CURRENT AFFAIRS — 07 OCTOBER 2026

Wednesday, 07 October 2026 • Asia/Kolkata (IST) • Prelims + Mains GS-wise digest

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DAILY CURRENT AFFAIRS FOR UPSC CSE

TODAY AT A GLANCE — 10 THINGS TO REMEMBER

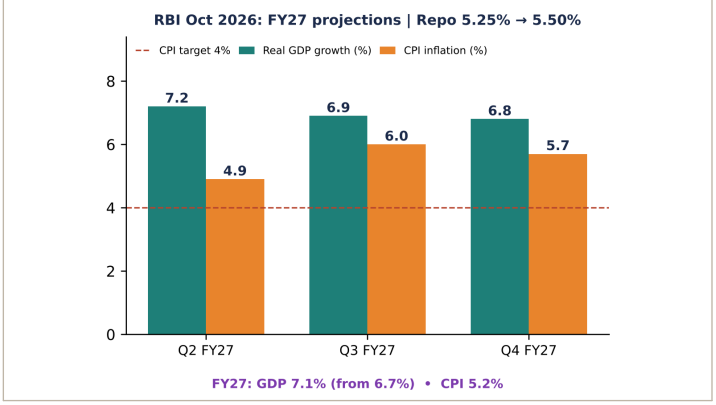
- RBI hikes **repo rate 25 bps to 5.50%**; stance now **'calibrated tightening'** — first hike since **Feb 2023**.
- RBI raises **FY27 GDP forecast to 7.1%** and **CPI inflation forecast to 5.2%**.
- Cabinet approves **₹10,000 crore SME Growth Fund** — an **AIF** for direct equity in SMEs.
- Cabinet sets up **Integrated Transport & Logistics Authority (ITLA)** — appraises projects **≥ ₹500 crore**.
- **FSS-1 'Surya'** — Navy's first indigenous **Fleet Support Ship**, launched at **HSL Visakhapatnam**.
- **National Supercomputing Mission**: **40 systems, 68 petaflops** commissioned (target 50 / 123+ PF).
- **Nobel Physics 2026** to **Francis Halzen** for discovery of **high-energy cosmic neutrinos** (IceCube).
- **India-Japan JCM** Operational Manual launched — carbon credits under **Article 6.2, Paris Agreement**.
- **India-Switzerland**: 5 pacts incl. **Young Professionals scheme (300/yr)**; **TEPA** completes one year.
- **SPIR 2026**: **13%** respondents faced cybercrime; **54%** of it was **digital financial fraud**.

SECTION A | GS-III: SCIENCE & TECH • ECONOMY • SECURITY • ENVIRONMENT

RBI hikes repo rate by 25 bps to 5.50%, shifts to 'calibrated tightening'

[ECONOMY] COMMON: Prelims + Mains GS3

Syllabus Linkage	**GS3** – Indian Economy: monetary policy, inflation, growth. Prelims: **repo/SDF/MSF**, **MPC** composition, **inflation targeting**.
Context	On **7 Oct 2026**, Governor **Sanjay Malhotra** announced the MPC's **unanimous** decision (meeting **5–7 Oct**) to raise the **repo rate from 5.25% to 5.50%** — the **first hike since Feb 2023** — citing **West Asia tensions**, **costlier crude** and a **weaker rupee**.
Key Facts	• Stance changed from **'neutral'** to **'calibrated tightening'**; near-term rate cuts effectively **off the table**. • **FY27 CPI inflation** projection raised to **5.2%**; quarterly path **Q2 4.9%**, **Q3 6.0%**, **Q4 5.7%**, **Q1 FY28 5.6%**. • **FY27 real GDP** growth raised **40 bps to 7.1%** (from 6.7%); **Q2 7.2%**, **Q3 6.9%**, **Q4 6.8%**. • Governor: inflation outlook **'not benign'** as it was last year; RBI had cut a cumulative **125 bps** in 2025. • Rupee traded near **₹96 per US dollar** after the decision.
Way Fwd	Anchor **inflation expectations** while protecting the growth momentum; coordinate with fiscal measures on **fuel taxes** and **supply-side** food management.
Concept	**MPC** (Sec **45ZB, RBI Act 1934**, inserted 2016): **6 members** (3 RBI + 3 Govt-nominated); Governor has **casting vote**. **Flexible Inflation Targeting**: CPI **4% ± 2%**. **SDF** = repo − 25 bps (floor); **MSF** = repo + 25 bps (ceiling).



