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Top Stories of The Day

- *NUCFDC launches cybersecurity centre and Sahakar CBS for Urban Cooperative Banks nationwide.*
- *India retains global IPO leadership, ranks third in funds raised worldwide.*
- *Titli Maji wins silver at Asian Youth Weightlifting Championships in Tashkent.*
- *Lok Sabha passes MSME Bill mandating TReDS and faster dispute resolution nationwide.*
- *Assam launches Nijut Moina and Nijut Babu schemes for student financial support.*
- *Travis Head wins consecutive Allan Border Medal after one-vote victory over Carey.*
- *US Senate approves sanctions bill allowing tariffs on India and China.*
- *Türkiye, Saudi Arabia and Pakistan sign defence pact amid West Asia tensions.*
- *Abelardo de la Espriella becomes Colombia's President, promising security crackdown.*
- *DigiLocker launches AAERI Verify for secure Australian university document verification process.*
- *16th Finance Commission recommends 41% tax share for states, strengthening federalism.*

NUCFDC to Strengthen Urban Cooperative Banks through Cybersecurity and Core Banking

- The Ministry of Cooperation announced that the National Urban Co-operative Finance and Development Corporation Limited (NUCFDC) will launch a Security Operations Centre (SOC) and a nationwide Core Banking Service (Sahakar CBS) for Urban Cooperative Banks (UCBs).
- An MoU between NUCFDC and the National Forensic Sciences University (NFSU) will also strengthen cybersecurity and technological capabilities in the sector.
- The initiatives are aimed at making UCBs modern, secure, competitive and digitally enabled.

- What is NUCFDC?
- NUCFDC is an umbrella organisation for Urban Cooperative Banks.

It aims to provide UCBs with:

• Shared technology platforms.
• Core banking services.
• Cybersecurity solutions.
• Capacity-building support.
• Operational assistance.

- This shared-services model can help smaller UCBs access technology that may otherwise be expensive to develop individually.

What is a Core Banking System?

- A Core Banking System (CBS) is a centralised banking platform that enables customers to access banking services across branches and channels.
- Benefits: real-time transactions, centralised records, digital banking, interoperability and improved operational efficiency.

Urban Cooperative Banks

- UCBs are cooperative banks primarily serving urban and semi-urban areas. They are governed by cooperative legislation but their banking functions are regulated by the Reserve Bank of India (RBI) under the applicable banking framework.
- The Banking Regulation (Amendment) Act, 2020 strengthened RBI's regulatory and supervisory powers over cooperative banks.

Related Institutions:

National Forensic Sciences University (NFSU):

- The NUCFDC–NFSU collaboration is particularly relevant to cybersecurity and technological capacity building in the banking sector. NFSU is a specialised institution focusing on forensic science, cybersecurity and related fields.

Deposit Insurance:

- Deposits in eligible cooperative banks are covered by the Deposit Insurance and Credit Guarantee Corporation (DICGC), with insurance cover of up to ₹5 lakh per depositor per bank, subject to the applicable rules.

Exam Focus Points:

• NUCFDC: Umbrella body for Urban Cooperative Banks (UCBs).
• Sahakar CBS: Shared Core Banking System for UCBs.
• SOC: Strengthens cybersecurity of UCBs.

- MoU: NUCFDC–NFSU for cybersecurity and technology.
- Regulator: RBI.
- Deposit Insurance: DICGC – ₹5 lakh per depositor per bank.
- Policy Link: Sahkar Se Samriddhi.

India Retains Global No. 1 Position in IPOs: SEBI Report

- India retained the top global position in terms of the number of Initial Public Offerings (IPOs) during FY 2025–26, while ranking third globally in funds raised, according to the SEBI Annual Report 2025–26. This reflects the resilience of India's capital markets despite global economic and geopolitical uncertainties.

Key Highlights:

- Global Rank in IPOs: 1st by number of issues.
- Global Rank in Funds Raised: 3rd.
- Primary Equity Market: Remained strong in FY 2025–26.
- Corporate Bond Mobilisation: Declined 8.4% to ₹9.1 lakh crore.
- Public Debt Issuances: Increased by nearly 39%.
- Municipal Bonds: ₹1,756 crore raised through 14 issues.
- DII Equity Holding: Reached a record 17% by March 2026.
- FPI Ownership: Fell to a 15-year low.

