

PART I · HEADLINES TO ECONOMY

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INSIDE PART I

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Top 12 Headlines

1. SC's 9-judge Constitution Bench holds "industry" under the Industrial Relations Code, 2020 must be read independently of the 1978 BWSSB triple test. **GS2**
2. SC cuts the mandatory legal-practice requirement for entry-level judicial service exams from 3 years to 1 year, adding mandatory academy training and clerkship. **GS2**
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9. India's CPI inflation rises to 4.45% in July 2026 under the new 2024=100 base-year series. **GS3**
10. India's eight core industries grow 5.4% in July 2026, led by iron ore (+29.5%) and cement (+13.1%). **GS3**
11. India ranks 176th of 177 countries in Yale's 2026 Environmental Performance Index; government disputes the methodology. **GS3**
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2

Polity & Governance

GS2

Judiciary · Labour Law

20 Aug 2026 · Source: Supreme Court of India / Bar and Bench

SC's 9-Judge Bench Delinks "Industry" Definition from the 1978 BWSSB Precedent for the New Labour Codes

What happened: A nine-judge Constitution Bench of the Supreme Court, led by Chief Justice Surya Kant, ruled on 20 August 2026 that the term "industry" under the Industrial Relations Code, 2020 must be interpreted independently on its own statutory text, and will no longer automatically inherit the "triple test" laid down in Bangalore Water Supply and Sewerage Board v. A. Rajappa (1978). The Bench clarified that BWSSB itself has not been overruled and continues to govern pending disputes under the older Industrial Disputes Act, 1947.

Why it matters for UPSC: This is a rare nine-judge Constitution Bench ruling — reserved for questions of exceptional constitutional importance — and it directly reshapes the interpretive foundation of India's consolidated labour codes, a live GS2/GS3 overlap theme.

⚡ KEY FACTS

- BWSSB (1978) laid down a "triple test": systematic/organised activity + employer-employee cooperation + production of goods/services for consumers = an "industry".
- The 9-judge Bench held this triple test will not automatically be the "sheet anchor" for interpreting "industry" under the Industrial Relations Code, 2020.
- BWSSB continues to apply to disputes still pending under the Industrial Disputes Act, 1947 — it is modified in application, not overruled.
- The Industrial Relations Code, 2020 is one of four labour codes consolidating 29 central labour laws (Wages, IR, Social Security, OSH).
- Congress and worker-rights groups have flagged the ruling as a potential risk to worker safeguards if "industry" is read more narrowly under the new Code.

- Nine-judge Constitution Benches are rare — reserved under Article 145(3) for cases involving a substantial question of law as to the interpretation of the Constitution.

Mains Dimensions:

- Judicial method: the Bench's approach — modifying application without overruling — illustrates a "living precedent" technique, preserving continuity while allowing textual evolution.
- Labour-law codification's success depends heavily on how "industry", "worker" and "establishment" are judicially defined — definitional battles determine coverage of protections.
- Federal angle: several states have not yet notified rules under the four labour codes, creating interpretive uncertainty this ruling will now have to operate within.
- Risk-benefit trade-off: greater interpretive flexibility could ease compliance for new-economy/gig-work arrangements, but may also narrow which entities count as "industry" for dispute-resolution purposes.

Let's Remember This Through a Trick

Remember: BWSSB is "modified, not murdered" — the 1978 triple test still governs old disputes, but the new IR Code 2020 now stands on its own textual feet.

PYQ Linkage

GS2, thematic linkage: Supreme Court Constitution Benches and evolving interpretation of labour-law definitions (recurring UPSC Mains theme in judiciary/labour-reform segment).

#BWSSB

#IndustrialRelationsCode

#ConstitutionBench

#LabourCodes

#GS2-PYQ

GS2

Judicial Reforms · Access to Justice

21 Aug 2026 · Source: Supreme Court of India / Business Standard

SC Cuts Judicial Service Entry Practice Requirement from Three Years to One

What happened: The Supreme Court, on 21 August 2026, modified its own May 2025 ruling that had barred fresh law graduates from sitting the entry-level judicial service exam (Civil Judge, Junior Division) by imposing a three-year prior-practice requirement. The new order reduces that requirement to one year, but mandates that selected candidates complete two years of judicial-academy training plus clerkship, which the Court treats as equivalent to the two years shaved off the practice requirement.

