DAILY CURRENT AFFAIRS

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The Hindu Analysis(2nd January 2026)

Topics Covered

Centre's tobacco tax rejig to take effect from Feb. 1

Finance Ministry announces end of GST compensation cess; beedis in 18% slab, other tobacco products in 40% bracket as govt. bids to 'ensure that real cigarette prices rise faster than incomes'

T.C.A. Sharad Raghavan
NEW DELHI

The Union Finance Ministry on Thursday issued a series of notifications that will give effect to the new taxation regime for tobacco products from February 1. The Central Excise (Amendment) Act, 2025, passed in the recently concluded Winter Session of Parliament, specifies new rates of excise duty on tobacco products.

Excise duty on cigarette

The Ministry also notified that provisions of the Health Security *se* National Security Act, 2025, which intends to levy a cess on pan masala units, will come into force from February 1.

In an accompanying FAQ note, the Ministry explained that under the Goods and Services Tax (GST) regime, the excise duty on cigarettes had so far been rendered a nominal amount of a "fraction of a paisa" per cigarette stick, and the GST compensation cess rate on tobacco products had not been increased since it was implemented in July 2017.

"For India, affordability has either stagnated or increased in the past decade, meaning cigarettes have not become more expensive relative to consumers' purchasing power," the note said. "This is contrary to global public health guidance, which emphasises annual increases in specific excise duties to ensure that real cigarette prices rise faster than incomes."

At the same time, the Ministry notified February 1 as the date from which the GST compensation cess would cease to exist. The cess was originally introduced for a period of five years to compensate States for any loss arising out of the implementation of GST.

Tax slabs

The Finance Ministry also notified the new GST rates for tobacco products. Beedis have been moved to the 18% category from the now-defunct 28% slab. All other tobacco products have been moved to the 40% slab. These new rates will be effective from February 1.

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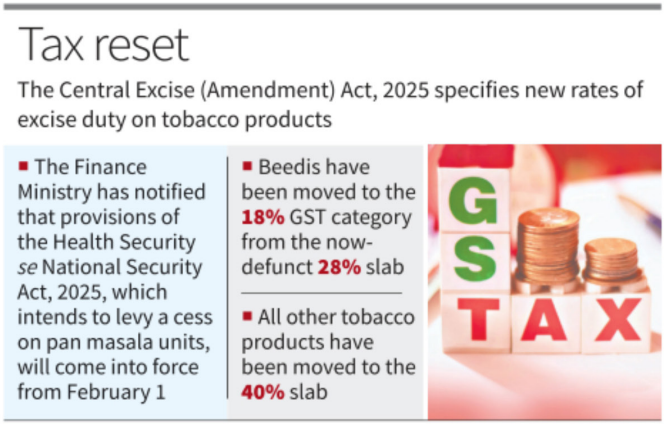

Prelims PYQs (2017)

Q. What is/are the most likely advantages of implementing 'Goods and Services Tax (GST)'?

1. It will replace multiple taxes collected by multiple authorities and will thus create a single market in India.
2. It will drastically reduce the 'Current Account Deficit' of India and will enable it to increase its foreign exchange reserves.
3. It will enormously increase the growth and size of economy of India and will enable it to overtake China in the near future.

Select the correct answer using the code given below:

[A] 1 only
[B] 2 and 3 only
[C] 1 and 3 only
[D] 1, 2 and 3

INBRIEF

Arunachal welcomes first sunrise with 'Dance of Dawn'

Dong, India's easternmost village in Anjaw district of Arunachal Pradesh, welcomed the first sunrise of 2026 on Thursday with "Alo Prabhat: Dance of the Dawn", a performance drawn from the cultural traits of the indigenous Meyor and Mishmi communities. The performance was part of the Sunrise Festival organised by the State's Tourism Department at Dong, the first human habitation to receive the first rays of the sun in India. The festival began on December 29 and concludes on Friday. According to organisers, 'Dance of the Dawn' is an artistic narrative presented through chants, songs, and indigenous rhythms.

