

### NON-PERFORMING ASSETS (NPAs): RBI PROPOSAL SEEKS TO DECLARE WILFUL DEFAULTERS WITHIN 6 MONTHS OF NPA TAG

#### Why in News?

- The Reserve Bank of India (RBI) proposed that lenders should classify a borrower as a “wilful defaulter” within 6 months of their account being declared a non-performing asset (NPA).
- The RBI did not earlier have a specific timeline within which such borrowers had to be identified.

#### What are Non-Performing Assets (NPAs)?

- **Definition:** A NPA is a loan or advance for which the principal or interest payment remained overdue for a period of 90 days.
  - For banks, a **loan is an asset** because the interest paid on these loans is one of the most significant sources of income for the bank.
  - When customers, retail or corporates, are not able to pay the interest, the asset becomes ‘non-performing’ for the bank because it is **not earning anything for the bank**.
  - Therefore, the RBI has defined NPAs as assets **that stop generating income for banks**.
  - Banks are required to make their NPAs numbers public and to the RBI as well from time to time.

**Classification of assets:** As per the RBI guideline, banks are required to classify NPAs further into:

- **Substandard assets:** Assets which have remained NPA for a period less than or equal to 12 months.
- **Doubtful assets:** An asset that has remained in the substandard category for a period of 12 months.
- **Loss assets:** It is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted, although there may be some recovery value.
- **NPA Provisioning:** Provision for a loan refers to a certain percentage of loan amount set aside by the banks.

- The standard rate of provisioning for loans in Indian banks varies from **5-20%** depending on the business sector and the repayment capacity of the borrower.
- **In the cases of NPA**, 100% provisioning is required in accordance with the Basel-III norms.
- **GNPA and NNPA:** There are primarily two metrics that help us to understand the NPA situation of any bank.
- **GNPA:** It is an absolute amount that tells about the total value of gross NPAs for the bank in a particular quarter or financial year as the case may be.
- **NNPA:** Net NPAs subtracts the provisions made by the bank from the gross NPA. Therefore, net NPA gives the exact value of NPAs after the bank has made specific provisions for it.
- **NPA Ratios:** NPAs can also be expressed as a **percentage of total advances**. It gives us an idea of **how much of the total advances is not recoverable**. For example,
  - GNPA ratio is the ratio of the total GNPA of the total advances.
  - NNPA ratio uses net NPA to find out the ratio to the total advances.

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## ETHANOL – A SAVIOUR THAT GIVES SAVINGS

### Context

- International oil prices are surging, **nearing \$100 per barrel once again**. India's import dependence on crude oil and products stood at an all-time high of 87.3 per cent in FY2023.
- To reduce the dependency on imported crude, **India needs clear research and development plan to scale up ethanol production**.

### Ethanol Blending

- **Ethanol is an agricultural by-product**, mainly obtained from the processing of sugar. It can also be obtained from other sources such as rice husk or maize.
- **Blending ethanol to a certain extent with petrol** (or diesel) that makes it burn fewer fossil fuels while running vehicles is called ethanol blending.
- Since ethanol contains oxygen, it aids in more complete combustion, lowers emissions, and improves the fuel's environmental performance.

- **By 2023, all vehicles in India will have E20 (20% ethanol in petrol) compatible material, as committed by the auto industry.**
- Therefore, in order to carry or store fuel that contains 20% ethanol, the fuel points, plastics, rubber, steel, and other components in cars would need to be compatible.

## Reasons why India Needs to Scale up Ethanol Blending Process

- **High Energy Demand (Petrol and Diesel)**
  - Nearly **60 per cent of India's petrol demand comes from two-wheelers**, which cater to the mobility needs of citizens across the economic spectrum.
  - The remaining **40 per cent demand is from four-wheelers** and this share is likely to increase, however slowly.
  - A NITI Aayog report indicated a growth in petrol demand by over 45 per cent by 2030, compared to 2021.
  - In such a scenario, **blending alone can deliver a small reduction in the overall demand for petrol.**
- **India's Dependency on Imported Crude**
  - India's **import dependence on crude oil and products stood at an all-time high of 87.3 per cent in FY2023**, and 25.8 per cent of the country's import bill was spent on it.
  - Indian economy has the **third-largest crude and product demand in the world** with significant room for consumption growth.
  - At the same time, the International Energy Agency estimates that biomass provided up to 20% of India's total primary energy supply in the last decade, with a substantial amount of it being utilized by families.
  - The newly formed **Global Biofuel Alliance under India's G20 presidency** must now convert this fuel into a form that can supply clean bio-energy to multiple ends uses, improve energy security and get value for public spending.

