



SAMARTHYA IAS · AHMEDABAD

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Cabinet Approves Extension and Renaming of National Social Assistance Programme

WHY IN NEWS

On 14 October 2026, the Union Cabinet approved the continuation of the National Social Assistance Programme for five years (FY27 to FY31) with an outlay of ₹53,428 crore.



STORY 1 Business Standard

Union Cabinet Approves Extension of National Social Assistance Scheme Till FY31

The Union Cabinet approved the continuation of the National Social Assistance Programme for five years from 2026-27 to 2030-31, renaming it as Pradhan Mantri Samajik Sahayata Yojana and modifying eligibility criteria.

The decision was taken by the Union Cabinet in New Delhi, restructuring four major sub-schemes to provide enhanced social security pensions to eligible elderly, widowed, and disabled beneficiaries across India.

The scheme has been sanctioned a total financial outlay of ₹53,428 crore for five years, aimed at extending welfare coverage and enhanced financial assistance to over 3.2 crore beneficiaries.

The reform renames old-age, widow, disability, and family benefit sub-schemes while broadening disability pension eligibility criteria to lower the benchmark disability threshold and expand the target demographic.

Article 41 of the Directive Principles of State Policy mandates the State to make effective provision for securing public assistance in cases of unemployment, old age, sickness, and disablement.

Union Cabinet Restructures Disability Pensions under Pradhan Mantri Samajik Sahayata Yojana

The Department of Rural Development obtained Cabinet approval to revise benchmark disability criteria and increase pension rates under the newly renamed Pradhan Mantri Divyangjan Pension Yojana.

The Union Cabinet, chaired by Prime Minister Narendra Modi in New Delhi, approved structural changes covering 3.2 crore total beneficiaries across the social assistance framework.

Divyangjan assistance rates were revised to ₹375 for ages 0-79 years and ₹625 for 80 years and above, while lowering benchmark disability criteria from 80% to 40%.

The minimum age criterion for disability pension was removed to cover beneficiaries from birth, while old age, widow, and family benefit schemes continue in their existing financial structures.

The Rights of Persons with Disabilities Act, 2016 establishes statutory rights and mandates reasonable accommodation, non-discrimination, and social security measures for benchmark disabled individuals.

UPSC RELEVANCE

Tests welfare schemes for vulnerable sections under GS-2, focusing on social security architecture, DPSP Article 41, and disability rights reforms.

PRELIMS FACTS

- The National Social Assistance Programme has been renamed as Pradhan Mantri Samajik Sahayata Yojana for the period 2026-27 to 2030-31.
- The benchmark disability criterion under the Divyangjan pension scheme was lowered from 80% to 40%.
- The minimum age criterion for receiving disability pension under the restructured scheme is now from birth.

MAINS FRAMEWORK

Intro: The Union Cabinet's approval of ₹53,428 crore for Pradhan Mantri Samajik Sahayata Yojana reinforces India's constitutional obligation towards universal social assistance for vulnerable populations.

DIMENSIONS

- **Inclusivity:** Lowering disability threshold from 80% to 40% and removing minimum age barriers expands coverage to marginalized groups.

- **Financial Adequacy:** Escalating pension rates to ₹375 (0-79 years) and ₹625 (80+ years) offers partial relief against inflationary pressures.
- **Administrative Efficiency:** Standardising sub-schemes under unified branding streamlines implementation across rural and urban local bodies.

Way forward: Implement indexation of monthly pensions to inflation, ensure direct benefit transfers via Aadhaar-enabled payment systems, and conduct regular social audits.

KEY DEFINITIONS

- **Benchmark Disability:** A condition where a person possesses not less than 40% of a specified disability as certified by a designated medical authority under the RPwD Act, 2016.
- **Social Assistance:** Non-contributory tax-financed social security safety nets provided by governments to protect vulnerable citizens against poverty and vulnerability.

PYQ LINK

Discuss the central role played by social security schemes in poverty alleviation and social empowerment in India.

MAINS PRACTICE QUESTION

Critically analyse the role of state-sponsored social security schemes in mitigating poverty among vulnerable groups in India. How far do recent changes under the Pradhan Mantri Samajik Sahayata Yojana address existing coverage gaps? (250 words)

ANSWER OUTLINE

INTRODUCTION

Social assistance schemes under Article 41 serve as critical safety nets to protect the elderly, widows, and persons with disabilities from extreme economic deprivation.

BODY

1. BROADER INCLUSION THROUGH REVISED DISABILITY STANDARDS:

Lowering the benchmark disability requirement from 80% to 40% and eliminating minimum age barriers allows early intervention and financial relief for disabled individuals.

2. TARGETED ASSISTANCE FOR VULNERABLE DEMOGRAPHICS:

Allocating ₹53,428 crore over five years for 3.2 crore beneficiaries ensures policy continuity across old-age and widow pension schemes.

3. INADEQUATE CASH TRANSFER QUANTUM:

Despite upward revisions to ₹375 and ₹625, the absolute monthly payout remains low compared to rising living expenses and healthcare costs.

4. IMPLEMENTATION AND IDENTIFICATION BOTTLENECKS:

Last-mile delivery challenges, exclusion errors in BPL lists, and digital authentication failures often delay timely disbursements.

