

Regent Education and Research Foundation Group of Institutions

Daily Current Affairs Synopsis

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(Useful for UPSC/WBPSC/SSC Exams.)

India Finance Report – CAFRAL

- **The Centre for Advanced Financial Research and Learning (CAFRAL)**, set up by the RBI, has raised concern over the rise in bank financing for non-banking finance companies.

Key Highlights of Report:

- Following the market correction prompted by a brief pause due to the COVID-19 pandemic, bank financing for NBFCs has risen again.
- Banks' exposure to NBFCs rose by **25.8 percent** to Rs **13.83 lakh crore** as of **August 2023** as against Rs **10.99 lakh crore** a year ago, the latest RBI data showed.
- There is also a significant fall in reserves and surplus indicating that buffers grow thinner.
- CAFRAL also warned against the many fake/ illegal lending apps in the marketplace, stating that these apps pose legal and collect information they could use maliciously.

What are Non-Banking Financial Company NBFCs?

A NBFC is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business chit business

What is not considered under NBFCs?

*Any institution whose principal business is that of **agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property.***

NBFCs lend and make investments and hence their activities are akin to that of banks; however there are a few differences as given below:

NBFC cannot accept demand deposits;

NBFCs do not form part of the payment and settlement system and cannot issue cheques drawn on itself; Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in case of banks.

What is IL&FS default?

Infrastructure Leasing & Financial Services (IL&FS) is a non-banking financial company (NBFC).

*IL&FS crisis which had around **Rs 1 lakh** crore of debt defaulted (June 2018).
IL&FS fell short of cash and defaulted on several of its obligations*

Aditya L1 Mission

- The Aditya L1 solar probe mission by ISRO has captured its **first high-energy solar flare in X-ray**.

More on News:

- During its first observation period on October 29, 2023, the High Energy L1 Orbiting X-ray Spectrometer (HEL1OS) on board Aditya-L1 recorded the **impulsive phase of solar flares**.
- **Consistency with NOAA's Data:**
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 - The data obtained from Aditya-L1's HEL1OS instrument is consistent with X-ray light curves provided by NOAA's GOES satellite.
 - **GOES, the "Geostationary Operational Environmental Satellite,"** is operated by the United States National Oceanic and Atmospheric Administration (NOAA) and supports various applications, including weather forecasting and storm tracking.
- **HEL1OS Instrument:**
 - HEL1OS is the hard X-ray spectrometer on the Aditya L1 mission.
 - It operates in the wide X-ray energy band between 10 and 150 keV, enabling the study of solar flare activities on the Sun.

What are solar flares?

- A solar flare is a tremendous explosion on the Sun that happens when energy stored in 'twisted' magnetic fields (usually above sunspots) is suddenly released.
- **Impact:**
 - Solar flares produce high energy particles and radiation that are dangerous to living organisms.
 - The most dangerous emissions from flares are energetic charged particles (primarily high-energy protons) and electromagnetic radiation (primarily x-rays).

Artificial Intelligence Safety Summit 2023

Why in News?

The **Artificial Intelligence (AI) Safety Summit 2023** held at Bletchley Park, England has marked a significant turning point in the global approach to tackling the **challenges posed by frontier AI technologies**.

- To tackle these challenges, 28 major countries, including the United States, China, India, and the **European Union**, signed the **Bletchley Park Declaration** at this first-ever AI Safety Summit.
- This landmark declaration seeks to create a collective understanding and coordinated approach to address the potential risks and benefits of **advanced AI systems, known as frontier AI**.

What are the Key Highlights of Artificial Intelligence Safety Summit 2023?

- ***Bletchley Park Declaration:***
 - *The Bletchley Park Declaration is the first global pact on tackling frontier AI risks, and it reflects a high-level political consensus and **commitment among the major AI players in the world.***
 - *It acknowledges the **potential of AI to enhance human well-being** but also recognizes the **risks posed by AI, especially frontier AI**, which may cause serious harm, either deliberate or unintentional, particularly in domains like cybersecurity, biotechnology, and disinformation.*
 - *It emphasizes the need for **international cooperation to address AI-related risks**, as they are inherently global, and calls for collaboration among all actors, including companies, civil society, and academia.*
 - *The declaration also announces the establishment of a regular AI Safety Summit, which will provide a platform for **dialogue and collaboration on frontier AI safety.***
 - *The **next summit will be hosted by France** within a year, and South Korea will co-host a mini virtual AI summit in the next six months.*
- ***India's Stance at the Summit:***
 - *India has shifted from a stance of not considering AI regulation to actively **formulating regulations based on a risk-based, user-harm approach.***
 - *India called for a global framework for the expansion of "**ethical**" AI tools, signaling a commitment to responsible AI usage.*
 - *India has shown interest in **establishing regulatory bodies at both domestic and international levels** to ensure the responsible use of AI.*
 - ***Digital India Act, 2023** which is yet to Implement , is expected to introduce issue-specific regulations for online intermediaries, including **AI-based platforms.***

Key Facts About Bletchley Park

- *Bletchley Park is located approximately 80 km north of London in Buckinghamshire, England.*
 - *During **World War II**, it served as the main site for the **British Government Code and Cypher School (GC&CS).***

- *Bletchley Park during the war, worked on deciphering enemy messages.*
- *The **Turing Bombe**, developed at Bletchley Park, is renowned for its pivotal role in breaking the **supposedly unbreakable German Enigma code**.*
 - *This electro-mechanical device significantly accelerated the code breaking process, contributing to the Allies' success during World War II.*
- *Bletchley Park also developed the **Colossus machine**, often regarded as the world's first programmable electronic digital computer.*
- *The principles and innovations developed at Bletchley Park continue to influence **modern computing and artificial intelligence**.*
- *Bletchley Park is now a museum and a historic site, attracting visitors interested in its wartime history and contributions.*