

DAILY CURRENT AFFAIRS (DCA)

Time: 45 Min

Sustaining growth

Date: 19-12-2025

The global economy is recovering, albeit slowly. The latest World Economic Outlook of the International Monetary Fund has raised its forecast for the first half of 2026 to 6.7% from 6.5%.

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GOA LIBERATION DAY

Context

- December 19 marks the day Goa was liberated from **Portuguese rule** and formally **integrated into India in 1961**.

Course of the Invasion

- First capture (1510):** Albuquerque seized Goa with help from the local chieftain Timoji.
- Loss of Goa:** Adil Shah's forces recaptured Goa during the monsoon.
- Final conquest (November 1510):** Albuquerque returned with reinforcements and decisively defeated Bijapur forces.
- Reasons for Portuguese Success:**
 - Superior naval power and artillery
 - Weak internal control of the Bijapur Sultanate
 - Local support from discontented groups
 - Effective leadership of Albuquerque
- Impact:**
 - Goa became the capital of Portuguese India (Estado da Índia).
 - It marked the beginning of European territorial colonialism in India.
 - Goa emerged as a centre of trade, administration, and Christianity.
- Goa** was the first Indian Territory to be captured by European power and last to get its independence.

Background:

- Following the country's independence in 1947, the regime had **major challenges to tackle**: the integration of regions like Goa, Jammu and Kashmir, Hyderabad among others.
- The India government made several diplomatic outreach to persuade Portugal to hand over Goa peacefully.
 - Portugal, which ruled Goa for 451 years, rejected all such requests.
 - This led to the Goa Liberation Movement, with significant participation from local leaders and the public.

Operation Vijay

- Operation Vijay was launched by the **Indian Armed Forces to annex Goa and amalgamate it with the rest of India** during Jawaharlal Nehru's tenure as Prime Minister.
- The operation lasted for over 36 hours and involved coordinated strikes by the Indian Armed Forces across air, sea, and land.

- Outcome:** Portuguese forces surrendered on 19 December 1961, leading to Goa's liberation along with Daman and Diu.
- On 30 May 1987**, the Union Territory was split, and Goa was made India's twenty-fifth state, with Daman and Diu remaining Union Territories.

Major Leaders in Goa Liberation Movement

- Tristao de Braganca Cunha:** TB Cunha is known as the "**Father of Goan Nationalism**" for launching the first movement to **end Portuguese rule in Goa**.
 - He founded the **Goa Congress Committee** and succeeded in getting it affiliated with the Indian National Congress.
- Juliao Menezes:** Menezes set up the publication Gomantak Praja Mandal with the aim of promoting nationalism in the region.
- Libia Lobo Sardesai:** From 1955 to 1961, she operated an underground radio station called Voice of Freedom, which broadcast messages across Portuguese-ruled Goa.
 - After Goa's liberation, Lobo became the first Director of Tourism for Goa, Daman, and Diu; she was awarded the Padma Shri in 2025.
- Purushottam Kakodkar:** He established an ashram in Margao, which became a discreet hub for the freedom struggle, providing shelter and support to many freedom fighters.

Source: BS

INTRODUCTION OF SECURITIES MARKETS CODE BILL 2025 IN LOK SABHA

Context

- The Union Finance Minister introduced the Securities Markets Code Bill 2025 in the Lok Sabha.

About

- The Bill proposes to consolidate the:**
 - Securities Contracts (Regulation) Act, 1956,
 - Securities and Exchange Board of India (SEBI) Act, 1992, and
 - The Depositories Act, 1996.

Key Provisions

- Reforms in SEBI's Composition:** The strength of the SEBI Board is proposed to be increased from **9 to 15 members**, including the Chairperson. The reconstituted Board will include;

- The Chairperson.
- Two officials appointed by the Central Government.
- One ex-officio member from the Reserve Bank of India.
- Eleven other members, of whom **at least five will be whole-time** members. Currently there are three full-time members.
- **Members of the SEBI Board** are mandated to disclose any direct or indirect interests before participating in decision-making.
- **Decriminalisation and Enforcement Framework:** The Bill also proposed to decriminalise violations of “minor, procedural and technical nature” into civil penalties to “facilitate the ease of doing business and to reduce the compliance burden.”
 - The Bill would bring “unlawful gains or losses” under civil penalties and limit punishments only to cases such as insider trading or trading while in possession of material or non-public information.
- **Limitation on Inspections:** In the case of contravention of any rules or provisions of the code, no inspection can be done if **eight years** had passed from the date of contravention.

