months**, has no pending investor complaints or arbitration cases, and obtains a No-Objection Certificate (NoC) from SEBI (**SEBI Consultation Paper — August 2026**).

4. **SEBI Chairman Tuhin Kanta Pandey's 2026 Derivatives Reforms & Long-Term Equity Derivatives (LEAPS):** Under Chairman **Tuhin Kanta Pandey**, SEBI announced in June–September 2026 a calibrated roadmap to deepen **Long-Term Equity Derivatives (LEAPS — Long-term Equity AnticiPation Securities)** with longer-dated expiries and reviewed margin norms to encourage institutional hedging over short-term retail speculation in index options, alongside reviewing expiry-day settlement price calculation rules and streamlining Foreign Portfolio Investor (FPI) onboarding timelines (**Securities and Exchange Board of India (SEBI)**).

8.2 India's External Sector Dynamics *(2026)* — US$ *734.6* Billion Forex Reserves, *3*rd Rank in Greenfield FDI & ECB Inflows

• India's Foreign Exchange Reserves Reach US$ 734.6 Billion (October 2, 2026): According to the Reserve Bank of India's official Monetary Policy Press Release dated **October 7, 2026 (*PRID*=63744), as on October 2, 2026, India's Foreign Exchange Reserves stood at US$ 734.6 billion**. India's Forex Reserves comprise **four components**: (1) **Foreign Currency Assets (FCA)** (the largest component), (2) **Gold Reserves**, (3) **Special Drawing Rights (SDRs)** with the IMF, and (4) **Reserve Tranche Position (RTP)** in the IMF (**RBI Press Release — October 2026**).

• Surge in FDI & India Ranked 3rd Globally in Greenfield FDI Projects (US$ 41.3 Billion):

1. **Gross FDI Up 20.6% (April–August 2026–27):** During April–August 2026–27, **gross Foreign Direct Investment (FDI) flows to India grew by 20.6 per cent**, while net outward FDI increased to **US 17.7 billion** from US 14.0 billion a year ago (**RBI Press Release — October 2026**).

2. **3rd Rank Globally in Announced Greenfield FDI (US$ 41.3 Billion):** In terms of globally announced **Greenfield FDI projects** (where foreign investors build new physical production facilities and operational infrastructure from scratch), **India was ranked third globally during April–August 2026 with an amount of US$ 41.3 billion** (RBI Press Release — October 2026).

• External Commercial Borrowings (ECBs), Non-Resident Deposits & Global Trade Volume (IMF WEO July 2026):

1. **ECB Disbursements & Non-Resident Deposits:** During April–August 2026, **gross External Commercial Borrowing (ECB) disbursements to India increased to US 23.9 billion** from US 17.0 billion a year ago (with net ECB inflows rising to **US 7.3 billion** from US 4.7 billion), accompanied by strong inflows into Non-Resident Deposits (RBI Press Release — October 2026).

2. **IMF World Economic Outlook (July 2026) Trade Projection & Petroleum Imports:** According to the **IMF's World Economic Outlook (July 2026)**, world goods and services trade volume growth is expected to moderate to **3.5 per cent in 2026** from **5.0 per cent in 2025**. During July–August 2026, India's petroleum, crude, and products imports stood at **US 35.0 billion** (up 21.3% y-o-y from US 28.8 billion in July–August 2025) (RBI Press Release — October 2026).

8.3 Process Flowchart: Synergy Between Domestic Capital Market Deepening (SEBI) & External Sector Resilience (RBI)

Step-by-Step Conceptual Process Flowchart

STEP 1
Stage 1: Financialization of Household Savings — 22.2 Crore Demat Accounts (17.8 Cr CDSL + 4.4 Cr NSDL) & Record SIP Inflows

STEP 2
Stage 2: SEBI Market Modernization — Optional T+0 Settlement, Mutual Fund Net Settlement & ₹15 Lakh F&O Contract Safeguards

STEP 3
Stage 3: Strong Capital Account Inflows — Gross FDI +20.6%, 3rd Global Rank in Greenfield FDI (41.3B) & 23.9B Gross ECBs

STEP 4
Stage 4: Accumulation of Sovereign External Buffer — India's Forex Reserves Standing at US$ 734.6 Billion as on October 2, 2026

8.4 Comparative Table: SEBI Capital Market Statistics & RBI External Sector Indicators (*2026* Compendium)

Capital Market / External Indicator	Previous / Baseline Metric	Latest Official Metric (2026)	Key Breakdown & Global Ranking	Official Verification Source	
Total Demat Accounts in India	+28.1 lakh net accounts added in Feb 2026	**22.2 crore (end of February 2026)**	**CDSL: 17.8 crore accounts **	**NSDL: 4.4 crore accounts**	SEBI Monthly Bulletin — March 2026
MCX iCOMDEX Composite Index (Y-o-Y)	Energy sub-index dipped -3.5% Y-o-Y	**+69.1% Y-o-Y return (end-February 2026)**	Driven by **+101.5% rally in Bullion index** & **+19.3% in Metal index**	SEBI Monthly Bulletin — March 2026	

Capital Market / External Indicator	Previous / Baseline Metric	Latest Official Metric (2026)	Key Breakdown & Global Ranking	Official Verification Source	
India's Foreign Exchange Reserves	External sector shock absorber	**US$ 734.6 billion (as on October 2, 2026)**	Comprises FCA, Gold Reserves, SDRs, and Reserve Tranche Position in IMF	**RBI Press Release — October 2026**	
Global Rank in Announced Greenfield FDI	Gross FDI flows grew +**20.6%** (Apr–Aug 2026)	**Ranked 3rd Globally with US 41.3 billion (Apr–Aug 2026)**	Net outward FDI rose to **US 17.7 billion** (up from US$ 14.0B)	**RBI Press Release — October 2026**	
External Commercial Borrowings (ECBs)	Apr–Aug 2025: Gross US 17.0B (Net US 4.7B)	**Gross ECB: US 23.9 billion \	Net ECB: US 7.3 billion (Apr–Aug 2026)**	Higher foreign debt mobilization for domestic corporate capex	**RBI Press Release — October 2026**
World Trade Volume Growth (IMF WEO)	**5.0% growth in 2025**	**3.5% projected in 2026** (IMF WEO July 2026)	Petroleum & crude imports stood at **US$ 35.0 billion** in July–Aug 2026	**RBI Press Release — October 2026**	

Did You Know?: According to the **Arvind Mayaram Committee (2014)** classification accepted by the Government of India and SEBI, foreign investment in a **listed Indian company** is classified as **Foreign Portfolio Investment (FPI)** if the investor holds **less than 10%** of the post-issue paid-up equity capital, and as **Foreign Direct Investment (FDI)** if the investor holds **10% or more** (Reserve Bank of India (RBI)).

Exam Trap Alert: Remember the exact split of India's **22.2 crore Demat accounts** as of end-February 2026: **CDSL (promoted by BSE) holds the lion's share in terms of number of accounts at 17.8 crore**, whereas **NSDL (promoted by NSE/IDBI/UTI) holds 4.4 crore accounts** (though NSDL holds a larger share of total assets under custody by value due to institutional holdings) (SEBI Monthly Bulletin — March 2026).

★ **Memory Trick:** Memorize the 5 headline Capital Market & External Sector figures of 2026: **"22.2 Crore Demat Accounts (17.8 Cr CDSL + 4.4 Cr NSDL), US$ 734.6 Billion Forex Reserves (Oct 2, 2026), #3 Global Rank in Greenfield FDI (US 41.3 Billion), +20.6% Gross FDI Growth, and US 23.9 Billion Gross ECBs!"** (IUC Academy).

8.5 Special Appendix*:* Constitutional-Economic Interlinkages, Parliamentary Budget Control & Landmark Financial Committees *(2026* Compendium*)*

• Six-Stage Parliamentary Enactment of the Union Budget (Articles 112 to 117):

1. **Presentation of the Annual Financial Statement (Article 112):** Caused by the President to be laid before both Houses of Parliament on February 1 each year (Constitution of India).

2. **General Discussion:** Held in both Houses for 3–4 days on the macroeconomic principles of the Budget without any voting (Constitution of India).

3. **Scrutiny by 24 Departmentally Related Standing Committees (DRSCs):** Parliament adjourns for a recess during which the 24 DRSCs (each comprising **31 members: 21 from Lok Sabha + 10 from Rajya Sabha**) examine the ministry-wise **Demands for Grants** in detail and submit reports (**Constitution of India**).

4. **Voting on Demands for Grants (Article 113 — Exclusive Power of Lok Sabha):** Only the Lok Sabha can vote on Demands for Grants (expenditure *charged upon* the Consolidated Fund of India under Article 112(3) is discussed but not submitted to vote). MPs in the Lok Sabha can move three types of **Cut Motions**: (i) **Policy Cut Motion** ("*that the amount of the demand be reduced to Re. 1*" — disapproval of policy), (ii) **Economy Cut Motion** ("*that the amount of the demand be reduced by a specified sum*"), and (iii) **Token Cut Motion** ("*that the amount of the demand be reduced by* ₹100" — to ventilate a specific grievance). On the final allotted day, the Speaker puts all remaining undiscussed demands to vote together via the **'Guillotine'** (**IUC Academy**).

5. **Passing of the Appropriation Bill (Article 114):** Mandatory constitutional prerequisite to withdraw any money from the **Consolidated Fund of India (Article 266(1))** (**Constitution of India**).

6. **Passing of the Finance Bill (Articles 110 & 117):** Gives legal effect to the Government's taxation proposals for the upcoming financial year and **must be enacted and assented to within 75 days** of its introduction under the **Provisional Collection of Taxes Act, 1931** (**Union Budget Portal**).

• **Exact Mathematical Formulas of the Five Budgetary Deficits:**

1. **Revenue Deficit (RD):** RD = Total Revenue Expenditure - Total Revenue Receipts (signifies dissaving by the government on its current operations) (**Statements of Fiscal Policy**).

2. **Effective Revenue Deficit (ERD):** ERD = Revenue Deficit - Grants-in-Aid for Creation of Capital Assets (introduced on the recommendation of the C. Rangarajan Committee) (**Statements of Fiscal Policy**).

3. **Fiscal Deficit (FD — Total Borrowing Requirement of the Government):** $FD = Total Expenditure (Revenue + Capital) - (Revenue Receipts + Non-Debt Capital Receipts)$ (estimated at **4.4% of GDP in RE 2025–26** and **4.3% of GDP in BE 2026–27**) (**Union Budget Speech 2026–27**).

4. **Primary Deficit (PD):** PD = Fiscal Deficit - Interest Payments on Previous Borrowings (measures current fiscal stance net of legacy debt-servicing obligations) (**Statements of Fiscal Policy**).

5. **Monetised Deficit:** The portion of the fiscal deficit financed directly by the Reserve Bank of India through creation of fresh high-powered money (M_0) against government securities (**Reserve Bank of India (RBI)**).

• **Master Reference Directory of Landmark Economic & Banking Committees in India:**

• **Narasimham Committee-I (1991) & Committee-II (1998):** Blueprint for post-1991 banking liberalization, phased reduction of SLR and CRR, 4-tier banking structure, Basel capital adequacy norms, Asset Reconstruction Companies (ARCs), and the SARFAESI Act, 2002 (**Reserve Bank of India (RBI)**).

• **Urjit Patel Committee (2014):** Recommended adopting **CPI-Combined** as the nominal anchor, a **4\% ± 2\% Flexible Inflation Targeting (FIT)** band, and the creation of the **6-member Monetary Policy Committee (MPC)** under Section 45ZB (**Reserve Bank of India (RBI)**).

• **P.J. Nayak Committee (2014):** Governance of Boards of Banks in India; led to the establishment of the **Banks Board Bureau (BBB)**, now restructured into the **Financial Services Institutions Bureau (FSIB)** for selecting heads of PSBs and public-sector financial/insurance institutions (**Press Information Bureau (PIB)**).

• **Nachiket Mor Committee (2013–14):** Committee on Comprehensive Financial Services for Small Businesses and Low-Income Households; recommended setting up **Payments Banks** (**Reserve Bank of India (RBI)**).

• **Usha Thorat Committee:** Chaired the External Advisory Committee for evaluating applications for **Small Finance Banks (SFBs)** (Reserve Bank of India (RBI)).

• **N.K. Singh Committee (2016–17):** FRBM Review Committee recommending the **Debt-to-GDP ratio** as the primary medium-term fiscal anchor alongside a fiscal deficit glide path and an Escape Clause (Union Budget Portal).

• **Bimal Jalan Committee (2018–19):** Reviewed the **Economic Capital Framework (ECF)** of the RBI and mandated maintaining a **Contingent Risk Buffer (CRB) between 5.5% and 6.5%** of the RBI's balance sheet before transferring surplus profits to the Central Government under Section 47 of the RBI Act (Reserve Bank of India (RBI)).

• **T.K. Viswanathan Committee (2015):** Bankruptcy Law Reforms Committee (BLRC) that drafted the **Insolvency and Bankruptcy Code (IBC), 2016** (Press Information Bureau (PIB)).

• **Nandan Nilekani Committee (2019):** High-Level Committee on Deepening of Digital Payments; recommended 24x7 NEFT/RTGS availability, zero merchant discount rate on basic digital modes, and creation of the **Payments Infrastructure Development Fund (PIDF)** (Reserve Bank of India (RBI)).

• **K.V. Kamath Committee (2020):** Specified sector-specific financial parameters across 26 sectors for resolution of COVID-19-related stressed corporate assets (Reserve Bank of India (RBI)).

8.6 Consolidated Exam Reference Table*:* Flagship Socio-Economic Schemes, Commissions & Global Institutions *(2026* Compendium*)*

Scheme / Institution / Framework	Launch Year & Nodal Ministry / HQ	Core Statutory / Financial Mandate & 2025–26 Update	Target Group & Exam-Critical Takeaways	Official Verification Source
PM Vishwakarma Scheme	Sept 17, 2023 (Ministry of MSME)	₹13,000 crore outlay; collateral-free credit up to **₹3 lakh** (₹1L + ₹2L at **5% concessional interest**) across 18 traditional trades	**Included under RBI's PIDF Scheme** to promote grassroot digital transactions among artisans	RBI Annual Report
PM-Surya Ghar: Muft Bijli Yojana	2026 Compendium (Ministry of New & Renewable Energy)	₹75,021 crore outlay; installs rooftop solar systems in **1 crore households** providing up to **300 units of free electricity per month**	Central subsidy of ₹30,000 for 1 kW, ₹60,000 for 2 kW, and **₹78,000 for 3 kW or higher** systems	Press Information Bureau (PIB)
PM-JANMAN Mission	Nov 15, 2023 (Janjatiya Gaurav Divas — Ministry of Tribal Affairs)	₹24,104 crore outlay; saturates basic amenities for **75 Particularly Vulnerable Tribal Groups (PVTGs)** across 18 States & 1 UT	Delivers 11 critical interventions (pucca housing, piped water, roads, mobile medical units, van dhan) via 9 Ministries	Press Information Bureau (PIB)
Dharti Aaba Janjatiya Gram Unnati Abhiyan (DAJGA)	2026 Compendium (Union Budget 2024–25 Initiative)	₹79,156 crore outlay covering **63,000+ tribal-majority villages** benefitting over **5 crore tribal citizens**	Converges 25 interventions across 17 Central Ministries for saturation of social and economic infrastructure	Press Information Bureau (PIB)

Scheme / Institution / Framework	Launch Year & Nodal Ministry / HQ	Core Statutory / Financial Mandate & 2025–26 Update	Target Group & Exam-Critical Takeaways	Official Verification Source
Unified Pension Scheme (UPS)	Approved 2026 Compendium (Effective April 1, 2025)	Guarantees **50% of average basic pay drawn in last 12 months** prior to superannuation for a minimum qualifying service of **25 years**	Assured minimum pension of **₹10,000/month** on 10+ years of service; family pension at **60%**; Govt contribution raised from 14% to **18.5%**	**Press Information Bureau (PIB)**
International Monetary Fund (IMF)	1944 (Bretton Woods); HQ: Washington, D.C.	191 Member Countries (190th Andorra, 191st Liechtenstein); publishes **World Economic Outlook (WEO)** & **GFSR**	**IMF WEO (July 2026)** projects world goods & services trade volume growth to moderate from 5.0% (2025) to **3.5% in 2026**	**RBI Press Release — Oct 2026**
World Bank Group (IBRD, IDA, IFC, MIGA, ICSID)	1944 (Bretton Woods); HQ: Washington, D.C.	Publishes **World Development Report**, **Global Economic Prospects**, **Logistics Performance Index (LPI)** & **B-READY**	India is a member of IBRD, IDA, IFC, and MIGA, but is **NOT a member of ICSID**	**Union Budget Portal**
11 Classical Languages of India	Ministry of Culture (Expanded 2026 Compendium)	Original 6: Tamil (2004), Sanskrit (2005), Kannada (2008), Telugu (2008), Malayalam (2013), Odia (2014)	**5 New Classical Languages added in 2026 Compendium: Marathi, Pali, Prakrit, Assamese, and Bengali** (Total = **11**)	**Press Information Bureau (PIB)**

• **Complete Revision of the 12 Schedules of the Constitution of India & Federal Fiscal Lists:**

1. **First Schedule (Articles 1 & 4):** Names and territorial jurisdiction of the **28 States and 8 Union Territories** (**Constitution of India**).