Why it matters for UPSC: The episode captures a live tension in judicial-reform policy — between ensuring courtroom-ready judges and not shutting out talented fresh graduates — and shows the Supreme Court revising its own precedent within roughly 15 months in response to on-ground implementation feedback.

⚡ KEY FACTS

- Original May 2025 ruling: minimum 3 years of legal practice required before sitting the judicial service entry exam.
- 21 August 2026 modification: practice requirement cut to 1 year; candidates must additionally complete judicial-academy training plus a one-year clerkship post-selection.
- Candidates appearing in exams notified between 25 May 2025 and 31 March 2027 are eligible regardless of prior experience (transition window).
- New arrangement fully applies to exams notified after 1 April 2027.
- The Court's rationale: two years of structured training/clerkship is functionally equivalent to two years of independent practice.
- Judicial service recruitment falls under Article 233/234 (District Judges/subordinate judiciary), governed by state-specific Judicial Service Rules framed with High Court consultation.

Mains Dimensions:

- Balancing courtroom-readiness against access: too-high entry barriers risk shrinking judicial talent pools, especially from less-privileged backgrounds who cannot afford unpaid practice years.
- Institutionalised training (academy + clerkship) as a more standardised substitute for the highly variable quality of "practice experience".
- Relevance to the long-pending All India Judicial Service (AIJS) proposal — recruitment-standard debates here feed directly into that larger reform.
- Judicial self-correction: the Court revising its own 15-month-old precedent after real-world pushback is itself a governance case study in adaptive rule-making.

💡 Let's Remember This Through a Trick

Do the math: 3 years practice → 1 year practice + 2 years training/clerkship = still "3 years" of preparation, just restructured — the total isn't cut, only rebalanced.

📄 PYQ Linkage

GS2, thematic linkage: Judicial appointments, subordinate judiciary recruitment, and the All India Judicial Service debate (recurring UPSC Mains theme).

#JudicialServiceExam

#AIJS

#SubordinateJudiciary

#AccessToJustice

#GS2-PYQ

SC Stays Arrest of Journalist Abhishek Upadhyay in a Ghaziabad FIR Linked to His Ram Temple Donation Reporting

What happened: The Supreme Court, on 25 August 2026, passed an interim order staying coercive action by Uttar Pradesh Police against journalist Abhishek Upadhyay — among the first reporters on the alleged Ram Mandir donation-theft row — in a Ghaziabad FIR registered on 18 August 2026 over an alleged road-rage incident. The FIR invokes provisions of the Bharatiya Nyaya Sanhita, the SC/ST (Prevention of Atrocities) Act, and the Information Technology Act; Upadhyay contends it is a retaliatory case tied to his reporting on alleged corruption. The Court extended protection to any future FIR UP Police may file against him and sought a compliance report by the next hearing on 7 September.

Why it matters for UPSC: The case sits at the intersection of press freedom (Article 19(1)(a)), the Supreme Court's protective writ jurisdiction (Article 32), and recurring concerns about the misuse of stringent penal provisions like the SC/ST Act to target journalists and whistleblowers.

KEY FACTS

- FIR registered 18 August 2026 in Ghaziabad, invoking BNS provisions, the SC/ST (Prevention of Atrocities) Act, 1989, and the IT Act.
- Bench: CJI Surya Kant with Justices Joymalya Bagchi and V. Mohana.
- Interim protection extended prospectively to any future FIR the UP Police may register against Upadhyay.
- Ghaziabad Police Commissioner directed to file a compliance report on supplying the FIR copy by the next hearing date, 7 September 2026.
- Upadhyay had earlier reported on alleged irregularities in Ram Mandir Trust donation handling, which he claims is the real reason he is being targeted.
- The case adds to a documented pattern of journalists facing FIRs shortly after publishing corruption exposés, a recurring press-freedom concern flagged by press bodies.

