



SAMARTHYA IAS · AHMEDABAD

DAILY UPSC COMPANION

Samarthya Current Affairs

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Retail Inflation Surges to 23-Month High of 5.54% in September 2026

WHY IN NEWS

India's retail inflation based on the Consumer Price Index rose to 5.54% in September 2026 from 4.83% in August, driven primarily by rising food prices.

Story so far:

- **22 September 2026** Indirect Tax Rationalisation and Inflationary Pressures



STORY 1 Business Standard

Retail inflation surges to 5.54% in September amid rising food prices

Retail inflation measured by the Consumer Price Index rose to a 23-month high of 5.54% in September from 4.83% in August.

The National Statistics Office released the provisional inflation data in New Delhi on Monday.

Food inflation measured by the Consumer Food Price Index climbed to 7.74% in September from 5.97% in August, with the CPI rising 0.69% sequentially to 109.49.

The sharp increase was driven by rising onion prices, transportation costs, and service charges, marking four straight months above the 4% target.

Under the flexible inflation targeting framework, the Reserve Bank of India is mandated to maintain CPI inflation at 4% with a tolerance band of +/- 2%.

STORY 2 Mint

Headline inflation remains above target for fourth consecutive month in September

Consumer Price Index inflation reached 5.54% in September 2026, driven by higher food prices and elevated commodity costs.

The Ministry of Statistics and Programme Implementation published the provisional inflation figures in New Delhi.

Food inflation accelerated across consecutive months, rising to 7.74% in September from 5.97% in August, 5.52% in July, and 5.32% in June.

The Monetary Policy Committee was constituted under Section 45ZB of the Reserve Bank of India Act, 1934, to determine the policy interest rate.

UPSC RELEVANCE

Tests understanding of retail inflation metrics, the Consumer Price Index composition, and the monetary policy response under flexible inflation targeting.

PRELIMS FACTS

- Retail inflation in India reached 5.54% in September 2026, up from 4.83% in August.
- Consumer Food Price Index inflation rose to 7.74% in September 2026 from 5.97% in August.
- The sequential Consumer Price Index rose 0.69% to 109.49 in September 2026.

MAINS FRAMEWORK

Intro: Persistent headline inflation driven by supply-side disruptions in food items poses significant risks to macroeconomic stability and consumer purchasing power.

DIMENSIONS

- **Drivers of inflation:** Volatility in perishables like vegetables alongside sticky fuel and transportation costs.
- **Impact on vulnerable sections:** Rural households spend a higher proportion of income on food, amplifying the impact of food inflation.
- **Monetary vs Fiscal response:** Interest rate hikes curb demand-side pressures, but supply chain interventions are crucial for food prices.

Way forward: Strengthening cold storage logistics, augmenting buffer stocks, and enhancing market intelligence can mitigate recurring food price spikes.

KEY DEFINITIONS

- **Consumer Price Index:** A statistical measure examining the weighted average of prices of a basket of consumer goods and services to track retail inflation.
- **Flexible Inflation Targeting:** A monetary policy framework where the central bank aims to maintain inflation at a specific target rate within an allowed tolerance band.

MAINS PRACTICE QUESTION

Critically analyse the factors driving persistent food inflation in India and evaluate the efficacy of monetary policy tools in containing supply-driven price shocks. (250 words)

ANSWER OUTLINE

INTRODUCTION

Retail inflation in September 2026 reached a 23-month high of 5.54%, driven largely by a sharp surge in food inflation to 7.74%.

BODY

1. FOOD PRICE VOLATILITY:

High onion and vegetable prices pushed food inflation from 5.97% in August to 7.74% in September, highlighting supply vulnerabilities.

2. MONETARY POLICY ADJUSTMENTS:

The Monetary Policy Committee raised the repo rate by 25 basis points to 5.50% and adopted calibrated tightening to prevent inflation from exceeding the 6% upper limit.

3. SUPPLY-SIDE BOTTLENECKS:

Agricultural weather shocks and transportation cost hikes reinforce that monetary policy has limited direct traction over supply-driven price spikes.

4. IMPACT ON DEMAND:

Persistent inflation above the 4% target for four consecutive months threatens to damp consumer demand and squeeze rural household budgets.

CONCLUSION

A coordinated strategy combining prudent monetary tightening with robust agricultural supply chain reforms is essential to anchor long-term inflation expectations.

KEY TERMS

Consumer Price Index

Food Inflation

Monetary Policy Committee

Repo Rate

Flexible Inflation Targeting

ACTS & ARTICLES

Reserve Bank of India Act, 1934

Section 452B of RBI Act

02

GS-3 · ECONOMY

IMF Upgrades India's FY27 GDP Growth Forecast to 7%

WHY IN NEWS

The International Monetary Fund in its World Economic Outlook upgraded India's economic growth forecast for FY27 by 60 basis points to 7%.



