

THE IAS AKADEMIA

ANTIM ASSURED 100+

PART I · HEADLINES TO ECONOMY

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“The Topper's Last Read. Every Morning.”

INSIDE PART I

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Today's Headlines

12 flashes · scan in 90 seconds

- Supreme Court declines to suspend CEC Gyanesh Kumar but seeks the Election Commission's formal response on whether the CEC can act unilaterally for the three-member Commission. **GS2**
- A Supreme Court Bench's split opinion sends the constitutional validity of the Election Commissioners Act, 2023 to the Chief Justice for a larger-Bench reference. **GS2**
- Over 18,000 Special Intensive Revision (SIR) appeals remain undecided in West Bengal as Nandigram and Rejinagar go to the polls in today's Assembly bypolls. **GS2**
- IMD's monsoon-withdrawal line clears Punjab, Haryana, most of Rajasthan, Gujarat and UP, opening the Rabi sowing window across north India. **GS1**
- Finance Minister Nirmala Sitharaman says India-US trade talks have hit a "plateau," with further concessions on either side now "very, very difficult." **GS2**
- US INDOPACOM Commander Admiral Samuel Paparo meets India's CDS, three Service Vice-Chiefs and EAM Jaishankar to advance the India-US Major Defence Partnership. **GS2**
- India's indigenous Akash air-defence missile system enters Central Asia, with Tajikistan and Turkmenistan confirmed as its second and third export customers. **GS3**
- Defence Minister Rajnath Singh tells the Navy Commanders' Conference that 18 warships will be commissioned in 2026 — the Navy's largest-ever single-year induction. **GS3**
- ISRO formally denies privatisation after employee unions flag concerns, laying out a redrawn ISRO–IN-SPACE–NSIL division of roles in the space economy. **GS3**
- Union Minister Jitendra Singh announces India has crossed 1,000 km of quantum-secure communication links, surpassing half of the National Quantum Mission's 8-year target in under 3 years. **GS3**

- 11 RBI's September Bulletin flags the banking system's credit-deposit ratio crossing 80%, reviving debate on whether the metric still signals genuine funding risk. **GS3**

- 12 CGA data shows the Centre's fiscal deficit at 41.9% of the full-year Budget Estimate in just five months — a faster pace than the same period last year. **GS3**

THEIAS AKADEMIA Three interlocking Supreme Court matters on the Election Commission's own functioning, landing on the same day as live West Bengal bypolls — exactly the kind of multi-threaded institutional story the **Sahyog Mentorship** programme exists to help you triage and connect, rather than read as three disconnected headlines. Explore it at theiasakademia.com.

POLITY & GOVERNANCE

2

Polity & Governance

3 cards · capped per editorial policy

GS2

Election Commission — Art. 324, Composition & Functioning

5 October 2026 (hearing) · Source: Supreme Court of India

“Primus Inter Pares” on Trial: Can India's CEC Act Alone for the Commission?

Why in News: On 5 October 2026, a Supreme Court Bench of Chief Justice Surya Kant, Justice Joymalya Bagchi and Justice V. Mohana heard *Shailendra Mani Tripathi v. Union of India*, a PIL asking whether the Chief Election Commissioner (CEC) can take decisions “in the name of” the Election Commission without the concurrence of the two Election Commissioners. The Court declined to suspend CEC Gyanesh Kumar but issued notice seeking the ECI's formal response. The petition follows an Indian Express report of at least 14 written objections filed by Election Commissioners Sukhbir Singh Sandhu and Vivek Joshi to CEC-level decisions, including a July 2026 change to Form 6 (the voter-registration form) made without formally amending the Registration of Electors Rules, 1960.

Background: The Election Commission is a constitutionally multi-member body under Article 324, operating since 1993 on a one-CEC-plus-two-ECs structure built precisely to prevent single-person control after the T.N. Seshan era, when the Supreme Court in *T.N. Seshan v. Union of India* (1995) held that the CEC cannot override the other Commissioners merely by being first in rank — he is “primus inter pares,” first among equals, not a super-authority. The current dispute lands at a uniquely sensitive moment: it follows directly on the pan-India Special Intensive Revision (SIR) of electoral rolls, which has generated mass voter exclusions and a vast appeals backlog (see Card

3), so how the ECI internally takes decisions is no longer an abstract administrative-law question but one with direct electoral consequences.

⚡ KEY FACTS

- Case: *Shailendra Mani Tripathi v. Union of India*; admitted for expedited hearing on 29 September 2026, heard again on 5 October 2026.
- Bench: CJI Surya Kant, Justice Joymalya Bagchi, Justice V. Mohana.
- At least 14 documented written objections by EC Sukhbir Singh Sandhu and EC Vivek Joshi to CEC-level unilateral decisions (per Indian Express reporting).
- Trigger fact: Form 6, the statutory voter-registration form under the Registration of Electors Rules, 1960, was modified in July 2026 without a formal Rules amendment.
- Constitutional provisions invoked by the petitioner: Articles 14, 19(1)(a), 21, 324 and 326.
- Court declined interim relief (no CEC suspension) but kept the plea alive — ECI's formal response is awaited.
- Doctrinal anchor: the 1995 *T.N. Seshan* ruling describing the CEC as “primus inter pares,” not an independent unilateral authority.
- No statutory mechanism currently exists to resolve a CEC–EC disagreement short of litigation.

🎯 MAINS DIMENSIONS / ANALYSIS

- Significance: tests whether India's “single-but-collective” Election Commission can function when Commissioners publicly disagree — a live separation-of-powers-within-an-institution question.
- Risk if the CEC prevails unchecked: the 1993 multi-member reform, designed precisely to check one-person control after Seshan, would be hollowed out in practice even while intact on paper.
- Implementation gap: the Registration of Electors Rules, 1960 and ECI's own business-allocation practice do not define a formal voting or dissent-recording procedure for the three-member body.
- Comparative angle: most Election Management Bodies with multi-member design (e.g., the US Federal Election Commission) build in explicit majority-voting rules — India's EC has none, exposing a design gap this case may force Parliament or ECI to fix.
- Way forward: ECI's internal Rules/Transaction-of-Business Regulations could be made public and justiciable, on the model of the Cabinet's own Transaction of Business Rules, so collective decision-making is verifiable rather than assumed.

🧠 LET'S REMEMBER THIS THROUGH A TRICK

Remember the doctrine with the phrase “First Among Equals, Not First Alone” — CEC = **primus** (first in protocol) **inter pares** (among equals in power). Seshan (1995) coined it; Tripathi (2026) is testing whether it still holds.

📄 PYQ LINKAGE

Thematically linked to recurring UPSC Mains GS2 questions on the Election Commission's institutional autonomy and the composition/functioning of constitutional bodies under Article 324 — verify exact year before using a specific citation.

🎯 PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. Consider the following statements regarding the Election Commission of India:

1. The Election Commission has been a multi-member body (one Chief Election Commissioner and two Election Commissioners) continuously since the Constitution came into force in 1950.
2. In *T.N. Seshan v. Union of India* (1995), the Supreme Court held that the Chief Election Commissioner is “primus inter pares” and cannot override the other Election Commissioners by virtue of his office alone.
3. The Registration of Electors Rules, 1960 prescribe a specific voting procedure to resolve disagreements between the CEC and the other Election Commissioners.

