

## DAILY CURRENT AFFAIRS (DCA)

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## NATIONAL STRATEGY FOR FINANCIAL INCLUSION 2025–30

### Context

- The Reserve Bank of India (RBI) has released the **National Strategy for Financial Inclusion (NSFI) 2025–30**, outlining a **five-year plan (Panch-Jyoti) to deepen and widen financial inclusion in India**.

### About

- The strategy, approved by the Sub-Committee of the **Financial Stability and Development Council (FSDC)**, sets out five strategic objectives supported by a comprehensive **Panch-Jyoti framework** and **47** actionable steps.
- As per the **World Bank**, **financial inclusion means** that individuals and businesses have access to useful and affordable financial products and services that meet their needs — **transactions, payments, savings, credit and insurance** — delivered in a responsible and sustainable way.

### Strategic Pillars of the Panch-Jyoti

- Enhancing Financial Services:** Provide equitable, responsible, and affordable financial services for households and micro-enterprises.
- Gender-Sensitive Inclusion:** Implement women-centric strategies and support vulnerable and underserved groups.
- Linking Livelihoods and Finance:** Integrate skill development and livelihood programmes with formal financial services.
- Financial Education:** Use financial literacy to promote responsible financial behaviour and discipline.
- Consumer Protection:** Strengthen customer protection and grievance redressal mechanisms for better reliability and accessibility.

### Challenges to Financial Inclusion

- Digital Divide:** Many rural populations lack access to smartphones or the internet, restricting access to digital financial services.
- Low Financial Literacy:** Lack of awareness about formal financial products and schemes hampers their adoption.
  - Overall national financial literacy stands at only **62.6%**. (According to 2023 data).
- Trust Deficit:** Fear of fraud, complex procedures, and prior bad experiences discourage first-time users from participating in formal finance.

- Cybercrime reports increased 24.4%** between 2021–22 (NCRB data), indicating rising digital fraud.

- Infrastructure Deficit:** Inadequate banking infrastructure (ATMs, branches) in remote areas reduces outreach.
- Gender Disparity:** Although bank account ownership among women has improved, actual usage remains low due to social and cultural constraints.
- Inadequate Credit Flow to MSMEs:** Despite schemes, formal credit to small and medium enterprises remains limited due to collateral and documentation requirements.

### Government initiatives for financial inclusion

- Pradhan Mantri Mudra Yojana (PMMY):** It was launched in 2015, to support small and micro enterprises with loans up to **₹ 10 lakh**.
  - In the Union Budget **2024-25**, the loan limit was increased to **₹ 20 lakh**.
- In 2021, the **Reserve Bank of India (RBI)** launched a Financial Inclusion Index (FI-Index) to track the process of ensuring access to financial services, timely and adequate credit for vulnerable groups such as weaker sections and low-income groups at an affordable cost.
- Pradhan Mantri Suraksha Bima Yojana (PMSBY):** Launched in 2015, PMSBY is an accident insurance scheme covering death and disability. It is a **one-year renewable policy** aimed at increasing insurance penetration.
  - The scheme provides coverage to individuals aged **18-70** with a savings or post office account.
- Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY):** Launched in 2015, PMJJBY is a government-backed life insurance scheme.
  - The scheme provides one-year renewable life insurance covering death from any cause.
- Atal Pension Yojana (APY):** It was launched in **2015** and provides social security to unorganised sector workers.
  - APY is regulated by the **Pension Fund Regulatory and Development Authority (PFRDA)**. It functions under the National Pension System (NPS) framework.
- Pradhan Mantri Jan Dhan Yojana (PMJDY):** Launched in 2014, PMJDY aimed to bring the unbanked into the formal financial system by expanding access to savings accounts, credit, remittance, insurance, and pensions.

**Way Ahead**

- Training, incentives, and accountability of banking correspondents should be strengthened to improve last-mile service delivery.
- AI and data analytics should be leveraged to identify gaps, track financial behaviour, and enable better-targeted policies.
- FinTech companies, digital banks, and other private players should be encouraged to innovate and extend services to underserved populations.