STORY 1 **Mint**

IMF raises India's FY27 growth forecast to 7% on robust domestic demand

The International Monetary Fund raised India's GDP growth forecast for FY27 to 7% from 6.4% projected in July.

The announcement was made during the Fund's annual meetings held in Bangkok, Thailand.

The IMF upgraded the growth forecast by 60 basis points for FY27 and raised the FY28 growth forecast to 7% from 6.7%.

Stronger domestic demand, resilient economic momentum, and robust services activity offset risks from elevated crude oil prices and global uncertainty.

The International Monetary Fund is an international financial institution established in 1944 at the Bretton Woods Conference to foster global monetary cooperation.



STORY 2 **Business Standard**

IMF highlights India as fastest-growing major economy with 7% growth forecast

The International Monetary Fund published its World Economic Outlook, projecting India's growth at 7.0% for 2026.

The report was compiled by IMF economists and released in Bangkok during the organisation's annual meetings.

The growth upgrade follows an unexpectedly strong performance of 7.8% GDP expansion recorded in the June quarter of 2026-27.

Favourable demographic dynamics, an expanding domestic market, and structural reforms continue to support sustained momentum despite geopolitical risks.

Gross Domestic Product measures the total monetary value of all finished goods and services produced within a country's borders in a specific time period.

UPSC RELEVANCE

Evaluates GDP forecasting methodologies, drivers of domestic consumption, and India's position among major emerging market economies.

PRELIMS FACTS

- The IMF upgraded India's growth forecast for FY27 by 60 basis points to 7%.
- India's economy expanded by 7.8% in the June quarter of 2026-27 (Q1FY27).
- The IMF raised its global growth forecast for 2026 by 10 basis points to 3.1%.

MAINS FRAMEWORK

Intro: India's upward economic revision reflects domestic resilience and structural tailwinds amidst global geopolitical fragmentation and energy shocks.

DIMENSIONS

- **Domestic demand as a growth engine:** Strong private consumption and expansion in service sector activities.
- **Global headwind absorption:** Diversifying supply networks and buffer stock management mitigating external oil price volatility.
- **Long-term structural drivers:** Demographic dividend and technological digitization enhancing productivity.

Way forward: Sustaining high growth requires accelerating private capital expenditure, reforming labor markets, and expanding manufacturing sector output.

KEY DEFINITIONS

- **World Economic Outlook:** A biannual report published by the International Monetary Fund providing global economic analyses and growth projections.
- **Gross Domestic Product:** The total market value of all final goods and services produced within a nation's territorial boundary during a given fiscal period.

PYQ LINK

UPSC 2023 Mains question on structural drivers of economic growth and domestic market resilience.

MAINS PRACTICE QUESTION

Examine the key factors contributing to India's resilient economic growth amidst global geopolitical uncertainties. (150 words)

ANSWER OUTLINE

INTRODUCTION

The IMF's upgrade of India's FY27 GDP forecast to 7% highlights the country's capacity to maintain strong economic momentum despite global headwinds.

BODY

1. ROBUST DOMESTIC MOMENTUM:

Economic growth was buoyed by an expansion of 7.8% in the June quarter of FY27, driven by resilient domestic consumption.

2. SERVICE SECTOR STRENGTH:

Expanding services activity and digital integration have provided a cushioned shield against external manufacturing slowdowns.

3. DEMOGRAPHIC TAILWINDS:

Favourable demographic dynamics and a vast internal consumer market sustain investment confidence.

4. UPWARD MULTILATERAL REVISIONS:

The RBI (7.1%) and World Bank (7.1%) have similarly upgraded growth estimates, highlighting baseline structural stability.

CONCLUSION

Maintaining this growth trajectory requires addressing inflation risks and boosting private sector capital formation.

KEY TERMS

World Economic Outlook

Gross Domestic Product

International Monetary Fund

Demographic Dividend

Structural Reforms

ACTS & ARTICLES

Article 280 of the Constitution of India

Fiscal Responsibility and Budget Management Act, 2003

03

GS-3 • INFRASTRUCTURE & ENERGY

Cabinet Approves Integrated Transport and Logistics Authority

WHY IN NEWS

The Union Cabinet approved the setting up of the Integrated Transport and Logistics Authority (ITLA) as an apex institution to oversee transport planning and policy.

Government approves setting up of Integrated Transport and Logistics Authority

The Union Cabinet approved the creation of the Integrated Transport and Logistics Authority on 6 October 2026.

The decision was taken by the Government of India to strengthen transport and logistics governance across the nation.

The new apex authority will formulate a comprehensive National Transport Master Plan to guide long-term multi-modal infrastructure development.