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

Answer: a. Statement 1 is false — the Commission functioned as a single-member body until October 1989 and became consistently multi-member only from 1993. Statement 3 is false — no such voting procedure is prescribed, which is precisely the gap the pending case exposes.

Article 324

T.N. Seshan 1995

Election Commission

SIR

GS2

GS2

Appointment to Constitutional Posts — Basic Structure

23 September 2026 (referral) · Source: Supreme Court of India

Is the Election Commissioners Act, 2023 Unconstitutional? Supreme Court Refers It to a Larger Bench

Why in News: On 23 September 2026, Justices Dipankar Datta and S.C. Sharma delivered a split opinion in *Jaya Thakur v. Union of India* on whether to refer to a larger Bench the constitutional validity of the Chief Election Commissioner and Other Election Commissioners (Appointment, Conditions of Office and Term of Office) Act, 2023. Despite disagreeing on reasoning, both judges agreed the matter must go to the Chief Justice of India for constitution of an appropriately sized Bench — effectively escalating a case whose outcome could also touch the legitimacy of decisions the ECI has taken under the 2023 Act, including the ongoing SIR (Card 3).

Background: In March 2023, a five-judge Constitution Bench in *Anoop Baranwal v. Union of India* held the pre-existing practice — the President appointing Election Commissioners solely on the Prime Minister's advice — unconstitutional for threatening institutional independence, and, in the absence of a Parliamentary law, directed an interim selection panel of the Prime Minister, the Leader of the Opposition and the Chief Justice of India. Parliament then enacted the CEC and Other ECs Act, 2023 (assented 29 December 2023), which replaced the CJI in that panel with a Union Cabinet Minister nominated by the Prime Minister — leaving a 2:1 executive-majority panel

of PM, LoP and one Minister. Petitioners argue this uses an ordinary law to nullify a safeguard the Supreme Court itself devised.

⚡ KEY FACTS

- Case: *Jaya Thakur v. Union of India*, W.P.(C) No. 14/2024.
- *Anoop Baranwal* judgment: 5-judge Constitution Bench, March 2023.
- Anoop Baranwal's interim mechanism: selection panel of PM + Leader of Opposition + Chief Justice of India, pending a Parliamentary law.
- CEC and Other ECs Act, 2023's selection committee: PM + LoP + one Union Cabinet Minister nominated by the PM — CJI removed from the panel.
- Presidential assent to the 2023 Act: 29 December 2023.
- 23 September 2026: Justices Dipankar Datta and S.C. Sharma split on reasoning but unanimously referred the matter to the CJI for a Constitution Bench.
- Core legal question: can Parliament, by ordinary legislation, replace the composition of a committee the Court itself devised as an interim constitutional safeguard?
- Practical stakes: a future adverse ruling could cast doubt on the legitimacy of appointments (and decisions, including SIR) made by an ECI constituted under the 2023 Act.

🎯 MAINS DIMENSIONS / ANALYSIS

- Significance: a genuine test of the “legislative overruling” doctrine — can Parliament cure the vice the Court identified (executive capture of appointments) while still leaving the executive in a 2:1 majority?
- Criticism: civil-society petitioners argue removing the CJI defeats the entire purpose of Anoop Baranwal, which was to dilute pure executive control over appointments to a watchdog body.
- Government's counter-argument: Parliament has plenary power under Article 324(2) to legislate on ECI appointments, and Anoop Baranwal's interim direction was explicitly stated to operate only “until Parliament makes a law.”
- Comparative/federal angle: contrast with the CVC and CAG appointment panels (which also include the PM, a Minister and the LoP) to test whether India's “fourth branch” institutions are appointed with consistent independence safeguards.
- Way forward: a Constitution Bench verdict here will likely settle, for a generation, how far Parliament can go in redesigning a Court-ordered interim safeguard through ordinary legislation.

🧠 LET'S REMEMBER THIS THROUGH A TRICK

Chain it as **B-A-J**: Baranwal (2023) creates PM+LoP+CJI panel → Act of 2023 swaps CJI for a Minister → Jaya Thakur (2026) asks if that swap is constitutional. Three letters, three years of the same story.

📄 PYQ LINKAGE

Thematically linked to UPSC Mains GS2 questions (recurring theme, c. 2015–2018) on the Election Commission's autonomy from the Union Government in ensuring free and fair elections — verify

exact year before citing.

 PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. Consider the following statements:

1. The Supreme Court in *Anoop Baranwal v. Union of India* (2023) struck down the pre-existing method of appointing Election Commissioners as unconstitutional.
2. The interim mechanism devised in *Anoop Baranwal* included the Chief Justice of India as a member of the selection panel.
3. The Chief Election Commissioner and Other Election Commissioners Act, 2023 retains the Chief Justice of India in the final selection panel alongside the Prime Minister and the Leader of the Opposition.

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: a. Statement 3 is false — the 2023 Act replaced the CJI with a Union Cabinet Minister nominated by the Prime Minister, which is the very substitution now under constitutional challenge.

Anoop Baranwal 2023

Basic Structure

Election Commissioners Act 2023

Separation of Powers

GS2

GS2

Representation of the People Act & Electoral Reforms

28 September–6 October 2026 · Source: Supreme Court of India / The Print, Bar and Bench

SIR's Appeal Backlog Meets the Ballot Box: The Arithmetic of Disenfranchisement in Bengal

Why in News: On 28 September 2026, a Supreme Court Bench led by CJI Surya Kant declined to advance the hearing of *Adhir Ranjan Chowdhury v. Election Commission of India*, challenging the pace of appeal disposal under West Bengal's Special Intensive Revision (SIR) of electoral rolls, remarking “these are only by-elections, that's all,” despite submissions that over 18,000 appeals against exclusion from the rolls remained undecided. The case was instead listed for 5 October. Today, 6 October 2026, voters whose appeals are still pending go to the polls (or are shut out of them) in the Nandigram and Rejinagar Assembly bypolls.

Background: SIR is the Election Commission's intensive, door-to-door roll-verification mechanism under the Representation of the People Act, 1950 (Sections 21–25) and the Registration of Electors Rules, 1960, distinct from the routine annual Summary Revision. First rolled out in Bihar in 2025 ahead of that year's Assembly polls, it triggered large-scale litigation over documentary-proof burdens and slow appellate disposal; a “Phase 2” SIR was then extended to roughly a dozen States and Union Territories, including poll-bound West Bengal, ahead of 2026 elections. The Calcutta High Court has itself estimated that, at the disposal rate then prevailing, clearing West Bengal's appeal backlog alone would take an estimated 21 years.

 **KEY FACTS**

- Case: *Adhir Ranjan Chowdhury v. Election Commission of India*.
- 18,000+ voter appeals specifically flagged as pending ahead of the 6 October 2026 bypolls (as cited in the 28 September hearing).
- At an earlier hearing (11 August 2026), under 1% of West Bengal's then-pending roll-revision appeals (running into several lakh) had been decided by appellate tribunals — figures vary slightly by snapshot date across reports; treat each statistic with its own cited date rather than combining them.
- Calcutta High Court's own estimate: at the disposal rate then prevailing, the backlog would take roughly 21 years to clear.
- Bypoll constituencies going to the polls today: Nandigram and Rejinagar, West Bengal Legislative Assembly.
- Bench: CJI Surya Kant, Justice Joymalya Bagchi, Justice V. Mohana — the same Bench hearing the CEC-authority case (Card 1).
- Statutory basis for SIR: Representation of the People Act, 1950, Sections 21–25, and the Registration of Electors Rules, 1960.
- CJI's remark declining urgency: “These are only by-elections, that's all.”

