



VAJIRAM & RAVI
Institute for IAS Examination

The Analyst

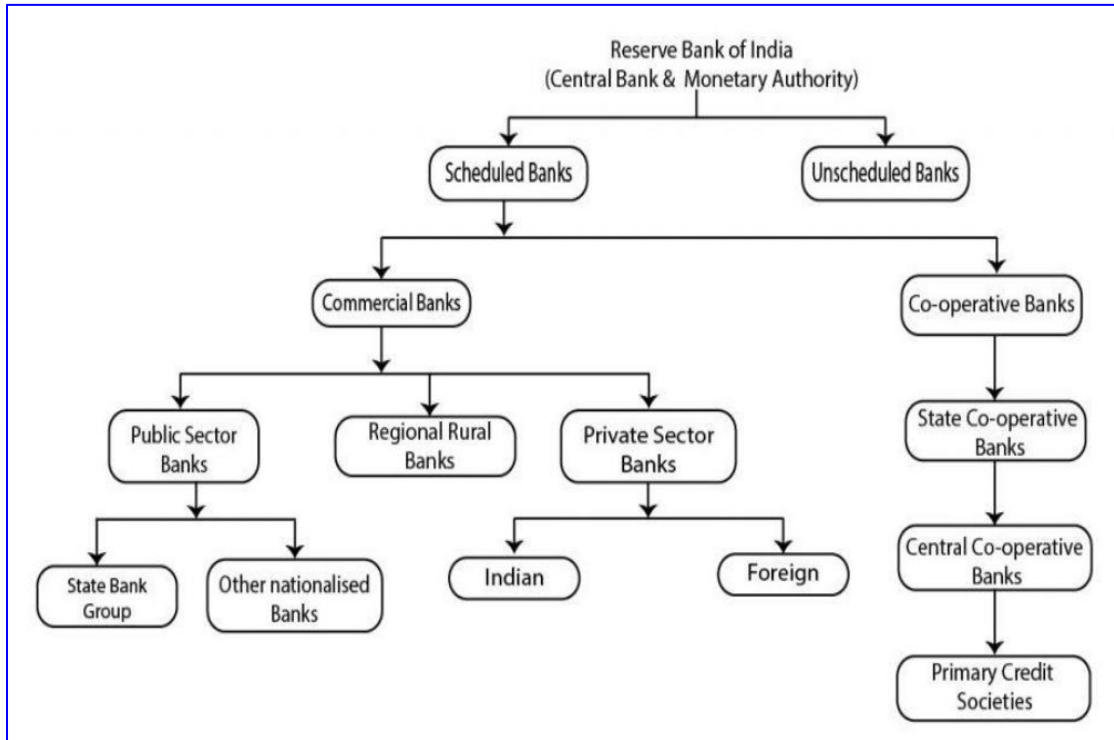
CURRENT AFFAIRS Handout

19th April 2026



CONTEXT: Observations of Deepak Parekh, former chair of the erstwhile HDFC.

Structure of Banking System

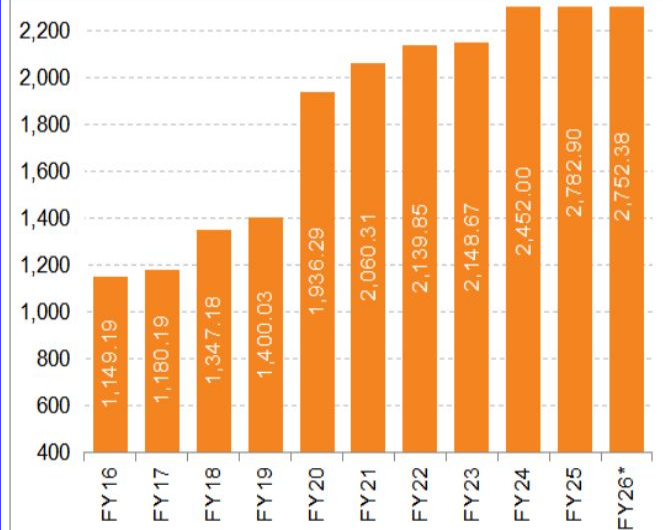


Banking System

Significance for Economic Growth

- Credit Growth & Economic Activity
- Financial Stability & Asset Quality
- Digital Transformation & Financial Inclusion
- Capital Market Development
- Welfare schemes implementation
- MSMEs & Entrepreneurship Support

Growth in Deposits (US\$ billion)



CONTEXT: Observations of Deepak Parekh, former chair of the erstwhile HDFC.



