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NEWS JUICE

Intelligent Compilation from The Hindu, Indian Express & others along with News Background

NEWS HEADLINES

1. Tamil Nadu tops food safety index
2. Of what good is a bad bank?
3. Fissures in the West’s anti-Russia alliance
4. The science behind the cancer cure, and the therapy’s future in India
5. The RBI plan to link credit cards with UPI
6. What are the draft amendments to IT Rules, 2021?
7. As Mithali Raj retires from international cricket, a look at the records she holds

What is News Juice?

BY PREPMATE
1. Tamil Nadu tops food safety index

Relevant for GS Prelims

Tamil Nadu topped the State Food Safety Index (SFSI) this year, followed by Gujarat and Maharashtra. Among the smaller States, Goa stood first, followed by Manipur and Sikkim. Among the Union Territories, Jammu and Kashmir, Delhi and Chandigarh secured the first, second and third ranks.

About Index
The SFSI measures the performance of States on the basis of five parameters set by the Health Ministry. The rating is done by the Food Safety and Standards Authority of India (FSSAI).

This index is based on performance of State/UT on five significant parameters, namely, Human Resources and Institutional Data, Compliance, Food Testing – Infrastructure and Surveillance, Training & Capacity Building and Consumer Empowerment.

Source: The Hindu

2. Of what good is a bad bank?

Relevant for GS Prelims & Mains Paper III; Economics

Finance Minister Nirmala Sitharaman on Monday announced that the National Asset Reconstruction Company (NARCL) along with the India Debt Resolution Company (IDRCL) will take over the first set of bad loans from banks and try to resolve them. While the problem of bad loans has been a perennial one in the Indian banking sector, the decision to set up a bad bank was taken by the Union government during the
Budget presented last year in the aftermath of the nationwide lockdowns, and the moratorium was subsequently extended to borrowers by the Reserve Bank of India (RBI).

It should be noted that the health of the balance sheets of Indian banks has improved significantly over the last few years with their gross non-performing assets (GNPA) ratio declining from a peak of 11.2% in FY18 to 6.9% in Q2FY22.

What is a ‘bad bank’?
A bad bank is a financial entity set up to buy non-performing assets (NPAs), or bad loans, from banks. The aim of setting up a bad bank is to help ease the burden on banks by taking bad loans off their balance sheets and get them to lend again to customers without constraints. After the purchase of a bad loan from a bank, the bad bank may later try to restructure and sell the NPA to investors who might be interested in purchasing it. A bad bank makes a profit in its operations if it manages to sell the loan at a price higher than what it paid to acquire the loan from a commercial bank. However, generating profits is usually not the primary purpose of a bad bank — the objective is to ease the burden on banks, of holding a large pile of stressed assets, and to get them to lend more actively.

What are the pros and cons of setting up a bad bank?
A supposed advantage in setting up a bad bank, it is argued, is that it can help consolidate all bad loans of banks under a single exclusive entity. The idea of a bad bank has been tried out in countries such as the U.S., Germany, Japan and others in the past.

The troubled asset relief program, also known as TARP, implemented by the U.S. Treasury in the aftermath of the 2008 financial crisis, was modelled around the idea of a bad bank. Under the program, the U.S. Treasury bought troubled assets such as mortgage-backed securities from U.S. banks at the peak of the crisis and later resold it when market conditions improved. It is estimated that the Treasury through its operations earned a nominal profit of anything between $11 billion to $30 billion, although some contest these figures.

Many critics, however, have pointed to several problems with the idea of a bad bank to deal with bad loans. Former RBI governor Raghuram Rajan has been one of the fiercest critics of the idea, arguing that a bad bank backed by the government will merely shift bad assets from the hands of public sector banks, which are owned by the government, to the hands of a bad bank, which is again owned by the government. There is little reason to believe that a mere transfer of assets from one pocket of the government to another will lead to a successful resolution of these bad debts when the set of incentives facing these entities is essentially the same.

Other analysts believe that unlike a bad bank set up by the private sector, a bad bank backed by the government is likely to pay too much for stressed assets. While this may be good news for public sector banks, which have been reluctant to incur losses by selling off their bad loans at cheap prices, it is bad news for taxpayers who will once again have to foot the bill for bailing out troubled banks.

Will a ‘bad bank’ help ease the bad loan crisis?
A key reason behind the bad loan crisis in public sector banks, some critics point out, is the nature of their ownership. Unlike private banks, which are owned by individuals who have strong financial incentives to manage them well, public sector banks are managed by bureaucrats who may often not have the same commitment to ensuring these lenders’ profitability. To that extent, bailing out banks through a bad bank does not really address the root problem of the bad loan crisis.

