



CURRENT AFFAIRS



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National Financial Reporting Authority

(GS PAPER-3, INSTITUTIONS)

Source- Economic Times)

Context

National financial reporting authority has prepared a provisional database of companies and auditors

Highlights

- Establishment of this database involves following critical steps.
- Identification and verification of the primary data source
- reconciliation of data such as company identification number which is dynamic from different sources
- In this regard the national financial reporting authority has been engaging with the corporate data management division of the Ministry of Corporate Affairs and three recognized stock exchange in India
- Provisional database of companies and their auditors as of 31st March 2019 has been compiled by the NFRA which have been published on the website of NFRA

About National Financial Reporting Authority

- The national financial reporting authority is a regulatory body set up under section 132 of the Companies Act 2013 to oversee compliance with accounting and auditing standard by the companies that can be described as Public Interest entities
- This group includes all listed companies and large and listed companies
- The discipline to constituted the national financial reporting authority was taken after the role of auditors And The Institute of Chartered Accountants of India came under the scanner for alleged lapses in various corporate scams including that at the Punjab National Bank
- Its account is monitored by the Comptroller and Auditor General of India
- its headquarter is in New Delhi

Composition

- It consists of a chairperson who shall be a person of eminence and having expertise in accountancy auditing appointed by the central government and such other members not exceeding 15
- The chairperson and members who are in full time employment with National financial reporting authority shall not be associated with any audit firm during the course of their appointment and two years after ceasing to hold such an appointment

-Khyati Khare

Outreach and overreach (GS-2, Polity, The Hindu)

Context:- Judicial intervention in response to the health crisis ineffectively tackled by center has reached its apotheosis. Supreme Court order forming a 12-member national task force for the effective and transparent allocation of medical oxygen to the States and Union Territories.

- Court has also mandated the task force to review and suggest measure:
 - for ensuring the availability of essential drugs
 - remedial measures to meet future emergencies during the pandemic.

Issue:- Is about encroaching the domain of executive by judiciary.

- Judiciary is taking on distribution of oxygen supply to the state i.e. the quota of state. So indeed this is the executive domain but judiciary's role is also that the people must get the justice i.e. right to life.

What are the previous occasions where judicial overreach was there

- Ban of liquor on the highways.
- Ban on Tiktok.
- Micromanagement such as playing national anthem before the movie.

Why Judicial overreach is not good:

- indian constitution works on the principle of synthesis rather than on the principle of confront.
- Judicial activism and overreach has a thin line and if both organs start encroaching each other's sphere then it may downgrade democracy.
- It may lead to judicial overburden.
- It will hamper people's trust in the judiciary.
- India is a democracy where people are supreme and theory governed by the people sent by them.
- Judiciary don't have the requisite expertise.

Swarn Singh

Foreign Exchange Rate

- **(GS PAPER-3, Economy**
- **Source- rbi.org)**
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- **What is Foreign Exchange Rate-**
- Foreign exchange reserves are assets held on reserve by a central bank in foreign currencies, which can include bonds, treasury bills and other government securities.

- It needs to be noted that most foreign exchange reserves are held in U.S. dollars.
 - These assets serve many purposes but are most significantly held to ensure that the central bank has backup funds if the national currency rapidly devalues or becomes altogether insolvent.
- Forex reserves are external assets in the form of gold, SDRs (special drawing rights of the IMF) and foreign currency assets (capital inflows to the capital markets, FDI and external commercial borrowings) accumulated by India and controlled by the Reserve Bank of India.

India's Forex Reserves include:

1. Foreign Currency Assets
2. Gold
3. Special Drawing Rights

Reserves will provide a level of confidence to markets that a country can meet its external obligations, demonstrate the backing of domestic currency by external assets, assist the government in meeting its foreign exchange needs and external debt obligations and maintain a reserve for national disasters or emergencies.

-Khyati Khare

A TRIPS waiver is useful but not a magic pill (The Hindu, GS-2, International Relations, Economy)

Context:- Innovation and invention during this tough time to fight against corona, on one hand we have to protect the people from the onslaught and on the other hand we must ensure that innovators must get it due in terms of intellectual property rights. In this context, The United States has finally relented and declared its support for a temporary waiver of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement.

What is TRIPS agreement:-

- **Agreement on Trade-Related Aspects of Intellectual Property Rights (the “TRIPS Agreement”) of the Marrakesh Agreement Establishing the World Trade Organization of 15 April 1994, which entered into force on 1 January 1995.**
- **The TRIPS Agreement builds on the existing multilateral systems for the protection of the various intellectual property rights covered by it, and many substantive provisions of the main international instruments for the protection of intellectual property are included in the Agreement.**

India and other developing countries are demanding waiver in the TRIPS agreement so that they can fight against COVID-19

Issue:- USA gave the waiver, and CANADA and other developed countries are opposing this move, they are demanding no waiver.

But why concerned:-

- **USA gave waiver only on the COVID-19 vaccine, but not on the technology, other therapeutic medicine as demanded by india.**
- **TRIPS agreement is a comprehensive document so it may have some legal repercussions such as country want to transfer technology but a private company doesn't want so in that case matter will go to court.**
 - **Solution**
 - **India must prepare a team of legal consultant who will study TRIPS in detail and then advice to government**
- **How we can fight against COVID when TRIPS waiver is in force.**
 - **address the non-IP bottlenecks**
 - **such as technology transfer**
 - **production constraints**
 - **other logistical challenges such as**
 - **inadequacy of supply chains**
 - **unavailability of raw materials to manufacture vaccines and medicines.**

Swarn Singh