

NEWS TODAY

The Monetary Policy Committee (MPC) took various steps to increase liquidity

MPC has decided to cut **CRR** by 100 basis points (bps), repo rate by 50 basis points to increase liquidity in the banking system.

Key policy instruments for liquidity management

- **Cash Reserve ratio (CRR):** The percentage of cash required to be kept in reserves as against the bank's total deposits with the Central bank is called the **Cash Reserve Ratio**.
 - ⊕ Banks **can't lend** the CRR money to corporates or individual borrowers, banks **can't use that money for investment purposes**. And banks **don't earn any interest** on that money.
- **Repo rate: The repo rate (repurchase rate)** is the interest rate at which the central bank lends money to commercial banks when there is a shortage of funds, usually against government securities.
- **Liquidity adjustment facility (LAF):** The LAF refers to the Reserve Bank's operations through which it injects/absorbs liquidity into/from the banking system.
 - ⊕ It consists of overnight as well as term repo/reverse repos (fixed as well as variable rates), SDF and MSF.
- **SLR:** Statutory Liquidity Ratio or SLR is a **minimum percentage of deposits** that a commercial bank has to maintain in the form of **liquid cash, gold or other securities**.
 - ⊕ These are **not reserved with the Reserve Bank of India (RBI)**, but with banks themselves. The SLR is fixed by the RBI.
- **Other tools:** Bank Rate, Standing Deposit Facility (SDF) Rate, Marginal Standing Facility (MSF) Rate, Open Market Operations (OMOs), etc.

About MPC

- **Legal provision:** Section 45ZB of the amended RBI Act, 1934 (amended in 2016).
- **Composition:** A six-member committee headed by the RBI Governor.
 - ⊕ Three Members from RBI and three are appointed by the Central Government.
- **Meetings:** The MPC is required to **meet at least four times in a year**.
- **The quorum** for the meeting of the MPC is four members.

Rising Quick Commerce in India transforming Consumer Behaviour and Market Dynamics

A report by Kearney (a consultancy firm) highlights that Q-Commerce grocery market in India is expected to **grow 3-fold between 2024-27** reaching around **1.7 lakh crores**.

About Quick Commerce (Q-Commerce/On-Demand Delivery)

- **Meaning: A Unique business model** that delivers goods/services within **10-30 minutes** of ordering. E.g., Swiggy's Instamart, Blinkit, Zepto.
 - ⊕ It involves the sellers to **shift from traditional warehouses** located at the outskirts to the **micro-warehouses** located near delivery point.

Key Transformative Role of Q-Commerce

- **Consumer Behaviour Driven by Convenience and Instant Gratification.**
 - ⊕ **Incremental Sales:** **6-8% of all sales** happening via Q-Commerce are purely incremental driven by **impulsive segments** like snacking, festive shopping, gifting, etc.
 - ◆ Adoption is **lesser** in fruits, vegetables, and dairy sectors as greater priority is given to affordability and freshness.
 - ⊕ **Premiumization:** Easier access to **high-end brands**, some premium products are being launched first on these platforms.
- **Reshaping Employment Dynamics**
 - ⊕ **Creating both direct employment nodes** (last-mile logistics being the key driver) and **indirect employment nodes** (additional IT jobs, etc.).
 - ◆ Generates **62-64 jobs per INR crore of monthly Gross Merchandise Value**, surpassing E-Commerce (25-29 jobs).
 - ⊕ **Structural shift in Employment:** Shift towards **platform based gig workers** due to:
 - ◆ **Rising flexibility** (part-time or full-time work),
 - ◆ **Hyperlocal employment distribution**, Q-commerce stores are distributed across regions and not centralised.
 - ◆ **Opportunity to participate** in multi-platform gig work.

Conclusion

Rise in Q-Commerce have caused businesses to **shift their investment strategies** towards them, yet it must continuously adapt to **consumer preferences** and **market dynamics** while coexisting with other retail channels.

Advantages of Q-Commerce over Offline Channels



Convenience:
Ultra-fast deliveries,
low waiting time.



Assortment:
Wide range
of products.



Supply Chains:
Reduced wastage and increased
profits due to optimized logistics
and technology.

