VEDANTA COACHING ACADEMY & LIBRARY

Daily Current Affairs

THE HINDU · UPSC ANALYSIS

21 AUGUST 2026 · THURSDAY

Southern Zonal Council | Core Sector / ICI | Satkosia Tiger Reserve | Kathakali | NAMASTE Scheme | Fiscal Outlook | Fire Safety | Vanashakti Verdict

Compiled by **Sapna Chauhan**

Important Issues of the Day

01 Southern Zonal Council

GS 2 · Polity & Governance

WHY IN NEWS At the 31st Southern Zonal Council meeting in Mamallapuram, Union Home Minister Amit Shah called for early resolution of pending inter-State water disputes in South India through joint mechanisms.

- Union Home Minister Amit Shah emphasised the need for **early resolution of pending water-related issues** concerning southern States through joint meetings involving the Ministry of Jal Shakti, the Ministry of Home Affairs, the Inter-State Council, and respective States.
- Addressing the **31st Southern Zonal Council meeting** at Mamallapuram near Chennai, Mr. Shah said that while protecting the interests of one's own State was not wrong, if it deprived other States of water for years, no actual interest was being served.
- He said **linking major rivers**—from the Brahmaputra to the Cauvery and the Godavari—could ensure India faces no water shortage for the next 100 years.

Shah calls for early resolution of water issues in South India

Home Minister Amit Shah and the CMs of Karnataka, Tamil Nadu, Andhra Pradesh, and Keralam at the meeting. SPECIAL ARRANGEMENT

The Hindu Bureau
CHENNAI

Union Home Minister Amit Shah on Thursday emphasised the need for early resolution of pending water-related issues concerning southern States through joint meetings involving the Ministry of Jal Shakti, the Ministry of Home Affairs, the Inter-State Council, and respective States.

Addressing the 31st Southern Zonal Council meeting at Mamallapuram near Chennai, Mr. Shah said while protecting the interests of one's own State was not wrong, if it deprived other States of water for years, no actual interest was being served. He said linking major rivers, from the Brahmaputra to the Cauvery and the Godavari, could ensure India faces no water shortage for the next 100 years.

According to a release, the southern States agreed with Mr. Shah's suggestion that water disputes should be resolved expeditiously through mutual dialogue and constructive solutions.

PRAISES SOUTH'S ROLE
» PAGE 14

VALUE ADDITION — ZONAL COUNCILS

- **Nature:** Zonal Councils are **statutory bodies (not constitutional)** established under the **States Reorganisation Act, 1956**, as a high-level advisory forum to foster cooperative working among States and a healthy inter-State and Centre–State environment.
- **Origin:** First proposed by PM Jawaharlal Nehru in 1956 during debates on the States Reorganisation Commission's (Fazal Ali Commission, 1953) Report. Established under **Sections 15–22** of the Act (five Zonal Councils).
- **North-East:** Has a separate **North Eastern Council**, created in 1972 under the North Eastern Council Act, 1972.
- **Chairman:** Union Home Minister (for all 5 Councils); also ex-officio Chairman of the NEC. **Vice-Chairman:** a member-State Chief Minister (annual rotation).
- **Members:** Chief Ministers, Lieutenant Governors/Administrators of member States/UTs; the Governor of each State nominates two ministers as members.
- **Permanent Committee:** comprises Chief Secretaries of member States; screens State-proposed issues before they reach the full Council.
- **Significance:** Though advisory, they are key instruments of **cooperative federalism**—61 meetings held in the last eleven years.

Syllabus Link: Functions and responsibilities of the Union and the States; issues and challenges pertaining to the federal structure; inter-State relations.

✦ ✦ ✦

02 Core Sector Growth & the New ICI Series

GS 3 · Economy

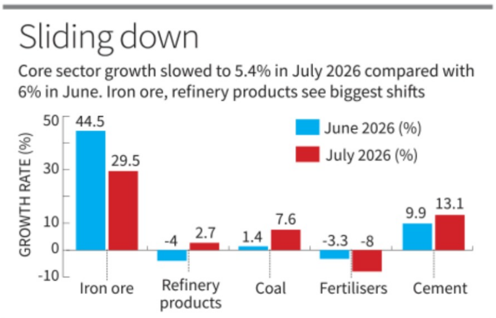
WHY IN NEWS Core-sector growth slowed to 5.4% in July 2026 (from 6% in June) as fertilizer, iron ore and steel output moderated—even as the Government rolled out a revised Index of Core Industries with base year 2022–23.

- Economic activity in India's core industrial sectors saw growth **slow to 5.4% in July 2026** from 6% in June. This was driven by a significant slowdown in fertilizers, iron ore and steel, plus continued contraction in natural gas and crude oil.
- Data on the **Index of Core Industries** released by the Ministry of Commerce and Industry showed July's growth was still the second-fastest in seven months. A new series was released, so historical comparison is possible only up to June 2025.
- The Government released an updated series of the **Index of Core Industries (ICI)**, introducing a revised **base year of 2022–23** (replacing 2011–12).
- The index is compiled and published monthly by the **Office of Economic Adviser (OEA), DPIIT**, under the Ministry of Commerce and Industry.

Core sector growth slows to 5.4% in July as fertilizer, oil output falls

The Hindu Bureau
NEW DELHI

Economic activity in India's core industrial sectors saw growth slow to 5.4% in July 2026 from 6% in June, according to official data released on Thursday. This was driven by a significant slowdown in the fertilizers, iron ore, and steel sectors, accompanied by a continued contraction in the natural gas and crude oil sectors.



The data on the Index of Core Industries (ICE) released by the Ministry of Commerce and Industry, however, showed that July's growth was still the second-fastest in seven months. The Ministry released a new series of the ICE in July, which means that a historical comparison is possible only up to June 2025.

Within the index, the fertilizers sector contracted 8% in July 2026, as compared to a contraction of 3.3% in June. The sector had grown 1.9% in July of last year. This performance is likely due to the deficient and patchy monsoon, and the resultant lower levels of sowing taking place.

