



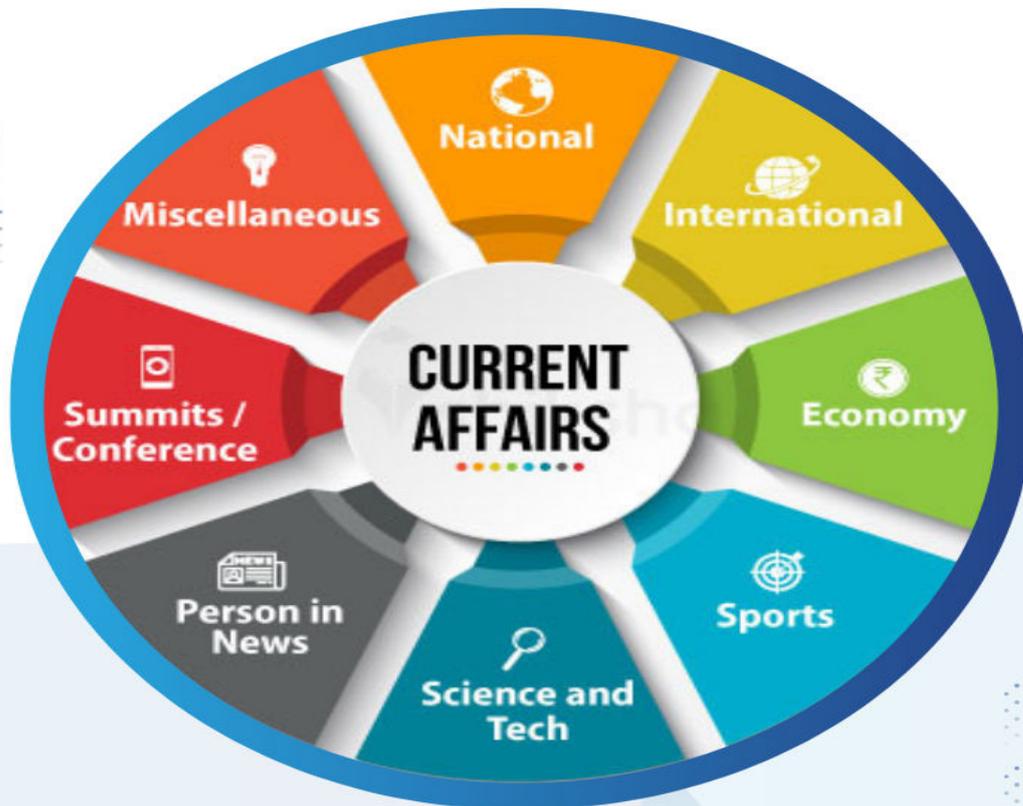
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&
STUDY CENTRE

DAILY CURRENT AFFAIRS

FOR UPSC CIVIL SERVICE EXAMINATION

DATE: 06/02/2026 (FRIDAY)



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Table of Contents

1. India–U.S. Bilateral Trade Agreement (BTA): First Tranche	2
2. Bharat Taxi: India’s First Cooperative Ride-Hailing Platform	3
3. Carbon Capture, Utilisation and Storage (CCUS) in Budget 2026	3
4. Health Sector Allocations in Union Budget 2026	4
5. Dilution of Environmental Jurisprudence in India	5
6. Defence Budget 2026: Process Reforms Needed	6
7. Role of Governors and Constitutional Crisis.....	7
8. Financial Turnaround of DISCOMs	8
9. Sodium-Ion Batteries as a Strategic Alternative	9
10. DAC Proposal for Rafale Fighter Jet Acquisition	10
11. India’s Energy Security and Oil Import Diversification.....	11
12. Supreme Court Flags Ad-hoc Appointment of DGPs	11



1. India–U.S. Bilateral Trade Agreement (BTA): First Tranche

Background

India and United States are close to finalising the **first tranche** of a long-term **Bilateral Trade Agreement (BTA)**, marking a significant step in economic and strategic convergence.