Source: BS

## STRENGTHENING GLOBAL BIOSECURITY AND MODERNISING THE BIOLOGICAL WEAPONS CONVENTION (BWC)

**Context**

- Recently, India's External Affairs Minister, at a conference marking **50 Years of Biological Weapons Convention (BWC)**, has cautioned that the world remains '**not yet adequately prepared**'

to tackle the threat of '**Bioterrorism**', highlighting serious institutional and structural gaps.

**About Bioterrorism**

- It refers to the **deliberate release of biological agents** — such as bacteria, viruses, or toxins — to cause illness or death among humans, animals, or plants.
- According to the **National Disaster Management Authority (NDMA)**, bioterrorism is classified as a **biological disaster**, distinct from natural outbreaks because of its deliberate intent.
  - ♦ **Potential bioterror agents** include pathogens such as *Bacillus anthracis* (anthrax), *Variola major* (smallpox), and toxins like **botulinum**.
- The **threat of bioterrorism** has grown with advances in biotechnology and synthetic biology, which, while offering enormous benefits, pose risks of misuse.
- The **Biological Weapons Convention (BWC)** serves as the **key international treaty** prohibiting the development, production, and possession of biological weapons.

**Overview of Biological Weapons Convention (BWC)**

- BWC was established and entered into force on **March 26, 1975**, becoming the **first multilateral disarmament treaty** to ban an **entire category of weapons of mass destruction**.
  - ♦ It prohibits the **development, production, acquisition, transfer, stockpiling**, and use of biological and toxin weapons.
- The **United Nations Office for Disarmament Affairs (UNODA)** acts as the treaty's depositary and administrative support body.
- **Membership:** Total 189 states, **including India**, with several others as signatories.
- **Review Conferences** held every five years to assess implementation and address emerging biosecurity threats.

**Concerns & Issues Surrounding BWC**

- **Lack of Basic Institutional Structures:** India highlighted that 'Bioterrorism is a serious concern that the international community has to be adequately prepared for', noting that despite its importance, the **BWC still lacks basic institutional structures**, like:
  - ♦ No compliance system;
  - ♦ No permanent technical body;
  - ♦ No mechanism to track scientific developments.
- **No Verification Mechanism:** The BWC **lacks a formal verification regime**, making enforcement and compliance monitoring challenging, **unlike the Chemical Weapons Convention**.
- **BWC Implementation Support Unit (ISU):** The **progress has been slow** toward a permanent verification regime or a dedicated technical organization.
  - ♦ The ISU **remains underfunded and understaffed**, reflecting broader **political inertia**.
- **Growing Complexity in Dual-Use Biotechnology:** The convention's 50th anniversary comes amid **rapid advances in synthetic biology, genome editing, and AI-driven bioengineering**, blurring lines between peaceful and military applications.
- **Transparency and Confidence-Building Measures:** Since the 1980s, **Confidence-Building Measures (CBMs)** have been



introduced, requiring states to submit data on facilities and research activities.

- Compliance, however, remains **uneven**, with less than 60% of states regularly submitting reports.
- **Geopolitical Dynamics:** Tensions between **major powers** — particularly the US, Russia, and China — have hampered consensus on verification protocols since the collapse of negotiations in 2001.
- Newer actors like India, Indonesia, Brazil are pushing for a more **inclusive and equitable biosecurity governance**, connecting disarmament to development agendas.

#### India's Policy Framework

- India's NDMA and the Ministry of Health have implemented **preparedness frameworks**, including:
  - **Integrated Disease Surveillance Programme (IDSP);**
  - **Biological Disaster Management Guidelines (NDMA, 2008);**
  - **National Centre for Disease Control (NCDC)** for rapid response and biosurveillance;
- These initiatives aim to detect and respond to biological incidents swiftly, ensuring public health resilience.