The iron ore sector saw growth slowing to 29.5% in July 2026, from 44.5% in June. However, it is important to point out that these relatively high growth levels are on a low base, since the sector contracted 16.4% and 7.1% in June and July of last year, respectively. This low base effect was also apparent in the coal sector's 11-month high growth rate of 7.6% in July 2026. The sector had contracted 12.3% in July last year.

Growth in the steel sector slowed to 2.9% in July 2026, the lowest in the 14 months for which there is data, down from 5.6% in June.

CONTINUED ON
» PAGE 14

VALUE ADDITION — REVISED ICI (BASE 2022–23)

- **Expansion to nine sectors:** Expanded from 8 to 9 core industries by adding **Iron Ore** (weight 4.905%) due to its critical role as an industrial input.
- Sectoral weights updated using the **IIP (Base Year 2022–23)** and normalised to 100.
- **Weight order:** Electricity (30.93%) > Refinery Products (22.57%) > Steel (17.58%) > Crude Oil (7.43%) > Coal (5.59%) > Iron Ore (4.90%) > Cement (4.41%) > Natural Gas (3.84%) > Fertilizers (2.73%).

INDEX OF CORE INDUSTRIES (ICI)
BASE YEAR 2022-23

Sector	Weight (%)
1. Coal	5.596
2. Natural Gas	3.841
3. Crude Oil	7.430
4. Refinery Products	22.572
5. Fertilizers	2.731
6. Steel	17.584
7. Cement	4.410
8. Electricity	30.932
9. Iron Ore	4.905
Overall Index	**100.000**

Syllabus Link: Indian economy—mobilization of resources, growth, development; industrial policy and performance indicators.

✦ ✦ ✦

03 Satkosia Tiger Reserve

GS 3 / Prelims · Environment

WHY IN NEWS Odisha has constituted a high-level inquiry committee to examine the relocation of villages from the Satkosia Tiger Reserve, following allegations of forcible eviction of long-settled residents.

- The Odisha government has constituted a **high-level inquiry committee** to examine the relocation of villages from the **Satkosia Tiger Reserve (STR)**, following allegations that residents were forcibly evicted despite having coexisted with wildlife for decades.
- The committee, headed by the **Revenue and Disaster Management Secretary**, will examine the entire village-wise relocation process except Raiguda (the first village relocated after proper procedure). The notification was issued on **August 17**.
- It is mandated to verify compliance with the **Wildlife (Protection) Act, 1972**, the **Forest Rights Act, 2006**, and **NTCA guidelines**.

Odisha forms panel to examine relocation of villages from Satkosia Tiger Reserve

Satyasundar Barik
BHUBANESWAR

The Odisha government has constituted a high-level inquiry committee to examine the relocation of villages from the Satkosia Tiger Reserve (STR) following allegations by residents that they were forcibly evicted from their ancestral villages despite having coexisted harmoniously with wildlife for decades.

The committee headed by the Revenue and Disaster Management Secretary would examine the entire village-wise relocation process relating to the STR, except Raiguda, which was the first village to be relocated after following the proper procedures.

The notification regarding the formation of the committee was issued on August 17.

Villagers had alleged that they were forcibly evicted. FILE PHOTO

The panel has been mandated to examine and verify compliance with applicable statutory provisions, including the Wildlife (Protection) Act, 1972, the Forest Rights Act, 2006, and guidelines of the National Tiger Conservation Authority.

Beneficiary identification would also be scrutinised to find out if villagers were wrongfully excluded or included in the relocation process. Assessment of compensation and rehabilitation provided to the affected families will also be examined.

The committee has been directed to recommend appropriate corrective measures, including payment of differential compensation, restoration of rights, and livelihood support.

The State government has particularly asked the committee to identify the officers responsible for any procedural irregularities or violations and recommend appropriate departmental and criminal action against them.

Zero tiger population

The STR has a troubled history of tiger conservation. The State's 2007 census recorded 12 tigers but by 2018-19, just one remained.

The 2022 tiger census recorded none, leaving the reasons behind the population's disappearance unresolved.

VALUE ADDITION — SATKOSIA TIGER RESERVE

- **Conservation crisis:** The 2007 census recorded 12 tigers; by 2018–19 just one remained; the **2022 census recorded none**, with reasons unresolved.
- **Location:** Spans **Angul, Cuttack, Boudh and Nayagarh** districts of Odisha.
- **Established:** 2007, by merging Satkosia Gorge Sanctuary (1976) and Baisipali Wildlife Sanctuary (1981). **Total area:** 1,136.70 sq. km.
- **Geography:** A transitional zone between the **Eastern Ghats and the Deccan Plateau**, promoting rich biodiversity.
- **Fauna:** elephants, leopards, mugger crocodiles, wild dogs and 200+ bird species. **Flora:** 400+ plant species—Sal, Mahua, Bamboo and medicinal plants.
- **Ramsar:** Recognised as a wetland of international importance.

Syllabus Link: Conservation, environmental protection; protected areas; Wildlife (Protection) Act and Forest Rights Act interface.

✦ ✦ ✦

04 Kathakali & India's Classical Dances

GS 1 · Art & Culture

WHY IN NEWS A Kathakali performance marked the opening ceremony of the Kerala Cricket League 2026, spotlighting one of India's eight classical dance forms—a recurring Prelims and GS-1 theme.

Traditional touch

Curtain raiser: A Kathakali performer on the field during the opening ceremony of the Kerala Cricket League 2026 season at the Greenfield International Cricket Stadium in Thiruvananthapuram on Thursday. NIRMAL HARINDRAN

VALUE ADDITION — KATHAKALI AT A GLANCE

- **Origin:** A classical dance-drama of **Kerala**; dancers wear large head-dresses and elaborate face make-up, the colours extended with **moulded lime**.
- **Themes:** Drawn from the **Ramayana**, **Mahabharata** and other Hindu epics, mythologies and legends.
- **Recognition:** One of the eight classical dance forms recognised by the Sangeet Natak Akademi.

