

NEWS TODAY

Centre for Advanced Financial Research and Learning (CAFRAL) released its first flagship India Finance Report 2023

- The theme of the report is “**Connecting the Last Mile: Non-Banking Financial Companies (NBFCs) in India**”.
 - ⊗ NBFCs are companies registered under the Companies Act 1956 which **provide bank-like financial services but do not hold banking licenses**.
 - **Key highlights of the report:**
 - ⊗ **Monetary Policy Transmission (MPT):** MPT through NBFCs is strong but there is a **delay of nearly two years** to see its impact on their balance sheet.
 - ⊗ **Financial Inclusion:** NBFCs facilitate further **deepening of financial inclusion** by catering to the underserved subprime and marginalised borrowers.
 - ◆ Over the last decade, **retail lending** by NBFCs has grown nearly twofold greater (223.2%) **by leveraging technology**.
 - ⊗ **Digital lending:** NBFCs are at the forefront of **digital lending**. The share of digital lending to overall lending was 60.53% for NBFCs compared to a smaller 5.53% for banks in FY 2020.
 - ⊗ **Growth trend:** NBFCs in India proliferated **after the global financial crisis**, albeit disrupted by **shocks and systemic spillovers in 2018-19** (IL&FS default).
 - ◆ The rapid growth in the NBFC sector has been accompanied by a **simultaneous decline in the share of bank credit**.
- CAFRAL was set up in 2006 as an **independent body by RBI** to promote finance, macroeconomics, and public policy research.

World Intellectual Property Organization (WIPO) released World Intellectual Property Indicators 2023

- **Key Highlights of the report:**
 - ⊗ **Record-High Patent Applications:** In 2022, innovators worldwide filed 3.46 million patent applications, marking a 1.7% increase over 2021.
 - ◆ In 2022, the **highest number of patents in force was in China**.
 - ⊗ **New technologies** (Digital technology-related IP filings, including computing) continue to have a significant impact on intellectual property (IP) filings.
 - ⊗ **Asia received around 67.9% of the patent applications** filed globally.
 - ⊗ Although patents can be maintained for up to 20 years, the **average age of patents varies across offices**.
 - ◆ Brazil (11.6 years) India (11.4 years), Germany (11 years) and Mexico (11 years).
- **India-specific findings:** India experienced its sixth consecutive year of growth, with patent filings surging by 25% in 2022, the **fastest increase since 2005**.
- **Initiatives which led to higher patent filing in India:**
 - ⊗ Fee concessions like a 10% rebate on online filing, an 80% fee concession for Start-ups.
 - ⊗ Scheme for Facilitating Start-Ups Intellectual Property Protection (SIPP)
 - ⊗ Patent Analysis and Management System (PAMS)
 - ⊗ Party to Patent Cooperation Treaty
- **WIPO is the global forum for intellectual property (IP) services, policy, information and cooperation.**

RBI (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023 Notified

- Reserve Bank of India (RBI) issued it under the **Banking Regulation Act (1949), Reserve Bank of India Act (1934) and the Credit Information Companies (Regulation) Act (2005)** etc.
 - ⊗ It aims to improve IT governance of Banking and financial Institutions.
 - ◆ It will come into effect from April 1, 2024.
- **Key Highlights:**
 - ⊗ **Coverage of Regulated Entities:**
 - ◆ **Applicable To:** Banks, NBFCs, Credit Information Companies, All India Financial Institutions (AIFIs) such as NABARD etc.
 - ◆ **Not Applicable To:** Local area banks and NBFC-core investment companies.
 - ⊗ **Key Directions for the RE's:**
 - ◆ **Establish a Robust IT Governance Framework:** To enhance **operational resilience** in their IT systems and infrastructure.
 - ◆ **Cyber Protection Plan:** Must establish both an **Information Security Policy** and a **Cyber Security Policy**.
- **Need of IT Governance Framework:**
 - ⊗ **Protect Critical Infrastructure (CI):** Banking and financial services are part of CI. Any disruption in these sectors will have domino effect over other economic activities.
 - ◆ It will help in dealing with **Malware (malicious software), Cyber Attacks** etc.
 - ⊗ **Upholding Privacy and Data Protection:** In the recent time, many cases of leakage of personal information have been noticed.

