

DAILY PT POINTERS

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AIR: Culture

Asia's largest open-air annual trade fair Bali Jatra inaugurated on banks of Mahanadi River in Cuttack

Asia's largest open-air annual trade fair the Bali Jatra, commemorating the glorious ancient maritime legacy of Odisha, was inaugurated on the banks of the Mahanadi River in Cuttack last evening. This year the festival started on the occasion of Kartika Purnima and will continue till December 4 next month. Cultural troupes from across Odisha and other states will perform Odissi, Chhau, Bihu, Mahari, Gotipua, Sambalpuri, Santali folk dance, and other dances in the evenings on the fairgrounds. About two thousand stalls displaying various handicrafts, household goods, and foods are expected to come up on the fairground this year. Elaborate



Bali Jatra

- Bali Jatra, means 'voyage to Bali', is one of the country's largest open-air fairs, which is organised every year to commemorate the 2,000-year-old maritime and cultural links between ancient Kalinga (today's Odisha) and Bali and other South and Southeast Asian regions like Java, Sumatra, Borneo, Burma (Myanmar) and Ceylon (Sri Lanka).
- It has been inaugurated on the banks of the Mahanadi River in Cuttack.
- Cultural troupes from across Odisha and other states will perform Odissi, Chhau, Bihu, Mahari, Gotipua, Sambalpuri, Santali folk dance, and other dances in the evenings on the fairgrounds.

HEADLINES OF THE DAY

PIB: Economy

Indian Institute of Corporate Affairs (IICA) concludes two-day familiarisation programme for Independent Directors to bolster corporate governance in India

Posted On: 28 NOV 2023 5:36PM by PIB Delhi

The Indian Institute of Corporate Affairs' (IICA) 'Two-Day Familiarisation Programme for Independent Directors' concluded in Goa, today. The programme was part of IICA's various ongoing capacity-building interventions aimed at bolstering corporate governance in India. The inauguration was led by Shri Jayant Arya, Registrar of Companies and Official Liquidator for the State of Goa.



Indian Institute of Corporate Affairs (IICA)

- The Indian Institute of Corporate Affairs is the apex think tank of the Ministry of Corporate Affairs, Government of India.
- The institute's primary mission is to advance corporate governance excellence, promote responsible business conduct, and ensure the highest standards in the Indian corporate landscape.
- Among its key initiatives is Independent Director Databank & Certification initiative, a mandatory certification for individuals aspiring to serve on company boards in India.
- This initiative, along with several others, is designed to improve the quality of boardroom composition, discourse, and effectiveness in India.

HEADLINES OF THE DAY



PIB: Geography/Economy

Union Power and New & Renewable Energy Minister visits Subansiri Lower Hydroelectric Project

Importance of Hydel projects has increased, round-the-clock renewable energy not possible without hydro: Power and NRE Minister R. K. Singh

“13 Hydel Projects coming up in Arunachal, will bring in investment of Rs. 1.4 lakh crore, substantially increase per capita income of the state and provide 13,000 MW clean power to the nation”

Posted On: 28 NOV 2023 10:40AM by PIB Delhi

The Union Minister for Power and New & Renewable Energy Shri R.K Singh visited the 2000 MW Subansiri Lower Hydroelectric Project located in Arunachal Pradesh / Assam yesterday, November 27, 2023. The Minister inspected the Subansiri project construction sites, namely the dam, intake structures and diversion tunnels in Gerukamukh, Assam. He took stock of the ongoing construction activities and was briefed about the progress. Later in the day, the Power Minister took a review meeting wherein he was briefed about the various steps taken to address the challenges in the project. Addressing NHPC officials and representatives of contractors of major works, the Shri Singh instructed everyone to work with maximum zeal to complete the project as per schedule.

News

- The Union Minister for Power and New & Renewable Energy visited the Subansiri Lower Hydroelectric Project.

Subansiri Lower Hydroelectric Project

- It is an under-construction gravity dam on the Subansiri River in North Eastern India.
- It is located 2.3 km upstream of the Subansiri River in Arunachal Pradesh.
- It is a run-of-the-river project with an expected power supply of 2,000 MW.
- The Subansiri River is a trans-Himalayan river and a tributary of the Brahmaputra River.
- It flows through Tibet and the Indian states of Arunachal Pradesh and Assam.

IE: Defence

Rajnath Singh unveils crest of Navy advanced warship 'Imphal'

The ship — which is the third among the four Project 15B stealth guided missile destroyers — was delivered to the Navy last month by Mazagon Dock Shipbuilders Limited (MDL).



- The Defence Minister unveiled the crest of the **Navy's stealth-guided missile destroyer Imphal**.
- The ship — which is the third among the four **Project 15B stealth-guided missile destroyers** — was delivered to the Navy by Mazagon Dock Shipbuilders Limited (MDL).
- The unveiling of Imphal's crest, adorned with the Kangla Palace and 'Kangla-Sa' is a tribute to the sacrifice made by the people of Manipur towards India's independence, sovereignty and security. 'Kangla-Sa' is also the state emblem of Manipur.

