

23 May 2022: UPSC Exam Comprehensive News Analysis

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B. GS 2 Related

Category: GOVERNANCE

1. Understanding the process of issuing LOCs

Syllabus: Important aspects of governance, transparency and accountability, models, successes, and limitations

Prelims: Look Out Circulars (LOCs)

Mains: Power and the process to issue Look Out Circulars and various concerns surrounding it

Context

Recently the Punjab and Haryana High Court overruled a Look Out Circular (LOC) against petitioner Noor Paul and issued instructions to the respondents.

Background

- The High Court found the action of the Bank of India to issue a LOC against Noor Paul “arbitrary, illegal and violative of Article 21 of the Constitution.”
- The High Court while quashing the Look Out Circular (LOC) asked the Ministry of Home Affairs (MHA) and the Bureau of Immigration (BOI) to send a copy of the LOC to the person affected, mention the reasons for issuing the LOC as soon as possible and provide a post-decisional opportunity.
 - The Court instructed the MHA and BOI to include these instructions in the official guidelines that administers LOCs.
- The Central Government has moved to the Supreme Court against the High Court’s judgement and the Supreme Court has stayed the particular paragraph of order.

Look Out Circular (LOC)

- LOC is a notice issued to bar individuals who are wanted by the police, investigating agency or by a bank from leaving or entering the country through any means of transport.
 - Immigration is entrusted to bar such individuals from leaving or entering the country
- Currently, there are 86 immigration check posts throughout the country.
- Individuals against whom LOC is issued can challenge the circular and get relief from a court.

Power of issuing LOCs

- Investigating agencies such as the Central Bureau of Investigation (CBI), Enforcement Directorate (ED), Directorate of Revenue Intelligence (DRI), Income Tax, State police and are authorised to issue LOCs against individuals.
- The officer who issues the LOCs must not be below the rank of a district magistrate or superintendent of police or a deputy secretary in the Central Government.

Details about LOC

- According to the official memorandum issued by the Ministry of Home Affairs in 2010, details like First Information Report (FIR) number, court case number should be provided compulsorily along with the name, passport number and other such details.
- The Bureau of Immigration under the MHA is only the executing agency.
 - BOI issues LOCs based on requests made by authorised agencies.
 - As the BOI officials are tasked with manning the immigration posts they are the first responders to execute LOCs by barring individuals from leaving the country.
- A LOC can be modified/deleted/withdrawn by the Bureau of Immigration only at the request of the authorised officer who issued the LOC in the first place.
- Also, the legal responsibility of the actions undertaken by immigration authorities in pursuance of LOC rests with the agency which requested the issue of LOCs.
- Based on the norms, LOC will be valid for a maximum period of 12 months (1 year) and will not be automatically revived if there is no new request to extend it from the agency.

Are banks authorised to issue LOCs?

- After many loan defaulters such as Vijay Mallya, Nirav Modi and Mehul Choksi left the country, the Ministry of Home Affairs in 2018 amended the 2010 guidelines and authorised the chairman, managing director and chief executives of all public sector banks to issue LOCs against individuals who could adversely affect the economic interests of India.
- MHA told the Delhi High Court that banks were authorised to generate LOCs as there have been instances in recent years wherein the loan defaulters or economic offenders of public financial institutions have left the country

Other provisions under which individuals can be stopped

- The 2010 guidelines authorises police and intelligence agencies to issue LOCs in “exceptional cases” without providing complete information or case details against “suspects, terrorists, anti-national elements in the larger national interest.”
 - Priya Pillai who is Greenpeace activist was stopped from travelling to London in 2015 after the Intelligence Bureau (IB) issued a LOC based on the above provision.
 - Post the abrogation of Article 370 of the Constitution in August 2019, LOCs were issued against many politicians, human rights activists, journalists and social activists to restrict them from leaving the country and the number of such individuals and the crime for which they have been under the list is unknown.

