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# DAILY CURRENT AFFAIRS DATED 19.01.2026

## GS Paper II: Current Affairs

### 1. Arbitration Council of India (ACI) and Contemporary Reforms in Indian Arbitration Law

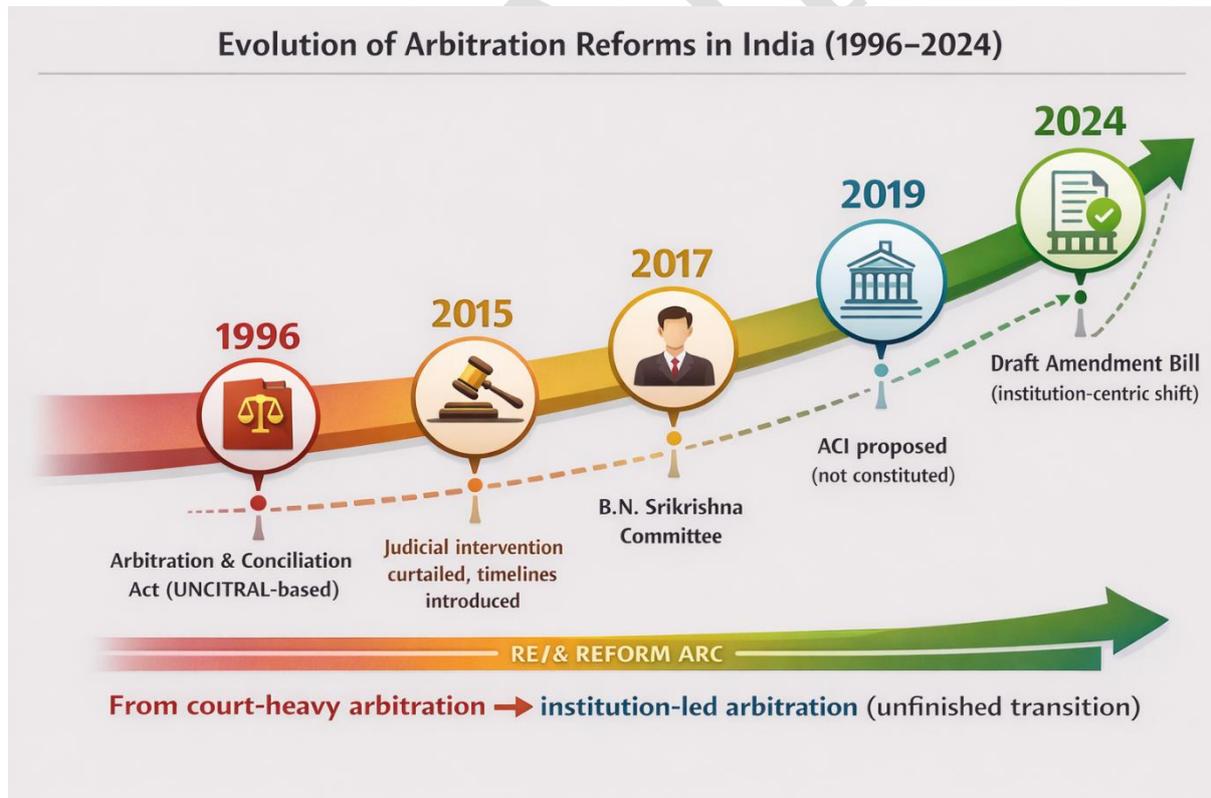
#### a. Arbitration in India

Arbitration is a form of alternative dispute resolution in which parties voluntarily agree to resolve disputes through a neutral third party—an arbitrator—instead of approaching ordinary courts. In India, arbitration is governed by the Arbitration and Conciliation Act, 1996, which is largely based on the UNCITRAL Model Law, thereby aligning Indian arbitration with internationally accepted legal standards.

The core objectives of India's arbitration framework include ensuring speedy dispute resolution, minimising judicial intervention, preserving party autonomy, and improving the investment climate by enhancing ease of doing business. In principle, arbitration is intended to provide a faster, flexible, and commercially sensitive alternative to conventional litigation.