269 million Indians moved above extreme poverty line between 2011-12 and 2022-23

India has seen a sharp decline in extreme poverty from 27.1% in 2011 to 5.3% in 2022 under the World Bank's updated poverty line of \$3.00/day (2021 PPP).

Global poverty lines:

- ⊕ Poverty line is typically a **monetary threshold** below which a person's **minimum basic needs** cannot be met.
- ⊕ **World Bank has updated poverty line** to \$3.00 per person per day, which **replaces the previous \$2.15 poverty line** based on 2017 PPPs.
 - ◆ The updated poverty line aims to **better reflect today's global prices and cost-of-living** standards.
- ⊕ **For lower-middle-income economies**, the poverty line is **currently set at \$4.20** per person per day, and for **upper-middle-income economies**, it is **\$8.30**.
- **Rural-Urban Divide in Poverty:** Rural poverty fell from 18.4% (2011-12) to 2.8% (2022-23) while Urban poverty declined from 10.7% (2011-12) to 1.1% (2022-23) in India.
- **Multidimensional Poverty Index (MPI):** MPI dropped from 53.8 percent in 2005-06 to 16.4 percent in 2019-21, and further down to 15.5 percent in 2022-23 in India.
 - ⊕ The index comprises six indicators, namely **consumption or income, educational attainment, educational enrolment, drinking water, sanitation, and electricity**.

Initiatives that led to decline in poverty:

- **PM Awas Yojana:** By providing a **pucca house**, with basic amenities, to all houseless households.
- **PM Ujjwala Yojana:** By making **clean cooking fuel** such as **LPG** available to the rural and deprived households.
- **PM Jan Dhan Yojana:** By ensuring access to **financial services** to every Indian.
- **Ayushman Bharat:** By **reducing the financial burden** on poor and vulnerable groups arising out of catastrophic hospital episodes and ensuring their **access to quality health services**.

Fourth India-Central Asia dialogue concludes in New Delhi

Ministers of Foreign Affairs of **Republic of Kazakhstan**, the **Kyrgyz Republic**, the **Republic of Tajikistan**, **Turkmenistan** and the **Republic of Uzbekistan** participated in dialogue.

Key Highlights of Joint Statement of 4th Dialogue:

- Central Asian nations **condemned the Pahalgam terror attack** and also expressed interest in **joint exploration of rare earth & critical minerals**.
- Ministers welcomed the **designation of 2025 as the "International Year of Peace and Trust"** in accordance with UN General Assembly Resolution.
- Ministers commended First High-Level International Conference on Glaciers' Preservation, held in Tajikistan as part of observing **International year of Glaciers' Preservation (2025)**.

India -Central Asia Relations:

- **Age Old Ties:** India's linkages with Central Asia date back millennia to at **least the third century BCE**. The two were connected through the **silk road**.
 - ⊕ In current times, Central Asian Republics constitute the **extended neighborhood of India**.
- **Connectivity & Infrastructure Development:** Through initiatives like the **International North-South Transport Corridor (INSTC)**, **Chabahar port** etc.
- **Energy Security:** E.g. **TAPI (Turkmenistan-Afghanistan-Pakistan-India) pipeline** is a natural gas project designed to transport gas from **Turkmenistan's Galkynysh field to India**.
 - ⊕ India has been importing **yellow cake (Uranium oxide)** for its **nuclear plants** from Kazakhstan since 2009.
- **Trade & Economic Cooperation:** E.g. India and Kyrgyzstan's **Bilateral Investment Treaty**, establishing **India-Central Asia Business Council** etc.
- **Security and Defense:** Through annual military exercises e.g. **Khanjar (Between India and Kyrgyzstan)**, **"Kazind" (Between India and Kazakhstan)**.



Gross Foreign Direct Investment (FDI) inflows rose by around 14% between 2023-24 to 2024-25: RBI Governor

At the same time, the **Net FDI inflows** moderated to \$0.4 billion in 2024-25 on account of rise in **repatriation** signaling maturing of market allowing foreign investors to enter/exit smoothly.

➤ Further in 2024-25, **Foreign Portfolio Investment (FPI)** dropped to **\$1.7 billion**, as investors booked profits in equities.