Priority Sector Lending(PSL) :

- RBI: specific portion of lending to specific sectors Or PSLCs Else contri to RIDF
- Growth (2019–2024): 85%
- Inclusive Growth, Affordable Credit, Inequality

Evolution

- Bank Nationalisation -lending to underserved
- Gadgil Committee, 1969
 - a. Area Approach>> Lead Bank Scheme: regional credit planning
- RBI's Informal Study Group report, 1971
- Krishnaswamy Committee, 1980: 40% of ANBC, sub-targets for agri, weaker
- 2025: RBI new guidelines

Sectors

- Agri, MSME, Export Credit, Education, Housing, Social Infra, RE, Others

2025 Guidelines

- DCBs + Large Foreign (>20 branches): 40% of ANBC or CEOBE
- Foreign (<20 branches): 40% (<32% for export credit)
- RRBs + SFBS: 75%

Significance

- Financial Inclusion
- Regional Development
- Employment Creation: MSME, Agri
- Entrepreneurship, Innovation
- Agri Modernization

Challenges

- NPAs: crop failures
- Compliance Targets
- Misallocation of Resources
- Operational Costs: paperwork, monitoring
- Market Concentration: safer PSL categories
- Credit Assessment: micro enterprises

Raising FDI:

Benefits

- Long-term capital
 - loan growth> deposit mobilisation
 - foreign equity >> lower cost of capital
 - expand lending + adequate CAR
- Governance standards
 - Risk management practices
 - Experience in compliance, treasury operations, tech, cross-border banking



CONTEXT: Observations of Deepak Parekh, former chair of the erstwhile HDFC.

- Valuations for bank stocks
 - market liquidity
 - global visibility >> rep in global indices
- Consolidation
 - supporting weaker banks

Challenges

- external influence over domestic credit allocation
 - PSL
 - exposed to global capital flow volatility
- Regulatory complexity
 - ownership thresholds, voting rights, effective control
 - India's financial stability and development objectives

Currently, India allows foreign shareholding of 20% for public sector banks and 74% for private banks.

According to reports, the government is mulling raising the foreign ownership limit for state-owned banks to 49%.

Bank Reforms :

Challenges

- Non Performing Assets
- Low Capital Adequacy
- Governance Issues
- Dependence for Recapitalisation
- Low Credit to GDP Ratio
- Sectoral Credit Gaps
- Cybersecurity Risks

SOME CRACKS IN INDRADHANUSH'S 7 PILLARS

1 BBB | Agency under former CAG Vinod Rai set up, but role limited

2 Capitalisation | Govt funding seen to be inadequate in view of unprecedented surge in NPAs

3 De-Stressing | More stress due to RBI diktat on provisioning, panel under former CVC Pradeep Kumar to help in settling bad debt

4 Appointments | Several vacancies on bank boards, no clear-cut policy

5 Governance | Very little govt interference in day-to-day operations



6 Empowerment | Govt schemes keep bankers busy

7 Accountability | Key performance indicator-based review system has been worked out

Getty Images

Initiatives

- Indradhanush Plan
 - BBB
- Banks Recapitalization
- PSB Amalgamation
- Gyan Sangams
- IBC
- National Asset Reconstruction Company
- Digital Banking
- SARFAESI Act, DRTs, Prudential Framework



CONTEXT: Observations of Deepak Parekh, former chair of the erstwhile HDFC.

