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STATUE OF ONENESS

This article covers "Daily Current Affairs" and the topic details "Statue of Oneness". This topic has relevance in the "Art and Culture" section of the UPSC CSE exam.

For Prelims:

What is Statue of Oneness?

Adi Guru Shankaracharya and his works?

Advaita Vedanta Philosophy

For Mains:

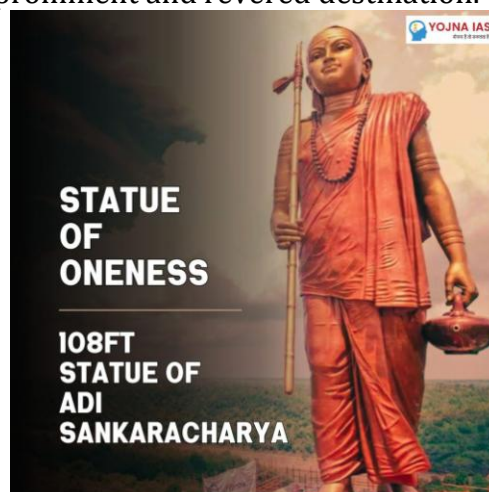
GS1: Art and Culture

Why in the news?

Recently, Madhya Pradesh Chief Minister Shivraj Singh Chouhan revealed a monumental statue of Adi Guru Shankaracharya on the Mandhata Island in the Khandwa district.

About the Statue of Oneness

- This colossal statue, named the "Ekatmata ki Murti" (Statue of Oneness), stands at 108 feet.
- It magnificently depicts the 8th-century Indian philosopher and theologian who played a pivotal role in consolidating the doctrine of Advaita Vedanta.
- This unveiling ceremony marks a significant milestone within the ambitious "Ekatma Dham" project, spearheaded by the State government.
- This ceremony represents the commencement of its inaugural phase. The government envisions the development of this site along the lines of the renowned Mahakal Trek corridor, aiming to establish it as a prominent and revered destination.



Adi Shankaracharya: The Advaita Vedanta Philosopher

- Adi Shankaracharya was an Indian philosopher and theologian who expounded the doctrine of Advaita Vedanta.
- He renounced worldly pleasures at a young age and advocated the unification of the soul with the Supreme Soul.
- Shankaracharya's important work was the **synthesis of the six sub-sects, known as 'Shanmata'**, which worships six supreme deities. He explained the existence of one Supreme Being (Brahman) and founded '**Dashanami Sampradaya**', emphasizing a monastic life.
- Shankaracharya traveled and debated with philosophers, fine-tuning his teachings of 'Advaita Vedanta' and 'Dashanami Sampradaya'.

The Four Disciples

- Shankaracharya's four main disciples were Padmapada, Totakacharya, Hasta Malaka, and Sureshvara.
- They founded monasteries (mathas) and carried forward his teachings in Thrissur, Kerala.

Advaita Vedanta

- Advaita Vedanta is a school of Hindu philosophy known for its **radical nondualism**. This means that Advaitins believe **there is only one ultimate reality, Brahman, and everything else is an illusion**.
- The Upanishads are ancient Hindu scriptures considered the foundation of Advaita Vedanta. The Upanishads teach that Brahman is the ultimate reality and that the **atman (individual self) is identical to Brahman**.
- Advaitins believe that the **atman is pure non-intentional consciousness**. Any thoughts, emotions, or physical sensations do not limit it. It is simply awareness.
- The fundamental thrust of Advaita Vedanta is to help people realise their true identity as Brahman. This is done through various practices, such as meditation and inquiry.

Works

Brahmasutrabhasya	<ul style="list-style-type: none">• Renowned commentary on the 'Brahma Sutra'.• The oldest surviving commentary on the 'Brahma Sutra'
Commentaries on Bhagavad Gita	<ul style="list-style-type: none">• Commentaries on the Bhagavad Gita, an essential Hindu scripture.
Commentaries on Ten Principal Upanishads	<ul style="list-style-type: none">• Commentaries on the ten principal Upanishads, pivotal texts in Vedanta philosophy
Upadesasahasri	<ul style="list-style-type: none">• Philosophical work known as 'a thousand teachings'.• Holds great importance in his body of work.

Legacy

- Adi Shankaracharya established four mathas at the four cardinal points in India.

Monastery (Matha)	Location	Basis of Formation
Sringeri Sharada Peetham	Sringeri, Karnataka	Yajur Veda
Dvaraka Pitha	Dwarka, Gujarat	Sama Veda
Jyotirmatha Peetham	Garhwal, Uttarakhand	Atharva Veda
Govardhana Matha	Puri, Odisha	Rig Veda

Sources:
CM Chouhan unveils 108-ft tall Adi Shankaracharya statue in MP's Omkareshwar

Q1. With reference to Statue of Oneness, consider the following statements:

1. It is a monumental statue of Adi Guru Shankaracharya in recently unveiled in Uttarakhand.
2. Advaita Vedanta is a school of Hindu philosophy known for its radical dualism.
3. Shankaracharya's significant contribution involved synthesizing the six sub-sects into what is known as 'Shanmata.'