2. **Second Schedule:** Emoluments, allowances, and privileges of the President, Governors, Speakers/Deputy Speakers, Chairmen/Deputy Chairmen, Supreme Court and High Court Judges, and the CAG (**Constitution of India**).

3. **Third Schedule:** Forms of **Oaths or Affirmations** for Union/State Ministers, candidates for Parliament/State Legislatures, MPs/MLAs, SC/HC Judges, and the CAG (Note: Oaths of President under Art. 60, Vice-President under Art. 69, and Governor under Art. 159 are in their respective Articles, not in the Third Schedule) (**Constitution of India**).

4. **Fourth Schedule (Articles 4 & 80):** Allocation of seats in the **Council of States (Rajya Sabha)** to the States and Union Territories (**Constitution of India**).

5. **Fifth & Sixth Schedules (Article 244): Fifth Schedule** governs the administration and control of Scheduled Areas and Scheduled Tribes (Tribes Advisory Council — up to 20 members); **Sixth Schedule** governs the administration of Tribal Areas in **Assam, Meghalaya, Tripura, and Mizoram (Mnemonic: AMTM)** through Autonomous District and Regional Councils (**Constitution of India**).

6. **Seventh Schedule (Article 246):** Divides legislative powers into the **Union List (List-I: 100 subjects)**, **State List (List-II: 61 subjects — including Entry 8 on Intoxicating & Industrial Liquors and Entries 49–50 on Land & Mineral Rights Taxes upheld by 9-Judge Benches in the 2026 Compendium)**, and **Concurrent List**

(List-III: 52 subjects — including Criminal Law BNS/BNSS, Education, Forests, and Economic/Social Planning) (Constitution of India).

7. **Eighth Schedule (Articles 344 & 351): 22 Official Languages** recognized by the Constitution (originally 14; Sindhi added by 21st Amendment 1967; Konkani, Manipuri, Nepali by 71st Amendment 1992; Bodo, Dogri, Maithili, Santhali by 92nd Amendment 2003) (Constitution of India).

8. **Ninth, Tenth, Eleventh & Twelfth Schedules: Ninth Schedule** (1st Amendment 1951 — land reforms; open to judicial review for laws placed after April 24, 1973 per *I.R. Coelho*, 2007); **Tenth Schedule** (52nd Amendment 1985 & 91st Amendment 2003 — Anti-Defection Law); **Eleventh Schedule** (73rd Amendment 1992 — **29 subjects of Panchayats**, Article 243G); and **Twelfth Schedule** (74th Amendment 1992 — **18 subjects of Municipalities**, Article 243W) (Constitution of India).

8.7 Comprehensive Analytical Compendium*: 2026* Constitutional, Judicial, Legislative & Fiscal Benchmarks

• Constitutional & Judicial Milestones of 2026 — Deep Comparative Synthesis:

1. **Succession of the Office of the Chief Justice of India (Article 124(2)):** Under **Article 124(2)** of the Constitution of India and the Second Judges Case (*Supreme Court Advocates-on-Record Association v. Union of India*, 1993) read with the Memorandum of Procedure (MoP), appointment to the office of the Chief Justice of India follows the convention of elevating the senior-most Judge of the Supreme Court considered fit to hold the office:

• 50th Chief Justice of India: Justice D.Y. Chandrachud (served November 9, 2022 to November 10, 2024) (Supreme Court of India).

• 51st Chief Justice of India: Justice Sanjiv Khanna (served November 11, 2024 to May 13, 2025) (Supreme Court of India).

• 52nd Chief Justice of India: Justice Bhushan Ramkrishna (B.R.) Gavai (served May 14, 2025 to November 23, 2025) (Supreme Court of India).

• 53rd Chief Justice of India: Justice Surya Kant (sworn in on November 24, 2025 for a 15-month tenure extending until February 9, 2027) (Supreme Court of India).

2. **The 9-Judge Constitution Bench Jurisprudence (2026 Compendium):** Between 2026 Compendium and August 2026, four distinct **9-Judge Constitution Benches** of the Supreme Court settled foundational questions of Indian constitutional and industrial law:

• *Mineral Area Development Authority v. Steel Authority of India* (July–2026 Compendium, 8:1): Upheld States' plenary legislative competence under **Entries 49 and 50 of List-II (State List)** to tax mineral-bearing lands and mineral rights, ruling that mining royalty under Section 9 of the MMDR Act, 1957 is a contractual consideration and not a tax (Supreme Court of India).

• *State of Uttar Pradesh v. Lalta Prasad Vaish* (2026 Compendium, 8:1): Held that **"intoxicating liquors" in Entry 8 of List-II** encompasses **Industrial Alcohol (denatured/rectified spirit)**, empowering State Legislatures to regulate and tax industrial alcohol (Supreme Court of India).

• *Property Owners Association v. State of Maharashtra* (2026 Compendium, 8:1): Ruled that **not every privately owned property** is automatically a **"material resource of the community" under Article 39(b)**,

rejecting Justice Krishna Iyer's expansive socialist doctrine in *Ranganatha Reddy* (1977) and laying down a context-specific multi-factor scarcity and public-interest test (**Supreme Court of India**).

• **9-Judge Bench Verdict on the Scope of 'Industry' under Section 2(j) of the Industrial Disputes Act, 1947 (August 20, 2026):** Resolved the 48-year-old reference on *Bangalore Water Supply & Sewerage Board v. A. Rajappa* (1978), clarifying the exclusion of sovereign state functions while defining systematic employer-employee economic Undertakings (**Supreme Court of India**).

3. **Legislative Decriminalization Architecture — Jan Vishwas Act, 2023 vs. Jan Vishwas Act, 2026:**

• **Jan Vishwas (Amendment of Provisions) Act, 2023:** Decriminalized **183 provisions across 42 Central Acts** administered by 19 Ministries (**Press Information Bureau (PIB)**).

• **Jan Vishwas (Amendment of Provisions) Act, 2026 (Passed April 2026):** Amended **784 provisions across 79–80 Central Acts** administered by 23 Ministries to **decriminalise 717 provisions**, introducing first-offence advisories/warnings, improvement notices under the Legal Metrology Act, 2009, civil adjudication by designated officers, and automatic 10% revision of fines every three years (**Press Information Bureau (PIB)**).

Analytical Domain	Statutory / Constitutional Anchor	Verified 2026 Official Benchmark	Primary Institutional Impact	Official Verification Source
Union Budget 2026–27 Outlay	Article 112 (Annual Financial Statement)	**₹53,47,315 crore** (13.6% of GDP; +7.7% over RE 2025–26)	Anchors capex-led growth with effective public capex exceeding ₹12.2 lakh crore	**Union Budget**
Union Budget 2026–27 Receipts	Consolidated Fund of India (Art. 266(1))	Non-debt receipts **₹36,51,547 crore** (Net Tax to Centre **₹28.67 lakh crore**)	Gross market borrowings at ₹17.2L Cr; Net market borrowings at ₹11.7L Cr	**Union Budget**
Fiscal & Revenue Deficits (BE 2026–27)	FRBM Act, 2003 Mandate	**Fiscal Deficit: 4.3% of GDP** (RE 4.4%) |	**Revenue Deficit: 1.5% of GDP**	Central Government Debt-to-GDP declines from 56.1% (RE) to **55.6% (BE)**	**Union Budget**
Economic Survey 2025–26 Outlook	Department of Economic Affairs	**FY26 Real GDP: 7.4%** (GVA 7.3%) |	**FY27 Projection: 6.8%–7.2%**	Medium-term potential growth at ~7%; Global Innovation Index rank at **38th**	**Union Budget**
16th Finance Commission (2026–31)	Article 280 (Chair: Dr. Arvind Panagariya)	**41% Vertical Share** |	**₹9.47 Lakh Crore Total 5-Year Grants**	Horizontal weights: Income Distance 42.5%, Pop 17.5%, Demography 10%, Area 10%, Forest 10%, **GDP Contribution 10%**	**Union Budget**

Analytical Domain	Statutory / Constitutional Anchor	Verified 2026 Official Benchmark	Primary Institutional Impact	Official Verification Source
63rd RBI MPC Meeting (Oct 5–7, 2026)	Section 45ZB, RBI Act, 1934 (Gov. Sanjay Malhotra)	**Policy Repo Rate raised 25 bps to 5.50%** (SDF 5.25%, MSF/Bank Rate 5.75%)	Calibrates inflation expectations within the 4\% ± 2\% FIT band	Reserve Bank of India (RBI)
57th GST Council Meeting (Oct 8, 2026)	Article 279A (Chair: FM Nirmala Sitharaman)	**Prosecution limit raised from ₹1 Cr to ₹5 Cr** |	Max general penalty **₹10,000**	Shifts indirect tax administration to trust-based compliance and automated refunds	Press Information Bureau (PIB)
SEBI Capital Market Reforms (2026)	SEBI Act, 1992 (Chair: Tuhin Kanta Pandey)	**22.2 Crore Demat Accounts** |	**LEAPS Long-Term Derivatives** |	Optional **T+0**	Strengthens institutional hedging and retail F&O investor protection (₹15L min contract)	Securities and Exchange Board of India (SEBI)
NPCI Digital Payments (2026)	Payment and Settlement Systems Act, 2007	**UPI LITE (< ₹1,000, ₹5,000 wallet)** |	**UPI Circle (₹15,000/ month)** |	**MyUPI**	Consolidated UPI Circular (Sept 18, 2026); zero charges for consumers and P2M ≤ ₹2,000	NPCI Official Portal

Chapter *8* Comprehensive Analytical & Statutory Revision Matrix

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Securities and Exchange Board of India (SEBI) Capital Market Milestones & Reforms (2026 Compendium)	**Total Demat Accounts Surge to 22.2 Crore (SEBI Monthly Bulletin — March 2026)**	Established in 1988 and conferred statutory powers on January 30, 1992 under the **SEBI Act, 1992** (on the recommendation of the Narasimham Committee), SEBI regulates India's securities and commodity derivatives markets. According to SEBI's official Monthly Bulletin (March 2026), at the end of **February 2026, the overall tally of Demat accounts in India stood at 22.2 crore (222 million)**, comprising **17.8 crore Demat accounts at CDSL (Central Depository Services Ltd.)** and **4.4 crore Demat accounts at NSDL (National Securities Depository Ltd.)** (with 23.8 lakh net accounts added at CDSL and 4.3 lakh net accounts added at NSDL during February 2026 alone) (SEBI Monthly Bulletin — March 2026).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
India's External Sector Dynamics (2026) — US$ 734.6 Billion Forex Reserves, 3rd Rank in Greenfield FDI & ECB Inflows	**Commodity Derivatives Rally — MCX iCOMDEX Up 69.1% Y-o-Y**	As reported by SEBI, on a year-on-year basis at the end of February 2026, the returns on the composite commodity index **MCX iCOMDEX stood at 69.1 per cent**, driven primarily by a stellar **101.5 per cent rally in the Bullion index** and a **19.3 per cent increase in the Metal index** (while the Energy index dipped by 3.5 per cent over the same period) (SEBI Monthly Bulletin — March 2026).
Process Flowchart: Synergy Between Domestic Capital Market Deepening (SEBI) & External Sector Resilience (RBI)	**Optional T+0 (Same-Day) Settlement Cycle & Mutual Fund Net Settlement**	After becoming the first major global jurisdiction to transition fully to a **T+1 (Trade plus 1 business day)** equity settlement cycle, SEBI rolled out an **optional T+0 (same-day) settlement cycle** alongside a **framework for net settlement of funds for transactions undertaken by mutual fund schemes in the cash segment** and updated Master Circulars for Mutual Funds and Registrars to an Issue and Share Transfer Agents (RTAs) in February 2026 (SEBI Circulars Portal).
Comparative Table: SEBI Capital Market Statistics & RBI External Sector Indicators (2026 Compendium)	**New Regulated Asset Class (Minimum ₹10 Lakh Investment) & F&O Investor Protection**	To bridge the regulatory gap between retail Mutual Funds and Portfolio Management Services (PMS — minimum ₹50 lakh ticket size), SEBI introduced a new regulated asset class (**Specialized Investment Fund**) with a minimum investment threshold of **₹10 lakh per investor**, while strengthening equity index derivatives (F&O) safeguards by raising the minimum contract size to **₹15 lakh** and limiting weekly index options expiries to one benchmark index per exchange (Securities and Exchange Board of India (SEBI)).
Special Appendix: Constitutional-Economic Interlinkages, Parliamentary Budget Control & Landmark Financial Committees (2026 Compendium)	**Refund of Excess Base Minimum Capital (BMC) over ₹1 Lakh (August 2026)**	Under SEBI's August 2026 Settlement and Risk Management framework, the **excess of the Base Minimum Capital (BMC) over ₹1 lakh** may be refunded to a stock-exchange member who has been **inactive for the past 12 months**, has no pending investor complaints or arbitration cases, and obtains a No-Objection Certificate (NoC) from SEBI (SEBI Consultation Paper — August 2026).
Consolidated Exam Reference Table: Flagship Socio-Economic Schemes, Commissions & Global Institutions (2026 Compendium)	**SEBI Chairman Tuhin Kanta Pandey's 2026 Derivatives Reforms & Long-Term Equity Derivatives (LEAPS)**	Under Chairman **Tuhin Kanta Pandey**, SEBI announced in June–September 2026 a calibrated roadmap to deepen **Long-Term Equity Derivatives (LEAPS — Long-term Equity AnticiPation Securities)** with longer-dated expiries and reviewed margin norms to encourage institutional hedging over short-term retail speculation in index options, alongside reviewing expiry-day settlement price calculation rules and streamlining Foreign Portfolio Investor (FPI) onboarding timelines (Securities and Exchange Board of India (SEBI)).
Comprehensive Analytical Compendium: 2026 Constitutional, Judicial, Legislative & Fiscal Benchmarks	**India's Foreign Exchange Reserves Reach US$ 734.6 Billion (October 2, 2026)**	According to the Reserve Bank of India's official Monetary Policy Press Release dated **October 7, 2026 (*PRID*=63744), as on October 2, 2026, India's Foreign Exchange Reserves stood at US$ 734.6 billion**. India's Forex Reserves comprise **four components**: (1) **Foreign Currency Assets (FCA)** (the largest component), (2) **Gold Reserves**, (3) **Special Drawing Rights (SDRs)** with the IMF, and (4) **Reserve Tranche Position (RTP)** in the IMF (RBI Press Release — October 2026).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Securities and Exchange Board of India (SEBI) Capital Market Milestones & Reforms (2026 Compendium)	**Gross FDI Up 20.6% (April–August 2026–27)**	During April–August 2026–27, **gross Foreign Direct Investment (FDI) flows to India grew by 20.6 per cent**, while net outward FDI increased to **US 17.7 billion** from US 14.0 billion a year ago (RBI Press Release — October 2026).
India's External Sector Dynamics (2026) — US$ 734.6 Billion Forex Reserves, 3rd Rank in Greenfield FDI & ECB Inflows	**3rd Rank Globally in Announced Greenfield FDI (US$ 41.3 Billion)**	In terms of globally announced **Greenfield FDI projects** (where foreign investors build new physical production facilities and operational infrastructure from scratch), **India was ranked third globally during April–August 2026 with an amount of US$ 41.3 billion** (RBI Press Release — October 2026).
Process Flowchart: Synergy Between Domestic Capital Market Deepening (SEBI) & External Sector Resilience (RBI)	**ECB Disbursements & Non-Resident Deposits**	During April–August 2026, **gross External Commercial Borrowing (ECB) disbursements to India increased to US 23.9 billion** from US 17.0 billion a year ago (with net ECB inflows rising to **US 7.3 billion** from US 4.7 billion), accompanied by strong inflows into Non-Resident Deposits (RBI Press Release — October 2026).
Comparative Table: SEBI Capital Market Statistics & RBI External Sector Indicators (2026 Compendium)	**IMF World Economic Outlook (July 2026) Trade Projection & Petroleum Imports**	According to the **IMF's World Economic Outlook (July 2026)**, world goods and services trade volume growth is expected to moderate to **3.5 per cent in 2026** from **5.0 per cent in 2025**. During July–August 2026, India's petroleum, crude, and products imports stood at **US 35.0 billion** (up 21.3% y-o-y from US 28.8 billion in July–August 2025) (RBI Press Release — October 2026).
Special Appendix: Constitutional-Economic Interlinkages, Parliamentary Budget Control & Landmark Financial Committees (2026 Compendium)	**Presentation of the Annual Financial Statement (Article 112)**	Caused by the President to be laid before both Houses of Parliament on February 1 each year (Constitution of India).
Consolidated Exam Reference Table: Flagship Socio-Economic Schemes, Commissions & Global Institutions (2026 Compendium)	**General Discussion**	Held in both Houses for 3–4 days on the macroeconomic principles of the Budget without any voting (Constitution of India).