CONCLUSION

To achieve true social protection floor standards, India must combine periodic inflation-indexed pension hikes with robust community-driven social audits.

KEY TERMS

National Social Assistance Programme

Pradhan Mantri Samajik Sahayata Yojana

Pradhan Mantri Divyangjan Pension Yojana

Benchmark Disability

Directive Principles of State Policy

ACTS & ARTICLES

Article 41

Article 38

Rights of Persons with Disabilities Act, 2016

02

GS-3 · ECONOMY

Wholesale Price Index Inflation Surges to Series High of 11.39% in September 2026

WHY IN NEWS

Data released by the Commerce Ministry on 14 October 2026 revealed that India's WPI inflation rose to 11.39% in September 2026 due to surging fuel and commodity costs.

Story so far:

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



STORY 1 The Hindu

Wholesale Price Inflation Surges to Record High of 11.4% in September 2026

Wholesale price inflation jumped to a series-high of 11.4% in September 2026, recording its highest level under the new 2022-23 base year series.

The Ministry of Commerce and Industry released the figures in New Delhi, highlighting that core non-food manufactured goods accounted for over half of the monthly inflation uptick.

Headline WPI inflation rose 147 basis points from August 2026, reaching a 49-month high under the historical 2011-12 base year comparison framework.

Ongoing conflict in West Asia and maritime blockades along the Strait of Hormuz caused global crude oil and fertiliser costs to surge, creating severe domestic price spillovers.

The Wholesale Price Index measures average price changes in goods sold at the wholesale level, aiding macro-economic policy formulation alongside the Consumer Price Index used by RBI.



STORY 2 **Business Standard**

Fuel and Minerals Drive Wholesale Inflation to 11.39% in September

The all-commodities Wholesale Price Index rose to 112.5 in September from 110.8 in August 2026, pushing headline WPI inflation to 11.39% on broad-based gains.

Data compiled by the Ministry of Commerce and Industry showed India's Producer Price Index (PPI) for goods output similarly increased to 112.5, driving PPI inflation to 11.39%.

Fuel and power inflation surged to 25.85%, supported by a 57.32% spike in crude petroleum and natural gas, while coal and lignite inflation expanded to 9.31%.

Mineral oil inflation nudged higher to 40.02%, while electricity prices continued to contract at 0.43%, reflecting an easing from the 1.73% contraction recorded in August 2026.

Inflation targeting in India operates under the Reserve Bank of India Act, 1934, which empowers the Monetary Policy Committee to maintain headline CPI within a flexible target band.

UPSC RELEVANCE

Assesses macro-economic concepts under GS-3 including cost-push inflation, WPI vs CPI mechanics, input cost transmission, and external supply chain shocks.

PRELIMS FACTS

- Wholesale price inflation reached 11.39% in September 2026, the highest level under the 2022-23 base year series.
- Crude petroleum and natural gas inflation surged to 57.32% in September 2026 due to West Asia geopolitical disruptions.
- Non-food manufactured goods accounted for over half of the 147 basis points monthly increase in headline WPI.

MAINS FRAMEWORK

Intro: The surge in September 2026 wholesale price inflation to 11.39% underscores India's vulnerability to global energy price shocks and imported supply chain disruptions.

DIMENSIONS

- **External Geopolitical Vulnerability:** Conflict in West Asia and blockades in the Strait of Hormuz drove crude petroleum inflation to 57.32%.
- **Input Cost Transmission:** Core WPI gains signal rising input costs for domestic manufacturers, threatening subsequent pass-through to retail CPI.
- **Industrial Output Pressure:** High fuel (25.85%) and mineral oil (40.02%) costs squeeze corporate operating margins and dampen private capital expenditure.

Way forward: Diversify energy import routes, expand strategic petroleum reserves, lower domestic logistics bottlenecks, and maintain vigilant monetary coordination.

KEY DEFINITIONS

- **Wholesale Price Index (WPI):** An index measuring the average change in prices of goods sold and traded in bulk by wholesale businesses in India.
- **Core Inflation:** A measure of inflation that excludes volatile food and energy price components from headline inflation calculations.

MAINS PRACTICE QUESTION

Examine the factors behind the recent surge in wholesale inflation in India. What are its potential implications for retail inflation and industrial growth? (150 words)

ANSWER OUTLINE

INTRODUCTION

Wholesale price inflation surged to a series-high 11.39% in September 2026, primarily driven by global energy disruptions and rising manufactured input costs.

BODY

1. GEOPOLITICAL CRUDE OIL SHOCKS:

West Asia conflict and Strait of Hormuz blockades drove crude petroleum and natural gas inflation to 57.32% and fuel inflation to 25.85%.

2. BROAD-BASED CORE MANUFACTURING PRESSURES:

Non-food manufactured goods contributed over half of the 147 bps uptick in headline WPI, reflecting elevated primary resource costs.

3. SPILLOVER TO RETAIL CPI INFLATION:

Sustained wholesale price hikes increase input expenses for consumer goods, threatening to transmit imported inflation into retail basket items.