Important SEBI Initiatives:

SEBI has proposed/introduced measures including:

- Closing Auction Session (CAS) for better price discovery.
- Project Jagrook for investor awareness.
- SEBI Setu portal.
- Simplified nomination norms.
- Fast-track mechanism for Alternative Investment Funds (AIFs).
- Pilot project for tokenisation of corporate bonds using Distributed Ledger Technology (DLT).

SEBI:

- Established: 1988 as a non-statutory body.
- Statutory status: 1992 under the SEBI Act, 1992.
- Headquarters: Mumbai.
- Chairperson: Tuhin Kanta Pandey
- Role: Regulates India's securities market and protects investors.

IPO:

- An Initial Public Offering (IPO) is the first public sale of shares of a privately held company, allowing it to raise capital from public investors.

Primary vs Secondary Market:

- Primary Market: New securities are issued to raise fresh capital.
- Secondary Market: Existing securities are traded among investors.

Exam Focus Points:

- Report: SEBI Annual Report 2025–26.
- Current Rank: India — No. 1 globally in number of IPOs.

- Funds Raised: 3rd globally.
- SEBI Act: 1992.
- New Market Mechanism: Closing Auction Session.
- Municipal Bonds: ₹1,756 crore through 14 issues.
- DII Holding: Record 17% in March 2026.
- Key Theme: Capital markets + IPOs + investor protection + financial inclusion.

Titli Maji Wins Silver in Women’s 45 kg Weightlifting

- Indian weightlifter Titli Maji won the silver medal in the women’s 45 kg category at the Asian Youth & Junior Weightlifting Championships 2026 in Tashkent, Uzbekistan.
- She recorded a total lift of 145 kg, comprising 65 kg in the snatch and 80 kg in the clean and jerk.
- Indian lifter Parishmita Gogoi finished fourth in the same category.

About Weightlifting:

Weightlifting consists of two competitive lifts:

- Snatch: The barbell is lifted from the ground to overhead in one continuous movement.
- Clean & Jerk: The barbell is first brought to the shoulders (clean) and then lifted overhead (jerk).
- The athlete's total is the combined weight of the best successful snatch and clean & jerk.

Weightlifting in India:

- Karnam Malleswari became the first Indian woman to win an Olympic medal, securing bronze in weightlifting at the 2000 Sydney Olympics.
- Mirabai Chanu won silver at the Tokyo 2020 Olympics in the women's 49 kg category.
- India has a strong presence in Commonwealth and Asian weightlifting competitions.

International Governing Body:

- International Weightlifting Federation (IWF) is the global governing body for weightlifting.
- Weightlifting is an Olympic sport.
- Formation: 10 June 1905
- Founded at: Duisburg, Germany
- Headquarters: Lausanne, Switzerland
- President: Mohamed Hassan Jaloud (Iraq)

Exam Focus Points:

- Current Achievement: Titli Maji – Silver, Women’s 45 kg.
- Event: Asian Youth & Junior Weightlifting Championships 2026.
- Host City: Tashkent, Uzbekistan.
- Total Lift: 145 kg.
- Two Lifts: Snatch + Clean & Jerk.
- First Indian woman Olympic medallist: Karnam Malleswari.
- Tokyo 2020 Weightlifting Silver: Mirabai Chanu.
- International Body: IWF.

MSME Development (Amendment) Bill, 2026: Tackling Delayed Payments to MSMEs

- The Lok Sabha passed the Micro, Small and Medium Enterprises Development (Amendment) Bill, 2026 to address the persistent problem of delayed payments to MSMEs and make dispute resolution faster. The Bill had earlier been cleared by the Rajya Sabha.
- A major provision makes it mandatory for Central Public Sector Enterprises (CPSEs) to settle procurement invoices through the Trade Receivables Discounting System (TReDS), thereby improving liquidity for MSMEs.

