DIA, DEOGHAR IAS ACADEMY

Daily News Feed

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The world's oldest known seabird tending to an egg she laid about 1,200 miles northwest of Honolulu. AP

Oldest-known wild bird, aged 74, lays 60th egg in Hawaii

Associated Press
HONOLULU

The oldest known wild bird in the world has laid an egg at the ripe age of about 74, her first in four years, U.S. wildlife officials said.

The long-winged seabird named Wisdom, a Laysan albatross, returned to Midway Atoll National Wildlife Refuge at the northwestern edge of the Hawaiian Archipelago and laid what experts estimate may be her 60th egg, the Pacific Region of the U.S. Fish & Wildlife Service said in a Facebook post this week.

Wisdom and her mate, Akeakamai, returned to the atoll in the Pacific Ocean to lay and hatch eggs since 2006. Laysan albatrosses mate for life and lay one egg per year. But Akeakamai has not been seen for several years and Wisdom began interacting with another male when she returned last week, officials said.

'Optimistic egg will hatch'

"We are optimistic that the egg will hatch," Jonathan Plissner, supervisory wildlife biologist at Midway Atoll National Wildlife Refuge said in a statement. Every year, millions of seabirds return to the refuge to nest and raise their young.

Albatross parents take turns incubating an egg for about seven months. Chicks fly out to sea about five to six months after hatching. They spend most of their lives flying over the ocean and feeding on squid and fish eggs.

Wisdom was first banded as an adult in 1956 and has raised as many as 30 chicks, Plissner said.

The typical lifespan of a Laysan albatross is 68 years, according to the National Oceanic and Atmospheric Administration.

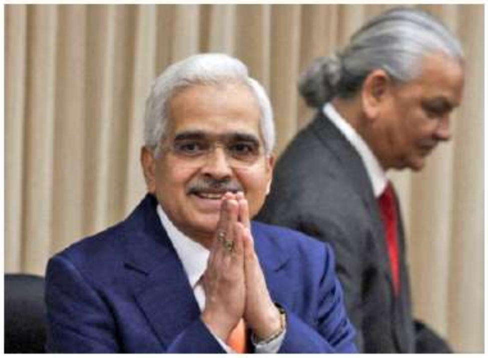
Balance between growth and inflation is unsettled, says RBI Governor Das

'The RBI will use its various policy instruments to create the conditions for restoring the inflation-growth balance; the flexible inflation targeting framework's credibility needs to be preserved.' Edited excerpts from the Governor's press meet

ECONOMY IN FOCUS

Shaktikanta Das and Michael Patra

Lalatendu Mishra



Focus on rates: RBI Govenor Shaktikanta Das and Deputy Governor Michael Patra after the MPC meeting in Mumbai. REUTERS

The five observations

The MPC (Monetary Policy Committee) is committed to restoring balance between inflation and growth, which has got unsettled over the past few months.

The RBI will use its various policy instruments to create the conditions for restoring the inflation growth balance. The credibility of the flexible inflation targeting framework needs to be reserved.

Inflation has to be brought down in the interest of sustainable growth.

Prudence, practicality and timing, will continue to be the guiding principles for the Reserve Bank's future actions. Timing of actions is the key.

On FY25 growth projections being pared to 6.6%from 7.2%

There is a slowdown in GDP growth in the second quarter due to a special set of factors. Now, it's not appropriate to make a judgment on the trend rate on one data point. So, what was expressed as 8% was not a trend. It was just the average from 2021-22 to 2023-2024. And all over the world, for every country, the projections that are being made for 2024-25 and 2025-26 are implicitly correcting cyclically for the rebound from the pandemic, for all countries in the world. So, even when we made our initial projections, they were not at 8%, they were 7.2%. And also, in the monetary policy report, we gave a projection for 2019-20, which was the same cyclical correction, after which, after this correction is over, it will revert back to a trend, and we are yet to see the data points of that trend. Now, if you see the second half of the year's projections, there is a reversion back towards an upper rate of growth, 6.9%, 7.3%, and that continues into 2025-26. So, we are hopeful that we will reach that level again.

Liquidity Concerns

In the next few months, we expect tight liquidity. We expect the tax-related outflows from the system, both direct tax in the middle of December and thereafter the GST. Together with that, there is a possibility of likelihood of increase in currency in circulation because the busy credit season, agricultural activity has now picked up and that requires cash. That will overlap into the harvest season also, which requires cash. So, the currency in circulation is also likely to go up. And then, there have been significant amount of capital outflows in the months of October and November. Outflow forex has happened because of FPIs exiting. Our assessment is that liquidity conditions will remain tight.