ITLA will perform research, planning, project appraisal, monitoring, and post-implementation impact assessments to support initiatives like PM GatiShakti.

PM GatiShakti National Master Plan is a transformative approach for multi-modal connectivity and seamless movement of people and goods.

UPSC RELEVANCE

Examines institutional frameworks for multi-modal logistics, reduction of logistics cost in India, and integration with PM GatiShakti.

PRELIMS FACTS

- ITLA was approved by the Union Cabinet on 6 October 2026 as a specialized institutional planning mechanism.
- ITLA will prepare a comprehensive National Transport Master Plan for multi-modal infrastructure.
- ITLA complements existing frameworks including the National Logistics Policy and PM GatiShakti.

MAINS FRAMEWORK

Intro: Establishing ITLA addresses structural fragmentation in India's transport sector, enabling seamless multi-modal logistics planning and execution.

DIMENSIONS

- **Institutional Convergence:** Unifying rail, road, shipping, and aviation planning under one apex authority.
- **Cost Reduction:** Lowering India's high logistics cost as a percentage of GDP to boost export competitiveness.
- **Data-Driven Governance:** Harnessing data analytics for rigorous post-implementation project appraisal and monitoring.

Way forward: Ensuring effective Centre-State coordination and integrating private logistics service providers will be key to ITLA's success.

KEY DEFINITIONS

- **Logistics Efficiency:** The effectiveness with which goods, services, and related information flow from origin to destination across multi-modal networks.
- **PM GatiShakti:** A digital platform bringing together multiple ministries for integrated infrastructure planning and coordinated project execution.

PYQ LINK

UPSC 2022 Mains question on PM GatiShakti and integrated infrastructure development.

MAINS PRACTICE QUESTION

Discuss the role of the Integrated Transport and Logistics Authority (ITLA) in reforming India's logistics landscape and achieving multi-modal integration. (150 words)

ANSWER OUTLINE

INTRODUCTION

The approval of ITLA on 6 October 2026 creates a dedicated apex body to streamline transportation and logistics planning across India.

BODY

1. UNIFIED MASTER PLANNING:

ITLA will formulate a National Transport Master Plan to align infrastructure expansion across railways, roadways, waterways, and airways.

2. EVIDENCE-BASED APPRAISAL:

It will conduct rigorous research, project appraisal, and impact assessments to prevent project cost overruns.

3. SYNERGY WITH EXISTING POLICIES:

The authority complements the PM GatiShakti platform and National Logistics Policy to reduce logistics costs.

4. DATA ANALYTICS CAPABILITIES:

By providing policy support and data analytics, ITLA facilitates coordinated decision-making across infrastructure ministries.

CONCLUSION

ITLA will serve as a key institutional catalyst in elevating India's global supply chain competitiveness.

KEY TERMS

Integrated Transport and Logistics Authority

PM GatiShakti

National Logistics Policy

Multi-Modal Connectivity

Logistics Performance Index

ACTS & ARTICLES

04

GS-2 · INTERNATIONAL RELATIONS

First BIMSTEC Home Ministers' Meeting Adopts Delhi Declaration

WHY IN NEWS

India hosted the inaugural BIMSTEC Home Ministers' Meeting in New Delhi, resulting in the adoption of the Delhi Declaration on counter-terrorism.

Story so far:

- **18 September 2026** Internal Security and Counter-Terrorism Framework: UAPA Designation of Shahzad Bhatti Network
- **17 September 2026** Post-Conflict Institutional Reforms & Abolition of Special Courts in Syria



STORY 1 **The Hindu**

BIMSTEC Home Ministers adopt Delhi Declaration to combat terrorism and radicalisation

Member states of BIMSTEC adopted the historic Delhi Declaration on Tuesday to strengthen regional security cooperation against terrorism.

The meeting was hosted in New Delhi and chaired by Union Home Minister Amit Shah, with delegates from all seven member nations.

The declaration targets terror financing, violent extremism, terrorist recruitment, and the misuse of emerging technologies by terrorist networks.

Bangladesh, the current BIMSTEC chair, sent its Senior Secretary in the Home Ministry, Manzur Morshed Chowdhury, to represent the country.

BIMSTEC was established in 1997 through the Bangkok Declaration and comprises seven Bay of Bengal littoral countries.

UPSC RELEVANCE

Focuses on Bay of Bengal regional integration, maritime/border security, counter-terrorism mechanisms, and neighbourhood diplomacy.

PRELIMS FACTS

- India hosted the first-ever BIMSTEC Home Ministers' Meeting on 13 October 2026 in New Delhi.
- BIMSTEC member states adopted the Delhi Declaration to counter terror financing and recruitment.
- Bangladesh currently holds the chairmanship of BIMSTEC.

