

Today's Prelims Topics

Small Finance Banks

Context

Jana Small Finance Bank Ltd has submitted an application to the Reserve Bank of India (RBI) seeking approval for a voluntary transition from a small finance bank to a universal bank.

About Small Finance Banks

- **Key Objectives:**

- **Financial Inclusion:**

Extend banking services to rural and semi-urban areas.

- **Microfinance**

Expansion: Provide affordable credit and banking services to lower-income groups.

- **Credit Accessibility:**

Enhance credit availability for small enterprises, marginal farmers, and micro-entrepreneurs.

- **Regulatory Framework:**

- Established based on recommendations of the **Nachiket Mor Committee (2014)**.
 - Licensed and regulated by the **Reserve Bank of India (RBI)** under differentiated banking licenses.

- **Eligibility and Operational Criteria:**

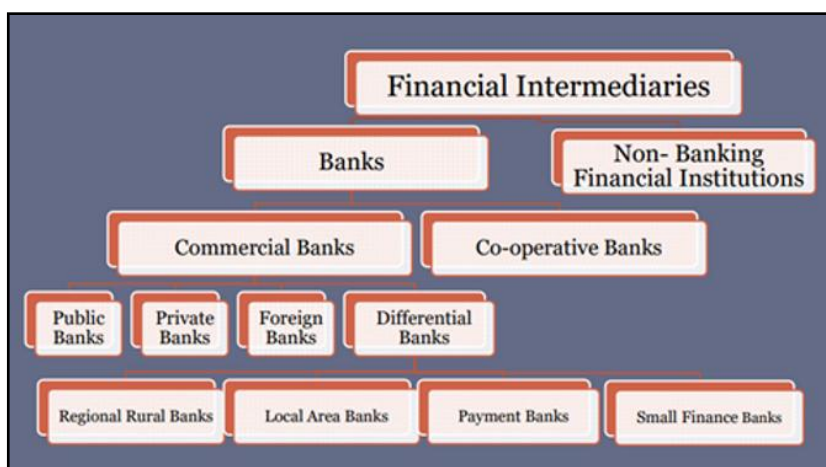
- Minimum paid-up equity capital: **₹200 crore**.
 - Must allocate **75% of Adjusted Net Bank Credit (ANBC)** to priority sector lending.
 - **At least 50% of loan portfolio** must be loans and advances up to ₹25 lakh.
 - Mandatory to open at least **25% of branches in unbanked rural areas**.

- **Permitted Activities:**

- Accept deposits (savings, current, fixed deposits).
 - Provide small-ticket loans, primarily microfinance and MSME loans.
 - Issue debit and ATM cards.
 - Distribution of financial products (insurance, mutual funds, pension) after RBI approval.

- **Prohibited Activities:**

- Cannot engage directly in **large-scale corporate lending**.
 - Not permitted to set up **subsidiaries for non-banking financial services**.
 - **No foreign operations** are allowed.



Facts

- RBI allowed SFBs to apply for **Authorized Dealer (Category-II)** licenses for forex transactions in a limited scope (2023).
- After a period of successful operation, SFBs achieved the status of 'scheduled banks' under **Section 42 of the RBI Act, 1934**.
- In India, as of now **no Small Finance Bank has completed full conversion** to a universal bank.

Comparison of Small Finance Banks (SFBs) and Universal Banks

Aspect	Small Finance Banks (SFBs)	Universal Banks
Scope of Activities	Primarily cater to underserved segments like small businesses, farmers, MSMEs.	Offer a wide range of services to all customer segments, including corporate and retail banking, investments, forex, etc.
Minimum Capital Requirement	₹200 crore	₹500 crore
Credit Requirements	Minimum 75% of Adjusted Net Bank Credit to priority sectors	40% of Net Bank Credit to priority sectors
Focus Segment	Unbanked, semi-urban, rural, micro-enterprises	All customer segments (retail, corporate, etc.)
Branch Expansion	Mandatory 25% of branches in rural/unbanked areas	No mandatory specific ratio, but have rural presence norms
Foreign Operations	Not permitted	Allowed
Regulatory Framework	Regulated under RBI's differentiated banking norms	Regulated under RBI's universal banking norms
Deposits and Lending	Accept deposits; focus on small-ticket lending	Accept deposits; diverse lending and financial services
Investment Activities	Limited involvement	Wide-ranging investment banking and market operations

Source: [CNBC TV18](#)

UNFPA

Context

A new UN report titled "State of the World Population 2025: The Real Fertility Crisis" releases.