Key Highlights

- A **joint statement** on the first tranche is expected shortly.
- The U.S. will **reduce tariffs on Indian exports** from nearly **50% to ~18%** through an **executive order**.
- India will **cut tariffs on U.S. imports only after signing a legally binding agreement**, expected by **mid-March 2026**.
- India committed to **\$500 billion imports from the U.S. over five years**, driven by:
 - Energy security



- Civil aviation expansion
- High-end technology needs
- **Aircraft, engines and aviation spares** alone may account for **over \$100 billion**.

Value Addition

- U.S. tariff reductions are **executive actions**, reversible in nature.
- Indian tariffs are **MFN-based** and governed by **WTO obligations**, requiring legal ratification.
- The agreement aids **trade diversification**, reducing over-dependence on any single market (e.g., China/EU).

Key Definition

- **Most Favoured Nation (MFN) Tariff:**
A **non-discriminatory tariff rate** applied equally to all WTO members.

Constitutional & Legal Provisions

- **Article 246:** Parliament's legislative competence over foreign trade.
- **GATT (WTO):** Framework governing tariff commitments.

Conclusion

The BTA reflects **strategic-economic alignment**, blending market access with geopolitical trust.

UPSC Relevance

- **GS-2:** International relations, trade diplomacy
- **GS-3:** External trade, economic growth



2. Bharat Taxi: India's First Cooperative Ride-Hailing Platform

Background

Bharat Taxi is India's first cooperative-based ride-hailing platform, launched by the Union Home Minister, aiming to democratise the gig economy.

Key Highlights

- Initially launched in **Delhi-NCR and Gujarat**, with **pan-India expansion planned**.
- Owned by **driver cooperatives**, including institutions like Amul.
- Drivers are **owners and stakeholders**, not just service providers.



- Entry of Bharat Taxi has already **reduced commissions** charged by private aggregators.

Value Addition

- Promotes **cooperative federalism** and **platform-based equity**.

- Challenges

monopoly capitalism in the digital economy.

- Enhances **income security, dignity of labour, and social protection** for drivers.

Key Definition

- **Cooperative Enterprise:**
An organisation owned, controlled and used by its **members** for mutual benefit.

Constitutional & Legal Provisions

- **Article 19(1)(c):** Right to form associations and cooperatives.
- **97th Constitutional Amendment:** Constitutional status to cooperatives.

Conclusion

Bharat Taxi represents an **alternative development model** where technology serves **collective ownership**, not extraction.

UPSC Relevance

- **GS-3:** Inclusive growth, cooperative sector, gig economy reforms

3. Carbon Capture, Utilisation and Storage (CCUS) in Budget 2026

Background

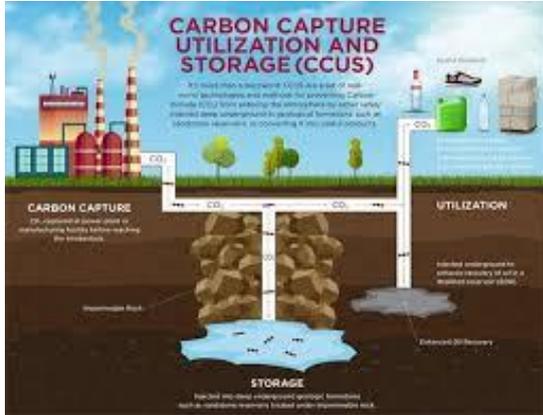
Union Budget 2026 announced a major push towards **Carbon Capture, Utilisation and Storage (CCUS)** to decarbonise India's industrial sector.





Key Highlights

- ₹20,000 crore allocation over five years.
- Focus on **pilot and demonstration projects**, not mass rollout.
- Targets **hard-to-abate sectors**:



- Steel
- Cement
- Fertilisers



- Rising urgency due to **EU's Carbon Border Adjustment Mechanism (CBAM)**.
- High capital cost and technological complexity remain key barriers.

