

UPSC PRELIMS CURRENT AFFAIRS

22 August 2026 • Image + 5-Point Prelims Value Addition

Compiled from today's uploaded newspaper/current-affairs images.

1. Mobile Phone Manufacturing Scheme (MPMS)

Centre notifies key scheme to manufacture mobile phones

The ₹62,500 cr. scheme, offering incentives for Indian brands, was cleared by Cabinet last month; it builds on PLI Scheme for Large Scale Electronics Manufacturing which ran from 2020 to FY26

The Hindu Bureau
NEW DELHI

The Ministry of Electronics and Information Technology (MeitY) on Friday notified the Mobile Phone Manufacturing Scheme (MPMS), aimed at incentivising the domestic assembly of smartphones and greater local value addition in the process. "The time has come to focus on developing Indian brands," IT Minister Ashwini Vaishnaw said at an event announcing the scheme's notification. "Indian brand, Indian design, Indian IP; that's the thought process."

The ₹62,500 crore scheme had been approved by the Union Cabinet on July 15, and continues an earlier scheme that ran from 2020 to the last financial year.

With the notification and the announcement, the Ministry provided some fresh information about how the scheme would be operationalised. For instance, phone makers receive additional incentives for sourcing certain parts domestically.

This is on top of the base incentive (tapering down from 2.75-2.25% over the five year tenure, with rates of 2.25-5% depending on the year and the incremental sales) for the assembly itself. These additional incentives amount to 1.5% (with individual component incentives ranging from 0.2-0.5%).

The 1.5% additional incentive would only be applicable if a firm is sourcing domestically for at least a quarter of the phones it sells in a given fiscal year.

While foreign phone-makers face a higher bar to avail incentives, the corpus is fungible overall, meaning there is no earmarked amount as such for domestic players. Indian brands – which will need to be majority-owned by Indian citizens and incorporated in India, along with intellectual property and trademark held locally – will have a flat 5% incentive throughout the scheme's tenure, and are not subject to a minimum sales threshold applicable for other brands; they will have a baseline fixed at 2025-26.

Indian brands will also enjoy a domestic design and research and development incentive of 3%. Indian brands only need to demonstrate a ₹1,000 crore turnover, while others need a minimum of ₹10,000 crore.

The scheme pushes expectant firms to grow production quickly. Incentives are only disbursed for sales that are beyond 115% the production of the previous fiscal year. For instance, if a unit produced ₹10 crore worth of phones in the preceding fiscal and then ₹12 crore in the next, it would only be eligible for incentives on production of ₹50 lakh. Briefing reporters on the details of the scheme, IT Secretary S. Krishnan said that it would create 60,000 "direct" jobs.

"Domestic value addition in mobile phone manufacturing is at 23%, which is a substantial deepening" of the sector, Mr. Krishnan said. "Our goal of doubling overall domestic value addition from 18-23% to 35-40% will be achieved in the coming days." The latter target is in line with the value addition achieved by Chinese phone assembly units. The number has a ceiling due to the global nature of electronics value chains, where various components crisscross the globe multiple times. Mr. Krishnan said that the phone manufacturing industry was important because "technology and skill transfer enables new sectors across the ecosystem [such as] laptops, gaming consoles, drone manufacturing, medical devices, components, tablets, smart watches and automobile windshields."

A massive amount of phone assembly by firms like Apple and Samsung has moved into India, making India an exporter of finished handsets. "Around 70-75% of phones were imports in 2014-15, and now we're exporters," Mr. Krishnan pointed out.

"India is the second largest phone manufacturer in the world and practically all phones sold here are made here."

The government is aiming for ₹39 lakh crore in cumulative production (the combined sale value of the finished products) by the end of MPMS, which runs through 2030-31, and cumulative exports worth ₹15 lakh crore.

An empowered committee will make recommendations to the government on applications by Indian brands for incremental incentives, as well as any "non-fiscal" support from the government.



LAUNCH OF MOBILE PHONE MANUFACTURING SCHEME (MPMS)

Union IT Minister Ashwini Vaishnaw, centre, addresses the media during the launch of the MPMS, in New Delhi on Friday. PTI

Source image uploaded in today's discussion

Prelims Perspective — Key Facts

- 1. Nodal Ministry & Objective** — The Mobile Phone Manufacturing Scheme (MPMS) has been notified by the Ministry of Electronics and Information Technology (MeitY). It aims to promote domestic smartphone assembly, Indian brands, local value addition and indigenous design/IP.
- 2. ₹62,500 Crore Scheme** — MPMS has an outlay of ₹62,500 crore and will operate for five years up to 2030–31. It builds upon the earlier PLI Scheme for Large Scale Electronics Manufacturing, which operated from 2020 to FY 2025–26.
- 3. Incentive Structure** — The scheme provides a base incentive linked to incremental sales, tapering from about 2.75% to 2.25%. Additional incentives are available for domestic sourcing of components, encouraging localisation of the electronics supply chain.