Reference table — India's classical dance forms (frequently asked in Prelims):

Bharata Natyam (Tamil Nadu)	• **The Abhinaya Darpana by Nandikesvara is textual source for it.** • The dance movements are characterized by bent legs, while feet keep rhythm. Hands may be used in a series of mudra.
Kathakali (Kerala)	• The dancers wear large head dresses, and the different colours of the face are extended with moulded lime. • Kathakali dance presents themes derived from the Ramayana, the Mahabharata and other Hindu epics, mythologies and legends.
Mohini Attam (Kerala)	• Mohiniattyam is characterized by swaying movements of the upper body with legs placed in a stance similar to the plie position. The eyes play an important role in the direction of the movement. • The performer wear The white and gold costume.
Kathak (Uttar Pradesh)	• The movements include intricate footwork accented by bells worn around the ankles and stylized gestures adapted from normal body language. • Lucknow, Banaras and Jaipur are recognized as the three schools of it.
Odissi (Orissa)	• The technique of Odissi includes repeated use of the tribhangi, (thrice deflected posture) in which the body is bent in three places, the shape of a helix. This posture and the characteristic shifting of the torso from side to side, make Odissi a difficult style to execute.
Kuchipudi (Andhra Pradesh)	• Kuchipudi exhibits scenes from the Hindu Epics, legends and mythological tales through a combination of music, dance and acting. • Taranagam is the main unique piece of kuchpudi repertoire, also known as plate (made by brass) dance. In that the dancer must dance upon a brass plate, placing the feet upon the raised edges.
Manipuri (Manipur)	• It has two major streams. One is the sankeertana which is the devotional aspect and the other is raasa.
Sattriya (Assam)	• Dressed in white costumes and turbans, head gears, they include khol playing, performing dance, creating soundscapes, floor patterns and choreographic designs.

Syllabus Link: Indian culture—salient aspects of art forms; classical dances and their regional origins.

✦ ✦ ✦

05 NAMASTE Scheme

GS 2 & 3 · Social Justice

WHY IN NEWS The Centre is set to expand its mechanised-sanitation scheme (NAMASTE) to rural India, even as the NCSC flags high rejection rates under its self-employment and capital-subsidy components.

- Even as the Government plans to expand mechanised sanitation work, the **National Commission for Scheduled Castes (NCSC)** has flagged the continued rejection of applications under the **self-employment and capital-subsidy** components.
- The Social Justice Ministry has moved a proposal to expand the scope of the **NAMASTE** scheme from towns and cities to **rural areas**; it will now cover drain cleaners and workers in **sewage (STPs) and faecal-sludge treatment plants**.
- An outlay of about **₹498.73 crore** is proposed for the expanded scheme, to be spent from this fiscal year to 2030–31.
- The Ministry told Parliament that **498 people died** across the country in the hazardous cleaning of sewers and septic tanks between 2019 and June 2026.

Centre set to expand mechanised sanitation scheme to rural India

Abhinay Lakshman
NEW DELHI

Even as the government plans to expand its scheme to mechanise sanitation work, the National Commission for Scheduled Castes (NCSC) has been flagging the continued rejection of applications under the self-employment and capital subsidy components of the project.

The Social Justice Ministry has already moved a proposal to expand the scope of the National Action for Mechanised Sanitation Ecosystem (NAMASTE) scheme from towns and cities to rural parts of the country as well, officials said. As per this proposal, the scheme, started in 2023-24 with the aim of eradicating sewer and septic tank deaths, will now be expanded to include drain cleaners, and workers in sewage treatment plants (STPs), and faecal sludge treatment plants. The Ministry has proposed an outlay of around ₹498.73 crore for the expanded scheme, to be spent from this fiscal year to 2030-31.

The scheme also covers waste pickers in its ambit.

The Social Justice Ministry told Parliament this August that 498 people had died across the country while engaged in the hazardous cleaning of sewers and septic tanks, from 2019 to June 2026.

The NAMASTE scheme had initially covered sewer and septic tank workers (SSWs) and was first expanded to include waste pickers. So far, 90,915 SSWs have been profiled across the country, along with 1.3 lakh waste pickers, according to the Ministry's annual report for 2025-26.

The main components of the scheme help manual scavengers and SSWs to set up their own sanitation-related projects by providing capital subsidies of up to 50% of the total project cost, and aid in setting up emergency response sanitation units in urban local bodies. Other components include training workshops and the provision of personal protective equipment for the profiled workers.

Few project approvals

Only 810 SSWs have been approved for capital subsidies under the scheme, of which 147 have actually received their funds, as of March 31 this year, according to Ministry data. Similarly, only 2,652 projects have been approved for the 58,000 manual scavengers identified under the scheme. This includes projects proposed by Private Sanitation Service Organisations (PSSOs) and by individuals.

In repeated letters to the Social Justice Ministry since last year, the NCSC has highlighted that one reason for the low number of approved projects is the high rate of rejections. It has noted that there have been rejections under each part of the capital subsidy component, which need to be examined. In an August 2025 letter, the NCSC flagged rejections in the self-employment components of the scheme, both in the Safai Udyami Yojana, under which SSWs receive capital subsidies and in the component for PSSOs.

VALUE ADDITION — NAMASTE

- **Full form:** National Action for Mechanised Sanitation Ecosystem—a human-centric, rights-based initiative to eliminate hazardous manual scavenging of sewers and septic tanks. Launched in 2023 as a **Central Sector Scheme** (2023–24 to 2025–26).
- It replaces the earlier **Self-Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)** and covers **4,800+ Urban Local Bodies**.
- Aligns with **SDG 6** (Clean Water & Sanitation), **SDG 8** (Decent Work) and **SDG 10** (Reduced Inequality).
- **Implementation:** Jointly by MoSJE and MoHUA, implemented through the **NSKFDC**.
- **Objectives:** Formalise, rehabilitate and empower Sewer & Septic Tank Workers (SSWs) and Waste Pickers with safety, dignity and inclusion via mechanised sanitation and health protection.
- Achieve **zero fatalities** by promoting trained, certified personnel, strengthening **Emergency Response Sanitation Units (ERSUs)**, and encouraging **Sanipreneurship** and SHG formation.

