

CURRENT AFFAIRS

UPSC CSE 2026



**DAILY CURRENT
AFFAIRS NOTES**

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Centre's governance guidelines for AI call for trust and safety

- The **Ministry of Electronics and Information Technology (MeitY)** released the **India AI Governance Guidelines**.
- The guidelines promote a **hands-off approach** to the **regulation of artificial intelligence (AI)**. The document is a **revised version** of an earlier **framework released for consultation**.
- The new **report was drafted by a panel** headed by **Balaraman Ravindran**.
- The report outlines **seven key principles** for AI governance — **trust, people-centricity, responsible innovation, equity, accountability, understandability of large language models (LLMs), and safety, resilience, and sustainability**.
- The **India AI Governance Guidelines** include **six key recommendations**.
 - **Expand access to AI infrastructure** and **leverage digital public infrastructure** for **scale, impact, and inclusion**.
 - **Build capacity** through **AI skill development and training**.
 - **Adopt balanced, agile, and flexible regulatory frameworks** for **AI governance**.
 - **Mitigate risks** by addressing **India-specific factors** related to AI deployment.
 - **Boost accountability** in the **AI ecosystem** through **greater transparency** about how **actors in the AI value chain operate**.
- The government clarified it is called **AI Governance Guidelines**, not **AI regulation**, to **avoid throttling AI adoption** in India. The **previous framework** focused on **risk minimisation**, but the **new version prioritises innovation with guardrails**. The **AI Governance Guidelines** are **separate** from the **draft amendment to the IT Rules, 2021**.

Death on the move

- The **highway accident at Chevella near Hyderabad** highlighted India's disgraceful record in fatal road accidents.

India's Road Safety Crisis

- The **truck driver** swerved to avoid a **pothole** and rammed into a **bus**. There were **no dividers, streetlights or signages** on that stretch of **National Highway 163**.
- India's roads are a **major public hazard** with over **400 deaths daily**, mostly **pedestrians, bus riders and two-wheeler motorists**.

Systemic Failures and Gaps

- Government documents identify **human error** as the main cause but **vehicular and infrastructural issues** remain **unaddressed**. The **driving licence test** focuses only on **vehicle handling skills**, not **safe driving knowledge**.
- **No safety training** is mandated.
- Most accidents are **rear-end collisions**, reflecting **tailgating and poor lane discipline**.
- The system of **certifying and monitoring drivers and vehicles** is **broken and corrupt**.
- Roads have **potholes, dangerous curves, poor drainage, and no crash barriers or energy absorbers**.
- **Collision-risk warning devices** are **inexpensive** but rarely used.

Need for Overhaul

- India urgently requires an **overhaul of its road transport system** to address **safety, enforcement, and emergency response** failures.
- **National highways** must follow **Indian Roads Congress guidelines**, but **States have not mandated them** under the **Motor Vehicles Act**. Better **pedestrian infrastructure** can prevent many fatalities.

In Brazil, COP30 and the moment of truth

- **Brazil** hosted the **Earth Summit in 1992**.
- At **Belém**, Brazil will launch the **Tropical Forests Forever Facility (TFFF) to preserve forests**. It is an **investment fund**, not a **donation mechanism**. It will **reward those who preserve forests and those who invest in the fund**, creating a **win-win model** for climate action.
- **Brazil announced a \$1 billion investment** in the TFFF and expects **similar commitments** from other nations.
- Brazil became the **second country to present a new Nationally Determined Contribution (NDC)**.
- The **new NDC** commits to **reducing emissions by 59% to 67%**, covering **all greenhouse gases and sectors**.

- **88% of Brazil's electricity** is generated from **renewable sources**, and the country is a leader in biofuels.
- Brazil highlighted that **two billion people lack access to clean cooking fuels** and **673 million live with hunger**. In response, Brazil will launch a '**Declaration on Hunger, Poverty and Climate**' at Belém. The declaration links the **fight against global warming** with the **fight against hunger**.
- At **COP30**, Brazil will **propose a UN Climate Change Council** linked to the **UN General Assembly**. The proposed Council will serve as a **governance structure** to ensure countries deliver on climate commitments.