4. Special Push for Indian Brands — Eligible Indian brands receive a flat 5% incentive, along with a 3% domestic design and R&D incentive. Indian brands have a lower eligibility threshold—around ₹1,000 crore turnover, compared with a higher threshold for foreign manufacturers.

5. Domestic Value Addition & Targets — Domestic value addition in mobile manufacturing is currently around 23%, with the scheme targeting 35–40%. MPMS aims for about ₹39 lakh crore cumulative production, ₹15 lakh crore cumulative exports, and approximately 60,000 direct jobs by 2030–31.

Prelims Keywords: MeitY | MPMS | Electronics Manufacturing | Incremental Sales | Domestic Value Addition | Indian Brands | Design & R&D | PLI | Localisation | 2030–31

2. Indigenous PHWRs & India's Nuclear Expansion

Indigenous N-reactors top pick for companies in nuclear power expansion

Pratyush Deep
New Delhi, August 21

• NUCLEAR PUSH

INDIGENOUS PRESSURISED heavy water reactors (PHWRs) are emerging as the preferred pick for new entrants into India's civil nuclear power sector due to the established supply chain and good ecosystem, as the country opens the tightly regulated strategic sector to private players.

The country has an ambitious target of scaling up the domestic civil nuclear capacity to 100 gigawatt-electric (GWe) by 2047.

At a panel discussion at the BloombergNEF Summit in New Delhi, representatives from NTPC, Adani Atomic Energy and Jindal Steel said that existing 700 megawatt-electric (MWe) PHWR technology could be a good start to scale up the capacity in initial phase given the availability of established design standards, a mature domestic supply chain and an existing ecosystem of vendors and expertise.

NTPC's capacity target is 30 GWe while Adani group's target is 10 GWe and that of Jindal Steel is 18 GWe in coming years.

According to them, foreign reactor technologies and small modular reactors (SMRs) could play a role at a later stage as the sector matures.

The discussion took place nearly a week after India released draft rules of SHANTI Act, laying out the regulatory

INDIA HAS an ambitious target of scaling up the domestic civil nuclear capacity to 100 gigawatt-electric by 2047

THE COUNTRY has just released draft rules of SHANTI Act, laying out the regulatory framework for a broader nuclear power ecosystem, including private participation, captive generation, licensing, safety oversight and nuclear liability

framework for a broader nuclear power ecosystem, including private participation, captive generation, licensing, safety oversight and nuclear liability.

'Established ecosystem of PHWRs'

Vivek Sharma, Business Head of Adani Atomic Energy, said the major challenges facing the sector are the availability of a robust supply chain and the lack of standardised reactor designs.

"We have an advantage in India that we have 700 MWe design, which is standard, approved, operational, and has regulatory blessings. And most importantly relative supply-chain in India. It's almost indigenous, 90-95%," Sharma said.

He said India could leverage this established ecosystem by deploying 700 MWe PHWRs in fleet mode, followed by Press-

urised Water Reactors (PWRs).

However, he said that PHWRs alone would not be sufficient to achieve the country's target of 100 GWe of nuclear capacity by 2047.

"So we need to have other technologies, including PWR, as well as at some point of time SMR. But in both cases, the key will be that they need to come to India and start looking at local items as much as possible. Because the cost will matter a lot in India and for making any commercial sense, the consumer has to buy, it has to commit a price which is acceptable," he added.

According to Sharma, global reactor technologies, including PWRs and SMRs, would need to maximise localisation in India to remain commercially viable, given the importance of cost in determining the competitiveness and affordability of nuclear power.

Naveen Ahlawat, President and Head of Sustainability and Decarbonisation at Jindal Steel Limited, also said the company plans to go with 700 MWe PHWRs in the initial phase, given the technology's established supply chain and ecosystem.

Other technologies could be considered in subsequent phases as greater clarity emerges around supply chains, regulatory approvals and standardisation, he said.

