



1. The National Asset Reconstruction Company Ltd (NARCL)

Topic: Economy



FAQs regarding Central Government guarantee to back Security Receipts issued by NARCL for acquiring of stressed loan assets



What is National Asset Reconstruction Company Limited (NARCL)? Who has set it up?

NARCL has been incorporated under the Companies Act and has applied to Reserve Bank of India for license as an Asset Reconstruction Company (ARC). NARCL has been set up by banks to aggregate and consolidate stressed assets for their subsequent resolution. PSBs will maintain 51% ownership in NARCL.



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In News: The National Asset Reconstruction Company Ltd (NARCL) has acquired its first stressed asset from lenders.

More on the Topic

- NARCL has been incorporated under the Companies Act and has applied to Reserve Bank of India for license as **an Asset Reconstruction Company (ARC)**.
- NARCL has been **set up by banks to aggregate and consolidate stressed assets for their subsequent resolution**.
- PSBs will maintain 51% ownership in NARCL.
- In simpler terms NARCL is bad bank for taking over stressed assets of lenders. It was announced in the Budget for 2021-22.
- The new entity is being created in collaboration with both public and private sector banks.
- **Majority-owned by state-owned banks**, the NARCL will be assisted by the India Debt Resolution Company Ltd (IDRCL), in turn majority-owned by private banks, in resolution process in the form of a Principal-Agent basis.

Significance of NARCL:

- Indian banks are **sitting on Gross NPAs of nearly 8 percent**. A substantial chunk of large NPAs on the books of Indian banks are unresolved for several years.



- The government announcement came at a time when banks are likely to witness a surge of NPAs in the wake of COVID-19.
- NARCL will reduce NPAs of banks, improving financial system stability and efficiency.
- It will also improve recoveries and promote competition, as NARCL allows Swiss Challenge to get the best for banks from stressed assets. (SCM is a form of public procurement by way of a bidding process, wherein a bidder (original bidder) makes an unsolicited Bid to the auctioneer.)

How is the NARCL different? How can it operate differently?

- **The proposed bad bank will have a public sector character** since the idea is mooted by the government and majority ownership is likely to rest with state-owned banks.
- At present, **ARCs typically seek a steep discount on loans**. With NARCL, the valuation issue is unlikely to come up since this is a government initiative.
- The government-backed ARC will have deep pockets to buy out big accounts and thus free up banks from carrying these accounts on their books.

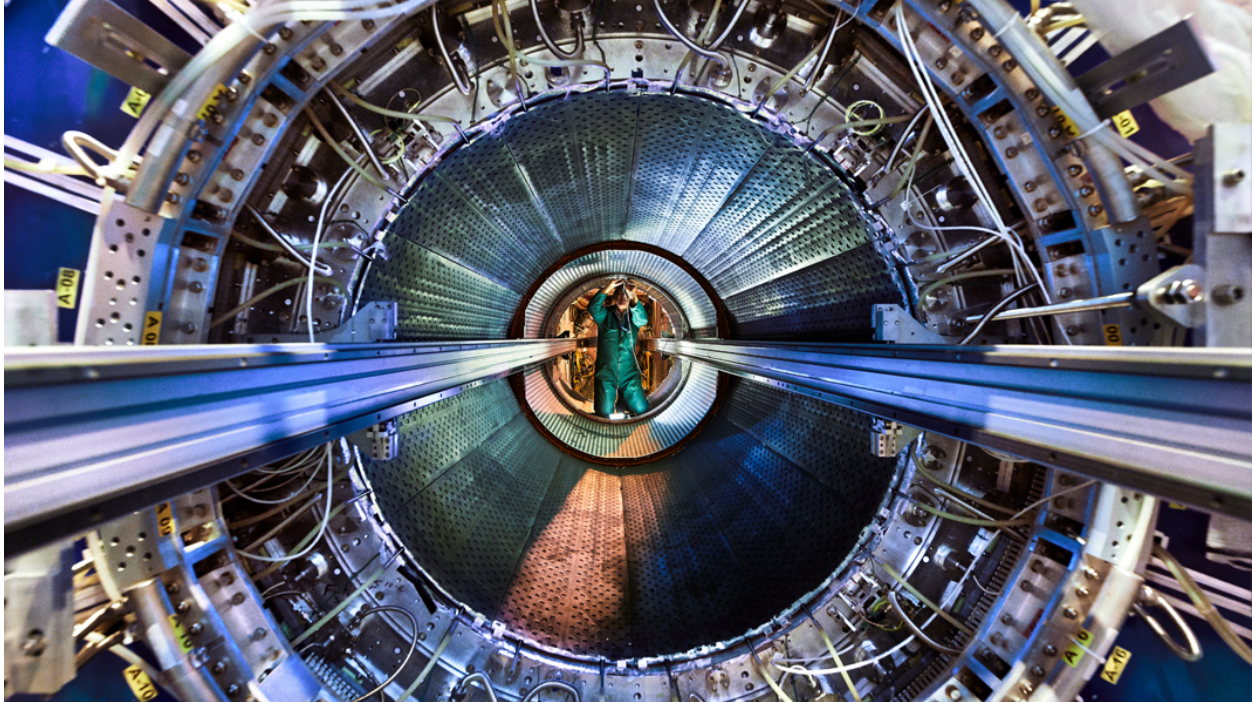
About Asset Reconstruction company:

- An asset reconstruction company is **a special type of financial institution that buys the debtors of the bank at a mutually agreed value and attempts to recover the debts or associated securities by itself**.
- The asset reconstruction companies or ARCs are registered under the RBI and regulated under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI Act, 2002).
- The ARCs take over a portion of the debts of the bank that qualify to be recognised as Non-Performing Assets. Thus ARCs are engaged in the business of asset reconstruction or securitisation or both.
- The ARCs also have to maintain a capital adequacy ratio of 15% of its risk weighted assets.

Source: Indian Express

2. Large Hadron Collider (LHC)

Topic: Science and Technology



In News: The CERN Large Hadron Collider (LHC) laboratory has shortened the running period of by a month at the wake of the energy crisis fuelled by the Russia-Ukraine war.

More on the Topic:

- Shortening the run can impact **data collection**.
- The war has also impacted research. In March 2022, the number of new research papers on experiments at LHC stood at zero.
- Condemning the Russian invasion of Ukraine, CERN announced that it will not engage in new collaborations with Russia until further notice. Russia has observer status at CERN and about 8% of CERN's staff are Russian scientists.
- This has impacted the collaborative research and research papers scientists were undertaking.

About LHC:

- LHC is the **world's largest and most powerful particle accelerator**. It consists of a 27-kilometre ring of **superconducting magnets** with several accelerating structures to boost the energy of the particles.



- LHC was reignited after a three-year gap in July 2022. It was lit up for the first time in November 2008 and continued through 2013. The accelerator is best known for discovering the god particle or Higgs Boson in 2012.

About the Aim of LHC:

- LHC is used to smash accelerated protons or lead ions to measure energies, directions and velocities of these particles at **four particle detectors- ATLAS, CMS, ALICE and LHCb.**
- The idea behind the proposed project is **to discover new particles and go beyond the Standard Model of Physics.**
- The Standard Model of Physics is a theory that describes the most basic building blocks of the universe.
- It explains how quarks (consisting of protons and neutrons) and leptons (which include electrons) make up matter.
- Following the discovery of the Higgs Boson, scientists observed the various ways in which the Higgs boson breaks down.

About CERN:

- CERN is the **European Organization for Nuclear Research** where scientists probe the fundamental structure of the universe.
- India is the associate member of CERN and USA has observer status at CERN.
- CERN is **located in Geneva and it is an official Observer to the United Nations (UN).**
- Its most important function is **to provide the particle accelerators** and other related infrastructure required for high-energy physics research.

Source: IE

3. Gender Gap Report

Topic: Reports and Indices



In News: The World Economic Forum (WEF) will take into account the participation of women at panchayat level to rank countries in its future Global Gender Gap reports, which will better India's position at the global level.

More on the Topic:

- There are 1.4-million women in the Indian panchayat system whose political contribution will now be enumerated.
- So far, the WEF looked at four major verticals to assess gender gap in a country — economic participation, political participation, health and education levels.
- For women's political participation, the WEF looks at the number of women in the Union Cabinet and members in both houses of Parliament.
- It did not consider Ministers of State, women MLAs and state ministers, which is considered as a big omission and needed to be rectified.