Basel Norms

- **Basel I**
 - CAR 8%
 - Tier Capital 1 >4%
- **Basel II**
 - CAR
 - Supervisory Review
 - Market Discipline
- **Basel III**
 - tier 1 and tier 2 assets > 10.5% of its risk-weighted assets

Committees

- **Narasimham Committee I (1991)**
 - Reduce SLR, CRR
 - Govt interference
 - Asset Reconstruction Fund
- **Narasimham Committee II (1998)**
 - structural reforms
 - Prudential Norms
 - International accounting standards
- **PJ Nayak Committee**
 - Reduction in Stake
 - Bank Investment Company
 - Governance
 - i. Split CMD

- **Nachiket Mor Committee**
 - Payment Banks
 - Universal Electronic Bank account
- **HR Khan Committee**
 - Inflation targeting
 - Monetary Policy Transmission
- **4R Framework: Recognition, Recapitalization, Resolution, Reforms**

Suggestions

- Governance and Autonomy - PJ Nayak
- Privatization and Consolidation
- Credit Flow to MSMEs
- Technology & Innovation
- Bond market
- Niche Banking & Development Finance
- No Lazy Banking

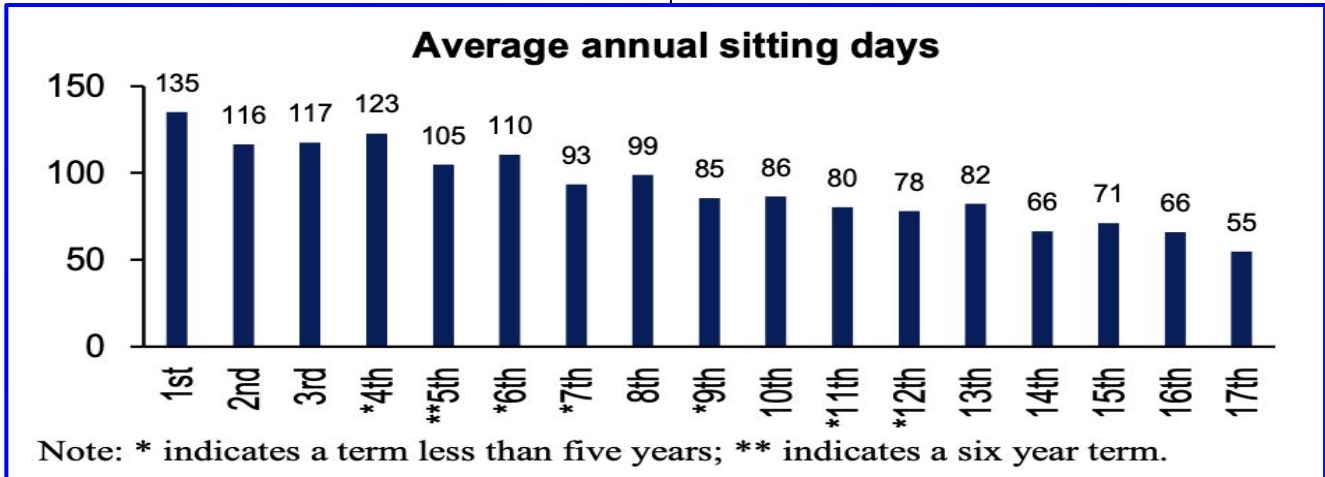
Mains Practise Question :

Discuss the need for reforms in the banking sector with special reference to Priority Sector Lending and opening up FDI in banks. Suggest measures to improve efficiency, inclusiveness, and global competitiveness.



CONTEXT: Speaker: LS achieved 75% success rate, 93% productivity in Budget session.

Parliamentary Productivity:



- Monsoon Session 2025
 - LS 29%, RS 34%
 - Question Hour: 23% in LS, 6% in RS
- 17th LS (2019-2024) productivity 47%: PRS
- Annual sittings: 121 days (1952-70)
 - ~68 days since 2000
- 16th & 17th LS: Bills Referred: ~20%
 - 35% in 17th LS <1 hour discussion: PRSIndia
- No Deputy Speaker
- Opposition business <10% of House time
 - 20-25% in UK
 - No Private Member's Bill passed since 1970: PRSIndia
- Ordinances
 - 6/year (2000-10) to 12/year (2014-23)
 - Delegated legislation 4x
- Budget discussion
 - 35 hours to <15 hours
 - 2021-22: 76% Demands for Grants passed without any discussion

Reasons

- PMO-led lawmaking
 - >90% Bills govt-driven
- Opposition limited session time >> disruptions as protest tool >> productivity
 - CAA, Hindenburg
- Partisan Speakers' rulings
 - >150 MP suspensions in 2023
- Committees Role: ~20% Bills referred in 16th and 17th LS

Consequences

- Accountability
 - Fewer sittings
 - Question Hour questions answered
- Legislation Quality
 - Minimal debate



CONTEXT: Speaker: LS achieved 75% success rate, 93% productivity in Budget session.

