

RBI grants Self-Regulatory Organisation status to Finance Industry Development Council (FIDC) to oversee NBFCs

FIDC is a **representative body** of **Non-Banking Financial Companies (NBFC)** registered with the RBI.

➤ Granting SRO status to FIDC will ensure better governance for **NBFCs**.

About Self-Regulatory Organisation

➤ **Objective:** SRO is expected to adhere to a set of **overarching objectives** for **betterment of the sector** they represent, foster advancement and address **critical industry concerns** within the broader financial system.

➤ **Legal Backing:** RBI's Omnibus Framework for recognising Self-Regulatory Organisations (SROs) for Regulated Entities (REs), 2024.

➤ Eligibility of SROs:

⊕ An SRO shall be setup as a not-for-profit company registered under Section 8 of the Companies Act, 2013.

⊕ It should have adequate net worth, sufficiently **diversified shareholding** (no entity shall hold 10% or more of its paid-up share capital) and must represent the sector.

➤ Responsibilities of SROs:

⊕ **Towards Members:** Frame a code of conduct, establish a grievance redressal and dispute resolution/ arbitration framework, etc.

⊕ **Towards Regulator:** Ensuring regulatory compliance, promote sector development, foster innovation and detect early warning signals.

➤ Governance Framework:

⊕ Articles of Association (AoA)/ bye-laws shall provide for manner of functioning of Governing Body and specify the functions of SRO.

⊕ At least **one-third of members** in Board of Directors including Chairperson shall be independent.

About Non-Banking Financial Company

➤ **Registration** under Companies Act, 1956.

➤ **Objective:** Engaged in lending activities, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority, etc. but excludes institutions mainly involved in agriculture, industrial activity, trading goods (except securities), and providing any services and sale/purchase/construction of immovable property.

➤ **Different from banks**, as they cannot accept demand deposits (accepts only term deposits), are not part of payment & settlement system, and cannot issue cheques drawn on themselves.

➤ **Status:** More than 9000 NBFC are registered with RBI (as of 2024).

Central Government identifies 100 Aspirational Agriculture Districts (AADs)

These districts are to be developed under the **Prime Minister Dhan-Dhaanya Krishi Yojana (PMDDKY)** across 29 states and UTs.

➤ Identification of AADs is based on **three factors** – low productivity, low crop intensity, and below-average access to credit.

➤ Government also **appointed 100 Central Nodal Officers (CNOs)** for monitoring the scheme's performance across the selected districts.

➤ There will be **committees formed at District, State and National level** for effective planning, implementation and monitoring.

About PMDDKY

➤ It draws inspiration from **NITI Aayog's Aspirational District Programme**, which aims to transform 112 most underdeveloped districts across the country.

➤ **Scheme Convergence:** Designed to catalyse growth in **100 agri-districts** through **saturation-based convergence of 36 Central schemes across 11 Ministries**, for a period of **six years** starting FY 2025–26.

➤ **Geographic Inclusion:** The number of districts in each state/UT will be based on the share of **Net Cropped Area** and operational holdings.

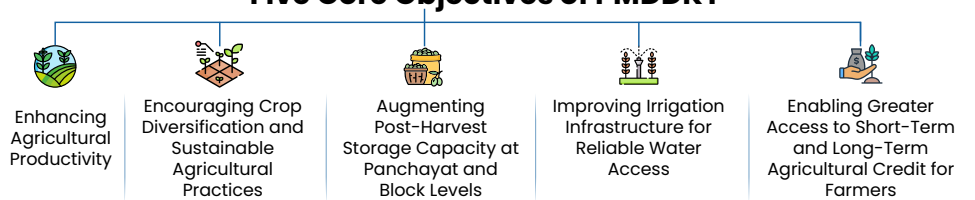
⊕ However, a **minimum of one district from each state** is to be selected.

➤ **District Level Planning:** Each selected district will establish a **District Dhan-Dhaanya Krishi Yojana (DDKY) Samiti**, chaired by the **District Collector** or **Gram Panchayat**.

⊕ DDKY Samiti will prepare a **District Agriculture & Allied Activities Plan**.

➤ **Progress Monitoring:** The progress of each Dhan-Dhaanya district will be tracked using **117 Key Performance Indicators (KPIs)** on a **central monitoring dashboard**.

Five Core Objectives of PMDDKY



RBI announces Measures to Promote Internationalisation of Rupee

The RBI has unveiled new measures to **promote wider international use of the Indian Rupee (INR)**, expanding both **trade and investment** avenues.

- Internationalisation of the Rupee means allowing the **Indian Rupee to be used for global trade and financial transactions**.

Key Measures Announced

- **Loans in Indian Rupees to Non-Residents:** Authorised dealer banks in India and their overseas branches will be permitted to lend in INR to persons resident in Bhutan, Nepal, and Sri Lanka, including a bank.
- **Establishing Transparent Reference Rates:** Financial Benchmarks India Limited (FBIL) will develop **transparent reference rates** for the rupee against **major global currencies**.
 - ⌚ Currently, the RBI publishes reference rates for the U.S. dollar, euro, Japanese yen, and sterling.
- **Widening Use of Special Rupee Vostro Accounts (SRVAs):** SRVA balances can now be used to invest in **corporate bonds and commercial papers**.
 - ⌚ Previously, surplus **vostro balances** were allowed to be invested in central government securities.

