

# Prelims Focus - 17th April 2024

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## Special Rupee Vostro Account (SRVA)

### Recent News:

The Indian government has simplified the payment process for traders importing pulses from Myanmar by implementing a direct payment system using the Rupee/Kyat currency through the Special Rupee Vostro Account (SRVA) with Punjab National Bank.

### Details on SRVA

- SRVA is a domestic account held by domestic banks for foreign banks in the local currency, enabling domestic banks to offer international banking services to their clients who require global banking services without the need for a physical presence overseas.
- The SRVA is an extra feature added to the current system that utilises easily exchangeable currencies and functions as a supplementary system.
- It consists of three crucial elements. All trade transactions must be conducted in the domestic currency, with exchange rates determined by the market. Settlement of payments also occurs in the domestic currency.
- This process aims to make trade transactions more efficient and cut down on expenses related to changing currencies.

## Ashwagandha

### Recent News:

The ancient Indian herb Ashwagandha is becoming increasingly popular worldwide due to its wide range of health benefits. Scientific studies have shown that research has the potential to improve stress management, cognitive function, physical performance, and other areas.

#### **Details:**

- Ashwagandha is a popular herb in Ayurvedic medicine, known for its potential health benefits.
- It's classified as an adaptogen, which means it may help the body manage stress.
- Some of its purported benefits include reducing stress and anxiety, improving mood, enhancing brain function, boosting immunity, and even increasing fertility in men.
- Research on ashwagandha is ongoing, and while some studies support these claims, more research is needed to fully understand its effects and mechanisms of action.
- It's typically consumed in supplement form, but it can also be brewed into teas or added to smoothies.

## **Shrinkflation**

**In News:** As input prices turn inflationary, the fast-moving consumer goods (FMCG) segment can experience shrinkflation.

- Shrinkflation is the practice by means of agencies of lowering the size or amount of a product at the same time as preserving the identical rate. For instance: reducing the scoops of ice cream in a field or lowering the wide variety of chips in a packet could count as shrinkflation.
- **Causes:** Rising production prices, Avoid sensitivity of customers to price increases.

## **Sensex**

**In News:** The Indian stock market has recently extended losses for the third straight session.

- Sensex is the benchmark index of the Bombay Stock Exchange (BSE) in India.
- It was released on January 1, 1986 as a basket of 30 shares representing the country's largest, financially-sound companies indexed on the BSE.
- The term 'Sensex' is a mix of words 'Sensitive' and 'Index' and was coined by stock market expert Deepak Mohoni.
- If the Sensex value increases it means that there is a standard growth in the costs of stocks. On the other hand, if the fee of Sensex declines, it means that there may be a decrease in percentage costs.
- Since sensex comprises agencies from all key sectors of the economic system, it reflects the sentiment of the stock market in India.

## **Science Based Targets initiative (SBTi)**

**In News:** The SBTi declaration of allowing companies to utilize carbon offsets to fulfill their climate commitments has gathered widespread criticism.

- The Science Based Targets initiative (SBTi) is a climate action company that permits

businesses and monetary institutions worldwide to play their part in combating the climate disaster.

- SBTi carry out numerous characteristic along with;
  - Defines and promotes best practice in emissions reductions and net-zero goals consistent with climate science.
  - Develops standards, tools and steering to permit organizations and financial institutions to set science-based targets as per the latest climate science.
- Through its validation services arm, it assesses and validates organizations and economic establishments goals.