Cabinet approves ₹10,000 crore SME Growth Fund for direct equity

[ECONOMY] COMMON: Prelims + Mains GS3

Syllabus Linkage	**GS3** – Growth & development, industrial policy, mobilisation of resources. Prelims: **AIF**, **MSME classification**, **SEBI (AIF) Regulations 2012**.
Context	The **Union Cabinet** on **6 Oct 2026** approved a **₹10,000 crore** government commitment to an **SME Growth Fund** to provide **growth-oriented equity capital** and create **'champion' Indian enterprises**, in line with **Viksit Bharat 2047**.
Key Facts	• Structured as an **Alternative Investment Fund (AIF)** under **SEBI (AIF) Regulations, 2012**. • Targets SMEs with proven **viability and scalability**; **majority allocation to manufacturing** SMEs. • Focus on **industrial clusters in Tier-II and Tier-III cities**. • Capital for **capacity expansion**, **technology adoption**, **exports**, **GVC integration** and **acquisitions**. • MSMEs contribute about **30% of GDP** and **45% of merchandise exports**.
Way Fwd	Pair equity with **TReDS**-led working capital, credit guarantees and **easier SME-exchange listing** so firms graduate from micro to medium scale.
Concept	**MSME** (MSMED Act **2006**; revised criteria): based on **investment + turnover**. **Fund of Funds for Startups (2016)** and **Self-Reliant India Fund (₹50,000 crore)** are earlier equity routes; **AIF Category I/II/III** regulated by **SEBI**.

RBI POLICY SNAPSHOT — 7 OCT 2026

Repo rate	5.50% (+25 bps)
SDF (floor)	5.25%
MSF (ceiling)	5.75%
Stance	Calibrated tightening
FY27 GDP	7.1% (from 6.7%)
FY27 CPI	5.2%
Last hike	Feb 2023

SME GROWTH FUND — CABINET, 6 OCT 2026



*Fig: **SME Growth Fund** at a glance (Cabinet decision, 6 Oct 2026)*

Integrated Transport & Logistics Authority (ITLA) set up as apex planning body

[ECONOMY] COMMON: Prelims + Mains GS3

Syllabus Linkage	**GS3** – Infrastructure: roads, ports, railways, airports; investment models. Prelims: **PM Gati Shakti**, **National Logistics Policy 2022**.
Context	The Cabinet on **6 Oct 2026** approved the **ITLA**, an **SPV** that will act as the apex body for **transport research, planning, appraisal, monitoring and impact assessment**, ending the **ministry-by-ministry** fragmentation across **five Union ministries**.
Key Facts	● Will prepare a **10+ year National Transport Master Plan** covering **8 domains** — roads, railways, ports & shipping, civil aviation, inland waterways, coastal shipping, urban mobility, logistics. ● **Technical appraisal** of central projects costing **₹500 crore or more**; financial appraisal stays with existing mechanisms. ● **National Transport Data Repository** to pool **e-way bill, FASTag, Vahan, GPS** and urban traffic data. ● Cabinet also cleared **four rail multitracking projects** in **WB, Odisha, TN and AP**.
Way Fwd	Give ITLA statutory backing over time, integrate it with **Gati Shakti NMP** layers and use **post-project audits** to cut logistics cost below **8–9% of GDP**.
Concept	**PM Gati Shakti NMP** (Oct **2021**): GIS-based integrated planning on **7 engines**. **National Logistics Policy** (Sep **2022**). **LEADS** index ranks States on logistics. **SPV**: ring-fenced legal entity for a specific mandate.