In practice, however, India's arbitration ecosystem has suffered from serious structural deficiencies. Frequent judicial interference at multiple stages, prolonged timelines in the making and enforcement of arbitral awards, and an excessive dependence on ad hoc arbitration have undermined its effectiveness. Over time, these weaknesses eroded confidence among domestic and foreign investors alike.

Recognising these challenges, Parliament introduced major legislative reforms in 2015 and 2019, aimed at limiting judicial overreach and promoting institutional arbitration.



#### b. Arbitration Council of India: Concept and Present Status

The Arbitration Council of India (ACI) was envisaged under the Arbitration and Conciliation (Amendment) Act, 2019 as a central body to promote, regulate, and standardise arbitration practices in India. Despite having a statutory basis, the ACI has not yet been constituted.

This institutional vacuum has significant consequences. Several reform measures linked to institutional arbitration remain non-operational, and India continues to lack a unified regulatory architecture for arbitration. Consequently, the gap between legislative intent and on-ground outcomes persists.

### **c. Rationale Behind the Proposal for ACI**

The idea of the Arbitration Council of India emerged from the recommendations of the High-Level Committee on Arbitration (2017), chaired by Justice B. N. Srikrishna. The Committee undertook a comprehensive review of India's arbitration framework.

It observed that Indian arbitration was overwhelmingly ad hoc in nature, lacked credible domestic arbitral institutions, and operated without uniform standards for arbitrators or institutions. This fragmented system discouraged both domestic commercial actors and foreign investors from choosing India as a preferred seat of arbitration.

To address these systemic deficiencies, the Committee recommended the establishment of a central body that could promote institutional arbitration, prescribe minimum quality benchmarks, and support India's ambition of becoming a global arbitration hub.

### **d. Envisaged Functions of the Arbitration Council of India**

The Arbitration Council of India was conceptualised as an apex body combining regulatory oversight with developmental functions.

#### **i. Promotion of Institutional Arbitration**

- Encouraging a shift from ad hoc arbitration to institutional arbitration
- Enhancing predictability, procedural efficiency, and credibility of arbitral processes

#### **ii. Grading of Arbitral Institutions**

- Evaluation based on infrastructure, expertise, transparency, and efficiency
- Providing guidance to parties in selecting reliable institutions
- Creating competitive pressure to improve institutional quality

#### **iii. Accreditation and Regulation of Arbitrators**

- Recognition of professional bodies accrediting arbitrators
- Prescription of uniform ethical and professional standards
- Addressing concerns regarding arbitrator competence and impartiality

#### **iv. Advisory and Knowledge Functions**

- Advising the government on arbitration policy and legal reforms
- Acting as a repository of arbitral awards to promote consistency and institutional learning

### **e. Concerns Regarding Independence and Impartiality of the ACI**

A major criticism of the Arbitration Council of India relates to its institutional independence.

The composition of the proposed Council grants significant appointment and nomination powers to the Union Government. This is problematic because the government and public sector undertakings are among the largest litigants in arbitration proceedings in India. Such a structure creates a perceived conflict of interest, particularly when the same authority influences grading of arbitral institutions and accreditation standards.

This perception undermines a core principle of arbitration—neutrality. A regulator seen as government-dominated risks eroding confidence among private parties, discouraging foreign investors, and weakening India’s credibility as a neutral arbitration destination.

## **f. Criticisms of the 2019 Arbitration Amendments**

The 2019 amendments, though reform-oriented, attracted significant criticism.

First, the establishment of a central regulator raised concerns of excessive centralisation, potentially constraining the autonomy of arbitral institutions. Second, the power to accredit an unlimited number of institutions risked dilution of quality rather than its enhancement.

Critics also argued that the regulatory model deviated from global best practices. Leading arbitration hubs such as Singapore and Hong Kong rely on strong, market-driven institutions rather than government-controlled regulatory councils. Finally, the continued non-constitution of the ACI exposed serious implementation gaps in India’s arbitration reform agenda.

## **g. Draft Arbitration and Conciliation (Amendment) Bill, 2024: Key Proposals**

The Draft Amendment Bill, 2024 aims to revitalise institutional arbitration while further limiting judicial intervention.