4. ADVERSE IMPACT ON CORPORATE MARGINS AND INVESTMENT:

Escalating operational costs for power and raw materials compress profit margins, delaying private capital expenditure cycles.

CONCLUSION

Addressing cost-push inflation requires long-term energy transition, enhanced supply chain resilience, and careful fiscal-monetary policy balance.

KEY TERMS

Wholesale Price Index

Producer Price Index

Core Inflation

Strait of Hormuz

Cost-Push Inflation

ACTS & ARTICLES

Reserve Bank of India Act, 1934

03

GS-3 • ENVIRONMENT

Kerala Launches India's First Ecosystem Red List Assessment

WHY IN NEWS

On 14 October 2026, the Kerala State Biodiversity Board launched India's first Red List Assessment of Ecosystems to evaluate threatened natural habitats under IUCN criteria.

Story so far:

- **12 October 2026** Management of Invasive Alien Species and Biodiversity Preservation



STORY 1 **The Hindu**

Kerala Initiates India's First Red List Assessment for Threatened Ecosystems

The Kerala State Biodiversity Board launched India's first Ecosystem Red List assessment project to shift conservation efforts from species-centric preservation to landscape-level habitat management.

The project covers critical habitats across Kerala, including tropical riparian evergreen forests in the southern Western Ghats, myristica swamps, shola-grasslands, and coastal mangroves.

Tropical riparian evergreen forests in the region suffered an 83% loss over the past century, classifying them as Critically Endangered under IUCN risk assessment criteria.

Habitat destruction driven by dam construction, invasive plantations, and climate extremes threatens these vital ecosystems with complete structural collapse within the next 20 to 40 years.

The Biological Diversity Act, 2002 established State Biodiversity Boards to implement conservation, sustainable use of biological components, and equitable sharing of biological resource benefits.

UPSC RELEVANCE

Tests biodiversity conservation paradigms under GS-3, shifting focus from species-specific conservation to IUCN Red List of Ecosystems (RLE) frameworks.

PRELIMS FACTS

- Kerala is the first Indian state to initiate a systematic Red List Assessment of Ecosystems (RLE).
- Tropical riparian evergreen forests in the southern Western Ghats have lost 83% of their extent over the last century.
- Myristica swamps and shola-grassland mosaics are critical threatened habitats evaluated under this project.

MAINS FRAMEWORK

Intro: Kerala's pioneering Red List Assessment of Ecosystems transitions biodiversity governance from reactive species preservation to proactive, landscape-scale habitat conservation.

DIMENSIONS

- **Ecological Threat Assessment:** Identifies habitats facing structural collapse, such as riparian forests suffering an 83% decline over 100 years.
- **Policy Paradigm Shift:** Complements species-level Red Data Books with holistic ecosystem health monitoring under standardized IUCN metrics.
- **Climate Resilience & Adaptation:** Protects vital carbon sinks and hydrology buffers like myristica swamps and high-altitude shola grasslands.

Way forward: Replicate ecosystem Red List assessments across other biodiversity hotspots in India and integrate findings into state land-use planning.

KEY DEFINITIONS

- **Red List of Ecosystems (RLE):** A global standard established by IUCN to assess the conservation status and collapse risk of ecosystems.

- **Myristica Swamps:** Freshwater swamp forests dominated by wild nutmeg trees, endemic to the Western Ghats region.

PYQ LINK

How does biodiversity vary in India? Discuss the primary drivers behind ecological degradation in the Western Ghats.

MAINS PRACTICE QUESTION

How does the Ecosystem Red List assessment framework mark a paradigm shift in biodiversity conservation? Discuss in the context of Kerala's recent initiative. (150 words)

ANSWER OUTLINE

INTRODUCTION

The Red List Assessment of Ecosystems (RLE) framework evaluates ecosystem collapse risks, shifting conservation from individual species to entire ecological landscapes.

BODY

1. LANDSCAPE-WIDE HABITAT PRESERVATION:

Moves beyond isolated species protection to safeguard interdependent ecological functions across fragile biomes.

2. EVIDENCE-BASED THREAT CLASSIFICATION:

Uses IUCN criteria to identify severely degraded habitats, highlighting an 83% loss in tropical riparian evergreen forests.

3. TARGETING UNIQUE MICRO-ECOSYSTEMS:

Facilitates priority protection for rare habitats like myristica swamps, coastal mangroves, and high-altitude shola-grassland mosaics.

4. INFORMING LAND-USE POLICY:

Provides scientific baselines for state planning boards to restrict unsustainable dam construction, mining, and invasive plantations.

CONCLUSION

Scaling ecosystem assessments nationally will fulfill India's commitments under the Kunming-Montreal Global Biodiversity Framework.

KEY TERMS

IUCN Red List of Ecosystems

Riparian Forests

Myristica Swamps

Shola Mosaics

Biological Diversity Act

ACTS & ARTICLES

Biological Diversity Act, 2002

Article 48A

Supreme Court Directs Mandatory Travel Insurance for Offline Railway Tickets

WHY IN NEWS

On 14 October 2026, the Supreme Court ordered Indian Railways to mandate travel insurance coverage on counter-sold offline tickets effective from 27 October 2026.