Nobel Prize in Physics 2026 for discovery of high-energy cosmic neutrinos

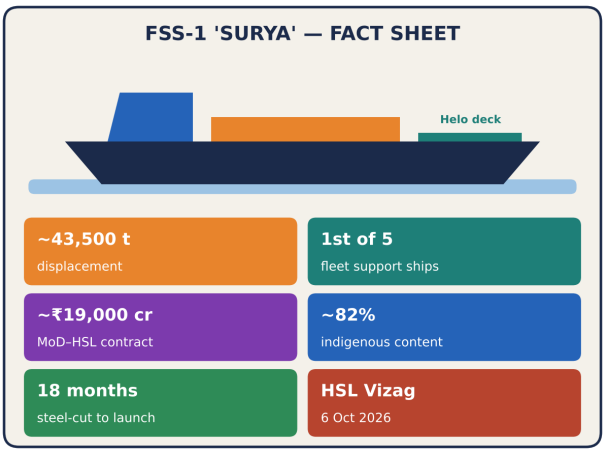
[SCI-TECH] PRELIMS: Sci-Tech + GS3

Syllabus Linkage	**GS3** – Awareness in space & particle physics. Prelims: **neutrinos**, **IceCube**, **INO** (India-based Neutrino Observatory).
Context	The **Royal Swedish Academy of Sciences** on **6 Oct 2026** awarded the **Physics Nobel** to **Francis Halzen** (**University of Wisconsin-Madison**) for the discovery of **high-energy astrophysical neutrinos** using the **IceCube Neutrino Observatory** at the **South Pole**.
Key Facts	● **IceCube** uses about **one cubic kilometre of Antarctic ice** fitted with optical sensors to catch faint **Cherenkov light**. ● Neutrinos are nearly **massless, chargeless** 'ghost particles' that pass through matter almost untouched. ● High-energy neutrinos act as messengers from **blazars, active galactic nuclei** and other cosmic accelerators. ● The **2026 Medicine Nobel** (announced **5 Oct**) went to pioneers of **optogenetics**.
Way Fwd	Revive and fast-track India's **INO** project at **Bodi West Hills (Theni, TN)** and deepen participation in global neutrino and **multi-messenger astronomy** collaborations.
Concept	**Neutrino** — lepton with **3 flavours** (electron, muon, tau); **neutrino oscillation** proves non-zero mass (**Nobel 2015**). **Cherenkov radiation**: light emitted when a charged particle moves faster than light's speed in that medium.

FSS-1 'Surya': Navy's first indigenous Fleet Support Ship launched

[DEFENCE] COMMON: Prelims + Mains GS3

Syllabus Linkage	**GS3** – Security; indigenisation of technology; **Blue Economy**. Prelims: **Hindustan Shipyard Ltd**, fleet tankers, shipbuilding policy.
Context	Defence Minister **Rajnath Singh** launched **'Surya' (FSS-1)** at **Hindustan Shipyard Ltd (HSL), Visakhapatnam** on **6 Oct 2026** — the **first of five** Fleet Support Ships that replenish warships at sea, extending the Navy's **blue-water reach**.
Key Facts	● About **43,500 tonnes** displacement; **helicopter deck**, onboard workshops and **self-defence systems**. ● Entered the **Bay of Bengal ~18 months after steel cutting**; keel of **FSS-5** laid the same day. ● MoD–HSL contract of about **₹19,000 crore** for **5 ships**; around **82% indigenous content**. ● HSL inaugurated upgraded **Slipway-4** and a **300-tonne Goliath crane**. ● Will supplement existing tankers **INS Deepak, INS Shakti** and **INS Aditya**.
Way Fwd	Scale yards to global standards on **cost, quality, delivery**; leverage the **Maritime Amrit Kaal Vision 2047** and shipbuilding package to lift India's **under-1%** global share.
Concept	**Fleet Support Ship / replenishment tanker**: carries fuel, water, ammunition and stores for **Replenishment At Sea (RAS)**, enabling sustained deployment. **HSL** — Defence PSU under **MoD** since **2010**. **Positive Indigenisation Lists** curb imports.