Key Provisions:

- TReDS: Mandatory use by CPSEs for settling eligible MSME procurement invoices.
- Dispute Resolution: Mediation to be completed within 90 days.
- Delayed Appeals: If an appeal remains pending beyond six months, courts may require release of at least 50% of the awarded amount to the MSME.
- Decriminalisation: Minor registration/reporting defaults shifted from criminal liability to graded administrative warnings and monetary penalties.
- Penalty Range: ₹1,000 to ₹1 lakh for specified minor defaults.

Why is it Important?

- Delayed payments create serious working-capital and liquidity problems for MSMEs, particularly because smaller enterprises have limited access to affordable finance. The Bill seeks to improve cash flows, ease of doing business, formalise receivables financing and strengthen the financial sustainability of MSMEs.

What is TReDS?

- Trade Receivables Discounting System (TReDS) is an electronic platform that enables MSMEs to convert their trade receivables into immediate funds by facilitating financing by banks and other permitted financiers.
- Significance: It reduces the waiting period for payments and provides working capital without relying entirely on conventional loans.

MSMEs in India:

- The MSME sector is important for employment generation, exports, manufacturing and inclusive industrialisation. Government data highlights that MSMEs contribute over 31% of GDP and around 48.58% of exports, while providing livelihoods to about 328 million people.

Current MSME Classification

Category	Investment	Annual Turnover
Micro	Up to ₹2.5 crore	Up to ₹10 crore
Small	Up to ₹25 crore	Up to ₹100 crore
Medium	Up to ₹125 crore	Up to ₹500 crore

Related Government Initiatives:

- MSME Samadhaan: An online platform enabling MSMEs to file applications regarding delayed payments against buyers.
- GeM: Government e-Marketplace facilitates transparent online procurement by government

departments and organisations from businesses, including MSMEs.

- RAMP: Raising and Accelerating MSME Performance (RAMP) supports improved access to markets, finance, technology and institutional capacity.

Additional Facts:

• MSME Development Act: 2006.
• Nodal Ministry: Ministry of Micro, Small and Medium Enterprises.
• International MSME Day: 27 June.
• TReDS Regulator: Reserve Bank of India (RBI).
• TReDS Objective: Financing/discounting of MSME trade receivables.
• MSME Samadhaan: Focuses specifically on delayed-payment complaints.

Exam Focus Points –

• Current Issue: MSME Development (Amendment) Bill, 2026.
• Main Concern: Delayed payments and liquidity constraints.
• Key Platform: TReDS.
• Dispute Timeline: Mediation within 90 days.
• Appeal Provision: 50% of awarded amount after six months, subject to the Bill's provisions.
• Reform Theme: Ease of Doing Business + Decriminalisation + MSME liquidity.

Assam Launches Nijut Moina and Nijut Babu Schemes

- The Assam Government has launched the application process for the Mukhya Mantrir Nijut Moina Aasoni and Mukhya Mantrir Nijut Babu Aasoni, aimed at providing financial assistance to students and promoting continued education.
- The schemes were launched by Chief Minister Himanta Biswa Sarma in Guwahati.

Nijut Moina Scheme:

- Nijut Moina Aasoni provides financial assistance as an incentive to girl students pursuing higher education. It aims to encourage girls to continue their studies, improve female enrolment in higher education and reduce dropout rates. The Assam Directorate of Higher Education has issued the 2026 guidelines for the scheme.

Nijut Babu Scheme:

- Nijut Babu Aasoni provides financial assistance to male students from economically weaker families. It seeks to support deserving students in continuing higher education and promote academic commitment. The 2026 guidelines have been issued by Assam's Directorate of Higher Education.

Assam:

• Capital: Dispur
• Major River: Brahmaputra
• Statehood: 26 January 1950
• Important National Park: Kaziranga National Park
• Chief Minister: Himanta Biswa Sarma.
• Governor: Lakshman Prasad Acharya
• UNESCO World Heritage Sites: Kaziranga National Park and Manas Wildlife Sanctuary.

Related Constitutional Provisions:

• Article 21A: Right to free and compulsory education for children aged 6–14 years.	• Nijut Moina: Financial assistance for girl students.
• Article 45: Early childhood care and education.	• Nijut Babu: Financial assistance for male students from economically weaker families.
• Article 46: Promotion of educational and economic interests of weaker sections.	• State: Assam.
	• Implementing Department: Directorate of Higher Education, Assam.
	• Main Objective: Higher-education access, financial support and reduction of dropout.