Ancient Marathi literature reveals savannas are not degraded forests

Purnima Sah
MUMBAI

Savannas in western Maharashtra are far older than commonly believed and should not be treated as degraded forests, according to a study that mines medieval Marathi literature and living oral traditions to reconstruct the region's ecological history. Published in the British Ecological Society journal *People and Nature*, the research shows open-canopy, tree-grass landscapes have persisted for at least 750 years, long before colonial timber extraction, and calls for conservation strategies that explicitly value local culture alongside biodiversity.

Led by Ashish N. Nerlekar from Michigan State University and Digvijay Patil from Indian Institute of Science Education and Research, Pune, the team reviewed 28 georeferenced excerpts from biographies, hagiographies, myths, narrative poems and *ovī* (verse-prose performances), dated from the 13th to the 20th century CE and set across Ahilyanagar, Pune, Satara, Solapur, Sangli and Nashik. The texts repeatedly mention flora typical of savannas: hivara (Vachellia leucophloea), khaira (Senegalia catechu), taraī (Capparis divaricata), bābhūa (Vachellia nilotica), paasa (Butea monosperma) and grasses such as Pavanyā (Sehima nervosum), alongside descriptions of open, thorny landscapes with abundant grass and seasonal drought.

The sacred natural landscape at Shinganapur, which is described and referred to as Kothaḷāgirī in the Ādiparva, an early 16th-century CE Marathi narrative poem. DIGVIJAY PATIL

In all, the authors identified 62 plant species; 44 were wild, of which 27 were savanna indicators, 14 generalists and only three forest indicators, an overwhelming signal of open-canopy savannas in the past.

Mr. Nerlekar said, "It's fascinating that something hundreds of years old could so closely match what is around today and contrast so much with what people romanticize the past landscape to be." A prominent passage from the Ādiparva (16th century) describes cowherders settling near Baramati for grass and water from the Nira River, even as the land was "full of thorny trees". Founding myths of Shinganapur (Satara) and Vir (Pune) tie the sprouting of hivara or taraī trees to sacred omens, while dhanagarī-ovis performed by Dhanagara pastoralists evoke "scrub jungles" and "terrifying forests" beyond settlements, local idioms the authors clarify refer to savanna scrublands, not dense rainforests.

The study decodes historical terminology to avoid modern misreadings. In Marathi and Sanskrit, vana (forest) and jāgala (jungle) traditionally denote wild, unsettled tracts and drier landscapes – grasslands, scrublands and savannas – contrasted with anūpa, the wetter marshes and closed-canopy forests. Ecologically, the authors distinguish two savanna types found in Maharashtra: fine-leaf savannas in drier zones (up to 1,000 mm annual rainfall) and broadleaf savannas in wetter zones (≥700 mm), with both co-occurring across the 700-1,000 mm band.

Many species cited in the texts carry classic savanna adaptations: thick bark, spines, clonal growth and resprouting; traits shaped by frequent fire, browsing and grazing.

Other evidence

Crucially, the literary record is triangulated with 11 other lines of evidence, strengthening the case for antiquity. These include archival paintings and photographs that depict sparsely wooded uplands with continuous grass; colonial revenue records noting extensive pasture commons and hay meadows; hunting logs and bird lists dominated by savanna species; hero stones commemorating cattle raids in pastoral economies; Chalcolithic pottery bearing blackbuck motifs and faunal remains from grazers of dry and wet savannas.

The water divide

The quality of piped water supply must be checked at delivery point

An indicator of public health is the well-being of the poorer sections of the people. Health, education, infrastructure, clean air and clean water all fall under basic needs, and various institutions should be busy working round the clock to improve lives. On most of these counts, however, India appears to be falling short, with the latest being the tragedy unfolding in Indore, Madhya Pradesh. At least four people, including a baby (official toll; unofficial is 14), have lost their lives after drinking municipality-supplied water, with more than 2,000 people falling ill. Over 200 people are in hospital and 32 are in the ICU. It is a development steeped in irony because Indore has been voted India's cleanest city for several years in a row for its exemplary waste segregation and management practice among other cleanliness measures it undertook. As has become the unfortunate norm after every mishap, the blame game began swiftly with authorities pinning it on tardy progress on installing a fresh supply line. A committee is to investigate the issue, but things should not have been allowed to precipitate such a deathly crisis in the first place. This is the second instance of a water issue in the State in the past two months. In November, students at the Vellore Institute of Technology campus near Bhopal vehemently protested against contaminated water supply after many of them began contracting jaundice.