## India's Ethanol Blending Programme

- To reduce the dependency on imported crude, **India launched its ethanol blending programme in 2003** but it saw little progress for more than a decade.
- In 2022, after a coordinated policy push for five years, **India's blending programme achieved the significant milestone of 10 per cent ethanol blending in petrol.**
- The government is planning to **increase the blending share to 20 per cent (E20) by FY25-26**, a target that was brought ahead by five years.

## WHO WAS ADI SHANKARACHARYA?

The Madhya Pradesh Chief Minister recently unveiled a 108-foot statue of Adi Shankaracharya, an 8th-century Vedic scholar and teacher, in Omkareshwar.



### About Adi Shankaracharya:

- Adi Shankaracharya, or **Shankara**, as he was known, was an **ancient Indian philosopher and theologian** who lived in the **early 8th century CE.**
- **Birth:** He was **born in Kalady**, a village in **present-day Kerala.**
- **Philosophical Contributions:**
  - He is best known for his role in the development and **propagation of Advaita Vedanta**, a non-dualistic school of Hindu philosophy.
  - He **amalgamated the ideologies of 'Advaita Vedanta'** and also **explained the basic ideas of Upanishads.**
  - **His most important work is his efforts to synthesize the six sub-sects, known as 'Shanmata.'** 'Shanmata', which literally translates to 'six religions,' is the **worship of six supreme deities.**
  - Shankaracharya **explained the existence of one Supreme Being (Brahman)** and that **the six supreme deities are part of one divine power.**
  - He also **founded 'Dashanami Sampradaya,'** which **talks about leading a monastic life.**
  - While Shankaracharya was a firm believer in ancient Hinduism, **he condemned the 'Mimamsa school of Hinduism',** which was purely based on ritual practices.

- **Four Mathas:** He established four prominent monastic centers in India, each associated with one of the cardinal directions: Sringeri in the south, Dwarka in the west, Puri in the east, and Badrinath in the north.
- **Commentaries and Writings:**
  - He wrote 18 commentaries on major religious scriptures like the Bhagavad Gita, Brahmasutras, and 12 major Upanishads.
  - His review of 'Brahma Sutra' is known as 'Brahmasutrabhasya', and it is the oldest surviving commentary on 'Brahma Sutra'.
  - He wrote 23 books on the principles contained in the Advaita Vedanta philosophy, including Viveka Chudamani, AtmaBodha, Vakya Vritti, Upadesa Sahasri, etc.
  - 72 devotional hymns and meditational hymns like Soundarya Lahari, Nirvana Shatakam, Maneesha Panchakam.
- **Death:** Adi Shankaracharya is believed to have attained Samadhi (a state of deep meditation or realization) at the young age of 32 in Kedarnath in the Himalayas.

## WORLD FEDERATION FOR MEDICAL EDUCATION (WFME)

The National Medical Commission (NMC) of India has been recently awarded World Federation for Medical Education (WFME) Recognition status for a tenure of 10 years.



### About World Federation for Medical Education (WFME):

- WFME is a global organisation concerned with the education and training of medical doctors.
- WFME's mission is to strive for better health care for all mankind.
- WFME's primary objective is to enhance the quality of medical education worldwide, with the promotion of the highest scientific and ethical standards in medical education.
- This objective is met through
  - The development of standards in medical education;
  - The promotion of accreditation of medical schools;

- The **development of databases** on medical education;
- **Projects on the future of medicine** and medical education;
- **Publications and partnerships**
- It was **founded in 1972** and is **headquartered in Ferney-Voltaire, France**.
- It is the **organisation that officially and globally represents medical teachers and medical teaching institutions before the World Health Organization(WHO)**.
- WFME's **accreditation program** plays a pivotal role in **ensuring that medical institutes meet and uphold the highest international standards** of education and training

### **Key Facts about the National Medical Commission (NMC):**

- NMC is a **statutory body established under the National Medical Commission Act, 2019**.
- The NMC **replaced the erstwhile Medical Council of India (MCI)**, which was established in 1934.
- **Functions:**
  - NMC **regulates medical education and medical professionals**.
  - The Commission **grants recognition of medical qualifications, gives accreditation to medical schools, grants registration to medical practitioners, monitors medical practice** and assesses the medical infrastructure in India.
- **Headquarters: New Delhi**
- **Organisational structure of NMC:**
  - It consists of **33 members, including Chairman** (medical professionals only), **10 ex-officio members and 22 part-time members**.
  - **Medical Advisory Council:** It **provides the platform through which the states or UTs can put forth their views** and concerns before the NMC and advises the NMC on measures to determine and maintain minimum standards of medical education.