Mains Dimensions:

- The "chilling effect" doctrine: even a single retaliatory FIR can deter investigative journalism far beyond the individual case, making judicial protection here disproportionately significant.
- Misuse of protective legislation (SC/ST Act) for unrelated retaliatory purposes undermines the credibility of a law meant to protect a genuinely vulnerable class.
- Supreme Court's growing practice of prospective protection (covering future FIRs) as a pragmatic safeguard against sequential harassment litigation.
- Balancing act: courts must protect press freedom without diluting the SC/ST Act's core protective purpose for the communities it was designed for.

 **Let's Remember This Through a Trick**

Anchor the sequence: Report (corruption exposé) → Retaliation (FIR, 18 Aug) → Relief (SC stay, 25 Aug) — a compact "3R" timeline worth remembering for press-freedom case studies.

PYQ Linkage

GS2, thematic linkage: Press freedom, Article 19(1)(a) and misuse of criminal law against journalists (recurring UPSC Mains theme in fundamental rights segment).

#PressFreedom

#Article19

#SCSTAct

#ChillingEffect

#GS2-PYQ

THEIAS AKADEMIA Press-freedom case studies like today's Upadhyay order are GS4 gold — **EMP (Ethics & Moral Philosophy)** teaches you to name the doctrine (here, the chilling effect) instead of just describing the facts.
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3

International Relations

GS2

India-China Relations · Boundary Question

25 Aug 2026 · Source: Xinhua / Business Standard / MEA

India-China 25th Special Representatives Talks: Pursuing a "Political Settlement" of the Boundary Question

What happened: National Security Advisor Ajit Doval held the 25th round of India-China Special Representatives (SR) talks with Chinese Foreign Minister Wang Yi in Beijing on 25 August 2026, agreeing to continue working toward a "political settlement" of the boundary question "in the context of the overall and long-term interests" of both countries. Doval also met Chinese Vice President Han Zheng. Both sides linked the return of normalcy in bilateral relations directly to maintaining peace and tranquillity along the Line of Actual Control (LAC).

Why it matters for UPSC: The SR mechanism, in place since 2003, is India-China's primary political-level channel for the boundary dispute — distinct from military-level Corps Commander talks — and this 25th round is a direct barometer of post-Galwan normalisation.

KEY FACTS

- The Special Representatives (SR) mechanism was established in 2003 to negotiate a political framework for the India-China boundary settlement, distinct from military-level border-management talks.

- NSA Ajit Doval is India's Special Representative; Chinese Foreign Minister Wang Yi is China's counterpart for this round.
- This was the 25th round of SR talks since the mechanism's inception.
- Talks explicitly linked "return to normalcy" in bilateral relations to sustained peace and tranquillity along the LAC.
- Doval additionally met Chinese Vice President Han Zheng during the visit.
- The three-stage roadmap agreed in 2005 (guiding principles, framework, actual delineation) remains the working basis for these talks.

Mains Dimensions:

- Distinguishing political-level SR talks from military Corps Commander-level talks — different tracks addressing different layers of the border dispute.
- "De-escalation before delineation" — the recurring Indian position that border tranquillity must precede any final political settlement.
- Strategic balancing: engaging China bilaterally on the boundary question even as India deepens Quad/Indo-Pacific partnerships elsewhere (e.g., today's Pitch Black/Udara Shakti, India-UK DCG threads).
- Risk of talks becoming a recurring "process without progress" if political settlement keeps deferring to future rounds without concrete delineation steps.

Let's Remember This Through a Trick

Remember "SR since '03, Round 25 in '26" — the Special Representatives mechanism turns roughly one round richer each year, a useful anchor for dating any future SR-talks story.

PYQ Linkage

GS2, thematic linkage: India-China boundary dispute and the Special Representatives mechanism (recurring UPSC Mains theme in India's neighbourhood/boundary-dispute segment).