Value Addition

- CCUS is critical for **industrial competitiveness**, not just climate action.
- Helps Indian exports remain **carbon-compliant** in global markets.

Key Definition

- **CCUS:** Technology that **captures CO₂ emissions**, then **stores them underground or reuses them industrially**.

Constitutional & Legal Provisions

- **Article 48A:** State's duty to protect the environment.
- **Paris Agreement:** India's international climate commitments.

Conclusion

CCUS is a **bridge technology**—essential in the medium term but dependent on **private investment and innovation**.

UPSC Relevance

- **GS-3:** Climate change, industrial policy, sustainable development

4. Health Sector Allocations in Union Budget 2026

Background

The Union Budget 2026 increased allocations for the health sector, reflecting post-pandemic policy learning.

Key Highlights

- Health allocation crossed **₹1.05 lakh crore (~10% increase)**.
- Still **below 0.3% of GDP**, far from **National Health Policy target (2.5%)**.

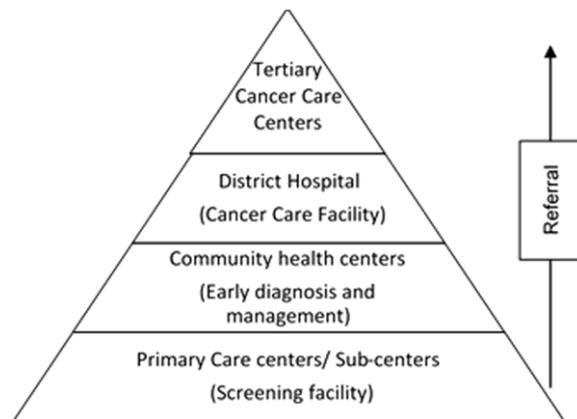


- **Biopharma SHAKTI Scheme** launched with ₹10,000 crore.
- Expansion of:
 - NIPERs
 - Mental health institutions

- **Customs duty exemptions** for cancer and rare disease drugs.

Value Addition

- Focus on **ageing population**, mental health, and **allied health workforce**.
- Encourages **domestic biologics and biosimilars manufacturing**.



Key Definition

- **Biologics:** Medical products derived from **living organisms** (vaccines, monoclonal antibodies).

Constitutional & Legal Provisions

- **Article 21:** Right to life → judicially expanded to include health.
- **Directive Principles:** State responsibility for public health.

Conclusion

The budget shows **policy intent**, but **fiscal commitment remains inadequate** for universal health coverage.

UPSC Relevance

- **GS-2:** Social sector, health governance

5. Dilution of Environmental Jurisprudence in India

Background

India's environmental jurisprudence, once considered among the most progressive, has witnessed a **noticeable judicial shift** in recent years, raising concerns about constitutional environmental protection.

Key Developments

- The Supreme Court of India revisited its earlier **ban on retrospective environmental clearances**.
- The **definition of Aravalli hills** was restricted to landforms **above 100 metres**, potentially opening large areas to mining and construction.
- Judicial approvals were granted for:
 - **Mangrove diversion**
 - **Char Dham highway project**, despite ecological sensitivities.
- A shift is visible from the **precautionary principle** to a **mitigation-based clearance approach**.



Value Addition

- Weakens the **Public Trust Doctrine**, where the State acts as trustee of natural resources.
- Signals judicial preference for **developmental expediency over ecological caution**.
- May dilute India's credibility in global environmental governance.

Key Definition

- **Precautionary Principle:**
Environmental harm must be prevented **even in the absence of full scientific certainty**.

Constitutional & Legal Provisions

- **Article 21:** Judicially expanded to include the **right to a clean and healthy environment**.
- **Article 48A:** State's duty to protect and improve the environment.
- **Article 51A(g):** Fundamental duty of citizens to protect nature.

Conclusion

Judicial dilution of environmental safeguards risks **irreversible ecological damage** and undermines constitutional environmentalism.