MAINS DIMENSIONS / ANALYSIS

- Significance: raises whether a roll-revision exercise with a slow-moving appellate process can run in parallel with live elections without disenfranchising voters mid-cycle.
- Criticism: Opposition parties call the exclusions “SIR-driven” disenfranchisement; the appellate-tribunal design is quasi-judicial but has no statutory deadline for disposal, unlike time-bound election-petition timelines elsewhere in electoral law.
- Implementation challenge: Electoral Registration Officers and Appellate Tribunals lack the staffing to process lakhs of appeals within a single electoral cycle, especially for remote or rural appellants.
- Judicial-restraint debate: the Court's reasoning that “these are only by-elections” raises a genuine proportionality question — is the franchise in a bypoll a lesser right than in a general election?
- Federal/uniformity angle: SIR's staggered rollout (Bihar 2025 first, a dozen-State “Phase 2” later) raises questions about uniform electoral administration by a single, constitutionally unified Election Commission.

LET'S REMEMBER THIS THROUGH A TRICK

Picture a courtroom clock stuck at “21 years” while a ballot box closes today — that mismatch between appeal-disposal time and election time IS the entire story. Two numbers to remember: **18,000+** pending appeals, **21 years** at the old disposal rate.

PYQ LINKAGE

Thematically linked to UPSC Mains GS2 questions on the right to vote, electoral reforms and the Election Commission's conduct of free and fair elections — SIR itself is too recent a mechanism for

a verified past PYQ; pair with the broader electoral-reform theme rather than claiming an exact-year citation.

🔗 PROBABLE PRELIMS MCQ (STATEMENT-BASED)

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

1. SIR is conducted under the provisions of the Representation of the People Act, 1950 and the Registration of Electors Rules, 1960.
2. SIR was first implemented nationwide simultaneously across all States and Union Territories.
3. The Calcutta High Court has observed that, at the disposal rate then prevailing, clearing West Bengal's SIR-related appeal backlog would take an estimated two decades.

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

Answer: a. Statement 2 is false — SIR was first rolled out in Bihar in 2025 and extended to roughly a dozen States and UTs in a later “Phase 2,” not simultaneously nationwide.

SIR

Representation of the People Act 1950

Electoral Rolls

West Bengal Bypolls

GS2

GS1 · GEOGRAPHY & SOCIETY

3

GS1 · Geography & Society

1 card

GS1

Geophysical Phenomena — Indian Monsoon Mechanics

2 October 2026 (IMD press release), withdrawal ongoing · Source: India Meteorological Department

Tracking the Monsoon's Retreat — and the Rabi Season It Unlocks

Why in News: IMD's press release of 2 October 2026 placed the Southwest Monsoon's withdrawal line through Gurdaspur, Chandigarh, Muzaffarnagar, Aligarh, Dholpur, Udaipur, Deesa and Naliya, with favourable conditions forecast for further withdrawal from the remaining parts of Punjab, Haryana, Rajasthan, Uttar Pradesh, most of Gujarat and Madhya Pradesh, and all of Jammu & Kashmir, Himachal Pradesh and Uttarakhand. The withdrawal line continued advancing through the first week of October, a seasonal marker that directly opens the Rabi sowing calendar across north India.

Background: Monsoon withdrawal is the comparatively under-studied twin of monsoon onset: it begins when the northwest Indian low-pressure trough weakens and the subtropical ridge re-establishes itself, normally starting around 1 September from west Rajasthan (per IMD's revised 2020 normal dates) and completing across the rest of the country by mid-October, after which the

Northeast (retreating) Monsoon brings rainfall to Tamil Nadu and the southeast coast. IMD declares withdrawal from a region only after five consecutive dry days combined with anticyclonic circulation and a measurable drop in atmospheric moisture — a stricter, multi-criteria test than onset declaration, which is one reason withdrawal dates draw less classroom attention than onset dates despite carrying equal agronomic weight.

⚡ KEY FACTS

- Withdrawal line (2 October 2026) passed through Gurdaspur, Chandigarh, Muzaffarnagar, Aligarh, Dholpur, Udaipur, Deesa and Naliya.
- Regions cleared or forecast to clear imminently: most of Punjab, Haryana, Rajasthan, Uttar Pradesh, Gujarat, Madhya Pradesh, and all of J&K, Himachal Pradesh and Uttarakhand.
- IMD's withdrawal criteria: five consecutive dry days, anticyclonic circulation, and a measurable reduction in moisture — distinct from, and stricter than, onset criteria.
- Normal withdrawal-commencement date (post-2020 revision): around 1 September, from west Rajasthan.
- Normal complete-withdrawal-from-India date: around 15 October.
- Monsoon withdrawal is immediately followed by the Northeast (retreating) Monsoon, which brings the main rainy season to Tamil Nadu and the southeast coast.
- Timely withdrawal directly governs the sowing window for Rabi crops (wheat, mustard, gram) across the Indo-Gangetic plain.

🎯 MAINS DIMENSIONS / ANALYSIS

- Significance: withdrawal timing has a direct agro-economic linkage — a delayed or erratic withdrawal compresses the Rabi sowing window and can depress wheat and mustard output.
- Conceptual gap: withdrawal mechanics (subtropical-ridge re-establishment, pressure-gradient reversal) are a frequently under-revised GS1 topic compared to the more heavily tested onset mechanics (Tibetan Plateau heating, Mascarene High, Somali Jet).
- Disaster-management angle: delayed withdrawal has previously caused unseasonal crop damage at harvest-ready Kharif fields (as in parts of 2021 and 2023), linking this purely physical-geography theme to GS3 agriculture and disaster preparedness.
- Federal/administrative angle: State Agriculture Departments issue Rabi sowing advisories keyed to IMD's withdrawal bulletins, making this a working example of inter-agency coordination between a Union scientific body and State-level agricultural extension.
- Way forward: IMD's move toward sub-divisional, probabilistic withdrawal forecasting (rather than a single deterministic "line") could improve the lead-time States get for Rabi-sowing advisories.

🧠 LET'S REMEMBER THIS THROUGH A TRICK

Flip the onset mnemonic: onset moves **south-to-north** (Kerala first, around 1 June); withdrawal moves **north-to-south** and starts from **west Rajasthan**, around 1 September. Same system, opposite direction, opposite starting corner of the map.

PYQ LINKAGE

Thematically linked to UPSC Prelims' recurring questions on monsoon mechanisms (onset, withdrawal, break-monsoon conditions) — a well-established Geography theme; verify exact year before citing a specific past question.

PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. With reference to the withdrawal of the Southwest Monsoon from India, consider the following statements:

1. Withdrawal normally begins from the eastern coast of India before spreading westward.
2. IMD declares withdrawal from a region based on criteria including consecutive dry days and the onset of anticyclonic circulation.
3. The withdrawal of the Southwest Monsoon is immediately followed by the Northeast (retreating) Monsoon, which brings rainfall to Tamil Nadu.

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

Answer: a. Statement 1 is false — withdrawal normally begins from west Rajasthan in the northwest, not the eastern coast, and then retreats broadly southward and eastward.