Recent events surrounding LOCs

- The Ministry of Home Affairs recently has held that “LOCs cannot be shown to the subject” at the time of detention and prior intimation cannot be provided as the LOC guidelines are a secret document and the same cannot be shared with the ‘accused’ or any unauthorised stakeholder as it defeats the objectives of LOC
- MHA also held that individuals accused or subject to LOC cannot be given an opportunity of hearing before the issuance of the LOC.
- In January 2022, Delhi High Court overruled a LOC against Vikas Chaudhary (a businessman from Delhi) issued at the request of the Income Tax department.
 - The court held that “no proceedings under any penal law had been initiated against the petitioner” and the LOC was unsustainable.
- Delhi court in April 2022 quashed a LOC against Aakar Patel (chair of Amnesty International India) and held there cannot be any arbitrary restriction on the fundamental right of individuals to travel.

Nut Graf

Since the arbitrary issue of LOCs against individuals is violative of the fundamental right to travel abroad guaranteed under Article 21 of the constitution, the judiciary has played a proactive role and has provided instructions to the Ministry to ensure accountability.

2. The case against Mehul Choksi

Syllabus: Important aspects of governance, transparency and accountability

Prelims: Facts about Interpol and Extradition treaties

Mains: Measures undertaken by the government against economic offenders.

Context

The Dominican government has decided to drop all charges against Mehul Choksi.

Background

- Mehul Choksi is wanted by the Central Bureau of Investigation (CBI) and the Enforcement Directorate (ED) in the ₹13,578 crores Punjab National Bank (PNB) fraud case.
- He had fled to Antigua and Barbuda in January 2018, a few days before a case was filed against him.

- He was missing from Antigua and Barbuda in May 2021 and was found in Dominica, where he was detained on the charge of illegal entry.
- In July 2021, a Dominica High Court permitted him to travel back to Antigua and Barbuda after giving him bail for medical treatment.
- The Dominican government has recently dropped all criminal proceedings against him.

Charges against Mehul Choksi in India

- Based on the Punjab National Bank's complaint, the CBI had registered a case against Choksi, Nirav Modi and others in January 2018 for their role in alleged bank fraud of about ₹280 crores in conspiracy with some officials.
- The alleged role of three firms namely Diamonds R US, Solar Exports and Stellar Diamonds, was found after they approached the PNB's branch in Mumbai for buyer's credit to make payment to the overseas suppliers.
- CBI also registered another case against three Gitanjali group companies of Choksi for causing an alleged ₹4,887 crore loss to the bank. After the investigations, the CBI filed a chargesheet alleging that the amount involved was about ₹7,080 crores.
- The CBI registered another case against Gitanjali Gems Limited and others for allegedly cheating the IFCI Limited of ₹22.06 crore.
- The ED has filed cases under the [Prevention of Money Laundering Act](#) and has attached properties worth hundreds of crores in India and abroad.
- Proceedings have also been initiated against him under the [Fugitive Economic Offenders Act](#).

Mehul Choksi's shift to Antigua and Barbuda

- Mehul Choksi and his relatives fled India in January 2018, a few days before the bank filed a complaint with the CBI.
- CBI found that he had applied for Antiguan citizenship in May 2017 and his application was processed in November 2017 and in January 2018, he took the oath of allegiance to Antigua and has been living in the country.
- It is also said that he had visited Hong Kong in December 2017 and told the dummy directors of his so-called supplier companies to apply for a Thailand visa.
- This has made the ED allege that he knew about the following criminal proceedings very much earlier.

Measures undertaken by the Indian agencies to bring back Choksi

- CBI approached the [Interpol](#) and succeeded in getting a [Red Notice](#) issued against Choksi in December 2018.
- Although India does not have an extradition treaty with Antigua and Barbuda, as per a Ministry of External Affairs' order provisions of the [Extradition Act, 1962](#), (other the Chapter III) apply to Antigua and Barbuda with effect from the date of notifying India as a Designated Commonwealth Country under the Extradition Act of Antigua and Barbuda on September 17, 2001.
- India is trying for Choksi's extradition in the court of Antigua and Barbuda
- He also faces charges against the validity of his Antiguan citizenship.