#### National Implementation Framework Proposed By India

- India has proposed a **National Implementation Framework** to enhance domestic and global preparedness. The framework aims to cover:
  - **High-risk agents;**
  - **Oversight of dual-use research;**
  - **Domestic reporting mechanisms;**
  - **Incident management protocols.**

#### Future Directions

- In an era of genetic engineering and artificial intelligence, the BWC must evolve. Key recommendations include:
  - Establishing a **scientific advisory board** under BWC for emerging biotechnologies.
  - Enhancing **transparency and peer review** among member states.
  - Developing a **verification protocol** supported by international biosecurity standards.
- Promoting education and capacity-building among scientists is also vital to prevent misuse of biological research.

Source: TH

## MODERNISATION OF POLICE

### In News

- Prime Minister Narendra Modi chaired the 60th All India Conference of Directors General and Inspectors General of Police in Chhattisgarh under the theme "Viksit Bharat: Security Dimensions".
- He focused on strengthening internal security and developing next-level policing frameworks to address new-age threats.

### India's Police Modernisation

- Police and law and order are State subjects under the Constitution, making State Governments primarily responsible for them.
- However, due to financial constraints, many States have struggled to modernize their police forces.
- To support them, the Ministry of Home Affairs has been supplementing resources through "Assistance to State & UTs for Modernization of Police" (ASUMP) [erstwhile scheme of Modernization of State Police Forces (MPF)].

### Need for Modernisation

- India's police system is still largely governed by **colonial-era structures**, often ill-equipped to deal with cybercrime, terrorism, organised crime, and urban policing challenges.
- **Growing population, rapid urbanisation**, and complex law-and-order situations demand efficient, technology-enabled policing.
- **Public trust and perception of the police remain low**, requiring reforms in training, accountability, and community engagement.

### Emerging Issues

- Cybercrime and digital frauds are rising sharply, requiring specialised units and advanced forensic tools.
- Left Wing Extremism (LWE), coastal security, and drug trafficking remain pressing concerns.
- Shortage of manpower, outdated equipment, and inadequate training hinder effective policing.

### Steps Taken by India

- The Ministry of Home Affairs (MHA) runs the Assistance to States for **Modernisation of Police scheme**, funding weapons, communication systems, forensic labs, and mobility solutions.
- The **Bureau of Police Research & Development (BPR&D)** drives innovation, training, and technology adoption, acting as a bridge between police and scientific institutions.

- Prime Minister Narendra Modi recently emphasised monitoring banned outfits, strengthening coastal security, and holistic disaster management at the DGP/IGP conference.

### Conclusion and Way Ahead

- Police modernization in India aims to transform the force into a professional, citizen-centric, and technologically empowered institution capable of addressing 21st-century challenges.
- This involves integrating AI, predictive policing, drones, surveillance, and cyber forensics, alongside capacity building through regular training, modern equipment, and specialized units for cyber and financial crimes.

Source: Air

## NUCLEAR POWER IN SPACE MISSIONS

### Context

- The US recently announced plans under its **Lunar Fission Surface Power Project** to deploy a small nuclear reactor on the moon by the early 2030s.

### Why Is Nuclear Power in Space Gaining Importance?

- The Moon has little atmosphere and experiences **14-day stretches of darkness**, this makes solar energy unreliable in some of the most critical regions.
- A small lunar reactor could operate **continuously for a decade or more**, powering habitats, rovers, 3D printers and life-support systems.
- Developing this capability is **essential for missions to Mars**, where solar power is even more constrained.

### Evolution in Nuclear Power in Space

- **Radioisotope Thermoelectric Generators (RTGs):** It converts heat released by the slow decay of **plutonium-238** nuclei into electricity, and is immune to dust and darkness. They are used in spacecraft like **Voyager, Cassini, and Curiosity**.
  - However, they produce only hundreds of watts, insufficient for human habitats or industry.
- **Compact Fission Reactors:** They are capable of generating tens to hundreds of kilowatts.
- **Nuclear Thermal Propulsion (NTP):** Heats hydrogen using a reactor and expels it to generate thrust.
  - The DRACO programme in the USA will test this technology in lunar orbit by 2026. It

could shorten Mars travel times significantly, reducing astronauts' radiation exposure.

