



Union Budget 2026-27

Finance Minister **Nirmala Sitharaman** presented the Annual Financial Statement.

WEEKLY CURRENT AFFAIRS

Coverage of

30th Jan. - 5th Feb., 2026

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**UPSC ESE, PSUs,
RRB, SSC, Banking &
State Services Exams**



30th JANUARY 2026

Economic Survey 2025-26

- **Context:** Recently, the Union Minister for Finance and Corporate Affairs tabled the Economic Survey 2025-26 in Parliament.

Key Highlights

- The global economy remains fragile, marked by geopolitical tensions, trade fragmentation, and financial vulnerabilities.
 - India stands out as the fastest-growing major economy for the fourth consecutive year.
 - As per the First Advance Estimates, real GDP growth in FY26 is pegged at 7.4%, with Gross Value Added (GVA) growth at 7.3%, underlining strong domestic fundamentals.

Consumption and Investment

- **Consumption Momentum:** Private Final Consumption Expenditure (PFCE) grew 7.0% in FY26, reaching 61.5% of GDP, the highest level since 2012.
 - It reflects low and stable inflation, steady employment conditions, and rising real incomes.
 - Strong agricultural output boosted rural consumption, while tax rationalisation and income growth supported urban demand, indicating broad-based consumption recovery.
- **Investment Revival:** Gross Fixed Capital Formation expanded by 7.8%, maintaining a 30% share of GDP. Investment growth was supported by sustained public capital expenditure, and renewed private sector investment, reflected in corporate announcements.

Sectoral Performance

- **Services as the Growth Engine:** Services remain the primary driver of growth:
 - GVA growth of 9.3% in H1 FY26
 - **Estimated 9.1% growth for the full year:** Services now account for 56.4% of total GVA, driven by modern, tradable, and digitally delivered services.

- **Industry and Manufacturing Upswing:** Industrial activity strengthened despite global headwinds:
 - Industry GVA grew 7.0% in H1 FY26
 - Manufacturing GVA accelerated to 7.72% in Q1 and 9.13% in Q2
 - Production Linked Incentive (PLI) schemes have attracted over ₹2 lakh crore in investments, generated ₹18.7 lakh crore in incremental output, and created over 12.6 lakh jobs.

Fiscal Developments

- Prudent fiscal management strengthened macroeconomic stability and led to three sovereign credit rating upgrades in 2025.
- **Key fiscal trends include:**
 - Centre's revenue receipts rising to 9.2% of GDP in FY25
 - Non-corporate tax collections increasing from 2.4% (pre-pandemic) to 3.3% of GDP
 - Income tax filers increasing from 6.9 crore (FY22) to 9.2 crore (FY25)
- **Public capital expenditure rose sharply:**
 - Effective capital expenditure reached 4% of GDP in FY25
 - States were incentivised through targeted assistance to sustain capex
- India reduced its general government debt-to-GDP ratio by 7.1 percentage points since 2020, while maintaining high investment levels.

Monetary Management and Financial Intermediation

- **Banking Sector Strength:** Asset quality of scheduled commercial banks improved significantly, with GNPA at 2.2% and net NPA at 0.5% (September 2025).
 - Credit growth accelerated to 14.5% YoY by December 2025.
- **Financial Inclusion:** Flagship schemes expanded access to finance:
 - **PMJDY:** 55.02 crore accounts;
 - **PMMY:** ₹36.18 lakh crore disbursed across 55.45 crore loans;

- Stand-Up India and PM SVANidhi strengthened entrepreneurship;
- **Capital Markets and Regulation:** Demat accounts crossed 21.6 crore, with women comprising nearly a fourth of investors.
 - Mutual fund participation expanded beyond metros.
 - The IMF-World Bank FSAP (2025) validated India's resilient, well-capitalised financial system.

External Sector

- India's share in global merchandise exports rose to 1.8%, and services exports to 4.3%.
- Total exports hit a record USD 825.3 billion in FY25, led by services.
- Current Account Deficit remained moderate at 1.3% of GDP (Q2 FY26).
- Remittances reached USD 135.4 billion, the highest globally.
- Forex reserves stood at USD 701.4 billion, covering ~11 months of imports.
- India ranked 4th globally in Greenfield investments and emerged as the largest destination for digital Greenfield projects (2020-24).