Production Gap Report (PGR) 2023 Released

- Report has been prepared by **United Nation Environment Programme (UNEP)** and other institutes such as Stockholm Environment Institute, etc.
 - ⊖ It tracks the **misalignment** between **governments' planned fossil fuel production** and **global production levels consistent with limiting global warming to 1.5°C or 2°C**.
 - ◆ Many countries have pledged for zero emission In alignment with COP 21 (Paris Agreement) and COP 26 (Glasgow) of UNFCCC to limit global warming.
 - ⊖ Production gap is different from **emissions gap**.
 - ◆ Latter refers to difference between **global greenhouse gases (GHG) emissions** under the **Nationally Determined Contributions (NDCs)** and accepted level in 2030.
- **Reports highlight that** major countries plans and projections would lead to an increase in global coal production until 2030, and in global oil and gas production until at least 2050.
 - ◆ It includes countries like Australia, Brazil, Canada, China, India, UAE, etc.
- **Recommendations:**
 - ⊖ Adopt near and **long-term reduction targets** in fossil fuel production.
 - ⊖ An equitable transition away from fossil fuel production must recognize countries' differentiated responsibilities and capabilities.
 - ◆ Governments with greater transition capacity should aim for more ambitious reductions and help finance the transition processes in countries with limited capacities.

Initiatives

- **Global:** Global Methane Pledge, Powering Past Coal Alliance, Just Energy Transition Partnerships (JETPs), Mission Innovation, etc.
- **India:** Panchamrit Target declared in COP 26 (Aim to achieve Net-Zero emissions by 2070), Mission Lifestyle for Environment' (LiFE), National Action Plan on Climate Change (NAPCC), etc.



UGC (Setting up and Operation of Campuses of Foreign Higher Educational Institutions (FHEIs) in India) Regulations, 2023 Notified

- **University Grants Commission (UGC)**'s regulation aims to facilitate the entry of FHEIs into India, in line with the recommendations of **National Education Policy (NEP) 2020**.
- **Key highlights of regulations:**
 - ⊖ **Approval:** FHEIs require UGC's approval before establishment of Indian campuses, offer any programme, and discontinue any course or programme.
 - ◆ Not allowed to offer Programme which is contrary to the standards of higher education in India.
 - ⊖ **Eligibility:** FHEIs **ranked within top 500 in global rankings** either in overall category or in subject-wise category or **possessing outstanding expertise** in a particular area.
 - ⊖ **Qualifications:** Qualifications awarded and quality of education in Indian campuses shall be equivalent to those awarded in their home jurisdiction.
 - ◆ FHEIs **cannot offer programmes in online** or in open and distance learning modes.
 - ⊖ **Autonomy:** Allowed to decide **admission process and criteria**, recruit faculty and staff, and decide a transparent and reasonable fee structure.
 - ⊖ **Restrictions:** FHEIs' Operation shall not be contrary to sovereignty and integrity of India, security of State, friendly relations with foreign States, public order, decency, or morality.
 - ◆ For receiving donations from foreign source, FHEIs require **prior permission of Central Government**.

Significance of FHEIs in India

Increased access to quality education

Reduction in foreign exchange outflow

Improved research opportunities in India

Control of brain drain

International Monetary Fund (IMF) Executive Board Approves a Proposal to Increase in IMF Quotas

- The board proposes a 50 % quota increase allocated to members in proportion to their current quotas.
 - ⊖ Now, the proposal will be considered and voted on by the Board of Governors, after which it will be made effective.
- **Significance of the rise in Quota**
 - ⊖ Help safeguard global financial stability by enhancing the IMF's permanent resources
 - ⊖ Reducing reliance on borrowed resources.
 - ◆ Currently, the Fund relies on **bilateral borrowing arrangements** and pledges to a crisis lending fund called the **New Arrangements to Borrow** for nearly 60% of its lending resources.
- **About IMF Quota**
 - ⊖ Quotas are the building blocks of the IMF's financial and governance structure.
 - ◆ Quotas are denominated in Special Drawing Rights (SDRs), the IMF's unit of account.
 - ⊖ **Use of Quotas is to determine**
 - ◆ **Resource contribution of a member**
 - ◆ **Voting power** in IMF decisions.
 - ◆ Members get **one vote per SDR100,000 of quota** plus basic votes, which are the same for all members.
 - ◆ **Amount of loans a member can obtain** from the IMF.
 - ◆ **General allocation of SDRs.**
 - ⊖ **India** currently have **Quota of 2.75%** with voting rights of **2.63%**.

IMF quota formula	
Economic Variability 15%	Gross Domestic Product (GDP) 50%
International Reserves 5%	Openness to the Global Economy 30%

Also in News



Electoral Trusts (ETs)

- ETs scheme was notified in 2013 to **facilitate donations** to political parties by corporates and individuals.
 - ⊖ Any Indian citizen or India registered company can **donate to an ET**.
 - ⊖ ETs must **donate 95% of contributions** received in a financial year **to political parties** registered under the Representation of the People Act, 1951.
- ETs are required to submit to the Election Commission of India a **report on contributions** from individuals and companies, and their donations to parties every year.
 - ⊖ However, the **Electoral Bond scheme** seeks to ensure **anonymity** for the donor.



