

## DAILY CURRENT AFFAIRS (DCA)

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## UMMID (UNIQUE METHODS OF MANAGEMENT OF INHERITED DISORDERS) PROGRAMME

### Context

- The Union Minister for Science and Technology dedicated the **UMMID (Unique Methods of Management of Inherited Disorders)** Programme for Rare Genetic Disorders to the nation.

### About the UMMID Programme

- It is an initiative of the **Department of Biotechnology (DBT)** aimed at improving diagnosis and management of rare genetic disorders in India.
- The programme seeks to make **diagnosis, screening and counselling** for inherited disorders more **affordable, accessible and widely available**.
- The initiative also supports **clinician training and institutional capacity-building** in genetic healthcare.
- The government launched the **UMMID Dashboard** and released the **UMMID Compendium** to strengthen nationwide monitoring, diagnostics and outreach services.

### What are Rare Genetic Disorders?

- Rare genetic disorders are diseases that occur due to **abnormalities or mutations in genes or chromosomes**.
- Rare genetic disorders are **generally inherited from parents** and may affect **physical, neurological, metabolic or developmental functions**.
- Although **each individual disorder affects a small number of people**, collectively rare diseases impose a major public health burden worldwide.
- Causes of Rare Genetic Disorders:**
  - Inherited mutations in genes** are one of the major causes of rare genetic disorders.
  - Chromosomal abnormalities** can lead to developmental and inherited disorders.
- Examples:**
  - Sickle Cell Disease** is a hereditary blood disorder that affects the shape and functioning of red blood cells.
  - Thalassemia** is an inherited blood disorder that reduces the body's ability to produce healthy haemoglobin.

- Hemophilia** is a genetic disorder that impairs the blood clotting process.
- Duchenne Muscular Dystrophy** is a genetic disease that causes progressive muscle degeneration and weakness.
- Spinal Muscular Atrophy (SMA)** is a rare inherited disease that damages nerve cells controlling muscle movement.

### Challenges Associated with Rare Genetic Disorders

- Delayed Diagnosis:** Lack of awareness and inadequate genetic testing facilities delays the diagnosis of rare diseases.
  - Many patients spend several years consulting multiple doctors before receiving accurate diagnosis.
- High Cost of Treatment:** Treatment and gene therapies for rare diseases are expensive and unaffordable for most families.
  - Dependence on imported medicines further increases healthcare expenditure.
- Limited Healthcare Infrastructure:** India has a limited number of specialised centres for genetic diagnosis and counselling.
  - Advanced healthcare facilities** for rare diseases are concentrated mainly in urban areas.
- Shortage of Skilled Professionals:** India faces a shortage of trained genetic counsellors, clinicians and genomic researchers.
- Social Burden:** Families affected by rare diseases often face emotional stress, social stigma and financial hardship.
- Limited Research and Data:** Lack of comprehensive data and disease registries affects effective policymaking and research. Rare diseases receive comparatively lower investment in scientific research and drug development.

### Government Initiatives

- National Policy for Rare Diseases (NPRD), 2021:** The National Policy for Rare Diseases provides a framework for prevention and management of rare diseases in India.
  - The policy supports financial assistance** for treatment of selected rare diseases requiring one-time therapies.
- Rashtriya Bal Swasthya Karyakram (RBSK):** Rashtriya Bal Swasthya Karyakram provides early screening and intervention services for children with birth defects and developmental disorders.

- **Sickle Cell Anaemia Elimination Mission:** The Government of India aims to eliminate sickle cell anaemia as a public health problem by **2047**.

#### Way Ahead

- India should expand **newborn and prenatal screening programmes** across all states and districts.
- The government should **establish more specialised centres** for genetic diagnosis and counselling.
- Greater investment is needed in **biotechnology research, genome sequencing and indigenous therapies**.

Source: AIR

## SEDITION TRIALS CAN GO ON IF ACCUSED IS WILLING: SC

#### Context

- The Supreme Court said that courts can proceed with trials and appeals involving the **offence of sedition under Section 124A** of the Indian Penal Code (IPC) if the accused had no objection.

#### About

- In 2022, the SC had **put on hold trials in sedition cases** pending before courts until the government completed its promised **exercise “to re-examine and re-consider” the colonial-era provision**.
- The court also made it clear that the Centre and States **should refrain from registering FIRs, continuing investigations, or taking coercive measures** under Section 124A while the “reconsideration” was underway.