Inflation

- India recorded its lowest-ever CPI inflation, with average headline inflation at 1.7% (April–December 2025).
 - It was driven by declining food and fuel prices, and effective supply-side management.
- India saw one of the largest declines in inflation during 2025 among emerging economies.

Agriculture and Food Management

- Foodgrain production reached 357.7 million tonnes in AY 2024-25.
- Horticulture output surpassed foodgrains at 362.08 MT, accounting for 33% of agricultural GVA.
- Digital and market reforms expanded the reach of e-NAM, covering 1.79 crore farmers.
 - Income support continued through MSP, PM-KISAN (₹4.09 lakh crore disbursed) and PMKMY pensions.

Industry and Manufacturing

- Industry GVA grew 7.0% in H1 FY26, with manufacturing accelerating to 9.13% in Q2.
- PLI schemes attracted ₹2 lakh crore investment and generated 12.6 lakh jobs.
- India's Global Innovation Index rank improved to 38th (2025).
- Semiconductor Mission approved projects worth ₹1.6 lakh crore.

Human Capital

- **Education:** 24.69 crore students enrolled across 14.71 lakh schools; Higher education institutions increased to 70,018; NEP reforms enabled flexible learning, credit portability and skills integration;
- **Health:** MMR declined by 86% since 1990; IMR reduced to 25 (2023); Under-five mortality declined by 78%;
- Employment, Skills and Social Progress: 56.2 crore employed in Q2 FY26;
 - Organised manufacturing added 10 lakh jobs in FY24;
 - e-Shram registered 31 crore workers, over 54% women;
- Social services expenditure rose to 7.9% of GDP (FY26 BE);

Rural Development and Social Progress

- Poverty levels declined significantly under revised global benchmarks. Social services expenditure rose to 7.9% of GDP, while rural asset ownership, digital mapping, and women-led initiatives strengthened grassroots economic participation.

Emerging Frontiers

- India's AI ecosystem is evolving around practical, low-cost, and local solutions, enabling adoption across sectors such as agriculture, healthcare, and governance.
- Urban connectivity projects are reshaping labour markets and easing metropolitan pressures.

- Strategically, India is transitioning from narrow import substitution toward strategic resilience and global indispensability, embedding itself deeply into global value chains.

Power Gap Index

- While India has officially entered the Major Power category in Asia, the Survey notes that it continues to underperform relative to its capabilities, reflected in a negative Power Gap score of -4.0.
- The Power Gap Index is not a standalone index like HDI. It is a derived analytical measure from the Asia Power Index compiled annually by the Lowy Institute. It measures the gap between a country's potential power (resources) and its actual regional influence.

About Economic Survey

- It is an official annual document that reviews the state of the Indian economy over the past year and outlines key economic trends, challenges, and policy directions.
- It is prepared by the Economic Division, Department of Economic Affairs (DEA), Ministry of Finance, under the supervision and guidance of the Chief Economic Adviser (CEA).
- It is tabled in Parliament just before the Union Budget every year.
- **It typically covers:**
 - **Overview of the Economy:** GDP growth, Inflation, Employment trends, Fiscal deficit, External sector (exports, imports, forex reserves).
 - **Sector-wise Analysis:** Agriculture, Industry, Services
 - **Public Finance:** Government revenue and expenditure, Tax performance, Subsidies and welfare spending
 - **Social Sector:** Education, Health, Poverty and inequality, Human development indicators
 - **Special Themes:** Each year, the Survey focuses on one or two major themes, such as climate change & green growth, digital economy, inclusive growth, productivity and reforms.

Sampoornata Abhiyan 2.0

- **Context:** NITI Aayog launched Sampoornata Abhiyan 2.0 campaign.



Key Highlights

- Sampoornata Abhiyan 2.0 is a time-bound, outcome-oriented three-month campaign aimed at achieving saturation of critical development indicators in Aspirational Districts and Aspirational Blocks across the country.
- It seeks to build upon the success of Sampoornata Abhiyan 2024, which demonstrated strong improvements in key human development indicators.
- The campaign targets 112 Aspirational Districts and 513 Aspirational Blocks under the Aspirational Districts and Blocks Programme.

About Aspirational Districts Programme

- It was launched in 2018 to quickly and effectively transform 112 districts across the country.
- **Focuses on five themes:** Health and Nutrition, Education, Agriculture and Water Resources, Financial Inclusion and Skill Development and Infrastructure.