The malleable Code of Conduct

- The **Model Code of Conduct (MCC)** is a set of **norms for political parties and candidates**, evolved by **consensus among parties**. It ensures that parties **respect and observe** the code in **letter and spirit**.
- The **MCC began to be implemented strictly in the 1990s** and was **revised in 2013** by the **Election Commission of India (EC)**.
- **MCC becomes operational** from the **announcement of the election schedule** until the **announcement of results**. It lays down **guidelines for general conduct during election campaigns** by **political parties and candidates**.
- For **parties in power**, it prohibits **announcing financial grants, promising new projects, or laying foundation stones** that could **influence voters**. However, it **does not restrict grants or disbursements** under **ongoing programmes** as of the **date of election announcement**.
- The **Standing Committee on Personnel, Public Grievances, Law and Justice (2013)** **recommended making the MCC legally binding**. The **Election Commission** opposed this, citing the **short election period (around 45 days)** versus the **long duration of judicial proceedings**.
- **EC has faced criticism** for failing to act on **blatant MCC violations**. One argument for **simultaneous elections** to the **Lok Sabha and State Assemblies** is to **reduce the frequent enforcement of MCC**, which restricts **new government schemes**.

Challenges facing the upcoming income survey

- The **Household Income Survey, 2026**, India's **first-ever comprehensive income survey**, aims to provide a clear picture of **how Indian households are earning, spending, and coping** with economic changes.
- The survey seeks to **capture direct household income data**, offering insights into **income distribution and class dynamics**. The main challenge lies in the **sensitive nature of income-related questions**, as many respondents may find them **intrusive or difficult to answer accurately**.

Comparison with Previous Surveys

- Existing tools like the **Periodic Labour Force Survey (PLFS)**, **Household Consumption Expenditure Survey (HCES)**, and the **RBI's Consumer Confidence Survey** have provided only **partial or indirect income insights**.
- The **PLFS** focuses on **labour market earnings**, while **HCES** uses **consumption patterns** as a **proxy for income**.
- The new survey, however, is designed to **measure income directly**, addressing the data gap that has limited **policy planning and welfare assessment**.

Scope and Coverage

- The survey will record information on **social group, religion, and occupation**, along with details of **agricultural and non-agricultural activities**. It includes data on **land ownership, dwelling type and size, loans, and property holdings**.
- For the first time, it will collect detailed data on:
 - **Regular salaries**, including **allowances, overtime pay, bonuses, stock options, and severance pay**.
 - **Casual workers' earnings**, including **days worked, average daily wages, and tips**.
 - **Self-employed income**, including **type, quantity, and value of crops or goods sold**.
 - **Non-agricultural business receipts** and sector details.

Significance and Insights Expected

- The survey will help identify **income disparities across social and occupational groups**. It will track **loan repayments** as a share of income, crucial for understanding **urban EMI-based spending patterns**.

- For agriculture, it provides a **direct mechanism** to evaluate claims like “**doubling farmers’ income**” and assess **scheme performance**.

Additional Data Collected

- The survey will record **pension payments, family transfers** (like alimony or child support), and **remittances**.
- For the **first time**, it will capture **funds received through State-specific and Union schemes**, such as the **Kalaigarn Magalir Urimai Thittam (Tamil Nadu)**.

What constitutes as contempt of court in India?

- The **Supreme Court** in **Shanmugam @ Lakshminarayanan vs. High Court of Madras (2025)** held that the **purpose of punishing for contempt** is to **ensure the administration of justice**, reaffirming the constitutional and legal framework governing **contempt of court** in India.

Constitutional Basis

- The phrase ‘**contempt of court**’ appears in **Article 19(2)** as a ground for imposing **reasonable restrictions** on the **freedom of speech and expression**. However, the **Constitution does not specify guidelines** for initiating contempt proceedings.
- Under **Articles 129 and 215**, the **Supreme Court and High Courts** are designated as **courts of record**, meaning their decisions are preserved for reference and they **inherently possess the power to punish for contempt**.

Contempt of Court Act, 1971

- The **Contempt of Court Act, 1971** elaborates this constitutional provision.
- The Act classifies contempt into **civil** and **criminal**:
 - **Civil contempt [Section 2(b)]**: **Wilful disobedience** of any judgment, decree, direction, order, writ, or breach of an undertaking given to a court.
 - **Criminal contempt [Section 2(c)]**: Publication or act that —
 - (i) **Scandalises** or **lowers the authority** of a court.
 - (ii) **Prejudices or interferes** with judicial proceedings.
 - (iii) **Interferes** with the **administration of justice** in any other manner.
- Contempt goes beyond **mere disrespect**, covering acts that **disrupt or obstruct the justice system**.
- The **Supreme Court or High Court** may **initiate contempt proceedings suo motu**, or a **third party** may do so **with consent** from the **Attorney General or Advocate General**.

