



DAILY CURRENT AFFAIRS 01-01-2026

Mapping Perspective

1. Venezuela

Prelims Perspective

2. Rashtriya Vigyan Puraskar (RVP)
3. Industrial Hemp

Mains Perspective

4. Trend and Progress of Banking in India 2024-25 Report
5. Defence Acquisition Council (DAC)

Venezuela

Syllabus: GS-1; World Geography, GS-2; International Relations, GS-3; Energy Security

Context

The US has escalated pressure through **sanctions, naval deployment, oil blockades, and strikes on vessels**, officially citing a “**war on drug trafficking**.”

Location & Geography

- Located in **Northern South America**, along the **Caribbean Sea**.
- Shares borders with **Colombia (West)**, **Brazil (South)**, and **Guyana (East)**.
- **Capital:** Caracas
- **Major Physical Features:**
 - Northern extension of the **Andes Mountains**
 - **Llanos** (extensive tropical grasslands)
 - **Guiana Highlands** (site of **Angel Falls**, the world’s highest waterfall)



Political System

- **Official Name:** Bolivarian Republic of Venezuela
- **Type of Government:** Federal Presidential Republic
- **Legislature:** Unicameral National Assembly

- **Constitution:** Adopted in 1999

Economy

- Home to the **largest proven crude oil reserves globally**.
- **Major Sectors:** Petroleum, mining (gold, iron ore), agriculture.
- **Currency:** Venezuelan Bolívar
- **Key Challenges:** Hyperinflation, sanctions, oil dependence, economic instability.

Natural Resources

- Petroleum
- Natural Gas
- Gold
- Iron ore
- Bauxite

Society & Culture

- **Official Language:** Spanish
- **Religion:** Predominantly Roman Catholic
- **Ethnic Composition:** Mestizo majority with European, African, and Indigenous groups.

International Relations

- Founding member of **OPEC**.
- Member of **UN and NAM**.
- Strong ties with **Russia, China, and Cuba**.
- **India-Venezuela:** Historical crude oil trade; relations impacted by sanctions.

US-Venezuela Tensions (Current Context)

- Since **late 2025**, the US has escalated pressure through **sanctions, naval deployment, oil blockades, and strikes on vessels**, officially citing a “**war on drug trafficking**.”
- The US ordered a “**full and total blockade**” of sanctioned Venezuelan oil tankers and seized oil ships.
- **President Donald Trump** openly stated that the US objective would “probably” be to **force President Nicolás Maduro from power**, indicating **regime-change intent**.

Rashtriya Vigyan Puraskar (RVP)

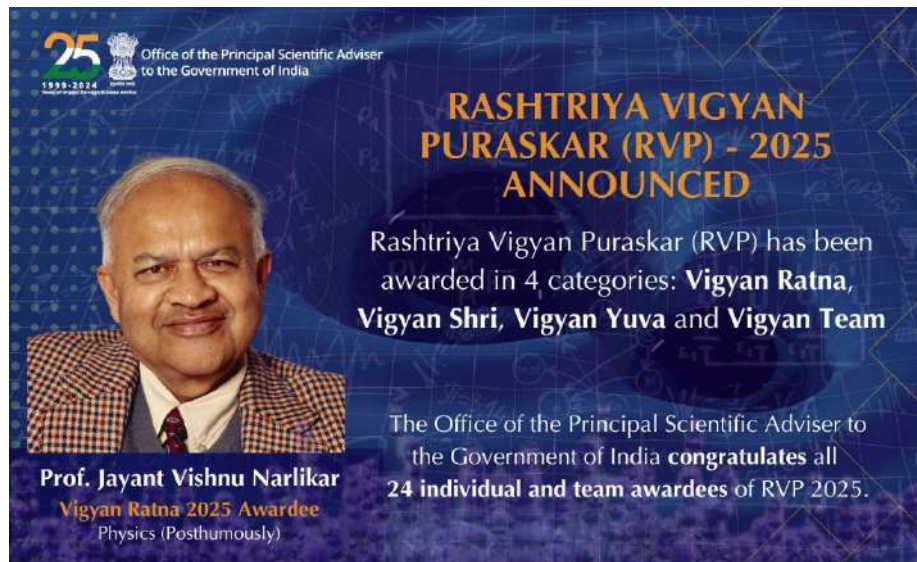
Syllabus: Prelims Bits

Context:

- **2nd edition** of the Rashtriya Vigyan Puraskar presented by the **President of India**.
- **24 scientists** honoured for contributions across diverse scientific disciplines.
- **Vigyan Ratna** awarded **posthumously** to **Jayant Vishnu Narlikar**.