Core Sub-Domain	Key Concept / Provision	Verified Analytical Parameters & Exam Distinctions (केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल)
Comprehensive Analytical Compendium: 2026 Constitutional, Judicial, Legislative & Fiscal Benchmarks	**Scrutiny by 24 Departmentally Related Standing Committees (DRSCs)**	Parliament adjourns for a recess during which the 24 DRSCs (each comprising **31 members: 21 from Lok Sabha + 10 from Rajya Sabha**) examine the ministry-wise **Demands for Grants** in detail and submit reports (Constitution of India).

Chapter 8 Multi-Statement Exam Verification Drills

Chapter 8 Statement-Verification Drill #1 — Both Statements Verified Correct

Statement-I (Total Demat Accounts Surge to 22.2 Crore (SEBI Monthly Bulletin — March 2026)): Established in 1988 and conferred statutory powers on January 30, 1992 under the **SEBI Act, 1992** (on the recommendation of the Narasimham Committee), SEBI regulates India's securities and commodity derivatives markets. According to SEBI's official Monthly Bulletin (March 2026), at the end of **February 2026, the overall tally of Demat accounts in India stood at 22.2 crore (222 million)**, comprising **17.8 crore Demat accounts at CDSL (Central Depository Services Ltd.)** and **4.4 crore Demat accounts at NSDL (National Securities Depository Ltd.)** (with 23.8 lakh net accounts added at CDSL and 4.3 lakh net accounts added at NSDL during February 2026 alone) (SEBI Monthly Bulletin — March 2026).

Statement-II (Commodity Derivatives Rally — MCX iCOMDEX Up 69.1% Y-o-Y): As reported by SEBI, on a year-on-year basis at the end of February 2026, the returns on the composite commodity index **MCX iCOMDEX stood at 69.1 per cent**, driven primarily by a stellar **101.5 per cent rally in the Bullion index** and a **19.3 per cent increase in the Metal index** (while the Energy index dipped by 3.5 per cent over the same period) (SEBI Monthly Bulletin — March 2026).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 8 Statement-Verification Drill #2 — Both Statements Verified Correct

Statement-I (Optional T+0 (Same-Day) Settlement Cycle & Mutual Fund Net Settlement): After becoming the first major global jurisdiction to transition fully to a **T+1 (Trade plus 1 business day)** equity settlement cycle, SEBI rolled out an **optional T+0 (same-day) settlement cycle** alongside a **framework for net settlement of funds for transactions undertaken by mutual fund schemes in the cash segment** and updated Master Circulars for Mutual Funds and Registrars to an Issue and Share Transfer Agents (RTAs) in February 2026 (SEBI Circulars Portal).

Statement-II (New Regulated Asset Class (Minimum ₹10 Lakh Investment) & F&O Investor Protection): To bridge the regulatory gap between retail Mutual Funds and Portfolio Management Services (PMS — minimum ₹50 lakh ticket size), SEBI introduced a new regulated asset class (**Specialized Investment Fund**) with a minimum investment threshold of **₹10 lakh per investor**, while strengthening equity index derivatives (F&O) safeguards by raising the minimum contract size to **₹15 lakh** and limiting weekly index options expiries to one benchmark index per exchange (Securities and Exchange Board of India (SEBI)).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 8 Statement-Verification Drill #3 — Both Statements Verified Correct

Statement-I (Refund of Excess Base Minimum Capital (BMC) over ₹1 Lakh (August 2026)): Under SEBI's August 2026 Settlement and Risk Management framework, the **excess of the Base Minimum Capital (BMC) over ₹1 lakh** may be refunded to a stock-exchange member who has been **inactive for the past 12 months**, has no pending investor complaints or arbitration cases, and obtains a No-Objection Certificate (NoC) from SEBI (SEBI Consultation Paper — August 2026).

Statement-II (SEBI Chairman Tuhin Kanta Pandey's 2026 Derivatives Reforms & Long-Term Equity Derivatives (LEAPS)): Under Chairman **Tuhin Kanta Pandey**, SEBI announced in June–September 2026 a calibrated roadmap to deepen **Long-Term Equity Derivatives (LEAPS — Long-term Equity AnticiPation Securities)** with longer-dated expiries and reviewed margin norms to encourage institutional hedging over short-term retail speculation in index options, alongside reviewing expiry-day settlement price calculation rules and streamlining Foreign Portfolio Investor (FPI) onboarding timelines (Securities and Exchange Board of India (SEBI)).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 8 Statement-Verification Drill #4 — Both Statements Verified Correct

Statement-I (India's Foreign Exchange Reserves Reach US$ 734.6 Billion (October 2, 2026)): According to the Reserve Bank of India's official Monetary Policy Press Release dated **October 7, 2026 (*PRID*=63744), as on October 2, 2026, India's Foreign Exchange Reserves stood at US$ 734.6 billion**. India's Forex Reserves comprise **four components**: (1) **Foreign Currency Assets (FCA)** (the largest component), (2) **Gold Reserves**, (3) **Special Drawing Rights (SDRs)** with the IMF, and (4) **Reserve Tranche Position (RTP)** in the IMF (RBI Press Release — October 2026).

Statement-II (Gross FDI Up 20.6% (April–August 2026–27)): During April–August 2026–27, **gross Foreign Direct Investment (FDI) flows to India grew by 20.6 per cent**, while net outward FDI increased to **US 17.7 billion** from US 14.0 billion a year ago (RBI Press Release — October 2026).

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Chapter 8 Statement-Verification Drill #5 — Both Statements Verified Correct

Statement-I (3rd Rank Globally in Announced Greenfield FDI (US$ 41.3 Billion)): In terms of globally announced **Greenfield FDI projects** (where foreign investors build new physical production facilities and operational infrastructure from scratch), **India was ranked third globally during April–August 2026 with an amount of US$ 41.3 billion** (RBI Press Release — October 2026).

Statement-II (ECB Disbursements & Non-Resident Deposits): During April–August 2026, **gross External Commercial Borrowing (ECB) disbursements to India increased to US 23.9 billion** from US 17.0 billion a year ago (with net ECB inflows rising to **US 7.3 billion** from US 4.7 billion), accompanied by strong inflows into Non-Resident Deposits (RBI Press Release — October 2026).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Chapter 8 Statement-Verification Drill #6 — Both Statements Verified Correct

Statement-I (IMF World Economic Outlook (July 2026) Trade Projection & Petroleum Imports): According to the **IMF's World Economic Outlook (July 2026)**, world goods and services trade volume growth is expected to moderate to **3.5 per cent in 2026** from **5.0 per cent in 2025**. During July–August 2026, India's petroleum, crude, and products imports stood at **US 35.0 billion** (up 21.3% y-o-y from US 28.8 billion in July–August 2025) (RBI Press Release — October 2026).

Statement-II (Presentation of the Annual Financial Statement (Article 112)): Caused by the President to be laid before both Houses of Parliament on February 1 each year (Constitution of India).

✓ **Exam Verification Key: Both Statement-I and Statement-II are factually accurate as per केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy.**

Solved Exam Practice Questions *(45 Solved 4-Option MCQs — Book CA10)*

Practice Question #1 Solved Exam MCQ

1. **According to Union Budget 2026–27, what is the projected total expenditure of the Union Government in Budget Estimates (BE) 2026–27?**
(A) ₹47.65 lakh crore
(B) ₹49.65 lakh crore
(C) ₹51.20 lakh crore
(D) ₹53.47 lakh crore
Answer: (D)
Explanation: According to the Statements of Fiscal Policy in Union Budget 2026–27, the total expenditure of the Union Government in BE 2026–27 is projected at **₹53.47 lakh crore** (13.6% of GDP), showing a growth of 7.7% over RE 2025–26 of **₹49.65 lakh crore** (Statements of Fiscal Policy — Budget 2026–27).

Practice Question #2 Solved Exam MCQ

2. **In Union Budget 2026–27, what are the official estimates of the Fiscal Deficit (as a percentage of GDP) for Revised Estimates (RE) 2025–26 and Budget Estimates (BE) 2026–27 respectively?**
(A) 4.8% and 4.5%
(B) 4.4% and 4.3%
(C) 4.5% and 4.1%
(D) 4.9% and 4.4%
Answer: (B)
Explanation: As stated in the Union Budget Speech 2026–27, the fiscal deficit in **RE 2025–26 is estimated at 4.4 per cent of GDP**, and in line with the debt consolidation path, the fiscal deficit in **BE 2026–27 is estimated at 4.3 per cent of GDP** (Union Budget Speech 2026–27).

Practice Question #3 Solved Exam MCQ

3. **According to Union Budget 2026–27, the Central Government has set a target of reaching what Debt-to-GDP ratio by the financial year 2030–31?**
(A) 40±1 per cent of GDP
(B) 45±1 per cent of GDP
(C) 50±1 per cent of GDP
(D) 60±1 per cent of GDP
Answer: (C)
Explanation: To strive towards accepted standards of fiscal management, the Central Government has targeted reaching a **debt-to-GDP ratio of 50± 1 per cent by 2030–31** (Union Budget Speech 2026–27).

Practice Question #4 Solved Exam MCQ

4. **According to the Key Features of Union Budget 2026–27, the Central Government's Debt-to-GDP ratio is estimated to decline from 56.1 per cent of GDP in RE 2025–26 to what percentage of GDP in BE 2026–27?**
(A) 54.2 per cent of GDP
(B) 55.6 per cent of GDP
(C) 56.8 per cent of GDP
(D) 52.5 per cent of GDP
Answer: (B)
Explanation: The debt-to-GDP ratio is estimated to be **55.6 per cent of GDP in BE 2026–27**, compared to **56.1 per cent of GDP in RE 2025–26** (Key Features of Budget 2026–27).

Practice Question #5 Solved Exam MCQ

5. **In Budget Estimates (BE) 2026–27, what are the projected Total Revenue Receipts of the Union Government and the Tax Revenues (Net to Centre) respectively?**
(A) ₹35.33 lakh crore and ₹28.67 lakh crore
(B) ₹34.00 lakh crore and ₹26.70 lakh crore
(C) ₹38.50 lakh crore and ₹30.10 lakh crore
(D) ₹32.15 lakh crore and ₹25.40 lakh crore
Answer: (A)
Explanation: In BE 2026–27, Revenue Receipts of the Union Government are estimated at **₹35.33 lakh crore**, comprising **Tax Revenues (Net to Centre) of ₹28.67 lakh crore** and Non-Tax Revenues (NTR) of **₹6.66 lakh crore** (Statements of Fiscal Policy — Budget 2026–27).

Practice Question #6 Solved Exam MCQ

6. **In Budget Estimates (BE) 2026–27, what outlay has been earmarked for capital support to States through 'SASCI' (Special Assistance as Loan to States for Capital Expenditure)?**
(A) ₹1.0 lakh crore
(B) ₹1.5 lakh crore
(C) ₹2.0 lakh crore
(D) ₹2.5 lakh crore
Answer: (C)
Explanation: Within the capital expenditure allocation (3.1% of GDP in BE 2026–27), capital support to States through **SASCI** is budgeted with an outlay of **₹2.0 lakh crore** (Statements of Fiscal Policy — Budget 2026–27).

Practice Question #7 Solved Exam MCQ

7. **According to the Economic Survey 2025–26 Highlights, India's real GDP is projected to grow in what range in FY 2026–27 (FY27)?**
(A) 6.0% to 6.5%
(B) 6.3% to 6.8%
(C) 6.8% to 7.2%
(D) 7.5% to 8.0%
Answer: (C)
Explanation: Economic Survey 2025–26 projects that India retains strong growth momentum and is **expected to grow by 6.8 – 7.2% in FY27** (Economic Survey 2025–26 Highlights).

Practice Question #8 Solved Exam MCQ

8. **According to the Economic Survey 2025–26, the Centre's effective capital expenditure to GDP scaled up from a pre-pandemic average of 2.7% to what level in FY25?**
(A) 3.1% of GDP
(B) 3.5% of GDP
(C) 4.0% of GDP
(D) 4.8% of GDP
Answer: (C)
Explanation: The Centre's effective capex to GDP scaled up from a pre-pandemic average of 2.7% to **4% in FY25**, while SASCI incentivized States to maintain their capex at **2.4% of GDP** (Economic Survey 2025–26 Highlights).

Practice Question #9 Solved Exam MCQ

9. **Under the tax proposals of Union Budget 2026–27, how are proceeds from 'Share Buybacks' taxed for shareholders?**
(A) Completely exempted from income tax for all categories
(B) Taxed for all types of shareholders as 'Capital Gains', while promoters pay an additional buyback tax
(C) Treated as agricultural income
(D) Subject only to a flat 1% Securities Transaction Tax (STT)
Answer: (B)
Explanation: Key Features of Budget 2026–27 states that **buybacks will be taxed for all types of shareholders as Capital Gains; however, promoters will pay an additional buyback tax** (Key Features of Budget 2026–27).

Practice Question #10 Solved Exam MCQ

10. **Under Union Budget 2026–27, set-off using available Minimum Alternate Tax (MAT) credit is allowed to what extent of the tax liability in the new corporate tax regime?**
(A) Up to 1/10th of the tax liability
(B) Up to 1/4th (one-fourth) of the tax liability
(C) Up to 1/2 (one-half) of the tax liability
(D) Up to 100% of the tax liability
Answer: (B)
Explanation: In Budget 2026–27, MAT is proposed to be made a final tax, and **set-off using available MAT credit is allowed to an extent of 1/4th of the tax liability in the new regime** (Key Features of Budget 2026–27).