Nut Graf

As large sums of money are at stake and acknowledging a possibility of severe consequences if such individuals escape without prosecution, India must use its soft power and diplomatic channels to seek the fugitive's custody and his prosecution in India.

C. GS 3 Related**Category: SCIENCE AND TECHNOLOGY****1. The rise of AI chips**

Syllabus: Science and Technology- developments and their applications and effects in everyday life.

Prelims: About AI Chips and Deep Learning

Mains: Difference between AI Chips and traditional chips and the applications of AI chips.

Context

This article talks about the developments in the field of Artificial Intelligence (AI) chips.

Details**Artificial Intelligence or AI Chips**

- AI chips are the ones that are made with specific architecture and are integrated with Artificial Intelligence (AI) acceleration to assist in deep learning-based applications.
 - Deep learning or Active Neural Network (ANN) or Deep Neural Network (DNN) is a division under machine learning and also comes under the AI framework.
 - It includes a series of computer algorithms that result in activity and brain structure. Deep learning new capabilities through training from existing data.
 - Deep learning has the ability to apply these capabilities learned during the training phase and make predictions about unseen data.
 - Deep learning thus facilitates the process of collecting, analysing, and interpreting large amounts of data in a faster and simpler manner.
- AI chips with advanced hardware design with advanced packaging, memory, storage help to extend AI to various applications which turns data into information and then into knowledge.
- The different types of AI chips include Application-Specific Integrated Circuits (ASICs), Field-Programmable Gate Arrays (FPGAs) and Central Processing Units (CPUs) which are designed for different applications.

AI Chips v/s Traditional Chips

- The traditional chips perform various tasks by continuously moving commands and data between the hardware components.
 - These chips are not suitable for AI applications since they cannot handle advanced computational processes and AI workloads which deal with large amounts of data.
- However, AI chips are equipped with processor cores and other AI-optimised cores that are made to perform computational tasks harmoniously. The AI cores are enhanced to address the demands of

AI workloads with low-latency and are integrated with other processor cores that are intended to handle non-AI applications as well.

- AI chips are basically advanced chips that enable smart devices to perform complex deep learning tasks like object detection and segmentation in real-time, with fewer power requirements.

Applications of AI Chips

- AI chips are used in smart machines and devices such as data centre-class computers and edge devices.
- AI chips are used to assist in-vehicle computers to perform AI applications more efficiently.
- AI chips are used in wearable electronics, drones, and robots.
- AI chips are also being used in Natural language processing (NLP) applications whose demand has increased due to the extensive usage of chatbots and online channels such as Messenger, Slack, and others.
- AI chips have also been deployed in banking, finance, trading, and insurance sectors as they help in customer interaction.

Recent developments

- One of the major firms, Nvidia recently unveiled its H100 GPU (graphics processing unit), which is said to be the world's largest and most powerful AI accelerators and the makers claim that it can sustain traffic equivalent to the entire world's internet traffic.
 - Nvidia also has a wide portfolio of AI chips such as Grace CPU and A100 GPUs, that are capable of handling some of the largest AI models
- Intel Corporation recently launched new AI chips with deep learning capabilities.
 - Intel's Habana Labs launched its second-generation deep learning processors named Gaudi2 and Greco.
- IBM is also working on AI chips that can perform financial services tasks such as fraud detection, loan processing, clearing and settlement of trades, anti-money laundering and risk analysis.

Path ahead

- The Cerebras Systems, which is one of the manufacturers of AI chips, has set a new benchmark with its brain-scale AI solution, it is equipped with CS-2 powered by the Wafer Scale Engine (WSE-2) with 2.6 trillion transistors and 8,50,000 AI optimised cores.
 - The company said that the human brain consists of about 100 trillion synapses, and a single CS-2 accelerator can support models of over 120 trillion parameters (synapse equivalents) in size.
- Neuromorphic computing is another advanced design approach that employs an engineering method based on the activity of the biological brain.
 - Extensive usage of neuromorphic chips is expected in the automotive industry in the coming years.