Significance of the Bill

- It endeavours to build a **principle-based legislative framework** to reduce the compliance burden, improve regulatory governance, and enhance the dynamism of technology-driven securities markets.
- The Bill aims to **strengthen investor protection** and improve the ease of doing business in the country's financial markets.
- By consolidating laws and rationalising penalties, it supports India's objective of becoming a globally competitive financial market.

Concerns of the Bill

- **Concentration of Powers in SEBI:** The Bill vests legislative (rule-making), executive (enforcement), investigative, and adjudicatory powers in SEBI.
 - Such concentration is seen as violating the principle of separation of powers, which seeks to prevent misuse of authority and ensure institutional checks and balances.
- **Delegation of Legislative Functions:** Several core policy matters, such as the scope of regulation, registration requirements, penalties, exemptions, and even the **definition of**

“**securities**”, are left to subordinate legislation (rules and regulations).

- **Democratic Accountability:** By granting broad discretion to the executive and the regulator, Parliament's role is reduced to that of an enabling body, rather than a substantive law-making authority.
- **Coercive Enforcement Powers:** Wide coercive powers such as search, seizure, attachment of property, freezing of bank accounts, and ex parte interim orders, lacking adequate safeguards.

Way Ahead

- Ensure separation of investigative, enforcement, and adjudicatory functions within SEBI to prevent institutional bias.
- Strengthen parliamentary oversight and accountability through regular reporting.
- Adopt a proportional, risk-based regulatory approach, limiting criminal sanctions to serious market abuse.

Source: AIR

IS THE ARTIFICIAL INTELLIGENCE BOOM OR A BUBBLE?

Context

- **Global spending on Artificial Intelligence (AI)** is projected to **reach \$375 billion this year and \$500 billion by 2026.**
 - This raises the question whether AI's value is being driven by genuine technological progress, or by investor enthusiasm.

What is the AI Bubble?

- The AI bubble refers to concerns that artificial intelligence technology companies and related investments have become **dramatically overvalued.**
 - The market valuations and investment levels are significantly outpacing the actual financial returns and real-world implementation of the technology.
- This represents a potential stock market bubble comparable in some respects to the late-1990s dot-com boom.

Dot-Com Bubble

- The dot-com bubble was a period of **rapid rise and sudden collapse of internet-based company valuations** in the late 1990s and early 2000s.

- **Reasons for Dot Com Bubble:**

- **Internet hype:** The internet was seen as a revolutionary technology that would “change everything.” Investors believed profits would come later, regardless of losses.
- **Easy money & speculation:** Abundant venture capital and retail investor participation. IPOs of startups with minimal revenue were oversubscribed.
- **“Growth over profits” mindset:** Companies focused on website traffic and brand visibility, not earnings. Traditional valuation metrics were ignored.

- **Impact:**

- Many dot-com firms burned cash without viable revenue models.
- When interest rates rose and earnings disappointed, investor confidence collapsed.
- Companies like Google, Amazon, and Microsoft survived the **dot-com crash by adapting and building real businesses.**
- Amazon diversified into cloud computing; Microsoft rebuilt its value through long-term strategic shifts.

Key Indicators of Bubble-Like Characteristics

- **Valuation Extremes:** The “Magnificent Seven” technology firms (NVIDIA, Microsoft, Alphabet, Amazon, Meta, Tesla, and Apple) now represent around 30% of the S&P 500’s total market cap, largely driven by AI enthusiasm.
 - OpenAI’s valuation more than tripled despite generating only hundreds of millions in revenue.
 - Analysts estimate that almost 25% of this valuation can be attributed to expectations of AI delivering substantial financial benefits.
- **Excessive Capital Investment:** AI venture capital funding now represents around 58% of all venture capital investment in 2025, crowding out other sectors.
 - This concentration in a single technology raises concerns—if AI disappoints, a substantial portion of market capitalization could evaporate.
- **Gap Between Hype and Implementation:** A crucial disconnect exists between market expectations and actual business deployment.
 - Companies often announce major projects and product plans without possessing the necessary capital to execute them.

What Makes the AI Boom Different?

- Unlike the dot-com era, today’s “unprecedented” feature is not just stock prices, but **massive real investment in:** Data centres, Semiconductor manufacturing, AI infrastructure.
- These are physical, capital-intensive assets, not just speculative websites.
- This suggests potential for genuine productivity and research gains.