FULL REPORT ON

WWW.INDIANEXPRESS.COM

Source image uploaded in today's discussion

Prelims Perspective — Key Facts

- 1. PHWR Technology** — Pressurised Heavy Water Reactors (PHWRs) use heavy water (D₂O) as moderator and coolant and can use natural uranium as fuel. India has developed an indigenous 700 MWe PHWR design.
- 2. Why PHWRs Preferred?** — The 700 MWe indigenous PHWR is emerging as the preferred initial option for nuclear expansion because of standardised design, regulatory experience, established domestic vendors and a mature supply chain; about 90–95% localisation is possible.
- 3. Nuclear Capacity Target** — India aims to expand its civil nuclear power capacity to 100 GWe by 2047. Deployment of standardised 700 MWe PHWRs in “fleet mode” is seen as an important pathway towards this target.
- 4. Other Reactor Technologies** — PHWRs alone may not meet the long-term target. India may increasingly use Pressurised Water Reactors (PWRs) and Small Modular Reactors (SMRs), with emphasis on localisation and cost competitiveness.
- 5. SHANTI Act & Private Participation** — The emerging regulatory framework under the SHANTI Act seeks a broader nuclear-power ecosystem involving private participation, captive nuclear generation, licensing, safety oversight and nuclear liability, potentially expanding the role of private industry in the sector.

Prelims Keywords: PHWR | Heavy Water | Natural Uranium | 700 MWe | 90–95% Indigenous | Fleet Mode | 100 GWe by 2047 | PWR | SMR | SHANTI Act

3. Swine Flu (H1N1)

- **IN A NUTSHELL**

WHAT IS SWINE FLU or H1N1 VIRUS?



- A type of Influenza A virus that infects nose, throat, lungs.
- Spreads mainly through droplets when an infected person coughs, sneezes or talks.
- First emerged in pigs.

2. THE SYMPTOMS



- Fever
- Headache
- Cough
- Muscle ache
- Tiredness

- Chills & sweating

Mild illness can quickly turn into severe condition

3. MEDICINES

OSELTAMIVIR
Antiviral works best if taken within 48 hours.

PARACETAMOL
for fever, body ache.

NO ANTIBIOTICS

WHAT DOCTORS ADVISE?

Take flu vaccine once a year.
Best time: **October.**

- Maintain hygiene
- Stay hydrated
- Consult doctor early
- Take adequate rest

General precautions

- Wear a mask in crowded places
- Wash hands frequently
- Avoid close contact with sick people
- Keep spaces well-ventilated

Source image uploaded in today's discussion

Prelims Perspective — Key Facts

- 1. Virus & Classification** — Swine flu is caused by Influenza A (H1N1) virus. Influenza viruses belong to the Orthomyxoviridae family and are enveloped, single-stranded, negative-sense RNA viruses.
- 2. H & N Proteins** — H = Haemagglutinin helps the virus attach to host cells, while N = Neuraminidase facilitates release of newly formed viruses. Different combinations produce subtypes such as H1N1 and H3N2.
- 3. Transmission** — H1N1 spreads mainly person-to-person through respiratory droplets/aerosols generated during coughing, sneezing or talking. It is not normally acquired by eating properly cooked pork.
- 4. Zoonotic Origin & Antigenic Change** — Influenza A viruses infect humans, pigs and birds. Pigs can act as “mixing vessels” for different influenza strains. Antigenic drift involves gradual mutations, whereas antigenic shift is a major reassortment that can contribute to pandemics.
- 5. Prevention & Treatment** — Annual influenza vaccination is an important preventive measure. Oseltamivir is an antiviral used against influenza; antibiotics do not treat the viral infection itself and are relevant only if a bacterial complication develops.

Prelims Keywords: Influenza A | H1N1 | RNA Virus | Orthomyxoviridae | Haemagglutinin | Neuraminidase | Zoonosis | Antigenic Drift vs Shift | Oseltamivir

4. Kuril Islands Dispute

TOKYO

Japan protests Russian missile tests off disputed Kuril islands



REUTERS

Japan said on Friday it had protested against Russia's notification that Moscow would conduct missile tests off **disputed Kuril islands** visited by President Vladimir Putin earlier this month. Russia's Pacific Fleet said on Thursday it had already conducted the missile test, although it was unclear when it took place. AFP

