Prelim Bits 20-04-2022 | UPSC Daily Current Affairs

Guidelines on Capital Requirements for NBFCs-UL

The Reserve Bank of India (RBI) issues guidelines on capital requirements for NBFCs-Upper Layer (NBFCs-UL).

- This follows a circular for Scale Based Regulation for NBFCs. This circular is applicable to all NBFCs identified as NBFC-UL, except core investment companies (CICs).
- The NBFCs-UL must maintain, on an on-going basis, Common Equity Tier 1 (CET1) ratio of at least 9% of risk weighted assets.



- Elements of the CET-1 capital will comprise of
    1. Paid-up equity share capital issued by the NBFC,
    2. Share premium resulting from the issue of equity shares,
    3. Capital reserves representing surplus arising out of sale proceeds of assets,
    4. Statutory reserves and
    5. Revaluation reserves arising out of change in the carrying amount of an NBFC's property, consequent upon its revaluation in accordance with the applicable accounting standards may, at the discretion of the NBFC, will be reckoned as CET1.
    6. Other disclosed free reserves, if any.
    7. Balance in Statement of Profit & Loss Account after allocations and appropriations i.e. retained earnings at the end of the previous financial year. Accumulated losses shall be reduced from CET 1.
    8. Profits in current financial year may be included on a quarterly basis if it has been audited or subject to limited review by the statutory auditors of the NBFC.
- **Loans and advances under ₹5 crore** - In a separate set of guidelines on loans and advances by NBFCs, the RBI has spelt out regulatory restrictions for NBFCs in the Middle and Upper Layer.
- Unless sanctioned by the board of directors or committee of directors, NBFCs shall not grant loans and advances aggregating ₹5 crore and above to the,
    1. Directors (including the Chairman/MD);
    2. Relatives of directors;
    3. Any firm in which any of director or their relative is interested as a partner, manager, employee or guarantor; or
    4. Any company in which any director their relative is interested as a major shareholder, director, manager, employee or guarantor.
- **In the real estate sector**, while appraising loan proposals, NBFCs must ensure that the borrowers have obtained prior permission for the project from government, local government/ other statutory authorities.
- To ensure that the loan approval process is not hampered on account of this,
    1. The proposals may be sanctioned in normal course,
    2. But the disbursements shall be made only after the borrower has obtained requisite clearances from the government or other statutory authorities.

Reference

1. https://www.thehindubusinessline.com/money-and-banking/rbi-issues-guidelines-on-capital-requirements-for-nbfcs-ul/article65335919.ece
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Kongu Chola-era Hero Stones

Archaeological enthusiasts have recently discovered three hero stones likely from the 11th or 12th Century CE, during the rule of Kongu Cholas, at Annur in Coimbatore district of Tamil Nadu.

> Of the three hero stones, one is a 'Thalaibali sirpam'. The hero is depicted as sacrificing himself with two swords as part of a ritual.

- In Tamil Nadu, hero stones are **memorials** erected for those who lost their lives in the battles and in cattle raids.
- As cattle were an important source of wealth, raiding cattle owned by adjoining tribes and clans was common practice in a pastoral society.
- During the **Sangam Age**, the Mullai landscape followed the pastoral way of life.
- Tradition of hero stones might have begun in the Iron Age or even before.
- **Sangam literature** describes such hero stones as objects of worship.
- Tholkappiyam describes the procedures for erecting hero stones.
- Hero stones of the Sangam Age were found with Tamil-Brahmi inscriptions. Those of the Sangam Age discovered till now do not have images or sculptures.
- Hero stones of the post-Sangam Age and the Pallava period occur in large numbers in pastoral regions. These hero stones have inscriptions and the images of warriors and names of heroes.

Kongu Cholas

- There is a hypothesis that the Kongu Cholas were the descendants of Kandaraditya (950-947 A.D.) the son of Parintaka Chola I of the **Imperial Chola line**.
- The identification of Kandaraditya with Kokkandan of the Rajakisari Peruvali inscription is the mainstay of this hypothesis.
- The first Kongu Chola ruler was Vira Chola 1 (942-980 A.D.).

Reference

1. https://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/kongu-chola-era-hero-stones-discovered/article65337167.ece
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Health Star Rating

Over 40 global experts in a letter to Union Health Minister has claimed that the "Health Star Rating" system failed to alter buyer behaviour, while arguing that "warning labels" have been most effective in many countries.

- The Food Safety Standards Authority of India (FSSAI) has adopted by the “Health Star Rating” system for **packaged foods and beverages**.
- The decision was based on the recommendations of a study by the IIM Ahmedabad the FSSAI had commissioned in September 2021.
- This **5-star** rating system plans to adopt in order to help consumers reduce their intake of unhealthy foods is “**not evidence-based**”.
- It gives a product **1/2 a star to 5 stars**, in its draft regulations for front of package labelling (FOPL).
- The food regulator has **exempted milk and dairy products** from the proposed FoPL.
- The FSSAI has decided **4-year voluntary** implementation of FoPL from 2023 and a transition period of 4 years for making it mandatory.
- At present, countries such as the UK, Chile, Mexico, New Zealand, and Australia have FoPL.