UPSC Relevance

- **GS-2:** Judiciary, constitutional interpretation
- **GS-3:** Environment, sustainable development

6. Defence Budget 2026: Process Reforms Needed

Background

Union Budget 2026 significantly enhanced defence spending, reflecting India's evolving **strategic and security challenges**.

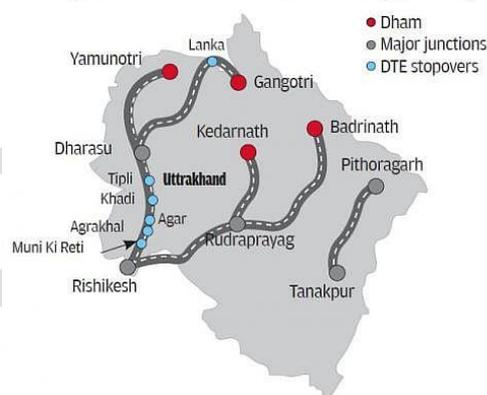
Key Highlights

- Defence allocation rose to **~2% of GDP**, registering **double-digit growth**.
- **Capital expenditure** increased by **over 22%**, prioritising modernisation.
- **75% of defence procurement** reserved for **domestic industry** under Atmanirbhar Bharat.
- Persistent **delays in major acquisition projects** (fighters, submarines, artillery).
- Renewed demand for a **non-lapsable Defence Modernisation Fund**.

Value Addition

- Fragmented **R&D spending** limits innovation and technology absorption.
- Procedural rigidity in procurement offsets the benefits of higher allocations.

Proposed Char Dham highway





- China-Pakistan collusive threat demands **time-bound capability building**, not just spending.

Key Definition

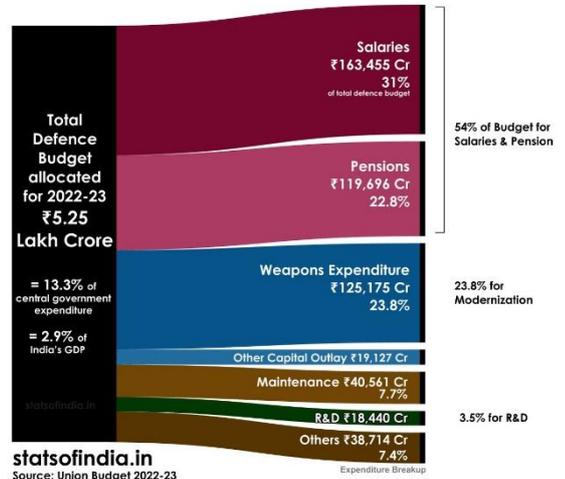
- Capital Expenditure:**
Spending on **long-term assets** such as weapons, platforms, and infrastructure.



Constitutional & Legal Provisions

- Article 246:** Defence falls under the **Union List** (Seventh Schedule).

India's Defence Budget Breakdown



Conclusion

Enhanced defence spending must be complemented by **procurement reforms, indigenisation depth, and faster decision-making.**

UPSC Relevance

- GS-3:** Defence preparedness, internal and external security

7. Role of Governors and Constitutional Crisis

Background

Recent confrontations between **State governments and Governors** have reignited debates on federal balance and constitutional propriety.

Key Issues

- Governors in several States **refused or altered Cabinet-approved addresses.**
- Article 176** mandates the Governor to address the State Legislature.
- Supreme Court rulings clarify that **content of the address is not discretionary.**
- Allegations of **partisan conduct** intensify **Centre-State tensions.**
- Growing calls for reform in:
 - Appointment process
 - Security of tenure
 - Removal procedure

Value Addition

- Governor holds office at the **pleasure of the President**, creating structural imbalance.
- Misuse of gubernatorial office undermines **cooperative federalism.**
- Punchhi and Sarkaria Commissions recommended **neutral constitutional conduct.**



Key Definition

- **Aid and Advice:**
Binding advice of the **Council of Ministers**, except in limited constitutional exceptions.