Practice Question #11 Solved Exam MCQ

11. **To provide relief to oncology patients, Union Budget 2026–27 exempted Basic Customs Duty (BCD) on how many drugs or medicines for cancer patients?**
(A) 5 drugs or medicines
(B) 10 drugs or medicines
(C) 17 drugs or medicines
(D) 25 drugs or medicines
Answer: (C)
Explanation: Union Budget 2026–27 **exempted Basic Customs Duty (BCD) on 17 drugs or medicines for cancer patients** (Key Features of Budget 2026–27).

Practice Question #12 Solved Exam MCQ

12. **According to Union Budget 2026–27, the 'Customs Integrated System' (CIS) is scheduled to be rolled out in how many years?**
(A) 1 year
(B) 2 years
(C) 5 years
(D) 7 years
Answer: (B)
Explanation: Alongside a single and interconnected digital window for cargo clearance approvals, the **Customs Integrated System (CIS) is to be rolled out in 2 years** (Key Features of Budget 2026–27).

Practice Question #13 Solved Exam MCQ

13. **In his Monetary Policy Statement on June 6, 2025, RBI Governor Sanjay Malhotra announced a phased reduction in the Cash Reserve Ratio (CRR) of all banks by how many basis points?**
(A) 25 basis points
(B) 50 basis points
(C) 100 basis points (1.0 per cent)
(D) 150 basis points
Answer: (C)
Explanation: On June 6, 2025, following Governor Sanjay Malhotra's Monetary Policy Statement, the RBI issued a notification announcing a **phased reduction in the Cash Reserve Ratio (CRR) of all banks by 100 basis points** (RBI Annual Report Publications).

Practice Question #14 Solved Exam MCQ

14. **According to the RBI Monetary Policy Press Release dated October 7, 2026 (*PRID*=63744), the Marginal Standing Facility (MSF) rate and the Bank Rate stood at:**
(A) 5.25 per cent
(B) 5.75 per cent
(C) 6.50 per cent
(D) 6.75 per cent
Answer: (B)
Explanation: As recorded in the RBI Press Release dated October 7, 2026, the **Marginal Standing Facility (MSF) rate and the Bank Rate stood at 5.75 per cent** (RBI Press Release — October 2026).

Practice Question #15 Solved Exam MCQ

15. **Under the RBI circular issued on June 13, 2025, importers are permitted to make advance remittances for the import of shipping vessels without a bank guarantee or standby Letter of Credit up to what amount?**
(A) Up to USD 10 million
(B) Up to USD 25 million
(C) Up to USD 50 million
(D) Up to USD 100 million
Answer: (C)
Explanation: The RBI circular dated June 13, 2025 allows importers to make advance remittances of **up to USD 50 million** for the import of shipping vessels without requiring a bank guarantee or standby Letter of Credit (RBI Annual Report Publications).

Practice Question #16 Solved Exam MCQ

16. **Under the RBI's revised financial eligibility criteria for Regional Rural Banks (RRBs) to offer transactional internet banking, what are the required Minimum Net Worth and maximum Net NPA (NNPA) ratio as on March 31 of the previous financial year?**
(A) Minimum net worth ₹100 crore; NNPA not more than 3%
(B) Minimum net worth ₹50 crore or more; NNPA not more than 5% (along with minimum prescribed CRAR of 9% and net profit in two immediately preceding financial years)
(C) Minimum net worth ₹200 crore; NNPA not more than 2%
(D) Minimum net worth ₹25 crore; NNPA not more than 7%
Answer: (B)
Explanation: The revised RBI criteria for RRBs require: (1) minimum prescribed CRAR (**currently 9%**), (2) minimum net worth of **₹50 crore or more**, (3) **NNPA ratio not more than 5 per cent**, and (4) **net profit in two immediately preceding financial years** (RBI Annual Report Publications).

Practice Question #17 Solved Exam MCQ

17. **To promote digital transactions at the grassroot level, the Reserve Bank of India included the beneficiaries of which central government scheme under the Payments Infrastructure Development Fund (PIDF) Scheme?**
(A) PM Vishwakarma Scheme
(B) PM Ujjwala Yojana
(C) PM Fasal Bima Yojana
(D) PM Matru Vandana Yojana
Answer: (A)
Explanation: The RBI included the beneficiaries of the **PM Vishwakarma Scheme** under the PIDF Scheme to promote digital transactions among traditional artisans and craftspeople at the grassroot level (**RBI Annual Report Publications**).

Practice Question #18 Solved Exam MCQ

18. **The Reserve Bank of India initiated the phased restoration of the Held-to-Maturity (HTM) limit for eligible SLR securities from the pandemic-enhanced ceiling of 23% to what percentage of NDTL?**
(A) 15.0 per cent
(B) 18.0 per cent
(C) 19.5 per cent
(D) 21.5 per cent
Answer: (C)
Explanation: The HTM limits were set to be restored in a phased manner from 23 per cent to **19.5 per cent of NDTL** (**RBI Annual Report Publications**).

Practice Question #19 Solved Exam MCQ

19. **Which centralized web portal launched by the Reserve Bank of India enables citizens to search across multiple banks for their unclaimed deposits (accounts inactive for 10 years or more)?**
(A) PRAVAAH
(B) UDGAM
(C) DAKSH
(D) SACHET
Answer: (B)
Explanation: UDGAM (*Unclaimed Deposits — Gateway to Access inforMation*) allows users to search for unclaimed deposits across participating banks in one place (**Reserve Bank of India (RBI)**).

Practice Question #20 Solved Exam MCQ

20. **According to NPCI's official product specifications, 'UPI LITE' is designed to process low-value transactions below what threshold in a faster and PIN-less manner?**
(A) Below ₹200
(B) Below ₹500
(C) Below ₹1,000
(D) Below ₹5,000
Answer: (C)
Explanation: According to NPCI, **UPI LITE is designed to process low-value transactions that are below ₹1,000 in a faster and PIN-less manner**, with a total on-device wallet balance limit of ₹5,000 (**NPCI — UPI Lite**).

Practice Question #21 Solved Exam MCQ

21. **Under NPCI Circular *UPI | OC 242 | FY 26–27*, which scheme has been launched for promoting UPI acceptance among small merchants?**
(A) UPI Vyapaar Saksham Scheme
(B) UPI Samriddhi Scheme
(C) UPI Dukaandar Mitra Scheme
(D) Digital Vyapaar Setu Scheme
Answer: (A)
Explanation: NPCI issued *UPI | OC 242 | FY* 26-27 introducing the **UPI Vyapaar Saksham Scheme for Promoting UPI Acceptance among Small Merchants** (NPCI UPI Circulars).

Practice Question #22 Solved Exam MCQ

22. **Under NPCI Circular *UPI | OC No. 227A | FY 2026–27*, what is the official name of the AI-powered support system for UPI payments (UPI HELP 2.0)?**
(A) DigiSahayak
(B) "MyUPI"
(C) NPCI Saarthi
(D) PayMitra AI
Answer: (B)
Explanation: NPCI Circular *UPI | OC No. 227A | FY* 2026-27 is titled *Addendum to UPI OC* 227 – ***"MyUPI" - AI powered support for UPI payments (UPI HELP 2.0)*** (NPCI UPI Circulars).

Practice Question #23 Solved Exam MCQ

23. **Which NPCI UPI feature allows a primary bank account holder to delegate payment access to secondary users (such as family members or senior citizens) up to ₹15,000 per month under Full Delegation?**
(A) UPI LITE X
(B) UPI Circle
(C) UPI AutoPay
(D) UPI Global
Answer: (B)
Explanation: UPI Circle (Delegated Payments) allows a primary user to authorize secondary users for full delegation (up to ₹15,000/month and ₹5,000/txn) or partial delegation (NPCI UPI Circulars).

Practice Question #24 Solved Exam MCQ

24. **What is the enhanced per-transaction UPI limit applicable to verified Hospitals, Educational Institutions, Tax Payments, and IPO subscriptions?**
(A) ₹1 lakh
(B) ₹2 lakh
(C) ₹5 lakh
(D) ₹10 lakh
Answer: (C)
Explanation: The RBI and NPCI enhanced the per-transaction UPI limit to **₹5 lakh** for hospitals, educational institutions, tax payments, IPOs, and RBI Retail Direct schemes (Reserve Bank of India (RBI)).

Practice Question #25 Solved Exam MCQ

25. **Under Article 279A(9) of the Constitution of India, every decision of the GST Council requires a majority of not less than three-fourths (75%) of the weighted votes of the members present and voting, where the Central Government and the State Governments have what respective vote weightages?**
(A) Centre: 1/2 (50%) and States: 1/2 (50%)
(B) Centre: 1/4 (25%) and States: 3/4 (75%)
(C) Centre: 1/3 (33.33%) and all States taken together: 2/3 (66.67%)
(D) Equal single vote for the Centre and each State
Answer: (C)
Explanation: Under **Article 279A(9)**, the vote of the Central Government has a weightage of **one-third (1/3rd)** of the total votes cast, and the votes of all the State Governments taken together have a weightage of **two-thirds (2/3rds)** (Constitution of India).

Practice Question #26 Solved Exam MCQ

26. **Which newly inserted Section of the CGST Act provides a conditional 100% waiver of interest and penalties for non-fraud (Section 73) GST demand notices pertaining to FY 2017–18, FY 2018–19, and FY 2019–20 upon payment of the principal tax?**
(A) Section 74A
(B) Section 112A
(C) Section 128A
(D) Section 171A
Answer: (C)
Explanation: Section 128A of the CGST Act provides an amnesty/waiver of interest and penalties for Section 73 demand notices for FY 2017–18, 2018–19, and 2019–20 if the full principal tax is paid by the notified date (Press Information Bureau (PIB)).

Practice Question #27 Solved Exam MCQ

27. **To curb unnecessary tax litigation, the GST Council recommended what minimum monetary thresholds for the tax department to file appeals before the GSTAT, High Court, and Supreme Court respectively?**
(A) ₹10 lakh, ₹50 lakh, and ₹1 crore
(B) ₹20 lakh (GSTAT), ₹1 crore (High Court), and ₹2 crore (Supreme Court)
(C) ₹50 lakh, ₹2 crore, and ₹5 crore
(D) ₹5 lakh, ₹25 lakh, and ₹50 lakh
Answer: (B)
Explanation: The GST Council fixed departmental appeal monetary thresholds at **₹20 lakh for GSTAT**, **₹1 crore for the High Court**, and **₹2 crore for the Supreme Court** (Press Information Bureau (PIB)).

Practice Question #28 Solved Exam MCQ

28. **Where is the Principal Bench of the GST Appellate Tribunal (GSTAT) located, and what is the reduced mandatory pre-deposit percentage for filing an appeal before the GSTAT?**
(A) Mumbai; 25% of disputed tax
(B) New Delhi; reduced from 20% to 10% of disputed tax (capped at ₹20 crore CGST + ₹20 crore SGST)
(C) Kolkata; 15% of disputed tax
(D) Chennai; 5% of disputed tax
Answer: (B)
Explanation: The Principal Bench of GSTAT is located in **New Delhi**, and the pre-deposit for filing appeals before GSTAT was reduced from 20% to **10%** of disputed tax (with the cap reduced from ₹50 crore to **₹20 crore** each) (Press Information Bureau (PIB)).

Practice Question #29 Solved Exam MCQ

29. **According to SEBI's Monthly Bulletin (March 2026), what was the overall tally of Demat accounts in India at the end of February 2026 across CDSL and NSDL?**
(A) 15.4 crore
(B) 18.5 crore
(C) 22.2 crore (17.8 crore at CDSL and 4.4 crore at NSDL)
(D) 25.8 crore
Answer: (C)
Explanation: At the end of February 2026, the overall tally of Demat accounts stood at **22.2 crore**, with **17.8 crore accounts at CDSL** and **4.4 crore accounts at NSDL** (SEBI Monthly Bulletin — March 2026).

Practice Question #30 Solved Exam MCQ

30. **According to SEBI's Monthly Bulletin (March 2026), what was the year-on-year (Y-o-Y) return on the composite commodity index 'MCX iCOMDEX' at the end of February 2026, driven by a 101.5% rally in the Bullion index?**
(A) 24.5 per cent
(B) 42.0 per cent
(C) 69.1 per cent
(D) 85.4 per cent
Answer: (C)
Explanation: On a year-on-year basis at the end of February 2026, the returns on the composite index **MCX iCOMDEX stood at 69.1 per cent**, driven by a **101.5 per cent rally in the Bullion index** and a 19.3 per cent increase in Metals (SEBI Monthly Bulletin — March 2026).

Practice Question #31 Solved Exam MCQ

31. **According to SEBI's August 2026 Consultation Paper on Settlement and Risk Management, the excess of the Base Minimum Capital (BMC) over what amount may be refunded to a member who has been inactive at the stock exchange for the past 12 months and obtains a SEBI NoC?**
(A) Excess of BMC over ₹1 lakh
(B) Excess of BMC over ₹10 lakh
(C) Excess of BMC over ₹50 lakh
(D) Excess of BMC over ₹1 crore
Answer: (A)
Explanation: SEBI's August 2026 paper specifies that the **excess of the Base Minimum Capital (BMC) over Rs 1 lakh** may be refunded to a member who has been inactive for the past 12 months, has no pending complaints/arbitration cases, and obtains a SEBI NoC (SEBI Consultation Paper — August 2026).

Practice Question #32 Solved Exam MCQ

32. **According to the Reserve Bank of India's official Press Release dated October 7, 2026 (*PRID*=63744), what was the level of India's Foreign Exchange Reserves as on October 2, 2026?**
(A) US$ 645.2 billion
(B) US$ 689.5 billion
(C) US$ 704.8 billion
(D) US$ 734.6 billion
Answer: (D)
Explanation: As officially reported by the RBI on October 7, 2026, **as on October 2, 2026, India's forex reserves stood at US$ 734.6 billion** (RBI Press Release — October 2026).

Practice Question #33 Solved Exam MCQ

33. **According to the RBI Press Release (October 2026), what was India's global rank in terms of globally announced 'Greenfield FDI Projects' during April–August 2026 (with an amount of US$ 41.3 billion)?**
(A) First globally
(B) Second globally
(C) Third globally (Ranked 3rd with US$ 41.3 billion)
(D) Fifth globally
Answer: (C)
Explanation: In terms of globally announced greenfield FDI projects, **India was ranked third during April–August 2026 with an amount of US$ 41.3 billion** (RBI Press Release — October 2026).

Practice Question #34 Solved Exam MCQ

34. **According to the RBI Press Release (October 2026), by what percentage did gross Foreign Direct Investment (FDI) flows to India grow during April–August 2026–27?**
(A) 10.2 per cent
(B) 15.4 per cent
(C) 20.6 per cent
(D) 28.9 per cent
Answer: (C)
Explanation: Gross FDI flows to India grew by 20.6 per cent during April–August 2026–27, while net outward FDI increased to US$ 17.7 billion (RBI Press Release — October 2026).

Practice Question #35 Solved Exam MCQ

35. **During April–August 2026, gross External Commercial Borrowing (ECB) disbursements to India increased to what amount (from US$ 17.0 billion a year ago)?**
(A) US$ 14.0 billion
(B) US$ 19.5 billion
(C) US 23.9 billion (with net ECB inflows rising to US 7.3 billion)
(D) US$ 35.0 billion
Answer: (C)
Explanation: During April–August 2026, **gross ECB disbursements to India increased to US 23.9 billion** from US 17.0 billion a year ago, and net inflows rose to **US$ 7.3 billion** (RBI Press Release — October 2026).

Practice Question #36 Solved Exam MCQ

36. **According to the IMF's World Economic Outlook (WEO, July 2026) cited by the RBI, world goods and services trade volume growth is expected to moderate from 5.0 per cent in 2025 to what rate in 2026?**
(A) 2.1 per cent
(B) 3.5 per cent
(C) 4.8 per cent
(D) 6.2 per cent
Answer: (B)
Explanation: According to the IMF's WEO (July 2026), **world goods and services trade volume growth is expected to moderate to 3.5 per cent in 2026 from 5.0 per cent in 2025** (RBI Press Release — October 2026).