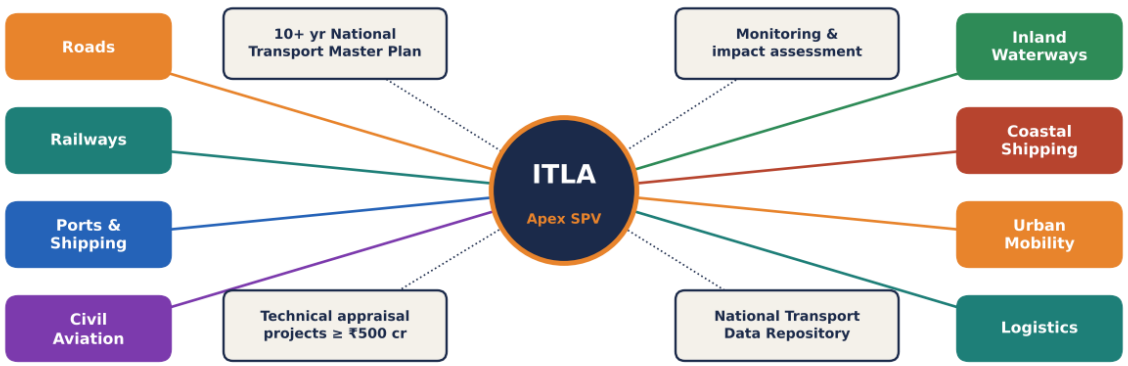
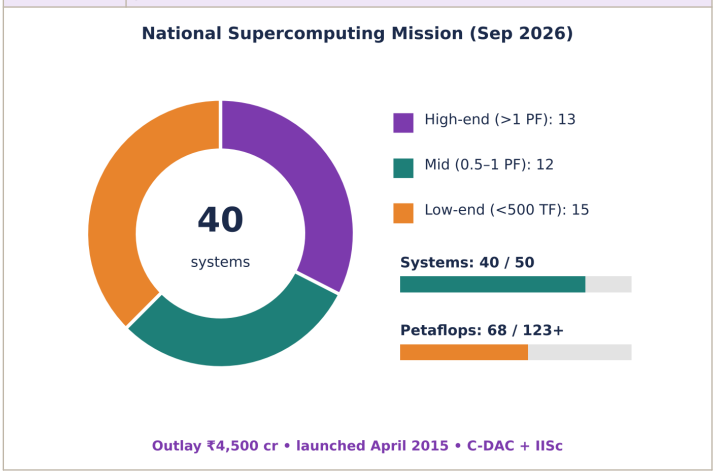


*Fig: **ITLA** — eight modal domains and four core functions*

National Supercomputing Mission crosses 40 systems and 68 petaflops

[SCI-TECH] **COMMON: Prelims + Mains GS3**

Syllabus Linkage	**GS3** – Science & Technology: indigenisation, IT & computers. Prelims: **NSM**, **PARAM Rudra**, **AIRAWAT**, **C-DAC**.
Context	Official data show that as of **Sep 2026**, the **NSM** has commissioned **40 supercomputers** with a combined **68 petaflops**, against a target of **50 systems** and **123+ petaflops** — about **80%** of systems but **~55%** of planned compute.
Key Facts	● By class: **13 high-end (>1 PF)**, **12 mid (0.5–1 PF)**, **15 low-end (below 500 TF)**. ● Launched **April 2015**, outlay **₹4,500 crore**; steered by **DST + MeitY**, implemented by **C-DAC** and **IISc Bengaluru**. ● Indigenous **'Rudra' servers — 6,000 deployed**; indigenous interconnect tested at **100/200 Gbps**. ● **16,000+ researchers**, **1.5 crore+ jobs** run, **~2,000 publications**. ● **AIRAWAT** AI supercomputer entered **TOP500 at rank 75** (2023).
Way Fwd	Close the compute gap with **IndiaAI Mission GPU** capacity, indigenous processors and **energy-efficient** data centres; widen access for start-ups and States.
Concept	**Petaflop = 10^{15} floating-point operations per second**; **exascale** = 10^{18}. **PARAM 8000 (1991)** was India's first supercomputer by **C-DAC**. **TOP500** list ranks systems twice a year.



India–Japan Joint Crediting Mechanism: Operational Manual launched

[ENVIRONMENT] **COMMON: Prelims + Mains GS3**

Syllabus Linkage	**GS3** – Environment: climate change, carbon markets. **GS2** – bilateral relations. Prelims: **Article 6.2**, **NDC**, **CCTS**.
Context	India and Japan released the **JCM Operational Manual** in **New Delhi** (dated **30 Sep 2026**), making the bilateral **carbon-credit mechanism** project-ready after the **MoC (7 Aug 2025)** and **Rules of Implementation (8 Jun 2026)**.
Key Facts	● Operates under **Article 6.2 of the Paris Agreement** (cooperative approaches, **ITMOs**). ● Japanese technology and **co-finance** flow into Indian low-carbon projects; verified reductions are **shared as credits**. ● India's eligible list: **green hydrogen, offshore wind, storage-backed renewables, CCUS**. ● Japan has JCM partnerships with about **30 countries** since **2013**. ● Indian authority: **NDAIAPA** (constituted **2022**).
Way Fwd	Guard against **over-selling credits** India needs for its own **NDC**; link JCM registries transparently with the domestic **Carbon Credit Trading Scheme**.
Concept	**India's updated NDC (2022)**: cut **emissions intensity of GDP by 45%** by **2030** (vs 2005); **50%** power capacity from non-fossil sources; **Net Zero by 2070**. **Article 6.4** = UN-supervised crediting mechanism.