Constitutional Provisions

- **Article 168:** State Legislature
- **Article 176:** Governor's address
- **Article 355:** Union's duty to protect States
- **Article 160:** President's power to make provisions in contingencies



Conclusion

Design flaws and political misuse of the Governor's office contribute to **recurring constitutional crises**.

UPSC Relevance

- **GS-2:** Federalism, constitutional offices, Centre-State relations

8. Financial Turnaround of DISCOMs

Background

India's power distribution sector has shown signs of recovery after years of chronic losses.

Key Achievements

- DISCOMs reported **net profits** after prolonged financial stress.
- **AT&C losses** reduced from **~22% to ~15%**.
- **ACS-ARR gap** (cost-revenue gap) nearly eliminated.
- Key reform measures:
 - **Revamped Distribution Sector Scheme (RDSS)**
 - **Late Payment Surcharge Rules**
- Continued reliance on **State subsidies** for viability.

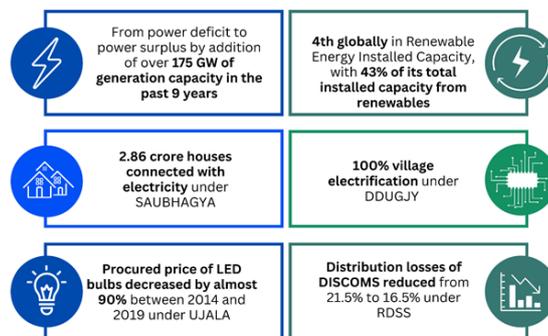
Value Addition

- **Feeder segregation** enhances accountability and loss tracking.
- Smart metering improves billing efficiency and demand management.
- Political populism (free power promises) remains a structural risk.

Key Definition

- **AT&C Losses:**
Aggregate Technical and Commercial losses due to theft, inefficiency, and billing gaps.

Transforming the Power Sector in India





Constitutional Provision

- **Concurrent List:** Electricity is a shared responsibility of Centre and States.

Conclusion

DISCOM sustainability depends on **tariff rationalisation, political discipline, and technology-driven governance.**

UPSC Relevance

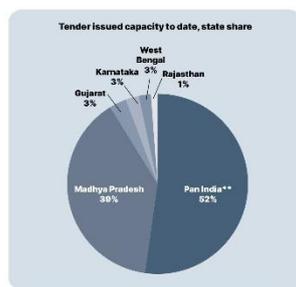
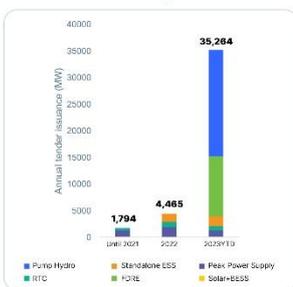
- **GS-3:** Infrastructure, power sector reforms

9. Sodium-Ion Batteries as a Strategic Alternative

Background

India accelerates awarding of energy storage tenders

Pumped Hydro Storage dominates the energy storage market, accounting for more than half of the grid-scale tender capacity issued in India in 2023.



While **lithium-ion batteries** dominate global energy storage, concerns over **critical mineral dependency, high costs, and geopolitical risks** have renewed interest in **sodium-ion batteries** as a strategic alternative.

Key Highlights

- Lithium-ion batteries rely heavily on **lithium, cobalt and nickel**, minerals where India lacks upstream capacity.

- **Sodium-ion batteries** use **abundantly available sodium**, making them cheaper and geopolitically safer.
- They are **safer (lower fire risk)** and perform better in **high-temperature conditions**.
- Largely compatible with **existing lithium-ion manufacturing infrastructure**, reducing transition costs.
- Global sodium-ion manufacturing capacity is **expanding rapidly**, especially in grid-scale storage.



Value Addition

- Reduces India's dependence on **critical mineral imports**, strengthening supply-chain resilience.
- Particularly suitable for **stationary storage**, renewable integration, and electric two/three-wheelers.
- Supports India's long-term **energy transition and strategic autonomy**.