- There is an increase in the demand for smart homes and cities, which has resulted in increased investments in AI start-ups boosting growth in the AI Chip market.
- The global AI chip industry accounted for \$8.02 billion in 2020 and is estimated to cross \$194.9 billion by 2030 achieving significant growth.

Nut Graf

The advent of AI Chips has revolutionised the Chipmaking industry with wide ranging applications in various sectors such as robotics, network security, automobiles, healthcare, and retail. Increased investments and government support to the Industry are essential to realise the complete potential of AI Chips.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: HEALTH

1. India needs to keep an eye on its myopia prevalence

Syllabus: *Issues relating to development and management of Social Sector/Services relating to Health*

Prelims: *About Myopia*

Mains: *Risks associated with the prevalence of Myopia and ways to address and prevent Myopia*

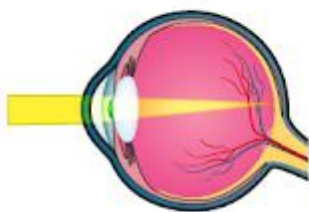
Overview

- The World Health Organization (WHO) says that there were about two billion people with myopia in 2010.
- WHO predicts that by 2030, myopia will affect 3.3 billion people.
- East Asian and the Pacific countries have been witnessing the highest number of people with myopia in the last ten years but the current reports in India do not reflect this trend.

What is Myopia?

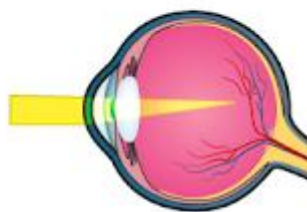
- Myopia or Nearsightedness occurs when the eye loses its ability to focus on far-off objects as the lenses do not possess a long focal length.
- People with myopia have difficulty seeing distant objects, but can see objects that are near clearly
- Myopia is commonly found in children
- Causes:
 - **Genetics:** Inherited from the parents having the defect
 - **Environmental factors**
 - **Elongation of the eyeball:** generally young people suffer from myopia that occurs due to elongation of the eyeball or bulging of the cornea.

NEARSIGHTEDNESS / MYOPIA



Normal vision

Faraway object is clear



Myopia

Nearsighted eye the eyeball is too long
faraway object is blurry

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Concerns around the prevalence of Myopia

- A pair of spectacles is usually prescribed to correct this defect, but the spectacles address the symptom and fail to address the cause which results in the progression of myopia through childhood.
- Progressive myopia might lead to 'high' myopia, increasing the risk of retinal detachment, glaucoma or macular degeneration that can cause permanent loss of vision.
- Children, particularly in urban environments, are spending extensive hours indoors and on near-work looking at books, television, phones or laptops
- The COVID-19 pandemic has also increased the number of hours children are spending indoors; this is robbing the children of outdoor time and exposure to sunlight.
 - It is said that exposure to sunlight can arrest the progression of myopia.
- Reports from the East Asian countries suggest that 80%-90% of high school children in East and Southeast Asia were facing myopia even before COVID pandemic.
 - About 20% of them had high myopia.
- WHO warns of a global myopia epidemic, where several children are at risk of vision impairment as estimates predict that close to 50% of the world's population will be myopic by 2050.

Trends in India

- Studies have recorded low levels of myopia prevalence among schoolchildren as compared to East Asia.
- One in 30 to one in five schoolchildren is presenting with myopia in India.
- According to a study of about 12 lakh schoolchildren in Telangana and parts of Andhra Pradesh, myopia prevalence was found to be 5% including those who already use spectacles.

Impact of urbanisation on the prevalence of Myopia

- Myopia is two times more prevalent among urban children compared to rural ones.

- A study found a higher prevalence among South Asian children in the United Kingdom compared to those living in rural India.
- Studies also show that myopia prevalence in urban Indian schools is relatively high and the spectacle power of urban children with myopia is also increasing.
 - This proves that urban schools are causing an increase in myopia in children
- Despite a demographic shift towards cities and towns, about 65% of India's population still live in villages but as urbanisation increases the burden of myopia also increases.
- Considering these factors it is predicted that myopia prevalence would be about 50% in India by 2050.