3D concrete printing piloted for rural houses under PMAY-G

[SOCIETY] **COMMON: Prelims + Mains GS2/GS3**

Syllabus Linkage	**GS2** – Welfare schemes for vulnerable sections. **GS3** – infrastructure, technology in construction. Prelims: **PMAY-G** features, cost-sharing.
Context	A national-level pilot launched on **4 Oct 2026** in **Guntur district, Andhra Pradesh** is building **177 PMAY-G houses** using **3D concrete printing**, testing whether automated construction can deliver rural homes **faster and cheaper**.
Key Facts	● **100 houses at Burripalem** (near Tenali) and **77 at Pothuru**; completion targeted in about **six months**. ● Outlay **₹13.93 crore** — Centre **₹9.44 crore**, State **₹4.49 crore**. ● PMAY-G aid: **₹1.20 lakh (plains)** / **₹1.30 lakh (hilly/difficult areas)**; minimum **25 sq m** house. ● Cabinet approved **2 crore** more houses up to **2028-29** after the **2.95 crore** first-phase target.
Way Fwd	Benchmark **cost, durability and climate suitability** against conventional houses; train local masons so technology **creates rather than displaces** rural jobs.
Concept	**PMAY-G** (launched **20 Nov 2016**, restructured from **Indira Awaas Yojana**): beneficiaries from **SECC 2011 / Awaas+**; cost-sharing **60:40**, **90:10** for NE & Himalayan States, **100%** for UTs. India's first 3D-printed house: **IIT Madras start-up (2021)**.

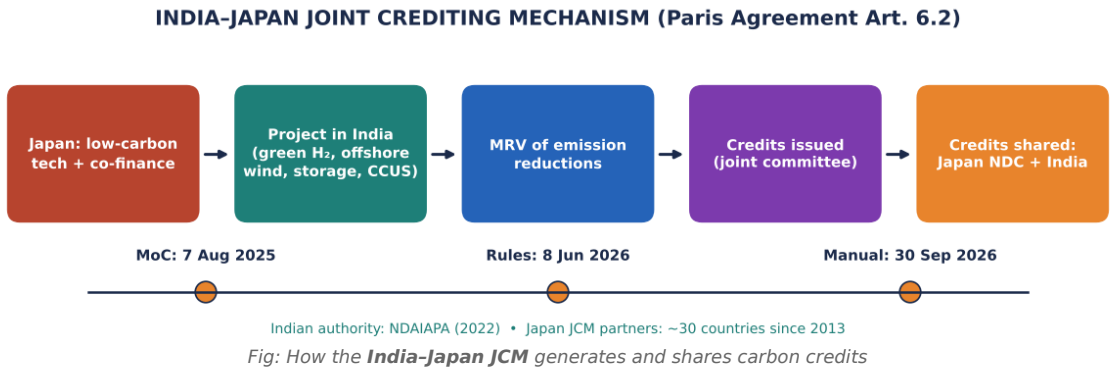


*Fig: How the **India–Japan JCM** generates and shares carbon credits*

SECTION B | ECONOMY DATA POINT OF THE DAY

5.50% (+25 bps)

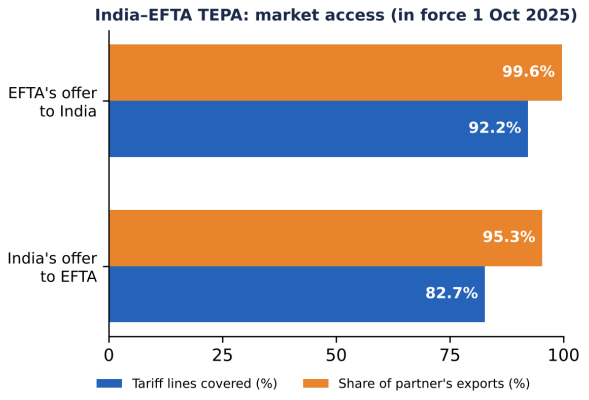
Repo rate after RBI's October 2026 policy
First hike since **Feb 2023**; stance **'calibrated tightening'**; FY27 **GDP 7.1%**, **CPI 5.2%**; SDF **5.25%**, MSF **5.75%**.