New Initiatives by WEF for India:

- The WEF will showcase on its digital platform' the impact achieved by the Indian government through its gender-budgeting system, **"promoting gender equality in all sectors and at all levels of governance"**. For this, the WEF will collaborate with the 15th Finance Commission.

- The WEF will also establish a **‘Skills and Gender Parity Accelerator’ in India** to identify and scale up targeted public-private initiatives that will prepare the Indian workforce for the future.

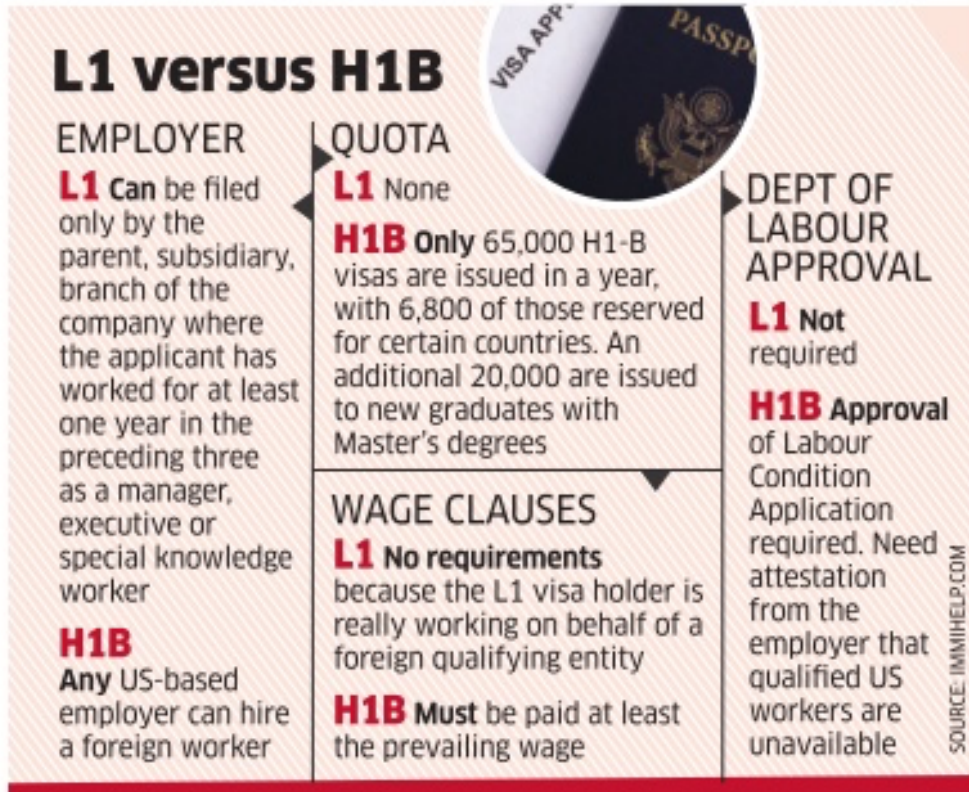
About India’s Performance in the Gender Gap Report:

- The World Economic Forum (WEF) **ranked India at 135 out of 146 countries** in its Global Gender Gap (GGG) Index for 2022.
- India’s overall score has improved from 0.625 (in 2021) to 0.629, which is its seventh-highest score in the last 16 years.
- In 2021, India was ranked 140 out of 156 countries.
- **Officials feel the inclusion of data on women’s participation at the panchayat level will surely push India’s ranking up on the global stage.**
- The gender gap is the difference between women and men as reflected in social, political, intellectual, cultural, or economic attainments or attitudes.

Source: Hindu

4. H1 and L1 Visa

Topic: International Relations



L1 versus H1B			
EMPLOYER	QUOTA	DEPT OF LABOUR APPROVAL	SOURCE: IMMHELP.COM
<p>L1 Can be filed only by the parent, subsidiary, branch of the company where the applicant has worked for at least one year in the preceding three as a manager, executive or special knowledge worker</p> <p>H1B Any US-based employer can hire a foreign worker</p>	<p>L1 None</p> <p>H1B Only 65,000 H1-B visas are issued in a year, with 6,800 of those reserved for certain countries. An additional 20,000 are issued to new graduates with Master’s degrees</p>	<p>L1 Not required</p> <p>H1B Approval of Labour Condition Application required. Need attestation from the employer that qualified US workers are unavailable</p>	
	WAGE CLAUSES		
	<p>L1 No requirements because the L1 visa holder is really working on behalf of a foreign qualifying entity</p> <p>H1B Must be paid at least the prevailing wage</p>		



In News: Thousands of Indian IT professionals in the US, who have lost their jobs due to the series of recent layoffs at companies like Google, Microsoft and Amazon, are now struggling to find new employment within the stipulated period under their work visas following the termination of their employment to stay in the country.