About Aspirational Blocks Programme

- It was launched in 2023 and aims for the saturation of essential government services in 513 Blocks (329 Districts) across the country.
- **Focuses on five themes:** Health and Nutrition, Education, Agriculture and Allied Services, Basic Infrastructure and Social Development.

31st JANUARY 2026

Right To Menstrual Hygiene: A Fundamental Right

- **Context:** In *Dr. Jaya Thakur vs. Union of India*, the Supreme Court has ruled that the right to menstrual hygiene is an integral part of the right to life under Article 21 of the Constitution.

Key Highlights

- Menstrual health is now legally recognized as an essential facet of the Right to Life (Art. 21) and the Right to Education (Art. 21A). Also, inaccessibility of menstrual hygiene measures strips away the right to participate on equal terms in schools (Article 14).
- All government and private schools must provide free bio-degradable sanitary napkins to girl students (Classes 6–12).
- Schools must have functional, gender-segregated toilets with water connectivity. Non-compliance can lead to the de-recognition of private schools.
- The court mandated NCERT to incorporate gender-responsive curricula to educate both boys and girls, breaking the hushed whispers culture.

About Article 21 of Constitution

- Article 21 is part of the Fundamental Rights, Part III of the Constitution. It is guaranteed to all persons, citizens and non-citizens alike.
 - No person shall be deprived of his life or personal liberty except according to procedure established by law.
 - It places a restriction on the state from arbitrarily interfering with a person's life and liberty.
- Over time, Supreme Court has interpreted it to also impose positive obligations on the state to ensure a dignified life.
 - Right to live with human dignity
 - Right to privacy (*Puttaswamy*, 2017)

- Right to livelihood (*Olga Tellis*)
- Right to health and medical care
- Right to clean environment
- Right to legal aid and speedy trial
- Right to education (later made explicit via Article 21A)
- Protection against custodial torture
- Right to sleep, shelter and food.

Consumer Price Index (CPI) Series

- **Context:** The Union Ministry of Statistics and Programme Implementation (MoSPI) has published the recommendations of an expert group revising the Consumer Price Index (CPI) base year from 2011–12 to 2023–24.

About Consumer Price Index (CPI)

- CPI is an economic measure that tracks the average change in the prices paid by consumers for a basket of goods and services over time.
- The CPI in India is compiled by the National Statistical Office (NSO) and is categorized into CPI for urban and rural areas.
- These indices are then combined to calculate the CPI (Combined), which gives a comprehensive overview of inflation for the entire country.



Significance:

- CPI is the primary measure of retail inflation in India.
- It is used by the Reserve Bank of India (RBI) for inflation targeting and monetary policy formulation.
- CPI serves as the basis for indexing Dearness Allowance (DA) for government employees and pensioners. It is also used as a deflator in national accounts.

1st FEBRUARY 2026

Union Budget 2026-2027

- **Context:** Recently, the Union Finance Minister Nirmala Sitharaman presented the Union Budget 2026-2027 in Parliament.

Key Highlights

- It is the first Union Budget prepared in Kartavya Bhawan, and the Finance Minister underscored it is guided by three Kartavya (duties) to accelerate growth, build people's capacity, and ensure inclusive development.
- **First Kartavya:** Accelerating and Sustaining Economic Growth
 - It focuses on productivity, competitiveness and resilience amid global volatility.
 - Key interventions include manufacturing push in seven strategic and frontier sectors; rejuvenation of legacy industries; creation of Champion MSMEs; continued thrust on infrastructure; long-term energy security; and development of City Economic Regions (CERs);

Key Sectoral Announcements:

- **Biopharma SHAKTI:** ₹10,000 crore over five years to position India as a global biopharma hub, including new and upgraded NIPERs, over 1,000 clinical trial sites, and faster drug approvals.
- **Textiles:** An integrated programme covering fibre self-reliance, cluster modernisation, handloom and handicrafts, sustainable textiles, and skilling through Samarth 2.0.
- **MSMEs:** A ₹10,000 crore SME Growth Fund to nurture future champions.
- **Infrastructure:** Public capex to rise to ₹12.2 lakh crore in FY 2026-27, sustaining the investment momentum.
- **Green Logistics:** New Dedicated Freight Corridors, 20 National Waterways, and training centres for logistics manpower.