Reference

1. https://www.thehindu.com/todays-paper/tp-national/star-rating-for-packaged-food-unlikely-to-help-say-experts/article65336930.ece
2. https://economictimes.indiatimes.com/industry/cons-products/fmcg/fssais-new-star-rating-system-for-packaged-food-faces-a-revolt/articleshow/90788726.cms
3. https://timesofindia.indiatimes.com/city/ahmedabad/stars-to-show-the-way-to-healthy-food-in-india/articleshow/90482374.cms
4. https://www.livemint.com/companies/news/fssai-to-introduce-health-star-rating-for-packaged-goods-11646250552982.html

Guru Tegh Bahadur

Prime Minister will participate in the celebrations of the 400th Parkash Purab (birth anniversary) of Guru Tegh Bahadur at Red Fort in New Delhi.

- Guru Tegh Bahadur is the 9th of 10 Sikh Gurus. He was also the father of the 10th Guru, Gobind Singh.
- His father gave him the title of "Tegh Bahadur", meaning **"Mighty of Sword"**, in recognition of his bravery.
- He sacrificed his life to protect religion and human values, ideals and principles in world history.
- He was executed for supporting the religious freedom of Kashmiri Pandits on the orders of Mughal ruler Aurangzeb.
- A loyal Sikh took the Guru’s body back to his home and cremated it; a Sikh shrine, **Gurdwārā Rakābgunj**, marks the spot of the cremation.

Reference

1. https://pib.gov.in/PressReleasePage.aspx?PRID=1818241
2. https://www.hindustantimes.com/india-news/guru-tegh-bahadur-s-birth-anniversary-modi-to-address-gathering-at-red-fort-101650423500981.html
3. https://www.britannica.com/biography/Guru-Tegh-Bahadur
4. https://www.nitj.ac.in/index.php/nitj_cinfo/pages/561
5. https://ncert.nic.in/ncerts/l/gess108.pdf

Haemophilia

The World Haemophilia Day is observed on April 17 every year. This year's theme "Access for all: Partnership. Policy. Progress."

- Hemophilia is usually an **inherited X-linked recessive bleeding disorder** in which the blood does not clot properly.
- This can lead to spontaneous bleeding as well as bleeding following injuries or surgery.
- Blood contains many proteins called clotting factors that can help to stop bleeding. People with hemophilia have low levels of either factor VIII (8) or factor IX (9).
- **Causes** - Hemophilia is caused by a mutation or change, in one of the genes, that provides instructions for making the clotting factor proteins needed to form a blood clot.
- This change or mutation can prevent the clotting protein from working properly or to be missing altogether.
- These genes are located on the X chromosome.
- **Symptoms** - Bleeding within joints that can lead to chronic joint disease and pain; it often affects the knees, elbows, and ankles.
- Bleeding into the skin (which is bruising) or muscle and soft tissue causing a build-up of blood in the area (called a hematoma).
- Bleeding after circumcision (surgery performed on male babies to remove the hood of skin, called the foreskin).
- Bleeding in the head and sometimes in the brain which can cause long term problems, such as seizures and paralysis.
- Death can occur if the bleeding cannot be stopped or if it occurs in a vital organ such as the brain.

Types of Hemophilia	Causes
Hemophilia A (Classic Hemophilia)	Most common form of Hemophilia Caused by a lack or decrease of clotting factor VIII
Hemophilia B (Christmas Disease)	Caused by a lack or decrease of clotting factor IX

- **Severity** - The severity of hemophilia that a person has is determined by the amount of factor in the blood.
- The lower the amount of the factor, the more likely it is that bleeding will occur which can lead to serious health problems.
- In rare cases, a person can develop hemophilia later in life.
- The majority of cases involve middle-aged or elderly people, or young women who have recently given birth or are in the later stages of pregnancy. This condition often resolves with appropriate treatment.
- **Diagnosis** - To make a diagnosis, doctors would perform certain blood tests to show if the blood is clotting properly.
- If it does not, then they would do clotting factor tests, also called factor assays, to diagnose the cause of the bleeding disorder.
- **Treatment** - The best way to treat hemophilia is to replace the missing blood clotting factor so that the blood can clot properly.
- This is done by **infusing** (administering through a vein) commercially prepared factor concentrates.

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4. https://timesofindia.indiatimes.com/city/noida/exercise-under-care-for-kids-with-haemophilia/articleshow/90945059.cms