#### Background of Sedition Laws in India

- The sedition law was not originally part of the IPC drafted by Thomas Babington Macaulay in 1860. It was inserted later in **1870 by the British colonial** government.
- **The British introduced sedition law mainly to:**
  - ♦ Suppress growing nationalist sentiment,
  - ♦ Control the vernacular press,
  - ♦ Prevent criticism of colonial rule,
  - ♦ Punish leaders involved in the freedom movement.
- **Bal Gangadhar Tilak** was among the first nationalist leaders prosecuted for sedition.

#### Section 124A of the Indian Penal Code

- It states that **whoever by words, spoken or written, signs, visible representation, or**

**otherwise, brings or attempts to bring into hatred or contempt, or excites or attempts to excite disaffection towards the Government established by law shall be punished.**

- **The punishment prescribed included:** Imprisonment for life with fine, or imprisonment up to three years with fine, or fine alone.
- The offence was **cognizable, non-bailable, and non-compoundable**.
  - ♦ This gave wide powers to the police and administration.
- The provision clarified that **lawful criticism of government policies** was not sedition if it did not incite hatred, violence, or public disorder.

#### Constitutional Debate on Sedition

- **Article 19(1)(a) is the Freedom of Speech and Expression:** The Constitution of India guarantees every citizen the fundamental right to freedom of speech and expression. This includes:
  - ♦ Freedom to criticize the government,
  - ♦ Freedom of the press,
  - ♦ Freedom to express political opinions,
  - ♦ Right to dissent peacefully.
- **Reasonable Restrictions Under Article 19(2):** Reasonable Restrictions in the interests of **Public Order, Security of State, Sovereignty and Integrity**.
- The constitutional debate on sedition focused on whether **Section 124A imposed unreasonable restrictions on free speech**.

#### Important Supreme Court Judgments on Sedition

- **Kedar Nath Singh v. State of Bihar:** The Supreme Court upheld the constitutional validity of Section 124A but restricted its application.
  - ♦ The Court ruled that **mere criticism of the government is not sedition**, strong words against the government are protected under free speech.
  - ♦ Sedition applies only when there is **incitement to violence, or intention to create public disorder** or disturbance of law and order.
  - ♦ It became the **guiding principle for interpreting sedition law**.
- **Balwant Singh v. State of Punjab:** The Court emphasized that isolated expressions without violent consequences cannot be criminalized as sedition.

- **Vinod Dua v. Union of India:** The Court ruled that strong or vehement criticism of the government's policies or functionaries is well within the bounds of free speech and cannot be penalized as sedition unless there is a clear, proven intent and tendency to provoke violence or disturb public peace.

### Sedition Under the Bharatiya Nyaya Sanhita (BNS), 2023

- The government **officially removed Section 124A IPC** and stated that colonial-era sedition law had been abolished.
- Although sedition was removed, **Section 152 of the BNS** introduced a new offence relating to **acts endangering sovereignty, unity, and integrity of India**.
- **The provision criminalizes:** Secessionist activities, armed rebellion, subversive activities, encouragement of separatist feelings, and activities threatening national unity.
- The punishment may extend to **imprisonment for life, or imprisonment up to seven years and fine**.

### Criticism of the New Provision

- **Broad Terminology:** Terms such as "subversive activities," "Separatist feelings," may be vague and open to misuse. Critics fear that peaceful dissent may still be targeted under broad interpretations.
- **Continuity With Sedition:** Some scholars argue that although Section 124A has been removed, the new law may continue similar state powers under different terminology.

### Conclusion

- Originally introduced by the British to suppress the freedom movement, Section 124A IPC remained controversial even after independence because of its potential conflict with freedom of speech.
- The Supreme Court repeatedly **limited the scope of sedition** by holding that only speech involving incitement to violence or public disorder could be punished.
- **With the replacement of the IPC by the Bharatiya Nyaya Sanhita (BNS), 2023**, the formal sedition provision has been removed, **but debates continue regarding the scope of the new law under Section 152**.

Source: TH

## GLOBAL HOUSING CRISIS: A THREAT TO INCLUSIVE URBAN DEVELOPMENT

### Context

- The **World Cities Report 2026** titled "**The Global Housing Crisis: Pathways to Action**" released by UN-Habitat, highlighted that nearly **40%** of the global population is facing a severe housing crisis.