Risks of Concentration

- A small group of firms dominates AI investment.
- If they fail:
 - Wealthy investors may cut spending;
 - Broader economic growth could suffer;
 - Smaller firms, workers, and suppliers face disproportionate fallout;
 - Idle data centres could become the “abandoned malls” of the AI era.

Way Ahead

- AI represents a transformative technological shift with long-term economic potential, but excessive hype and inflated valuations risk creating a speculative bubble.
- A market correction, if it occurs, would likely weed out unsustainable players rather than derail AI itself.
- The real challenge lies in aligning innovation with sound business models, regulation, and skills.
- Ultimately, AI’s impact will depend not on market exuberance, but on its ability to deliver durable, inclusive, and productivity-enhancing growth.

Source: TH

SELECT COMMITTEE REPORT ON IBC AMENDMENT BILL 2025

Context

- The Chairperson of the Select Committee of Lok Sabha presented the Report on the Insolvency and Bankruptcy Code (Amendment) Bill, 2025 to the Lower House.

Recommendations of Select Committee

- The Committee has proposed fixing a **three-month time limit** for the National Company Law Appellate Tribunal (NCLAT) to decide insolvency appeals.
- The definition of the term **‘service provider’** be suitably modified to include **‘registered valuer’** to the list of entities that are provided under the

IBC, and the definition for 'registered valuer' be suitably inserted.

- It also suggested that to maintain coherence, appropriate references to 'registered valuer' be included where the term service provider is used in the Amendment Bill and at all relevant places where it has a consequential effect.
- On the corporate insolvency resolution process (CIRP),** the committee proposed **widening the definition of a resolution plan** to allow more than one resolution plan for a corporate debtor undergoing CIRP.

Key Provisions of the Bill

- Mandatory Admission of CIRP:** The bill mandates that the **National Company Law Tribunal (NCLT)** must admit an insolvency application **within 14 days** if the default is proven and the application is complete, **removing judicial discretion** on this timeline.
- Creditor-Initiated Insolvency Resolution Process (CIIRP):** A new, largely **out-of-court process** for specific financial creditors has been introduced.
 - In this process, management remains with the debtor under the oversight of a **Resolution Professional (RP)**, with a goal of completion **within 150 days**.
- Enhanced Role for Committee of Creditors (CoC) in Liquidation:** The CoC is empowered to supervise the liquidation process and appoint or replace the liquidator, shifting control away from a solely NCLT-appointed liquidator.
- Streamlined Withdrawals:** Withdrawal of an insolvency application is only permitted after the CoC is formed and before the first invitation for resolution plans, requiring **90% CoC approval** to prevent tactical delays.

Insolvency and Bankruptcy Code (IBC) 2016

- IBC was introduced in 2016** to address rising Non Performing Assets and ineffective debt recovery mechanisms in India.
- It aims to overhaul the **corporate distress resolution system**, replacing debtor-controlled regimes with **creditor-in-control mechanisms** for time-bound resolutions.
- Objectives of the IBC resolution are;
 - Business Revival:** To save businesses through restructuring, changes in ownership, or mergers,

- ◆ **Maximization of Asset Value:** To preserve and maximize the value of the debtor's assets,
- ◆ **Promoting Entrepreneurship and Credit:** To encourage entrepreneurship, improve credit availability, and balance the interests of stakeholders, including creditors and debtors.
- Currently a maximum **330 days** is allowed to find a resolution for a company admitted into the insolvency resolution process.
 - Otherwise, the company goes into **liquidation**.

Source: AIR

NEWS IN SHORT

DRAFT CONTENT SYNDICATION POLICY, 2025

Context

- Prasar Bharati has prepared a **draft Content Syndication Policy, 2025** to promote cultural outreach and monetize content.

About

- The **policy aims** to **monetize content** being produced by Doordarshan and Akashvani, archived national and regional content, and live coverages (Government events, festivals, sports, etc.).
- It also takes into consideration **digital-first content** published on **Prasar Bharati's OTT platform**.
- It also proposes monetization of commissioned, co-produced, licensed, and other content owned by Prasar Bharati.
- The draft Policy envisages fostering **strategic collaborations with domestic and international platforms** to expand the reach of Prasar Bharati's content and strengthen India's cultural presence globally.
- It provides for flexible licensing models such as flat fee, revenue share, minimum guarantee with revenue share.