Exam Focus Points:

• Current Issue: Assam launches applications for Nijut Moina and Nijut Babu.

Travis Head Wins Second Consecutive Allan Border Medal

Why is it in News?

- Australian cricketer Travis Head has won the Allan Border Medal for the second consecutive year. He narrowly defeated teammate Alex Carey by one vote and became only the fifth Australian cricketer to win the prestigious award in consecutive years.

Key Highlights

• Winner: Travis Head
• Award: Allan Border Medal 2026
• Achievement: Won the award for the second consecutive year.
• Close Competition: Head defeated Alex Carey by just one vote.
• Historic Feat: Became the fifth Australian cricketer to win the medal in consecutive years.

About the Allan Border Medal

- The Allan Border Medal is Australia's highest individual men's cricket award. It is presented annually to the Australian men's cricketer judged to have performed best across international formats during the voting period.

Key Facts

• Named After: Allan Border, former Australian captain and one of Australia's greatest cricketers.
• Awarded By: Cricket Australia, as part of the Australian Cricket Awards.
• First Awarded: 2000.
• Category: Best Australian men's international cricketer.
• Formats Considered: Test, ODI and T20I cricket.
• Voting: Votes are given by players, umpires and media representatives.
• Weightage: Test votes carry 2× weight, ODI votes 1×, and T20I votes 3× under the current system.
• Women's Equivalent: Belinda Clark Award.
• Recent Winners: Travis Head (2025), Mitch Marsh (2024), Steve Smith (2023), Mitchell Starc (2022).

Significance

- Head's back-to-back victories place him among an elite group of Australian cricketers. The award recognises his consistent performances across international cricket and further establishes him as one of Australia's leading players.

US Senate Clears Russia Sanctions Bill, Allowing 100% Tariffs on India and China

Why is it in News?

- The US Senate has approved a new bill targeting Russia and countries that continue to buy Russian oil and gas. The bill allows US President Donald Trump to impose 100% tariffs on goods from countries that are among the top five buyers of Russian oil and gas, including India and China.

Key Highlights

- The bill was approved by the US Senate with an 86–11 vote.
- It is called the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026.
- It gives the US President the power to impose 100% tariffs on goods from major buyers of Russian oil and gas.
- The current top five buyers listed are China, India, Azerbaijan, Hungary and Slovakia.
- The bill also proposes sanctions against Russian leaders, officials, oligarchs and financial institutions.
- It extends the Iran Sanctions Act of 1996 until 2031.

Background

- The US is seeking to put greater economic pressure on Russia over the Ukraine conflict. Washington argues that countries purchasing Russian energy indirectly support Russia's economy and its war effort. India, however, has continued buying Russian crude mainly because of energy security and favourable prices.

Impact on India

- If the proposed tariff powers are used against India, Indian exports to the US could become significantly more expensive. This could affect sectors such as textiles, pharmaceuticals, engineering goods and other export-oriented industries. It could also put additional pressure on India-US trade relations.

Significance

- The bill could increase economic and diplomatic pressure on India to reconsider its Russian energy purchases. At the same time, India will have to balance its energy-security requirements, strategic partnership with Russia, and trade relationship with the US.

Exam Focus Points

• Bill: Lindsey O. Graham Sanctioning Russia and Iran Act, 2026.
• Approved By: US Senate.
• Maximum Proposed Tariff: 100%.
• Countries Potentially Affected: India, China, Azerbaijan, Hungary and Slovakia.
• Main Target: Russia and major buyers of Russian oil and gas.
• Next Stage: US House of Representatives.
• Key Issue for India: Impact on exports and Russian oil imports.
• Iran Sanctions Act: Extended up to 2031.

Way Forward

- India will need to pursue diplomatic engagement with the US, diversify energy sources, protect its export interests, and maintain its strategic autonomy while ensuring affordable and reliable energy supplies.

Türkiye, Saudi Arabia and Pakistan Plan Joint Defence Pact Amid Rising West Asia Tensions

Why is it in News?

- Türkiye, Saudi Arabia and Pakistan are set to sign a trilateral defence agreement to strengthen military cooperation amid the ongoing US-Iran conflict and rising tensions in the Gulf region.