### What is the Global Housing Crisis?

- The global housing crisis refers to the growing inability of people to access **adequate, affordable, secure and climate-resilient housing**. The crisis includes:
  - ♦ Shortage of affordable housing units.
  - ♦ Rising housing and rental prices.
  - ♦ Expansion of slums and informal settlements.
  - ♦ Homelessness and forced displacement.
  - ♦ Poor access to sanitation, water and basic urban services.
  - ♦ Increasing climate vulnerability of housing infrastructure.

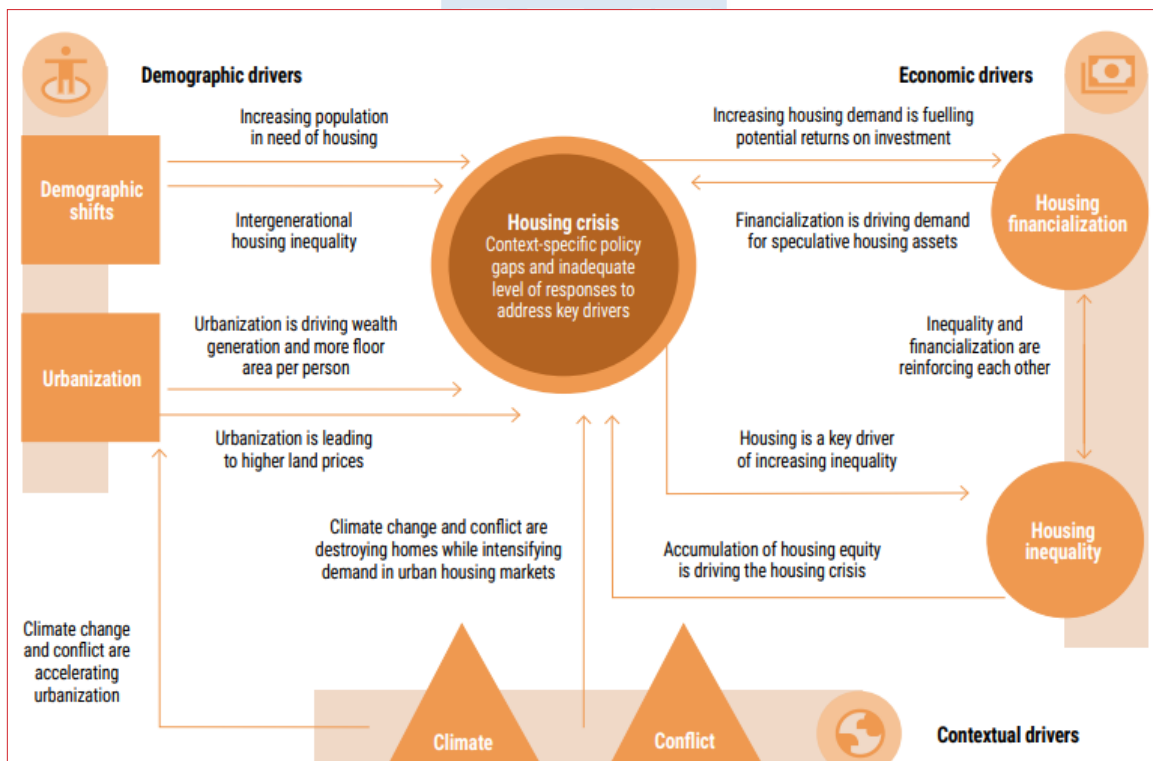
### Major Findings of the Report

- **Unprecedented Scale of Housing Inadequacy:** Around **3.4 billion** people globally lack access to adequate housing and more than **1.1 billion** people live in informal settlements and slums.
  - ♦ The global housing deficit increased from **251 million units in 2010 to 288 million units in 2023**.
- **Housing Affordability Crisis:** The global house price-to-income ratio increased significantly from **9.5 in 2010 to 11.7 in 2023**, reflecting a steep decline in overall housing affordability.
  - ♦ **Central and Southern Asia** recorded the sharpest increase, reaching **16.8**.
  - ♦ Around **44%** of households globally spend more than **30%** of their income on housing expenses.
- **Rapid Urbanisation Intensifying Pressure:** Urban areas are expected to absorb nearly **2 billion** additional residents **by 2050**. Rising urban land prices and inadequate planning are worsening housing shortages.
- **Rising Displacement and Homelessness:** Around **123.2 million** people were forcibly displaced globally in 2024 due to conflict, violence and disasters.