About FDI

- **FDI:** It is the investment through **equity instruments** by a person resident **outside India** in an **unlisted Indian company**; or in **10% or more of the post issue paid-up equity capital** on a fully diluted basis of a **listed Indian company** (For FPI, this limit is less than 10%).
 - ⊕ It involves companies' bringing in **knowledge, skills, technology** and taking control over ownership in a business entity.
- **Gross and Net FDI**
 - ⊕ **Gross FDI:** Total investment made by **foreign entities** directly into the productive assets of India.
 - ⊕ **Net FDI:** Difference between **inward FDI flows** and **outward FDI flows** (Repatriation by foreign firms + Outward FDI by Indian firms).

Key Reasons for Rising FDI in India

- **Investor-Friendly Policy Regime:** Allowing **100% FDI** through **the automatic route** in most sectors, flagship reforms like GST Rollout, National Logistics Policy, etc.
- **Sectoral Appeal:** **Services** (finance and IT to R&D and consultancy) along with **resurgence of manufacturing** through Production Linked Incentive (PLI) schemes.
- **Sub-National Reforms:** In the **States** through infrastructure readiness, investor outreach, industrial policy reforms, etc.

Key FDI trends in India

- **FDI inflows: \$81 billion** in 2024-25.
- **Major inward FDI sources:** **Singapore** followed by Mauritius, United States, Netherlands, etc.
- **Top 5 States receiving highest FDI:** **Maharashtra, Karnataka, Gujarat, Delhi, and Tamil Nadu.**



Also In News

National e-Vidhan Application (NEVA)

Government is to inaugurate the **NeVA** for the **Puducherry Legislative Assembly**.

➤ **Nagaland** was the **1st Legislative Assembly** to implement NeVA.

About NeVA

- **Ministry:** Ministry of Parliamentary Affairs (MoPA).
- **Aim:** Digitize and streamline legislative processes across all 37 State/UT Legislatures through a **unified platform**, embodying the vision of '**One Nation – One Application**'.
- ⊕ Deployed on **NIC Cloud**, MeghRaj that helps the **Chair of the House** to conduct the proceedings of the House **smoothly in a paperless manner**.
- **Funding:** Adopts a **centrally sponsored funding model**, ensuring equitable support across states and UTs.



UMEED Portal

Union Minority Affairs Minister launched **UMEED Central Portal** for real-time uploading, verification, and monitoring of Waqf properties.

➤ **Waqf** refers to any **movable or immovable property** for any purpose recognised by **Muslim Law** as **pious, religious or charitable**.

About UMEED Portal

- **Legislation:** Under **Unified Waqf Management, Empowerment, Efficiency and Development (UMEED) Act, 1995**.
- **Key Features:** Creation of a **digital inventory** with geo-tagging of all Waqf properties, Online grievance redressal, GIS mapping etc.
- **Significance:** Enabling **greater transparency, accountability**, participation of **Waqf assets** to healthcare, livelihood generation, social welfare, etc.



BRICS Parliamentary Forum

The 11th BRICS Parliamentary Forum was held in **Brasilia, Brazil** recently.

- India was entrusted with **hosting 12th BRICS Parliamentary Forum next year.**

About BRICS Parliamentary Forum:

- **Objective:** Serves as a platform for legislative collaboration among the parliaments of BRICS countries.
- **1st BRICS Parliamentary Forum** in 2015 was held during Russia's Chairship in **Moscow.**

About BRICS:

- **Genesis:** British economist **Jim O' Neill** in 2001 coined the acronym '**BRICs**' representing the emerging economies of Brazil, Russia, India, and China.
- BRICS was **formed in 2009** by Brazil, Russia, India, and China, with **South Africa joining in 2010.**
- **Members:** Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, Indonesia, and the United Arab Emirates.



AI Readiness Assessment Methodology (RAM)

UNESCO and MeitY Host the 5th Stakeholder Consultation on AI Readiness Assessment Methodology (RAM) in India.