#IndiaChina

#SpecialRepresentatives

#LAC

#BoundaryQuestion

#GS2-PYQ

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Distinguishing the SR mechanism from Corps Commander talks is exactly the kind of precision **ANTIM 2027's** IR module drills — the difference between a vague answer and a Topper's answer is naming the right track. theiasakademia.com

Indian Army Raises First 'Baaz' Drone Battalion Under 11 Corps for Western-Front Operations

What happened: The Indian Army has raised its first dedicated drone-operating unit, named a 'Baaz' Battalion ("baaz" meaning hawk), under the Jalandhar-based 11 Corps ("Vajra Corps"), which guards sensitive stretches of the India-Pakistan border in northern Punjab — the same frontier that saw heavy fighting in 1965 and 1971. The battalion will serve as a centralised nerve centre for flight operations, data exploitation, maintenance and coordination across a range of platforms, including long-endurance UAVs such as the American MQ-9B and the Israeli Heron and Hermes.

Why it matters for UPSC: This marks a structural, post-Operation Sindoor shift in how the Army organises unmanned systems — moving from ad hoc, formation-level drone use to a dedicated battalion-level command structure, a model expected to be replicated across other frontiers.

⚡ KEY FACTS

- First 'Baaz' Battalion raised under 11 Corps ("Vajra Corps"), headquartered in Jalandhar, Punjab.
- Designed to operate larger drones such as the Searcher, plus long-endurance platforms: MQ-9B (US), Heron and Hermes (Israeli).
- Functions include centralised flight operations, data exploitation, maintenance, software updates, and coordination with ground troops.
- Described as part of the Army's post-Operation Sindoor transformation of its unmanned-systems doctrine.
- No final number of Baaz Battalions has been announced; the model is expected to expand to other field formations on the western and northern fronts.

Mains Dimensions:

- Centralisation of drone command mirrors global trends (e.g., US Multi-Domain Task Forces) toward dedicated unmanned-systems formations rather than distributed, ad hoc use.
- Interoperability challenge: a single battalion managing US, Israeli and indigenous platforms simultaneously requires standardised data and control protocols.
- Doctrinal shift: drones moving from a supporting reconnaissance role to a "nerve centre" coordinating role signals their growing centrality in modern land warfare.

- Complements the wider India-Israel-US triangulation in India's UAV procurement mix, relevant to any answer on India's defence-import diversification.

🧠 Let's Remember This Through a Trick

"Baaz" = hawk — remember it as the Army's eye in the sky over the same Punjab frontier that saw 1965 and 1971; old geography, new technology.

📄 PYQ Linkage

GS3, thematic linkage: Unmanned Aerial Vehicles and evolving doctrine in India's border-security architecture (recurring UPSC Mains theme, post-2020 drone-warfare segment).

#BaazBattalion

#11Corps

#DroneWarfare

#MQ9B

#GS3-PYQ

GS2

Defence Diplomacy · UK Relations

21 Aug 2026 · Source: PIB / Ministry of Defence

India-UK 25th Defence Consultative Group Meeting: Deepening the Industrial and Maritime Partnership

What happened: Defence Secretary Rajesh Kumar Singh co-chaired the 25th India-UK Defence Consultative Group (DCG) Meeting with UK Permanent Under Secretary for Defence Jeremy Pocklington in New Delhi on 21 August 2026, reviewing progress under the India-UK Vision 2035 and the Ten-Year Defence Industrial Roadmap, and agreeing to expand joint exercises, training and maritime security cooperation in the Indo-Pacific.

Why it matters for UPSC: The DCG is India's oldest institutionalised bilateral defence dialogue with a Western power in this format, and its 25th edition offers a clean marker of how UK defence engagement has evolved from a legacy Commonwealth relationship into an active Indo-Pacific industrial partnership.

⚡ KEY FACTS

- 25th edition of the India-UK Defence Consultative Group Meeting, held in New Delhi on 21 August 2026.
- Anchored around the India-UK Vision 2035 and its associated Ten-Year Defence Industrial Roadmap.
- Discussions covered defence R&D cooperation, expanded joint exercises/training, and capacity building.
- Both sides highlighted the Regional Maritime Security Centre of Excellence (RMSCE), established under the Indo-Pacific Oceans Initiative (IPOI).
- The meeting reaffirmed commitment to "mutual security and strategic autonomy" — language consistent with India's non-alliance Indo-Pacific posture.