MAINS FRAMEWORK

Intro: The Delhi Declaration marks a major transition for BIMSTEC towards institutionalising hard security and counter-terrorism cooperation.

DIMENSIONS

- **Securing the Bay of Bengal:** Joint efforts to curb cross-border terrorism, drug trafficking, and arms smuggling.
- **Tech misuse containment:** Countering terrorist exploitation of emerging digital tools, encryption, and fintech.
- **Diplomatic representation dynamics:** Nuances in high-level participation reflecting regional domestic political shifts.

Way forward: Finalising the BIMSTEC Convention on Mutual Legal Assistance in Criminal Matters will solidify regional security integration.

KEY DEFINITIONS

- **BIMSTEC:** A sub-regional organisation formed in 1997 connecting seven countries in South Asia and Southeast Asia around the Bay of Bengal.
- **Delhi Declaration (BIMSTEC):** A regional accord adopted in 2026 focused on preventing radicalisation, terror financing, and tech misuse by violent extremists.

MAINS PRACTICE QUESTION

Critically analyse the strategic significance of the Delhi Declaration adopted at the first BIMSTEC Home Ministers' Meeting. (150 words)

ANSWER OUTLINE

INTRODUCTION

Adopting the Delhi Declaration on 13 October 2026 highlights BIMSTEC's evolving focus from technical cooperation to regional security management.

BODY

1. COMPREHENSIVE COUNTER-TERRORISM FRAMEWORK:

The declaration commits members to combat terror financing, recruitment, and violent extremism.

2. FOCUS ON EMERGING TECHNOLOGIES:

It addresses the growing threat of terrorists exploiting digital technologies and social media networks.

3. STRENGTHENING BAY OF BENGAL ARCHITECTURE:

Positioned as an alternative to stalled SAARC mechanisms, BIMSTEC enhances India's Neighbourhood First agenda.

4. DIPLOMATIC CHALLENGES:

High-level absences, such as Bangladesh being represented by senior officials rather than its Home Minister, highlight diplomatic sensitivities.

CONCLUSION

Effective implementation of the Delhi Declaration will bolster maritime and border security across the Bay of Bengal littoral.

KEY TERMS

BIMSTEC

Delhi Declaration

Counter-Terrorism

Radicalisation

Bay of Bengal Initiative

ACTS & ARTICLES

BIMSTEC Charter

Unlawful Activities (Prevention) Act, 1967

05

GS-2 • SOCIAL ISSUES

PM-SETU Scheme Advances ITI Modernisation in Gujarat and Andhra Pradesh

WHY IN NEWS

Shareholders' Agreements were signed under PM-SETU for upgrading Government ITIs in Surat and Visakhapatnam through a PPP model with AM/NS India.

STORY 1

PIB

PM-SETU signs shareholders agreements to upgrade ITI clusters in Gujarat and AP

Shareholders' Agreements were signed under PM-SETU on 12 October 2026 for upgrading Government ITIs in Gujarat and Andhra Pradesh.

The agreements involved the Ministry of Skill Development, state governments, and industrial partner ArcelorMittal Nippon Steel India.

The project covers nine ITIs—five in the Surat cluster and four in the Visakhapatnam cluster—with ₹440 crore approved for upgradation.

Dedicated Special Purpose Vehicles will manage the clusters, with AM/NS India holding a 51% stake and Centre/State holding 24.5% equity each.

Industrial Training Institutes operate under the Directorate General of Training to deliver vocational education and technical skills in India.

UPSC RELEVANCE

Examines skill development initiatives, vocational education public-private partnerships, and industrial alignment of workforce training.

PRELIMS FACTS

- Shareholders' Agreements were signed under PM-SETU on 12 October 2026 for Surat and Visakhapatnam ITI clusters.
- Under the PM-SETU SPV structure, the industry partner holds 51% equity while the Centre and State hold 24.5% each.
- ₹440 crore was approved for upgrading nine government ITIs in Gujarat and Andhra Pradesh.

MAINS FRAMEWORK

Intro: PM-SETU bridges the skill mismatch in India by handing operational leadership of vocational institutes to major industrial partners.

DIMENSIONS

- **PPP Model Innovation:** Equity-backed SPVs ensuring corporate commitment to curriculum and equipment modernisations.
- **Employability Enhancement:** Aligning trade certifications with evolving industrial automation and manufacturing demands.
- **Regional Skill Hubs:** Developing Surat and Visakhapatnam into regional skill excellence corridors.

Way forward: Replicating this hub-and-spoke SPV model across all major industrial clusters will elevate nationwide youth employability.

KEY DEFINITIONS

- **PM-SETU Scheme:** A national initiative for upgrading government ITIs through deep industry partnerships and dedicated Special Purpose Vehicles.
- **Special Purpose Vehicle (SPV):** A legal entity created to fulfill specific, narrow, or temporary objectives, often used in public-private joint ventures.

