

NEWS TODAY

RBI TRANSFERS RS 57,128 CRORE SURPLUS TO GOVERNMENT FOR 2019-20

• Union Budget had provisioned **Rs 89,600 crore in dividend** from RBI, state run banks and financial institutions. Of this, RBI was expected to contribute Rs 60,000 crore.

> However, this year the transfer is much **lower than the last year which included a one-time transfer of extra reserves** in line with recommendation of Bimal Jalan-headed committee.

> Also, **Nationalised banks will not be declaring any dividend** this year as RBI has barred them from doing so to conserve capital to cover defaults arising out of the COVID-19 crisis.

• RBI's transfer is expected to **ease stress on the Centre's finances**.

> Centre's **fiscal deficit for the first three months** of fiscal 2020-21 was 83% of the budgeted target for the whole year.

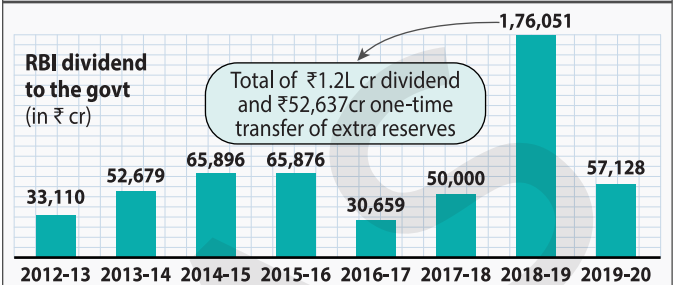
• **RBI transfers surplus (the excess of income over expenditure) to government**, in accordance with **Section 47 (Allocation of Surplus Profits) of RBI Act, 1934**.

> This is done in early August every year, after **July-June accounting year of RBI** is over.

• RBI also decided to maintain the **Contingency Risk Buffer (CRB)** at 5.5%.

> CRB is component of RBI's economic capital required to cover its monetary and financial stability, credit, and operational risks.

ADDITIONAL SOURCE OF INCOME



BANK LENDING TO NON-BANKING FINANCE COMPANIES (NBFCs) JUMPS TO 8.8%

• According to CARE Rating, banks' lending to NBFCs saw a **growth of 47.1%** in June 2020, from September 2018.

> This increased overall **composition of NBFCs in banks' credit** exposure from 6.9% in to 8.8% for the same period.

> This data was released amid **continuing calls for more bank loans to non-banking lenders** as they are facing liquidity crunch.

• NBFCs have been facing **liquidity crisis since the IL&FS default** (2018), forcing banks to restrict lending to prevent a contagion on the system.

> Also, post IL&FS crisis, **Mutual Funds stopped refinancing** the loans of NBFCs.

• Various **measures announced to ensure adequate liquidity to NBFCs**:

> **Targeted long-term repo operation**: Under this, banks can access three-year funding from the RBI that should be invested in investment-grade bonds, commercial paper and non-convertible debentures of NBFCs.

> **Partial Credit Guarantee Scheme 2.0 worth Rs 45,000 crore**: Under this, sovereign guarantee of up to 20% of first loss will be provided to state-owned banks for purchase of bonds etc. of NBFCs among others.

> **Special Liquidity Scheme for NBFCs** under AatmaNirbhar Bharat Abhiyaan.

NTPC DEVELOPS INFRASTRUCTURE FOR INCREASING USE OF FLY ASH UTILIZATION

• NTPC Ltd. has developed an infrastructure at Rihand project in Uttar Pradesh to transport fly ash in bulk to cement plants, located at distance, at a cheaper cost.

> This is in line of its target to **achieve 100% utilization of fly ash** from power plants. 77.59% of generated fly ash was utilized in 2018-19.

• **About Fly Ash**

> **Fly ash is a fine powder, which is the by-product of burning coal** in thermal power Stations (TPS).

> **Composition**: substantial amounts of oxides of silica, aluminium and calcium. Arsenic, Boron, Chromium, lead etc. in trace concentrations.

> **Indian coal is of low grade with ash content of 30-45 %**, in comparison to imported coal (10-15%).

> Fly ash disposal not only **requires large area of land** but also **pollutes air and water**.

• **Uses of fly ash**

> **Agriculture-** improves water holding capacity and soil aeration.

> **Construction industry-** manufacturing of cement, bricks etc.

• **Government measures**

> Mobile app for ash management-**ASH TRACK**.

> **Mandatory use of fly ash-based products** in all Government schemes e.g. Pradhan Mantri Gramin Sadak Yojana.

> **Maharashtra became first state** to adopt **Fly Ash Utilisation Policy (2016)**.

INDIA WELCOMES ISRAEL-UAE- US TRILATERAL AGREEMENT CALLED "ABRAHAM ACCORDS"

• Agreement establishes **full normalization of ties** between the UAE and Israel and commits Israel to suspend its plans for annexation of Palestine majority areas.

• **Possible significance for India**

> **Peace and Stability in West Asia**: Agreement opens the doors to the first **big rapprochement between** traditional adversaries in West Asia—Israel and the Arabs.

⇒ It is beneficial for India, as it has deep stakes in terms of **energy supplies** and **expatriate populations**.