Story so far:

- **13 October 2026** Supreme Court Guidance on Firecracker Restrictions and Public Health Balance
- **29 September 2026** Supreme Court Order on Transitional Exemption under Three-Language Policy



STORY 1 **The Hindu**

Supreme Court Mandates Travel Insurance for Offline Railway Ticket Buyers

The Supreme Court issued a binding directive requiring Indian Railways to extend travel insurance benefits, currently exclusive to online purchasers, to counter ticket buyers.

A Supreme Court Bench comprising Justices Ahsanuddin Amanullah and R. Mahadevan in New Delhi set an implementation deadline of October 27, 2026, across all railway stations.

The order bridges inequality in insurance coverage, ensuring millions of counter ticket passengers pay a nominal fee to receive insurance protections matching online bookings.

The Bench cautioned that any failure to establish counter-based insurance mechanisms would place direct liability squarely on the Railway Board for uncompensated travel mishaps.

Article 14 of the Indian Constitution guarantees equality before the law and equal protection of the laws, barring arbitrary discrimination in government benefit delivery systems.

UPSC RELEVANCE

Examines constitutional equality under Article 14, judicial intervention for consumer protection, and equitable public service delivery under GS-2.

PRELIMS FACTS

- The Supreme Court mandated travel insurance on offline counter tickets nationwide starting October 27, 2026.
- The order eliminates the disparity where travel insurance was exclusively available to online ticket buyers.
- The ruling places direct personal liability on the Railway Board in case of non-implementation.

MAINS FRAMEWORK

Intro: The Supreme Court's mandate requiring insurance on counter-sold railway tickets enforces constitutional equity by extending financial protection to low-income rail passengers.

DIMENSIONS

- **Constitutional Equity (Article 14):** Removes digital discrimination by providing counter buyers identical coverage to online ticket holders.
- **Social Safety Net:** Extends affordable financial security to passengers belonging to socio-economically marginalized strata.
- **Administrative Accountability:** Enforces strict institutional accountability by fixing direct liability on the Railway Board for non-compliance.

Way forward: Automate counter ticketing software to integrate insurance opting seamlessly, alongside mass public awareness campaigns.

KEY DEFINITIONS

- **Equal Protection of the Laws:** A constitutional principle under Article 14 requiring equal treatment of persons in similar circumstances without arbitrary distinction.
- **Public Interest Litigation (PIL):** Judicial proceedings initiated in courts for the protection of public interest and enforcement of constitutional rights of disadvantaged groups.

PYQ LINK

Discuss the scope of Article 14 of the Constitution in checking arbitrary state action and ensuring socio-economic justice.

MAINS PRACTICE QUESTION

Examine how the Supreme Court's directive on mandatory offline railway insurance upholds the principle of equal protection of laws under Article 14. (150 words)

ANSWER OUTLINE

INTRODUCTION

The Supreme Court's order requiring travel insurance for counter tickets addresses systemic inequality between digital and non-digital public transport users.

BODY

1. ELIMINATING DIGITAL DISCRIMINATION:

Bridges an arbitrary gap where insurance benefits were restricted to online ticket buyers, leaving counter passengers unprotected.

2. UPHOLDING ARTICLE 14:

Enforces equal protection of laws by ensuring passengers in similar travel conditions receive equal welfare safety nets regardless of ticket purchasing channel.

3. PROTECTING MARGINALIZED PASSENGERS:

Secures low-income citizens who predominantly purchase counter tickets, providing financial compensation during railway accidents.

4. FIXING EXECUTIVE ACCOUNTABILITY:

Directs personal legal liability onto the Railway Board to prevent administrative delays in executing public safety welfare mandates.

CONCLUSION

This judgment reinforces judicial enforcement of inclusive social welfare and equitable access to state-managed public utilities.

KEY TERMS

Article 14

Equal Protection of Laws

Railway Board

Passenger Safety

Public Welfare

ACTS & ARTICLES

Article 14

Railways Act, 1989

05

GS-3 · INFRASTRUCTURE & ENERGY

Government Approves Integrated Transport and Logistics Authority

WHY IN NEWS

The Central Government approved the creation of the Integrated Transport and Logistics Authority (ITLA) on 6 October 2026 to streamline multi-modal infrastructure planning.

Story so far:

- **14 October 2026** Cabinet Approves Integrated Transport and Logistics Authority

STORY 1 **PIB**

Union Cabinet Approves Integrated Transport and Logistics Authority

The Central Government approved setting up the Integrated Transport and Logistics Authority to serve as a specialised institutional framework for integrated transport planning and research.

Operating at the national level, ITLA will conduct long-term research, project appraisals, data analytics, and post-implementation impact evaluations across multi-modal transport networks.

ITLA is tasked with formulating a comprehensive National Transport Master Plan to guide long-term infrastructure investment decisions and reduce overall national logistics costs.

The authority will complement existing national infrastructure platforms, specifically integrating with the PM GatiShakti National Master Plan and the framework of the National Logistics Policy.

Multi-modal transport integration seeks to reduce logistics costs to below 8-9% of GDP, enhancing export competitiveness and supporting the broader PM GatiShakti infrastructure initiative.