Key Highlights of Report

- **India's population has reached 146.39 crore** as of April 2025, making it the **most populous country** in the world.
- **India's Total Fertility Rate (TFR) has declined to 1.9**, which is **below the replacement level of 2.1**, signaling a long-term demographic shift.
- The population is **expected to peak at 170 crore** before beginning to decline in around 40 years.
- The report emphasizes a **"real fertility crisis"** where **millions are unable to realize their reproductive goals**, not just due to overpopulation or underpopulation.
- **68% of India's population is in the working-age group** (15–64 years), presenting both an opportunity and challenge for policymakers.

United Nations Population Fund (UNFPA)

- **Founded:** 1967 (as a trust fund), operational from 1969.
- **Renamed:** From UN Fund for Population Activities to UN Population Fund in 1987.
- **Type:** Subsidiary organ of the UN General Assembly.
- **Motto:** *"Ensuring rights and choices for all."*
- **Mission:** Deliver a world where every pregnancy is wanted, childbirth is safe, and every young person's potential is fulfilled.
- **Focus Areas:** Reproductive health, family planning, maternal health, gender equality.
- **Key Goals by 2030 (Three Zeros)**
 - **Zero unmet need for family planning**
 - **Zero preventable maternal deaths**
 - **Zero gender-based violence and harmful practices** (like child marriage, FGM)
- **Global & Country-Level Work:**
 - Active in over 150 countries.
 - Supports national planning and integrates population-health-gender data into policy.
 - Publishes the *State of World Population Report* annually.
 - Partners with governments, CSOs, and youth groups.
- **Awards and Days:** UN Population Award, World Population Day (11 July).

Source: [TheHindu](#)

Shipki La Pass

Context

Shipki La Pass in Himachal Pradesh, previously restricted due to its strategic location on the India-China border, has been **opened for border tourism** to boost connectivity and local development.

Major Mountain Passes in India

Major Mountain Passes in Leh-Ladakh

Pass Name	Location/Connects
Chang La	Leh to Pangong Lake
Bara-Lacha La Known as "Gateway to Ladakh"	Connects Lahaul and Ladakh via Zaskar Range.
Khardung La	Entry to Nubra Valley; Tibetan range
Imis La	Ladakh to Tibet; entry to Hanle Valley
Zoji La	Dras: connects Kashmir Valley, Indus Valley & Suru Valley
Tanglang La	Connects Debring with Gya in Ladakh

Major Mountain Passes in Jammu and Kashmir

Pass Name	Location/Connects
Karakoram Pass	Karakoram Range; connects India and China
Pir Panjal Pass	Kashmir Valley and Rajouri
Banihal Pass	Jammu to Srinagar (now bypassed by Jawahar Tunnel)
Burzail Pass	Astore Valley (Kashmir) to Deosai Plains (Ladakh)
Pensi La	Connects Kashmir with Kargil via Himalayan range

Major Mountain Passes in Himachal Pradesh

Pass Name	Location/Connects
Shipki La	Kinnaur (Himachal Pradesh) and Tibet
Rohtang Pass	Kullu Valley and Lahaul-Spiti
Bara-Lacha La	Zaskar Range; connects Lahaul and Leh
Debsa Pass	Kullu and Spiti

Major Mountain Passes in Uttarakhand

Pass Name	Location/Connects
Mana Pass	Connects Mana (Uttarakhand) with Tibet
Niti Pass	Connects Uttarakhand and Tibet
Lipu Lekh Pass	Tri-junction of Uttarakhand, Nepal, and Tibet
Traill's Pass	Between Pindari and Milam Valleys
Mangsha Dhura	Connects Uttarakhand with Tibet
Muling La	North of Gangotri, in the Great Himalayas

Major Mountain Passes in North Eastern States

Pass Name	Location/Connects
Nathu La	Connects Sikkim (India) with Tibet (China)
Bom Di La	Connects Arunachal Pradesh to Tibet (Lhasa)
Jelep La	Connects Sikkim (India) with Tibet
Diphu Pass	On McMahon Line; borders India, China, and Myanmar
Dihang La	Connects Arunachal Pradesh and Burma (Myanmar)
Pangsau Pass	Connects Arunachal Pradesh with Burma (Myanmar)