Key Definition

- **Energy Density:**
The amount of energy stored **per unit mass or volume** of a battery.

Policy Framework

- **National Mission on Transformative Mobility:** Promotes advanced battery technologies and domestic manufacturing.



Conclusion

Sodium-ion batteries offer India a **cost-effective, safer, and strategically secure energy storage option**, complementing lithium-based systems.

UPSC Relevance

- **GS-3:** Technology, energy security, critical minerals

10. DAC Proposal for Rafale Fighter Jet Acquisition

Background

India is considering a major defence acquisition to address the **Indian Air Force's declining squadron strength**.

Key Highlights

- The **Defence Acquisition Council (DAC)** is set to consider the acquisition of **114 Rafale fighter jets**.
- Majority of aircraft are proposed to be **manufactured in India**, boosting indigenisation.
- The deal would raise India's total Rafale fleet from **62 to 176 aircraft**.
- **Source code control remains with France**, limiting full technological sovereignty.
- The acquisition addresses **urgent operational gaps** amid regional security challenges.



Value Addition

- Enhances **deterrence capability** against two-front security threats.
- Strengthens **Make in India** in defence manufacturing.
- Balances **strategic urgency with industrial capacity building**.

Key Definition

- **Acceptance of Necessity (AoN):**
The **first formal approval stage** in India's defence

procurement process.

Constitutional Provision

- **Article 246:** Defence falls under the **Union List**.

Conclusion

The Rafale proposal reflects a pragmatic balance between **national security imperatives and domestic defence manufacturing goals**.

UPSC Relevance

- **GS-3:** Defence modernisation, indigenisation



11. India's Energy Security and Oil Import Diversification

Background

India has reiterated its commitment to **diversifying crude oil imports** to ensure affordable and uninterrupted energy supply for its population.

Key Highlights

- Russia continues as a **major crude supplier**, but India avoids excessive dependence.
- Imports from countries like **Venezuela** are considered purely on **commercial viability**.
- India prioritises **energy security for 1.4 billion people** over geopolitical alignments.
- Maintains **strategic autonomy and geopolitical neutrality** in energy diplomacy.

Value Addition

- Diversification cushions India against **price shocks and supply disruptions**.
- Enhances India's bargaining power in global energy markets.



- Aligns with India's principle of **issue-based foreign policy**.

Key Definition

- **Energy Security:** Reliable, affordable, and uninterrupted access to energy resources.

Constitutional Provision

- **Article 246:** International trade and commerce under Union jurisdiction.

Conclusion

Oil import diversification strengthens India's **economic resilience and foreign policy autonomy** amid global instability.

UPSC Relevance

- **GS-2:** Foreign policy, strategic autonomy
- **GS-3:** Energy security

12. Supreme Court Flags Ad-hoc Appointment of DGPs

Background

The Supreme Court has expressed concern over States continuing the practice of **ad-hoc Director General of Police (DGP) appointments**, undermining police reforms.

Key Issues

- States bypass **fixed-tenure DGP appointments**, violating the **Prakash Singh (2006) judgment**.



- **UPSC empanelment process** is frequently ignored.
- Preference for **acting DGPs** enables greater political control.
- The Court empowered the UPSC to **report non-compliance directly**.



Value Addition

- Ad-hoc appointments weaken **police autonomy and professionalism**.
- Undermines rule of law and public confidence in policing institutions.
- Highlights persistent resistance to **structural governance reforms**.

Key Definition

- **Fixed Tenure:**
A guaranteed minimum service period to ensure **institutional independence**.

Constitutional Provision

- **Article 142:** Supreme Court's power to pass orders to ensure **complete justice**.

Conclusion

Despite judicial mandates, **police reforms remain unfinished**, affecting governance and internal security.

UPSC Relevance

- **GS-2:** Governance, police reforms, internal security