UPSC RELEVANCE

Covers infrastructure planning, logistics efficiency, PM GatiShakti alignment, and institutional reforms under GS-3.

PRELIMS FACTS

- The Integrated Transport and Logistics Authority (ITLA) was approved on 6 October 2026 as a national apex body for transport planning.
- ITLA will prepare the comprehensive National Transport Master Plan.
- ITLA works in synergy with the PM GatiShakti National Master Plan and the National Logistics Policy.

MAINS FRAMEWORK

Intro: The establishment of ITLA creates a dedicated institutional apex body to institutionalize multi-modal transport planning and lower India's national logistics overheads.

DIMENSIONS

- **Institutional Integration:** Overcomes departmental silos by offering unified research, appraisal, and monitoring across road, rail, air, and port projects.
- **Data-Driven Infrastructure Planning:** Formulates a National Transport Master Plan using advanced spatial and supply chain analytics.
- **Economic Competitiveness:** Supports the National Logistics Policy objective of reducing logistics costs to single-digit GDP percentages.

Way forward: Ensure smooth Centre-State coordination in land acquisition and inter-ministerial data sharing through digital platforms.

KEY DEFINITIONS

- **National Transport Master Plan:** A long-term strategic blueprint designed to integrate roads, railways, ports, and airways into a unified logistics network.
- **Multi-Modal Logistics:** The transportation of goods under a single contract using at least two different modes of transport to optimize speed and cost.

MAINS PRACTICE QUESTION

Analyse the significance of the Integrated Transport and Logistics Authority (ITLA) in reforming India's multi-modal infrastructure landscape. (150 words)

ANSWER OUTLINE

INTRODUCTION

The creation of ITLA as a national apex body marks a transition toward unified, research-based logistics and transport governance in India.

BODY

1. ELIMINATING INTER-MODAL SILOS:

Functions as an overarching body to coordinate project appraisals and planning across disjointed transport ministries.

2. FORMULATING LONG-TERM MASTER PLANS:

Tasked with preparing the National Transport Master Plan to align long-term infrastructure investment with economic needs.

3. SYNERGY WITH NATIONAL INITIATIVES:

Complements the PM GatiShakti platform and National Logistics Policy to streamline freight corridors and hub networks.

4. ENHANCING EXPORT COMPETITIVENESS:

Rigorous data analytics and post-implementation reviews will reduce delays, driving logistics costs down toward single-digit GDP levels.

CONCLUSION

ITLA provides the institutional backbone necessary to achieve seamless multi-modal connectivity and build resilient national supply chains.

KEY TERMS

ITLA

National Transport Master Plan

PM GatiShakti

National Logistics Policy

Multi-Modal Connectivity

ACTS & ARTICLES

PM GatiShakti Framework

Centre Constitutes Panel to Study Sugarcane Farmers' Demands

WHY IN NEWS

On 13 October 2026, the Union Government constituted a four-member committee headed by Ramesh Chand to examine sugarcane pricing demands and sugar mill economics.



STORY 1 The Hindu

Centre Formulates Panel to Examine Sugarcane Prices and Mill Viability

The Union Food Ministry constituted a four-member panel to evaluate demands raised by sugarcane growers regarding higher remunerative prices and cultivation cost calculations.

Headed by former NITI Aayog member Ramesh Chand, the committee was formed in New Delhi following delegations from sugarcane farmers in Karnataka and Maharashtra.

The four-member panel will review cultivation costs, market realisations, and the ex-mill Minimum Selling Price (MSP) required to maintain financial viability for sugar mills.

The initiative addresses widespread farmer agitation and highway blockades, assessing Fair and Remunerative Price (FRP) revisions against rising agricultural input expenses and milling economics.

Fair and Remunerative Price (FRP) for sugarcane is fixed by the Central Government under the Sugarcane (Control) Order, 1966, based on CACP recommendations.

UPSC RELEVANCE

Examines agricultural economics under GS-3, including sugarcane pricing mechanics (FRP vs SAP), CACP cost metrics, and sugar sector viability.

PRELIMS FACTS

- A four-member panel headed by Ramesh Chand was set up by the Food Ministry on 13 October 2026.
- The panel evaluates both cultivation costs for farmers and ex-mill MSP for sugar mill viability.

MAINS FRAMEWORK

Intro: The constitution of the Ramesh Chand panel highlights the complex economic balance between ensuring fair returns for sugarcane farmers and maintaining financial solvency for sugar mills.

DIMENSIONS

- **Farmer Economics:** Evaluates rising cultivation costs (A2+FL and C2 metrics) against FRP realisations to address rural distress.
- **Mill Financial Health:** Balances FRP hikes with revisions to the ex-mill Minimum Selling Price (MSP) of sugar to prevent mill arrears.
- **Policy Reform:** Addresses structural issues in the sugar sector including ethanol blending diversion, water-use efficiency, and price stabilization.

Way forward: Transition toward revenue-sharing pricing models recommended by the Rangarajan Committee while promoting sustainable crop diversification.

KEY DEFINITIONS

- **Fair and Remunerative Price (FRP):** The statutory minimum price that sugar mills must pay to sugarcane farmers, fixed annually by the Central Government.
- **Minimum Selling Price (MSP) of Sugar:** The floor price fixed by the government below which sugar mills cannot sell white sugar in the domestic market.