Further, there is a huge risk of moral hazard. Commercial banks that are bailed out by a bad bank are likely to have little reason to mend their ways. After all, the safety net provided by a bad bank gives these banks more reason to lend recklessly and thus further exacerbate the bad loan crisis.

Will it help revive credit flow in the economy?
Some experts believe that by taking bad loans off the books of troubled banks, a bad bank can help free capital of over ₹5 lakh crore that is locked in by banks as provisions against these bad loans. This, they say, will give banks the freedom to use the freed-up capital to extend more loans to their customers. This gives the impression that banks have unused funds lying in their balance sheets that they could use if only they could get rid of their bad loans. It is, however, important not to mistake banks’ reserve requirements for their capital position. This is because what may be stopping banks from lending more aggressively may not be the lack of sufficient reserves which banks need to maintain against their loans.

Instead, it may simply be the precarious capital position that many public sector banks find themselves in at the moment. In fact, many public sector banks may be considered to be technically insolvent, as an accurate recognition of the true scale of their bad loans would show their liabilities to be far exceeding their assets. So, a bad bank, in reality, could help improve bank lending not by shoring up bank reserves but by improving banks’ capital buffers. To the extent that a new bad bank set up by the government can improve banks’ capital buffers by freeing up capital, it could help banks feel more confident to start lending again.

Source: The Hindu

3. Fissures in the West’s anti-Russia alliance

Relevant for GS Prelims & Mains Paper II; International Issues

In a significant departure from the position of the trans-Atlantic alliance (EU-NATO-U.S.) on the ongoing Russia-Ukraine war, French President Emmanuel Macron, in an interview on June 3, said that the West “must not humiliate Russia so that the day when the fighting stops we can build an exit ramp through diplomatic means”. Viewed alongside recent phone calls from Mr. Macron and German Chancellor Olaf Scholz to Russian President Vladimir Putin, the statement hints at a pivot toward a diplomatic solution. This is at odds with the West’s stance so far — adopted in solidarity with Ukraine — that the only acceptable outcome of the ongoing conflict is a military victory for Ukraine, unconditional withdrawal of all Russian forces from Ukrainian territory, and restoration of Ukraine’s pre-2014 territorial boundaries.

How did Ukraine react to Mr. Macron’s comments?

Mr. Macron’s comments elicited strong rebuke from Ukraine. Ukrainian Foreign Minister Dmytro Kuleba tweeted, “Calls to avoid humiliation of Russia can only humiliate France and every other country that would call for it. Because it is Russia that humiliates itself. We all better focus on how to put Russia in its place. This will bring peace and save lives.” Earlier, in May, Ukrainian President Volodymyr Zelensky had already gone on record claiming that Mr. Macron wanted Ukraine to compromise its sovereignty so that Russia can “save face” when deciding to cease hostilities. With Russia now in possession of one-fifth of Ukrainian territory, Kyiv wants the West to supply it with more advanced weapons, especially longer-range missiles, so that Ukraine can strengthen its position before contemplating diplomatic possibilities.

How have other European states responded to these comments?

EU nations which share a border with Russia — the Baltic states of Latvia, Lithuania and Estonia, and Poland — reacted sharply to Mr. Macron’s comments, indicating a growing divergence of views within EU ranks. Latvia’s deputy Prime Minister Artis Pabriks said on Twitter: “It seems that there are number of so-called Western leaders who possess explicit need for self-humiliation in combination with total detachment from political reality.” Lithuania’s Foreign Minister observed that “Giving the occupier a chance to occupy territory means that it can be repeated elsewhere.” The strongest response, however, came from Estonia, which, along with Poland, has been at the forefront of providing military aid to Ukraine. Marko Mihkelson, head of the Estonian Parliament’s foreign affairs committee even used the phrase “brain-dead” — once applied by Mr. Macron to describe NATO — to characterise the words and actions (repeated phone calls to Putin) of France and Germany.

Why did Mr. Macron speak about not “humiliating” Russia?
From the beginning of the conflict, the West's response has been to isolate Russia from the rest of the world through a combination of harsh economic sanctions and a 360-degree cultural, political and commercial boycott of Russia, and aggressive military aid to Ukraine with the objective of weakening Russia and forcing it to abandon its military ambitions. But 100 days of the war have gone by, and while an end is nowhere in sight, collateral damage in the EU due to economic sanctions against Russia — rising fuel prices, a sputtering economy, and spiraling cost of living for the average citizen — is beginning to bite, especially in Germany and France, whose dependencies on global trade, supply chains, and commodity imports are high. The possibility of an endless — or long-term — war is making them nervous, vindicating Mr. Putin's calculation that Russia's pain threshold is higher than the West's. Against this background, Mr. Macron seems to believe that an insistence on a military solution — that is, defeat, or “humiliation” of Russia — is an unrealistic goal that would only end up prolonging the war, and attendant pain for Europe, without moving the needle closer to a resolution.