And let us also bear in mind the fact that the cash reserve ration increase was done sometime back. It was a temporary measure. It has served its purpose. It was time to normalise it.

On the growth and inflation dynamic

Now, the balance is unsettled. Last time we had said that growth-inflation balance was well-poised, which means the growth looked good for that quarter as well as for the whole year. Inflation outlook also, we were aware that September and October inflation prints will be higher.

But as you know, September and October, because of weather factor and other factors, food inflation went up very steeply. September numbers were broadly a little higher than estimated. In October also, we had expected it to be high, but the actual number came little higher than what we had estimated. So therefore, inflation was more than what we had expected, little more. And growth also has moderated the numbers.

We have given the numbers. So, the well-poised character of the dynamics between growth and inflation, that has got somewhat unsettled. Our effort is now to restore that balance, which basically means that we want inflation to be brought down closer to the target.

On discussions with the Government to delink food inflation from inflation goals

I cannot share what discussions happen with the government. We are in regular internal discussions with the government regarding inflation.

On the difference in RBI's GDP growth estimate and Q2 data

Michael Patra: There is a lot of commentary on that already in the press. If you look at the demand side, the main problem is investment. On the supply side, the main problem is manufacturing and the two worlds intertwined. In manufacturing, the biggest issue is the slump in the sales growth and that is reflecting inflation hitting the urban consumer.

So, when sales growth is down, companies do not want to invest in new assets because they see demand as moderate and it can be met from existing capacity. Integration investment is down, so the underlying slowdown in growth is due to inflation.

Secured Overnight Rupee Rate

So as of now, we have two benchmarks set out by the Financial Benchmarks India Ltd. One is the MIBOR which concerns uncollateralised transactions and MROR (Market Repo Overnight Rate) based on market repo. But the TREPS (treasury bill repurchase), which is 60% of the market, is not in that index. So, this index we have now will capture all secure transactions. That's the limit.

Tariff war

Hypothetically, if it happens, it will not be an isolated event. There will be other events around it like for instance, they say, that perhaps, China may react by devaluing the currency or they might bring retaliatory tariffs.

So, at this point, it is very difficult to say what will be an unilateral move and unilateral effect.

Public health — insights from the 1896 Bombay Plague

Understanding how public health crises intersect with surveillance, control, and governance is crucial for addressing modern challenges. Historical epidemics, such as the 1896 Bombay Plague, reveal how authorities have navigated these issues. In colonial India, mapping and policing were not just disease management tools; they served as instruments of surveillance and control. Examining these strategies offers insights relevant to contemporary public health policy and practice.

The colonial state's response

The Bombay Plague of 1896-97 devastated colonial India. Introduced into Bombay through Far Eastern trade networks, it quickly spread throughout the subcontinent, causing hundreds of thousands of deaths by 1899. It exposed the inadequacies of the existing public health infrastructure. In response, the colonial administration created the Indian Plague Commission in 1898, led by T.R. Fraser of the University of Edinburgh, to investigate the outbreak. The Commission conducted extensive inquiries, recording testimonies and producing voluminous documentation. Yet, it struggled to identify the plague's precise origin or the nature of its transmission. This difficulty emerged partly because the colonial authorities saw the plague less as a communal health issue and more as a problem of maintaining order through surveillance and control.

Unlike John Snow's 1854 cholera map in London that pinpointed affected individuals and led to epidemiological breakthroughs, the Indian Plague Commission's maps focused on railways, inspection points, camps, and police cordons rather than the homes of plague victims. These maps highlighted where people could be stopped, inspected, or confined. They used unusual colour and detail, suggesting a desire to project efficiency and obscure the epidemic's severity. By emphasising where the disease could infiltrate rather than who was affected, these maps reframed the epidemic. Instead of illuminating the distribution of cases, they underscored the colonial state's need to monitor and restrict movement, reflecting the belief that control of mobility equalled control of the disease.

Policing lay at the heart of plague management. Quarantine measures, inspections, and confinements relied on police enforcement rather than on community trust or public health education. Observation camps near railway stations became key sites where populations were scrutinised. Military ward orderlies were introduced into hospitals and municipalities, legitimising the idea that force would curb disease.