Source image uploaded in today's discussion

Prelims Perspective — Key Facts

- 1. Location & Geography** — The Kuril Islands are a volcanic archipelago located between Russia's Kamchatka Peninsula and Japan's Hokkaido Island, separating the Sea of Okhotsk from the Pacific Ocean. The islands lie along the Pacific Ring of Fire.
- 2. Territorial Dispute (Northern Territories)** — Japan claims the four southernmost islands—Iturup (Etorofu), Kunashir (Kunashiri), Shikotan and Habomai—collectively called the Northern Territories by Japan. Russia exercises effective control over them.
- 3. Historical Background** — The dispute dates back to the end of World War II, when the Soviet Union occupied the islands in 1945. Due to this unresolved dispute, Russia and Japan have still not signed a formal peace treaty ending World War II hostilities.
- 4. Strategic Importance** — The islands strengthen Russia's strategic position in the Sea of Okhotsk and the North Pacific and have rich fisheries, mineral resources and military significance.
- 5. Prelims Mapping Linkages** — Sea of Okhotsk lies west of the Kuril chain; the Pacific Ocean lies to its east. Hokkaido is to the south and the Kamchatka Peninsula to the north.

Prelims Keywords: Kuril Islands | Northern Territories | Sea of Okhotsk | Pacific Ring of Fire | Hokkaido | Kamchatka Peninsula | Russia–Japan Dispute | Iturup | Kunashir | Shikotan | Habomai

5. BRICS Science, Technology & Innovation Cooperation

India calls for global tech collaboration as BRICS meet begins

The Hindu Bureau
CHENNAI

Delivering the inaugural address at the 14th BRICS Science, Technology and Innovation (STI) Ministerial Meeting in Chennai on Friday, Union Minister of State for Science and Technology Jitendra Singh said that emerging technologies are creating unprecedented opportunities for progress, and called for stronger international collaboration to ensure that innovation remains accessible, affordable, trusted and sustainable.

Dr. Singh said India had chosen 'Building for Resilience, Innovation, Coop-

eration and Sustainability' as the theme of its BRICS Presidency in 2026. The theme reflected the conviction that science and tech must serve humanity by fostering equitable partnerships among nations.

Dr. Singh said India remained committed to advancing an inclusive and human-centric approach to science and innovation. He referred to India's initiatives, including the National Quantum Mission, BioE3 Policy, National Geospatial Policy and the Digital Public Infrastructure ecosystem, which reflected an approach where innovation improves people's lives and economic conditions.

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Source image uploaded in today's discussion

Prelims Perspective — Key Facts

- 1. BRICS STI Meeting** — The 14th BRICS Science, Technology and Innovation (STI) Ministerial Meeting is being held in Chennai under India's BRICS Presidency, 2026, focusing on international cooperation in emerging technologies.
- 2. India's 2026 BRICS Theme** — India's Presidency theme is "Building for Resilience, Innovation, Cooperation and Sustainability." It emphasises inclusive, human-centric and equitable technological development.
- 3. National Quantum Mission (NQM)** — Launched in 2023 with an outlay of ₹6,003.65 crore (2023–24 to 2030–31); implemented by the Department of Science & Technology (DST) to develop quantum computing, communication, sensing and materials.
- 4. BioE3 Policy** — Biotechnology for Economy, Environment and Employment (BioE3) promotes high-performance biomanufacturing, including bio-based chemicals, functional foods, precision biotherapeutics, climate-resilient agriculture and carbon capture. It is associated with the Department of Biotechnology (DBT).
- 5. National Geospatial Policy & DPI** — The National Geospatial Policy, 2022 seeks to liberalise and strengthen India's geospatial ecosystem. India also promotes Digital Public Infrastructure (DPI)—interoperable digital systems such as Aadhaar, UPI and digital document/data-sharing infrastructure—as a model for inclusive development.

Prelims Keywords: BRICS Presidency 2026 | STI | Chennai | National Quantum Mission | DST | BioE3 | DBT | National Geospatial Policy 2022 | Digital Public Infrastructure

6. Sugar Sector in India - Production, Stocks & Prices

Dip in production, stocks at 9-year low: Soaring sugar prices leave bitter taste

Retail prices surge by Rs 20/kg in a month

Harish Damodaran
New Delhi, August 21

DUSSEHRA IS on October 20 and Diwali on November 8. But sugar is already tasting bitter, well before the festival season.

According to the department of consumer affairs, the all-India

modal retail price, the rate at which most purchases are reported, was **Rs 65** per kg on Friday. It was only Rs 45 on July 21 and rose to Rs 50 by July 31.

Simply put, retail prices of the sweetener — the most vital ingredient in every

Diwali mithai and Cadbury Celebrations, Nestlé KitKat or Ferrero Rocher chocolates — have soared by Rs 20/kg in just a month.

