

Regent Education and Research Foundation Group of Institutions

Daily Current Affairs Synopsis

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(Useful for UPSC/WBPSC/SSC Exams.)

Covaxin gets WHO's emergency use nod

India's first indigenous COVID-19 vaccine, **Bharat Biotech's Covaxin**, was granted **Emergency Use Listing (EUL)** by the World Health Organization (WHO).

What is Covaxin?

- Covaxin is a whole virion-inactivated vaccine against SARS-CoV-2, developed in partnership with the Indian Council of Medical Research and the National Institute of Virology, Pune.
- It has been granted EUL for use in persons 18 years and above, over two doses spaced four weeks apart.
- It has been formulated to enable shipping and long-term storage at 2-8°C.
- It is also formulated to adhere to a multi-dose vial policy, thereby reducing open vial wastage, saving money to procurement agencies and governments.

Key takeaways

- The EUL is a prerequisite for the COVAX initiative in vaccine supply, and allows countries to expedite their own regulatory approval to import and administer COVID-19 vaccines.
- With validation from WHO, countries can now expedite their regulatory approval processes to import and administer Covaxin.
- UNICEF, Pan-American Health Organization (PAHO), GAVI COVAX facility, will be able to procure Covaxin for distribution to countries worldwide

- ♦ The move is expected to ease international travel for Indians who have opted for the vaccine
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Smart anti-airfield weapon

The Defence Research and Development Organisation and the Indian Air Force have jointly carried out two flight tests of the indigenously- developed smart anti-airfield weapon. In both the tests, the intended target was hit with high accuracy.

What is DRDO's smart anti-airfield weapon?

- ♦ The DRDO Smart Anti-Airfield Weapon (SAAW) is a long-range precision-guided anti-airfield weapon.
 - ♦ **Developed by:** Defence Research and Development Organisation (DRDO).
 - ♦ It is designed to be capable of engaging ground targets with high precision up to a range of 100 km.
 - ♦ In September 2020, the SAAW was approved for procurement by the Indian Government for the Navy and the Air Force.
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Ayushmaan CAPF

Union Home Minister Amit Shah launched the 'Ayushmaan CAPF' Scheme health cards at the national level in New Delhi.

Key takeaways

- 'Ayushmaan CAPF' Scheme was earlier launched on pilot basis in Assam in January this year to provide health care services to all Central Armed Police Force (CAPFs) personnel and their dependents.
- It is a joint initiative of the Home Ministry, Health Ministry and National Health Authority (NHA).
- The health card distribution will be undertaken in all CAPFs and the number of cards distributed will be displayed on the website of Home Ministry on a daily basis.
- The distribution of about 35 lakh cards will be completed by December this year.

About CAPF

The Central Armed Police Forces (CAPF) refers to seven security forces in India under the authority of Ministry of Home Affairs.

- Assam Rifles (AR)
- Border Security Force (BSF)
- Central Industrial Security Force (CISF)
- Central Reserve Police Force (CRPF)
- Indo Tibetan Border Police (ITBP)
- National Security Guard (NSG)

- Sashashtra Seema Bal (SSB)
 - Each of the seven has its own cadre of officers, but they are headed by officers of the Indian Police Service.
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RBI issues revised PCA framework for banks

The RBI has issued a revised Prompt Corrective Action (PCA) framework for banks to enable supervisory intervention and act as a tool for effective market discipline.

About the revised framework:

- The revised PCA framework will be effective from January 1, 2022.
- Earlier three parameters for monitoring were Capital (Capital Adequacy Ratio), Asset Quality (NPA) and Return on Assets (profit).
- Now the three parameters are **Capital** (Capital Adequacy Ratio), **Asset Quality** (NPA) and **Leverage** (equity capital/total assets of bank).
- Earlier PCA framework was applicable on all Scheduled Commercial Banks except Regional Rural Banks. Now it is applicable on all Scheduled Commercial Banks except Regional Rural Banks, Payment Banks and Small Finance Banks.

What is Prompt Corrective Action (PCA)?

- Prompt Corrective Action (PCA) is a supervisory framework of RBI where it uses various measures/tools to maintain sound financial health of banks.
- Once these parameters cross a certain level RBI puts the bank under PCA. And then it can take discretionary actions against the bank.

Once a bank comes under PCA framework, what actions RBI can take on the bank?

- RBI can put restrictions on Branch expansion, distributing dividends, capping compensation and fees of management and directors.
- In extreme cases, banks may be stopped from lending and there can be a cap on lending to specific sectors/entities.

- May increase the provisioning requirement for banks
 - Steps can be taken to bring in new management/Board, appoint consultants for organizational structuring, change of ownership, merger of the bank.
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RBI panel on ARCs

To streamline the functioning of asset reconstruction companies (ARCs), the Reserve Bank panel has come out with a host of suggestions.

Background:

The RBI had set up a committee headed by Sudarshan Sen to undertake a comprehensive review of the working of asset reconstruction companies (ARCs) in the financial sector ecosystem and recommend suitable measures for enabling them to meet the growing requirements.

Suggestions:

- Create an online platform for the sale of stressed assets.
- Allow ARCs to act as resolution applicants during the IBC process.
- The scope of Section 5 of the SARFAESI Act be expanded to permit ARCs to acquire financial assets from all regulated entities.
- For accounts above ₹500 crore, two bank-approved external valuers should carry out a valuation to determine liquidation value and fair market value.
- Also, the final approval of the reserve price should be given by a high-level committee that has the power to approve the corresponding write-off of the loan.

What is an Asset Reconstruction Company (ARC)?

- It is a specialized financial institution that buys the Non Performing Assets (NPAs) from banks and financial institutions so that they can clean up their balance sheets.
- Banks rather than going after the defaulters by wasting their time and effort, can sell the bad assets to the ARCs at a mutually agreed value.
- This helps banks to concentrate on normal banking activities.
- The ARCs are registered under the RBI.