- **Urban Growth:** ₹5,000 crore per CER over five years through a reform-linked challenge mode.
- **High-Speed Rail:** Seven corridors to act as inter-city growth connectors.
- **Second Kartavya:** Fulfilling Aspirations and Building Capacity
 - It aims to empower citizens as partners in growth. The Budget deepens investments in human capital noting that 25 crore people have exited multidimensional poverty.
- **Major Initiatives:**
 - **Medical Tourism:** Five Regional Medical Hubs combining healthcare, education and research.
 - **Veterinary Education:** Support to add over 20,000 professionals via private-sector capacity creation.
 - **AVGC Sector:** Content Creator Labs in 15,000 schools and 500 colleges to meet future talent needs.
 - **Education and Gender:** One girls' hostel in every district for STEM institutions.
 - **Tourism and Hospitality:** National Institute of Hospitality and upskilling of 10,000 tourist guides.
 - **Sports:** Launch of a Khelo India Mission to systematically develop talent, infrastructure and sports science.
- **Third Kartavya:** Sabka Sath, Sabka Vikas
 - It aligns with inclusive development across regions and communities.
 - **Agriculture:** Bharat-VISTAAR, an AI-powered multilingual advisory platform integrating AgriStack and ICAR systems.



- **Women Empowerment:** SHE Marts to strengthen self-help entrepreneurs.
- **Mental Health:** Establishment of NIMHANS-2 and upgradation of institutes in Ranchi and Tezpur.
- **Regional Development:** East Coast Industrial Corridor, tourism destinations in Purvodaya states, e-buses, and a Buddhist Circuit Scheme in the North-East.

Tax Reforms

- **Direct Taxes:** New Income Tax Act, 2025 effective April 2026;
 - Lower TCS rates for overseas tours, education and medical purposes;
 - Simplified TDS, automated lower-deduction certificates, extended timelines for return revisions;
 - Rationalised penalty and prosecution, decriminalisation of minor offences;
 - Targeted reliefs for cooperatives and IT services;
 - Incentives to attract global cloud, data centre and manufacturing investments;
- **Indirect Taxes:** Customs duty rationalisation to support manufacturing, energy transition, aviation and critical minerals.
 - Lower tariffs for personal imports and exemptions for essential drugs
 - Faster, tech-driven customs processes and expanded AEO benefits
 - Boost to exports via courier, fisheries, and SEZ reforms

Fiscal Consolidation and Stability

- The Budget maintains fiscal discipline while supporting growth:
 - **Fiscal deficit:** 4.3% of GDP in BE 2026-27
 - **Debt-to-GDP ratio:** Declining to 55.6%
 - **Capex (RE 2025-26):** ~ ₹11 lakh crore
 - **Non-debt receipts (BE 2026-27):** ₹36.5 lakh crore

Constitutional Basis of the Union Budget of India

- The preparation, presentation, and approval of the Union Budget derive authority from the Constitution of India.

- **Annual Financial Statement (Article 112):** It is the core constitutional provision for the Union Budget. It legally requires the government to present a budget every year.
- It mandates that the President shall lay before both Houses of Parliament an Annual Financial Statement.

16th Finance Commission Report

- **Context:** The 16th Finance Commission, constituted in 2023 under the chairmanship of Dr. Arvind Panagariya has had its key recommendations accepted by the Government for implementation during 2026-27 to 2030-31.



Key Highlights

Vertical Devolution (Tax Sharing):

- **Retained at 41%:** The Commission recommended keeping the states' share of the divisible tax pool at 41% (the same as the 15th FC).
- **The "Grand Bargain" Proposal:** The report highlighted that while the share is 41%, the actual pool has shrunk because the Centre's cesses and surcharges (which are not shared) have risen. It suggests folding these into the regular tax pool in the future.

Disaster Management Grants:

- **New Disasters:** The 16th FC recommended including Heatwaves and Lightning in the list of nationally notified disasters, allowing states to access central funds for these events.
- **Total Corpus:** ₹2,04,401 crore for the five-year period.

- **Allocation:** 80% to the State Disaster Response Fund (SDRF) and 20% to the State Disaster Mitigation Fund (SDMF).

Grants to Local Bodies:

- **Total Allocation:** ₹7,91,493 crore for rural and urban local bodies.
- **Performance Linked:** Grants are split into Basic (80%) and Performance (20%) components.
- **Urbanization Premium:** A ₹10,000 crore fund to incentivize the merger of peri-urban villages into larger Urban Local Bodies (ULBs).