About Rashtriya Vigyan Puraskar

- **Nature:** India's **highest national-level science awards**.
- **Instituted by:** **Ministry of Science & Technology**.
- **Model:** **Padma Awards-style** recognition system.
- **Objective:** Honour **excellence, innovation, and high-impact contributions** in **Science & Technology**.



Coverage

- Encompasses **13 key scientific domains**, including:
 - Space Science
 - Atomic Energy
 - Engineering
 - Medicine
 - (and other core & applied sciences)

Award Categories

- **Vigyan Ratna (VR)**
 - **Highest science award of India**
 - For **lifetime achievements** and **exceptional contributions**
- **Vigyan Shri (VS)**
 - For **distinguished & sustained contributions** in a specific field
- **Vigyan Yuva – Shanti Swarup Bhatnagar (VY-SSB)**
 - For **scientists below 45 years**
 - Recognises **young scientific talent**
- **Vigyan Team (VT)**
 - For **exceptional collaborative research & teamwork**

Vigyan Ratna 2025 – Key Facts

- Awarded to **Prof. Jayant Vishnu Narlikar**(*posthumously*)
- **Field:** Astrophysics & Cosmology
- **Global Contribution:**
 - Co-developer of the **Hoyle–Narlikar Theory of Gravity**
 - Alternative to **Einstein’s General Theory of Relativity**
 - Supports the **Steady State Model of the Universe**
 - Presents a **non–Big Bang cosmological perspective**

Significance

- Strengthens **India’s scientific ecosystem** by:
 - Promoting **innovation & research excellence**
 - Encouraging **inter-disciplinary and collaborative research**
- Aligns with **modern scientific practices** where **team science** is critical.
- Complements India’s push for **R&D-led growth** and **Atmanirbhar Bharat** in S&T.

Industrial Hemp

Syllabus:Prelims Bits

Context:

Himachal Pradesh has legalised and begun **regulated cultivation of industrial hemp** under the “**Green to Gold**” initiative, aiming to drive **bio-economy-led growth**, farmer diversification, and sustainable industry.



What is Industrial Hemp?

- **Non-intoxicating variety of *Cannabis sativa*** cultivated for **fibre, seed, and biomass**
- **THC content < 0.3% → no psychoactive effect**, unsuitable for drug use
- Distinct from narcotic cannabis by **genetics and regulation**

Origin & Global Status

- **Native to Central & South Asia**; used for millennia in **textiles, ropes, paper, and medicine**
- **Legally cultivated** today in parts of **Europe, North America, and Asia** under strict THC thresholds

Key Characteristics

- **Low THC (<0.3%)** with **high fibre/seed yield**
- **Climate-resilient: ~50% less water than cotton**; grows on **marginal soils**

- **Fast-growing:** 70–140 days harvest cycle
- **Soil-friendly:** Suppresses weeds; **deep roots improve soil structure**
- **High biomass:** Suitable for **fibre, oilseed**, and **dual-purpose** use

Applications

- **Construction:** *Hempcrete*—lightweight, insulating, **carbon-negative**
- **Paper & Packaging:** Low-impact pulp; **fewer chemicals**, recyclable & biodegradable
- **Pharmaceuticals & Wellness:** Oils/extracts for **pain relief** and **anti-inflammatory** uses (non-psychoactive)
- **Cosmetics & Personal Care:** Seed oil rich in **essential fatty acids** (skin & hair products)
- **Bio-energy & Bioplastics:** Biomass → **renewable fuels** and **biodegradable plastics** (circular economy)

Significance for India

- **Farm income diversification** in hill & rain-fed regions
- **Import substitution** (fibres, oils, green materials)
- **Climate action:** Low water use, carbon sequestration
- **Rural MSMEs:** Processing, textiles, construction materials
- **Regulatory model:** Balances **economic use** with **drug-control safeguards**

Trend and Progress of Banking in India 2024-25 Report

Syllabus: GS-3: Indian Economy–Banking.

Context:

Recently, RBI released Trend and Progress of Banking in India 2024-25 Report.

What is the Report?

- **Annual flagship assessment** of India's banking and NBFC sector by RBI
- Provides a **holistic view of systemic health**, covering:
 - Banking & NBFC performance

- Asset quality and capital adequacy
- Regulation and supervision priorities
- Digital payments & technology adoption
- Financial inclusion and consumer protection