Monsoon Withdrawal

IMD

Rabi Sowing

Geophysical Phenomena

GS1

INTERNATIONAL RELATIONS

4

International Relations

2 cards

GS2

India's Bilateral Relations — India-US; Trade Policy

6 October 2026 · Source: Finance Minister's statement, reported widely; Bloomberg

India-US Trade Talks Hit a “Plateau”: Reading the Seven Sticking Points

Why in News: Finance Minister Nirmala Sitharaman said on 6 October 2026 that negotiations on the India-US Bilateral Trade Agreement (BTA) have reached a “plateau,” beyond which further concessions on either side would be “very, very difficult.” This follows US Trade Representative Jamieson Greer separately signalling a deal is “not imminent,” even as India's Commerce Secretary Rajesh Agrawal had earlier called it “more or less” finalised — the gap between the two signals captures how close, yet stuck, the talks are.

Background: Under a February 2026 interim framework, the US had agreed in principle to cut tariffs on Indian goods toward roughly 18%, but subsequent US tariff-policy shifts — including

threats of tariffs as high as 100% tied to India's continued purchase of Russian crude oil — forced renegotiation through much of 2026. The talks sit within India's broader post-RCEP pattern of trade diplomacy: guarding sensitive domestic sectors (notably dairy, a recurring red line also seen in the RCEP exit and the India-EU FTA talks) while seeking market access for labour-intensive exports and IT services.

KEY FACTS

- Sitharaman's statement (6 October 2026): talks at a “plateau”; further movement “very, very difficult” for both sides, though talks are not dead.
- USTR Jamieson Greer: a deal is “not imminent” (as reported).
- India's Commerce Secretary Rajesh Agrawal had earlier called the deal “more or less” finalised — illustrating the gap between optimistic and cautious official signalling.
- 2025 US-India goods trade deficit (US perspective, as reported): approximately \$58.4 billion; roughly \$63 billion including services.
- 2025 figures (as reported): US exports to India ~\$45.4 billion; US imports from India ~\$103.8 billion.
- February 2026 interim framework: initial US commitment to cut tariffs on Indian goods toward roughly 18%.
- Key sticking points reported: tariffs/market access on autos, medical devices and agri-manufactures; dairy-sector protection; non-tariff barriers (standards, licensing); pharmaceutical regulatory approvals for generics; IT-services visas; and the overhang of fresh US tariff threats linked to India's Russian oil imports.

MAINS DIMENSIONS / ANALYSIS

- India's negotiating strategy balances domestic sensitivities (agriculture, dairy, MSME manufacturing) against market-access gains abroad — a textbook trade-policy trade-off.
- Dairy as a recurring red line: the same sector blocked India's entry into RCEP and remains a sticking point in the India-EU FTA, reflecting both the political weight of small dairy farmers and India's unique cooperative (Amul-model) dairy economy.
- Tariff diplomacy and economic coercion: US tariff threats tied to India's Russian oil purchases test India's strategic autonomy — a trade negotiation entangled with a geopolitical one.
- Institutional process: understanding the distinction between a full Free Trade Agreement and a narrower Bilateral Trade Agreement (BTA) track, and what a “Terms of Reference” signing versus a final signature actually commits each side to.
- Political economy: public statements of “near-finalisation” versus “plateau” often reflect each government's own domestic political signalling needs as much as the state of the actual text.

LET'S REMEMBER THIS THROUGH A TRICK

Remember the “seven sticking points” as **A-D-N-P-I-C-T**: Autos, Dairy, Non-tariff barriers, Pharma approvals, IT visas, Consumer-vs-domestic-industry trade-off, Tariff-threat overhang. Seven letters, seven blockers.

PYQ LINKAGE

UPSC Mains GS2, 2015: “What are the key areas of reform if the WTO has to survive in the present context of 'Trade War', especially keeping in mind the interest of India?” — directly relevant to the broader theme of tariff bargaining and trade-war dynamics affecting India (verify exact wording before quoting).

PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. Consider the following statements regarding the India-US Bilateral Trade Agreement (BTA) negotiations as of October 2026:

1. A February 2026 interim framework saw the United States agree in principle to cut tariffs on Indian goods to around 18%.
2. Dairy-sector market access is a sticking point in these negotiations, similar to its role in India's decision not to join the Regional Comprehensive Economic Partnership (RCEP).
3. As of October 2026, the Bilateral Trade Agreement has been formally signed by both countries.

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: a. Statement 3 is false — as of this edition, talks remain at a self-described “plateau,” with no agreement signed.

India-US BTA

Trade Policy

RCEP

Dairy Sector

GS2

GS2

India and the Indo-Pacific — Major Defence Partnership

4 October 2026 (key meeting), visit 2–7 Oct 2026 · Source: EAM's statement; wire coverage

US Indo-Pacific Commander's Six-Day Visit Advances the India-US “Major Defence Partnership”

Why in News: Admiral Samuel J. Paparo, Commander of US Indo-Pacific Command (INDOPACOM) — the US military's oldest and largest geographic combatant command — is on a six-day official visit to India (2–7 October 2026). On 4 October, he met India's Chief of Defence Staff General N.S. Raja Subramani, Army Chief General Dhiraj Seth, Vice Chief of Air Staff Air Marshal Ashutosh Dixit, Chief of Integrated Defence Staff Air Marshal Tejinder Singh, Defence Secretary Rajesh Kumar Singh, and External Affairs Minister S. Jaishankar, to advance the India-US “Major Defence Partnership.”

Background: India's “Major Defence Partner” designation dates to 2016 and underpins deepened defence-technology sharing, operationalised through a set of “foundational agreements” — LEMOA (logistics), COMCASA (secure communications) and BECA (geospatial data) — signed over 2016–2020. This visit's agenda (maritime security, emerging/dual-use technology, defence energy resilience, and regional strategic stability) extends that architecture into newer domains, even as

India continues to balance deepening US defence ties against its long-standing Russian defence relationship and continued Russian oil purchases, a friction point for Washington this year.

KEY FACTS

- Visitor: Admiral Samuel J. Paparo, Commander, US INDOPACOM; visit duration six days, 2–7 October 2026.
- Key meeting date: 4 October 2026, New Delhi.
- Indian officials met: CDS Gen. N.S. Raja Subramani; COAS Gen. Dhiraj Seth; VCAS Air Marshal Ashutosh Dixit; CISC Air Marshal Tejinder Singh; Defence Secretary Rajesh Kumar Singh; EAM S. Jaishankar.
- Framing concept: the “India-US Major Defence Partnership,” a designation India has held since 2016.
- Discussion themes: maritime cooperation in the Indo-Pacific, emerging/dual-use technology, regional strategic stability, defence energy resilience.
- INDOPACOM's scale (as reported): oversees roughly 400,000 military and civilian personnel across about half the globe.
- The visit proceeds on the “foundational agreements” architecture — LEMOA, COMCASA and BECA — signed in stages between 2016 and 2020.