Fiscal Roadmap:

- **State Deficit:** Recommended capping states' fiscal deficit at 3% of GSDP.
- **Union Deficit:** A target to bring the Union's fiscal deficit down to 3.5% of GDP by FY31.
- **End of Revenue Deficit Grants:** Unlike previous commissions, the 16th FC has discontinued Post-Devolution Revenue Deficit Grants, urging states to improve their own tax administration.

About Finance Commission

- **Constitutional Body:** Established under Article 280 of the Indian Constitution.
- **Formation:** Constituted by the President of India every five years (or earlier).
- **Composition:** A Chairman and four other members.
- **Core Function:** It serves as a balancing wheel of fiscal federalism by recommending:
 - **Vertical Devolution:** The distribution of net tax proceeds between the Centre and the States.
 - **Horizontal Devolution:** The allocation of these proceeds among the States themselves.
 - **Grants-in-Aid:** Principles governing financial assistance to States from the Consolidated Fund of India (Article 275).
 - **Local Bodies:** Measures to augment State Consolidated Funds to support Panchayats and Municipalities.

- **Nature of Recommendations:** Advisory (not legally binding), though traditionally accepted by the Government.

2nd FEBRUARY 2026

2026 Delhi Declaration

- **Context:** India hosted 22 members of the League of Arab States for the second India-Arab Foreign Ministers Meeting, 10 years after the first iteration in Bahrain.



Key Highlights

- This meeting occurred amid escalating tensions between Iran and the US, a growing rift between Saudi Arabia and UAE, and the US led Board of Peace attempting a new approach to resolving the Israel-Palestine question.
- In a joint statement called the Delhi Declaration, India and the Arab League clarified their positions on a number of issues, apart from commitments to enhance cooperation.
- 3rd India-Arab Ministerial Meeting of the Forum is to be held in 2028 in one of the Arab States.
- The Delhi Declaration reiterates support for the sovereignty, unity and territorial integrity of Sudan, Libya and Somalia, rejecting external interference indirectly reflecting fractures within the Arab world.
- Sudan: UAE is accused of backing the Rapid Support Forces (RSF), which has fought the Sudanese state since 2023 and formed a parallel government in 2025; the Declaration aligns with Sudan and condemns civilian atrocities.

- **Somalia:** Israel alone recognises Somaliland; UAE's 2025 recognition of Somaliland passports diverges from Arab League consensus. India firmly rejected recognition and backed Somalia's territorial integrity.
- **Yemen:** India and the Arab League explicitly condemned Houthi attacks in the Red Sea, marking a shift from India's earlier indirect language post-2023. Support for Yemen's unity aligns with Saudi actions against the UAE-backed Southern Transitional Council.

India–Arab League Engagement

- The Arab League, officially known as the League of Arab States was established in Cairo in 1945 initially with seven members.
- Currently it has 22 member states.
- The India–Arab Foreign Ministers' Meeting is the highest institutional mechanism guiding India's engagement with the Arab League.
- The dialogue process was institutionalised in 2002 through a Memorandum of Understanding between India and the League of Arab States to establish a regular framework for consultation.
- In 2008, the relationship was further strengthened through a Memorandum of Cooperation, leading to the establishment of the Arab–India Cooperation Forum (AICF).
- The cooperation framework was revised in 2013 to streamline its structure and improve effectiveness.
- India holds observer status in the Arab League, which represents countries across West Asia and North Africa.

Bharat-VISTAAR

- **Context:** The Union budget 2026-27 has proposed 'Bharat-VISTAAR' (Virtually Integrated System to Access Agricultural Resources).

Key Highlights

- It is a multilingual AI tool that aims to provide information to farmers in their own language on crop planning, packages of practices and pests, weather

forecasts, markets, scheme information, eligibility, application, and grievance.

- The first version of Bharat VISTAAR will be launched in Hindi and English and will gradually become capable of responding in regional languages.
- It shall integrate the AgriStack portals and the Indian Council of Agricultural Research (ICAR) package on agricultural practices with AI systems.
- This will enhance farm productivity, will lead to better farmer decision making and reduce risk through customized advisory support for the farmer.
- Finance Minister allocated ₹150 crore for the Bharat-VISTAAR for the next financial year (2026-27).