Mains Dimensions:

- Defence-industrial cooperation (co-development, technology transfer) as the emerging core of India's Western defence partnerships, beyond simple platform purchases.
- RMSCE under IPOI shows how India is building minilateral maritime-domain-awareness infrastructure with multiple partners (UK included) rather than a single bloc.
- UK's post-Brexit "tilt to the Indo-Pacific" finds concrete expression in this kind of sustained bilateral defence-industrial roadmap.
- Continuity value: a 25-round-old dialogue format demonstrates institutionalised, non-headline-dependent defence diplomacy.

🗨️ Let's Remember This Through a Trick

Pair "Vision 2035" with "Ten-Year Roadmap" — one is the destination, the other the route map — both anchor every India-UK DCG round from here on.

📄 PYQ Linkage

GS2, thematic linkage: India's defence partnerships with Western powers and Indo-Pacific maritime security cooperation (recurring UPSC Mains theme).

#IndiaUKDCG

#Vision2035

#RMSCE

#IndoPacific

#GS2-PYQ

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Institutionalised dialogues like the 25-round DCG rarely make headlines but are exam gold — **LAKSHYAM AIR1** keeps a running list of exactly these "quiet but recurring" bilateral mechanisms. theiasakademia.com

5

Science & Technology

GS3

Indigenous Propulsion · Aerospace

25 Aug 2026 · Source: PIB / CSIR-NAL statement

CSIR-NAL Unveils Indigenous NJ-05, NJ-50 and NJ-100 Gas Turbine Engines

What happened: CSIR-National Aerospace Laboratories (CSIR-NAL), headquartered in Bengaluru, unveiled three indigenous micro and small gas turbine engines — NJ-05 (5 kg thrust), NJ-50 (50 kg thrust) and NJ-100 (100 kg thrust) — at an event held at CSIR Headquarters, New Delhi, on 25 August 2026, with Air Marshal

Tejinder Singh, Chief of Integrated Defence Staff, as chief guest. The engines are designed for tactical UAVs, drone interceptors and compact missile systems.

Why it matters for UPSC: Miniaturised gas-turbine propulsion is a genuine technology gap India has long imported; this is a concrete step toward a domestic design-and-manufacture ecosystem for exactly the class of engines needed for the drone-heavy warfare doctrine on display in today's other Defence stories (e.g., the Baaz Battalion).

KEY FACTS

- Three engines unveiled: NJ-05 (5 kg thrust), NJ-50 (50 kg thrust), NJ-100 (100 kg thrust).
- Developed by CSIR-National Aerospace Laboratories (CSIR-NAL), Bengaluru — India's premier civil aerospace R&D lab under the CSIR network.
- Target applications: tactical unmanned aerial vehicles, drone interceptors, and compact/miniaturised missile systems.
- Unveiling event held at CSIR Headquarters, New Delhi, on 25 August 2026; chief guest was Air Marshal Tejinder Singh (Chief of Integrated Defence Staff).
- Objective: build a domestic ecosystem for design, development and manufacture of miniaturised gas-turbine propulsion, reducing import dependence.

Mains Dimensions:

- Propulsion has historically been India's weakest link in indigenous aerospace/defence platforms (echoed in the long-running Kaveri engine saga) — micro-turbine success in the UAV segment is a lower-risk entry point to rebuild this capability base.
- Direct synergy with the Army's new Baaz drone doctrine — indigenous propulsion reduces reliance on imported UAV platforms like the MQ-9B over time.
- CSIR's role as a civilian S&T body directly enabling defence-relevant technology illustrates the blurring line between civil and military R&D ecosystems.
- Scale-up challenge: unveiling a prototype engine is different from certifying and mass-producing it — the harder test is the years-long qualification pipeline ahead.

Let's Remember This Through a Trick

Remember the numbers as a ladder: NJ-05, NJ-50, NJ-100 — each name IS its thrust in kilograms, so the naming convention doubles as the fact to recall.

PYQ Linkage

GS3, thematic linkage: Indigenous defence-technology development and import substitution in aerospace propulsion (recurring UPSC Mains theme).