No less significant are ex-factory prices. These rates, which mills realise from selling sugar net of goods and sales tax, were at Rs 57-60 per kg in

»CONTINUED ON PAGE 2



Govt has allowed import of raw sugar up to 10 lakh tonnes at zero duty until October 31

Bitter taste as sugar prices soar

Uttar Pradesh, Rs 62.5-64 in Maharashtra and Rs 63-64 in Karnataka on August 20. The corresponding price range for the three states stood at Rs 44.5-46.5, Rs 46.2-46.9 and Rs 46.25-47 per kg respectively on August 1.

What explains this sudden surge?

The main reason is that there is expected sugar production and stocks that are much lower than

last year.

In early November 2025, the

Indian Sugar & Bio-energy

Manufacturers Association

(ISMA) estimated the domestic

production for the 2025-26 was

at 34.5 lakh tonnes (t) in gross

terms, after factoring in diversion

of 24 t towards ethanol

manufacture, the net sugar out-

put was pegged at 30.5 t.

But the latest industry esti-

mates put gross sugar produc-

tion at 40 t in the current season

compared with 30.5 t in the

previous year. This is 35% below

the original projection by the

ISMA in its 2025-26 report.

With opening stocks of just

over 500 t at the season's start, the

sugar available after adding pro-

duction for 2025-26 would be

around 25 t. Production of

sugar, however, is expected to

be around 40 t in the current

season. That, after accounting

for the diversion of 24 t towards

ethanol, leaves a net sugar out-

put of 16 t. This is a significant

drop from the 30.5 t projected

by the ISMA in its 2025-26

report. The ISMA had, in Novem-

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3. Sugarcane–Ethanol Link — Sugarcane juice/syrup and B-heavy molasses can be used for ethanol production under India’s Ethanol Blended Petrol programme. However, the government says the recent price rise cannot be attributed primarily to ethanol diversion; the share of sugar diverted for ethanol fell to about 9% in 2025–26, while grains now supply nearly three-fourths of ethanol.

4. Why Prices Rose in 2026 — Lower-than-expected production, weather-related crop damage, tight inventories, festive-season demand, rising global prices and speculation/hoarding have contributed to the recent increase in sugar prices. The government estimates 2025–26 sugar output at around 306 lakh tonnes, below the initial estimate of about 343 lakh tonnes.

5. Government Market Intervention — Sugar is regulated through tools such as stock limits, monthly release mechanisms and trade policy. In 2026, the Centre imposed stockholding restrictions and allowed limited duty-free raw-sugar imports to improve domestic availability and contain prices.

Prelims Keywords: Sugar Season (Oct–Sep) | UP–Maharashtra–Karnataka | Recovery Rate | Molasses | Ethanol Blending | B-heavy Molasses | Opening/Closing Stock | Stock Limits | Duty-free Imports | Food vs Fuel

Mains Perspective — Analytical Takeaways

1. Climate Vulnerability & Production Instability — Sugarcane is a water-intensive crop and is vulnerable to erratic monsoon, drought and waterlogging. Production shocks can reduce cane yield and sugar recovery, creating supply pressure and contributing to food inflation.

2. Food vs Fuel Debate — Ethanol Diversion — Diversion of sugarcane-based feedstock towards ethanol links the sugar sector with India’s energy-transition goals. Policy must balance ethanol blending with adequate domestic sugar availability, avoiding an excessive food-versus-fuel trade-off.

3. Price Stability & Food Security — Sugar prices are influenced by production, opening stocks, festive demand, exports, imports and market expectations. A calibrated mix of buffer stocks, stock limits, import-export policy and release mechanisms is needed to protect consumers without hurting producers.

4. Farmer–Mill Viability — The sector must balance remunerative cane prices for farmers with the financial viability of sugar mills. Revenue diversification through ethanol, cogeneration and other by-products can improve mill cash flows and support timely payment of sugarcane dues.

5. Way Forward — Diversified Sugar Economy — India should move from a conventional sugar industry towards an integrated sugarcane bio-economy through ethanol, bagasse-based cogeneration, compressed biogas and other value-added products, alongside micro-irrigation, climate-resilient varieties and regionally sustainable cropping patterns.

Overall Analysis

India’s sugar sector sits at the intersection of the Sugar–Ethanol–Water–Farmer Income nexus. Policy must simultaneously ensure consumer price stability, farmer remuneration, mill viability, ethanol-blending goals and water sustainability. Long-term resilience requires productivity enhancement and diversification rather than excessive dependence on short-term trade restrictions.

Mains Keywords: Food vs Fuel | Water–Energy–Food Nexus | Ethanol Blending | Climate Resilience | Cane Arrears | Price Stabilisation | Crop Diversification | Bio-economy | Value Addition | Farmer–Consumer Balance