Project 15B

- The Project 15B class of ships are the **next-generation stealth guided-missile destroyers** of the Indian Navy, being built at the MDL, which are follow-on classes of the weapon-intensive **P15A (Kolkata Class) Destroyers**.
- The **four ships** of the Project are named after **major cities from all four corners of the country, viz. Visakhapatnam, Mormugao, Imphal and Surat**.

The Hindu : Education

Muslim student strength in higher education fell by 1.79 lakh in 2020-21

While 21 lakh Muslim students had enrolled for higher education in 2019-20, the number fell to 19.21 lakh in 2020-21.

- Enrolment in higher education among Muslim students in the age group of 18-23 dropped by more than 8.5% in 2020-21, says a report prepared from the analysis of data from the Unified District Information System for Education Plus (UDISE+) and the All India Survey of Higher Education (AISHE).
- While 21 lakh Muslim students had enrolled for higher education in 2019-20, the number fell to 19.21 lakh in 2020-21.
- The percentage of Muslim students enrolled in higher education relative to the total number of students enrolled also saw a slight decrease, falling from 4.87 in 2016-17 to 4.64 in 2020-21.
- The report says, the representation of Muslim students starts declining gradually from Class 6 and is the lowest in Class 11 and 12.
- While Muslims make up around 14.42% of total enrolment of 6.67 crore [students] at the upper primary level [Class 6-8], it slightly decreases to 12.62% at the secondary level [Class 9-10] and declines to 10.76% at the higher secondary level [Class 11-12].

The Hindu : Economy

RBI's latest move to increase risk weights for lending

What are risk weights and why are they being increased? How will it affect non-banking financial companies?

Saptaparno Ghosh

The story so far:

Seeking to rein in an observed rise in unsecured personal loans and credit cards, the Reserve Bank of India (RBI) directed banks and non-banking financial companies (NBFCs) to reserve more capital for risk weights. The mandatory risk weight requirement has been increased by 25 percentage points. This would be applicable to unsecured personal loans, credit cards and lending to NBFCs.

What has the RBI proposed?

The idea is to address the notion of 'credit risk.' It refers to the risk entailed by a borrower being unable to meet their obligations or defaulting on

indicator of the essential holding the lender should ideally have to adjust the associated risk. This is what the RBI has directed to be increased.

The primary purpose of effective risk management by banks is to maximise their returns by maintaining credit risk exposure within acceptable parameters. Earlier, the RBI had raised concerns about the growth seen in consumer credit and increased dependency of NBFCs on bank borrowings. Now, it has directed that the risk weight for consumer credit exposure be increased by 25 percentage points to 125%, for all commercial banks and NBFCs. This would apply to personal loans (and retail loans for NBFCs), excluding housing loans, education loans, vehicle loans and loans secured by gold and gold jewellery. At present, exposures

has decided to increase the risk weight to 125% for NBFCs and 150% for SCBs. Lastly, bank credit to NBFCs, excluding core investment companies, also had their risk weights increased by 25 percentage points. This would, however, not apply to housing finance companies and loans to NBFCs classified into the priority sector.

Why were the changes necessary?

While presenting the monetary policy statement in October this year, Governor Shaktikanta Das had flagged concerns about the "high growth" in "certain components of consumer credit." He advised banks and NBFCs to "strengthen their internal surveillance mechanisms, address the build-up of risks, if any, and institute suitable safeguards, in their own interest." Rating agency Moody's also put

basis, as on September 22. Outstanding loans from credit cards increased by about 30% during the same period.

Major concerns emerge for loans below ₹50,000 – these carry the utmost default risk. Delinquencies, defined as loans overdue by more than 90 days, in this segment, as reported by *Reuters* citing Transunion CIBIL data, stood at 5.4% as of June this year.

What are the chief concerns?

The primary concerns relate to the impact on capital adequacy and the bank's overall profitability. S&P's latest report states that slower loan growth and an increased emphasis on risk management will likely support better asset quality in the Indian banking system. However, it adds, "The immediate effect will likely be higher interest rates for borrowers, slower loan growth for lenders, reduced capital adequacy, and some hit on profits." However, the worst-affected might be finance companies, as their incremental bank borrowing might surge, S&P states.

NBFCs face a "double-whammy" because of higher risk weights on their unsecured loans and on account of the bank lending mandates to NBFCs. Bank lending to NBFCs remained the principal

- The Reserve Bank of India (RBI) directed banks and non-banking financial companies (NBFCs) to reserve more capital for risk weights.
- The mandatory risk weight requirement has been increased by 25 percentage points. This would be applicable to unsecured personal loans, credit cards and lending to NBFCs.
- The idea is to address the notion of 'credit risk.' It refers to the risk entailed by a borrower being unable to meet their obligations or defaulting on commitments. 'Risk weights' are an indicator of the essential holding the lender should ideally have to adjust the associated risk. This is what the RBI has directed to be increased.