PYQ LINK

Critically analyze the mechanism of fixing Fair and Remunerative Price (FRP) for sugarcane in India and its impact on sugar industry.

MAINS PRACTICE QUESTION

Examine the economic challenges surrounding sugarcane pricing in India. How can policy reforms balance farmer remunerations with sugar mill viability? (150 words)

ANSWER OUTLINE

INTRODUCTION

Sugarcane pricing involves balancing fair returns for farmers under the FRP framework with the operational financial health of sugar processing mills.

BODY

1. RISING CULTIVATION EXPENSES:

Farmers face expanding costs for labor, fertilizers, and irrigation, driving demands for higher FRP realisations.

2. FINANCIAL STRAIN ON SUGAR MILLS:

Fixed ex-mill Minimum Selling Prices (MSP) combined with rising mandatory FRP payments create liquidity crunches and delayed farmer payouts.

3. DISTORTIONS FROM STATE ADVISED PRICES (SAP):

Arbitrary state-level price markups above central FRP worsen mill losses in major producing states like Uttar Pradesh.

4. ROLE OF THE RAMESH CHAND PANEL:

Tasked with reviewing cost metrics, market realisations, and MSP adjustments to formulate balanced pricing recommendations.

CONCLUSION

Implementing the Rangarajan Committee's revenue-sharing formula and expanding ethanol blending will ensure long-term stability for sugarcane stakeholders.

KEY TERMS

Fair and Remunerative Price

Minimum Selling Price of Sugar

CACP

Sugarcane (Control) Order 1966

Ramesh Chand Committee

ACTS & ARTICLES

Sugarcane (Control) Order, 1966

Essential Commodities Act, 1955

07

GS-3 • ECONOMY

IMF Upgrades India's FY27 Growth Forecast to 7%

WHY IN NEWS

In its October 2026 World Economic Outlook update, the International Monetary Fund upgraded India's FY27 real GDP growth projection to 7.0%.

Story so far:

- **14 October 2026** IMF Upgrades India's FY27 GDP Growth Forecast to 7%



IMF Raises India's FY27 Economic Growth Projection to 7 Percent

The International Monetary Fund revised India's FY27 GDP growth forecast upwards to 7%, citing resilient domestic demand, expanding markets, and robust service sector activity.

Released in Washington, the IMF's latest World Economic Outlook also upgraded India's FY28 growth estimate by 30 basis points to 7.0%.

The IMF projects consumer price index inflation for India to average 5.0% in FY27 before easing to 4.4% in FY28, slightly below RBI's 5.2% estimate.

Favourable demographics, structural economic reforms, and expanding domestic consumption continue to position India among the fastest-growing major global economies despite external headwinds.

The World Economic Outlook is a bi-annual report published by the International Monetary Fund analyzing global economic developments, growth projections, and financial stability risks.

Rupee Slippage Temporarily Impacts India's Nominal Dollar GDP Ranking

Despite real GDP growth upgrades, rupee depreciation against the US dollar temporarily reduced India's nominal dollar GDP, shifting its global ranking to sixth behind the UK.

Analysis of IMF database updates shows that currency fluctuations triggered by West Asia conflicts weighed on nominal GDP projections calculated in dollar terms.

India demonstrated a 7.8% GDP expansion in the first quarter of the fiscal year, with the IMF projecting average growth of 10.7% between FY28 and FY32.

Regaining higher global GDP rankings requires maintaining nominal annual growth above 10% in current dollar terms, offsetting currency pressures and external trade shocks.

Nominal GDP measures economic output using current market prices without adjusting for inflation, whereas Real GDP adjusts for price changes to reflect constant volume growth.

UPSC RELEVANCE

Covers macroeconomic growth drivers, Real vs Nominal GDP dynamics, currency depreciation, and IMF forecasting models under GS-3.

PRELIMS FACTS

- The IMF upgraded India's FY27 GDP growth forecast by 60 basis points to 7.0%.
- India's real GDP grew by 7.8% in the first quarter of FY27.
- Rupee depreciation against the US dollar temporarily shifted India's nominal dollar GDP ranking to sixth globally behind the UK.

MAINS FRAMEWORK

Intro: The IMF's growth upgrade to 7% highlights India's strong domestic consumption resilience, even as exchange rate volatility impacts its nominal dollar-denominated global ranking.

DIMENSIONS

- **Real Growth Resilience:** Driven by 7.8% Q1 expansion, robust service exports, and expanding domestic demographic demand.
- **Nominal Dollar Divergence:** Rupee depreciation caused by global geopolitical conflicts temporarily lowered nominal dollar GDP estimates.
- **Inflation Dynamics:** IMF projects CPI inflation at 5.0% for FY27, easing to 4.4% in FY28, providing macroeconomic stability.

Way forward: Sustain high real growth through structural manufacturing reforms, export diversification, and managing currency volatility.

KEY DEFINITIONS

- **Real GDP:** An inflation-adjusted measure reflecting the total value of all goods and services produced by an economy in a given year.
- **Nominal GDP:** The market value of goods and services produced in a country, evaluated at unadjusted current market prices.