**Why have Mr. Macron and Mr. Scholz been in telephonic talks with Mr. Putin?**
Historically France has had close links with Russia and Mr. Macron, in particular, has fashioned himself as a mediator between the EU and Russia. He has been in regular talks with Mr. Putin from December 2021, first attempting to pre-empt the conflict, and when that failed, trying to find a quick negotiated settlement. On June 4, both Mr. Macron and Mr. Scholz had long phone calls with the Russian President where they raised the issue of Russia unblocking the export of grains from Ukraine’s Black Sea ports. Russia's month-long blockade has triggered fears of widespread shortages and hunger, especially in developing countries. Mr. Putin, according to reports, promised to allow the export of grains provided the ports are “de-mined” and “relevant sanctions” on Russia were lifted. While France and Germany are hopeful of Russia allowing food exports from Ukraine, other EU nations and the U.S. are not keen on lifting any of the sanctions on Russia.

**Are cracks beginning to appear in the ‘united front’ of the anti-Russia western alliance?**
It does seem like two blocs with distinct views are beginning to coalesce. On one side are the U.S., the U.K., the Baltic states, and Poland, whose primary objective is to help Ukraine win the war, and failing that, to weaken and isolate Russia. On the other are EU states like France and Germany, and, for slightly different reasons, Hungary, which favour maintaining lines of communication and commercial links with Russia and are not enthusiastic about the policy of isolating the country. While the former bloc speaks only of restoring Ukraine's sovereignty over its territory and view talks with Mr. Putin as “encouraging” the occupier, the latter, especially Mr. Macron, believes that isolating Russia will not yield a sustainable security architecture for Europe, given the long history between the two. While the bloc in favour of arming Ukraine is dominant for now, the camp favouring a diplomatic resolution could gain fresh converts as more EU nations begin to feel the economic pain of a long-drawn war of attrition.

*Source: The Hindu*

**4. The science behind the cancer cure, and the therapy's future in India**

*Relevant for GS Prelims & Mains Paper III; Science & Technology*
In a medical trial, results of which were published in The Indian Express on Wednesday, 12 patients in the United States were completely cured of rectal cancer without requiring any surgery or chemotherapy. The trial used a monoclonal antibody called dostarlimab every three weeks for six months for the treatment of a particular kind of stage two or three rectal cancer. The study was done by doctors from the Memorial Sloan Kettering Cancer Centre in New York, and its results have been published in the New England Journal of Medicine.

**What are the findings?**
The trial showed that immunotherapy alone – without any chemotherapy, radiotherapy, or surgery that have been staples of cancer treatment – could completely cure the patients with a particular kind of rectal cancer called ‘mismatch repair deficient’ cancer”.

All 12 patients had completed the treatment and were followed for six to 25 months after.

“No cases of progression or recurrence had been reported during the follow-up,” the study said. The response too was rapid, with symptoms resolving in 81% of the patients within nine weeks of starting the therapy.

**What is this deficiency, and how was it cured?**
‘Mismatch repair deficient’ cancer is most common among colorectal, gastrointestinal, and endometrial cancers. Patients suffering from this condition lack the genes to correct typos in the DNA that occur naturally while cells make copies.

The immunotherapy belongs to a category called PD1 blockades that are now recommended for the treatment of such cancers rather than chemotherapy or radiotherapy. PD1 is a type of protein that regulates certain functions of the immune system, including by suppressing T cell activity, and PD1 blockade therapy looks to release the T cells from this suppression.
“The anomalies in the DNA result in cancerous growths in patients with mismatch repair deficient cancers. If you imagine the immune system to be a car, PD1 acts as the brakes for the T cells of the immune system. By giving the PD1 blockades, we release the brakes and allow the T cells to destroy the cancerous growth,” said Dr P K Julka, former professor of radiotherapy at the All India Institute of Medical Sciences, New Delhi and the current chairman for Max Oncology Daycare Centre. Dr Julka did the first immunotherapy treatment in India while at AIIMS in 2015. He was not involved in the US study.

India has a couple of PD1 blockades available, although not the one used for this study.

**If PD1 therapy was already in use, what’s new in the trial?**

Earlier, this therapy was used post-surgery, but the study has shown that a surgery may not be required.