ICMR: India's H1N1 Surge Is Seasonal — No New Strain, VRDL Surveillance Network Holds

What happened: ICMR Director General Dr Rajiv Bahl said the current surge in H1N1 influenza cases across India is part of the expected seasonal pattern, with no new viral strain identified, urging the public not to panic since most cases remain mild and self-limiting. The reassurance is based on continuous genomic and epidemiological surveillance conducted through DHR-ICMR's network of 73 Virus Research and Diagnostic Laboratories (VRDLs) nationwide.

Why it matters for UPSC: This is a textbook example of India's public-health surveillance infrastructure functioning as designed — genomic monitoring catching a seasonal pattern early enough to prevent panic-driven misinformation, a governance capability built up substantially since COVID-19.

⚡ KEY FACTS

- H1N1 (a subtype of Influenza A, the "swine flu" strain first identified in the 2009 pandemic) circulates seasonally in India, typically peaking around monsoon/post-monsoon months.
- ICMR's Department of Health Research (DHR) operates 73 Virus Research and Diagnostic Laboratories (VRDLs) across India for real-time genomic and epidemiological surveillance.
- Current surge assessed as seasonal, not linked to any new or mutated strain, per ICMR's genomic sequencing data.
- Most reported cases are described as mild and self-limiting, reducing the need for aggressive public-health intervention beyond routine advisories.
- The VRDL network was significantly scaled up post-2020 as part of India's pandemic-preparedness strengthening.

Mains Dimensions:

- Genomic surveillance infrastructure (VRDL network) as a public good — its value lies precisely in producing reassurance backed by data, not just detecting outbreaks.
- Post-pandemic institutional memory: India's expanded diagnostic-lab network is a direct policy legacy of COVID-19 preparedness investment.
- Risk communication: an early, data-backed "this is seasonal, not novel" statement is a governance best practice against misinformation-driven panic.
- One Health angle: H1N1's zoonotic origin (swine-origin influenza) ties seasonal surveillance to India's broader One Health / zoonotic-disease preparedness framework.

🗨️ Let's Remember This Through a Trick

Remember "73 labs, one message": ICMR's 73-VRDL network exists precisely to be able to say, with data, "seasonal — not novel" the moment a surge begins.

📄 PYQ Linkage

GS3, thematic linkage: India's disease-surveillance architecture and genomic epidemiology capacity (recurring UPSC Mains theme post-COVID).

#H1N1

#ICMR

#VRDL

#DiseaseSurveillance

#GS3-PYQ

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Public-health governance stories like this one quietly test whether you know the institution behind the reassurance — **NEEB 300+ Live PYQ Writing** makes sure ICMR/VRDL-type facts stay exam-ready. theiasakademia.com

6

Economy

GS3

Inflation · Statistical Methodology

Jul 2026 data, released ~12 Aug 2026 · Source: PIB / MoSPI, CPI Press Release

CPI Inflation Rises to 4.45% in July 2026 Under the New 2024=100 Base-Year Series

What happened: India's Consumer Price Index (CPI) inflation rose to 4.45% year-on-year in July 2026, up from 4.38% in June, its highest reading since December 2024, as per MoSPI's press release — now computed on a revised base year of 2024=100. Rural inflation stood at 4.84% and urban at 3.96%; food inflation (CFPI) came in higher at 5.52%, driven by food/beverages and transportation costs linked to adverse weather and geopolitical disruption.

Why it matters for UPSC: Beyond the headline number, the shift to a 2024=100 base year is itself a testable methodological fact — base-year revisions periodically recalibrate India's entire inflation-measurement framework to reflect updated consumption patterns.

⚡ KEY FACTS

- CPI inflation: 4.45% in July 2026 (up from 4.38% in June 2026) — highest since December 2024.

- New CPI series base year: 2024=100 (a periodic revision to reflect updated consumption baskets).
- Rural CPI inflation: 4.84%; Urban CPI inflation: 3.96%.
- Consumer Food Price Index (CFPI) inflation: 5.52% — the food/beverages and transportation sub-groups were the biggest contributors.
- Reading remains within RBI's inflation-targeting tolerance band (4% +/- 2 percentage points) under the Flexible Inflation Targeting framework.
- MoSPI (Ministry of Statistics and Programme Implementation) is the nodal body computing and releasing CPI data monthly.