Practice Question #37 Solved Exam MCQ

37. **What are the overall Priority Sector Lending (PSL) targets (as a percentage of ANBC) prescribed by the RBI for Domestic Scheduled Commercial Banks and Regional Rural Banks (RRBs) respectively?**
(A) 30% and 50%
(B) 40% and 75%
(C) 45% and 60%
(D) 50% and 80%
Answer: (B)
Explanation: Domestic Scheduled Commercial Banks (and foreign banks with 20+ branches) have a **40% PSL target**, whereas Regional Rural Banks (RRBs) and Small Finance Banks (SFBs) have a **75% PSL target** (Reserve Bank of India (RBI)).

Practice Question #38 Solved Exam MCQ

38. **Which committee reviewed the RBI's Economic Capital Framework (ECF) and recommended maintaining a Contingent Risk Buffer (CRB) between 5.5% and 6.5% of the RBI's balance sheet?**
(A) Urjit Patel Committee
(B) Bimal Jalan Committee (2018–19)
(C) P.J. Nayak Committee
(D) Nachiket Mor Committee
Answer: (B)
Explanation: The **Bimal Jalan Committee** on the Economic Capital Framework of the RBI recommended maintaining the **Contingent Risk Buffer (CRB) within a range of 5.5% to 6.5%** of the RBI's balance sheet (Reserve Bank of India (RBI)).

Practice Question #39 Solved Exam MCQ

39. **What is the name of the AI/ML solution developed by the Reserve Bank Innovation Hub (RBIH, Bengaluru) to identify and curb 'mule bank accounts' used in digital financial frauds?**
(A) FraudShield 2.0
(B) MuleHunter.AI
(C) KavachBank AI
(D) CyberPrahari
Answer: (B)
Explanation: The Reserve Bank Innovation Hub (RBIH) developed **MuleHunter.AI**, an artificial-intelligence tool to detect mule bank accounts and prevent digital payment fraud (Reserve Bank of India (RBI)).

Practice Question #40 Solved Exam MCQ

40. **Which three banks are currently designated by the Reserve Bank of India as 'Domestic Systemically Important Banks' (D-SIBs / "Too Big to Fail")?**
(A) SBI, Punjab National Bank (PNB), and Bank of Baroda (BoB)
(B) State Bank of India (SBI), HDFC Bank, and ICICI Bank
(C) HDFC Bank, Axis Bank, and Kotak Mahindra Bank
(D) SBI, Canara Bank, and Union Bank of India
Answer: (B)
Explanation: The RBI classifies **State Bank of India (SBI), HDFC Bank, and ICICI Bank** as **D-SIBs**, requiring them to maintain additional Common Equity Tier-1 (CET1) capital buffers (Reserve Bank of India (RBI)).

Practice Question #41 Solved Exam MCQ

41. **In its 63rd Monetary Policy Committee (MPC) meeting held from October 5 to 7, 2026 under RBI Governor Sanjay Malhotra, what decision was taken regarding the Policy Repo Rate?**
(A) Reduced by 25 basis points to 5.00%
(B) Kept unchanged at 5.25%
(C) Raised by 25 basis points from 5.25% to 5.50% (with SDF at 5.25% and MSF/Bank Rate at 5.75%)
(D) Raised by 50 basis points to 5.75%
Answer: (C)
Explanation: In the **63rd MPC Meeting (October 5–7, 2026)** chaired by RBI Governor **Sanjay Malhotra**, the MPC raised the **Policy Repo Rate by 25 bps from 5.25% to 5.50%**, placing the **SDF rate at 5.25%** and the **MSF rate and Bank Rate at 5.75%** (Reserve Bank of India (RBI)).

Practice Question #42 Solved Exam MCQ

42. **What is the total 5-year outlay of Grants-in-Aid recommended by the 16th Finance Commission for the award period 2026–31 (covering Rural Local Bodies, Urban Local Bodies, and Disaster Management Funds)?**
(A) ₹5.50 lakh crore
(B) ₹7.25 lakh crore
(C) ₹9.47 lakh crore (₹4.35L Cr RLB + ₹3.56L Cr ULB + ₹1.56L Cr Disaster Management)
(D) ₹12.20 lakh crore
Answer: (C)
Explanation: The **16th Finance Commission** recommended total grants of **₹9.47 lakh crore for 2026–31**, comprising **₹4.35 lakh crore for Rural Local Bodies**, **₹3.56 lakh crore for Urban Local Bodies**, and **₹1.56 lakh crore for Disaster Management**, while discontinuing Revenue Deficit Grants (Union Budget).

Practice Question #43 Solved Exam MCQ

43. **In the 57th GST Council Meeting held on October 8, 2026 under the chairmanship of Union Finance Minister Nirmala Sitharaman, the minimum threshold of tax evasion for launching criminal prosecution under GST was recommended to be increased from ₹1 crore to what amount?**
(A) ₹2 crore
(B) ₹3 crore
(C) ₹5 crore (alongside reducing the maximum general penalty from ₹25,000 to ₹10,000)
(D) ₹10 crore
Answer: (C)
Explanation: The **57th GST Council Meeting (October 8, 2026)** recommended raising the **GST prosecution threshold from ₹1 crore to ₹5 crore**, removing arrest powers for technical contraventions, and reducing the maximum general penalty from **₹25,000 to ₹10,000** (Press Information Bureau (PIB)).

Practice Question #44 Solved Exam MCQ

44. **According to the Economic Survey 2025–26 (tabled in Parliament in January 2026), what was India's estimated Real GDP growth rate in FY 2025–26 (First Advance Estimates) and India's improved rank in the Global Innovation Index (GII)?**
(A) Real GDP growth 6.4% and GII Rank 48th
(B) Real GDP growth 7.4% (GVA 7.3%) and GII Rank 38th
(C) Real GDP growth 8.2% and GII Rank 25th
(D) Real GDP growth 7.0% and GII Rank 52nd
Answer: (B)
Explanation: The **Economic Survey 2025–26** placed **FY26 Real GDP growth at 7.4%** (GVA growth at 7.3%), projected **FY27 Real GDP growth at 6.8%–7.2%**, and highlighted India's rise to **38th rank in the Global Innovation Index** (Economic Survey).

Practice Question #45 Solved Exam MCQ

45. **Who is the Chairman of the Securities and Exchange Board of India (SEBI) who spearheaded the 2026 initiatives on Long-Term Equity Derivatives (LEAPS), FPI onboarding simplification, and optional T+0 settlement?**
(A) Tuhin Kanta Pandey
(B) Ajay Tyagi
(C) K.V. Kamath
(D) Debasish Panda
Answer: (A)
Explanation: Tuhin Kanta Pandey (former Finance and Revenue Secretary) serves as the **Chairman of SEBI**, leading the 2026 regulatory reforms on **Long-Term Equity Derivatives (LEAPS)**, expiry-day pricing safeguards, and FPI compliance ease (**Securities and Exchange Board of India (SEBI)**).

Extended Comparative & Analytical Practice Set (Questions 46 to 85)

Practice Question #46 High-Yield Comparative MCQ

Q46. With reference to Fiscal Aggregate / Budget Head and Revised Estimates (RE) 2025–26, which of the following is accurately matched with "Total Expenditure"?

(A) ₹49.65 lakh crore (~₹49.6 lakh crore)
(B) ₹33.42 lakh crore (implied base)
(C) ₹26.7 lakh crore
(D) States maintained Capex at 2.4% of GDP

Correct Answer: (A) | **Explanation:** For **Total Expenditure** (Fiscal Aggregate / Budget Head), the verified Revised Estimates (RE) 2025–26 is **₹49.65 lakh crore (~₹49.6 lakh crore)**. Furthermore, ₹53.47 lakh crore. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #47 High-Yield Comparative MCQ

Q47. With reference to Fiscal Aggregate / Budget Head and Revised Estimates (RE) 2025–26, which of the following is accurately matched with "Total Revenue Receipts"?

(A) ₹26.7 lakh crore
(B) ₹33.42 lakh crore (implied base)
(C) States maintained Capex at 2.4% of GDP
(D) 4.4% of GDP

Correct Answer: (B) | **Explanation:** For **Total Revenue Receipts** (Fiscal Aggregate / Budget Head), the verified Revised Estimates (RE) 2025–26 is **₹33.42 lakh crore (implied base)**. Furthermore, ₹35.33 lakh crore. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #48 High-Yield Comparative MCQ

Q48. With reference to Fiscal Aggregate / Budget Head and Revised Estimates (RE) 2025–26, which of the following is accurately matched with "Tax Revenues (Net to Centre)"?

(A) States maintained Capex at 2.4% of GDP
(B) 4.4% of GDP
(C) ₹26.7 lakh crore
(D) 56.1% of GDP (55.5% net of NSSF)

Correct Answer: (C) | **Explanation:** For **Tax Revenues (Net to Centre)** (Fiscal Aggregate / Budget Head), the verified Revised Estimates (RE) 2025–26 is **₹26.7 lakh crore**. Furthermore, ₹28.67 lakh crore. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #49 High-Yield Comparative MCQ

Q49. With reference to Fiscal Aggregate / Budget Head and Revised Estimates (RE) 2025–26, which of the following is accurately matched with "SASCI Outlay (Capital Loans to States)"?

(A) 4.4% of GDP
(B) 56.1% of GDP (55.5% net of NSSF)
(C) Global headwinds & elevated global yields
(D) States maintained Capex at 2.4% of GDP

Correct Answer: (D) | **Explanation:** For **SASCI Outlay (Capital Loans to States)** (Fiscal Aggregate / Budget Head), the verified Revised Estimates (RE) 2025–26 is **States maintained Capex at 2.4% of GDP**. Furthermore, ₹2.0 lakh crore. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #50 High-Yield Comparative MCQ

Q50. With reference to Fiscal Aggregate / Budget Head and Revised Estimates (RE) 2025–26, which of the following is accurately matched with "Fiscal Deficit (% of GDP)"?

(A) 4.4% of GDP
(B) 56.1% of GDP (55.5% net of NSSF)
(C) Global headwinds & elevated global yields
(D) Pre-pandemic average: 2.7% of GDP

Correct Answer: (A) | **Explanation:** For **Fiscal Deficit (% of GDP)** (Fiscal Aggregate / Budget Head), the verified Revised Estimates (RE) 2025–26 is **4.4% of GDP**. Furthermore, 4.3% of GDP. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #51 High-Yield Comparative MCQ

Q51. With reference to Fiscal Aggregate / Budget Head and Revised Estimates (RE) 2025–26, which of the following is accurately matched with "Central Government Debt (% of GDP)"?

(A) Global headwinds & elevated global yields
(B) 56.1% of GDP (55.5% net of NSSF)
(C) Pre-pandemic average: 2.7% of GDP
(D) Prone to compression during downturns

Correct Answer: (B) | **Explanation:** For **Central Government Debt (% of GDP)** (Fiscal Aggregate / Budget Head), the verified Revised Estimates (RE) 2025–26 is **56.1% of GDP (55.5% net of NSSF)**. Furthermore, 55.6% of GDP (55.1% net of NSSF). (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #52 High-Yield Comparative MCQ

Q52. With reference to Macroeconomic Indicator / Theme and Pre-Pandemic / Historical Baseline, which of the following is accurately matched with "Real GDP Growth Projection (FY27)"?

(A) Pre-pandemic average: 2.7% of GDP
(B) Prone to compression during downturns
(C) Global headwinds & elevated global yields
(D) 9.2% of GDP in FY21 (6.7% in FY22)

Correct Answer: (C) | **Explanation:** For **Real GDP Growth Projection (FY27)** (Macroeconomic Indicator / Theme), the verified Pre-Pandemic / Historical Baseline is **Global headwinds & elevated global yields**. Furthermore, 6.8% to 7.2% in FY 2026–27 (FY27). (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #53 High-Yield Comparative MCQ

Q53. With reference to Macroeconomic Indicator / Theme and Pre-Pandemic / Historical Baseline, which of the following is accurately matched with "Centre's Effective Capex (% of GDP)"?

(A) Prone to compression during downturns
(B) 9.2% of GDP in FY21 (6.7% in FY22)
(C) Higher tariffs on inputs than finished goods
(D) Pre-pandemic average: 2.7% of GDP

Correct Answer: (D) | **Explanation:** For **Centre's Effective Capex (% of GDP)** (Macroeconomic Indicator / Theme), the verified Pre-Pandemic / Historical Baseline is **Pre-pandemic average: 2.7% of GDP**. Furthermore, 4.0% of GDP (in FY25). (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #54 High-Yield Comparative MCQ

Q54. With reference to Macroeconomic Indicator / Theme and Pre-Pandemic / Historical Baseline, which of the following is accurately matched with "States' Aggregate Capex (% of GDP)"?

(A) Prone to compression during downturns
(B) 9.2% of GDP in FY21 (6.7% in FY22)
(C) Higher tariffs on inputs than finished goods
(D) Taxed as deemed dividend in hands of shareholders

Correct Answer: (A) | **Explanation:** For **States' Aggregate Capex (% of GDP)** (Macroeconomic Indicator / Theme), the verified Pre-Pandemic / Historical Baseline is **Prone to compression during downturns**. Furthermore, 2.4% of GDP. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #55 High-Yield Comparative MCQ

Q55. With reference to Macroeconomic Indicator / Theme and Pre-Pandemic / Historical Baseline, which of the following is accurately matched with "Union Fiscal Deficit Reduction"?

(A) Higher tariffs on inputs than finished goods
(B) 9.2% of GDP in FY21 (6.7% in FY22)
(C) Taxed as deemed dividend in hands of shareholders
(D) MAT credit disallowed in the new corporate tax regime

Correct Answer: (B) | **Explanation:** For **Union Fiscal Deficit Reduction** (Macroeconomic Indicator / Theme), the verified Pre-Pandemic / Historical Baseline is **9.2% of GDP in FY21 (6.7% in FY22)**. Furthermore, 4.8% (FY25) → 4.4% (RE FY26) → 4.3% (BE FY27). (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #56 High-Yield Comparative MCQ

Q56. With reference to Macroeconomic Indicator / Theme and Pre-Pandemic / Historical Baseline, which of the following is accurately matched with "Inverted Duty Structure Rationalization"?

(A) Taxed as deemed dividend in hands of shareholders
(B) MAT credit disallowed in the new corporate tax regime
(C) Higher tariffs on inputs than finished goods
(D) Earlier exemption on 3 targeted cancer drugs

Correct Answer: (C) | **Explanation:** For **Inverted Duty Structure Rationalization** (Macroeconomic Indicator / Theme), the verified Pre-Pandemic / Historical Baseline is **Higher tariffs on inputs than finished goods**. Furthermore, Targeted customs & GST rationalization. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #57 High-Yield Comparative MCQ

Q57. With reference to Tax / Fiscal Reform Measure and Previous Provision, which of the following is accurately matched with "Share Buyback Taxation"?

(A) MAT credit disallowed in the new corporate tax regime
(B) Earlier exemption on 3 targeted cancer drugs
(C) Multiple agency clearances for cargo
(D) Taxed as deemed dividend in hands of shareholders

Correct Answer: (D) | **Explanation:** For **Share Buyback Taxation** (Tax / Fiscal Reform Measure), the verified Previous Provision is **Taxed as deemed dividend in hands of shareholders**. Furthermore, Taxed as Capital Gains for all shareholders; Promoters pay an additional buyback tax. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #58 High-Yield Comparative MCQ

Q58. With reference to Tax / Fiscal Reform Measure and Previous Provision, which of the following is accurately matched with "Minimum Alternate Tax (MAT) & Credit Set-Off"?

(A) MAT credit disallowed in the new corporate tax regime
(B) Earlier exemption on 3 targeted cancer drugs
(C) Multiple agency clearances for cargo
(D) Prolonged penalty proceedings

Correct Answer: (A) | **Explanation:** For **Minimum Alternate Tax (MAT) & Credit Set-Off** (Tax / Fiscal Reform Measure), the verified Previous Provision is **MAT credit disallowed in the new corporate tax regime**. Furthermore, MAT proposed to be made final tax; set-off of available MAT credit allowed up to 1/4th of tax liability in new regime. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #59 High-Yield Comparative MCQ

Q59. With reference to Tax / Fiscal Reform Measure and Previous Provision, which of the following is accurately matched with "BCD on Cancer Drugs / Medicines"?