Recommendations

- Although there is treatment available to address myopia, prevention of myopia is better than cure.
- There is a need to spread awareness among parents about the benefits of outdoor activities to children.
- Schools should also be encouraged to ensure that children are exposed to sunlight adequately.
 - There is a need for setting up an education policy that helps balance near-work with distance-work.
- Screening facilities have to be strengthened and spectacles must be provided for those with defects.
 - Basic, annual screening can be done by teachers at schools and refer myopic children to eye-care professionals.
- Social stigma around spectacles must also be addressed through sensitisation and awareness programs

Nut Graf

Although estimates show that India's myopia prevalence is low as compared to several East Asian and the Pacific countries, the prevalence of myopia in the country is expected to increase in the coming years, this requires the government and healthcare system in India to intervene and step up surveillance which helps prevent the progression of myopia.

Category: INTERNATIONAL RELATIONS

1. Iran's regional centrality and isolation

Syllabus: *Effect of policies and politics of developed and developing countries on India's interests.*

Mains: *Developments in the Iran-US relationship and its implications on the geopolitics in the region.*

Context:

This article written by former Vice President of India Hamid Ansari talks about Iran's ambitions and its relationship with the U.S.

Background

- A recent essay in Foreign Affairs says that Iran has not achieved any of its ambitions, but has made strong progress towards them and is encouraged by its recent victories.
- The essay further says that Iran is self-assured as well as deeply insecure as it shows external strength to hide its internal disturbances
- Iran is said to have structured its foreign policy on the two pillars of confronting the United States and Israel
- Despite its success in supporting militant groups across West Asia, there are signs that 66% of youths in the Arab region view Iran as an adversary.
- The essay also says that "Washington's perception of Iran has suffered from four decades of estrangement and strategic narcissism".

Political stability in Iran

- Iran is the 18th largest country in the world in terms of area and shares land borders with countries such as Pakistan, Afghanistan, Turkmenistan, Azerbaijan, Armenia, Turkey and Iraq and maritime borders with Kuwait, Bahrain, Saudi Arabia, Qatar, the UAE, and Oman.
- Iran has witnessed periods of conflict, imperial dominance, foreign occupation and a revolution in its history which have significantly impacted Iran's policies.
- Iran's culture has been influential in world history and has been depicted as an 'Empire of the Mind.'
- Post the revolution of 1979, and the end of the U.S. security umbrella, Iran has had concerns regarding national security due to its extensive porous borders with Iraq and Afghanistan.
 - There is a huge concern about the influx of refugees from Afghanistan
 - Iran has had a decade-long war with Iraq.
 - Also, there were concerns on the Pakistan border as well during the Bangladesh War of 1971 which was resolved by India.
- Despite disruptions in the post-revolutionary era and the war, Iran has experienced a certain level of political stability. This was because of its power structure, based on a multitude of competitive power centres.
 - These power centres remain officially grounded in the Constitution and its structure actually grounded in the religio-political associations due to the clerical leadership that retains a strong hold on the state power.
 - As these centres have their own power to facilitate or obstruct individual policies, arriving at a stand on individual decisions is a challenging exercise.
- Iran's foreign policy has tried to protect its independence, national sovereignty, and national interests and is characterised by constant adjustments to the changing regional interests. This was evident in the uncertain reaction to the U.S. attack on Iraq.
- After the end of the Khomeini era, the period of Hashemi Rafsanjani Iran attempted to regain its role in regional affairs. These efforts were strengthened by former President Mohammad Khatami.
- Regional policies were undertaken which focused mainly on three regions namely, the Persian Gulf, the Arab East and Eurasia.

Relationship of Iran with the U.S.