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 3 only
- (d) None

Answer: (c)

Q2. Consider the following:

Monastery (Matha)	Location
1. Sringeri Sharada Peetham	Karnataka
2. Dvaraka Pitha	Gujarat
3. Jyotirmatha Peetham	Odisha
4. Govardhana Matha	Uttarakhand

How many of the abovementioned pairs are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All Four

Answer: (b)

Q3. Discuss the central tenets of Advaita Vedanta as propounded by Adi Shankaracharya and their philosophical implications.

Gaurav Nikumbh

NON-PERFORMING ASSETS (NPAs)

This article covers "Daily Current Affairs" and the Topic details "Non-Performing Assets (NPAs)". This Topic has relevance in the Economy section of the UPSC CSE exam.

For Prelims:

About Non-Performing Assets (NPAs)?

For Mains:

GS 3: Economy

Impact of Non-Performing Assets (NPAs)?

Current NPA Situation in India?

Why in the news:

The Reserve Bank of India (RBI) has recently proposed that lenders should classify a borrower as a "wilful defaulter" within six months of their account being declared a non-performing asset (NPA).

About Non-Performing Assets (NPAs)

Non-Performing Assets (NPAs) are financial assets, typically loans or advances, that have not met their scheduled principal or interest payment obligations for a specified period, usually 90 days or more. Here's a rephrased explanation:

- **Definition of NPAs:** NPAs are loans or advances for which the borrower has failed to make principal or interest payments for a period exceeding 90 days.
- **Asset Status for Banks:** For banks, loans are considered assets because the interest income generated from these loans is a significant source of revenue. When borrowers, whether retail or corporate, are unable to make interest payments, these assets become "non-performing" for the bank as they cease to generate income.
- **RBI's Definition:** The Reserve Bank of India (RBI) defines NPAs as assets that no longer contribute to a bank's income.
- **Disclosure Requirements:** Banks are obligated to publicly disclose their NPA figures and report them to the RBI regularly.
- **Classification of NPAs:** According to RBI guidelines, NPAs are categorized into three classes:
 - Substandard Assets: Those that have been NPAs for up to 12 months.

- Doubtful Assets: Assets that have remained substandard for 12 months.
- Loss Assets: Assets with minimal recovery value, deemed uncollectible, and not considered bankable assets.
- **NPA Provisioning:** Provision for a loan involves setting aside a certain percentage of the loan amount by banks. The standard provisioning rate for loans in Indian banks ranges from 5% to 20%, depending on factors like the business sector and the borrower's repayment capacity. However, under Basel-III norms, 100% provisioning is required for NPAs.
- **GNPA and NNPA:** Two key metrics assess the NPA situation of a bank:
 - **Gross Non-Performing Assets (GNPA):** It represents the total value of NPAs for a bank within a specific quarter or financial year.
 - **Net Non-Performing Assets (NNPA):** NNPA is derived by subtracting the provisions made by the bank from the gross NPA. It provides the actual value of NPAs after accounting for specific provisions.
- **NPA Ratios:** NPAs can also be expressed as a percentage of total advances, providing insights into the unrecoverable portion of the loan portfolio. For instance:
 - **GNPA Ratio:** This is the ratio of total GNPA to total advances.
 - **NNPA Ratio:** It calculates the ratio of net NPA to total advances, offering a more accurate picture of the NPA situation after accounting for provisions.

Impact of Non-Performing Assets (NPAs):

- **Reduced Lending Capacity:** Banks face constraints in allocating funds for productive economic activities due to the presence of NPAs.
- **Interest Rate Hikes:** To maintain profitability, banks may be compelled to raise interest rates on loans.
- **Unemployment Concerns:** A decrease in investments stemming from NPA issues can potentially lead to an increase in unemployment rates.
- **Handling NPAs:** Banks have two primary options for dealing with NPAs: they can either retain them in their records with hopes of eventual recovery, make provisions for them, or completely write off the loans as bad debt.

Current NPA Situation in India:

- As per the latest RBI Financial Stability Report, the gross NPA ratio for scheduled commercial banks (SCBs) in India reached a 10-year low of 3.9% in March 2023.
- Both gross and net NPA ratios have declined significantly from their peak levels in March 2018, standing at 3.9% and 1.0% in March 2023, respectively.
- A notable reason for the reduction in gross NPA levels in 2022-23 was the substantial write-offs undertaken by banks.

Prediction for India:

- Stress test results suggest that the gross NPA ratio for all SCBs may improve to 3.6% by March 2024.
- However, in scenarios where the macroeconomic environment deteriorates to a medium or severe stress level, the gross NPA ratio could increase to 4.1% and 5.1%, respectively.

Source:

<https://indianexpress.com/article/business/declare-wilful-defaulters-within-6-months-npa-tag-rbi-proposal-8950548/>

Q.1 Which of the following statements regarding Non-Performing Assets (NPAs) in India are correct?

1. NPAs are loans or advances for which interest payment is overdue for a period exceeding 60 days.
2. Net Non-Performing Assets (NNPA) represent the total value of NPAs without accounting for provisions made by the bank.

Which of the statements given above is/are correct?

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

ANSWER: B

Q.2 Which of the following statements regarding Non-Performing Assets (NPAs) and their impact in India are true?

1. Lower NPAs generally result in banks decreasing interest rates on loans.
2. The NNPA Ratio offers a more accurate picture of the NPA situation.

Which of the statements given above is/are correct?

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

ANSWER: C

Q.3 The management of Non-Performing Assets (NPAs) has far-reaching implications for India's banking sector and the broader economy. Analyze

Rishabh