Key Highlights

- The agreement involves Türkiye, Saudi Arabia and Pakistan.
- It follows nearly one year of negotiations.
- The pact aims to strengthen defence and military cooperation among the three countries.
- The exact commitments under the agreement were initially not disclosed.
- Türkiye is a member of NATO.
- Saudi Arabia is a key US ally and major oil exporter.
- Pakistan is the only nuclear-armed country among the three.

Background:

- Saudi–Pakistan Defence Pact
- Saudi Arabia and Pakistan had already signed a Strategic Mutual Defence Agreement in September 2025. Under that agreement, an attack on one country is treated as an attack on both.

Why is it Important?

The new trilateral arrangement could:

• Strengthen regional defence cooperation.
• Improve coordination among the three countries.
• Increase their collective deterrence amid instability in West Asia.
• Potentially influence the strategic balance in the Gulf and wider West Asia.

Exam Focus Points

Point	Details
Countries	Türkiye, Saudi Arabia, Pakistan
Type	Trilateral Defence Agreement
Region	West Asia/Gulf
Main Aim	Strengthen defence cooperation
Saudi–Pakistan Pact	Signed in September 2025
Türkiye	NATO member
Pakistan	Nuclear-armed state
Saudi Arabia	Major oil exporter

- Note: The initial report described the pact as set to be signed; subsequent reporting confirms that the Mecca Joint Defence Agreement was signed on 7 August 2026, with a mutual-defence commitment that an armed attack on one is considered an attack on all three.

Abelardo de la Espriella Becomes Colombia's President

Why is it in News?

- Abelardo de la Espriella, a right-wing lawyer and political newcomer, has been sworn in as the President of Colombia. He has promised a strict crackdown on drug trafficking and armed groups.

Key Highlights

• New President: Abelardo de la Espriella.
• Country: Colombia.
• Sworn in: 7 August 2026.
• He replaces left-wing President Gustavo Petro.
• De la Espriella has promised a hardline approach against armed groups and drug trafficking.
• He has rejected the previous government's dialogue-based approach with armed groups, saying negotiations have been exhausted.
• He also plans to reduce government spending, revive the oil and gas sector, and support investment.
• The US has announced plans for $1 billion in security assistance, subject to approval by the US Congress.

Major Armed Groups in Colombia

Colombia continues to face violence from several armed and criminal groups, including:

- ELN (National Liberation Army)
- FARC dissident groups
- Clan del Golfo, a major drug-trafficking organisation.

Significance

- De la Espriella's victory represents a shift from Colombia's recent left-wing government toward a right-wing political approach. His government is expected to focus strongly on national security, combating drug trafficking, economic reforms and closer relations with the United States.

Exam Focus Points

Point	Details
New President	Abelardo de la Espriella
Country	Colombia
Sworn In	7 August 2026
Previous President	Gustavo Petro
Main Focus	Security & crackdown on armed groups
Major Armed Groups	ELN, FARC dissidents, Clan del Golfo
US Security Assistance	$1 billion proposed
Key Economic Focus	Oil, gas, investment and spending cuts

DigiLocker Launches 'AAERI Verify' to Simplify Australian University Applications for Indian Students

Why is it in News?

- The National e-Governance Division (NeGD) under the Ministry of Electronics and IT (MeitY) has partnered with the Association of Australian Education Representatives in India (AAERI) to launch 'AAERI Verify'. It will help Indian students digitally verify their documents while applying to Australian universities.

Key Highlights

•	Platform: AAERI Verify
•	Partners: NeGD and AAERI
•	Integrated With: DigiLocker
•	Target Group: Indian students applying to Australian universities
•	Launch: 7 August 2026, New Delhi
•	Main Purpose: Fast and secure verification of student documents.

How will AAERI Verify work?

- The system will allow students to share authentic, digitally signed documents directly from their original issuing authorities through DigiLocker.

It will have two stages:

•	Student Check: Documents are verified before the university application process begins.
•	Sponsor Check: After admission is offered, the student's financial documents are verified.

- Students must give their consent before their documents are shared with Australian universities.

What documents can be verified?