It is a shame that despite progress under the Swachh Bharat Mission and Jal Jeevan Mission, water woes continue. The National Family Health Survey data show that despite a rural-urban divide, 96% of households use an improved source of drinking water. A municipal supply is always considered to be a safe and "improved source", and if checks and balances were in place, the authorities at Indore would have spotted the contamination and let people know of the dangers. Giving access to water is meaningless unless the quality of the supply is assured. There needs to be better enforcement of water guidelines and other environmental laws at all levels. Air pollution is already wreaking havoc on citizens' health; unsafe drinking water should not be added to the list. The incidents in Madhya Pradesh should be taken as a wake-up call for India's water management. With a population that is close to 147 crore, India's water-borne disease burden is also high. All States should immediately check water supply sources for chemical and sewage contaminants. Old infrastructure including pipes must be repaired or replaced. There should be strict enforcement of policy and monitoring of practice along with awareness campaigns. Indore and many more cities in India have to clean up their act, or risk more deaths.

Why does India need climate-resilient agriculture?

What makes a coherent national climate-resilient agriculture roadmap necessary?

Shambhavi Naik

The story so far:
Climate change is real, and for India to continue meeting domestic food demands, agriculture needs to cope with the increasing unpredictability of the weather, declining soil health, and growing air pollution.

What is climate-resilient agriculture?
Climate-resilient agriculture uses a range of biotechnology and complementary technologies to guide farming practices and reduce dependence on chemical inputs, while maintaining or improving productivity. These tools include biofertilizers and biopesticides, and soil-microbiome analyses. Genome-edited crops can be developed to withstand drought, heat, salinity, or pest pressures. In parallel, AI-driven analytics can integrate multiple environmental and agronomic variables to generate locally tailored farming strategies.

Why does India need CRA?
India is an agricultural nation with a rapidly growing population, which places increasing pressure on the need for more reliable farm productivity. Yet around 51% of India's net sown area is rainfed, and this land produces nearly 40% of the country's food, making it especially vulnerable to climate variability. Conventional farming methods alone may not withstand the rising stresses of climate change. Climate-resilient agriculture offers a suite of technologies that can enhance productivity while protecting environmental health.

Where does India stand today?
In 2011, the Indian Council of Agricultural Research (ICAR) launched a flagship network project 'National Innovations in Climate Resilient Agriculture'. For enhancing the resilience and adaptive capacity of farmers to climate variability, location-specific climate resilient technologies such as system of rice intensification, aerobic rice, direct seeding of rice, zero till wheat sowing, cultivation of climate resilient varieties tolerant to extreme weather conditions, in-situ incorporation of rice residues, etc., have been demonstrated under the project in 448 climate-resilient villages. The National Mission for Sustainable Agriculture has been formulated to enhance agricultural productivity, especially in rainfed areas, focusing on integrated farming, water use efficiency, soil health management, and synergising resource conservation.

More recently, the BioE3 policy also positioned CRA as a key thematic area for the development of biotechnology-led solutions. Several technologies relevant to CRA are already commercialised.

Leading companies supply bio-inputs that improve soil health and reduce chemical dependence. India also has an expanding digital agriculture sector, with agritech startups offering AI-enabled advisories, precision irrigation, crop-health monitoring, and yield prediction tools.