Police stations, not just medical establishments, were primary data nodes, with local watchmen reporting deaths to the police, who then relayed them to higher authorities. This integration of policing into the health apparatus solidified the notion that health crises demanded a top-down, coercive response. Over time, professionalisation gradually shifted such duties toward medical professionals, but the historical precedent reminds us how policing once defined the architecture of disease surveillance.

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This historical episode offers insights for the present as contemporary public health strategies should be rooted in empathy, equity, and evidence

Plague maps and power dynamics

The design of the plague maps and their emphasis on railway lines, inspection stations, and cordons influenced both perception and action. Vibrant colours and meticulous detail conveyed a sense of order and efficacy, directing attention to the state's interventions rather than the epidemic's victims. The maps downplayed the suffering of communities and masked the real scale of the crisis by focusing on surveillance infrastructure. They thus reinforced power dynamics, showing how data and its representation can serve dominant interests. Instead of illustrating the human toll, the maps suggested that proper control would triumph over chaos, reinforcing the colonial narrative that disease was best managed through discipline rather than empathy.

This historical episode offers insights for the present. The legacy of integrating policing and surveillance into public health efforts persists, though it now takes different forms. Modern systems often rely on medical professionals for data collection and patient tracking, reflecting shifting ethical standards and professional practices.

Yet, the question remains of how public health measures are framed. The 1896 plague response shows that framing can reshape policy, determining whether the emphasis lies on caring for individuals or exercising authority over them. Recognising this dynamic helps ensure that today's health policies do not uncritically reproduce the inequities or heavy-handed tactics of the past.

The issue of oversight and ethics

Ethical considerations arise when public health responses privilege control over community well-being. The history of the Bombay Plague exemplifies how data collection and mapping techniques, if guided by oppressive frameworks, can become tools for enforcing power rather than improving health. The past invites us to consider more humane and participatory approaches, ensuring transparency and respect for individual rights. Authorities must resist the temptation to treat populations as objects of surveillance rather than partners in safeguarding public health. Balancing effective oversight with ethical obligations remains a core challenge, as does acknowledging that representation – be it in maps or databases – shapes how problems are understood and addressed.

This episode also signals that while surveillance mechanisms have evolved, their underlying logic may still influence decision-making. Today, advanced data collection methods can render entire populations visible to the state, raising critical questions about privacy, trust, and the fair distribution of resources. Reflecting on the colonial response to the plague helps us understand that data should be a means to enhance health and safety rather than to reinforce existing hierarchies or curtail freedoms. We must remain vigilant that new technologies and methodologies serve the collective good.

In learning from the Bombay Plague's history, we see that health crises often lay bare existing power structures. The authorities in the late 19th century chose to rely on policing and surveillance, shaping the way the epidemic was understood and managed. By studying these choices, we can recognise the importance of framing health challenges in ways that affirm human dignity. We can strive to ensure that contemporary public health strategies, while leveraging sophisticated tools, remain rooted in empathy, equity, and evidence. Awareness of past missteps can guide future governance, inspiring policies that foster cooperation rather than fear, and that earn the trust and collaboration of the communities they are meant to protect.

No plans for de-dollarisation: Das

RBI Governor says the BRICS currency is just an idea floated by one member of the bloc, and no decision has been taken on it; his remarks assume significance in the context of Donald Trump's threat to slap 100% tariffs for pursuing such plans

Lalatendu Mishra
MUMBAI

India has no plans for de-dollarisation, RBI Governor Shaktikanta Das said in response to a question on U.S. President-elect Donald Trump's threat to slap 100% tariffs on BRICS nations planning a common currency to challenge the hegemony of U.S. dollar in global trade.

"The BRICS currency was an idea raised by one of the members of the BRICS countries and it was discussed," Mr. Das said. "No decision has been taken in the matter. The geographical spread of the countries is a factor which has to be kept in mind unlike the Eurozone which has a single currency and geographical continuity. BRICS countries are spread all over," he added.

Not on the table: De-dollarisation is certainly not our objective. It is not on the table at all, says Das.PTI

"So far as India is concerned, there is no step which we have taken to dedollarise. Allwe have done is we have entered into agreements with a couple of countries to do local currency-denominated trade to de-risk India trade."

"Dependence on one currency can be problematic at times because of appreciation or depreciation. So, as part of de-risking our trade, that is a step which has been taken. Dedollarisation is certainly not our objective. It is not on the table at all. Our effort is basically to de-risk our trade. Nobody is talking or thinking about dedollarisation," he added.