The platform will help verify:

•	Academic records
•	Identity documents
•	Financial/sponsorship records

Benefits

- Reduces paperwork and manual verification.
- Makes document verification faster and more secure.
- Helps reduce the risk of fake or fraudulent documents.
- Protects student data privacy through consent-based sharing.
- Makes the international university admission process easier for Indian students.

About DigiLocker

- DigiLocker is a government digital platform under MeitY's National e-Governance Division that allows citizens to securely store, access, share and verify digital documents issued by authorised institutions. It was developed under the Digital India programme and currently has over 72 crore registered users.

Exam Focus Points

	Point	Details
•	New Platform	AAERI Verify
•	Indian Partner	National e-Governance Division (NeGD)
•	Australian Education Partner	AAERI
•	Technology Partner	DigiLocker
•	Ministry	MeitY
•	Target	Indian students going to Australia
•	Launch	7 August 2026
•	Location	New Delhi
•	Main Purpose	Digital document verification
•	Verification	Academic, identity & financial records
•	Key Feature	Consent-based verification

16th Finance Commission: Strengthening Fiscal Federalism in India

Why is it in News?

- The 16th Finance Commission has recommended how financial resources should be shared between the Central Government and State Governments for the five-year period 2026–27 to 2030–31. Its recommendations are important for strengthening fiscal federalism and maintaining a balance between the financial needs of the Centre, States and local governments.

What is the Finance Commission?

- The Finance Commission is a constitutional body established under Article 280 of the Indian Constitution.
- It is generally constituted by the President of India every five years or earlier if required.

Main Functions

The Finance Commission recommends:

- Tax Devolution – How the Centre's tax revenue should be divided between the Centre and States.
- Distribution Among States – How the States' share should be divided among individual States.
- Grants-in-Aid – Principles for giving financial grants to States.
- Local Bodies – Measures to increase the resources of Panchayats and Municipalities.
- Fiscal Discipline – Measures to improve financial stability and responsible government spending.

About the 16th Finance Commission

Particular	Details
Constitutional Basis	Article 280
Constituted	2023
Chairman	Arvind Panagariya
Award Period	2026–27 to 2030–31
Main Function	Centre-State financial distribution
Previous Commission	15th Finance Commission

Key Issue Fiscal Federalism

What is Fiscal Federalism?

- Fiscal federalism refers to the division of financial powers, responsibilities and resources between different levels of government.
- In India, there are three major levels:
- Central Government → State Governments → Local Governments

For example:

- The Centre collects major taxes such as income tax and corporation tax.
- A portion of these taxes is transferred to the States.
- States also provide funds to Panchayats and Municipalities.
- Thus, fiscal federalism ensures that different levels of government have adequate financial resources to perform their responsibilities.

Major Recommendations of the 16th Finance Commission

- States' Tax Share – 41%
- The Commission has retained the States' share at 41% of the divisible pool of Central taxes.
- This means States will continue to receive 41% of the shareable central tax pool.
- Important: This does not mean States receive 41% of every rupee collected by the Centre. Cesses and surcharges are generally outside the divisible pool.

Distribution Among States

- The States' share is further divided among individual States using various criteria.

These include factors such as:

• Population
• Area
• Forest cover
• Demographic performance
• Income-related indicators
• Contribution to economic growth
• The objective is to balance equity with performance.

Focus on Fiscal Discipline

The Commission has placed greater emphasis on:

• Controlling excessive borrowing
• Managing public debt
• Improving revenue collection
• Maintaining fiscal sustainability
• Responsible government expenditure
• The idea is to encourage States to become financially stronger and more self-reliant.

Revenue-Deficit Grants

- The Commission has recommended no revenue-deficit grants for the award period.
- A revenue-deficit grant is financial assistance given to States whose revenue receipts are insufficient to meet their revenue expenditure.
- The move is aimed at encouraging States to improve their own revenue generation and expenditure management.

Greater Support for Local Governments

The Finance Commission also plays an important role in strengthening:

• Panchayati Raj Institutions
• Municipalities
• Rural local bodies
• Urban local bodies

- Adequate funding to local governments is important because they are responsible for services such as sanitation, local roads, water supply and basic infrastructure.

Why is the 16th Finance Commission Important?