“Although the therapy is usually used for cancers that have metastasised (spread to locations other than where the cancer formed), it is now recommended for all mismatch repair deficient cancers as they result in quicker improvement and lesser toxicity as compared to traditional chemo and radiotherapy. So far, we have been using the therapy after a patient undergoes surgery; it is used for 10 to 15 indications. This study shows that even the surgery was not needed in these patients,” Dr Julka said.

Speaking about his own practice, Dr Julka said that in all tumours, they now look for mismatch repair deficiency to see whether immunotherapy can be used.

Eliminating other treatments can improve a patient’s quality of life by preserving fertility, sexual health, and bladder and bowel functions.

**When can such a treatment be accessible in India?**

Cost is believed to be a major hurdle.

Dr M D Ray, professor of surgical oncology at AIIMS-Delhi, who disagrees with the immunotherapy approach, said: “These patients can be well managed with chemotherapy and radiotherapy as well. Around 10 to 15% of cancer patients actually do not need surgeries. The problem with immunotherapies is that they are expensive and unaffordable for most people in India, and certainly for those coming to AIIMS. A genetic test can also cost up to Rs 30,000, the patients here cannot afford all this.”

He added that precision medicine, such as using particular immunotherapy drugs for particular types of cancers, is still at a nascent stage in India. “Precision medicine for cancer treatment is happening in India, but it is still in nascent stages. It would take at least ten years for it to become commonplace,” he said.

**So, how much does immunotherapy cost?**

An immunotherapy treatment can cost around Rs 4 lakh per month, with patients needing the treatment for six months to a year.

“People may end up using their life-savings for the treatment. We usually end up giving the treatment only to those who can bank on schemes such as CGHS for sponsoring their treatment or receive free doses from the companies as part of their assistance programme,” said Dr Julka.

However, he added: “One day, cancer will be like any other chronic disease. Like people with diabetes go to work after taking a tablet, cancer patients would too. The future of cancer treatment is molecular oncology – you find a mutation in one gene, you give a particular medicine for it; you find it in another, you give another medicine.”

**Source: The Indian Express**

5. The RBI plan to link credit cards with UPI
Relevant for GS Prelims & Mains Paper III; Economics

The Reserve Bank of India has proposed to allow the linking of credit cards with the Unified Payments Interface (UPI). While making the announcement in his monetary policy speech Wednesday, RBI Governor Shaktikanta Das said that the integration will first begin with the indigenous RuPay credit cards. Both the RuPay network and UPI are managed by the same organisation – the National Payments Corporation of India (NPCI).

What is the significance of the move?
Industry experts believe that the linkage of UPI and credit cards could possibly result in credit card usage zooming up in India given UPI's widespread adoption. The integration also opens up avenues to build credit on UPI through credit cards in India, where in the last few years, a number of startups like Slice, Uni, One etc. have emerged. The move could also be a push to increase adoption by banking on UPI's large user base. So far, UPI could only be linked to debit cards and bank accounts.

“This will provide additional convenience to the users and enhance the scope of digital payments,” Das said.

What could be the hurdles?
There are some regulatory areas that would have to be addressed before the linkage happens. For instance, it is not clear how the Merchant Discount Rate (MDR) will be applied to UPI transactions done through credit cards.

The MDR is a fee that a merchant is charged by their issuing bank for accepting payments from their customers via credit and debit cards. According to a norm that has been in effect since January 2020, UPI and RuPay attract zero-MDR, meaning that no charges are applied to these transactions, which is a key reason behind the prolific adoption of UPI both by users and merchants. However, the norm has faced pushback from the payments industry, which has argued that it limits the aggregators’ ability to “invest in and maintain the financial infrastructure” of the payment ecosystem that they have built. Applicability of zero-MDR on UPI could also be a reason why other card networks such as Visa and Mastercard may not have been onboarded to UPI for credit cards yet.

What is the big picture?
“UPI has become the most inclusive mode of payment in India with over 26 crore unique users and five crore merchants on the platform. The progress of UPI in recent years has been unparalleled. Many other countries are engaged with us in adopting similar methods in their countries,” RBI Governor Das said.

In May, UPI processed 5.95 billion transactions worth over Rs 10 trillion, a record high since its launch in 2016. NPCI is looking to soon process a billion transactions a day. Additionally, even as the central bank increases benchmark rates to rein in the surging inflation, a move like this could be aimed at boosting credit-led consumption in the country.