- The differences between the West led by the U.S. and Iran are mainly centered around Iran's nuclear energy policies, which were earlier started before the revolution with the assistance from the U.S. but later the Iranian scientists developed nuclear energy capacity to the stage which threatened the West about Iran's intentions.
- Iran's relationship with the U.S. saw a drastic change.
- In 2003, after America's success in the Iraq war, Iran offered the Swiss intermediary full negotiations with the U.S. which was ignored by the U.S. government
- In October 2003, the Tehran Declaration was negotiated between Iran and the European Union (EU) wherein Iran accepted to cooperate with the International Atomic Energy Agency (IAEA) including the Additional Protocol, and would cease all uranium enrichments temporarily.
- Subsequently, the IAEA conducted facility inspections and in 2015 the [Joint Comprehensive Plan of Action \(JCPOA\)](#) was negotiated between Iran and the P5+1 and the EU.
 - The US government approved Iran's compliance with the agreements twice in 2017, but in 2018, U.S. withdrew from it promising a better deal which did not happen.
- After changes of administration in both Iran and the U.S. there have been negotiations in Vienna in the expectation of success with an Iranian insistence on returning to the original terms of the JCPOA, but the Ukraine war and the following western sanctions on Russia has become an obstacle along with Iran's demands of lifting U.S. sanctions on the Islamic Revolutionary Guard Corps which has been effective in Iraq, Syria and with Hezbollah which has also played a role in the Iranian economy.
- Despite being a victim of sanctions for long, Iran has been consistently pursued the development of military technologies with its success in developing conventionally armed, precision-guided missiles and effective air defence systems.
- With the advancement of Iran as a nuclear power in a region that has other nuclear powers such as India, Pakistan and Israel, experts point out that a deadlock in negotiations could encourage Iran to withdraw from the Non-Proliferation Treaty
- In the coming days, it is said that the U.S. will have to make a difficult choice between its strategic interests, requirements, and capabilities in West Asia especially with Israel and the Arab bloc on the one hand and Iran's regional centrality and its implications, on the other.
 - The failure of the [Arab Spring](#) and the formalisation of the [Abraham Accord](#) is one of the aspects of it
- To resolve the deadlock, the centrality of Iran in its neighbourhood has to be recognised along with the US's commitment to regional cooperation.

Nut Graf

The relationship between Iran and the U.S. has gone through drastic changes and is now mainly focused on Iran's nuclear energy plans. The current stalemate in the negotiations are to be resolved at the earliest to ensure peace and stability in the region..

Category: ECONOMY

1. Poor recovery, increasing delays mar IBC resolution process

Syllabus: Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

Mains: The progress in the recovery process of Insolvency and Bankruptcy Code (IBC) and various challenges associated with it

Context

In the fourth quarter of FY22, the amount to be realised from the resolution process was found to be lower than the liquidation value of assets for the first time.

Details

- Poor recovery of claims and delays in resolving bad assets have been the problems for various recovery mechanisms
- It is important to recover the maximum amount possible from the defaulter, and also do it quickly without delays so that the amount can be freed-up to lend new credit.
- In 2016, the Insolvency and Bankruptcy Code (IBC) was introduced to address the problems of bad debts and help the creditor with the resolution process.
- The IBC has performed compared to other recovery mechanisms such as SARFAESI, Lok Adalats, and Debt Recovery Tribunals. But IBC also suffers from systemic issues.
 - Example: Out of the 2,600 cases that were closed by December 2021, 55% ended in liquidation while only 16% were completed with proper resolution plans approved by the lender.
 - Also, the resolution process is affected due to delays in the process.
 - On average, about 700 days were taken in FY22 to complete a resolution process, against the stipulated deadline of 330 days.
 - The lenders continued to take steep haircuts (the debt foregone by the lender as a share of the outstanding claim).
 - In 100 out of 500 companies that saw proper resolutions, the haircuts were more than 90%.
- The main challenge has been delays and it is due to the capacity of tribunals.
 - The functioning of the NCLT [National Company Law Tribunal] during the COVID-19 pandemic has impacted IBC.