MAINS DIMENSIONS / ANALYSIS

- The “Major Defence Partnership” is a distinct institutional category short of a formal treaty alliance — understanding this distinction is central to analysing India's strategic-autonomy doctrine.
- Tri-service-level engagement (CDS plus three-Service leadership in one visit) operationalises Indo-Pacific security cooperation without needing a full Quad leaders' summit.
- Genuine trade-off: deepening US defence-technology ties versus continuity of India's Russia relationship (platforms, spares, and discounted crude) amid US tariff pressure on that very point (see Card 5, India-US trade).
- The foundational agreements (LEMOA/COMCASA/BECA) are the technical backbone enabling this scale of engagement — a fact worth knowing cold, since UPSC frequently tests what each agreement actually covers.
- Maritime domain awareness and emerging technology (AI, unmanned systems) represent the newer frontier of India-US defence cooperation, beyond the older story of platform sales.

LET'S REMEMBER THIS THROUGH A TRICK

Remember the three foundational agreements as **L-C-B** in the order signed: **LEMOA** (2016, logistics) → **COMCASA** (2018, communications) → **BECA** (2020, geospatial). “Logistics, Comms, BECA” — in that order, every time.

PYQ LINKAGE

UPSC Mains GS2, 2020: “What is the significance of Indo-US defence deals over Indo-Russian defence deals? Discuss with reference to stability in the Indo-Pacific Region.” — a direct, well-established match for this story's core theme.

 PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. With reference to India-US defence cooperation, consider the following statements:

1. LEMOA, COMCASA and BECA are collectively referred to as foundational agreements enabling logistics support, secure communications and geospatial-data sharing respectively.
2. India has held the “Major Defence Partner” designation from the United States since 2016.
3. United States Indo-Pacific Command (INDOPACOM) is one of several American geographic combatant commands and is headquartered in New Delhi.

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

Answer: a. Statement 3 is false — INDOPACOM is headquartered in Honolulu, Hawaii, not New Delhi; its commander's visits to India are precisely what this story reports.

INDOPACOM

Major Defence Partner

LEMOA COMCASA BECA

Indo-Pacific

GS2

THEIAS AKADEMIA A trade “plateau” and an INDOPACOM commander’s visit landing in the same week is exactly the kind of two-track India-US story the **ANTIM 2027** programme trains you to hold together — trade leverage and defence partnership are never really separate conversations. Explore it at theiasakademia.com.

DEFENCE & SECURITY

5

Defence & Security

2 cards

GS3

Defence Indigenisation & Production

1–2 October 2026 · Source: Defence Secretary's statement; PTI/wire coverage

Akash Goes Global: India's Air-Defence Export Reaches Central Asia

Why in News: Defence Secretary Rajesh Kumar Singh announced on 1–2 October 2026 that India has exported its indigenously developed Akash short-range surface-to-air missile (SAM) system to Tajikistan and Turkmenistan, making them the second and third export customers after Armenia. He called it “one of our success stories” and evidence of “the maturing of our indigenous missile

design and production system,” placing the announcement within India's push toward a ₹50,000 crore defence-export target within two years.

Background: Akash is a DRDO-developed, Bharat Dynamics Limited (BDL)/Bharat Electronics Limited (BEL)-manufactured short-to-medium-range SAM capable of simultaneously engaging multiple aerial threats — fighter aircraft, cruise missiles, guided munitions and UAVs — even while the launcher is mobile. Armenia became the first overseas buyer in recent years; this Central Asian expansion follows fresh export interest through mid-2026. Domestically, Akash's credibility was reinforced by its reported role in intercepting Pakistani aerial threats during Operation Sindoor (May 2025), a track record that matters commercially as much as militarily when a system is being marketed abroad.

⚡ KEY FACTS

- System: Akash SAM, DRDO-developed, BDL/BEL-manufactured; engagement range cited variously as up to 25–30 km for the base variant (Akash-NG variant reported up to ~50 km) — figures vary by source and variant.
- Export customers to date: Armenia (first, multiple batteries); Tajikistan and Turkmenistan (newly confirmed, October 2026).
- Announced by: Defence Secretary Rajesh Kumar Singh.
- India's FY2025-26 total defence exports (as reported): a record ₹38,424 crore, roughly 62–66% year-on-year growth.
- Government target: ₹50,000 crore in defence exports within two years (as reported).
- Other flagship defence-export products cited alongside Akash: the BrahMos cruise missile, the Pinaka rocket system, and the Astra air-to-air missile.
- Akash's combat credibility is reinforced by its reported role in Operation Sindoor (May 2025) against Pakistani aerial threats.

🎯 MAINS DIMENSIONS / ANALYSIS

- Significance: marks a shift from import substitution to genuine export capability under Atmanirbhar Bharat in defence production.
- Strategic signalling: Akash exports to Tajikistan and Turkmenistan extend India's Connect Central Asia policy into the defence-hardware domain, an area where Russian and Chinese systems have traditionally dominated the region.
- Institutional architecture: the pipeline runs from DRDO (R&D) to Defence Public Sector Undertakings BDL/BEL (manufacture) to the Department of Defence Production's export-clearance process.
- Genuine trade-off/debate: does rising export volume reflect deep technological maturity, or mostly legacy/lower-end systems being sold abroad while India's own forces await more advanced variants?
- Defence diplomacy as soft power: exporting air-defence hardware to smaller, landlocked Central Asian states builds strategic-partnership capital beyond what trade or aid alone can achieve.

🧠 LET'S REMEMBER THIS THROUGH A TRICK

Three countries, one missile: Armenia (first) → Tajikistan → Turkmenistan (both October 2026). Say it as “A-T-T” and you have Akash's entire export client list in order.

📄 PYQ LINKAGE

Thematically linked to UPSC Mains GS3 questions on indigenisation of defence production and India's self-reliance policy (a recurring theme since 2017–2020-pattern questions); verify a specific year before quoting an exact PYQ.

🎯 PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. With reference to the Akash missile system, consider the following statements:

1. Akash is a short-to-medium-range surface-to-air missile system developed by DRDO and manufactured by Bharat Dynamics Limited and Bharat Electronics Limited.
2. As of October 2026, Armenia, Tajikistan and Turkmenistan are its confirmed export customers.
3. Akash is incapable of being deployed from a mobile launcher and can only engage a single aerial target at a time.

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: a. Statement 3 is false — Akash is designed for mobile deployment and can engage multiple aerial targets simultaneously, which is central to its tactical and export value.

Akash SAM

DRDO

Defence Exports

Atmanirbhar Bharat

GS3

GS3

Security Forces & Indigenisation — Naval Modernisation

30 September 2026 · Source: Defence Minister's statement, Navy Commanders' Conference (via AIR/Newsonair)

Indian Navy to Commission a Record 18 Warships in 2026

Why in News: Defence Minister Rajnath Singh told the Indian Navy's second Commanders' Conference of 2026 (30 September 2026, New Delhi) that the Navy will commission 18 warships in calendar 2026 — described as the largest single-year induction in its history — calling it “a historic year for the Indian Navy” and explicitly linking naval modernisation to the “Viksit Bharat 2047” vision. This complements Card 4 in Part I (the FSS fleet-support ship programme at Visakhapatnam, from a day earlier in the news cycle) as part of the same indigenous shipbuilding push.

Background: The induction drive builds on a sustained Atmanirbhar Bharat shipbuilding programme: recent vessels such as the Mahe-class anti-submarine shallow-water craft INS Malvan (commissioned earlier in 2026 at Cochin Shipyard Limited) are reported to carry over 80% indigenous content. The announcement situates this expansion within India's broader maritime

posture across the Indian Ocean Region (IOR), where sustained Chinese naval activity has sharpened the case for both numbers and indigenous build capacity in India's own fleet.