To a question if the rupee could come under pressure due to possible tariff wars hurting exports, the Governor said, "If the tariff war happens... hypothetically, if it happens, it will not be an isolated event. There will be other events around it, like, for instance, perhaps, China may react by devaluing the currency or there might be retaliatory tariffs."

"So, at this point, it is very difficult to say what will be our unilateral move, and will it affect. Let us wait for the general equilibrium," he added.

He said India's forex reserves were quite robust now and quite adequate.

"We are confident of dealing with any spillovers. As per requirement, we will take action. At the moment we have no concern at all," he said answering to a query on whether the interest rate ceiling on FCNR (B) deposits has been increased to build a buffer.

Staying the course

The RBI has done well to stay focused on inflation amid rate cut clamour

The Reserve Bank of India's Monetary Policy Committee (MPC), in its latest bi-monthly review, has decided to maintain status quo on the benchmark interest rate of 6.50% for the eleventh consecutive time. As the panel's chairman RBI Governor Shaktikanta Das emphasised, the last mile of disinflation is turning out to be prolonged and arduous for emerging and developed economies. India's retail inflation, after trending below the median 4% target, for the first time in five years, for two months, spiked over September and October, with food prices leading the price pinch. At its October meet, the six-member MPC had voted 5:1 to hold interest rates, stating the inflation-growth balance was 'well-poised'. That poise has been shattered, with the economic ground shifting dramatically in the intervening period – while inflation has surged, the deleterious growth numbers for the second quarter have compounded the mix with GDP rising just 5.4% as opposed to the 7% estimated by the RBI. The government has sought to paint the growth blip as a transient occurrence rather than as a sign of an enduring slowdown, but Ministers had called for interest rate cuts from Mint Street even before the GDP print.

It is, perhaps, not a surprise then that the vote of the MPC, which includes three external members, on holding interest rates this time around, has changed to 4:2. Governor Das acknowledged that the near-term inflation and growth outcomes have turned somewhat adverse. He also effectively scotched the clamour for the MPC to look through food inflation, noting that the RBI is bound by the flexible inflation targeting framework laid down in the law that requires headline inflation to be addressed. The central bank's mandate is to maintain price stability while supporting growth but growth is also impacted by persistently high inflation that cramps households' spending power, as he pointed out, and this is already visible in urban spends. Both the trajectories warrant closer monitoring for now, and it is not as if a 0.25 percentage point rate cut would tangibly shift consumption or investment impulses in the short run. The RBI remains hopeful of GDP growth recovering and inflation cooling in the second half of the year, even as it revised its 2024-25 projections for the former to 6.6% from 7.2%, and for the latter to 4.8% from 4.5%. Some consider even these downgraded projections as optimistic, but if the Centre takes some fresh steps to cool prices, such as rolling back the import duty hike on edible oils, and spur consumption, it would be able to hasten the interest rate cuts it desires.

Centre to develop four new tourist destinations in J&K with help from World Bank

Sreeparna Chakrabarty
NEW DELHI

Hidden spots: A tourist taking a pony ride to reach Shaliganga river in Doodhpathri in Budgam district. SPECIAL ARRANGEMENT

Buoyed by the increase in tourist footfall in Jammu and Kashmir, the government is planning to develop four new destinations with financial and technical help from the World Bank. Kokernag in Anantnag district, Baradari in Reasi district, Bhadarwah in Doda, and Doodhpathri in Budgam are the four sites which have been chosen to be developed with world class tourist infrastructure.

"The projects are being developed as a joint venture between The World Bank, Jammu and Kashmir Government and the Centre," a senior official in the Union Tourism Ministry said. The destinations were finalised last month after a World Bank delegation visited the State.

Gulmarg, Pahalgam, and Katra Vaishno Devi and are some of the famous tourist destinations in Jammu and Kashmir at present. According to official estimates, Jammu and Kashmir recorded 1.2 million tourists arrivals in the first half of 2024.

For development of these four new tourist destinations, the World Bank would essentially serve as a primarily knowledge partner. It would also help in the promotion of the handicrafts industry. The World Bank team first visited Jammu and Kashmir in September.

Union Tourism Ministry officials said as far as Jammu and Kashmir is concerned, the focus would be on ecological sustainability.

Employees' Provident Fund Organisation wins global award

The Hindu Bureau
NEW DELHI

India has bagged the International Social Security Association's Good Practice Award for Asia and Pacific for this year for five services provided by the Employees' Provident Fund Organisation (EPFO).