- **In nuclear electric propulsion**, reactor-generated electricity ionises a propellant, offering years of efficient thrust for deep-space probes and cargo missions.

### International Legal Framework

- **Outer Space Treaty (1967):**
  - ♦ **Permissible:** It permits peaceful purposes on the Moon and other celestial bodies and bans nuclear weapons/WMD anywhere in space or on celestial bodies.
  - ♦ **Article IX:** States must act with due regard to interests of others, hence, no territorial claims can be made.
- **Liability Convention (1972):** Launching State is absolutely liable for damage on Earth/aircraft; fault-based liability for damage in space/on the Moon. It also provides claims/settlement machinery.
- **Moon Agreement (1979) (few parties; not widely accepted):** It adds environmental and rescue duties on the Moon; recognizes the Moon's resources as the "common heritage". Applies only to its Parties.
- **1992 UN Principles:** Non-binding resolution recognising the role of nuclear power in missions where solar is insufficient; lays down safety, transparency, and consultation guidelines.
- **India is a signatory** to the outer space treaty, but **not to the Moon Agreement**. India is also a signatory to the **Artemis Accords (2023)** in which parties commit to transparency, safety zones and data sharing.

### Concerns

- There is a **lack of legally binding global rules** for nuclear waste disposal on the Moon.
  - ♦ **The Outer Space Treaty** forbids countries from placing weapons of mass destruction in earth orbit, it's **silent on nuclear propulsion** for peaceful purposes.
  - ♦ **The Liability Convention** isn't clear about accidents involving nuclear reactors in cis-lunar space or beyond.
- **Risk of radioactive contamination** if accidents occur during launch or lunar operations, could disrupt pristine environments.
- As space becomes a theatre of strategic competition, **Compact reactors have dual-use potential**, raising militarisation concerns.

- **Safety zones** around reactors might be interpreted as **territorial claims**, violating the **non-appropriation principle**.

#### Way Ahead

- **The UN's 1992 Principles** should be updated to explicitly include propulsion reactors, establish safety benchmarks, and define end-of-life disposal standards.
- **The UN Committee on the Peaceful Uses of Outer Space** needs to adopt binding environmental protocols to govern safe launches, preventing contamination, and disposing of nuclear systems.
- **A multilateral oversight mechanism** modelled on the International Atomic Energy Agency could certify designs, verify compliance, and enhance transparency.

Source: TH

## NEWS IN SHORT

### THE CENTRAL EXCISE (AMENDMENT) BILL, 2025

#### Context

- The Central Excise (Amendment) Bill, 2025 was introduced in Lok Sabha on December 1, 2025.

#### About

- The Bill seeks to amend the **Central Excise Act, 1944**. The Act provides for the levy and collection of central excise duties on goods manufactured or produced in India.
- Central excise duties on many items were repealed with the introduction of the **Goods and Services Tax (GST) in 2017**, except for certain items such as tobacco and tobacco products.
- Tobacco and tobacco products continue to face a **three-layered taxation structure** comprising GST, GST compensation cess, and central excise duty.

#### Key Provisions of the Bill

- The Bill **increases central excise duty on unmanufactured tobacco**, manufactured tobacco, tobacco products, and tobacco substitutes.
  - ♦ **Unmanufactured tobacco** (such as sun-cured tobacco leaves) from 64% to 70%.
  - ♦ **Chewing tobacco**: From 25% to 100%.

- ♦ **Hookah or gudaku tobacco**: From 25% to 40%.

- ♦ **Smoking mixtures for pipes and cigarettes**: From 60% to 325%.

- **Cigarettes**: Current duty under the Act ranges from ₹ 200 to ₹ 735 per 1,000 cigarettes.

- ♦ The Bill proposes a significant increase to ₹ 2,700 to ₹ 11,000 per 1,000 cigarettes.

Source: PRS

### SANCHAR SAATHI APP

#### Context

- Department of Telecommunications (DoT) has directed phone makers to pre-install the **Sanchar Saathi app** on devices sold from **March 2026 onwards**.