PYQ LINK

UPSC 2020 Mains question on skill development initiatives and structural challenges in vocational education.

MAINS PRACTICE QUESTION

Analyse the public-private partnership framework under PM-SETU in transforming India's industrial skill training ecosystem. (150 words)

ANSWER OUTLINE

INTRODUCTION

The signing of Shareholders' Agreements under PM-SETU on 12 October 2026 represents a structural shift toward industry-led vocational education.

BODY

1. EQUITY-DRIVEN GOVERNANCE:

Dedicated SPVs give industry partners a 51% controlling stake, with Central and State governments holding 24.5% each.

2. SUBSTANTIAL CAPITAL INVESTMENT:

Approving ₹440 crore for clusters in Surat and Visakhapatnam facilitates world-class laboratory and workshop infrastructure.

3. CURRICULUM REALIGNMENT:

Direct involvement of industrial giants like AM/NS India ensures training matches modern manufacturing standards.

4. ADDRESSING SKILL GAPS:

Upgrading nine ITIs across Gujarat and Andhra Pradesh directly boosts technical employability for youth.

CONCLUSION

PM-SETU offers a scalable model for aligning skill training with the demands of Viksit Bharat @ 2047.

KEY TERMS

PM-SETU

Industrial Training Institutes

Skill India

Special Purpose Vehicle

Public-Private Partnership

ACTS & ARTICLES

Article 21A of the Constitution of India

National Skill Development Policy

06

GS-2 · INTERNATIONAL RELATIONS

India Rejects China's Objections over Naming 28 Geographical Features in Ladakh

WHY IN NEWS

India firmly rejected Chinese objections to the Survey of India standardising names of 28 geographical features in the Union Territory of Ladakh.

Story so far:

- **24 September 2026** Regional Autonomy & Civil Security: Post-Unrest Accountability and Governance in Ladakh



STORY 1 **The Hindu**

India rejects Chinese objections to standardising names of 28 features in Ladakh

India rejected Chinese statements contesting Survey of India's standardization of geographical names in Ladakh on October 13, 2026.

The Ministry of External Affairs issued the official response in New Delhi following statements from Beijing.

Survey of India standardized names for 28 features including 11 peaks, 5 mountains, 6 land areas, 2 glaciers, 2 passes, and 4 water bodies.

China claimed it does not recognize the UT of Ladakh created in 2019, calling the geographical naming illegal and void.

Survey of India, established in 1767, is the national survey and mapping organization under the Ministry of Science and Technology.

UPSC RELEVANCE

Examines territorial integrity, cartographic sovereignty, India-China border disputes along the LAC, and diplomatic counter-strategies.

PRELIMS FACTS

- Survey of India standardized names for 28 geographical relief features in Ladakh.
- The standardized features include 11 peaks, 5 mountains, 6 land areas, 2 glaciers, 2 passes, and 4 water bodies.

MAINS FRAMEWORK

Intro: Standardising geographical names in Ladakh asserts cartographic sovereignty and counters China's unilateral territorial narrative strategies.

DIMENSIONS

- **Sovereignty Assertion:** Standardizing indigenous names for peaks, glaciers, and passes along the LAC.
- **Cartographic Warfare Counter:** Offsetting China's practice of renaming locations in Arunachal Pradesh and Aksai Chin.
- **Diplomatic Firmness:** Reaffirming Ladakh as an integral and inalienable part of sovereign Indian territory.

Way forward: Accelerating border infrastructure projects under the Vibrant Villages Programme will solidify ground-level territorial administration.

KEY DEFINITIONS

- **Cartographic Sovereignty:** The state's assertion of territorial jurisdiction through official mapping, geographical naming, and survey standardization.
- **Line of Actual Control (LAC):** The non-demarcated border line separating Indian-controlled territory from Chinese-controlled territory.

PYQ LINK

UPSC 2021 Mains question on India-China border disputes, cartographic tensions, and strategic security policy.

MAINS PRACTICE QUESTION

Examine the strategic importance of cartographic and geographical standardization along India's northern borders amidst border disputes with China. (150 words)

ANSWER OUTLINE

INTRODUCTION

India's rejection of Chinese objections on October 13, 2026, regarding standardizing 28 geographical features in Ladakh highlights the importance of cartographic sovereignty.

BODY

1. CARTOGRAPHIC CONSOLIDATION:

Survey of India standardized names for 11 peaks, 5 mountains, 2 glaciers, 2 passes, and land/water bodies in Ladakh.

2. NEUTRALISING CHINESE NARRATIVES:

Counters Beijing's tactic of weaponising toponymy and imposing illegal nomenclature along disputed border zones.

