

DATE: 23/11/2018

Friday

Current Affairs

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Sources: THE HINDU and the Indian Express

1. THE JAMMU AND KASHMIR STATE ASSEMBLY WAS DISSOLVED

- The Jammu and Kashmir state assembly was dissolved by the Governor.
- As per the Section 53(2)(b) of the Jammu and Kashmir Constitution, The Governor is empowered to dissolve the state assembly.
- Jammu and Kashmir state assembly has 87 members. It requires support of 44 members to attain majority.
- The Election Commission (EC) will check if there is any need of imposing the model code of conduct before the assembly election in Jammu and Kashmir.
- The poll panel had decided that a model code will come into force in the states where assemblies are dissolved prematurely.
- The poll code bars the caretaker government and the party in power from taking policy decisions.
- Telangana was the first state to experience such poll code.

2. INS ARIHANT

- INS Arihant has recently completed its first "deterrence patrol".
- It is the first ballistic missile submarine of India.
- It prepared under Advanced Technology Project (ATP) under direct supervision of the Nuclear Command Authority headed by the Prime Minister.
- It completes India's nuclear triad thus aligning India with US, Russia, Pakistan, France, China and UK.
- It's a 6000 tonnes nuclear submarine powered by a 83MW Light Water Reactor.
- **Ballistic Missile Submarine:** These are the submarines which can fire ballistic missiles from anywhere in the ocean by remaining undetected.
- **Nuclear Triad:** A nuclear triad is a three-pronged military structure comprising of land-launched nuclear missiles, nuclear-missile-armed submarines and strategic aircraft with nuclear bombs and missiles.

3. AN AMERICAN NATIONAL WAS KILLED BY THE SENTINELESE

- John Allen Chau, an American national was killed by the Sentinelese in the North Sentinel Island of Andaman and Nicobar.
- **Sentinel Island:** It is a part of Andaman Nicobar Island group which is inhabited by the Sentinelese tribe. The Sentinelese people are pre neolithic people who are living here for last 55000 years. They do not have the contact with the outside world. They have a short stature due to genetic limitations.

- The Sentinelese of the Sentinel Islands protected under The Andaman and Nicobar (Protection of Aboriginal Tribes) Regulation, 1956.
 - The entire North Sentinel Island including the coastal sea extending up to 5 Kms from the coast has been declared as Tribal Reserve under the Andaman and Nicobar Islands (Protection of Aboriginal Tribes) Regulation, 1956.
4. THE WORLD METEOROLOGICAL ORGANISATION (WMO) PUBLISHES GREENHOUSE GAS BULLETIN
- WMO published the Greenhouse Gas Bulletin.
 - WMO is an agency of United Nation which publishes the Greenhouse Gas Bulletin every year.
 - The greenhouse gases in the atmosphere continues to rise resulting long term climate change, sea level rise, ocean acidification and more extreme weather.
 - Carbon dioxide: Concentrations of the gas reached 405.5 parts per million in 2017, 146% of the pre-industrial era (before 1750).
 - The increase in carbon dioxide from 2016 to 2017 was about the same as the average growth rate over the last decade.
 - It was smaller than the record leap observed from 2015 to 2016 (from 401.1 ppm to 403.3 ppm) under the influence of a strong El Niño
 - There was no El Niño in 2017.
 - Methane: Atmospheric methane reached a new high of about 1859 parts per billion in 2017 and is now 257% of the pre-industrial level.
 - Its rate of increase was the same as observed over the past decade.
 - Nitrous Oxide: Its atmospheric concentration in 2017 was 329.9 parts per billion. This is 122% of pre-industrial levels.
 - CFC-11: CFC-11 is a potent greenhouse gas and a stratospheric ozone depleting substance regulated under the Montreal Protocol.
 - Since 2012, its rate of decline has been slowed to nearly two-thirds of that of the preceding decade.
 - The most likely cause of this slowing is increased emissions associated with production of CFC-11 in eastern Asia according to the bulletin says.

	CARBON DIOXIDE	METHANE	NITROUS OXIDE
Global abundance in 2017	405.5 ppm	1859 ppb	329.9 ppb
2017 level relative to year 1750	146%	257%	122%
2016-2017 absolute increase	2.2 ppm	7 ppb	0.9 ppb
2016-2017 relative increase	0.55%	0.38%	0.27%
Mean increase in last 10 years	2.24 ppm/yr	6.9 ppb/yr	0.93 ppb/yr

Source: World Meteorological Organisation

5. RBI ISSUE

- The Reserve Bank of India and the government have agreed to refer to an expert committee on the following issues:
 1. The appropriate size of reserves that the RBI must hold and surplus reserves that is to be transferred.
 2. Relaxing rules for weak banks with the government pushing for a review to allow a few state-run banks out of the Prompt Corrective Action (PCA).
- **The Expert Committee:** RBI has agreed for setting up of an Expert Committee on the Economic Capital Framework (ECF) and its mandate is restricted to future earnings and not the existing reserves.
 - *The membership and terms of reference will be jointly determined by the Government of India and the RBI.
- The Capital Adequacy Ratio was kept at 9%.
- Fixing a capital framework will allow the RBI surplus reserve to transfer to the government.
- The government is struggling to meet its fiscal deficit target of 3.3% of GDP.
- The transfer of surplus reserve would bridge the gap.
- RBI contends that the funds are meant for contingency purpose.
- A Board for Financial Supervision (BFS) of RBI will review the norms and decide if some of the parameters like net non-performing asset (NPA) ratio could be relaxed so that some of the banks would come out of the PCA.
- 11 public sector banks out of 21 are on PCA.
- The Board for Financial Supervision (BFS) consists of the governor, four deputy governors and few other board members.

Finding a way forward

What the Centre wanted from the RBI	What the RBI Board meet has decided	Left undecided
<ul style="list-style-type: none"> ▪ Aligning capital norms of banks to Basel levels ▪ Relaxation of Prompt Corrective Action framework on 11 PSBs ▪ Easier credit for MSMEs ▪ Transfer of part of the RBI's reserves ▪ Special liquidity window for NBFCs ▪ Fixing issues of governance in RBI 	<ul style="list-style-type: none"> ▪ No change in Basel norms; deadline pushed back by a year for the last tranche ▪ Prompt Corrective Action on banks issue to be examined by RBI department ▪ Debt recast for MSME borrowers with loans of up to ₹25 cr. to be considered ▪ Committee to be set up to examine the Economic Capital Framework of RBI 	<ul style="list-style-type: none"> ▪ Special liquidity window for NBFCs ▪ Fixing issues of governance in RBI



भारतीय रिज़र्व बँक
RESERVE BANK OF INDIA