Source: The Indian Express

6. What are the draft amendments to IT Rules, 2021?

Relevant for GS Prelims & Mains Paper II; Polity & Governance

The Ministry of Electronics and Information Technology (MeitY) has published a fresh draft of amendments to the Information Technology Rules, 2021, which proposes the creation of government-appointed appeal committees that will be able to veto content-moderation decisions taken by social media intermediaries like Facebook, Twitter and YouTube.
Last week, the ministry had issued a draft with the same proposal, but withdrew it within hours. The fresh
draft, floated by MeitY late on Monday night, however, is largely the same as the earlier proposal.

**What are the proposed amendments to the IT Rules, 2021?**
The draft proposes to create government-appointed appeal committees that will be empowered to review
and possibly reverse content moderation decisions taken by social media companies. “The Central
Government shall constitute one or more Grievance Appellate Committees, which shall consist of a
Chairperson and such other Members, as the Central Government may, by notification in the Official Gazette,
appoint,” MeitY said in the draft.

What it essentially means is that in case a user is not satisfied with the content moderation decision taken by
a company’s grievance officer, they can appeal that decision before the proposed government-appointed
appeals committee. “Every order passed by the Grievance Appellate Committee shall be complied with by the
concerned intermediary,” the ministry said in the draft. Currently, the only recourse a user has against
companies’ content decisions is to approach the courts.

Apart from this, the new proposal also suggests placing additional responsibilities on grievance officers
appointed by social media companies. It says that if a user complains about content which is “patently false”,
infringes copyright, and threatens the integrity of India, among other things, a grievance officer will have to
expeditiously address it within 72 hours. Under current rules, grievance officers have 15 days to act on and
dispose of users’ complaints.

**Draft up for discussion**
The draft, which is up for public consultation for 30 days, triggered concerns about the government
overriding the decisions of social media platforms.

**What prompted the amendments?**
In a press release issued late on Monday, MeitY said the proposed amendments will ensure that
“Constitutional rights of Indian citizens are not contravened by any big tech platform by ensuring new
accountability standards”. The new draft, it said, will ensure “actual enforcement of requirements in IT Rules,
2021 in letter and spirit”.

“The IT Rules, 2021 provide for a robust grievance redressal mechanism. However, there have been many
instances that grievance officers of intermediaries either do not address the grievances satisfactorily and/or
fairly. In such a scenario, the need for an appellate forum has been proposed to protect the rights and
interests of users,” MeitY said in the press release.

According to a senior government official, de-platforming of users by social media companies without
allowing them an opportunity to explain their actions is a recurring complaint that the government has
received from users. This, as per the official, suggests there are gaps in the rules that were implemented in
May last year and the proposed amendments would fill those gaps.

As per the IT Rules, 2021, that came into effect last year, social media companies like Facebook and Twitter
are mandated to appoint India-based resident grievance officers as part of their due diligence as ‘intermediaries’ who enjoy legal immunity from third-party content on their platform. These officers are
responsible for overseeing the grievance redressal mechanism of complaints from the people who use their
services.

**Have there been concerns raised around the proposals?**
The proposal to set up government-appointed committees has triggered concerns about the government
overriding social media platforms’ content decisions.
Reacting to the proposal while it was made in the last draft, Delhi-based digital rights group Internet Freedom Foundation had said, "The proposal, without any legislative basis, seeks to subject content on social media to the direct scrutiny of the government by permitting users to appeal decisions of social media platforms to a Grievance Appellate Committee constituted by MeitY".

Source: The Indian Express

7. As Mithali Raj retires from international cricket, a look at the records she holds

Relevant for GS Prelims

Veteran Indian women’s cricketer Mithali Raj Wednesday announced her retirement from all forms of international cricket – bringing down the curtains on a glittering career since making her debut for India in 1999.

Mithali has played 12 Tests, 232 ODIs and 89 T20Is for India in her 23-year-old career. Mithali, a right-handed batter, will go down in history for her incredible run-scoring feats, including a record 7,805 runs to date in ODI matches, almost over 2,000 more than her closest rival, former England captain Charlotte Edwards. She has scored seven centuries and a record 64 fifties in her ODI career.

Here's a look at the feats that Mithali has achieved:

Mithali Raj, one of India’s best cricketers, has retired.
Mithali marginally betters Sachin Tendulkar in terms of longevity in ODI cricket
Mithali holds the record for the highest number of runs

7805

best average and most half-centuries

64

Mithali holds the record for the highest number of runs
She has captained India in 155 ODIs, only Dhoni (200) and Mohammed Azharuddin (176) has led in more.

WIN PERCENTAGE

Mithali Raj: 58.55
MS Dhoni: 59.52
Sourav Ganguly: 53.90

#QUIXPLAINED

Mithali has captained India in 155 ODIs.
A list of records Mithali Raj holds

Source: The Indian Express
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