### **i. Redefinition of Arbitral Institutions**

- Any body conducting arbitration under its own procedural rules qualifies
- Removal of court-based designation enhances party autonomy

### **ii. Restriction of Judicial Interim Measures**

- Courts to intervene mainly before commencement or after award
- Reduced disruption of ongoing arbitral proceedings

### **iii. Rationalisation of Commencement Timelines**

- Ninety-day period calculated from filing of interim application
- Minimisation of delays caused by prolonged court hearings

### **iv. Formal Recognition of Emergency Arbitration**

- Provision for urgent interim relief by emergency arbitrators
- Reduced dependence on courts during early stages

### **v. Strengthening Institutional Powers**

- Extension of timelines for awards by institutions
- Reduction of arbitrators’ fees for attributable delays
- Substitution of arbitrators where necessary

### **vi. Introduction of Appellate Arbitral Tribunals**

- Optional contractual mechanism
- Bar on court-based setting-aside applications if chosen

## **h. Key Concerns with the Draft Bill, 2024**

Excessive restriction of judicial oversight may weaken safeguards against procedural unfairness. Many Indian arbitral institutions currently lack the institutional capacity and credibility to exercise expanded powers effectively.

The success of emergency arbitration depends heavily on trust in institutions, which is still evolving. Similarly, appellate arbitration may add an additional layer of proceedings, potentially undermining the objective of speedy dispute resolution rather than advancing it.

### **i. Way Forward**

For arbitration reforms to succeed, the Arbitration Council of India must be constituted with strong safeguards for independence and transparency. Appointments should involve multi-stakeholder representation rather than exclusive executive control.

Policy focus should shift from over-regulation to strengthening a limited number of credible arbitral institutions. Building trust through rigorous ethical standards, professional training, and time-bound procedures is essential. Reducing the government's litigation culture through improved contract management and dispute prevention mechanisms is equally critical.

India's arbitration framework must also align with broader governance objectives, particularly Sustainable Development Goal 16, which emphasises peace, justice, and strong institutions.

### **Conclusion**

India's arbitration reforms will succeed not merely through legislative amendments, but through the creation of credible, independent, and professionally trusted institutions. Only such an ecosystem can restore confidence among domestic stakeholders and position India as a globally respected arbitration hub.

## **GS Paper II: Current Affairs**

### **2. Child Trafficking in India: Meaning, Legal Framework and Strategy to Tackle It**

#### **a. Understanding Child Trafficking**

Child trafficking refers to the illegal recruitment, transportation, transfer, harbouring, or control of children for the purpose of exploitation. Such exploitation may take multiple forms, including forced labour, sexual exploitation, begging, domestic servitude, forced marriage, or organ removal.

Unlike many other crimes, child trafficking directly assaults human dignity. It is not merely a law-and-order issue but a grave violation of fundamental human rights. Children, due to their age, dependency, and limited agency, are inherently incapable of protecting themselves from coercion, deception, or abuse.

At its core, child trafficking represents the systematic exploitation of vulnerability, making it one of the most morally reprehensible crimes in society.