What is the way forward?
India faces several risks in scaling CRA, including low adoption among small and marginal farmers due to limited access, awareness, and affordability, and quality inconsistencies in biofertilizers and biopesticides that undermine trust in biological alternatives. The rollout of climate-resilient seeds remains slow, with the adoption of new tools such as gene editing still emerging and uneven distribution across States. Further, the digital divide limits the reach of precision agriculture and AI-based decision tools. These challenges are compounded by ongoing soil degradation, water scarcity, and accelerating climate volatility, which may outpace current adaptation efforts. Fragmented policy coordination further risks slowing progress.

The way forward requires accelerating the development and deployment of climate-tolerant and genome-edited crops, strengthening quality standards and supply chains for biofertilizers and biopesticides, and provision of digital tools and climate advisories to support adoption by small landholders. Financial incentives, climate insurance, and credit access are essential to support farmers during the transition. Above all, India needs a coherent national CRA roadmap under the BioE3 framework, aligning biotechnology, climate adaptation, and policies to deliver resilience at scale.

Shambhavi Naik is chairperson, Takshashila Institution's Health & Life Sciences Policy

THE GIST

- Climate-resilient agriculture uses biotechnology, biofertilizers, biopesticides, genome-edited crops, and AI-driven tools to enhance farm productivity while reducing dependence on chemical inputs.
- Scaling CRA in India requires a coherent national roadmap under the BioE3 framework, stronger adoption among small and marginal farmers, quality bio-inputs, climate-tolerant seeds, and digital tools to deliver resilience at scale.

DRDO will play key role in India's air defence: Rajnath

Organisation will equip critical installations across the nation with advanced air defence systems for comprehensive aerial protection, under the Sudarshan Chakra initiative, says Defence Minister

Saurabh Trivedi
NEW DELHI

Defence Minister Rajnath Singh on Thursday said the Defence Research and Development Organisation (DRDO) would play a pivotal role in the creation of Sudarshan Chakra, an ambitious air defence initiative announced by Prime Minister Narendra Modi during his Independence Day 2025 address from the Red Fort.

Mr. Singh was addressing scientists and senior officials during his visit to the DRDO headquarters in New Delhi on the occasion of the organisation's 68th Foundation Day. Under the Sudarshan Chakra initiative, the DRDO will equip critical installations across the country with advanced air defence systems for comprehensive aerial protection over the next decade.

Highlighting the lessons from Operation Sindoor, the Minister said modern warfare underscored the importance of robust and reliable air defence capabilities. The DRDO would achieve the objectives of the Sudarshan Chakra initiative with dedication and urgency, strengthening India's preparedness against evolving aerial threats, he said.

Defence Minister Rajnath Singh with DRDO Chairman Samir V. Kamat at the DRDO headquarters in New Delhi on Thursday. ANI

Weapon systems developed by the DRDO played a decisive role during Operation Sindoor, he said, underlining the organisation's professionalism and commitment to safeguarding national interests. Commending the DRDO for significantly bolstering India's indigenous defence capabilities, he said the state-of-the-art technologies and equipment supplied to the armed forces performed seamlessly during the operation. He noted that their reliable performance boosted the morale of soldiers and demonstrated the growing maturity of India's defence research ecosystem.

Mr. Singh praised the DRDO not only as a technology creator but also as a trust builder, stating that the organisation had emerged as a symbol of hope, certainty, and belief for the nation. He acknowledged the DRDO's expanding collaboration with the private sector, academia, start-ups, and micro, small and medium enterprises, which has contributed to the creation of a synergistic and vibrant defence ecosystem.

Visible improvements across processes – from procurement and project management to industry engagement – had made systems faster, easier, and more reliable, he said.

Calling upon the DRDO to remain aligned with the rapidly evolving global technological landscape, Mr. Singh urged the organisation to continue focusing on innovation, deep tech, and next generation technologies.

Emphasising the need for continuous learning and development, he said technology scanning, capability assessment, and future readiness were essential to ensure India remains prepared for emerging warfare domains.

During the visit, Samir V. Kamat, Chairman of the DRDO, briefed the Minister on the organisation's achievements in 2025, ongoing R&D activities, and reforms planned for 2026.