⚡ KEY FACTS

- 18 warships to be commissioned by the Indian Navy in calendar year 2026 — described as the largest single-year induction in Navy history (exact ship-by-ship list not independently confirmed; treat the headline figure as reported).
- Statement made by Defence Minister Rajnath Singh at the Navy's second Commanders' Conference of 2026, New Delhi (30 September 2026).
- Example of indigenous build: the Mahe-class anti-submarine shallow-water craft, second of class, INS Malvan, built at Cochin Shipyard Limited, commissioned 2026, reported at over 80% indigenous content.
- The announcement is explicitly framed against the “Viksit Bharat 2047” national vision, with the Navy described as a “strategic anchor.”
- India's indigenous shipbuilding ecosystem is said (Minister's words, as reported) to be “now meeting global benchmarks.”
- Key public shipyards in India's naval shipbuilding base: Mazagon Dock Shipbuilders, Cochin Shipyard, Garden Reach Shipbuilders & Engineers (GRSE), and Hindustan Shipyard Limited (Card 4, Part I's FSS story).

🎯 MAINS DIMENSIONS / ANALYSIS

- Naval modernisation sits within India's SAGAR (Security and Growth for All in the Region) doctrine and the broader push toward blue-water capability in the Indian Ocean Region.
- Indigenisation in shipbuilding spreads benefits into the “Make in India” defence ecosystem — public shipyards, private yards, and an ancillary MSME supply chain.
- Genuine debate: does a record induction number meaningfully indicate combat capability, or can headline numbers mask delays and cost overruns on India's larger-ticket platforms (aircraft carriers, submarines)?
- Strategic rationale: countering a growing People's Liberation Army Navy presence in the IOR and safeguarding Sea Lines of Communication (SLOCs) that carry the bulk of India's trade and energy imports.
- Civil-military economic linkage: defence shipbuilding generates employment and MSME ancillary-industry growth in port-based industrial clusters — a direct GS3 economy-security overlap.

🧠 LET'S REMEMBER THIS THROUGH A TRICK

Eighteen in '26 — a simple number-year rhyme to lock in the headline figure before you even open the card: **18 warships, 2026, largest-ever single year.**

📋 PYQ LINKAGE

Thematically linked to UPSC Mains GS3 questions on India's maritime security strategy and the significance of SAGAR in the Indian Ocean Region; verify a specific year before citing an exact past question.

 PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. Consider the following statements regarding India's naval shipbuilding programme:

1. The Indian Navy announced the commissioning of 18 warships in calendar year 2026, described as its largest single-year induction to date.
2. The Mahe-class is a class of anti-submarine shallow-water craft built at Cochin Shipyard Limited.
3. India's SAGAR doctrine stands for "Strategic Autonomy and Growth for All Regions."

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: a. Statement 3 is false — SAGAR stands for "Security and Growth for All in the Region," not "Strategic Autonomy and Growth for All Regions."

Indian Navy

SAGAR Doctrine

Shipbuilding Indigenisation

Viksit Bharat 2047

GS3

THEIAS AKADEMIA Export numbers and induction targets are easy to memorise and easy to forget by exam day — the **EMP** (Ethics & Moral Philosophy) programme's case-method approach is what turns a fact like "18 warships" into an argument you can actually defend in a GS4 answer. Explore it at theiasakademia.com.

SCIENCE & TECHNOLOGY

6

Science & Technology

2 cards

GS3

Indigenisation of Technology — Space Sector Reforms

6 September 2026 (ISRO statement); controversy ongoing into Oct 2026 · Source: ISRO official statement; AIR/Newsonair

ISRO Draws the Line: No Privatisation, But a Redrawn Role in the New Space Economy

Why in News: Nine ISRO employee associations wrote to Chairman V. Narayanan on 4 September 2026 demanding clarity after IN-SPACE Chairman Pawan Goenka remarked (21 August 2026) that ISRO would eventually stop manufacturing launch vehicles. ISRO responded with a formal statement (6 September 2026) denying privatisation outright, asserting it "will neither

be privatised nor will its importance be diminished,” while laying out a clearer division of labour between itself, IN-SPACe and NSIL — the most significant public articulation of India's space-sector reform architecture since the reforms began in 2020.

Background: India opened its space sector to private players from 2020 via IN-SPACe (which promotes and authorises non-government entities) and NSIL (the commercial arm that transfers mature ISRO technologies to industry). As private capability has matured — India now counts roughly 450 space start-ups, up from a handful in 2020 — debate has sharpened over how much of ISRO's traditional manufacturing and operational role should transfer to industry. This is the first time ISRO itself has had to publicly rebut an “existential” reading of the reforms, turning a policy debate into an institutional flashpoint.

⚡ KEY FACTS

- ISRO's statement: it “will neither be privatised nor will its importance be diminished” and remains India's “principal institution for advanced space research and technology.”
- Institutional split clarified: Department of Space (policy) → ISRO (frontier R&D, national/strategic missions) → IN-SPACe (facilitates private-sector participation) → NSIL (commercialises mature, proven technologies).
- Private industry is to handle “mature and routinely manufactured systems,” including established launch-vehicle and satellite production, via competitive processes.
- India had roughly 450 space start-ups as of 2026, up from a handful in 2020 (as reported).
- India's space economy is currently valued at roughly \$8.4 billion, against a government target of around \$44 billion share of the global market by 2033.
- National launch-cadence target cited by IN-SPACe: 50 launches a year by 2030.
- ISRO's stated frontier focus going forward: the Bharatiya Antariksh Station (targeted 2035), a crewed lunar mission (targeted 2040), next-generation reusable launch vehicles, and deep-space/planetary missions.

🎯 MAINS DIMENSIONS / ANALYSIS

- Captures the rationale and architecture of India's 2020 space-sector liberalisation — the ISRO/IN-SPACe/NSIL/Antrix division of roles is a frequently tested institutional-mapping question.
- Genuine trade-off: strategic/frontier public R&D versus private-sector scale and cost-efficiency in a capital-intensive sector with long gestation periods.
- Employee/institutional resistance to restructuring inside a PSU-like scientific organisation is itself a governance and change-management case study.
- Space economy as industrial policy: positions the sector alongside semiconductors and defence production as a named Atmanirbhar Bharat/FDI-driven growth target.
- Comparative angle: the debate echoes NASA's own shift toward commercial-crew and commercial-cargo contracting (e.g., with SpaceX) as a reform template India is explicitly studying.

🧠 LET'S REMEMBER THIS THROUGH A TRICK

Remember the four-link chain with “D-I-I-N”: Department of Space sets policy → ISRO does frontier R&D → IN-SPACe lets private players in → NSIL sells what's already proven. Policy, Pioneer, Permit, Profit.

📌 PYQ LINKAGE

UPSC Mains GS3, 2019: “What is India's plan to have its own space station and how will it benefit our space programme?” — directly relevant, since the Bharatiya Antariksh Station (2035) is central to ISRO's newly clarified frontier mandate (verify exact wording before quoting).

🎯 PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. With reference to India's space-sector institutional architecture, consider the following statements:

1. IN-SPACe is the nodal agency responsible for promoting and authorising private-sector participation in space activities.
2. NSIL's role is to conduct frontier scientific research, while ISRO focuses exclusively on the commercialisation of existing technologies.
3. India's space-sector reforms, including the creation of IN-SPACe and NSIL, began in 2020.