ISSA president Mohammed Azman presented the award to the EPFO at the Regional Social Security Forum held in Riyadh, Saudi Arabia, earlier this week.

The EPFO received five Certificates of Merit for running "efficient" communication channels, conduct of e-proceedings, outreach programme *Nidhi Aapke Nikat*, running multilingual call centres, and the initiative *Prayaas* for pension order delivery.

The different communication channels in use to reach stakeholders received appreciation.

E-proceedings to determine dues from defaulting employers, have also been considered for the award

"Digital and non-digital communication strategy is being adopted for efficient and timely communication," the Union Labour Ministry said in a release on Thursday.

The EPFO uses webinars, short message service and e-mails, social media, information education communication videos and camps under *Nidhi Aapke Nikat* to educate and communicate with stakeholders.

E-proceedings, such as conducting judicial proceedings to determine dues from defaulting employers, have also been considered for the award, the Ministry said.

Indira Gandhi Peace Prize to be conferred on Michelle Bachelet

The Hindu Bureau
NEW DELHI


Michelle Bachelet

The Indira Gandhi Prize for Peace, Disarmament and Development for 2024 will be conferred on former Chilean President and prominent human rights voice Michelle Bachelet, a statement issued by the Indira Gandhi Memorial Trust said on Friday.

The international jury for the award was chaired by former National Security Adviser Shivshankar Menon.

"President Michelle Bachelet is one of the world's most prominent voices for human rights, peace, and equality. In her various roles as the founding director of UN Women, UN High Commissioner for Human Rights, and as President of Chile, she has spoken strongly for gender equality and the rights of the most vulnerable sections of the population at home and across the world," the statement read.

"Her personal courage and example in standing for peace and the rights of marginalised people continue to inspire men and women around the world," it added.

The prize honours her work to improve gender equality, human rights, democracy and development in difficult circumstances, the statement said, also noting her contributions towards fostering India's relations with Chile.

Misri set to land in Dhaka on Monday as tensions mount

Ties nosedive

India's relations with Bangladesh have been fraught with tensions since the fall of the Sheikh Hasina-led regime

Aug. 5: Hasina resigns as Prime Minister and flees Dhaka to take refuge in India

Aug. 8: An interim government under the leadership of Muhammad Yunus is sworn in

Nov. 25: Hindu leader Chinmoy Krishna Das is arrested, leading to protests in Dhaka and at Bangladesh missions in several Indian cities

Dec. 2: Protesters breach security at Bangladesh mission in Agartala, pull down flag; India calls it "regrettable"

Foreign Secretary Vikram Misri will visit Dhaka on December 9.

Kallol Bhattacherjee
NEW DELHI

In India's first high-level diplomatic outreach to Bangladesh since the fall of the Sheikh Hasina-led regime, Foreign Secretary Vikram Misri will visit Dhaka on December 9, the Ministry of External Affairs announced on Friday. His visit is part of "structured interactions" with Bangladesh, MEA spokesperson Randhir Jaiswal said.

Mr. Misri's day-long visit comes against the backdrop of a heated war of words between the two countries that has escalated in recent weeks, especially regarding attacks against the Hindu minority in Bangladesh.

On Friday, Bangladesh called back its Acting Deputy High Commissioner Shikdar Mohammad Ashrafur Rahman in Kolkata, and Arif Mohammad, Assistant High Commissioner in its Agartala mission, for "urgent consultation", after a Hindu group committed an act of vandalism at the Assistant High Commission of Bangladesh in Tripura's capital Agartala.

Bangladesh strongly condemned the incident and India expressed "regret" but the Indian High Commissioner to Dhaka, Pranay Verma, was still summoned to the Ministry of Foreign Affairs in Dhaka on Wednesday. Earlier this week, Bangladesh had suspended all "visa and consular" work in the mission in Agartala in view of the security breach.

"Ashrafur Rahman was called for urgent consultations following ongoing protests outside our mission in Kolkata. Additionally, he will be part of the delegation during the Foreign Secretary-level talks between the two countries slated for next week. He will be back by the middle of this month," a senior official of the Bangladesh Deputy High Commission in Kolkata said.

Bilateral ties had nosedived when Vaishnav monk Chinmoy Das was arrested in Chittagong. . On Friday, Mr. Jaiswal said: "We would like to reiterate our expectation that relevant legal processes underway in Bangladesh are executed in a fair, just and transparent manner, ensuring full respect for the legal rights of concerned individuals."