- ◆ UN-Habitat estimated that nearly 64 million people were displaced from informal settlements between 2003 and 2023 due to urban development activities.
- **Climate Change Increasing Housing Vulnerability:** Climate-related disasters may destroy nearly **167 million** homes by **2040**. Natural catastrophes caused economic losses worth US\$280 billion in 2023 alone.
  - ◆ Buildings contribute nearly **37%** of global greenhouse gas emissions, while housing alone accounts for **17–21%** of emissions.
- **Indian Scenario:**
  - ◆ **Declining Affordable Housing Supply:** The affordable housing segment in India's major cities declined sharply from **52%** of new projects in **2018 to 17% in 2025**, as developers increasingly prioritise premium housing due to higher returns.
  - ◆ **Mumbai and Delhi** have high house price-to-income ratios, making home ownership difficult for middle-income households.
  - ◆ **Informal Settlements:** Rapid migration to urban centres continues to increase pressure on slums and informal housing.

### Key Drivers of the Global Housing Crisis

- **Rapid Urbanisation:** Large-scale migration towards cities has increased demand for housing faster than supply.
- **Rising Land Prices:** Escalating urban land prices have increased housing construction costs.
- **Growing Inequality:** Income inequality has **reduced affordability for low and middle-income groups**. Vulnerable groups such as migrants, women and informal workers are disproportionately affected.
- **Financialisation of Housing:** Housing is increasingly treated as an investment asset rather than a social necessity.
  - ◆ Speculative investments and corporate ownership are pushing prices beyond the reach of ordinary households.
- **Weak Housing Governance:** Weak coordination between national and local governments affects implementation of housing policies.
  - ◆ Many housing policies do not adequately address affordability, tenure security and sustainability.



### Measures Suggested by the Report

- **Treat Housing as a Public Priority:** Governments should recognise housing as a social good and human right rather than only a market commodity.
- **Upgrade Informal Settlements:** Promote participatory in-situ slum upgrading instead of forced evictions.

- **Strengthen Local Governments:** Empower urban local bodies with financial and administrative capacity for housing delivery.
- **Promote Climate-Resilient Housing:** Encourage low-carbon construction materials and energy-efficient housing systems.

#### Initiatives Taken in India for Affordable Housing

- **Valmiki Ambedkar Awas Yojana (VAMBAY):** It was launched in **2001** by the **Ministry of Urban Employment and Poverty Alleviation**.
  - ♦ The scheme focused on providing housing assistance to **Below Poverty Line (BPL) urban slum dwellers**.
  - ♦ VAMBAY was later subsumed under the **Jawaharlal Nehru National Urban Renewal Mission (JNNURM)**.
- **Jawaharlal Nehru National Urban Renewal Mission (JNNURM):** It was launched in **2005** as a **seven-year flagship urban renewal programme**. It operated through two major housing-related sub-missions:
  - ♦ **Basic Services to the Urban Poor (BSUP);**
  - ♦ **Integrated Housing and Slum Development Programme (IHSDP).**
- **Rajiv Awas Yojana (RAY):** It was launched in **2011** with the objective of creating a **slum-free India**.
  - ♦ The scheme encouraged states to integrate slums into the formal urban system.
- **Pradhan Mantri Awas Yojana (PMAY):** It was launched in **2015** under the vision of "Housing for All. The scheme aims to provide affordable pucca houses with basic amenities to eligible urban and rural households. The scheme operates under two primary components:
  - ♦ **PMAY-Urban (PMAY-U 2.0) for cities** and
  - ♦ **PMAY-Gramin (PMAY-G) for rural areas.**

#### Concluding remarks

- The global housing crisis has emerged as one of the most significant urban development challenges of the **21st century**.
- **Rising urbanisation, inequality, unaffordable housing and climate change** are intensifying vulnerabilities across the world.
- Addressing this crisis requires **integrated urban planning, stronger public investment, inclusive housing policies and climate-resilient infrastructure**.

Source: UN Habitat

## EASE OF DOING RESEARCH & DEVELOPMENT IN INDIA REPORT BY NITI AAYOG

#### Context

- The report "**Ease of Doing Research & Development in India**" is released by NITI Aayog focuses on improving India's research ecosystem.