➤ Concludes with an **overall systemic soundness assessment**

Key Macro Trends Highlighted

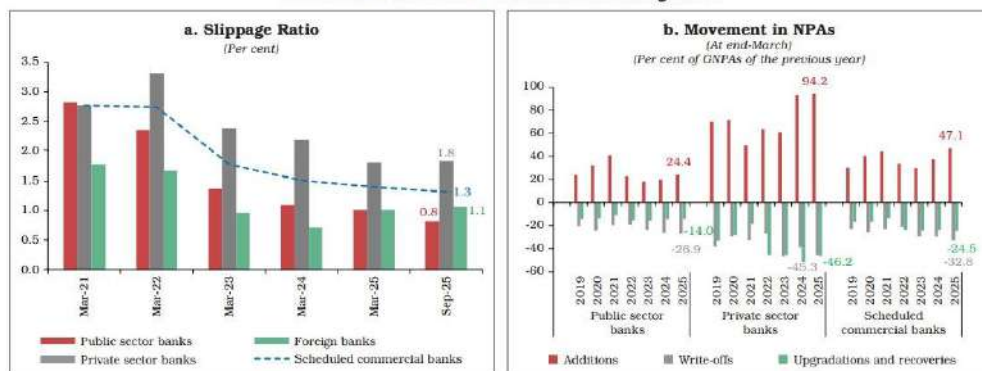
(a) Balance Sheet Expansion

- **Scheduled Commercial Banks (SCBs)** recorded **double-digit growth** in:
 - Deposits
 - Credit (with marginal moderation in recent quarters)
- Indicates **revival of credit cycle** and confidence in banking intermediation

(b) Asset Quality at Multi-Decadal Best

- **Gross Non-Performing Asset (GNPA) ratio ~2.1%**
- Lowest level in several decades due to:
 - Improved underwriting standards
 - Recovery mechanisms (IBC, write-offs, recoveries)
 - Lower stress in corporate balance sheets

Chart IV.16: Reduction in Gross Non-Performing Assets



Sources: Off-site returns (global operations), RBI and annual accounts of banks.

(c) Capital & Liquidity Buffers

- **CRAR above 16%, well above Basel III norm (11.5%)**
- Liquidity ratios remain **comfortably above regulatory minimum**
- Enhances **shock-absorption capacity** against global and domestic risks

Credit & Deposit Dynamics

- **Sustained credit growth: ~14–16%**
 - Driven by:
 - Industry
 - MSMEs
 - Housing
 - Services sector
- **Strong deposit mobilisation: ~12–13%**
 - Despite competition from mutual funds and market-linked instruments
- Reflects **rising trust in formal banking system**

Digitalisation & Financial Inclusion

(a) Digital Inclusion Scale-Up

- **514 districts fully digitally enabled**
 - At least **one digital payment mode** for every eligible individual
- Strengthens last-mile delivery of financial services

(b) Financial Inclusion Index (FI Index)

- Improved to **67.0** (from **43.4** earlier)
- Captures:
 - Access to accounts
 - Usage of credit, insurance, pensions
 - Digital payments penetration

(c) Unified Lending Interface (ULI)

- **64 lenders onboarded:**
 - 41 banks
 - 23 NBFCs
- Uses **136+ data services** across **12 loan journeys**
- Enables:
 - Faster credit decisions
 - Reduced information asymmetry

- Safer and inclusive lending

Key Policy & Regulatory Initiatives

(a) PRAVAAH Portal

- Centralised digital portal for **regulatory submissions**
- Improves:
 - Transparency
 - Turnaround time
 - Ease of compliance

(b) Digital Payments Push

- District-level digital enablement
- Special focus on:
 - Persons with Disabilities (PwD)
 - Accessibility and usability

(c) FREE-AI Framework

- Governance framework for **responsible AI adoption**
- Anchored on:
 - Fairness
 - Accountability
 - Safety
 - Transparency

(d) Risk-Based Deposit Insurance

- Shift from **flat premium** to **risk-based premium**
- Ceiling: **12 paise per ₹100 of assessable deposits**
- Incentivises:
 - Better risk management
 - Safer banking behaviour

Key Challenges Identified

(a) Rising Customer Grievances

- Increase in complaints related to:

- Loans
- Cards
- Digital banking channels
- Indicates gaps in:
 - Service delivery
 - Resolution timelines
 - Customer communication

(b) Digital Fraud & Cyber Risks

- Rapid UPI and online banking growth expands **attack surface**
- Weak cyber hygiene + social engineering → erosion of trust

(c) AI & Model Risk

- Risks of:
 - Opaque algorithms
 - Bias in credit scoring
 - Privacy breaches
- Poor governance can cause **systemic mis-scoring**

(d) Retail Credit Stress Pockets

- Vulnerabilities in:
 - Unsecured loans
 - Small-ticket retail credit
- Especially if underwriting and collection discipline weaken

(e) Inclusion–Quality Gap

- Access ≠ meaningful inclusion
- Challenges:
 - Low financial literacy
 - Language barriers
 - Digital discomfort
 - Mis-selling risks

Way Forward (Analytical)