Syllabus Link: Welfare schemes for vulnerable sections; mechanisms and institutions for protection of SCs; issues relating to development and management of social sector.

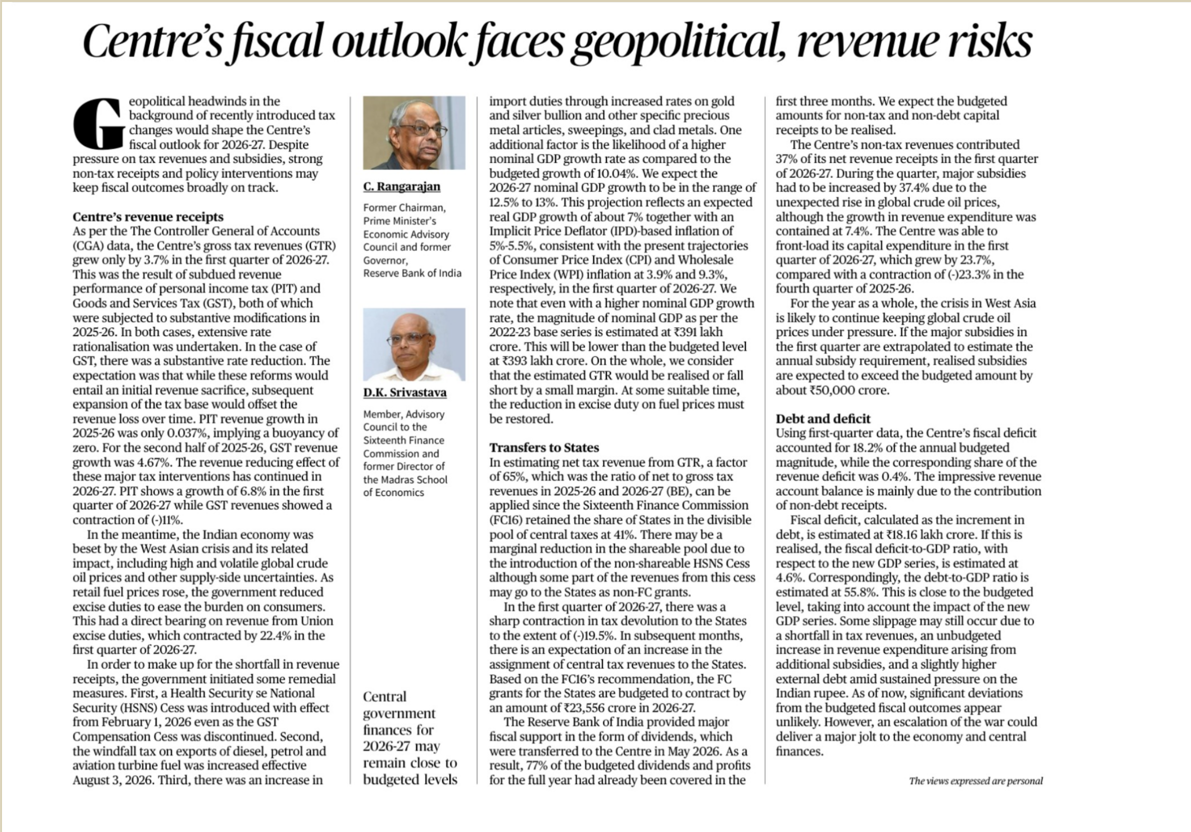
✦ ✦ ✦

06 Centre's Fiscal Outlook

GS 2 & 3 · Economy

WHY IN NEWS An expert assessment finds the Centre's 2026–27 fiscal outlook broadly on track despite geopolitical headwinds, with the West Asian crisis, fuel-tax cuts and revenue measures shaping receipts.

- The Indian economy was beset by the **West Asian crisis** and related impacts, including high and volatile global crude oil prices and supply-side uncertainties.
- As retail fuel prices rose, the Government **cut excise duties**; Union excise duty revenue consequently **contracted by 22.4%** in Q1 of 2026–27.
- Remedial measures: (i) a **Health Security se National Security (HSNS) Cess** from 1 Feb 2026 (as the GST Compensation Cess was discontinued); (ii) the **windfall tax** on diesel, petrol and ATF exports raised from 3 Aug 2026; (iii) higher **import duties** on gold, silver bullion and other precious-metal articles.



Centre's fiscal outlook faces geopolitical, revenue risks

Geopolitical headwinds in the background of recently introduced tax changes would shape the Centre's fiscal outlook for 2026-27. Despite pressure on tax revenues and subsidies, strong non-tax receipts and policy interventions may keep fiscal outcomes broadly on track.

Centre's revenue receipts

As per the The Controller General of Accounts (CGA) data, the Centre's gross tax revenues (GTR) grew only by 3.7% in the first quarter of 2026-27. This was the result of subdued revenue performance of personal income tax (PIT) and Goods and Services Tax (GST), both of which were subjected to substantive modifications in 2025-26. In both cases, extensive rate rationalisation was undertaken. In the case of GST, there was a substantive rate reduction. The expectation was that while these reforms would entail an initial revenue sacrifice, subsequent expansion of the tax base would offset the revenue loss over time. PIT revenue growth in 2025-26 was only 0.037%, implying a buoyancy of zero. For the second half of 2025-26, GST revenue growth was 4.67%. The revenue reducing effect of these major tax interventions has continued in 2026-27. PIT shows a growth of 6.8% in the first quarter of 2026-27 while GST revenues showed a contraction of (-)11%.

In the meantime, the Indian economy was beset by the West Asian crisis and its related impact, including high and volatile global crude oil prices and other supply-side uncertainties. As retail fuel prices rose, the government reduced excise duties to ease the burden on consumers. This had a direct bearing on revenue from Union excise duties, which contracted by 22.4% in the first quarter of 2026-27.