- Public Distrust
 - Parliament's ineffectiveness >> apathy, disillusionment
- Silencing Voices
 - Centralised lawmaking
 - 0 Private Members' Bills passed
- Judiciary filling Vacuum

Reforms Needed

- Scrutiny
 - Committee System: Mandate 75% Bills
 - Public consultations

- Limit Whip
 - a. Anti-Defection
 - b. confidence motions & money bills (LCI 170th report)
 - c. MP autonomy
- Consensus based approach
 - a. Institutional Dialogue: structured, periodic meetings of Speaker, PM, LoO
 - b. Opposition Days
- Guaranteed Sitting Days: statutory minimum of 100–120 days
- MP/MLA exchange programmes: procedural and ethical best practices

MAINS PRACTISE QUESTION

Examine the reasons for low productivity of the Parliament. Discuss its consequences on governance and accountability, and suggest measures to enhance the effectiveness of parliamentary functioning.



SYLLABUS: Prelims : Economic and Social Development
Newspaper : Indian Express **Page Number** : 6

- 2000 as a central sector scheme
- Funding 60:40: 14th FC
- Objective: All-weather roads to connect rural areas, Upgrading existing 'Through Routes and Major Rural Links' to connect habitations to:
 - GrAMs, Higher secondary Schools, Hospitals

Eligibility

- Population, connectivity status
- Plain areas: habitations with >500 if unconnected
- NE, Himalayan states: >250 - 2001 Census
- Tribal (Schedule V): unconnected, >250
- LWE-affected blocks: >100

PMGSY Phase I

- 2000, 100%
- connecting 1,35,436 habitations and upgrading 3.68 lakh km of rural roads
- 40% renewal of rural roads funded by states

THE CENTRE on Saturday decided to extend the Pradhan Mantri Gram Sadak Yojana-III (PMGSY-III) beyond March 2025 till 2028-29, with an increase in the outlay by Rs 3,727 crore to Rs 83,977 crore.

The new approval also involves consolidation of through routes and major rural links connecting habitations to Gramin Agricultural Markets

PMGSY Phase II

- 2013, 75:25
- Hill states, desert areas, Schedule V, LWE: Centre 90%
- upgrading existing roads - 50,000 km

PMGSY Phase III

- from 2019-20 to 2024-25
- 60:40
- N-E, Himalayan states: 90:10
- rural infra enhancement and socio-eco development

Significance

- Socio-Economic Access
 - increased farm incomes
 - employment
- Gaps in Rural Infrastructure
 - rural road development was responsibility of state govts
 - Limited funds, planning priority
- Access to Essential Services
 - healthcare, education
 - attract industries to rural
- Rural Service Delivery
 - motivates govt personnel, health workers, teachers, agri extension workers

(GrAMs), higher secondary schools and hospitals.

The first phase of the PMGSY was launched on December 25, 2000, by the then NDA government headed by Prime Minister Atal Bihari Vajpayee. The second phase was launched in 2013.

After these two phases, another component of the PMGSY—Road Connectivity Project for Left Wing Extremism Affected Areas (RCPLWEA)—was launched in 2016 for constructing rural roads in the LWE areas. The third phase was launched in 2019, with a sanctioned road length of 1,15,446 km.



SYLLABUS: Prelims : Current Events of National and International Importance
Newspaper : The Hindu **Page Number** : 1

- NMC Act, 2019
- Replaced MCI
 - Regulates medical education, medical professionals
 - Recognition of medical qualifications
 - Accreditation to medical schools
 - Registration to medical practitioners
 - Monitors medical practice
 - Assesses medical infrastructure
- Headquarters: New Delhi

Functions

- policies for quality, standards in medical education; regulations
- policies for regulating institutions, research
- assess requirements in healthcare: HR, infra
- Compliance by State Medical Councils
- Appellate jurisdiction wrt decisions of Autonomous Boards
- Codes for professional ethics