Benefits of Internationalization of Currency



Reduces Requirement of **Forex Reserves**



Reduced Exchange Rate Risk (Protects against US dollar fluctuations and global liquidity pressures)



Ensures Economic Auntonomy



Boosts Trade Influence (Positions the Rupee as a stable regional currency, enhancing India's role in global trade)

Special Rupee Vostro Account

- A Special Rupee Vostro Account is an account maintained by a **foreign bank** with an **Indian bank** to **facilitate** settlement of trade transactions directly in Indian Rupees (INR) without converting into foreign currencies.

India wins ISSA Award 2025 for Outstanding Achievement in Social Security

India has been conferred with the prestigious **International Social Security Association (ISSA)** at the **World Social Security Forum 2025**, organized by the ISSA.

- **Award** recognizes increase in social security coverage from **19% in 2015 to 64.3% in 2025**, covering over **940 million citizens**.
- **Employees' Provident Fund Organisation (EPFO)** and **Employees' State Insurance Corporation (ESIC)** played key role in increasing coverage.

How has India expanded its social security coverage?

- **Simplifying Legislations:** E.g., Social Security Code, 2020 amalgamated 9 laws to ensure social security protection for all workers including those of unorganized sector.
- **Building Digital and Financial Foundations:** Jan Dhan Yojana, Direct Benefit Transfer (DBT), etc.
- **Securing Informal and Unorganised Workers:** e-Shram Portal, Atal Pension Yojana (APY), PM Vishwakarma Yojana, etc.
- **Expanding Health and Food Security:** Ayushman Bharat, Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY), etc.
- **Insurance and Pension Schemes:** Pradhan Mantri Suraksha Bima Yojana (PMSBY), etc.
- **Women's Empowerment:** Lakhpati Didi Initiative, Pradhan Mantri Ujjwala Yojana, etc.
- **Other:** National Career Service (NCS) portal, etc.

Social Security and its Need in India

- **Social security** is the protection that a **society provides to individuals** and families to ensure access to health care and to guarantee income security.
- It is recognised as a **basic human right**.
- **Need in India:**
 - ⌚ Largely **unorganized labour force**.
 - ⌚ Decline of **India's traditional joint family system** (historically provided social security through shared resources)
 - ⌚ 5.25% people live below Poverty line (under the new \$3.00 (PPP/day) as of 2022–23, World Bank report), etc.



NITI Aayog Releases Tax Policy Working Paper on Permanent Establishment and Profit Attribution for Foreign Investors in India

The paper highlights that complexities surrounding Permanent Establishment (PE) rules in India impact the inflow of Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI).

About Permanent Establishment (PE)

- **Permanent Establishment** is a fixed place of business where the enterprise conducts its activities wholly or partly.
 - ⌚ **Permanent Establishment determine a country's right to tax the business income of non-resident entities**, thereby profoundly influencing the investment climate and flow of capital.
 - ⌚ Source state has the **authority to tax the profits attributable to the PE** within its borders.
- In India, **Income Tax Act, 1961, employs the term "Business Connection"** for determination of PE and specific PE definitions are primarily found in Double Taxation Avoidance Agreements (DTAAs).
 - ⌚ India expanded definition of PE with introduction of **Significant Economic Presence (SEP)** criteria to tax digital businesses which does not have physical presence in India.
- **Issues with PE rules:** Ambiguity surrounding definition creates significant tax risks, compliance burden, differing views for profit attribution between tax authorities and companies, mixed application of Arm's Length Principle etc.

Key Recommendations of Working Paper

- **Introduce Optional Presumptive Taxation Scheme:** Pre-emptively defining a fair profit rate for taxation, thereby providing certainty to taxpayers and tax authorities.
- **Legislative Clarity:** Codify clear PE and profit attribution principles, aligning with OECD and UN models and maintain policy against retrospective taxation.
- **Robust Dispute Resolution Mechanisms:** Expand **Advance Pricing Agreement (APA)** and **Mutual Agreement Procedure (MAP)** for quicker settlements.
- **Stakeholder Engagement:** Mandatory **public consultation** on major tax policy changes and enforcing Taxpayer Charter.



Also In News



Stablecoins

Finance Minister stated that innovations like stablecoins are transforming the landscape of money and capital flows and nations must either adapt to new monetary architectures or risk exclusion.

About Stablecoins

- **Definition:** Stablecoins are cryptocurrencies pegged to stable assets, e.g. fiat currencies like US dollar, a basket of currencies, or precious metals.
- **Significance:**
 - ⌚ They are designed to **minimise volatility, unlike regular cryptocurrencies** such as Bitcoin.
 - ⌚ They are **easy to transact and are fast**, particularly for cross-border money movement.
- **Potential Risks:** These could pose a **threat to financial stability** and could have significant run risks, in which large group of investors redeem their holdings simultaneously.