Grain ATMs

- **Context:** The Bihar government recently approved the installation of 'grain ATM' machines in Patna to make PDS grain distribution faster, more transparent, and less prone to corruption.



Key Highlights

- The World Food Programme (WFP) launched a grain ATM project in Odisha in 2024.
- The WFP developed the technology behind the machine and has worked in collaboration with the Food Corporation of India and various state governments.
- A grain ATM or Annapurti (Provider of grain) is an automated machine that dispenses food grains. It can release 50 kg of grain in five minutes. It can work 24x7 like ATMs, and can be powered through solar energy.

- It also requires internet connectivity to access the PDS database and the individual profile of a Below Poverty Line (BPL) cardholder.
- It can reduce waiting times by 70%. It can also address other inefficiencies in what can often be a long process requiring authentication, the weighing of grains, and other steps.

3rd FEBRUARY 2026

Solid Fuel Ducted Ramjet (SFDR) Technology

- **Context:** DRDO successfully demonstrated Solid Fuel Ducted Ramjet (SFDR) technology from the Integrated Test Range (ITR) in Chandipur, Odisha, advancing India's long-range air-to-air missile capabilities.

About Solid Fuel Ducted Ramjet (SFDR)

- SFDR is a missile propulsion system that uses a ramjet engine to provide sustained thrust. Unlike traditional rockets, it is an air-breathing system, meaning it does not carry an onboard oxidizer, using atmospheric oxygen instead.
- Since ramjets only function at high speeds, the missile is first launched using a nozzle-less solid booster to reach supersonic speeds (Mach 2+).



Strategic Significance for India

- Long-Range Air-to-Air Missiles (LRAAM): SFDR will power the Astra Mark-3, enabling it to intercept high-speed, maneuvering enemy aircraft at ranges exceeding 150–300 km.
- Expanded “No-Escape Zone”: Because the missile stays “powered” until the very end, it can perform high-G turns near the target, making it nearly impossible for an enemy jet to out-maneuver it.

- Surface-to-Air Application: It can be adapted for futuristic SAM systems (like the proposed SAM-X) to defend against hypersonic or highly agile cruise missiles.

NAMASTE Scheme

- **Context:** For the first time, the Union Government has released nationwide enumeration data of waste-pickers under the NAMASTE (National Action for Mechanised Sanitation Ecosystem) scheme.



Key Highlights

- The data highlights deep caste-based social stratification in informal urban sanitation work.
- Over 52 lakh waste-pickers were enumerated across 35 States/UTs, with 84.5% from SC, ST, and OBC communities.
- In Delhi and Goa, the majority of waste-pickers are from the General category.

About NAMASTE Scheme

- It was launched as a Central Sector initiative by the Ministry of Social Justice and Empowerment.
- The Scheme integrates waste-pickers into formal solid waste management from FY 2024-25. It provides ID cards via a mobile app, safety gear, skill training, health insurance under Ayushman Bharat-PMJAY, e-Shram registration, and capital subsidies for waste vehicles.

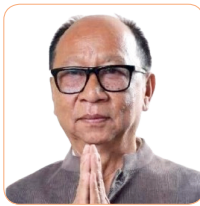
4th FEBRUARY 2026

President's Rule ends in Manipur

- **Context:** The President's rule in Manipur was revoked and Yumnam Khemchand Singh sworn in as Chief Minister of Manipur.

About Article 356 of the Constitution

- Article 356 empowers the President of India to impose President's Rule in a state when governance cannot be carried out as per constitutional provisions.
- This typically follows a report from the Governor, stating that the state machinery has failed.
 - The President issues a proclamation that transfers the state government's functions to the Centre and the state legislature's powers to Parliament.
 - The judiciary, especially the High Court, continues to function without interference.
 - The proclamation remains valid for up to two months but must be approved by both Houses of Parliament to extend further.
 - If approved, the Rule can last for six months and be extended in increments of six months, up to a maximum of three years.



President's Rule in India

- Since the adoption of the Constitution, Article 356 has been invoked over 130 times across various states and Union Territories.
- Manipur has witnessed the imposition of President's Rule the highest number of times. However, some states and UTs have spent longer durations under central control than others.

For example, Jammu and Kashmir or Punjab have had fewer instances but longer periods of President's rule due to specific circumstances like prolonged political instability or security concerns.