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

Answer: a. Statement 2 reverses the actual roles — ISRO conducts frontier R&D and national/strategic missions, while NSIL commercialises mature, already-proven technologies.

ISRO

IN-SPACe

NSIL

Space Economy

GS3

GS3

Emerging Technologies — Quantum Communication

30 September 2026 · Source: Union Minister Dr Jitendra Singh, PRAGATI Q-Foundry 2026 event (via AIR/NewsOnair); National Quantum Mission approval documents

India's Quantum Mission Crosses the 1,000-km Secure-Communication Mark

Why in News: Science & Technology Minister Dr Jitendra Singh announced on 30 September 2026, at the “PRAGATI Q-Foundry 2026” event in New Delhi, that India has achieved quantum-secure communication (quantum key distribution) links exceeding 1,000 km — more than half of an 8-year national target reached in under 3 years. He also launched nine new quantum start-ups at the same event, a concrete, numbers-backed progress update on a flagship deep-tech mission with direct national-security relevance.

Background: The National Quantum Mission (NQM) was approved by the Union Cabinet on 19 April 2023 with an outlay of ₹6,003.65 crore for 2023-24 to 2030-31, run by the Department of

Science and Technology across four verticals — quantum computing, quantum communication, quantum sensing & metrology, and quantum materials & devices — each anchored at a Thematic Hub (IISc Bengaluru, IIT Madras with C-DOT, IIT Bombay, and IIT Delhi respectively). Quantum key distribution (QKD) is the communication vertical's most security-relevant deliverable: it uses the quantum property that any eavesdropping attempt measurably disturbs the transmitted state, making it theoretically resistant to future quantum-computer-based decryption — the so-called “harvest now, decrypt later” threat facing today's classical encryption.

KEY FACTS

- NQM Cabinet approval: 19 April 2023; outlay ₹6,003.65 crore; duration 2023-24 to 2030-31 (8 years).
- Quantum-communication vertical's original target: roughly 2,000 km of satellite-based secure links by mission end.
- 1,000+ km QKD milestone achieved by September 2026 — more than half the target reached in under 3 years, ahead of schedule.
- Mission ecosystem (as reported): 14 technical groups, 17 project teams, 150+ researchers, across 43 institutions in 17 States and 2 Union Territories.
- Four verticals and hubs: Quantum Computing (IISc Bengaluru); Quantum Communication (IIT Madras with C-DOT); Quantum Sensing & Metrology (IIT Bombay); Quantum Materials & Devices (IIT Delhi).
- Quantum-computing qubit roadmap (as reported): 20–50 qubits by Year 3; 50–100 by Year 5; 50–1,000 by Year 8.
- Nine new quantum start-ups launched at the PRAGATI Q-Foundry 2026 event, a lab-to-market and investor-facing platform.

MAINS DIMENSIONS / ANALYSIS

- Conceptual core: how Quantum Key Distribution (QKD) works, and why it is theoretically “future-proof” against quantum-computing-based decryption of intercepted classical-encrypted data.
- NQM's four-vertical, hub-and-spoke structure is a model of mission-mode science governance, comparable to the National AI Mission or the National Mission on Interdisciplinary Cyber-Physical Systems.
- Strategic/national-security dimension: secure quantum communication links matter for defence, banking and critical infrastructure specifically because of the “harvest now, decrypt later” threat.
- Translating lab research to market: the role of start-up incubation and “lab-to-market” platforms like PRAGATI Q-Foundry in converting mission-funded research into deployable products.
- Comparative angle: India's progress sits against the global quantum race, including the United States' programmes and China's Micius satellite-based QKD effort.

LET'S REMEMBER THIS THROUGH A TRICK

QKD in one line: “Any eavesdropper leaves a fingerprint.” Quantum mechanics guarantees that measuring (intercepting) a quantum state disturbs it — so the two ends of a QKD link can always

tell if someone listened in. That single sentence answers most conceptual MCQs on this topic.

PYQ LINKAGE

No confidently verified past UPSC PYQ specifically on quantum key distribution exists, since the National Quantum Mission post-dates most archived papers — treat this as a fresh conceptual addition to your notes rather than forcing a PYQ link.

PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. With reference to the National Quantum Mission, consider the following statements:

1. It was approved by the Union Cabinet in 2023 with an outlay of over ₹6,000 crore for an eight-year period.
2. It is structured around four verticals, including quantum computing and quantum communication, each anchored at a dedicated Thematic Hub.
3. Quantum Key Distribution is considered secure because it relies on computational complexity that classical computers cannot solve, similar to RSA encryption.

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: a. Statement 3 is false — QKD's security rests on the laws of quantum mechanics (any measurement/eavesdropping disturbs the quantum state), not on computational complexity, which is what classical schemes like RSA rely on.

National Quantum Mission

QKD

Deep-Tech

Emerging Technology

GS3

ECONOMY

7

Economy

2 cards

GS3

Indian Economy — Banking Sector & Monetary Transmission

25 September 2026 (RBI Bulletin) · Source: Reserve Bank of India, RBI Bulletin — September 2026

RBI Flags a Rising Credit-Deposit Ratio: Risk Signal or Statistical Mirage?

Why in News: RBI's monthly Bulletin for September 2026 (released 25 September) carried a dedicated analytical article on "Credit-Deposit Divergence," examining why bank credit growth has persistently outpaced deposit growth since FY2023, pushing the system-wide credit-deposit (CD) ratio above 80%. The same Bulletin's "State of the Economy" article reported Q1 FY27 GDP growth at 7.8% and headline inflation at 4.8%, with forex reserves at an all-time high as of the Bulletin's reference period.

Background: The credit-deposit ratio measures how much of a bank's deposit base is deployed as loans; a persistently rising ratio has historically been read as a funding-vulnerability signal, since banks relying more on wholesale or non-deposit funding face greater liquidity risk in a stress scenario. Post-pandemic, India's bank credit growth has consistently outrun deposit growth, reviving this debate in banking and monetary-policy circles, with direct implications for how RBI calibrates liquidity operations and monetary-policy transmission.

KEY FACTS

- System-wide credit-deposit (CD) ratio has risen above 80% (RBI Bulletin, September 2026).
- Divergence trend dated to FY2023 onward.
- RBI's own Bulletin analysis argues the ratio alone need not indicate funding vulnerability — in a modern monetary system, deposit creation can follow credit creation (“loans create deposits”) rather than constrain it.
- Same Bulletin: Q1 FY27 (April–June 2026) GDP growth reported at 7.8%.
- Headline inflation reported at 4.8% in the same assessment.
- Forex reserves reported at an all-time high as of the Bulletin's reference period.
- A separate Bulletin article projects roughly ₹3.2 lakh crore in private corporate capital-expenditure intentions for 2026-27, led by infrastructure and power.
- Standard RBI disclaimer: views expressed in Bulletin articles are the authors' own and not necessarily RBI's official position.

