UPSC Daily Current Affairs | Prelim Bits 08-08-2020

Committee for Stressed Assets

- Recently RBI set up an expert committee under K V Kamath to suggest financial parameters for resolution of covid-19 related stressed assets.
- The committee will submit its recommendations to the RBI, which will notify them along with modifications, if any, in 30 days.
- Resolution Framework for Covid-19-related Stress envisages to make recommendations on the required financial parameters to be factored in into the resolution plans, with sector-specific benchmark.
- Assets of the banking system comprises of loans given and investment (in bonds) made by banks.
- Quality of the asset indicates how much of the loans taken by the borrowers are repaid in the form of interests and principal.
- **Stressed assets** = NPAs + Restructured loans + Written off assets
- **NPA** - means interest or principal is not repaid by the borrower during a specified time period ('overdue' for a period of 90 days.)
- Bad assets are further classified into substandard asset, doubtful asset, and loss assets depending upon how long a loan remains as an NPA.
- **Restructured loans -** Assets which got an extended repayment period, reduced interest rate, converting a part of the loan into equity, providing additional financing, or some combination of these measures.
- Hence, under restructuring a bad loan is modified as a new loan.
- **Written off Assets -** Those the bank or lender doesn't count the money borrower owes to it.
- The financial statement of the bank will indicate that the written off loans are compensated through some other way.

Business Confidence Index

- National Council of Applied Economic Research (NCAER) has released Business Confidence Index (BCI).
- It tracks the business sentiments of around 600 Indian companies to compute the composite index.
- Insights from the recent BCI are as follows

1. It stood at 46.4 in the first quarter of 2020-21, a drop of 40.1 % from its

level of 77.4 in the previous quarter.
2. It fell 62 % in the June 2020 quarter on a year-on-year basis.
3. This is the lowest that the BCI has ever fallen in the history of 113 Rounds of the NCAER Business Expectations Survey (BES).

NCAER

- The National Council of Applied Economic Research is a Delhi based think tank that was established in 1956.
- The TATA Foundation and other premier organizations came together to form the think tank with the support of Government of India.
- The aim of the body is to give support to both government and private sector economic researches.
- Since 1991, the council is tracking the business confidence in the country on a quarterly basis.
- The NCAER survey elicits responses from firms across six cities to assess business sentiments in the four regions of India:

1. Delhi-NCR represents the north;
2. Mumbai and Pune, the west.
3. Kolkata the east.
4. Bengaluru and Chennai represent the south.

Loya Jirga

- A Loya Jirga, or "grand council", is a mass national gathering that brings together representatives from the various ethnic, religious, and tribal communities in Afghanistan.
- The gathering involves participation of Afghan tribal elders, religious figures, and political leaders.
- The Loya Jirga is a centuries-old institution that has been convened at times of national crisis or to settle national issues.
- Historically, it has been used to approve a new constitution, declare war, choose a new king, or to make sweeping social or political reforms.
- It is considered the "highest expression" of the Afghan people, but it is not an official decision-making body.
- Its decisions are not legally binding and any verdict it hands out must be approved by the two houses of the Afghan parliament and the president in order for it to be made official.
- Recently Loya Jirga, opened in Afghanistan to determine whether a last set of 400 hard-core prisoners from the Taliban insurgency should be freed to clear the way for long-awaited direct peace talks between

Afghanistan’s warring sides.

Food System Vision Prize 2020

- The Food System Vision Prize is an invitation for organizations across the globe to develop a Vision of the regenerative and nourishing food system that they aspire to create by the year 2050.
- The prize awards a cash incentive of USD $200,000.
- It is presented by Rockerfeller Foundation, USA.
- Naandi, a Hyderabad-based non-profit has been selected as a as one of the ‘Top 10 Visionaries’ in the world for the Food Vision 2050 Prize
- Naandi was based on work with tribal farmers in Araku valley, Andhra Pradesh, for nearly 20 years.

Exercise Kavkaz 2020

- Kavkaz 2020, also referred to as Caucasus-2020 is a multilateral strategic command-post exercise, that is about to be held in Russia.
- The invitation for participation to Kavkaz 2020, has been extended to at least 18 countries including China, Iran, Pakistan and Turkey apart from other Central Asian Republics part of the SCO.
- India will take part in the exercise, Indian contingent includes 150 Army personnel and a smaller number of personnel from the Navy and Air Force.

Source: The Hindu, Times of India, Business Standard

SHANKAR IAS PARLIAMENT
Information is Empowering