#### **b. International Framework: The Palermo Protocol**

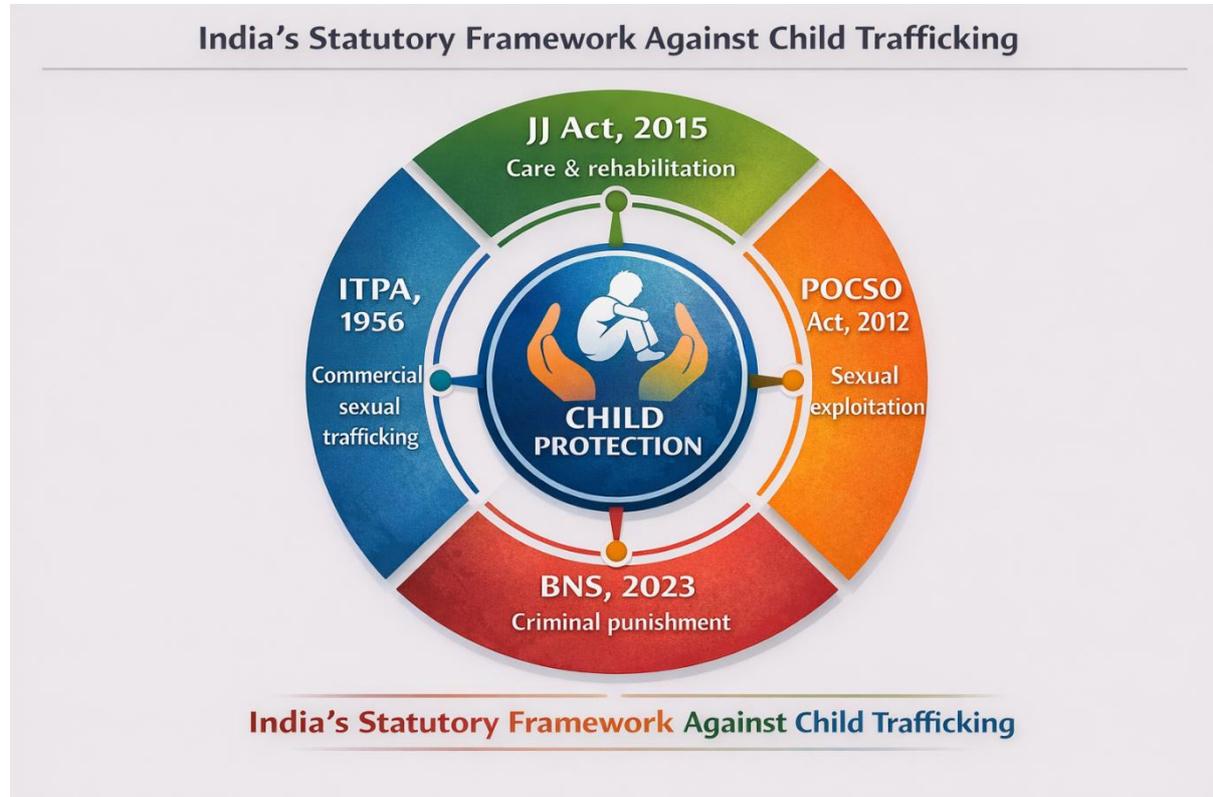
The principal global legal instrument against trafficking is the Palermo Protocol (2000), formally known as the *United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children*.

The Protocol adopts a threefold approach:

- Prevention of trafficking
- Protection and rehabilitation of victims
- Prosecution of traffickers through international cooperation

In the case of children, trafficking is defined as the recruitment, transportation, transfer, harbouring, or receipt of a child for the purpose of exploitation. A crucial safeguard is that the consent of the child is legally irrelevant. Even in the absence of force, coercion, or deception, any act done for exploitation constitutes trafficking.

India's domestic legal framework closely mirrors this standard, recognising the special vulnerability of children.



### c. Trafficking Under the Bharatiya Nyaya Sanhita, 2023

The Bharatiya Nyaya Sanhita, 2023, provides a comprehensive statutory definition of trafficking under Section 143.

#### i. Acts Constituting Trafficking

- Recruitment
- Transportation
- Harbouring
- Transfer or receipt of persons

#### ii. Means Employed

- Force or coercion
- Abduction, fraud, or deception
- Abuse of power or inducement

#### iii. Forms of Exploitation Recognised

- Sexual exploitation
- Forced labour or physical exploitation
- Slavery, servitude, or organ removal

A critical principle reaffirmed under the Sanhita is that trafficking is punishable irrespective of consent, which is especially significant in the case of children, whose consent is legally meaningless.

#### **d. Constitutional Protection Against Child Exploitation**

The Constitution of India lays down a firm moral and legal foundation for combating child trafficking.

##### **i. Fundamental Rights**

- **Article 23** prohibits human trafficking and forced labour in all forms
- **Article 24** prohibits employment of children below fourteen years in hazardous occupations

##### **ii. Directive Principles of State Policy**

- **Article 39(e)** mandates protection of children from abuse
- **Article 39(f)** requires conditions of freedom and dignity for child development

##### **iii. Article 21: Expansive Interpretation**

Judicial interpretation has expanded Article 21 to include the right to dignity, safety, and protection from exploitation, imposing a positive obligation on the State.