Aurora

- The **Hanle and Merak observatories in Ladakh** spotted an **intense red aurora**.
 - ⊖ Hanle is **India's only dark sky reserve**. It is an area where measures are taken to reduce artificial light pollution to observe sky at night.
- Auroras are **patterns of bright lights** in the sky that are seen when **particles ejected by the Sun interact** with the **magnetic field around the Earth**.
 - ⊖ The phenomenon is **usually visible closer to the poles**.
- **Northern lights (aurora borealis) and southern lights (aurora australis)** are main auroras. They are seen in Northern Hemisphere and Southern Hemisphere, respectively.



India - U.S. Defense Acceleration Ecosystem (INDUS-X)

- Innovations for Defence Excellence (iDEX) under Ministry of Defence and US Department of Defence, organised the first INDUS-X Investors meet at New Delhi.
- Also launched **INDUS-X Educational Series (Gurukul)** initiative which aims to help the innovators /startups to navigate in the defence eco-system of the US and India.
- **INDUS-X**
 - ⊖ **Launched in June 2023.**
 - ⊖ Aims to **expand strategic technology partnership and defense industrial cooperation** between governments, businesses, and academic institutions of **India and the US**.



Cervavac Vaccine

- A study in Lancet Oncology reveals that the **Cervavac vaccine** by the Serum Institute of India elicits a comparable immune response to **Merck's Gardasil vaccine**.
 - ⊖ Cervavac is India's **first indigenous quadrivalent HPV vaccine** for the prevention of cervical cancer and other HPV-associated cancers.
 - ⊖ HPV is a **major cause** of cervical cancer.
- **Cervical cancer** is the second most common cancer among women in India, accounting for about a fifth of the global burden of cervical cancer.



National Cooperative Organics Limited (NCOL)

- Logo, website and brochure of NCOL launched
- **NCOL was established in January 2023 under the Multi-State Cooperative Societies (MSCS) Act, 2002.**
- NOCL has been established to **provide a platform to all the farmers practicing natural farming and to make arrangement for marketing of their products.**
- It will also facilitate in
 - ⊖ Providing **technical guidance, training and capacity building** of organic producer and
 - ⊖ Developing and **maintaining dedicated market intelligence system** for organic produce.
 - ⊖ Area of operation of the society **extend to whole of the Union of India**'.



QS World University Rankings: Asia 2024

- 856 institutions are showcased from 25 countries and territories.
 - ⊖ **Peking University in China** maintains its top position in the rankings.
 - ⊖ With **148 varsities in QS Asia rankings, India has 'most representation'**, surpasses China.
 - ⊖ IIT Bombay retains its top ranking in India.
 - ⊖ **Seven Indian institutions are in the top 100 ranks:** Five IITs, Indian Institute of Science, Bangalore, and Delhi University.
- Quacquarelli Symonds (QS) offers unrivalled data, expertise and solutions for the global higher education sector.



Energy Conservation Building Code (ECBC), 2017

- **The International Energy Agency cited India's ECBC as a notable exception among developing countries.**
- **About ECBC:**
 - ⊖ Released by the **Bureau of Energy Efficiency** under the Ministry of Power.
 - ⊖ It prescribes **new energy performance standards** for new commercial buildings to be constructed across India.
- **Applicability:** Both government and Private buildings with certain specifications. Buildings intended for private residential purposes only are not covered by the Code.
- **ECBC addresses only energy efficiency of buildings.** Water and other aspects are generally covered in **green building rating systems.**



Kondaveedu Fort

- Andhra Pradesh's Forest Department has given permissions to the NGO to set up a gallery at Kondaveedu Fort.
 - ⊖ It was constructed by **Prolaya Vema Reddy**, founder of the Reddy dynasty.
 - ⊖ Located south of the Krishna River, near Guntur.
 - ⊖ It has been controlled by Vijayanagara emperor, British etc. because of its strategic location.
- **About Reddy dynasty (1325–1448 CE):**
 - ⊖ **Region:** Coastal andhra (from Vishakapatnam in the north to Kanchipuram in the south).
 - ⊖ **Capital:** Kondaveedu Fort (Earlier **capital was at Addanki**).
 - ⊖ **Contribution:** Patrons of Telugu literature.

Places in News



Ethiopia (Capital: Addis Ababa)

- 6th Session of India-Ethiopia Joint Trade Committee held successfully in Addis Ababa.
- **Political Boundaries**
 - ⊖ **Landlocked** country in the **Horn of Africa**.
 - ◆ Other country which lies in the Horn of Africa includes Djibouti, Eritrea, and Somalia.
 - ⊖ **Neighbouring Countries:** Eritrea (north), Djibouti (northeast), Somalia (east), Kenya (south), and South Sudan and Sudan (west).
- **Geographical Features**
 - ⊖ **Major Rivers:** Blue Nile and Awash River.
 - ⊖ **Major Lakes:** Lake Tana
 - ⊖ **Highest peak:** Ras Dashen