MAINS PRACTICE QUESTION

Differentiate between Real GDP and Nominal GDP growth. In light of the recent IMF projections, analyze the reasons behind the divergence between India's real economic growth and its nominal dollar GDP ranking. (250 words)

ANSWER OUTLINE

INTRODUCTION

Real GDP measures physical volume of output adjusted for inflation, whereas Nominal GDP evaluates total economic output at unadjusted current market prices.

BODY

1. UPGRADED REAL GDP TRAJECTORY:

The IMF upgraded India's FY27 growth to 7.0% (supported by 7.8% Q1 growth), driven by strong internal consumption, service exports, and capital formation.

2. MECHANICS OF REAL VS NOMINAL DIVERGENCE:

While Real GDP reflects internal production volume growth, Nominal GDP measured in US dollars is heavily influenced by domestic inflation rates and exchange rate movements.

3. **IMPACT OF RUPEE DEPRECIATION:**

Global geopolitical shocks in West Asia drove capital outflows and dollar strengthening, leading to rupee depreciation that eroded India's GDP when converted into current dollars.

4. **TEMPORARY GLOBAL RANKING SHIFT:**

Currency depreciation pushed India's nominal dollar GDP to sixth position globally behind the UK, despite domestic real growth outperforming most major economies.

5. **LONG-TERM GROWTH PROSPECTS:**

The IMF projects average medium-term nominal growth of 10.7% between FY28 and FY32, which will assist in restoring higher dollar-denominated rankings.

CONCLUSION

Strengthening domestic manufacturing competitiveness and maintaining export growth will help buffer currency shocks and consolidate India's global economic standing.

KEY TERMS

Real GDP

Nominal GDP

World Economic Outlook

Rupee Depreciation

Demographic Dividend

ACTS & ARTICLES

IMF Articles of Agreement



EDITORIAL OF THE DAY

India's China+1 lessons lie within its own States — The Hindu: India's China+1 lessons lie within its own States

The authors argue that global supply chain diversification under China+1 strategies targets specific sub-national states with robust industrial ecosystems rather than India as a monolithic entity. State-level governance, infrastructure, and localized supplier networks determine manufacturing competitiveness.

KEY ARGUMENTS

- Global manufacturing giants like Foxconn and Tata Electronics choose specific state industrial ecosystems such as Sriperumbudur in Tamil Nadu and Hosur in Karnataka rather than 'India' as a monolithic entity.
- Key investment factors including speedy land allotment, power supply reliability, single-window clearances, and supplier density are governed directly at the state level.
- Sub-national policy competition between Indian states offers more relevant lessons for industrial scale-up than studying external models like Vietnam or Mexico.

THE OTHER SIDE

- National-level trade agreements, tariffs, customs regulations, and central Production Linked Incentive (PLI) schemes remain vital entry conditions for foreign investors.
- Persistent inter-state disparities in infrastructure and fiscal capacity prevent inland or lesser-developed states from capturing global supply chain relocations equally.

Way forward: India must deepen cooperative and competitive federalism by empowering states to create plug-and-play industrial parks and streamlined regulatory environments.

Use it in: GS-3: Industrial policy, manufacturing, and investment models; Essay: Federalism and economic development.

Mains practice question: To fully capitalise on global 'China+1' supply chain shifts, India must focus on sub-national state capacity rather than relying solely on central policies. Discuss. (250 words)

PRELIMS IN FOCUS

SPECIES Jeypore Ground Gecko

- Endangered nocturnal gecko endemic to Eastern Ghats in Odisha and Andhra Pradesh.
- Presumed extinct for 130 years until its rediscovery in 2010 in Koraput district.

PLACE Nimmu-Padum-Darcha Road

- A 298-km strategic road constructed by BRO in Ladakh through Zaskar Valley.
- Connects Nimmu in Leh with Darcha in Himachal Pradesh, providing all-weather mobility.

ORGANISATION Maritime State Development Council (MSDC)

- Apex body for integrated maritime growth and coordinated port policy formulation.
- Notified as a statutory consultative body under Indian Ports Act, 2025 in May 2026.

TECHNOLOGY GSAT-7C Satellite

- Communication satellite approved by DAC for the Indian Air Force.
- Provides real-time beyond-line-of-sight connectivity for Software Defined Radios.

TERM Bankers' Books Evidence Act, 2026

- Legislation coming into force on October 1, 2026, replacing 1891 Act.
- Provides technology-neutral framework for digital and electronic banking records.

ORGANISATION National Culture Fund (NCF)

- Trust under Ministry of Culture enabling public-private partnerships in heritage.
- Signed MoA with HAL and ASI for conserving Hampi, Taj Mahal, and Bekal Fort.