About AI RAM Initiative:

- It is a comprehensive framework to **assess country's AI ecosystem readiness** by UNESCO and IndiaAI Mission, MeitY.
- The AI RAM acts as a **diagnostic tool** to support governments in **strengthening regulatory and institutional capacity in AI.**
- It aims to develop an **India-specific AI policy report** that offers actionable recommendations for the **ethical and responsible adoption of AI across sectors.**



Amoeba

Kerala state public health lab has **developed molecular tests to identify deadly amoeba.**

About Amoeba

- **Single-celled eukaryotic organism** that belongs to the group of organisms known as **protozoa.**
- **Habitat:** Found in **freshwater environments, saltwater, soil, and even man-made water systems.**
- **Structure and Movement:** Characterized by its **irregular shape** and ability to move and **capture food using pseudopodia**, which are temporary **extensions of its cytoplasm.**
- **Nutrition:** **Heterotrophic organism**, Feed on bacteria, algae, plant cells, and microscopic protozoa.
- **Reproduction:** Asexually through a process known as **binary fission.**
 - ⊕ The nucleus divides by mitosis, followed by the **division of the cytoplasm (cytokinesis).**
 - ⊕ This results in two **genetically identical daughter amoebas.**



G-7

The PM of Canada has invited the Indian PM to the upcoming **G7 Summit** to be held in **Kananaskis, Canada.**

About G-7

- **Genesis:** Founded in 1975 in response to the oil crisis.
- **Informal Grouping:** Of seven countries that consists of the **United States, Canada, France, Germany, Italy, Japan, and the United Kingdom.**
 - ⊕ Became **G8** in 1998 with the inclusion of **Russia**, reverted to **G7** in 2014 after Russia's suspension (Crimea annexation).
 - ⊕ **The European Union** also participates in its summits.
- **Aim:** To discuss on **foreign policy, security, international economic policy** etc.
- Together the member countries represent **40% of global GDP** and **10% of the world's population.**



Chenab Rail Bridge

Prime Minister inaugurated the **World's highest railway arch bridge (Chenab Bridge)** over **Chenab River** and the **Anji Bridge**, India's first cable-stayed rail bridge over **Anji River**, tributary of Chenab.

- **Chenab** or **Chandrabhaga** is the **largest tributary** of Indus, formed by two streams, the **Chandra** and the **Bhaga**, which join at **Tandi** near Keylong in **Himachal Pradesh.**

About Chenab Rail Bridge

- **Height and Length:** **359 metres** above Chenab and **1,315-metre-long.**
- **Key Features:** **Steel Arch Bridge** engineered to withstand **seismic and wind conditions.**
 - ⊕ Enhance **connectivity** between Jammu and Srinagar.
- Both the Anji and Chenab Bridge are the part of the **Udhampur-Srinagar-Baramulla Rail Link (USBRL) Project.**



Inscriptions from Pandya Period

The two inscriptions along with the **800-year-old Shiva temple** of the later Pandya period was unearthed in **Melur, Tamil Nadu.**

About the Inscriptions

- **Dated: 1217-1218 CE**, during the reign of **Maravarman Sundara Pandya I.**
 - ⊕ **Maravarman Sundar Pandya I** ascended the throne in 1216 CE and invaded the **Chola kingdom.**
 - ⊕ He took the titles of **Kaliyugaraman** and **Adisayapandiyadevan** and **Sonadugondan** (the conqueror of the Chola country).
- **Key Findings**
 - ⊕ The inscription is the **Sale deed of a waterbody** called **Nagankudi**, which was sold for **64 kasu** (coins).
 - ⊕ It identifies the name of the Temple as **Thennavanisvaram.**
 - ◆ **Thennavan** was the title used by the **Pandya**s.
 - ⊕ It reveals **Attur**, as the ancient name of **Udampatti.**



30x30 Target

Recently, a report highlighted the need to invest **\$15.8 billion annually** (approximately 0.5% of annual global defence budgets) to achieve the **30x30 target of protecting 30% of global oceans by 2030.**

About 30x30 Target

- The **Kunming-Montreal Global Biodiversity Framework (KMGBF)** has **4 goals** for **2050** and **23 action-oriented global targets** for urgent action till 2030.
 - ⊕ KMGBF was adopted during the **Conference of the Parties (COP 15)** of the **Convention on Biological Diversity (CBD).**
- **Target 3** aims at **conserving 30% of Land, Waters and Seas by 2030.**



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BHOPAL



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DELHI



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