#### **e. Statutory Framework to Combat Child Trafficking**

India has enacted multiple laws to address different dimensions of child trafficking.

##### **i. Juvenile Justice (Care and Protection of Children) Act, 2015**

- Focuses on care, protection, and rehabilitation of trafficked children
- Establishes Child Welfare Committees and Special Juvenile Police Units
- Emphasises child-friendly procedures

##### **ii. Protection of Children from Sexual Offences Act, 2012**

- Addresses sexual exploitation of children
- Gender-neutral and stringent in punishment
- Provides for fast-track courts and child-friendly trials

##### **iii. Immoral Traffic (Prevention) Act, 1956**

- Targets trafficking for sexual exploitation
- Penalises brothel-keeping, procuring, and exploitation

##### **iv. Bharatiya Nyaya Sanhita Provisions**

- Criminalises buying and selling of children
- Strengthens punitive deterrence

Together, these laws create a multi-layered response combining punishment, protection, and rehabilitation.

#### **f. Judicial Approach of the Supreme Court**

The Supreme Court has consistently treated child trafficking as a constitutional violation, not merely a criminal offence.

##### **Key Judgments**

- *Vishal Jeet v. Union of India* – Recognised trafficking and child prostitution as serious social evils; stressed prevention and rehabilitation

- *M.C. Mehta v. State of Tamil Nadu* – Prohibited child labour in hazardous industries, linking exploitation to constitutional rights
- *Bachpan Bachao Andolan v. Union of India* – Issued detailed directions on rescue, rehabilitation, and prevention
- *K.P. Kiran Kumar v. State* – Recognised trafficking as a violation of Article 21

The judiciary has thus framed trafficking as an affront to human dignity and constitutional morality.

## **g. Why Child Trafficking Continues in India**

Child trafficking persists due to a combination of socio-economic and systemic factors.

### **i. Structural Vulnerabilities**

- Poverty and unemployment
- Distress migration and natural disasters
- Breakdown of family and social support systems

### **ii. Emerging Digital Threats**

- Use of social media to lure children
- Fake job offers, modelling opportunities, or education promises

Children from marginalised communities remain disproportionately vulnerable, requiring adaptive policy responses.

## **h. Importance of Centre–State Cooperation**

While policing and public order fall under the State List, trafficking networks operate across districts, States, and even national borders.

Effective action requires:

- Information sharing between Centre and States
- Joint rescue and investigation operations
- Uniform enforcement of laws
- Cross-border coordination

Without such cooperation, traffickers exploit jurisdictional gaps and conviction rates remain low.

## **i. Strategy to Tackle Child Trafficking: The Way Forward**

A sustainable strategy must rest on four interlinked pillars.

### **i. Prevention**

- Poverty alleviation and livelihood support
- Reducing school dropouts
- Community awareness and vigilance
- Monitoring digital platforms

### **ii. Law Enforcement**

- Specialised anti-trafficking units
- Better investigation and evidence collection
- Fast-track courts and higher conviction rates

### **iii. Rehabilitation**

- Psychological counselling and trauma care
- Education and skill development
- Long-term reintegration to prevent re-trafficking

#### **iv. Governance Measures**

- National database of missing and rescued children
- Strong Centre–State coordination
- Accountability mechanisms

#### **Conclusion**

Child trafficking is not merely a criminal offence but a failure of governance, social protection, and moral responsibility. India possesses a strong constitutional and legal framework to address the problem. The real challenge lies in effective implementation, institutional coordination, and sustained social awareness.

A nation’s commitment to justice is ultimately measured by how it protects the dignity, safety, and future of its children.

### **GS Paper III: Economics**

#### **3. Patent Rights and Public Health in India: Balancing Innovation, Access, and Public Interest**

##### **a. Conceptual Introduction**

A patent is a legal right granted to an inventor, providing exclusive control over an invention for a limited period in exchange for full public disclosure. The patent system is intended to encourage innovation by allowing inventors to recover research and development costs and earn reasonable returns—an especially important incentive in research-intensive sectors such as pharmaceuticals.