More on the Topic:

- Over 30 to 40 percent of the Indian IT professionals have been laid off in the US.
- A significant number of whom are H-1B and L1 visa holders.
- **The H-1B visais a non-immigrant visa** that allows US companies to employ foreign workers in speciality occupations that require theoretical or technical expertise.
- Technology companies depend on it to hire tens of thousands of employees each year from countries like India and China.
- **L-1A and L-1B visas are available for temporary intracompany transferees** who work in managerial positions or have specialised knowledge.

Source: Indian Express

5. Green Comet

Topic: Science and Technology



In News: On Feb. 1, a bright-green comet named C/2022 E3 (ZTF) will make a close approach to Earth for the first time in 50,000 years.

More on the Topic:

- Comets are frozen leftovers from the formation of the solar system composed of dust, rock, and ices.

- They range from a few miles to tens of miles wide, but as they orbit closer to the Sun, they heat up and spew gases and dust into a glowing head that can be larger than a planet.
- This material forms a tail that stretches millions of miles.
- **Short-period comets originate in the Kuiper belt** or its associated scattered disc, which lie beyond the orbit of Neptune.
- Long-period comets are originate **Oort Cloud, a spherical cloud of icy bodies extending from outside the Kuiper belt to halfway to the nearest star.**
- Long-period comets are set in motion towards the Sun from the Oort cloud by gravitational perturbations caused by passing stars and the galactic tide.

Source: PIB

6. Trans Fat

Topic: Health



In News: According to WHO, Five billion people globally are exposed to harmful trans fat, increasing their heart disease and death risk.

More on the Topic:

- The data was published in the Report titled as Countdown to 2023 - WHO report on global trans fat elimination.
- Trans fat is **considered the worst type of fat to eat**. Unlike other dietary fats, trans fats also called trans-fatty acids raise "bad" cholesterol and also lowers "good" cholesterol.

- A diet laden with trans fats increases the risk of heart disease, the leading killer of adults.
- Most of the trans fat in the foods we eat is formed through a **manufacturing process that adds hydrogen to vegetable oil, which converts the liquid into a solid fat at room temperature**. This process is called hydrogenation.
- This partially hydrogenated oil is inexpensive and less likely to spoil, so foods made with it have a longer shelf life. Some restaurants use partially hydrogenated vegetable oil in their deep fryers, because it doesn't have to be changed as often as do other oils.
- **Some meat and dairy products have a small amount of naturally occurring trans fats. However, it's not clear how these trans fats affect health.**
- Artificial trans fat has been banned in many nations, but it is still widely consumed in developing nations, resulting in hundreds of thousands of excess deaths each year.

Proposed Solutions:

- **Mandatory National Limit of two grams of industrially produced trans fat per 100 grams** of total fat in all foods;
- **Mandatory National Ban on the production or use of partially hydrogenated oils** (a major source of trans fat) as an ingredient in all foods.

Source: Business Standard

7. AMPHEX 2023

Topic: Reports and Indices



In News: The **biennial Tri-Services Amphibious Exercise, AMPHEX 2023** was conducted at Kakinada, Andhra Pradesh recently.

More on the Topic:

- It is aimed at joint training of elements of all three services in various facets of amphibious operations to enhance interoperability and synergy.



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- AMPHEX 23 is the first time that the exercise was undertaken at Kakinada, and was the largest ever AMPHEX conducted till date.
- The participating forces undertook complex exercises in all domains of amphibious operations over five days. The exercise culminated in a successful Amphibious Assault.
- The exercise witnessed the participation of a number of amphibious ships consisting of Large Platform Dock (LPD), Landing Ships and Landing Crafts, Marine Commandos (MARCOS), helicopters and aircraft from the Indian Navy.

Source: Business Standard