In order to make up for the shortfall in revenue receipts, the government initiated some remedial measures. First, a Health Security se National Security (HSNS) Cess was introduced with effect from February 1, 2026 even as the GST Compensation Cess was discontinued. Second, the windfall tax on exports of diesel, petrol and aviation turbine fuel was increased effective August 3, 2026. Third, there was an increase in import duties through increased rates on gold and silver bullion and other specific precious metal articles, sweepings, and clad metals. One additional factor is the likelihood of a higher nominal GDP growth rate as compared to the budgeted growth of 10.04%. We expect the 2026-27 nominal GDP growth to be in the range of 12.5% to 13%. This projection reflects an expected real GDP growth of about 7% together with an Implicit Price Deflator (IPD)-based inflation of 5%-5.5%, consistent with the present trajectories of Consumer Price Index (CPI) and Wholesale Price Index (WPI) inflation at 3.9% and 9.3%, respectively, in the first quarter of 2026-27. We note that even with a higher nominal GDP growth rate, the magnitude of nominal GDP as per the 2022-23 base series is estimated at ₹391 lakh crore. This will be lower than the budgeted level at ₹393 lakh crore. On the whole, we consider that the estimated GTR would be realised or fall short by a small margin. At some suitable time, the reduction in excise duty on fuel prices must be restored.

C. Rangarajan

Former Chairman, Prime Minister's Economic Advisory Council and former Governor, Reserve Bank of India

D.K. Srivastava

Member, Advisory Council to the Sixteenth Finance Commission and former Director of the Madras School of Economics

Central government finances for 2026-27 may remain close to budgeted levels

Transfers to States

In estimating net tax revenue from GTR, a factor of 65%, which was the ratio of net to gross tax revenues in 2025-26 and 2026-27 (BE), can be applied since the Sixteenth Finance Commission (FC16) retained the share of States in the divisible pool of central taxes at 41%. There may be a marginal reduction in the shareable pool due to the introduction of the non-shareable HSNS Cess although some part of the revenues from this cess may go to the States as non-FC grants.

In the first quarter of 2026-27, there was a sharp contraction in tax devolution to the States to the extent of (-)19.5%. In subsequent months, there is an expectation of an increase in the assignment of central tax revenues to the States. Based on the FC16's recommendation, the FC grants for the States are budgeted to contract by an amount of ₹23,556 crore in 2026-27.

The Reserve Bank of India provided major fiscal support in the form of dividends, which were transferred to the Centre in May 2026. As a result, 77% of the budgeted dividends and profits for the full year had already been covered in the first three months. We expect the budgeted amounts for non-tax and non-debt capital receipts to be realised.

The Centre's non-tax revenues contributed 37% of its net revenue receipts in the first quarter of 2026-27. During the quarter, major subsidies had to be increased by 37.4% due to the unexpected rise in global crude oil prices, although the growth in revenue expenditure was contained at 7.4%. The Centre was able to front-load its capital expenditure in the first quarter of 2026-27, which grew by 23.7%, compared with a contraction of (-)23.3% in the fourth quarter of 2025-26.

For the year as a whole, the crisis in West Asia is likely to continue keeping global crude oil prices under pressure. If the major subsidies in the first quarter are extrapolated to estimate the annual subsidy requirement, realised subsidies are expected to exceed the budgeted amount by about ₹50,000 crore.

Debt and deficit

Using first-quarter data, the Centre's fiscal deficit accounted for 18.2% of the annual budgeted magnitude, while the corresponding share of the revenue deficit was 0.4%. The impressive revenue account balance is mainly due to the contribution of non-debt receipts.

Fiscal deficit, calculated as the increment in debt, is estimated at ₹18.16 lakh crore. If this is realised, the fiscal deficit-to-GDP ratio, with respect to the new GDP series, is estimated at 4.6%. Correspondingly, the debt-to-GDP ratio is estimated at 55.8%. This is close to the budgeted level, taking into account the impact of the new GDP series. Some slippage may still occur due to a shortfall in tax revenues, an unbudgeted increase in revenue expenditure arising from additional subsidies, and a slightly higher external debt amid sustained pressure on the Indian rupee. As of now, significant deviations from the budgeted fiscal outcomes appear unlikely. However, an escalation of the war could deliver a major jolt to the economy and central finances.

The views expressed are personal

VALUE ADDITION — KEY FISCAL NUMBERS

- The **Sixteenth Finance Commission (FC16)** retained the States' share in the divisible pool of central taxes at **41%**.
- Using Q1 data, the Centre's fiscal deficit was **18.2%** of the annual budgeted magnitude; the revenue deficit share was **0.4%**—the strong revenue balance owing mainly to non-debt receipts.
- **Fiscal deficit** (increment in debt) is estimated at **₹18.16 lakh crore**.
- If realised, the **fiscal deficit-to-GDP ratio** (new GDP series) is estimated at **4.6%**, and the **debt-to-GDP ratio** at **55.8%**.

Syllabus Link: Government budgeting; mobilization of resources; fiscal federalism; Finance Commission and Centre–State fiscal relations.

✦ ✦ ✦

07 "Trial by Fire" — Fire Safety & Urban Infrastructure

GS 3 · Disaster Management

WHY IN NEWS A spate of deadly fires in West Bengal has drawn attention to India's poor fire-safety record and the hazards of crumbling, repurposed urban infrastructure.

- **West Bengal should rebuild its crumbling, hazardous infrastructure.** Since 2025, major fires in hotels and godowns have claimed some **65 lives**, many of them poor and migrant workers and pilgrims.

- The State is an egregious case of the generally **poor fire-safety record** of Indian factories and industrial facilities, and of cities and towns built 'on top of greed'—a disregard for laws, corruption, and scant respect for lives and property.
- **Heritage buildings and conservation** have their own value, including for tourism, but require careful planning to suit today's needs.