Composition

- 33 members including Chair (medical professionals only), 10 ex-officio, 22 part-time
- Medical Advisory Council
 - platform for States to put their views and concerns before NMC
 - advises NMC on measures for minimum standards of medical education
- Four autonomous boards
 - UG Medical Education Board
 - PG Medical Education Board
 - Medical Assessment and Rating Board
 - Ethics and Medical Registration Board



SYLLABUS: Prelims : Current Events of National and International Importance
Newspaper : The Hindu **Page Number** : 1

mission (NMC) has now proposed significant draft amendments to its 2023 regulations, focusing on easing the norms for establishment of medical colleges – allowing in more trusts and societies. It is also looking at tightening postgraduate (PG) medical education standards, and introducing a single-State licence for Armed Forces Medical Services (AFMS) doctors to practise nationwide.

control over the quality of education while streamlining the processes for setting up institutions and regulating military medical personnel,” said a senior Health Ministry official.

Addressing the administrative burden of frequent transfers, the NMC has proposed easing transfer-related paperwork by allowing AFMS doctors to register once with a State medical council at commissioning,

For more stringent standardisation in PG medical education, the Commission has asked all medical colleges to adhere to updated infrastructure, faculty, and clinical facilities criteria with standalone PG institutes to have 220 beds, with at least 80% bed occupancy, a revised senior faculty-student ratio of 1:2 and limiting non-government colleges to a maximum of four seats when starting a new PG course or increasing intake.

with the licence valid nationwide during active service. Retired doctors will need to re-register in their State of practice.

The annual renewal of licence will be centrally managed so that licences will not go inactive due to delayed, individually filed renewals and the registration council will handle professional misconduct cases, with recommendations from the State where



SYLLABUS : Prelims : General issues on Environmental ecology, Bio-diversity and Climate Change

Newspaper : Indian Express **Page Number : 7**

Bannerghatta Biological Park

- integral part of Bannerghatta NP
- Independent establishment in 2002
- to meet growing demand for eco-recreation, eco-tourism, conservation
- 545.00ha of forest from NP for biological park: later extended to 731.88ha
- south of Bengaluru city
- Different units: Zoo, Safari, Butterfly Park, Rescue Centre (Conservation of Captive animals)
- First biological park in India to have a fenced, forested elephant sanctuary

Bannerghatta National Park

- near Bangalore, Anekal hill range
- NP in 1974
- 2006: India's first butterfly enclosure
- River: Suvarnamukhi stream
- Vegetation: 3 types
 - Dry Deciduous Scrub Forests
 - Southern Tropical Dry Deciduous Forests
 - Southern Tropical Moist Mixed Forests
- Flora: Sandalwood, Neem, Tamarind, Bamboo, Eucalyptus
- Fauna: Asian Elephant, Indian gaur, Tiger, Sambar deer, Spotted deer, Leopard, Wild dog, Wild pig, Sloth bear, Common mongoose, Pangolin, Slender loris

Bengaluru's Bannerghatta Biological Park on Saturday announced the arrival of four Cheetahs, including two females from South Africa. The animals from Induna Primate and Parrot Park in South Africa reached Kempegowda International Airport at approximately 1.15 am on Saturday under an approved animal exchange programme in accordance with the Wild Life (Protection) Act, it said. According to a statement issued by the park, this initiative aims to strengthen conservation efforts, enhance genetic diversity within captive populations, promote visitor awareness, and support scientific research. Forest,



SYLLABUS : Prelims : Economic and Social Development-Sustainable Development

Newspaper : Indian Express **Page Number :** Economy

SHANTI ACT:

Entry of Private Players

- setting up, owning, operating nuclear power plants; fabrication of nuclear fuel; import and export of nuclear fuel
- Prior license from GOI
- No company license if owned, controlled or dominated by entities inimical to defence and national security, or health and safety of the public
- Foreign-owned Indian company can apply but FDI in atomic energy prohibited
 - Nuclear power sector capital intensive
- Mining of Ur, Th: exclusive domain of Govt/ Govt cos

Liability Framework

- Strict, no-fault liability regime for operators - in line with liability framework under the CLND Act
- But Operators No statutory right of recourse against suppliers of equipment and services
- increase the contractual autonomy of the parties
- Different caps on operator liability for a nuclear incident: category and capacity of the nuclear installation
- Nuclear liability fund: compensation

Financial Security and Insurance

- All licensees must maintain sufficient financial security
 - Ensure safe disposal of radioactive substances
 - Settlement of claims
- Operator to maintain insurance or financial security

THE DILUTION of the liability clause under the proposed SHANTI Act is expected to boost foreign direct investment (FDI) in India's nuclear power sector as it opens up to private participation.