#### Status of R&D in India

- **Low Expenditure on Research and Development:** India's Gross Expenditure on Research and Development (GERD) has remained around 0.64% of GDP for many years. This level is significantly lower than major economies:
  - ♦ Israel and South Korea spend more than 4% of GDP on R&D.
  - ♦ The United States and China spend above 2% of GDP on R&D.
  - ♦ The report notes that India's R&D expenditure has remained stagnant despite rapid economic growth.
- **Dominance of Public Sector in R&D:** India's R&D funding is heavily dependent on public funding (with about 64% contribution), unlike the case in several leading innovation economies which have more than 60% of the R&D budget contributed by the private sector.

#### Major Challenges as per the Report

- **Low Investment:** Inadequate investment limits scientific infrastructure, advanced technology development, innovation capacity and India's global technological competitiveness.
- **Excessive Administrative and Compliance Burden:** Excessive bureaucracy reduces productive research time and slows scientific innovation.
- **Rigid Procurement and Financial Rules:** Researchers encounter restrictions in procurement of specialized equipment, reallocation of funds, hiring project staff and international collaboration.
- **Fragmented Governance and Lack of Coordination:** India's R&D ecosystem is spread across multiple ministries, departments and funding agencies operating independently.
  - ♦ This fragmented structure creates duplication of research efforts, delayed approvals and lack of integrated planning and data-sharing systems.

- **Weak Industry Participation:** India's R&D ecosystem is heavily dependent on government funding, while private-sector participation remains limited.
- **Human Resource Challenges and Brain Drain:** India faces shortages of skilled researchers, laboratory technicians and interdisciplinary experts despite producing a large number of STEM graduates.
  - ♦ It also highlights issues such as limited career progression, inadequate fellowships and migration of talented researchers abroad due to better opportunities and infrastructure.
- **Weak Commercialization of Research:** Although India produces scientific publications and laboratory-level innovations, conversion into patents, industrial technologies, startups and market-ready products remains limited.

### Recommendations

- **Simplify Administrative, Financial and Procurement Procedures:** It recommends reducing the excessive compliance burden on researchers by introducing single-window digital systems and simplified approval procedures.
  - ♦ It also calls for greater flexibility in utilization of research grants and project funds.
- **Strengthen Industry–Academia Collaboration and Innovation Ecosystems:** It recommends building stronger partnerships between universities, industries, startups and government laboratories through research parks, innovation clusters, collaborative doctoral programs and joint industry-funded projects.
- **Improve Research Careers and Human Resource Systems:** There is a need to create attractive and stable career pathways for researchers by improving fellowships, compensation structures and long-term funding opportunities.
  - ♦ Increase the number of postdoctoral fellowships in S&T by 20% annually, for the next few years, to strengthen the national postdoctoral research ecosystem.
- **Establish Vigyan Nidhi,** a digital fellowship platform enabling direct benefit transfers and structured support for postdocs, mobility grants, and industry-linked research positions.
- **Integrated Research Governance:** It calls for better coordination among ministries and funding agencies through integrated databases, unified monitoring systems and streamlined governance frameworks to improve efficiency.

### Government Initiatives

- **Research, Development and Innovation (RDI) Scheme:** Approved with a 1 lakh crore corpus, this scheme aims to energise private-sector R&D and deep-tech startups.
  - ♦ It offers long-term, low- or zero-interest loans, equity investments, and funds a new Deep-Tech Fund of Funds via the Anusandhan National Research Foundation (ANRF).
- **Anusandhan National Research Foundation (ANRF):** The ANRF established in 2023, provides high-level strategic direction for research, innovation, and entrepreneurship in science and technology.
  - ♦ The Foundation aims to mobilise funds amounting to 50,000 crore during 2023–28 through multiple streams, including the ANRF Fund, Innovation Fund, Science and Engineering Research Fund, and Special Purpose Funds.
- **Indian Space Policy, 2023:** It builds on the space reforms introduced in 2020, which opened the domain to non-governmental entities for end-to-end participation.
  - ♦ It aims to enhance space capabilities, promote a flourishing commercial space industry, and foster collaboration between public and private entities.
- **National Quantum Mission:** Allocated 6,003.65 crore for 2023–31, to advance quantum technologies through scientific and industrial R&D.
- **National Supercomputing Mission (NSM):** Launched in 2015, the initiative empowers universities, research institutions, and government agencies with state-of-the-art supercomputing systems connected through the National Knowledge Network.
- **India Semiconductor Mission (ISM):** Established in 2021, the mission seeks to build a robust ecosystem for semiconductor and display manufacturing.
  - ♦ India has already approved 10 semiconductor projects across six states, including the first commercial Silicon Carbide fabrication facility in Odisha.
- **India AI Mission:** The IndiaAI Mission embodies the vision of “Making AI in India and Making AI Work for India.”