Mains Dimensions:

- Base-year revisions matter for cross-period comparability — analysts must be cautious comparing pre- and post-revision inflation figures directly.
- Food inflation persistently running above headline CPI reflects continued vulnerability to weather shocks and global supply disruptions — a recurring structural theme in India's inflation story.
- RBI's Flexible Inflation Targeting mandate (4% target, 2-6% tolerance band) gives the MPC room to hold rates even as inflation ticks up, as seen in the August 2026 policy decision.
- Rural-urban inflation divergence (4.84% vs 3.96%) has distributive implications for welfare-scheme indexation and minimum support price calculations.

Let's Remember This Through a Trick

Remember the new anchor: "2024=100" is CPI's new starting line — every inflation number from now on is measured against this fresh base, not the older 2012 series.

PYQ Linkage

GS3, thematic linkage: CPI/WPI methodology, base-year revisions, and inflation targeting framework (recurring UPSC Prelims/Mains theme).

#CPIInflation

#BaseYearRevision

#MoSPI

#InflationTargeting

#GS3-PYQ

GS3

Industrial Output · Core Sector

Jul 2026 data, released 20 Aug 2026 · Source: Ministry of Commerce and Industry

India's Eight Core Industries Grow 5.4% in July 2026, Led by Iron Ore and Cement

What happened: The Index of Core Industries (ICI) grew 5.4% year-on-year in July 2026, moderating from 6% in June, per provisional estimates from the Ministry of Commerce and Industry. Iron ore led the expansion at 29.5%, followed by cement (13.1%), electricity (9%) and coal (7.6%), while natural gas (-3.7%),

crude oil (-5.3%) and fertiliser production (-8%) contracted. Cumulative April-July FY27 growth stood at 4.3%, sharply higher than the 1.5% recorded in the same period a year earlier.

Why it matters for UPSC: The Index of Core Industries is a direct, high-frequency input into the Index of Industrial Production (IIP) and a key leading indicator of infrastructure-linked economic momentum — read alongside today's steel and CPI data, it completes a fuller picture of the economy's current state.

KEY FACTS

- ICI growth: 5.4% YoY in July 2026 (vs 6% in June 2026); cumulative Apr-Jul FY27 growth: 4.3% (vs 1.5% in the same period FY26).
- The eight core industries are: coal, crude oil, natural gas, refinery products, fertilisers, steel, cement, and electricity — together carrying roughly 40% weight in the IIP.
- Strongest performer: iron ore, up 29.5% YoY in July.
- Weakest performers: fertiliser production (-8%), crude oil (-5.3%), and natural gas (-3.7%), all contracting.
- Cement (+13.1%) and electricity (+9%) point to sustained construction and power-demand momentum.

Mains Dimensions:

- ICI's ~40% weight in the IIP makes it a strong early predictor of the full industrial-production release — a useful analytical shortcut for exam answers on economic indicators.
- Divergent sectoral performance (mining/construction up, hydrocarbons/fertiliser down) suggests uneven recovery, not broad-based industrial acceleration.
- Fertiliser output contraction is a domestic-supply concern worth reading alongside yesterday's DGFT wheat-export liberalisation — both touch India's food/input security chain.
- Sustained cement/electricity growth aligns with continued public capex in infrastructure — a recurring theme also visible in this week's steel-consumption data.

Let's Remember This Through a Trick

Remember "8 industries, 40% weight": the core-sector index is a compact preview of the much larger IIP release that follows roughly six weeks later.

PYQ Linkage

GS3, thematic linkage: Index of Core Industries, IIP and industrial-output indicators (recurring UPSC Prelims theme on economic indices).

#IndexOfCoreIndustries

#IIP

#IronOre

#IndustrialOutput

#GS3-PYQ

THEIAS AKADEMIA Reading CPI, ICI and steel data together — not as three separate facts — is exactly the synthesis **LAKSHYAM AIR1**'s Economy module trains for GS3 answers that actually connect the dots. theiasakademia.com

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UPSC CSE Prelims 2026 Results

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

48

QUESTIONS FROM
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7

QUESTIONS FROM
A SINGLE DOCUMENT

6

QUESTIONS FROM
A SINGLE CLASS

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