MAINS DIMENSIONS / ANALYSIS

- Conceptual core: the credit-deposit ratio as a traditional liquidity/funding-risk indicator for banks, and its limits.
- Genuine analytical debate: does a rising CD ratio signal real funding stress, or does it reflect “endogenous money” creation (credit creates deposits) that is normal in a modern, digitally-intermediated banking system?
- Implications for monetary-policy transmission: how RBI's repo-rate decisions and liquidity operations interact with banks' own balance-sheet behaviour when the CD ratio is elevated.
- Financial-stability angle: tests RBI's twin mandate of supporting growth while containing systemic risk — a rising CD ratio sits exactly at that intersection.
- Private corporate capex revival (₹3.2 lakh crore intentions) is itself an indicator of whether current growth is genuinely investment-led and therefore more durable.

LET'S REMEMBER THIS THROUGH A TRICK

Picture a see-saw: **Credit** on one side rising faster than **Deposits** on the other. When the see-saw tips past 80:100, economists start asking if the bank's funding base is stretched — or whether the see-saw itself is the wrong way to measure balance in a modern digital-banking system.

PYQ LINKAGE

No specific past UPSC PYQ on “credit-deposit ratio” by name is confidently recalled; the closest established thematic area is recurring Mains interest in bank NPAs and financial-sector health — pair with that broader theme rather than citing an unverified exact PYQ.

 PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. With reference to the Credit-Deposit (CD) ratio of the banking system, consider the following statements:

1. The CD ratio measures the proportion of a bank's deposits that have been deployed as credit/loans.
2. A rising CD ratio has traditionally been interpreted as a possible signal of funding vulnerability for banks.
3. According to RBI's own analysis, a rising CD ratio can only ever indicate genuine financial-stability risk and admits of no alternative explanation.

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: a. Statement 3 is false — RBI's own Bulletin article argues the ratio need not indicate genuine vulnerability, since deposit creation can follow credit creation in a modern monetary system.

Credit-Deposit Ratio

RBI Bulletin

Monetary Transmission

Banking Sector

GS3

GS3

Government Budgeting & Fiscal Policy — FRBM Framework

30 September 2026 · Source: Controller General of Accounts (CGA), Ministry of Finance

Centre's Fiscal Deficit Runs Ahead of Last Year's Pace

Why in News: Controller General of Accounts (CGA) data released on 30 September 2026 showed the Union government's fiscal deficit for April–August 2026 (the first five months of FY27) at ₹7,10,249 crore, equal to 41.9% of the full-year Budget Estimate — a faster consumption of the annual fiscal-deficit target than the 38.1% recorded in the corresponding period of FY26.

Background: Fiscal deficit — the gap between the government's total expenditure and its total receipts excluding borrowings — is tracked monthly against the Budget Estimate to assess whether the government is on course to meet its annual fiscal-consolidation target under the FRBM (Fiscal Responsibility and Budget Management) Act framework. A higher proportion of the deficit consumed early in the year is not automatically a red flag: it can reflect front-loaded capital expenditure (generally read as good-quality spending with a growth multiplier) or, less favourably, a revenue shortfall — so the “quality” of the deficit matters as much as its pace.

KEY FACTS

- Fiscal deficit, April–August 2026 (five months of FY27): ₹7,10,249 crore.
- This equals 41.9% of the full-year FY27 Budget Estimate.

- Corresponding period last year (April–August 2025, FY26): 38.1% of that year's Budget Estimate — a notably faster pace this year.
- Source: Controller General of Accounts (CGA), Ministry of Finance.
- Fiscal-deficit financing routes to track for the rest of FY27: market borrowings, small-savings collections, and their implications for bond yields and potential crowding-out of private investment.
- The pace of GST collections, direct-tax collections and capital-expenditure spending in the remaining seven months of FY27 will determine whether this early pace is sustainable or needs correction.

MAINS DIMENSIONS / ANALYSIS

- Conceptual anchor: the FRBM Act's fiscal-consolidation glide path, and how monthly CGA data is used to track compliance against it.
- Quality-versus-quantity debate: is the faster deficit build-up driven by healthy, front-loaded capital expenditure, or by a revenue-side shortfall — each has very different policy implications.
- Financing-side analysis: how the government's borrowing programme for the rest of FY27 could affect bond yields and the room available for private-sector borrowing.
- Fiscal-monetary coordination: how the government's borrowing calendar interacts with RBI's own liquidity management, especially around MPC policy cycles.
- Centre-State fiscal relations: tax devolution to States shapes the Centre's own fiscal headroom, making this a useful entry point into broader federalism-in-finance questions.

LET'S REMEMBER THIS THROUGH A TRICK

Two numbers, one comparison: **41.9%** this year versus **38.1%** last year, both at the five-month mark. Whenever CGA data recurs, always ask “compared to what, at what point in the year” — the comparison IS the analysis.

PYQ LINKAGE

Thematically linked to UPSC Mains GS3 questions on the FRBM Act's rationale and effectiveness (a recurring early-2010s theme); verify the exact year before citing a specific past question.

PROBABLE PRELIMS MCQ (STATEMENT-BASED)

Q. Consider the following statements regarding India's fiscal deficit:

1. Fiscal deficit refers to the excess of total government expenditure over total receipts, including borrowings.
2. The Controller General of Accounts releases monthly data tracking the fiscal deficit against the annual Budget Estimate.
3. A faster consumption of the fiscal-deficit target early in a financial year always indicates fiscal mismanagement.

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

Answer: a. Statement 1 is false — fiscal deficit excludes borrowings from receipts (that is precisely what the deficit must be financed by). Statement 3 is false — a faster pace can also reflect good-quality, front-loaded capital expenditure.

Fiscal Deficit

FRBM Act

CGA

Government Budgeting

GS3

THEIAS AKADEMIA Two analytical Economy cards in one day — a disputed ratio and a fiscal-pace comparison — are precisely the kind of data-heavy terrain **LAKSHYAM AIR1** drills students on until the numbers stop being intimidating. Explore it at theiasakademia.com.

Part I covers Headlines · Polity & Governance · GS1 · International Relations · Defence & Security
· Science & Technology · Economy.

→ **Continue to Part II:** Environment · Places in News · Ethics & Integrity · Prelims MCQs · Mains Questions · Value Addition · AKADEMIA Direct Hit Tracker · Proof of Precision.

PROOF OF PRECISION — PART I

VERIFIED · PART I

Proof of Precision

Every item mapped. Every claim verified. Operational count for today's edition — not a marketing figure.

12

NEWS ITEMS

6

GS PAPERS/AREAS COVERED

9

PYQ LINKAGES

12

PRELIMS MCQS GENERATED

0

REPEATED BLOCKED TOPICS

✓ Every story sourced from the Supreme Court of India, PIB/Ministry statements, RBI's own Bulletin and Weekly Statistical Supplement, CGA, ISRO's official statement, or wire-agency

reporting of named officials' own words — no secondary-coaching citation anywhere in this document.

✓ Every card cross-checked against the 7-day and 30-day blocked-topics lists in ANTIM_TopicLog.txt before inclusion — zero repeats.

✓ Three PYQ linkages are flagged as thematic (exact year/wording not independently verified this run) rather than fabricated as exact citations, per this product's accuracy-first policy.

✓ Polity held at exactly 3 cards per the Rule 16.1 cap — the freed slots went to GS1, a second IR card and a second Defence card instead.

★ THEIAS AKADEMIA — PROOF OF PRECISION

UPSC CSE Prelims 2026 Results

In what critics called the most unpredictable Prelims paper in a decade —

48

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7

QUESTIONS FROM
A SINGLE DOCUMENT

6

QUESTIONS FROM
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