- ◆ It is advancing rapidly, having already increased computing capacity from an initial target of 10,000 GPUs to 38,000 GPUs, ensuring accessible AI infrastructure for startups, researchers, and industries.
- **Atal Innovation Mission (AIM):** To foster innovation at the grassroots level by providing support to students, startups, and entrepreneurs.

Source: NITI Aayog

## NEWS IN SHORT

### INDIA'S CULTURAL DIPLOMACY THROUGH GIFTS

#### Context

- PM Modi gifted traditional Indian handicrafts, textiles, and regional artefacts to world leaders during his five-nation diplomatic tour covering the United Arab Emirates, Sweden, Norway, Netherlands, and Italy.

#### Gifts Presented to World Leaders

- **Italian PM** Giorgia Meloni received a **Muga silk stole** from **Assam** and an off-white **Shirui Lily silk stole** from **Manipur**.
  - ◆ Muga silk, known as the “**golden silk**” of Assam, is a rare textile produced in the **Brahmaputra Valley** without artificial dyes.
  - ◆ **The Shirui Lily silk stole** derives inspiration from the **Shirui Kashong Peak of Manipur** and the rare **Shirui Lily flower**.
- **Queen Máxima** of the Netherlands was gifted **Meenakari and Kundan earrings** from **Rajasthan**.
- **Norwegian Leader** Jonas Gahr Støre received a **pressed orchid painting and orchid paperweights** made from real pressed orchids and ferns of **Sikkim**.
  - ◆ **Harald V** was presented with a **silver sailboat model crafted using Tarakasi**, the traditional silver filigree art of **Cuttack, Odisha**.
- **Swedish Prime Minister** Ulf Kristersson received a Santiniketan messenger bag from West Bengal along with works of Rabindranath Tagore.
- **UAE President** Sheikh Mohamed bin Zayed Al Nahyan received a **Rogan painting** featuring the “**Tree of Life**” motif from **Gujarat**.

- ◆ **Rogan art** is a rare textile painting tradition from the **Kutch region of Gujarat**.
- ◆ **A box of Kesar mangoes** from Junagadh, Gujarat, was also presented.

#### Significance of Such Gifts

- The gifts promote local artisans, traditional crafts, and **Geographical Indication (GI)-linked products** internationally.
- They strengthen **cultural diplomacy** and enhance **India's soft power** globally.

Source: IE

### ASIAN PRODUCTIVITY ORGANIZATION (APO)

#### Context

- India hosted the 68th Asian Productivity Organization (APO) governing body meeting with focus on regional productivity cooperation.

#### Asian Productivity Organization (APO)

- Established in **1961**, it is a **Tokyo-based intergovernmental body** that promotes productivity enhancement across the Asia-Pacific region through mutual cooperation and capacity building.
- The APO currently comprises **21 member economies**, including Bangladesh, Cambodia, Taiwan, Fiji, Hong Kong (dormant), **India**, Indonesia, Iran, Japan, Republic of Korea, Lao PDR, Malaysia, Mongolia, Nepal, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand, Turkiye, and Vietnam.
- As one of its founding members, India has played a pivotal role in shaping the organization's vision and supporting its initiatives.

Source: PIB

### ELECTRONIC CIGARETTES/VAPES

#### Context

- **The Directorate of Revenue Intelligence (DRI)** has busted a **large-scale e-cigarette (vape) smuggling racket** across several ports and airports in Maharashtra, Gujarat, Delhi and West Bengal.

#### About

- **Vapes or e-cigarettes** electronically heat up a solution of **glycerine, flavours and nicotine**, the **addictive substance in the cigarettes**.

- ◆ While people use cigarettes for the nicotine hit, it is the tar from smoking that kills. This is the reason e-cigarettes were pushed as aid for smoking cessation.
- **Concerns:** There is not enough data to show that the use of e-cigarettes actually helps quit smoking and users end up using both cigarettes and vapes.
  - ◆ Besides, different flavours in vapes may prompt non-smokers to take up the habit.
- **Electronic cigarettes and all Electronic Nicotine Delivery Systems (ENDS)** are prohibited in India under the **Prohibition of Electronic Cigarettes (Production, Manufacture, Import, Export, Transport, Sale, Distribution, Storage and Advertisement) Act, 2019.**
  - ◆ It was enacted in the interest of public health and to protect people from harm.