3. SOVEREIGNTY REAFFIRMATION:

Reasserts that the UT of Ladakh, established via the J&K Reorganisation Act 2019, is an integral and inalienable part of India.

4. BORDER GOVERNANCE INTEGRATION:

Facilitates precise official record-keeping and strategic infrastructure planning along the LAC.

CONCLUSION

Firm diplomatic postures backed by precise cartographic mapping reinforce India's territorial integrity along its northern borders.

KEY TERMS

Survey of India

Union Territory of Ladakh

Line of Actual Control

Cartographic Sovereignty

Border Management

ACTS & ARTICLES

Article 1 of the Constitution of India

J&K Reorganisation Act, 2019

07

GS-3 · INFRASTRUCTURE & ENERGY

CEA Flags Depletion of Coal Stocks Amid Rising Electricity Demand

WHY IN NEWS

Central Electricity Authority Chairman Ghanshyam Prasad warned of depleting coal stocks at thermal power plants due to a 45-50 GW surge in daily power demand.



STORY 1

Business Standard

CEA Chairman flags concern over depleting coal stocks as power demand surges

Central Electricity Authority Chairman Ghanshyam Prasad raised alarms on October 13, 2026, over daily coal stock depletion at power plants.

The warning was delivered during an industry event organized in New Delhi.

Power demand in India surged by 45 to 50 gigawatts daily compared to last year, with 87 plants reporting critical coal stocks of 20.8 million tonnes.

CEA revised long-term coal-based generation capacity addition targets upward from 97 gigawatts to 150 gigawatts by 2036 to maintain baseload power.

The Central Electricity Authority is a statutory organization constituted under Section 70 of the Electricity Act, 2003.



STORY 2 **Business Standard**

Indian Railways ramps up coal transportation with 11.6% growth in daily rakes

Indian Railways stepped up coal rake supply to thermal power plants to address stock depletion during September 2026.

The Railway Ministry issued freight movement operational data in New Delhi on Tuesday.

Average coal rakes supplied per day rose to 443 rakes compared to 397 rakes in September 2025, marking an 11.6% growth.

Total freight loading grew 6.14% to 135.5 million tonnes, generating ₹1,266 crore in additional freight revenue.

Dedicated Freight Corridors are high-capacity railway corridors reserved exclusively for freight trains to speed up logistics.

UPSC RELEVANCE

Examines energy security, baseload power generation, coal supply logistics, grid stability, and electricity market management.

PRELIMS FACTS

- CEA reports daily electricity demand in India has risen by 45-50 gigawatts compared to the previous year.
- 87 power plants had critical coal stocks of 20.8 million tonnes, representing 34% of normative requirements.
- Indian Railways increased daily coal rakes to 443 rakes in September 2026, an 11.6% growth year-on-year.

MAINS FRAMEWORK

Intro: Surging industrial and domestic power demand highlights the challenge of balancing baseload power security with energy transition goals.

DIMENSIONS

- **Baseload Security:** Reliance on thermal generation as non-fossil storage and pumped hydro capacity scale up.
- **Logistical Coordination:** Synergizing coal mining, railway rake allocation, and port logistics.
- **Long-Term Energy Mix:** Increasing target for coal capacity to 150 GW by 2036 alongside 50+ GW annual RE additions.

Way forward: Accelerating pumped hydro storage and battery energy storage systems (BESS) will reduce long-term over-reliance on thermal coal.

KEY DEFINITIONS

- **Baseload Power:** The minimum amount of electric power that electrical grid systems must supply continuously to meet unvarying consumer demand.
- **Critical Coal Stock:** A condition where a thermal power station's stored coal reserves fall below a specified normative percentage required for continuous generation.

PYQ LINK

UPSC 2022 Mains question on energy security, power distribution challenges, and thermal vs renewable energy mix.

MAINS PRACTICE QUESTION

Discuss the structural challenges in maintaining coal-based baseload power during surge demand periods while pursuing long-term renewable energy goals. (150 words)

ANSWER OUTLINE

INTRODUCTION

Concerns flagged by the CEA on October 13, 2026, regarding critical coal stocks underline the delicate balance between baseload security and green transition.

BODY

1. SHARP DEMAND SURGE:

Daily electricity demand increased by 45–50 GW year-on-year, pushing 87 power plants to critical coal stock levels (34% of norm).

2. LOGISTICAL BOTTLENECKS:

Despite Indian Railways expanding coal rakes supply by 11.6% to 443 rakes per day, mine-to-plant supply chains face intense friction.

3. BASELOAD REALITY:

Intermittent renewable energy requires supplementary thermal capacity, leading CEA to raise 2036 coal power addition target to 150 GW.

4. FINANCIAL STRESS ON DISCOMS:

Delayed payments disrupt coal procurement cycles, aggravating fuel inventory shortages at generating stations.