However, medicines are fundamentally different from ordinary consumer goods. They are directly linked to the right to life and the right to health, which lie at the core of human dignity and constitutional morality. As a result, patent monopolies in the pharmaceutical sector cannot operate in isolation from public interest considerations.

India’s patent regime is therefore designed around a delicate balance. It aims to incentivise genuine pharmaceutical innovation while ensuring affordable access to essential medicines and fulfilling national as well as international public health obligations. This balance defines India’s distinctive approach to patent governance.

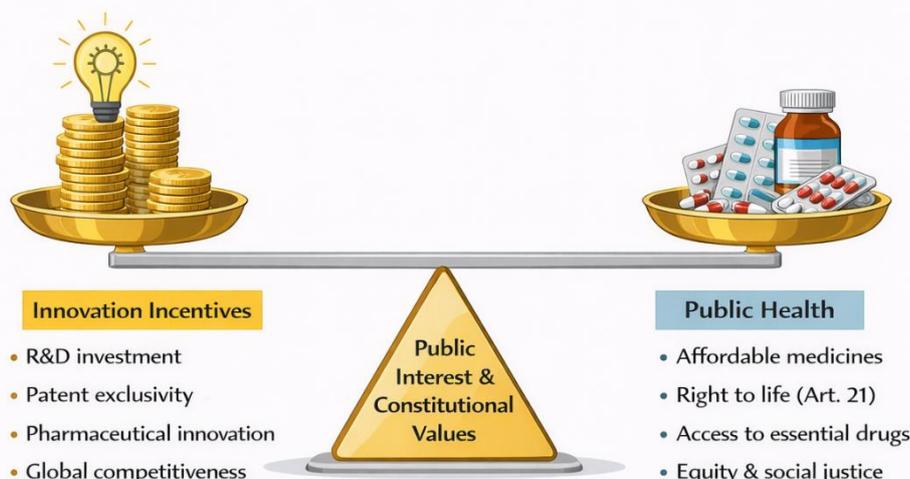
##### **b. International Framework: TRIPS and Public Health**

India is a signatory to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) under the World Trade Organization. TRIPS requires member states to provide patent protection for inventions, including pharmaceutical products.

At the same time, TRIPS explicitly recognises that intellectual property rights must operate in a manner conducive to public welfare. It permits member states to incorporate flexibilities to protect public health and prevent abuse of patent rights.

This principle was reaffirmed by the Doha Declaration on TRIPS and Public Health (2001), which clarified that public health concerns take precedence over commercial patent interests. India has consciously incorporated these flexibilities into its domestic patent law while remaining fully TRIPS-compliant.

## Patent Rights vs Public Health: India's Balancing Act



Patent monopolies are legitimate only when aligned with public health.

### c. Evergreening of Patents: A Core Issue

Evergreening refers to attempts by patent holders to extend monopoly periods through minor modifications of existing drugs that do not result in meaningful therapeutic improvement. The objective is not genuine innovation but the delay of generic competition.

India addresses this practice through Section 3(d) of the Patents Act, 1970.

#### i. Legal Standard Under Section 3(d)

- New forms of known substances are not patentable unless
- They demonstrate enhanced therapeutic efficacy, not merely improved properties such as stability or bioavailability

This standard focuses on real medical benefit rather than cosmetic or incremental changes.

#### ii. Significance of the Provision

- Prevents artificial extension of patent monopolies
- Keeps medicine prices affordable
- Protects public interest while allowing patents for genuine breakthroughs

### d. Public Health Safeguards Under the Indian Patents Act

India's patent framework contains several built-in safeguards that are integral to a TRIPS-compliant system rather than exceptional departures from it.

#### i. Compulsory Licensing

A compulsory licence permits a third party to manufacture a patented product without the patent holder's consent, subject to payment of reasonable remuneration.

