



## Daily current affairs(24/12/2018)

### Prelims Tidbits

#### GS-1(Important Geo physical phenomenas)

1. 222 dead in the volcano triggered tsunami in Indonesia.

##### About Tsunami:

- Series of high waves due to displacement of water
- It is triggered by both natural and manmade causes.
- Natural causes include earthquake, volcanic explosion, landslides, glacier carvings & meteorite impacts.
- Manmade causes include underwater detonation of nuclear weapons
- India has placed a tsunami early warning system to detect tsunamis.

##### Pacific Ring of Fire

- A region of active volcanoes, present at the plate boundaries of several plates in the Pacific region

-Collision and subduction of plates like Indo-Australian Plate, Pacific Plate, and South American Plate in the region is the reason behind this phenomenon.

-Around 90% of the world's earthquakes occur along the region

#### GS-2(Regulatory bodies)

2. GST council loses its aura of consensus

##### About GST Council:

- It is a constitutional body.
- It's objective is to decide the **GST** rates of goods and services, to identify the goods and services which can be brought into the GST regime.
- Composition of the council-
  - Union finance minister(Chairman)
  - Minister of state in finance
  - Finance ministers of all the states and union territories that have a legislature.
- The decisions in the council will be taken according to majority.
- The Central government shall have One-third weight of the total votes cast
- The state government shall have two-third of the total vote cast

##### GST

-Goods and Services Tax was introduced wef July 1, 2017

-It was introduced through the 101<sup>st</sup> constitutional amendment act

-Aims to achieve "One Nation, One Tax"  
It has five tax slabs- 0%, 5%, 12%, 18% and 28%

-Petroleum products, alcohol are not covered under GST



## GS-3(Internal security of India)

### 3. SSB gears up to tackle floods

#### About Sahastra Seema Bal(SSB)

- It is one of the Central Armed Police force of India
- It is tasked with the patrolling the India-Nepal & India-Bhutan border
- It comes under the Ministry of Home Affairs

## GS-3(Issues in Indian economy)

### 4. Hopeful that we will exit PCA in FY20- CEO Of Central bank of India

#### Prompt Corrective Action:

- It is an initiative of the RBI.
- It is to supervise the financial health of certain banks whose balance sheets are in a precarious situation.
- It is also applicable to private banks
- Prevention of **Non performing assets** is one of the primary objectives of Prompt Corrective action

#### Non-Performing Assets

- According to RBI norms, if instalment or interest repayment is overdue for more than 90 days, the loan account becomes a non-performing

## GS-3(Environment)

### 5. Bioaerosols on the rise in Bangalore city

#### About bioaerosols:

- They are particles that emerge from terrestrial and marine waste
- It includes both living and non living organisms
- They include virus, bacteria, fungi and pollen.
- Certain diseases are spread by such bioaerosols

#### Issue for analysis for UPSC(Mains)

## GS-3(Indian economy)

#### Why in news?

The Hindu editorial "Capital idea"

#### Background of the issue:

#### Banks Board Bureau

- Autonomous body tasked with selecting the chiefs of Public Sector Banks created in 2016 by the Government.



-The issues of Non Performing Assets(NPA) is looming in India.  
Banks gross NPA reaches 8.41 lakh crore till December 2018  
RBI's Prompt Corrective Action has stifled the credit growth in the country

#### Bank Recapitalisation plan:

It is a process where central government is trying to inject capital into stressed public sector banks. The banks can use the capital in coming out of its NPA crisis and spur the credit growth in the country.

#### Issues with the idea of bank recapitalization:

- It makes banks lazy in initiating structural reforms to tackle the NPA crisis.
- There is a lack of transparency in selecting banks which can avail the bank recapitalization plan.
- It conflicts with RBI's strict prompt corrective action standards on banks. The recapitalized banks can come out of the PCA framework and start lending imprudently, leading to increase in bank NPA's
- It can increase the fiscal deficit of the government.
- It is more of a cure rather than prevention of NPA's

#### Structural reforms needed to tackle NPA's and spur credit growth:

- Transparency in banking governance through schemes like Bank Board Bureau and incorporating block chain technology in while giving loans.
- Objective criteria while selecting banks that need bank recapitalization.
- Implement the recommendations of the P.J Nayak committee to restructure banking governance.
- Encourage Non Banking Finance Companies to give credit to MSME's
- A Public credit registry needed to have a 360 degree view of the condition of present and prospective borrowers.
- Strengthen the 4R's – Recognition, Recapitalization, Resolution and Reform to solve the NPA crisis

#### Block Chain Technology

-It is essentially a list of digital records called blocks that are linked to each other

-It is an "open distributed ledger that records transactions between two persons in a verifiable and permanent way"

-The technology can have varied applications like managing cyptocurrency transaction, secure e-commerce, digital transactions etc



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