Source: PIB

## ELECTRONIC GOLD RECEIPTS (EGRS)

### In News

- The National Stock Exchange (NSE) has launched **Electronic Gold Receipts (EGRs)** to make gold trading more transparent, secure, and organised.

### About EGRs

- EGRs are **digital securities** that **represent ownership of physical gold.**
- The actual gold is stored in **SEBI-regulated vaults**, while investors hold EGRs electronically in their **demat accounts**, similar to shares or ETFs.
- Each EGR is fully backed by real gold, ensuring quality and authenticity.
- SEBI-registered **Vault Managers** provide storage services for the deposited gold.

### How It Works?

- Physical gold is deposited in accredited vaults and converted into EGR units.
- These units can be traded on stock exchanges like other financial assets.
- Investors can also convert EGRs back into physical gold when needed.

### Significance

- EGRs connect the physical gold market with the financial system, improving transparency, liquidity, price discovery, and investor confidence.
- The system benefits jewellers, refiners, traders, and retail and institutional investors.

Source: TH

## BOND YIELDS

### Context

- Indian government bond yields have risen sharply due to the West Asia conflict, rising inflation concerns, pressure on public finances, and expectations of future interest rate hikes by the RBI.

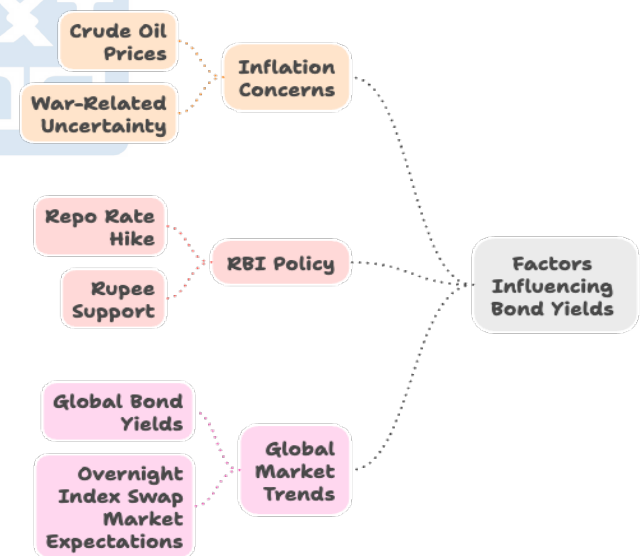
### What is a Bond?

- A bond is a loan raised by governments or companies from investors for a fixed period in return for regular interest payments.
- The period until repayment is called the term to maturity.

### What is Bond Yield?

- Bond yield is the **return an investor earns** from holding a bond, expressed as a percentage.
- It depends on the coupon payment (fixed interest) and the market price of the bond.
- **Formula:** Bond Yield = Coupon Amount ÷ Bond Price

### Bond Yield vs Bond Price



- Bond prices and yields move in opposite directions.
- When market interest rates rise, older bonds offering lower interest become less attractive, causing their **prices to fall** and **yields to rise.**
- When interest rates fall, existing bonds with higher interest become more valuable, raising bond prices and lowering yields.

Source: TH

## SEBI PROPOSES NEW PRICE- DISCOVERY MECHANISM FOR IPOs AND RELISTINGS

### Context

- The market regulator Securities and Exchange Board of India (SEBI) has proposed significant reforms in the IPO and re-listing price discovery mechanism during the pre-open call auction session.

### Concerns with the Existing System

- SEBI observed that the existing price discovery mechanism for IPOs and re-listed shares may **lead to artificial suppression of opening prices due to restrictive dummy price bands** and rejection of genuine investor orders.
- This often results in **sharp price increases and excessive volatility** once normal trading begins, affecting fair and efficient market functioning.

### Key Market Terminologies

- Initial Public Offering (IPO):** It refers to the process through which a company offers its shares to the public for the first time and gets listed on a stock exchange.
- Re-listed Company:** It refers to a company whose shares were earlier suspended or removed from trading and are subsequently listed again on the stock exchange.
- Price Discovery:** It is the process through which the market determines the fair price of a share based on demand and supply conditions.

