

NEWS TODAY

RBI Relaxed Priority Sector Lending (PSL) Norms for Small Finance Banks (SFBs)

The **New Rule** was issued by the Reserve Bank of India (RBI) under **Section 22(1)** of the **Banking Regulation Act, 1949**.

 Earlier Rule	 New Rule (Effective FY2025-26)
<ul style="list-style-type: none"> SFBs had to lend 75% of ANBC to Priority Sector Lending (PSL) sectors. <ul style="list-style-type: none"> 40%: Mandatory allocation to PSL sectors (e.g., agriculture, microenterprises). 35%: Flexible allocation (could choose PSL sectors of competitive advantage). 	<ul style="list-style-type: none"> Total PSL reduced to 60% of ANBC. <ul style="list-style-type: none"> 40%: Still mandatory for PSL sectors. 20%: Flexible (can now be used for non-PSL secured loans).

Key Change in PSL Requirements for SFBs

➤ Impact on SFBs:

- ⊕ Frees up ~₹40,000 crore for lending to lower-risk secured segments, such as: **Loans Against Property (LAP), Personal Loans, etc.**
- ⊕ Helps SFBs diversify loan portfolios beyond microfinance (reduces risk).

About Priority Sector Lending (PSL)

➤ Established: In the 1970s.

➤ Concept: PSL framework, initiated by RBI, mandates banks to allocate a specific percentage of their Adjusted Net Bank Credit ("ANBC") to priority sectors.

- ⊕ **ANBC Comprises:** Net Bank Credit (NBC), Bank's investments in non-statutory liquidity ratio (non-SLR) bonds, etc.

➤ Categories under Priority Sector: Agriculture; Micro, Small and Medium Enterprises; Export Credit; Education; Housing; Social Infrastructure; Renewable Energy; Others.

➤ Applicability: Commercial Bank [including Regional Rural Bank (RRB), Small Finance Bank (SFB), Local Area Bank (LAB)] and Primary (Urban) Co-operative Bank (UCB) **other than Salary Earners' Bank.**

About Small Finance Bank

Key Information & Regulatory Framework



Genesis

Announced in the Union budget of 2014-15



Registered

As a public limited company under the Companies Act, 2013



Licensed

Section 22 of the Banking Regulation Act, 1949



Objectives

For furthering **financial inclusion** by:

- **Savings vehicles** to underserved and unserved sections
- Supply of **credit to small business units, small farmers, etc.** through **high technology-low-cost operations.**



Capital requirement

- Minimum paid-up voting equity capital / net worth requirement shall be **₹200 crore**
- For **Primary (Urban) Co-operative Banks**, transiting into SFBs initial requirement of net worth shall be at **₹100 crore** which will have to be increased to **₹200 crore**

Chief Of Defence Staff (CDS) Empowered To Issue Joint Orders For The Three Forces

Defence Minister authorised CDS to issue joint orders for **the Army, Navy, and Air Force**.

- It replaces the old system, where each service issued separate orders, marking a **new step toward jointness and integration** in the Armed Forces.

About jointness and Integration

- **Jointness** of defence forces implies **synergised use of the resources of the three Services while respecting the uniqueness of each** to achieve optimum results and avoid duplication.

- Jointness can **further lead to the integration of defence forces, i.e., formal combining** of constituent elements into a single structure.

- ⊕ It is a crucial prerequisite for the **creation of theatre commands**.

- They are among the **nine priority areas** for defence reforms in **2025** (declared as the "year of reforms").

- They can **streamline procedures, cut redundancies, and boost coordination** among the services.

Initiatives taken for jointness and integration

- **Proposal for Theatrisation:** Proposal for **Integrated Theatre Commands (ITCs) and Integrated Battle Groups (IBGs)** to boost operational readiness by combining the capabilities of all three forces **based on geography and function**.

- **Inter-Services Organisations (Command, Control, and Discipline) Rules, 2025:** To ensure **effective command, control, and efficient functioning of Inter-Services Organisations (ISOs)**.