Practice MCQs (UPSC Prelims)

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

SOCIAL ISSUES

Cabinet Approves Extension and Renaming of National Social Assistance Programme

Union Cabinet Restructures Disability Pensions under Pradhan Mantri Samajik Sahayata Yojana

Q1. Consider the following statements regarding the recently approved Pradhan Mantri Samajik Sahayata Yojana (formerly NSAP): 1. The Union Cabinet approved its continuation for five years from 2026-27 to 2030-31 with an outlay of ₹53,428 crore. 2. The benchmark disability threshold under the Divyangjan pension scheme has been lowered from 80% to 40%. 3. The minimum age criterion for disability pension has been fixed at 18 years. 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

Wholesale Price Index Inflation Surges to Series High of 11.39% in September 2026

Fuel and Minerals Drive Wholesale Inflation to 11.39% in September

Q2. With reference to the Wholesale Price Index (WPI) data for September 2026, consider the following statements: 1. Headline WPI inflation rose to 11.39% driven by gains in food, fuel, and manufactured goods. 2. Crude petroleum and natural gas inflation reached 57.32% in September 2026. 3. The base year for the new WPI series is 2011-12. 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

ENVIRONMENT

Kerala Launches India's First Ecosystem Red List Assessment

Kerala Initiates India's First Red List Assessment for Threatened Ecosystems

Q3. Consider the following statements regarding India's first Ecosystem Red List assessment project launched by Kerala: 1. It uses IUCN criteria to evaluate ecosystem threat levels and structural collapse risks. 2. Tropical riparian evergreen forests in the southern Western Ghats were found to have suffered an 83% loss over the past century. 3. The initiative is executed under

the statutory provisions of the Environment (Protection) Act, 1986 by CPCB. Which of the statements given above is/are correct?

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

POLITY & GOVERNANCE

Supreme Court Directs Mandatory Travel Insurance for Offline Railway Tickets

Supreme Court Mandates Travel Insurance for Offline Railway Ticket Buyers

Q4. Consider the following statements regarding the Supreme Court directive on railway travel insurance: 1. The Supreme Court mandated travel insurance on offline railway tickets sold across station counters starting October 27, 2026. 2. Prior to this directive, travel insurance was provided across counters while online buyers had no access to insurance. 3. Non-compliance with the directive places direct legal liability on the Railway Board. Which of the statements given above are correct?

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

INFRASTRUCTURE & ENERGY

Government Approves Integrated Transport and Logistics Authority

Union Cabinet Approves Integrated Transport and Logistics Authority

Q5. Which of the following statements best describes the primary objective of the Integrated Transport and Logistics Authority (ITLA) approved by the Union Cabinet?

- A. It is a regulatory body to fix daily freight tariffs across national highways.
- B. It is an apex institution for research, planning, project appraisal, and formulating a National Transport Master Plan.
- C. It is a financial institution created to fund rural connectivity projects under PMGSY.
- D. It is a dedicated security force for anti-poaching operations in coastal maritime zones.

AGRICULTURE

Centre Constitutes Panel to Study Sugarcane Farmers' Demands

Centre Formulates Panel to Examine Sugarcane Prices and Mill Viability

Q6. Who heads the four-member panel constituted by the Union Food Ministry in October 2026 to examine sugarcane prices and sugar mill viability?

- A. Shivraj Singh Chouhan
- B. Ramesh Chand
- C. Pralhad Joshi
- D. Sarbananda Sonowal

ECONOMY

IMF Upgrades India's FY27 Growth Forecast to 7%

Q7. With reference to the IMF's October 2026 World Economic Outlook projections, consider the following statements: 1. India's GDP growth forecast for FY27 was raised to 7.0%. 2. India's Q1 FY27 real GDP growth stood at 7.8%. 3. India's global nominal GDP ranking temporarily shifted to fourth place due to rupee appreciation. Which of the statements given above is/are correct?

A. 1 and 2 only

B. 2 and 3 only

C. 1 and 3 only

D. 1, 2 and 3



Answer Key — Practice MCQs

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

Q1: A

Q2: B

Q3: A

Q4: B

Q5: B

Q6: B

Q7: A

Q1 Option A · 1 and 2 only

Statements 1 and 2 are correct. Statement 3 is incorrect because the minimum age criterion for receiving the disability pension under the scheme will now be since birth.

Q2 Option B · 1 and 2 only

Statements 1 and 2 are correct. Statement 3 is incorrect because the new WPI series uses 2022-23 as its base year (the 2011-12 base year belongs to the older series).

Q3 Option A · 1 and 2 only

Statements 1 and 2 are correct. Statement 3 is incorrect because the project was launched by the Kerala State Biodiversity Board (KSBB) under its biodiversity conservation mandate.

Q4 Option B · 1 and 3 only

Statements 1 and 3 are correct. Statement 2 is incorrect because prior to this order, only online ticket purchasers were provided insurance coverage upon paying a nominal fee.

Q5

Option B · It is an apex institution for research, planning, project appraisal, and formulating a National Transport Master Plan.

ITLA has been established as a specialized apex body for integrated transport and logistics research, project appraisal, monitoring, and preparing the National Transport Master Plan.

Q6 Option B · Ramesh Chand

The Union Food Ministry constituted a four-member committee headed by former NITI Aayog member Ramesh Chand to examine sugarcane pricing demands and sugar mill economics.

Q7 Option A · 1 and 2 only

Statements 1 and 2 are correct. Statement 3 is incorrect because rupee depreciation against the US dollar temporarily shifted India's nominal dollar GDP ranking to sixth behind the UK.