Major Mountain Passes in Western Ghats

Pass Name	Location/Connects
Bhor Ghat	Between Palasdari and Khandala (rail); Khopoli and Khandala (road), Maharashtra
Thal Ghat	Mumbai–Nashik Road; connects Kalyan and Kasara, Maharashtra
Palakkad Ghat	Connects Tamil Nadu and Kerala; through Nilgiri and Anaimalai Hills
Shencottah Gap	Connects Madurai (Tamil Nadu) and Kottayam (Kerala) via Shencottah and Punalur

Source: [TheHindu](https://www.thehindu.com)

New 'weight-loss' drugs

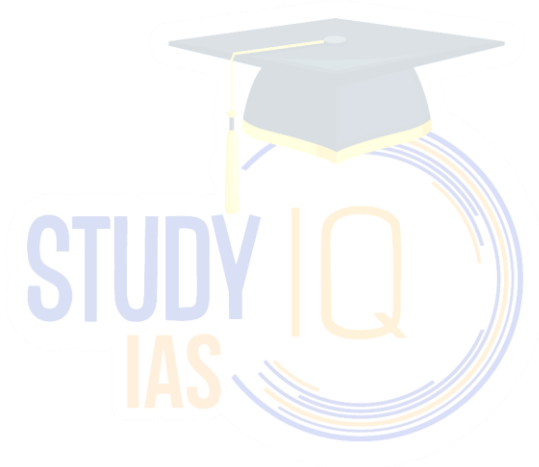
Context

A U.S. study found that weight-loss drugs **semaglutide** and **tirzepatide** lead to **less weight loss in real life** than in clinical trials due to **patients stopping treatment early** or using **lower doses**.

About the Drugs (Semaglutide and Tirzepatide)

- **Type:** Injectable **GLP-1 receptor agonists**
- **Use:** Originally approved for **Type 2 diabetes** and now also for **obesity and weight management**
- **Examples:**
 - **Semaglutide** (brand name: Ozempic, Wegovy)
 - **Tirzepatide** (brand name: Mounjaro)
- **Mechanism:**
 - Mimic **GLP-1 hormone** to regulate blood sugar
 - **Suppress appetite** and **slow gastric emptying**, leading to **weight loss**
- **Effectiveness:** Showed significant weight loss in **clinical trials**
- **Real-life challenge:** Lower impact due to **non-compliance** and **dose reduction** by patients outside trial settings

Source: [TheHindu](#)



Neutrino

Context

The **German KATRIN experiment** has set a new, more precise upper limit on neutrino mass — less than 0.8 electron volts — advancing our understanding of the universe's most elusive particles.

About Neutrinos

- **Nature:** Neutrinos are nearly massless, electrically neutral subatomic particles that interact extremely weakly with matter.
- **Detection Difficulty:** Because they rarely interact with other particles, neutrinos are extremely hard to detect.
- **Discovery Timeline:**
 - First **predicted in 1930** by Wolfgang Pauli.
 - **Experimentally discovered in 1956.**
 - Initially thought to be **massless**, but later found to have a very small mass.
- **Particle Family:**
 - Neutrinos are part of the **lepton family** (which also includes electrons).
 - They are **not affected by the strong nuclear force**, unlike protons and neutrons.
 - They only interact via the **weak nuclear force** and gravity.
- **Origin:**
 - Neutrinos are created from the **decay of heavier particles** into lighter ones.
 - Common sources include the **sun, stars, supernovae, nuclear reactors, and radioactive decay.**
- **Abundance:**
 - Neutrinos are the **most abundant particles** in the universe.
 - Around **100 trillion neutrinos pass through the human body every second** without causing harm.
- **Scientific Importance:**
 - Crucial in the **Standard Model of particle physics.**
 - Play a vital role in **stellar processes**, the study of **black holes**, and in understanding the **Big Bang and cosmic evolution.**

What is KATRIN?

- **Full Form:** Karlsruhe Tritium Neutrino Experiment.
- **Location:** Karlsruhe, Germany.
- **Purpose:** To precisely measure the mass of the **electron antineutrino**, a type of neutrino.