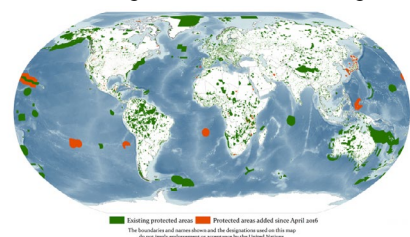


IUCN Report on Protected Areas

The IUCN World Commission on Protected Areas (WCPA) releases a report on integrating **climate mitigation into protected area management**.

Major Findings

- **Protecting 30% of strategically selected land could secure 500 billion tonnes of carbon stored in vegetation and soils.**
- **Protecting 30% of oceans could achieve 20% of the carbon emission reductions aligned with the Paris Agreement.**





Net-Zero Banking Alliance

The Net-Zero Banking Alliance has been dissolved after several member banks withdrew.

About Net Zero Banking Alliance

- Established in 2021 under UN Environment Programme's Finance Initiative.
- Aimed at encouraging banks to reduce the carbon footprint of their loans and investments and support transition to a net-zero economy by 2050.

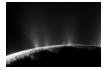


NATO Pipeline System

Poland will join the NATO Pipeline System (NPS).

About NATO Pipeline System (NPS)

- Established during the Cold War to supply NATO forces with fuel.
- **Purpose:** Continues to ensure **petroleum product supply & distribution** for NATO operations.
- **Scale:** Across **12 NATO countries**, linking storage depots, military air bases, civil airports, refineries, pumping stations, truck/rail loading stations.



Cassini & Enceladus

NASA's Cassini spacecraft has provided fresh evidence that Saturn's moon Enceladus could potentially host life, after detecting additional complex organic molecules in the icy plumes ejected from its subsurface ocean into space.

About Cassini Spacecraft

- Planetary exploration mission jointly by NASA (USA), ESA (Europe), ASI (Italy).
- **Goal:** Study Saturn, its rings, moons, and magnetosphere in detail.
- It carried a probe called Huygens to Saturn System.

About Enceladus (Saturn's Icy Moon)

- **Rotation:** Tidally locked with Saturn.
- It is **brightest and most reflective body** in the solar system.



Tribal Village Vision 2030 Declaration

Special Gram Sabhas held across 1 lakh tribal-dominated villages and Tolas adopted the Tribal Village Vision 2030 Declaration.

- Declaration was adopted as part of **Adi Karmayogi Abhiyan**, launched by the Ministry of Tribal Affairs.
- Declaration empowers villages to become active **co-creators of their development**, fosters **accountability**, and ensures that **every citizen's voice shapes the future** of their community.
- It emphasizes on **community led development**, actionable goals on education, health, livelihood, social and financial inclusion, and infrastructure.
- Declaration also envisages **establishment of Adi Sewa Kendras** in every village as single-window citizen service centres.



Mud Volcano

India's only Mud Volcano in Baratang Island in Andaman and Nicobar Islands erupts after 20 years.

About Mud Volcano

- It is a geological formation where a **mixture of mud, water, and gases** (mainly methane, sometimes carbon dioxide or nitrogen) **erupts to the surface**, creating cone-like structures that resemble true volcanoes without molten lava.
- Mud volcanoes are generally **encountered in areas where natural gas is present**.
- Eruptions are caused by the pressure from **Earth's tectonic forces** or by **accumulation of hydrocarbon gases**.



Contaminants in Cough Syrups

Rajasthan government banned distribution of cough syrups containing **Dextromethorphan**.

- Dextromethorphan is an **opioid cough suppressant** but is not recommended for children below 5 years.
- There are also concerns with presence of **Diethylene Glycol (DEG)** and **Ethylene Glycol (EG)** in cough syrups.
- ⊕ Both are **colourless industrial chemicals** commonly used in making products like brake fluids, antifreeze, paints, plastics, and some household items.
- ⊕ These are often used as substitute for **safer substance called propylene glycol** (a solvent that helps dissolve drugs into liquid form).
- ⊕ DEG and EG are **highly toxic for humans** and can cause poisoning and kidney failure.



Vande Mataram

The Union Cabinet announced nationwide celebration of **150th anniversary** of the national song 'Vande Mataram'.

About Vande Mataram

- **Origin:** Composed in **Sanskrit** by **Bankim Chandra Chatterjee** and first published in Anandamath (1882).
- On 24th January 1950, it was declared that Vande Mataram would have equal status with the **National Anthem (Jana-gana-mana)**.
- ⊕ Jana Gana Mana, originally composed in Bengali by Rabindranath Tagore, was adopted in Hindi version by the Constituent Assembly on January 24, 1950.
- **Theme:** Pays tribute to **Mother India**, inspiring devotion, courage, and unity.
- It was recited by **Rabindranath Tagore** in 1896 at the annual session of the Indian National Congress.



AHMEDABAD



BENGALURU



BHOPAL



CHANDIGARH



DELHI



GUWAHATI



HYDERABAD



JAIPUR



JODHPUR



LUCKNOW



PRAYAGRAJ



PUNE



RANCHI