Trial by fire

West Bengal should rebuild its crumbling, hazardous infrastructure

What is it with West Bengal and fires? Since 2025, there have been major fires, in hotels and in godowns, claiming some 65 lives, many of them poor and migrant workers and pilgrims. The State seems to be an egregious case of the generally poor fire safety record of Indian factories, industrial facilities as well as cities and towns built on top of greed, a disregard for laws, corruption, and scant respect for lives and property. The Shikha Inn was housed in a century-old building on Mirza Ghalib Street in Kolkata, which apparently had several hotels – on each of its five floors. It was obviously not built to be a hotel. Shikha Inn is typical of what happens in India, where old buildings with electrical systems designed for a certain load are quickly repurposed, and modern equipment is added without any consideration of whether the system can handle the air-conditioners, washing machines, heaters and induction stoves. The August 17 fire in Tarapith was apparently electrical too and the killer was the smoke. The fire spread rapidly because the pilgrim hotel used flammable materials extensively. Rituraj Hotel, which caught fire in April 2025, had also been repurposed. With just one stairway, the fire on the first floor cut off escape, and, just as in the Mirza Ghalib Street fire, smoke trapped those above.

Street fire, smoke trapped those above.

For the new BJP government in West Bengal, the accidents have provided more fodder for its attacks on the TMC. Though Chief Minister Suvendu Adhikari called the Kolkata fire "impossible to ignore", he nevertheless blamed a "legacy of negligence". This may well be true but serves little purpose. The present government has, similar to its predecessor, a dedicated Fire Minister. There have been promises of robust action such as a Statewide safety audit, but the focus seems to be more on the TMC than on corrective action. Mr. Adhikari should dismount the campaign horse and look at the elephant in the room – crumbling infrastructure. In its first 100 days, the government has been rather silent on the creaky infrastructure of West Bengal – a State with a rich history of urban life, industrialisation, culture and progressive politics that once led the nation, but now lags behind much of India in roads, buildings, amenities and governance. Urban renewal is the stock-in-trade of the BJP across India and West Bengal will be well served by a State BJP that adopts it. Heritage buildings and conservation have their own value, including for tourism, but require careful planning to suit today's needs. Mr. Adhikari should place governance above petty politics and focus on infrastructure.

VALUE ADDITION — FIRE SAFETY FRAMEWORK

- **Governance:** 'Fire services' is a **State subject** (State List); the **Model Building Bye-laws 2016** and the **National Building Code (NBC) 2016** (BIS) prescribe fire-safety norms.
- **Institutions:** Directorate General & the fire-service standards under the Ministry of Home Affairs; NDMA issues guidelines on urban fire risk.
- **Recurring causes:** old buildings repurposed without load assessment, flammable materials, single stairways/blocked exits, and weak enforcement—the killer is often smoke, not flames.

Syllabus Link: Disaster and disaster management; urban vulnerabilities; safety standards, building codes and enforcement.

✦ ✦ ✦

08 The Vanashakti Verdict

GS 3 · Environment & Governance

WHY IN NEWS The Supreme Court's July 2026 judgment in Vanashakti vs Union of India settles the legal fate of projects begun without prior Environmental Clearance—reaffirming prior EC as mandatory while leaving a lawful statutory route open.

- The Supreme Court's landmark judgment (**29 July 2026**) in **Vanashakti vs Union of India** brought clarity on the fate of projects that commenced without obtaining **prior Environmental Clearance (EC)**.
- It firmly reiterated that prior EC is a **mandatory legal requirement** under the **EIA Notification, 2006**—with far-reaching implications for thousands of industries, infrastructure projects and real-estate developments.
- The Court held that proponents who began work without prior EC and did not apply under earlier violation windows **cannot now seek regularisation** under the 2017 Notification or the 2021 SOP (Office Memorandum); those mechanisms are closed for fresh cases.
- Yet a closer reading reveals a **balanced, pragmatic approach**: the Court recognised the Centre's statutory power under **Section 3 of the Environment (Protection) Act, 1986** to frame a fresh statutory mechanism for violation cases in the larger public interest.
- It distinguished an **administrative office memorandum** (which cannot override prior EC) from a **statutory notification** under the EP Act—the former legally unsustainable, the latter a permissible legislative option if carefully designed.

The Vanashakti verdict is balanced and pragmatic

The Supreme Court of India's landmark judgment delivered on July 29, 2026 in *Vanashakti vs Union of India* has brought much-needed clarity to one of the most debated issues in environmental regulation: the fate of projects that commenced without obtaining prior Environmental Clearance (EC).

Wider policy impact

While the judgment firmly reiterates that obtaining prior EC is a mandatory legal requirement under the Environment Impact Assessment Notification (EIA) Notification, 2006, it also provides an important policy direction that could have far-reaching implications for thousands of industries, infrastructure projects and real estate developments across India.

The Court has categorically held that project proponents who commenced construction or operations without obtaining prior EC and that did not apply under the earlier violation mechanisms, cannot now seek regularisation under the 2017 Notification or the 2021 Standard Operating Procedure (Office Memorandum). Those mechanisms are no longer available for fresh cases.

At first glance, this may appear to shut the door completely on pending violation projects. However, a closer reading of the judgment reveals a far more balanced and pragmatic approach. One of the most significant aspects is the Court's recognition that the central government continues to possess the statutory power under Section 3 of the Environment (Protection) Act, 1986 to frame a fresh statutory mechanism for dealing with violation cases, if considered necessary in the larger public interest.

The Court has made an important distinction between an administrative office memorandum, which cannot override the requirement of prior EC, and a statutory notification issued under the powers conferred by the Environment (Protection) Act. While the former has been held to be legally unsustainable, the latter remains a permissible legislative option, provided it is carefully designed within the framework of environmental law.

Kalaiselvan Periyasamy

Environmental and social expert

The top court's verdict closes existing environmental clearance regularisation routes while leaving scope for a new framework

This observation is likely to have significant policy implications. Across India, numerous industrial units, commercial developments, infrastructure projects and public utility projects remain in violation of the EC requirements for various reasons. Some projects proceeded due to regulatory uncertainty, others due to an incorrect interpretation of the law, while some simply failed to obtain the necessary approvals before commencement. Many such projects never applied under the earlier violation windows and have therefore been left without a legal pathway following the closure of the 2017 scheme and the striking down of the 2021 Office Memorandum.

The present judgment acknowledges this practical reality without compromising the fundamental principle that prior EC remains mandatory.