#### Rationale and Scope

- Triggered when medicines are unaffordable or inadequately supplied

- Ensures access without permanently extinguishing patent rights

### **Section 92A and Global Public Health**

- Enables manufacture and export of medicines to countries with insufficient manufacturing capacity
- Reinforces India's role as the "pharmacy of the Global South"

### **ii. Government Use Without Consent**

Under Section 47, Central and State governments may import, use, and distribute patented medicines for public purposes without prior permission of the patent holder.

#### **Public Health Relevance**

- Used through public hospitals and government health programmes
- May extend to non-government institutions engaged in public service

This power is critical in ensuring availability of life-saving medicines, particularly in rural and resource-constrained regions.

### **iii. Revocation of Patents in Public Interest**

Section 66 empowers the Central Government to revoke a patent if:

- The patent itself, or
- The manner of its exercise

is prejudicial to the public or harmful to the interests of the State.

This provision acts as a deterrent against abusive patent practices and must be exercised cautiously, transparently, and with procedural fairness.

### **iv. Government Acquisition of Patents**

Under Section 102, the government may acquire a patent for a public purpose.

#### **Key Features**

- Compensation to the patent holder is mandatory
- Compensation determined by agreement or by court

This reflects a constitutional principle: private monopoly rights cannot override collective public interest, especially in matters of health and survival.

### **v. Role of Competition Law**

Patent holders remain subject to the Competition Act, 2002. Abuse of dominant position—such as excessive pricing, denial of market access, or exclusionary practices—can attract regulatory intervention.

Competition law ensures that patent monopolies do not extend beyond their legitimate scope, thereby protecting consumer welfare and market fairness.

### **e. Why Public Health Safeguards Are Essential**

India's need for strong public health safeguards is shaped by structural realities:

- Rising burden of non-communicable diseases such as cancer and cardiovascular disorders
- High cost of patented medicines for chronic and rare diseases
- Uneven healthcare infrastructure and heavy reliance on public health systems

In this context, public health safeguards are not anti-innovation measures but essential instruments of social justice and equitable healthcare delivery.

#### **f. Policy Challenge: Limited Use of Available Powers**

India has exercised its public health safeguards cautiously due to:

- Concerns about investment climate
- Diplomatic and trade pressures
- Fear of retaliatory measures

However, recurring instances of patent abuse and strategic evergreening highlight the need for predictable, calibrated, and rule-based use of statutory powers. Legal certainty, rather than excessive restraint, is essential for balancing investor confidence and public trust.

#### **g. Way Forward: Towards a Balanced Patent Governance Model**

India should develop clear national and state-level patent policies to identify patents with major public health implications.

##### **Governance Priorities**

- Periodic review of patent conduct and licensing practices
- Differentiation between habitual offenders and genuine innovators
- Preference for administrative review over prolonged litigation
- Transparent and proportionate exercise of statutory powers

Such an approach ensures balance without arbitrariness.

##### **Conclusion**

India's patent law already provides adequate, TRIPS-compliant safeguards to protect public health. The core challenge lies not in legal design but in the confident, principled, and timely use of existing powers.

Patent rights derive legitimacy from their social purpose. When that purpose is undermined, public interest must prevail.

## Reader's Note — About This Current Affairs Compilation

Dear Aspirant,

This document is part of the PrepAlpine Current Affairs Series — designed to bring clarity, structure, and precision to your daily UPSC learning.

While every effort has been made to balance depth with brevity, please keep the following in mind:

### 1. Orientation & Purpose

This compilation is curated primarily from the UPSC Mains perspective — with emphasis on conceptual clarity, analytical depth, and interlinkages across GS papers.

However, the PrepAlpine team is simultaneously developing a dedicated Prelims-focused Current Affairs Series, designed for:

- factual coverage
- data recall
- Prelims-style MCQs
- objective pattern analysis

This Prelims Edition will be released separately as a standalone publication.

### 2. Content Length

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- lists
- tables
- visual cues

—all optimised for retention.

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### 4. Monthly Current Affairs Release

The complete Monthly Current Affairs Module will be released soon, optimized to a compact 100–150 pages — comprehensive yet concise, exam-ready, and revision-efficient.

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