- **Appointment of the CDS:** CDS is mandated to bring about jointness in the operation, logistics, transport, training, etc. of the three armed services.

- **Department of Military Affairs (DMA):** Established under the Defence Ministry with the **CDS as Secretary**.

- **Joint Commands:** The **Andaman and Nicobar Command (A&NC)** and the **Strategic Forces Command** (looks after nuclear assets).

- **Headquarters Integrated Defence Staff (HQ IDS):** To provide a **single point, tri-Service, military advice to the government**.

NITI Aayog Report Highlights Urgent Need for Better Data Quality in Digital Governance

The report titled “India’s Data Imperative: The Pivot Towards Quality” highlights that over the past decade, India has emerged as a **global leader in digital public infrastructure**.

As per the report, as India enters the next phase of its digital journey, the **focus must shift from merely scaling to prioritising quality data**.

Quality data consists of six core attributes—**accuracy, completeness, timeliness, consistency, validity, and uniqueness**.

Why Quality Data is Needed for Governance?

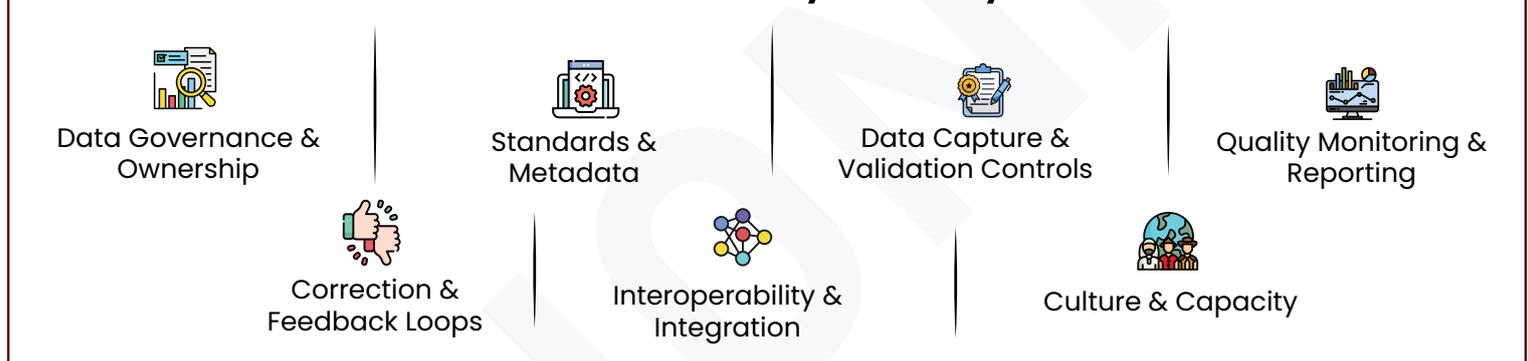
- **Fortify digital governance:** High-quality data powers efficient digital platforms, such as UPI and Aadhaar, and ensures the smoother delivery of government services.
- **Prevent Wastage:** Errors or duplicate entries can inflate welfare budgets by 4–7% annually.
- **Cultivate public trust:** Poor data leads to incorrect targeting, delays, and citizen frustration. Quality data avoids such mismatches, and rejected claims.

Pervasive Challenges in Leveraging Quality Data for Governance

- **Faulty Data Capture:** Field programs often prioritise speed over correctness, resulting in a culture where 80% accuracy is considered “good enough.”
- **Fragmented Data Storage:** Some systems utilise modern cloud tools, but many rely on outdated databases that lack audit trails and a standardised structure.
- **Inconsistent Data Sharing:** Different departments employ varying formats and update schedules, resulting in slow and expensive data integration.
- **Poor Archival Practices:** Old, outdated records are rarely removed, cluttering systems, slowing performance, and increasing the risk of data leaks.

The report introduces a **Data-Quality Scorecard** to monitor and improve datasets, as well as a **Data-Quality Maturity Framework** (having seven dimensions, five levels of maturity) to help departments assess and upgrade their data systems.