(A) Multiple agency clearances for cargo
(B) Earlier exemption on 3 targeted cancer drugs
(C) Prolonged penalty proceedings
(D) 41% vertical share under 15th FC

Correct Answer: (B) | **Explanation:** For **BCD on Cancer Drugs / Medicines** (Tax / Fiscal Reform Measure), the verified Previous Provision is **Earlier exemption on 3 targeted cancer drugs**. Furthermore, Exempt BCD on 17 drugs or medicines for cancer patients. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #60 High-Yield Comparative MCQ

Q60. With reference to Tax / Fiscal Reform Measure and Previous Provision, which of the following is accurately matched with "Customs Integrated System (CIS) & Cargo Window"?

(A) Prolonged penalty proceedings
(B) 41% vertical share under 15th FC
(C) Multiple agency clearances for cargo
(D) Section 45ZB, RBI Act, 1934

Correct Answer: (C) | **Explanation:** For **Customs Integrated System (CIS) & Cargo Window** (Tax / Fiscal Reform Measure), the verified Previous Provision is **Multiple agency clearances for cargo**. Furthermore, CIS to be rolled out in 2 years + Single interconnected digital window for cargo clearance approvals. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #61 High-Yield Comparative MCQ

Q61. With reference to Tax / Fiscal Reform Measure and Previous Provision, which of the following is accurately matched with "Dispute Settlement for Honest Taxpayers"?

(A) 41% vertical share under 15th FC
(B) Section 45ZB, RBI Act, 1934
(C) Section 42(1), RBI Act, 1934
(D) Prolonged penalty proceedings

Correct Answer: (D) | **Explanation:** For **Dispute Settlement for Honest Taxpayers** (Tax / Fiscal Reform Measure), the verified Previous Provision is **Prolonged penalty proceedings**. Furthermore, Close cases by paying an additional amount in lieu of penalty. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #62 High-Yield Comparative MCQ

Q62. With reference to Tax / Fiscal Reform Measure and Previous Provision, which of the following is accurately matched with "16th Finance Commission Devolution & Grants"?

(A) 41% vertical share under 15th FC
(B) Section 45ZB, RBI Act, 1934
(C) Section 42(1), RBI Act, 1934
(D) Section 24, Banking Regulation Act, 1949

Correct Answer: (A) | **Explanation:** For **16th Finance Commission Devolution & Grants** (Tax / Fiscal Reform Measure), the verified Previous Provision is **41% vertical share under 15th FC**. Furthermore, Retained vertical share at 41% + ₹1.4 lakh crore Finance Commission Grants to States for FY27. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #63 High-Yield Comparative MCQ

Q63. With reference to Monetary Instrument / Measure and Statutory Section / Act, which of the following is accurately matched with "Monetary Policy Committee (MPC)"?

(A) Section 42(1), RBI Act, 1934
(B) Section 45ZB, RBI Act, 1934
(C) Section 24, Banking Regulation Act, 1949
(D) Section 17, RBI Act, 1934

Correct Answer: (B) | **Explanation:** For **Monetary Policy Committee (MPC)** (Monetary Instrument / Measure), the verified Statutory Section / Act is **Section 45ZB, RBI Act, 1934**. Furthermore, 6 members (3 RBI + 3 Govt-appointed external members); quorum of 4; Governor has casting vote. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #64 High-Yield Comparative MCQ

Q64. With reference to Monetary Instrument / Measure and Statutory Section / Act, which of the following is accurately matched with "Cash Reserve Ratio (CRR)"?

(A) Section 24, Banking Regulation Act, 1949
(B) Section 17, RBI Act, 1934
(C) Section 42(1), RBI Act, 1934
(D) Section 49, RBI Act, 1934 (Bank Rate)

Correct Answer: (C) | **Explanation:** For **Cash Reserve Ratio (CRR)** (Monetary Instrument / Measure), the verified Statutory Section / Act is **Section 42(1), RBI Act, 1934**. Furthermore, Share of NDTL kept by banks with RBI strictly in cash (earns zero interest from RBI). (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #65 High-Yield Comparative MCQ

Q65. With reference to Monetary Instrument / Measure and Statutory Section / Act, which of the following is accurately matched with "Statutory Liquidity Ratio (SLR)"?

(A) Section 17, RBI Act, 1934
(B) Section 49, RBI Act, 1934 (Bank Rate)
(C) FEMA Foreign Exchange Regulation
(D) Section 24, Banking Regulation Act, 1949

Correct Answer: (D) | **Explanation:** For **Statutory Liquidity Ratio (SLR)** (Monetary Instrument / Measure), the verified Statutory Section / Act is **Section 24, Banking Regulation Act, 1949**. Furthermore, Share of NDTL (18%) maintained by banks in cash, gold, or unencumbered approved G-Secs. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #66 High-Yield Comparative MCQ

Q66. With reference to Monetary Instrument / Measure and Statutory Section / Act, which of the following is accurately matched with "Standing Deposit Facility (SDF)"?

(A) Section 17, RBI Act, 1934
(B) Section 49, RBI Act, 1934 (Bank Rate)
(C) FEMA Foreign Exchange Regulation
(D) 10 per cent

Correct Answer: (A) | **Explanation:** For **Standing Deposit Facility (SDF)** (Monetary Instrument / Measure), the verified Statutory Section / Act is **Section 17, RBI Act, 1934**. Furthermore, Floor of the LAF corridor (Repo - 25 bps); collateral-free overnight liquidity absorption. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #67 High-Yield Comparative MCQ

Q67. With reference to Monetary Instrument / Measure and Statutory Section / Act, which of the following is accurately matched with "Marginal Standing Facility (MSF) & Bank Rate"?

(A) FEMA Foreign Exchange Regulation
(B) Section 49, RBI Act, 1934 (Bank Rate)
(C) 10 per cent
(D) ₹100 crore or more as on March 31

Correct Answer: (B) | **Explanation:** For **Marginal Standing Facility (MSF) & Bank Rate** (Monetary Instrument / Measure), the verified Statutory Section / Act is **Section 49, RBI Act, 1934 (Bank Rate)**. Furthermore, Ceiling of the LAF corridor (Repo + 25 bps); overnight emergency borrowing against SLR securities. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #68 High-Yield Comparative MCQ

Q68. With reference to Monetary Instrument / Measure and Statutory Section / Act, which of the following is accurately matched with "Advance Remittance for Import of Shipping Vessels"?

(A) 10 per cent
(B) ₹100 crore or more as on March 31
(C) FEMA Foreign Exchange Regulation
(D) GNPA < 7\% and NNPA ≤ 3\%

Correct Answer: (C) | **Explanation:** For **Advance Remittance for Import of Shipping Vessels** (Monetary Instrument / Measure), the verified Statutory Section / Act is **FEMA Foreign Exchange Regulation**. Furthermore, Relaxation of bank guarantee / standby Letter of Credit requirements for maritime imports. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #69 High-Yield Comparative MCQ

Q69. With reference to Regulatory Parameter / Portal and Previous Financial Criteria / Mandate, which of the following is accurately matched with "RRB Internet Banking: Minimum CRAR"?

(A) ₹100 crore or more as on March 31
(B) GNPA < 7\% and NNPA ≤ 3\%
(C) Net profit in preceding FY and in 3 of 4 preceding FYs
(D) 10 per cent

Correct Answer: (D) | **Explanation:** For **RRB Internet Banking: Minimum CRAR** (Regulatory Parameter / Portal), the verified Previous Financial Criteria / Mandate is **10 per cent**. Furthermore, Minimum prescribed CRAR (currently 9 per cent). (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #70 High-Yield Comparative MCQ

Q70. With reference to Regulatory Parameter / Portal and Previous Financial Criteria / Mandate, which of the following is accurately matched with "RRB Internet Banking: Minimum Net Worth"?

(A) ₹100 crore or more as on March 31
(B) GNPA < 7\% and NNPA ≤ 3\%
(C) Net profit in preceding FY and in 3 of 4 preceding FYs
(D) SCBs: 40% \

Correct Answer: (A) | **Explanation:** For **RRB Internet Banking: Minimum Net Worth** (Regulatory Parameter / Portal), the verified Previous Financial Criteria / Mandate is **₹100 crore or more as on March 31**. Furthermore, ₹50 crore or more as on March 31 of the previous financial year. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #71 High-Yield Comparative MCQ

Q71. With reference to Regulatory Parameter / Portal and Previous Financial Criteria / Mandate, which of the following is accurately matched with "RRB Internet Banking: Asset Quality (NPA)"?

(A) Net profit in preceding FY and in 3 of 4 preceding FYs
(B) GNPA < 7\% and NNPA ≤ 3\%
(C) SCBs: 40% \
(D) Tier-3 to Tier-6 centres & North-East states

Correct Answer: (B) | **Explanation:** For **RRB Internet Banking: Asset Quality (NPA)** (Regulatory Parameter / Portal), the verified Previous Financial Criteria / Mandate is **GNPA < 7\% and NNPA ≤ 3\%**. Furthermore, NNPA ratio not more than 5 per cent (≤ 5\%) as on March 31. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #72 High-Yield Comparative MCQ

Q72. With reference to Regulatory Parameter / Portal and Previous Financial Criteria / Mandate, which of the following is accurately matched with "RRB Internet Banking: Profitability"?

(A) SCBs: 40% \
(B) Tier-3 to Tier-6 centres & North-East states
(C) Net profit in preceding FY and in 3 of 4 preceding FYs
(D) Processes low-value transactions in a faster, PIN-less manner off-CBS

Correct Answer: (C) | **Explanation:** For **RRB Internet Banking: Profitability** (Regulatory Parameter / Portal), the verified Previous Financial Criteria / Mandate is **Net profit in preceding FY and in 3 of 4 preceding FYs**. Furthermore, Net profit in two immediately preceding financial years. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #73 High-Yield Comparative MCQ

Q73. With reference to Regulatory Parameter / Portal and Previous Financial Criteria / Mandate, which of the following is accurately matched with "Priority Sector Lending (PSL) Quotas"?

(A) Tier-3 to Tier-6 centres & North-East states
(B) Processes low-value transactions in a faster, PIN-less manner off-CBS
(C) Primary account holder delegates UPI payment access to secondary users
(D) SCBs: 40% \

Correct Answer: (D) | **Explanation:** For **Priority Sector Lending (PSL) Quotas** (Regulatory Parameter / Portal), the verified Previous Financial Criteria / Mandate is **SCBs: 40%** \. Furthermore, RRBs & SFBs: 75%. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #74 High-Yield Comparative MCQ

Q74. With reference to Regulatory Parameter / Portal and Previous Financial Criteria / Mandate, which of the following is accurately matched with "PIDF Scheme Expansion"?

(A) Tier-3 to Tier-6 centres & North-East states
(B) Processes low-value transactions in a faster, PIN-less manner off-CBS
(C) Primary account holder delegates UPI payment access to secondary users
(D) Voice/IVR, missed-call, sound-wave, and app-based UPI without internet

Correct Answer: (A) | **Explanation:** For **PIDF Scheme Expansion** (Regulatory Parameter / Portal), the verified Previous Financial Criteria / Mandate is **Tier-3 to Tier-6 centres & North-East states**. Furthermore, Beneficiaries of PM Vishwakarma Scheme included under PIDF. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #75 High-Yield Comparative MCQ

Q75. With reference to NPCI Product / Circular and Core Functional Mechanism, which of the following is accurately matched with "UPI LITE (On-Device Wallet)"?

(A) Primary account holder delegates UPI payment access to secondary users
(B) Processes low-value transactions in a faster, PIN-less manner off-CBS
(C) Voice/IVR, missed-call, sound-wave, and app-based UPI without internet
(D) Incentive and onboarding drive for small retail merchants

Correct Answer: (B) | **Explanation:** For **UPI LITE (On-Device Wallet)** (NPCI Product / Circular), the verified Core Functional Mechanism is **Processes low-value transactions in a faster, PIN-less manner off-CBS**. Furthermore, Below ₹1,000 per transaction \. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #76 High-Yield Comparative MCQ

Q76. With reference to NPCI Product / Circular and Core Functional Mechanism, which of the following is accurately matched with "UPI Circle (Delegated Payments)"?

(A) Voice/IVR, missed-call, sound-wave, and app-based UPI without internet
(B) Incentive and onboarding drive for small retail merchants
(C) Primary account holder delegates UPI payment access to secondary users
(D) AI-powered customer support and automated dispute resolution for UPI

Correct Answer: (C) | **Explanation:** For **UPI Circle (Delegated Payments)** (NPCI Product / Circular), the verified Core Functional Mechanism is **Primary account holder delegates UPI payment access to secondary users**. Furthermore, ₹15,000/month & ₹5,000/txn under Full Delegation. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #77 High-Yield Comparative MCQ

Q77. With reference to NPCI Product / Circular and Core Functional Mechanism, which of the following is accurately matched with "UPI 123Pay (Feature Phones)"?

(A) Incentive and onboarding drive for small retail merchants
(B) AI-powered customer support and automated dispute resolution for UPI
(C) Direct high-ticket payments via verified merchant categories
(D) Voice/IVR, missed-call, sound-wave, and app-based UPI without internet

Correct Answer: (D) | **Explanation:** For **UPI 123Pay (Feature Phones)** (NPCI Product / Circular), the verified Core Functional Mechanism is **Voice/IVR, missed-call, sound-wave, and app-based UPI without internet**. Furthermore, Enhanced from ₹5,000 to ₹10,000 per transaction. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #78 High-Yield Comparative MCQ

Q78. With reference to NPCI Product / Circular and Core Functional Mechanism, which of the following is accurately matched with "UPI Vyapaar Saksham Scheme"?

(A) Incentive and onboarding drive for small retail merchants
(B) AI-powered customer support and automated dispute resolution for UPI
(C) Direct high-ticket payments via verified merchant categories
(D) Article 279A (101st Amendment Act, 2016)

Correct Answer: (A) | **Explanation:** For **UPI Vyapaar Saksham Scheme** (NPCI Product / Circular), the verified Core Functional Mechanism is **Incentive and onboarding drive for small retail merchants**. Furthermore, Targeted at Small Merchants (P2M ecosystem). (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #79 High-Yield Comparative MCQ

Q79. With reference to NPCI Product / Circular and Core Functional Mechanism, which of the following is accurately matched with "MyUPI (UPI HELP 2.0)"?

(A) Direct high-ticket payments via verified merchant categories
(B) AI-powered customer support and automated dispute resolution for UPI
(C) Article 279A (101st Amendment Act, 2016)
(D) Article 366(12A) & Article 279A(5)

Correct Answer: (B) | **Explanation:** For **MyUPI (UPI HELP 2.0)** (NPCI Product / Circular), the verified Core Functional Mechanism is **AI-powered customer support and automated dispute resolution for UPI**. Furthermore, Real-time P2M/P2P grievance tracking and MCC dispute resolution. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #80 High-Yield Comparative MCQ

Q80. With reference to NPCI Product / Circular and Core Functional Mechanism, which of the following is accurately matched with "High-Value UPI Categories"?

(A) Article 279A (101st Amendment Act, 2016)

(B) Article 366(12A) & Article 279A(5)

(C) Direct high-ticket payments via verified merchant categories

(D) Section 128A, CGST Act

Correct Answer: (C) | **Explanation:** For **High-Value UPI Categories** (NPCI Product / Circular), the verified Core Functional Mechanism is **Direct high-ticket payments via verified merchant categories**. Furthermore, ₹5 lakh per transaction (vs. ₹1 lakh standard limit). (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #81 High-Yield Comparative MCQ

Q81. With reference to GST Provision / Reform Measure and Constitutional / Statutory Basis, which of the following is accurately matched with "GST Council Voting & Quorum"?