Source: AIR

900 MILLION PEOPLE WILL HAVE DIABETES BY 2050

Context

- The 11th edition of the International Diabetes Federation (IDF) Diabetes Atlas, projects a sharp global rise in diabetes prevalence by 2050.

Scale of the Global Burden

- The number of people living with diabetes (20–79 years) is projected to rise from around **580 million** adults in 2024 to over **850–900 million** by 2050.
- Diabetes prevalence is estimated to increase from **11.11%** of the global adult population in 2024 to **12.96% by 2050**.
- The projections cover **210 countries** and five territories, making it the most comprehensive global assessment to date.
- In 2024:**
 - China ranks first** with about **148 million** people with diabetes.
 - India** is second with nearly **90 million**.
 - The United States** ranks third, followed by **Pakistan**.
- By 2050, China and India** are projected to retain the top two positions.

What is Diabetes?

- Diabetes is a **chronic medical condition** where the body has trouble regulating **blood sugar (glucose) levels**.
- It occurs when the body either **doesn't produce enough insulin** (a hormone that helps regulate blood sugar) or doesn't effectively use the insulin it produces.

Types of diabetes

- Type 1 Diabetes:** The body doesn't produce insulin at all, and it typically develops in childhood or adolescence.
 - Type 1 diabetes is usually **diagnosed in children and young adults**, although it can appear at any age.
 - People with **type 1 diabetes** need to **take insulin every day** to stay alive.
- Type 2 Diabetes:** The body doesn't use insulin properly (insulin resistance), often due to lifestyle factors, and usually develops in adults.
 - One can develop type 2 diabetes at any age, even during childhood. However, this type of diabetes occurs most often in middle-aged and older people.

- Type 2 is the **most common** type of diabetes.

Managing Diabetes:

- If not managed, diabetes can lead to serious health issues such as heart disease, kidney problems, and nerve damage.
- Managing diabetes typically involves a combination of diet, exercise, medication, and regular blood sugar monitoring.

Source: TH

NEW LOGO FOR REGIONAL RURAL BANKS (RRBS)

In News

- The Government of India, in collaboration with NABARD, has unveiled a common logo for all **Regional Rural Banks (RRBs) under the “One RRB, One Logo” initiative**, marking a significant step towards unifying the identity of RRBs across the country.

What is the “One RRB, One Logo” Initiative?

- A reform measure to introduce a single, uniform visual identity for all **43 Regional Rural Banks operating in India**.
- Implemented jointly by Department of Financial Services (DFS), Ministry of Finance & National Bank for Agriculture and Rural Development (NABARD)
- Applies across all RRB branches, digital platforms, passbooks, ATMs, stationery and customer interfaces.



Objectives of the Initiative

- Unified Identity:** Present RRBs as part of a single national banking system, rather than fragmented regional entities.
- Customer Trust:** Improve public confidence by ensuring easy recognition and credibility.
- Operational Integration:** Support recent amalgamation and consolidation of RRBs.
- Digital Readiness:** Align RRB branding with modern banking and digital financial services.

About RRBs

- RRBs were created under the Regional Rural Banks Act, 1976 to expand institutional credit in rural areas & serve small farmers, SHGs, artisans and MSMEs.
- RRBs have a tripartite ownership pattern:
 - Government of India – 50%
 - Concerned State Government – 15%
 - Sponsor Bank – 35%.

Source: TH

ANDHRA'S RARE EARTH CORRIDOR

In News

- Andhra Pradesh's 974-km-long coastline** has gained strategic importance due to large reserves of **rare earth elements (REEs)** embedded in beach sand minerals.