Data on recovery progress

Haircuts and hold-ups

Six years since the implementation of the IBC, the resolution process continues to be mired in problems of systemic delays and steeper haircuts. On average, over 700 days were taken in FY22 to complete a resolution process, against the stipulated deadline of 330 days. In 100 out of about 500 companies that resulted in proper resolution, the haircuts were above 90%



CHART 1 The chart shows the share of companies that were liquidated (red), approved (green), settled (blue) and withdrawn (yellow) among the cases for which the resolution process was completed. For instance in Q3FY2022, among closed deals, 57% were liquidated, in 24% the resolution plan was approved by the lender and in 15%, the claim request was withdrawn

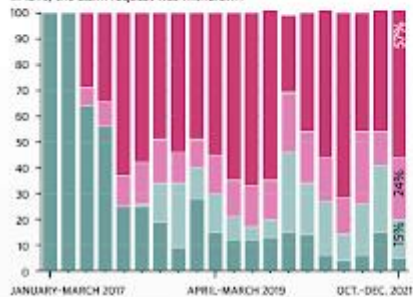


CHART 2 The chart shows the number of days taken to complete the resolution process. The darker the red, the more the number of days taken

Outstanding claims (₹)	FY18	FY19	FY20	FY21	FY22
<50 CRORE	230	317	409	501	667
50-100 CRORE	260	345	413	670	783
100-500 CRORE	252	400	431	535	705
500-1000	249	310	563	626	667
>1000 CRORE	274	417	561	729	772

For instance, in FY22, it took 772 days to resolve cases involving companies that owed more than ₹1,000 crore to the lenders while the stipulated deadline is 330 days

CHART 3 The chart shows the liquidation value (●) of assets and the actual value realised (○) through the process as a % of outstanding claims

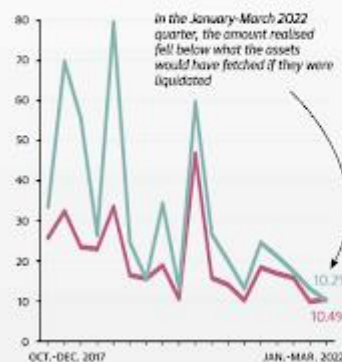
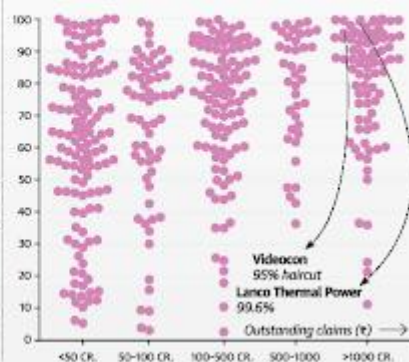


CHART 4 The chart shows the share of haircuts taken by the lenders. Each circle denotes a company for which the resolution was approved



- Chart 1 denotes that most of the cases resulted in liquidation in most of the quarters while approved cases ranged between 15% and 25% since 2018
- Chart 2 suggests that in FY22, it took 772 days to resolve cases involving companies that had loans of more than ₹1,000 crores and the average number of days it takes to resolve such cases has increased significantly in the last five years.
- Chart 3 shows the actual value realised by the creditors through the resolution process as a share of outstanding claims. The wider the gap between the two values, the greater the impact of the insolvency process and it is seen that the gap has been narrowing.
- Chart 4 denotes that nearly 33 of 85 companies that owed more than ₹1,000 crores, lenders had to take above 90% haircuts.

Nut Graf

Problems of delays and haircuts continue to be the main challenges to the loan recovery in India further affecting the resolution process through Insolvency and Bankruptcy Code (IBC).

F. Prelims Facts

Nothing here for today!!!

G. Tidbits

1. PM to attend Tokyo launch of U.S. trade initiative

- The Prime Minister of India will participate in the unveiling of the Indo-Pacific Economic Framework (IPEF) in Tokyo
- Indo-Pacific Economic Framework (IPEF) is said to be a U.S. initiative for trade partnerships in the region
- Although India has not taken a decision on joining the framework, the attendance of the Indian PM at the event is a significant step towards building economic ties among Quad countries (India, the U.S., Australia and Japan) in the Indo-Pacific
- The Indo-Pacific Economic Framework (IPEF) is touted to counter the dominance of the 15-nation Regional Comprehensive Economic Partnership (RCEP) and the 17-nation Trans-Pacific Partnership (TPP) that China is a member of.