(With inputs from PTI)

Amid high inflation, RBI keeps repo rate at 6.5%

- The Monetary Policy Committee takes notes of the recent slowdown in growth momentum
- MPC downgrades growth, inflation estimates for 2024-25 to 6.6%; retail inflation projected at 4.8%
- Persistent inflation reduced the disposable income of consumers and dented consumption, says Das

Lalatendu Mishra
MUMBAI

The Monetary Policy Committee (MPC) of Reserve Bank of India (RBI) on Friday held steadfast in its battle against inflation amid weakening growth momentum, with four of its six members voting to keep policy repo rate unchanged at 6.50% for the 11th bi-monthly review in a row.

However, acknowledging that the economy is facing tight liquidity conditions that are likely to persist for a few months, it cut the Cash Reserve Ratio (CRR) for banks by 50 basis points to 4%, after a gap of nearly four years, in a bid to support growth.

While divisions within the MPC on a *status quo* on rates expanded from the 5:1 vote in October, the panel was unanimous on sticking to a 'neutral' stance and remaining unambiguously focused on a durable alignment of inflation with its 4% target, while supporting growth. Inflation had spiked to a 14-month high of 6.2% in October, the last available price rise number.

"The MPC took note of the recent slowdown in the growth momentum, which translates into a downward revision in the growth forecast for the current year. Going forward into the second half of this year and the next year, the MPC assessed the growth outlook to be resilient, but warranting close monitoring," RBI Governor Shaktikanta Das said in his statement.

While noting the RBI's mandate is to ensure price stability while supporting growth, Mr. Das said persistently high inflation reduced the disposable income of consumers and dented private consumption which negatively impacted the real GDP growth.

Real GDP growth in the July to September quarter fell to a seven-quarter low of 5.4%, compared to RBI's 7% projection.

The MPC has now downgraded the growth forecast for 2024-25 to 6.6% from 7.2%. Similarly, with inflation increasing sharply in September and October led by an unanticipated increase in food prices, the retail inflation for 2024-25 has now been projected at 4.8% compared to the 4.5% average projected till October.

"Food inflation pressures are likely to linger in the third quarter of this financial year, and start easing only from Q4 of 2024-25, backed by seasonal correction in vegetable prices, kharif harvest arrivals, likely good rabi output and adequate cereal buffer stocks," Mr. Das said.

Adverse weather events

The Governor also said the increasing incidence of adverse weather events, heightened geo-political uncertainties and financial market volatility posed upside risks to inflation.

"The MPC believes that only with durable price stability can strong foundations be secured for high growth. The MPC remains committed to restoring the inflation growth balance in the overall interest of the economy," he said.

To ease the potential liquidity stress in the system as more cash could be required to pay direct taxes and GST, the RBI has decided to reduce the cash reserve ratio (CRR) of all banks to 4% of net demand and time liabilities (NDTL) in two equal tranches of 25 bps each with effect from the fortnight beginning December 14, 2024 and December 28, 2024.

"This reduction in the CRR is consistent with the neutral policy stance and would release primary liquidity of about ₹1.16 lakh crore to the banking system," he said.

Interest rate ceiling

To attract more capital inflows, the RBI has decided to increase the interest rate ceiling on FCNR(B) deposits. Accordingly, effective from Friday, banks are permitted to raise fresh FCNR (B) deposits of 1 year to less than 3 years maturity at rates not exceeding the ceiling of overnight Alternative Reference Rate (ARR) plus 400 bps as against 250 bps at present. Similarly, for deposits of 3 to 5 years maturity, the ceiling has been increased to overnight ARR plus 500 bps as against 350 bps at present. This relaxation will be available till March 31, 2025.

In his closing remarks, the Governor said since the last policy, inflation had been on the upside, while there had been a moderation in growth. "Accordingly, the MPC has adopted a prudent and cautious approach in this meeting to wait for better visibility on the growth and inflation outlook."

STAYING THE COURSE
» PAGE 6

Balancing act

The RBI on Friday tried to find a balance between inflation management and supporting economic growth

- The RBI kept the repo rate **unchanged at 6.5%** for a record 11th meeting in a row
- The Cash Reserve Ratio — the proportion of deposits that banks must set aside with the central bank — has been cut by **50 basis points to 4%**
- The cut will infuse **₹1.16 lakh crore** into the banking system and will soften short-term interest rates and enhance capacity of banks to extend credit