Dimension of Data-Quality Maturity Framework



India Enters Top 100 in Sustainable Development Report (SDR) 2025

The 2025 SDR, themed ‘Financing Sustainable Development to 2030 and Mid-Century’, tracks global progress toward achieving the Sustainable Development Goals (SDGs).

- The SDR has been released annually since 2016 by the **UN Sustainable Development Solutions Network (SDSN)**
- UNSDSN was **launched in 2012** to **mobilise scientific and technological expertise** for the implementation of the **SDGs and the Paris Climate Agreement**.

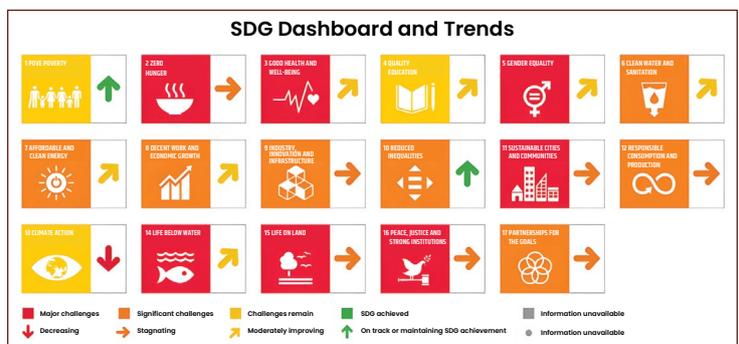
What are the SDGs?

- SDGs are a set of 17 global goals **established by the United Nations in 2015** as part of the 2030 Agenda for Sustainable Development.
- The SDGs are built upon the backdrop of the **Millennium Development Goals (MDGs)**, which targeted the reduction of extreme poverty from 2000 to 2015.

Key Findings of the Report

- **Global commitment to the SDGs is strong:** 190 out of 193 countries have presented national action plans for advancing sustainable development.
- **SDGs are far off-track:** None of the SDGs are on track to be achieved by 2030.
- **Support for UN Multilateralism:** Barbados ranks highest, while the U.S. ranks last in the 2025 UN Multilateralism (UN-Mi).
- **India’s Achievement:** India improved its rank to **99th** from 109th in 2024 (refer infographic for the trend).
- **Finland ranked first.**

The report highlighted that Progress is hindered by conflicts, structural vulnerabilities, and limited fiscal space. High-income countries have **delayed capital support** to multilateral development banks leading to a shortfall in support for SDG efforts.



PM Participated in Centenary celebration of Conversation Between Sree Narayana Guru and Mahatma Gandhi

The conversation was held in 1925 at Sivagiri Mutt, where they discussed **Vaikom Satyagraha, non-violence, untouchability abolition, and upliftment of the downtrodden.**



Mahatma Gandhi's Ahimsa

- **Non-violence as creed:** Disapproved all religious and political doctrines which conflicted with ideas of truth and non-violence.
- For Gandhi, **violence** was the **negation of the highest spiritual force**, and **non-violence was a perfect path to God.**
- Gandhi, however, viewed **compassion** as just one of the many virtues associated with a **practitioner of non-violence.**



Narayana Guru's Compassion-Centric Approach

- For Guru, **compassion was the essential virtue** of an Advaiti, and it encompassed all duties and values, including non-violence.
- **In Atmopadesa Satakam**, Guru writes that **whatever one does for the happiness of oneself should cause happiness to others.**
- **For Guru**, non-violence is the fundamental nature of a follower of Advaita philosophy.

Relevance of Sree Narayana Guru's Teachings in Present Day

- **Equality and Social Justice:** His philosophy of **"One Caste, One Religion, One God"** fights all forms of bias.
- **Social Justice Movements:** Supported the **Vaikom Satyagraha (1924-25)**, a movement for temple entry rights for lower castes.
- **Religious Harmony:** His emphasis on **universal brotherhood** and respect for all faiths foster interfaith dialogue and counter radicalization for peaceful coexistence.