Judicial Interpretation and Precedents

- **Fair criticism** of a decided case **does not amount to contempt**, but **criticism exceeding fair limits** may be **contemptuous** — *Ashwini Kumar Ghosh vs. Arabinda Bose (1952)*.
- The **power to punish for contempt** must be **used with caution** and only in **clear cases of violation** — *Anil Ratan Sarkar vs. Hiralal Ghosh (2002)*.
- In *M.V. Jayarajan vs. High Court of Kerala (2015)*, the **Supreme Court upheld a contempt finding for abusive language** used in a **public speech** criticising a **High Court order**, holding that such conduct **undermines judicial authority** and amounts to **criminal contempt**.
- In *Shanmugam @ Lakshminarayanan vs. High Court of Madras (2025)*, the Court reiterated that the **objective of contempt proceedings** is **not to protect individual judges**, but to **preserve the administration of justice**.

FATF releases updated asset recovery framework; India played a key role, says ED

- The **Financial Action Task Force (FATF)** released the “**Asset Recovery Guidance and Best Practices**” guidelines.
- The document provides a **comprehensive global framework** to **strengthen asset recovery systems** against **financial crimes**.
- It follows one of the **most significant FATF reforms** on **confiscation and international cooperation** in over **three decades**.
- The guidance outlines **practical measures** to **identify, trace, freeze, manage, confiscate, and return assets** derived from **criminal activities**.

- The **Enforcement Directorate (ED)** stated that **India played a prominent role** in developing the **revised FATF standards** and the **guidance document**. The document includes **examples from ED cases**, cited as **models of effective asset recovery and inter-agency coordination**.
- This recognition highlights **India's growing international standing** in **asset recovery and financial crime enforcement**.
- The **new framework expands asset recovery** to include the **entire process** from **identifying criminal property to confiscation and return**.
- For the first time, FATF has **mandated non-conviction-based confiscation**, allowing **asset recovery without a criminal conviction** when **prosecution is not feasible**.
- The guidance encourages the use of **extended confiscations** and **unexplained wealth orders**, requiring individuals to **prove the lawful origin of assets** under **reasonable suspicion**.
- It places greater emphasis on **provisional measures to secure assets early and prevent their dissipation**.

Chinese varsities dominate QS Asia rankings; India slips

- **China has overtaken India** as the **most-represented country** in the **QS World University Rankings: Asia 2026**.
- **India added 132 universities and institutes**, reaching a **record total of 294**. **China added 259 institutions**, bringing its **total to 394**.
- In the previous two editions, **India had the highest number of universities** in the rankings.
- **Seven Indian institutions** feature in the **top 100**.
- The **Indian Institute of Technology (IIT) Delhi** is the **highest-ranked Indian institute** at **59**. Other Indian entries include the **Indian Institute of Science (IISc)** and **IITs in Madras, Bombay, Kharagpur, and Kanpur**, along with the **University of Delhi**.
- **China has 25 universities in the top 100**, compared to **India's seven**.
- Although **India retained the same number** of top-100 institutes as last year, **their rankings declined**.
- **IIT-Delhi** dropped from **44 (2025)** to **59 (2026)**. **Delhi University** fell from **81 to 95**, **IISc** from **62 to 64**, and **IIT-Madras** from **56 to 70**.
- The **top 10 positions** in the **2026 rankings** were **dominated by universities from Hong Kong, Singapore, and China**.

Highest' FPI sell-off signals waning confidence in India

- **Foreign investors (FPIs)** have sold **₹1.5 lakh crore worth of Indian stocks** according to **NSDL data**. Continued selling could make this the **largest sell-off in nearly 20 years**.
- On a **price-to-earnings (PE) basis**, **Indian markets remain relatively expensive** compared to global peers. **PE ratio**, which measures whether a stock's price justifies its earnings, shows **Indian stocks trading at 22 times their earnings**.
- Over the past year, **Indian market returns have been weak**, while **other global markets performed better**.
- For **foreign portfolio investor (FPI) participation** to recover, **corporate earnings growth** must rise to **15–20%** or **valuations must correct significantly**. Alongside FPI selling, **foreign direct investment (FDI)** has also **declined**.
- **Total foreign investment** (portfolio + direct) as a **share of GDP** fell to a **25-year low in 2024–25**.
- **Weak private capital expenditure** and **slowing household incomes** have reduced private demand and lending growth. **World Bank's World Development Report 2024** stressed the **need for sweeping institutional reforms**.
- Without such reforms, **developing economies like India** risk falling into the **"Middle Income Trap"**, where growth slows before achieving **high-income status**.