Speaking at a high-level workshop on the Act on Friday in New Delhi, Seema Jain, Member (Finance), Department of Atomic Energy (DAE), said the **Atomic Energy Commission has approved an FDI policy, which has now been sent for inter-ministerial consultation.**

Jain said that **achieving the target of 100 gigawatt (GW) of nuclear power capacity by 2047 would require investments of at least Rs 20 lakh crore, assuming a baseline cost of Rs 22 crore per megawatt (MW).**



Adjournment Sine Die



SYLLABUS : Prelims : Indian Polity and Governance-Constitution, Political System

Newspaper : The Hindu **Page Number** : 6

Procedures for discussion in LS

- Debate without voting under Rule 193
- Motion (with a vote) under Rule 184
- Adjournment motion
- No-confidence motion

Short-duration discussion under rule 193

- In RS under Rule 176
- Urgent matters of public importance for a specified duration; time-sensitive issues
- Procedure
 - MP notice to Speaker: matter, reasons
 - Speaker authority to decide: issue qualifies for a Short Duration Discussion?
 - Minister-in-charge responds at the end
 - Not Followed by a Motion: no voting

Rule 184, a motion with a vote

- Similar to Rule 193 but issue raised in the form of a motion
- After Minister's reply >> House votes

Adjournment motion

- definite matter of urgent public importance, with Speaker's consent
- Not in RS Rule Book
- RS MPs use Rule 267 to suspend Question Hour to raise urgent matters
- Notice before 10 am
- If accepted, House adjourns after voting
- Adoption >> seen as a censure of govt
- Although no compulsion to resign

No confidence Motion

- Moved against CoM
- Notice before 10 am on the day of sitting
- if according to MP, govt actions not satisfactory, resignation of govt demanded
- Support of at least 50 MPs
- Debate >> vote >> If adopted >> has to resign



Q1. Regarding the PM-Gram Sadak Yojana, consider the following statements:

1. It is a centrally sponsored scheme.
2. It aims to provide all-weather road connectivity to unconnected rural habitations.
3. It is implemented by the Ministry of Rural Development.

How many of the statements given above is/are correct?

- a) Only One
- b) Only Two
- c) All Three
- d) None

Answer: c

Q2. Regarding the National Medical Commission, consider the following statements:

1. It consists of 33 members, including the Chairman.
2. It regulates medical education, medical professionals & provides recognition of medical qualifications.
3. It provides accreditation to medical schools & registration to medical practitioners.

Which of the statements given above are correct?

- a) 1 and 3 only
- b) 1 and 2 only
- c) 2 and 3 only
- d) All of the above

Answer: d

Q3. Consider the following statements :

1. Currently, India allows for foreign shareholding of 20% for Public sector banks & 74% for private banks.
2. The Government of India is planning to raise the foreign ownership limit for state-owned banks to 75% in the near future.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) None of the above

Answer: a

Q4. Which of the following statements regarding the Adjournment Motion recently seen in the news is Not correct?

- a) It is a device available in both Lok Sabha and Rajya Sabha to discuss urgent public matters.
- b) It requires the prior consent of the Speaker and notice must be given before 10:00 AM.
- c) Its adoption amounts to a censure of the government but does not mandate resignation.
- d) In the Rajya Sabha, members can use Rule 267 to suspend listed business to raise urgent matters.

Answer: a

Q5. Consider the following statements regarding the Bannerghatta National Park :

1. It is located near Bengaluru in the Anekal hill range.
2. It hosts India's first butterfly enclosure established in 2006.
3. The vegetation is limited to tropical evergreen forests.

Which of the statements given above is/are correct?

- a) 1 and 2 only
- b) 2 only
- c) 1 and 3 only
- d) 1 only

Answer: a





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