About Sree Narayan Guru (1856-1928)

- He was born into **Ezhava community (a backward caste)**, near Thiruvananthapuram in Kerala.
- He was a **saint, seer, philosopher, poet, and social reformer** who led a movement against the caste system.
- He founded the **Sree Narayana Dharma Paripalana (SNDP) Yogam**, an organization that played a crucial role in mobilizing communities and advocating for social justice.
- Works: **Atmopadesa Satakam and Nivritti Panchakam**, remain influential in spiritual discourse.

Also In News



Committee on Estimates (or Estimates Committee)

The Estimates Committee has **completed 75 years** since its formation.

- It is the **largest among the three financial committees** (others being Committee on Public Undertakings, and Public Accounts Committee).

About Estimates Committee

- **Establishment:** Formed in 1950.
- **Composition:** **30 members** elected from the Lok Sabha Members.
 - ⊖ Ministers are not eligible to be members.
- **Chairperson:** Appointed by the Speaker from among the members.
- **Term of office:** One year.
- **Key Functions:**
 - ⊕ To report on potential **economies & organizational improvements**,
 - ⊕ **Suggest alternative policies** to bring about efficiency
 - ⊕ **Expenditure review** of the policies
 - ⊕ **Suggest the form** in which the estimates shall be presented to Parliament
- **Recommendation Submission:** Submitted to Lok Sabha and the concerned ministry **must take action within 6 months** or when required by the committee.



Amended BharatNet Program (ABP)

Gujarat became the first state to implement the ABP under a **state-led model.**

About ABP

- **Background:** BharatNet was launched to provide **broadband connectivity to all Gram Panchayats (GPs) across the country.**
- **Genesis:** ABP was approved in 2023 as a **design improvement**
- **Purpose:**
 - ⊕ **Optical Fibre (OF) connectivity to 2.64 lakh GPs in ring topology** (a network design where connected devices form a circular data channel)
 - ⊕ Of connectivity to the remaining non-GP villages **on demand.**
- **Features:**
 - ⊕ **IP-MPLS** (Internet Protocol Multi-Protocol Label Switching) network with routers **at Blocks and GPs.**
 - ⊕ **Operation and maintenance for 10 years.**
 - ⊕ **Minimum 25 Mbps download speed** for each FTTH subscriber.
 - ⊕ **Last-Mile Network** to be implemented through **BharatNet Udyami model**



NAVYA Initiative

Recently, the NAVYA vocational training initiative for adolescent girls was launched.

About NAVYA Initiative

- **Ministry:** Joint initiative of the **Ministry of Skill Development & Entrepreneurship** and the **Ministry of Women and Child Development**.
- **Objective:** To provide vocational training to young girls (aged 16-18 years) through PMKVY 4.0.
 - ⊕ **PM Kaushal Vikas Yojana (PMKVY) 4.0** provides **NSQF aligned skill development training** including reskilling and upskilling.
- **Aim:** To link girls with employment and entrepreneurship opportunities beyond conventional boundaries, such as Graphic Designer, Smartphone Technician, Drone Assembly Expert, etc.
- **Target:** 27 aspirational districts across 19 states.



Critical and Emerging Technologies Index

Critical and Emerging Technologies Index has been launched to assess how 25 countries perform across five technology sectors: AI, biotechnology, semiconductors, space, and quantum.

- **Published** by the Harvard Kennedy School.
- It **identifies six criteria** that define each technology sector: **geopolitical significance, systemic leverage, GDP contribution, dual-use potential, supply chain risk, and time to maturity.**

Key Findings

- India lags significantly behind the top three – U.S., China, and Europe – across most technology sectors.
- **India trails in critical tech, particularly semiconductor tech.**



Tansen

Madhya Pradesh High Court denied permission to perform religious and cultural activities at the tomb of Hazrat Sheikh Muhammad Ghaus in Gwalior.