Recent Findings

- **New limit set:** Neutrino mass is now constrained to **< 0.8 eV** (electron volts).
- **Precision improved:** This is a **2× tighter constraint** than previous estimates.
- **Huge data used:** Based on analysis of **36 million electrons** from tritium decay.
- **Core method:** Measures electron energy in tritium beta decay to infer neutrino mass.
- **Massive setup:** The 200-tonne spectrometer took an **8,600 km journey** to Karlsruhe.
- **Scientific impact:** Helps in understanding **dark matter, cosmology**, and **Standard Model** physics.
- **Future goals:** To determine if neutrinos are **Majorana particles** (their own antiparticles).

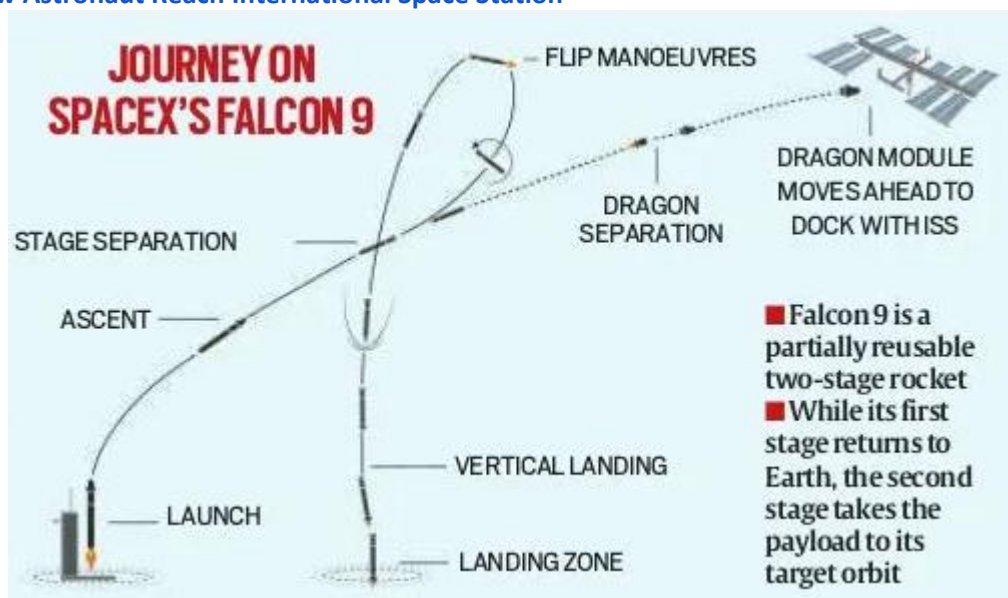
Source: [TheHindu](https://www.thehindu.com/news/national/katrin-experiment/article67894567.html)

How Astronaut Reach International space station

Context

The launch of the Axiom-4 Mission to the International Space Station (ISS) will be from the Kennedy Space Centre in Cape Canaveral, Florida.

How Astronaut Reach International Space Station



- **Pre-launch Preparation:** Astronauts undergo rigorous training and preparation.
 - Scientists select a precise time slot when the spacecraft trajectory aligns with the ISS orbit.
 - Astronauts board the **Crew Dragon spacecraft**, attached atop the **Falcon 9 rocket** at Kennedy Space Center, Florida.
- **Launch and Ascent:**
 - The Falcon 9 rocket lifts off vertically.
 - The **first stage** (booster) propels the spacecraft through Earth's dense atmosphere, powered by **9 Merlin engines**.
 - Around the edge of space (~80-100 km altitude), the first stage separates and returns to Earth for reuse.
 - The **second stage** (single Merlin engine) continues to propel the Dragon capsule into orbit.
- **Orbital Insertion:**
 - After reaching orbit, the Dragon spacecraft separates from the second stage.
 - The spacecraft initially enters an elliptical (oval) orbit slightly below the ISS orbit (~200-250 km altitude).
- **Rendezvous and Orbit Raising:** Over the next several hours, the Dragon performs **orbital raising maneuvers**.

Journey Duration

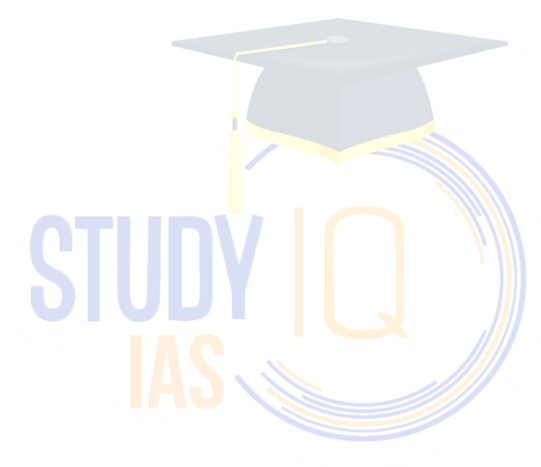
- **Crew Dragon:** Approximately **28 hours** (new spacecraft, extensive system checks).
- **Russian Soyuz spacecraft:** Can reach ISS in **8 hours** (optimized, well-tested maneuvers).