- The Commission has to maintain a balance between two important objectives:
- Equity: Less-developed States need greater financial support to provide public services and reduce regional inequalities.
- Efficiency: States should also be encouraged to improve their economic performance, revenue generation and fiscal management. Therefore, the Finance Commission is not simply about distributing money. It is also about creating a fair and sustainable financial relationship between the Centre and States.

Centre vs State: Understanding Tax Devolution

- Central Government collects taxes
- ↓
- Divisible Pool of Central Taxes
- ↓
- 41% transferred to States
- ↓
- States' share distributed among individual States
- This system is an important part of India's cooperative federalism.

Key Concern

- One major issue in Centre-State fiscal relations is the growing importance of cesses and surcharges.
- Since these are generally not part of the divisible pool, States argue that their effective share in total central tax collections can be lower than the headline 41% devolution figure.

- This makes tax devolution, fiscal autonomy and Centre-State financial relations important areas of debate.

Exam Focus Points

Question Area	Answer
Constitutional basis of Finance Commission	Article 280
Chairman of 16th Finance Commission	Arvind Panagariya
Commission constituted	2023
Award period	2026–27 to 2030–31
States' share in divisible tax pool	41%
Main concept	Fiscal Federalism
Previous Commission	15th Finance Commission
Appointed by	President of India
Frequency	Generally every 5 years
Local bodies covered	Panchayats and Municipalities

Lets Revise

- Recenlty, NUCFDC signed an MoU with which institution for cybersecurity and technological capacity building? National Forensic Sciences University (NFSU).
- Which country retained the world's top position in the number of IPOs during FY 2025–26? India.
- Who won silver in the women's 45 kg category at the 2026 Asian Youth & Junior Weightlifting Championships? Titli Maji.
- Which platform has been made central to the new mechanism for settling MSME procurement invoices? Trade Receivables Discounting System (TReDS).
- Which state government launched the Nijut Moina and Nijut Babu schemes? Assam Government.
- Who won the Allan Border Medal 2026? Travis Head.
- What is the Allan Border Medal? It is Australia's highest individual men's cricket award.
- When was the Allan Border Medal first awarded? 2000.

- What is the name of the bill approved by the US Senate against Russia and its major trading partners? Lindsey O. Graham Sanctioning Russia and Iran Act, 2026.
- Which three countries signed the trilateral defence agreement in 2026? Türkiye, Saudi Arabia and Pakistan
- In the Türkiye-Saudi Arabia-Pakistan defence pact, Which country among the three is a NATO member? Türkiye
- Who has been sworn in as the new President of Colombia? Abelardo de la Espriella.
- Name three major armed or criminal groups active in Colombia; ELN, FARC dissident groups and Clan del Golfo.
- What is 'AAERI Verify'? It is a digital document verification platform for Indian students applying to Australian universities.
- Who launched 'AAERI Verify'? The National e-Governance Division (NeGD) and the Association of Australian Education Representatives in India (AAERI).
- With which platform is AAERI Verify integrated? DigiLocker.
- Under which Article of the Constitution is the Finance Commission constituted? Article 280.
- Who constitutes the Finance Commission? The President of India.
- How frequently is the Finance Commission generally constituted? Every five years or earlier, if necessary.
- Who is the Chairman of the 16th Finance Commission? Arvind Panagariya.
- When was the 16th Finance Commission constituted? 2023.

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IMPORTANCE OF CURRENT AFFAIRS IN UPSC EXAMINATIONS

Current Affairs hold a crucial place in the preparation for the UPSC Civil Services Examination. A comprehensive understanding of recent national and international developments helps aspirants strengthen their General Studies foundation and develop a well-rounded perspective on important issues. Topics such as government policies, schemes, economy, international relations, science and technology, environment, defence, social justice, governance, reports, indices, appointments, awards, and major global events are highly relevant for both the Prelims and Mains examinations. Regular study of current affairs not only enhances factual knowledge but also improves analytical ability, critical thinking, answer-writing skills, and decision-making aptitude. Since UPSC questions often connect contemporary developments with static subjects, consistent preparation of current affairs enables aspirants to understand issues in depth and present balanced, informed, and relevant answers. It also plays an important role in Essay writing, Ethics, and the Personality Test, giving candidates a strong edge throughout the examination process.

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