#### What is Sanchar Saathi?

- In 2025, the **Department of Telecommunications** launched the **Sanchar Saathi Mobile App** for both Android and iOS to help users report and protect against mobile related fraud and theft.

#### Key Features

- ♦ **Chakshu**: Users report suspected fraud via calls, SMS, or WhatsApp, targeting scams like fake KYC updates.
- ♦ **IMEI Tracking and Blocking**: Tracks and blocks lost/stolen phones nationwide across all telecom networks.
- ♦ **Verify Mobile Handset Genuineness**: Checks if a device is authentic using IMEI or barcode scan.
- ♦ **Report Masked International Calls**: Flags calls from abroad disguised as local (+91 followed by 10 digits).
- ♦ **Know Your Internet Service Provider**: Searches wireline ISPs by PIN code, address, or name.

Source: TH

### MASALA BOND

#### In News

- The ED has issued a show-cause notice to Kerala CM over alleged **Foreign Exchange Management Act (FEMA) violations** linked to the masala bond issued by the **Kerala Infrastructure Investment Fund Board (KIIFB)**.

**Do you know?**

- KIIFB is a body corporate developed by the Kerala government for mobilising funds for infrastructure development, and has floated 'masala bond' in the London Stock Exchange and the Singapore stock exchange to raise funds to the tune of ₹2,672.8 crore under external commercial borrowing (ECB).

**Masala bond**

- It is an instrument for raising rupee-denominated resources internationally.
- The name itself is meant to give a local flavour—'masala' literally meaning 'blend of spices'—to the debt instrument.
- According to RBI FAQ, any corporate, body corporate, and Indian bank is eligible to issue rupee-denominated bonds overseas.

**Benefits**

- It eliminates currency risk, provides cost-effective funding, and diversifies access to global investors.
- It reduces dependence on single sources, and supports India's goal of globalising the rupee while financing infrastructure.
- It offers higher interest rates, tax advantages, and rupee-linked exposure to India's growth, with potential gains if the rupee appreciates

Source :TH

**PRADHAN MANTRI VIRASAT KA SAMVARDHAN (PM VIKAS)****In News**

- PM VIKAS is uplifting minority communities through skill development and promoting entrepreneurship.

**The Pradhan Mantri Virsat Ka Samvardhan (PM VIKAS)**

- It is a **Central Sector Scheme** of the Ministry of Minority Affairs which converges five erstwhile schemes viz. 'Seekho Aur Kamao', 'Nai Manzil', 'Nai Roshni' and 'USTTAD' & 'Hamari Dharohar'.
- It focuses on **upliftment of six notified minority communities** through skill development; entrepreneurship and leadership of minority women; and education support for school dropouts.
- It also provisions to facilitate credit linkages by connecting beneficiaries with loan programs

offered by the National Minorities Development & Finance Corporation (NMDFC).

- 3 percent of the total seats are reserved for Persons with Disability (PwDs) across all the scheme components.

**Objectives**

- It aims to provide targeted skill training and livelihood support.
- It aims to preserve and promote cultural heritage, including traditional arts, crafts, and literature.
- It aims to empower minority women through leadership and entrepreneurship training.
- It aims to enhance employability and livelihood opportunities via market and credit linkages.

**Do you know?**

- India is a diverse nation where the empowerment of minority communities is a top priority for the government.
- The Ministry of Minority Affairs has launched several programs to support the six officially recognized minority groups—Muslims, Christians, Sikhs, Buddhists, Jains, and Zoroastrians (Parsis)—on socio-economic fronts.