- **Quality-first credit expansion**
 - Verified data, affordability checks, risk-based pricing
- **Stronger consumer protection**
 - Faster ombudsman processes
 - Transparent grievance escalation
- **Tech governance & audits**
 - Board-level oversight of AI/IT systems
 - Explainability, bias testing, lifecycle audits
- **Cybersecurity-by-design**
 - Continuous monitoring
 - Secure authentication
 - Inter-bank fraud intelligence sharing
- **Deepening financial literacy**
 - Target rural users, seniors, first-time digital users
 - Focus on safe payments and informed borrowing

Conclusion

- The report highlights that **India's banking system has entered a structurally stronger phase**, marked by:
 - Multi-decadal low NPAs
 - Robust capital buffers
 - Sustained credit and deposit growth
- Future gains hinge on **responsible technology adoption**, especially AI and ULI, alongside **strong consumer protection**.
- A **stability-first but innovation-enabling approach** is crucial to sustain credit-led growth and deepen meaningful financial inclusion.

Defence Acquisition Council (DAC)

Subject: GS-3; Defence & Security

Context:

The **Defence Acquisition Council** has accorded **Acceptance of Necessity (AoN)** for capital acquisition proposals worth **~₹79,000 crore**, aimed at strengthening the operational preparedness of the Armed Forces.

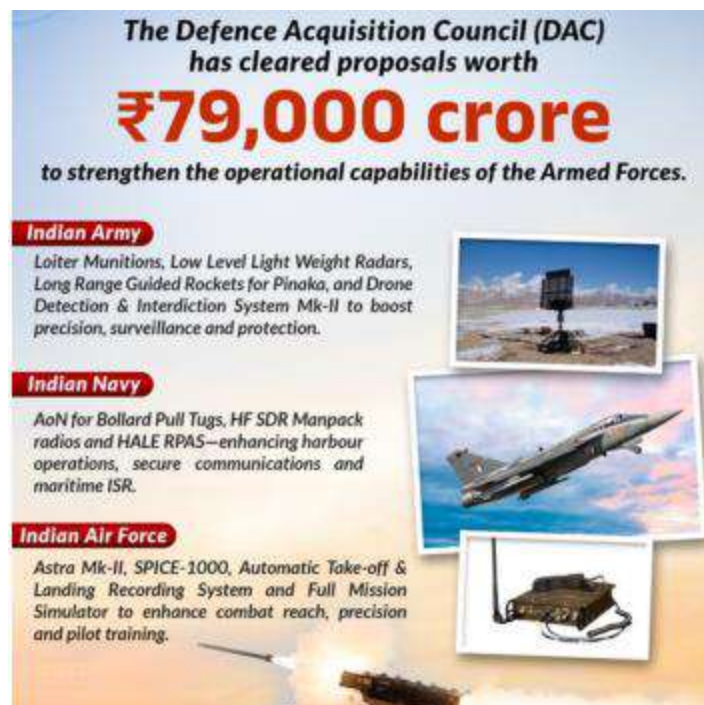
About Defence Acquisition Council (DAC)

What is it?

- The **highest decision-making body** for **capital defence procurement** in India.
- Responsible for granting **in-principle approvals** and **Acceptance of Necessity (AoN)** for major defence acquisitions.

Established in

- Set up following the recommendations of the **Group of Ministers (GoM) on Reforming the National Security System**.



Composition

- **Chairman:** Raksha Mantri
- **Members:**
 - Raksha Rajya Mantris

- Chief of Defence Staff (CDS)
- Chiefs of the Army, Navy, and Air Force
- **Other Members:**
 - Defence Secretary
 - Secretary (Defence Production)
 - Secretary (Defence R&D)
 - Secretary (Defence Finance)
- **Member Secretary:**
 - Deputy Chief of Defence Staff (PP & FD)

Key Functions

1. Long-Term Capability Planning

- Provides **in-principle approval** to capital acquisitions under the **15-year Long Term Perspective Plan (LTPP)**.
- Identifies **long-gestation strategic projects**.

2. Acceptance of Necessity (AoN)

- Grants AoN for capital acquisition proposals proposed for **Five-Year Defence Plans**.
- **First formal step** in the defence procurement process.

3. Categorisation of Projects

- Decides procurement category such as:
 - Buy
 - Buy and Make
 - Make
- Aims to promote **indigenisation** and domestic defence manufacturing.

4. Monitoring of Major Projects

- Reviews progress of key acquisition programmes based on inputs from the **Defence Procurement Board**.

5. Policy Coordination

- Balances **operational requirements, financial prudence, and indigenous capability development**.

Significance

- Enables **timely acquisition** of critical weapons, platforms, and systems for all three services.
- **Streamlines decision-making**, reducing delays in capital procurement.
- Strengthens **Atmanirbhar Bharat in Defence** by prioritising indigenous design, development, and production.
- Enhances **strategic autonomy** and preparedness amid evolving security challenges.