SECTION C | GS-II: GOVERNANCE • POLITY • INTERNATIONAL RELATIONS

India–Switzerland sign 5 pacts as India–EFTA TEPA completes one year

[IR] **COMMON: Prelims + Mains GS2**

Syllabus Linkage	**GS2** – Bilateral & regional groupings, agreements affecting India's interests. Prelims: **EFTA members**, **TEPA**, mobility pacts.
Context	Swiss President **Guy Parmelin**'s visit to New Delhi (talks on **5 Oct 2026**) produced **five agreements** and opened new tracks in **defence production** and **civil nuclear energy**, marking one year of the **India-EFTA TEPA** (in force **1 Oct 2025**).
Key Facts	● **Migration & Mobility Partnership** — **multiple-entry visas up to 5 years**, legal pathways for students and researchers. ● **Young Professionals scheme**: **300 per year** each way (expandable to **500**) for temporary work-exchange. ● Other pacts: **transport technologies & infrastructure**, science cooperation. ● TEPA: **USD 100 billion** investment and **1 million direct jobs** in India over **15 years** — first FTA with a **binding investment commitment**. ● EFTA offers **92.2%** tariff lines (**99.6%** of India's exports); India offers **82.7%** (**95.3%** of EFTA exports).
Way Fwd	Operationalise the investment chapter via a **TEPA Desk**, push **services and pharma** access, and use Swiss expertise in **precision engineering** and **vocational training**.
Concept	**EFTA** (est. **1960**, Stockholm Convention): **Switzerland, Norway, Iceland, Liechtenstein** — not in the EU customs union. **TEPA** signed **10 Mar 2024**. Switzerland also hosts the **WTO, WHO, ILO** headquarters in Geneva.



PM calls for global rules on AI and deepfake origin-tracing

[POLITY] **COMMON: Prelims + Mains GS2/GS3**

Syllabus Linkage	**GS2** – Government policies, e-governance. **GS3** – cyber security, AI. Prelims: **IT Rules 2021 (amended 2026)**, **DPDP Act 2023**, **IndiaAI Mission**.
Context	Meeting the **GSMA Board** in New Delhi (**6 Oct 2026**), PM **Narendra Modi** called for **global standards and common rules for emerging technologies** and mechanisms that let users **identify the origin of deepfakes** and AI-generated content.
Key Facts	● PM: 'our digital future must **expand opportunity** while **strengthening trust**'. ● India's **Feb 2026 IT Rules amendments** require platforms to embed **permanent metadata / unique identifiers** in **synthetic content**. ● **EU AI Act** labelling duties apply from **2 Aug 2026**; China mandates AI labels since **Sep 2025**. ● India has **no standalone AI law**; regulation runs through the **IT Act 2000** and IT Rules.
Way Fwd	Push **interoperable watermarking/provenance** standards at **G20, ITU and the UN**; balance safety with **free speech (Art 19)** and innovation via a **risk-based** framework.
Concept	**Deepfake** — AI-generated synthetic media mimicking real people. **Sec 79, IT Act**: **safe harbour** for intermediaries conditional on **due diligence**. **Shreya Singhal (2015)** struck down **Sec 66A**. **GSMA** — global body of mobile operators.