Source :PIB

**HERON MK II UAVS****Context**

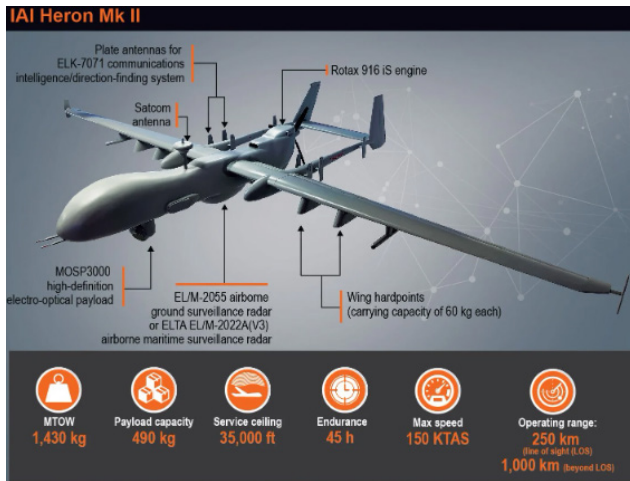
- India has initiated the procurement of **Heron MK-II drones** from Israel under emergency provisions invoked after Operation Sindoor.

**About**

- **Developer:** Israel Aerospace Industries (IAI)
- **Capability:** The Heron Mk II is a medium-altitude, long-endurance (MALE) UAV. It can carry **close to 500 kg** of payload and sustain more than 24 hours of continuous flight.
- **Sensors and Systems:** Equipped with Synthetic Aperture Radar (SAR), electro-optical systems, and SIGINT sensors, the platform provides comprehensive ISR capabilities even in challenging weather conditions.
- **Operational Flexibility:** Its fully automated take-off and landing systems, coupled with encrypted satellite communication, enable remote operations, flexible mission planning and deployment across varied theatres without ground-based line-of-sight control.



- **Significance:** Heron drones are primarily deployed for **long-range surveillance** on both the Chinese and Pakistani frontiers and have proven highly effective.



Source: TH

## OXFORD DICTIONARY'S WORD OF THE YEAR, 'RAGE BAIT'

### In News

- The Oxford Dictionary has **chosen "rage bait"** as its **Word of the Year 2025**, reflecting the growing influence of digital culture.

#### Do you know?

- Oxford chose "rage bait" as Word of the Year 2025 through a combination of public voting and expert analysis by lexicographers, who track emerging words, language trends, and culturally significant events.
- The final shortlist also included "bio hack" (methods to improve health) and "aura farming" (efforts to appear charming or cool).

#### "Rage bait"

- It is defined as online content deliberately designed to **provoke anger or outrage to boost traffic and engagement**
- It differs from **"brain rot" (2024's word)** by being intentional and targeted.
- It resembles clickbait but relies on negative provocations, often amplified by social media

algorithms that **reward provocative posts, leading to practices like "rage farming."**

- It now spans fabricated stories, polarising political posts, and conspiracy theories, feeding an engagement-driven ecosystem that is hard for users—especially younger generations—to resist.

Source: IE

## DR TESSY THOMAS HONoured WITH PAULOS MAR GREGORIOS AWARD

### Context

- Dr. Tessy Thomas, known as the "Missile Woman of India," has been honored with the eighth Dr. Paulos Mar Gregorios Award 2025 for her significant contributions to science and women's empowerment.

### About Dr. Tessy Thomas

- **Pioneering Scientist:** Dr. Thomas is a renowned scientist at the **Defence Research and Development Organisation (DRDO)** and the **first woman** in India to lead a missile project.
- **Key Contributions:** She played a pivotal role as the Project Director for the **Agni-IV and Agni-V long-range ballistic missile systems**.
  - ♦ Her work earned her the nickname **"Agniputri"** (one born of fire).

### About the Dr. Paulos Mar Gregorios Award

- The Dr. Paulos Mar Gregorios Award is instituted by the **Sophia Society of the Malankara (Indian) Orthodox Church** and is presented **biennially**.
- It is given in memory of the late Dr. Paulos Mar Gregorios, a world-renowned philosopher, scholar, theologian, and the **first Metropolitan of the Delhi Diocese**.
- Fields in which this international award has been given earlier include **inter-faith dialogue and cooperation, education, holistic health practices, and community self-renewal**.
- The award carries a **cash prize of ₹ 5 lakh**, a citation, and a medallion.

Source: IE