Where there is a balancing act

Importantly, the Court has not directed the central government to introduce a new regularisation scheme. Instead, it has clarified that the government may, if it considers it necessary, in the larger public interest, issue a fresh statutory notification providing a one-time opportunity for specified categories of violation projects.

The Court has also indicated the safeguards that such a notification must incorporate. Any future scheme cannot become a permanent "violate first, regularise later" mechanism. Instead, it should be strictly one-time, supported by statutory authority, and should include comprehensive environmental safeguards such as environmental damage assessment, remediation measures, environmental compensation and strict compliance conditions.

This balanced approach attempts to reconcile two equally important objectives. On one hand, environmental laws cannot encourage deliberate violations by allowing routine post-facto approvals, while on the other, indiscriminate closure or demolition of every violation project may not always serve either environmental protection or the larger public interest, particularly where projects are otherwise environmentally acceptable and substantial investments have already been made.

The judgment therefore reinforces the principle that environmental governance should combine strict enforcement with practical and scientifically sound regulatory solutions.

For project developers, industries and infrastructure agencies, the immediate message is straightforward. No fresh applications can now be made under the earlier violation mechanisms. However, the judgment also leaves open the possibility that the central government may formulate a fresh statutory framework to address pending violation cases in an environmentally responsible manner.

The regulatory road ahead

Whether such a policy initiative will be undertaken now rests entirely with the central government. Given the large number of pending projects across various sectors, industry associations, infrastructure developers, environmental professionals and other stakeholders are expected to closely watch the government's next steps. The judgment has effectively closed the old regulatory route but has simultaneously acknowledged that Parliament's environmental legislation still provides sufficient statutory authority for a carefully structured one-time solution, should the government consider such intervention necessary.

The July 2026 judgment is therefore significant not merely because it settles the legal validity of earlier violation mechanisms, but also because it charts the contours of any future policy on environmental regularisation. It preserves the integrity of the prior EC regime while leaving sufficient legislative space for the government to address genuine legacy violations through a lawful, transparent, and environmentally robust statutory framework.

VALUE ADDITION — WHY IT MATTERS

- **Prior EC principle:** Environmental clearance must precede, not follow, project commencement—no 'violate first, regularise later'.
- **Legal hierarchy:** A statutory notification (under the EP Act, 1986) carries force that an administrative OM/SOP lacks.
- **Balance:** Combines strict enforcement with a lawful, transparent pathway for genuine legacy violations, preserving the integrity of the prior-EC regime.

Syllabus Link: Environmental impact assessment; conservation and environmental regulation; role of the judiciary; Environment (Protection) Act, 1986.

✦ ✦ ✦

Mains Practice

Q1. "Fiscal autonomy of States is essential for strengthening cooperative federalism in India." Examine the challenges to State fiscal autonomy and suggest measures to strengthen it. (15 Marks, 250 Words)

"भारत में सहकारी संघवाद को सुदृढ़ करने के लिए राज्यों की राजकोषीय स्वायत्तता आवश्यक है।" राज्यों की राजकोषीय स्वायत्तता के समक्ष प्रमुख चुनौतियों का परीक्षण कीजिए तथा इसे मज़बूत करने के उपाय सुझाइए। (15 अंक, 250 शब्द)

> **Approach:** Define fiscal autonomy in a federal set-up; note challenges—GST subsuming State taxes and dependence on the GST Council, rising cesses/surcharges outside the divisible pool, tied grants and centrally sponsored schemes, and borrowing limits under Article 293. Suggest measures: broadening the divisible pool, rationalising cesses, strengthening Finance Commission devolution (FC16 kept States' share at 41%), and empowering the Inter-State Council and GST Council balance.

Q2. The *Vanashakti* verdict (2026) reaffirms that prior Environmental Clearance is a non-negotiable legal requirement, yet recognises the Centre's power to frame a statutory mechanism for legacy violations. Critically examine how India can balance environmental compliance with its developmental imperatives. (15 Marks, 250 Words)

"वनशक्ति निर्णय (2026)" यह पुनः पुष्टि करता है कि पूर्व पर्यावरणीय स्वीकृति एक अनिवार्य विधिक आवश्यकता है, फिर भी यह पुराने उल्लंघन के मामलों हेतु वैधानिक तंत्र बनाने की केंद्र की शक्ति को स्वीकार करता है। भारत किस प्रकार पर्यावरणीय अनुपालन और अपनी विकासात्मक अनिवार्यताओं के बीच संतुलन स्थापित कर सकता है, इसका आलोचनात्मक परीक्षण कीजिए। (15 अंक, 250 शब्द)

> **Approach:** Explain the prior-EC principle under the EIA Notification, 2006, and the Court's rejection of 'violate-first, regularise-later'. Present the balancing act—Section 3 of the EP Act, 1986 permits a carefully designed statutory scheme. Discuss tensions with ease of doing business, pending violation projects and sunk investments; conclude with safeguards: damage assessment, remediation, environmental compensation and strict, transparent compliance.

Prelims Practice — 10 MCQs

1. With reference to Zonal Councils in India, consider the following statements:
   1. They are constitutional bodies established under a specific Article of the Constitution.
   2. The Union Home Minister is the ex-officio Chairman of all five Zonal Councils.
   3. The North Eastern Council is one of the five Zonal Councils.
   Which of the statements given above is/are correct?

   (A) 1 and 2 only (B) 2 only
   (C) 2 and 3 only (D) 1, 2 and 3

2. The revised Index of Core Industries (ICI) with base year 2022–23 is compiled by which of the following?

   (A) Reserve Bank of India (B) National Statistical Office (NSO)
   (C) Office of Economic Adviser, DPIIT (D) Ministry of Finance

3. In the revised Index of Core Industries (base 2022–23), which sector was newly added, taking the total from eight to nine?