S. R. Bommai vs. Union of India (1994) Case

- The Supreme Court, in the landmark S R Bommai vs. The Union of India case placed restrictions on the misuse of Article 356.
- The judgment established that:
 - The President's decision is subject to judicial review.
 - Courts can strike down the imposition if found illegal, mala fide, or based on extraneous considerations.
 - The state legislature alone would be suspended, and the executive and other arms of governance would continue unless Parliament ratified the proclamation within two months.

Emergency Provisions

- Part XVIII of the Constitution speaks of emergency provisions.
- The emergency provisions can be classified into three categories:
 - Articles 352, 353, 354, 358, and 359 relate to National emergency,
 - Articles 355, 356, and 357 deal with the imposition of President's rule in States in a certain situation and,
 - Article 360 speaks of financial emergency.

FORGE Initiative

- **Context:** India has expressed support for the FORGE Initiative at the inaugural Critical Minerals Ministerial hosted by the United States in Washington DC.



About FORGE Initiative

- FORGE is a multilateral international cooperation framework aimed at de-risking global critical mineral supply chains by bringing together like-minded countries. It has been created as a successor to the Minerals Security Partnership (MSP).
- Core Idea is to reduce over-dependence on a few dominant suppliers, build trusted, transparent and resilient critical mineral ecosystems
- India sees FORGE as complementary to its domestic efforts such as:
 - National Critical Minerals Mission (NCMM)
 - Rare Earth Corridors
 - Focus on self-reliance with global cooperation
- **Significance:**
 - Reduces import vulnerability
 - Supports clean energy and EV goals
 - Strengthens India's role in global supply chains
 - Enhances strategic partnerships with the US and other countries.

5th FEBRUARY 2026

Bharat Taxi

- **Context:** Union Minister for Home Affairs and Cooperation launched Bharat Taxi, India's first cooperative-based ride-hailing platform.



About Bharat Taxi

- Bharat Taxi is a cooperative-led mobility platform registered under the Multi-State Cooperative Societies Act, 2002, and was established on June 6, 2025.

- The initiative aims to transform the mobility sector by placing drivers, referred to as sarathis, at the centre of ownership, operations, and value creation, offering an alternative to aggregator-based models. Drivers are also free to operate on other platforms without exclusivity clauses.
- The platform operates on a zero-commission and surge-free pricing model, with profits directly shared with drivers.
- It prioritises driver welfare through social security measures such as health insurance, accident insurance, retirement savings, and dedicated support systems.
- With over three lakh drivers and more than one lakh users already registered, Bharat Taxi aims to expand to all States and cities across India within the next two years.

Advance Pricing Agreement (APA)

- **Context:** The Union Budget 2026-27 introduced a fast-track Unilateral Advance Pricing Agreement (APA) process for IT services, aiming for completion within 2 years, with an optional 6-month extension.

About Advance Pricing Agreement

- APA is a binding agreement between a taxpayer and the tax administration that predetermines the arm's length price (ALP) or the pricing methodology for international transactions for a specified future period.
- Legal Framework in India: The APA regime in India was introduced under Sections 92CC and 92CD of the Income Tax Act, 1961.
 - The Central Board of Direct Taxes (CBDT) is the competent authority for administering APAs.

Types of APAs

- **Unilateral APA:** An agreement involving only the taxpayer and the tax authority of their home country.

- **Bilateral APA:** An agreement involving the taxpayer, Indian tax authority, and the tax authority of the foreign country concerned. It provides protection against double taxation.
- **Multilateral APA:** Involves multiple countries and their respective tax authorities for complex, multi-jurisdictional transactions.

Significance

- APAs help in reducing prolonged tax litigation, which has been a major concern for foreign investors.
- They promote a non-adversarial tax regime, aligning with India's objective of stable and predictable taxation.
- APAs support India's efforts to position itself as a trusted destination for global services and digital economy operations.

Exercise KHANJAR

- **Context:** The 13th edition of the India–Kyrgyzstan joint military exercise KHANJAR has begun in Sonitpur district of Assam.

Key Highlights

- Exercise KHANJAR is an annual training event conducted alternatively between India and Kyrgyzstan since 2011. The previous edition was held in Kyrgyzstan in March 2025.



- The 14-day-long military exercise aims to enhance interoperability between the Special Forces of both nations, with a focus on joint operations in urban warfare and counter-terrorism scenarios under the United Nations mandate.