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### **RASHTRIYA VIGYAN PURASKAR**

Recently, the Government of India has come out with a new set of National Awards in the field of science, technology, and innovation known as “Rashtriya Vigyan Puraskar”.



## About Rashtriya Vigyan Puraskar:

- The objective of the award is to **recognize the notable and inspiring contribution** made by the **scientists, technologists, and innovators individually or in teams** in various fields of science, technology and technology led innovation.
- It shall be one of the **highest recognitions** in the field of science, technology, and innovation in India.
- Scientists/ technologists/innovators **working in government, private sector** organizations or any individual working outside any organization, who have made distinguished contributions in terms of path-breaking research or innovation or discovery in any field of science, technology, or technology- led innovation shall be eligible for the awards.
- **People of Indian Origin** staying abroad with exceptional contributions benefiting the Indian communities or society **shall also be eligible** for the awards.
- The awards shall be given in **following four categories:-**
  - **Vigyan Ratna** (VR) award will recognize lifetime achievements & contributions made in any field of science and technology.
  - **Vigyan Shri** (VS) award will recognize distinguished contributions in any field of science and technology.
  - **Vigyan Yuva-Shanti Swarup Bhatnagar** (VY-SSB) award will recognize & encourage young scientists up to **the age of 45 years** who made an exceptional contribution in any field of science and technology.
  - **Vigyan Team** (VT) award to be given to a team comprising of three or more scientists/researchers/innovators who have made an exceptional contribution working in a team in any field of science and technology.
- It shall be given in the **13 domains**, namely Physics, Chemistry, Biological Sciences, Mathematics & Computer Science, Earth Science, Medicine, Engineering Sciences, Agricultural Science, Environmental Science, Technology & Innovation, Atomic Energy, Space Science and Technology, and Others.
- **Selection procedure:**

- All nominations received for the Rashtriya Vigyan Puraskar awards shall be placed before the **Rashtriya Vigyan Puraskar Committee (RVPC)** to be **headed by the Principal Scientific Adviser (PSA)** to Government of India and comprising Secretaries of Science Departments, members of Science and Engineering Academies and some distinguished scientists and technologists from different fields of science and technology.
- The nominations for this awards will be invited every year on 14th January which would remain open till 28th February (National Science Day) every year.
- These awards shall be announced on 11th May (National Technology Day) every year.
- The Award Ceremony for all categories of awards will be held on 23rd August (National Space Day).
- All Awards will **have a Sanad & a medal.**
- It will be awarded providing at par status with other National Awards.

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## AI-CHATBOT FOR PM KISAN SCHEME

### Why in News?

- The Ministry of Agriculture and Farmers' Welfare launched an AI chatbot — the first of its kind to be integrated with a major flagship scheme of the central government — for the **PM-KISAN Scheme.**

### Pradhan Mantri Kisan Samman Nidhi (PM-KISAN):

- The Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) Yojana came into effect from **December 1, 2018.**
- Under the scheme, **income support of Rs 6000 per annum is provided to all eligible farmer families** across the country in three equal instalments of Rs 2,000 each every four months.
- The fund of Rs 2,000 is directly transferred to the bank accounts of the eligible farmers/farmer's family under the **Direct Benefit Transfer Mode.**
- **Nodal Ministry** - Ministry of Agriculture and Farmers Welfare

### Objective of PM-KISAN:



- To supplement the financial needs of all landholding farmers' families in procuring various inputs to ensure proper crop health and appropriate yields, commensurate with the anticipated farm income as well as for domestic needs.

### **Definition of Farmer's Family:**

- A landholder farmer's family is defined as “**a family comprising of husband, wife and minor children**” who owns cultivable land as per land records of the concerned State/UT.
- The entire identification process of the family rests with the State/UT Governments.

### **Pattern of Funding:**

- It is a **Central Sector Scheme** with 100% funding from the Central Government.

### **Who is Eligible for PM-Kisan Scheme?**

- Landholding farmers' families with cultivable landholding in their names,
- Farmers from both the urban and rural areas,
- Small and Marginal farmers families.

### **Who is Not Eligible for the Scheme?**

- Institutional landholder,
- Present or retired officers and employees of state/central government as well as PSUs and government autonomous bodies,
- Beneficiaries with higher economic status are not eligible,
- Those who pay income tax,
- Farmer families holding constitutional posts,
- Professionals like doctors, engineers and lawyers,
- Retired pensioners with a monthly pension of over Rs 10,000.