Approach and Docking:

- As Dragon nears the ISS (within ~200 meters), it enters the "**keep-out sphere**", a safety zone around ISS.

- **Autonomous Docking:** Dragon aligns itself using GPS, cameras, and laser-based **Lidar sensors**, enabling precise positioning.
- The spacecraft gently moves toward the docking port on the ISS, matching speed precisely, effectively stationary relative to ISS.
- **Docking and Hatch Opening:**
 - After successful docking, the spacecraft is secured and undergoes thorough safety checks (~1-2 hours).
 - Once cleared, hatches between Dragon and ISS open, allowing astronauts to enter the space station.

Source: [Indian Express](#)



Why Kerala Wants Amendment in Wildlife Act

Context

Kerala wants the Wildlife (Protection) Act, 1972 amended so it can be allowed to kill wild animals that foray into human habitats.

Reasons behind Kerala's request to amend the Wildlife (Protection) Act, 1972

- **Rising Human-Wildlife Conflict:**
 - **Hotspots:** 273 out of 941 villages identified as conflict zones.
 - **Casualties:** 919 deaths, 8,967 injuries (2016-2025).
 - **Problematic species:** Tiger, leopard, elephant, wild boar, bonnet macaque, peafowl.
- **Population Explosion of Certain Species:** Uncontrolled increase in wild pigs and bonnet macaques, leading to frequent raids on crops and property damage.
- **Failure of Preventive Measures:** Traditional methods like fencing and translocation have failed to control conflict effectively.
 - The current wild boar control system (licensed shooters) has proven ineffective due to impractical guidelines.
- **Legal and Administrative Constraints:** Stringent procedures under existing laws create delays and prevent timely interventions.
 - Court orders and regulations restrict quick action against wild animals.

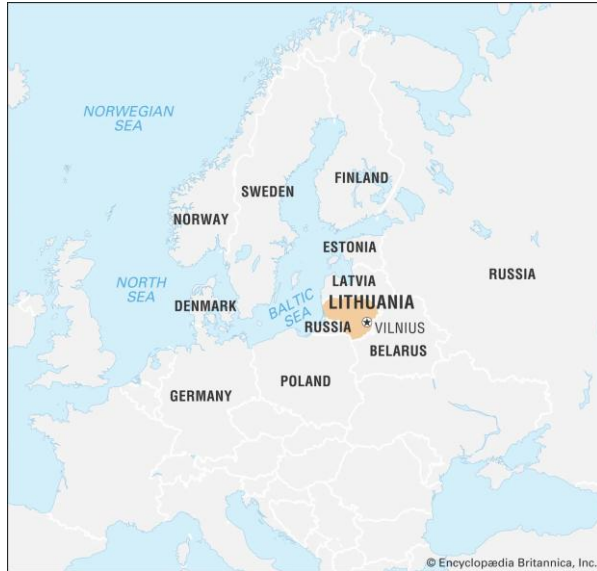
Existing Provisions under Wildlife (Protection) Act, 1972

- **Objective of the Act::** Protection and conservation of wildlife and habitats.
 - Prevention of poaching, hunting, and illegal trade of wildlife.
- **Schedule System:**
 - **Schedule I and II:** Highest protection. Hunting, killing, or trading animals under these schedules strictly prohibited, except under specific cases authorized by Chief Wildlife Warden.
 - **Schedule III and IV:** Lesser protection, but hunting regulated.
 - **Schedule V:** Animals considered as vermin, can be hunted with fewer restrictions.
 - **Schedule VI:** Protection for specific plants.
- **Authority and Powers:**
 - **Chief Wildlife Warden** empowered to permit killing only if:
 - Animal cannot be captured or relocated safely.
 - Animal poses immediate danger to human life.
 - **District Collector (Executive Magistrate):** Has powers under CrPC to manage public nuisances but faces legal limitations in wildlife cases.
- **Special Conditions for Protected Animals (Schedule I):** Animals under Schedule I require special permissions and adherence to advisory from:
 - **National Tiger Conservation Authority (NTCA)** for tigers.
 - **Project Elephant** guidelines for elephants.
- **Provision for Declaring Species as Vermin (Section 62):** Central Government may declare certain animals as "vermin" for specific periods and areas.
 - This temporarily relaxes hunting restrictions to control populations threatening human life or agriculture.