### Key Proposed Changes

- Changes in Base Price Determination for Re-listed Stocks:** If trading resumes within six months of suspension, the latest traded closing price within six months may be used as the base price.
  - If no recent traded price is available, exchanges may use **valuation certificates** from two independent valuers or chartered accountants.
  - For stocks re-listed after more than **six months of suspension**, the base price would be based entirely on independent valuation reports.
- Reform of Dummy Price Band Mechanism:** SEBI observed that restrictive dummy price bands were causing rejection of genuine investor orders.

- In one case, around **90% of buy orders were rejected** during the call auction because they were outside the permitted price range.
- SEBI has proposed **automatic widening (“flexing”) of price bands by 10%** whenever equilibrium prices approach the **upper or lower limits**.
- Stronger Conditions for Successful Price Discovery:** A valid equilibrium price would require participation from **at least five unique PAN-based buyers and five unique PAN-based sellers**.
  - Currently, even a single matching order can determine the opening price.
- Continuation of Call Auction for Re-listed Stocks:** If price discovery fails on the first day for re-listed stocks, the call auction process may continue on subsequent days **until a valid equilibrium price is discovered**.
  - For IPOs, **if no equilibrium price emerges**, trading would shift to the normal market using the issue price as the base price.

### Present System

- IPOs and re-listed stocks** currently undergo a **one-hour pre-open call auction** session between **9 AM and 10 AM** on listing day.
- Mainboard IPOs presently operate with a dummy price band of **-50% to +100% of the base price**.
- SME (Small and Medium Enterprises) IPOs currently have a **fixed ±90% band** without automatic flexibility.

Source: Mint

## ARUNACHAL KIWI MISSION

### Context

- The Union Minister for Development of North Eastern Region launched a Mission on **“Arunachal Kiwi: The USP of Arunachal Pradesh”**.

### About the Mission

- The mission has an outlay of around **₹167 crore** and seeks to strengthen the **entire kiwi value chain** – from cultivation and post-harvest management to branding, exports and agri-tourism.
- The mission aims to promote **kiwi orchard tourism and farm-stay experiences** in areas such as **Ziro Valley and Dirang**, combining horticulture with experiential tourism.

- Arunachal Pradesh **currently contributes more than 50 percent of India's kiwi production**, producing over **7,050 metric tonnes** annually.
  - ◆ However, despite its **dominant position**, local farmers receive significantly lower prices compared to imported kiwi sold in domestic and global markets.

#### About Kiwi or Chinese gooseberry (*Actinidia deliciosa*)

- It is a nutrient-rich woody deciduous vine native to eastern Asia, known for its fuzzy brown skin, green/golden flesh, and edible black seeds.
- It requires 700–800 chilling hours below 7°C during winter and best suited to mid-hill regions (800–1,500 m altitude).
- It begins fruiting in 4–5 years and attains full commercial production by 7–8 years.

Source: DD News

## SPERM WHALES

### Context

- Researchers have **revealed that sperm whales**, which communicate using clicking sounds, also vary the sounds in ways that resemble how humans use vowels.
  - ◆ These vocalisations show **clear parallels with human phonology** — the system of rules that organises sound patterns in human language.

### About Sperm Whale

- **Name:** Sperm whale (*Physeter macrocephalus*).
  - ◆ Sperm whales got their name because the semi-liquid, waxy substance in their head was first believed to be sperm.
- **Distribution:** They occur throughout the world's oceans and in the Mediterranean Sea.
- **Appearance:** It is a large, dark-colored, toothed whale with a massive, square-shaped head that can make up more than a third of its body length.



- ◆ **Sperm whales are the largest of the toothed whales.**
- **Threats:** Deep-sea oil and gas exploration can cause multiple issues, such as loss of hearing, water pollution from hydrocarbons, and increased risk of being hit by ocean vessels.
- **Conservation Status:** IUCN Vulnerable.
  - ◆ Protected **under Schedule 2 of the Wildlife Protection Act** and possession or trade of any of its by-products, including Ambergris, is illegal.
  - ◆ They are listed in **Appendix I of the CITES** (Convention on International Trade in Endangered Species of Wild Fauna and Flora).
    - ◆ However, ambergris is not covered in CITES provisions as it is considered a **naturally excreted waste** product and trade of which is legal in many countries.

### Ambergris

- Ambergris means **grey amber in French**, is a **waxy substance** that originates from the **digestive system** of sperm whales.
- Due to its high value in the market, ambergris is often called the **'floating gold'** and **'treasure of the sea'**.

Source: TH