> **Two state solution**: Israel's suspension of its plan for annexation might lead to early resumption of talks between Israel and Palestine.

⇒ India always supported **two-state solution** as part of a negotiated settlement between Israel and Palestine.

> **Ties with Iran could be impacted**, which has slammed the agreement and will see Arab-Israeli tie-ups as a direct threat to its security.

⇒ India has **prominent stakes in Iran** such as Chabahar port, access route to central Asia etc.

> Also, deal opens **new opportunities for India** to play a much larger role in the regional security and stability in the region, as **India enjoys special relations with both UAE and Israel**.

SUPREME COURT (SC) HOLDS LAWYER GUILTY OF CONTEMPT OF COURT (CoC)

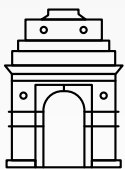
• Key observations by the court:

- It is **not necessary to prove affirmatively** that there has been actual interference with the administration of justice. It is **enough if a defamatory statement is likely** to interfere with proper administration of justice.
- Court made a **distinction between when a statement is made against a judge as an individual versus in his capacity as a judge**. Contempt jurisdiction would not be available for the former.
- **Fair criticism of judges**, if made in good faith in public interest, is not contempt.
- Contempt of court (CoC) seeks to **protect judicial institutions from motivated attacks and unwarranted criticism**, and as a legal mechanism to punish those who lower its authority.
- CoC is one of the **“reasonable restrictions” listed under Article 19(2)**, on the fundamental right to freedom of speech and expression.
- **Article 129** conferred on Supreme Court the power to punish contempt of itself. **Article 215** conferred the same for High Courts.
 - **The Contempt of Courts Act, 1971**, gives it statutory backing.
 - **Punishment for CoC** is simple imprisonment for a term up to six months and/or a fine of up to ₹. 2,000.

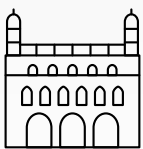
ALSO IN NEWS

<p>Former RBI Governor Urjit Patel in MPC search-cum-selection committee</p>	<ul style="list-style-type: none"> • The search-cum-selection committee will name the new three government nominees on the Monetary Policy Committee (MPC). • MPC is a 6-member committee chaired by RBI Governor. Of these, three members are from RBI while three other members are nominated by the Central Government. • Its main objective is to maintain the price stability and boosting up the growth rate of the country's economy. <ul style="list-style-type: none"> ➤ It is entrusted with the responsibility of deciding the different policy rates including, Repo Rate, Reverse Repo Rate, and Liquidity Adjustment Facility.
<p>National Mission on Interdisciplinary Cyber Physical Systems (NM-ICPS)</p>	<ul style="list-style-type: none"> • A Technology Innovation Hub at IIT Delhi under NM-ICPS was established. • NM-ICPS aims to create a strong foundation and a seamless ecosystem for CPS technologies by coordinating and integrating nationwide efforts encompassing knowledge generation, human resource development, research, technology and product development, innovation and commercialization. • It is implemented by the Department of Science & Technology.
<p>Dr Vikram Sarabhai</p>	<ul style="list-style-type: none"> • ISRO named Moon Crater Captured by Chandrayaan-2 After Vikram Sarabhai called "Sarabhai" Crater. • About Dr Vikram Sarabhai <ul style="list-style-type: none"> ➤ He founded the Physical Research Laboratory (PRL) in Ahmedabad in 1947. ➤ He was also chairman of the Atomic Energy Commission. ➤ He played key role in establishing ISRO and is referred to as father of Indian space programmes. ➤ Awards conferred on him: Shanti Swarup Bhatnagar Award (1962), Padma Bhushan (1966). Padma Vibhushan, posthumous (after-death) (1972).
<p>Indigenous Air Unique quality Monitoring (AUM) Photonic System</p>	<ul style="list-style-type: none"> • It is an indigenous photonic system for real-time remote monitoring of air quality parameters. • It is an innovative application of the principles of laser backscattering, statistical mechanics, optoelectronics, artificial intelligence, machine/deep learning, and Internet of Things. • It can identify, classify, and quantify various pollutants simultaneously (of orders of less than one part per billion) and meteorological parameters, with very high precision, sensitivity and accuracy.
<p>Paryushan Parva</p>	<ul style="list-style-type: none"> • Paryushan Parva is annual festival of Jain religion celebrated for spiritual upliftment and self-purification. • For Jains, fasting during Paryushan is a chance to eliminate bad karma. It helps one develop discipline, self-control, patience, forgiveness and repentance.
<p>Bihar government using Technology to tackle floods</p>	<ul style="list-style-type: none"> • Government has deployed artificial intelligence (AI), an early warning system and a mathematical modelling system to minimise the effects of floods in the state. • It will give a flood forecast model with a 72-hour lead time for rivers like Gandak, Bagmati-Adhwara, Kamala, Kosi and Mahananda which originate in Nepal.

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DELHI



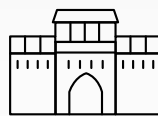
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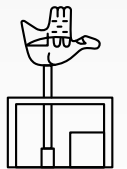
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