2. Indian aid reaches Sri Lanka port

- India's relief supplies such as rice, life-saving medicines and milk powder for the crisis-hit Sri Lanka reached the country and were handed over to the government.
- The consignment consists of 9,000 metric tonnes (MT) of rice, 50 MT of milk powder and more than 25 MT of drugs and other medical supplies worth ₹2 Billion.
- This is also the first consignment under a \$16 million commitment of 40,000 MT of rice, 500 MT of milk powder and medicines by the Government of Tamil Nadu.

H. UPSC Prelims Practice Questions

Q1. Which of the following statement/s is/are incorrect? (Level - Medium)

1. India has been progressively decreasing its reliance on external debt and stressing on increasing domestic debt in the total debt of the country given the concerns of vulnerability associated with external debt.
2. Among India's external debt, Commercial borrowings accounted for the highest proportion.

Options:

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

CHECK ANSWERS:-

Answer: a

Explanation:

- **Statement 1 is not correct**, India's debt market is being progressively opened up to the foreign capital in a careful and calibrated manner.
- **Statement 2 is correct**, Commercial borrowings have remained the largest component of external debt.

Q2. Which of the following reports are associated with the World Economic Forum? (Level - Medium)

1. Global Risks Report
2. Fostering Effective Energy Transition
3. Global Gender Gap Report
4. Global Economic Prospects
5. Global Competitiveness Report
6. World Economic Outlook

Options:

- a. 1, 2 and 6 only
- b. 1, 2, 3 and 5 only
- c. 1, 2, 3, 4 and 5 only
- d. All of the above

CHECK ANSWERS:-

Answer: b

Explanation:

- Global Risks Report, Fostering Effective Energy Transition, Global Gender Gap Report, Global Competitiveness Report are associated with **World Economic Forum**
- Global Economic Prospects Report is released by **World bank**
- World Economic Outlook is released by **International Monetary Fund**

Q3. Which of the following statement/s is/are correct? (Level - Easy)

1. Among the Agricultural exports from India, rice accounts for the largest share in terms of value.
2. India has been the largest producer and exporter of sugar in the world in the last 5 years.

Options:

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

CHECK ANSWERS:-

Answer: a

Explanation:

- **Statement 1 is correct**, Among the Agricultural exports from India, rice accounts for the largest share in terms of value.
- **Statement 2 is not correct**, Since 2019–2020 India is the world's second-largest sugar producer after Brazil and Brazil is also the largest exporter of sugar.

Q4. Consider the following instruments: (Level - Medium)

1. Kanjira
2. Mridhangam
3. Ghatam

Which of the following are closely related with Carnatic music?

- a. 2 only
- b. 2 and 3 only
- c. 1, 2 and 3 only
- d. 3 only

CHECK ANSWERS:-

Answer: c

Explanation:

- Instruments used in Carnatic music include the ghatam, mridangam, kanjira, morsing, venu flute, veena, chitraveena, etc.
- Hence **option c** is correct.

Q5. Consider the following pairs: (Level - Difficult) [UPSC 2019]

Famous place	River
1. Pandharpur	Chandrabhaga
2. Tiruchirappalli	Cauvery
3. Hampi	Malaprabha

Which of the pairs given above are correctly matched?

- a. 1 and 2 only
- b. 2 and 3 only
- c. 1 and 3 only
- d. 1, 2 and 3

CHECK ANSWERS:-

Answer: a

Explanation:

- The Chandrabhaga (Bhima) river flows through Pandharpur.
- Tiruchirapalli is located along the Kaveri River in Tamil Nadu.
- Hampi is located in the **Tungabhadra** basin in Central Karnataka.

I. UPSC Mains Practice Questions

1. **The issuance of LOCs (look out circular) remains highly discretionary, and the exercise of power under it remains questionable. Explain.** (10 Marks, 150 Words) (GS II – Governance)
2. **What are the different ways in which AI chips are being used in various sectors? What are the recent innovations in the industry?** (15 Marks, 250 Words) (GS III – Science and Technology)