CONCLUSION

Expanding storage technologies like pumped hydro is essential to build a resilient energy grid that bridges renewable intermittency and thermal baseload needs.

KEY TERMS

Central Electricity Authority

Baseload Power

Coal Rakes

Electricity Act 2003

Energy Security

ACTS & ARTICLES

Electricity Act, 2003

Mines and Minerals (Development and Regulation) Act, 1957

EDITORIAL OF THE DAY

Spiralling food prices and rural inflation pressures — The Hindu: Spiralling food prices: on rising inflation

The editorial argues that rising food prices, particularly in perishables, are driving retail inflation to near-limit levels and severely squeezing rural household budgets. It emphasizes that monetary tightening alone cannot substitute for structural supply-chain management in agricultural commodities.

KEY ARGUMENTS

- September retail inflation reached 5.54%, with rural inflation touching 6.08% and rural food inflation surging to 8.06%.
- Monopoly spikes in kitchen staples like onions (108.09%), garlic (54.62%), and ginger (62.85%) disproportionately impact vulnerable low-income families.
- The RBI's rate hike to 5.50% reflects tightening necessity, but monetary policy cannot directly fix monsoon deficits or harvest shocks.

THE OTHER SIDE

- Higher crop prices benefit farmers by raising farm-gate realizations and rural wage growth during harvest seasons.
- Monetary rate hikes are essential to prevent secondary price spillovers into broader services and core inflation.

Way forward: The government must combine prudent monetary policy with targeted supply-side actions, including buffer stock releases, trade facilitation, and improved climate-resilient storage infrastructure.

Use it in: GS-3: Indian Economy and inflation management; Essay: Rural economic resilience

Mains practice question: Examine the limitations of monetary policy in curbing food-driven retail inflation in India. What structural supply-side measures are required to protect vulnerable rural consumers? (250 words)

PRELIMS IN FOCUS

SCHEME PM-SETU Scheme

- Implemented by the Ministry of Skill Development to transform government ITIs through industry partnerships.
- Establishes dedicated SPVs where industry partners hold 51% equity and Centre/State hold 24.5% each.

ORGANISATION Integrated Transport and Logistics Authority (ITLA)

- Approved by the Union Cabinet on 6 October 2026 as an apex transportation planning body.
- Formulates the National Transport Master Plan and conducts post-implementation project appraisals.

ORGANISATION Central Electricity Authority (CEA)

- Advises the government on electric policy and tracks national thermal plant coal reserves.

EVENT BIMSTEC Home Ministers' Meeting

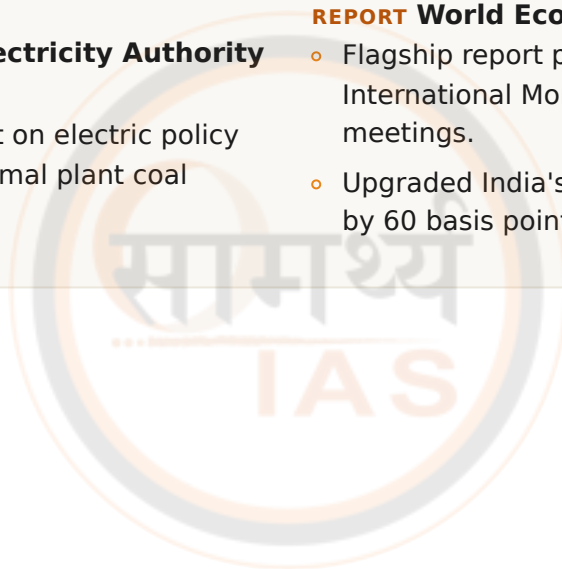
- Inaugural meeting hosted by India in New Delhi on 13 October 2026.
- Adopted the Delhi Declaration focusing on counter-terrorism, radicalisation, and tech misuse.

TERM Corporate Average Fuel Economy (CAFE) Norms

- Regulations notified by Ministry of Power setting fuel consumption limits for auto manufacturers' fleets.
- Targets 3.3273 litres/100 km fuel efficiency benchmark across passenger vehicles by 2031-32.

REPORT World Economic Outlook

- Flagship report published by the International Monetary Fund at its annual meetings.
- Upgraded India's growth forecast for FY27 by 60 basis points to 7%.



Practice MCQs (UPSC Prelims)

Attempt these questions on your own first. The answer key is on the next page.

ECONOMY Retail Inflation Surges to 23-Month High of 5.54% in September 2026

Retail inflation surges to 5.54% in September amid rising food prices

Q1. With reference to retail inflation in September 2026 in India, consider the following statements: 1. Consumer Price Index (CPI) inflation rose to 5.54%, reaching a 23-month high. 2. Consumer Food Price Index (CFPI) inflation surged to 7.74% during the same month. 3. Headline inflation remained within the RBI's 4% midpoint target for the fourth consecutive month. Which of the statements given above are correct?