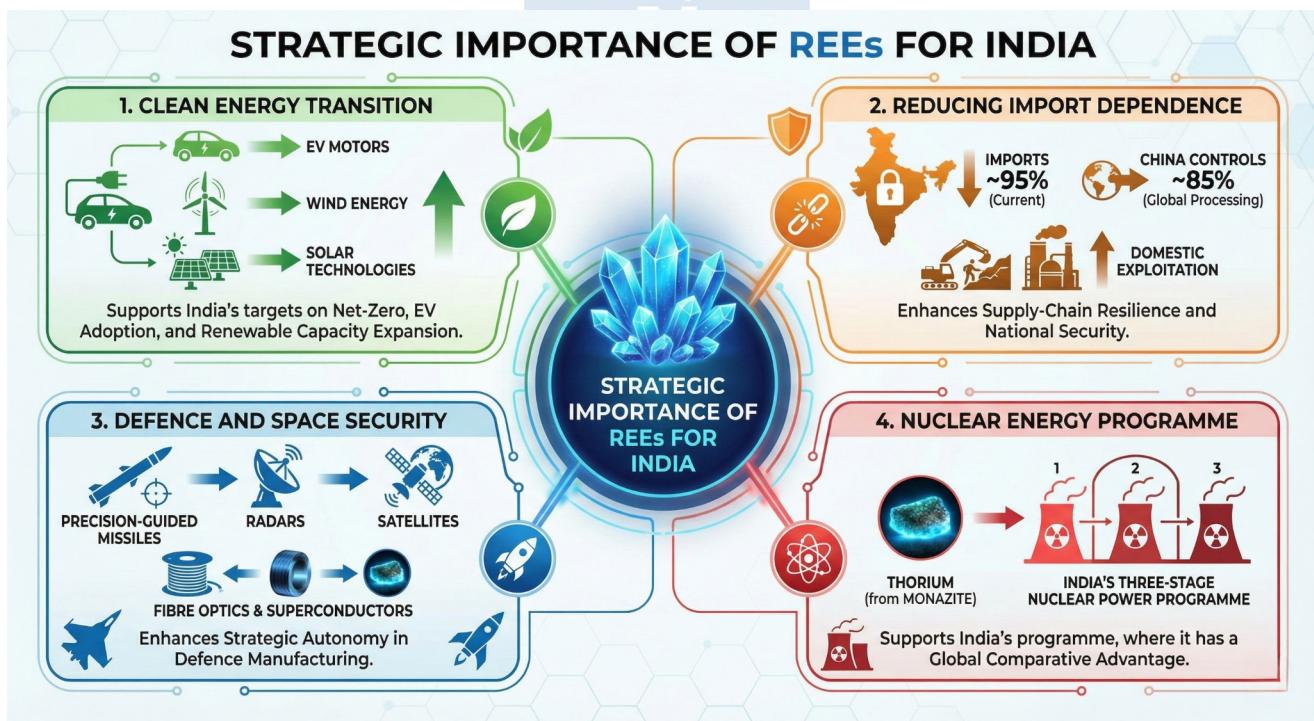
What is Andhra's Rare Earth Corridor?

- A continuous mineral-rich belt along Andhra Pradesh's coast from **Srikakulam (north) to Nellore (south)**.

- Rich in beach sand minerals such as:
 - Monazite (primary source of REEs and thorium)
 - Ilmenite, rutile, zircon, garnet and sillimanite
- Andhra Pradesh holds 30–35% of India's total monazite reserves**, out of 12–15 million tonnes nationally, making it one of India's most underutilised critical mineral zones.

What are Rare Earth Elements (REEs)?

- They are a group of **17 elements, 15 lanthanides + scandium + yttrium**.
- Though geologically abundant, they are termed "rare" because:
 - They occur in low concentrations, and
 - Their extraction and processing are complex, capital- and technology-intensive.
- REEs are classified into:**
 - Light REEs (LREEs): lanthanum, cerium, neodymium, praseodymium, samarium, etc.
 - Heavy REEs (HREEs): dysprosium, terbium, yttrium, etc.



Source: TOI

RATLE PROJECT

In News

- Recently, the Jammu and Kashmir Police informed Megha Engineering and Infrastructure Limited (MEIL) that 29 workers employed at the under-construction 850 MW **Ratle Hydro Electric**

Project in Kishtwar had alleged militant links or criminal backgrounds.

The Ratle Hydroelectric Project (850 MW)

- Location:** On the Chenab River near Drabshalla in Kishtwar district, Union Territory of Jammu and Kashmir.

- **Type and capacity:** Run-of-the-river scheme with a total installed capacity of 850 MW and a 133 m high concrete gravity dam and associated underground power houses.
- **Ownership structure:** Implemented by Ratle Hydroelectric Power Corporation Ltd, a JV of NHPC (51% equity) and JKSPDC (49% equity).

Source : IE

RESPOND BASKET 2025

In News

- Recently, Indian Space Research Organisation (ISRO) launched the RESPOND Basket 2025.

RESPOND Basket 2025

- It invites submission of research proposals from various premier universities, and other recognised academic and R&D institutions in areas relevant to ISRO's upcoming missions and national priorities.
- It supports ISRO's upcoming projects, including Bharatiya Antariksh Station, Chandrayaan-4, Gaganyaan missions, Venus orbiter, and a human Moon landing.

Source : TH