SPIR 2026: cybercrime victims struggle for redress; financial fraud dominates

[REPORT] **COMMON: Prelims + Mains GS3**

Syllabus Linkage	**GS3** – Internal security: cyber crime, role of media & social networking. **GS2** – police reforms. Prelims: **I4C**, **1930 helpline**, **NCRB**.
Context	The **Status of Policing in India Report (SPIR) 2026**, based on a survey of **8,306 respondents** across **16 States/UTs**, examines how **cybercrime victims** seek police and bank redress amid India's **UPI boom**.
Key Facts	● **13%** respondents faced cybercrime in the last 2–3 years; **54%** of these were **digital financial frauds**. ● **52%** of financial-fraud victims complained to banks, **63%** of them **within 24 hours**; **40%** suspected **bank insider** involvement. ● Women, the poor and rural victims lean more on **informal routes (bribes, contacts)** to get police help. ● Ready-made fraud **'kits'** (pre-activated SIMs, mule accounts) cost just **₹10,000–20,000**. ● UPI handled over **24,000 crore transactions** worth **₹314 lakh crore** in **FY26**.
Way Fwd	Mandatory **FIR/e-Zero FIR** registration, faster **bank-police coordination** via **I4C**, strict action on **mule accounts** and time-bound **refunds** under RBI's zero-liability norms.
Concept	**RBI circular (6 Jul 2017)**: **zero customer liability** if fraud reported within **3 working days**. **Police & public order** — **State List (Entry 1, 2)**. **I4C** under MHA; **National Cybercrime Reporting Portal** + **1930** helpline.

SECTION D | PRELIMS RAPID-FIRE

1. **Exercise Mountain Guardian 2026** — inaugural **India-UAE** army exercise in high-altitude **Uttarakhand**.	4. **Asian Games 2026 (Aichi-Nagoya, Japan)** — India **4th** with **85 medals (21 gold, 27 silver, 37 bronze)**.
2. **Bogibeel (Assam)** — first international cargo from Upper Assam: **540 MT methanol** to **Dhaka** via **NW-2 (Brahmaputra)**.	5. **NABKISAN** — India's first **WASH-focused social bond** listed on NSE: **₹180 crore**, **8.10%** coupon, 5-year tenure.
3. **EAM visit (6–10 Oct)** — **Ghana, Côte d'Ivoire, Ethiopia**; Regional Heads of Mission conference in **Addis Ababa**.	6. **National Household Travel Survey** — first all-India survey of **4.92 lakh households**; **61.9% male vs 41.9% female** workers commute daily.

SECTION E | PRACTICE CORNER

Q1. With reference to the Monetary Policy Committee (MPC) of the RBI, consider the following statements: 1. It is a statutory body under the RBI Act, 1934. 2. It has six members, of whom three are nominated by the Central Government. 3. In case of a tie, the Union Finance Minister has the casting vote. Which of the statements given above are correct?

(a) 1 and 2 only **(b)** 2 and 3 only **(c)** 1 and 3 only **(d)** 1, 2 and 3

Answer: (a) — The MPC is constituted under **Section 45ZB of the RBI Act, 1934**, with **6 members** (3 from RBI, 3 nominated by the Government). The **RBI Governor**, not the Finance Minister, has the **casting vote** — so statement 3 is wrong.

Q2. The Joint Crediting Mechanism (JCM), recently operationalised between India and Japan, is a cooperative approach under which provision of the Paris Agreement?

(a) Article 2.1 **(b)** Article 4.4 **(c)** Article 6.2 **(d)** Article 9.1

Answer: (c) — **Article 6.2** allows Parties to cooperate bilaterally through **Internationally Transferred Mitigation Outcomes (ITMOs)**; the JCM is such an approach. **Article 6.4** sets up the UN-supervised crediting mechanism; **Article 9** deals with climate finance.

MAINS PRACTICE (GS3): The RBI has shifted to 'calibrated tightening' even as it raises its growth forecast. Examine the factors behind this decision and discuss its implications for growth, inflation and the external sector. (250 words, 15 marks)

Hint: Intro: **repo 5.25%→5.50%**, first hike since **2023**. Body: drivers — **crude/West Asia**, **rupee ~₹96/$**, CPI path to **6.0%** in Q3; implications — costlier credit, **transmission**, capital flows, fiscal–monetary coordination. Conclude: credibility of **FIT (4% ± 2%)** protects long-run growth.

ONE-LINE REVISION: Repo **5.50%** (+25 bps, 'calibrated tightening') • SME Fund **₹10,000 cr** (AIF) • ITLA appraises **≥ ₹500 cr** • FSS-1 **Surya** (HSL Vizag) • NSM **40 systems / 68 PF** • JCM = **Art 6.2** • TEPA **USD 100 bn / 15 yrs**.

Compiled & simplified by the StudyForGS.com Research Team

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