   (A) Steel (B) Iron Ore
   (C) Cement (D) Fertilizers

4. Arrange the following ICI sectors in descending order of their weight in the revised series:
   1. Refinery Products 2. Electricity 3. Steel 4. Crude Oil

   (A) 2 > 1 > 3 > 4 (B) 1 > 2 > 3 > 4
   (C) 2 > 3 > 1 > 4 (D) 2 > 1 > 4 > 3

5. Consider the following about the Satkosia Tiger Reserve:
   1. It lies at a transitional zone between the Eastern Ghats and the Deccan Plateau.
   2. It was formed by merging the Satkosia Gorge and Baisipali Wildlife Sanctuaries.
   3. The 2022 tiger census recorded a rising tiger population there.
   Which statements are correct?

   (A) 1 and 2 only (B) 2 and 3 only
   (C) 1 and 3 only (D) 1, 2 and 3

6. The inquiry committee on relocation from the Satkosia Tiger Reserve was asked to verify compliance with which of the following?
   1. Wildlife (Protection) Act, 1972 2. Forest Rights Act, 2006 3. NTCA guidelines

   (A) 1 and 2 only (B) 1 and 3 only
   (C) 2 and 3 only (D) 1, 2 and 3

7. With reference to Kathakali, consider the following statements:
   1. It is a classical dance-drama associated with Kerala.
   2. Its themes are largely drawn from the Ramayana, Mahabharata and Hindu epics.
   Which is/are correct?

   (A) 1 only (B) 2 only
   (C) Both 1 and 2 (D) Neither 1 nor 2

8. The NAMASTE scheme is correctly described by which of the following?
   1. It is a Central Sector Scheme jointly launched by MoSJE and MoHUA.
   2. It replaced the Self-Employment Scheme for Rehabilitation of Manual Scavengers (SRMS).
   3. It is implemented through the NSKFDC.

   (A) 1 and 2 only
   (B) 2 and 3 only
   (C) 1 and 3 only
   (D) 1, 2 and 3

9. Which Sustainable Development Goals does the NAMASTE scheme most directly align with?

   (A) SDG 1, 2 and 3
   (B) SDG 6, 8 and 10
   (C) SDG 4, 5 and 7
   (D) SDG 13, 14 and 15

10. Consider the following about the Vanashakti vs Union of India (2026) judgment:
    1. It held that prior Environmental Clearance is mandatory under the EIA Notification, 2006.
    2. It recognised the Centre's power under Section 3 of the Environment (Protection) Act, 1986 to frame a statutory mechanism for violation cases.
    3. It permitted regularisation of all pending violations under the 2021 Office Memorandum.
    Which statements are correct?

    (A) 1 and 2 only
    (B) 1 and 3 only
    (C) 2 and 3 only
    (D) 1, 2 and 3

ANSWER KEY & RATIONALE

1. **Ans: (B)** — Zonal Councils are **statutory** (States Reorganisation Act, 1956), not constitutional—so 1 is wrong. The Union Home Minister chairs all five Councils—2 is correct. The North Eastern Council is a **separate** body (1972 Act), not one of the five—3 is wrong.
2. **Ans: (C)** — The ICI is compiled and published monthly by the **Office of Economic Adviser (OEA)** in the DPIIT, under the Ministry of Commerce and Industry.
3. **Ans: (B)** — **Iron Ore** (weight 4.905%) was added for its critical role as an industrial input, expanding the index from 8 to 9 sectors.
4. **Ans: (A)** — Weights: Electricity 30.93% > Refinery Products 22.57% > Steel 17.58% > Crude Oil 7.43%. Hence **2 > 1 > 3 > 4**.
5. **Ans: (A)** — Satkosia (Odisha) sits between the Eastern Ghats and Deccan Plateau (1 correct) and was formed in 2007 by merging Satkosia Gorge (1976) and Baisipali (1981) sanctuaries (2 correct). The 2022 census recorded **zero** tigers—3 is wrong.
6. **Ans: (D)** — The panel was mandated to verify compliance with the **Wildlife (Protection) Act, 1972**, the **Forest Rights Act, 2006**, and **NTCA guidelines**—all three.
7. **Ans: (C)** — Kathakali is a Kerala classical dance-drama with elaborate make-up and head-dresses, and its themes derive from the Ramayana, Mahabharata and other Hindu epics—both statements are correct.
8. **Ans: (D)** — NAMASTE is a **Central Sector Scheme** jointly launched by MoSJE and MoHUA (1), replaces the **SRMS** (2), and is implemented through the **NSKFDC** (3). All correct.
9. **Ans: (B)** — NAMASTE aligns with **SDG 6** (Clean Water & Sanitation), **SDG 8** (Decent Work) and **SDG 10** (Reduced Inequality).
10. **Ans: (A)** — The Court affirmed prior EC as mandatory (1) and recognised the Centre's Section 3, EP Act 1986 power to frame a fresh statutory mechanism (2). It **closed** the 2017 Notification and 2021 SOP routes for fresh cases—3 is wrong.

Quick Revision Recap — 21 August 2026

- **Southern Zonal Council:** 31st meeting at Mamallapuram; Zonal Councils are statutory (SR Act, 1956), advisory, chaired by the Union Home Minister; NEC is separate (1972).
- **ICI (new series, base 2022–23):** July growth 5.4%; expanded to 9 sectors (Iron Ore added); compiled by OEA, DPIIT; Electricity has the highest weight.
- **Satkosia Tiger Reserve (Odisha):** inquiry into village relocation; 2022 census recorded zero tigers; between Eastern Ghats and Deccan Plateau.
- **Kathakali:** Kerala classical dance-drama; themes from Hindu epics; one of eight classical dance forms.
- **NAMASTE:** Central Sector Scheme (MoSJE + MoHUA, via NSKFDC) to end hazardous manual scavenging; being extended to rural India; ₹498.73 cr outlay.
- **Centre's fiscal outlook:** FC16 keeps States' share at 41%; fiscal deficit ₹18.16 lakh cr; FD/GDP 4.6%, debt/GDP 55.8%.
- **Trial by fire:** fire safety is a State subject; NBC 2016 & Model Building Bye-laws; ~65 fire deaths in WB since 2025.
- **Vanashakti verdict:** prior EC mandatory (EIA 2006); no regularisation under 2017/2021 routes; Centre may frame a statutory mechanism under Section 3, EP Act 1986.