- The premises of the monument also contain the graves of **Tansen**.
- **About Tansen (Childhood name Ramtanu)**
- He was an important figure in Hindustani classical music born in Gwalior.
- **Tansen** was the title given to him by **Raja Vikramjit of Gwalior**.
- Learnt music from **Swami Haridas**.
- Composed **Dhrupad** on Hindu deities as well as for his Patrons: **Ramchandra Vaghela and Akbar**.
- He was among the Navaratnas (nine jewels) at the court of Akbar.
- **Composed famous ragas:** E.g., Miyan ki Malhar, Miyan ki Todi and Darbari.
- His descendants and disciples are called Seniyas.



Black mass recovery technology

The Technology Development Board (TDB) has extended financial support for the commercialisation of an **indigenous battery recycling technology** that utilises **dual-mode (wet and dry) black mass recovery**.

What is Black Mass?

- When a lithium-ion battery reaches the end of its life, it doesn't stop being valuable. Inside that used battery is a **dark, powdery substance known as black mass** – a mix of critical minerals.
- This can be recovered, refined, and reused to power the next generation of clean energy.

About black mass recovery technology

- It is a **process** that extracts valuable materials like lithium, cobalt, and nickel from used lithium-ion batteries.
 - ⊕ Ensures **high separation efficiency** and recovery rates of up to **97–99%**.



Emergency Procurement (EP)

Ministry of Defence has concluded 6th phase of contracts under the EP mechanism.

- The procurement aims to enhance **situational awareness, lethality, mobility, and protection for troops** deployed in counter-terrorism (CT) operations

About EP Mechanism.

- **Background:** Introduced after key events like the **2016 surgical strikes, the 2019 Balakot airstrike, and the 2020 Ladakh standoff** with China.
- **Purpose:** Allows **fast-track defence procurement** instead of lengthy standard procedures.
- **Current status:** Armed Forces can now use up to **15% of their capital budget for urgent purchase** of weapons and equipment to refill operational stocks.



Epigenetic Programming

Scientists in China use DNA editing to produce fertile mice from two male parents for the first time.

- The new research **advances epigenetic programming** as a reproductive tool to breed motherless mice without compromising on their health and fertility.

Epigenetic Programming

- **Epigenetics** is the study of heritable changes in gene expression that occur without alterations to the underlying DNA sequence.
- **Epigenetic Programming:** They are **genetic modifications that impact gene activity** without changing the DNA sequence.
 - ⊕ These modifications are attached to DNA and do not change the sequence of DNA building blocks.
- Within the complete set of DNA in a cell (genome), all of the modifications that regulate the activity (expression) of the genes is **known as the epigenome**.

Place in News



South Africa (Capita: Pretoria)

India and South Africa signed agreements for submarine cooperation during 9th Joint Defence Committee (JDC) meeting held in South Africa.

South Africa (Capital: Pretoria (administrative), Cape Town (legislative), Bloemfontein (judicial))

Political features:

- **Location:** It is the **southernmost country on the African continent**.
- **Land boundaries:** Namibia (Northwest), Botswana and Zimbabwe (North), Mozambique and Eswatini (Northeast and East).
 - ⊕ **Lesotho** is entirely surrounded by South African territory.
- **Maritime boundaries:** Indian Ocean (Southeast) and the Atlantic Ocean (Southwest).

Geographical features:

- **Natural resources:** Gold, antimony, coal, iron ore, manganese, nickel, gem diamonds.
 - ⊕ **South Africa** was the **World's leading chromite ore producer** in 2022.
- **Major Rivers:** River Orange (drains into Atlantic), Limpopo (crosses the Tropic of Capricorn twice and drains into the Indian Ocean)
- **Mountain Range:** Drakensberg.



AHMEDABAD



BENGALURU



BHOPAL



CHANDIGARH



DELHI



GUWAHATI



HYDERABAD



JAIPUR



JODHPUR



LUCKNOW



PRAYAGRAJ



PUNE



RANCHI