Source: [Indian Express](#)

Places in News

Vilnius



News? NATO Secretary General Mark Rutte participated in the B9 and Nordic Summit in Vilnius.

About Vilnius

- **Capital and largest city of Lithuania.**
- **Situated:** At the confluence of the Neris (Russian: Viliya) and Vilnia rivers.

About Lithuania

- **Physical Features:** Plains, hills, numerous lakes and rivers; Baltic coastline; **Curonian Spit** (UNESCO heritage site).
- **Borders:** Latvia (north), Belarus (east & south-east), Poland (south), Kaliningrad Oblast of Russia (south-west)

Editorial Summary

Trump-era volatility has drawn India & Europe Closer

Context

The shifting global order, particularly marked by the **Trump-era unpredictability**, has created fissures within the Western alliance. Amid these disruptions, **India and Europe** have found new strategic alignment, driven by mutual interests in stability, multipolarity, and economic diversification.

How Trump-Era Volatility Has Drawn India & Europe Closer

- **US Unpredictability:** Trump's transactional view of alliances (e.g., NATO, Five Eyes).
 - Questioning of US commitments to Ukraine and global security.
- **Europe's Strategic Autonomy Push:** France, Germany, and UK strengthening EU-led defence mechanisms.
 - Europe's search for diversified partners in Indo-Pacific aligns with India's strategic interests.
- **India's Balancing Act:** India views Europe as a "**swing state**" in a US-China dominated order.
 - Both sides now prioritize **bilateral and multilateral engagement** (e.g., EU-India TTC, FTA talks, IMEC corridor).

Significance of the Growing India-Europe Engagement

- **Geopolitical Stability:** Shared interest in **multipolarity** and **rules-based global order**.
 - Collaboration in Indo-Pacific to counter China's assertiveness.
- **Economic Cooperation:** India-EU **Free Trade Agreement (FTA)** on the horizon.
 - Joint efforts on **critical minerals, AI, green tech, space, quantum computing**.
- **Defence and Strategic Ties:** ReArm 2025 plan by Europe offers India opportunities for co-development.
 - Moving from arms transactions to **long-term defence partnerships**.
- **Connectivity Initiatives:** **India-Middle East-Europe Economic Corridor (IMEC)** as a counter to China's BRI.
 - Enhanced Eurasian connectivity and secure supply chains.
- **Diplomatic Leverage:** Europe provides India greater **strategic depth** beyond its traditional partners (e.g., US, Russia).
 - India's engagement in G7 formats and security dialogues underscores its rising profile.

Challenges in India-Europe Cooperation

- **Diverging Foreign Policy Priorities:** EU's normative stance on **human rights** and **domestic policies** in India.
 - India's strategic autonomy vs Europe's institutional multilateralism.
- **Slow Bureaucracy and Trade Talks:** India-EU FTA negotiations have been delayed since 2007 due to disagreements on tariffs, data privacy, and IP rights.
- **China Factor:** Europe's mixed stance on China hampers full alignment with India's Indo-Pacific vision.
- **Security Constraints:** Despite rising defence budgets, Europe remains dependent on US for key security guarantees.
 - India's sensitivity toward **third-party defence groupings**.

Way Forward

- **Build Issue-Based Convergence:** Focus on areas of **practical cooperation** like climate action, supply chain resilience, digital governance, and connectivity.
- **Institutionalise Strategic Dialogue:** Regular summits, working groups (like the TTC), and **Track-1.5/Track-2 dialogues** to iron out differences.
- **Flexibility in Trade Talks:** Prioritize a **narrower trade deal** (early harvest agreement) before an ambitious FTA.
- **Expand Defence Ties:** Promote **joint R&D, tech sharing, and co-production** under Europe's defence modernisation plan.
- **Leverage Multilateral Forums:** Strengthen India's voice in **G7, I2U2, and EU+ formats**, positioning itself as a bridge between West and Global South.

Source: [Indian Express: Old Continent Rising](#)

