

1. National Financial Reporting Authority (NFRA)

Why in News?

- The National Financial Reporting Authority (NFRA) has issued Audit Quality Review (AQR) report of the statutory audit for the year 2017-18 of IL&FS Financial Services Limited (IFIN).

NFRA:

- The NFRA was constituted by the Government of India in 2018 under the Indian Companies Act, 2013.
- The need for establishing the NFRA was felt in the wake of accounting scams and to establish an independent regulator for enforcement of auditing standards and ensuring the quality of audits.
- While many recommendations of the Companies Act came into force in 2014, the setting up of the NFRA was delayed due to discontent from the then regulator, the Institute of Chartered Accountants of India (ICAI).
- The ICAI is a statutory body set up in 1949.
- It regulates the profession of Chartered Accountancy in the country.
- It is a self-regulatory body and has had a monopoly on training and qualifying chartered accountants, giving them license to practice and regulating them including scrutinising audit quality.
- Across the globe, over 50 countries have moved away from self-regulatory professional accountant bodies (like ICAI) and created independent audit regulators (like NFRA).
- In India, the move to set up a new oversight body for the accounting and audit professions was approved by a parliamentary panel.
- After the Satyam scandal (2009), the Standing Committee on Finance proposed the concept of the NFRA for the first time.

Functions of the NFRA:

- Recommend accounting and auditing policies and standards to be adopted by companies for approval by the Central Government.
- Monitor and enforce compliance with accounting standards and auditing standards.
- Oversee the quality of service of the professions associated with ensuring compliance with such standards and suggest measures for improvement in the quality of service.

- Perform such other functions and duties as may be necessary or incidental to the aforesaid functions and duties.

NFRA's Jurisdiction:

- The NFRA will oversee the quality of service and undertake investigation of the auditors of listed entities; unlisted entities with paid-up capital of not less than ₹500 crore or annual turnover of over ₹1,000 crore or those having aggregate loans, debentures or deposits of not less than ₹500 crore as of March 31 of the preceding financial year.
- The ICAI retains the jurisdiction of small listed companies. The NFRA will also have oversight over auditors of banks, insurers, electricity firms and also those body corporates referred to it by the Centre. It will investigate matters, either suo moto or on a reference made to it by the Central Government, of professional misconduct by chartered accountants (CA) or CA firms, impose a penalty and debar the CA or CA firm for up to 10 years.

2. Stagflation

Why in News?

- Shrinking of IIP again has accelerated the inflation which has led to the Stagflation.

About:

- According to official data released recently, Industrial activity has contracted for the third consecutive month in October by 3.8%, driven by a fall in activity across sectors.
- Inflation refers to the rise in general price level in the country over a period of time. Inflation could be monetary or price inflation.
- When you have inflation more money is being circulated in the economy which causes the currency to lose its purchasing power and this leads to an increase in the price of goods and services. Over the course of many years, economic cycles go through periods of inflation, deflation and stagflation.

Concepts related to Inflation:

- **Deflation:** A general decline in prices, often caused by a reduction in the supply of money or credit. Deflation can be also caused by a decrease in government, personal or investment spending.
- The opposite of inflation, deflation has the side effect of increased unemployment since there is a lower level of demand in the economy, which can lead to an economic depression.

- **Stagflation:** When you have a slow economy with high inflation rates and unemployment, stagflation is usually the result. When the economy does not grow and prices continue to rise you have a stagflation cycle in the economy.
- **Disinflation:** This is a reduction in the rate of inflation over time, even though inflation itself may be positive.
- **Reflation:** It is an attempt to bring back inflation in an economy, which is in deflation so as to induce growth.

3. Bharat Petroleum Cooperation Ltd (BPCL)

Why in News?

- Recently, Government is strategic sell of 53.39% stake in BPCL.

About BPCL:

- It is a Government of India controlled Maharatna-Oil and Gas company.
- It is headquartered in Mumbai, Maharashtra.
- It operates two large refineries situated in Kochi and Mumbai.

Types of Disinvestment

	Normal Disinvestment	Strategic Disinvestment
% of shares sold by Government	< 50 % of a PSE	> 50% of a PSE
Final Ownership	Government	Private sector entity

Criteria for Maharatna status:

- The company should already hold Navratna status.
- The Average annual turnover of company during the last 3 years is more than Rs. 25,000 crores.
- The Average annual net worth during the last 3 years is more than Rs. 15,000 crores.
- The Average annual net profit after tax during the last 3 years is more than Rs. 5,000 crores.
- The company should have a significant global presence or international operations.

4. CAR-T Treatment

- This treatment involves gene therapy techniques not to fix disease causing genes but to turbocharge T cells, immune system cells that cancer can evade.
- It is not a pill or a form of chemotherapy.
- The cells removed from patient's blood along with white blood cells is encoded with viral vector, reprogrammed in lab.
- It is reprogrammed to harbour chimeric antigen receptor (CAR) that specifically targets cancer cells.
- The revived and reprogrammed cells after returned to the patient continue multiplying to fight disease for months or years.