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

ECONOMY IMF Upgrades India's FY27 GDP Growth Forecast to 7%

IMF raises India's FY27 growth forecast to 7% on robust domestic demand

Q2. According to the IMF's World Economic Outlook released in October 2026, what is the upgraded GDP growth forecast for India for FY27?

- A. 6.4%
- B. 6.7%
- C. 7.0%
- D. 7.8%

INFRASTRUCTURE & ENERGY Cabinet Approves Integrated Transport and Logistics Authority

Government approves setting up of Integrated Transport and Logistics Authority

Q3. Consider the following statements regarding the Integrated Transport and Logistics Authority (ITLA): 1. It was approved by the Union Cabinet on 6 October 2026 as an apex institution for transport planning. 2. It is tasked with preparing a comprehensive National Transport Master Plan. 3. It works independently and replaces the PM GatiShakti National Master Plan. Which of the statements given above is/are correct?

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

INTERNATIONAL RELATIONS

First BIMSTEC Home Ministers' Meeting Adopts Delhi Declaration

BIMSTEC Home Ministers adopt Delhi Declaration to combat terrorism and radicalisation

Q4. The 'Delhi Declaration' adopted at the first BIMSTEC Home Ministers' Meeting in October 2026 primarily focuses on:

- A.** A common maritime trade tariff framework
- B.** Countering terrorism, radicalisation, and misuse of emerging technologies
- C.** Establishing a regional disaster relief fund
- D.** Cross-border visa-free travel among member states

SOCIAL ISSUES

PM-SETU Scheme Advances ITI Modernisation in Gujarat and Andhra Pradesh

PM-SETU signs shareholders agreements to upgrade ITI clusters in Gujarat and AP

Q5. Under the Special Purpose Vehicle (SPV) equity structure established under the PM-SETU scheme for ITI upgradation, what is the equity stake held by the private industry partner?

- A.** 24.5%
- B.** 49.0%
- C.** 51.0%
- D.** 74.0%



Answer Key — Practice MCQs

Quick reference and explanations for the practice questions on the previous page.

Q1: A**Q2: C****Q3: B****Q4: B****Q5: C****Q1 Option A · 1 and 2 only**

Statements 1 and 2 are correct as CPI inflation rose to 5.54% and food inflation touched 7.74%. Statement 3 is incorrect because inflation remained above the 4% target for four straight months.

Q2 Option C · 7.0%

The IMF raised its growth projection for India's GDP in FY27 to 7% from 6.4% estimated in July 2026.

Q3 Option B · 1 and 2 only

Statements 1 and 2 are correct. Statement 3 is incorrect because ITLA complements, rather than replaces, PM GatiShakti.

Q4**Option B · Countering terrorism, radicalisation, and misuse of emerging technologies**

The BIMSTEC Delhi Declaration focuses on countering radicalisation, violent extremism, terror financing, and misuse of emerging technologies.

Q5 Option C · 51.0%

Under PM-SETU, dedicated SPVs are established where the industry partner holds a 51% stake, while the Central and State governments hold 24.5% equity each.

TOPIC 01 · RETAIL INFLATION SURGES TO 23-MONTH HIGH OF 5.54% IN SEPTEMBER 2026

UPSC Prelims 2022

In India, which one of the following is responsible for maintaining price stability by controlling inflation?

- A)** Department of Consumer Affairs **B)** Expenditure Management Commission
C) Financial Stability and Development Council **D)** Reserve Bank of India

UPSC Prelims 2020

Consider the following statements :

1. The weightage of food in Consumer Price Index (CPI) is higher than that in Wholesale Price Index (WPI).
2. The WPI does not capture changes in the prices of services, which CPI does.
3. Reserve Bank of India has now adopted WPI as its key measure of inflation and to decide on changing the key policy rates.

Which of the statements given above is/are correct ?

- A)** 1 and 2 only **B)** 2 only
C) 3 only **D)** 1, 2 and 3

TOPIC 04 · FIRST BIMSTEC HOME MINISTERS' MEETING ADOPTS DELHI DECLARATION

UPSC Prelims 2025

Consider the following statements in respect of BIMSTEC :

- I. It is a regional organization consisting of seven member States till January 2025.
- II. It came into existence with the signing of the Dhaka Declaration, 1999.
- III. Bangladesh, India, Sri Lanka, Thailand and Nepal are founding member States of BIMSTEC.
- IV. In BIMSTEC, the subsector of 'tourism' is being led by India.

Which of the statements given above is/are correct?

- A)** I and II **B)** II and III
C) I and IV **D)** I only