(A) Article 366(12A) & Article 279A(5)

(B) Section 128A, CGST Act

(C) CBIC / GST Council Litigation Policy

(D) Article 279A (101st Amendment Act, 2016)

Correct Answer: (D) | **Explanation:** For **GST Council Voting & Quorum** (GST Provision / Reform Measure), the verified Constitutional / Statutory Basis is **Article 279A (101st Amendment Act, 2016)**. Furthermore, Quorum: 50% \. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #82 High-Yield Comparative MCQ

Q82. With reference to GST Provision / Reform Measure and Constitutional / Statutory Basis, which of the following is accurately matched with "Items Excluded / Deferred from GST"?

(A) Article 366(12A) & Article 279A(5)

(B) Section 128A, CGST Act

(C) CBIC / GST Council Litigation Policy

(D) Section 112, CGST Act

Correct Answer: (A) | **Explanation:** For **Items Excluded / Deferred from GST** (GST Provision / Reform Measure), the verified Constitutional / Statutory Basis is **Article 366(12A) & Article 279A(5)**. Furthermore, Alcohol for human consumption constitutionally excluded; 5 petroleum products deferred till GST Council notifies. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #83 High-Yield Comparative MCQ

Q83. With reference to GST Provision / Reform Measure and Constitutional / Statutory Basis, which of the following is accurately matched with "Section 128A GST Amnesty Scheme"?

(A) CBIC / GST Council Litigation Policy

(B) Section 128A, CGST Act

(C) Section 112, CGST Act

(D) CGST Amendment & GSTN Rollout

Correct Answer: (B) | **Explanation:** For **Section 128A GST Amnesty Scheme** (GST Provision / Reform Measure), the verified Constitutional / Statutory Basis is **Section 128A, CGST Act**. Furthermore, Covers FY 2017–18, 2018–19, and 2019–20 non-fraud (Section 73) tax demand notices. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #84 High-Yield Comparative MCQ

Q84. With reference to GST Provision / Reform Measure and Constitutional / Statutory Basis, which of the following is accurately matched with "Departmental Appeal Monetary Limits"?

(A) Section 112, CGST Act

(B) CGST Amendment & GSTN Rollout

(C) CBIC / GST Council Litigation Policy

(D) +28.1 lakh net accounts added in Feb 2026

Correct Answer: (C) | **Explanation:** For **Departmental Appeal Monetary Limits** (GST Provision / Reform Measure), the verified Constitutional / Statutory Basis is **CBIC / GST Council Litigation Policy**. Furthermore, GSTAT: ₹20 lakh \. (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Practice Question #85 High-Yield Comparative MCQ

Q85. With reference to GST Provision / Reform Measure and Constitutional / Statutory Basis, which of the following is accurately matched with "Pre-Deposit for GSTAT Appeals"?

(A) CGST Amendment & GSTN Rollout

(B) +28.1 lakh net accounts added in Feb 2026

(C) Energy sub-index dipped -3.5% Y-o-Y

(D) Section 112, CGST Act

Correct Answer: (D) | **Explanation:** For **Pre-Deposit for GSTAT Appeals** (GST Provision / Reform Measure), the verified Constitutional / Statutory Basis is **Section 112, CGST Act**. Furthermore, Reduced from 20% to 10% of disputed tax (maximum cap halved from ₹50 cr to ₹20 cr each). (Source: केंद्रीय बजट एवं आर्थिक समीक्षा पोर्टल & IUC Academy).

Rapid-Fire Revision Points *(65 Rapid-Fire Revision Points — Book CA10)*

1. **Total Expenditure in Union Budget 2026–27 (BE 2026–27): ₹53.47 lakh crore** (13.6% of GDP; up 7.7% over RE 2025–26 of ₹49.65 lakh crore) (**Statements of Fiscal Policy**).

• *Exam Focus* (1): High-priority 2026 statutory/constitutional benchmark under **Total Expenditure in Union Budget 2026–27 (BE 2026–27)** verified from **Union Budget Portal**.

2. **Fiscal Deficit in RE 2025–26 & BE 2026–27: 4.4% of GDP** in RE 2025–26 and **4.3% of GDP** in BE 2026–27 (**Union Budget Speech 2026–27**).

• *Exam Focus* (2): High-priority 2026 statutory/constitutional benchmark under **Fiscal Deficit in RE 2025–26 & BE 2026–27** verified from **Union Budget Portal**.

3. **Central Government Debt-to-GDP Ratio:** Declines from **56.1% of GDP in RE 2025–26** to **55.6% of GDP in BE 2026–27** (**Key Features of Budget 2026–27**).

• *Exam Focus* (3): High-priority 2026 statutory/constitutional benchmark under **Central Government Debt-to-GDP Ratio** verified from **Union Budget Portal**.

4. **Long-Term Debt-to-GDP Target for 2030–31: 50± 1 per cent of GDP** by FY 2030–31 (**Union Budget Speech 2026–27**).

• *Exam Focus* (4): High-priority 2026 statutory/constitutional benchmark under **Long-Term Debt-to-GDP Target for 2030–31** verified from **Union Budget Portal**.

5. **Total Revenue Receipts in BE 2026–27: ₹35.33 lakh crore** (+5.7% growth over RE 2025–26) (**Statements of Fiscal Policy**).

• *Exam Focus* (5): High-priority 2026 statutory/constitutional benchmark under **Total Revenue Receipts in BE 2026–27** verified from **Press Information Bureau (PIB)**.

6. **Tax Revenues (Net to Centre) in BE 2026–27: ₹28.67 lakh crore** (compared to ₹26.7 lakh crore in RE 2025–26) (**Statements of Fiscal Policy**).

• *Exam Focus* (6): High-priority 2026 statutory/constitutional benchmark under **Tax Revenues (Net to Centre) in BE 2026–27** verified from **Press Information Bureau (PIB)**.

7. **Non-Tax Revenues (NTR) & Non-Debt Capital Receipts in BE 2026–27:** NTR at **₹6.66 lakh crore** and Non-Debt Capital Receipts at **₹1.18 lakh crore** (**Statements of Fiscal Policy**).

• *Exam Focus* (7): High-priority 2026 statutory/constitutional benchmark under **Non-Tax Revenues (NTR) & Non-Debt Capital Receipts in BE 2026–27** verified from **Press Information Bureau (PIB)**.

8. **Gross Indirect Tax Estimate in BE 2026–27: ₹17.07 lakh crore** (**Statements of Fiscal Policy**).

• *Exam Focus* (8): High-priority 2026 statutory/constitutional benchmark under **Gross Indirect Tax Estimate in BE 2026–27** verified from **Press Information Bureau (PIB)**.

9. **SASCI Outlay in BE 2026–27 (50-Year Interest-Free Capital Loans to States): ₹2.0 lakh crore** (within Centre's Capex of 3.1% of GDP) (**Statements of Fiscal Policy**).

• *Exam Focus* (9): High-priority 2026 statutory/constitutional benchmark under **SASCI Outlay in BE 2026–27 (50-Year Interest-Free Capital Loans to States)** verified from **Press Information Bureau (PIB)**.

10. **16th Finance Commission First-Year Implementation (Budget 2026–27):** Vertical devolution retained at **41%** of divisible pool; **₹1.4 lakh crore** provided as Finance Commission Grants for FY27 (**Key Features of Budget 2026–27**).

• *Exam Focus* (10): High-priority 2026 statutory/constitutional benchmark under **16th Finance Commission First-Year Implementation (Budget 2026–27)** verified from **Union Budget Portal**.

11. **Economic Survey 2025–26 Real GDP Growth Projection for FY27: 6.8% to 7.2%** (**Economic Survey 2025–26**).

• *Exam Focus* (11): High-priority 2026 statutory/constitutional benchmark under **Economic Survey 2025–26 Real GDP Growth Projection for FY27** verified from **Union Budget Portal**.

12. **Centre's Effective Capex to GDP (Economic Survey 2025–26):** Scaled up from a pre-pandemic average of 2.7% to **4.0% of GDP in FY25** (**Economic Survey 2025–26**).

• *Exam Focus* (12): High-priority 2026 statutory/constitutional benchmark under **Centre's Effective Capex to GDP (Economic Survey 2025–26)** verified from **Union Budget Portal**.

13. **States' Aggregate Capex to GDP (Economic Survey 2025–26):** Maintained at **2.4% of GDP**, incentivized by SASCI (**Economic Survey 2025–26**).

• *Exam Focus* (13): High-priority 2026 statutory/constitutional benchmark under **States' Aggregate Capex to GDP (Economic Survey 2025–26)** verified from **Union Budget Portal**.

14. **Multi-Year Fiscal Deficit Reduction Trajectory:** Cut by more than half from **9.2% in FY21** (and 6.7% in FY22) to **4.8% in FY25**, **4.4% in RE FY26**, and **4.3% in BE FY27** (**Economic Survey 2025–26**).

• *Exam Focus* (14): High-priority 2026 statutory/constitutional benchmark under **Multi-Year Fiscal Deficit Reduction Trajectory** verified from **Union Budget Portal**.

15. **Share Buyback Taxation in Budget 2026–27:** Taxed for all types of shareholders as **Capital Gains**, while **promoters pay an additional buyback tax** (Key Features of Budget 2026–27).

• *Exam Focus* (15): High-priority 2026 statutory/constitutional benchmark under **Share Buyback Taxation in Budget 2026–27** verified from Union Budget Portal.

16. **Minimum Alternate Tax (MAT) Reform in Budget 2026–27:** MAT proposed as **final tax**; available MAT credit set-off allowed up to **1/4th (25%) of tax liability** in the new regime (Key Features of Budget 2026–27).

• *Exam Focus* (16): High-priority 2026 statutory/constitutional benchmark under **Minimum Alternate Tax (MAT) Reform in Budget 2026–27** verified from Union Budget Portal.

17. **Customs Duty Exemption for Cancer Patients (Budget 2026–27):** Full Basic Customs Duty (BCD) exemption on **17 drugs or medicines for cancer patients** (Key Features of Budget 2026–27).

• *Exam Focus* (17): High-priority 2026 statutory/constitutional benchmark under **Customs Duty Exemption for Cancer Patients (Budget 2026–27)** verified from Union Budget Portal.

18. **Customs Integrated System (CIS) Rollout Timeline:** To be rolled out in **2 years**, alongside a single interconnected digital window for cargo clearance (Key Features of Budget 2026–27).

• *Exam Focus* (18): High-priority 2026 statutory/constitutional benchmark under **Customs Integrated System (CIS) Rollout Timeline** verified from Union Budget Portal.

19. **Angel Tax & Foreign Corporate Tax Rate: Angel Tax (Section 56(2)(viib)) abolished** for all investors; foreign corporate tax rate cut from 40% to **35%** (Press Information Bureau (PIB)).

• *Exam Focus* (19): High-priority 2026 statutory/constitutional benchmark under **Angel Tax & Foreign Corporate Tax Rate** verified from Press Information Bureau (PIB).

20. **Precious Metals & Critical Minerals Customs Duty:** BCD cut to **6% on gold and silver**, **6.4% on platinum**, and **0% (exempt) on 25 Critical Minerals** (Press Information Bureau (PIB)).

• *Exam Focus* (20): High-priority 2026 statutory/constitutional benchmark under **Precious Metals & Critical Minerals Customs Duty** verified from Press Information Bureau (PIB).

21. **RBI Governor Sanjay Malhotra's June 2025 CRR Notification:** Announced a **phased reduction in Cash Reserve Ratio (CRR) by 100 basis points (100 bps)** across all banks (RBI Annual Report).

• *Exam Focus* (21): High-priority 2026 statutory/constitutional benchmark under **RBI Governor Sanjay Malhotra's June 2025 CRR Notification** verified from Reserve Bank of India (RBI).

22. **MSF Rate & Bank Rate in October 2026 RBI Policy:** Stood at **5.75 per cent** (RBI Press Release — October 2026).

• *Exam Focus* (22): High-priority 2026 statutory/constitutional benchmark under **MSF Rate & Bank Rate in October 2026 RBI Policy** verified from Reserve Bank of India (RBI).

23. **Monetary Policy Committee (MPC — Section 45ZB, RBI Act 1934): 6 members** (3 RBI + 3 external appointed for 4 years); CPI inflation target of **4\% ± 2\% (2% to 6%)** (Reserve Bank of India (RBI)).

• *Exam Focus* (23): High-priority 2026 statutory/constitutional benchmark under **Monetary Policy Committee (MPC — Section 45ZB, RBI Act 1934)** verified from Reserve Bank of India (RBI).

24. **Standing Deposit Facility (SDF — Section 17, RBI Act):** Serves as the **collateral-free floor** of the LAF corridor (25 bps below Repo Rate) (Reserve Bank of India (RBI)).

• *Exam Focus* (24): High-priority 2026 statutory/constitutional benchmark under **Standing Deposit Facility (SDF — Section 17, RBI Act)** verified from Reserve Bank of India (RBI).

25. **Advance Remittance Relaxation for Shipping Vessel Imports (June 2025):** Permitted up to **USD 50 million** without a bank guarantee or standby Letter of Credit (RBI Annual Report).

• *Exam Focus* (25): High-priority 2026 statutory/constitutional benchmark under **Advance Remittance Relaxation for Shipping Vessel Imports (June 2025)** verified from Reserve Bank of India (RBI).

26. **RBI (Electronic Trading Platforms) Directions, 2025:** Issued on June 16, 2025, updating the 2018 regulatory framework for ETP operators (RBI Annual Report).

• *Exam Focus* (26): High-priority 2026 statutory/constitutional benchmark under **RBI (Electronic Trading Platforms) Directions, 2025** verified from Reserve Bank of India (RBI).

27. **Phased Restoration of Bank HTM Limits:** Restored from the pandemic ceiling of 23% to **19.5 per cent of NDTL** (RBI Annual Report).

• *Exam Focus* (27): High-priority 2026 statutory/constitutional benchmark under **Phased Restoration of Bank HTM Limits** verified from Reserve Bank of India (RBI).

28. **Revised RRB Internet Banking Eligibility Criteria:** Minimum CRAR **9%**, Minimum Net Worth **₹50 crore**, Net NPA **≤ 5\%**, and net profit in **2 immediately preceding financial years** (RBI Annual Report).

• *Exam Focus* (28): High-priority 2026 statutory/constitutional benchmark under **Revised RRB Internet Banking Eligibility Criteria** verified from Reserve Bank of India (RBI).

29. **Shareholding Pattern of Regional Rural Banks (RRBs): Central Government (50%) : Sponsor Bank (35%) : State Government (15%)** (Reserve Bank of India (RBI)).

• *Exam Focus* (29): High-priority 2026 statutory/constitutional benchmark under **Shareholding Pattern of Regional Rural Banks (RRBs)** verified from Reserve Bank of India (RBI).

30. **Priority Sector Lending (PSL) Quotas:** Commercial Banks — **40%** (Agriculture 18%, SMF 10%, Micro Units 7.5%, Weaker Sections 12%); RRBs & SFBs — **75%**; UCBs — **60%** (Reserve Bank of India (RBI)).

• *Exam Focus* (30): High-priority 2026 statutory/constitutional benchmark under **Priority Sector Lending (PSL) Quotas** verified from Reserve Bank of India (RBI).

31. **Basel-III Minimum Capital Adequacy (CRAR) in India: 9 per cent** (plus 2.5% Capital Conservation Buffer = **11.5% total**) (Reserve Bank of India (RBI)).

• *Exam Focus* (31): High-priority 2026 statutory/constitutional benchmark under **Basel-III Minimum Capital Adequacy (CRAR) in India** verified from Reserve Bank of India (RBI).

32. **India's Three Domestic Systemically Important Banks (D-SIBs): State Bank of India (SBI), HDFC Bank, and ICICI Bank** (Reserve Bank of India (RBI)).

• *Exam Focus* (32): High-priority 2026 statutory/constitutional benchmark under **India's Three Domestic Systemically Important Banks (D-SIBs)** verified from Reserve Bank of India (RBI).

33. **RBI Flagship Portals: UDGAM** (unclaimed deposits search), **PRAVAAH** (regulatory applications/approvals), and **DAKSH** (SupTech compliance monitoring) (Reserve Bank of India (RBI)).

• *Exam Focus* (33): High-priority 2026 statutory/constitutional benchmark under **RBI Flagship Portals** verified from **Reserve Bank of India (RBI)**.

34. **MuleHunter.AI:** In-house AI/ML tool developed by the **Reserve Bank Innovation Hub (RBIH, Bengaluru)** to detect mule bank accounts in digital fraud (**Reserve Bank of India (RBI)**).

• *Exam Focus* (34): High-priority 2026 statutory/constitutional benchmark under **MuleHunter.AI** verified from **Reserve Bank of India (RBI)**.

35. **PIDF Scheme Grassroot Expansion:** Included beneficiaries of the **PM Vishwakarma Scheme** under the Payments Infrastructure Development Fund (**RBI Annual Report**).

• *Exam Focus* (35): High-priority 2026 statutory/constitutional benchmark under **PIDF Scheme Grassroot Expansion** verified from **Reserve Bank of India (RBI)**.

36. **NPCI 'UPI LITE' Specifications:** Processes low-value transactions **below ₹1,000** in a faster, PIN-less manner; total on-device wallet balance limit is **₹5,000** with auto-replenishment (**NPCI — UPI Lite**).

• *Exam Focus* (36): High-priority 2026 statutory/constitutional benchmark under **NPCI 'UPI LITE' Specifications** verified from **NPCI Official Portal**.

37. **UPI Circle (Delegated Payments):** Enables a primary user to delegate UPI payments to family/dependents up to **₹15,000/month** (and **₹5,000/txn**) under Full Delegation (**NPCI UPI Circulars**).

• *Exam Focus* (37): High-priority 2026 statutory/constitutional benchmark under **UPI Circle (Delegated Payments)** verified from **NPCI Official Portal**.

38. **UPI Vyapaar Saksham Scheme (*UPI OC 242 | FY 26–27*):** NPCI initiative for promoting UPI acceptance among **small merchants** (**NPCI UPI Circulars**).

39. **"MyUPI" (*UPI HELP 2.0 — OC No. 227A | FY 2026–27*):** NPCI's AI-powered customer support and grievance resolution system for UPI payments (**NPCI UPI Circulars**).

40. **UPI Tap & Pay on PoS (*UPI OC No. 186A | FY 2026–27*):** NFC-based contactless tap-and-pay functionality on Point of Sale terminals (**NPCI UPI Circulars**).

41. **UPI 123Pay (Feature Phone UPI):** Enables non-internet feature phone users to transact via UPI up to **₹10,000 per transaction** (**Reserve Bank of India (RBI)**).

• *Exam Focus* (41): High-priority 2026 statutory/constitutional benchmark under **UPI 123Pay (Feature Phone UPI)** verified from **Reserve Bank of India (RBI)**.

42. **High-Value ₹5 Lakh UPI Limit:** Applicable to verified **Hospitals, Educational Institutions, Tax Payments, IPOs, and RBI Retail Direct schemes** (**Reserve Bank of India (RBI)**).

• *Exam Focus* (42): High-priority 2026 statutory/constitutional benchmark under **High-Value ₹5 Lakh UPI Limit** verified from **Reserve Bank of India (RBI)**.

43. **Digital Rupee (CBDC / e₹):** Sovereign digital legal tender issued by the RBI in two forms — **Retail (e₹-R)** and **Wholesale (e₹-W)** (**Reserve Bank of India (RBI)**).

• *Exam Focus* (43): High-priority 2026 statutory/constitutional benchmark under **Digital Rupee (CBDC / e₹)** verified from **Reserve Bank of India (RBI)**.

44. **GST Council (Article 279A — 101st Amendment, 2016):** Chaired by Union Finance Minister; quorum **50%**; decision majority **≥ 75\% weighted votes (Centre 1/3 + States 2/3)** (Constitution of India).

• *Exam Focus* (44): High-priority 2026 statutory/constitutional benchmark under **GST Council (Article 279A — 101st Amendment, 2016)** verified from **Constitution of India**.

45. **Section 128A of CGST Act (GST Amnesty Scheme):** Grants 100% waiver of interest and penalties for non-fraud (Section 73) demand notices for **FY 2017–18, 2018–19, and 2019–20** upon full tax payment (Press Information Bureau (PIB)).

• *Exam Focus* (45): High-priority 2026 statutory/constitutional benchmark under **Section 128A of CGST Act (GST Amnesty Scheme)** verified from **Press Information Bureau (PIB)**.

46. **Departmental Appeal Monetary Limits in GST: ₹20 lakh for GSTAT**, **₹1 crore for High Court**, and **₹2 crore for Supreme Court** (Press Information Bureau (PIB)).

• *Exam Focus* (46): High-priority 2026 statutory/constitutional benchmark under **Departmental Appeal Monetary Limits in GST** verified from **Press Information Bureau (PIB)**.

47. **GST Appellate Tribunal (GSTAT):** Principal Bench at **New Delhi**; taxpayer pre-deposit reduced from 20% to **10%** of disputed tax (capped at ₹20 crore CGST + ₹20 crore SGST) (Press Information Bureau (PIB)).

• *Exam Focus* (47): High-priority 2026 statutory/constitutional benchmark under **GST Appellate Tribunal (GSTAT)** verified from **Press Information Bureau (PIB)**.

48. **Pan-India Biometric Aadhaar & Form GSTR-1A:** Implemented nationwide to prevent fake GST registrations and allow same-period outward supply amendments before filing GSTR-3B (Press Information Bureau (PIB)).

• *Exam Focus* (48): High-priority 2026 statutory/constitutional benchmark under **Pan-India Biometric Aadhaar & Form GSTR-1A** verified from **Press Information Bureau (PIB)**.

49. **Total Demat Accounts in India (end-February 2026 — SEBI Bulletin): 22.2 crore accounts** (**17.8 crore at CDSL + 4.4 crore at NSDL**) (SEBI Monthly Bulletin — March 2026).

• *Exam Focus* (49): High-priority 2026 statutory/constitutional benchmark under **Total Demat Accounts in India (end-February 2026 — SEBI Bulletin)** verified from **Securities and Exchange Board of India (SEBI)**.

50. **MCX iCOMDEX Composite Index Return (February 2026 Y-o-Y): +69.1 per cent**, led by a **+101.5 per cent** surge in the Bullion index (SEBI Monthly Bulletin — March 2026).

• *Exam Focus* (50): High-priority 2026 statutory/constitutional benchmark under **MCX iCOMDEX Composite Index Return (February 2026 Y-o-Y)** verified from **Securities and Exchange Board of India (SEBI)**.

51. **SEBI T+0 Settlement & Mutual Fund Net Settlement:** Introduced optional **same-day (T+0) equity settlement** and net settlement of funds for mutual fund cash-segment trades (SEBI Circulars Portal).

• *Exam Focus* (51): High-priority 2026 statutory/constitutional benchmark under **SEBI T+0 Settlement & Mutual Fund Net Settlement** verified from **Securities and Exchange Board of India (SEBI)**.

52. **SEBI New Asset Class & F&O Contract Size:** Minimum **₹10 lakh** ticket size for the new Specialized Investment Fund; minimum equity F&O contract size raised to **₹15 lakh** (Securities and Exchange Board of India (SEBI)).

• *Exam Focus* (52): High-priority 2026 statutory/constitutional benchmark under **SEBI New Asset Class & F&O Contract Size** verified from **Securities and Exchange Board of India (SEBI)**.

53. **Refund of Excess Base Minimum Capital (SEBI August 2026):** Excess of BMC **over ₹1 lakh** refundable to stock-exchange members inactive for 12 months upon obtaining SEBI NoC (**SEBI Consultation Paper — August 2026**).

• *Exam Focus* (53): High-priority 2026 statutory/constitutional benchmark under **Refund of Excess Base Minimum Capital (SEBI August 2026)** verified from **Securities and Exchange Board of India (SEBI)**.

54. **India's Foreign Exchange Reserves (as on October 2, 2026 — RBI): US$ 734.6 billion** (**RBI Press Release — October 2026**).

• *Exam Focus* (54): High-priority 2026 statutory/constitutional benchmark under **India's Foreign Exchange Reserves (as on October 2, 2026 — RBI)** verified from **Reserve Bank of India (RBI)**.

55. **Four Official Components of India's Forex Reserves:** (1) Foreign Currency Assets (FCA), (2) Gold Reserves, (3) Special Drawing Rights (SDRs), and (4) Reserve Tranche Position (RTP) in the IMF (**Reserve Bank of India (RBI)**).

• *Exam Focus* (55): High-priority 2026 statutory/constitutional benchmark under **Four Official Components of India's Forex Reserves** verified from **Reserve Bank of India (RBI)**.

56. **Gross FDI Growth in India (April–August 2026–27):** Grew by **20.6 per cent**, while net outward FDI rose to **US$ 17.7 billion** (**RBI Press Release — October 2026**).

• *Exam Focus* (56): High-priority 2026 statutory/constitutional benchmark under **Gross FDI Growth in India (April–August 2026–27)** verified from **Reserve Bank of India (RBI)**.

57. **India's Global Rank in Announced Greenfield FDI Projects (April–August 2026): Ranked 3rd globally** with **US$ 41.3 billion** (**RBI Press Release — October 2026**).

• *Exam Focus* (57): High-priority 2026 statutory/constitutional benchmark under **India's Global Rank in Announced Greenfield FDI Projects (April–August 2026)** verified from **Reserve Bank of India (RBI)**.

58. **External Commercial Borrowings (April–August 2026):** Gross ECB disbursements rose to **US 23.9 billion** (and net ECB inflows rose to **US 7.3 billion**) (**RBI Press Release — October 2026**).

• *Exam Focus* (58): High-priority 2026 statutory/constitutional benchmark under **External Commercial Borrowings (April–August 2026)** verified from **Reserve Bank of India (RBI)**.

59. **IMF World Economic Outlook (July 2026) Trade Forecast:** World goods and services trade volume growth projected to moderate from 5.0% (2025) to **3.5 per cent in 2026** (**RBI Press Release — October 2026**).

• *Exam Focus* (59): High-priority 2026 statutory/constitutional benchmark under **IMF World Economic Outlook (July 2026) Trade Forecast** verified from **Reserve Bank of India (RBI)**.

60. **Financial Services Institutions Bureau (FSIB):** Replaced the Banks Board Bureau (BBB — P.J. Nayak Committee) to recommend appointments of whole-time directors and chairpersons of public-sector banks and financial/insurance institutions (**Press Information Bureau (PIB)**).

• *Exam Focus* (60): High-priority 2026 statutory/constitutional benchmark under **Financial Services Institutions Bureau (FSIB)** verified from **Press Information Bureau (PIB)**.

61. **63rd RBI MPC Meeting Decision (October 5–7, 2026):** Chaired by Governor **Sanjay Malhotra**; raised **Policy Repo Rate by 25 bps to 5.50%** (SDF at **5.25%**, MSF & Bank Rate at **5.75%**) (**Reserve Bank of India (RBI)**).

• *Exam Focus* (61): High-priority 2026 statutory/constitutional benchmark under **63rd RBI MPC Meeting Decision (October 5–7, 2026)** verified from **Reserve Bank of India (RBI)**.

62. **16th Finance Commission 5-Year Grants (2026–31):** Total **₹9.47 lakh crore** (**₹4.35L Cr Rural Local Bodies**, **₹3.56L Cr Urban Local Bodies**, **₹1.56L Cr Disaster Management**; 80% basic + 20% performance; Revenue Deficit Grants ended) (**Union Budget**).

• *Exam Focus* (62): High-priority 2026 statutory/constitutional benchmark under **16th Finance Commission 5-Year Grants (2026–31)** verified from **Union Budget Portal**.

63. **57th GST Council Meeting (October 8, 2026):** Recommended raising **prosecution threshold from ₹1 crore to ₹5 crore**, cutting max general penalty from **₹25,000 to ₹10,000**, and faster automated refunds (**Press Information Bureau (PIB)**).

• *Exam Focus* (63): High-priority 2026 statutory/constitutional benchmark under **57th GST Council Meeting (October 8, 2026)** verified from **Press Information Bureau (PIB)**.

64. **Economic Survey 2025–26 Key Benchmarks: FY26 Real GDP growth estimated at 7.4%** (GVA 7.3%), medium-term potential growth **~7%**, **GII rank 38th**, and SCB NPA recovery rate doubled to **26.2%** (**Economic Survey**).

• *Exam Focus* (64): High-priority 2026 statutory/constitutional benchmark under **Economic Survey 2025–26 Key Benchmarks** verified from **Union Budget Portal**.

65. **SEBI 2026 Derivatives & FPI Reforms (Chairman Tuhin Kanta Pandey):** Prioritized **Long-Term Equity Derivatives (LEAPS)** for institutional hedging, maintained optional **T+0 settlement**, and eased FPI onboarding (**Securities and Exchange Board of India (SEBI)**).

• *Exam Focus* (65): High-priority 2026 statutory/constitutional benchmark under **SEBI 2026 Derivatives & FPI Reforms (Chairman Tuhin Kanta Pandey)** verified from **Securities and Exchange Board of India (SEBI)**.

IUC Academy *1-3-7-21* Day Spaced-Revision & Self-Assessment Tracker (www.iucacademy.com)

Chapter / Study Section	Day 1 (First Read)	Day 3 (Active Recall)	Day 7 (MCQ Drill)	Day 21 (Exam Ready)
1. Chapter 1: Union Budget 2026–27 & Revised Estimates 2025–26 — Complete Fiscal Architecture, Deficit Metrics & Debt Consolidation Glide Path	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ Final Rapid Recall Ready
2. Chapter 2: Economic Survey 2025–26 — Real GDP Growth Outlook (6.8%–7.2% in FY27), Effective Capex Scaling, Sectoral GVA & Viksit Bharat @ 2047	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ Final Rapid Recall Ready
3. Chapter 3: Direct & Indirect Tax Reforms in Union Budget 2026–27 & 16th Finance Commission Devolution Formula	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ Final Rapid Recall Ready
4. Chapter 4: Reserve Bank of India (RBI) Monetary Policy 2026 — Governor Sanjay Malhotra's MPC Decisions, 5.50% Repo Rate, 100 bps CRR Cut & LAF Corridor	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ Final Rapid Recall Ready
5. Chapter 5: Indian Banking Sector Reforms, Revised RRB Internet Banking Criteria, Basel-III Norms, Priority Sector Lending (PSL) & RBI Digital Portals	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ Final Rapid Recall Ready
6. Chapter 6: Digital Payments Revolution, NPCI 2026 Circulars, UPI LITE, UPI Circle, MyUPI (UPI Help 2.0), Vyapaar Saksham & Digital Rupee	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ Final Rapid Recall Ready
7. Chapter 7: Goods and Services Tax (GST) Architecture, 56th & 57th GST Council 2026 Decisions, GSTAT Operationalization & Section 128A Amnesty	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ Final Rapid Recall Ready
8. Chapter 8: Financial & Capital Markets (SEBI Reforms 2026) and External Sector Dynamics — 22.2 Crore Demat Accounts, LEAPS Derivatives, US$ 734.6 Billion Forex Reserves & Greenfield FDI	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ Final Rapid Recall Ready
9. Solved Exam Practice Questions (45 Solved 4-Option MCQs — Book CA10)	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ Final Rapid Recall Ready

Chapter / Study Section	Day 1 (First Read)	Day 3 (Active Recall)	Day 7 (MCQ Drill)	Day 21 (Exam Ready)
10. Extended Comparative & Analytical Practice Set (Questions 46–85)	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**
11. Rapid-Fire Revision Points (65 Rapid-Fire Revision Points — Book CA10)	☐ Completed (100% Concept Clarity)	☐ Flowchart & Tables Revised	☐ 75+ MCQs Solved (>85% Accuracy)	☐ **Final Rapid Recall Ready**